

ONE HUNDRED SEVENTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641
December 6, 2022

Mr. Michael Rapino
President, Chief Executive Officer and Director
Live Nation Entertainment, Inc.
9348 Civic Center Drive
Beverly Hills, CA 90210

Dear Mr. Rapino:

The Energy and Commerce Committee has previously raised concerns about business practices in the live ticketing industry. The recent pre-sale ticketing process for Taylor Swift's upcoming Eras tour—in which millions of fans endured delays, lockouts, and competition with aggressive scammers, scalpers, and bots—raises concerns over the potential unfair and deceptive practices that face consumers and eventgoers.¹ As such, we write to request a briefing regarding your processes for ticketing for the Eras tour and other recent major tours with similar issues. Additionally, we request that you provide a list of actions your company has taken to ensure that all consumers can better access live entertainment.

As your company shared in a November 18, 2022, blog post² and a November 19, 2022, statement on your website,³ the explanation as to what happened during the Taylor Swift Eras tour pointed to your Verified Fan service as a means to manage bots and identify real humans, but the unprecedented fashion in which 3.5 million people pre-registered by Verified Fan snowballed into 3.5 billion system requests. This statement raises questions over your bot management solution and its ability to adequately protect consumers. As you are no doubt aware, our Committee has already enacted legislation to address anti-consumer practices in this space with the Better Online Ticket Sales Act (BOTS Act) of 2016, which provided the Federal Trade Commission (FTC) first offense civil penalty authority. With that authority, the FTC can fine a person or entity with steep civil penalties if they improperly used an automated process to purchase tickets or knowingly sold tickets that were improperly purchased using such an automated process.⁴

¹ *Taylor Swift Tour Tickets Listed For As Much As \$22,000 As Ticketmaster Crashes*, The Guardian (Nov. 15, 2022); see also, e.g., *Ticketmaster Says Most Bruce Springsteen Tickets Are Under \$200, Only 11% Are Part of Controversial 'Dynamic Pricing' Program*, Variety (July 24, 2022).

² Ticketmaster, *The Taylor Swift Onsale Explained* (Nov. 17, 2022), available at (<https://web.archive.org/web/20221117205600/https://blog.ticketmaster.com/the-taylor-swift-onsale-explained/>).

³ Ticketmaster, *Taylor Swift | The Eras Tour Onsale Explained*, Ticketmaster (<https://business.ticketmaster.com/business-solutions/taylor-swift-the-eras-tour-onsale-explained/>) (accessed December 1, 2022).

⁴ BOTS Act of 2016, Pub. L. No. 114-274.

The ticketing industry and consumers have faced challenges since the emergence of online ticket marketplaces. In 2018, the Government Accountability Office (GAO) released a study that identified a range of consumer protection deficiencies in the ticketing process.⁵ These include hidden or undisclosed fees, bots that rapidly purchase most or all available tickets and relegate consumers to expensive secondary markets, dynamic pricing models based on frequently changing demand factors, and restrictive verified fans programs.⁶

In 2019, the Committee launched a follow-up investigation into these allegations of unfair and deceptive practices in the live event ticketing industry.⁷ At an Oversight and Investigations Subcommittee hearing in February 2020 examining the live event ticketing industry, then Ticketmaster North America President Amy Howe stated that Ticketmaster is the “most responsible ticket marketplace in the industry today” and that it is “thoroughly committed to business practices that promote transparency, deter deceptive practices, and provide customers the ability to enjoy a concert, show, or game.”⁸ Unfortunately, circumstances surrounding the Eras tour demonstrate that challenges to consumers’ ability to purchase tickets persists.

To better understand the obstacles consumers have recently faced and to hear an update on actions the company has taken to maximize the experiences of average consumers, we request a Committee staff briefing with your company. This should include a discussion on additional fees, insider reserves, dynamic pricing, restrictions on transferability, limited ticket availability, speculative ticketing, verified fan program requirements, and scalping by bots and other scammers. Please contact Harry Samuels with the Committee Majority staff at (202) 225-2927 and Deep Buddharaju with the Minority staff at (202) 225-8063 to schedule a briefing to occur no later than December 15, 2022. We look forward to your swift attention to this matter.

Sincerely,



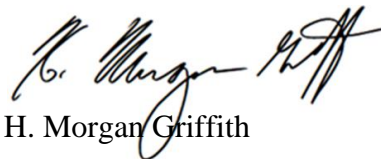
Frank Pallone, Jr.
Chairman



Cathy McMorris Rodgers
Ranking Member



Diana DeGette



H. Morgan Griffith

⁵ Government Accountability Office, *Event Ticket Sales: Market Characteristics and Consumer Protection Issues* (April 2018) (GAO-18-347).

⁶ *Id.*

⁷ House Committee on Energy and Commerce, *Energy and Commerce Committee Launches Investigation into Potential Unfair And Deceptive Practices in the Live Event Ticketing Industry* (Nov. 21, 2019) (press release).

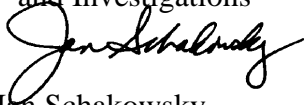
⁸ House Committee on Energy and Commerce, *Testimony of Amy Howe, President and Chief Operating Officer, Ticketmaster, North America, Hearing on In the Dark: Lack of Transparency in the Live Event Ticketing Industry* 116th Cong. (Feb. 26, 2020).

Mr. Michael Rapino

December 6, 2022

Page 3

Chair
Subcommittee on Oversight
and Investigations



Jan Schakowsky

Chair
Subcommittee on Consumer Protection
and Commerce

Ranking Member
Subcommittee on Oversight
and Investigations



Gus M. Bilirakis

Ranking Member
Subcommittee on Consumer Protection
and Commerce