

### **Protect Ticket Rights Issue Explainer**

October 2024

## Big Lies from Live Nation/Ticketmaster and NIVA on Oasis Tickets

- If speculative tickets are a problem, Congress should pass the TICKET Act and ban deceptive speculative ticket sales.
- It is important to correct the inaccurate information from the National Independent Venue Association and Live Nation/Ticketmaster.

It has been 15 years since Oasis toured, and their recent UK tour was met with incredible fanfare. As a limited number of North American concerts go on sale, Live Nation/Ticketmaster and the National Independent Venue Association (NIVA) have been quick to call for greater transparency in ticketing, which we fully support.

Many in the industry – venues, Live Nation/Ticketmaster and even some artists – want less competition when it comes to ticket sales. The reason is obvious. When the venue box office and its single contracted ticketer (usually Ticketmaster) are the only source for tickets, they can charge whatever they want and impose whatever restrictions they want on fans. It's the literal definition of a ticket monopoly. When there is competition, on the other hand, and fans can freely shop around, there will generally be lower cost tickets available for more than half of live events compared to the box office or Ticketmaster. But you will never hear these industry players talk about the millions of tickets that sell for below original cost each year, instead they only issue press releases and letters when the incident fits within their narrative molds and public policy goals.

Usually illegal software bots and "scalpers" are the reliable scapegoat for all woes in ticketing according to Live Nation/Ticketmaster and NIVA. The latest act of deflection goes now to so-called "fake" tickets. Live Nation/Ticketmaster and NIVA are calling foul over thousands of Oasis tickets that it calls "fake." If they were fake this would make sense and we would support these organizations and companies. But to be 100% clear — these are not fake tickets and every fan who purchased from a ticket marketplace prior to the public on-sale or even after the public on-sale when Ticketmaster quickly sold out, will receive their tickets as purchased and enjoy the show. There is absolutely nothing fake about that, and we encourage these fans next year to post pictures of them enjoying the shows from their seats.

#### Here are the Facts:

1. Tickets being offered on ticket marketplaces prior to the public on-sale are NOT "fake tickets" In a letter to U.S. senators, NIVA provides examples of allegedly fake tickets because they were made available on secondary sites prior to the on sale. In reality, many of those are tickets that sellers already purchased. It is shocking and untrue when NIVA and others tell lawmakers and

the public that these are "fake." It's a lie. For example, we have seen <u>evidence</u> that people with Personal Seat Licenses (PSLs), which allow sports fans the opportunity to purchase tickets to every event occurring at the venue or stadium, were offered tickets days in advance of the public on sale. Indeed, Ticketmaster offered those licensees Oasis tickets at a deep discount compared to the per ticket cost offered by Ticketmaster to the public. Some of these PSL owners are not Oasis fans and resold them (some at a price lower than Ticketmaster) to help recover their much larger investment cost of their PSL.

While ticketing is complicated and it's easy for media and lawmakers to fall for tall tales, evidence in <a href="news-coverage">news-coverage</a> and in a marketplace letter to senators shows that Ticketmaster clearly sold and confirmed the sale on September 30 only to turn around two days later and call these ticket offers fake. The only thing fake about this is the story being told by Live Nation/Ticketmaster, NIVA and others. The September 30 confirmation from Ticketmaster and the offer to pre-purchase tickets days earlier clearly proves this to be the case.

