

Opening Statement  
Chairman Frank Pallone, Jr.  
Committee on Energy and Commerce  
Subcommittee on Oversight and Investigations  
Hearing on “In the Dark: Lack of Transparency in the Live Event Ticketing Industry”  
February 26, 2020

Today’s hearing will bring some much-needed transparency to the live event ticketing industry.

Every day, millions of Americans shop on the internet for tickets for live events like sporting events and concerts. In some ways, the internet has made this experience more convenient, but it has also led to consumers being ripped off as they try to navigate a ticketing industry that for too long has operated in the dark. Consumers now face a myriad of harmful practices that can lead to them paying more for tickets or paying for tickets that are prohibited from reselling or transferring if they are unable to attend the event. In some instances, consumers are not even receiving the ticket as promised after they purchased it.

This hearing is meant to not only better understand the many challenges consumers face in the ticketing marketplace, but to also identify steps to protect consumers from being ripped off. This Committee has taken action in recent years to improve the ticket buying experience for consumers.

In 2016, the Committee and the House passed H.R. 5104, the “Better Online Ticket Sales Act of 2016,” or the “BOTS Act.” This legislation was signed into law later that year. It cracks down on the use of computer programs that instantly buy up large quantities of tickets -- before real people can buy them -- so that they can later be resold at higher prices.

Also, in 2016, we asked the Government Accountability Office to investigate consumer protection issues in the live event ticketing marketplace so that we could better understand the problem.

GAO’s investigation underscored a host of challenges that consumers face when trying to buy tickets online. For example, they found that websites often fail to display or disclose all of the fees upfront, so that the total cost of a ticket can only be known at checkout. This makes it difficult for consumers to compare prices with other sites. GAO also found that professional resellers have a competitive advantage over the typical consumer attempting to buy tickets on the primary market. This can force consumers to the secondary market, where they may face significant price increases.

GAO also found that consumers can face deceptive marketing practices, including websites that may look similar to that of an official venue, but instead often resell tickets for marked up prices.

These are all troubling examples of how consumers are being taken advantage of when they are just trying to purchase a ticket for a live event.

It was these continuing concerns that led the Committee last year to launch a bipartisan investigation into the industry. Our investigation found that the live events ticketing industry is still engaging in a number of anti-consumer practices. Consumers still experience hidden fees restrictions on transferring a ticket to someone else and deceptive and misleading websites. It is clear that the ticketing marketplace needs reforms in order to ensure the market is transparent, fair and working for consumers.

In order to help correct some of the problems that still persist in the industry, last year, I joined Representative Pascrell in sponsoring the “BOSS Act.” This legislation would provide much-needed transparency and regulation to help level the playing field for consumers.

In the meantime, we need answers to several important questions today. We need to know what it’s going to take for ticket sellers to list the total, all-in price of the tickets upfront on their platforms.

We need to know why primary market sellers refuse to inform consumers about how many tickets are actually on sale to the general public. It’s time the industry is transparent with consumers about how many tickets are being held back for industry insiders, reserved for pre-sales, or placed directly on the secondary market at a higher price.

We need to know what additional disclosures are needed to protect consumers from potential deception or outright fraud by white label websites and the sale of speculative tickets.

And, finally, we need to know why hurdles and restrictions continue to be put into place for those looking to transfer tickets.

It’s time we finally bring transparency to this marketplace so that we can protect consumers.