

MEETING

STATE OF CALIFORNIA

HORSE RACING BOARD

In the Matter of:)
)
Regular Meeting)
)

SANTA ANITA RACE TRACK

BALDWIN TERRACE ROOM

285 WEST HUNTINGTON DRIVE

ARCADIA, CALIFORNIA

THURSDAY, JANUARY 15, 2009

9:00 A.M.

Reported by:
Ramona Cota

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMISSIONERS

John C. Harris, Vice Chairperson

Jesse H. Choper

David Israel

Jerry Moss

STAFF

Kirk Breed, Executive Director

Richard Bon Smith, Assistant Executive Director

Robert Miller, Staff Counsel

Jacqueline Wagner, Regulations/Legislation Manager

ALSO PRESENT

Dr. Rick Arthur, Equine Medical Director

Drew Couto, TOC

Barry Broad, Jockeys' Guild

Sonia Pishehvar, California Horsemen's Safety Alliance

Ed Halpern, California Thoroughbred Trainers

Jim Perez, California Harness Horsemen's Association

Rod Blonien, Alameda County Fairgrounds

Darrell Haire, Jockeys' Guild

Rick Pickering, Alameda County Fairgrounds

John Vasquez, Solano County Board of Supervisors

Eual Wyatt, Hollywood Park

James Correll, Pari-Mutuel Employees Guild

Jack Liebau, Hollywood Park

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APPEARANCES CONTINUED

ALSO PRESENT

Craig Fravel, Del Mar Thoroughbred Club

Gus Stewart

Earl Richey

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1 PROCEEDINGS

2 COMMISSION VICE CHAIRPERSON HARRIS: We're going
3 to go ahead and start, we're going to call the meeting to
4 order.

5 EXECUTIVE DIRECTOR BREED: Ladies and gentlemen,
6 this meeting of the California Racing Board will come to
7 order. Please take your seats.

8 This is the regular noticed meeting of the
9 California Horse Racing Board on Thursday, January 15th,
10 2009, at Santa Anita Park Racetrack, 285 West Huntington
11 Drive, Arcadia, California.

12 Present at today's meeting are Vice Chairman John
13 Harris, Commissioner Jesse Choper, Commissioner David
14 Israel, Commissioner Jerry Moss.

15 Before we go onto the business of the meeting I
16 need to make a few comments.

17 The Board invites public comment on the matters
18 appearing on the meeting agenda. The Board also invites
19 comments from those present today, on matters not appearing
20 on the agenda, during a public comment period, if the matter
21 concerns horse racing in California.

22 In order to ensure all individuals have an
23 opportunity to speak and the meeting proceeds in a timely
24 fashion, the Chair will strictly enforce the three-minute
25 time limit rule for each speaker. The three-minute time

1 limit will be enforced during discussion of all matters, as
2 stated on the agenda, as well as during the public comment
3 period.

4 There is a public comment sign-in sheet for each
5 agenda item on which the Board invites comments. Also,
6 there is a sign-in sheet for those wishing to speak during
7 the public comment period for matters not on the Board's
8 agenda, if it concerns horse racing in California.

9 Please print your name legibly on the public
10 comment sheet. When a matter is open for public comment
11 your name will be called. Please come to the podium and
12 introduce yourself by stating your name and organization
13 clearly.

14 This is necessary for the court reporter to have a
15 clear record of all who speak.

16 When your three minutes are up, the Chairman will
17 ask you to return to your seat so others can be heard. When
18 all the names have been called, the Chairman will ask if
19 there is anyone else who would like to speak on the matter
20 before the Board.

21 Also, the Board may ask questions of individuals
22 who speak.

23 If the speaker repeats himself or herself, the
24 Chairman will ask if the speaker has any new comments to
25 make. If there are none, the speaker will be asked to let

1 others make comments to the Board.

2 Mr. Chairman.

3 COMMISSION VICE CHAIRPERSON HARRIS: I'd like to
4 welcome everyone to the meeting. You may note that on the
5 agenda there's no item for election of officers, and I
6 purposely suggested we do it that way because we only have
7 four people able to attend today, out of our six persons
8 that are now on the Board. We've got one vacancy.

9 So I felt it would be better to defer the election
10 of officers until a time that more Board members were here,
11 just out of fairness, and it should not impact -- I'm
12 basically assuming the duties of Chairman now, as Vice
13 Chairman.

14 The first item is the approval of the minutes of
15 the regular meeting of December 15th. Any changes to those?

16 COMMISSIONER MOSS: So moved.

17 COMMISSIONER CHOPER: Wait, wait, I do have one.

18 COMMISSION VICE CHAIRPERSON HARRIS: You've got a
19 change? Okay, it's the --

20 COMMISSIONER CHOPER: Is this the 15th?

21 COMMISSION VICE CHAIRPERSON HARRIS: Yes.

22 COMMISSIONER CHOPER: It just was on page 1-9, it
23 had to do with the question of the payments to the
24 Sacramento Harness Association.

25 And I can just give you the couple little

1 corrections to clarify.

2 COMMISSION VICE CHAIRPERSON HARRIS: It's on page
3 2-9?

4 COMMISSIONER CHOPER: 1-9.

5 COMMISSION VICE CHAIRPERSON HARRIS: Okay, 1-9
6 might be the December meeting.

7 COMMISSIONER CHOPER: I'm sorry, I thought you
8 said December.

9 COMMISSION VICE CHAIRPERSON HARRIS: No, this is
10 November. We're going back to November for this. And,
11 actually, I did have one change in November, that I thought
12 was December, but it was November.

13 Which is a correction to a correction. That
14 basically, back in the previous agenda, the previous minutes
15 we approved for October, I had made a statement that there
16 were -- on racing weeks through that Del Mar period,
17 basically, and on through Fairplex, that we had several
18 weeks in a row that were six-day-a-week in Southern
19 California race days.

20 And the way it's stated in the minutes really
21 misstated.

22 EXECUTIVE DIRECTOR BREED: What page is that,
23 John?

24 COMMISSIONER ISRAEL: Well, it's 2-1. Are you
25 talking about the October minutes, John?

1 EXECUTIVE DIRECTOR BREED: Page 2-1.

2 REGULATIONS/LEGISLATION MANAGER WAGNER: Mr.
3 Chairman, which set of minutes are we speaking of for the
4 correction?

5 COMMISSION VICE CHAIRPERSON HARRIS: Well, the
6 correction is for the meeting of November 18th.

7 REGULATIONS/LEGISLATION MANAGER WAGNER: Have we
8 made a -- taken action on Item Number 1 which is, I believe,
9 the December meeting?

