



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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Forum shows business upside, trainer contention over synthetic surfaces

Trainer opinions varied, but business metrics and catastrophic injury rates were favorable on synthetic surfaces compared to their dirt predecessors in evidence and dialogue from a Wednesday forum at Santa Anita Park on California's track surfaces.

Santa Anita President Ron Charles confirmed during the dialogue that the track's troubled synthetic surface would be replaced at the end of the meeting, which was interrupted by 11 cancellations related to drainage problems from January 5 to February 4.

Those issues prompted the California Horse Racing Board to organize the day-long conference that included panels of jockeys, synthetic track manufacturers and experts, trainers, veterinarians, track maintenance officials, racing secretaries, owners, handicappers, and racetrack executives.

Drew Couto, president of the Thoroughbred Owners of California, said handle, purse revenue, and field size have increased during every meeting at a California racetrack with a synthetic surface. Hollywood Park was the first California track to replace its dirt track with the installation of Cushion Track prior to the 2006 fall meet.

Couto did not include results from the current Santa Anita Park meet, which has been riddled with issues with the Cushion Track installed last summer. The CHRB required all major tracks in the state to have a synthetic surface in place by the start of 2008.

Rick Arthur, D.V.M., the CHRB's equine medical director, presented statistics showing that fatalities have decreased by 60% in racing over synthetic surfaces in California, compared to the previous dirt tracks.

Bob Baffert, John Shirreffs, and Julio Canani were among the trainers who voiced their staunch opposition to the synthetic tracks.

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"We're in a crisis or we wouldn't be having this meeting," said Baffert, who recently lost three promising three-year-olds from his roster when owner Ahmed Zayat transferred his California-based horses out of the state out of frustration with the surface at Santa Anita.

Baffert said he advocated synthetic tracks until he trained and raced over them. Baffert was a vocal critic of the new Polytrack at Del Mar last summer because the surface played differently from morning to afternoon.

"I bought into it," Baffert said. "Right now, they seem like an experiment and a work in progress. I feel that it is hurting the business. These vendors ... have sold us a bill of goods. They sold us these tracks that didn't do what they were supposed to do. They disrespect the ability of a horse and the contest of horse racing, where the best horse is supposed to win or the fastest horse is supposed to win."

Baffert and Ron Ellis had a terse exchange over Baffert's views. Ellis, seated next to Baffert in the panel of ten trainers, told Baffert that "You're not looking past your barn."

Ellis cited the influx of horses from owners Darley Stable and Coolmore and trainers Todd Pletcher and H. Graham Motion at Hollywood. In response, Baffert pointed out that Ellis plans to ship 2005 Santa Anita Derby (G1) winner Buzzards Bay out of town to race on dirt at Oaklawn Park.

Shirreffs said he has noticed a large increase in hind-end injuries and pulmonary bleeding.

Conversely, trainer David Hofmans said the injury rate in his barn has gone way down with the surface changes.

"The problems that I have had have been fixable problems, problems we can live with," Hofmans said. "I have a problem of having too many horses because I'm not turning horses out at the rate that I used to, and horses are making it back from these minor problems instead of any career-ending problems."

In a panel of veterinarians, Jeff Blea said his practice has noticed a decrease in shin problems since synthetic tracks have been installed, while hind-end and foot injuries have increased.

Greg Ferraro of the University of California-Davis recommended the launch of a five-year national commission to supply data on synthetic tracks.

Garrett Gomez, David Flores, and Gary Stevens made up a jockey panel that strongly advocated synthetic surfaces. Gomez and Flores said they are less sore when they race over the new tracks, particularly compared to sealed dirt tracks.

Near the end of the six-hour discussion, Hollywood General Manager Eual Wyatt Jr. said, "Maybe not unanimously, but from what I heard today, synthetic surfaces are considered better than the surfaces we had. ... I think the board's reason for mandating the synthetic surfaces was to have better tracks. I thought at one point that the mandate was probably premature. I don't believe that anymore, I think that it was timely.

“We also heard today that in order to go forward in a positive manner and get the most of our \$40-million, \$50-million expenditures, we need to employ science. We need to do it together.”

Source: Thoroughbred Times

Commentary: The Right Move

By Bill Casner

“No Good Deed Goes Unpunished”

No one understands this better than Richard Shapiro and his fellow California Horse Racing Board members in the wake of the problems with Cushion Track at Santa Anita.

Ignorance is rampant in this industry and a group of critics emerged in force to condemn the leadership of Shapiro, even calling for his resignation. They assert that the CHRB was too quick in recommending the mandate to convert from dirt to synthetic surfaces. I suppose the suicidal injury rate that California dirt tracks had experienced must have been acceptable to this group of naysayers and somehow they thought Shapiro and the board should be held accountable for the poor surface installation by the vendor.

The data overwhelmingly shows that the CHRB made the correct decision for the horses, the riders, and the industry. The reduction of catastrophic injuries at California tracks since the installation of synthetic surfaces has been reduced by more than 50%, mirroring the national average for reductions experienced by other tracks installing synthetic surfaces. Field size has increased significantly at all tracks with Golden Gate Fields averaging nearly two additional horses per race despite the heavy rains they are experiencing this winter.

Perhaps one of the most telling statistics is that of 2-year-olds at this year’s Oak Tree meet at Santa Anita in comparison to 2006. This is the first year that virtually an entire group of 2-year-olds have trained and raced over synthetic tracks.

- In 2006, there were 8.3 entries per race with three races not filling. In 2007, there were 10.77 entries per race with one race not filling.
- In 2006, there were only four full fields (12 horses) out of 14 races (28%). In 2007, there were nine full fields out of 17 races (53%).
- In 2006, there were six races out of 14 that had seven or fewer horses in the field (43%). In 2007, there were only four races out of 17 that had a field of seven or fewer (reduced to 23%).

These statistics reflect what we as owners are seeing and what trainers are telling us—young horses are staying sounder and getting to the races on schedule.

But probably the most compelling reason that supports the decision of Shapiro and the CHRB to support the mandate is the increased safety that synthetic surfaces represent for our riders. This aspect seems to slip through the cracks when the pros and cons are discussed. Each percentage

point drop in catastrophic breakdowns to our horses represents a drop in the opportunity for a rider to be seriously injured or killed.

I would submit that Shapiro, the CHRB, and the California tracks have done a tremendous service to our industry. They have stepped up and shown brave leadership in an industry that is, all too often, its own worst enemy. The unacceptable attrition rate of our horses cannot be sustained by owners, either financially or emotionally. In an industry that is struggling for new and younger fans, breakdowns instill a psychological blow to the fans' racing experience, with many choosing never to return. And our riders, who put their lives on the line each time they are legged up on a horse, deserve to have the safest possible racing surface that can be provided in all kinds of weather.

My biggest fear is that tracks and racing jurisdictions that may have been considering the installation of an all-weather surface will now have a reason to retreat back into that black hole of tradition we have languished in for decades. When you do things the same way, you can expect the same results. It has been refreshing to see the accelerated acceptance of this new surface technology that shows so much promise for the safety of our horses and riders. We can hope the mistakes that were made in the installation will serve to advance the science and increase future diligence. Let us hope there will be other strong and visionary leaders, whether they are jurisdictional boards or CEOs, like Shapiro and the CHRB, that are willing to do the right thing for the industry.

If not, it will be our horses, our riders, and each and every one of us that who ultimately pay the catastrophic price.

Bill Casner is the co-owner of WinStar Farm near Versailles, Ky., and chairman of the Thoroughbred Owners and Breeders Association.

Source: Bloodhorse

Kentucky unlikely to begin steroid rules by January 1

By Frank Angst

The timing of Racing Medication and Testing Consortium (RMTTC) research into anabolic steroid withdrawal times and threshold levels will make it difficult for the Kentucky Horse Racing Authority to implement new steroid rules by January 1, a date the regulator had set as a goal.

RMTTC Chief Executive Officer Dan Fick said at a Monday meeting of the Kentucky Authority that a Florida study to determine withdrawal times and threshold levels for four permitted anabolic steroids should be completed by August and possibly as early as June. Kentucky Authority Executive Director Lisa Underwood acknowledged that an August completion would make it difficult for Kentucky to finish all of the needed hearings to have a new rule in place by January 1, which would coincide with the beginning of the 2009 racing season.

"If the testing is not completed by August, it's going to be tough, frankly, to make a January 1 deadline," Underwood said. "It could take six months or longer after the tests are completed."

Funded by the RMTTC, the Florida research uses horses in a simulated training program to determine how their bodies react to the permitted anabolic steroids and how quickly the levels decrease. The

four permitted anabolic steroids are stanozolol (Winstrol), boldenone (Equipoise), Nandrolone, and testosterone. Nandrolone and boldenone occur naturally in intact males and testosterone occurs in all horses.

The Association of Racing Commissioners International (RCI) has approved model rules on the use of the four androgenic anabolic steroids and has banned the use of any other anabolic steroids in racehorses.

Fick encouraged the Kentucky Authority to stick with the goal of putting a rule in place by January 1, noting that four states, Arkansas, Indiana, Virginia, and Washington, currently have adopted the RCI model rules and two states, Arizona and Iowa, regulate anabolic steroids under existing rules. He said 15 other states have begun the rule-adoption process.

“By the end of the year, we should have 20 states testing for anabolic steroids,” Fick said, noting that National Thoroughbred Racing Association President Alex Waldrop will address a United States congressional subcommittee on the issue on Wednesday.

