



RCI Bulletin

Association of Racing Commissioners International, Inc.

2343 Alexandria Drive, Suite 200
Lexington, KY 40504
www.arci.com

Phone: (859) 224-7070
Fax: (859) 224-7071
Email: support@arci.com

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Betfair Buys TVG for \$50 Million

Betfair, the British online bet matchmaking company, has purchased Television Games Network, the U.S.'s largest horse race account-wagering and broadcasting company, the companies announced late Tuesday.

In a release, the companies said that Betfair purchased TVG for \$50 million in cash consideration. TVG was owned by Macrovision, which acquired TVG's former parent, Gemstar-TV Guide, in 2008. Macrovision had begun to seek the sale of TVG shortly after purchasing Gemstar.

The acquisition unites two unlikely partners. Betfair, which was founded in 2000, operates a website that allows its customers to make bets with other customers, using lines posted by the customers themselves, a process that is akin to bookmaking. TVG operates an account-wagering platform that allows customers to wager into commingled pari-mutuel pools, on races held in the U.S. and foreign countries.

Betfair's service is extremely popular in the United Kingdom, where bookmaking is legal, and the company has been lauded by its supporters for providing an innovative way for people to bet on sports. However, U.S. racetracks have remained wary of the company's business model because of perceptions that the service could allow race-fixers to profit from holding a horse. In addition, bookmaking is illegal in the U.S.

The political climate surrounding online gambling is far more conservative in the U.S. than in the United Kingdom. TVG has typically limited its business to customers in states where account wagering is explicitly legal, though the company has reached sub-licensing deals with other domestic account-wagering companies that operate in gray-area states. TVG collects a portion of the wagering handle that is made as a result of the agreements.

TVG officials did not immediately return phone calls late on Tuesday after the announcement was made.

JOE GORAJEC
Indiana
Chairman

EDWARD MARTIN
Kentucky
President/CEO

ERIN OWENS
Arizona
Chair Elect

DANIEL HOGAN
New York
Secretary/Treasurer

In a release, David Yu, the chief executive of Betfair, said: "We have always been attracted by the operating strength of TVG together with its conservative and prudent regulatory approach. Its values are very much aligned with those of Betfair. We have waited to enter the U.S. market until we had a high-quality, and above all, legal product offering, and we believe with this acquisition we have secured those goals."

TVG is available in more than 30 million homes in the U.S. through cable and satellite television subscriptions. Through the first three quarters of 2008, handle through TVG's Oregon-based hub was \$384.2 million.

Account wagering in the U.S. is currently dominated by four companies: TVG, Youbet.com, XpressBet, and Twinspires.com. XpressBet, which is owned by Magna Entertainment Corp., has a signal-sharing partnership with Twinspires.com, which is owned by Churchill Downs Inc. Magna and Churchill also co-own HorseRacing TV, a television network that competes with TVG. TVG's sub-licensing partner is Youbet. *Source: Daily Racing Forum*

Tapes Show Illinois Governor Discussing Racing Industry

A prosecutor at the impeachment trial of Illinois Governor Rod Blagojevich said on Tuesday that taped conversations reveal the governor talking with a lobbyist about how to get campaign contributions in exchange for signing legislation wanted by the horse racing industry.

The Associated Press reports that Illinois senators heard some of the recordings, made by the FBI and the U.S. attorney's office, for the first time on Tuesday.

The U.S. attorney has refused to release most of the tapes because that might interfere with his criminal investigation. However, he did allow those at the impeachment trial to hear a few minutes on just one topic.

Blagojevich, who has denied any wrong doing and has vowed not to resign his position, is boycotting the trial, claiming that its rules prevent him from offering a real defense. He has done the talk show circuit while the trial goes on, visiting CNN's "Larry King Live" and the syndicated "The View."
Source: Thoroughbred Times

Ziegler Picked To Lead NTRA Alliance

The National Thoroughbred Racing Association has hired Mike Ziegler as the executive director of its new Safety and Integrity Alliance. A long-time racetrack official in California, Ziegler had been a senior vice president for Youbet.com Inc. since September.

Ziegler, 38, will be based in Lexington, and he will report to NTRA President Alex Waldrop.

Ziegler started in racing under current Youbet.com Chairman Jack Liebau at Bay Meadows in the mid-1990s. When Liebau oversaw Bay Meadows, Golden Gate Fields, and Santa Anita Park for Magna Entertainment Corp. from 2000 to '04, Ziegler was a vice president at all three racetracks.

