

**United States Senate
Judiciary Committee
January 24, 2023**

**Opening Statement of
Joe Berchtold
President and Chief Financial Officer,
Live Nation Entertainment, Inc.**

Chair Durbin, Ranking Member Graham, Senators Klobuchar and Lee, and other Members of the Committee, I'm Joe Berchtold, the President and Chief Financial Officer of Live Nation Entertainment, Inc. I thank you for the invitation to appear today to address important issues in the live entertainment industry.

For almost 20 years, Live Nation has operated in the United States and around the world with an artist-first business model focused on helping put artists on stage and connecting them with their fans.¹ We believe that the artist-fan connection is the foundation of the live entertainment industry, the source of nearly all commercial value, and the number one thing that public policy should protect.

Over this period we have helped the industry grow rapidly – in 2022 live music was a \$12 billion industry in the United States, four times what it was in 2005. To fuel this growth, Live Nation has invested billions of dollars funding artists globally – \$9 billion in 2022 alone. We put that money at risk, because our business model is to provide revenue guarantees as a minimum income to artists, which is now generating the vast majority of their total income. In fact, since 2011 our overall our artist payment has increased 67% to an average of \$178,000 per show. Even in the smaller clubs and theaters category our average artist fee is \$47,000 per show.

The first thing this business model means is that we are always trying to achieve sell-outs. That's the goal of every concert promoter, since the promoter only makes money if enough

¹ Live Nation's dedication to growing a healthy, vibrant live entertainment ecosystem is reflected by the enduring relationships we have built with artists, content owners, and venue partners, a number of which have submitted letters expressing their support of the key role we have played in their success. I ask that these letter be submitted with my testimony. See Exhibit 1.

tickets are sold to cover the guarantee. Nearly every strategic decision we help artists make, from tour routing to selecting venues to pricing tickets, is driven by the goal of maximizing attendance which requires offering the kind of consumer experience that will build lifetime fans.

Given our level of investment in artists, it is also critical for Live Nation to have the most effective platform possible for selling tickets. Most people tend to think of a ticketing platform as a transaction engine. That is part of it, but the ticketing system is also a critical tool for marketing concerts. Prior to our merger with Ticketmaster in 2010 we did not believe any existing platform adequately met these needs, including Ticketmaster. Since the merger, we have invested over \$1 billion in capital to improve the Ticketmaster system. We created an entirely new, modern computing architecture. We developed digital ticketing to eliminate fraud. We created our Verified Fan® service to get tickets to fans instead of ticket scalpers using bots. And we've invested millions in anti-BOT technology every year. Ticketmaster comes under a lot of criticism, and I look forward to addressing that today. But I can say with great confidence that technologically Ticketmaster is a much better ticketing system today than it was in 2010. Its performance in large onsales is the best in the industry, it has the best marketing capabilities of any ticketing system, and it is far and away the leader in preventing fraud and getting tickets into the hands of real fans.

I will pause for a moment to note what Ticketmaster and all other ticketing platforms do and don't do, because some of the criticisms leveled at Ticketmaster misunderstand what ticketing companies do.

Ticketmaster provides venues and sports teams a variety of tools to plan events, manage ticket inventories, market the events, sell the tickets of course, and handle access control at entry gates. We also provide artists, sports teams and other content owners analytics and advice to support their distribution and pricing strategies. But primary ticketing companies, including Ticketmaster, do not set ticket prices, do not decide how many tickets go on sale and when they go on sale, do not set service fees. Pricing and distribution strategies are determined by artists and teams – and while Ticketmaster provides support for these decisions, we do not use

algorithms to set prices. In most cases venues set service and ticketing fees, and the majority of those fees go to the venue, not to Ticketmaster. Indeed, for as long as Live Nation has owned Ticketmaster, the portion of the service fee that Ticketmaster retains has been falling and the venue's share has been increasing. That leads to the topic of today's hearing: competition in ticketing markets.

We hear people say that ticketing markets are less competitive today than they were at the time of the Live Nation-Ticketmaster merger. That is simply not true. In 2009 the Department of Justice alleged that Ticketmaster's market share was over 80%. It is a different story today. The most obvious change is the emergence of the enormous secondary ticketing market, in which Ticketmaster has a modest market share and many strong competitors. But also in primary ticketing, the Ticketmaster of 2010 did not face the level of competition we face today from new competitors including SeatGeek, AEG's AXS, and Eventbrite, along with established competitors including Tickets.com and Paciolan. Today, there is intense competition for every ticketing contract that goes out to bid—far more than there was in 2010. Ticketmaster has lost, not gained, market share, and every year competitive bidding results in ticketing companies getting less of the economic value in a ticketing contract while venues and teams get more. The bottom line is that U.S. ticketing markets have never been more competitive than they are today, and we read about new potential entrants all the time.

