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LITIGATION III, ANTITRUST DIV.
U.S. DEPT OF JUSTICE

John R. Read
Chief, Litigation III Section
United States Department of Justice
450 5th St NW
Suite 4000
Washington DC 20530

May 8, 2012

Dear Mr. Read:

The Board of the Association of Authors' Representatives recently sent you a letter regarding the proposed settlement between the Justice Department and three publishers with respect to e-book pricing.

In that letter, the AAR board urged you to "reject the proposed settlement" and "allow the market to return to one that protects the value of our clients' intellectual property from unfair and predatory discounting."

I also urge you to reject this settlement. I am a former executive editor (for both Morrow/Avon, which is now a division of HarperCollins, and Bantam/Doubleday/Dell, which is now a division of Random House), and am currently a literary agent and publishing consultant.

If you accept this settlement, you will, I believe, abet in the destruction of thoughtful intellectual discourse in America. Well-researched nonfiction books are the optimal vehicles for the dissemination of new ideas. Well-written novels inspire other writers, and encourage imagination, organization, creativity and the pursuit of everything that goes along with intellectual advancement.

Such books fortify a civil society.

The current system of traditional publishing is not a business with high profit margins, and it is far from perfect. But it does enable multiple companies to pay a variety of editors, writers, designers, and marketers to discover, perfect and promote a broad mix of written works that merit publication. The money that supports this system comes through the individual purchase of commendable books, reasonably priced. It is not a business sustained by advertising revenues, by the sales of other vehicles (such as e-readers), or by a system of patronage.

In other words, the book publishing business relies on reasonably priced individual products, sold to individual readers, for its survival.

Amazon is a behemoth. If it is able to set any price it wants for the products it distributes--books published by companies with whom it is competing, through the Amazon Publishing Division--Amazon *will* drive book prices so low reputable publishers will go out of business.

Book prices have been consistent for many years; standards have evolved through natural and real market forces weighed against the actual costs of doing business, whether or not anyone made any calls to anyone else when Apple got into the ebook game.

Amazon's ebook pricing is based neither on real market forces nor on the actual cost of publishing books. Amazon is supported by many revenue streams, and holds multiple other interests, including the Kindle products.

The business Amazon stands to destroy—the business that provides thoughtful standards for the quality of popular books—is an important one to every person in this country. The publishing business is one that should be protected by the DOJ, not dismantled by it.

Amazon already owns and promotes the country's leading self-publication engine, CreateSpace. Amazon makes it simple for unschooled writers to "publish" ebooks and distribute them through Amazon's own Kindle ereaders for virtually no cost. Amazon also, as noted, has its own publishing division. Accepting this settlement will leave Amazon as the channel through which virtually all books must pass—self-published or Amazon published.

What kind of books will these be, without competitive, schooled publishers to choose, edit and promote them? This I can predict: only those authors with wealthy sponsors or advertisers—or books that feed very prurient interests—will break through the massive numbers of self-published books to become known to readers.

Instead of a free and competitive market populated by professional businesses promoting worthy intellectual property, we will enter a new age of illiteracy where readers will find only those books that are either promoted through the patronage of a corporate Medici, or are self-published merchandise with the mass market appeal of the average YouTube cat on a keyboard.

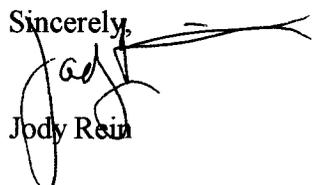
Most serious, literary books will remain either unpublished or invisible.

Some publishers of serious or very targeted books will choose not to be distributed by Amazon. Such niche books, priced outside the reach of the average consumer without hope for economies of scale or chance of breaking out, will further the gap. Good books will become a commodity only the wealthy can afford. This is already happening.

Certainly this can't be the competitive market you had envisioned when making your initial ruling.

Thank you for your consideration.

Sincerely,



Jody Rein

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