

September 11, 2009

The Honorable Christine Varney  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Pennsylvania Avenue, N.W.  
Washington, D.C. 20530

Dear Assistant Attorney General Varney:

The undersigned consumer groups are writing to express our concerns about the proposed merger between Ticketmaster and Live Nation. As both these ticket sales and distribution companies each already own extremely large shares of the sectors in the live entertainment event industry, the merging of these two giants should be closely and skeptically reviewed under anti-trust law. This could turn the already questionable ticket selling industry into an even less competitive environment for consumers.

In our view, the merger should not be allowed for the following reasons:

First, the merger would create a virtual monopoly in the ticketing industry. Some industry experts estimate that Ticketmaster, which has secured its place in the market through long-term contracts with its clients, controls up to 70 or 80 percent of all concert ticket sales. Live Nation, which entered the ticket-selling market in early 2009, has already demonstrated its potential to become Ticketmaster's only significant competitor. The merger indicates that both companies would rather not compete with each other in this market. Based on other market factors, they likely possess the ability to wield substantial control over the ticketing market as a single entity.

Second, the merger would create a massive entertainment giant, Live Nation Entertainment, which would hold significant market shares in the artist management, venue operation, event promotion, ticketing, and secondary ticketing sectors of the live entertainment event industry. The vertical integration of dominant or second leading positions in five of the industry's six major sectors, coupled with exclusive ticketing relationships with important venues, would make post-merger market entry more difficult and hinder existing rivals.

In his February 24, 2009, testimony before the U.S. Senate, independent promoter Seth Hurwitz explained one of the most significant problems with the proposed merger:

sensitive information sharing. If the two companies were allowed to merge, Live Nation Entertainment would have access to all information about independent promoters formerly held by Live Nation, including sales records, customer information, on-sale dates for tentative shows, and ticket counts, as well as control over which shows would be promoted and other key aspects of the industry. This would put all independent promoters at an irreparably competitive disadvantage. We believe that this is too much power to allow to concentrate in the hands of a single entity.

The proposed merger between Ticketmaster and Live Nation would enable the very practices that United States antitrust laws were created to prevent. Competition provides the incentive for rivals in any industry to try to lower costs and prices, innovate, and improve value for consumers. In the live entertainment event industry, where competition is already compromised, a merger between these two market forces would adversely affect the consumer, as there would be no incentive for Live Nation Entertainment to make the investments and risk the changes that could improve their industry. We urge the Justice Department to fully consider the implications of a merger between Ticketmaster and Live Nation and to ensure that consumers are afforded all the protections that United States antitrust laws provide.

Sincerely,

Sally Greenberg  
National Consumers League

Travis Plunkett  
Consumer Federation of America

Linda Sherry  
Consumer Action