

Testimony of Daniel M. Wall, Executive Vice President, Corporate and
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U.S. Senate Committee on Commerce, Science, and Transportation,
Subcommittee on Consumer Protection, Technology, and Data Privacy

At a hearing titled, “Fees Rolled on All Summer Long: Examining the Live
Entertainment Industry”

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Chairman Blackburn, Ranking Member Hickenlooper, Senator Luján, and other Members of the Subcommittee, I’m Dan Wall, Executive Vice President for Corporate and Regulatory Affairs at Live Nation Entertainment, Inc. I thank you for the invitation to appear today to address important issues in the live entertainment industry.

We are grateful that this subcommittee – particularly its leadership – includes many long-time advocates for the live event industry and the millions of fans who attend our events.

The issues we are here to discuss are very important to Live Nation and Ticketmaster, and to me personally. All of us at Live Nation and Ticketmaster love the live entertainment experience—the magic of the show or the big game. And we are proud of our contribution to the explosive growth of the industry. Today, there are:

- More shows than ever before
- More artists touring at every level
- More consumer choice - from \$25 lawn seats to full-blown VIP experiences
- More innovation in production and performance - creating once-in-a-lifetime memories for millions of fans

Yet we are also acutely aware of the many frustrations fans feel about their ability to get tickets to the most popular shows – especially when, somehow, tickets to those shows are showing up on resale sites at enormous markups. In fact, because of the practice called speculative ticketing, they appear to be available on many resale sites even before there has been an onsale.

So how are so many tickets getting in the hands of scalpers? The short answer is through increasingly sophisticated ticket harvesting technologies.

For many years we have talked about this as the bots problem. And through Senator Blackburn’s leadership, as well as others on this subcommittee including Senators Moran and Luján, the principal legislation we have on this subject is the BOTS Act of 2016. Bots are

essentially automated purchase scripts that can complete the process of buying a ticket much faster than any human. They also swarm onsales at massive scale. Ticketmaster has been routinely fending off millions of bots for years, but the scale of the bots problem today is remarkable. Our data show that throughout 2022 we were blocking roughly 1.1 billion bots per month, 37 million bots per day. While those are large numbers, they are a fraction of what we are experiencing today. By 2024, blocks had increased to 6.8 billion per month, or 227 million per day. And then we get to 2025, where in the fourth quarter alone, just three months, we blocked 51 billion malicious bots or 566 million bots per day on average. Put it all together and since 2022, blocks have increased by over 3,600%.

We are proud that our Fraud and Abuse teams have improved their game to the point that we can block hundreds of millions of bots every day. It is an incredible achievement. Yet we can only block hundreds of millions of bots every day because we are being attacked by hundreds of millions of bots every day. That is the root of the problem: there is an industry of scalper accomplices directing massive bot attacks at us all the time.

Bots are also only one technique the scalping industry uses to intercept tickets that artists want to sell to real fans. Last year, in our Comments in response to President Trump's Executive Order on Combating Unfair Practices in the Live Entertainment Market, we called attention to the proliferation of ticketing harvesting technologies. Among the many tools that are now available to ticket scalpers are:

Browser Extensions and Multi-Session Tools: Software that allows users to manage multiple browsing sessions simultaneously.

Proxy Services: Tools that mask a user's true IP address and location.

Virtual Credit Card Services: Enterprise payment platforms that generate multiple virtual credit card numbers and billing addresses.

Tools to Evade SafeTix Protections: Used to transfer tickets meant to be non-transferable and conceal ticket transfer patterns that we use as a signal of a bad actor.

Data Scraping and Analysis Tools: Software for gathering and analyzing ticket availability and pricing data.

Comprehensive Resale Platforms: Integrated solutions for large-scale reselling including technology that automates pricing, selling and delivery.

