CONSUMER PROTECTION DIVISION
OFFICE OF THE ATTORNEY GENERAL

REVIEW OF THE EVENT TICKET MARKET IN MARYLAND

CHAPTER 456 (SENATE BILL 539)
2024 SESSION

DECEMBER 1, 2024

TICKET RESALE STUDY

<u>Office of the Attorney General Report</u>

Senate Bill 539 (Ch. 456), Commercial Law – Consumer Protection – Sale and Resale of Tickets, enacted during the 2024 session of the Maryland General Assembly, requires the Consumer Protection Division, with input from relevant stakeholders, to conduct a review of the event ticket market in Maryland and submit a report to the Senate Finance and House Economic Matters Committees on or before December 1, 2024. Section 2 of SB 539 required the review to include, to the extent feasible, an assessment of:

(1) how event tickets are obtained for resale by professional resellers and brokers;
(2) the cost of event tickets offered to and purchased by consumers on the resale market when compared with the face values and total event ticket prices for tickets offered to and purchased by consumers in the primary event ticket market;
(3) factors contributing to the cost of event tickets sold and offered for sale on the resale market;
(4) problems consumers are encountering relating to the purchase of event tickets sold and offered for sale on the resale market, including:
   (i) the fraudulent sale of event tickets;
   (ii) the sale of counterfeit tickets;
   (iii) the denial of entry to events for which tickets were purchased by consumers; and
   (iv) the use of bots to purchase for resale tickets for in–demand events
(5) the impact of any measures taken in other states to protect consumers in the event ticket market, such as through resale price caps, limits on fees and charges by 23 secondary market resale platforms, requiring the transferability of event tickets, and 24 restrictions on the use of bots to purchase tickets for resale; and
(6) any other matters identified as relevant to the protection of consumers 26 in the event ticket market.

The Division advised the Senate Finance and Economic Matters Committees as well as the Department of Legislative Services that it does not have the resources in-house to conduct the analysis that the review would require and requested an additional appropriation to be able to hire a consultant to provide the necessary expertise. However, no additional resources were provided.

On July 17, 2024, the Division sent a request for input to stakeholders who had testified at the hearing on SB 539 or had otherwise expressed interest requesting that they or the organization they represent provide the Division with the following information, to the extent applicable to you, on or before September 1, 2024:

- How event tickets are obtained for resale by professional resellers and brokers, e.g., from individual ticket buyers, event venues, from the original seller? What percentage of the tickets you resell are purchased from each different source?

- What is the difference in price of event tickets offered to and purchased by consumers on the resale market when compared with the face values and total event ticket prices for tickets offered to and purchased by consumers in the primary event ticket market?
- What are the factors that impact the pricing of event tickets sold and offered for sale on the resale market?
- Identify the problems consumers are encountering relating to the purchase of event tickets sold and offered for sale on the resale market, including:
  - (i) the fraudulent sale of event tickets;
  - (ii) the sale of counterfeit tickets;
  - (iii) the denial of entry to events for which tickets were purchased by consumers; and
  - (iv) the use of bots to purchase resale tickets for in–demand events.
- Identify the impact on the market of any measures taken in other states to protect consumers in the event ticket market, such as through resale price caps, limits on fees and charges by secondary market resale platforms, requiring the transferability of event tickets, and restrictions on the use of bots to purchase tickets for resale.

The request specified that the Division was requesting data and specific examples, not narratives, except to the extent such narratives are supported by the data provided.

Since the Division never received the additional resources necessary to conduct the economic analysis required, the Division is instead setting forth excerpts from the responses submitted by the stakeholders. We note that some of the stakeholders who provided underlying data contend that the data they have provided constitutes Confidential Commercial or Financial Information for purposes of the Maryland Public Information Act and is not subject to disclosure under [section]. Accordingly, the Division has not included that data in this report. Here are some key takeaways based on the submissions:

1. Ticket resellers and other stakeholders advocating for few or no restrictions on the resale of tickets (collectively "Ticket Resellers"):
   a. Cite studies conducted by the American Consumer Institute[1], Sports Fans Coalition[2], and Protect Ticket Rights[3] for the proposition that consumers save money on the cost of tickets by purchasing them on the resale market rather than from the original vendor.

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[1] American Consumer Institute, "Antitrust Ticketing Case Fails to Solve Pricing Problems," June 2024, https://www.theamericanconsumer.org/wp-content/uploads/2024/06/Antitrust-Ticketing-Case-Fails-to-Solve-Pricing-Problems.pdf

[2] Sports Fans Coalition, "Ticket Transferability Saves Sports Fans $351 million since 2017," August 19th, 2024, https://www.sportsfans.org/ticket_transferability_saves_sports_fans_351_million_since_2017

[3] Protect Ticket Rights, "2023 Top Concert Ticket Resale Savings Report," September 2023, https://www.ticketbuyerbillofrights.org/s/2023-Top-Music-Concert-Ticket-Resale-Savings-Report-09122023.pdf

b. Contend that protecting ticket transferability by statute as has been done in Colorado, Illinois, New York and Utah, helps keep ticket prices low by ensuring a competitive resale market and that imposing caps on fees and resale prices will drive consumers to questionable websites to buy and sell tickets.
c. State that supply and demand are the biggest factors impacting the price of tickets in the primary and secondary markets, but that "holdbacks" by the original sellers artificially affect the supply of tickets.
d. State that the substantial majority of tickets sold on resale websites are sold by individuals, not scalpers, and that some original ticket sellers have arrangements with ticket resellers to sell a percentage of their tickets via the resale websites.
e. Contend that monopoly market power by Ticketmaster and Live Nation are a major factor in the price of tickets, including the use of "Dynamic Pricing" that allows the original price of tickets to be adjusted based on demand.
f. Contend that because of dynamic pricing, fan presales, premium packages and other factors that affect the price of tickets that "face value" for a ticket is a fluid concept so it is difficult to compare resale prices to "face value" prices.
g. Advocate for legislation requiring venues and original ticket sellers to report any suspected Bot activity to law enforcement.

2. Venues, original ticket sellers and allied organizations (Original Sellers):
    a. Contend that scalpers and ticket bots purchase a significant number of tickets to events, reducing the ability of ticket purchasers to purchase tickets directly from the venue or artist, thereby forcing purchasers to pay higher prices to buy tickets on the secondary market.
    b. Report that average ticket prices on the resale market tend to be more than double the original ticket price and that only a small percentage of tickets are offered for sale on resale websites for below face value.
    c. State that many resale websites drive up ticket prices by suggesting "recommended" sale prices to consumers looking to sell tickets.
    d. Argue that artists should be allowed to set maximum prices for tickets to their concerts to keep prices affordable for fans.
    e. Contend that allowing restrictions on resale helps to prevent fraudulent ticket sales.

In sum, there is no consensus between the Ticket Resellers and the Original Sellers on any of the issues that the Division was asked to review, including factors affecting ticket prices, whether the resale market hurts or helps consumers, how prevalent bots are, and what legislation, if any, would be appropriate.

<u>GAO Study</u>[4]

[4] Note the GAO study was conducted by a staff of at least 12 employees between November 2016 and April 2018.

In 2018, the US Government Accountability Office conducted a comprehensive study of the ticket market, **Event Ticket Sales: Market Characteristics and Consumer Protection Issues,** GAO-18-347 **(**Published: Apr 12, 2018. Publicly Released: May 14, 2018).

Here are the highlights from the GAO study:

What GAO Found

Ticket pricing, resale activity, and fees for events vary. Tickets to popular events sold on the primary market sometimes are priced below the market price, partly because performers want to make tickets affordable and maintain fans' goodwill, according to industry representatives. Tickets are often resold on the secondary market at prices above face value. In a nongeneralizable sample of events GAO reviewed, primary and secondary market ticketing companies charged total fees averaging 27 percent and 31 percent, respectively, of the ticket's price.

Consumer protection issues include difficulty buying tickets at face value and the fees and marketing practices of some market participants.

Professional resellers, or brokers, have a competitive advantage over consumers in buying tickets as soon as they are released. Brokers can use numerous staff and software ("bots") to rapidly buy many tickets. As a result, many consumers can buy tickets only on the resale market at a substantial markup.

Some ticket websites GAO reviewed did not clearly display fees or disclosed them only after users entered payment information.

"White-label" resale sites, which often appear as paid results of Internet searches for venues and events, often charged higher fees than other ticket websites—sometimes in excess of 40 percent of the ticket price—and used marketing that might mislead users to think they were buying tickets from the venue.

Selected approaches GAO reviewed, such as ticket resale restrictions and disclosure requirements, would have varying effects on consumers and businesses.

Nontransferable tickets. At least three states restrict nontransferable tickets—that is, tickets whose terms do not allow resale. Nontransferable tickets allow more consumers to access tickets at a face-value price. However, they also limit consumers' ability to sell tickets they cannot use, can create inconvenience by requiring identification at the venue, and according to economists, prevent efficient allocation of tickets.

Price caps. Several states cap the price at which tickets can be resold. But according to some state government studies, the caps generally are not effective because they are difficult to enforce.

Disclosure requirements. Stakeholders and government research GAO consulted generally supported measures to ensure clearer and earlier disclosure of ticket fees, although views varied on the best approach (for example, to include fees in an "all-in" price or disclose them separately).

Some market-based approaches are being used or explored that seek to address concerns about secondary market activity. These approaches include technological tools and ticket-buyer verification to better combat bots. In addition, a major search engine recently required enhanced disclosures from ticket resellers using its advertising platform. The disclosures are intended to protect consumers from scams and prevent potential confusion about who is selling the tickets.

Why GAO Did This Study

Tickets for concerts, theater, and sporting events can be purchased—typically online—from the original seller (primary market) or a reseller (secondary market). Some state and federal officials and others have raised issues about ticketing fees, the effect of the secondary market on ticket prices, and the transparency and business practices of some industry participants. Event ticketing is not federally regulated. However, federal legislation enacted in 2016 restricts bots (ticket-buying software). Also, the Federal Trade Commission (FTC) has taken two enforcement actions related to deceptive marketing by ticket sellers under its broad FTC Act authority.

GAO was asked to review issues around online ticket sales. This report examines (1) what is known about online ticket sales, (2) consumer protection issues related to such sales, and (3) potential advantages and disadvantages of selected approaches to address these issues.

GAO focused on concert, theater, and major league sporting events for which there is a resale market. GAO analyzed data on fees, ticket volume, and resale prices from a variety of sources; reviewed the largest ticket sellers' websites and purchase processes; and reviewed federal and state laws and relevant academic literature. GAO also interviewed and reviewed documentation from government agencies; consumer organizations; ticket sellers; venue operators; promoters and managers; sports leagues; and academics (selected for their experience and to provide a range of perspectives).

