

# ticketnetwork

Testimony Before the Connecticut General Assembly's  
General Law Committee  
February 25, 2010

Co-Chairmen Colapietro and Shapiro, Vice-Chairmen Maynard and Taborsak, Ranking Members Witkos and Bacchiocchi, Members of the General Law Committee, thank you for the opportunity to testify before you today to discuss House Bill 5228, An Act Concerning the Sales of Event Tickets on the Secondary Market.

TicketNetwork welcomes the opportunity to work with the General Law Committee to create meaningful reforms in the live entertainment ticketing industry for all of Connecticut's citizens. To be sure, we share with you two common goals - protecting and enhancing the consumer experience and promoting industry best practices.

Providing protections for consumers in an open market is at the heart of our proposal. In Connecticut and throughout the country, an open market remains the best system for fans to transfer or obtain tickets for live entertainment events. Over the past 5 years, state governments have been opening their live entertainment ticketing markets. More importantly, perhaps, new initiatives have emerged which have focused on creating competitive choices, instituting specific guarantees for ticket purchases, and protecting consumers who purchase or own tickets for live entertainment events.

Given these recent trends, TicketNetwork would like to offer support for the key provisions in House Bill 5228 that you should consider during your ongoing deliberations concerning the live entertainment ticketing market, including: protecting the transferability of tickets, extending protections to consumers who may purchase or obtain resold tickets and creating transparency in the primary market.

When consumers buy tickets for their families, friends or neighbors, they should own those tickets. If the consumer chooses to give away, transfer, resell or re-distribute their tickets, no person or entity—especially large corporations who put their own profits and desires ahead of the consumer's best interests—should hinder that consumer's decision to control the product that they have purchased. Equally important, is that when a consumer decides to give away or transfer their tickets to another individual for whatever reason, no person or entity should be able to deny the consumer who possesses the ticket from entering the event simply because they are not the original purchaser or because they possess a ticket that was transferred, re-sold or given to them by a friend, co-worker or family member.

Consumers win when they base their ticket-buying decisions on information that is readily available regarding events they want to attend. Creating transparency in the primary ticketing market helps set consumer expectations and gives them important information about the likelihood of obtaining tickets to popular and highly sought-after events. Many consumers are unaware that ticket availability for an event is limited by such issues as stage design and ticket hold-backs, including those for fan clubs, pre-sales, rewards programs, radio station giveaways, and even the artist and the artist's promotion and management teams (Attachments 1, 2 and 3). In addition to the number of tickets that can be withheld from the public for distribution purposes, other factors such as population density can affect the chances of the average ticket purchaser trying to acquire tickets during a general on-sale. The greater the demand for a ticket to an event in a highly-populated area, the less likely it is that every person attempting to purchase tickets at a general on-sale will be able to do so. Transparency in the primary ticketing market will provide consumers with crucial knowledge necessary to make informed decisions before, during and after tickets for live entertainment events go on sale.

TicketNetwork would also like to take this opportunity to request the establishment of interoperability requirements in Connecticut for ticket issuers, sellers and resellers. When entities implement internal policies that restrict a consumer's right to use a product that they own and control, government should ask the question: "Why?" In today's fast-paced information age, technology is often used to provide vast new benefits and to create efficiencies in our lives. However, when an entity uses its technology to put its bottom line ahead of a consumer's interests, it is time for government to take the bold action of guaranteeing certain protections to consumers. Our interoperability

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proposal ensures that no person or entity (not even our own company) can use technology as a weapon against consumers to drive their own profits and enhance their own position in the market (Attachment 4).

In closing, TicketNetwork would like to work cooperatively with the Connecticut General Assembly to create, in line with other national trends, meaningful reforms where consumers can buy, own and transfer live entertainment tickets in Connecticut in a manner that best suits their needs and lifestyles. Our transparency, transferability and interoperability proposals are based on our customers' experiences in the market and are offered as suggestions for your discussion regarding how best to protect Connecticut's consumers in a fast-changing entertainment industry.

Once again, thank you for this opportunity to participate in these discussions and we look forward to working together as House Bill 5228 moves through the legislative process.

Respectfully submitted,

Donald Vaccaro  
CEO  
TicketNetwork

## The Truth Behind Concert Sell-Outs

During the Hannah Montana/Miley Cyrus concert tour in 2007, several venues were declared "sold out". As a result of an agreement reached between Missouri Attorney General Jay Nixon and Ticketmaster, an additional 1,042 General Admission (GA) seats/tickets that were not previously made available, were placed on sale by Ticketmaster. The following chart illustrates how seats are distributed during the ticket sales cycle, the "actual" number of seats that are available to the general public, and how additional seats/ tickets have become available through the primary market after the event has been declared "sold out".

