

Statement of  
**The Honorable Charles E. Schumer**

United States Senator  
New York  
February 24, 2009

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Ticketmaster/Live Nation Merger Hearing  
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Thank you, Mr. Chairman, for holding today's hearing.

I have made no secret of my opposition to this merger, but first I want to say a word about Ticketmaster's recent actions in the sale of tickets for Bruce Springsteen's concert tour.

We all know the basic story now - many fans were told the shows were sold out, when they in fact were not. The fans were then provided links to Ticketmaster's own ticket reselling site, TicketsNow.com, where they were charged many times the face value of the tickets.

Talk about a way to have your cake and eat it too. Bruce Springsteen says Ticketmaster abused his fans, and I agree with the Boss.

Ticketmaster is the only major "primary" ticket seller in America with a wholly owned "secondary" seller; and it took advantage of that corporate structure, which allowed Ticketmaster to charge much higher fees, with customers paying hundreds, or thousands, of dollars for tickets, in the secondary market.

They've said that this clever arrangement was caused, in part, by a "malfunction." Given what Ticketmaster stood to gain by directing consumers to its own resell site, the episode seems to be much more about money-making than about "malfunction."

Ticketmaster has apologized for the incident, but to my knowledge still hasn't provided any detail as to how this happened. We need answers not apologies.

As far as I am concerned, Ticketmaster never should have gotten into the secondary ticketing business by buying TicketsNow to begin with. And I think it needs to get out of that business, especially in light of this merger proposal.

I am going to ask you that question, Mr. Azoff, and I hope you will tell me that you agree that you need to sell TicketsNow.

We also can't forget what this merger will mean to the music industry. Consider that:

? Ticketmaster in 2007 sold 141 million tickets worth approximately 8.3 billion dollars for its clients. It is estimated that Ticketmaster has 80% of the concert ticket market in America cornered.

? But most troubling of all is what Ticketmaster has chosen to do to protect its market dominance. Once Live Nation started a rival ticket-selling service that threatened to take away 15% of Ticketmaster's business, Ticketmaster chose not to compete, but to gobble it up.

This is not the American dream, as the companies' witnesses might have you believe. This is monopolistic behavior, plain and simple.

Live Nation also has a lock on its side of the market. It is the largest concert promoter in the world, more than doubling its next competitor in the number of tickets sold worldwide. And it owns well over a hundred venues in the United States, to boot.

Think of what this merger would put under one roof. It would combine the largest ticket seller in the world with the largest event promoter in the world.

The result would be a behemoth that would operate the majority of concert venues in America, sell the tickets to the events at those venues, and manage many of the very top artists who perform there.

In short, this new company would have a hand in every step of the process of going to see a concert.

I look forward to seeing how these companies can explain how the proposed merger could possibly be good for consumers.