



ISSN 1710-9442

Legislative Assembly
of Ontario
Second Session, 39th Parliament

Assemblée législative
de l'Ontario
Deuxième session, 39^e législature

Official Report of Debates (Hansard)

Thursday 25 November 2010

Journal des débats (Hansard)

Jeudi 25 novembre 2010

**Standing Committee on
Justice Policy**

Ticket Speculation
Amendment Act, 2010

**Comité permanent
de la justice**

Loi de 2010 modifiant la Loi
sur le trafic des billets
de spectacle

Chair: Lorenzo Berardinetti
Clerk: Trevor Day

Président : Lorenzo Berardinetti
Greffier : Trevor Day

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON JUSTICE POLICY

COMITÉ PERMANENT DE LA JUSTICE

Thursday 25 November 2010

Jeudi 25 novembre 2010

The committee met at 0928 in committee room 1.

SUBCOMMITTEE REPORT

The Chair (Mr. Lorenzo Berardinetti): Good morning. Welcome to the Standing Committee on Justice Policy. The first item on the agenda is the report of the subcommittee on committee business. Mr. Mauro.

Mr. Bill Mauro: Your subcommittee met on Thursday, November 18, 2010, to consider the method of proceeding on Bill 172, An Act to amend the Ticket Speculation Act, and recommends the following:

(1) That, as per the order of the House, the committee meet in Toronto on Thursday, November 25, 2010, for the purpose of holding public hearings.

(2) That the committee clerk, with the authorization of the Chair, post information regarding public hearings on the Ontario parliamentary channel, the Legislative Assembly website and the Canada NewsWire.

(3) That interested parties who wish to be considered to make an oral presentation contact the committee clerk by 12 noon on Wednesday, November 24, 2010.

(4) That witnesses be scheduled on a first-come, first-served basis.

(5) That groups and individuals be offered 10 minutes for their presentation. This time is to include questions from the committee.

(6) That representatives from eBay, the Ottawa Senators, Ticketmaster and StubHub be invited to appear before the committee and provide a presentation of up to 30 minutes. This time is to include questions from the committee.

(7) That the deadline for written submissions be 5 p.m. on Friday, November 26, 2010.

(8) That the research officer provide the committee with a summary of presentations by 12 noon on Monday, November 29, 2010.

(9) That, as per the order of the House, proposed amendments be filed with the committee clerk by 5 p.m. on Monday, November 29, 2010.

(10) That, as per the order of the House, the committee meet for the purpose of clause-by-clause consideration of the bill on Wednesday, December 1, 2010, and Thursday, December 2, 2010.

(11) That the committee clerk, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary

arrangements necessary to facilitate the committee's proceedings.

The Chair (Mr. Lorenzo Berardinetti): Any discussion?

Mr. Peter Kormos: Carried.

The Chair (Mr. Lorenzo Berardinetti): There's a motion by Mr. Kormos to adopt the report. All in favour? Opposed? Carried.

TICKET SPECULATION AMENDMENT ACT, 2010

LOI DE 2010 MODIFIANT LA LOI SUR LE TRAFIC DES BILLETS DE SPECTACLE

Consideration of Bill 172, An Act to amend the Ticket Speculation Act / Projet de loi 172, Loi modifiant la Loi sur le trafic des billets de spectacle.

TICKETMASTER CANADA

The Chair (Mr. Lorenzo Berardinetti): We'll call up our first presenter, which is Ticketmaster Canada. I have here Tom Worrall and Christine Hall. Good morning and welcome.

Mr. Tom Worrall: Thank you. Good morning.

The Chair (Mr. Lorenzo Berardinetti): You have 30 minutes for your presentation; that's half an hour. If you finish earlier, then we'll split the remaining time of that half hour for questions.

Mr. Tom Worrall: Perfect. Okay. I think we'll be about 11 or 12 minutes, and then lots of time for questions.

The Chair (Mr. Lorenzo Berardinetti): Thank you.

Mr. Tom Worrall: My name is Tom Worrall and I am the chief operating officer for Ticketmaster Canada. With me today is Christine Hall, our senior client development director.

We appreciate the opportunity to come here today to speak with you and, hopefully, help advance your understanding of the industry and the real issues for consumers. And there are real issues, issues that we think ought to be addressed. However, I can say without reservation that this bill, as it is currently written, does nothing whatsoever to protect the ticket-buying public.

The bill is based on a fundamental misunderstanding of the services we provide and how this industry works.

Instead of protecting the public, it will actually reduce competition in the resale marketplace and tilt the playing field away from the consumer. At the same time, the bill does nothing to address the legitimate concerns of the ticket-buying public. I will speak to those concerns in a moment.

Ticketmaster is an industry leader in the technology and processes that offer the ticket buyer fast, fair and secure access to tickets. Ticketmaster's system can process more than 10,000 tickets per minute, thus meeting consumer demand for the most popular sports and entertainment events.

Ticketmaster provides two distinct services. Ticketmaster's computerized ticketing system enables initial offerings to the public of tickets owned by entertainers, promoters, sports teams and venues. Our service provides an opportunity for people to purchase tickets online, by phone or at one of a number of retail locations. TicketsNow, on the other hand, is an online ticket resale marketplace through which individuals and professional brokers offer event tickets they own for resale to consumers.

In either case, it is important to note that Ticketmaster Canada does not own any of the tickets offered through its Ticketmaster agency or the TicketsNow resale site. We simply provide the platform for the transaction.

Let me restate that, because it is an absolutely critical point: The tickets that Ticketmaster Canada offers for sale to the public are not owned by Ticketmaster Canada. They belong to our clients: the entertainers, promoters, sports teams and venues. These are the rights holders of tickets and, as such, they are the ones who have the right to retain tickets to sell or distribute the tickets as fits their consumer offering or marketing plans. They choose what and how they sell or distribute the tickets, and they set the prices for those tickets.

Ticketmaster Canada acts as an agent on their behalf and makes tickets available, as directed by our clients, to the general public. Moreover, as their agent, we have an obligation to make those tickets available to their customers—the fans—as they direct.

The tickets offered for sale on the TicketsNow website are not owned or placed on TicketsNow by Ticketmaster Canada. They are owned by individual sellers and professional brokers who choose to list tickets on that site. But Bill 172 is built entirely around the assumption that a primary seller, Ticketmaster Canada, will withhold tickets from the public and secretly spirit them away to its resale site to sell at a higher price for profit.

We cannot and we do not divert tickets between Ticketmaster Canada and TicketsNow or provide preferential access to primary market tickets to TicketsNow. They are simply not our tickets; they don't belong to us. We do not divert or resell them somewhere else. Again, let me be absolutely clear: The tickets that Ticketmaster Canada offers for sale on behalf of its clients, it does not own and it does not divert.

It's also important to keep in mind that there are many, many resale marketplaces out there, from dedicated websites like TicketsNow and StubHub to online

classified sites like craigslist and Kijiji to newspaper classified ads that you might find in any community across the province. If you were to look, you will find tickets to the same sporting or entertainment events on all of these—and not just the one that happens to be affiliated with a primary ticket seller.

