ticketmaster ®

October 5, 2018

Senator Jerry Moran
521 Dirksen Senate Office Building
Washington, D.C. 20510

Senator Richard Blumenthal
706 Hart Senate Office Building
Washington, D.C. 20510

Dear Senators Moran and Blumenthal:

I am writing in response to your letter dated September 21, 2018. As the President of Ticketmaster, I am best positioned to answer your questions.

Let me start by assuring you that Ticketmaster does not have, and has never had, any product or program that allows ticket scalpers, or anyone else, to buy tickets ahead of fans and circumvent the policies we have on our site regarding on-line ticket purchasing limits.

As you know, we were major proponents of the Better Online Ticket Sales ("BOTS") Act, and we are grateful to you and the other members of the committee for your leadership and support on this important legislation. As we will describe below, we continue to make material investments in the spirit of the BOTS Act to make more tickets available to fans.

Thank you for this opportunity to address these important issues. I want to assure you that we take these issues seriously and that we are available to you and your staff for additional questions. We understand that the ticketing industry is a complex ecosystem, and we are continually learning and evolving our services to best meet the needs of fans, artists, sports teams, venues and sponsors.

Sincerely,

Jared Smith
President
Ticketmaster

1. *Describe the event ticket purchasing limits that Ticketmaster currently employs for sales on its primary ticket sales platform. Additionally, how does the company identify computer programs used to circumvent these purchasing limits?*

Ticketmaster's policies around ticket purchasing limits are outlined in our Ticketmaster Purchase Policy, which is incorporated into our Terms of Use. Everyone who uses our platform agrees to these terms. Below is the relevant provision on ticket limits:

Number of Tickets or "Ticket Limits"

When purchasing tickets on our Site, you are limited to a specified number of tickets for each event (also known as a "ticket limit"). This ticket limit is posted during the purchase process and is verified with every transaction. This policy is in effect to discourage unfair ticket buying practices. We reserve the right to cancel any or all orders and tickets without notice to you if you exceed the posted limits. This includes orders associated with the same name, e-mail address, billing address, credit card number or other information.

Ticketmaster uses several tools to identify computer programs that are used to circumvent the ticket limits that artists or venues have established.

- **Bot Protection**

  The most egregious type of tool used to deprive real fans of the opportunity to purchase tickets are ticket bots, which are the "computer programs used to circumvent these purchasing limits" prohibited by the BOTS Act and referenced in your letter. Ticketmaster has spent considerable resources – dozens of product and technology specialists and tens of millions of dollars – in the ongoing fight against ticket bots. Through a combination of data science, enterprise grade software and new technologies, we are now blocking an average of 5 billion bot attempts per month, and over 60 billion per year. We would be pleased to detail our work against bots at your convenience, which includes not only our technical tools but legislative and law enforcement activities as well.

- **OTL Limit Processes**

  Ticketmaster has developed various ways to conduct an Over the Ticket Limit (or "OTL") "check," and in 2017 moved from a manual, post-purchase assessment to a fully-automated process that for all events in real-time detects violations based on a variety of data points – including username, e-mail address, physical address, payment method, computer and/or device used and IP address. Over the past 12 months, this process has blocked millions of OTL requests. We continue to invest substantially to improve our technology, and in the coming months expect to add new tools and data points to further improve our OTL detection abilities.

- **New Technologies and Approaches**

  Even with this investment, enforcing OTL rules in this way remains challenging, as every measure we adopt generates highly-sophisticated counter measures. As a result, we are also concentrating on new technologies and approaches that create a

fundamentally different level of transparency, control and direct connection between the fan and artist or team.

- o Ticketmaster Presence is a new platform that replaces a physical paper ticket with a non-duplicable digital token, similar to modern tokenized payment methods such as Apple Pay. In addition to effectively combatting ticket fraud – for example, by eliminating PDF tickets, which can be copied and sold multiple times – Ticketmaster Presence will allow event presenters to have better visibility and control over where and how their tickets are transferred or resold.

