

NetChoice *Promoting Convenience, Choice, and Commerce on The Net*

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Senator Cam Ward, Chair
Senate Judiciary Committee
Alabama State Senate
11 South Union Street
Montgomery, AL 36130

April 5, 2016

RE: Support for SB 365, Relating to the Resale of Admission Tickets

Dear Chairman Ward:

NetChoice enthusiastically supports SB 365, which would ensure that Alabama fans continue to enjoy safe and easy ways to buy, sell, and give away their sports and concert tickets. This bill would help fans enjoy choice, convenience, and competition in the primary and secondary markets for event tickets.

SB 365 Maintains Fans' Choice, Convenience, and Market Competition

SB 365 aims to maintain consumer choice, convenience, and market competition by:

- ensuring parity between paper and paperless tickets;
- requiring the option to get tickets by online delivery or pickup at box offices;
- allowing Alabamians to freely give a ticket to a friend, client, or family member;
- preserving the availability of tickets for sale both online and offline; and
- preventing the use of technology to circumvent ticket website access and security measures.

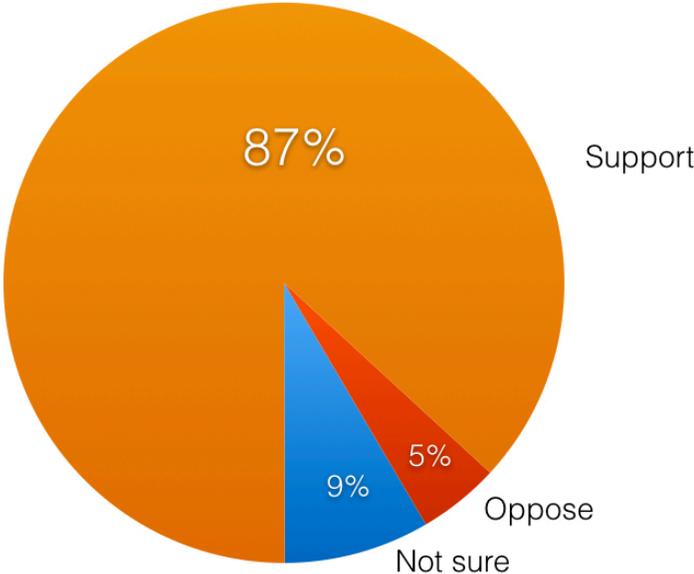
SB 365 can help ensure that Alabama fans are protected and would maintain the open ticket market that consumers have come to enjoy and expect.

9 of 10 Alabamians support laws like SB 365 that give them choice of transferable tickets

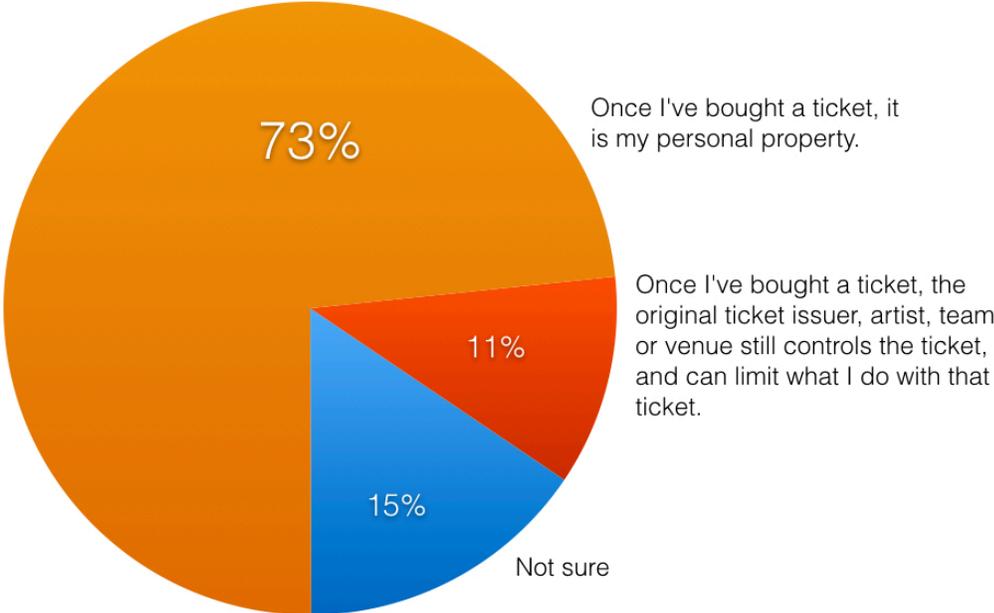
March 2016 Polling of Alabama voters found that:

- 87% support legislation like SB 365 that guaranteed their right to give away, resell, or donate their tickets however they choose.
- 85% say the ticket purchaser should choose what to do with their tickets (resell them, give them away, donate them) rather than allowing the event organizer to prevent sharing or reselling tickets.
- 73% said that when they buy their ticket, it is their personal property and they have full control over what they can do with their ticket.

