

April 22, 2024

Assemblymember Rebecca Bauer-Kahan Chair, Assembly Privacy & Consumer Protection Committee 1020 N Street, Room 162 Sacramento, CA 95814

Dear Chair Bauer-Kahan

As members of the Ticket Buyer Bill of Rights Coalition¹, we write to express concern over some of the proposed amendments to AB 2808 (Wicks) because some of the proposed amendments would further entrench the Live Nation/Ticketmaster monopoly's power over fans, something the bill was originally seeking to combat.

Many of the problems consumers face with ticketing stem from Live Nation Entertainment/Ticketmaster's monopoly in the live entertainment industry. In 2010, the U.S. Department of Justice (DOJ) gave a green light for these two companies to establish a vertical monopoly.² Coupled with subsequent vertical and horizontal mergers, the marketplace continued to consolidate.³ This resulted in a colossal powerhouse that dominated everything from artist management to concert promotion, venue management, primary ticketing, and ticket resale – basically, every element of the live events supply chain. Their anticompetitive behavior is now under an extensive investigation by the DOJ, and a lawsuit is expected very soon.⁴ This is why we would like to express our support of AB 2808 as originally introduced. The bill sought to weaken the monopoly's grip on primary ticket sales by injecting competition where none exists and granted fans the Right to Transfer, the first pillar of our Ticket Buyer Bill of Rights.

The proposed amendments outlined in #2 (b) of the Committee's analysis are antithetical to what the bill was originally trying to accomplish – to create competition in a consolidated market and protect fans rights to transferability. While empowering artists is well-intentioned, to do so in this manner would allow Live Nation's monopolistic behavior to continue unchallenged – behavior currently under investigation by the US Department of Justice. Live Nation Entertainment is the world's largest artist management company, owns about 400 venues

¹ The Ticket Buyer Bill of Rights Coalition is a group of consumer advocates who engage lawmakers at the national and state levels on a variety of consumer protection issues. As recent events with botched on-sales, fans not receiving their tickets, and other harms have shown us, the ticketing industry is deceitful to fans, restrictive of consumer rights, and overall does not serve the consumer's interest. Seeing this, together our groups developed the "The Ticket Buyer Bill of Rights", a set of principles we believe should serve as a framework for ticketing legislation that can improve the live events ticketing market that serves millions of fans each year. https://www.ticketbuyerbillofrights.org/

² Department of Justice, "Justice Department Requires Ticketmaster Entertainment Inc. to Make Significant Changes to Its Merger with Live Nation Inc". (Jan. 2010)

https://www.justice.gov/opa/pr/justice-department-requires-ticketmaster-entertainment-inc-make-significant-changes-its

³ See Appendix II of Federal Trade Commission Matter No. R207011, Request for Comments: Unfair or Deceptive Fees Trade Regulation Rule, Response of the Sports Fan Coalition, February 7, 2023 https://www.regulations.gov/comment/FTC-2022-0069-6110

⁴ Michaels, Dave, and Anne Steele. "Justice Department to File Antitrust Suit Against Live Nation." *Wikipedia*, Wall Street Journal, 15 April 2024, https://www.wsj.com/business/media/live-nation-justice-department-antitrust-lawsuit-ab98c268.



worldwide, and holds the exclusive contract to approximately 80% of venues in the United States.⁵ The definitions in the amendments would mean that the vertically-integrated Live Nation Entertainment/Ticketmaster would serve as both an operator and an artist representative, therefore allowing Live Nation to "determine the terms and conditions related to the sale, pricing, distribution, and transfer of tickets to their events" in a manner that favors their business's interest, not the consumer's interest.

While we are sympathetic to the intent of these amendments, the unintended consequences would end up further empowering a monopoly, not consumers. We urge the committee to reject this particular amendment, and pass AB 2808 as close to originally introduced as possible.

Sincerely,

Robert Herrell.

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President, Virginia Citizens Consumer Council

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⁵ Dent, Mark. "The sneaky economics of Ticketmaster." The Hustle, 11 April 2023, https://thehustle.co/the-sneaky-economics-of-ticketmaster.