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CHRB NEWS RELEASE

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BOARD DECIDES TO CONTINUE COUPLING ENTRIES

DEL MAR, CA – The California Horse Racing Board voted Thursday against the uncoupling of horses with common ownership, and going one step further, the racing commissioners questioned whether horses with the same trainer should be allowed to run as separate wagering interests.

The Board earlier this year authorized Hollywood Park, Bay Meadows, and Los Alamitos to conduct brief experiments and allow horses with common ownership to run uncoupled, which had the effect of increasing the number of wagering interests in those races. More recently, the Board began the rulemaking process to repeal the coupling rule and related rules altogether, and the discussion Thursday focused both on the experiment and the proposal to repeal the rules.

In reports to the Board, Hollywood Park and Bay Meadows estimated the additional wagering interests created by the uncoupling caused handle in those races to increase by 13 to 26 percent.

“I feel troubled by this,” responded CHRB Chairman Richard B. Shapiro. “I feel personally that it borders too close on the integrity of the game. If we did not have a shortage of horses, I don’t think we would be having this discussion. While no problem seems to have surfaced at this point, I’m troubled that we could be playing with the integrity of horse racing. One problem in the public’s mind is one too many.”

Commissioner John Amerman indicated the uncoupling experiments did not provide sufficient reasons to repeal the rules. “I don’t see any compelling reasons to change,” said Amerman. “Until we see some compelling information, let’s keep things the way they are.”

Commissioner John Harris described it as a “tough issue” with valid arguments for either side. “The data clearly shows that when you get more entries you get more handle,” said Harris. “Integrity is always a CHRB concern. However, during the trials, no incidents arose that suggested impropriety.”

Representatives of the Thoroughbred Owners of California (TOC) and California Thoroughbred Trainers (CTT) argued against repealing the coupling rules, as did several others. Representatives of racetracks expressed support for repealing the rules.

The commissioners voted 5-0 against repealing the rules. Commissioner Harris abstained, and then commented, "If there is good reason to require that same-owner horses be coupled, then we should look at the trainers also." Chairman Shapiro concurred and indicated the trainer matter would be placed on the agenda for the next Board meeting September 14 at Fairplex Park.

In other business, the Board deferred a matter relating to hub fees to the September 14 meeting but first heard brief testimony from representatives of the TOC and TVG, one of the three authorized Advance Deposit Wagering (ADW) providers in California.

"I am advised that TVG and TOC have agreed to sit down face to face during the next 30 days to try to resolve the ongoing dispute over hub fee rates," announced Chairman Shapiro. "It's a big step forward if the principals will get in a room and work things out for the betterment of racing and without the involvement of the CHRB, which is my preference."

Drew Couto, president of the TOC, introduced some of his directors and representatives of horsemen's groups in Illinois, Ohio, Kentucky, Florida, Arkansas, and Virginia with the comment, "This is not simply a TOC and TVG issue. This matter affects horsemen across the country."

Chairman Shapiro noted that the law authorizing ADW in California is scheduled to sunset at the end of 2007, and the Board will be addressing an array of ADW issues at a future meeting, particularly the way revenue is divided between the providers, horsemen, and racing associations.

"We've seen cannibalization of our fans and more revenue streaming through ADW providers and less flowing through our racetracks," he noted.

Commissioner Amerman said the current distribution of revenue from off-track wagering "makes absolutely no sense at all – we have to change the mix!"

Commissioner Harris described ADW as having "great potential" and suggested, "Even though some adjustments might need to be made, it does hold great promise for the industry."

John Hindman, vice president of TVG, cautioned that when discussing changing the "business model" for ADW, "Please remember there is a direct correlation between what we are able to do on the screen every day and how that model operates."

Vice Chairwoman Marie Moretti urged the providers, racetracks, and horsemen to settle their differences and be united when the Legislature considers extending ADW next year.

The Board approved the license application for the Oak Tree Racing Association to conduct a horse-racing meet at Santa Anita from September 27 through October 29 and for the Fresno District Fair to conduct a meeting in Fresno from October 4 through October 15. During these discussions, and again in later discussions of recently concluded race meets at Hollywood Park, the Alameda County Fair, and the Solano County Fair, a recurring theme was lower handle, smaller attendance, and projections for decreases in business at the upcoming meets. Chairman Shapiro and Commissioner Amerman repeatedly questioned racing executives about the lower figures and projections and challenged them to do better.

The Board approved a rule amendment to change the expiration date of one-year licenses from December 31 to the last day of the birth month of the licensee. This change is designed to spread the license renewal process throughout the year and reduce waiting times for applicants at CHRB licensing offices. Commissioner Harris suggested adding additional multi-year license categories to make the licensing process even more “user friendly.”

Concerning a proposed rule amendment stating that any claims submitted in a race that is called off, canceled, or declared no contest shall be void, the Board decided to add language clarifying that the change will apply solely to future races and not be retroactive. The additional language requires the amendment to be noticed to the public once again.

Commissioner John Andreini urged his fellow commissioners to fully support SB 746, which among other things would require the southern quarter horse and northern harness meets to pay each other impact fees of 5 percent of their respective handles on each other’s signals.

The Board approved a rule amendment bringing the length of a driver’s whip in line with the United States Trotting Association requirements.

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