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CHRB NEWS RELEASE

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BOARD SUPPORTS OAK TREE BID FOR EXTRA RACE DAY

ARCADIA, CA – The California Horse Racing Board voted Friday to support the Oak Tree Racing Association's bid for legislation to authorize one additional day of racing this fall featuring four major preps for the Breeders' Cup, which Oak Tree will host October 25 at Santa Anita Park.

The Board issued its endorsement after officials from Oak Tree and the Los Angeles County Fair (LACF) announced an agreement to run overlapping race cards on the day in question, Sunday, September 28, which is closing day of the LACF meet at Fairplex Park.

Oak Tree currently is scheduled to open the following Wednesday, October 1. The one extra day of racing (the meet would close Monday and Tuesday, then reopen on Wednesday) requires legislation because the region already races the maximum number of weeks permitted by statute.

Oak Tree Executive Vice President Sherwood Chillingworth said the timing of the extra day makes the four stakes races ideal preps for horses being pointed to the championship day of racing four weeks later. Furthermore, two of those races – the Yellow Ribbon Stakes and the Clement L. Hirsch Memorial Turf Championship – will be televised nationally over ESPN.

Chillingworth said Oak Tree will compensate the LACF if it loses any business due to the overlapped day of racing. LACF President James Henwood said the agreement provides opportunities for cross promotions and increased exposure for the Fairplex meet on national television.

CHRB Chairman Roger Licht described the arrangement as “an excellent example of how the industry can work together to bring about something worthwhile and help guarantee an exemplary showing of the Breeders' Cup this year.”

In other business, the Board heard testimony from workers at Fairplex Park and others supporting the LACF's request for funding to keep Fairplex Park open year-around as a training center. Gale Calva, the stable superintendent at Fairplex, said 148 workers would be effected if the facility were forced to close for part of the year due to insufficient funding. And jockey Joy Scott described the Fairplex track as “the safest in the state” for horses in training.

State law permits racetracks, fairs, and horsemen to divert a portion of the handle from commissions and purses to pay for the vanning and stabling of horses at auxiliary training facilities. Last year some of the funds going to Fairplex were reallocated to the San Luis Rey Downs Training Center. Fairplex argues that it needs those funds back or it will be forced to close for part of the year.

Licht and CHRB Commissioner John Sperry met Thursday with officials from Fairplex and the committee that oversees the stabling and vanning fund. Sufficient progress was made during that meeting to encourage the principal parties to continue negotiations. Liz Houser, director of the Division of Fairs and Expositions, thanked the Board for assisting in this matter, which will be placed on the agenda for the next CHRB meeting March 27 at Golden Gate Fields.

The Board approved license applications for the operation of race meets by Churchill Downs California Company at Hollywood Park from April 23 through July 20 and the Bay Meadows Operating Company at Bay Meadows from April 2 through June 15. Both licenses were amended to exclude the Coeur d'Alene Casino and Account Wagering operation from their simulcast wagering program until the CHRB completes its review of allegations that Coeur d'Alene is accepting wagers from California residents in possible violation of state law and CHRB regulations.

“Our message is that California regulators are not going to tolerate any impropriety in connection with the sanctity of our signal,” said Licht. “We are protecting the revenue stream to the state, the tracks, and horsemen.”

In another matter relating to license applications, Licht appointed Vice Chairman John Harris and Commissioner Alan Landsburg to an ad hoc committee to explore the broad issue of what the Board should require from racetracks in the public interest.

“We’re talking about the value of the license and whether the current requirements should be broadened to ensure that racetracks provide adequate levels of security and customer service commensurate with the value of the license,” said Licht.

Harris said he is especially concerned with the “adequacy of the security systems at racetracks and whether more surveillance cameras should be required in the backside” as well as issues relating to video cameras for races, the totalizator boards, and other matters relating to customer service. He said the Board will need to determine its legal authority in this area.

Representatives from the University of California at Davis presented a 17-minute video titled “Racing Chemistry 101 – A Level Playing Field” that they and filmmakers Robin Rosenthal and Bill Yahraus developed in conjunction with the CHRB and with assistance from Frank Stronach and the various California racetracks. The video provides an overview of CHRB regulation, especially in the area of equine drug testing and the operation of the Kenneth L. Maddy Equine Analytical Chemistry Laboratory at Davis.

Commissioner Landsburg, himself a film producer/director/writer who was instrumental in the development of the video, encouraged the racetracks and everyone else associated with the horse-racing industry to assist in its dissemination, noting, “It speaks well for racing. It will help racing’s image. And it’s free to use.”

Dr. Ron Jensen, the CHRB equine medical director, advised the Board of an ongoing study of racetrack surfaces that is being funded by the American Quarter Horse Association. Joined in the brief presentation by Steve Wood, the track superintendent at Santa Anita, Jensen and Wood explained that mechanical engineers and other experts with Colorado State University and the University of Maine are involved in the study to develop instruments and techniques to determine the optimum conditions for race tracks, including moisture content and rate of compaction. The results of the study could be available by the end of this year.

Jensen also advised the Board of a free seminar on the West Nile Virus to be held March 9 in the FrontRunner Restaurant at Santa Anita Park from 6 to 9 p.m. Additional information can be obtained from the TOC. And updates on all animal diseases in California can be viewed on the Website of the Division of Fairs and Expositions at www.cdfa.ca.gov

The CHRB Pari-Mutuel Operations Committee approved for 45-day notice to the public a proposed regulation to create a new wager called "Beat the Odds," which would involve the selection of winners other than the favorites. The Board will conduct a public hearing on the proposed regulation following the notice period.

TOC President John Van de Kamp provided a report on his organization's legislative agenda for 2003. He said the TOC is working with the rest of the industry to study the proliferation of video poker and slot machines in other states and how they enhance purses at racetracks in those jurisdictions. He said this review will help determine the TOC's position on the introduction of those machines in California.

Van de Kamp said legislation is being introduced to require racetrack charity foundations to dedicate more money to organizations and programs providing care for retired racehorses. And the TOC will support legislation to allow racetracks and fairs to open simulcast facilities away from their traditional properties.

The CHRB staff reported that handle from Advance Deposit Wagering (ADW) has reached more than \$200 million since its introduction in January 25, 2002. ADW represents 7.7 percent of the \$2.56 billion combined handle during that period. Staff Senior Auditor John Reagan said ADW has resulted in some wagering dollars being shifted from racetracks and simulcast facilities to telephone and Internet accounts, but he could not estimate the degree of this "cannibalization."

After hearing testimony from racetracks and horsemen unanimously opposed to a proposed regulatory amendment, the Board took no action on the proposal relating to horses scratched from claiming races. However, the Board is working with personnel at racetracks to ensure the confidentiality of information relating to the submission of claim slips for horses as an alternative to the proposed regulation.

Under general business, Landsburg indicated that he will be working with Hollywood Park to develop a short video to explain the wagering system and help clear up the false "perception that there is past-posting in California."

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