

Congress of the United States
House of Representatives
Washington, DC 20515-3213

April 6, 2018

The Honorable Maureen K. Ohlhausen
Acting Chair
Federal Trade Commission
600 Pennsylvania Avenue, NW.
Washington, D.C. 20530

Dear Acting Chair Ohlhausen,

I write to you today on an array of issues including small business market participation, market competitiveness, and minority inclusion. There is a growing industry of minority-led and minority-owned small businesses that participate in the online ticket sales market. The live-event ticket sale industry is a robust sector of the internet-driven economy that should welcome new entrants.

The competitive nature of the commercial market in general and in this case specific to online ticket sales is predicated on equal access and equal consideration of all participants, including those known as “white label” or “private label” brokers and partners providing the internet-based tools and infrastructure. These small businesses – responsible for back-end architecture – provide a wide array of services associated with online ticket sales distinct from primary providers and authorized resellers in that they themselves are not the broker and thus do not conduct the sale of any ticket(s); do not maintain ownership of any ticket(s); and do not change the price of any ticket(s).

They provide the underlying digital infrastructure and tools for small businesses that are an affirmed market themselves as ticket sellers ranging from providing up-to-date seating maps, the processing of payment, and even customer service requests. The recent institution of a *de-facto* “pre-certification” application and process by Google for current and prospective AdWorks clientele will be harmful to small and nascent companies that create the infrastructure of an online marketplace and provide the well-established and sound underlying function used by ticket sellers. There is a vested interest in protecting consumers from agents that would for malicious gain increase prices on tickets or sell counterfeit or fraudulent tickets.

As a member of the Small Business Committee, I am seeking clarity on the practice and rigor of Google and its AdWorks program to find a thoughtful balance between weeding out fraudulent practices and small business contractors that follow the prescription of laws and rules of their platform. It would be very helpful to learn:

1. How is the Federal Trade Commission working to create and maintain an even playing field for small businesses to participate on equal terms as their peers?
2. What can be done to ensure small businesses are not indirectly harmed by changes made by online advertising platforms?
3. What can small businesses and contractors do proactively to successfully navigate entry or re-entry into online sales marketplaces?

I look forward to hearing from you on this issue and appreciate your consideration and the opportunity to learn how we can work to keep this commercial market robust, diverse, and safe for all consumers to have the confidence and security that they are not being taken advantage of by bad actors.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adriano', with a long, sweeping horizontal line extending to the right.

Adriano Espaillat
Member of Congress
New York's 13th Congressional District