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## CALIFORNIA HORSE RACING BOARD



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CHRB NEWS RELEASE

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### REVIEW OF CHRB ACTIONS AND DISCUSSIONS 11-17-09

ALBANY, CA – The California Horse Racing Board conducted its regular meeting Tuesday, November 17, at Golden Gate Fields. Chairman John Harris presided. Vice Chairman David Israel and Commissioners Keith Brackpool, Jesse Choper, and Richard Rosenberg were in attendance. During the meeting:

- The commissioners and industry leaders discussed at length two proposed 2010 racing calendars for Northern California, focusing on the summer fair schedule. One proposal submitted jointly by the Thoroughbred Owners of California (TOC), California Thoroughbred Trainers (CTT), and Golden Gate Fields would allocate a disputed week of racing that includes Labor Day, September 6, 2010, to Golden Gate. An alternative calendar submitted by the California Authority of Racing Fairs (CARF) would allocate that week to Pleasanton as part of CARF's meet at the Alameda County Fairgrounds. The two proposed calendars agree in all other respects.

Chairman Harris introduced another consideration when he suggested that the Humboldt County Fair meet in Ferndale, which always has run overlapped with at least one other fair or thoroughbred meet in Northern California, perhaps should have an opportunity to run at least one of its two weeks without overlap. This would allow Ferndale to be the host track that week and make them more self-sufficient, and also give most other horses in the circuit a break that would help increase field sizes at other meets. Harris commented, "Ferndale is a very historic and well-liked racing venue and deserves some consideration. Racing needs some new ideas." To provide a non-overlapped week at Ferndale could require shifting the dates of other meets, and primarily for that reason, the Board delayed approving the Northern California thoroughbred and fair meets calendar. A meeting has been tentatively scheduled for December 17 to consider and approve a final 2010 calendar.

In a related matter, Chairman Harris directed Executive Director Kirk Breed to conduct an audit of the CARF paymaster accounts for 2008 and 2009 on all the fair associations to determine – before any dates are granted for 2010 – the overpayment and underpayment of purses for each race meet, and in the case of any underpayments, why those monies were not returned to the horsemen who earned the purses.

- The Board approved one-year licenses for the four Advance Deposit Wagering companies currently operating in California. TVG, XpressBet, Youbet.com and Twinspires all received licenses for 2010. Prior to approvals, the Board questioned why the horsemen's agreement, hub agreement, and labor agreement were not included in the application. Staff explained that these were forthcoming and in most cases part of the individual racing association application for license. Commissioner Brackpool asked, "How do we (CHRB) know that these agreements are being submitted and maintained." Staff stated the association licenses are being modified to provide this control as a condition of licensure.

Vice Chairman Israel questioned TVG representatives about their coverage of the recently

concluded Oak Tree meet. The Oak Tree Racing Association ended its exclusive arrangement with TVG for broadcast rights to the meet and permitted HRTV to air the races as well. Vice Chairman Israel noted among other things that many Oak Tree races were shown tape-delayed by TVG, which he believed hurt Oak Tree's business. In response, Greg Nichols, Betfair managing director for sporting affairs, said the tape-delay of some Oak Tree races was purely the result of giving preferential treatment to other tracks with exclusive arrangements. Nichols and other TVG representatives pledged that Oak Tree would be treated fairly in the future.

- Gregg Scoggins, representing MEC, the owner of both Santa Anita Park and Golden Gate Fields, reported that MEC, which is in bankruptcy, has debtor-in-possession financing sufficient to meet all its obligations through April. He also described a bidding and auction process designed to produce buyers for Santa Anita and Golden Gate by February 26 at which time the court is expected to approve sale orders subject to CHRB licensing approvals of the prospective buyers. The CHRB and MEC will be encouraging bidders to submit licensing applications early in the bidding process in order to speed up the CHRB review of those who eventually purchase the properties. Scoggins also indicated that the court had approved payment of pre-petition obligations to statutorily required funds, such as those for stabling and vanning and simulcast operations.
- Chairman Harris announced the likelihood that audio webcasting of CHRB meetings will be suspended due to a redirection of California Marketing Committee funds. The average cost of providing audio via a link at the CHRB Website has been \$2,500 per meeting with an average of 76 listeners per meeting.
- The Board approved four license applications for meets beginning December 26, 2009, operated by the Los Angeles Turf Club at Santa Anita Park (through April 18), the Pacific Racing Association at Golden Gate Fields (through June 13), the California Exposition and State Fair Harness Association at Cal Expo (through June 19), and the Los Alamitos Quarter Horse Racing Association at Los Alamitos (through December 19). There was some discussion of whether Santa Anita, which will continue to operate five days a week, should cut back to four-day weeks in April leading up to the Hollywood Park fall meet, so as to preserve the inventory of horses ready to race at the Inglewood meet, which intends to operate just four days a week due to the entry shortage. The Board approved the application as submitted with five-day weeks in April with the understanding that horsemen and Santa Anita will monitor the situation and act in the best interests of horse racing when the time comes.
- The Board tabled a proposal to amend Rule 1658, which would have voided a claim if a horse was unable to return after a race to be unsaddled. And the commissioners altered the language of another proposed regulatory amendment to Rule 1658 that will be going out for public notice. Persons working on the starting gate will be required to wear safety helmets but not persons handling horses, such as grooms who simply walk the horses off the track after the race.
- The Board approved a request from the Jockeys' Guild and the Disabled Jockeys Endowment (DJE) to direct future statutorily mandated funds for disabled jockeys to the Permanently Disabled Jockey's Fund (PDJF), which is in the process of merging with the DJE. The PDJF is a public charity and its Board includes several representatives of the California horse-racing industry, among them CHRB Commissioner Bo Derek.
- The Board approved for 45-day public notice a proposed regulatory amendment to Rule 1632 to revise jockey riding fees pursuant to state law by increasing by \$10 the minimum jockey riding fee for losing mounts.

- The Board conducted public hearings and adopted six regulatory amendments following their 45-day public notice periods. Rule 1843.6 adds the equine medical director (EMD) and stewards to the list of officials who may direct that blood samples be taken from a horse for TCO<sub>2</sub> testing, while Rules 1858 and 1859 add the EMD to those who can designate horses for other testing. Rule 1866 provides that a horse placed on the Veterinarian's List as injured, unsound, or lame may not work out for 72 hours after being placed on the list without permission of the official veterinarian, who may also require any horse on the list to undergo a veterinary examination prior to training. Rule 1867 provides additions to the list of prohibited drug substances in both racing and out-of-competition testing. Rule 1890 further restricts the possession of contraband, such as injectable drug substances, at California racetracks and approved training facilities.

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