

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 5, 2013

Senator Jack Johnson, Chairman
Commerce and Labor Committee
Tennessee General Assembly
32 Legislative Plaza
Nashville, TN 37243

Subject: SB 609, *Limiting Consumer Choice and Opportunity for Event Tickets*

Dear Chairman Johnson:

We ask you to oppose SB 609 as it lets promoters and venues prevent Tennesseans from selling their own tickets, and could force anyone who transfers their ticket to use a single company's proprietary exchange.

This legislation is not true to its declared intentions and would be a giant step backwards for Tennesseans who enjoy the convenience, choice, and competition that the Internet has brought to the secondary tickets market.

This bill lets venues and promoters deny Tennesseans their right to buy or sell their own tickets.

Section 62-45-107(1) starts with the reassuring phrase, "No law shall prohibit the resale or offering for resale of any ticket to an athletic contest or entertainment event...". But it goes on to allow venues and promoters to do just the opposite.

This legislation lets any promoter or venue unilaterally prohibit any resale of any ticket bought by any Tennessean. Despite the opening line, this legislation would allow LP Field to prohibit season ticket holders from reselling tickets they cannot use themselves.

This would markedly reduce choice and convenience presently enjoyed by Tennessee ticket holders and fans.

This bill would force Tennesseans to use TicketMaster's restricted tickets exchange.

Section 62-45-107(2) begins with the admirable goal "To preserve the rights of consumers" and "to protect freedom of enterprise." But it then proceeds to strip Tennesseans of rights and freedoms they now enjoy in buying, selling, and giving away their event tickets.

The legislation would let venues and promoters mandate "any ticketing method for the initial sale." For events handled by TicketMaster, this could mandate use of their notorious "restricted tickets" – clearly not "protecting the freedom of enterprise."

As the primary ticket seller for most NFL and NBA games and many concert venues across Tennessee, TicketMaster's "restricted tickets" are the sole likely beneficiary of SB 609. When event tickets are issued as "restricted tickets" they impose inconvenient restrictions and extra fees on resale and gifting of event tickets.

For a ticket holder to use TicketMaster's restricted tickets, they must present the credit card used to buy the ticket as well as a government-issued identification card for the person who bought the ticket. This means

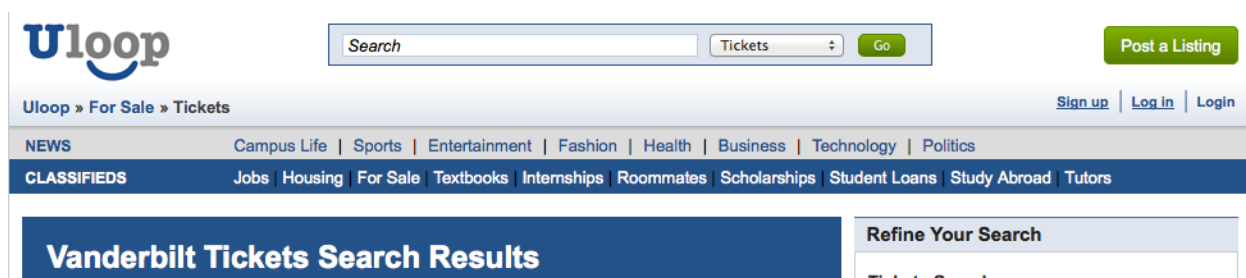
that an uncle could not simply hand his niece a concert ticket, or give his nephew a seat at the stadium. Instead, the uncle might have to pay to “transfer” the tickets. Otherwise, he has to accompany his niece and nephew to the door of the concert hall and stadium gate. And the same is true for firms who use event tickets to entertain current and prospective clients.

In the 20 years since Tennessee allowed open markets for ticket resale, consumers have enjoyed greater choice and opportunity to buy and sell tickets to their favorite events. The rise of online ticket exchanges has brought more competition, safety, and convenience to the market. But Section 62-45-107 would allow venues and TicketMaster to revoke this choice and convenience for Tennessee sports and concert fans.

Unintended consequences for websites serving Tennessee

Section 62-45-106(c) makes it a crime to do something that search engines and websites do every day: use trademarked terms in page addresses for content related to ticket resale -- without written consent of the trademark owner.

For example, commodores.uloop.com helps Vandy students find rooms to rent, lend textbooks, and buy and sell tickets. But “Commodores” is a registered trademark of Vanderbilt University, and under SB 609, this site would be in violation of the law.



This same page of ticket listings is accessible at Vanderbilt.uloop.com, where Vanderbilt is a “trademark owned by another”. We doubt the bill’s author really intended to make these domain names a violation of Tennessee’s Consumer Protection Act.

The Internet has brought accountability and transparency to online consumers buying and selling event tickets in Tennessee. But several aspects of SB 609 would take Tennessee in the wrong direction, regulating upstream against a nationwide current of liberalizing markets that benefit and protect consumers.

Thank you for considering our views, and please let me know if I can provide further information.

Sincerely,

A handwritten signature in black ink that reads "Steve DelBianco".

Steve DelBianco
Executive Director, NetChoice

cc: Committee Members

NetChoice is a coalition of e-Commerce businesses. More information at www.netchoice.org