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NO COMPETITION!
 Companies such as Ticketmaster, Google, and Amazon are under fire for allegedly acting as unfair monopolies. Will the federal government break them up?

BY CHRISANNE GRISÉ

One morning in November 2022, K.J. Haakenson, then 22, logged in to Ticketmaster before work. A “huge Swiftie,” she was excited to buy tickets to Taylor Swift’s Eras Tour, which would kick off in winter 2023 and is still ongoing. But for Haakenson—and 14 million other fans—the ticket-buying process didn’t go as planned. She waited for what seemed like an eternity in the site’s virtual queue, growing increasingly anxious as time ticked by and she remained nowhere close to making a purchase.

Finally, after six hours, Haakenson’s turn came up, and she scrambled to find seats. When a technical glitch kicked her out and put her at the back of the queue again, she almost gave up, but ultimately decided to try once more—and managed to snag two tickets for \$321. It had taken almost eight hours.

“By the end, I was emotionally exhausted from the roller coaster of waiting rooms and disappearing seats,” Haakenson, now 23, says.

Believe it or not, Haakenson was one of the lucky ones, because she managed to get tickets. Many people waited for hours as Ticketmaster’s site froze and crashed repeatedly, only to eventually find out that there were no tickets left. And for those who did grab some, tickets cost as much as \$449 each—*before* Ticketmaster tacked on its sizable fees.

Many Swift fans were furious and quickly began pointing fingers at Ticketmaster and its parent company, Live Nation Entertainment, blaming their monopoly over the live music industry for the glitches and high

costs. (Tickets to see other top acts such as Beyoncé and Bruce Springsteen also made headlines around the same time for their exorbitant prices, sometimes topping \$5,000 per seat.)

What’s a Monopoly?

A monopoly happens when one company controls most or all of the market for a given product or service. Live Nation sells tens of millions of tickets each year and owns or controls more than 300 concert venues around the world, far more than any other player in the business. That lack of serious competition, critics argue, is harmful for customers.

“Market competition is thought to benefit consumers by forcing companies to make new products, make them better, sell them for less,” says Rebecca Allensworth, a professor at Vanderbilt University’s law school. “If there’s only one

The first antitrust trial of the modern internet era has begun.

person [or] one company selling a product or a service, then they don’t have to worry about making it affordable or making it really great.”

Live Nation isn’t the only company today that’s been called a

monopoly; tech giants such as Google, Amazon, and Meta (the parent company of Facebook and Instagram) have long faced similar accusations. Now the federal government is setting its sights on their allegedly monopolistic practices: In September, the first antitrust trial of the modern internet era began against Google. Another federal monopoly suit against Amazon followed the same month, and more are likely still to come against Apple, Meta, and others.

Government concerns over monopolies are nothing new. Towards the end of the 19th

century, many American companies in the oil, railroad, and steel industries merged into trusts, which allowed them to secretly maintain the same prices or raise prices together without fear of competition. But in 1890, Congress passed the Sherman Antitrust Act, which gives the federal government the authority to break up monopolies. President Theodore Roosevelt earned a reputation as a “trust buster” by using the act to combat illegal monopolies. (Monopolies are illegal if they deliberately stifle competition to get or keep their monopoly status.)

One of the first major antitrust cases pitted the government against Northern Securities, a trust that controlled almost all railroad shipping in the United States. In 1902, Roosevelt’s administration charged Northern Securities with maintaining an illegal monopoly and, after the case reached the Supreme Court, the justices ruled in favor of dissolving the company.



Theodore Roosevelt was known as a “trust buster.”

Soon after, John D. Rockefeller’s Standard Oil Company, which controlled about 90 percent of the nation’s refining capacity, was accused of using its immense power to undercut competitors. It was broken up into smaller companies that later became Exxon, Mobil, and

seven parts. This opened the door to the creation of Verizon, T-Mobile, Sprint, and other phone companies.

