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May 25, 2000

Office Of The Secretary
FTC
600 Pennsylvania Ave. NW
Washington, DC. 20580

Dear Sirs:

This letter is in regards to the MAP Policy being absolished by the FTC this month. As a Retailer-Wholesaler of Records, Cassettes, CD's Videos, DVD's, and all forms of prerecorded music/video, it is with regret that I view this change.

As a company selling these items since 1972, our entire income is derived from music/video. We have had to deal with price wars on our items through mass merchants which have no regard for others. In this market we have seen many stores close and this situation will result again.

The other factor that needs to be understood is that we carry deep inventory of 500,000+ titles. The MAP policy effects all, but the public will face a situation where catelogue will be devalued as mass merchants carry hot titles and ignore the depth of catelogue. Another is the recent growth of the internet, this creates a new competitor, those that download music with cd write drives, thereby avoiding copyright laws.

I believe that MAP policy is the needed approach as independent sellers of music are not earning huge profits. A situation your commission does not view at all, is the major labels continuing sale through their clubs at teaser pricing with licensing arrangements which do not address the true value of the products.

There has been major consolidations in the retail sector. This has claimed many small, and other businesses. Your actions will result in a price war which will not benefit the consumers. The survivors of this will be those that give away the product insuring their survival through other lines of merchandise. I hope you reconsider your policy on MAP.

Sincerely yours,

Jerry P. Marcus