<u>Excerpts from Stakeholder Submissions</u>[5]

(1) how event tickets are obtained for resale by professional resellers and brokers;

Baltimore Orioles: As a primary ticket provider, we sell tickets directly to consumers through our official channels, including our team's website, box office, and authorized partners. While we do not directly resell tickets, we do partner with vendors who operate in the secondary market. In these partnerships, the vendors ultimately control ticket pricing, but we are involved in the process to ensure that the resale market operates within the agreed-upon guidelines and to broaden our reach.

Baltimore Ravens: In terms of Ravens tickets, the primary source is directly from ticket owners via two methods: purchasing Permanent Seat Licenses and season tickets via the PSL Marketplace and a smaller number from ticket owners looking to re-coup funds for games they cannot attend. This can also be seen in the form of ticket buyers, who intend to attend events, purchasing additional tickets specifically to sell to offset their original purchase. The Ravens do not re-sell tickets but we do facilitate the use of platforms that allow ticket owners to post tickets for sale, if they so choose. The platforms are specific to Ravens and NFL ticketing partners.

Merriweather Post Pavilion: Tickets obtained for resale by scalpers are primarily acquired by utilizing*I*abusing software to vacuum up thousands of tickets within seconds to then hold for ransom against real fans. Scalpers disguise themselves as thousands of different / unique consumers at once by: masking their IP addresses, reaching *I*loading*I*accessing*I* submitting on-sale pages faster than fans, logging-in with multiple accounts at the same time, and automatically submitting user data (names, mailing addresses, credit card numbers, etc.) faster than any actual human customers.***Merriweather Post Pavilion does not have ANY relationships with secondary ticket platforms or scalpers.***To further combat scalping, Merriweather Post Pavilion institutes ticket limits per purchaser and does not sell tickets in-person until the day *after* general on-sale.

National Association of Ticket Brokers: The secondary resale market for tickets is comprised of hundreds of ticketing companies, potentially thousands, each operating under its own business model. Therefore, there is no single answer to this question. What is important, however, is that every ticket sold by a professional ticket reseller is a ticket that person or company purchased. The primary seller (event organizer, team, venue, promoter, artist) set a price and was paid that price by the reseller. Contrary to the belief that resellers merely scoop up tickets during public on-sales, this reflects only a portion of tickets that end up on the secondary market. Many professional resellers have business deals with teams, promoters, and venues to purchase tickets directly from them, where they invest significant capital many months before the event, offsetting the risk of unsold tickets and helping with the financial success of the event.*** Professional ticket resellers have other sources for their tickets. Many have relationships with season ticket holders, subscribers and event sponsors.

[5] Note that the Stakeholders' submissions are listed in alphabetical order.

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According to a 2018 report by the U.S. Government Accountability Office (GAO): sometimes event organizers work directly with brokers to distribute tickets on the secondary market.***

i. In major league sports, teams sell up to 30% of seats directly to resellers, according to a large primary ticket seller.

ii. For Broadway theater, one company told us it regularly distributes about 8 to 10 percent of its tickets to a few authorized secondary market brokers.

iii. In the concert industry, it is unclear how often artists and event organizers sell tickets directly through the secondary market.

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Importantly, professional ticket resellers don't just buy their tickets from box offices or event organizations, they also buy and sell tickets from other secondary market participants. The secondary market has B2B platforms that provide professional resellers with marketplaces where they can buy and sell tickets multiple times on a wholesale basis, avoiding the fees that are typical on the public, consumer facing online marketplaces.

NetChoice: Professional resellers and brokers obtain tickets through various channels:

a) Primary market purchases: A significant portion (approximately 40-50%) of resold tickets are initially purchased from primary ticketing platforms or venue box offices.

b) Season ticket holder resales: An estimated 20-30% of resold tickets come from season ticket holders who sell some or all of their tickets to resellers.

c) Contracts with venues or promoters: Roughly 10-15% of resold tickets are obtained through direct contracts or relationships with venues, promoters, or sports teams.

d) Purchases from individual ticket holders: Approximately 10-15% of resold tickets are acquired from individuals who can no longer attend an event.

e) Speculative selling: An estimated 5-10% of resale activity involves speculative selling, where tickets are listed before the reseller has them in hand.

SeatGeek: Season ticket holders and other sports and live entertainment fans account for a considerable portion of ticket resales. Leagues, teams and schools have supported resale platforms because, among other reasons, they allow fans to purchase season tickets knowing that they may not be able to attend every game.*** It is also common practice in the live entertainment industry for third party professional sellers to work with certain event providers, venues and professional sports teams to help them distribute their ticket inventory.*** Working with third party professional sellers allows event providers to partially outsource their internal sales function while also receiving a portion of their ticketing revenue upfront. These third-party sellers often specialize in selling to specific segments of the market, more effectively reaching audiences such as corporate clients and out-of-town fans that event providers might not otherwise be able to reach directly.

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When a ticket is listed for sale on our marketplace, we do not know the nature of each seller's relationship with an event provider and cannot speak to how all tickets listed on our marketplace were originally procured. That said, using as an example two of our fully integrated ticketing relationships (*i.e.*, primary and resale) with the Ravens and Commanders, we can state that the significant majority of resale transactions for NFL games in Maryland in the 2023-24 season were fan-to-fan in nature (*i.e.*, did not involve professional sellers).

TicketMaster:

• One of the most deceptive methods resellers use to obtain mass amounts of tickets is to deploy automated software programs known as bots to jump to the front of the line during an on-sale to scoop up as many tickets as possible and box out real fans who are trying to purchase them. Professional brokers will then resell the bot procured tickets for inflated prices to fans desperate to see their favorite concert or sports event.
• Ticketmaster estimates that 20-30% of the tickets it puts on sale for popular artists are purchased by brokers using bots. In extreme cases, brokers using bots have acquired as many 90% of the tickets available for a particular event. Despite Ticketmaster's extensive investments to fight bot activity, brokers have also invested heavily in technology to disguise their practices resulting in an escalating arms race. Ticketmaster can only estimate the percentage of tickets taken by brokers using bots in the aggregate after the primary sales occur by tracking secondary market activity such as calculating how many tickets are transferred immediately out of accounts and appear on resale sites within seconds of tickets going on-sale. Despite Ticketmaster's efforts, it cannot always detect which specific tickets were illegally purchased with bots versus brokers exercising their right to buy tickets within the perimeters of the on-sale terms determined by the artist, team, or event organizer.
• However, because Ticketmaster is owned by Live Nation, which has a business model centered on artists and fans, Ticketmaster is the only ticketing company that makes any serious effort to find evidence of the provenance of the tickets listed on its resale site and remove the tickets and the seller when there is evidence of bot use.***
• Resellers will also use the tactic of "season ticket bulk buying," where they buy large blocks of season tickets – which often include the rights to non-sport events in the venue - and then resell individual games and special event tickets at a mark-up. This practice makes it difficult for genuine fans to purchase tickets for highly sought after events at a responsible price.
• Event organizers attempt to combat this practice by implementing purchase limits per customer, restrictions on account sharing, and verification process to identity suspicious buying behavior.
• Professional brokers will also employ people to use fake identities to generate multiple accounts in order to by-pass an event organizer's ticket buying limits and obtain large amounts of tickets.
• It's important to note that event organizers–whether artists, sports teams, or otherwise— make all the decisions regarding their ticket strategies including setting ticket prices, how and when to distribute tickets and whether to permit resale. Ticketmaster supplies the technology to help event organizers get tickets into the hands of fans in the numbers and methods that they choose.
• The business model for ticketing strategy isn't a one-size-fits-all approach and differs significantly between the concert and sports industries and impacts how each views the resale marketplace.
• In the sports event industry, teams use several channels to distribute tickets, including

offering season tickets to reservation holders, group sales, and in-person single-game tickets via the team's box office. Sometimes, teams consciously use secondary platforms as another distribution channel.

• Artists generally disfavor resale markets, which inflate concert ticket prices without benefiting the artist. Artists will sometimes implement strategies like face value exchanges to allow fans to resell tickets to other fans at face value – keeping tickets in the hands of fans and not professional resellers.

• In all cases, Ticketmaster lets content owners decide their ticket sale and resale strategies and helps them achieve their goals.

• TM does not have, and has never had, any program or product that helps professional resellers gain an advantage to buy concert tickets ahead of fans.

• Ticketmaster has developed many products and services in its ongoing efforts to combat rampant industry-wide fraud and abusive ticket scalpers' practices. These protections include products and services such presales and fan clubs, Face Value Exchange, and SafeTix (defined below).

o *Presale* = presales give fans the opportunity to purchase tickets before the general sale, ensuring a given ticket purchaser is a real fan, not a bot or professional reseller. Artists, Live Nation, Ticketmaster, or their partners may offer presale codes for certain events. If an artist has a fan club, they also may invite fan club members to join presales.

o *Face Value Exchange* = an artist-driven resale option on TM's website that allows a fan who purchased a primary ticket to an event to resell it only through FVE, at a resale price that does not exceed the face value of the ticket plus any fees and taxes paid by the fan when purchasing the primary ticket. TM created FVE in response to artist requests for a way to prevent ticket arbitrage (e.g., brokers buying face value tickets and then reselling them for the highest possible price), without compromising the ability of fans to resell tickets they cannot use.

o *SafeTix* = a TM digital ticketing product, which functions by virtue of a barcode on the digital ticket that automatically refreshes every few seconds so that it cannot be stolen or copied. SafeTix are designed to ensure that, when TM is the primary ticketer, all tickets sold or transferred are valid and secure.

Ticketmaster does not "purchase" the tickets that are available for resale on its marketplace. Rather, resale tickets available for purchase on Ticketmaster.com are listed by ticket holders. These ticket holders, including any brokers, may have purchased the tickets they list on Ticketmaster.com from the primary or secondary market, or may have obtained their ticket(s) through transfer. The best estimates are that over 70% of the business of secondary-first ticketing companies like SeatGeek, StubHub, and Vivid Seats comes from brokers. In contrast, Ticketmaster, which focuses on serving artists and fans, believes far less of its business comes from brokers.

TicketNetwork: As a ticket resale marketplace, TicketNetwork is not directly involved in the process of acquiring tickets, and therefore cannot speak to specific percentages of sourcing methods. That said, individuals and companies selling tickets through resale marketplaces such as ours largely obtain tickets in the same way that everyone else does: buying directly through the team or directly through a venue's box office or online system during presales and general sales, buying season tickets/memberships, or purchasing through resale marketplaces.

In other instances, ticket resellers will have distribution agreements directly with the rights-holders. Such agreements allow the rights-holder to effectively bypass selling their own inventory on the primary marketplace entirely by distributing through these third parties, who list the inventory on secondary sales channels. This benefits the rights holder by offsetting all upfront risk of an event and potentially earning additional profit or revenue share on the backend as well.