### Case Study

#### Hannah Montana/Miley Cyrus Concert

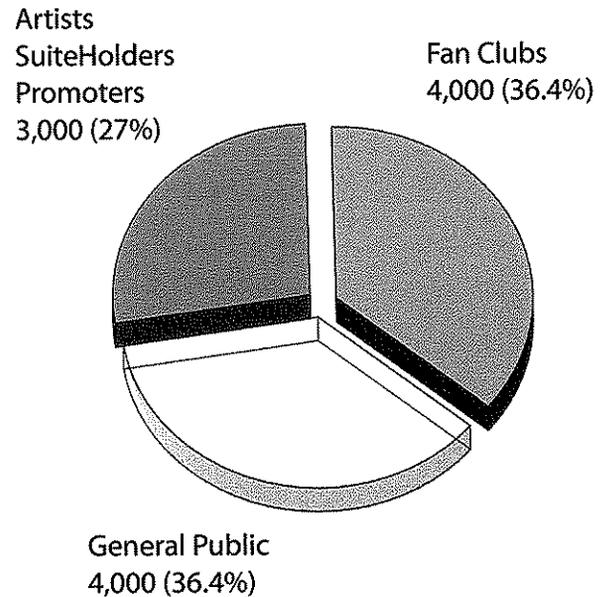
Sprint Center, Kansas City, Missouri

December 3, 2007 – Seat Details

#### Ticket Release Distribution

Total Seating Capacity at Venue	18,500	100% (total)
Seats lost to stage design/other	7,500	40.5%
Total Concert Seats	11,000	100% (subtotal)
Artists/Suite holders/Promoters	3,000	27.3%*
Ticketmaster	8,000	72.7%*
(a) Fan clubs	4,000	36.4%*
(b) General Public	4,000	36.4%*

\*= percentage (%) figure based on 11,000 subtotal



#### Sources:

[www.KansasCity.com](http://www.KansasCity.com)

<http://www.buddytv.com/articles/hannah-montana/city-council-investigates-hann-11428.aspx>

## The Truth Behind The Springsteen Sell-Out

On the morning of February 2, 2009, tickets for Springsteen’s concerts at the Izod Center in East Rutherford, New Jersey went on sale to the general public. Ninety-nine percent of the tickets to the May 21, 2009 show were sold out by 9:45am, and tickets for the show two days later on May 23, 2009 were sold out by 11 a.m. According to the New Jersey Star-Ledger, hundreds of thousands of fans were in the hunt for tickets, but just over 6,000 individuals succeeded in buying the six or less tickets allowed per transaction. Thousands of customers complained about computer glitches, while others were directed to Ticketmaster’s secondary website, TicketsNow, to purchase tickets at a higher cost. The following chart illustrates the ticket release distribution for each of the two shows.

### Case Study

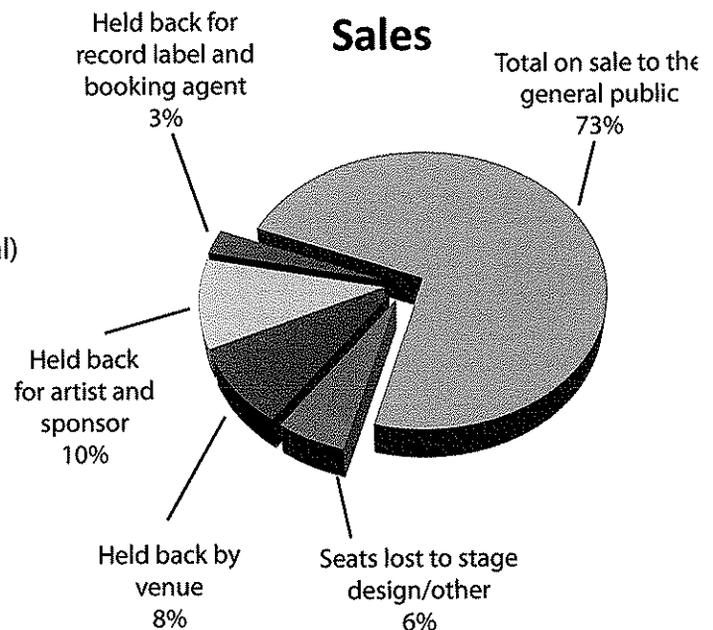
#### Bruce Springsteen Concerts

Izod Center, East Rutherford, New Jersey  
May 21 and 23, 2009 – Ticket Details

#### Ticket Release Distribution (for each show)

Total seating capacity at venue	19,389	100% (total)
Seats lost to stage design/other	1,098	6%
Total concert seats	18,291	100% (subtotal)
Held back by venue	1,600*	8%
Held for artist and sponsor	2,000*	10%
Held back for record label and booking agent	550	3%
Total excluded seats per show	5,200*	27%
Total on sale to the general public	14,142	73%