Beginning in 2005, Ziegler was a vice president at Bay Meadows and Hollywood Park under Liebau's leadership at both tracks. Youbet.com hired Ziegler to work with its racetrack providers.

“We are pleased to bring in someone with Mike’s experience and passion to head up the NTRA Safety and Integrity Alliance,” Waldrop said. “His role will be crucial to the future of the Thoroughbred industry as we implement a series of important national integrity standards.”

The NTRA formed the Safety and Integrity Alliance in October to implement safety and integrity reforms as a certification/accreditation body. More than 50 racetracks pledged to adhere to the Alliance’s standards, which are largely based on recommendations by the Jockey’s Thoroughbred Safety Committee and the Racing Medication and Testing Consortium.

“The success of the NTRA Safety & Integrity Alliance is essential, and I am proud to be entrusted with this challenge,” Ziegler said. “I look forward to working with everyone associated with the racing industry as we build support and strive for vital safety and integrity improvements all across North America.”

“While we are sad to see Mike leave, it’s a true honor for Youbet.com that one of our own is going to fulfill such an important role in our industry,” said Michael Brodsky, chief executive officer of Youbet.com. “We wish him every bit of personal and professional success in his new endeavor.”

Source: Thoroughbred Times

Massachusetts Speaker, Gambling Foe, To Resign

Sal DiMasi, the speaker of the Massachusetts House of Representatives, has told colleagues that he intends to resign on Tuesday, throwing open the possibility of expanded gambling legislation.

DiMasi is a staunch opponent of expanded gambling and is believed to have exerted considerable political influence in blocking a measure to establish casinos favored by the state Senate and the governor last year.

DiMasi is under investigation by the state ethics commission in connection with a state contract that benefited several of his associates, according to the Boston Globe.

Richard Vitale, DiMasi’s friend and personal accountant, was indicted by a state grand jury. A federal grand jury is investigating Vitale and other DiMasi associates. DiMasi has not been charged with any crimes.

Critics also have questioned DiMasi’s relationship with Joseph O’Donnell, a part owner of Suffolk Downs. The two are longtime friends.

The Globe published an article last year documenting that DiMasi accepted a free round of golf at an exclusive resort at the time Suffolk Downs was lobbying for expanded gambling legislation. House Republicans asked the state ethics commission to investigate whether there is a conflict of interest in the relationship between DiMasi and O’Donnell.

In an interview with the Globe, DiMasi said the ethics controversies were not the reason for his resignation and blamed powerful special interests, especially the gambling industry, for his downfall.

"They are going to be pretty happy by the fact I won't be here," DiMasi told the Globe. "I can hear the clanking of the slot machines now."

DiMasi's future in the state legislature has been uncertain for some time, giving lawmakers who want to succeed him time to line up support.

According to the Globe, two men have emerged as leading candidates for the job. They are Robert DeLeo and John Rogers, close political allies of DiMasi. DeLeo and Rogers are both considered far more supportive of casinos than DiMasi. *Source: Thoroughbred Times*

Decision on Fort Erie on Hold until March

Horsemen hoping to know whether there will be racing at Fort Erie Racetrack in 2009 and beyond will have to wait until at least March 31.

A proposal by Fort Erie Economic Development and Tourism Corp. to buy Fort Erie from Nordic Gaming Corp. for \$35-million and run it as not-for-profit corporation needs more "refinement or revision" according to the Ontario government, which has been asked to financially backstop the deal.

On Monday, six days after the Economic Development and Tourism Corp. publicly unveiled the plan which would use 350 acres of land in and around the track as collateral and provide an immediate loan of \$3.2-million to cover operating costs in 2009, the Province responded with an answer that was neither a yes or a no.

While saying the proposal is "creative and has some merits," it expressed concerns about some of the details, specifically with regards to the Province guaranteeing earnings, wagering, or sales at the racetrack, while having neither control over customer demand for the product nor control over operations or services available at the track.

Jim Thibert, general manager of the Economic Development and Tourism Corp., expressed satisfaction that the Province wants to continue discussions and is optimistic of racing in 2009 and beyond.

In lieu of the decision, the Ontario Racing Commission extended Nordic's license to March 31.