If needed, Fick said Kentucky could approve the model rules and amend withdrawal times and threshold levels as they become available. He said Indiana helped ease horsemen into the new testing by allowing a three-month period in which only warnings were issued after horses tested positive. Also, Fick said international standards are already in place and the Florida research will only add to that information.

“We know these anabolic steroids are commonly used and in some cases abused,” Fick said, stressing the need to adopt the model rules.

Marty Maline, executive director of the Kentucky Horsemen’s Benevolent and Protective Association, opposed putting a rule in place with plans to update withdrawal times and threshold levels.

“We are in support of regulating steroids,” Maline said. “However ... basically what we are dealing with is a rule that is not ready for primetime.”

Of particular concern are testosterone levels. Maline cited veterinarian reports that male testosterone levels can vary significantly from horse to horse. Also levels can increase and decrease during different seasons and can even vary based on the amount of daylight horses receive.

Kentucky Authority Racing Veterinarian Lafe Nichols agreed that of the four permitted anabolic steroids, testosterone would require the most research in terms of withdrawal times and threshold levels.

Source: Thoroughbred Times

Louisiana committee strikes down medication rules

By Myra Lewyn

Louisiana is back to being a major racing state that does not have the Racing Medication and Testing Consortium’s Model Rules in place to some extent.

The Louisiana Racing Commission adopted the model rules in December 2007 under the state's emergency procedure provision, and the rules took effect on February 1. Ten days later, however, the Louisiana Senate Commerce Committee reversed the commission's adoption of the regulations for failure to follow procedural rules.

Commission Executive Director Charles Gardiner said the commission was considering its options.

Governor Bobby Jindal's office can override the committee's ruling and has asked the commission for the supporting documentation that went into the five months of deliberations that led to the commission's emergency enactment of the rules.

The Louisiana Horsemen's Benevolent and Protective Association challenged the model rules, whose language already has been adopted in some form by 30 of 38 racing states.

Louisiana HBPA President Sean Alfortish said his group was not categorically opposed to all the regulations, but because they were implemented immediately under the emergency procedure provision some rules posed an undue hardship on horsemen.

Regulations struck down include the so-called five-hour rule, which requires every horse entered in a race to be on track grounds five hours before post time for a pre-race examination by a veterinarian, who would also administer any bleeder medication.

Alfortish complained that there is not adequate stall space to accommodate the horses that ship in for races from the state's numerous training centers.

"Some horsemen were holding their horses on the van outside their truck. That's unfair," he said. "[The commission] needed to give tracks the necessary time to accommodate horsemen and mandate a minimum amount of stall space for ship-ins."

Prior to the adoption of the model rules, Louisiana was among only a handful of states that did not mandate a pre-race exam, and horses could be administered bleeder medication prior to arriving at the track.

"It's not so much the model rules as the way they were passed," Alfortish said

Along with attorney Jim Gelpi, Alfortish argued before the committee that the commission adopted the rules when there was no emergency. They also said the commission had abused the emergency procedures provision during the past five years, implementing 90% of its rules using such procedures without stating the nature of the emergency, a violation of state law.

Gardiner said the nature of the emergency was the health and welfare of the horse and rider.

"The commission felt that our horses and riders were in danger. We had an unusually high number of breakdowns...catastrophic breakdowns and the commission felt it was an emergency issue," he said.

The commission adopted the regulations at a meeting on December 14 under the emergency procedure provision, citing 60 catastrophic breakdowns at recent Thoroughbred meetings at all four of the state's tracks prior to the commission meeting, Gardiner said.

Under other rules struck down, only one of three approved nonsteroidal anti-inflammatory medications (NSAID) were allowed to be administered between 24 and 48 hours from post time. Previously, three NSAIDs were allowed.

“The [commission] stated that they were concerned with the safety and welfare of the horse [in adopting the rule under emergency procedures], however, no one is more concerned about the welfare of the horse, integrity of the sport and better than the Louisiana HBPA,” Alfortish said. “Furthermore, there has not been a case in Louisiana where a horse had broken down due to an overmedication.

“Louisiana has always been ahead of the curve of the rest of the nation when it comes to medication and testing. Everything we were doing was working.”

Earlier this year, RMTC endorsed a December 31 deadline for a nationwide adoption of model rules regulating the use of anabolic steroids in racehorses.

Source: Thoroughbred Times

Industry reps argue prevalence of cheating in racing

By Ed Derosa

There is unanimous consent among industry stakeholders that horse racing needs to improve at least the perception of cheating in the sport, but acrimony continues among groups as to whether that perception is correct and which party ultimately is responsible for policing the sport.

The above discussion played out on day two of the joint annual meeting of the Thoroughbred Racing Associations and Harness Tracks of America on Wednesday in St. Petersburg, Florida.

“The industry bashes itself too much when it comes to drugs,” said Alan Foreman, chief executive of the Thoroughbred Horsemen’s Association and vice chairman of the Racing Medication and Testing Consortium. “We had 1% positive tests, and I take that as a positive. Our penalties are stiff. Some people think they’re not enough, but we rarely see someone with two positives.

“We do have cheaters. It’ll never be a perfect business, but if we continue to reinforce the negative then more people will start to believe it.”

Dennis Dowd, vice president of racing for the New Jersey Sports and Exposition Authority, was not as optimistic.

“When you have one rat in the shedrow, you have 100 in the wall,” he said. “Is it really right to trumpet the 1% figure?”

“Marion Jones won umpteen gold medals and never tested positive for anything,” noted Standardbred racino owner Jeff Gural. “I don’t know how you can trumpet that 1% figure when the Olympics could catch Marion Jones with a nearly unlimited budget. Horsemen should work with track owners. This is their livelihood, and it won’t be around if this keeps up.”

It is not for lack of trying that those in a position of power have been unable to catch everyone who cheats. Regulators spend between \$30-million and \$40-million per year on drug testing, but they require more money for better testing. Where that money would and should come from is a complex question.

“We have an obligation to the participants and the betting public,” said Racing Commissioners International President Ed Martin. “I talked to an owner-trainer in Ontario who told me a vet pulled up on the backstretch and asked him if he wanted to buy ‘the bomb.’ ‘Well, what’s in it?’ ‘I don’t know.’

“When did we allow the vet to become as important as he is right now?”

“The ideal scenario is to test every horse pre race for as many drugs, but states pay \$20 a sample,” RMTTC Executive Director Scot Waterman, D.V.M., said. “The government implores us to be clean, but they don’t give us the money to do the job.

“The money we spend blows any other sport or country away, but that figure [\$30-million-\$40-million] hasn’t budged in 17 years.”

Source: Thoroughbred Times

CHRB to hand over necropsy information

By Pete Denk

The California Horse Racing Board has agreed to pay California horse owner Jerry Jamgotchian \$19,440 in attorney’s fees and costs, and a Los Angeles County Superior Court judge has ordered the CHRB to turn over necropsy submission forms for horses that died on California tracks in 2006 and part of '07.

Although much of the information on the reports will be redacted, the judge ruled that the date and time of a horse’s death, track and location where it occurred, and the names of the attending veterinarians were subject to the public records act.

“I didn’t believe the fatality statistics that were put out by the CHRB website or the new facts [CHRB Equine Medical Director] Rick Arthur [D.V.M.] was stating to be true at recent CHRB board meetings,” Jamgotchian said on Tuesday. “Little did I know the CHRB would fight so hard to keep these reports secret, especially when the CHRB under [Chairman Richard Shapiro] was supposed to be transparent and open. Well, they lost in court and have now been ordered to produce them.”

The CHRB declined Jamgotchian’s open records request, initially made on June 18, 2007, citing a California Deputy Attorney General’s opinion.

Jennifer Henderson, deputy attorney general for the state of California, said her office recommended not turning over the information because of a statute that says information related to veterinary care is confidential.

“The court acknowledged there was an obligation to keep much of the information confidential, but it decided some of the information was public,” Henderson said. “Because of the way our public records

act is set up, if any documents are ordered to be produced for the petitioner, it counts as winning, and the prevailing party is entitled to fees.”

Arthur defended the data released by the CHRB in its annual report as accurate and consistent. Arthur said necropsy reports should not be made public because in some cases they contain information from private veterinarians.

“[Jamgotchian] should not be getting confidential information that practicing vets have supplied to us. It could give a very chilling effect on our ability to get proper information if people can go out and say, ‘Look what I found,’ ” Arthur said. “These forms may have some implications for breeding decisions, in addition to personal information about how a veterinarian treated a horse.

“Here is a guy who has filed over 100 public records requests against the board and he’s won a couple of cases. He looks for things to find controversy in. It’s really harassment. The fact of the matter is that he has distracted the board, and it’s just a game for him.”

CHRB Vice Chairman John Harris said after the ruling that he believes necropsy reports should be made available.

“It may be there are conflicting statutes on disclosure, but I feel we need to work to be sure these necropsy reports are not precluded from full disclosure, even if it requires a law change,” Harris said. “The board clearly never had an up or down vote on providing the necropsy reports. We relied on the California Attorney General’s office to handle the matter of what to provide.”

Source: Thoroughbred Times

Last-minute twist revives gambling bill At issue is whether the amendment should reserve casino licenses for racetracks

By Tom Loftus and Joseph Gerth
The Courier-Journal

A bill to legalize casino gambling survived a series of bizarre legislative twists yesterday that revealed a major split within the leadership of the House Democratic majority.

