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CHRB NEWS RELEASE

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JOCKEYS TO RECEIVE \$1 MILLION FOR HEALTH & WELFARE

ARCADIA, CA – The California Horse Racing Board approved a \$1-million distribution of uncollected refunds to the Jockeys' Guild Health and Welfare Fund on Thursday, which principally will cover health, dental, and vision self-insurance costs for California-licensed jockeys who meet the eligibility requirements.

State law provides for health and welfare benefits to California-licensed jockeys, former jockeys, and their eligible dependents. The CHRB is responsible for overseeing the statute, which authorizes the Thoroughbred Owners of California (TOC) to reach an agreement with the Jockeys' Guild to provide these benefits. To be eligible for benefits, jockeys must ride in at least 100 races each year, and 50 of those races must be in California. Approximately 100 California jockeys and their dependents are included in the current Guild insurance program, which in addition to health, dental, and vision benefits, also provides assistance to disabled and injured riders.

The money comes from pari-mutuel tickets that bettors fail to redeem for scratched horses and canceled races. This fund of uncashed refund tickets typically exceeds \$1 million annually. Each year the amount distributed for health and welfare is adjusted for inflation. The amount distributed to this fund last year was \$884,235. On Thursday, the Board approved a 15-percent increase to help cover the rising cost of health benefits, for a total of \$1,016,870. This money will be set aside in a trust to be distributed to the Guild after the organization submits a full and detailed accounting of program costs to the CHRB.

Jockey Paul Atkinson advised the racing commissioners that he and other California riders are interested in reviewing the Guild program to make certain that jockeys are receiving the best benefits available for the money spent. Guild representative Darrell Haire said an 11-member committee consisting of nine active jockeys from throughout the state, one doctor, and one retired jockey (Laffit Pincay Jr.) is being established for exactly that purpose. The committee will be provided with all information necessary for an effective review of the program.

In other business, the Board took no action on the application for license by Capitol Racing to conduct a harness meet at Cal Expo from March 5 through July 31. This followed a lengthy discussion concerning a Board order last year pertaining to reciprocal acceptance of simulcast signals between the harness meet and the quarter-horse meet at Los Alamitos, and the calculation of impact fees relating to those signals. This matter is the subject of litigation.

The public discussion was interrupted several times by brief recesses and private discussions between the various parties, principally management and horsemen representatives from the two racetracks. Unable to resolve their differences Thursday, track executives agreed to meet in private next week. The matter will be placed on the agenda for the February 19 CHRB meeting.

Commissioner Roger Licht reported on progress made by the Ad Hoc Security Committee, which is comprised of CHRB commissioners, investigators, and staff members, representatives of the major horsemen's organizations, racetrack management, veterinarians, and individual owners and trainers. The full committee has met twice in the 30 days and its various subcommittees and working groups have been busy reviewing aspects of security in the stable area, medication rules and practices, and a proposal to install surveillance cameras in shedrows.

Licht said one immediate result of this review has been a reprioritizing of the duties of CHRB investigators, who along with additional racetrack security personnel are now highly visible and spending more time in the stable area enforcing medication-related rules, making unannounced visits to barns, and paying closer attention to horses entered to run in races that day, especially horses receiving authorized race-day medication.

"There is not complete agreement (on whether licensees actually are breaking medication rules) but there is 100-percent agreement on the perception (of rule violations)," explained Licht. "This was cause enough for us to motivate our forces and deal with the perception. We're trying to turn around the backside itself. People are coming forward and working with us to alleviate the perception."

Licht indicated that some CHRB rules might need to be rewritten and/or clarified, such as one that limits what can be administered to a horse entered in a race.

Commissioner Alan Landsburg praised the work of the committee and CHRB investigators, indicating, "We're breaking new ground."

CHRB Chairman John Harris agreed, "It's a very good committee we've got going. We appreciate everyone's cooperation."

Harris, who also serves as chairman of the CHRB Medication Committee, gave the report on that committee's meeting Wednesday, with elaboration by the Board's equine medical director, Dr. Ron Jensen. The main item of discussion was Jensen's proposal to "survey" horses for high levels of alkalizing agents in their blood, which might indicate the illegal administration of a sodium bicarbonate-based mixture, commonly referred to as a "milkshake," designed to neutralize lactic acid produced during a race and to prevent muscle fatigue.

As proposed, this non-regulatory survey would involve taking random blood samples from perhaps 500 horses over a period of months. The samples would be sent to Ohio State University for analysis. The Oak Tree Racing Association has agreed to provide funds for this survey, as has an anonymous donor. Jensen said the purpose of the survey would be to get a better idea of whether there really is a problem with milkshaking, as some people suspect. He said no disciplinary action would result directly from the survey, but the results might point to individuals who warrant increased surveillance.

Harris, presiding over a CHRB meeting for the first time following his election as chairman in December by his colleagues, took the opportunity to explain his priorities and establish an agenda for

the coming year.

“I sincerely appreciate the confidence of my fellow Board members for making me the new chair,” he began. “I admire the outstanding jobs that Alan Landsburg and Roger Licht have done as the chairs over the last two years.

“I have always felt that the CHRB is a very important part of California racing, that the state's role in oversight is critical to its health, and I want to do everything I can to enhance the overall horse industry in California and the very significant economic activity it creates, while maintaining the high integrity we are respected for.

“Racing is having a difficult time right now. All segments of the industry have experienced cost increases at the same time that revenue (racetrack commissions and horsemen’s purses) has declined. Some of the obvious fixes, such as license-fee reduction and the introduction of ADW (Advance Deposit Wagering), have already happened. They helped some, but total industry expenses still exceed revenue, and this leads to an unsustainable situation. How do we regain fans? Revitalize handle? These are critical questions facing us all, and no one has all the answers.

“I am not sure what I can do to help, or what the CHRB as a regulating body can do, but we certainly need to be aware of what is going on, otherwise the whole industry could become irrelevant. Thus, I ask each and every one of you to participate in our deliberations and to help maximize our potential.”

CHRF staff provided an update on ADW (account wagering via the Internet and telephone) for 2003. ADW handle totaled \$315 million in 2003 compared with \$177 million in 2002, marking a 78-percent increase over the previous year. ADW wagering generated approximately \$14 million each to racetrack commissions and horsemen’s purses.

There was a brief, related discussion about ADW licensing criteria and what should be required of ADW operators, especially relating to the dissemination of signals, but it was felt that the subject could be more fully and effectively addressed by the Pari-Mutuel Operations Committee.

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