Whether or not there is a relationship between these sites, the primary seller has nothing to do whatsoever with where the tickets come from. Just this morning, I went online and I found some tickets for Robert Plant's sold-out show available on all of these sites that I have just mentioned. Clearly, a relationship between a resale marketplace and the primary seller is not a pre-condition for these sites having the ability to list tickets for sale. The fact is, in addition to individuals selling tickets to events they might not be able to go to, there is an entire speculative ticket broker industry out there that is able to get access to tickets without Ticketmaster Canada's help.

We understand that some people are skeptical about this when they see tickets for high-demand shows sell out quickly, yet can find plenty of seats available on resale sites. Clearly, they have come to the incorrect conclusion that tickets had simply been pulled off the primary market by a ticket seller and placed on a resale market, whether on a site they own or otherwise.

Let me also take a moment to address some of the confusion out there about how it is that tickets to an event can sell out so quickly, which I believe has led some people to improperly conclude that tickets are being diverted.

First of all, it is important to understand that some tickets may not be made available for sale to the general public. The owners of the tickets—that is, the venues, teams, promoters and artists—have the right to decide how many tickets they are going to sell or distribute according to their own business needs. Ticketmaster Canada, acting as their agent, makes available all of the tickets that the client chooses to offer for sale to the public. This does not mean that we are selling every seat in the venue. What goes on sale is the decision of our client, the holder of the right to the ticket, and not Ticketmaster Canada.

Secondly, I would remind you that Ticketmaster's ticketing system can process more than 10,000 tickets per minute. Consequently, popular shows do sell out in mere minutes. For example, if we have 16,000 tickets available for a high-demand concert, and each purchaser orders four tickets, then we are sold out after only 4,000 orders, even though there are many more fans also wanting to buy tickets. In a situation like that, every one of those tickets could conceivably be snapped up in that first minute.

I appreciate the government's interest in protecting consumers. We also have an interest in this, and we have acted on it. Ticketmaster invests heavily in consumer protection through the development of innovative technology, and is a leader in purchaser information security, buyer guarantee, fraud protection, and crackdowns on brokers purchasing en masse through online software

robots. We have helped law enforcement agencies and government authorities in their efforts to understand this industry and protect the ticket-buying public. We don't just talk the talk.

There are legitimate issues, but they are not being addressed, and I'd like to give you some examples.

Strengthening penalties for the selling of counterfeit or fraudulent tickets: From time to time, people buying tickets from a reseller will discover, usually at the venue itself, that the ticket they purchased is not a real ticket. It's a clever fake, a knock-off, and the disappointed fan is turned away at the door. Why doesn't the bill attempt to strengthen the penalties for this offence that are already on the books but rarely enforced?

Incidentally, I would note that a ticket sold initially by Ticketmaster Canada and then resold by a third party through TicketsNow can actually be authenticated, thus enhancing consumer protection in a way that nobody else can. It's perhaps ironic, therefore, that the resale site that is best positioned to guarantee that a ticket purchased is actually a real ticket is the very site that is being targeted by the legislation.

Section seating: Another issue—

Mr. Peter Kormos: Excuse me, Chair. Could you please ask people to stop using their BlackBerrys while people are making presentations to the committee?

The Chair (Mr. Lorenzo Berardinetti): That's a fair request.

Mr. Tom Worrall: Thank you.

The Chair (Mr. Lorenzo Berardinetti): All right. Thank you, Mr. Kormos.

Mr. Tom Worrall: Section seating: Another issue for consumers is ensuring that they get what they paid for. If a reseller advertises that they have tickets in a certain section, they ought to be able to deliver. Unfortunately, that is not always the case, and the ticket purchaser finds that they have bought tickets for seats that simply were not as good as they were promised. Does the bill do anything about this? No, it does not.

Pre-listing on resale sites: We know that the practice of some resale sites offering tickets for sale before they actually have the tickets in hand is a concern to some people. We believe that any company operating in this space must adhere to clear rules so that the consumer knows what to expect when they make their purchase. I would note that the bill does nothing to address this.

Purchases by automated robots: We support the public's view that every ticket buyer deserves an equal chance when purchasing tickets. Ticketmaster Canada goes to extraordinary efforts and expense—and remains committed to protecting the integrity of our site for the benefit of our consumers and clients—to thwart the unscrupulous individuals who use automated programs to unfairly and illegally cut to the front of the line by launching multiple, automated ticket requests at the time of high-demand events going on sale. In fact, just last week in the United States, three men pled guilty to charges that they had been cheating regular fans by using sophisticated computer technology to purchase millions

of dollars of tickets ahead of everyone else, then turning around and selling them for a profit. Ticketmaster Canada heavily invests in developing new technology, processes and legal efforts to protect consumers. A number of jurisdictions have introduced legislation and enforcement to deal with this issue, yet Ontario has not yet acted. Why not?

Let's recap. We have a bill that is designed to stop a primary ticket seller—in this case, Ticketmaster Canada—from allowing an associated resale site to make tickets available for the same event for which the primary seller is making tickets available. As I understand it, the Attorney General's intent is to prevent a primary seller from withholding tickets and diverting tickets to be sold at a higher price for profit on a resale site that it also owns.

As I have stated, this can't and does not happen. So Ticketmaster Canada, a legal and legitimate business, is being punished for something it does not do. We also know that the bill doesn't introduce any new measures to protect the ticket-buying public from those resellers looking to defraud the public.

0940

Given that the bill does nothing to advance consumer protection, and in fact weakens it, why is the bill before the Legislature at all? On that question, perhaps it's best that I leave it to you to speculate.

I'd be pleased to take any questions at this time.

The Chair (Mr. Lorenzo Berardinetti): Thank you, Mr. Worrall. We have about 15 minutes, so we're going to split the time amongst the three parties and we'll begin with the Conservative Party if there are any questions. Mr. Chudleigh?

Mr. Ted Chudleigh: Thank you for coming to the committee, Mr. Worrall. I'd like to clarify a couple of points in your presentation if I could.

You mentioned that TicketsNow sells authenticated or valid tickets and they can validate that the ticket that they are reselling is a valid ticket to the venue. Are they the only organization reselling tickets in Ontario that can do that?

Mr. Tom Worrall: No, they're not. There's probably 99 other resale sites that are also reselling tickets, but none can authenticate the ticket from the primary seller.

Mr. Ted Chudleigh: So TicketsNow are the only ones that can validate and make sure that what they're selling is an authentic ticket to the venue?

Mr. Tom Worrall: That's correct.

Mr. Ted Chudleigh: Which is a huge consumer protection.

Mr. Tom Worrall: Yes. I should clarify: Provided the original ticket was sold on Ticketmaster, we can verify that it's a valid ticket.

Mr. Ted Chudleigh: Thank you. Again, you were fairly clear. The bill suggests that the association between a primary site and a resale site is essential to issuing diverted tickets. Is that actually the case?

