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CHRB NEWS RELEASE

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BOARD CONSIDERS TRIAL PROGRAM FOR UNCOUPLING

INGLEWOOD, CA – Faced with conflicting opinions from the public and the horse-racing industry over the merits of uncoupling horses for wagering purposes that have a common ownership interest, the California Horse Racing Board backed away from adopting a permanent rule Thursday and instead indicated possible support for a trial program in order to gain more information before making a final decision.

The racing commissioners agreed to issue a 10-day public notice for a special teleconference meeting – the precise date to be determined – to consider whether to temporarily waive the rule that requires the coupling of two or more horses as a single wagering interest when the same person or persons own such horses in whole or in part. Waiving the rule would allow horsemen and the racing associations, in conjunction with the Board, to work out the particulars of a trial program to uncouple horses during the current Hollywood Park meet and the upcoming meet at Bay Meadows.

“By waiving the rule and allowing the uncoupling of horses on an interim basis for a specific period of time, we could accumulate data and study the issues more carefully,” explained CHRB Chairman Richard B. Shapiro.

The entire coupling issue surfaced last year when an NTRA panel recommended that all racing jurisdictions change their coupling rules, so that when one part of an entry is scratched after wagering has commenced on that race, the remaining part of the entry could race as a non-wagering interest for purse money only. The concern was that some patrons were being stuck with wagers on the part of the entry that they did not necessarily want to bet on.

The proposal was discussed publicly during several meetings of the CHRB Pari-Mutuel Operations Committee, chaired by Commissioner Jerry Moss, who ultimately favored repealing the coupling rule altogether. The full Board agreed to put out for 45-day public comment the proposed repeal of the coupling rule.

During the public hearing on this matter Thursday, representatives of the various thoroughbred racing associations and horsemen’s groups spoke in favor of repealing the rule. Jack Liebau, the president of Hollywood Park as well as Bay Meadows, discounted speculation that races could possibly be “fixed” due to the uncoupling of horses and predicted that uncoupling horses would result in larger fields with more wagering interests and would make racing programs more interesting while also eliminating unintended consequences when one part of an entry is a late scratch.

The commissioners decided they required more information in order to make a final decision on this matter and agreed to hold the special meeting to further discuss the possibility of a waiver and a trial program. The Board does have the authority to waive its rules, and this power could conceivably be used to allow the trial to occur. Meanwhile, in order to meet the requirements of the rulemaking process, the commissioners officially rejected the proposed repeal of the coupling rule, but they instructed staff to put out the same proposal for another 45 days of public comment, so that the whole issue will return to the Board for consideration later in the year.

In other business, Shapiro reported that the initial meeting of the Race Dates and Strategic Planning Committee was postponed and will be rescheduled soon. He said he remains fully committed to developing an “orderly and long-term view of where the California horse-racing industry is going.”

Given the possibility that any of the privately owned racetracks in California could be closed at any time for development, Shapiro and Vice Chairwoman Marie Moretti, who both serve on the Committee, and the other commissioners will be working with the public and the industry to “look at various alternatives to ensure a bright future for California racing,” explained Shapiro. “We will consider the views of all parties. Our goal is to enhance horse racing and put the best show we can on the track.”

Ron Charles, the president of Santa Anita Park, reported that the first phase of a massive stable-area improvement project is scheduled for completion before the start of the Oak Tree meeting in the fall with the construction of two new state-of-the-art barns with dormitories for backstretch employees. He said the two new barns, which will be similar to the ones erected at Gulfstream Park, would cost in excess of \$1 million. One barn will have 32 stalls, the other 18 stalls. They will replace old wooden barns located near the gap. Other old barns will be replaced in subsequent phases.

Shapiro reported that issues on the agenda relating to Advance Deposit Wagering would be tabled until the Board meeting in late June – following a June 5 meeting scheduled by California Senator Dean Florez on the subject. Disagreement between the organization representing thoroughbred horsemen, the Thoroughbred Owners of California, and TVG over one of the ADW issues threatened to halt wagering by TVG customers on races at Hollywood Park opening day, but Shapiro worked with the parties to resolve the issue until after the June 5 legislative meeting and prevent any disruption of TVG wagering.

“The meeting scheduled by Senator Florez will deal with the future or the non-future of ADW wagering when it is scheduled to sunset in December of 2007,” said Shapiro. “The meeting will focus on how ADW wagering is being conducted and how to make it more efficient for all concerned. That being the case, it is best for the CHRB to defer this matter until after that meeting.”

Commissioner John Harris opened a discussion of the CHRB’s drug-testing program by stating the Board is asking for the support of the public and the industry in the CHRB budget request before the Legislature to obtain additional funds to enhance and expand the testing programs in place to ensure that the integrity of racing is protected by a strong program to detect any illegal medications used on horses.

Shapiro further explained that the Board is requesting an additional \$851,000 to supplement the \$1.3 million currently allocated in the CHRB budget for drug testing.

“We want to do more testing – qualitative, not just quantitative – and as new drugs come on the market, we need to find new ways to detect them,” said Shapiro. “The tracks and horsemen have stepped up and been supplementing the testing, but we need more money to be most effective.”

Executive Director Ingrid Fermin said, “The additional funds would not just be for more blood and urine testing on race-day competition. We need to be looking at things like out-of-competition testing. We need to look at this with a whole new eye and perspective.”

Harris elaborated, “The additional money being requested is derived from license fees on pari-mutuel wagering and it is not coming from the state general fund. Racing is an important industry in California contributing thousands of jobs and billions of dollars of benefit to the state, and it would be foolhardy not to spend whatever it takes to maintain its high integrity.”

While the Board considers the possibility of requiring the major racetracks in the state to install synthetic racing surfaces in order to provide safer racing conditions, some tracks are moving forward with plans to install the new surfaces prior to any Board mandate. The Board acted to remove one possible obstacle to such projects by approving a regulatory amendment to provide an exemption for synthetic and polymer or wax-coated sand track surfaces from the cross-slope requirements for straight-aways and turns. One purpose of sloped surfaces is for water runoff, or drainage. The synthetic surfaces under review all involve vertical, underground-pipe drainage, eliminating the need for sloped surfaces, at least for drainage purposes.

The Board approved license applications for the first two fair meets of the season in Stockton (June 14 through June 25) and Pleasanton (June 28 through July 9). The commissioners praised efforts by the fairs to attract horses from other racing jurisdictions by offering to partially offset travel costs. Shapiro applauded the Alameda County Fair’s marketing program for the meet in Pleasanton. And Harris encouraged the Stockton fair to bring back the Sweepida Handicap, which was run for years to honor a famous Jan Joaquin Valley horse that was a legend years ago and is buried on the Stockton fairgrounds.

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