Vivid Seats: Vivid Seats is a ticket resale marketplace that provides a website and mobile app where individuals can buy and sell tickets. For the most part, Vivid Seats does not own the ticketing inventory offered on vividseats.com or its app. Rather, the tickets offered for sale are owned by third-party sellers, some of whom are fan sellers and some are professional sellers. Vivid Seats does not have direct knowledge regarding how any particular seller obtains tickets. Anecdotally, we observe that many are season ticket holders, looking to sell excess seats. We understand that many professional sellers have direct deals with venues and teams who wish to offer tickets through sales channels other than Ticketmaster.

Washington Commanders: Ticket resales originate from individual ticket buyers and third-party event organizers for ticket resales for events at Northwest Stadium (formerly, "Commanders Field.")*** The Washington Commanders do not resell tickets. We are the primary market.

(2) ***the cost of event tickets offered to and purchased by consumers on the resale market when compared with the face values and total event ticket prices for tickets offered to and purchased by consumers in the primary event ticket market;***

Baltimore Orioles: We do not directly set resale prices, but our partnerships with secondary market vendors allow us some oversight to ensure fair practices. Resale prices can fluctuate based on market demand, seat location, and timing, and they typically range above or below the original face value depending on these factors.

Baltimore Ravens: The price of tickets on the resale market is subject to market factors and the value placed by our ticket owners and secondary ticket sellers posting them for sale. These values can range anywhere from below original face value to above face value.

Economic Action Maryland/Sports Fans Coalition: Sports Fans Coalition analyzed data provided by Automatiq of more than 34 million sports tickets purchased on the secondary market from 2017 through the end of 2023. More than one-third of the time, those tickets were sold below face value, generating $351,461,051 in savings for fans.***In Maryland, about 21% of sports tickets in our survey were resold below face value, totaling about $4,013,360 in savings.***Nationally, for tickets purchased below face value the savings are about $29 per ticket…In Maryland, the savings are $24.66 per ticket.

Protect Ticket Rights looked at nearly 250,000 tickets purchased on the secondary market in 2023 to the top concerts and tours and found that consumers at these specific events saved more than $7.5 million by buying from secondary ticket exchanges rather than buying directly from the primary event organizer. For individual concerts, fans saved an average of $46.34 per ticket. For tours, the average savings were $36.84.***PTR also looked at Maryland savings since 2017 and found that fans saved $16 million from ticket resale. They also found that the top venues where fans saved the most were CFG Bank Arena ($1.5 million) and Merriweather Post Pavilion ($1.2 million).

A third study published in June 2024 by the American Consumer Institute found that of the 80,000 events they sampled, 55% of those events had tickets available below face value. In 2023, Americans saved more than $440 million by buying tickets on secondary markets, an average of $60 per ticket.

Merriweather Post Pavilion: The average face value ticket (including fees) for the 2024 Merriweather season is $105.60. To date, Merriweather has found 102,936 tickets listed across secondary platforms this season for more *than double* face value (i.e. above $211.20). 15,121 tickets were listed for more than $500/ticket, with 3,284 tickets listed for more than *$1,000 per ticket* and some tickets reaching as high as $63,889. One show alone on AXS, (Imagine Dragons) currently has 255 tickets listed above $1,000/ticket, with 25 tickets across eight different listings priced at $11,630.50. TickPick has three tickets for All Things Go (Day Two) listed for $63,889! That's *at least* $17,845,500 that fans are being gouged of by the secondary market. *(Data collected as of 8/7/24}*

National Association of Ticket Brokers: In 2024, Protect Ticket Rights released a report analyzing secondary ticket sales in the State of Maryland, which found consumers saved $16,455,426 by buying tickets on the secondary market between 2017-2024. The report analyzed data from the sale of 334,450 tickets to Maryland events including music, sports, and theater. Data from the 2024 Maryland Ticket Resale Report:
i. Total savings for fans by buying on resale market since 2017: $16,455,426
ii. Sports fans saved the most during the period, nearly $9 million
iii. Live music fans enjoyed similar savings of nearly $6.5 million
iv. Theater and arts patrons saved nearly $1 million
v. Top venue where fans saved the most: M&T Bank Stadium ($3.3 Million)
vi. Top music venues where fans saved the most: CFG Bank Arena ($1.5. Million) and Merriweather Post Pavilion ($1.2 Million).

National Independent Talent Organization[6]: The data shows average resale tickets are twice as expensive as average face value tickets. This data is consistent with previous findings by NITO when studying resale on a national level. We estimated the profit by subtracting the cost the consumer paid, by the average face value ticket price of the event. There was an average of 2,413 tickets resold per event with an estimated profit of $129.44 per ticket sold to resellers. The estimated combined profit for resellers for the 20 events we examined was a whopping $6,245,711.72. The total gross sales from these events was $12,098,077.72 meaning the ticketing platform, in this case StubHub, by our estimate made at least $3,000,000.00 in revenue from the resale of these tickets. StubHub charges a 15% commission to the seller of the ticket while adding up to an additional 40% in fees on top of the price of the ticket which is paid by the consumer.
One of the key arguments for ticket resellers is the ability to save consumers money by offering prices lower than are available on the primary market. For the data that we had available, we were able to find only 627 tickets out of over 35,000 tickets resold, or 1.7%, that were sold below the lowest face value prices available on the primary market. There is a combination of six shows that had 19,573 tickets resold with one ticket sold below the lowest listed face value price.

NetChoice: The price difference between primary and resale markets varies widely:
a) High-demand events: Resale prices can exceed face value by 200-500% or more.7
b) Moderate-demand events: Resale prices typically range from face value to 50-100% above face value.
c) Low-demand events: Some events see resale prices below face value, particularly close to the event date.
d) Premium seats: The most desirable seats often see the largest markups, sometimes exceeding 1000% of face value for the most in-demand events.

SeatGeek: Ticket marketplaces like SeatGeek featuring third party resale ticket listings often do not know the initial price at which a ticket is sold. A recently released third party study does

[6] National Independent Talent Organization did not separate its responses according to the questions presented so we have done our best to link NITO's responses to the relevant issue.

indicate, however, that between 2017 and 2023 more than one-third of sports tickets offered for resale were in fact resold below their original purchase price. Another study published in June 2024 found that, of 80,000 live events sampled, 55% had tickets listed for resale at below face value. That same study, published by the American Consumer Institute, also found that in 2023 the ticket resale market helped consumers save over $440 million nationwide.

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We would further respectfully suggest that the term “face value” is increasingly an anachronism. Fans today typically no longer receive a physical ticket with a static price printed on the ticket. Instead, consumers receive a digital ticket that does not include a “face value” on the ticket itself. Primary sales prices are increasingly market-driven and dynamically priced, which makes it even harder for marketplaces like SeatGeek to know what the initial sales price of a ticket was prior to being listed for resale (particularly when SeatGeek is not the primary ticketing services provider).

StubHub: StubHub does not generally collect data on the original “face value” of the tickets resold on our platform. Unlike ticket issuers or primary ticket sellers, StubHub does not set prices for tickets sold on our marketplace. Rather, sellers set the prices and buyers mutually agree on a competitive, market driven price. Often, this results in prices lower than the original purchase price. Importantly, this also provides consumers with more options when it comes to buying tickets for a premier sporting event or when a popular artist is performing in Maryland. It should be noted that “face value” is often considerably less than the original purchase price as it likely does not include all ancillary charges, fees, and in some instances, tax. Further, the concept of “face value” has little meaning in today’s live events industry. “Face value” is determined by the original ticket seller and often does not reflect the market value of the ticket. Recognizing this fact, ticket sellers have increasingly moved to dynamic or market-based pricing. This means that the “face value” or the purchase price of a ticket fluctuates to reflect demand. This may result in two tickets next to each other being sold at substantially different prices on the primary market.

Ticketmaster: Ticketmaster believes that, for all ticketers, concert ticket prices are significantly higher on the secondary market compared to the primary market. Ticketmaster’s data reflects this: TM-ticketed concerts in Maryland (and across the United States) have higher per ticket prices on the secondary market than in the primary market for the same event.

TicketNetwork: Tickets sold through resale marketplaces such as ours are priced at figures both above and below the original price paid for the tickets. Historically, between 40-50% of tickets are sold at below the original “face value” price. With the increased use of surge pricing tactics by event operators, those percentages are only trending higher. Take for example tickets to a late August show featuring Pearl Jam at Chicago’s Wrigley Field. On the week of the event, tickets available through the “face value exchange” run by the primary box office vendor (Ticketmaster) for that performance were available for no less than $150. Resale marketplace tickets started at significantly lower asking prices.*** This has become such a known phenomenon that multiple social media accounts have sprung up to highlight the regularity of deeply discounted tickets being available on resale marketplaces for those who wait.

Vivid Seats: Vivid Seats does not track the original sales price of a ticket as it is not relevant to our business model. We are aware of several industry studies that address this topic and recommend them for review:

• Tirzah Duren, *Consumergram: Antitrust Ticketing Case Fails to Solve Pricing Problem*, The American Consumer Institute Center for Citizen Research (June 26, 2024))(the "ACI Report"). The ACI Report concluded that ticket resale offers significant consumer savings. Analysis of data for the year 2023 shows that 55% of roughly 80,000 events offered tickets below face value, translating into over $440 million in savings for American consumers.

• Protect Ticket Rights report *Ticket Resale Saves Maryland Fans More Than $16 Million* (the "Maryland PTR Report").5 The Maryland PTR Report found that ticket resale saved Maryland fans $16,455,426 between 2017 and January of 2024.

• Protect Ticket Rights study *2023 Top Music Concert Resale Saving Report*, finding that concert attendees buying tickets on the resale market saved an average of $46.34 per ticket.

• The Sports Fans Coalition released two studies that found significant resale savings:

o *Ticket Transferability Helps Sports Fans Save $260 Million Over Five Years* (July 2023). The study found that in states that protect a sports fan's right to transfer and resell a ticket, fans save far more than in states with less friendly transfer laws ($14 million per state vs. $7.8 million per state). *Ticket Transferability Saves Sports Fans $351 Million Since 2017* (Aug. 2024).

• The GAO Report also contained a resale pricing discussion: "[R]esale prices are not always higher than the original price, and thus brokers assume some risk. In some cases, the market price declines below the ticket's face value—for example, for a poorly performing sports team. The leading ticket exchange network has publicly stated that it estimates that 50 percent of tickets resold on its site sell for less than face value."

