Respected Members of the Committee,

I write to testify in favor of HB3167 as ammended. I want to focus on two important areas: the fraudulent and predatory behavior of the secondary ticketing industry, and the opposition's dishonest focus on ENFORCING transferability.

FALSEHOOD #1: The secondary sellers are outright lying about "saving Oregonians money" - I will show here that this is a laughable lie. They are cherry-picking oddities and mistakes on their part, manufacturing fraudulent data. The vast majority of ticket sales on the secondary market look like the examples below:

Example 1: SQUEEZE, a famous band from the 80's is playing small halls at low prices in order to maintain their close relationship with fans. Tonight (March 12) they are playing the McDonald Theater in Eugene. Primary TICKETS ARE \$56 for this show, INCLUDING all fees. This is not a particularly "hot" ticket - neither of their two shows is sold out.

SEVERAL secondary sellers are advertising tickets for \$149 -\$179 (fig. 1 below). For our example I chose the \$161 ticket. Only AFTER entering all credit card information, email, etc., does the buyer learn that there is a \$61 charge per ticket (fig. 2 below). We know that these fees are often well in excess of this.

FIG 1		FIG. 2	FIG. 3
FIG. 1 Squeeze Starters as the set of the	This \$122.99 fee comes AFTER all credit card into is entered by the buyer. Note the extremely fine print, this is several screens later, and fees	<ul> <li>Highty Recommended</li> <li>Yes, protect my ticket purchase for only \$23.00 per ticket (\$46.00 total).</li> <li>✓ Get back 100% of my ticket cost if 1 can't attend the event due to covered illness or injury (me or a family member). I'm required to work, mechanical breakdown, traffic accident, airline delay, and weather emergency</li> <li>✓ Access 24/7 assistance that can high me find parking info, book build and more</li> <li>O, No, don't pur charmy \$434.99 ticket purchase. It posses not to add the subtrivio of event tick, torotection for mu cinfu.</li> <li>≦ \$.005 people protected their tickets in the last 7 days</li> </ul>	, MJLenderman
<ul> <li>Payment</li> <li>Redeem a Gift Card or Promo Code</li> <li>Enter Your Billing Address</li> <li>This should match the address on your credit card statement.</li> <li>Billing Cardholder's Name</li> <li>First Last</li> </ul>	are never enumerated or announced.	Ver are a resale marketplace, not the ticket seller. Prices are set by third-party sellers and may be above or below face value.	ellerpage         Buy now, pay later with PoyPel or Klarna. ①         Image: Continue
✓ TrustedSite*		By clicking "Place Order", your credit card will be charged \$434.99 USD which include	
☐ ● 32.eventticketscenter.com Ċ		secure2.eventticketscenter.com	😑 🔒 stubhub.com 🖒

Thus in example 1, which is an average example of the secondary market using robots (bots) to buy up tickets and resale them, the price went up from \$56 to \$217.50, a 400% increase.

**Example 2:** MJ Lenderman, an up-and-coming young songwriter, is touring to gain new audiences of young people. He set his concert ticket price for Revolution Hall at a low \$25. The show sold out and bots outsmarted the primary ticketing defenses, the result was that tickets were on sale on the secondary market for \$657 (see fig. 3).

**Example 3:** Secondary market accidentally bought too many tickets to Blind Pilot a few weeks ago at Revolution Hall. Tickets were \$25 to purchase in person, or \$31 through Revolution Hall's ticketing mechanism (all fees included). At the LAST minute, day or show, the secondary ticketing companies flooded the market with "discount" tickets at \$12 and \$18. HOWEVER these tickets carried fees ranging from \$21 to \$35, which jacked the price well beyond its original price. THIS is what they call savings.

**Example 4:** Secondary market accidentally bought too many tickets to Blind Pilot a few weeks ago at Revolution Hall. Tickets were set at \$25 to purchase in person, or \$31 through Revolution Hall's ticketing mechanism (all fees included). At the LAST minute, day or show, the secondary ticketing companies flooded the market with "discount" tickets at \$12 and \$18. HOWEVER these tickets carried fees ranging from \$21 to \$35, which jacked the price well beyond its original price. THIS is what they call savings.