One of the manifestations of this new technology is that we are now facing large-scale efforts to create Ticketmaster accounts and obfuscate their ownership. Those numbers are staggering too. Ticketmaster now receives up to 25 million account sign-up attempts every day, *99.7% of which we reject because our technologies determine these are not real fans*. Over the past two years, our systems have prevented more than one billion

fraudulent account creations, systematically dismantling bot network infrastructure before it can impact fans. We are now in the process of aggressively using our latest risk models to identify existing Ticketmaster accounts that are likely not owned by real fans and disabling their ability to purchase tickets. As part of that program, we use an identify verification technology to give the owners of the suspect accounts an opportunity to prove they are real humans, and what we find is that well over 90% of the time whoever owns these accounts does not even try to pass identify verification. They abandon the account and we shut it down. In the recent past, over 2 million accounts were shut down through this process and related initiatives.

As Ticketmaster fights to keep the bad actors at bay, we are also using our account scoring and queue-ordering systems to elevate real fans to the front of our queues. In the past two years we have substantially improved the fan attendance rate and the probability that accounts at the front of our queues are real fans has increased by 66%. Accounts at the front of the queue are now nearly two times more likely to attend the show than those at the end of the queue, a direct reflection of our improved abuse modeling. Unfortunately, the scalpers are trying to undermine this effort as well. They are funneling tickets they acquire through a third-party service that hides the transfer from us so that we think the original purchaser attended the show. I can assure you we are working on this right now.

We are also seeing more artists embrace our Face Value Exchange, a service that allows artists to restrict transfers to a marketplace that only permits tickets to be sold for what the first purchaser paid. Despite extensive efforts by scalpers and other resale marketplaces to hack the system, Face Value Exchange dramatically reduces scalping. There was clear evidence of this during Billie Eilish's 2025 tour. Ms. Eilish turned on Face Value Exchange in every state she could, but not in three states (NY, IL and CO) where there are anti-artist laws that do not allow restrictions on ticket transfers. Where Face Value Exchange was not used, we saw a 40% rate for full-order transfers (i.e., every ticket purchased in a transaction was transferred to someone else, a strong signal that a ticket broker bought those tickets). In contrast, where Face Value Exchange was used, the rate of full-order transfers dropped to just 5%. And yes, scalpers are trying to undermine Face Value Exchange too. Everything that works to protect the intended artist-fan connection gets targeted by the scalpers.

