

Clyde Lawrence
Singer-songwriter, Lawrence, New York, NY
Questions for the Record
Submitted January 31, 2023

QUESTIONS FROM SENATOR BOOKER

In 2008, DOJ estimated that Ticketmaster held more than 80 percent of market share in the primary ticket market. Ten years later, in its 2018 report, GAO reported that Ticketmaster was still the primary market leader. Ticketmaster also enjoys significant market share in the secondary market, a position that GAO estimated was the second largest. What's concerning is that it seems that Ticketmaster's behavior in the primary market is constraining other companies in the secondary market.

At an on-sale, a consumer purchases a ticket for an event to be held at a later date. Ticketmaster, however, does not deliver a ticket until just before an event occurs.

- a. What kind of influence should artists have on transferability?
- b. Do you find that it is beneficial for an artist to influence capping ticket prices and/or resale amount?

ANSWER

Secondary ticketing is much less my area of expertise and focus. It is a complicated issue where any decision would come with consequences good and/or bad that I may not be considering. That said, my instinct is that artists should be part of the conversation when it comes to transferability on a show-by-show basis. A common argument is that concert tickets should be subject to a free market like any other good, but clearly there is a precedent for certain types of tickets (like airline tickets) and other similarly licensed goods being subject to non-transferability and other terms. An artist's decision of how to price their show isn't solely a calculation of supply and demand (although that can be a big part of it) — there may be several reasons why an artist might choose to price their ticket below what they perceive to be market value, or above for that matter, both of which I think are absolutely their right.

So if an artist actively chooses to price their ticket below market value, and then sees fans being forced to pay high amounts (that they receive no financial cut of) for those same tickets, clearly the artist's vision for the fan's experience is not being realized. I think in an ideal world, just as artists work with venues/promoters to determine the optimal base ticket price for a given show, artists should be able to work with venues/promoters in advance of the show's on-sale to determine whether tickets should be able to be sold in a secondary market, and if so, what a maximum resale amount might be. Some major artists have the agency to implement some of these ideas to benefit their fans, but in an ideal world all

artists would have similar such ability to implement these terms to benefit all fans. I also think creating a mechanism through which artists could receive a cut of those secondary market tickets, although how exactly that would function is something on which I'd want to consult colleagues of mine with more knowledge on this particular topic.

**Questions for the Record from Senator Alex Padilla
Senate Judiciary Committee
“That’s the Ticket: Promoting Competition and Protecting Consumers in Live
Entertainment”
January 24, 2023**

Questions for Mr. Clyde Lawrence

- 1. In your experience, how much do the extra fees associated with ticket sales and venue operation per ticket differ between venues that are Live Nation/Ticketmaster associated as compared to those with no Live Nation/Ticketmaster affiliation?**

ANSWER:

They don’t differ all that much. Anecdotally we’ve definitely seen Ticketmaster’s fees at our shows be marginally higher than most other companies, but we’ve also heard that that is not always the case and that it might be a product of which particular Ticketmaster and non-Ticketmaster venues we are playing. Same goes for facility fees and some other line items. There are also some nuanced ways that we sometimes find Live Nation’s settlement sheets to be more misleading/lacking in transparency, but that is more of a formatting/clerical issue than anything truly nefarious (and it doesn’t affect the artist’s bottom line). There are examples of times when some venues we play stray from the industry standard and give more artist-friendly terms (like not taking a large cut of the artist’s merch revenues, or giving us a favorable “door deal”), and in those cases, the venues giving those artist-friendly terms are almost always not Live Nation venues. So in that sense, you could say that Live Nation is giving us an industry standard deal, but we feel those industry standards aren’t totally fair to artists to begin with and Live Nation could help play a leading role in changing them.

- 2. One proposal to address industrial scalping of tickets is to cap the price at which a ticket can be resold on the secondary market. As an artist do you have views on setting price caps for ticket resales?**

Secondary market is not my area of expertise, but I definitely could see value as an artist in setting caps for ticket resales. The terms of possible secondary market resale is also something that venues, promoters and artists could work together to determine on a show-by-show or tour-by-tour basis, just as they do for base ticket prices and plenty of other decisions. And this should be done for all artists and all shows, not just the mega superstars who use their power to negotiate with these companies. There could also be a mechanism by which the artist could participate in these secondary profits.

