

**From:** Carole Horne [mailto:chor[REDACTED]]

**Sent:** Monday, June 25, 2012 5:44 PM

**To:** Read, John

**Subject:** Your decision on the settlement concerning the agency model for selling ebooks

John Read

Chief, Litigation III Section

Antitrust Division

U.S. Department of Justice

450 5th Street, NW, Suite 4000

Washington, DC 20530

June 25, 2012

Dear Judge Read,

As the General Manager of Harvard Book Store, an independent bookstore privately owned and not affiliated with Harvard University, I believe that the agency model for selling ebooks has been necessary to allow bricks-and-mortar bookstores to sell ebooks, has been good for publishing, and, most importantly, good for readers and book buyers. Since its introduction, the agency model has largely eliminated below-cost pricing, predominantly led by Amazon.com, which, in the long run reduces or eliminates competition among both retailers and publishers.

Since the introduction of the agency model many more independent booksellers are selling e-books. The agency model has lowered prices to our customers, and we have seen significantly increased price competition among publishers in regard to promotions, discounts, and special offers, all of which have allowed us and other bricks-and-mortar bookstores to offer customers a wider selection of titles at a greater value. A diverse marketplace is intrinsically more competitive, not less so.

Deep discounting of books, and then ebooks, was a key component in Amazon's strategy for growth. In the short term it might seem that consumers benefit from such discounting, but if the end result is an America with only one dominant bookseller, consumers are poorer in important ways. It's astonishing to me that DOJ would risk the health of an industry as important to the cultural and intellectual life of our nation as bookselling and publishing so that one retailer could pursue a strategy that is almost certain to result in monopolization of the e-book market.

Before the introduction of the agency model, Amazon had a 90 percent market share in e-books, because they were selling below cost, a price far lower than we could purchase e-books from publishers. With the agency model, independent bookstores and others have been able to join the market, which has become far more competitive and diverse. If the agency model goes away for a significant period of time, Amazon will almost certainly return to pricing below cost to increase its e-book market share. I believe this can only be detrimental to the reading public.

As I understand it, the DOJ's primary concern is with collusion among publishers and Apple. To dismantle the agency plan structure seems to be a remedy that goes far beyond the issue. If there is indeed proof of collusion, there must be remedies that are appropriate, but which do not take away the single thing that is holding at bay Amazon's monopoly of the ebook business. In the end, monopolies are worse for consumers than the reasonable prices that allow a diverse marketplace to thrive. Please consider the importance of a diverse literary marketplace in coming to your decision.

Sincerely,

**Carole Horne**

Carole Horne, General Manager, Harvard Book Store,  
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