Washington Commanders: Because we only participate in the primary market, the Washington Commanders do not have specific insight into price differences between the resale market and the primary market. That being said, based on anecdotal evidence and third-party studies, prices can be lower or higher than the originally listed price, depending on the event. Market factors and fan excitement can drive the price difference in either direction.

(3) factors contributing to the cost of event tickets sold and offered for sale on the resale market;

Baltimore Orioles: While final pricing decisions are made by our secondary market partners, the following factors typically influence resale prices:
*Demand for the event (e.g., high-profile games or rivalry matchups)
*Seat location (e.g., premium seating vs. general admission)
*Timing (e.g., last-minute purchases often see price fluctuations)
*Availability (e.g., limited ticket availability can drive up resale prices)

Baltimore Ravens: Demand or perceived demand for the event is the primary driver. That demand can be impacted, both positively and negatively, by the goal(s) of the ticket holder posting them for sale, the depth of the market of buyers, the supply of tickets available on primary & secondary market, the quality of the available inventory, predicted weather, the popularity/proximity of the opponent, importance of the game, time of year, amount of time before the event occurs, past team performance and the status of star players, amongst many more.

Economic Action Maryland/Sports Fans Coalition: Supply and demand are the biggest factors dictating the price of a ticket in primary and secondary markets. Deceptive holdbacks can impact supply. Many factors, including the popularity of the artist or team and the timing of the event impact demand. In concert, supply and demand are also used to justify the deceptive pricing strategy known as "Dynamic Pricing".***Many times, original ticket sellers withhold up to half of all tickets for shows as documented by the US GAO, New York Attorney General, and City and County of Honolulu.***This deceptive industry scheme manipulates demand by creating false scarcity to induce a ticket-buying frenzy so that consumers panic and, believing there are few tickets left, are compelled to buy now, often at higher prices than anticipated.

The popularity of an event will increase the amount a ticket could be worth if it were being resold on the market. Artists with a strong fan base and high demand for their performances can command higher prices, both from face value and from fees. Frequently, the artist's or team's management will dictate ticket prices. If an artist or team is more marketable, promoters will try to have the artists and their teams increase prices.

Timing is also a major factor in demand. Timing can include when the event was scheduled and the time until the event.***As ACI found in their study, "On the secondary market, the average ticket price in the first month of the sale was $170, which decreased to $114 in the final month. This represents an average decrease of one-third." US News also reports that, for most regular season games, you'll get the best price within a day or two of the game or match."

Dynamic pricing fluctuates the price of a ticket in real-time, responding to supply and demand. ***Among many factors, dynamic pricing considers the fan's motivations, age, occupation, price-shopping habits, and whether they are buying last-minute tickets. While dynamic pricing is mainly associated with concerts, it has made inroads with sports teams.***Since Ticketmaster rolled out dynamic pricing in 2011, the average cost of a concert ticket has more than doubled, from just over $60 in 2011 to $130 in 2023.

Merriweather Post Pavilion: Prices are driven by a combination of consumer demand and deceptive manipulation by scalpers and secondary markets. Many secondary markets provide a 'recommended' list price for resale tickets, creating an artificial race to the top which results in higher and higher resale prices. Speculative tickets being listed for sale before any tickets have been sold also stokes artificial scarcity**,** further abusing the demand and supply curve in scalpers' favor, even if the speculative ticket isn't sold. Since there is no enforcement in the federal or state BOTS law, without a legislatively enforced price cap, scalpers and secondary platforms will continue to gouge fans out of millions of dollars each year.

National Association of Ticket Brokers:
a. Access and throttling access. There is so much competitive friction between the primary ticketing behemoth Ticketmaster and others who attempt to compete in the primary and secondary markets, that efforts to foreclose competition results in a frustrating and degraded ticket buying experience with less choice and higher prices and fees. It begins with deceptive ticket holdbacks, where Ticketmaster, venues, artists and teams secretly hold back large swaths of tickets from the public to manufacture fake scarcity in order to raise prices.
****
Ticketmaster is accused in the monopoly lawsuit of the century brought by the U.S. Department of Justice and 40 attorneys general from the states of abusing so-called anti-fraud technology to prevent competition.
***
b. Supply and demand**.** Perhaps the most detrimental practice for consumers who are looking to enjoy live events is restrictions on ticket transferability which foreclose competition and consumer choice. Where attempts are made to restrict or block ticket transferability, it does not change consumer demand for those tickets. Instead, it leaves those consumers with less choice, and almost always higher prices.
c. Dynamic pricing**.** There is no such thing anymore as face value, an obsolete term used when box office ticket prices were static. Today it is very common for primary tickets sold by box offices and their ticketing partners to use dynamic pricing, which is supply-and-demand driven and results in customers paying different prices for comparable tickets.

National Independent Talent Organization: NITO is not against resale and has always supported resale for face value price and below. We support resale companies like Cash or Trade that provide services to move tickets at face value and below. If a fan cannot attend a concert, they should have every right to offload their ticket to someone who would like to attend. The ability however to profit off of resale creates a scenario where the best intentions of artists, providing tickets below market value with the hopes of attracting a wider audience, creates a scenario for resellers to profit more. We know for a fact that when resale above face value is blocked by the artist, like what The Cure did on their most recent tour, resale on mass scale is halted. The Cure used these face value exchange platforms that did not allow for tickets to be resold above face value for their Merriweather Post Pavilion, our data showed only three tickets resold for that show. Meanwhile, we saw resale numbers as high as 5,000 tickets for one show when no restrictions were in place. However, there are difficulties using these resale restrictions

for every tour and every artist at this moment. In part because of lack of cooperation by ticketing companies or their inability to implement protections in all states as some states have outlawed any restrictions on resale.
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It is important to explain that concert ticket sales function completely differently than sports. While sports teams only play in the largest venues, only the largest concerts can fill these same rooms. Your average indoor sports arena, where hockey and basketball is performed, is around 18,000 capacity. Baseball stadiums are often double that size and football stadiums can be four times as large. For instance, Camden Yards has a capacity of over 45,000 seats and M&T Bank Stadium is over 70,000. Additionally, each NFL team will get at least 8 home games, NHL and NBA teams will play at least 41 home games, and MLB teams will play at least 81 home games. Every season the Orioles will have roughly 3.6 million tickets to sell while the Ravens will have over half a million tickets to sell. Comparatively, most touring musicians will only play once in a market on a tour, regardless of how high the demand is. And because of staging set up, typical capacity for an arena concert will be around 12,000 tickets or less. Meaning, the average Orioles fan has 300 times as many chances to see their team play than Billie Eilish fans can see her perform in Baltimore.
Secondly, every one of the major sports leagues has roughly 30 teams, and of those 30 teams, much to the chagrin of their fans, not all teams are not particularly good. In 2023, MLB had 13 teams lose over half their games. The average MLB stadium capacity is 42,000 tickets so those 13 teams had roughly 44 million tickets to sell despite their record. The point being, the supply of sports tickets can far exceed the demand. Because of this, it is not uncommon for the teams to work directly with brokers to move tickets on the secondary market, often at lower prices than set by the team, to ensure fans are in the stadium spending money on concessions. For concerts, this scenario only benefits large corporate entities that operate or own a large number of venues in difficult markets and make much of their revenue of ancillary spending and can sell naming rights to the highest bidder.
Finally, for the most part, concerts and concert series do not have season tickets or season ticket holders. One of the initial reasons for StubHub's initial success was that season ticket holders could only attend so many games and that they would typically end up eating the cost for those games they could not attend. Resale allows these individuals to potentially recoup some of their upfront investment while also providing other fans with a potentially lower priced ticket than they would have had otherwise. Any money back in their hands is better than a complete loss so the system works well both for the seller and the buyer.
When the Sports Fan Coalition argues in its report that the secondary market is saving consumers money, that may be true. However, there are market conditions in sports that are completely different from how the concert industry functions. The numbers in their report are bolstered by these scenarios where tickets are sold below market price but the same conditions not true in the concert industry

NetChoice: Key factors influencing resale prices include:
a) Supply and demand
b) Event popularity
c) Timing relative to the event date
d) Seat location
Sf) Weather (for outdoor events)

g) Team/artist performance
h) Local economic factors
i) Competition from other events
j) Primary market pricing strategies

SeatGeek: Supply and demand determine the pricing of event tickets on the resale market. ***Seller motivation is also a critical factor impacting the pricing of resale tickets. For example, SeatGeek's Smart Pricing tool10 asks sellers to describe how motivated they are to sell their tickets so we can best support them in effectively pricing their tickets on our platform.

StubHub: StubHub does not dictate the price of tickets sold on our platform; the fans do. Prices on StubHub are primarily driven by the market. High demand and low supply results in higher resale prices. Low demand and high supply results in lower resale prices. This is a value proposition that is widely accepted across commerce.

We value the ability of our users to buy and sell tickets at the prices they deem appropriate, without regulatory interference or manipulation through mechanisms such as price floors or price caps. Keeping inventory on secure platforms is critical to maintain positive consumer experiences, as well as to help combat fraud in the market and to help enforce relevant consumer protection laws.

While the questions posed in SB 539 are directed at resale pricing, it's critical to point out that the primary ticket onsale process is opaque to fans. Bots are often singularly blamed as the reason fans have difficulty accessing tickets. However, another major contributor to fans' ire is that large percentages of tickets are never put on sale to the general public. Ticket issuers, artists, promoters, venues, and others involved in primary ticket sales frequently hold back large percentages of tickets for industry insiders and various pre-sales. Unfortunately, there is a lack of transparency regarding the number of tickets available for sale, the timing those tickets will be made available for sale, and the prices at which those tickets will be sold:

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A 2016 report6 by the Office of the New York Attorney General found that on average, only 46% of tickets go on sale to the public during the initial onsale. The remaining 54% are held back for industry insiders, artists, fan clubs, credit card pre-sales, etc. For top shows, the average number of tickets that go on sale to the public falls to 25%, and in the same report, an example of only 12% of tickets being offered to the public was cited. A report issued by the US Government Accountability Office (GAO) and an audit of ticket sales by the City of Honolulu presented similar evidence.

The practice of holdbacks is a significant factor in ticket availability and can be manipulated to create a false sense of scarcity in ticket supply. When a false sense of scarcity is created, dynamic pricing can then be leveraged to increase primary ticket prices when those "held back" tickets are later released into the marketplace over the time leading up to the event. These tickets are often priced higher than those originally sold and often reflect the market rates established on secondary marketplaces. Ticketmaster categorizes this ticket-sale model as "Official Platinum Tickets."

StubHub does not object to holdbacks or dynamic pricing by primary ticket sellers if done with transparency. Our concern aligns with the consumer interest when primary ticket sellers manipulate the release of supply, to fuel demand, and ultimately benefit from higher, dynamically priced tickets in an opaque marketplace. We believe transparency around how tickets are allocated for sale to the public, as well as transparency on how they will be priced (i.e., a set price or a price fluctuating to reflect demand), will provide critical information that can help consumers make informed purchasing decisions.

