UNITED STATES OF AMERICA

FEDERAL TRADE COMMISSION

WASHINGTON. D.C. 20580

Bureau of Competition
Mark D. Whitener
Deputy Director

James Caparro, President
PolyGram Group Distribution
825 8th A venue
New York, NY 10019-7472

Re: Prerecorded Music DistributinR Industry
FTC File No. 931-0100

Dear Mr. Caparro:

OCT 2 I 1996

The Commission has conducted an investigation involving PolyGram Group
Distribution to determine whether members of the pre-recorded music distributing industry may be engaging or may have engaged in any unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, as amended, and the Robinson-Patman Act, 15 U.S.C. § 13, as amended, by fixing prices or by limiting, engaging in concerted activities to limit, or engaging in conduct to facilitate concerted activities to limit the availability of cooperative advertising or promotional funds, allowances, services, or facilities to retailers who distribute used compact discs or advertise prices of compact discs below specified levels.

Upon further review of this matter, it now appears that n56 Tc 11.7 0 11D9is a

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