



Federal Trade Commission:

As a music retailer, I am requesting that you reconsider the proposal to eliminate the minimum advertised price MAP protection. The major labels instituted these policies back in 1995, and it resulted in saving many small businesses from liquidation. The large electronics distributors use compact discs as a loss leader to entice consumers into their stores. This results in a cheapening of the product, wherein the consumer believes that the "normal" price for a CD is \$9.00 or \$10.00, when in actuality they cost me in the range of \$9 to almost \$14.00!

The music industry is at a crucial crossroad at the present moment. Digital downloading, along with Internet purchasing is already impacting the business climate. Wholesale prices are soaring, indeed the major labels have recently instituted a \$18.98 price point, which costs the retailer upwards of \$12.50- \$13.80. The proposed abolition of the one protection that the small retailer has, at such a crucial time, will be devastating to the industry, resulting in many family- owned businesses, such as my own to be forced into bankruptcy.

I believe that the abolition of MAP policies will, in the long run, actually cause prices to the consumer to rise. As many smaller retailers are forced out of business, only the large chains will remain, and the prices will begin to soar. Thousands of individuals whose livelihoods are dependant on the music industry will be forced into unemployment, and many family- owned businesses will close. And all of this could be prevented by the retention of MAP. I can see no one who is going to benefit from the elimination of this protection, except for the mass merchandisers who will temporarily use CD's to lure consumers into the stores with the sole purpose of profit built into more expensive items.

Thank-you for your time.

Sincerely,

Peter Dante

Owner- Looney Tunes Music.

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