"What do the horsemen do? These people are starving," said Sue Leslie, president of the Ontario Horsemen's Benevolent and Protective Association. "They don't know whether to sell their homes, sell their horses. They have nowhere to train their horses ... I can understand and would support an extension of their license for a week or 10 days or even two weeks while we work out some further details on the latest proposal. But two months?" *Source: Thoroughbred Times*

Train Service to Belmont Park Could Be Cut

A proposal to eliminate daily train service to Belmont Park drew opposition from the state's racing industry and communities surrounding the track at a public hearing on Wednesday evening at Garden City, Long Island.

Under a plan by New York's Metropolitan Transit Authority to cut expenses throughout its bus, train, and subway system, train service to the track via the Long Island Rail Road would end, except for Belmont Stakes (G1) day, which is June 6 this year.

NYRA Communications Director John Lee said at the meeting that he became a fan of Thoroughbred racing because he could get there on the Long Island Rail Road.

"Generations of racing fans and Belmont Park patrons have depended on the 'Belmont Special'," Lee said. "This drastic service cut would undercut one specific and vital Long Island business to the detriment of the surrounding communities."

Thoroughbred owner Stephen Zorn, representing the board of directors of the New York Thoroughbred Horsemen's Association, said one of the target groups for creating new racing fans are the thousands of young professionals who come to New York from around the world.

"Most of these folks don't have cars," Zorn said. "If we want to turn them on to racing and make lifelong fans of them, we need the Belmont Park train service."

Several speakers during the evening noted that curtailing Belmont Park rail service while the state is making plans to commercially develop land adjacent to the track's train station would be counterproductive. *Source: Thoroughbred Times*

Fatality Spike Puzzles Track Officials

In a 10-day period, seven horses have suffered fatal injuries while training at Fair Grounds, a yet to be explained spike in the mortality rate.

The recent breakdowns began when two Tom Amoss-trained horses suffered fatal injuries on Jan. 17. Another Amoss-trained horse broke down the next morning, and since then, four more horses have sustained fatal injuries while training. The most recent injury came Monday, when a Mark Casse-trained filly broke a hind pastern galloping out after a work.

Other trainers who have lost horses are Steve Margolis, Bernie Flint, and Michael Thompson. The Flint- and Thompson-trained horses broke shoulders while galloping, but the other breakdowns occurred during works. The injuries included a broken tibia, a fractured hind cannon bone, and two front cannon-bone fractures.

Over the same period, no horses have broken down in races, but there have been eight racing breakdowns this meet, according to state veterinarian Dr. Tom David, who provided details on the training fatalities. Fair Grounds averages 10 to 14 racing breakdowns per season, according to David. While many tracks compile reports of all training fatalities, such records aren't formally kept at Fair Grounds. At the ongoing meet, which began Nov. 14 and is just more than half over, David said there have been 10 training fatalities.

"I can't figure it out," David said. "They're not the kind of breakdowns you usually see with sore horses, like an old suspensory [ligament] that leads to breaking down at the ankle. These are horses that look sound."

David said horsemen had not complained about the Fair Grounds surface, which has long carried a reputation for safety. Eric Halstrom, Fair Grounds' assistant general manager, said he'd spoken with many horsemen and also had not heard complaints.

"You ask anyone who's out there all the time and they all say the track's in great shape," Halstrom said.

Brian Jabelmann was hired as Fair Grounds' track maintenance supervisor on Dec. 31 and has been deeply troubled by the injuries. Jabelmann said shortly after being hired that both the dirt and turf courses at Fair Grounds needed long-term renovation that he hoped to undertake in the off-season. Jabelmann said Monday that routine tests checking the banking and the base of the surface had revealed no problems.

"I don't believe there's a problem, but there's something going on there," said Jabelmann, who has worked for Louisiana Downs, Fort Erie, and Woodbine, among other tracks. "We're running more tests, but on the surface, there's nothing really showing."

Jabelmann said samples of the track surface had been sent to a Michigan laboratory for analysis. The results could help show whether the composition of the material has changed over time. Fair Grounds has not had a full-time track superintendent since 2006-07, when Roy Favret worked the track for one season. Javier Barajas, Arlington 's full-time trackman, flew in and out of New Orleans during the 2007-08 meet and early this season to oversee maintenance. Halstrom confirmed that no new material had been added to the surface during the last off-season.

No one seems to be blaming Jabelmann, and many horsemen have lauded his work.