In the morning, two versions of the proposed constitutional amendment -- which would authorize nine casinos and is Gov. Steve Beshear’s top priority -- failed to win approval from a House committee.

But yesterday afternoon House Speaker Jody Richards, D-Bowling Green, led a rare move to change the membership of that committee and get the bill to the House floor.

Richards removed Rep. Dottie Sims, D-Horse Cave, because she did not vote for a version of the amendment that he supports.

Then he and two other House leaders added two new members to the panel -- over the objections of Speaker Pro Tem Larry Clark, D-Okolona, who supports a different version of the amendment.

"I want to get that amendment out of committee, and we intend to do it," Richards, D-Bowling Green, told reporters later.

But Clark called Richards' move "the cheapest form of petty politics I've seen up here in 24 years -- to take a member off a committee because she did not vote the way the speaker wanted."

Sims was furious and almost in tears over her dismissal. "It's communist," she said of her ouster. "... The leadership is in disarray. They're split."

At day's end, the bill remained in the House Elections, Constitutional Amendments and Intergovernmental Affairs Committee.

The committee, with its new members, could reconsider the measure at its next regular meeting March 4 or at a special meeting before then.

In between the bill's near-death experience and Richards' move to revive it, Beshear chastised the five House leaders, demanding that they stand by the commitment they made to him to work together to pass it.

"I publicly call on them to get their act together quickly," Beshear said in a statement released after the committee had voted against the bill. "Only with their unified support will this amendment stand a chance of passage."

Licenses for racetracks

At issue in the split among the House Democratic leaders is whether the amendment should reserve some of the nine casino licenses for the state's racetracks.

Richards, House Majority Leader Rocky Adkins and Democratic Caucus Chairman Charlie Hoffman favor a version that would allow tracks to hold as many as five of the licenses but would guarantee them none.

The speaker contends it's the only version that has a chance of winning House passage, which requires a three-fifths vote of approval.

Clark and House Democratic Whip Rob Wilkey of Scottsville favor a version that would set aside five of the nine licenses for bidding among the tracks.

On Monday night, the five leaders met with Beshear for nearly 30 minutes. They agreed that, despite their differences on the tracks, they would support whatever version of the bill the committee approved yesterday morning.

But that pledge unraveled when the panel failed to send any version to the House.

The committee first considered the one favored by Richards. But it was defeated by a 5-6 vote on a motion to adopt it as a substitute for the original bill. Sims was the key vote against the motion.

She acknowledged later that she had told Richards Monday that she would vote for his version. But she said she changed her mind yesterday after talking to Wilkey.

The committee next voted 6-4, with one member passing, to adopt the version that would reserve five of the maximum nine casinos for the tracks. The vote essentially brought that version of the bill to the committee for a final vote to send it to the House floor.

But on that final vote, the committee rejected it 3-5, with three members passing.

Wilkey said later that an amendment reserving five licenses for the tracks is needed to ensure that Kentucky's horse industry can compete with so-called "racinos" in neighboring states -- casino-style gambling at tracks that use the revenue to pump up purses and fund breeder incentives.

"I'm not sure what the speaker's motivation is," Wilkey said. "He certainly is strongly in favor of an amendment that the industry does not support."

Kevin Flannery, vice president of national public affairs for Churchill Downs Inc., said the horse industry isn't taking a position at this point, and will "wait and see what comes out of committee."

"Whatever we do, it has to protect the horse industry, though," he said.

During a break in the House session yesterday, Richards made his move to resuscitate his version of the bill. He called a meeting of the Committee on Committees, which is made up of the five Democratic leaders and the Republican floor leader, and controls the membership of House committees.

Outlook for proposal

Both Wilkey and House Republican Leader Jeff Hoover of Jamestown were absent. Richards, Adkins and Hoffman voted to remove Sims from the committee, against only Clark's objection.

Richards and his two allies then voted to add to the committee Democrats Tim Firkins of Louisville and John Will Stacy of West Liberty.

The speaker said afterward that he chose Stacy and Firkins because both had served on the subcommittee that came up with the gambling proposal he backs.

"They voted for it once," he said. "I would expect them to do it again."

Sims said Richards' tactics were heavy-handed and that she would not back him next year if he chooses to run again for House speaker.

Richards said he supports the version that doesn't reserve licenses for the tracks, among other things, because it was the one supported by the subcommittee and that can win House passage.

Any version that emerges from the House must go to the Republican-led Senate where its chances have always appeared slim. Senate President David Williams, R-Burkesville, said he does not expect the bill to emerge from the House.

He criticized Beshear and House Democrats for not focusing on other important issues this legislative session, such as the budget. "The governor is not doing anything on anything else," he said.

Source: Louisville Courier Journal.

Dog racing injuries increase More greyhounds broke legs at Dairyland racetrack in 2007

By Don Walker

Seventy-six greyhounds broke their legs racing last year at Dairyland Greyhound Park, an 18.7% increase over the year before, state records show.

A broken leg, or hock, is considered to be one of the most serious injuries a greyhound can suffer at a track.

In all, a total of 462 injuries were reported at the track last year, a 19% increase from 2006.

Of those 462 injuries last year, 363 involved dogs that suffered muscle-related injuries, sprains or fractures. Track owners have complained for several years that the state's Gaming Division, which regulates the track and compiles injury statistics, throws together relatively minor injuries like nail or tail injuries along with the more serious injuries.

The 2007 report makes a distinction between the more severe injuries and the minor ones.

Asked to explain why more dogs are breaking their legs, state officials pointed to a number of factors, including the condition of the track, the race quality of the greyhounds and the weather. Greyhounds run year-round at the track, which opened in 1990 and is the state's last remaining dog-racing track.

Jenifer Barker, a state veterinarian on site at Dairyland who treats most of the injured dogs at the track, cited the condition of the track's surface and the overall deterioration of the greyhound industry in general as reasons for the increased injury rate.

The track has not been completely resurfaced since at least 1995, according to Bill Apgar, the track's general manager. However, he said, the track is constantly maintained and groomed for the dogs.

"Nobody likes injuries," he said. "This is an athletic contest, and injuries do happen. We spare no expense in making the track as safe as we can."

Apgar said the track employed four full-time employees to groom the track, plus three part-timers. In addition, a maintenance director, the track's racing director and Apgar himself monitor the track, he said.

Apgar said that not every injury is attributable to the track itself. "A third of these injuries were injuries when the dogs were bumped in turns. Other injuries could be the result of genetics. Maybe the dog got bumped, didn't show any effects right away and the next time he ran, he broke down," he said.

Barker said her veterinary peers around the country did not have a set policy on how often a track needs to be resurfaced, but said a rule of thumb is every three to five years.

Industry experts have differing opinions on what constitutes a well-maintained track that minimizes injury. Some say a hard surface is the best surface; others say a more forgiving surface can minimize injury.

Barker also said the greyhound industry has been in decline for years, a victim of differing tastes and the growth of casino gambling.

"Some have called it a dying industry," she said. "There's not much money in it, and there isn't as high caliber of help as there used to be."

Barker recalled a time in the 1990s when each kennel at a dog track would have several helpers on duty. Today the average is more like two helpers per kennel.

Dan Subach, the Gaming Division's chief steward at Dairyland, said a number of factors played a role in the number of injuries. But all parties are trying to address the frequency of injuries.

"It will take enormous efforts by numerous parties. . . to hopefully have a positive impact on this," he said.

According to Subach, weather plays a role in injuries at Dairyland. The dogs are subjected to rain, wind, snow, sleet and very dry conditions.

"And there is a concern that the quality of dogs Dairyland is getting is not as good as they've seen in the past," Subach said. "And that quality may be related to past health issues, or previous injuries. Finally, when dogs run well, they tend to be moved out to other tracks.

"We want to look at the kennels and the education and training at the kennels, and make sure they are putting a sound animal on the track."

Besides pari-mutuel greyhound racing, the track also offers simulcast horse and greyhound racing from around the country. In 2006, the track reported it had lost \$2.84 million; track owners say they expect to report they lost millions in 2007.

The owners of Dairyland are awaiting federal approval of a proposed more than \$800 million casino-convention center project that would be built on the grounds of the dog-racing track. The Menominee tribe has an option to buy the track for \$40.5 million. The tribe is partners with the Mohegan tribe in Connecticut to build the complex and continue live dog racing. The Mohegans would develop and manage the casino for seven years.

Source: Milwaukee Journal Sentinel

Fight to save OTB may end up in court

By Phil Helsel

Although state officials and New York City Off-Track Betting Corp. began meeting almost immediately after the wagering franchise voted last week to close in June because of cash problems, a legal dogfight could be in the making.

The key difference in court, if it comes down to that, will come down to cause and effect. It's illegal for the city, which controls Off-Track betting, to shut down the franchise because the state law that set up the system leaves that authority solely to the Legislature in Albany.

But if the city refuses to pump more cash into the franchise, an issue which Mayor Michael Bloomberg addressed in no uncertain terms, it will shut down when it runs out of money in June.

"The city simply cannot take dollars away from schools and hospitals to pay for a gambling operation," Bloomberg said in a statement on Tuesday, the same day he urged Off-Track Betting's board of directors to adopt the closure plan. "We have no business subsidizing betting parlors at the expense of city taxpayers, particularly at a time when we're asking all agencies to cut their budgets." The Empire State Development Corporation (ESDC) believes that by cutting off funding, the city has effectively dissolved Off-Track Betting, which would be illegal. A spokesman for Bloomberg said "on that, we disagree," and maintained that the city is within its legal rights in refusing to bail out the system.