Mr. Tom Worrall: No. Because we don't own the ticket—any primary ticket seller, whether it's Ticket-

master Canada, Mirvish Productions, CapitalTickets.ca in Ottawa, they do not own the tickets as a ticket agency. It's owned by the entertainer, the sports team or the venue.

Mr. Ted Chudleigh: You also mentioned that you don't necessarily get all the tickets for a venue. I understand that a portion of the tickets may go to a promotional basis. Are there other places these tickets might go to?

Mr. Tom Worrall: Mainly, it's held for the venue; the artist has needs, and the promoter. I noticed in the scripts there was a discussion around Leonard Cohen. Leonard Cohen was in small venues, and many tickets were held back by the artist himself. We had very few tickets available to sell.

Mr. Ted Chudleigh: If this legislation is passed, what would stop a primary ticket seller from diverting tickets—if he was able to divert tickets, as is supposed by the government—to another secondary seller? If TicketsNow no longer exists, what would stop a primary ticket seller from diverting tickets to, say, StubHub?

Mr. Tom Worrall: That's a very good question. Nothing. The law talks about ownership or relationship. But I want to clarify: If they were able to divert, and they're not, so—

Mr. Ted Chudleigh: So if the government is suggesting that this diversion of tickets is taking place, this bill would do nothing to stop it from taking place with some other reseller? This bill would have no purpose.

Mr. Tom Worrall: Right. That's correct.

Mr. Ted Chudleigh: If a primary ticket seller like Ticketmaster were to divert tickets to its secondary site, what would be the intentional consequences of that for your business? Would you not be breaking an agreement with your clients?

Mr. Tom Worrall: It would be catastrophic. We would not be in business. It runs counter to the contract that we have with our ticket rights providers: venues, artists, promoters.

Mr. Ted Chudleigh: If I were the venue and I thought that my primary ticket seller was diverting tickets, in essence, that primary ticket seller would be taking money out of my pocket. Do I have that right?

Mr. Tom Worrall: Absolutely right.

Mr. Ted Chudleigh: And therefore, I would never hire you to distribute my tickets again.

Interjection: That doesn't make sense.

Mr. Tom Worrall: No, it actually does.

The Chair (Mr. Lorenzo Berardinetti): Excuse me; we'll all get a chance to ask questions.

Mr. Tom Worrall: That's absolutely correct. We would be out of business. We would have no contracts to fulfill.

Mr. Ted Chudleigh: I think I would like to ask our next witness questions.

The Chair (Mr. Lorenzo Berardinetti): You have about a minute left, just to let you know.

Mrs. Christine Elliott: Okay. Thank you very much today for appearing today. You've really clarified a lot of

issues for us. Have you had a chance to sit down and speak with the Attorney General's office about your, in my view, very legitimate concerns with respect to this bill?

Mr. Tom Worrall: As it relates to the introduction of this bill, no. We've had no—

Mrs. Christine Elliott: So you haven't had the opportunity for any input—

Mr. Tom Worrall: None whatsoever.

Mrs. Christine Elliott: —to discuss the issues we've discussed today.

Mr. Tom Worrall: No.

Mrs. Christine Elliott: Okay.

The Chair (Mr. Lorenzo Berardinetti): Thank you—

Interjection: Do you know if StubHub or eBay have had that opportunity?

Mr. Tom Worrall: I don't know that.

The Chair (Mr. Lorenzo Berardinetti): We'll move on to the NDP. Mr. Kormos?

Mr. Peter Kormos: Thank you, folks. Now, bear with me, because I'm from small-town Ontario, okay? I'm not a Torontonionian.

Interjection: Don't believe him.

Mr. Peter Kormos: No, this is confusing to me. We've got Ticketmaster and TicketsNow. What's the relationship between Ticketmaster and TicketsNow?

Mr. Tom Worrall: We're owned by the same company.

Mr. Peter Kormos: So TicketsNow is what the Attorney General wants to call a reseller?

Mr. Tom Worrall: What it is is a resale marketplace. Think of the Toronto Star: You go to the Toronto Star classified ads and you list your event for sale, your tickets for sale—or your furniture or whatever else you're selling.

Mr. Peter Kormos: So TicketsNow is just a host?

Mr. Tom Worrall: Exactly. It's an online marketplace for resale.

Mr. Peter Kormos: Do vendors on the TicketsNow website identify themselves?

Mr. Tom Worrall: They identify themselves to TicketsNow.

Mr. Peter Kormos: Yes, but what about the purchaser?

Mr. Tom Worrall: The purchaser is not interested in who's selling them; they're just interested in getting the tickets.

Mr. Peter Kormos: So you're saying that TicketsNow is not a reseller in and of itself?

Mr. Tom Worrall: Correct.

Mr. Peter Kormos: And that anybody who suggests otherwise is not telling the truth?

Mr. Tom Worrall: That's right. It's a resale marketplace. It does not control tickets. It does not own tickets. It provides a marketplace to resell.

Mr. Peter Kormos: I don't know if you folks read Hansard or not. You know I'm not a fan of the government and you know I'm not fan of this legislation, but it

seems to me that there was reference made to a situation down in New Jersey—

Mr. Tom Worrall: Correct.

Mr. Peter Kormos: Was it TicketsNow that paid the Springsteen organization some \$300,000 or so in compensation? What's the story?

Mr. Tom Worrall: Yes, let me explain.

Mr. Peter Kormos: Please.

Mr. Tom Worrall: Bruce Springsteen, in New Jersey, is probably one of the hottest shows there is ever—

Mr. Peter Kormos: Yes, we know. Let's get to the point.

Mr. Tom Worrall: When the event went on sale, there was a computer malfunction. It involved Visa, the payment processing, and the system did not work. It went down, basically.

Mr. Peter Kormos: What was going on? Was TicketsNow buying tickets from Ticketmaster?

Mr. Tom Worrall: No, it wasn't.

Mr. Peter Kormos: Well, what's the story? How could that happen? I don't understand.

Mr. Tom Worrall: There are tickets listed on the resale site prior to tickets going on sale on all the sites.

Mr. Peter Kormos: So this is like the futures market?

Mr. Tom Worrall: Correct.

Mr. Peter Kormos: And what if this reseller can't get the tickets? They're advertising tickets and selling them like on the futures market—

Mr. Tom Worrall: Then they don't fulfill. They're advertising on the fact that they believe they can actually access tickets.

Mr. Peter Kormos: Okay.

Mr. Tom Worrall: Where do they access them? They access them from season ticket holders who resell their tickets. These bots, these robotic programs that jackhammer our site to access tickets—

Mr. Peter Kormos: Because you see, if what you say is the case, this bill doesn't bother you at all. If TicketsNow is not a reseller, if it's merely a host, then the bill is irrelevant.

Mr. Tom Worrall: Well, what this—

Mr. Peter Kormos: I consider the bill irrelevant anyways, but the bill's irrelevant.

Mr. Tom Worrall: I kind of agree, but where the language of this bill is bothersome to us is because we have a related company, that means that company cannot participate in the resale market.