10 EXECUTIVE DIRECTOR BREED: No, it's page 2-1.

11 COMMISSION VICE CHAIRPERSON HARRIS: It's page 2-
12 1, it's the November meeting. It's kind of a minor change,
13 but since we're going to --

14 COMMISSIONER ISRAEL: I understand what you're
15 saying. Where you say -- it says, "Vice Chairman stated on
16 page -- which I suppose it means page -- 117, of the minutes
17 as quoted as stating there was racing six -- don't you mean
18 to say six days a week for eight weeks?

19 REGULATIONS/LEGISLATION MANAGER WAGNER: All
20 right.

21 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, it
22 should be six days a week for eight weeks.

23 REGULATIONS/LEGISLATION MANAGER WAGNER: Could you
24 clarify what page you're on?

25 COMMISSION VICE CHAIRPERSON HARRIS: Page 2-1.

1 REGULATIONS/LEGISLATION MANAGER WAGNER: 2-1,
2 okay.

3 COMMISSION VICE CHAIRPERSON HARRIS: So --

4 REGULATIONS/LEGISLATION MANAGER WAGNER: And the
5 correction should state?

6 COMMISSION VICE CHAIRPERSON HARRIS: Well, the
7 correction should say that there is racing six days a week
8 during that eight-week period. It says eight-day period
9 event.

10 REGULATIONS/LEGISLATION MANAGER WAGNER: Oh,
11 eight-week, okay, great. Okay.

12 COMMISSION VICE CHAIRPERSON HARRIS: Okay, any
13 other corrections or additions to the November?

14 COMMISSIONER CHOPER: I can just give this over to
15 Jackie.

16 COMMISSION VICE CHAIRPERSON HARRIS: It would be
17 good if we could get these minutes distributed when they
18 come out, so that we can review them before we really get
19 our Board packet, because it's hard to remember back to
20 November, sometimes. And I think they probably were done,
21 you know, before then.

22 But you've got one correction?

23 COMMISSIONER CHOPER: Yeah, just involving those
24 bankruptcy proceedings, I think it's just a matter of --

25 COMMISSION VICE CHAIRPERSON HARRIS: Okay, so

1 just --

2 REGULATIONS/LEGISLATION MANAGER WAGNER: And those
3 are on the November minutes?

4 COMMISSIONER CHOPER: No, December 15th, page 1-9.

5 REGULATIONS/LEGISLATION MANAGER WAGNER: December.

6 COMMISSION VICE CHAIRPERSON HARRIS: Well, let's
7 just get through November, first?

8 COMMISSIONER CHOPER: Okay.

9 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, okay,
10 any -- can we get a motion and a second to approve the
11 November meeting minutes:?

12 COMMISSIONER ISRAEL: I move.

13 COMMISSION VICE CHAIRPERSON HARRIS: Okay, we got
14 a second. All in favor as amended.

15 (Ayes.)

16 COMMISSION VICE CHAIRPERSON HARRIS: Okay, now
17 going to December.

18 Okay, we've got a December meeting, now, which was
19 held on December 15th, here in the Baldwin Room. And you've
20 got a -- where was your correction at?

21 COMMISSIONER CHOPER: On 1-9.

22 COMMISSION VICE CHAIRPERSON HARRIS: On 1-9.

23 COMMISSIONER CHOPER: If you want, I can just read
24 you how I corrected it?

25 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, just

1 read it.

2 COMMISSIONER CHOPER: If you go to the fourth
3 line, from the top of the page, it said, "Choper stated that
4 if SHA paid the 670,000 to the satellite operators" -- I was
5 saying there would likely be bankruptcy proceedings and the
6 money would be recalled.

7 So there it's just the addition of the word
8 "likely."

9 COMMISSION VICE CHAIRPERSON HARRIS: Uh-hum.

10 COMMISSIONER CHOPER: "The Board have an
11 obligation to enforce all laws, rules and regulations
12 affecting horse racing and pari-mutuel wagering." That's
13 fine.

14 "It appeared that the right course for the Board
15 to be to just state that the payments to SHA were mandatory
16 and must be made." So it would be to SHA.

17 "If the issue went into bankruptcy and further
18 payments were not made by SHA, it was out of the Board's
19 hands."

20 That's the way I -- that is what I meant to say.

21 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, that's
22 a good correction.

23 Anything else?

24 Okay, a motion on that, then? Can I have a motion
25 to approve the minutes of December 15th?

1 COMMISSIONER MOSS: So moved.

2 COMMISSION VICE CHAIRPERSON HARRIS: Jerry Moss.

3 COMMISSIONER ISRAEL: Second.

4 COMMISSION VICE CHAIRPERSON HARRIS: Seconded.

5 All in favor?

6 (Ayes.)

7 COMMISSION VICE CHAIRPERSON HARRIS: Okay.

8 Actually, Item 2 is the November. But we'll go on to

9 the --

10 COMMISSIONER CHOPER: That's why I thought it was
11 the December.

12 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, it was
13 a little confusing.

14 Item 3 is this safety reins issue, which I
15 understand there might be a postponement on, but could you
16 comment on it?

17 EXECUTIVE DIRECTOR BREED: Barry Broad's here.

18 COMMISSION VICE CHAIRPERSON HARRIS: Barry Broad
19 will address that.

20 MR. BROAD: Good morning, I'm Barry Broad with the
21 Jockeys' Guild. I thought Mr. Halpern would be here today,
22 but I guess he's not.

23 With the safety rein issue, which I'm sure those
24 of you who were here that day remember, is a somewhat
25 contentious matter.

1 We have, in the meantime, as is often the case,
2 reached an accommodation. And basically what we're doing is
3 collectively the CHSA, the Guild, the Racing Commission of
4 Ontario, which is interested in the issue as well, and I
5 guess the CHRB, were going to ASTM to get a standardized
6 safety rein approved.

7 So that when that happens, which we're hoping will
8 happen in less than a year, and we've all joined ASTM in
9 order to participate.

10 COMMISSION VICE CHAIRPERSON HARRIS: Who is ASTM?

11 MR. BROAD: The American Society of Technical --

12 EXECUTIVE DIRECTOR BREED: Manufacturing.

13 MR. BROAD: Manufacturing.

14 EXECUTIVE DIRECTOR BREED: Testing Manufacturing.

15 MR. BROAD: Yeah, they're the guys that do testing
16 of equipment, and certifying equipment, including sports
17 equipment. And including, I think -- is Sonia here?