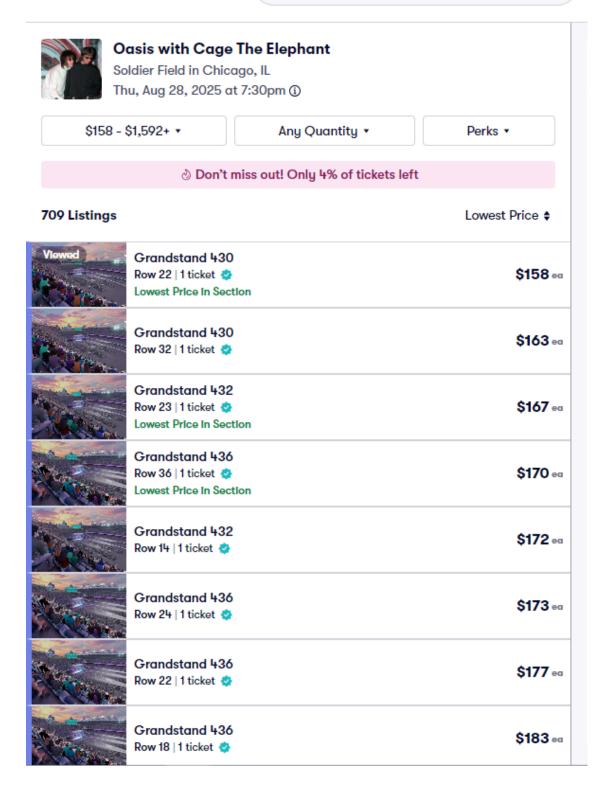
Some of the tickets listed on resale sites in the week leading up to the public on-sale were procurement service officers, which also does not mean they are fake tickets. With this kind of purchase, a seller is offering to take on the task of procuring tickets at an agreed-upon price and delivering them to a fan before the event. While they do not possess the tickets at the point of the transaction, they are agreeing to later procure and deliver them. Functionally ticket procurement services are similar to popular shopping and delivery apps and services where you may select and pay for a certain product by accepting the terms that if that product isn't available you will be offered a similar replacement or refund (e.g., being offered an orange sports drink instead of a fruit punch sports drink by a shopper, and if orange isn't acceptable, then receiving a refund). These convenient services save the user the time and frustration of shopping for groceries on their own – just like many event fans merely want the tickets but don't want to shop for them. The fan is protected since the marketplace that connects sellers and buyers ensures a moneyback or comparable ticket guarantee if something goes wrong.

This is an innovative and protected way to buy tickets that serves as another option for fans. Millions buy this way and enjoy their events each year.

Best of all, there are no special access codes needed, no need to miss work or school to sit in a Ticketmaster queue behind 25,000+ other ticket buyers, and there is no stress. You simply go online at your convenience and if you are willing to pay the price being offered by the seller, you make the purchase. In the case of Oasis, sellers were offering tickets on marketplaces (either ticket procurement offers, or already-purchased tickets) at a discount over Ticketmaster. As you can see below in one example, tickets were as low as \$158.



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### Protect Ticket Rights' Position on Speculative Ticket Sales

We don't think a consumer should ever be misled into believing the ticket is in-possession or in constructive possession of the seller at the time of purchase if it is not. The buyer should know that the seller does not have possession of the tickets now but will procure them later, and for this reason, the buyer might want to wait before booking travel or incurring other expenses. If they are fully aware of the nature of this sale, the buyer is in an informed position to make this decision.

While some marketplaces clearly disclose this type of sale, consistency across the industry will improve the fan experience. We want to see rules that require transparency around speculative ticket offers and of procurement services so fans are fully aware of what they are paying for, how their ticket purchase works, and when their tickets will be delivered. We do not agree with speculative tickets being offered for sale without transparency and disclosure and support laws that prohibit this kind of sale, which we believe is deceptive.

Since Live Nation/Ticketmaster and NIVA are distorting the facts around these ticket offers, we want to set the record straight. Many fans buy their tickets from marketplaces where sellers offer to procure the tickets later but deliver them on time for the event so that the buyer can avoid Ticketmaster and its chaotic public on-sales that mislead and abuse fans. Consumers should retain the ability to buy tickets this way, provided it is transparent, and the consumer is protected.

2. A professional resale company offering advanced purchases is not waiting for the public onsale to use illegal software bots to scoop up tickets to fill those orders. Speculative ticketing just doesn't work that way.

It's laughable when Live Nation/Ticketmaster makes this argument. In fact, both fans and professional resale companies often avoid the chaotic, broken, and frustrating Ticketmaster onsale. Those who sell tickets this way do not buy from Ticketmaster illegally using bots to scoop up tickets when tickets go on sale. Indeed, in most instances professional resale companies share the same frustration with an inability to get tickets at the on-sale. Instead, they wait months to buy the tickets when prices dip and deliver the tickets. If they cannot, they must take a financial loss and fill the order nonetheless or the marketplace can ban them from their platform while still providing a refund or comparable tickets to the buyer. This is the risk that comes with selling tickets this way – you either successfully attempt to make some profit, or you accept the loss – but the tickets must be delivered to the buyer in time for the event.

