

From: Yvonne W Dennis [mailto:bluesfa[REDACTED]]
Sent: Sunday, June 24, 2012 11:05 PM
To: Read, John [John.Read@ATR.USDOJ.gov]
Subject: Stop Amazon's predatory attacks on bookstores!

Dear Chief Read:

Please do not support Amazon's unfair business practices. We need more "real" bookstores, not fewer. Bookstores not only offer a wide selections of books, but they offer story hours for children, promote discussions and provide jobs for the community. As an author and a consumer, I need bookstores!

Please read below. Your help is vital!

Thanks,
Yvonne Dennis

The Justice Department alleges that Apple and five large publishers colluded to introduce "agency pricing" to e-books.* The DOJ's proposed settlement would allow Amazon to resume the predatory pricing that allowed it to capture 90% of the e-book market while undermining its offline competition. (Amazon could select which e-books to sell at a loss, so long as it doesn't lose money over the publisher's entire list of e-books over a 12-month period.)

This is a big mistake:

1. Amazon controls the market for an estimated 90% of in-print titles. Amazon has long commanded 75% of the online market for trade books in print form. Since only 10% of in-print books (frontlist books and core backlist titles) have substantial sales in brick-and-mortar stores, the online market is the only market that matters for most books. (Estimates vary, but it appears that there are about 2 million books in print. The largest brick-and-mortar stores might carry 150,000 titles; a typical independent bookstore carries a fraction of that.)

2. Amazon's predatory pricing targets 1% of in-print books: the books that its brick-and-mortar competitors rely on to bring customers to their stores. When not constrained by agency pricing, Amazon takes substantial losses on each sale of a specific subset of frontlist e-books – the bestsellers, near bestsellers, and might-be bestsellers. Losing \$2 or \$3 on each of these e-books pays immediate dividends. Since Amazon owns online bookselling (see Item #1), keeping readers out of bookstores keeps them on Amazon's turf.

3. A healthy literary marketplace depends on brick-and-mortar bookstores. Many books will never find their audience unless they're displayed on bookstore shelves and

tables. These books include, of course, children's picture books, art books, and many cookbooks, which have to be seen and held to be appreciated. Bookstores are also destinations for readers, in a way that no online store can replicate. No one plans to take their kids to Amazon on Saturday to browse and pick out a book, for example, and people don't escape to Amazon to unplug and relax for a while. Those trips matter. Marketing studies confirm that readers are far more likely to buy unknown books by unfamiliar authors if they see them in a bookstore. Amazon, on the other hand, excels as a search engine for books readers have already heard of. This is one of the reasons the online market skews heavily toward familiar authors. Clearly, Amazon is committed to capturing the U.S. book market by forcibly moving it online, where it can more easily eliminate its competitors. Economic history tells us that monopolists tend to dictate terms to all participants in their markets. For the sake of our literary culture, our book market deserves a better fate.

The Justice Department is required to submit your comments to the U.S. District Judge Denise Cote, who will decide whether the settlement is in the public interest.

Write to: John R. Read, Esq. (john.read@usdoj.gov)
Chief, Litigation III
Antitrust Division, United States Department of Justice
Washington, D.C. 20530

Refer to: U.S. vs. Apple, Inc., et al., 12-cv-2826 (DLC) (SDNY)

Deadline: Comments must be received by June 25, 2012.

Please note: All comments will be published at the Justice Department's website.

* In agency pricing, the vendor acts as the publisher's agent, taking a 30% commission and selling at the publisher's undiscounted retail price. Amazon's e-book market share has fallen from 90% to 60% since agency pricing was introduced in 2010.

This message was sent to you as a member of the Authors Guild. We don't share our e-mail list. To remove your name from our list for *all* e-mail announcements, click unsubscribe, below.

--

www.yvonedennis.com

Treat the Earth well.
She was not given to you by your parents,
she was loaned to you by your children.

We do not inherit the Earth from our ancestors,
we borrow her from our children.
Indigenous Proverb