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ASSOCIATION

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LITIGATION III, ANTITRUST DIV.  
U.S. DEPT OF JUSTICE

May 11, 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,

I am very concerned that the DOJ's investigation into supposed price fixing with regard to e-books is ignoring the real story and the actual ramifications of a decision in favor of Amazon.com.

Several press articles have painted a vivid portrait of a company intent on abusing the book business to lure new customers into the fold. Whether it is demanding exclusive discounts from suppliers, selling books at a loss, or practicing sales tax avoidance with a vengeance, Amazon continues to prove itself a truly awful corporate citizen.

And now, the DOJ is helping to accomplish what Amazon was unable to do on its own – bully publishers to change the agency price model and allow Amazon to destroy the e-book market with predatory pricing. The notion that Amazon selling e-books at below-cost prices is good for consumers is nonsense. The company wants to use e-books as a loss leader to attract new business and to kill off competition.

More troubling is the consequence of Amazon having an effective monopoly on the e-book business. It will be able to dictate wholesale prices and monetary concessions, which will greatly reduce the profitability of creating an e-book in the first place. The leap to authors not able to support themselves and publishers choosing not to publish certain books rather than risking non-profitability is a very small one.

The agency model ensures that all booksellers have a fair opportunity to compete in the marketplace and to offer book reading consumers the widest diversity of reading material. If Amazon is allowed to monopolize the burgeoning e-book market by setting prices below cost, bookstore closings will increase and the number of books being published will greatly diminish.

Respectfully,

Hut Landon  
Executive Director,  
Northern California Independent Booksellers Association