Mr. Peter Kormos: No, it doesn't say that. It says that that related company cannot act as a reseller. Do you understand what I'm saying? Help me. It's early in the morning. As I say, I'm from Welland. Do you know where Welland is? It's a small industrial town down in Niagara.

0950

Mr. Tom Worrall: Yeah. Her son's team plays them on Saturday nights.

Mr. Peter Kormos: Yeah, great. But help me. I'm trying really hard to understand.

Mr. Tom Worrall: I guess it's the definition of "re-seller." I'd like a better definition in the bill's language of what it is you're actually trying to accomplish.

Mr. Peter Kormos: No, because it's been clear in the debate that any number of other identified host websites, which are simply conduits, media, a medium for people who want to sell their tickets, are not affected, are not impacted. In fact, the suggestion has been that it's all about Ticketmaster and TicketsNow. Fair enough. I find that in and of itself peculiar. But if TicketsNow is merely a host site, it's not a reseller. So then you could care less whether this bill passes.

The Chair (Mr. Lorenzo Berardinetti): There's one minute left.

Mr. Tom Worrall: If you're telling me that that's the case, and you define that in the language, then we're good with that. We do not resell tickets.

Mr. Peter Kormos: Well, there. All the lobbying with Mr. Chudleigh, then, was to no avail. Jeez.

Thank you kindly, folks.

Mr. Tom Worrall: I'm not convinced it's clear.

The Chair (Mr. Lorenzo Berardinetti): Thank you, Mr. Kormos. We'll move on to the Liberal Party for questioning. Ms. Cansfield.

Mrs. Donna H. Cansfield: First of all, I'd like to clarify for the committee. In fact, Omar met with Ticketmaster several times prior to and during the introduction of this bill, so there were discussions that were going on. Secondly, the clarification vis-à-vis the agreement with New Jersey would certainly help to clarify the situation. I thank Mr. Kormos; I think he's identified this well.

I just wanted to state that this bill applies to any related primary and secondary ticket sellers. It's not specific to Ticketmaster; it's specific to any of those. I just want those clarifications for the committee.

Mr. Tom Worrall: Could I respond to that?

The Chair (Mr. Lorenzo Berardinetti): Mr. Mauro.

Mr. Bill Mauro: Thank you very much for coming today. I just have one or two questions. One of my points has been made already, but I will go over that in a second.

Just to be clear, TicketsNow gets its tickets from the owner of the ticket. That could be the sports team, venue or entertainer. So they're going to give you some, and they're going to give them some?

Mr. Tom Worrall: No.

Mr. Bill Mauro: Okay. So they go to you, and then how do they get to TicketsNow? They're resold?

Mr. Tom Worrall: No. They are both wrong. Somebody buys a ticket on our Ticketmaster site—

Mr. Bill Mauro: And they give it to them.

Mr. Tom Worrall: —and they in turn list it for sale on the TicketsNow site. They don't give it to them; they list it for sale. That's very important. If they give it to them, then they own the ticket.

Mr. Bill Mauro: Yes, I understand that. So none of the tickets that end up with TicketsNow get there from the owner of the ticket?

Mr. Tom Worrall: Not to my knowledge. I'm not the owner of the ticket.

Mr. Bill Mauro: I mean the primary owner.

The Chair (Mr. Lorenzo Berardinetti): Sorry, you still have time, Mr. Worrall, but can you just step back a little bit? I'm having trouble hearing.

Mr. Tom Worrall: Sorry. I'm getting excited.

The Chair (Mr. Lorenzo Berardinetti): Yes, the mike picks it up.

Mr. Bill Mauro: So you're saying the tickets get sold by the primary ticket seller, in this example, we're going to use you, and you sell it. I buy a ticket from Ticketmaster, then I decide I'm going to make a few bucks on my ticket. I give it to TicketsNow, and they resell the ticket.

Mr. Tom Worrall: No, you list it on TicketsNow.

Mr. Bill Mauro: I list it on TicketsNow, fair game.

I just want to go, in your language, to make the point that—

Mr. Peter Kormos: Let these people answer.

Mr. Bill Mauro: Oh, I'm sorry, I thought he was finished. Go ahead.

I want to get to the other point I had. Have we got time, Chair?

Mr. Tom Worrall: I just want to go back to your statement that we had discussions with the AG's office prior to the bill being introduced. We did. We had meetings, and they had nothing to do with this bill, nothing to do with the language in the bill or the introduction of this bill.

Mrs. Donna H. Cansfield: It was the whole issue. It had to deal with the whole issue. Why would you have the discussions to begin with?

Mr. Tom Worrall: It was a different issue regarding the Ticket Speculation Act.

Mr. Bill Mauro: I just want to read your last page, when you were recapping. I'm going to read what you said: "As I understand it, the Attorney General's intent is to prevent a primary seller from withholding tickets and diverting tickets to be sold at a higher price for profit on a resale site that it also owns. As I've stated, this can't and doesn't happen. So Ticketmaster, a legal and legitimate business, is being punished for something it doesn't do."

If you're not doing it, how is this bill going to punish you?

Mr. Tom Worrall: The way we read the language, it's if we're related. If we're related, then we can't act as a resale marketplace. If the bill specifically says that we cannot divert tickets to a resale site, we're great with that. We're good with that. However, the act has no value, because there's no purpose to it. Nobody does that. No primary agency—

Mr. Bill Mauro: So you can't be hurt by the bill.

Mr. Tom Worrall: No, we can't be hurt by the bill.

Mr. Bill Mauro: Okay. Thank you, Mr. Chair.

Mr. Tom Worrall: But—can I finish my thought?

The Chair (Mr. Lorenzo Berardinetti): Go ahead.

Mr. Tom Worrall: There's no primary agency in the entire world that I'm aware of that diverts tickets to a secondary market, meaning this bill has no value. But there is an opportunity, if you want to add language into this bill, for consumer protection. We have ideas on how to do that.

The Chair (Mr. Lorenzo Berardinetti): Okay, thank you for your presentation, Mr. Worrall, and thank you as well, Ms. Hall, for being present. We have one more presenter we want to make sure we fit in before 10:30. Thank you.

Mr. Tom Worrall: Thank you for your time.

CAPITALTICKETS.CA

The Chair (Mr. Lorenzo Berardinetti): Our next presenter, for 10 a.m., is the Ottawa Senators Hockey Club. Good morning, and welcome to committee.

Mr. Cyril Leeder: Good morning, Chair.

The Chair (Mr. Lorenzo Berardinetti): Again, you have half an hour for your presentation. Any time that you don't use up in your presentation will be, as you can see, utilized for questioning.

Mr. Cyril Leeder: Certainly. I certainly won't use that much time.

I want to thank the committee for the opportunity to be here this morning to speak to you. My name is Cyril Leeder. I'm the president of Senators Sports and Entertainment, and along with owning the Ottawa Senators, we also own Scotiabank Place, which is the largest indoor arena in the province. Owning and operating both an NHL team and a major facility led us, in 2003, to form our own ticketing company, CapitalTickets.ca. Capital Tickets has now grown to a point where we sell more than two million tickets each year. It makes us Ontario's second-largest ticket operator, next to Ticketmaster.