Would you support or oppose legislation that guaranteed your right to give away, resell or donate your tickets however you choose?



When thinking about tickets for entertainment or sporting events, which is closer to your view?



Protecting Fans Ability to Freely Buy and Resell Their Tickets

SB 365 ensures that fans can buy tickets to games and events they want to attend and can sell tickets they are not going to use. SB 365 ensures that fans can choose among competing secondary markets to buy and sell tickets. Competition among exchanges that comply with the consumer protections in SB 365 is in the best interests of Alabama fans.

Protecting Competition and Innovation in Ticket Resale

Presently, TicketMaster maintains a dominant share of the ticket market and is the primary seller for Monster Jam and Huntsville Havoc games. TicketMaster also has dominance in 31 of 41 regional areas, of larger arenas, and exclusive contracts that cover 75% of tickets sold.¹

Their market dominance allows TicketMaster to impose higher convenience fees when Alabamians buy tickets to see their favorite sports teams or concerts. A lack of competition means that most fans can't look elsewhere for better prices. And now, TicketMaster seeks to impose restrictions on fans when they gift or sell their paperless tickets.

The evolution of ticketing technologies and a growing concentration of market power will squeeze Alabama fans, which is why SB 365 is needed to preserve choice, convenience, and market competition.

Without SB 365, TicketMaster Could Require Venues to Accept Only Credit Card Entry Tickets

TicketMaster's "Credit Card Entry" tickets require a fan to present the credit card used to purchase the ticket, plus a government-issued identification card for the person who bought the ticket. Venues using these restricted tickets could deny admission to fans whose credentials do not match the original ticket buyer, as seen in the attached restrictions displayed on TicketMaster's website.

With SB 365's enactment, businesses and clubs might not be able to give tickets to members or clients, because the purchaser's name wouldn't match the ticketholder. TicketMaster does provide the option to transfer a ticket, but that may require yet another "convenience" fee on the fan.

Credit Card Entry tickets are certainly not a "convenience" to an Alabamian who simply wants to hand their purchased ticket to a friend or family member. Parents could be forced to accompany their teenagers to the event gate to show ID of the ticket *purchaser*, rather than allowing the teen to present their ticket to the usher.

SB 365 ensures the availability of freely transferable tickets to consumers. In addition, SB 365 prohibits a venue from denying entry to someone just because they bought a resold ticket.

Making it illegal to use "Bots" for Ticket Scalping

States across the country have outlawed the use of computer software "bots" to circumvent ticket sellers' security or ticket control protections. The New York Attorney General found that these bots allowed individuals to grab hundreds of tickets in the first few seconds after tickets go on sale, as seen in the documented examples below.

1,012 tickets in **1 minute**
U2 2015 Tour
Madison Square Garden
Bought by one bot on December 8, 2014, for a July 19, 2015 concert.

520 tickets in **3 minutes**
Beyoncé
Barclays Center
Bought by one Bot on March 4, 2013 for an August 5, 2013 concert.

¹ *Ticketmaster Corp. v. Tickets*, 2003 U.S. Dist. LEXIS 6483 (C.D. Cal., Mar. 6, 2003).

By prohibiting these circumvention techniques, SB 365 helps ensure that one group doesn't use "bots" to grab hundreds of tickets the minute they go on sale.

Now is the Time to Enact SB 365

TicketMaster is expanding its mandatory Credit Card Entry ticket program. This will limit fan choice and impose a new set of convenience fees. Now is the time to pass SB 365 and help Alabama consumers enjoy the choice and convenience of an open tickets marketplace.

Sincerely,



Carl Szabo
Senior Policy Counsel, NetChoice

NetChoice is a trade association of e-Commerce and online businesses. www.netchoice.org including Facebook, Google, eBay, Expedia, Yahoo, and Lyft.

From TicketMaster's Website

Q. Why can't Retail Outlets sell Paperless Tickets?

A. Paperless ticketing requires the creation of a ticket account on the Ticketmaster system that includes the customer's name, phone number and credit card information. Currently Ticketmaster Retail Outlets sell "over the counter" tickets only and do not create accounts or collect consumer information.

...

Q. How does it work?

A. Instead of receiving tickets ahead of the event, the credit card used to make the purchase will serve as the customer's ticket. To attend the show, the customer just presents the credit card used to purchase the ticket(s) and a valid, government issued ID (such as a driver's license, state ID or passport). The gate attendant will swipe the credit card and since all the seats are assigned to a single credit card, your entire party must enter the venue at the same time.