There are problems in the ticketing industry – problems that we believe can and should be addressed through legislation. Many are the direct result of the industrial-scale ticket scalping that goes on today, which is a \$5 billion dollar industry in concerts alone and is fueled by practices that run counter to the interests of artists and fans.

The recent onsale experience with Taylor Swift, one of the world's most popular artists, has highlighted the need to address these issues more urgently. A fact of life in our industry is that when a hugely popular artist goes out on tour, there will inevitably be more demand from their fans than there are tickets to go around. Overall, about 5% of shows sell out on or close to the day of the onsale, and about 20% sell out eventually. There is also a longstanding practice in

the industry for artists to price tickets well below their market value so they are more affordable. Those supply, demand and pricing conditions lead to scalping, which in the age of the internet is largely accomplished by using bots to acquire tickets and online secondary marketplaces to sell them.

There was unprecedented demand for Taylor Swift tickets. We knew bots would attack that onsale, and planned accordingly. We were then hit with three times the amount of bot traffic than we had ever experienced, and for the first time in 400 Verified Fan onsales they came after our Verified Fan access code servers. While the bots failed to penetrate our systems or acquire any tickets, the attack required us to slow down and even pause our sales. This is what led to a terrible consumer experience that we deeply regret. As we said after the onsale, and I reiterate today, we apologize to the many disappointed fans as well as to Ms. Swift.

Ticketmaster learned some valuable lessons from this onsale. In hindsight there are several things we could have done better – including staggering the sales over a longer period of time and doing a better job setting fan expectations for getting tickets. And let me be clear that Ticketmaster accepts its responsibility to be the first line of defense against bots in this ever-escalating arms race. But in this forum where we are here to discuss public policy, we also need to recognize how industrial scalpers breaking the law using bots and cyberattacks to try to unfairly gain tickets contributes to an awful consumer experience. We are doing everything we can to fight the people who attack our onsales and steal tickets meant for real fans, but we need help passing real reforms to stop this arms race.

Let me close by mentioning a few things we can accomplish together.

First, Congress took a step in the right direction when it passed the BOTS Act in 2016. But in hindsight the prohibition on bots is too narrow and there is not nearly enough enforcement – particularly of the provision that makes it unlawful to sell or offer to sell a ticket obtained by bots if the seller should have known about the violation. We think that private parties including Ticketmaster should be able to bring civil actions to enforce the BOTS Act.

Second, there should be clear and categorical laws prohibiting the host of deceptive sales practices that are evident on secondary sites. So-called “speculative ticket sales” – offering for sale tickets you don’t own or have an existing right to obtain – should be illegal. So should the practice that we witnessed last week when a number of secondary ticketing sites were offering tickets for sale the day a new tour was announced, well before any onsales. The use of deceptive URLs that claim “official” status when they are nothing of the kind should also be banned.

Third, we need federal legislation to mandate “all-in pricing,” meaning that fans should know the full cost of their tickets from the start. The various fees can be broken out and displayed as well, but the all-in price is the real price of admission, and that ought to be the first thing a fan sees.

Live Nation is a company full of people who are passionate about artists, sports and entertainment. Our mission is to make live events the best experience possible. I admit that we are not perfect – it is in fact my job to identify things we can do better and close the gap between where we are and where we want to be. We also share your goal of making the live entertainment industry better for artists, teams and fans alike. And it is in that spirit that I sit before you today: to work with you to make the fan experience better. I look forward to answering your questions.

Exhibit 1

Open Letter to U.S. Congress

As an entertainment company, I have worked with Ticketmaster for many years now. In the beginning, we did a lot of our ticketing independently. As you grow, however, you start playing the larger venues and you learn each venue has their own contract with a chosen ticket selling agency that you, as an artist, have to go through in order to play that building. Ticketmaster held the rights to a large number of places I wanted to play. With that said, as you work with a company, that company becomes individual people. What I witnessed was a true concern and care for ticket buyers as each on-sale was enacted. For example, now, decades later and more aware of what I can ask for, I wanted to play AT&T Stadium in Texas. AT&T Stadium does NOT use Ticketmaster as their ticketing agency. I had grown to love and trust the people at Ticketmaster so much, I told the Cowboys organization that I couldn't come play there unless they let Ticketmaster come in and do the on-sale. This was not because of Ticketmaster, but a choice I made.