"Here's a guy just got here Dec. 31, and he's worked tirelessly on this track," said longtime Fair Grounds trainer Al Stall. "From where I stand up against the fence at the 4 1/2-furlong pole, the track looks smooth and very level."

Leading trainer Steve Asmussen, who worked many of his better horses Monday, said he'd had no problems with the track.

"We run more than anybody, we've worked more than anybody, and the horses have been coming back great," Asmussen said.

But Stall said that he has noticed changes in the Fair Grounds surface this season.

"The track is dull, it's got no bounce to it," Stall said. "This year, the horses hit with more of a thud than a bounce."

That perspective was shared by trainer Mike Stidham, who said he has experienced increased hoof problems often associated with a hard track.

"I'm not a trackman, but I know the type of injuries we've seen are concussion injuries," said Stidham, a 10-year Fair Grounds veteran. "We've not seen as many of that type of injuries before."

There were no breakdowns Tuesday, and the hope remains that the rash of injuries will prove no more than a tragic flare-up.

"If this were to happen till March 28, that'd be different," said Stall, "but I think it's just a spike."

Source: Daily Racing Forum

Encouraging Trends at Barretts

Livened up by its racing-age horses, the Barretts January mixed sale on Monday bucked the recent trend of steep bloodstock market losses.

The one-day auction in Pomona, California, suffered only a slight decline in average price and posted an increase in median. The session sold 202 horses, down from 354 last year, for a total of \$1,232,400. That was off 45 percent, as expected, due to both the smaller catalog and the general 40 to 50 percent decline in the bloodstock market that started in the fall of 2008.

But the Barretts sale's 2009 average dipped only slightly, falling from last season's \$6,288 to \$6,101, and the median increased 13 percent, from \$3,200 to \$3,600. The buy-back rate also rose, but again only slightly, from 28 percent last year to 29 percent.

The 4-year-old Stravinsky filly Sweetpea, already a runner, and a 2-year-old unnamed Orientate filly were joint sale toppers at \$50,000. Sweetpea, out of the Mt. Livermore mare Angel Kate, went to Mark Tatch. She was part of Barry and Judith Becker's dispersal of racing-age horses, handled by the Havens Bloodstock agency. Sweetpea is a half-sister to stakes winner Just for Keeps.

Havens Bloodstock also consigned the Orientate filly, a dark bay or brown daughter of Miss City Princess, by Carson City. Kjell Qvale purchased the half-sister to stakes winner Miss Bridget Jones.

Source: Daily Racing Forum

Vegas Simulcast Deal Extension Expires

An extension to a simulcasting contract between Las Vegas casinos and most of the tracks owned by Churchill Downs Inc. and Magna Entertainment Corp. expired as of midnight on Sunday, introducing the possibility that a blackout of the signals in the racebooks would begin on Wednesday.

TrackNet, a simulcast-marketing partnership co-owned by Magna and Churchill, is pressing the casinos to pay a higher rate for its signals and the casinos have balked.

Two tracks owned by Magna Entertainment - Gulfstream Park and Santa Anita Park - are dark on Monday and Tuesday and will not be affected by the expiration until Wednesday.

Fair Grounds, owned by Churchill Downs, is covered under a contract separate from the expired agreement, according to Kevin Flanery, the vice president of communications for Churchill. The signal from Fair Grounds was available in the casinos on Monday and will be throughout its meet, Flanery said.

TrackNet, a simulcast-marketing partnership co-owned by Magna and Churchill, granted the extension early in January so that the casinos would have the Santa Anita and Gulfstream signals

through the National Handicapping Championship, held in Las Vegas this past weekend. Since then, TrackNet has been unable to reach a deal with the Nevada Pari-Mutuel Association, which represents approximately 80 race books in the state.

Officials for TrackNet and the pari-mutuel association did not return phone calls on Monday.

TrackNet is pressing the casinos to pay a higher rate for its signals, and the casinos have balked. A handful of other financial issues related to who pays the costs of simulcasting are also in the negotiating mix, according to officials. *Source: Daily Racing Forum*

Magna, Churchill Talk Tough with Vegas

Las Vegas casinos are facing the loss of all signals from the tracks owned by Magna Entertainment Corp. and Churchill Downs Inc. as of Monday unless the two sides can come to agreement on a handful of stubborn financial issues.

