

MOUNTAIN EDGE TAPES & CD'S INC.  
140 E. DEUCE OF CLUBS, SUITE A  
SHOW LOW, AZ 85901  
(OR)  
100 W. WHITE MOUNTAIN BLVD, SUITE D, P.O. BOX  
1229 LAKESIDE, AZ 85929

June 6, 2000

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

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Dear Sir:

As a small music retailer with two stores, in two different towns, each with 1100 sq. ft. of space, 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 our ailing music business.

The major distributors started 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 MP's, I am confronted by a commission whose ruling will bring harm to me, my family, and the record industry, I urge you to rethink your decision on M.A.P.

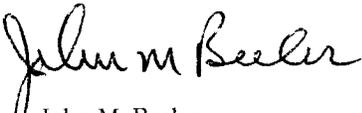
Your effort to lower prices to consumers will come with a heavy cost to the music industry, and others as well. Lets look back a few short years ago to the industry before M.A.P.:

- 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 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.

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 chains, and independent retailers, and their employees, "**OUT OF WORK**".

I urge you to rethink the elimination of M.A.P, if *not*, I am sure you will look back in a few short years to discover it was a huge and costly mistake!

Sincerely,

  
John M. Beeler

CC: U. S. Senate Committee of Commerce, Science & Transportation, Wash., D.C.

520-367-4646 (PINETOP, AZ) OR, 520-537-4161 (SHOW LOW, AZ)

# Sony Music Distribution

550 Madison Avenue

New York, New York 10022-3211

(212) 833-7930

FAX (212) 833-6089

Danny Yarbrough

Chairman

May 15, 2000

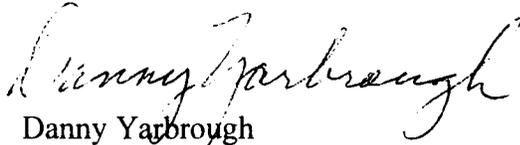
Dear Sony Music Account:

Sony Music announces several important changes in policy. All of these changes will be reflected in the new Policy Manual.

Sony Music has dropped its Minimum Advertised Price ("MAP") policy effective July 7, 2000. Cooperative advertising and other promotional funds will not be conditioned upon the price at which Sony Music product is advertised or promoted. As many of you know, the Federal Trade Commission has conducted an investigation into Sony Music's MAP policies. To end the investigation expeditiously and to avoid disruption to the conduct of its business, Sony Music has voluntarily agreed, without admitting any violation of the law, to the entry of a Consent Agreement relating to MAP and other related matters.

Sony Music's customers can advertise and promote our products at any price they choose. Sony Music will not withhold cooperative advertising or other promotional funds on the basis of the price at which Sony Music product is advertised in the media or promoted in your stores. Sony Music may announce suggested retail prices, but retailers remain free to sell and advertise Sony Music product at any price they choose.

Sincerely,



Danny Yarbrough