



## TESTIMONY IN SUPPORT OF SB 539

Audrey Fix Schaefer

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I'm Audrey Fix Schaefer, director of communications for I.M.P., the Bethesda-based company that operates Merriweather Post Pavilion in Columbia, MD, and I'm testifying with gratitude for the sponsors and in staunch support of SB 539, because it is the most pro-consumer protection bill we've seen pertaining to Maryland ticket sales.

This year marks the 20<sup>th</sup> concert season our company, Bethesda, Md.-headquartered I.M.A, has been operating Merriweather. When we took it over, it was on the brink of going under. Since that time, we've made more than \$60 million in renovations; some technical – like state-of-the-art sound and video systems and literally raising the roof; some audaciously creative, like the SkyLawn™ that allows fans to watch the show while sitting on a soft patch of grass suspended in the sky, or the backstage pool which energizes road-weary artists and makes them chose us over other amphitheaters.

We've invested in substantial environmental improvements thanks to chart-topping musician Jack Johnson's help. In fact, 70% of shows are run off the grid with solar panels. We now feature a massive sculpture garden honoring artists who have played with us, including Miles Davis, Tina Turner, Willie Nelson, and Dolly Parton. We have a rock and roll pinball arcade and incomparable food offerings. We do it all because we want to delight artists and fans alike.

Last year more than 450,000 people came through our gates, attracting ticket buyers from all 50 states and Washington, D.C., and internationally. They, in turn, brought \$68 million in economic benefit to Maryland as they came for a show but also ate at area restaurants, stayed in hotels, went shopping, and saw other Maryland attractions. We're the magnet, but that's just the beginning. We also employ more than 800 people in Maryland who realize an estimated \$13.5 million in income.

I'll sum up this section by letting you know that industry trade magazine Pollstar just named Merriweather Post Pavilion the *#1 amphitheater in the world*, which is a phenomenal recognition that would have been unthinkable 20 years ago.

Also unthinkable 20 years ago: scalpers selling "speculative" tickets, which are fake tickets that they don't have, and putting them on sale before we, the venue, have sold a single ticket. Scalpers trick consumers into thinking they're buying from Merriweather and other venues using websites that parrot us by abusing our brand and intellectual property, and by using unregulated Google search engine optimization to have their sites listed way above ours. They also continue to use illegal BOTS and algorithms to scoop up tickets before real fans have a fair chance, causing fans to overpay dramatically and unnecessarily.

Major resale platforms claim they are simply connecting music lovers with each other. Yet the *majority* of sales on many secondary platforms are conducted by professional brokers looking to turn a profit, according to the investigative news outlet Reveal. Nearly all marketplaces tack on exorbitant fees that,

when combined with the price-gouged listings, can swell the total cost to many times the advertised price. That dynamic has been supercharged online, ballooning to a market worth roughly \$15 billion. Ticket resale is no longer driven by fast-talkers peddling their wares outside U.S. arenas - now it's effectively dominated by software companies and the platforms that host them.

Here are just three recent egregious examples for this upcoming season at Merriweather. Hozier set his ticket price at \$99, yet tickets are listed on StubHub for more than **\$24,697** per ticket with fees. Mitski tickets on Vivid Seats are up to **\$12,526** when she set the price ticket at \$125. TicketNetwork lists Alanis Morissette tickets for **\$3446**, when she priced at \$150. And completely shameless: Vivid Seats listing page after page of parking spots at Merriweather for \$125 - when we don't charge for parking at all.

Who does this gouging harm? The fans, of course, who then can't afford to see as many shows or won't be able to buy a concert T-shirt because no one has limitless resources. Who else is harmed? The artist on stage, whose fans often perceive these scalped tickets and gouged prices as being the artists' fault without recognizing that they were deceived by a third party. Who else is harmed? Other artists who won't be discovered because fans can't afford to go to more shows. Finally, venues like ours are also harmed, because fans can't afford to attend additional shows or spend on food and merchandise when with us, and because we're the ones who have to try to help an emotional fan when they realize they've been duped.

Why do we support this legislation? It provides comprehensive reforms that take the profit motive out of predatory ticket selling once and for all in Maryland. It prohibits ticket resellers from gouging Maryland consumers, it bans fake tickets, it ensures fans who can't make it to a show can sell their tickets to other fans at face value, it requires transparency, and it codifies that a concert ticket is a license, not property. The last point is crucial. I'm not an attorney so I'll explain the difference in layperson's terms. A concert ticket is a license to enter our venue - it's your permission slip for that show, on that evening. You'll hear those vying to change the classification to "property" or say the purchaser is a "rights holder" because those other entities don't want the artist, the venue, or you - our government representatives, to stop them from overcharging. Make no mistake, the rights holder is the entity initially selling the ticket, not those who purchase it with the sole purpose of profiting off others' work.

Why is this egregious? The scalpers vacuum up tickets using BOTS and algorithms before real fans can place an order, and then they list them on resale platforms like StubHub, Vivid Seats, and TicketNetwork, which literally make billions of dollars off the backs of the artists and venues who actually make these events happen.

As a venue, we bear all the financial risk. We pay the artists, our employees, rent, insurance and state and local taxes, and we provide security, food and beverage, and all the other components required to put on shows and festivals. The artists create the art, hire band members, lighting and sound engineers, tour managers, agents, business managers, and bus drivers, and pay for hotels, food, and transportation for themselves and their entire crew. Why should scalpers take advantage of customers and make more on a performance than the artists and venues that have invested in the show?

Secondary sites are awash with fraudulent tickets, and they may have a quote, unquote "guarantee," for tickets, but when fans come to our box offices with fake tickets, it's us at the venue who are faced with an understandably angry customer that think it's our fault. And that resellers' quote, unquote "guarantee" never repays the customer for their flights to town, hotels, meals, and lost wages. The duped customer is left holding the bag and missing the entertainment experience they longed for.

This is why we fight for consumer protection. We want to ensure that fans will want to come back to our venue, or anyone else's, for decades to come. Scalpers who scam and the platforms that host them have no such interest in a long-term relationship. It's not about the art or the fun night out for them. It's only about the bottom line, treating these emotional opportunities like market commodities.

We fully support fans who can't make a show being able to sell their tickets at face value to recoup their money and allow someone else to enjoy a night out. But this rampant and abusive ticket scalping is simply a form of unregulated arbitrage that disadvantages fans, artists, and venues alike, and it must be stopped.

I'll end by noting that this proposed legislation is nothing short of groundbreaking. I predict, when turned into law, it will be the national gold standard for consumer protection and artists will choose to play in Maryland over neighboring states as a result. It's just that good. I respectfully urge you to vote yes for SB 539 and I thank you.