



TO THE FEDERAL TRADE COMMISSION:

I'm the owner of two music stores. In the early 1990s, many new music retailers, i.e. mass merchandisers (Walmart, Target, Best Buys, Circuit City), 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 stores and major music chains going out of business. 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.

The major distributors started Minimum Advertised Price polices in 1995 and saved many music 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 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. 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.

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

Sincerely,


Dheerendra S. Rangar