But for the past four decades, there hasn’t been as much antitrust enforcement. Instead, the government has generally let businesses compete

Chevron, among others. There are more modern examples: For a long time, American Telephone and Telegraph (AT&T) was basically the only phone company, but in the 1970s, the Justice Department filed a suit against them, and eventually the company was split into

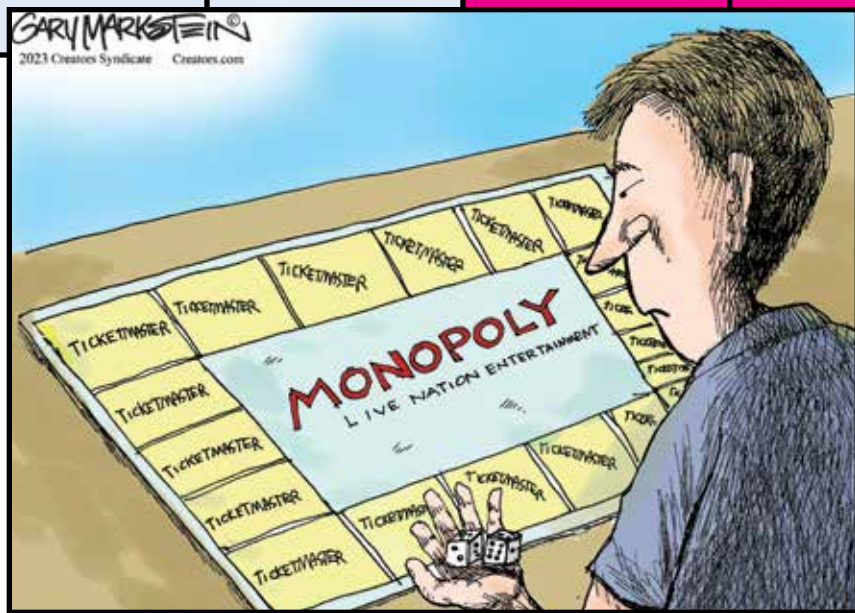
freely among themselves, thinking that would lead to a better marketplace.

“That theory . . . hasn’t turned out to be true,” Allensworth argues. “Forty years of letting companies do what they want has resulted in monopolies, market concentration, and a lot of harm to consumers.”

A Swift Response

Recently there’s been increased pressure to limit monopoly power, with both the Trump and Biden administrations taking more-aggressive approaches to antitrust law, according to Allensworth.

Early last year, as complaints surged over Ticketmaster’s handling of tickets for Swift’s tour, a Senate Judiciary subcommittee subpoenaed Live Nation and Ticketmaster to testify. At the hearing, committee members from both parties pilloried a top Live Nation executive, Joe Berchtold, over ticket prices, website snafus, and longstanding



allegations that the company badgers its competitors to win business. In 2019, for example, the Justice Department said that Live Nation had threatened to withhold tours from venues if those venues did not sign deals with Ticketmaster. Many artists and venues say they have little choice but to use the site.

Berchtold largely attributed Ticketmaster’s failings to online bots, or automated programs run by scalpers who seek to snatch up tickets before consumers can purchase them. (Those scalpers often resell the tickets for astronomical prices.) He also pushed back against many of the accusations, saying that Live Nation doesn’t threaten venues; that those venues hold a great deal of leverage in negotiating ticketing contracts; and that new entrants, like SeatGeek, a rival ticketing platform, have kept Ticketmaster on its toes.

“We believe ticketing has never been more competitive,” he said.

Not everyone agrees.

“If Taylor Swift is unhappy with the way her fans were treated by Ticketmaster, she doesn’t have a lot of options for her next tour,” Allensworth says.

Taking On Tech Giants

So far, the government hasn’t tried to break up Live Nation. But it has sued Google and Amazon.

