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LITIGATION III, ANTITRUST DIV.
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Mr. Read,

I am a bookseller at an independent bookstore in the San Francisco Bay Area and I do not approve the recent settlement with three major publishers announced by the Department of Justice. My primary concerns are that the DOJ seems to grossly misunderstand the worth of ebooks and that the settlement unwittingly paves the way for Amazon to single-handedly control the industry.

First, concerning the value of digital media. I would like to point out that, yesterday, I made Word document into a PDF and then sent it to a friend to read, via email, and it cost me absolutely nothing. The US claims: "As a result of Defendants' illegal agreement, consumers have paid higher prices for e-books than they would have paid in a market free of collusion." Of course, the literal cost of a digital file is nothing, a fact which immediately reminds me of a little company called Napster.

How can we not consider the music industry of 15 years ago? Now, there's a portion of the entertainment industry that has been ruthlessly pillaged by consumers who refuse to be good patrons (rather, who have been told it's okay to be anti-patrons). When physical media goes digital, any industry will take a huge hit, because we have not yet reached a cultural consensus on how to accommodate e-commerce with real dollars. It's bad enough that there is plenty of illegal file sharing, streaming, and pirating going on around the internet, to now violently slash the prices of digital media undermines those who produce that media even further. Worse, to sue those who produce the art for trying to protect its intrinsic value--for attempting to protect the vitality of an entire industry from the corporate greed of those who do not bear the cost of production.

As I said, it is a confusing thing, the economic tensions between physical and digital media. It is, these days, easy to

forget that we do not live in the cloud. But we will never eat digital food nor will we live in iHomes. We will never transfer the entirety of this world to the virtual. At the end of the day, this is an argument about the worth of a piece of art and the way we'll parcel our budget pie-charts. If we perpetuate the lie that art is not rooted in the physical world, then physical media will become obsolete. The publishing houses will go bankrupt. The work of authors, so undervalued and left unprotected by publishers, will not support our authors, who will not write for a living. It is not a solution to say: "This physical book retails at twenty-eight dollars, the digital file is worthless, so let's split the difference at \$3.99." I do not understand why, in all industries, production costs dictate retail costs, but we are taking that away from the publishing industry when it comes to this one thing, simply because they dared assert an appropriate price point. This is absurd.

Which brings me to the recently announced Amazon-State deal concerning Kindle. I find it unconscionable that the US is pursuing a lawsuit with three major publishing houses while simultaneously colluding with Amazon CEO Jeff Bezos to make Kindle the official e-reader of the Americas (I will point out, my bookstore cannot sell ebooks to customers with Kindle, because only Amazon can supply ebooks to Kindle). If that's not a conflict of interest, I don't know what is. Financially cripple major publishers and make a national push to promote Kindle ebooks? This isn't protecting the consumer or the free market, this would be setting a precedent with unimaginably devastating consequences. This is the death of independents and small business.

So I appeal to the courts: do not tie the hands of the publishing industry at this critical historical moment, because you have apprehended the wrong criminal. You are playing to the interests of a truly dangerous threat to the free market and we will all lose.

Yours,

Susannah Long

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