

**From:** Steve Jobs <sjobs@apple.com>  
**To:** Eddy Cue <cue@apple.com>  
**Subject:** Re: Book Industry Reactions to Amazon's Move  
**Received(Date):** Sat, 30 Jan 2010 13:22:43 -0800

Wow, we have really lit the fuse on a powder keg.

Sent from my iPhone

On Jan 30, 2010, at 1:12 PM, Eddy Cue <cue@apple.com> wrote:

From Publishers Deluxe Lunch blog

<http://www.publishersmarketplace.com/>

**January 30, 2010**

**Reactions to Amazon v. Macmillan from Authors, Customers and the Trade**

We've been surveying comments from all over the web on Amazon's removal of Macmillan's buy buttons today, as well as eliciting thoughts from members of the trade. Amazon's own customers express a wide range of everything from support to dismay with the etailer's move, but the most damaging aspect of their action in the short-term may be this. Not only did they disable the buying of Kindle editions of Macmillan's books, but they also removed any Macmillan titles that Kindle owners had put on their "wish lists" and apparently deleted sample chapters from Macmillan books as well. That removal in turn has echoes of the incident last summer when Amazon deleted copies of certain books from Kindle owner's libraries, in violation of the site's own terms of use. As one poster writes, "we do feel vulnerable, even if Amazon is right to fight. Wishlists disappeared, with no backup of what the titles were. Sample books we chose to download lead to links that say Error. It reminds us that we do not have control over the situation, even if we backup, since what is offered today may not be available tomorrow." (Amazon apologized for that earlier incident, provided refunds to customers, and eventually settled a customer lawsuit.)

While many customers support Amazon's efforts to provide low prices, one open letter suggests that the company let customers decide for themselves what is the right price. "Here's a thought Jeff: You list them and I will decide if I want to buy them or not. How's that sound? I agree with you they should not cost more than \$10, but I can enforce that with my pocketbook. I don't need you to make a big hairy freakin deal out of it on my behalf and I certainly don't need you to limit my choices based on this principle."

In speaking to agents for some of Macmillan's current bestselling authors and executives at other publishers, we found empathy and support for Macmillan at this point. Co-head of the William Morris Endeavor books department Eric Simonoff, whose clients include Douglas Preston (author of the January Tor release *Impact*), told us: "The current model of Amazon selling Kindle editions as a loss-leader is fair for publishers and authors in the short-term but as we have told Amazon we don't believe it is sustainable in the long term. Something had to give to prevent the ongoing devaluation of e-books. Macmillan is the first to draw



a line in the sand but we expect not the last."

Tina Bennett at Janklow & Nesbitt, agent for Atul Gawande's new bestseller, comments: "This development is very unfortunate for my author, but it's also troubling for public health. The checklist approach that Gawande describes in his book is a major life-saving advance. It has been demonstrated to reduce harm to surgical patients by more than a third, but has yet to be widely adopted in US hospitals. To make *THE CHECKLIST MANIFESTO* unavailable for sale is the equivalent of blocking the distribution of a book announcing the discovery of penicillin."

Among remarks from Macmillan authors posting online, perhaps one of the most curious came from Sherrilyn Kenyon, who posted to Facebook and then later in the day removed her entry, which read in part: "All of you asking why you can't find my books on Amazon Kindle? It seems that Amazon is the one to blame. They are in a disagreement with my publisher and to prove a point, they have removed Macmillan books from their Kindles."

"Yo.u know, as a Kindle owner, I have problems with this. They're not cheap and I bought it so that I could download the books I wanted to read. I don't like a store taking something from me like this without warning. It's just like when Amazon removed books from my Kindle that I'd paid for because they didn't have permission to sell them."

One senior publishing executive called the move by Amazon "fairly draconian" but added that their company had not received any threats of similar action from Amazon. As we've said before--though consumers have not yet gotten the message--the agency model that publishers are trying to implement with Apple and across their customer base actually lowers the publishers' proceeds from each ebook sale and gives more profit to sellers versus the current loss-leading model behind the \$9.99 price point.

Another senior publishing executive said that "Amazon may 'spin' that the consumer is at the heart of the decision, but really their goal is a monopoly position in books." That person added, "This reaction proves what Amazon's true motives are. It is a signal to any other publishers not to change the model and weaken Amazon's pathway to a monopoly. I hope authors, agents and publishers see what these motives are and stand by Macmillan."