Any program will shut down or freeze if too much demand is put on the system. We learned this a few times. And when it happens, there are some things that are not in your control. But how you respond to anything is always in your control. Ticketmaster has responded in an appropriate way for all of our situations. And what I learned is, it is as much up to me as the artist to protect the people who have made me an artist when it comes to how much demand I put on a ticketing system.

When it comes to smaller venues, residencies, etc., the price of a ticket is going to be high. That's just because of the lesser number of seats pushed by the price the artist is demanding from the venue. We let our people know that and then it is up to the Entertainer to find other ways for people who can't afford the cost of that ticket to sing along for a lesser price or even free.

While I have you 😊 My question is, as a country, why don't we just make scalping illegal? The crush of bots during an on-sale is a huge reason for program failure NO MATTER WHO THE TICKET SELLING COMPANY is. And the one who ALWAYS pays for this atrocity is the customer, the LAST one on whom that burden should fall. Making scalping illegal eliminates bots, eliminates dynamic pricing controversies, puts less pressure on the system because it puts everyone on a level playing field.

Thank you for your time and attention to this matter. Best of luck on your decision.

God bless,

Garth Brooks



January 19, 2023

To Whom It May Concern:

UniverSoul Circus has partnered with Ticketmaster for 30 years. The comprehensive services provided by Ticketmaster has helped grow our business from 14 shows annually to over 800. This was only achievable because Ticketmaster offers a unique cohesive experience that connects us, the business partner along with the consumer, we both share. Their technology allows us to conveniently sell tickets in multiple locations and account for each of those tickets individually in real time. They bring much appreciated financial transparency allowing the accounting office to reconcile and settle shows immediately after each performance. The many analytical reports served through the portal or app keeps us on top of the game understanding if we need to shift marketing or pricing which is life or death for a live event.

Ticketmaster worked with our IT providers to engineer a state-of-the-art traveling box office as well as a centralized ticketing control center and group sales operation in our corporate headquarters. They provide live support in every city we go to. Their advancements in marketing and digital prowess allowed our organization to become more efficient in how we sell tickets streamlining the process while also expanding our reach to audiences we might not have the ability to communicate with otherwise.

Thanks to the API's Ticketmaster has set up we have been able to partner with the likes of Fevo, Groupon and Goldstar to name a few by providing real time inventory to them which increases our revenue channels. The constant improvements in ticket security have saved us hundreds of thousands of dollars annually from issues with customers with fraudulent tickets.

Ticketmaster is a progressive, forward thinking, transformative organization. As consumer buying habits continue to rapidly evolve, they have consistently introduced new platforms, upgraded equipment, and developed software to help our industry sell more tickets better. They have taken the time to communicate with us to genuinely understand our needs and meet them. From providing customized reporting, analytical tools, as well as finding partners that synergize our goals. They are focused on always improving the process which allows us to focus on what we do best, create produce and promote content.

We look forward to continued growth in our partnership.

Sincerely,

A handwritten signature in black ink, appearing to read "Cedric G. Walker", is written over the word "Sincerely,".

Cedric G. Walker
President/CEO



January 18, 2023

Via Email

To Whom It May Concern:

I have been working in the arena business for 33 years...for 3 years I worked with TICKETRON and then for the past 30 years with TicketMaster. That many years should tell you how much I believe in and trust TicketMaster. In those years there has never been another ticketing company who has come close to providing the cutting edge technology, the best customer service and become our best and longest partner. This partnership has allowed the Allstate Arena and the Rosemont Theatre to be in the top producing arenas and theatres in the entire country year after year!

Pat

Patrick Nagle
Executive Director
Allstate Arena
Rosemont Theatre



January 18, 2023

To Whom It May Concern,

We are reaching out to communicate our unyielding support of and faith in our partnership with Ticketmaster as the ticketing platform, technology and services provider for the Los Angeles Football Club and Banc of California Stadium.

After careful evaluation of all other providers, as well as experience across our ownership group and executive team with Ticketmaster and other providers, it was and remains our belief that Ticketmaster's comprehensive solution is superior to all others in countless respects – for example, overall quality of technology, the ability to combat those with bad intent and BOTS with the aim of defrauding fans, unrivaled reporting features and data and analytics capabilities that enable better decision making, volume and quality of third party technologies integrated via APIs, quality of end-to-end user experience, season ticketing and back office solutions to support our day-to-day business operations, variety of marketing services to drive results in our business, and operational support to address in a timely manner any and all issues that arise.