Ticketmaster: Fans' willingness to pay for tickets has the most impact on the pricing of event tickets sold on the resale market. In most cases, a reseller prices tickets on the resale market based on this willingness to pay. But, in certain instances, Ticketmaster enables artists to impose limits on that price.

o For example, an artist may set the original face value of the ticket as the *minimum* resale price for the event, so resellers cannot sell their tickets below face value.

o Likewise, an artist may set the original face value of the ticket as the *maximum* resale price, by requiring resellers to use TM's Face Value Exchange to resell their tickets via TM.

o These artist-driven requirements are intended to subvert ticket arbitrage and ensure that tickets end up in the hands of actual fans at fair prices.

TicketNetwork: For independent ticket resale marketplaces such as TicketNetwork, the only factor impacting the pricing of tickets is what the seller is willing to accept for them. Therefore, the three driving forces on price in resale marketplaces are

1) the original price paid by the person or company listing the ticket for resale
2) the demand for available tickets vs. the available supply
3) time to the event

This is why consumers are regularly able to purchase tickets on resale marketplaces at a discount compared to the original "face" price, particularly if they are shopping close to the event date. If there is ample supply of tickets available for resale and the event date is getting closer, prices fall to meet the market at the point where buyers are willing to pay.

The exception to this is marketplaces where rights-holders are allowed to set a minimum price at which tickets are allowed to be sold – a price floor. While legal action has been taken against such practices in the past – the National Football League agreed to stop requiring a league-wide price floor in response to a lawsuit filed by the New York Attorney General in 2016 - price floors are still regularly put in place for individual events, and by many individual professional sports teams across the country.

Vivid Seats: There are several factors influencing resale ticket pricing. The most obvious is the market force of supply and demand. Events occur in venues which have finite capacity. High demand events will draw higher prices than low demand events. As in our answer to Question 2, the resale marketplace helps fans realize savings for those events that, while still desirable, are in less demand. In these scenarios, fans pay less than the venues would have charged for the ticket on the primary market.

Unlike in the resale market, where supply and demand functions unimpeded, some primary sellers throttle available supply to give fans the perception that there are fewer tickets available for sale than there actually are. Many times, original ticket sellers withhold up to half of all tickets for shows as documented in the New York Attorney General's Report, and the City and County of Honolulu's Report. This supply manipulation tactic is known as a "holdback."

Finally, we cannot discuss pricing in the ticket resale market without acknowledging the significant effect that Live Nation/Ticketmaster's monopoly power has on pricing throughout the industry. ***In the amended complaint, the DOJ details how Ticketmaster uses its SafeTix technology to hamper competition in resale by throwing sand in the gears at every stage to make transfer difficult. This significantly raises its resale competitors' costs as they must assist their own customers as they try to navigate this deliberately opaque transfer process.

Washington Commanders: Although the Washington Commanders, as a primary market, do not have specific insight into the resale market, market forces impact the price of event tickets. When it comes to sporting events, factors such as team performance, the opponent, and the date and time of the game all can have a meaningful impact on the supply and demand of tickets in the resale market.

(4) problems consumers are encountering relating to the purchase of event tickets sold and offered for sale on the resale market, including:

a. (i) the fraudulent sale of event tickets;

Baltimore Orioles: This concern has not been raised by our fan base.

Baltimore Ravens: Digital ticketing has made the sale of fraudulent and/or counterfeit tickets much less prevalent than when paper tickets were the primary source of entry. However, less savvy ticket buyers can still be duped if they lack awareness of the nuances of digital tickets (i.e. legitimacy of the source, what they should look like, security features, how tickets are transferred, utilizing screenshots when tickets are not accepted or even whether the seat location purchased actually exists).

Economic Action Maryland/Sports Fans Coalition: While often referred to as "fake tickets," the practice known as speculative ticket sales involves the sale of tickets by a seller who does not currently possess or have constructive possession of those tickets but intends to acquire them in the future. Without proper disclosure, this practice misleads consumers into believing the seller already has the tickets they are selling and that the order is secure.***While banning deceptive speculative ticketing is good, outright bans can be more difficult to enforce than disclosure requirements. In the case of a ban, fans should at least have the option to contract with a reseller to procure a ticket—so long as they know they are buying a service and not a ticket itself.***Selling fraudulent tickets, whether they are forgeries, duplicate sales, or non-existent tickets is a crime and should be prosecuted as such. In 2022, the Better Business Bureau reported 16,762 "ticket scams" in the US.***Australia, France and Ireland have some of the world's most restrictive ticket resale laws. What we see there is a thriving black market around high-profile events.

Merriweather Post Pavilion: The Merriweather box office assists at least ten groups of customers with fraudulent purchases every single show. Each order contains multiple tickets, cost the customer a great deal of money above face value, and takes considerable time and effort for box office staff to manage.

NetChoice: Industry estimates suggest that only 3-5% of secondary market ticket sales involve some form of fraud.*** Other issues include price transparency concerns, speculative ticket sales, cancellation of resold tickets, and confusion between primary and resale markets.

SeatGeek: Examples of consumers encountering "fraudulent sales" or "counterfeit tickets" on the SeatGeek marketplace are extremely rare. Over the last 12 months approximately 99.84% of all transactions involving tickets sold for live events taking place in the State of Maryland were completed as intended, and virtually none (0.019%) involved tickets that were not accepted for scanning at the venue.*** It is worth noting that an increasingly frequent challenge fans do face relates to the timely delivery of tickets they purchase. In particular, Ticketmaster, the dominant primary ticketing provider for Maryland concert venues, now often does not release event tickets purchased months earlier until very close in time to a performance.

StubHub: Platforms like StubHub provide a secure way for fans to access and connect through live experiences, and we see limited fraud and counterfeit tickets on our site. Much less than 0.5% of tickets sold on our platform encounter issues at the door of a venue. With every order backed by our FanProtect® Guarantee, consumers are provided strong assurances that their purchases are secured.

We take fraud seriously and employ industry-leading anti-fraud measures. StubHub uses a combination of fraud detection tools and strategies to prevent and detect fraud in real time. Among the tools and strategies, we use fraud-fighting technologies available on the commercial market, as well as in-house expertise and custom tools built for StubHub. Our fraud protection and investigations teams not only work diligently to prevent these experiences from happening, but to investigate and understand all claims that are made so we can educate ourselves and penalize bad actors seeking to misuse our platform.

It's worth emphasizing that there is no incentive for anyone to sell a ticket on our platform that isn't valid as the seller will not be paid unless the buyer gets into the event successfully. If a seller can't deliver the ticket, we may also fine them a further fee for the behavior and to cover the costs for any replacement tickets for the buyer. If the activity is determined to be malicious, we will suspend the seller from our site. Simply put, there's no incentive to sell a "fake" or counterfeit ticket on our platform.

Ticketmaster: • The biggest problem facing consumers of concert tickets sold and offered for sale on the resale market is that secondary-first ticketing companies (like SeatGeek, StubHub, and Vivid Seats) benefit from high-volume ticket scalping, which makes up the vast majority of their business. As noted above, the best estimates are that over 70% of their business is serving professional resellers.

• Bots allow scalpers to "cut in line" ahead of real fans and scoop up large quantities of tickets. As mentioned previously, despite enormous efforts by TM to identify and not sell tickets to bots, far too many succeed. Those improperly acquired tickets then go on sale on secondary ticket marketplaces that make no genuine effort to determine the provenance of the tickets. Bots also fuel the deceptive practice of speculative ticketing, where brokers sell tickets they do not have in hand. Brokers will then use bots to try and fulfill the speculative ticket orders.

• This leads to (1) higher prices for consumers and (2) opportunities for fraud. For example, other resale websites often fail to prevent deceptive practices like speculative ticketing designed to obfuscate the actual number of tickets available for resale in order to trick fans into paying more for tickets that resellers do not actually have. For example, tickets can be found on other resale sites before an on-sale has even occurred. Not one single ticket has been released yet, but the resale sites still knowingly allow these fake tickets to be sold on their sites. They also often fail to prevent the sale of counterfeit tickets or multiple versions of the same ticket. For example, if a primary ticket is sold with a static barcode, it can be copied and sold multiple times to multiple unsuspecting fans. While each ticket appears real, on the day of the event, only the first person to use the barcode is allowed into the event and the others are turned away. Ticketmaster polices its site to prevent resellers from attempting to engage in these deceptive practices.

• TM has invested in products and services that directly combat these problems and improve consumers' experience. Presale and fan clubs ensure that real fans—not bots—are able to purchase primary tickets to events, which helps to curb high-volume ticket scalping. SafeTix

ensures that no ticket can be sold to more than one person at a time. And Face Value Exchange, when selected by the artist, keeps resale prices low and subverts arbitrage.
• Despite TM's heavy investment in these technologies, bot activity continues to rise exponentially, and speculative tickets continue to appear before event on-sales making it necessary to strengthen fines and enforcement to ensure real fans can obtain tickets at face value.
• Ticketmaster appreciates Maryland's leadership in enacting anti-speculative ticketing legislation earlier this year. *See* Md. Code, Com. § 13-310.1 (prohibiting resellers from "sell[ing] or offer[ing] to sell speculative tickets," and secondary ticket exchanges from "provid[ing] a marketplace for the sale or resale of a ticket that violates this section").***
• Similarly, Ticketmaster would encourage steadfast enforcement of Md. Code, Com. § 14-4002, which prohibits "sell[ing] or us[ing] software to circumvent a security measure, an access control system, or any other control or measure on a ticket seller's Web site that is used to ensure an equitable ticket buying process."
• On the federal level, TM supports legislation that clearly empowers artists and other event providers to set the rules for the resale of tickets to their shows and games.13
• TM also supports the Fans First Act, which would, among other things, strengthen the Better Online Ticket Sales (BOTS) Act to further prohibit the use of bots to purchase tickets online, prohibit speculative ticketing, and require all-in pricing.

TicketNetwork: According to our customer service and fraud investigation leaders, TicketNetwork has documented an issue with 1.1% of orders through our marketplace in 2024, and of those orders after a thorough investigation 39.2% of those claims were found to be unsupported by any evidence of wrongdoing by the seller.*** For the tiny fraction of orders where there is an issue, our marketplace guarantee provides a full refund of the price paid to the consumer.

Washington Commanders: Fans who purchase tickets directly from the Washington Commanders do not experience any of the problems listed above because we are the primary market. Companies participating in the secondary market may have insight into these troubling practices. It's worth noting that our use of digital technology and best practices also protects consumers from fraudulent activity.

b. (ii) the sale of counterfeit tickets;

Baltimore Orioles: This concern has not been raised by our fan base.