As the committee full well knows, the Ticket Speculation Act was created in the 1960s, and there have been very few changes to that act since then. We would submit to this committee that based on our observation, the act today, in 2010, is actually harming those whom it was originally designed to assist and protect, mainly consumers, legitimate business operators like ourselves, and the event rights holders and promoters: the entertainment acts and sports teams.

That being said, we don't have any issue with the current amendment to Bill 172. As you just debated, it really doesn't affect us. We don't withhold tickets to send to a resale site. I would agree with Tom; I don't think anybody withholds tickets to divert them to a resale site. I'll tell you a bit later in the presentation what is happening in the industry and how tickets do end up on these resale sites.

We would strongly encourage the government to entirely abolish the Ticket Speculation Act. That might seem like a bold legislative move, but consider what's happening everywhere else in North America, and in Canada as well. Alberta recently took the same steps to abolish their version of the Ticket Speculation Act, and

there are only two remaining provinces in Canada that actually have legislation governing tickets: Ontario and Manitoba.

If the Ticket Speculation Act was abolished entirely, the market and the industry would tell us how to regulate ourselves, and it would allow us to position each other as authorized and designated resellers. Consumers would know that one reseller was officially authorized to act on behalf of the designated team or event. That's exactly the decision that the province of British Columbia took last year for the Winter Olympics. There's no ticket speculation act or law in that province. They allowed one authorized reseller to be in charge of reselling tickets for the Olympics. It was a very successful venture. It helped consumers. You knew if you went to that site, you had an authentic, real ticket. They processed more than 10,000 tickets on that site.

There were a number of people who bought from unauthorized sites. Some of those tickets ended up being valid, but many of them were not. There was a lot of fraud associated with that event. If they'd have bought on the authorized resale site, they would have not had an issue.

1000

I'm leaving behind a more detailed brief on some examples, but it really outlines our position on the Ticket Speculation Act in its entirety.

I think you should also understand, for the committee's benefit, that ticket reselling, the resale of tickets after they've been sold once, is the fastest-growing component of the ticket marketplace now in North America. The basic reason for this is the advancement of technology. Anybody who has a computer or access to the Internet is now a ticket reseller. Millions of tickets are bought and resold annually in North America, and there are literally hundreds, maybe thousands, of dot-coms and dot-ca businesses that are only in the business of reselling tickets. That's all they do. We've provided you with a list of the top 20 of those companies. You can go on those sites and buy tickets to just about any event today.

Interjection.

Mr. Cyril Leeder: A few. There are some businesses that strictly sell discounted tickets, but the ones I've listed there are generally all resellers in above face value.

No one knows for sure how many unofficial, unauthorized or illegal tickets are resold each year in Ontario, but I think the quantum is important for you to understand. This week, we had one of our staff members check in to that and do a little research. They searched just one of the resale sites and checked for just one team. They checked StubHub, which is one of the bigger sites, for the Toronto Maple Leafs. It might surprise you, but there were 14,000 tickets for sale for this season for the Toronto Maple Leafs on StubHub alone. That's resale of tickets for the Leafs.

A small sample showed that more than 95% of those tickets were being sold for more than face value, some of them for \$3,500 a ticket.

Mr. Mike Colle: One ticket?

Mr. Cyril Leeder: One ticket.

The Chair (Mr. Lorenzo Berardinetti): Let him finish his presentation, please.

Mr. Peter Kormos: We've got lots of time, Chair—

The Chair (Mr. Lorenzo Berardinetti): I know, but I want to be fair to the presenter.

Go ahead.

Mr. Cyril Leeder: What I really want to submit to the committee, the key point, is that the only organizations that are now respecting the Ticket Speculation Act in Ontario are the legitimate operators, like the Ottawa Senators and Capital Tickets. We're the only ones that don't resell tickets at above face value. We're not doing that; everybody else is.

We have our own resale site, to allow our season seat-holders who can't get to games to resell their tickets, but we have to sell them at face value. Most of them choose not to use our site. They'll go somewhere else because they can sell them for more.

There's no enforcement of the act. Therefore, we're just driving people to illegal sites. That has a bunch of problems. Some of them are not valid tickets, so we get lots of fraud at games. From the province's point of view, there are significant tax revenues that are not being captured. They're being resold, and those monies are going elsewhere.

For just about every Senators game and for every major concert and event that we host, we have customers arriving at our door with fraudulent tickets. As an example, for three of the big shows we had this summer—Taylor Swift, Justin Bieber, the Jonas Brothers—we had more than 500 fraudulent tickets. Again, I have a copy in the submission of a newspaper article from the Ottawa Citizen about some of the problems.

Many of the online resellers will provide a guarantee. They'll say, "We'll guarantee that these tickets are good." The guarantee only says, "If you can't get in, we'll give you back your money." Try telling that to the mothers and children who were in our lobby for these concerts, crying because they couldn't get in. They didn't want their money back. They just wanted to get into the show. Generally, we let them in, if we have room, but for big, sold-out shows, if it's entirely sold out, there's just no place to put these people, and we end up having to turn them away. I think misguided and misinformed consumers are understandably confused and frustrated.

Another issue: If you go to the most popular Internet search engines and Google "Ottawa Senators tickets" or "Toronto Maple Leaf tickets," you won't get our site. The Ottawa Senators or Maple Leaf Sports won't come up first. Three ticket resellers will be the first three sites that would come up.

Interjection.

Mr. Cyril Leeder: Yes, exactly.

The reason for that is, Google—and they're not alone: Just about every search engine on the Internet allows the companies that pay for placement to come up first.

So, again, every game we have people coming to us and saying, "How come I paid \$75 for this ticket and the

guy beside me paid \$50?" They've bought the tickets on a resale site and they don't even know it. They just Googled our name, clicked the first button, found the tickets, paid for them, showed up and don't understand why they end up paying a premium on the tickets.

These changes to the way tickets are bought and sold really, like I said, come about because of the rapid advancement of technology. The fact that the Ticket Speculation Act doesn't properly serve those who it was designed to protect in the 1960s shouldn't really be a surprise. There have been really no major changes to it since the 1960s. Again, we would submit to this committee and the government of Ontario that we should abolish that act in its entirety. We'd be much better served and would have much better consumer protection without the act. All we're doing now is providing a safe haven for the resellers to do what they want to do without regard for the consumers.

If you level the playing field with legitimate operators, we'll manage the reselling of our tickets and we'll do a good job at it. We'll take care of the consumers. They're our customers. No one has more of an investment in those people than the teams and the buildings and the events themselves.

You should be collecting tax revenue on the resale of tickets. As I said, it's the fastest-growing area of the ticket business in North America, and billions of dollars each year in North America are being resold. It's billions. It's not small change; it's a lot of money.

Every policy or legislative issue that comes to this committee I know is important. We recognize that. But I'd like to underscore the fact that this piece of outdated and poorly enforced legislation affects millions of ticket purchasers each year, almost all of whom are Ontarians. It really affects our own people and our own constituents right here in the province.

