

**From:** jsbagnu[REDACTED] [mailto:jsbagnu[REDACTED]] **On Behalf Of** Jessica Stockton Bagnulo  
**Sent:** Friday, June 22, 2012 1:36 PM  
**To:** Read, John  
**Cc:** Dan Cullen  
**Subject:** Public Comment on the Proposed Consent Decree in United States v. Apple, Inc., et al., 77 Fed. Reg. 24518 (April 24, 2012)

Dear Mr. Read,

I would like to add my voice to the many concerned individuals who have expressed disagreement with the Department of Justice proposed consent decree against several publishers on charges of collusion with regard to ebook pricing. Regardless of the Justice Department's intentions with regard to this action, it shows a lack of understanding of the realities of the book business -- a misunderstanding which independent bookstore owners like myself would like to help correct.

Before the institution of the agency pricing model for ebooks, there was essentially one player in the ebook market: Amazon.com. Amazon's enormous size made it able to discount ebooks (as well as print books) extremely heavily, and there was little publishers could do to prevent it. Other booksellers, unable to offer loss-leader pricing, were entirely unable to compete, creating a de facto monopoly. This, it seems, is something the Justice Department would want to prevent.

The agency pricing model allows all channels in the ebook market to compete on a level playing field: to attract customers with customer service, title curation, and other factors besides price. Disallowing this model will return the monopoly to Amazon. Booksellers like myself will again see their ebook sales disappear as customers seek out unrealistically low prices they can get from the one player in a completely non-diverse market. This means increasing monopolization of the book sales market by Amazon -- a situation which is not in the spirit of free market competitiveness.

The no-bid deal offered to Amazon by the State Department, while not directly connected, complicates this matter even further. The appearance is of preferential treatment of Amazon by the U. S. Government, from multiple departments, and a favoritism for a single corporation at the expense of every other player in the industry. Whether or not this is the case, outrage continues to grow at the government's lack of understanding of the situation, and perpetuation of a model that is less and less competitive.

In markets such as France and Germany where fixed-price structures for books are the norm, the countries continue to experience a robust, diverse and vibrant book industry with many bookstores, both physical and online. In countries such as Britain where

discounting has been allowed to increase unchecked, the bookstore industry has been decimated by closings. I hope that the Department of Justice will consider which of these models is in fact the best for business in the United States.

I am certain that others have explained this to you before. I hope that they will continue to do so until our arguments are impossible to ignore. This is an issue which strongly affects small business in the U.S. If the Justice Department continues to pursue this mistaken proposed consent decree, it will effectively put more stores out of business, contribute to a monopolistic arrangement, and result in closed businesses and lost jobs. Please consider my comments and those of others and change tactics.

Best regards,  
Jessica Stockton Bagnulo

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