National Association of Ticket Brokers: Fortunately, the instances of fraudulent/counterfeit ticketing is rare. Gone are the days where a fan would need to take a risk and buy potentially counterfeit paper tickets from someone near the venue. When the major marketplaces came online in 2000 and 2001 with StubHub and Vivid Seats respectively, the seller/buyer marketplace model became more easily accessible and popular among consumers. Best of all, the platforms are structured to enhance consumer protection by being able to process payments, verify tickets and their delivery and provide refund guarantees.
***
Our members do not report any unusual customer service complaints about their Maryland event ticket sales, where a fan would call and complain that their ticket isn't working. This is combined with none of our members reporting inquiries from their marketplace partners about receiving calls from their Maryland customers about counterfeit issues. If this was happening more often, consumers would naturally call and complain to the source from which they purchased the tickets, and NATB is not hearing any of this from its member resale companies or the major online marketplaces.

NetChoice: Major events often report hundreds of counterfeit tickets detected.

Vivid Seats: In our experience, instances of so-called "fraudulent" or "counterfeit" tickets are exceedingly rare. Ticket fraud on our website is nearly non-existent, and electronic tickets delivered through an app are extremely difficult, if not impossible, to counterfeit.

c. ***(iii) the denial of entry to events for which tickets were purchased by consumers***;

Baltimore Orioles: This no longer occurs as paper (PDF) tickets have been discontinued. All Orioles tickets are now resold on marketplaces integrated with MLB, ensuring the transfer of the ticket is secure and avoiding double-selling.

Baltimore Ravens: Any denial of entry is tied directly to the legitimacy of the ticket presented, as described above, if the ticket has already been scanned for entry or if the ticket has not been properly paid for. Conduct violations such as over-intoxication can also impact entry.

Economic Action Maryland/Sports Fans Coalition: News outlets frequently report on fans being denied entry to events around the country. However, we lack empirical data measuring the number of fans denied entry.

Merriweather Post Pavilion: Merriweather Post Pavilion tries to help everyone. Due to the prevalence of these issues, Merriweather intentionally maintains a small number of lawn tickets which are able to be used to help fans who have been scammed.

National Association of Ticket Brokers: This year there were complaints posted on social media about some music tours violating state law by restricting ticket transfer through the Ticketmaster app. This includes in Virginia and New York when country music singer Zach Bryan initially made his tickets for his "Burn, Burn, Burn" tour nontransferable without notifying ticket purchasers. In these states, restricting transferability is illegal.***This is why several states have passed anti-discrimination laws making it illegal for venues to deny entry to ticketholders on the basis that the ticket was resold or that the consumer purchased their ticket from a source other than the box office or its primary ticketing partner.

NetChoice: While comprehensive data is lacking, our members report that less than 1% of resold tickets result in entry denial.

SeatGeek: SeatGeek honors valid tickets presented for entry at venues where it is the primary ticket services provider, *e.g*, M&T Bank Stadium and Northwest Stadium (until recently known as Commanders Field). This is irrespective of where a fan elected to purchase tickets.

StubHub: Fans should not be penalized for reselling or purchasing resale tickets on their preferred platform as this limits consumer choice and competition among sites. As a condition of the initial sale, some ticket sellers, sports team owners, artists, and venues use ticket delivery techniques to prevent the transfer of tickets between fans. These practices limit fans' ability to resell a ticket if they cannot attend an event, purchase tickets as gifts, or give tickets away to family or friends – restricting the overall choices fans have when buying tickets.
This type of behavior unfairly limits choice and forecloses competition in the market. As such, we strongly encourage Maryland to consider a law to align with states such as preserve the rights of consumers to not be discriminated against should they choose to resell their tickets or

purchase resale tickets. States including Colorado, Illinois, Utah, and Virginia all have codified such anti-discrimination protections for consumers who sell or purchase resale tickets.

Vivid Seats: In those rare cases where customers had issues with their order, we honored our 100% Buyer Guarantee and refunded the order. Of those orders that resulted in denial of entry, approximately one third of the time, denial was caused by a venue that refused to honor a resold ticket that was valid. In our experience, this occurs simply because some venues oppose the resale of tickets and will invalidate a ticket not because it is, in fact, counterfeit, but because they object to the resale industry.

d. and (iv) the use of bots to purchase for resale tickets for in–demand events;

Baltimore Orioles: While I cannot definitively prove bot activity occurs, high demand for events can lead to fan frustration. It is often the high demand, rather than bot activity, that results in fans being unable to secure tickets, while professional resellers persist in trying.

Baltimore Ravens: It is difficult to know to what degree bots impact primary markets. When demand is high and significant numbers of ticket buyers are not successfully able to purchase the tickets they want, there is an assumption that bots may have impacted the market. Ticketing platforms have features in place to prevent or identify bot activity but it's a cat and mouse game. These platforms will typically seek to cancel and refund purchases that are believed to be rooted in bot activity and those seats would be re-sold. We do not believe that we have experienced any significant bot activity for our events but look for signs.

Economic Action Maryland/Sports Fans Coalition: [C]ompanies should be required to report any illegal bot behavior they catch to law enforcement.***Federal law already prohibits the use of bots to purchase event tickets. However, this legislation has rarely been enforced, primarily because these ticketing giants have failed to report such criminal activities to law enforcement, leaving the Federal Trade Commission or state Attorneys General with little ability to locate and penalize offenders.***In 2018, Ticketmaster claimed to have stopped more than 10 billion bot purchase attempts.

Merriweather Post Pavilion: The use of bots can be difficult for box office's to prove at on-sale, when scalpers are often able to cart and acquire tickets before consumers as a result of a variety of software 'tricks' in addition to bots, including proprietary web browsers that allow for multiple separate account logins at once, programs to auto-fill user data, and web proxy services which specialize in accessing websites at the fastest speeds, beating out consumers to be 'first in line' by milliseconds. Bots are easily observed if additional tickets are made available at a later date however, as bots are constantly scraping webpages for changes and will therefore purchase tickets that have just been made available *instantly,* whereas fans won't know more tickets are available until they see the social media announcement a few minutes later.

National Association of Ticket Brokers: Bots are illegal. Those who violate the law should be held accountable. Long before state and federal laws made them illegal, NATB's Code of Ethics called for the elimination of bots. NATB also advocated for the passage of the federal BOTS Act in 2016 and has supported the passage of similar laws in other states. NATB also questions why Ticketmaster and venues oppose proposed laws to require the reporting of suspected bot attacks to law enforcement investigators.

National Independent Talent Organization: We know that it is increasingly difficult for everyday fans to compete for tickets for high demand shows. Rampant use of technology to bypass security measures and procure tickets is very real. This puts everyday fans at a serious disadvantage. NITO's formal complaint to the FTC highlights some of this technology, browser extensions and multi-server tools, proxy services to mask IP address and location, data scraping

tools, virtual credit cards and integrated large scale resale solutions allowing people to list tickets on multiple sites at once. These tools all give an unfair advantage to individuals who purchase tickets with intent to resell for profit, their use to buy tickets in excess of purchase limits is also against the law.
The resale platforms themselves are spending millions of dollars on search engine optimization which puts their listings on the top of internet searches. Much of this is paid for by higher ticket fees, meaning the consumers are paying for the companies to market higher priced tickets back to them. Resale platforms selling tickets that were procured in violation of the BOTS Act are also violating the BOTS Act, however we found little evidence that any of these companies are actively scrutinizing their sellers.
Lack of enforcement is a serious issue but the ability to double or triple your investment for resellers is a serious incentive to procure tickets even in violation of the law. At this point, we see no solution to this issue without stronger enforcement, harsher penalties, or banning the possibility to profit off resale altogether.

NetChoice: Some primary sales see bot purchase attempts accounting for over 50% of traffic.

SeatGeek: We believe the use of bots is very much a primary ticketing issue, *i.e.*, that is when the illicit/illegal use of bots in the ticket purchasing process takes place. There is no effective way a resale marketplace can detect whether tickets listed by a third party for resale were acquired initially using bots; once listed for resale, they appear as any other resale ticket listing. During primary ticket onsales where we are the primary ticketing services provider, *e.g.*, for events at M&T Bank Stadium and Northwest Stadium, SeatGeek's platform employs technologies to detect and block bots. In addition, we review certain ticket purchases to help ensure that they were made by a human and were not fraudulent, have a review process that checks for unusual behavior and anomalies that could indicate the use of bots, and limit the number of tickets that can be purchased by a single user to prevent bulk purchases by bots, helping to ensure that tickets are made available to a wider range of fans.

StubHub: StubHub supports strong enforcement of the federal BOTS Act and Maryland's anti-bots statute. We recognize that enforcement requires collaboration with the industry, particularly with those primary ticket sellers that are alleged to be attacked by illegal bots usage. StubHub welcomes that collaboration and encourages those attacked by bots to report the behavior for further investigation to the Federal Trade Commission and other enforcement agencies, including the Maryland OAG.
While bots are typically used to target primary sellers by bypassing queues and limits, attacks on secondary sites like StubHub often involve attempts at data scraping or hacking. Globally, StubHub has built the tools and functionality to identify and stop bots attacks against our platform.
StubHub's User Agreement calls for all sellers to comply with all applicable laws and regulations, including the federal and Maryland bots laws. Our Trust and Safety team has processes in place to flag irregular listings for further investigation, removing and punishing violators as needed.

TicketNetwork: Because TicketNetwork itself does not own or acquire tickets itself, we are unable to provide a full response regarding the use of “bots” in ticket purchasing and therefore, we do not have available data regarding the usage of such programs. TicketNetwork does however, require all of its clients to confirm that they abide by all applicable state and federal law in order to list tickets with TicketNetwork, including prohibiting the use of “bots” in their operations. We do not condone the use of such programs, and further have regularly called for a requirement that suspected “bot” usage be reported to the Federal Trade Commission for enforcement of the existing Better Online Ticket Sales (BOTS) Act, passed nearly a decade ago banning the use of such programs across the country.

Vivid Seats: Although we carefully vet the sellers who sell tickets on our marketplace and require that all sellers comply with applicable law, we do not believe that it is possible to identify bot-trafficked tickets. We also believe that the incidence and impact of bots is exaggerated by primary sellers to distract from their use of holdbacks, as described above, and deflect blame to resale competitors for the dysfunctional and frustrating ticket on-sale process experienced by consumers. ***We observe that while the use of bots has been outlawed federally and in multiple states, including Maryland, there only have been a handful of prosecutions (three federally, three in New York and, to the best of our knowledge, no others). This could be for several reasons, including lack of reporting or exaggeration of the issue by venues. We believe that venues should be required to report bot attacks to law enforcement.

