

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

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Del. Jeff Waldstreicher, Chair
Consumer Protection and Commercial Law Subcommittee
414 House Office Building
6 Bladen Street
Annapolis, MD 21401

February 24, 2016

RE: In Support of HB 1266, Consumer Protection - Ticket Transfers, Sales, and Resales

Dear Chairman Waldstreicher:

NetChoice enthusiastically supports HB 1266, which would ensure that Maryland 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.

HB 1266 Maintains Fans' Consumer Choice, Convenience, and Market Competition

HB 1266 aims to maintain consumer choice, convenience, and market competition by ensuring:

- parity between paper and paperless tickets;
- the option to get tickets by online delivery or pickup at box offices;
- the ability to freely give a ticket to a friend, client, or family member; and
- the availability of tickets for sale both online and offline.

HB 1266 can help ensure that Maryland fans enjoy protections similar to that enacted in New York.¹ In essence, HB 1266 maintains the open ticket market consumers have come to enjoy and expect.

On Internet ticket exchange websites, fans sometimes sell their tickets for more than face value, but most tickets sell below purchase cost—after accounting for those "convenience" fees we all hate to pay.

Protecting fans ability to freely buy and resell their tickets

HB 1266 ensures that fans can sell tickets they are not going to use, and ensures that fans can buy tickets to games and events they want to attend. HB 1266 ensures that fans can choose among competing secondary markets to buy and sell tickets. Competition among exchanges that comply with the consumer protections in HB 1266 is in the best interests of Maryland fans.

Without HB 1266, Maryland residents could be required to present their driver's license and credit cards in order to use their ticket. They might not be able to simply hand a purchased ticket to a friend or family member. Parents might be forced to accompany their teenagers to the event's doors to show identification of the ticket *purchaser*, rather than allowing the teen to give their ticket to the usher.

Saving Maryland fans from paying yet another TicketMaster "Convenience" Fee

TicketMaster seeks to control the transfer of sports and concert tickets. Their paperless ticket service binds a ticket to the person who bought it and only allows transfer after the buyer pays TicketMaster yet another "convenience fee."

¹ N.Y. Code Title G § 25.29.

Presently, TicketMaster maintains a dominant share of the ticket market. TicketMaster is the primary seller for the Baltimore Ravens and Washington Redskins. TicketMaster also has dominance in 31 of 41 regional areas, of larger arenas, and exclusive contracts that cover 75% of tickets sold.²

Their market dominance allows TicketMaster to impose higher convenience fees when Maryland residents buy tickets to see their favorite sports teams or concerts. And a lack of competition means that most fans can't look elsewhere for better prices.

Now, TicketMaster seeks to impose restrictions and additional convenience fees on fans when they gift, transfer, or sell their paperless tickets. The evolution of ticket exchange technologies and a growing concentration of market power will squeeze Maryland fans, which is why HB 1266 is needed to preserve choice, convenience, and market competition.

Without HB 1266, TicketMaster could require venues to accept only Paperless Tickets

TicketMaster's paperless 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 that must use these paperless tickets could deny admission to fans whose credentials do not match the original ticket buyer.

With these restrictions, companies and clubs might not be able to give tickets to members or clients, since the purchaser's name wouldn't match the ticketholder. TicketMaster does provide the option to transfer their ticket, but that requires yet another "convenience" fee.

HB 1266 ensures the availability of freely transferable paper tickets to consumers. In addition, HB 1266 prohibits a venue from denying entry to someone just because they bought a resold ticket.

Now is the time to enact HB 1266

TicketMaster will soon rollout its mandatory paperless ticket program. This will limit fan choice and impose a new set of convenience fees.

Now is the time to pass HB 1266 and help Maryland consumers enjoy the choice and convenience of an open tickets marketplace.

Sincerely,



Carl Szabo
Policy Counsel, NetChoice

NetChoice is a trade association of e-Commerce and online businesses. www.netchoice.org

² *Ticketmaster Corp. v. Tickets*, 2003 U.S. Dist. LEXIS 6483 (C.D. Cal., Mar. 6, 2003).

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.³

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.⁴

³ <http://www.ticketmaster.com/mileycyrus/faq.html> (emphasis added)

⁴ <http://www.ticketmaster.com/creditcardentry> (emphasis added)