The Jan. 26 deadline was set three weeks ago when TrackNet, a simulcast-marketing company owned by Magna and Churchill, granted the casinos an extension on an expired contract so as not to disrupt the National Handicapping Championship, an event sponsored by Daily Racing Form and the National Thoroughbred Racing Association which is held annually in Las Vegas. The tournament held this year at the Red Rock Casino Resort, begins on Friday and runs through Saturday.

Scott Daruty, the chief executive of TrackNet, said this week that negotiations on a new contract have "gone backward" since the extension was granted. If negotiations are not successful by Sunday night, Vegas casinos will lose the signals from three of the most popular winter racetracks: Gulfstream and Santa Anita, which are owned by Magna, and Fair Grounds, which is owned by Churchill.

TrackNet and other simulcast sellers have argued for years that Las Vegas casinos pay below-market rates for horse racing signals. In addition, the sellers have begun to object to paying the casinos' costs to conduct simulcasting, an arrangement that sellers say is unique to Las Vegas.

Though racing officials would not confirm the rate paid by the casinos, it is believed to be at or under 3 percent of handle. The casinos, which retain the difference between that rate and the takeout - or approximately 17 percent of each wager - have been able to pay such low rates because of the size of the local market, but racing officials now contend that handle in Las Vegas has shrunk to the point where a higher rate is warranted.

Ten years ago, handle through Las Vegas casinos accounted for approximately 10 percent of the national total. That share has dwindled to approximately 4 percent now, according to Daruty.

"If I'm a big bettor, I can walk into the Bellagio and get comps, free drinks, food, a free room," said Daruty. "But if I stop betting big, and I haven't been to Vegas in three years, and I say, 'Remember me? I'd like my comps back,' they're going to tell me to get lost. It's the same situation here. I'm not underplaying Las Vegas, they are a very critical customer, but they used to be a huge, huge market for us, and now they're not."

Officials of the Nevada Pari-Mutuel Association, which negotiates simulcasting contracts on behalf of more than 80 casinos, did not return repeated phone calls this week.

An official in Las Vegas involved in simulcasting said that he was "not surprised" that TrackNet was taking a hard line with the casinos. The official, whose company would lose money in the event of a blackout, spoke on the condition of anonymity.

"It's the clash of the titans," said the official. "The casinos have leverage from the buying side, and TrackNet, for the first time, has similar leverage on the selling side. I'm surprised it took this long."

TrackNet was formed to put upward pressure on signal rates by combining the properties of Magna and Churchill, which together own 14 racetracks. Over the past two years, the company has sparred with horsemen's groups and pushed for higher rates from offtrack betting sites that are not affiliated with racetracks.

The casinos' position is strengthened because Nevada allows the racebooks to book horse racing bets. So, even if the contract negotiations fail, the racebooks could continue to offer wagering on the Magna and Churchill tracks, although TrackNet is prepared to cut off all access to its racing signals and the data associated with the races. In addition, booking bets creates problems for handicappers, because racebooks have typically put limits on payouts on exotic wagers and do not offer super exotics like the pick six.

The rate that the casinos pay is only part of the negotiations. According to officials, the race books do not pay a host of fees associated with simulcasting, including subscription rates for racing signals (in the racing industry, the subscription rates are called "decoder fees"), nor do they pay bet-processing fees to totalizator companies. Instead, the tracks pick up the subscription fees, and the bet-processing companies provide their services without payment, even though those costs are almost certainly passed along to other racetracks in the form of higher rates.

Daruty said that the negotiations are also hung up on whether race books are adequately providing information on the source of their handle. Account-wagering is now legal in Nevada and Daruty said Magna and Churchill want to be protected if racebooks begin to operate account-wagering platforms in competition with Magna's and Churchill's account-wagering companies.

In all likelihood, some of these issues are being raised by TrackNet in order to have bargaining chips during the negotiations. Daruty acknowledged that the primary issue is "economics," and said that the situation could be resolved with an increase in the base rate the casinos pay.

"With the right rate for the casinos, we'd be willing to let account-wagering go at the same rate," Daruty said. *Source: Daily Racing Forum*

Curlin Repeats as Horse of the Year

Curlin won in Dubai and Big Brown won at Churchill Downs. Now both have won on Miami Beach.

Dubai World Cup winner Curlin was chosen Horse of the Year for the second year in a row Monday night at the Eclipse Awards. Big Brown, winner of the Kentucky Derby and Preakness, was chosen 3-year-old Male of the Year.

