

Consumer Action

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Scott D. Hammond
Acting Assistant Attorney General
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March 13, 2009

Dear Mr. Hammond,

Consumer Action¹ urges you to reject the proposed merger between Ticketmaster and Live Nation. Our organization has long been concerned with fairness for consumers in the ticket industry. The proposed merger between Ticketmaster and Live Nation would substantially lessen competition and allow an even greater monopoly in the industry, leading to higher prices for ticket buyers, especially average fans. Ticketmaster/Live Nation would dominate all major American concert venues, to the detriment of consumers.

Ticketmaster's service fees (and those of its subsidiaries such as TicketsNow) are already a source of outrage among consumers. The company charges excessive and unreasonable fees on every ticket because of lack of competition from other firms, or in other words "because it can." Consumer complaints are rampant about these fees and have led to the establishment of consumer created "rip off" sites such as Ticketmastersucks and Ticketbastard. Fans have no recourse but to ante up and be gouged if they want to see their favorite performers live.

Let me put a "real face" on the victims of price gouging by Ticketmaster. S.H. of Fremont, CA wrote to us in 2008 about her experience buying tickets to a Celtic Woman show: "TicketsNow doubled the price of each ticket, plus charged a \$48.30 service fee. On the venue web site, the tickets sold for \$80, plus a \$10 service charge on each ticket.

¹ Consumer Action (www.consumer-action.org) is a non-profit organization founded in San Francisco in 1971. During its more than three decades, Consumer Action has continued to serve consumers nationwide by advancing consumer rights, referring consumers to complaint-handling agencies through our free hotline, publishing educational materials in Chinese, English, Korean, Spanish, Vietnamese and other languages, advocating for consumers in the media and before lawmakers, and comparing prices on credit cards, bank accounts, telephone plans and other consumer goods and services.

TicketsNow charged \$161.00 each, plus the \$48.30 for a total of \$370.30. That is a difference of \$190.30. I called their 800 number to ask about the discrepancy and all I got was a very rude person that just kept repeating, ‘Did you read our agreement before you purchased the tickets?’ Well, yes, I did read it, but at the time I didn’t realize that TicketsNow was doubling the price of the tickets until I actually got the tickets, which TicketsNow printed off Ticketmaster’s website and mailed to me.”

S.H.’s complaint is just the tip of the iceberg. If Ticketmaster and Live Nation are allowed to merge, the combined entity would have undue influence on booking, promotion, primary ticket sales, secondary (“scalped” and fan-to-fan) ticket sales, merchandising, direct marketing, etc. In the view of Consumer Action, it would be highly improbable, if not outright impossible, that a competitor could replicate or compete with Live Nation’s combined stranglehold on ticketing and promotion. This would present a clear barrier to entry in the industry.

Many news reports have revealed how Ticketmaster maximizes profits by selling off the most profitable tickets on the secondary market, and if and when those don’t sell, they are put back on Ticketmaster for face value. For Ticketmaster it’s a win-win situation, while consumers are the losers.

It appears that Ticketmaster would have a horizontal monopoly with Live Nation and a vertical monopoly through its TicketsNow subsidiary—double reasons for the Department of Justice to investigate this merger thoroughly.

If allowed to merge, these firms would control so much of the music marketplace that no one could stop them from raising ticket prices and service fees.

Please reject this merger and protect consumers and live music fans. Please don’t allow another monopoly to be created at the expense of the people who can least afford the higher ticket prices and service fees. No single company should have this much control.

Sincerely,



Linda Sherry
Director, National Priorities