

## Congress cracks down on 'bots' that snap up concert tickets

December 8 2016, by Mary Clare Jalonick

Congress sent legislation to President Barack Obama that could make it easier to get tickets to popular shows, sports events and concerts.

Legislation passed by voice vote in the House on Wednesday would crack down on computer software used by some ticket brokers to snap up <u>tickets</u>. The so-called "bots" rapidly purchase as many tickets as possible for resale at significant markups, and are one of the reasons why tickets to a Bruce Springsteen concert or "Hamilton" performance can sell out in just a few minutes.

The bill would make using the software an "unfair and deceptive practice" under the Federal Trade Commission Act and allow the FTC to pursue those cases. The Senate passed the bill last month.

"Hamilton" producer Jeffrey Seller testified at a Senate hearing in September. He said the bots invade the Ticketmaster system the moment tickets go on sale and electronically purchase almost all the available inventory—one of the reasons tickets to the hit musical about the life of founding father Alexander Hamilton have sold for \$1,000 or more.

Kansas Sen. Jerry Moran, the Republican sponsor of the bill, said the legislation will "level the playing field" for people buying tickets.

"The need to end this growing practice is reflected in the bill's widespread support," Moran said.



In a report earlier this year, investigators in New York Attorney General Eric Schneiderman's office cited a single broker who bought 1,012 tickets within one minute to a U2 concert at Madison Square Garden when they went on sale on Dec. 8, 2014, despite the vendor's claim of a four-ticket limit. By day's end, that broker and one other had 15,000 tickets to U2's North American shows.

The report said third-party brokers resell tickets on sites like StubHub and TicketsNow at average margins of 49 percent above face value and sometimes more than 10 times the price.

New York's review also found that, on average, 16 percent of tickets are reserved for various industry insiders like the venue employees, artists and promoters, while 38 percent are reserved for presales to certain groups like holders of a particular credit card.

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