So far neither the ESDC, which deals with racing issues, nor the union that represents 1,300 of the 1,500 workers employed by the city's Off-Track Betting system is threatening to sue the city over the closure plan.

Under the plan, unless some solution to Off-Track Betting's money woes is reached, layoff notices would be sent to most of the system's employees on April 17, and operations would cease on June 15.

"This is a complicated state/city relationship and the state may have a little more power, but it's hard to see how they could force the city to operate something at a loss," said Columbia law professor Richard Briffault, the school's Joseph P. Chamberlain Professor of Legislation and an expert in the interplay between local and state government. "Maybe the city can't dissolve OTB, but if they stop paying for it the operations will cease."

Off-Track Betting expects to have a \$1.1 million shortfall in June. Sources familiar with the situation say that there would be some "point of no return" where a solution would be unable to stave off closure.

If the gauntlet is thrown, it will likely be by the union, District Council 37, or Off-Track Betting's employees because they have the most to lose.

However, District Council 37 Local 2021 president Lenny Allen wasn't talking a lawsuit in a brief statement e-mailed to the Advance.

"I want all involved to know that I am optimistic," Allen said. "According to the time frame that's being discussed, we are some distance away from the point of a proposed closure of NYC OTB.... These jobs are important for the workers and the communities in which they reside. These jobs also generate millions in revenue for both the City and State governments."

Warner Johnston, a spokesman for the ESDC., wouldn't say whether a legal challenge might come from it, and said the corporation's official stance is that a solution appears likely. However, "we have a lot of hard work ahead," he said.

Off-Track Betting has been profitable for Albany. According to the ESDC, the state got \$16.8 million from the city's Off-Track betting system last year.

Many Island lawmakers and others in Albany, as well as Bloomberg, have pointed the finger at the state formula that dictates how much money Off-Track Betting must pay to the state and the New York Racing Association, which was just bailed out itself in a controversial law passed in Albany earlier this month. That law gave the NYRA a 25-year franchise on racing in New York and included \$105 million in state funds to allow the association to get out of bankruptcy.

The mayor's office says that Off-Track Betting has been posting deficits for the last four years thanks to increasing fees, and that it has been insolvent since 2006 and only able to hang on by using "cash flow management techniques," which have included delaying payments to the racing industry and spending its unrestricted cash. Last year, it made \$129 million in profit but had to pay \$138 million in state-mandated disbursements, the mayor's office said.

The ESDC also hinted last week that the disbursement formula will be changed. Downstate chair Patrick Foye said that "multiple tweakings" in past have largely resulted in Off-Track Betting's current predicament.

Briffault, of Columbia said that the language used by Bloomberg in announcing the closure plan suggests that the city is trying to head off a potential legal challenge. The closure plan calls for layoffs, not the outright terminations that occur when a private business, such as a factory, goes under.

"If they're laying off they're not dissolving -- the idea [of a layoff] is at some point they may come back," Briffault said. "There may be a technical difference. It's like if you have a state agency, and they don't get an appropriation. They don't dissolve, but they can't do anything."

Source: Staten Island Advance

Day two of USTA Board meetings focus on integrity

by John Pawlak

Integrity, and those who do something about it instead of talk about it, was the theme on the second day of the annual meeting of the Board of Directors of the U.S. Trotting Association, taking place this weekend in Columbus, Ohio.

"There are some who criticize us in the sport for not doing anything about integrity," Phil

Langley, the USTA president, said in introducing the members of a panel who discussed the topic before the Board on Sunday morning.



USTA/Mark Hall Photo

"These individuals, however, are doers," Langley said while introducing the participants: Frank Fabian, the president of Standardbred Investigative Services; Dan Fick, the CEO of the Racing Medication and Testing Consortium (RMTTC); Ed Martin, president and CEO of the Association of Racing Commissioners International (ARCI); Tom Charters, president and CEO of the Hambletonian Society/Breeders Crown; and Joe Gorajec, executive director of the Indiana Racing Commission.

Regulatory meeting

Fabian's organization, in part funded by the USTA and Harness Tracks of America, is making a multi-pronged attack on problems of integrity, through analysis of wagering integrity, monitoring of secondary wagering retailers, by supporting the RMTTC, providing big-event security, conducting undercover investigations, and training track security staffs.

"Despite our rather modest budget, I think we bring tremendous value to a sport," Fabian said. His agency has had a notable number of successes in recent months, including work on investigating race fixing in California.

Consortium's research about to be made available

Fick introduced Hallie Roach, newly hired as the Racing Medication and Testing Consortium's director of communications, who keyed on that groups efforts to research medication withdrawal times, which Roach announced would be available to horsemen and veterinarians, online, not later than August 2008. She also said that RMTTC model rules on the use or prohibition of anabolic steroids had been adopted in six states, and are being considered by 14 others.

The Consortium has also gone to great lengths to research drugs and compounds reportedly being used by trainers, going so far as to obtaining research samples in a surreptitious fashion and conducting investigatory research which resulted in the closure of a Web site that had advertised concoctions it had falsely claimed gave trainers an edge.

Roach concluded by inviting horsemen to visit the Consortium's Web site, at www.rmtcnet.com.

Uniform rules need uniform encouragement

Ed Martin answered those who complain that racing commissions are slow to adopt uniform rules by putting the onus back on them.

"We (ARCI) are telling state regulators to adopt the rules," Martin said. "But local horsemen

are telling them to adopt another set of rules, which sends a conflicting message to regulators.

"You, not we, need to aggressively lobby your commissions to adopt the uniform rules if you want them."

Borrowing a phrase from Middle-East military observers, Martin said the sport needed "more boots on the ground (manpower) to thus strengthen the intelligence network we need."

New Hambletonian Society conditions meet with approval

Charters outlined the Hambletonian Society's program of out-of-competition testing and using strict race conditions to enhance integrity.

"We make out of competition testing a condition of entry (into the Hambletonian and Breeders Crown)," Charters said. "If the horses test positive it's a breach of contract, and apparent the horse doesn't belong in the race."

The Society also may require horses to be stabled at the site of the race, and enforces its conditions from the time of declaration, 10 days prior to the date of the race. It also mandates, as part of the conditions, that any horse who has a post-race positive in an elimination will not be permitted to start in a final.

"There have been no problems in the first year of the program," Charters reported.

Indiana efforts bring approval from owners

Joe Gorajec, who has been a lightning rod for criticism from some quarters when his agency has levied lengthy suspensions and big fines, said that while most people might think that detecting drugs is clearly the top assignment for any racing commission, he thinks that the licensing process is at least of equal importance.

Stiff licensing requirements and strict honoring of other state's suspensions "rids our program of the most problematic people," Gorajec said. "It enhances the public perception of our product."

Indiana not long ago codified a strict rule on the transfer of horses trained by those who were guilty of positive tests or other major violations. The rule prohibits horses from being transferred to a spouse, relative, assistant trainer, or anyone not acceptable to authorities.

He also said that cases against trainers caught giving prohibited medications on race day brought long suspensions and stiff fines -- but more importantly the precedent that such medications given on race day are irrefutable evidence that the trainer was cheating, plain and simple.

While Gorajec has heard some rumblings of discontent among a few licensees, he said that "horse owners have been very supportive" of the Commission's enforcement practices.

Source: USTA

Change of hearts! More Jamaicans want casino gambling legalised

The tide of public opinion regarding casino gambling is changing. Now, more Jamaicans want the Government to legalise gambling of outlawed casino games, such as roulette and blackjack, than those who are against the controversial amusement.

In comparison to a similar survey conducted in 2006, the latest **Gleaner**-commissioned Bill Johnson poll, conducted on January 12 and 13, 2008, is showing an eight per cent increase in the number of persons who want the Government to lift the ban on casino gambling.

The 2008 survey showed that 48 per cent of the 1,008 respondents from 84 communities across the island were in favour of the State sanctioning gambling of those casino games that are currently illegal.

A more telling finding is the 15 per cent reduction in the number of persons who opposed the decriminalisation of casino gambling on the island. Johnson and his team of researchers found two years ago that 55 per cent of respondents wanted casino games to continue to be against the law. However, only 40 per cent of those polled this year were of the opinion that the state should not change the status of the illegal games.

At the same time, there is a spike in the number of respondents who were caught between two opinions. In 2006, only five per cent of those polled said they did not know which side to take, while 12 per cent were undecided in the latest poll.

In both polls, more men were in favour of casino gambling being made lawful, than women.

However, more women were undecided about whether or not the Government should permit casino gambling.

The Reverend Karl Johnson, president of the Jamaica Council of Churches, told **The Sunday Gleaner** that he was not surprised about the shift in public opinion. He indicated that the Church was still standing its ground on the matter.

"What is popular is not necessarily proper," he said.

Gambling for tourists

Jamaica's CARICOM partner, The Bahamas, has allowed casino gambling - but, only to tourists. Glenda Lightbourne, assistant secretary - enforcement, at the gaming board for The Bahamas, told **The Sunday Gleaner** that casino gambling was a complementary amenity to tourism. Currently, Bahamian citizens are not allowed to gamble.

Lightbourne, who has been with the gaming board for almost 38 years, said the Church in The Bahamas has always opposed an expansion of casino gambling, as well as the legalising of the numbers game.