We deserve good protection from the government and from this type of legislation. As I said, allowing the legitimate operators to authorize or own resellers will be the best way to provide consumer protection going forward.

Thank you, and I'd be happy to take any questions.

The Chair (Mr. Lorenzo Berardinetti): Thank you, Mr. Leeder. We have about 15 minutes, so five minutes per party. This time, we'll start with the NDP. Mr. Kormos, you have the floor.

Mr. Peter Kormos: Thank you kindly, Mr. Leeder. Yours was a very enlightening presentation.

You gave a number about how many tickets are in the resale market in terms of the totals. What was that number, again?

Mr. Cyril Leeder: Just for the one site, StubHub was 14,119 tickets, we found.

Mr. Peter Kormos: For one event?

Mr. Cyril Leeder: For the Maple Leafs for the season.

Mr. Peter Kormos: Oh, for the season.

Mr. Cyril Leeder: Yes. You could buy any price range and any level in the building for just about every game.

Mr. Peter Kormos: I just find that incredible, that that many season ticket holders are reselling their tickets. Does that follow logic?

Mr. Cyril Leeder: They were always doing it. I would submit that season seat holders were always reselling tickets before. It was just to a friend or somebody they know. Now they're doing it online for profit.

Mr. Peter Kormos: But that many people?

Mr. Cyril Leeder: Yes.

Mr. Peter Kormos: Wow. And you were very clear that your reselling site—because you're not a reseller. This site, called Senators TicketExchange, is not a reseller—

Mr. Cyril Leeder: No; it's a reseller.

Mr. Peter Kormos: Is it a reseller, or do you manage the reseller?

Mr. Cyril Leeder: TicketExchange is a resale site, so if you want to put a Senators ticket on our site, we'll let you do that, but the maximum you can charge is the gate price for that ticket.

Mr. Peter Kormos: But Senators TicketExchange is not a reseller; I'm the reseller. You're managing. I wrote down what you said: You manage the reselling of tickets.

Mr. Cyril Leeder: Yes, you're correct.

Mr. Peter Kormos: So you're not covered under the act?

Mr. Cyril Leeder: No.

Mr. Peter Kormos: The act doesn't apply to Senators TicketExchange.

I've got to say that I'm just so impressed to hear that you will not allow somebody to resell for higher than face value.

Mr. Cyril Leeder: That's against the law in this province right now.

Mr. Peter Kormos: Yes, it is. And what that means is that websites, even if they're not resellers in and of themselves, that allow people to resell at a price higher than face value are aiding and abetting an offence.

Mr. Cyril Leeder: Correct.

Mr. Peter Kormos: Well, that's interesting. So they're not so pristine after all, are they?

Mr. Cyril Leeder: I never said they were.

Mr. Peter Kormos: I bet you you didn't. Well, they've got nothing to brag about, do they?

Mr. Cyril Leeder: No. Some of them are trying to be legitimate, and they operate, as I say, all throughout North America. I'd say 90% of the jurisdictions allow the resale of tickets, because there's just no way to enforce it or patrol it any longer.

1010

Mr. Peter Kormos: But that's a separate issue.

Mr. Cyril Leeder: I know. That's the point I'm trying to make—

Mr. Peter Kormos: As a socialist, I, quite frankly, couldn't care less if people want to resell hockey game tickets in a bourse. Do you understand what I'm saying? That's a private transaction. It's happening right now down at the TSE, for Pete's sake, at a far more criminal level than ever happened outside Maple Leaf Gardens.

People who are hosting a website that allows and indeed—wink, wink, nudge, nudge—accommodates people to resell at higher than face value are pretty unethical people, aren't they?

Mr. Cyril Leeder: I don't want to judge them. I'm just here to point out the fact that it's happening. There are thousands of transactions taking place today on tickets for events in Ontario.

Mr. Peter Kormos: By the way, who's Taylor Swift?

Mr. Cyril Leeder: She's the hottest new country act.

Mr. Peter Kormos: Okay. Sorry, I've never heard of Taylor Swift.

Chair, the Attorney General should probably get a copy of this Hansard, because Ticketmaster is here. Again, I acknowledge that Ticketmaster is, if they are what they say they are, removed from the ambit or scope of the legislation. But they are, by virtue of their TicketsNow, aiding and abetting offences under the Ticket Speculation Act. That's a very serious matter. We don't need the amendments to prosecute TicketsNow. If they're aiding and abetting a violation of the Ticket Speculation Act as it now stands, we don't need the amendment at all. People should be getting arrested, prosecuted, sent to jail—no, they can only be fined.

The Chair (Mr. Lorenzo Berardinetti): I'll stop you there. We have to move on to the Liberal Party. Mrs. Cansfield.

Mrs. Donna H. Cansfield: First of all, thank you for a very thoughtful presentation. You raised a number of issues.

I think it would be reasonable to say that this is a first approach. I don't think the government would be shutting down any further discussions that you have identified. It's a good start on how we can continue to improve, and you certainly identified some of those ways in which to do it. Hopefully, you will continue to discuss with the Attorney General, from your perspective, how we can continue to improve this act.

Mr. Cyril Leeder: We've had a number of discussions with the Attorney General's office and Omar, and they've been very helpful and respectful. I think we have a good dialogue going there, and we will continue that.

Mrs. Donna H. Cansfield: I appreciate that.

I just have to say that when you have—is it 80 games?

Mr. Cyril Leeder: It's 82.

Mrs. Donna H. Cansfield: With 82 games, no wonder people want to sell their tickets. I go back to those days when—how many teams were there in the league?

Mr. Bas Balkissoon: Six.

Mrs. Donna H. Cansfield: There were six, and I could actually watch them all and know who played and have an understanding. Today, it's a whole other world—

Mr. Bas Balkissoon: It's a business.

Mrs. Donna H. Cansfield: —of business.

Anyway, thank you again for your presentation.

The Chair (Mr. Lorenzo Berardinetti): There's a question from Mr. Colle—

Mr. Mike Colle: What's been computerized is the scalpers. We've got computerized scalping right now. That's what's been happening at the Leafs games since the 1950s. Scalpers would even buy season's tickets and then stand out in front of Maple Leaf Gardens, scalping them. I'm sure scalpers are still buying Leafs tickets, but instead of standing in the cold in front of the Gardens, they're doing it by computer in a more corporate way. It's corporate scalping, basically.

Mr. Cyril Leeder: I think there are a number of people who solely buy the tickets to resell them all, but the vast majority of tickets being resold are by fans who, as the member pointed out, can't get to every game. They can't get to 41 home games, so they maybe get to 25 and they resell 16.

Mr. Mike Colle: You say that abolishing the Ticket Speculation Act would help you and other legitimate first-hand sellers of concert or hockey tickets. Could you just explain to me how abolishing the speculation act would be better for the consumer and better for legitimate sellers of tickets?