...

Q. What if I'm not going to the show, but I purchased the tickets?

A. If you bought the tickets for a friend or family member, you will need to take them to the entry gate and still present your credit card and government issued ID.

Q. What if I want to buy tickets for someone else in another state and can't get to the venue for the day of the event?

A. To ensure that the tickets remain in the hands of the fan, paperless ticketing requires that that cardholder who purchased the tickets presents their credit card at the door for admission. We would advise you to have the person, who will be attending the show, purchase the tickets themselves with their credit card and then you can reimburse them.

...

Q. What if I don't have or I lose my credit card before the event?

A. If you do not have a credit card with the same account number as the one used to make the purchase, you will need to go to the box office will call window on the day of the event for alternative handling of your situation. In this case, please be sure to bring a print out of your confirmation email or online order history and your government issued ID. The box office will verify that the name associated with the order matches the name on the government issued ID. If they do not match, entry will be denied. In all other cases, entry without your credit card will be at the discretion of each venue.

...

Q: What if I purchased the tickets, but my spouse is going to the event?

A: Your spouse must be an authorized user of the credit card, and must present the credit card along with their government issued ID to gain entry.²

I bought tickets for friends – can we get in separately?

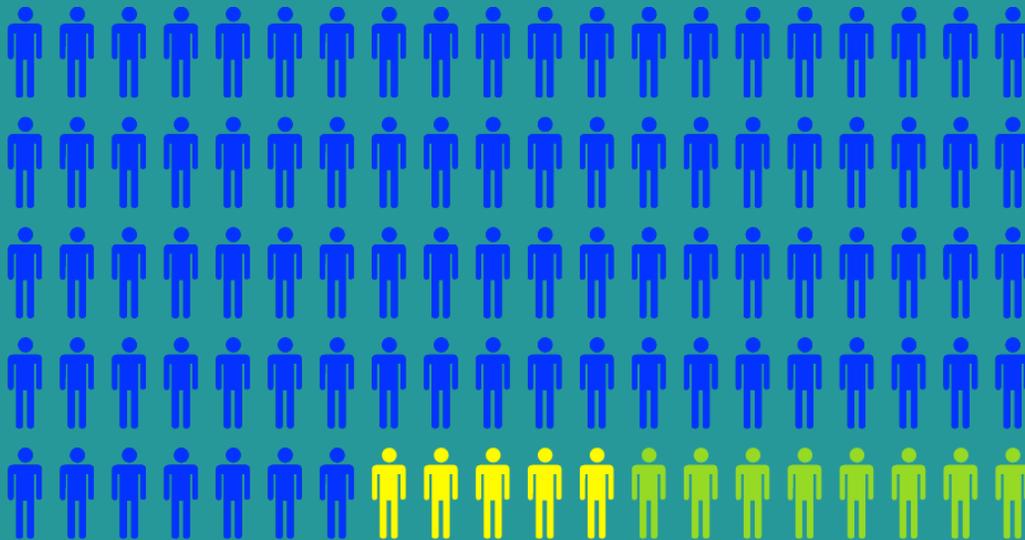
If you bought for a group you gotta enter as a group, UNLESS Ticket Transfer is available for your event. To check, just click the order number under Order History in My Account and look for the Transfer Tickets button.³

² <http://www.ticketmaster.com/mileycyrus/faq.html> (emphasis added)

³ <http://www.ticketmaster.com/creditcardentry> (emphasis added)

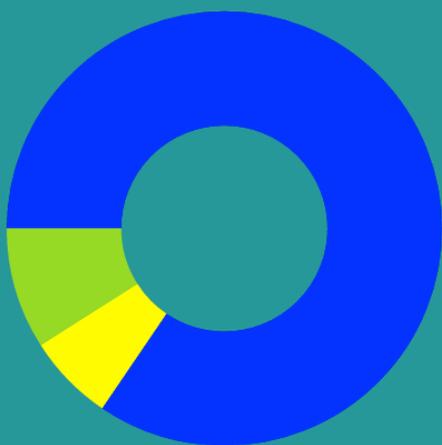
Alabama Voters Want to Control their Tickets

9 of 10 Alabamians support laws giving them choice of transferable tickets



Polling of Alabama voters found that 87% support legislation like SB 365

I bought it, I own it



85% of voters polled said it is their choice as to what they do with their tickets. Only 7% said event organizer could prevent transfer or resale.

I set the price

75% of voters polled said the ticket purchaser should determine the resale price.

Only 13% said the ticket issuer should determine the resale price.

12% were unsure.