18 EXECUTIVE DIRECTOR BREED: Sonia, yeah.

19 MR. BROAD: I think Sonia is really kind of the
20 expert on the ASTM process. It's new to me.

21 EXECUTIVE DIRECTOR BREED: Sonia, will you come up
22 here and so everybody can --

23 MR. BROAD: Sonia's kind of our collective lead
24 person on this. I think they did the safety vests, or the
25 helmets, or both. So it's kind of a standardized approach.

1 And the idea, I guess, is that you would pass your
2 regulation but defer its implementation until we come back,
3 and then basically there would be a requirement then, under
4 that regulation, that safety reins meeting the ASTM standard
5 had to be used.

6 So whatever manufacturer meets that standard would
7 be approved. And that way the Board wouldn't be picking and
8 choosing between designs based on unscientific, you know,
9 assertions or whatever by manufacturers.

10 EXECUTIVE DIRECTOR BREED: Sonia, would you
11 introduce yourself and --

12 MS. PISHEHVAR: Yes. I'm Sonia Pishehvar, with
13 the California Horsemen Safety Alliance.

14 Yes, is American Standard of Testing and
15 Measurement, that's the ASTM.

16 And we have a task group that has been formed,
17 that we were actively involved with the development of a
18 standard for the safety vests, as well as the safety helmets
19 for horse racing.

20 So we're joining forces in order to proceed with
21 the development of the ASTM standard for safety reins.

22 COMMISSION VICE CHAIRPERSON HARRIS: Who all is in
23 the alliance?

24 MS. PISHEHVAR: California Horsemen Safety
25 Alliance is formed through the CTT. We have --

1 COMMISSION VICE CHAIRPERSON HARRIS: You get all
2 these acronyms and we need to --

3 MS. PISHEHVAR: I know. It's 452 is California
4 that are members of the California Horsemen Safety Alliance.
5 And I'm the Administrator, yes.

6 COMMISSION VICE CHAIRPERSON HARRIS: Any tracks,
7 as well?

8 MS. PISHEHVAR: Yes, it's all of the racetracks in
9 California.

10 The CTBL runs the CHSA, which are the members of
11 the CTBL are the presidents of the racetracks in California.

12 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, this is
13 an important issue because I know we've gone -- the safety
14 reins are part of it, but I'm also concerned about the
15 helmets, and vests and all that. But I thought we had
16 standards on those or testing.

17 MR. BROAD: We do, yeah.

18 MS. PISHEHVAR: What we did is I did briefly touch
19 bases with Jackie and we're going to be putting a package
20 together, and they'll be coming before the Board on those
21 issues.

22 COMMISSION VICE CHAIRPERSON HARRIS: Yeah.

23 COMMISSIONER ISRAEL: The recommendation is that
24 we approve this and then defer its implementation. And how
25 long will it take to do the testing?

1 MS. PISHEHVAR: We've just about wrapped up all
2 the preliminary testing. We're trying to test used safety
3 reins, that have been in use by trainers in California for
4 the last 18 to 24 months.

5 We're scheduled to meet in Vancouver, in May of
6 2009. At that time, the draft will be presented to the
7 ASTM. We're hoping that it will be less than a year for us
8 to come up with the standards.

9 It took us 18 months to develop the standard for
10 the safety vest.

11 COMMISSIONER ISRAEL: So if we act now and defer,
12 nothing can be implemented for at least a year; is that what
13 you're saying?

14 MS. PISHEHVAR: The standard will not be developed
15 before a year.

16 EXECUTIVE DIRECTOR BREED: Excuse me, I've just
17 been informed by your staff, and I think this is probably
18 correct, that there's not really a way to defer -- to pass
19 the regulation and defer its implementation, unless it went
20 back to comment and you added a deferred implementation
21 date.

22 So I think you should probably just hold off until
23 the ASTM standard is adopted and then we'll just come back
24 with a new -- with the red package. Is that --

25 COMMISSIONER ISRAEL: Does it have to be rewritten

1 then, is that the --

2 REGULATIONS/LEGISLATION MANAGER WAGNER: It will
3 have to be rewritten in order to incorporate the ASTM
4 standards, whatever those standards are. Right now, the
5 current language does not reference that.

6 COMMISSIONER ISRAEL: And then that starts the
7 public comment thing all over.

8 REGULATIONS/LEGISLATION MANAGER WAGNER: Correct.

9 COMMISSIONER ISRAEL: So it's at least another 90
10 days.

11 REGULATIONS/LEGISLATION MANAGER WAGNER: Correct.
12 Once we get the standards we can go forward with the
13 language that the Guild and the CTT agree on.

14 COMMISSIONER MOSS: And so far the CTT and the
15 Guild haven't agreed on implementation in any way?

16 MR. BROAD: We're not -- there is no
17 standard -- there is no standard rein.

18 So the problem basically is that there are
19 different rein designs that break at different strengths or
20 pressure. Deliberately. They're designed deliberately to
21 break at different strengths and pressures.

22 Because there are some -- they don't want to make
23 it so strong that if the rein gets over the horse's head
24 that it won't break at all and the horse -- it could
25 potentially cause further problems with the horse stepping

1 on the rein, and then it not breaking, and then, you know,
2 God knows what else happens.

3 So and then there are different designs and
4 different materials. They generally do the same thing. But
5 my sense of it, we just had a conference call earlier in the
6 week, of all the participants, is that we're going to get to
7 a resolution of this pretty quickly to present to ASTM.
8 That was my feeling.

9 And then what happens is they all vote. They just
10 vote to adopt it or not, based on the engineering studies.
11 And there's already been an engineering study of the
12 different designs, conventional reins versus several types
13 of safety reins, I think four or five types of safety reins.

14 What they want to figure out is whether -- what
15 the breaking point is of these reins, both conventional and
16 safety reins, after periods of use.

17 Which I think makes some sense. I mean, our
18 interest is to make this happen as quickly as possible, but
19 we also want to make it happen in a way that there's sort of
20 buy-in from the trainers, and an acceptance of what goes on.

21 It's one of -- when you start thinking about these
22 sort of things, the rein that was invented as a rein, it
23 wasn't invented with anybody's thought in mind of materials
24 testing, because it was invented in, you know, the 18th
25 century or something.

1 So what you do is you begin with a design --

2 COMMISSION VICE CHAIRPERSON HARRIS: That was a
3 long time ago.

4 MR. BROAD: Well, I'm thinking of the horse racing
5 rein or something, I assume it's hundreds of years old.

6 But that the -- I don't know. I mean, you're
7 right, obviously, there's been reins back to, you know, the
8 stone age.

