
I wanted to ask your opinion about an idea we've had that would take authors out of the middle of the Hachette-Amazon dispute (actually it would be a big windfall for authors) and would motivate both Hachette and Amazon to work faster to resolve the situation.

Our first choice would be to resolve a dispute like this through discussion only. We tried that already. We reached out to Hachette for the first time to discuss terms at the beginning of January for our contract which terminated in March. We heard nothing from them for three full months. We extended the contract into April under existing terms. Still nothing. In fact we got no conversation at all from Hachette until we started reducing our on-hand print inventory and reducing the discounts we offer customers off their list prices. Even since then, weeks have gone by while we waited for them to get back to us. After our last proposal to them on June 5th, they waited a week to respond at all, promising a counteroffer the following week. We are still waiting a month later.

We agree that authors are caught in the middle while these negotiations drag on, and we're particularly sensitive to the effect on debut and midlist authors. But Hachette's unresponsiveness and unwillingness to talk until we took action put us in this position, and unless Hachette dramatically changes their negotiating tempo, this is going to take a really long time.

Here's what we're thinking of proposing to them:

- If Hachette agrees, for as long as this dispute lasts, Hachette authors would get 100% of the sales price of every Hachette e-book we sell. Both Amazon and Hachette would forego all revenue and profit from the sale of every e-book until an agreement is reached.

- Amazon would also return to normal levels of on-hand print inventory, return to normal pricing in all formats, and for books that haven't gone on sale yet, reinstate pre-orders.

Here's an example: if we sell a book at \$9.99, the author would get the full \$9.99, many multiples of what they would normally get. We can begin implementing this arrangement in 72 hours if Hachette agrees.

We haven't sent this offer to Hachette yet - we're sending this to a few authors and agents to get feedback first.

What do you think? Would this be helpful, especially for midlist and debut authors?

Can we talk on the phone later today or tomorrow once you've had a chance to digest?

Thanks and look forward to talking.