

**STATEMENT OF THE BROADWAY LEAGUE
IN OPPOSITION TO HB 7114**

March 2, 2017

Good afternoon. I am Thomas Ferrugia, Director of Governmental Affairs with The Broadway League. The League has been the principal trade association of the commercial theatre industry in North America for over 80 years and has more than 700 members nationwide. We proudly represent 23 Connecticut producers, presenters and performing arts centers, including the Bushnell, Shubert Theatre, GoodSpeed Musicals and The Palace Theatre. In 2013, the most recent year for which we have data, League Touring productions performing in Hartford, New Haven, New London and Waterbury had an economic impact of approximately \$21.7 million. In addition to this positive economic activity, these shows supported thousands of local jobs and venue-sponsored educational and community outreach programs.

We wish to thank Chairmen Baram, Leone and Witkos, as well as the other distinguished members of The General Law Committee, for allowing us to voice our concerns. While well-intended, this legislation has damaging consequences that far outweigh its anticipated benefit. Additionally, the problem the bill aims to address – transferability of tickets by consumers unable to use them - is most often addressed by the venues and their customer service policies. What this proposal actually aspires to accomplish is the elimination of important consumer protections and to rid producers and venues of a principal tool for combating ticket scalping. We have seen similar proposals in at least a dozen states during the past five years and, except for New York and very recently, Virginia, legislatures have concluded

that the cost to theatregoers is simply too high. It should be noted that New York State Attorney General Spitzer published a report in January of 2016 that specifically recommends that the legislature repeal this very provision.

While couched by the ticket reseller industry as supportive of consumer freedom, the specific safeguards that brokers are challenging were implemented, in nearly all cases, in direct response to consumer complaints about pervasive deceptive practices in the secondary market. Does anyone believe the live entertainment industry enacts measures simply to frustrate the people with whom we regularly do business? However, the broker lobby makes this fallacious accusation to create the impression that they are acting in the best interests of our patrons when, of course, nothing could be further from the truth.

Many resellers in the secondary ticket market use unscrupulous methods to sell tickets to our events, such as building websites that mimic our own to create the false perception that they are affiliated with an event or venue. They purchase large blocks of tickets with the intent of reselling them at obscene markups which prohibits theatregoers from obtaining them at reasonable prices and advertise the availability of tickets that have not even gone on sale. While frustrating for patrons, it also falsely skews public perception of the cost for access to live entertainment. This legislation restricts our ability to combat these kinds of activities and deliver tickets to our customers in the manner that we see fit, as determined by demand, consumer interests, prevailing technology and security protocols.

On behalf of the live theatre community, the League applauds the Committee's commitment to advancing the public's interests. However, the proposed legislation does not address the underlying problem faced by the entertainment industry and only aids scalpers in their ongoing quest to operate with

even greater impunity. As the venue operators and primary ticketing outlets, we are in the best position to determine what our patrons prefer.

The majority of complaints and customer problems we face originate from broker transactions. Once a broker sells a ticket, the customer has no further interaction with him or her and then comes to us to file complaints. If the legislature is interested in ensuring that ticket buyers receive the best service and the best prices, please consider a bill requiring that brokers disclose when they have no affiliation with the venue, when they are selling tickets they have not even procured and when the face value is significantly lower than what the consumer is being charged. Brokers should also be required to provide a name, address and phone number where buyers may return tickets and register complaints.

Thank you again for this opportunity to address the committee. I welcome any inquiries you may have.