9 COMMISSIONER ISRAEL: They made them better back
10 in those days.

11 MR. BROAD: Right. Maybe. Who knows.

12 But the fact of the matter is nobody -- you're
13 starting from a standard that really has no scientific basis
14 to it at all, it's just whatever people did and however they
15 designed it.

16 So you have to kind of start somewhere, and that's
17 basically where we're starting.

18 Otherwise the question is should we reinvent the
19 rein, and I don't think anybody wants to do that.

20 COMMISSIONER CHOPER: Well, I think there's a real
21 advantage of getting everybody on board, as you said. But I
22 also think there's a real advantage of resolving what I
23 always thought were at least unagreed upon consequences of
24 one rein versus another, and so forth.

25 And I take it that the point of this study is to

1 address that. And, therefore, I would think that -- I don't
2 quite know what the proper motion is. But that we put this
3 off until the study comes forward and you both get together
4 and agree as to what you want done, and then we'll have a
5 specific proposal before us.

6 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, I think
7 we move to table it and defer it to staff to bring back.

8 EXECUTIVE DIRECTOR BREED: Thank you.

9 COMMISSION VICE CHAIRPERSON HARRIS: Okay, we've
10 got a movement. A second to table this?

11 COMMISSIONER ISRAEL: Second.

12 COMMISSIONER MOSS: I don't understand, I still
13 don't understand. I thought the trainers and the Jockeys'
14 Guild were going to resolve this between, and that wouldn't
15 involve anything from us, so to speak, you know.

16 MR. HALPERN: Ed Halpern, California Thoroughbred
17 Trainers.

18 Commissioner Moss, the idea was that we would try
19 to resolve it between ourselves, because we all feel, and
20 I'm sure you feel, that it doesn't make any sense to be
21 making rules when nobody knows what standards should be
22 behind those rules or what the reasons are for those rules.

23 So this comes up only because the CHRB had
24 proposed that there be a rule.

25 Once we come to an agreement with these ASTM

1 standards, to me it doesn't matter whether there's a rule or
2 not, we're going to go forward with it.

3 But I'm sure Barry might feel different about that
4 and might want a rule in place, and I don't have a problem
5 with that.

6 MR. BROAD: Yeah, we would want a regulation in
7 place.

8 EXECUTIVE DIRECTOR BREED: Excuse me just a
9 minute. Commissioner, the law requires that the Board set
10 forth standards pertaining to equipment for the horse and
11 equipment for the rider. That has to do with safety.

12 So it's a law that we develop standards for this
13 equipment.

14 COMMISSIONER MOSS: And after we develop the
15 standard then the nature of the implementation is then up
16 for discussion.

17 EXECUTIVE DIRECTOR BREED: Yes.

18 COMMISSIONER ISRAEL: Does this require, then,
19 that if a jockey prefers to use whatever reins he's been
20 using heretofore, he could no longer use them, he would have
21 to use these new, mandated safety reins?

22 MR. BROAD: Well, they typically use -- they don't
23 bring the reins, the jockey doesn't.

24 COMMISSION VICE CHAIRPERSON HARRIS: No, the
25 trainer does.

1 MR. BROAD: The trainer brings the horse to them
2 with whatever rein is on there.

3 COMMISSIONER ISRAEL: Right.

4 MR. BROAD: So, yes, it would mean that like the
5 safety vest and the safety helmet, they would have to choose
6 one that would meet the standard, that would be the idea, we
7 would have a standardized --

8 COMMISSIONER ISRAEL: Even if they had a
9 preference not to use the new rein?

10 MR. HALPERN: Well, we've come to the point with
11 both the safety helmet and the safety vest that their
12 preference takes a backseat to what we believe is an
13 established safety standard.

14 COMMISSIONER ISRAEL: Okay.

15 MR. BROAD: And I haven't heard from any jockey
16 that they don't want -- they really want this.

17 COMMISSIONER ISRAEL: But I remember when the NHL
18 mandated helmets, there were a handful of players who were
19 grandfathered in, who never had worn helmets, who said they
20 didn't want to wear a helmet. It was crazy on their part,
21 but it was their choice. And, you know, that was for
22 safety.

23 And how about baseball helmets? When in the
24 sixties they mandated batting helmets, players who had been
25 playing without them were allowed to finish their careers,

1 if they so choose. This is that same thing. Bobby Wayne
2 played without a face mask his whole career.

3 MR. BROAD: I think on the issue of safety reins
4 that there's no jockey that sees the benefit to not having
5 safety reins.

6 COMMISSIONER ISRAEL: Okay.

7 MR. BROAD: Because all it does it stop the rein
8 from breaking, it doesn't perform differently.

9 MR. HALPERN: The other issue is that if they
10 actually work, it protects the other jockeys, too.

11 COMMISSIONER ISRAEL: Yeah.

12 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, I think
13 the cost of an accident has a real ripple effect on others,
14 so it's the same idea as the motorcycle helmets, or
15 whatever, that somebody's got to take care of this person
16 that was injured, so we want to not have them injured.

17 MR. BROAD: I mean, generally, when you talk to
18 them, of those, and there's quite a few that have had a rein
19 break at some point in their career, it's really scary.

20 COMMISSIONER ISRAEL: Okay. I would imagine.

21 COMMISSION VICE CHAIRPERSON HARRIS: What happens
22 is that we really want one that breaks at some level, but
23 not real easy. Where some these now will break at just very
24 little pressure because it's rotten inside, or some just
25 break with hardly any pressure.

1 COMMISSIONER ISRAEL: Right.

2 COMMISSION VICE CHAIRPERSON HARRIS: And we need
3 to get away from those. But we want it to break at some
4 level, so it's complicated.

5 MR. BROAD: So we'll be back with a -- hopefully,
6 within, you know, nine months or a year with a standard that
7 you can adopt, and that everybody will be behind, and it
8 will be Kumbaya Day.

9 COMMISSIONER ISRAEL: Okay, thank you.

10 MR. BROAD: All right, thank you.

11 MR. BROAD: And, hopefully, nothing breaks in the
12 meantime and our trainers --

13 COMMISSION VICE CHAIRPERSON HARRIS: Well, it's
14 clear now, though, that anybody can use a safety rein if
15 they want. A trainer might be well advised to use one.

16 Okay, let's go on to the next, less controversial,
17 like programs.

18 Do you want to give a background on this, Kirk?

19 EXECUTIVE DIRECTOR BREED: Mr. Chairman, this
20 particular rule has gone through the 45 days of public
21 comment. We have not received any comment from the public
22 regarding either in opposition or support to this particular
23 regulation. And we recommend its approval.

