To the Federal Trade Commission

9710070
JUN 2000
478937-#101

As a music retailer, I take exception to your pursuit of music distributors to eliminate the use of Minimum Advertised Price (MAP) policies. This policy helped revive a ailing music industry, built around established and new artist, retailers, wholesalers, and a large group of people who depend on music sales for our living. It has grown to a $15 billion business that touches many industries inside and outside our own.

You 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 MAP. 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 charged the same price per unit as before. MAP 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 artist, 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 MAP. If not, I'm sure you will look back in a few short years to discover it was a huge and costly mistake.

Sincerely,

Alberto Barrio