

ONE HUNDRED FOURTEENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

September 12, 2016

The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G St, N.W.
Washington, DC 20548

Dear Mr. Dodaro:

The challenges facing consumers purchasing tickets online for their favorite sports teams, artists, and shows have been well-documented and reported in the news. Consumers face a lack of transparency throughout the ticket-buying process as well as egregious acts by unscrupulous ticket brokers.¹ Advancement in technology has brought new methods to circumvent website security and produce fraudulent or speculative tickets. In addition, consumers are often unknowingly competing for a limited number of tickets because of such technology. States have also begun to examine and raise concerns about certain practices by the venue, promotion company, artist, team, and ticket-selling industry, including “holds” for industry insiders, fan club members, and certain credit card holders.²

We are concerned about the unfair and deceptive ticketing practices of unscrupulous ticket brokers, and seek to learn more about how certain practices by primary and secondary sellers may harm consumers. We therefore request the Government Accountability Office (GAO) initiate a study of the ticket marketplace to better understand the causes of consumer harm and recommend potential solutions. Our goal is aiding consumers, bringing transparency and accountability to online ticket sales, and enhancing consumer protection. The Committee requests that GAO include the following questions in its review:

- 1) Who is purchasing tickets from primary ticket sellers and how many of these tickets are later resold by secondary ticket sales marketplaces?

¹ House Committee on Energy and Commerce, Testimony of John Breyault, Vice President, Public Policy, Telecommunications, and Fraud National Consumers League, *Hearing on 17 FTC Bills*, 114th Cong. (May 24, 2016).

² The Office of New York State Attorney General Eric T. Schneiderman, *Obstructed View: What's Blocking New Yorkers from Getting Tickets* (Jan. 2016).

- 2) Are consumers currently aware of how many tickets are available at time of purchase and what fees they will be required to pay before beginning their online ticket purchase? What would the impact on consumers and competition be if ticket vendors were required to disclose to consumers how many tickets are available at time of purchase? What would the impact on consumers and competition be if the fees required to be paid before consumers begin their online ticket purchase were required to be disclosed?
- 3) What is the impact on consumers and competition of nontransferable tickets? What would be the impact on consumers and competition if tickets were required to be transferable?
- 4) What is the impact on consumers and competition in the secondary market of ticket transferability restrictions, such as resale price floors, delivery delays, and the use of contract terms restricting ticket resale to particular exchanges?
- 5) What is the extent to which ticket “holds” (a/k/a “holdbacks” or “allocations”) outside of the public on-sale process prevent consumers from obtaining face-value tickets to concerts, sporting events, theater performances and other in-demand live events? What is the impact on consumers or competition of these holds?
- 6) What is the impact on consumers and competition of fraudulent tickets? What is the impact on consumers and competition of speculative tickets? What are some options to address these practices?
- 7) What is the extent to which automated ticket-purchasing programs and other computer software is used to purchase tickets or circumvent ticketing website safeguards used by primary ticket sellers?

We respectfully request that you complete the report within one year of this letter, and publish and submit the report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives.

Bringing to light the most egregious practices in the online ticket selling space will greatly assist us in protecting consumers and ensuring a fair online ticket marketplace.

Should you have any questions about the contents of this letter, please contact Lisa Goldman at (202) 226-3400 or Graham Dufault at (202) 225-2927. Thank you for your time and effort.

Sincerely,


Fred Upton
Chairman


Frank Pallone, Jr.
Ranking Member

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A handwritten signature in blue ink that reads "Bill Pascrell, Jr." with a long, sweeping flourish extending to the right.

Bill Pascrell, Jr.
Member of Congress