24 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, just
25 for some background on this, that I was involved in the

1 original movement to the 4 millimeter grab. And the 2 came
2 about as a result of some further studies that felt that 2
3 was a little bit better than 4 as a level.

4 And then we have some synthetic tracks that toe
5 grabs are not used, very lightly at all, anyway, so it's not
6 really as big of an issue as it might have been back
7 earlier.

8 But I'm surprised we didn't get any comments. I
9 think we've got some comments from the audience. Ed Halpern
10 is one of them.

11 MR. HALPERN: Thank you, Commissioners.

12 You know, you might wonder why, those of you that
13 have been here for some time, why for five years or so I
14 butt my head against this every time it comes up, because I
15 don't really expect that I'm going to change your mind, and
16 I don't really expect that you're going to listen to what
17 trainers have to say as opposed to, theoretically,
18 scientific studies that are telling you something else. So
19 I understand that.

20 But I'm hoping that at least some of you will have
21 curiosity after what I tell you, to look more thoroughly at
22 this matter and think about it in terms of putting it out to
23 committee to answer some of the questions that we now know
24 are out there.

25 The basic concept that we have and we think it's

1 proven to be true, since the use of toe grabs has changed so
2 much over the last few years, and that concept is that these
3 studies are flawed by the fact that they consider the length
4 of toe grabs as a primary factor in breakdowns.

5 We think that it has been shown now, through
6 experience, that they are a factor, possibly, but they're
7 not a primary factor in breakdowns. And in some cases, they
8 may actually be a deterrent to breakdowns.

9 And just in simple terms, let's look at playing
10 football in Arizona, on a soft, grass field, where you're
11 going to want to have some kind of cleat, as opposed to
12 playing football in Philadelphia on an icy, frozen, hard
13 field when you probably wouldn't want to have some kind of
14 cleat because the action would be more.

15 And what we see on racetracks, on different
16 racetracks, are the same kind of differences in surfaces,
17 particularly now that we have these synthetic surfaces.

18 So let me ask, if toe grabs are such a major
19 factor in breakdowns, why are we seeing so many clusters of
20 things?

21 Why do we see clusters of injuries from racetrack
22 to racetrack?

23 We can go and meet at one racetrack and see one
24 breakdown, or no breakdowns, or two breakdowns, and we can
25 go to another meet, the same toe grabs both tracks, and

1 we'll see 10 or 20 breakdowns at the other meet.

2 If toe grabs are such a major factor, why do we
3 see such a difference in clusters between trainers?

4 And Rick Arthur will tell you that if you look
5 over the history of breakdowns that we have, the vast
6 majority of breakdowns come from a very few trainers.

7 Now, they're using the same toe grabs as the guy
8 that's trained for 20 years and has never had a catastrophic
9 breakdown. What accounts for that difference, if it's toe
10 grabs.

11 And if you look like week to week, and month to
12 month, and day to day these tracks differ, especially these
13 tracks differ. So much from hour to hour. We come out here
14 at 5:30 in the morning and this track is as hard as a
15 freeway. By nine o'clock in the morning it's soft and
16 pliable, and then by ten o'clock it could be almost like
17 oatmeal.

18 So it calls for different circumstances throughout
19 the hours of the day.

20 EXECUTIVE DIRECTOR BREED: Ed, excuse me, we're
21 talking about the days between four and two.

22 MR. HALPERN: I understand that. Toe grabs are
23 still in.

24 EXECUTIVE DIRECTOR BREED: Okay.

25 MR. HALPERN: I understand.

1 EXECUTIVE DIRECTOR BREED: Between four and two.

2 MR. HALPERN: No question. And my point is that
3 we probably don't know whether four's better than two, or
4 two's better than four, or zero's better than four.

5 And that's why what I've done before, and I'm
6 going to ask again when I finish, is that we look at it a
7 little bit closer in a committee where we can sit down and
8 look at these things.

9 But why, if toe grabs are the determining factor,
10 or such an important factor, do we see such a larger amount,
11 a greater amount of breakdowns in the first two weeks of a
12 race meet?

13 If it's toe grabs, we should see the same rates
14 throughout any given meet, on any given track.

15 But Rick Arthur will tell you that we see a much
16 higher rate of breakdowns early in a meet.

17 Now, clearly, it's not toe grabs that are doing
18 that.

19 COMMISSION VICE CHAIRPERSON HARRIS: Well, what
20 was the point that -- I mean, I don't understand your point
21 that it's not toe grabs that's doing it, but we're talking
22 about toe grabs.

23 MR. HALPERN: My point is that we shouldn't make
24 hard and fast rules about which toe grabs we should or
25 shouldn't be using if we have no idea what effect those toe

1 grabs are having. That in certain circumstances, they may
2 be helping.

3 But if I may take a minute just to give you a
4 couple more --

5 COMMISSIONER ISRAEL: Can I ask a question, Ed?

6 MR. HALPERN: Sure.

7 COMMISSIONER ISRAEL: In the last week or so I
8 read a story out of Kentucky, and I can't remember the
9 details of it.

10 COMMISSIONER MOSS: Yeah, I've actually got the
11 piece from --

12 COMMISSIONER ISRAEL: Where there's some concern
13 that the absence of toe grabs is stressing a different part
14 of the horse's anatomy and causing breakdowns in a different
15 way, that wouldn't have been caused -- Jerry, do you know
16 the story I'm talking about?

17 COMMISSIONER MOSS: Yeah, yeah. But why don't we
18 let Mr. Halpern continue, and then I'd like to read this
19 little story from the Times.

20 MR. HALPERN: I want to give you a personal
21 anecdote. Why, if it's toe grabs that are causing the
22 breakdowns, whether they be two, or four, or bigger, or no
23 toe grabs, why do we see such a difference from sire to sire
24 and dam to dam?

25 I trained for 15 years and never had a bowed

1 tendon. I only had three, four horses at a time, but never
2 had a bowed tendon.

3 Five years in a row after that I had a bowed
4 tendon.

5 I had not changed shoes at all during that period.

6 I know why it happened. Now, a study looking at
7 that may have looked at that five-year period and said you
8 had a toe grab problem. I know that those five horses with
9 bowed tendons all came from the same mare, who had bowed a
10 tendon before she ever ran.

11 So the factor had nothing to do with toe grabs.

12 And my point is that the studies don't take in all
13 of these factors.

14 COMMISSION VICE CHAIRPERSON HARRIS: Yeah. I
15 think everyone will stipulate that there's no one factor
16 that clearly causes breakdowns. But what we're looking at
17 here is just the uniformity within the industry.

