ORIGINAL

FEDERAL TRADE COMMISSION
RECORDS DOCUMENTS
MAY 24 2000
SECRETARY

To the Federal Trade Commission,

As an indepent music retailer, I strongly urge you to reconsider your recent rulings regarding M.A.P. (Minimum Advertised Price) in the music industry. M.A.P. policies have helped to rescue an ailing industry and allowed small independently owned businesses to remain competitive in the marketplace. We are talking about businesses that are in most cases family or minority owned. Without M.A.P. these businesses will most likely be driven out of business.

Your motivation in this case seems to be lower prices for consumers and on the surface it appears that your ruling will provide that. However, if you dig a little deeper, I think you will find that in the long run, your decision will do more damage than good. For example, between 1994 and 1996 (prior to M.A.P.) a price war ensued in the music industry that was started by the mass merchants, over 1000 independent music retailers were forced to close their doors, eliminating viable businesses from communities that could least afford to lose them and eliminating jobs from communities that could least afford to lose them. In addition, eleven national and regional music chains were forced into Chapter 11 or bankruptcy, once again eliminating jobs, reducing the tax base and clogging our already overworked courts. Rest assured that if your ruling stands, it will be the same thing all over again. The elimination of competition will, in the long run, drive prices up!

As an industry, the music business has always been highly competitive and that is fine. However, what we are looking at in the future is not competitive pricing, it is predatory pricing, designed for the sole purpose of eliminating competition. How can the FTC and Congress endorse this idea?

M.A.P. was a policy designed to help save the music industry. Few within the industry objected to it and the revival of the industry in the past five years attests to it's success. I hate to resort to the use of cliches, but "if it's not broke, don't fix it". The music retail industry has made a resounding come back over the last five years, but what you are allowing to happen will result in a depressed industry, the loss of countless jobs and a reduced tax base. I implore you to further investigate this matter and to reconsider your decision.

Sincerely,

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