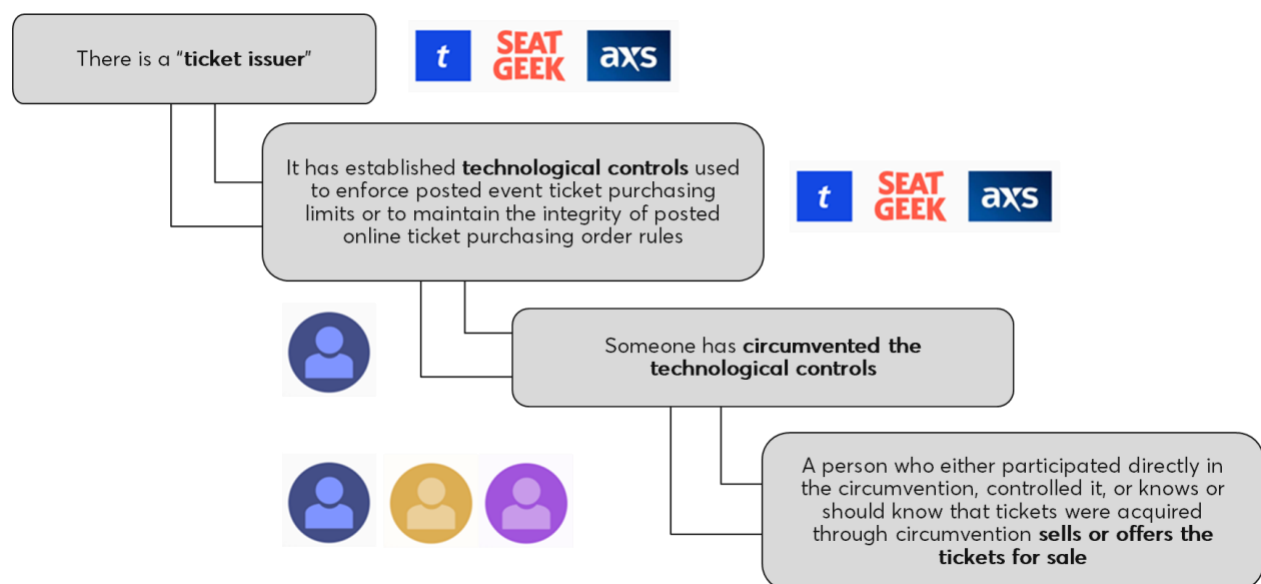
The FTC's BOTS Act Case

I want to address briefly the FTC's lawsuit against Ticketmaster for allegedly violating the BOTS Act. My October 17, 2024, letter to Senators Blackburn and Luján goes into this at some detail, so I will try to keep these remarks succinct.

We were both surprised and disappointed by this lawsuit since Ticketmaster is, without question, the principal target of the bad actors that use bots and related technological exploits to acquire tickets for resale. We think it is clear from the legislative history of the BOTS Act that it was meant to help primary ticketing companies fight off the

bots by adding a layer of legal protections to the technological defenses we put up to stop ticket harvesting. Prior to the FTC’s lawsuit, we never conceived of the BOTS Act as creating any obligations for Ticketmaster, and we did not think that brokers buying tickets with multiple accounts was, by itself, a BOTS Act violation.

Instead, we understood the BOTS Act to be a first but important step in addressing the growing problem of ticket scalpers using *technological exploits* to buy substantial volumes of tickets from primary ticketing companies like Ticketmaster. To that end, the BOTS Act makes it unlawful for any person “to *circumvent a security measure, access control system, or other technological control or measure*” that a primary ticketing company uses “to enforce posted event ticket purchasing limits or to maintain the integrity of posted online ticket purchasing order rules.” The act of circumventing a technological control is illegal on its own. But then a companion section makes it illegal “to sell or offer to sell” any ticket acquired through circumvention if the seller participated in the circumvention, controlled the circumvention, or “knew or should have known that the event ticket was acquired” through circumvention. Here is a graphical representation of how we understand the statute works.



At its core, the BOTS Act targets three things a scalper might do: it might circumvent our controls itself, it might get someone else to circumvent our controls, and it will sell or at least try to sell the tickets acquired through circumvention.

The FTC case is based on a fundamentally novel and expansionist view of the BOTS Act that makes it illegal for ticket buyers to circumvent *ticket limits*—full stop—not just technological controls protecting ticket limits. They have written “technological controls or measures” out of the statute, deeming that unnecessary to finding circumvention. And upon that foundation, they claim that whenever a secondary ticketing marketplace sees that

an individual or entity is posting more tickets than the one-account ticket limit, the marketplace knows there has been circumvention and therefore also violates the BOTS Act.

We respectfully disagree that the number of tickets one is selling shows that the seller “circumvent[ed] a security measure, access control system, or other technological control or measure” in the course of acquiring those tickets. Indeed, the FTC’s position is that we allowed these purchases, which obviates the need for the buyer to circumvent anything. Furthermore, the FTC’s position leads to the implausible conclusion that the vast majority of all concert ticket resales are in violation of the BOTS Act – especially the sales on StubHub, SeatGeek and Vivid Seats.

The reason for this is because the FTC’s real complaint is that ticket brokers use multiple accounts to buy tickets. That much is true. Ticket brokers have had multiple accounts for a very long time—long before Ticketmaster entered the secondary ticketing business in 2014, and even before StubHub created the first successful secondary ticket marketplace in the early 2000s. This practice harkens back to the days of physical tickets, when ticket brokers would often have a number of employees or others paid to stand in line and purchase concert tickets—a practice that was generally accepted in the industry. Similarly, it was generally accepted that a broker with multiple employees could have each person hold an account and separately purchase tickets. All this can be done legitimately under the rules of the primary ticketing companies without having to resort to any unlawful behavior or technological circumventions.