18 And I was under the impression it's -- which I
19 sort of question your statement that infers that all
20 trainers are opposed to any kind of a ban on -- as I
21 understand it, the majority of trainers is not using toe
22 grabs now; isn't that correct?

23 MR. HALPERN: You know, I don't know that that's
24 correct, it's probably a split of some percentage. I don't
25 think it's the majority, I don't know.

1 COMMISSION VICE CHAIRPERSON HARRIS: Because
2 everyone I've talked to -- I mean, three or four years ago
3 when I talked to trainers they were pretty defensive about,
4 you know, they liked toe grabs, and this and that, and that
5 was just their deal.

6 But it seems like recently, particularly with
7 synthetic tracks, as I understand it, horses like to slide a
8 little bit and it's better for the horse to slide to prevent
9 the torque. And if you've got a toe grab, it negates the
10 sliding part.

11 So I was under the impression that with the
12 synthetics that not that many people were using toe grabs,
13 period, but maybe I'm wrong.

14 MR. HALPERN: Well, many trainers have gotten away
15 from them.

16 COMMISSIONER MOSS: I was wondering if I could
17 read this one piece, which I think would support what Mr.
18 Halpern is saying.

19 It's the Times, it was about a week ago, and the
20 headline is "Deaths Raise Questions in Kentucky."

21 And it says:

22 "Officials at a Kentucky racetrack are
23 trying to determine if their ban on a
24 certain type of shoe, aimed at making
25 racing safer, had the opposite effect.

1 The Turfway Park in Florence reported
2 that eight horses died from racing
3 injuries during its 21-day Holiday Meet
4 that ended December 31. During the same
5 meet, in 2007, which had six additional
6 race days, four horses died on the track
7 and another in the paddock. Bryce
8 Peckham, the Chief Veterinarian for the
9 Kentucky Horse Racing Commission,
10 disclosed the figures Tuesday, at the
11 Commission's first meeting of the year.
12 In September, Turfway banned rear toe
13 grabs, shoes that contain metal spikes
14 intended to aid in traction. Many
15 states have banned front toe grabs, but
16 Turfway and Keeneland were the only
17 tracks in Kentucky to ban rear toe grabs
18 last year. Turfway rescinded its ban
19 Friday."

20 I think what you're saying is we have to keep the
21 trainers' toolbox open, you know.

22 COMMISSION VICE CHAIRPERSON HARRIS: How about on
23 the turf, I was under the impression that there are house
24 rules that would limit horsemen from using toe grabs, front
25 or back, on turf? If, as you were saying, that really turf

1 is where they might be more beneficial, I don't understand
2 why the trainers' organization would have agreed to that.

3 MR. HALPERN: I can tell you that we all
4 understand -- well, the trainers' organization understands
5 that when we start talking about turf courses, they're very
6 sensitive to the use that is put to them, and if you have
7 toe grabs on them, you're going to tear them up and it's
8 going to be like a golf tee where they're all torn up, and
9 create different dangers.

10 So the offset is that it's worth not allowing toe
11 grabs.

12 Can I make one last, very important point about
13 this, that backs up what Mr. Moss said?

14 And that is that in recent months, as you probably
15 know, we've had serious problems at Golden Gate, a higher
16 rate of breakdowns than probably we've ever had anywhere
17 over a three-month period, an unbelievable amount of
18 breakdowns.

19 I don't know if you're aware that the rule at
20 Golden Gate during that period was no toe grabs.

21 Now, I'm not saying that caused those breakdowns.
22 What I'm trying to emphasize to you is that we just don't
23 know.

24 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, most of
25 the -- a lot of the trainers I've talked to at Golden Gate

1 seemed to think that it was not -- I mean, no one I talked
2 to up there are thinking it's toe grabs. And a lot of them
3 are running their horses, or at least training the horses
4 without shoes, which is sort of the opposite of toe grabs,
5 because they're trying to get them to slide more.

6 But, basically, what we were trying to do was to
7 modify a rule, which is a pretty small modification, really,
8 either way you want to argue it, to be in conformance with
9 the Jockey Club Thoroughbred Safety Committee's
10 recommendation.

11 But I think it's really just up to the Board of
12 what we want to do to --

13 COMMISSIONER ISRAEL: Well, it's actually a 50
14 percent modification, so it's not small or --

15 COMMISSION VICE CHAIRPERSON HARRIS: Well, it's
16 not. I mean, keep in mind that originally there were some
17 toe grabs that were like six millimeters or something.

18 COMMISSIONER ISRAEL: The current rule is four
19 millimeters.

20 COMMISSION VICE CHAIRPERSON HARRIS: Is four.
21 But, I mean, four millimeters is not -- I mean, it's not
22 really too big of a deal one way or the other, I don't
23 think.

24 COMMISSIONER MOSS: No, you're talking about the
25 width of a quarter.

1 COMMISSION VICE CHAIRPERSON HARRIS: The width of
2 a quarter, yeah.

3 MR. HALPERN: And do any of you really believe --
4 I mean, let's look at this in a common sense way. Do
5 anybody really believe that a 1,200 pound horse, going 35
6 miles an hour, that is the factor that you would consider
7 important in a breakdown?

8 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, I do.
9 Maybe I lack the intellectual curiosity you're thinking
10 about. But it seems to me that would be a factor because
11 the whole weight of that horse is hitting and just how much
12 torque is created by the lack of slide, and also it's the
13 angle of the stress that may be put on parts of it by having
14 a higher toe. Basically, the toe grabs make the toe higher
15 and creates more stress.

16 But I think we need to hear from Rick Arthur on
17 the science involved here.

18 COMMISSIONER ISRAEL: I mean, there's no question
19 that cleats, or spikes of any kind on any shoe, whether it's
20 a horse or a human, and you plant and you turn the wrong way
21 just slightly, you're going to cause an injury. That's why
22 injuries occur in football as frequently as they do, and in
23 baseball.

24 So that's understandable. But there's a benefit
25 to having the spikes, as well. So it's measuring the

1 detriment against the benefit may not be a bad idea, if
2 there's some scientific study that we can do.

3 COMMISSION VICE CHAIRPERSON HARRIS: Well, there
4 has been a lot of science go into it, I just think we need
5 to look at the science.

6 EQUINE MEDICAL DIRECTOR ARTHUR: Dr. Arthur,
7 Equine Medical Director.

8 I certainly understand what Ed is saying. The
9 fact of the matter is that I don't think anyone ever thought
10 that toe grabs were going to eliminate fatalities, anymore
11 than changing racing surfaces was going to do.

12 The epidemiological data that was derived here,
13 from the Necropsy Program in California, does correlate toe
14 grabs greater than four millimeters to fatalities, and
15 there's a very strong correlation.