At the end of the day, Ticketmaster has earned our trust through their hard work, integrity and commitment to our collective success. Since taking on our business in 2019, they have driven significant increases in our revenue and helped us achieve significant growth in our overall business. We have been recognized by numerous third parties for our success and as one of, if not, the best organization in all of Major League Soccer, and we strongly believe that none of that recognition would have come our way had we not partnered with Ticketmaster.

Please do not hesitate to reach out if you would like to discuss this matter further (213-519-9890).

Best regards,

A handwritten signature in blue ink, appearing to read 'Larry S. Freedman'.

Larry S. Freedman

Co-President and Chief Business Officer



January 19, 2023 (Via Email)

To Whom it May Concern,

As the Chief Revenue Officer of the Miami Dolphins and Hard Rock stadium, each year I oversee numerous live entertainment events including 10 Miami Dolphins events, 24 Miami Open tennis sessions, Formula One racing, and numerous concert and soccer events. It is imperative that we have a ticketing partner that can support our complex and evolving ticketing requirements, help us provide the best possible customer experience, and serve as a resource for us to drive revenue for the business.

We have evaluated multiple ticketing providers for our organization over the past decade, and we continue to find Ticketmaster best suited to satisfy our expanding and evolving business needs. Our business model requires reliable pre-sales and on-sales throughout the year, reaching both domestic and international customers. Ticketmaster's marketing services provide important data to let us segment and reach potential customers. Their operational technology consistently processes high volumes of ticket sales during critical windows of time.

We strive as an organization to sell directly to customers and build quality relationships with them. Ticketmaster's technology to counteract ticket "bots" allow us to sell a larger majority of our seats directly to customers attending our events. In addition, the APIs provided by Ticketmaster allow us to quickly access ticket transactional data, enhancing the safety and security of all who attend Hard Rock Stadium events. This also enables us to identify and communicate with active ticket holders, providing better service at events and prioritizing communication for future events.

In addition to the customer-facing technology, Ticketmaster's back-office solution creates flexibility for our team to create pre-sale and on-sale solutions that match our specific business needs, including customer renewals, relocation, upgrades, deposit conversions, and on-sales. Their solution allows our organization the autonomy to manage inventory and classify each



ticket “price code” for detailed reporting. Their interactive seat maps, virtual venue, and gate access solution technology create an unparalleled customer sales and service experience.

In conclusion, we have complete faith in Ticketmaster’s ability to serve our organization. Their technology and partnership allow us to create a great customer experience, while enabling us to drive revenue and add value to the organization. We will continue to recommend them to any counterparts looking for a trusted partner on these critical aspects of the live entertainment business.

Jeremy

Jeremy Walls

Miami Dolphins, Hard Rock Stadium & Formula 1 Crypto.com Miami Grand Prix

Senior Vice President and Chief Revenue Officer

[Hard Rock Stadium](#) / O:(305) 943-6519

January 19, 2023

VIA EMAIL

Senator Dick Durbin
Chairman
Senate Judiciary Committee
224 Dirksen Senate Office Building
Washington, DC 20510

Re: Senate Judiciary Hearings on Live Entertainment Industry Ticketing Issues

Dear Senator Durbin:

I am writing to express our support for our long-time ticketing services and technology partner, Ticketmaster, in connection with the upcoming Senate Judiciary Committee hearings on the live entertainment industry, and its focus on ticketing issues. The Braves' franchise was founded in 1871 and is the longest continuously operating franchise in professional sports. Ticketmaster has been a trusted partner of the Atlanta Braves for several decades.

With our partners in Cobb County, we opened Truist Park and the Battery Atlanta in 2017, and it has become one of the premiere sports and entertainment destinations in the Southeast. We have invested hundreds of millions of dollars in our facilities, technology and on-field talent, and employ several thousand people and generate millions in economic impact for Cobb County and the State of Georgia. Last year we welcomed over 3,000,000 fans to Truist Park, and another 7,000,000 to the Battery Atlanta. The safety and security of our fans and their experience visiting our venues is paramount to our business and its core values.

Ticketmaster has been a key partner of ours in providing a convenient, safe, and secure ticketing experience to our millions of fans and visitors over the years. Despite significant competition, Ticketmaster remains the best in class in the ticketing services and technology space, with capabilities and functionality that far exceed their competitors. Ticketmaster has invested significant resources in its technology, its capability to fight bad actors including "BOTS" that try to mislead and defraud fans, and its data security and reporting features. Ticketmaster's platform is also by far the best user experience, allowing us to service a wide variety of ticket buyers and Ticketmaster's back-office solutions, administration, and support are all vital to the success of our great franchise.