Mr. Cyril Leeder: We have a site where we resell tickets now, and it's called Senators TicketExchange. But we only do about 2,000 tickets a year on that site, because people are going elsewhere. So if we were able to have the same rules apply to us, they would sell their tickets on our site because they'd know that it's a legitimate site and we can authenticate the ticket. We can not only guarantee their money, we can guarantee they'll get access when they buy from that site. We do that now, but we don't get the business because they're reselling, and for more money, on other sites.

Mr. Mike Colle: How can you stop people from still doing that?

Mr. Cyril Leeder: We can't. But there would be no incentive for them to go somewhere else when they can get better service and better authentication for the same price on our site.

The commercial reality is, they'll get more dollars if they sell somewhere else, because they're just circumventing the Ticket Speculation Act. Our site doesn't; ours respects the existing legislation. But it puts handcuffs on us, and the consumers are choosing to go somewhere else to sell their tickets. Therefore, the buyers are going somewhere else. The buyers are the ones you want to protect.

Mr. Mike Colle: But the buyers are always going to be enticed by someone selling tickets online, whether the act is there or not.

Mr. Cyril Leeder: I've been to the Olympics, and I bought on the authenticated site because I didn't want my family to show up at the venue and not get in. I went to the authenticated, authorized site, bought the tickets, and was happy to have a site that I knew was endorsed by the venue. In that case, the province actually endorsed it because it was a provincial event.

Mr. Mike Colle: On the other hand, you are an authentic site. You're the Ottawa Senators site. They know you're—

Mr. Cyril Leeder: But we don't have the tickets. The people who bought them originally are reselling them on StubHub, Razorgator. They're going elsewhere and selling their tickets.

Mr. Mike Colle: But the public should know that you have the legitimate tickets and that you're not charging a markup.

Mr. Cyril Leeder: We don't have enough. They're doing a couple hundred thousand. We're doing 2,000.

Mr. Mike Colle: Because they buy priority spacing on Google and things like that?

Mr. Cyril Leeder: They can sell them for more than face value. We can't.

The Chair (Mr. Lorenzo Berardinetti): We're moving on to the Conservative Party. Mr. Clark has five minutes.

Mr. Steve Clark: I want to take this opportunity to thank you for coming and making a presentation.

I'm from eastern Ontario, and I remember quite vividly the Senators franchise beginning. It certainly wasn't uncommon in small-town eastern Ontario to have a group of 15 or 16 people, buddies in the beer league, people who worked together, buy some season tickets and split them up. It's not uncommon in a small community to have a pair of Sens tickets floating around, and if you can buy them, you buy them.

You made some great points about Google. Even though the Capital Tickets site has been in operation for such a long time—and I've bought many a Senators ticket off that site—there still is that confusion. I have always been surprised when I've gone to TicketExchange at how few tickets are actually offered on that site compared to any other site. It's extremely strange.

I'm very interested in what you said about the two provinces, ourselves and Manitoba, that have legislation. I'm wondering if you can enlighten us as to how the industry has regulated itself in those other provinces that don't have legislation.

Mr. Cyril Leeder: Again, I think it's letting the market forces manage themselves. In our case, we know that we would be able to authorize somebody to be an official authenticated reseller, and you know that when you buy a ticket it's going to get you into the venue. I'm speaking from what I know has happened in British Columbia.

I know Alberta is hosting the world juniors next year. They've got some big events coming. They're doing the same thing. They've got the Grey Cup there this weekend. They're reselling tickets on authenticated sites.

Mr. Steve Clark: That's the key.

Mr. Cyril Leeder: That's the key. It's just levelling the playing field and allowing, in our case, the hockey team to designate somebody. It might not be us. Senators TicketExchange is run by Ticketmaster. It's a Ticketmaster site. They have technology there that helps people put their bar codes on and exchange them. It's not our own technology.

1020

Mr. Steve Clark: Well, I know Mr. Chudleigh has a question, but I do want to go back to the 2009 world

junior championship, which I know the Ministry of Health Promotion was heavily involved in.

Mr. Cyril Leeder: Yes.

Mr. Steve Clark: How was the issue of having that site operating, in terms of bogus tickets showing up at the gate?

Mr. Cyril Leeder: That was an event where there were lots of extra tickets available. We resold 10,000 tickets on Senators Ticket Exchange for the world juniors.

Mr. Steve Clark: So you resold more tickets than you do normally for the Ottawa Senators?

Mr. Cyril Leeder: Yes.

Mr. Steve Clark: Because it was a site that, obviously, the ministry was involved in. It was heavily advertised, so people knew, in that case, that that was the site to go to.

Mr. Cyril Leeder: That was a case where tickets were sold at a discount, because they were bought in big packages, really, to get access to the big games. It was a 31-game package, so people resold games they couldn't get to. That allowed the people in Ottawa who didn't have packages to go to the odd game here or there that they wanted to go to. As I said, we would have done 10,000 tickets for just that one event.

The Chair (Mr. Lorenzo Berardinetti): Mr. Chudleigh?

Mr. Ted Chudleigh: Thank you for coming, Mr. Leeder. As I understand it, the Ottawa Senators own Capital Tickets?

Mr. Cyril Leeder: Correct.

Mr. Ted Chudleigh: You also own Senators Ticket-Exchange?

Mr. Cyril Leeder: Correct.

Mr. Ted Chudleigh: As you understand this legislation, if this bill passes, would you have to divest yourself of one of those two sites?

Mr. Cyril Leeder: No—not with the amendments that have been made, no. The original wording back in April was a problem for us. With the amendment now, it's not.

Mr. Ted Chudleigh: And this is the amendment that's going to be introduced?

Mr. Cyril Leeder: Correct. It's the amendment that—the wording, as I understand it, now—I'll read it back to you to make sure I've got it right.

Mr. Ted Chudleigh: The government should take note—

Mr. Cyril Leeder: It talks about withholding tickets for the purposes of resale. That was the subtle change that was made to the amendment. We don't withhold tickets. Everything goes on sale, somebody buys it, and then it ends up on a resale site. So it doesn't get—

Mr. Peter Kormos: On a point of order, Chair: What is going on here? This has happened before in these committees. Somebody has been advised of an amendment that the government's going to propose or put before this committee before anybody else has?

The Chair (Mr. Lorenzo Berardinetti): I don't have that amendment. Neither does the clerk's office.

Mr. Peter Kormos: Well, Lord love a duck. Somebody better have it.

The Chair (Mr. Lorenzo Berardinetti): That being said—

Mrs. Donna H. Cansfield: You'll have it next week.

Mr. Peter Kormos: Oh, we'll wait until next week, but other people have it now?

The Chair (Mr. Lorenzo Berardinetti): Excuse me. *Interjections.*

The Chair (Mr. Lorenzo Berardinetti): We're close to the end. I want to thank you, Mr. Leeder—

Mr. Peter Kormos: No, Chair. Just a minute. There's a contentious issue here.

Mr. Ted Chudleigh: There's a point of order on the floor.

Mr. Peter Kormos: If this witness, if this participant has information that's relevant about an amendment that the government's going to propose, then he should be allowed to put it forward.

