

**OPENING STATEMENT FOR THE HONORABLE BRETT GUTHRIE
REPUBLICAN LEADER, SUBCOMMITTEE ON OVERSIGHT AND
INVESTIGATIONS**

February 26, 2020

**Hearing on “In the Dark: Lack of Transparency in the Live Event Ticketing
Industry”**

As Prepared for Delivery

Chair DeGette, thank you for holding this hearing.

Many Americans have fond memories of their first concert, or their first football or baseball game – I know I do. While these events can create lasting memories, purchasing tickets for live events can sometimes be a difficult process for consumers. Whether it is extra fees; transferability of tickets; deceptive white-label websites; or speculative tickets—all of these issues can negatively impact the consumer experience. This is why we wrote a bipartisan letter to six companies in November asking them about their policies and practices as it relates to live event ticketing.

Some of these issues create minor annoyances or inconveniences, such as not being able to see the total cost of the ticket, with taxes and fees, until the end of the purchase flow. But other issues can create major inconveniences or financial loss for consumers, such as being denied entry into an event that they potentially

traveled a long distance to attend – because unbeknownst to them, it turns out the ticket that they bought was not valid.

The Federal Trade Commission (FTC) and State Attorneys General are the cops on the beat when it comes to overseeing this industry. For example, the FTC Act prohibits unfair and deceptive acts or practices in or affecting commerce, and the FTC can enforce the act for issues related to event ticketing and ticketing companies. And State Attorneys General have tools to go after bad actors under their state consumer protection laws. If bad actors – some of which we see exploiting the secondary market – seek to deceive or mislead consumers, the FTC and State Attorneys Generals can – and should – hold them accountable.

In addition, the Better Online Ticket Sales Act of 2016 (The BOTS Act), which became law in December 2016, addresses ticketing issues by prohibiting the circumvention of a security measure, access control system, or other technological control measure used online by a ticket issuer.

Live event tickets are just not for concerts—they encompass other forms of entertainment such as theater and sporting events. Some of the issues we plan to discuss today do not equally apply to all events and I think that is an important distinction to make throughout today’s discussion, where applicable. For example, with respect to ticket availability – a venue that a team plays at, such as a stadium

or arena has a static number of tickets. In other words, you know how many seats that stadium holds, and therefore how many tickets are available for any given event. Conversely, with concerts, the stage and sound system configuration can vary by artist and event type, impacting the number of seats that cannot be used because they are behind or to the side of the stage. As a result, the number of tickets for that type of event varies.

In addition, at today's hearing, we expect to discuss white-label websites, which are sales websites built by one company that allows affiliates to use the software to build their own, uniquely branded websites. While white-label websites are not inherently bad, there are deceptive white-label websites that often appear as paid results of internet searches for venues and events and contain a URL and/or language and images on the website that are designed in a way that might mislead consumers to think they are purchasing tickets directly from a venue or artist. We think that is an important distinction to make as well as we move forward with today's discussion.

Today's hearing serves as an important opportunity for us to examine and dive into some of these concerns and issues that consumers face, while making the important distinctions between event types and legitimate versus nefarious practices, and to discuss ways to better inform and protect the consumer.

Bottom line, consumers should be able to clearly know what they are buying, who they are buying it from, what is included in the price of the ticket, ensure that what they purchase is legitimate, will be delivered to them in time for the event, and is valid and will be honored at the venue.

I thank our witnesses for being here today and being part of this important discussion, and I yield back.