Data show that on the secondary market in 2023, the offered ticket prices dropped on average by a whopping 1/3 in the final month before the event compared to the first month around the public on-sale. This isn't altogether surprising when you consider Live Nation/Ticketmaster has boasted about how it's been steadily increasing the on-sale price of tickets for the last few years and knows how on the resale market, the company's previously sold tickets tend to drop in value and price, which is why the company secretly and deceivingly throttles access to tickets early and uses fake scarcity to create a frenzy with fans willing to pay almost anything to get tickets on

day one. As the data show, if fans wait, they can often save big. And they can save a lot of time, heartbreak, and frustration by fully avoiding the public on-sale. To curtail the ability of fans to buy this way, Ticketmaster has increasingly been abusing its technology to restrict the rights of consumers to freely use, sell, or give away their purchased tickets by locking the ability to transfer tickets. This is wrong and abusive of consumers on virtually every level.

Live Nation/Ticketmaster doesn't want fans to wait to buy, of course, because its business model (as the Department of Justice monopoly lawsuit against the company explains) is largely dependent on a big wave of sales immediately around the on-sale. By restricting transfer, the company can attempt to commandeer all ticket resale (note, Ticketmaster is already the largest primary ticketer in the U.S. and is now #2 largest resale ticketing company in the country). The company doesn't like when fans wait to buy tickets, or when they shop around and buy from other sellers or when competing ticket marketplaces offer tickets at a lower cost compared to their own prices. The company wants every penny of ticket profit, whether from the initial sale of the ticket, or in its resale.

## 3. Oasis ticket sales before the October 4 public on-sale show lower prices than used in the propaganda from NIVA and Live Nation/Ticketmaster.

In its letter to U.S. senators, NIVA distorts the price of tickets available on the secondary market to try and shock the senators into believing there is rampant price gouging. While NIVA and Live Nation/Ticketmaster talk about tickets offered at prices into the thousands, a review of offerings across multiple online ticket marketplaces on Wednesday, October 2, a full two days before the October 4 public on sale for the North America Oasis tour, there were many options leading up until the final hours before the public on-sale at Ticketmaster where tickets were offered for \$158, which is lower or comparable to the lowest price offered publicly by Ticketmaster. Everyone who regularly shops on ticket marketplaces knows not to sort offers by highest price — you either sort by lowest price first, or scroll down the feed to find those lower prices. A ticket holder offering his or her tickets at some unrealistic fantasy price isn't going to sell those tickets, especially not when lower cost options are usually just a scroll away.

Why did NIVA fail to mention these ticket offerings, which were reasonably lower than the cost at the box office or from Ticketmaster? The answer is simple; because those prices do not fit NIVA's agenda. Regardless, it is wrong and disingenuous to mislead lawmakers who are trying to fix consumers' experience and fix Ticketmaster's outsized control over the market.

# 4. Venues lie and call it fake spec, but really, they deny entry and discriminate against fans who purchase tickets elsewhere.

There have been incidents lately where venues claim the denial of entry is based on a "fake speculative ticket" when really, it is an arbitrary and capricious denial of entry by the venue based solely on one factor; that the fan bought his or her ticket from a seller other than the box office or Ticketmaster. It is outlawed in some states for venues to discriminate against fans for comparison shopping and buying resold tickets. Really, fans across the country deserve this same legal protection so that venues stop abusing them. We can love our favorite venues while also expecting better and more honest behavior and advocacy from them.

#### 5. The solution lies in the passage of H.R.3950, the TICKET Act.

Congress should pass the H.R. 39050, the TICKET Act which would, among other things, ban undisclosed, deceptive speculative ticketing. We support this. The U.S. House of Representatives passed this bipartisan legislation in May, and now the U.S. Senate has an opportunity before the end of the year to pass this law. H.R.3950 is supported by virtually every corner of the live event industry – venues, artists, ticketing companies, consumer protection advocates, fan advocates, economists, and others. It is the only bill in Congress that is poised for passage that does not contain special interest handouts embedded and hidden within. This is in sharp contrast to the bill promoted by NIVA and Live/Nation Ticketmaster, the Fans First Act, a bill introduced in the U.S. Senate, but has not advanced in any Committee, which we and others tried for months last year to improve and make fairer. While some improvements were made and while some indie groups support it, unfortunately on a broader and more holistic level it remains a deeply flawed bill that would hand Live Nation/Ticketmaster more market power. The TICKET Act is the fairest of all legislation, and is the only ticketing bill that has advanced significantly in Congress, including passing the full House of Representatives on a bipartisan 388-24 basis.

The problem is not that fans can elect to bypass Ticketmaster's chaos and frustrating on-sales by pre-purchasing tickets from marketplaces that permit pay now/procure later tickets. Instead, the problem is when such offerings are undisclosed and if the fan isn't aware of the nature of the sale. The bipartisan TICKET Act will enact federal rules that will help fans across the nation.