Testimony of Professor Chris Gowen, Esq.

Before the Council of the District of Columbia Committee on Business and Economic Development Hearing on Bill 26-224: The Ticket Sales and Resale Regulation Amendment Act of 2025 October 22, 2025

Chair McDuffie and Members of the Committee:

Thank you for the opportunity to testify today. My name is Chris Gowen, and I am an Adjunct Professor of Law at American University's Washington College of Law and the University of Baltimore School of Law, where my research focuses on consumer protection, antitrust, and fair market practices. I have spent my career defending the "little guy" against unfair corporate practices and systemic imbalances that allow powerful interests to profit at the expense of everyday consumers.

I appear today as a consumer protection scholar deeply concerned about the one-sided, deceptive, and monopolistic practices that have come to dominate the live event ticketing market. I fear that, rather than protect D.C. consumers, Bill 26-224 — which is without question a well-intentioned piece of legislation — would inadvertently empower the monopolist in the industry at D.C. consumers' expense.

The Problem Is a Market Rigged Against Consumers

If you've tried to buy tickets for a popular concert, sports event, play, or show in D.C. recently, you already understand the frustration. Events sell out within seconds, leaving consumers with no choice but to buy heavily marked-up tickets from online resellers — sometimes at prices 7,000 percent above face value. Whether it's Hamilton at the Kennedy Center, the Savannah Bananas at Nationals Park, or Goose at the Anthem, ordinary fans are being priced out of D.C.'s cultural scene.

This is not a natural market outcome. It is the result of predatory behavior, facilitated by automated ticket-purchasing bots, operated by scalpers. These bots buy up thousands of tickets within seconds of going on sale, leaving consumers to pay inflated resale prices or miss out entirely.

Federal Enforcement Has Been Insufficient in Addressing These Scalper Bots

Live Nation — Ticketmaster's parent company, which controls <u>more than 80 percent</u> of the primary ticketing market and has been <u>sued</u> by the D.C. Attorney General — has been accused of turning a blind eye to illegal ticket-buying bots.

Last month, the Federal Trade Commission (FTC) <u>sued</u> Live Nation, alleging that it allowed bots to violate purchasing limits and inflate resale prices in violation of <u>federal law</u>. According to the complaint, one broker alone used bots to buy 9,000 tickets to a single Beyoncé show and 8,500

to a Travis Scott concert, allowing Live Nation to profit twice — once from the original sale and again from the resale of thousands of tickets on its own platform.

However, that case is only the second federal enforcement action against ticket bots in <u>nine</u> <u>years</u>. The lack of federal enforcement has created an accountability vacuum, and it is within that vacuum that monopolistic abuse and consumer harm have flourished.

The Council Can Close This Enforcement Gap

The Council has a critical role to play. It can close this enforcement gap within the District's borders by empowering the D.C. Attorney General's Office to enforce the law locally, increasing penalties for repeat offenders, and requiring ticketing companies to disclose how many tickets actually reach people rather than software bots.

It is no secret that Live Nation lobbyists are urging lawmakers to impose a resale price cap instead, claiming it would help consumers. In reality, it would do the opposite.

While Bill 26-224 was introduced with the best of intentions and with consumers in mind, it would do exactly what Live Nation wants — cap the price of tickets instead of addressing Live Nation's bot issue.

While ticketing comprises just <u>15 percent</u> of Live Nation's revenue, it is nearly 100 percent of all its competitors' revenue. Live Nation's competition does not have other business streams like the industry's monopoly does, which also owns venues and promotes artists. The fact that they might not be able to survive the price controls like Live Nation is music to the predatory monopoly's ears.

If price caps drive Live Nation's competitors out of business, ticket resales won't disappear, they'll just move onto Live Nation's resale platform — allowing Live Nation to profit twice, once at the original point of sale and again on the resale tickets — with the remaining tickets going to unsafe, unregulated websites or back to the scalpers on the streets outside of arenas, where there are no consumer protections. That would make things worse for D.C. residents, not better.

A Balanced Approach: Fairness and Competition

A <u>recent study</u> found that more than half of the tickets sold on the online resale markets are sold below face value. However, if price caps kill Live Nation's competition, many of these cheap tickets on the resale marketplace will likely no longer be anywhere to be found. With no competitors pressuring Live Nation to keep costs low, the company will have more incentive to set prices at the legal, price-controlled maximum every time.

The better path forward is for the D.C. Council to crack down on the ticket purchasing bots that the Federal Trade Commission says Live Nation intentionally allows to purchase large percentages of its inventory while continuing to regulate the market to protect consumers from fraud. Cracking down on the scalper-run bots may not sit well with the industry's most dominant company that controls 80% of primary ticketing, but that's exactly why it's the right approach.

Conclusion

The D.C. Council has the power to act where federal regulators have fallen short. By addressing the root cause — predatory bots and lax corporate oversight — and by empowering the D.C. Attorney General to enforce these protections, it can ensure that fans, not monopolies, win. A

Thank you for your time and consideration. I would be happy to answer any questions.