However, she pointed out that casino operations have been a source of gainful employment for many Bahamians, and the country makes millions of dollars in taxes collected under the Casino Taxation Act. At present, the government of The Bahamas is contemplating a legislative move that would pave the way for the advent of a national lottery.

Illegal lotteries, rackets

She explained that illegal lotteries and numbers rackets have operated on the island for years and the government is considering regularising the activity with the aim of generating revenue from the operation.

She added: "... So, with the possible introduction of a national lottery, Bahamians would be able to gamble by numbers and the government will manage it so that the government can derive revenue from it.

"Right now, as it currently stands, the government derives no revenue."

Despite concerns from some locals about not being allowed to gamble in the casinos, Lightbourne said the government had no intention of lifting the ban.

Simply put, the nation of approximately 300,000 has learnt from past experiences. "We had a race track in Nassau some years ago ... This track operated for approximately 20 years. People were using their hard-earned cash to go and bet on horses and when they don't win, their family suffers because there is no money to do the things that ought to be done."

So, the government closed down the track.

Source: Jamaica-Gleaner

Horse industry cut out of gambling profits at Pompano racetrack

By John Holland

They gathered signatures in the rain and wore bright red T-shirts on sunny-day petition drives they hoped would bring slot machines to local racetracks. They used their experience as horse owners and trainers to lobby county commissioners on behalf of their bosses, looking ahead to the possibilities of new casinos and the promise of a comfortable living.

The casinos arrived. The nice living? Not so much.

"We thought once the slot machines got here, we'd be able to stay home for good," said Brian Hauck, whose family has trained harness-racing horses at Pompano Beach's racetrack since 1964.

This week he's packing up his 10 horses and moving to Indiana, saying he cannot survive after the track, now called The Isle Casino and Racing at Pompano Park, cut purses for trainers and owners

by as much as 35 percent.

"Management told us this was going to be a partnership, but now I think we all feel a little foolish for working so hard to get that gambling amendment passed," Hauck said.

More than a dozen owners and trainers interviewed last week gave similar descriptions of an ailing industry they said has not benefited from new laws allowing slot machines at pari-mutuel tracks in Broward County. Pompano Park is the only horse racetrack casino in the country not required by law or contract to share slot revenues with the horse racing people who anchor the casinos, industry experts said.

By contrast, Indiana lured Hauck with two new racinos that give 15 percent of slot profits to owners and trainers, while the industry average is about 10 percent.

Gulfstream Park in Hallandale Beach gives the horse professionals staffing the track and its races about 8.5 percent of its slot money, an amount set by contract.

Horse owners in Pompano said not only are they cut out of the slots windfall, they pay fees to the racetrack. Pompano Park is thought to be the only track in the country that charges barn rent to active racers, said Jane Murray, executive director of the Florida Standardbred Breeders & Owners Association. The track charges \$100 per month for each of its 700 stalls, a \$250 yearly electricity charge for owners of golf carts used to navigate the sprawling complex and higher fees to vendors such as veterinarians and blacksmiths.

Combined with South Florida's soaring costs for feed and grain, the outlook is grim for people who make their living breeding and racing Standardbred horses.

"I was born into this business. It's the only life I've ever known, but I'm not sure what's going to happen now," said Mike Deters, who owns and trains 22 Standardbred horses, used for harness racing.

His father was a trainer in Ohio, and Deters lived what he called "a nomadic life, going from track to track," before settling in South Florida for good more than a decade ago.

The concern stems from the shrinking attendance for harness races. Horse owners and trainers also lack a contract that gives them a secured percentage of the total take. Without a contract, horse owners are legally entitled only to share revenue from racetrack poker rooms, simulcast television betting and live betting, called the handle.

That leaves the slot machine profits for Pompano Park, owned by Isle of Capri Casinos Inc., a national operator of racetracks. Pompano Park officials said the slot machine profits, which average more than \$5 million per month, are lower than expected, making it impossible to increase purses for horse professionals.

Indeed, on Friday they lowered purses, saying it was needed to control costs and bring them to a more reasonable level.

Murray said falling payouts at Pompano Park, the only harness track in Florida, have a ripple effect

statewide. There are 56 Standardbred breeding farms registered with the state Department of Agriculture, and any falloff in races or owners means fewer people buying their stock.

Echoing many owners, Murray said track officials used the hundreds of track workers, horse groomers and owners and trainers to help win voter approval for slot machines, then abandoned them.

"They promised us a partnership, but once the vote passed, they forgot about the partnership in a hurry," Murray said.

Pompano Park Vice President Doug Shipley said the track is trying to balance the needs of the horse industry with the realities of lower than expected revenue. The track loses money on each racing day and has contributed millions of dollars more to the purses than obligated, Shipley said.

He also disputed horse owner allegations that the track wants to force out owners by spending too little to advertise races.

"The racing is very important to us. It adds an excitement to the entire experience of people coming to play the slots or go to the restaurants," Shipley said. "There is no way we'd want that to end, but we are losing money on it and we're trying to do the best for everyone.

"As far as advertising, we would like to spend more on the horses, but there's only so much money to go around," Shipley said.

"It's just Advertising 101 that we spend more money on the slot machines and the restaurants that bring people to Pompano. We will advertise the horses more as we increase revenue."

Until that day, owners and trainers will wait.

"Listen, I want Pompano Park to make their money. It's a business and they should make a good profit," said Dave Myrick, who owns and trains seven horses at the track. "But they have to remember who got them this far and make sure that everybody shares in the profits."

Source: South Florida Sun-Sentinel

Racing begins rolling out faster odds cycle

By Ed DeRosa

About 50% of racetracks, including all those in California and New York, are now able to report 99% of all wagering within ten seconds of the stop wagering time.

Curtis Linnell, director of wagering analysis of Thoroughbred Racing Protective Bureau, said the capability to do so is an important step in catching up with the technology available. He warned, however, that the challenge remains of getting that information to display on tote boards and simulcast feeds more efficiently.

"We have made tremendous strides, but we always can be more efficient," Linnell said. "We are trying to take what originally was a regional system and turn it into a national and now international system."

Linnell delivered his comments as part of the panel “Trust in the Pari-Mutuel System: Looking at Late Odds Changes” conducted on day two of the joint annual meeting between the Thoroughbred Racing Associations and Harness Tracks of America on Wednesday in St. Petersburg, Florida.

The panel was in part a response to a discussion in December at the Symposium on Racing and Gaming in which major bettor Mike Maloney said that he bet on a race at Fair Grounds after the start and had witnessed other occasions in which pools remained open.

“The perception is there that something nefarious is going on, and the tracks need to understand that this hurts their credibility,” Maloney said.

“We need to make a radical leap to offer the technology our customers want,” Linnell said. “We want to show fans we’re a modern sport.”

Many fans think that the industry has made few strides since the October 2002 pick six scandal at the Breeders’ Cup World Championships. In the wake of that controversy, the National Thoroughbred Racing Association commissioned a report from Giuliani Partners on wagering technology, but Maloney said that few of the report’s suggestions are in place.

“Our oversight is too fragmented; it’s helter skelter,” Maloney said. “The report suggests a national wagering oversight board, and I think we need that.”

Source: Thoroughbred Times

Arlington president calls for maximizing Web revenue

By Ed DeRosa

Arlington Park President Roy Arnold has been a fixture at industry gatherings since Churchill Downs Inc. named him president of the Chicago-area track in spring 2006, but the joint annual meeting between the Thoroughbred Racing Associations and Harness Tracks of America was the first time he showed his executive mettle during an open session.

Responding to a panel discussion on using the Internet to deliver horse racing information, Arnold expressed concern that the industry would miss an opportunity to maximize revenue from the technology similar to missed opportunities with television and simulcasting.

“The Internet is a great opportunity to recover from past mistakes,” Arnold said. “We lost our distribution rights when we were too quick to sign on with [Television Games Network], and now we’re going to make the same mistake with the Internet.

“Some guy in India is working on a way to integrate all facets of our industry, and he’s going to patent it, and trademark it, and then try to sell it to us for ‘only 3%’ of all the money it brings in. That would be terrible. We can’t afford to lose control of our content.”

“That’s exactly what happened with simulcasting,” TRA Executive Vice President Chris Scherf said. “We failed to develop a comprehensive strategy.”

The National Thoroughbred Racing Association is soon to launch NTRA web 2.0, which is likely to tap into many of the web's most innovative developments such as social networking, community building, and dialogue among industry participants, stakeholders, and fans.

Seth Merrow, founder of the ultra popular website Equidaily.com, urged racetrack operators to use their websites for delivering content and advised them not to rely on traditional media outlets to deliver their content.

"Don't embrace the technology but embrace the passion of the fans out there," said radio commentator and National Turf Writers Association board member Dave Johnson. "Use technology to bring out people's passions."

Source: Thoroughbred Times

CHRB Names New Executive Director

By Jack Shinar

Kirk Breed, a horse racing lobbyist in Sacramento for the past 18 years, has been named executive director of the California Horse Racing Board, it was announced Feb. 25.

The 68-year-old Breed is to assume his new duties on Feb. 26 and will attend his first CHRB meeting as executive director on Feb. 28 in Arcadia. He'll be paid \$116,508 annually.

Breed was general manager of the California Exposition and State Fair in Sacramento from 1979 to 1985. As part of his duties, he ran the state fair's summer race meeting, which he continued to do until 1988. He also directed the installation in Sacramento of one of the first satellite wagering facilities to open in Northern California in the fall of 1985.

