

November 28, 2022

Hon. Lina M. Khan Chair Federal Trade Commission 600 Pennsylvania Ave. NW Washington, DC 20580

## Dear Chair Khan:

We write to ask for information about the steps the Federal Trade Commission (FTC) is taking to combat the use and operation of bots in the online ticket marketplace. As you know, the Better Online Ticket Sales, or BOTS Act, became law in 2016. This law prohibits the circumvention of a security measure, access control system, or other technological control measure used online by a ticket issuer. It also prohibits the selling or offering of an event ticket obtained through a circumvention violation if the seller participated in, had the ability to control, or should have known about the violation. The BOTS Act gives the FTC and state attorneys general the authority to enforce violations as unfair and deceptive practices.

Recently, several high profile incidents arose where consumers encountered serious difficulties purchasing tickets through online ticket vendors, including Ticketmaster and AXS. While bots may not be the only reason for these problems, which Congress is evaluating, fighting bots is an important step in reducing consumer costs in the online ticketing industry. For example, consumers reported trying to purchase tickets to see Bob Dylan at the Ryman Auditorium in Nashville, only to be told the tickets in their shopping cart no longer existed. Similarly, 22,000 fans preregistered to buy tickets for Blake Shelton, but only a few hundred actually got tickets. Finally, Ticketmaster/LiveNation pointed to online bots as a reason why fans could not get Taylor Swift concert tickets, leading the ticket seller to shut down sales to the general public.<sup>2</sup>

While some consumers opt to purchase tickets on the secondary market, most fans cannot afford to pay thousands of dollars for a single concert ticket. Some reports have found secondary ticket sales ranging from \$1,000 (Bruce Springsteen) to \$40,000 (Adele).<sup>3</sup> Preventing this type of consumer harm is exactly why Congress chose to enact the BOTS Act six years ago and why we both chose to sponsor that bill.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> https://www.wsmv.com/2022/05/09/ticket-bots-are-driving-prices-up-concert-goers/.

<sup>&</sup>lt;sup>2</sup> https://www.cnbc.com/2022/11/17/taylor-swift-ticketmaster-fiasco-due-to-demand-bots-liberty-media-ceo-says.html.

 $<sup>^{3} \</sup>underline{\text{https://www.foxbusiness.com/entertainment/adele-concert-tickets-surge-bruce-springsteens-prices-soar-fans-express-outrage}$ 

<sup>&</sup>lt;sup>4</sup> The problems with bots are not limited to the online ticket marketplace. For example, legislation such as the Stopping Grinch Bots Act seeks to stop bots related to online toy sales.

We understand that, in January 2021, the FTC took its first enforcement actions under the BOTS Act. However, given the numerous high-profile incidents in the online ticket marketplace, it would be helpful to understand how the FTC intends to act to address such conduct going forward. We request answers to the following, which may be provided in a confidential briefing if needed:

- 1. Does the FTC have any pending enforcement matters before it with respect to the BOTS Act?
- 2. Why has the FTC only undertaken a single enforcement action to date using its BOTS Act authority?
- 3. Are there obstacles preventing the FTC from exercising its authority under the BOTS Act that Congress should be aware of?
- 4. Are there other solutions that Congress needs to consider in conjunction with the BOTS Act?

We appreciate your timely attention to this issue.

Harsha Hackburn

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Sincerely,

Marsha Blackburn

Ranking Member

Subcommittee on Consumer Protection, Product Safety, and Data Security

Richard Blumenthal

Chair

Subcommittee on Consumer Protection, Product Safety, and Data Security