**FALSEHOOD #2: "**We are consumer friendly, highly rated, and have a money-back guarantee!" This is the most maddening of the lies. Every night, literally EVERY NIGHT, we have to turn people away who have purchased fake tickets from the secondary market. These tickets, whether they are called "speculative tickets" or are tickets arranged through a "ticketing concierge", all share one IMPORTANT aspect: THEY DO NOT EXIST.

## Example 5: "Whip it Good" - DEVO fans and broken hearts.

DEVO, a pioneering new wave art band, is one of the most iconic bands of all time, but they very much wanted to connect with new fans on their 50th anniversary tour, so they booked small rooms at low prices. Revolution Hall tickets were priced at \$85, including all fees.

In July, the concert was announced, and the on-sale date was announced so that fans would have plenty of choices (on-line, in person, by mail, or through on-site kiosks) to buy their tickets. The problem? A WEEK BEFORE TICKETS WENT ON SALE, the internet was flooded with THOUSANDS of tickets being sold by the secondary market for FOUR TIMES the face value, plus \$60-80 per ticket additional fees. We started to receive broken-hearted calls about the service fees. People also demanded to know how a hall that holds only 900 people could possibly be selling thousands of tickets. People were mystified by the wide array of FAKE tickets (see fig 4-8 below).



ALL of these tickets are fake. They are advertising tickets they don't possess that are not yet available. In the end, we had to turn away people from all over the Pacific Northwest. Unsuspecting purchasers who bought these FAKE tickets were not admitted, despite having driven in from Idaho, Washington, Montana, and Southern Oregon. This is terrible for our business, for the industry, for trust between us and our patrons, and for tourism.

## FALSEHOOD #3: "You can buy tickets anywhere - give the people a choice!"

Customers have many choices already - as many as there are venues. Venues are uniquely qualified to take care of their patrons, in every way. Tickets are not intended to publicly traded for corporate profit - rather, an admission ticket gives the ticketholder the right to an experience - a show, with customer service and care for their safety, communication, and other important relational components. Venues absolutely need to be able to get

important messaging to their patrons, and often do: whenever there is a weather event or other safety issue, venues take an active role in reaching out to ticketholders. When an opening band changes, ticketholders receive direct messaging from the venue. The secondary market interrupts this relationship and erodes the trust. Furthermore, the performers often demand a list of attendees, for security reasons (once a month or so this is the case at many small venues).

**FALSEHOOD #4:** Not only does the secondary market sever the relationship between venues, customers and artists, it grossly misrepresents the basic aspects of all three:

- High prices (such as those in the above examples) make artists and venues appear greedy, when in fact both entities are endeavoring to keep prices low for economic and professional reasons.

- Very often we see shows offered as "all ages" when they are in fact 21+ (or the inverse).
- Basic trusts are eroded due to a slate of serious issues (example below):

**Example #6:** Low Bar Chorale is a community singalong event that happens every other week. A fully participatory community event that is immensely popular it sells out every time (130 people) and features frequent participation by members of the Oregon House of Reps! Tickets are \$15.

If a typical person wishes to attend a Low Bar Chorale event, they would likely google "Low Bar Chorale" and will find that tickets, according to some secondary sellers, sell for an "average of \$97" (see fig. 9 below) - in truth, TICKETS ARE ALWAYS \$15.

One more IMPORTANT detail: Community events are often themed. Sometimes the theme is "songs of 1989" or "songs about broken hearts". One evening of jazz was a show called "Marty Isenberg's Wes Anderson Playlist - A Queer Jazz Mixtape" - see fig. 10. The secondary market represented the event QUITE differently, very problematically for those whose hopes were dashed when they payed over \$100 to attend an appearance by a famous director (see fig. 11 below). This type of egregious carelessness can cause major problems for all parties involved.



I realize this is long. But this is a nuanced issue. Venues have a crucial relationship with artists and fans. The secondary market is destroying that trust. It is time to reel them in. THANK YOU for your attention to this complex set of issues.

Jim Brunberg - Artist, venue owner, founder of Independent Venue Coalition