

**Views on the Possible Remedies suggested by
the Competition Commission.**

**Relating to the anticipated merger between
TicketMaster Inc and Live Nation Inc**

**Submitted by:
Seatem Group**

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Introduction

1. Noted
2. Noted
3. Noted
4. Criteria for noted

Possible remedies on which views are sought.

Context

5. Noted
6. Noted
7. Noted.
8. Noted

Structural Remedies

Prohibition of the merger

9. Noted
10. We do not have sufficient information on the proposed merger to enable us to have an informed view.

Divestment of UK business operations

Divestment Options

11.
 - (a) We do not understand how the divestment of all of TicketMaster UK might enable a merger between TicketMaster and Live Nation.
 - (b) As in (a) above.
 - (c) We do not understand how a divestment of all of Live Nation business in the UK might enable a merger between TicketMaster and Live Nation.
 - (d) As in (c) above.

Divestment scope and considerations.

- 12.

(a) This is presented in a form which assumes that “the SLC” is a fact. We do not accept this to be a fact and therefore see no necessity for a remedy.

(b) We do not understand this question since it assumes divestment as in (11) above which we have said we do not believe could apply.

(i) As above (2) as above (3) as above (4) as above (c) as above (d) as above

Divestment – possible purchasers

13. We simply do not understand these questions. Either we do not understand the ticketing business or the proposed merger but it is difficult to envisage why anyone would purchase a ticketing business with no ticket supply or a music promotions business with no ticketing entity.

14. We are probably the specialists in the UK in selling tickets through retail distribution. We cannot envisage any retail entity wishing to buy a music promotions business and become a promoter nor can we envisage any retail operator wishing to buy a ticketing business without inventory supply.

15. No response.

Behavioural remedies.

16. In the submission which we made to CC we stated that the distribution model for selling tickets on behalf of principals is fundamentally flawed. We said that the day British Airways announce that tickets for British Airways flights can only be purchased through Thomas Cook we will all know that the entertainment ticketing business has got it right. Arrangements should not be entered into which impose on a Promoter an obligation to use any specific ticketing company. The obligation should be to use all ticketing companies in the same way as British Airways use all travel agents or tour operators. We are in the process of working [X] to integrate systems so that every ticket agent can sell a ticket on any ticket agency system. That is where it should go. We believe that if any requirement is imposed by The Group it should be a requirement to open up ticket distribution so that any customer can buy any ticket from any ticket retailer. Any other requirement which limits distribution is tantamount to CC supporting and maintaining the current uncompetitive nature of the business which has been established due to historic emergence of call centres, ticketing systems, web selling all of which have emerged without fundamentally changing the way in which ticketing works.

17.

(a) Live Nation and other major Promoters should be required to open up the ticket inventory for access by any authorised and approved ticket agent. This has been done in the travel industry and could easily be done in the ticket business.

(b) We do not understand why these proposed remedies refer to “a third-party ticket agent”. Why is The Group fixated on a single ticket agent being appointed by a Promoter or Producer or event organiser. The big Producers in the West End put their tickets on sale through all ticket agents either by way of allocation or by way of electronic access. Why is The Group not using this opportunity to move to that distribution model.

18.

(a) We do not see that there are any pros, only cons.

17 (a) recommends the status quo.

17 (b) also recommends the status quo but also by allocation. We do not understand the difference.

(b) Does not apply.

(c)

(i) if the market is opened up so that Live Nation and other major Promoters are required to make tickets available for sale through all approved ticket agents a position would quickly arise where electronic access to ticket inventory can be made available to all ticket agents. A difficulty in all of this which has not been dealt with by The Group is that the Promoter be it Live Nation or anyone else undertakes all of the advertising and promotion for a show with a requirement that the advertising has got to include a command to action by way of telephone, web or other distribution. The Promoter requires minimum performance standards from the company owning the telephone number or website. But this should not preclude the Promoter also outlining a range of ticket agents through whom tickets can be purchased either by way of naming those agents or classifying a group of agents under a specific classification. The definition and monitoring of this process can be easily managed if it is electronic. We believe that the ticketing industry is moving towards that conclusion.

(ii) Traditionally ticket agents selling live music tickets have been required to buy the tickets in advance and the numbers of tickets allocated by them is defined by the amount they are prepared to spend to acquire tickets. That places the agents at a disadvantage when it comes to allocations. We do not believe The Group should become involved in determining allocation for an individual agent or a range of agents.

(iii) In our opinion not possible to determine other than through market requirements.

- (iv) There should not be a period of time during which limited distribution moves to equally limited distribution. The timescale should apply to the movement from limited distribution to wide distribution.
- (v) If tickets are made available electronically to ticket agents who have invested in the technology to manage electronic distribution then allocations being held or returned does not apply. Any travel agent in the UK can go onto an electronic distribution and find a seat on an aircraft if one is available. They do not work by way of allocations. The entertainment ticket business must move and be compelled to move in that direction
- (d) Any imposition or requirement for Live Nation or any other Promoter to use a single agent whether it be TicketMaster or anyone else will have adverse effects and unintended consequences. The end results will be continuing limited competition and distribution.

19. We agree that control of prices should not be a consideration Promoters sell their tickets to fill seats. Not to drive prices up. We again repeat the suggestion that the only long term possible behavioural remedy to the issue of merger or introduction of new competition is to open up the access to the ticket inventory to the widest possible range of distribution. No other proposed remedy will deal with the issues.

A package of remedies.

20. We focus on the behavioural remedy as the way forward. We advocate the behavioural remedy because we believe that behaviour in the past has led to the distortions of the present. Nowhere in the documentation provided by The Group is the issue of a 10 year contract dealt with. We believe that 10 year contracts should not be permitted and we are advised that they are of questionable validity. We as a Company have tried for years to win contracts only to find they are locked up for 10 years. We believe that one of the remedies that can be brought to bear by The Group is a requirement that any Promoter will be required to market test or go to tender at a maximum every 5 years but possibly every 3 years in order to open up the market to new entrants. We are surprised that The Group acknowledges the proposed 10 year contract with CTS but does not raise any question about that.

Other measures

21. As above.

Relevant customer benefits.

22. The proposed remedies which we outline above will result in lower prices, higher quality and greater choice of tickets from a wider distribution system

enabling customers to buy from the ticket agent of choice rather than the ticket agent by appointment. To use the analogy of the travel industry people buy from Thomas Cook or TUI or Advantage Travel or WorldChoice as they choose. The customer can gain any air ticket, any hotel, any car rental company from any travel agent. Why do The Group not deal with the merger on behalf of the customer by requiring the industry to move towards wide distribution and therefore wide choice for the customer.

23. As in 22 above.

Next Steps

24. Noted

25. We did not understand this had to be done by 22nd October 2009. We were guided by the note which said parties have until 29th October to respond.

We thank you for the opportunity to submit this paper.