(5) the impact of any measures taken in other states to protect consumers in the event ticket market, such as through resale price caps, limits on fees and charges by secondary market resale platforms, requiring the transferability of event tickets, and restrictions on the use of bots to purchase tickets for resale;

Baltimore Orioles: Based on our knowledge, consumer protection measures such as restrictions on bot usage, resale floors, and price caps have had a minor impact on ensuring more equitable access to tickets. We support efforts that help maintain a fair and transparent market for all fans. At the end of the day, price and availability are controlled by the basic economic factors of supply and demand. The Orioles are committed to providing a safe and secure platform for transactions, which has effectively mitigated fan frustration related to fraud, counterfeit tickets, and denial of entry.

Baltimore Ravens: We have not conducted a formal study of practices in other states. In outreach to a few of our counterparts during the discussions on the provisions in SB 539/Ch 456), the statue offers first in the nation consumer protections for Maryland citizens. Our concern with any market restrictions relates to the enforcement mechanisms that would exist to ensure a level playing field or whether a black market could be created if market forces clearly exceed restrictions.

Economic Action Maryland/Sports Fans Coalition: [S]upply and demand are the biggest factors dictating ticket prices. Restricting resale prices will not change this. It will, however, encourage ticket resellers to go underground and sell tickets on less-reputable sites like Craigslist, X and Facebook Marketplace***Only a handful of states, Massachusetts, Rhode Island and Kentucky, still have caps on ticket resale. These caps go largely unenforced[.]
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[P]rotecting transferability leads to savings for fans. The states which have protected transferability are Colorado, Connecticut, Illinois, New York, Utah and Virginia.***The power of ticket holders to freely transfer tickets they've already purchased fuels the competitive secondary market for sports tickets.

Merriweather Post Pavilion: One of the best recent examples of how legislation in the United States is impacting fans across the country is The Cure's 2022 tour. The band made every effort to implement and enforce a face value ticket exchange for their fans, to prevent price-gouging and combat resellers. But in some states, this was impossible. In states like New York, Illinois, and Colorado, where scalpers have successfully lobbied for laws forbidding artists and promoters from setting their own policies on transferability, the number of tickets resold was 92% higher than in California, where artist and promoter-determined transferability is protected. Scalper profits in New York, Illinois, and Colorado were also 99% higher compared to those in California, meaning the bans in those states are actively harming fans in their constituencies. As a result of these restrictions, The Cure's resold tickets in Chicago were on average 396% above the face value price, despite the fact that this was expressly against the band's wishes for all tickets to exclusively remain at face value.

Another study by the National Independent Talent Organization found that an arena-level artist who used fan-to-fan face-value exchanges in California had just 18 total tickets resold for their two LA arena shows and 26 for an Oakland Arena show. By contrast, the same artist's New York City show had 1,053 tickets resold at an average price 712% higher than the average face value price. The study estimated that, collectively, resellers profited $936,351.00 on that one New York City show, meaning consumers were gouged of nearly $1,000,000 in a single show by secondary markets. Another stadium-level artist who intentionally keeps face value ticket prices lower to allow more fans to attend had 7,767 tickets resold on the secondary market for a profit of $2,318,610.42. This artist's average face value ticket price is $72.16, and they were resold at an average of $298.52, a 313% markup.

Also included in the index of data submitted are a series of articles detailing how effective legislation in the EU has kept prices for artists like Taylor Swift so affordable that it is cheaper for American fans to purchase flights, local lodging, and concert tickets abroad in Europe than it is for them to see her in their own backyard. The average get-in-the-door price for a Taylor Swift show in the U.S.— i.e. the lowest price available — was roughly $2,600/ticket. In Europe, however, the get-in-the door price to see the opening of the European leg of the Eras Tour in Paris was just $340 a ticket — just 13% of the average price in the United States. A fan in Miami could have flown to Paris for about $900 a person (according to prices generated on kayak.com), spent two nights at a four-star hotel at $250/night, and purchased a $340 concert ticket for a grand total of $1,740 — $760 less than the cheapest tickets available for her Miami shows. Because the U.S. does not protect its consumers from ticket gouging, all of these concert tourism dollars are being sent overseas, removing economic gain from U.S. business and tax coffers.

EU ticketing legislation includes: A face-value price cap in Italy, Portugal, Ireland, Belgium, Denmark, Norway, and Poland, A 25% price cap Germany, and Complete disclosure rules in the United Kingdom stating that resellers must disclose their name, whether or not the reseller is a professional / business, if the seller has a connection to the platform they are selling on, the original face value price, and the exact seat location.

National Association of Ticket Brokers:

Caps on prices and fees: These artificial constraints on the market drive resale into the gray markets. Thwarting competition will push consumers to unsafe ticket sales.*** By pushing resale off transparent sources, if a law is passed that restricts ticketholders from offering their tickets from these sources for a price higher than they initially paid, NATB is concerned this will promote shadow market sales through online classified ads and sellers on the streets, where there is no purchase protection, guarantees, refunds, or recourse. If the market will bear a higher price, ticketholders will simply avoid using trusted resellers and revert to the untrustworthy and unsafe means of years past to buy and sell tickets.

Capping Fees**:** If only resellers are capped in terms of the fees they charge, legitimate resellers as well as large online marketplaces like StubHub, Vivid Seats, Seat Geek, Tick Pick, Gametime and others may cease their operations in the state, leaving only the venue box office and their primary ticketers like Ticketmaster left for Marylanders. When there is no way for fans to meaningfully comparison shop, the fewer options left for them will be capable of raising prices arbitrarily. It is important to note that because marketplaces connect buyers and sellers with goods, ticket resale marketplaces don't set the ticket price or receive any of the earnings form the base price, they only operate from the fees alone, hence a 10% cap may not be sufficient to sustain the company's operations, which include marketing, ticket fulfillment, secure payments, customer service, and more. While a company like Live Nation/Ticketmaster may profit from multiple line items on a ticket transaction, marketplaces on the other hand only profit from their service and delivery fees.

Banning Bots. *******The real need is to require primary ticketing companies and venues to report suspected bot attacks to law enforcement.

Ticket Transferability:*** Six states protect ticket transferability (NY, CT, VA, IL, UT, CO) and fans in these states have saved more on resold tickets compared to other states that do not have such consumer protection laws. A 2013 report by the Sports Fans Coalition found that fans in states where their ability to transfer their purchased tickets is protected by law **saved, on average, almost twice as much** as those in states that do not protect ticket transferability or where teams, venues, or others in the industry can restrict transfer.

Data shows protecting transferability saves consumers money. A June 2024 report by the American Consumer Institute's Center for Citizen Research found that:***Analysis of data for the year 2023 shows that **55% of roughly 80,000 events** offered tickets below face value, translating into over **$440 million in savings** for American consumers.

Banning speculative tickets. Several states ban the sale of tickets that are speculative, meaning the seller does not have actual or constructive possession of the ticket at the time the purchase is made and instead buys and later delivers tickets before the event date.*** So long as there is adequate disclosure and such orders are filled as per the terms of the original sale, including price and date of expected ticket delivery, with a penalty should for some reason the seller cannot fulfill the order, the ticket buyer is protected.

NetChoice: Several states have implemented consumer protection measures in the ticket market:
a) Resale price caps: Some states like Arkansas have price caps, but they can reduce overall ticket availability and drive activity to unregulated channels.
b) Ticket transferability laws: States like New York, Connecticut, Virginia, Utah, and Colorado have laws ensuring ticket transferability, preserving consumer choice and secondary market competition.
c) Anti-bot legislation: Many states have passed laws restricting the use of bots to circumvent ticket purchase limits, but enforcement challenges remain.

SeatGeek: We believe states have recognized that consumers benefit from markets where ticket prices are set according to the laws of supply and demand, and no state is actively limiting the resale price of tickets to live events. While a few states do have legacy resale price or fee cap laws on the books (typically dating back to pre-internet days of folks reselling tickets on the corner or alley near a venue), they are not enforced. And it even appears that the legacy Massachusetts resale price cap statute may be rescinded as soon as this Fall.

Six states have laws protecting ticketing transferability, *i.e.* requiring that tickets be transferable. We note that in states such as Maryland where these laws do not exist, fans are susceptible to missing out on the opportunity to purchase lower-priced tickets for events where demand turns out to be less than expected.

StubHub: In today's marketplace, Maryland consumers do not have the right to transfer, resell, or donate the ticket they purchase. The primary ticket seller, artist, venue, or team selling the ticket has the sole discretion to dictate to consumers if a purchased ticket may be transferred, resold, or donated.***In today's marketplace, 70-80% of primary ticket sales are controlled by one primary ticket platform, Ticketmaster. Consumers who want to purchase directly from the primary seller have no choice but to accept the terms and conditions of sale set by the primary seller and use the technology required by the primary ticket platform.

Many primary ticket platforms, including Ticketmaster, also operate secondary ticket platforms and will use terms and conditions and technology to steer resales to their platforms or prohibit transfer or resale altogether. Technology has amplified an existing pattern of anti-consumer and anticompetitive practices by primary ticket platforms as they attempt to control consumer behavior, limit consumer choice, and thwart competition.

Rough estimates suggest that as many as 90% of tickets sold today may use technology that empowers primary ticket providers to dictate to consumers if and how they may transfer or resell their tickets. Consumers can also be subject to retaliation by venues, teams, artists or primary ticket sellers who may, at their discretion, deny admission or cancel tickets that are transferred or resold.

Fortunately, several states have recognized the importance of empowering ticket purchasers by ensuring the option to buy a freely transferable ticket at the initial point of sale is always available. These states include Connecticut, New York, Virginia, and Utah. Two more states – Illinois and Colorado – have laws in place that prohibit any restriction on the resale of a ticket.

It is imperative that consumers be empowered in the ticket buying process to ensure choice and competition in the marketplace. Maryland should regulate the use of restrictive terms and conditions and technology and require that consumers be provided the option to purchase a freely transferable ticket at the initial point of sale. This is a sensible response to the growing trend of anti-consumer and anti-competitive practices in the live events industry.

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Restricting ticket resale prices will likely push transactions for high-demand events to insecure channels like social media as has been seen in other markets. Buyers and sellers should be able to use trusted marketplaces like StubHub without fear of penalties. A 2018 U.S. Government Accountability Office report found resale price restrictions ineffective due to enforcement difficulties, with no evidence they lower resale prices or increase ticket availability.

47 states, including most recently Arkansas, Louisiana, and Michigan, have modernized their laws to allow resale at market rates, benefiting consumers with choice and protection. Price caps drive sales off secure platforms, undermining consumer protection and encouraging fraud. A regulated resale market offers better consumer protection than outdated price cap laws.