\*= estimate



#### Source:

<http://www.nj.com/news/ledger/jersey/index.ssf?/base/news-13/1242879343299670.xml&coll=1>

## The Truth Behind Concert Sell-Outs

Soon after tickets went on sale for the Keith Urban "All for the Hall" concert scheduled for October 13, 2009 at Nashville's Sommett Center, the concert was declared "sold out." An investigation conducted by a local news station uncovered agreements for pre-sales and hold-backs which left the general public with 4,491 tickets available for purchase on the day of the general on-sale. The following chart illustrates how seats were distributed for the ticket sales, the amount of tickets held back for pre-sales or other arrangements, and what constituted the "real" amount of seats available to the general public for the concert.

### Case Study: Keith Urban "All for the Hall" Concert – Sommett Center – October 13, 2009

#### Ticket Release Distribution (for each show)

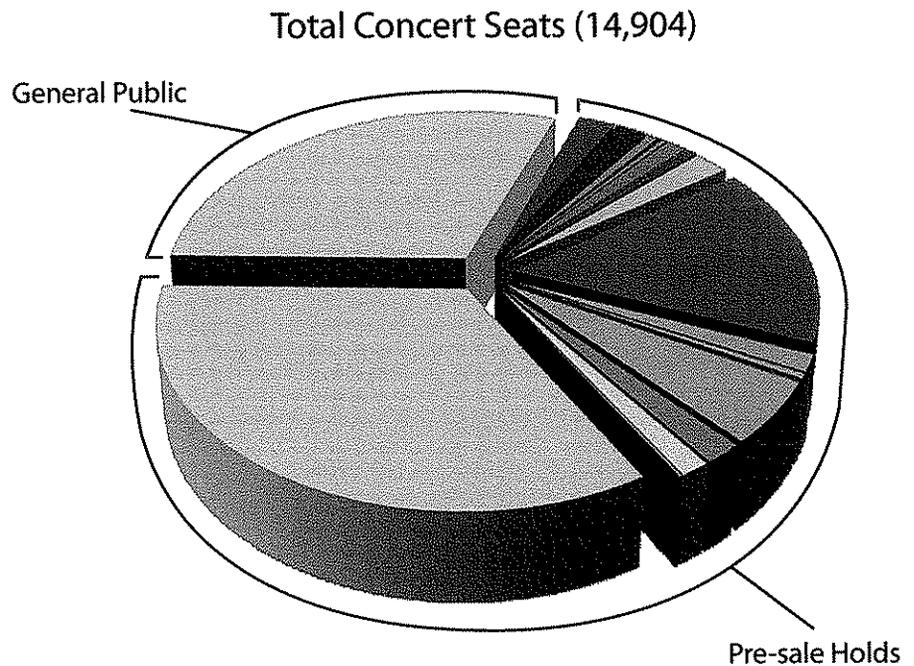
Total seating capacity at venue      18,500 for end-stage productions &  
20,000 for center-stage productions

Seats lost to production                793

Total concert seats                      14,904

Presale Holds                              9,533

Artist	340
Capitol Records	300
Support	100
ALI	30
TMG-AEG	50
Verizon	198
VIP1	20
VIP2	80
Sommet Center Holds	330
Monkeyville Presale	2390
Auction	224
Mobility Impaired	68
Production	793
Marketing	260
Hall of Fame	200
Visual/Hearing Impaired	19
Other	5011



General Public                              4,491

#### Sources:

<http://www.newschannel5.com/Global/story.asp?S=11469165>

[http://en.wikipedia.org/wiki/Sommet\\_Center](http://en.wikipedia.org/wiki/Sommet_Center)

<http://www.countryschatter.com/2009/08/keith-urban-announces-all-for-the-hall-concert-in-nashville/>



**ticketnetwork**

### **Interoperability Language Proposal**

No person, firm or corporation who is the issuer, seller or reseller of entertainment event tickets shall restrict the resale of any ticket to an entertainment event in a manner that requires any person to utilize a single service, operating system, unique platform or any other technological means to transfer, resell or offer for resale any ticket to an entertainment event for the purpose of restricting or with the foreseeable effect of restricting or prohibiting any person from gaining access to any entertainment ticket after the initial sale; including, but not limited to:

- 1) issuing event tickets in an electronic form that is not readily transferrable to a subsequent purchaser or
- 2) conditioning any sale or entry into any venue based upon the presentation of a state-issued identification card or credit card at the point of entry for any entertainment event.