- 3. Since the hearing and in response to your testimony, Ineffable Music Group announced that it would remove the 20% merchandise sale fees at the venues they operate. Do you think this should be standard in industry?**

Absolutely. I applaud Ineffable Music Group and several other independent venues for taking this step. Venues can make the argument that they are providing us retail space and therefore deserve a cut. That makes sense on some level. But we're providing the customers, so unless we get a cut of their bar sales, parking passes, concessions, ticket fees, and other ancillary revenues, it's not ethically or logically defensible to take a 20% cut of merch revenues (which after the cost of creating and shipping the merch can be over 30% of profits). It's as simple as that.

Questions for the Record
Senator Chuck Grassley
“That’s the Ticket: Promoting Competition and Protecting Consumers in Live
Entertainment Hearing”
January 24, 2023

Question for the band Lawrence

1) You testified about the problems you and others in the industry have faced with Live Nation acting as the promoter, the venue, and the ticketer for shows. Can you elaborate on how the vertical reach of Live Nation makes it difficult to negotiate as an artist, and how that affects your fans? What solutions would you recommend industry, antitrust enforcers and Congress consider to address these problems?

ANSWER:

Ultimately, the reason why their reach makes it hard to negotiate is because the artist has very little say or transparency in negotiating the different aspects of their show, and it can create complicated dynamics in the incentive structure. For example, if the promoter does not own the venue, they and the artist are both incentivized to rent the venue for the most competitive and affordable rate. If the promoter owns the venue, however, that doesn’t necessarily remain the case. That’s just one example, but similar points could be made across various “line items” in a settlement sheet’s costs. To be clear, Live Nation is not the only promoter that also often owns their own and/or operate venues, but as the industry leader they have a lot of power to set standards on how these types of rates are set, or just as importantly, how transparently they are communicated with artists. I think that in general, artists should be afforded more transparency into how the venue/promoter/ticketing company entity’s “line items” are being calculated, and what their true profits are across various revenue streams in a show. I also think that certain fees can simply be capped or regulated, like ticket fees, facility fees, and other types of costs that vertically integrated companies can use to skew deal structures. Ultimately, it’s not my place as an artist with no expertise in anti-trust to say whether promoters and venues (and ticket companies for that matter) should be allowed to all be part of the same entity, as long as they aren’t able to use that power to set ticket fees, facility fees, high rent costs or other types of line items in ways that keep the artist from getting their fair share of the fan-paid revenues.

Questions from Senator Tillis for Clyde Lawrence

1. Do you think that greater transparency in ticketing will improve the ticket purchasing experience for consumers? Please explain your thinking.

I'm not an expert in how to optimize the experience for consumers, as my focus is on speaking about artists' experiences. Certainly eliminating what Senator Klobuchar referred to as "drip pricing" seems like a good idea — consumers should know from as early on in the transaction as possible what their total cost will be. That being said, it is very important that even in a world where we have "all-in" pricing, that consumers are still made aware of how this price is broken down between base prices and different types of fees. For example, if a \$30 ticket will have a \$12 fee, consumers should be made aware from the beginning that it will cost them \$42, but as an artist, I would want them to know that the cost that I had control over setting was the \$30, and that the other \$12 is not something I had control over.

2. What legislative solutions do you recommend to benefit consumers and to improve operations in this industry?

I'm not an expert in legislation, nor am I an expert in the consumer's experience. There's clearly precedent of capping fees in other industries, and the President's recent call to pass the Junk Fee Prevention Act could be a good first step as long as it is drafted in a way to truly benefit consumers and artists.

3. The process of transferring ownership of a ticket can be confusing and cumbersome for consumers. What can be done to streamline this process for consumers?

I'm not an expert in the consumer's experience with ticketing platforms' features. As an artist, the goal is for our shows to be accessible to our fans and not a confusing or cumbersome experience. At the same time, we want to protect our fans from scalpers and anyone else who would take advantage of them. Anything to improve this experience would be beneficial.

4. Does the industry currently have the necessary tools, be it legislative (e.g., the Better Online Ticket Sales Act), legal, and/or technical, to stop bots from impacting ticketing platforms? If not, what more is needed?

I'm not an expert in anything to do with bots.