

From: Sarah Goddin [mailto:sar[REDACTED]]
Sent: Monday, June 25, 2012 10:25 AM
To: Read, John
Subject: Comments on e-book lawsuit

Quail Ridge Books and Music
3522 Wade Avenue
Raleigh, NC 27607
June 24, 2012

John Read
Chief Litigation III Section
Antitrust Division
U.S. Department of Justice
450 5th Street, NW, Suite 4000
Washington, DC 20530

Dear Mr. Read:

Please include my comments in your consideration of the Department of Justice lawsuit against Apple and several publishing firms for collusion in the pricing of e-books.

I have been a bookseller, bookstore owner, or bookstore manager for 33 years and have observed and dealt with many changes in the terms publishers set for pricing their products and how they sell them. In this case I think further investigation would show that the publishers were acting individually in their own best interests, as they have in making many other decisions over the years that resulted in many of them having similar discounts and pricing models. And, as regards the pricing of e-books in particular, their actions (using the agency model for sales) would lead to a long term result of more diversity in the marketplace and lower prices. Amazon, with its predatory below-market pricing, and refusal to sell e-book rights on its own titles, is the entity seeking to monopolize and control the market. If the agency model were to be abandoned, independent bookstores and other outlets who currently sell e-books, would be forced out of the marketplace by Amazon's selling below market prices in order to not just dominate, but monopolize the field. Once a monopoly is established, prices rise, not fall.

If there is any doubt of Amazon's seeking to control pricing, one need only look at their treatment of Macmillan when that publisher acted, entirely independently, in setting its e-book prices itself, rather than giving in to Amazon's demands. Amazon immediately removed the buy buttons from ALL Macmillan books, print and e-book, in an attempt to control the pricing of the market.

Another very important and potentially devastating result of abandoning the agency model and allowing Amazon to continue with its predatory price control unabated, would be the lack of sufficient compensation for authors. If publishers are forced to lose money on e-books, which are fast becoming the dominant sales channel for books, that would result in a much less diverse marketplace. Publishers would not be able to support paying authors a living wage or to publish titles without the ability to make a profit on them. Books are more than mere commodities. The diverse range of books available, fiction and nonfiction, is an underpinning of our democracy and freedom of thought and expression. These should not be controlled by one dominant player in a country as diverse as ours. If Amazon can refuse to sell the books of a major publisher because of a price dispute, what kind of control might they exercise in the future if they are allowed to increase their domination?

In conclusion, please re-examine both the nature of the lawsuit and its consequences, intended and unintended. Publishers follow each others lead on pricing and other policies all the time, to match the competition or to provide a more profitable or stable sales environment. This is not collusion, it is sound business policy. And, if this lawsuit were to succeed, it would have a very damaging effect on the diversity of books and booksellers.

Sincerely,
Sarah Goddin

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