16 The Jockey Club Safety Committee recommendation
17 derived from research that was done in Kentucky, using high-
18 speed video. And what they measured was the soil
19 displacement, comparing two millimeter to four millimeter
20 toe grabs.

21 And basically horses, when they put their foot in
22 the ground have a -- the foot slides forwards for a short
23 period of time, and what they did was measure the soil
24 displacement.

25 It was not related to injuries, it was a

1 biomechanical type of a study. And that's where the Jockey
2 Club Safety Committee came up with this recommendation.

3 It's essentially a wear plate, it's a steel insert
4 in the shoe. It is Queen, Queen's XT, as we use on the turf
5 course. But it adds up to be essentially a twelfth of an
6 inch, and that's really what the issue is.

7 There's going to be a lot of developments in
8 shoeing. I do think synthetic surfaces do compound the
9 issue.

10 The big issue is going to be hind shoes. I think
11 most people who look at it do believe that there needs to be
12 some sort of regulation on traction devices at some level,
13 whether four millimeters or two millimeters is going to make
14 a big difference.

15 It certainly is a standard that's being advocated
16 around the country. It's what we used here for the
17 Breeders' Cup, where we had a specific rule for Breeders'
18 Cup that was two millimeters.

19 But the big change, I think, will be coming in the
20 hind shoes, which that research, hopefully, will be
21 forthcoming.

22 But we're talking about a twelfth of an inch. I
23 don't think -- except philosophically. I think,
24 practically, it doesn't make a different much one way or the
25 other.

1 COMMISSIONER CHOPER: When you say practically,
2 you mean in terms of injury?

3 EQUINE MEDICAL DIRECTOR ARTHUR: I don't think the
4 shoe -- the difference between having a flat shoe and a four
5 millimeter toe grab is virtually inconsequential.

6 COMMISSIONER CHOPER: In terms of injury -- in
7 terms of injury, safety?

8 EQUINE MEDICAL DIRECTOR ARTHUR: Right.

9 COMMISSION VICE CHAIRPERSON HARRIS: No, no, I
10 think the science shows that there is --

11 EQUINE MEDICAL DIRECTOR ARTHUR: The science shows
12 that a four millimeter toe grab does displace more soil,
13 which would correlate to the horse digging in, and more
14 force put on the foot.

15 I haven't seen data in terms of the -- how it
16 actually dissipates the force, but it does push more soil
17 forward. And that's how they've come to that conclusion.

18 COMMISSIONER CHOPER: Is that the strong basis for
19 concluding that they produce a greater -- that the four-
20 inchers is going to cause more injuries than the two-
21 inchers. I mean, that's what we're talking about.

22 EQUINE MEDICAL DIRECTOR ARTHUR: That's right.

23 COMMISSIONER CHOPER: I don't think anyone's said
24 that there's -- I mean, you certainly just proved that it's
25 not large. But that's not the point. The point is if you

1 can cut it down three percent, if you can demonstrate it, it
2 would be a good idea.

3 If you can't, then we ought to leave it alone, I
4 think.

5 MR. HALPERN: Well, and that is my point, that if
6 it can be demonstrated, fine. If it can't, which is hasn't,
7 then certainly our experience for all of us, and I'm sure
8 Mr. Harris and Mr. Moss, you've had the same experience, we
9 started cutting down the size of toe grabs probably six
10 years ago. Eighty percent of the trainers were down to four
11 or two millimeter.

12 But either one of you would say, well, I haven't
13 really seen a difference in how many injuries my horses
14 have.

15 COMMISSIONER CHOPER: Your trainers want four-
16 inch -- four-millimeter toe grabs?

17 MR. HALPERN: Yes, trainers would like the
18 variability.

19 COMMISSION VICE CHAIRPERSON HARRIS: I mean, I
20 think the issue is a trainer would like the toolbox concept
21 more than -- I mean, my perception is the majority of
22 trainers are not using toe grabs, now.

23 MR. HALPERN: No, I think you're right. I think
24 the answer is just as you've stated, trainers would like the
25 toolbox. And given that we really don't know if there's a

1 different, why not leave the tool.

2 The other half of that is that the very passage of
3 such a rule gives it credibility, and it's very hard to
4 reverse it, then, in later years.

5 So now people go around the country saying, well,
6 California did it, and they were used in the Breeders' Cup,
7 and so it must be the right rule. And it may or may not be.

8 COMMISSIONER ISRAEL: Can I ask, is there any
9 difficulty in requiring the trainers of California to
10 declare what kind of shoes their horses are wearing when
11 they bring them to the paddock?

12 MR. HALPERN: Well, they do it -- when it's an
13 off-track, they do that. So I don't see the --

14 COMMISSIONER ISRAEL: And that way there can
15 actually be information that we base the decision upon,
16 we'll know what horses were running, what shoes they're
17 running with, when a breakdown occurred.

18 Right now it's just that you're guessing, right?

19 COMMISSION VICE CHAIRPERSON HARRIS: Well, we have
20 it now, I think.

21 EQUINE MEDICAL DIRECTOR ARTHUR: Yeah, we
22 certainly have it on all the fatalities. And the
23 horseshoe -- we have a position called -- a racing official
24 called the horseshoe inspector, which a lot of the
25 jurisdictions don't have. And the horseshoe inspector here,

1 at Santa Anita, does an excellent job of recording all toe
2 grab heights.

3 We have it for, you know, probably going back the
4 last few years.

5 COMMISSIONER ISRAEL: The last few years. What
6 about in the morning, do your people -- do they keep
7 records?

8 MR. HALPERN: They might have their --

9 COMMISSIONER ISRAEL: If we were defer
10 consideration of this, would you ask them to provide with
11 some sort of --

12 MR. HALPERN: Sure.

13 COMMISSIONER ISRAEL: Because the rate of
14 fatalities in the morning, as opposed to the afternoon, is
15 what, Rick?

16 EQUINE MEDICAL DIRECTOR ARTHUR: About two-thirds.
17 Well, it's almost fifty-fifty, now. But it had been about
18 sixty-forty for years.

19 COMMISSIONER ISRAEL: So it would be useful to
20 know that.

21 MR. HALPERN: Well, I'd be glad to do that.
22 That's merely what I'm trying to accomplish here is let's
23 find out what's going on.

24 COMMISSIONER MOSS: And, you know, the track
25 conditions change from one hour to the next.

1 COMMISSIONER ISRAEL: Right.

2 COMMISSIONER MOSS: From one day to the next.

3 And, you know, the trainers need to have the opportunity to
4 adjust to that. And I think we can't take that away from
5 them. You know, I just don't think it's reasonable.