The other nominees for Horse of the Year were Big Brown and undefeated Zenyatta, the Breeders' Cup Ladies' Classic winner. Big Brown bested two other nominees for top 3-year-old male: Santa Anita Derby winner Colonel John and Breeders' Cup Classic winner Raven's Pass.

Curlin was chosen top older male over Commentator and Brazilian-bred Einstein.

"I've always believed he's a true champion," said Curlin's co-owner, Jess Jackson. "He's now one of the greats of the industry."

Zenyatta was selected top older female over Ginger Punch and Chilean-bred Cocoa Beach.

Proud Spell was selected the top 3-year-old filly over Music Note and sentimental choice Eight Belles, who broke both front ankles moments after finishing second to Big Brown in the Kentucky Derby and was euthanized.

Steve Asmussen, who worked with Curlin, was chosen trainer of the year over Big Brown trainer Rick Dutrow Jr. and Hall of Famer Bobby Frankel.

"Thank you, Curlin," Asmussen said. "What a special horse."

Curlin set a North American record with career earnings of \$10.5 million before being retired in November at age 4. Besides the Dubai race, his 2008 victories included the Stephen Foster Handicap, the Woodward Stakes and the Jockey Club Gold Cup.

Curlin was fourth in the Breeders' Cup Classic on Santa Anita's synthetic surface, the only out-of-the-money finish in his career.

Big Brown's racing career ended in October when he injured his right front foot while working out at Aqueduct. He won seven times in eight career starts, but his bid for the Triple Crown ended with a last-place finish in the Belmont.

"Unfortunately, many will remember Big Brown for the only race he didn't win," said Michael Iavarone of IEAH Stables, co-owners of Big Brown. "But he was a pleasure to be around, and he was the biggest dream any owner could ever have."

Breeders' Cup Juvenile winner Midshipman won the award for top 2-year-old male over Old Fashioned and Vineyard Haven. Stardom Bound was chosen the best 2-year-old filly.

Garrett Gomez, who won four Breeders' Cup events, was chosen jockey of the year over Robby Albarado and Rafael Bejarano. Pascacio Lopez won the award for apprentice jockey.

Other winners were Stronach Stables for owner, Adena Springs for breeder, Benny the Bull for male sprinter, Indian Blessing for female sprinter, Forever Together for female turf horse and Good Night Shirt for steeplechase horse.

The Eclipse Awards are voted on by turf writers and racing secretaries at National Thoroughbred Racing Association tracks. *Source: Associated Press*

Racino Gambling At The Plainridge Racecourse

At the Plainridge Racecourse, in Plainville, Massachusetts, on Sunday afternoon at about four p.m., C.O.O. Gary Piontkowski outlined on a slide presentation an informational seminar on a proposed plan to erect an additional building that will house additional machines for racino gambling.

He put together a truly outstanding program that explained why this opportunity would be a major source of income for the state and also the fact that the initial structure is there and it is located at a major intersection south of the city of Boston, making it very accessible to people in the southern region of Massachusetts.

Piontkowski took questions from not only people very interested in the idea but people who were not so interested and they were given the chance to ask questions and in some cases stated their opinions on the matter. The crowd of people in attendance included Senator Scott Brown from the his district as well as Representative Richard Ross who was also from the same district.

They both were given time to speak about the possible change in the leadership of the statehouse and also that they were totally behind anything that their voters wanted to get done. They are both very strong advocates of racino racing in their districts. They are hoping to get their constituents behind them once again and pass a bill, and this time have it make it through both the House and Senate with their approvals.

In attendance, were also the Plainville Fire Chief, Temporary Police Chief, Selectmen, Statehouse Lobbyist Rob Krause and other town officials to listen to the information that C.O.O. Gary Piontkowski explained. The amount of revenue that would be generated by the 1500 machines that would potentially be approved by the bill if and when it is passed is enormous.

The number of employees that would be involved once the building was put up and in operation numbered about 1000 people, a number that would certainly help the unemployed in the region.

Representative Bowles from Attleboro was very much interested in the numbers because his city's location is so close to the Rhode Island and Connecticut border that it has far reaching consequences on his city and he was listening very attentively and also asking very pertinent questions relating to his city's lack of funds for the upcoming year.

Gary Plontkowski is hoping for a successful ending to the final vote and looks forward to seeing revenue coming into the state, since the state will be getting 50% of the netted revenue that is generated and based on the total numbers of the active tracks involved they could be looking at about \$400,000,000 generated after one year and about \$80,000,000 just from Plainridge Racecourse alone.

