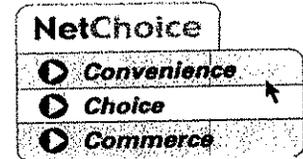


## The NetChoice Coalition

*Promoting Convenience, Choice, and Commerce on The Net*

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**Connecticut General Assembly  
General Law Committee  
Testimony of Braden Cox, Policy Counsel of the NetChoice Coalition  
February 25, 2010**

**In Support of Raised Bill No. 5228 – An Act Concerning  
the Sales of Event Tickets on the Secondary Market**

The NetChoice coalition appreciates this opportunity to support Raised Bill No. 5228, which would ensure that consumers continue to benefit from the choice, convenience and competition of the growing secondary market for event tickets.

NetChoice is a coalition of trade associations and e-Commerce businesses who share the goal of promoting convenience, choice and commerce on the Net. We have been a strong proponent for the secondary market for tickets, and for the way that Internet reselling opens new possibilities and greater protections to consumers holding or seeking event tickets.

There are considerable consumer benefits of Raised Bill No. 5228. It preserves the transferability of tickets and makes the primary market more transparent for consumer protection purposes. It also ensures that fans can choose among competing secondary markets when they decide to buy or sell a ticket. That kind of competition is in the best interests of Connecticut fans and consumers.

- **Transferability:** A growing trend in the primary ticket market is to limit the resale of tickets through issuing "paperless tickets." These tickets are paperless in the sense that buyers no longer can receive tickets in the mail or print authorized electronic versions printed from a website or through email. Instead, at the venue fans must present the credit card used to purchase the tickets along with government issued identification.

There were about 3 million paperless tickets sold in 2009, which sounds like a lot but it's only about 1% of all tickets sold. Still, it's a growing trend for primary ticket sellers to use a "paperless" format that they claim offers increased consumer convenience. But it's really about control -- control to restrict further resale. In her recent tour, Miley Cyrus did not allow transfer of tickets once they were purchased. You couldn't even give them away to friends or family!

We think it is appropriate that Raised Bill No. 5228 protects transferability rights in the terms and conditions of season ticket packages in addition to the back of individual tickets. Moreover, Section 2 of the bill properly prohibits operators from discriminating against fans that buy their tickets on the secondary market.

- **Transparency:** Information is the key to well-functioning markets. Without adequate data on the number of tickets available for sale to the general public on first sale, prices can be artificially inflated (or depressed). There is a growing need for promoters and venues to be more transparent about how tickets are sold and the number of seats that are made available for purchase and are retained for distribution through alternative channels. We therefore support Section 3 of the bill.

While Raised Bill No. 5228 prevents teams and venues from restricting the resale rights of consumers, it's important to identify what it does not do. It does nothing to prevent owners and operators from imposing and enforcing reasonable and customary restrictions on the conduct of fans.

Raised Bill No. 5228 does not prevent owners from enforcing restrictions against unruly or disruptive conduct by fans. Nor does it do anything to stop event owners from enforcing copyright protections against unauthorized descriptions or transmission of a game. In fact, all of the customary conduct restrictions that are printed on the back of tickets can still be enforced, even when fans obtain their tickets on an Internet website operating a secondary market.

Furthermore, Raised Bill No. 5228 does not prevent owners and operators from getting into the business of operating their own secondary market exchanges. Teams can endorse selected secondary market exchanges and encourage fans to use those exchanges to buy and sell tickets.

In this regard, Raised Bill No. 5228 is actually somewhat limited in scope. All it does is prevent event owners and operators from restricting the ability of ticket holders to resell their tickets. This is common sense, practical legislation that recognizes the rights fans have today and preserves them for the future, no matter how new technologies develop.

I urge your support for Raised Bill No. 5228. Connecticut's consumers deserve a choice when buying—and reselling—their tickets to sporting and entertainment events.

Thank you very much for this opportunity to present testimony supporting Raised Bill No. 5228.

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