One also needs to understand that ticket resale is dominated by broker inventory. StubHub, SeatGeek and Vivid Seats live and die by ticket brokers, getting 80 to 100 percent of their inventory from brokers. And while there are lots of ways brokers acquire inventory, many plainly illegal, using multiple accounts is one method and not inherently illegal. To be sure, it has gotten out of hand, especially since scalpers developed automated tools for creating Ticketmaster accounts. I will address below what we are doing about that at Ticketmaster. But my point for now is that if one reads “technological controls or measures” out of the BOTS Act, then every ticket broker and every resale site has been openly and continuously violating the BOTS Act since the day it was passed without the FTC raising a finger to stop it.

Ironically, just days before the FTC staff revealed their new theory, we had urged President Trump to support an expansion of the BOTS Act that was not limited to circumvention of technological controls. We argued that the required inquiry into whether there is circumvention of security measures does not capture the full range of improper ticket harvesting tactics that we face. We have urged an amendment to the BOTS Act or language in the MAIN Event Act that would make circumvention of security measures subordinate to a broader prohibition that makes it unlawful for ticket brokers “to use or cause to be used any software application that runs automated tasks over the internet to purchase event tickets from an Internet website or online ticket marketplace.” Live Nation and Ticketmaster are on the side of a stronger BOTS Act and aggressive BOTS Act

enforcement. That we find ourselves on the receiving end of a BOTS Act claim is deeply unfortunate.

Addressing the Proliferation of Broker Accounts

If nothing else, the FTC's lawsuit has focused attention on the fact that ticket brokers now have far too many Ticketmaster accounts. What started as a reasonable and acceptable level of behavior has been abused, largely through technologies that permit multiple accounts to be created, hidden and used at scale. It's unfair to artists and fans and it is time to do something about it.

My October 17 letter to Senators Blackburn and Luján announced a series of steps Ticketmaster is taking to address this issue.

1. Ticketmaster policy is now to limit everyone and every entity, ticket brokers included, to only one Ticketmaster account.
2. We will no longer let any broker maintain, buy concert tickets with, or post resale tickets for concerts using more than one account.
3. We will not allow any broker to post more tickets on our resale marketplace than the posted ticket limit for the show. To that end, we now require every account that wishes to post tickets for resale on Ticketmaster to have a unique Taxpayer Identification Number (SSN or EID).

Enforcing these new policies effectively is and will remain exceedingly difficult; I do not want to understate that. We know scalpers will do everything in their power to undermine us, first and foremost by ramping up their efforts to create and conceal new portfolios of Ticketmaster accounts. But fortunately, we have new AI tools, risk models, and identity verification technology that we can apply to these efforts. We have already made substantial progress, but this will be an ongoing battle.

Going Forward

I would be remiss if I did not speak the plain truth that so long as there is a \$10-15 billion ticket resale market in the United States, we will always be under siege from new and improved scalper technology. All these problems that plague resale—the bots, speculative ticketing, the sale of fraudulent tickets, and so much more—are because for-profit ticket scalping now takes place at an industrial scale. The resale industry regularly argues that it exists to facilitate fan-to-fan exchanges—often in sympathetic scenarios such as when a fan gets ill at the last minute. But that is not what fuels the likes of StubHub, SeatGeek and Vivid Seats. These sites exist to serve ticket brokers first and foremost. And the fuel of this industry is that, without putting on a show or paying artists a dime, the broker can on average resell a concert ticket for twice its face value, and on every such transaction these resale

sites are getting a 25-40% commission from the buyer – a commission far larger than the 5-7% “take rate” that Ticketmaster gets for its share of service fees on primary tickets.

These resale markets cry out for reform. We need clear, legally enforceable rules that in the first place put the content creators – artists, teams, etc. – in charge of what happens to the tickets to their events. If they want to ban resale, they should be able to do so without interference from state or federal laws. If they want to permit resale, but under conditions, that is their right as well. There should be a unitary federal law on this, preempting inconsistent state laws. It should completely ban speculative ticketing, fake ticket listings and deceptive websites. Whether by amending the BOTS Act or passing the MAIN Event Act, we should ban all forms of automated ticket harvesting. We appreciate there are competing points of view on this and no easy answers, but the unregulated resale markets we have now are not working for artists or fans.

Thank you again for inviting us to participate in today’s hearing.