It is something that the state should take a serious look at, because generating money is what this state needs along with more jobs, so this should make this a win, win situation for everybody involved. *Source: Harnesslink News Room*

Proposals May Not Get Out Of Gate

The first gamble for a pair of proposals to allow slot machines at Nebraska racetracks could be whether they can reach the floor of the Legislature for debate.

Three of eight General Affairs Committee members said Monday they are likely to oppose the proposals, and two others sounded skeptical about them. Two committee members expressed interest in the measures but said they wanted to hear from constituents.

The only sure vote appears to be State Sen. Russ Karpisek of Wilber, the committee chairman, who introduced Legislative Resolution 6CA and its companion, Legislative Bill 266.

"I think this would be a very controlled way to get some of that money that is leaving the state," Karpisek said, noting that the bills have no ties to Las Vegas or casinos.

The committee took no vote after a public hearing on the measures Monday. Karpisek said he doesn't plan a committee vote until lawmakers have more time to ponder the measures.

LR 6CA would allow up to 3,500 slot machines at up to seven Thoroughbred racetracks across Nebraska. The state has five racetracks currently, at Omaha, Lincoln, Grand Island, Columbus and South Sioux City.

LB 266 details how the constitutional amendment would be carried out if it were approved by Nebraska voters.

Under the proposals, 40 percent of the proceeds from the slot machines would go to the State Highway Trust Fund and 14 percent to increase purses at horse tracks and aid horse racing-related programs.

Four percent would go to the track's host community, 1 percent for compulsive gambling counseling and the rest - 41 percent - would pay for maintaining the slot machine operations and for administration.

A consultant hired by Omaha 's Horsemen's Park racetrack estimated the machines would generate \$221 million a year. That would mean \$88 million a year for the state's cash-strapped road-building programs, and another \$31 million for the struggling horse racing industry.

Despite a \$300 million shortage of highway construction funds in the state, that aspect of the bill drew little attention at Monday's hearing.

Most who spoke in favor of the measures had ties to the horse racing industry.

Among them was Jesse Compton of Shelby, Nebraska, who works with race horses. He said the industry is likely to die in Nebraska without the kind of subsidy that expanded gambling would provide.

"The future is looking bleak for us," he said, noting that the State Fair Park track might disappear when the fair moves out of Lincoln. "Without the Lincoln market, we wonder how long it will exist. We need to do what we can to save what's here."

Nebraska is the only state with horse racing that does not provide a subsidy of some sort for the industry, Karpisek said. Other states help with tax dollars or with gambling.

Opponents argued that expanded gambling would encourage more compulsive gambling, drain the economy and increase crime and bankruptcies.

Since slot machines typically pay out about 90 percent of the money put into them, revenue of \$221 million means that Nebraskans would have put \$2.2 billion into the machines, said Al Riskowski, executive director of the Nebraska Family Council.

He said Nebraskans rejected expanding gambling twice in recent years, soundly defeating a video gambling ballot measure in 2006 and two separate casino bills in 2004.

"The people of Nebraska have already spoken, and I believe it's up to the Legislature to listen to the people of Nebraska," Riskowski said.

The recent vote seemed to carry weight with Sen. Mike Friend of Omaha, one of the two skeptics on the committee. He said he was reluctant to revisit the issue so soon after voters voted down expanded gambling. The other skeptic, Sen. Colby Coash of Lincoln, said he has questions about whether the constitutional amendment is constitutional.

The three senators leaning toward opposition were Sen. Scott Price of Omaha, who said the measures would open the state to expanded gambling operated by Indian tribes; Sen. Cap Dierks of Ewing, who said he has promised to keep an open mind but historically has opposed expanded gambling; and Sen. Tanya Cook of Omaha, who said she generally opposes gambling but wants to listen to the arguments.

Sen. Kent Rogert of Tekamah said he sees a lot of money leave Nebraska for states that allow gambling but doesn't know yet how he will vote, while Sen. Annette Dubas of Fullerton said the Fonner Park racetrack is very important to her district. *Source: World-Herald Bureau*

Racetrack Dispute Took Its Toll on Horse Trainers

Curtis Daniels rents 17 horse stalls in the barns at Ocean Downs, although last week, only three of them were occupied.

