



Consumer Federation of America

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FOR IMMEDIATE RELEASE
April 11, 2012

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CFA CALLS ON SENATE AND DEPT. OF JUSTICE TO PROTECT CONSUMERS FROM E-BOOK PRICE FIXING **Statement of CFA's Dr. Mark Cooper**

Washington, D.C. – Earlier this week in a letter to the Senate Committee on Antitrust, Competition Policy and Consumer Protection the Consumer Federation of America (CFA) charged that the e-book price-fixing arrangement, entered into by five major book publishers and Apple, is an anticompetitive practice that violates antitrust laws and will cost consumers over \$200 million this year. It called on the Committee to look into the issue and support vigorous steps by the Department of Justice to eliminate the practice.

In response to the lawsuit filed today by the Department of Justice, CFA's Director of Research, Dr. Mark Cooper, released the following:

“Earlier this week we wrote the Senate Subcommittee on Antitrust, Competition Policy and Consumer Protection expressing our concerns about the price fixing scheme entered into by five major publishers and Apple. The complaint and lawsuit filed today by the Department of Justice confirms our worst fears. Three of the six companies named have settled the complaint. After reading the complaint, we find ourselves almost hoping that the hold outs go to trial for three reasons.

First, there is little chance that the Department of Justice will fail. This is a ‘slam-dunk’ case of collusive, anti-competitive behavior.

Second, the evidence at trial will make it easier and provide wealth of ammunition to explain why the process we call ‘digital disintermediation’ is so good for consumers and why the currently dominant ‘physical-space’ firms are threatened by it.

Third, at this crucial moment in the transition to a digital economy, the case will make clear that antitrust laws have an important role to play in ensuring competition in the digital economy of the 21st century.”

A copy of the letter can be found at: <http://www.consumerfed.org/pdfs/cooper.e-book.antitrust.letter.sen.4.9.12.pdf>

The Consumer Federation of America is a non-profit association of some 280 national, state, and local pro-consumer organizations founded in 1968 to promote the consumer interest through research, education and advocacy.