In September, the Justice Department took Google to court, accusing it of abusing its power over online searches to throttle competition. The case centers on whether Google squashed other search engines by paying Apple and other companies to make Google the default on the iPhone as well as on other devices and platforms. In legal filings, the Justice Department has argued that Google maintained a monopoly through such agreements, making it harder for consumers to use other search engines. Google has said that its deals with Apple and others weren’t exclusive and that consumers could alter the default settings on their

UNDER THE UMBRELLA

A look at some of what each company owns

GOOGLE	META	AMAZON	APPLE	LIVE NATION
Google search: World’s most popular search engine	Facebook: World’s most popular social media site	Amazon.com: Most popular online marketplace in the U.S.	Apple products: MacBooks, iPhones, iPads, and more	Events: Puts on 44,000 concerts and more than 100 festivals a year
Gmail: World’s most used email provider	Instagram: One of the most downloaded mobile apps	Whole Foods: Supermarket with 500 stores in North America	Apple Music: Music and video streaming service	Venues: Owns or controls more than 300 venues around the world, including the House of Blues chain
YouTube: Popular video streaming site	WhatsApp: Messaging app with more than 2 billion users worldwide	Twitch: Live streaming service	Apple Pay: Mobile payment and digital wallet service	Apple TV+: Popular online streaming service
Google Classroom: Online teaching tool	Oculus: Virtual reality headset brand	Zappos: Online shoe and clothing retailer	Apple TV+: Popular online streaming service	Safari: Web browser
Google Chrome: Most used web browser in the U.S.		Amazon Web Services: Top cloud service provider in the world	Beats Electronics: Headphone and speaker brand	Shazam: Mobile app that identifies music based on short samples
Chromebooks: Tablets often used by schools				Shazam: Mobile app that identifies music based on short samples

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devices to choose alternative platforms.

Soon after, the Federal Trade Commission and 17 states sued Amazon, accusing the company of using illegal tactics to control online shopping in ways that stifled competition and raised prices for consumers and costs to sellers. Amazon maintains that regulators misunderstand how the retail industry operates and how its policies benefit consumers and sellers.

“Amazon may not be the small business it once was,” the company said in a statement, “but we’re still just a piece of a massive and robust retail market with numerous options for consumers and sellers.”

This year, the Justice Department

could also file an antitrust case taking aim at Apple’s strategies to protect the dominance of the iPhone, experts say.

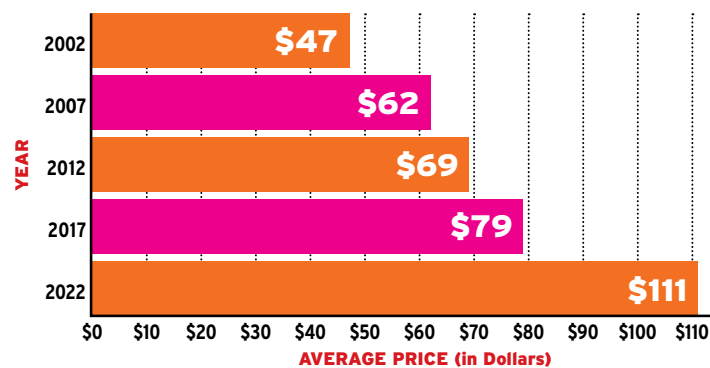
Government victories in some of these lawsuits could change these companies’ business practices or lead to their breakup. But if the tech companies win, the suits could act as a referendum on increasingly aggressive government regulators and raise questions about the efficacy of century-old antitrust laws, says Bill Baer, a former top antitrust official at the Justice Department.

“It is a test of whether our current antitrust laws,” he says, “can adapt to markets that are susceptible to monopolization in the 21st century.”

With reporting by David McCabe, Cecilia Kang, Ben Sisario, Matt Stevens, and Karen Weise of *The New York Times*.

THE HIGH COST OF CONCERTS

This graph shows how the average ticket price per show for the top 100 concert tours in North America has changed since 2002.



Protesters in Washington, D.C., outside the Live Nation hearing last year