The Oklahoma native was a flamboyant character at Cal Expo during that time, known for wearing a big cowboy hat, boots and jeans. He ran a "Wild West" style show during the fair each summer and rode his Quarter Horse around the fairgrounds while wearing a 10-gallon hat and a buckskin jacket.

After a stint as senior consultant to the California Assembly's Governmental Organization Committee, where he advised the panel on horse racing and gambling legislation, he formed his own lobbying and consulting firm in 1990. His principal client was the Pacific Coast Quarter Horse Racing Association.

Breed said he wants to use his State Capitol background to work with the legislature and governor's office in improving conditions for racing.

"I feel very good about being able to make a contribution to California racing in that respect," he said. "I feel that there's a real commitment to getting things turned around (for racing) from legislators and others at the Capitol."

Breed, who lives in nearby Rancho Cordova, said he will be full time in Sacramento and his first duty will be to meet with CHRB staff personnel. His predecessor, Ingrid Fermin, was criticized for mostly running the office from Del Mar, where she lived, and for her lack of knowledge about government

operations. At one point last year, the CHRB's budget was zeroed out by a state senate committee critical of a lack of communication with the agency, but funding was later restored.

"I need to get a good solid orientation for what people are doing," Breed said of the CHRB staff. "We have some new people and I think there's some confusion there. I think there was a bit of a void in leadership previously."

The CHRB has about 65 staff members spread across the state, he said, including investigative units, licensing and accounting personnel and on-track employees.

A committee that included Richard Shapiro, the CHRB's board chairman, and John Harris, the vice chair, selected Breed over four other finalists, Shapiro said. Subsequently, the full board was advised of the selection and approved of the hiring of Breed subject to necessary administrative procedures.

"We wanted someone based in Sacramento," Shapiro said. "I think we all realize how important that is now. He knows the halls up there and he has a solid background in racing. With all of his managerial experience, he has a great mix of the attributes we were looking for."

Harris added: "He is an all-around horseman and very familiar with racing issues, plus he has a style and personality that will keep us moving forward. I have known him for years and have always respected his integrity, abilities and problem-solving skills."

Breed said a major priority will be to get people to return to the track.

"There's a gigantic group of people out there we're missing, who aren't interested in opening a wagering account from home and won't be going to a simulcast facility to bet. But they just might attend live racing if you give them a reason to do so. I want us to put on a good show."

Does that mean bringing back his Wild West extravaganza?

"Could be," Breed said. "I've still got my buckskin coat."

Breed and his wife, Mary Ann, a lobbyist as well, have a 5-year-old daughter. He has three grown children from a prior marriage.

In the late 1950s Breed helped his father train and race Quarter Horses while attending Oklahoma State University on a football scholarship.

Upon graduating with a degree in zoology, Breed volunteered for the Peace Corps and spent five years in Chile. This led to a brief position with the State Department in Washington D.C., and then two years as director of the Peace Corps in Colombia. After returning home in 1972, he worked six years as director of planning and development with the Oklahoma Department of Tourism and Recreation.

During his time in Oklahoma, Breed was a founding member of the Oklahoma Horse Council and wrote the legislation that became law as the Oklahoma Trails Act.

Source: Bloodhorse

Cooperation Urged on Racing, Gaming

by Tom LaMarra

An executive with experience working at racetrack casinos said Feb. 25 that even though slot machines are the revenue driver, horse racing has value and can have even more if gaming and racing factions work together.

“There’s no argument there is a one-way synergy,” Jim Rafferty, president and chief executive officer of New Hampshire Charitable Gaming, said of the relationship between gaming and racing. “But horse racing is worth saving.”

Rafferty, who spent three years with Delaware North helping design and develop racetrack casinos, was one of several speakers during the Mid-Atlantic Racing Forum, part of the Pennsylvania Gaming Congress in Harrisburg, the state capital. Rafferty, while with Delaware North, also served as vice president of marketing at Wheeling Island, a West Virginia Greyhound track with casino gaming.

Rafferty acknowledged the challenges faced by horse racing. But he said a lack of cooperation is a major hindrance; at Wheeling Island, management and kennel owners couldn’t even agree on a United Way campaign for charitable purposes.

“We’ve never acted as a team in approaching the marketplace,” Rafferty said of casinos and racing. “Working together and common ground is the key. Why can’t we all work together?”

Such friction is common around the United States. When asked after the meeting why he believes horse racing is worth saving, Rafferty said it’s a component of a “multifaceted complex” of entertainment. In other words, people need to look at the big picture.

“These divisions are what are wrong with the model,” Rafferty said. “(Progress) is not going to happen when there are too many disparate interests.”

Rafferty cited New Hampshire poker rooms as an example of how racetracks without gaming can utilize their facilities to generate traffic and revenue. Though the New Hampshire poker rooms are classified as “charitable,” they have generated about \$50 million in play in only one year.

“We’re seeing tremendous synergies between poker and the racetracks,” Rafferty said.

Shonette Harrison, vice president of casino marketing for Harrah’s Chester Casino & Racetrack in Pennsylvania, said simulcast handle increased about 30% and live handle 20% when slots began operating. The company, she said, expanded its rewards program to pari-mutuel wagering.

Harrison said slots and racing customers are quite different, but slots players often come in groups and are exposed to harness racing at the integrated facility.

“In our opinion, the casino has introduced new people to harness racing,” she said.

Joe Santanna, president of the National Horsemen's Benevolent and Protective Association and the Pennsylvania HBPA, said demographics indicate owners and trainers have similarities to casino customers. He said of Thoroughbred owners and trainers, 70% are older than 50; 87% use the Internet in some form; 55% have cell phones; 36% have at least two homes; 70% eat at restaurants at least four times a month; 35% gamble \$500-\$2,500 a month; and 63% have a household income of \$50,000-\$250,000 a year.

John Finamore, senior vice president of regional operations for Penn National Gaming Inc., said the company took a chance--and was hit with criticism--when it opted to not build a temporary facility at Penn National Race Course and instead demolish and rebuild the grandstand/clubhouse. The new facility opened Feb. 12 as the Hollywood Casino at Penn National.

Finamore said PNGI "learned valuable lessons" from its Charles Town Races & Slots in West Virginia. That facility was remodeled and built out as more slot machines were added.

"From a design standpoint and integration of racing and slots, it doesn't work as well (as Penn National)," Finamore said. "Frankly, at Charles Town, it's hard to find (the racing)."

Hollywood Casino at Penn National is integrated with easy access between slots, racing, dining, and a sports bar. The dining room that overlooks the racetrack already has been a big hit, Finamore said.

"We're not ready to give up on trying to promote (racing and slots together)," Finamore said. "A lot of racing customers want nothing to do with slots, but if a facility isn't truly integrated, it makes it harder. There's no question horse racing will prosper and derive great benefit from this facility."

The Mid-Atlantic Racing Form and Pennsylvania Gaming Congress is organized and produced by the Spectrum Gaming Group, which offers research and professional services to the gaming industry.

Source: Bloodhorse

USTA Board Meeting concludes

By John Pawlak, marketing director, USTA

Resolve to assist the growth of the sport, both at its grassroots level and on its brightest stages, emerged during the final session of the annual meeting of the U.S. Trotting Association Board of Directors, which today concluded a three-day run in Columbus, Ohio.

The directors voted to undertake two key marketing efforts: It will seek an individual, to serve at the staff level, who will seek to improve racing at America's state and county fairs, and the USTA will seek to find ways to better market the sport in order to ensure its continued viability at the pari-mutuel level, and thus try to ensure that the sport will continue to advance in a highly competitive gambling environment.

Marketing at two levels

Ohio director Donald "Skip" Hoovler advanced the fair marketing project before the Board.

"More than 50 percent of our members race at the fairs, but we are losing more fair meets as the years pass," Hoovler told the board. "We need someone who can inspire those in the sport to be active at the fairs, get on the fair boards, and work with our members to keep us from losing more fairs -- and the benefits they provide to the sport at the grassroots level."

USTA president Phil Langley will appoint a committee that will craft a mission statement for this proposed Fair Liaison Department, seek candidates, and determine its budget requirements.

Another director, who also serves as the USTA's chairman of the board, California's Ivan Axelrod, announced an initiative aimed at maintaining harness racing's share of the gaming market -- especially at those tracks who have opened slot machine parlors.

"We need to grow our (wagering) base," Axelrod said while speaking before the USTA Finance Committee on Monday morning. "I'm told that only 20 percent of the purse money at Saratoga Raceway, for example, comes from pari-mutuel wagering. We have to help tracks market our sport to slots players, and others, and somehow 'grow' the wagering on our races."

As a first step, Axelrod today chaired a meeting of the track representatives on the USTA Board whose tracks host racinos. He vowed that the ad-hoc committee would report to the USTA's Executive Committee later this year, and provide an action plan and provide a proposed budget for the project.

Another USTA director, Plainridge Racecourse's Paul Fontaine, at a meeting earlier this past weekend, told the Board he felt it imperative that the USTA tell the racing commissions it objected to the licensing of certain individuals who had been denied membership in the Association. Based upon that suggestion, Langley asked Fontaine to draft a committee and come up with a plan whereby the USTA's voice in licensing objectionable individuals can be heard at the state level.

Good news from Washington

Jay Hickey, president of the American Horse Council, who lobbies for the horse industry in Washington, D.C., brought some good news when delivering his annual report to the USTA Board.