Mrs. Donna H. Cansfield: If I may, Chair, on the point of order, it is not the formal amendment before us. There was a discussion that took place. Just as the previous folks had an opportunity to speak to the Attorney General, so did this particular deputant. There is nothing that is here. The deputant cannot propose the amendment. If there's something coming forward, it will come forward next week. There are discussions that go on amongst all deputants that come forward.

The Chair (Mr. Lorenzo Berardinetti): I understand that, so I'm going to ask the following based on the point of order: Would the presenter be willing to table that present amendment that you have to this committee?

Mr. Cyril Leeder: Certainly.

The Chair (Mr. Lorenzo Berardinetti): We will ensure that everyone will get a copy of that.

Mr. Cyril Leeder: May I—I wasn't trying to put the committee out of order here. I just—

The Chair (Mr. Lorenzo Berardinetti): No, that's fine.

Mr. Ted Chudleigh: No, the government accomplished that all by themselves.

The Chair (Mr. Lorenzo Berardinetti): It's just another document.

Mr. Cyril Leeder: So for the purposes of subsections (1) and (2)—

The Chair (Mr. Lorenzo Berardinetti): No, what you do is you give it to the—

Mr. Ted Chudleigh: No, let him read it.

The Chair (Mr. Lorenzo Berardinetti): All right. Go ahead. Read it.

Mr. Cyril Leeder: I'll read it, and then I'll hand it to the clerk:

"For the purposes of subsections (1) and (2), a primary seller and secondary seller are related if the relationship between them, whether corporate, contractual or otherwise, results, directly or indirectly, in an incentive for the primary seller to withhold tickets for sale by the primary seller so that they can be sold by, through or with the assistance of the secondary seller instead."

So the subtle change there really is, if you're going to withhold tickets—which is what this discussion about this issue in New Jersey was, which is how this really came about—for the purposes of giving them to someone else, that's not a problem for most of us, and certainly not for us.

The Chair (Mr. Lorenzo Berardinetti): Thank you. Would you be kind enough to leave a copy with Mr. Day here, and then he will ensure that all members—

Mr. Cyril Leeder: Sure.

Mr. Peter Kormos: Chair, I'm calling upon you to call a subcommittee meeting. We have to discuss returning to the issue of addressing this matter with witnesses. Quite frankly, one of the issues that I'll raise at subcommittee is that Ticketmaster be asked to come back and respond to the information we've received now.

Mr. Ted Chudleigh: I'd agree with that.

The Chair (Mr. Lorenzo Berardinetti): I will endeavour to call a subcommittee meeting—

Mr. Peter Kormos: I'm here all day, Chair.

The Chair (Mr. Lorenzo Berardinetti): We'll do that.

Mr. Ted Chudleigh: Are you telling me, Chair, that I'm finished?

The Chair (Mr. Lorenzo Berardinetti): We're out of time, unfortunately.

Mr. Ted Chudleigh: Thank you very much for coming, Mr. Leeder. We appreciate it. Thank you particularly for dropping a bombshell. It made quite an impression. You had a big win here today. My apologies that you didn't have a big win last night. Thank you.

The Chair (Mr. Lorenzo Berardinetti): Just for the committee's information: As per the order of the House, proposed amendments are to be filed with the committee clerk by 5 p.m. on Monday. That's next Monday, November 29, 2010, and that's a hard deadline.

Secondly, per order of this House, the committee will meet for the purpose of clause-by-clause consideration of this bill on Wednesday, December 1, and Thursday, December 2, 2010. We have legislative counsel working on this as well.

Mr. Peter Kormos: Chair, I move that this committee meet this afternoon, as it's entitled to, to hear from Ticketmaster with respect to the information we've received this morning.

The Chair (Mr. Lorenzo Berardinetti): There's a motion on the floor. Any debate?

Mr. Peter Kormos: Chair, look, it's obvious. I don't know whether Ticketmaster has been blindsided by this information or not. They ought to have an opportunity to address what appears to be at least the contemplation by the government of an amendment in the manner that's been related to us by Mr. Leeder.

It's important—it's imperative—that this committee hear from Ticketmaster about what this amendment might mean to them and might mean to their submission with respect to the proposed amendment, that is to say, the legislation itself.

The Chair (Mr. Lorenzo Berardinetti): All right. We've noted your submission. I'm watching the time. Any further debate? Ms. Cansfield.

Mrs. Donna H. Cansfield: The deputant previously had exactly the same opportunity to propose any amendments in his deputation if he chose to, and there weren't any. So I see this—

Mr. Peter Kormos: Nobody proposed—you proposed the amendment.

Mrs. Donna H. Cansfield: —as a moot point, because one deputant chose to, another didn't. They both had the same opportunity. The rules are there for everyone, so I see no reason for this committee to meet again this afternoon.

The Chair (Mr. Lorenzo Berardinetti): All right. Back to Mr. Kormos's motion.

Mr. Peter Kormos: I'm prepared to have you put the question.

The Chair (Mr. Lorenzo Berardinetti): All right.

Mr. Peter Kormos: Recorded vote.

The Chair (Mr. Lorenzo Berardinetti): All those in favour of Mr. Kormos's motion? Recorded vote.

Ayes

Chudleigh, Elliott, Kormos.

Nays

Balkissoon, Cansfield, Colle, Moridi.

The Chair (Mr. Lorenzo Berardinetti): That's lost; it does not carry.

We stand adjourned until Wednesday, December 1, 2010.

The committee adjourned at 1030.

CONTENTS

Thursday 25 November 2010

Subcommittee report	JP-113
Ticket Speculation Amendment Act, 2010, Bill 172, Mr. Bentley / Loi de 2010 modifiant la Loi sur le trafic des billets de spectacle, projet de loi 172, M. Bentley	JP-113
Ticketmaster Canada.....	JP-113
Mr. Tom Worrall	
CapitalTickets.ca.....	JP-118
Mr. Cyril Leeder	

STANDING COMMITTEE ON JUSTICE POLICY

Chair / Président

Mr. Lorenzo Berardinetti (Scarborough Southwest / Scarborough-Sud-Ouest L)

Vice-Chair / Vice-Président

Mr. Reza Moridi (Richmond Hill L)

Mr. Bas Balkissoon (Scarborough–Rouge River L)

Mr. Lorenzo Berardinetti (Scarborough Southwest / Scarborough-Sud-Ouest L)

Mr. Ted Chudleigh (Halton PC)

Mr. Mike Colle (Eglinton–Lawrence L)

Mrs. Christine Elliott (Whitby–Oshawa PC)

Mr. Peter Kormos (Welland ND)

Mr. Reza Moridi (Richmond Hill L)

Mr. Lou Rinaldi (Northumberland–Quinte West L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mrs. Donna H. Cansfield (Etobicoke Centre / Etobicoke-Centre L)

Mr. Bill Mauro (Thunder Bay–Atikokan L)

Also taking part / Autres participants et participantes

Mr. Steve Clark (Leeds–Grenville PC)

Clerk / Greffier

Mr. Trevor Day

Staff / Personnel

Ms. Alysia Davies, research officer,
Legislative Research Service