FLIPSIDE MUSIC & CLOTHING
3716 W. North Ave.
Milwaukee, WI 53208
Phone: (414) 444-4888
Fax: (414) 444-4975

In the early 1990s, many new music retailers, i.e. mass merchandisers, started to sell CD's at low prices to gain customers and market share. This "Loss Leader" concept resulted in thousands of retail (family owned) record outlets and major music chains going out of business. Obviously, they could not afford to sell at a price below their cost. Although it is not in your area of jurisdiction, you can picture how many empty store fronts there are now in neighborhoods that can least afford them!

The major distributors started Minimum Advertised Price (M.A.P.) policies in 1995 and saved my business along with thousands of other record retail stores. In addition to the competition I am facing with the internet, digital downloading, and MP3, I am confronted by a commission whose ruling will bring harm to me, my family, and the record industry. I urge you to re-think your decision on M.A.P.

There is no doubt in my mind that the price war will start soon in 2000 and my 25 years of hard work and good business will end because you will allow electronic stores and mass merchandisers to sell below cost on music with the sole purpose of a profit built into other more expensive items.

Sincerely,
(Your Name) Demetrius Thompson

Mail your letters to the FTC:

Office of the Secretary
FTC
600 Pennsylvania Ave. NW
Washington D.C. 20580

And to the US Senate:

U.S. Senate Committee of Commerce, Science & Transportation
508 Dirksen Senate Office Bldg.
Washington, D.C. 20510

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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 own.

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 once 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,
(Your Name) Demetrius Thompson