Furthermore, no state has enacted a law restricting fees for secondary ticket marketplaces. Limiting the fees a secondary ticket marketplace can collect is anti-competitive and harms legitimate businesses by jeopardizing their ability to operate, prevent fraud, and serve consumers. Undoubtedly, restricting fees would unfairly advantage companies that operate both primary and secondary ticketing services, such as Ticketmaster, and can offset any limitations on their resale business. Instead of stifling legitimate businesses from operating in Maryland, any legislation should preserve competition in a regulated resale marketplace, providing Maryland consumers with more choice and confidence in knowing that their purchases are protected.

Ticketmaster: • *All-in Pricing Laws Promote Competition*. Ticketmaster continues to advocate for an industry-wide mandate of upfront pricing, so fans see the full face value and fee cost upfront. This only works if all ticketing marketplaces go all-in together, so that consumers truly have accurate comparisons as they shop for tickets. Ticketmaster has actively supported the passage of all-in pricing laws in state legislatures across the country including California, Colorado, Connecticut, Maryland, Minnesota, New York and Tennessee. However, many resale platforms are still not compliant with these state-led transparency standards. In September 2023, Live Nation deployed all-in pricing for shows at venues and festivals it operates across the United States. The industry-leading initiative has proven beneficial for both fans and artists, delivering greater transparency for fans while increasing sales for artists and fewer abandoned carts at checkout.
• *Preventing Resale Restrictions Hurts Consumers*. Requiring the transferability of event tickets is manifestly *not* in the interests of consumers. In the first place, it "solves" a nonexistent problem. Event organizers broadly favor transferability for getting tickets to companions, not-for-profit resale, and the occasional (but greatly exaggerated) instance when a genuine fan is unable to attend an event and just wants to recoup her money. There is no danger that primary ticketing companies like Ticketmaster would prevent these activities. The push for requiring transferability comes from professional resellers and secondary-first ticketing companies, and it is to protect their inventories and avoid resale restrictions like price caps that would inhibit ticket scalping. In a recent study, the National Independent Talent Organization ("NITO") found that, in states that outlaw restrictions on resale (such as fan-to-fan face-value ticket exchange), "fans were exploited despite the artist's best efforts." NITO examined a 2023 tour by The Cure and found that in California (where resale restrictions are allowed), "the number of tickets resold and reseller profits were 92% to 99% less than in states like New York, Illinois, and Colorado, which do not allow restrictions on resale." Prohibitions on artists' ability to cap resale markups benefit resellers at the expense of artists and fans. Currently, Maryland law does not prevent artists and teams from using techniques like to fan-to-fan exchanges to cap resale. TM opposes efforts by resellers to prevent artists and teams from implementing these fan friendly initiatives.

TicketNetwork: The most significant impact on consumers passed at the state level has been the protection of transferability rights for consumers. Colorado, Connecticut, Illinois, New York, Utah, and Virginia have passed such laws in the past decade, as rights-holders and event promoters have increasingly sought to lock tickets to their preferred vendor, eliminating consumer choice. While the lobbyists pushing for measures such as resale price caps and allowing for tight control of consumer use and resale rights by the primary seller say they will reduce consumer prices, the opposite is true in practice, see the examples provided above. In fact, the Department of Justice has pointed to Ticketmaster's mobile ticketing system as a prime example of how the company "deploys its vast power and network to protect its monopoly" by using technology to extend its dominance in primary ticketing to the secondary market.

For the Pearl Jam show at Wrigley Field previously referenced, the only reason consumers were able to secure tickets at such savings vs. the primary market is because Illinois law prevents the implementation of transfer restrictions – meaning the primary market has competition and prices are lower. In other markets not protected by such laws, transfer is turned off for Pearl Jam's tour, and resale is restricted to "face value" on Ticketmaster – including for a September performance at CFG Bank Arena in Baltimore. Fans who have bought tickets to that performance and cannot attend are supposed to be selling through the preferred vendor (Ticketmaster) at "face value" (whatever they paid during the initial price surge). Currently, that means many consumers are stuck with tickets they probably will never sell, because they paid inflated prices, and the event promoter has since released less expensive tickets that had previously been held back from sale, presumably to create the impression of scarcity and stimulate the purchase of tickets at inflated prices.

Vivid Seats: Resale price caps would have significant negative consequences on competition in the ticketing industry. This past session, Maryland's Legislature considered a price cap on resale such that prices could not exceed the original face value and resale service charges could not exceed 10% of face value. This would cause significant harm to resale marketplaces and their customers. In particular, ordinary fans would never be able to resell a concert ticket for a profit.*** If resale price caps were to pass in a particular jurisdiction, legitimate resale marketplaces in that jurisdiction would no longer be viable due to reduced transaction volume, and legitimate resellers likely would leave the state. This matters because fans benefit from the competition brought by resale.*** Further, resale marketplaces are potential future competitors for business in the primary market. Seat Geek, for example, began exclusively as a resale marketplace, but now also offers primary inventory in Maryland. Starting late last year, Vivid Seats began offering primary inventory for certain venues in Las Vegas.

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Laws that require that tickets be transferable encourage competition and fans benefit when companies compete with one another. Currently, six states require that tickets must be transferrable and available for resale on the platform chosen by the ticket seller: Colorado, Connecticut, Illinois, New York, Utah and Virginia.26 Vivid Seats supports these laws, because they mean that fans who need to resell a ticket may do so independently of the platform that first issued the ticket; many times, that platform is Ticketmaster.

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As noted above, in states that protect a fan's right to transfer and resell a ticket, fans save far more than in states with less friendly transfer laws ($14 million per state vs. $7.8 million per state). If more states were to protect competition by protecting ticket transfer, then ticket prices might decrease.

Washington Commanders: We are not aware of any states actively limiting resale ticket prices. Some states have existing price cap laws, but we are not aware of any such laws being enforced. From speaking to our fans, we believe that capping resale prices would negatively impact our season ticket holders and other individual fans. Specifically, we believe price caps limits a fan's options to sell tickets if they find themselves unable to attend a game. Similarly, we believe transfer restrictions unnecessarily restricts our flexibility to offer promotional programs to our fans.

and (6) any other matters identified as relevant to the protection of consumers in the event ticket market.

Baltimore Ravens: As you are aware, we have spent a lot of time over the last decade with various proposed ticketing related legislation and we were pleased to see some meaningful consumer protective measures were passed in 2023. We do not think any additional event ticketing measures are needed at this time.

National Association of Ticket Brokers: NATB has advocated for a fair and transparent live event ticket market and has supported a requirement of "all-in pricing." Therefore, NATB supports the spirit of all-in pricing initiatives.*** The challenge is that such a requirement would only work and be effective if (i) it was required of every ticket seller and (ii) there was rigorous and expeditious enforcement. The lack of uniformity and enforcement would result in harm to consumers who chase what they believe is a better price only to pay more than they would have after fees were added by the seller that offered the carrot of a lower price.
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[T]he sins in ticketing begin before tickets initially go on sale with deceptive ticket holdbacks, where Ticketmaster, venues, artists and teams secretly hold back large swaths of tickets from the public to manufacture fake scarcity in order to raise prices. In this deceptive scheme, which we believe should be illegal, the held back inventory of tickets is slowly released over time at the maximum price the market will bear considering the scarcity of comparable tickets.

National Independent Talent Organization: Those that suffer the most from the resale market are the actual labor forces responsible for putting on the show: the artists, the venues and promoters. People paying higher prices on the secondary market inevitably go to less shows and choose those that they do attend selectively. Most people only have so much disposable income, if you spend $500.00 on one concert, you're less likely to go to more concerts even at a lesser price. Our industry depends on people regularly attending a wide variety of concerts. People need to work this into their social habits the same way they would with going to bars, restaurants, movies or other forms of entertainment. If they believe they can only attend concerts for hundreds of dollars, they'll exclude this from their social habits and we'll inevitably see a decline in attendance. It will also kill the spontaneity potential. If people believe attaining tickets is an expensive headache, they're less likely to attempt to go to a concert without planning ahead.

There are circumstances that can appear beneficial to the artist or venue but can actually be detrimental. For instance, resellers can purchase beyond demand for shows. While this may mean cheaper seats for fans on secondary sites, this can lead to seriously adverse scenarios for the venue and artist. For acts with high demand, it often costs tens of thousands of dollars every day to be on the road. Between travel, salaries, gear, transport, lodging, and numerous other costs incurred while on tour, a multi month tour can easily cost in excess of a million dollars. Research we've done with our members shows that on a sold out show, an artist's profit margins on a $100 primary market ticket will be around $8.00 per ticket. If the artist does not sell out, these profits can be less, so if shows underperform, the margins are very small to begin with.

If an artist rapidly sells out a venue and has open space on their tour schedule, they could be

incentivized to add a second or third show in that same market to meet demand. However, if resellers had over purchased for that first performance, the additional shows can underperform and the profits can be wiped away. For the venue, the effect is similarly adverse. You will staff a show differently based on how many people are expected to come. This means if a show is sold out on paper, but the resellers over-purchase and only 60% of the tickets purchased get scanned through the door, the venue is bleeding revenue by overstaffing security, bartenders and additional staff to handle a larger crowd. The difference between tickets sold and tickets scanned is called a “drop count”. We do not have exact numbers but industry-wide reports drop counts are much lower than in previous years, below 90% is common at this point with many shows being as low as 75% despite high ticket sales on the primary market. Fewer people in the room means lower merch sales for the artist and lower concession sales for the venue.
We have also seen instances where resellers will “cart” tickets, as in secure the ticket in their purchase cart, list it on a secondary site and once it sells complete the purchase and the resale almost simultaneously. This means while real fans are waiting to make purchases at face value, someone is actively blocking their ability to do so while listing that ticket at higher prices elsewhere. This process can make potential buyers leave the queue altogether as no tickets appear available for purchase.

NetChoice: 1. Ensuring ticket transferability is crucial for protecting consumer rights and promoting competition in the secondary market. Maryland should follow the lead of states like New York and Colorado in guaranteeing fans' ability to freely transfer, resell, or donate their tickets.
2. The recent Department of Justice antitrust lawsuit against Live Nation and Ticketmaster highlights serious competitive concerns in the ticketing industry. Maryland should use its position as a plaintiff to advocate for strong remedies that will benefit Maryland consumers.
3. Expanding consumer protections and promoting competition in ticketing can be achieved without unduly burdensome regulations that could stifle innovation or limit consumer choice.
4. Any new policies should be based on rigorous economic evidence and a careful balancing of costs and benefits, not anecdotes or preconceived notions about the ticketing industry.
5. Private resale markets play an important role in providing flexibility for consumers and should not be unnecessarily restricted.