"The President recently signed the Economic Stimulus Agreement," Hickey said. "It contains some important increases in expense deductions and continues some bonus depreciation provisions which are good for those who both raise and race horses."

He also offered a note of caution regarding Congress' hearings into the use of steroids

in sports.

"The (National Thoroughbred Racing Association) has been called to testify about steroids in horse racing, but at this time it's anyone's guess as to whether any federal laws regulating steroids in our industry will come out of these hearings," Hickey said.

Rule changes affirmed

The USTA Board accepted a number of rule changes: Horses age 15 and over will now be permitted to race at county fairs; it passed a change to the rules governing race entries and nominations by changing the wording to reflect that a fee to be paid at the time of entry should be called an "entrance fee," instead of a "starting fee;" removed the use of snake venom as a permissible means of "nerving" a horse; and now will permit judges to use their discretion when placing a horse that is off-stride and lapped-on at the finish -- if the horse went off-stride due to interference caused by another horse.

At the recommendation of the USTA Registration Committee, modifications were made to Rule 26, Section 7, clarifying what will happen when a mare dies after having been bred to a stallion. The number of mares bred to new stallions in the United States will be limited, beginning with the 2009 breeding season.

The Board also amended the USTA by-law which is used to calculate the dues paid by tracks conducting extended pari-mutuel meets.

The Board put its final approval on the Association's 2008 operating budget, which estimates revenues of \$9.5 million and expenses of \$9.2 million. No dues or fees were raised for 2008.

The 2009 annual meeting of the USTA Board of Directors will be held in Las Vegas, Nev., as part of the Horse Racing Congress, on Feb. 3-6 at the Bellagio Hotel, where Harness Tracks of America, the Thoroughbred Racing Association, and several other horse racing groups will also meet.

Source: USTA

The Irrelevancy of "It's Not My Fault!"

By Chris E. Wittstruck, Esq.

Permit me to briefly share with you the facts of a case seeming having nothing to do with racehorse ownership. Mr. Avery owns a one family residence in suburban New York. Avery has never lived in the property. Since the week after he bought the house, he has rented it to the Stanley family.

Several months ago, a young child, uninvited and presumably under the supervision of his parents, approached the door of the house in an attempt to sell items for a school fundraiser. The child allegedly slipped on a throw rug placed on the porch of the house by the Stanley family and suffered head trauma.

The child's parents have sued not only the Stanley family, but also Mr. Avery. Inasmuch as Avery owns the property where the child supposedly fell, the legal theory is that he was negligent in his obligation as a landowner to maintain the premises. What's immediately obvious is that if there was any negligence at all, it most assuredly was on the part of the Stanleys, as they were in complete control of the premises at all times, porch included. As an out-of-possession owner, Avery should be in the clear. Even if he isn't, he should be able to recover any amount awarded to the child's parents from his tenants, the people completely in control and responsible for the premises. There's only one small problem: Avery has no liability insurance covering the premises. Thus, the solving of this relatively straightforward problem will cost him a small fortune in court costs and legal fees, not to mention the fact that if the Stanleys have little or no assets, any claim lodged against them to recover for sums Avery might be out will be worthless.

So, what's the connection for horse owners? Unless we board or train, we are completely detached from the day-to-day supervision of the animals we purchase. In other words, we are out-of-possession owners of our racehorses, broodmares, retirees and pleasure horses. The care, custody and control over these horses are entrusted to our respective trainers. While racing law renders the conditioner the "absolute insurer" for a horse's health and condition, the trainer responsibility rule does not, however, in any way insulate horse owners from liability for damage or injury to third persons that may ensue as the result of a horse's bad acts while in the trainer's charge.

If you think there is a hint of unwarranted paranoia in all of this, consider that just last month five yearlings escaped from their handlers at a major commercial Thoroughbred breeding farm in Kentucky. The horses were able to make a getaway from the confines of the facility and end up on a public roadway in the darkness of the early morning. Four of the five either died at the scene or were euthanized when struck by a moving vehicle. While luckily there was no human injury, the scenario presented ample opportunity for disaster. There is also talk of the imminent filing of a case against a Thoroughbred owner by his own trainer for severe injuries incurred while training his horse. The resulting damage purportedly will require lifelong follow-up care and treatment. In sum, the handling of an animal, any animal, brings with it all sorts of inherent risk, all of which are well known and accepted by the trainer. When that animal is four-legged, bred for speed, headstrong, possibly high strung, and 1,000 pounds, the risk increases markedly. You need to spend only a few mornings on the backstretch of a racetrack to witness the destructive potential of a racehorse.

Mortality insurance will allow the owner of a racehorse to recover the animal's value should it be killed in an accident, but provides absolutely no coverage in the event that the horse kills, maims or otherwise injures another person, or causes property damage. Your trainer's policy will cover your trainer, if he or she has one, but what about you? In the event of an accident, many owners have tried to obtain coverage by invoking the provisions of their homeowner's policy. Of course, the carriers uniformly disclaim coverage. Inasmuch as owning racehorses is a for-profit endeavor, the companies simply invoke the standard "commercial" or "business pursuit" exclusion endorsement contained in homeowner policies.

What racehorse owners can and should consider is a specialized product that protects them in the event the animal is involved in an incident resulting in physical or economic loss. Many companies that deal with equine insurance offer a product known as a **Racehorse Owners Liability Insurance Policy**. As the name implies, this is a highly focused document that spreads the risk of loss among policyholders, none of which are in possession of the racehorses they own or have direct involvement with their care, racing, breeding, etc. The product is in response to the liability exposure befalling

these all- important members of our industry for which no other coverage offering seems to fit.

In addition to being tailored to the unique circumstances and needs of the horse owner, the policy contains a critical “duty to defend” clause. Basically, when you purchase this product, you are paying for a legal retainer. Aside from an ultimate finding, or even if the court concludes that the policyholder had no legal culpability for the unfortunate incident to begin with, the policy provides for the full cost of getting to such a favorable judgment. Instead of paying thousands and thousands of dollars in legal fees, the owner pays but a few hundred dollars premium a year to obtain millions in coverage regarding the potential misdeeds of several horses, not to mention the peace of mind in knowing that a legal defense team has already been bought and paid for via the premium.

Folks often talk about foregoing insurance and “taking the hit” should something bad happen. Self-insurance sounds like a nice concept. If I have the financial wherewithal to own 20 or 30 racehorses at a time, it might appear to make sense for me to purchase mortality insurance only for the most valuable of the group. In the event of an uninsured loss of one of my modest overnight campaigners, I can absorb the hit and move on with my racing business. Still, a barn fire can (and has) wipe(d) out an entire stable. In light of this, I might reasonably decide to insure a few for full mortality and the rest against specific perils like fire and lightening at a much cheaper rate. With regard to liability coverage, however, where human, not just equine lives are involved, self-insurance is truly not a realistic option. No operation can afford the harsh slap of a six or seven figure judgment following the payment of massive legal fees. A solitary major incident can put the racehorse owner out of business for good, or worse. A Racehorse Owners Liability Insurance Policy is simply something you can’t afford not to have.

What about the one or two horse owner? Admittedly, the annual liability policy for the casual racehorse campaigner might prove cost-prohibitive. Rather than simply throwing caution to the wind and doing nothing, the owner should consider taking steps to at least insulate, if not insure, against liability. The ability to hold title to horses as a limited liability company (LLC) or Subchapter “S” (tax pass through) corporation ensures that if a loose horse causes a catastrophe, the liability is limited to the assets in the business entity (a couple of horses) and does not extend to the personal assets of the individual.

Check with your local horsemen’s association regarding whether membership includes the benefit of no-cost or low cost third-party liability insurance. Such insurance is often a benefit of membership. This often extends to horses on a private farm, and not simply those stabled at the barn area of the track. This insurance offering would be only one of the many benefits afforded to owners in exchange for a paltry dues payment to the horsemen’s group.

If your trainer fails to secure the barn door, and escaping horses commit all sorts of mayhem, it’s certainly not your fault, but it still may impact your wallet. How much it costs you to convey to the courts that lack of culpability on your part is another matter entirely. Consider your options while the barn door is still locked.

"Do you have a legal topic or question you would like to see discussed in this column? Send me your ideas at WittstruckC@aol.com."

Chris E. Wittstruck, an attorney and Standardbred owner, is the founder and coordinator of the Racehorse Ownership Institute at Hofstra University, New York and a charter member of the Albany

Law School Racing and Gaming Law Network.

Source: USTA website

Hoosier Park looks to buy track site from Anderson

Hoosier Park is seeking to buy the land that it now leases from the city as the site of its pari-mutuel horse track.

The plan won approval Monday from the Anderson Parks Board in a 3-1 vote, giving the city's Redevelopment Commission the power to sell the 110-acre site to the horse track. The deal would guarantee the parks department at least \$150,000 annually over five years.

Hoosier Park currently leases the site from the parks department for \$128,000 a year plus 0.5 percent of pari-mutuel revenue for an average payment of nearly \$186,500.

The track wants to own the property as it prepares to open a 92,000-square-foot slot machine parlor this spring, said Rick Moore, Hoosier Park's general manager and president.

"We want to own our own house," Moore said. "We want to control our own destiny."

Linda Dawson, the city's economic development director, said a final sale price for the land has not been negotiated. She expected it would be May before the city Redevelopment Commission would consider final approval of the sale, which would make the land subject to at least \$60,000 a year in property taxes.

