

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

Steve DelBianco, Executive Director
1401 K St NW, Suite 502
Washington, DC 20005
202-420-7482
www.netchoice.org



March 8, 2016

Sen. Ryan Silvey, Chair
Senate Committee on Commerce, Consumer Protection, Energy and the Environment
201 W Capitol Ave, Room 331A
Jefferson City, Missouri 65101

RE: Support for SB 751, Consumer Protection - Ticket Transfers, Sales, and Resales

Dear Chairman Silvey:

NetChoice enthusiastically supports SB 751, which would ensure that Missouri fans continue to enjoy safe and easy ways to buy, sell, and give away their sports and concert tickets. This bill also helps fans enjoy choice, convenience, and competition in the primary and secondary markets for event tickets.

SB 751 Maintains Fans' Consumer Choice, Convenience, and Market Competition

SB 751 aims to maintain consumer choice, convenience, and market competition by:

- Making it illegal to use technology to circumvent ticket websites access and security measures;
- Notifying consumers and obtaining express consent before they buy a restricted ticket; and
- Ensuring Missouri fans the right to buy a freely transferable ticket at no additional cost.

SB 751 can help ensure that Missouri fans enjoy protections similar to the ones enacted in New York.¹ In essence, SB 751 maintains the open ticket market consumers have come to enjoy and expect.

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 AG 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 actual 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 N.Y. Code Title G § 25.29.

By making illegal these circumvention techniques, SB 751 helps ensure that one group doesn't use "bots" to grab hundreds of tickets the minute they go on sale.

Protecting fans ability to freely buy and resell their tickets

SB 751 ensures that fans can obtain freely transferable tickets. This means that Missouri fans can sell or give away tickets they are not going to use. That also ensures that fans can buy tickets to games and events they want to attend.

SB 751 also preserves consumer choice among competing secondary markets to buy and sell tickets. Competition among exchanges that comply with the consumer protections in SB 751 is in the best interests of Missouri fans.

TicketMaster's "Credit Card Entry" tickets require fans 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 tickets could deny admission to fans whose credentials do not match the original ticket buyer. Worse, TicketMaster doesn't always give the option to transfer their ticket. (see additional "Credit Card Entry" restriction information in the attached exhibit)

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. Missouri fans might not be able to do something as simple as handing over a purchased ticket to a friend or family member. And parents would be forced to accompany their teenagers to the event to show identification of the ticket *purchaser*, rather than allowing the teen to show their ticket to the usher.

SB 751 ensures the availability of freely transferable paper tickets to consumers by requiring services selling "Credit Card Entry" tickets to allow the consumer to choose a freely transferable ticket at no additional cost.

Protecting Competition and Innovation in Ticket Resale

TicketMaster seeks to control the transfer of sports and concert tickets. Their "Credit Card Entry" service binds a ticket to the person who bought it and allows transfer only through TicketMaster's system.

Presently, TicketMaster maintains a dominant share of the primary ticket market. TicketMaster is the primary seller for the Chiefs and the Blues. 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 Missouri 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.

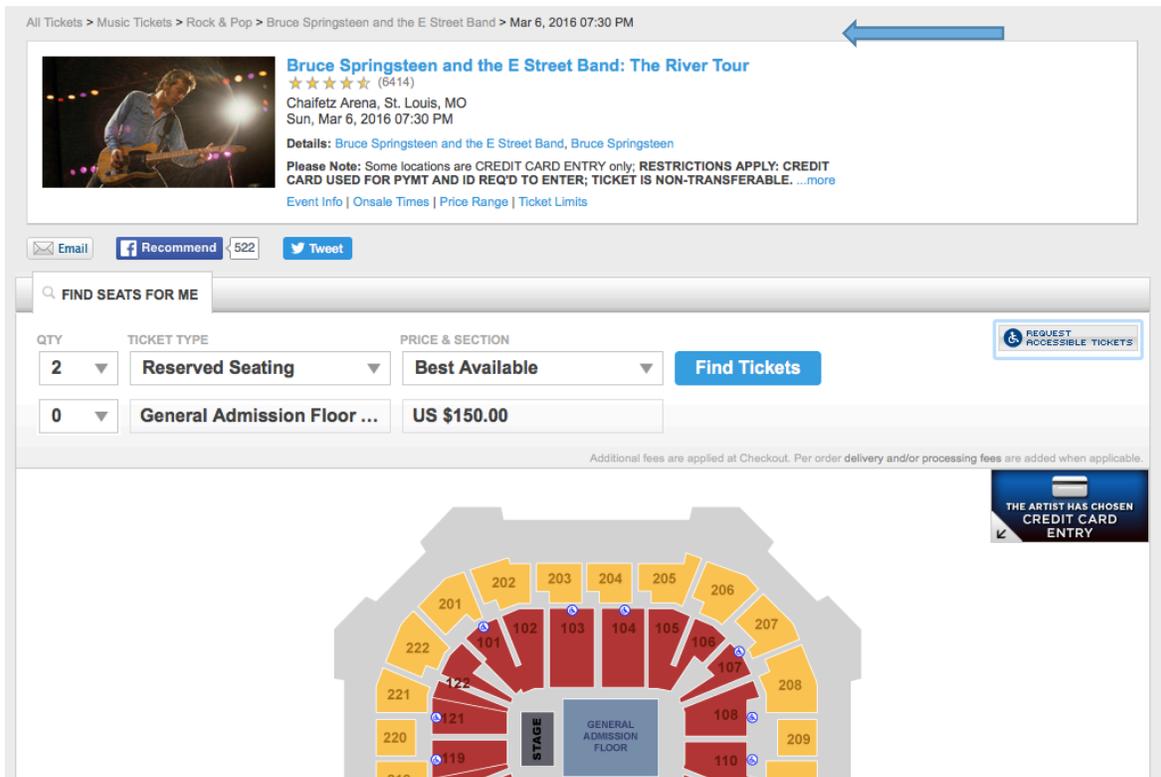
Now, TicketMaster seeks to impose restrictions and control over fans when they gift, or sell their paperless tickets. The evolution of ticket exchange technologies and a growing concentration of market power will squeeze Missouri fans, which is why SB 751 is needed to preserve choice, convenience, and market competition.

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

SB 751, requires sellers to notify and get the buyer’s consent to accept restricted tickets

The notice to fans about the restricted ticket they are buying is often obscure, confusing, or hard to read (see screenshot below, from the Bruce Springsteen concert in St. Louis on March 6, 2016).

SB 751 requires the seller to provide clear notice of these restrictions and obtain the fan’s consent. Moreover, this notice and consent is presented at the beginning of the purchase “shot clock” so that fans can truly understand how their ticket could be restricted.



Now is the time to enact SB 751

Now is the time to pass SB 751 and help Missouri consumers enjoy the choice and convenience of an open tickets marketplace.

Sincerely,

Steve DelBianco
Executive Director, NetChoice

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

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)