Ticketmaster has been a valued and trusted partner of ours for several decades and we rely greatly on their expertise and guidance in this space as we continue to move forward. I would be happy to provide any additional information that may be helpful to you and the Senate Judiciary Committee as you continue to evaluate this important industry and related issues, and the impact on fans and consumers.

Sincerely,

Derek Schiller
President & CEO

cc: Senator Jon Ossoff



Kroenke Sports & Entertainment

January 20, 2023

To Whom It May Concern:

Please accept this letter on behalf of Kroenke Sports & Entertainment in support of our event ticketing provider, Ticketmaster.

Recent circumstances surrounding ticket sales, operations and the back end technology that supports these transactions prompted this letter in support of Ticketmaster. Specifically relating to the Taylor Swift ticketing situation, unprecedented demand for tickets led to purchase access delays not only on the Ticketmaster system but on other ticketing systems servicing various other venues.

As we have learned with other recent failures of operational technology fulfilling the needs of the general public (Southwest Airlines, Federal Aviation Administration in recent weeks), technological failures are prone to happen and can happen at any time for any organization.

As difficult as challenges like these are hard to handle and explain, what has impressed our organization with Ticketmaster is that through trying times, they continue to strive to achieve and deliver the best products for their fans and clients with the best research and development investment in the ticketing business. We believe Ticketmaster provides our businesses with the most advanced ticketing technology available including the best consumer protection technology to shield our fans from bad actors price gauging, counterfeit tickets, etc.

Ticketing is the life blood of our sports and entertainment businesses and we find Ticketmaster to be the industry leader in all technological, marketing, customer services and experiences, etc. along with supporting all of the revenue enhancing experiences for our businesses. We successfully host hundreds of events annually across several venues in Denver, Los Angeles and London and in the rare instances where there may be a systems issue, they are always standing behind us and our fans with the best possible services and solutions.

We appreciate the opportunity to speak on behalf of our ticketing services partner, Ticketmaster.

Sincerely,

Matt Bell
Senior Vice President, Venue Operations
Kroenke Sports & Entertainment

1000 Chopper Circle, Denver, Colorado 80204 303.405.1100 BallArena.com





January 19, 2023

To Whom it May Concern,

I am pleased to provide this letter in support of Ticketmaster, the longstanding ticketing partner of TD Garden.

Home of the NHL's Boston Bruins and the NBA's Boston Celtics franchises, TD Garden hosts over 3.5 million people attending over 200 sporting events, concerts, and other performances each year. As we strive to ensure a safe, seamless, and efficient ticketing experience for every guest, we especially value Ticketmaster's gold standard reporting capabilities, enhanced user experience features, and innovative security technologies like encrypted mobile ticketing and account verification.

We have successfully used the Ticketmaster platform for over a decade, and we look forward to our continued ticketing partnership.

Sincerely,

Amy Latimer
President
Delaware North Companies, Inc. – Boston/TD Garden



January 18, 2023

To Whom It May Concern,

Vinik Sports Group (VSG) is elevating the game in the sports and entertainment industry. Home to an NHL franchise, a collegiate athletics property, two event venues, a digital media company, and retail and e-commerce platforms, VSG creates world-class experiences that grow brands, drive revenues and impact the community.

VSG maintains a preference for long-term, win-win partnerships — and Ticketmaster is just that. Ticketmaster expertly manages the ticketing production and services for a variety of concerts, events, and games for Tampa Bay Lightning, the Yuengling Center on the campus at the University of South Florida, and Raymond James Stadium — totaling approximately 250 events that reach roughly 3 million ticket holders annually.

VSG is on a mission to deliver unrivaled fan experiences, and one meaningful way we do this is by partnering with Ticketmaster to make ticket buying easy, safe, and reliable.

For 30 years, Ticketmaster has been supporting VSG in the following valuable ways:

- Ticketing technology
- Innovative products
- Platform of TM1
- Data on our diverse audiences
- Streamlined & fan-centric customer journeys
- Targeted marketing efforts
- Personalized account team for support
- Resources to hit revenue goals
- Global distribution channels

Since opening our doors in 1996 to what is now AMALIE Arena and expanding our reach throughout Tampa Bay, VSG has counted on Ticketmaster's expertise as the global market leader in live event ticketing products and services. We look forward to continuing this long-standing partnership with Ticketmaster as we remain relentlessly focused on our shared fan-first strategy to deliver innovative ticketing technology, best-in-class service, and world-class plus experiences.

Sincerely,
Kevin Preast

Kevin Preast

Chief Venue Officer (CVO), Vinik Sports Group
401 Channelside Drive, Tampa, FL 33602