"Let's not stand in the way of progress," Mayor Kris Ockomon told Parks Board members. "They've been good neighbors, let's be good neighbors right back. By not doing this, you'd be standing in the way of progress."

Board President Darin Foltz voted against the plan, saying he did not think it was a good long-term move for the parks department.

"I felt like that had been a constant source of revenue for capital projects, and I really felt like we let that get away from us," he said.

Source: Associated Press

Powell departs Yobet amid corporate restructuring

Yobet.com Inc. is in the midst of restructuring its corporate management team, and one of the departed executives is Vice President of Public Affairs Lonny Powell.

Powell, who joined the California-based account wagering company in December 2005, describes the separation in a Tuesday statement as "amicable" and "mutual."

"The restructuring and downsizing going on at Yobet right now is being considered in the face of the many obstacles and challenges ever-present when running an independent and publicly held [advance deposit wagering company] during these hyper-competitive times," Powell says in the

statement. "The time was really ideal for me to move on to pursue whatever quality executive or advisory positions that may be out there and suited for me."

Powell's departure comes less than three months after Charles Champion resigned as chairman and chief executive officer of the company. Also leaving in late 2007 was founder and director David Marshall.

Gary Sproule, the former chief financial officer and acting chief executive, did not return a call on Tuesday seeking comment.

Source: Thoroughbred Times

Bleaker picture of betting revenue painted

One month after gambling companies told Miami-Dade voters that approving slot machines would contribute about \$197 million in new taxes for Florida schools, state economists projected Friday that the number would be far lower: \$120 million.

And perhaps even less, as the economy worsens and the Seminole Tribe lures more gambling customers away.

The Florida Revenue Estimating Conference projected Friday that the three venues for Miami-Dade slot machines would each generate about \$40.1 million worth of state taxes in their first full year of operation.

That would be in about 2010-11, according to state calculations.

All told, the economists projected the state would pull in \$280 million when the revenue from the Broward venues' Las Vegas-style slot machines are added to those in Miami-Dade in two years.

But the state shouldn't start banking on that money yet.

DECREASE PREDICTED

The state economists say their projections for all slot-tax collections will likely decrease when they meet some time in March to assess the effects a new agreement Gov. Charlie Crist struck with the Seminole Tribe.

The compact allows the tribe to offer Las Vegas-style slots and, for the first time in Florida, table games like blackjack and baccarat.

"There's going to be competition from the Seminoles, so we expect people will spend some of their money there," said Amy Baker, head of the Legislature's office of Economic and Demographic Research.

She sits on the revenue estimating conference with the chief economists for Crist, the state tax department and the Florida House and Senate.

Asked if a better economy and no Indian gaming competition would have led the Revenue Estimating Conference to come up with \$197 million -- as predicted by the Yes for a Greater Miami-Dade campaign to approve slots in Miami-Dade -- Baker said: "Probably not."

The state numbers were disputed by the Yes campaign, the organization funded almost completely by Flagler Dog Track and Calder Race Course to help persuade Miami-Dade voters to legalize slots machines last Jan. 29.

Miami Jai-Alai also will be allowed to install the Las Vegas-style slots.

Isadore Havenick, a vice president of Flagler Dog Track, defended the earlier projections of \$197 million for the Miami-Dade slots, saying the state economists take "the most conservative numbers" and factor in the poor performance of Gulfstream Park in Broward.

STANDS BY NUMBERS

"Flagler Dog Track plans on keeping to our original projections," Havenick said.

Tony Villamil, whose Washington Economics Group co-authored the Yes campaign's study, couldn't be reached for comment.

Baker said Wednesday's estimate was less rosy than some of the state economists' previous projection for two reasons: "One, it's the recession, or economic downturn. People have less to spend. And two: There are 800 Class Three slots now operated by the Seminoles, so people are probably taking their money there as well."

Hialeah Mayor Julio Robaina, who spearheaded the anti-gambling group Truth for Our Community, said the new numbers were no surprise.

"I was against the economics of this deal as it was told to us and sold to us," he said.

"Now, not even a month later, these numbers are nowhere near the amounts we were told. This means we won't have the amount of jobs they were talking about, we won't have the income for schools, nor the additional revenue for the cities and county."

Source: Miami Herald



RCI ANNUAL CONFERENCE ON RACING and WAGERING INTEGRITY

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March 24 – 27, 2007 in Austin, Texas

To: Racing Commissioners, Executive Directors/Secretaries and Supporting Staff, Gaming Regulators, RCI Associate Members, Thoroughbred, Standardbred, Quarter Horse and Greyhound Track Executives, Horsemen's Representatives, Industry Associations, Government Officials and Service Providers, International Representatives and Friends of RCI

From: Ed Martin, RCI President/CEO

Date: January 24, 2008

RE: RCI's 74th Annual Racing Regulators Conference
March 24 thru 28, 2008
The Driskill Hotel, Austin, Texas
Phone: 512-474-5911 or 800-252-9367
(Mention the "RCI room block" for best rates.)

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Conference dates are just around the corner and with the attractive and unique location of Austin we are certain to fill our room block quickly. It is critical that you and your organization make your plans now. Room reservation cut-off for The Driskill Hotel is **February 22**. Conference registration is discounted to \$495 if paid by March 1, if paid after March 1 the registration will be \$595. The registration fee for spouse/guest of attendees is \$125. **PLEASE RESERVE YOUR PLACE NOW!**

Call us at 859-224-7070, Ext. 4001 if you require further information or assistance in making your plans to attend. We look forward to visiting with you in Austin.

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Driskill Hotel, Austin, Texas

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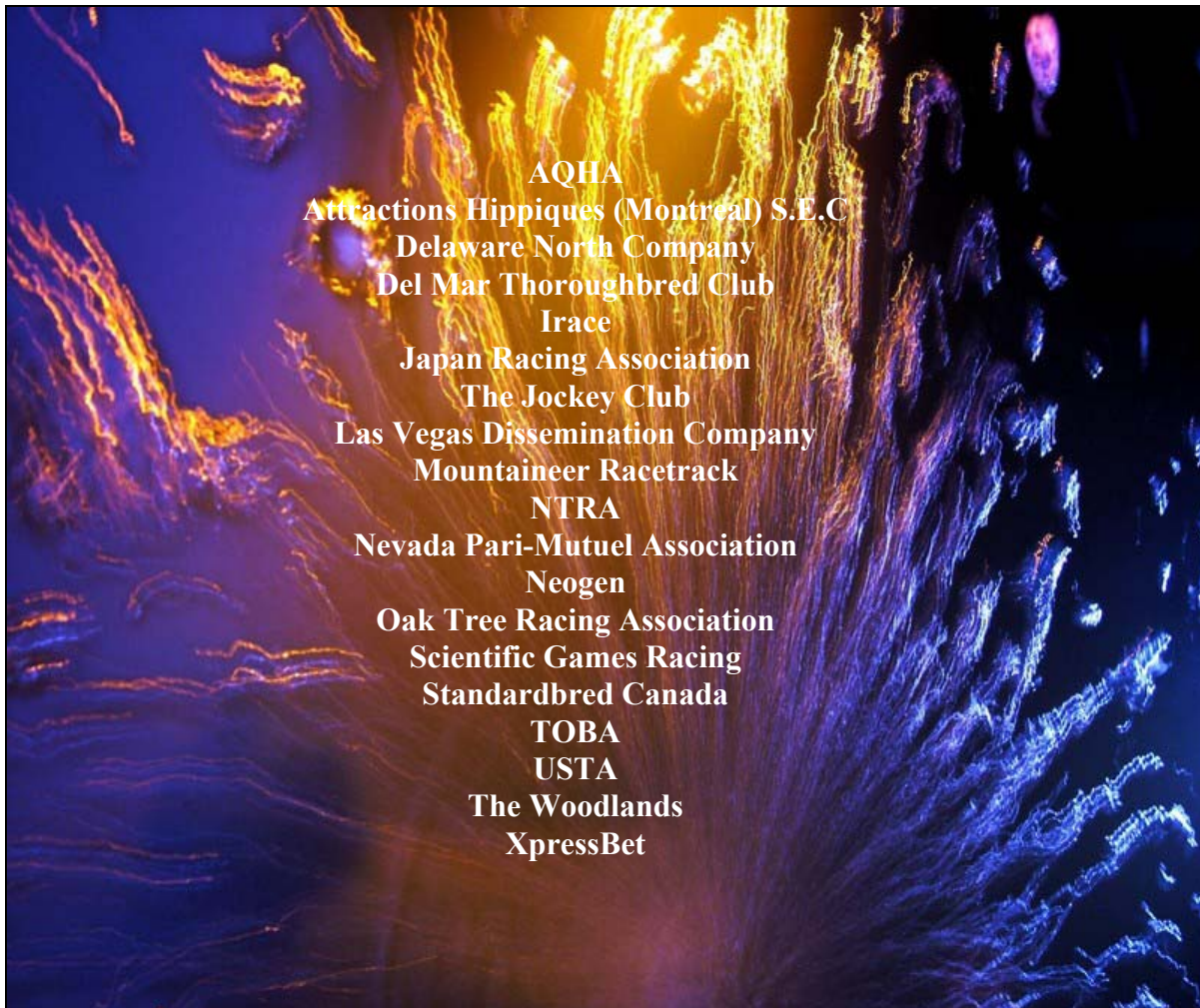
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