Normally, the trainer would spend the winter breaking in young horses. But since the track closed over a contract dispute earlier this month, Daniels has lost 15 horses that owners have moved to other facilities rather than lose precious training time.

So Daniels has been left with a pair of 2-year-old trotters he is attempting to train by running them around the small barn area, a pregnant mare and a lot of frustrations as the contract negotiations dragged on, keeping him and his horses from the track.

"We are the ones suffering from this," he said. "Really, we are the ones suffering."

What began as a disagreement between Ocean Downs and the Cloverleaf Standardbred Owners' Association over the closing of the backstretch -- the stabling and training facility -- evolved into a dispute about slots money and the future of racing at Ocean Downs before it was resolved late Friday.

The dozen or so trainers left at the racetrack, and Ocean Downs' employees, were stuck in limbo for almost a month while officials from both sides determined their fate. The track reopened early Saturday morning.

None of the 60 or so employees at the racetrack were laid off while the simulcasting signal -- Ocean Downs' only form of winter revenue -- was canceled. General Manager Pete Szymanski said that the staff used the time to fix up and clean the aging facility.

"We are giving it the white glove treatment," Szymanski said. "There's a lot of maintenance related work that needs to be done and it's giving us a chance to catch up."

And while the staff is staying busy, the trainers say there is little more they can be doing under the circumstances.

Sharon McIntyre's family has been racing and training at Ocean Downs since the track's second season, 59 years ago. McIntyre keeps three trotters at the track that, for the past month, have not spent much time outside their stalls.

"Right now all we are doing is cleaning the stalls and feeding them," she said, adding that the lack of training is doing a lot of damage to the physical condition of her high-strung horses.

Like many of the trainers at Ocean Downs, McIntyre said she didn't know what was happening with the negotiations except for the rumors circulating around the barns and the occasional press release.

"I really don't know who to blame," she said. "Because they say one thing and the other side says another."

Several trainers have already left, choosing to move to farms in Delaware and small facilities in Maryland instead of wasting time that could be spent training.

Maria Santone, who with her boyfriend Richard Ringler, oversees the training of 23 horses, said she has already started looking for a new place, knowing that it will be a challenge to find enough stalls anywhere else.

"Twice in these three weeks, they were ready to sign the contract, we were told those nights that we would be back on the track tomorrow, and then it would come, and nothing," she said. *Source: DELMARVA Media Group*

Major Fines in New York

New York State Racing and Wagering Board Chairman John D. Sabini today announced that three licensed trainers involved in harness racing are facing strong sanctions after investigations turned up evidence linking them to the 'milk-shaking' of race horses.

The disciplinary measures were unanimously imposed by Chairman Sabini and Board Members Daniel D. Hogan and John B. Simoni following their review of information implicating the trainers in the administration of excessive levels of TCO2 to horses under their control.

"The integrity of racing is a top priority for this Board and those who flout our medication rules are going to have to accept the consequences of their actions," Chairman Sabini said after the Board rejected appeals filed by the three trainers.

Two trainers – Robert W. Sumner, 47, of Windsor, Conn., and Timothy D. Case, 41, of Middletown, NY – are facing five-year suspensions of their state racing licenses in connection with separate incidents.

The penalties against Mr. Case stemmed from alleged TCO2 violations involving a horse called R U Bartlett at Monticello Raceway in February 2008 and a horse called Fox Valley Lovebug at Yonkers Raceway in November 2007. The Board also directed Mr. Case to pay a total of \$7,500 in fines.

The penalties against Mr. Sumner grew out of improper levels of TCO2 found in a horse called Arts Mattjesty in April 2008 and February 2008, and in a horse called Sporty Nate in February 2008, all involving incidents at Yonkers Raceway. Mr. Sumner is facing a total of \$8,500 in fines.

The third trainer facing discipline, Keith J. Kash, 29, of Medina, Ohio , faces a one-year suspension after the Board found he tampered with Mercedes Killean, a quarantined horse at Buffalo Raceway, in April 2008. An excessive level of TCO2 had been found in that horse. Mr. Kash is facing a total of \$2,000 in fines.

Chairman Sabini and Board Members Simoni and Hogan thanked George Maylin, a Cornell University professor who directs the Board's equine drug testing program, and members of the Racing and Wagering Board staff who assisted in the investigations. (New York State Racing and Wagering Board) *Source: Standardbred Canada*



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