

**Opening Statement of Republican Leader Greg Walden**  
**Subcommittee on Oversight and Investigations**  
**“In the Dark: Lack of Transparency in the Live Event Ticketing Industry”**  
**February 26, 2020**

*As Prepared for Delivery*

Chair DeGette, thank you for holding this hearing.

As Ranking Member Guthrie mentioned, purchasing tickets to a live event is something that we can all relate to. Live entertainment, whether it is a concert, theater event, or a sporting event, can lead to once in a lifetime experiences that create lasting memories. However, a lack of transparency, deceptive acts, and/or fraud in this industry can cause frustration and, in some cases, financial harm to consumers.

Some of the issues include deceptive white-label websites, speculative tickets, and fraudulent tickets, to name a few. I look forward to hearing what the six companies before us today are doing to combat some of these issues, protect their consumers, and ensure customer satisfaction.

As Ranking Member Guthrie mentioned, it is important that we keep in mind distinctions with ticket availability issues, different types of white label websites, and more. But, it is equally important that we balance consumer protection with potentially unintended consequences

to the industry that will ultimately impact consumers as we explore potential solutions to some of these issues.

For example, a 2018 U.S. Government Accountability Office (GAO) report that was requested by bipartisan leaders of this Committee on event ticket sales and the market characteristics and consumer protection issues noted that there are advantages and disadvantages to certain practices, and in some cases, it is unclear whether new requirements would introduce new compliance challenges for the ticketing industry, such as requiring companies to disclose proprietary information. Therefore, it is important that this Subcommittee gather all the necessary facts before determining what the potential solutions may be to ensure consumer protection within the industry.

Furthermore, the Better Online Ticket Sales Act of 2016 (BOTS Act) was signed into law in 2016, yet neither the Federal Trade Commission (FTC) nor the states have taken enforcement action under this statute to date. In addition to the issues outlined in the Committee's bipartisan letter sent to the six companies in November, it would be helpful to hear from the companies testifying before us today whether they still see bots as an issue in the industry and how, if at all, it is harmful to consumers.

I understand bad actors utilizing bots to game our system may be beyond our borders, but that does not mean they are beyond our reach. I am proud of this Committee's leadership on extending the U.S. SAFE WEB Act that reaffirms the FTC's ability to hold foreign bad actors accountable. As with many problems, there is no easy fix to this one either. This Committee should work with the FTC as part of our investigation to figure out how we can address not only this bots issue, but other ticket issues that present concrete harms to consumers.

The most important thing to keep in mind across all the issues that will be discussed today is the need for transparency and appropriate disclosures to consumers. If there is adequate transparency, consumers will then have the necessary information they need in order to make an informed decision about whether or not they want to purchase a live event ticket; who they want to purchase the ticket from; what kind of ticket they want to purchase; and what the breakdown is for the total cost of the ticket, including taxes and fees.

For example, if a consumer knows that a ticket is dynamically priced and knows what it means for a ticket to be dynamically priced, it should then be left to the consumer to decide whether or not they want to purchase a dynamically priced ticket. In addition, the limits placed on a ticket that designate whether the ticket is transferrable or not should be

clearly disclosed to a consumer before the consumer purchases the ticket so that the consumer understands the limitations placed on the ticket, to help avoid possible frustration and financial loss down the road.

I want to thank the companies before us today for agreeing to testify before the Subcommittee. I look forward to listening to the testimony of the witnesses and working with our colleagues on the other side of the aisle to ensure that we make fully informed decisions to protect consumers. I yield back.