- o Ticketmaster Verified Fan is a new technology that identifies each purchaser *before* they are invited to shop for tickets. It does so through a pre-registration process whereby basic identity information (name, e-mail address and mobile phone number) is collected prior to the on-sale, and then used to verify if each registrant is a "real fan." Verified Fan has been deployed on over 100 concert tours since its launch in 2017, and it has proven highly effective; the average volume of resale postings for these shows is *90% less* than similar tours that have not used it.

Based on the early successes we have seen with Ticketmaster Presence and Verified Fan, we believe those products are effective tools to protect fans and preempt OTL violations.

2. *Do Ticketmaster's ticket purchasing limits and associated detection practices apply to users of its online program, TradeDesk? If not, please explain.*

Yes, absolutely. There is no carve-out from Ticketmaster's ticket purchasing limits and associated detection practices for TradeDesk users. TradeDesk is not a computer program used to circumvent purchasing limits – because it has no purchasing functionality.

For context, ticket brokers have had access to, and have used, a variety of commercially available inventory management and point-of-sale products for years, including StubHub's "Ticket Utils" and Vivid Seat's "Skybox." TradeDesk is Ticketmaster's version of these tools. It takes tickets that brokers have already acquired – be it from Ticketmaster or another distribution channel (e.g., season tickets) – and organizes them so they can be priced and sold in multiple online marketplaces. But lacking any ticket-buying functionality, TradeDesk cannot be viewed as "bot software" nor any other kind of OTL circumvention tool. We do not have any tools or programs – not TradeDesk nor anything else – that would allow users to circumvent ticket purchasing limits, buy tickets in bulk, or otherwise gain an advantage over other fans.

3. *What are the specific rules and processes of compliance for participating TradeDesk users as it relates to ticket purchasing limits and other relevant consumer protection priorities? Please share any documents and guidance materials that are provided to TradeDesk users.*

TradeDesk users, like all users of Ticketmaster's website, are subject to Ticketmaster's Terms of Use, which, among other things, expressly prohibit users from using automated purchasing software (bots) or ordering more tickets than the stated limit for that event.

TradeDesk users are also subject to a Seller Agreement which requires that resellers "at all times *comply fully and completely with any and all policies and procedures* listed on any and all Ticketmaster Resale platforms, including but not limited to all Ticketmaster Resale Ticket Exchanges, www.ticketmaster.com and www.TicketsNow.com" (emphasis added). In addition, resellers commit not to "facilitat[e] illegal ticket sales, engag[e] in unauthorized framing of, or linking to [Ticketmaster] Websites, or [make] unauthorized use of any robot, spider or other automated process on the [Ticketmaster] Websites." TradeDesk users are also provided with Ticketmaster's Professional Reseller Handbook, which expressly requires all resellers to adhere to our policies, including our Terms of Use.

Ticketmaster's rules and policies thus expressly require resellers to adhere to our ticket limit policies, and prohibit resellers from using bots to purchase tickets.

4. *What role does Ticketmaster's Professional Reseller Handbook play in deterring its resellers from engaging in illegal ticket purchasing activities?*

As discussed above, Ticketmaster's Professional Reseller Handbook requires all resellers to adhere to our policies and to provide a 100% unconditional guarantee, which states that once an order is confirmed, the customer will receive authentic tickets in time for their event. Guidelines are also provided to ensure customers receive the tickets they requested, and that all tickets are delivered promptly, professionally, and when promised. The Handbook also puts sellers on notice that "Ticketmaster Resale will monitor the site and may remove inventory that does not conform to the Ticket Accuracy requirements, including any listings with descriptions that are vague, inappropriate or misleading. Repeated violations may result in additional penalties including possible suspension or removal from the Marketplace."

In addition, the Handbook references our Ticket Listing Resale Agreement, which all sellers are also required to agree to prior to listing tickets. Among other things, that Agreement states that all sellers must have secured "all necessary rights and licenses to sell the tickets to the customers," and specifically prohibits the use of "any robot, spider or other automated process on [Ticketmaster websites]."

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