FEDERAL TRADE COMMISSION
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SECRETARY
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HARMONY MUSIC
1512 Dak Ave S
Huron, SD 57350

To The Federal Trade Commission:

As a music retailer, I take exception to your pursuit of music distributors to eliminate the use of Minimum Advertised Price (M.A.P.) policies. This policy helped revive an ailing music industry, built around established and new artists, retailers, wholesalers, and a large group of people who depend on music sales for a living. It has grown to a $15 billion business that touches many industries inside and outside our town.

Your effort to lower prices to consumers will come with a heavy cost to the music industry and others as well. Lets look back a few short years ago to the industry before M.A.P. In the period between 1994-1996, at the height of music price wars between mass merchants and consumer electronics chains, our industry lost over 1,000 independent music stores and eleven music chains were forced into Chapter 11 or went bankrupt. The major distributors during and after that time did not receive one cent more in gross profit, they continued to charge the same price per unit as before. M.A.P. was the saving and stabilizing force within our industry.

You must understand, selling music at low prices or below cost prices to drive customer traffic will only lead to higher prices as competition is eliminated in a few short years. Just think about it: less money to provide new artists, the loss of ethnic and minority music and thousands of national chain and independent retailers and their employees out of work.

I urge you to rethink the elimination of M.A.P. If not, I'm sure you will look back in a few short years to discover it was a huge and costly mistake.

Sincerely,

Bruce Harmon

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