6 COMMISSION VICE CHAIRPERSON HARRIS: I complain
7 enough now about my shoeing bills. Usually, a horse should
8 get shod -- I don't want Imelda Marcos training my horse.

9 EQUINE MEDICAL DIRECTOR ARTHUR: You know,
10 interestingly enough, and I would hope Ed would confirm
11 this, I mean, there's actually having the toe grab
12 regulation we have now, I think most people, most
13 horseshoers I've talked to actually find it a lot easier to
14 shoe horses because there's not all that fancy stuff.

15 And either way, I think the reality of it is that
16 when you put a four-millimeter toe grab, which is a low toe,
17 a low toe grab, by the time the horse -- unless the horse
18 races that day, in a week that will be a two-millimeter toe
19 grab, anyway.

20 COMMISSIONER ISRAEL: When you started, Rick --

21 EQUINE MEDICAL DIRECTOR ARTHUR: Yes?

22 COMMISSIONER ISRAEL: -- however many years ago it
23 was, how long were the longest toe grabs?

24 EQUINE MEDICAL DIRECTOR ARTHUR: You would get
25 ten-millimeter toe grabs.

1 COMMISSIONER ISRAEL: Okay.

2 EQUINE MEDICAL DIRECTOR ARTHUR: And that's a big
3 toe grab.

4 COMMISSIONER ISRAEL: Yeah, that's like a football
5 or a baseball spike.

6 EXECUTIVE DIRECTOR BREED: Mr. Chairman, I'm going
7 to make a point, this is only for thoroughbred horses, and
8 it's only on the front feet.

9 COMMISSION VICE CHAIRPERSON HARRIS: Right.

10 EXECUTIVE DIRECTOR BREED: So the quarter horse
11 people were given time to do a study on toe grabs. I think
12 there was one trainer, Paul Jones, who happened to be the
13 leading trainer, but he was opposed to the change in the
14 rule.

15 So they are doing a study right now, and they are
16 planning on coming forward next month with a one-year study
17 on toe grab height. So that might be interesting, even
18 though it's quarter horses.

19 EQUINE MEDICAL DIRECTOR ARTHUR: I would like to
20 add, as Ed pointed out, house rules -- racetracks have
21 implemented house rules. They've done it on the turf course
22 for years, they do it at Golden Gate, now, and it was done
23 here for the Breeders' Cup, and that's always an option.

24 And the Jockey Club Safety Committee actually
25 recommended that to a lot of the racing associations who

1 still have the authority to do that, hopefully, in
2 consultation with their horsemen.

3 COMMISSIONER CHOPER: Well, I move to table it.

4 COMMISSION VICE CHAIRPERSON HARRIS: What's the
5 pleasure of the Board? To table it? Okay, we've got a
6 motion to table.

7 COMMISSIONER ISRAEL: I second.

8 COMMISSION VICE CHAIRPERSON HARRIS: Second.

9 All in favor?

10 (Ayes.)

11 Okay, our next item is we've got several of these
12 harness related items, and I want to point out that none of
13 these are to implement a rule today, it's rather to put them
14 out for comment.

15 But what we would do that, what we want to do is
16 make sure what we're putting out for comment is --
17 basically, has a consensus that it's at least a good idea to
18 put it out for comment.

19 So I think we'll put them all together and --

20 EXECUTIVE DIRECTOR BREED: It's 5, 6, and 7.

21 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, 5, 6,
22 and 7.

23 And Jim Perez, of the Harness Association, I know
24 had some comments to elaborate on some modifications he felt
25 were necessary.

1 MR. PEREZ: Good morning. Jim Perez, Executive
2 Director, CHHA.

3 We agree and we support this rule by the CHRB.
4 Unfortunately, there should be some wording changed. I
5 don't know if any of you know what handholds are. Handholds
6 is a piece of equipment, it's a leather piece of equipment
7 that's added to our lines, and it's adjusted by a buckle to
8 basically assist the driver in holding a horse, when a horse
9 is grabbing on too much.

10 It's not mandatory, it's not a law we use
11 handholds. It's an aid. So sometimes when a horse grabs on
12 the driver may move the handle up two feet from where they
13 actually sit at the end of a race, comfortably holding the
14 lines.

15 And the reason is when the horse grabs on that
16 much you want the leverage. It's used more for leverage,
17 like for steering or driving. It's used for leverage to
18 hold the horse.

19 The problem you get is when the horse eases up on
20 the bit past the half-mile pole, the lines move up. Well,
21 now the driver's arms are only so long. You can't expect
22 the driver to be driving basically with his hands on the
23 horse's ass, touching the horse's ass.

24 So what we'd like to do is have the rule read like
25 it does in Florida, which was the first track to implement

1 the rule. Which is the rules call for drivers, in any type
2 of race, to never be allowed to put the reins in one hand in
3 order. Rule Number 5, driving rules.

4 So I'll repeat that. The rules for drivers, in
5 any type of race, to never be allowed to put the reins in
6 one hand in order to strike a horse with a whip at any time
7 during the reins.

8 Where it was brought here which says to require
9 the drivers to keep a hand in each handhold at all times.
10 That would make it basically impossible. I mean, make it
11 uncomfortable. It would give a bad perception to the public
12 because the driver could be leaning forward most of the
13 times because his hands are being pulled forward because of
14 the handhold.

15 So I think that rule is fine as long as the
16 wording's changed. Changed from handhold to lines.

17 In the USTA, which is our governing body across
18 the country, they're implementing a rule, that should go
19 into effect in February, which reads the same way.

20 "A driver shall keep a line in each hand from the
21 start of the race until the finish of the race."

22 It doesn't really say much about handholds. So I
23 think that's the way that rule should read.

24 COMMISSION VICE CHAIRPERSON HARRIS: And do we
25 need a rule, if the USTA has one? I mean, wouldn't that be

1 the overriding --

2 MR. PEREZ: A lot of USTA rules are not followed
3 by California. So, I mean, we seem to go by the CHRB rules.
4 Although that's -- you guys are our governing body. Even
5 though the USTA is across the country, we look for the
6 Racing Board rules here to make the rules.

7 So like I say, I mean it's really basic, just
8 change the wording from handholds to keep a hand on each
9 line. That's where we're at with that, that's Number 5.

10 Number 6, prohibit the use of snappers on harness
11 drivers' whips.

12 You know, whips are a lot different than crops.
13 The driver's whip can only be four feet long with a six-inch
14 snapper. Around two and a half feet of that whip is useless
15 because it's really stiff.

16 When you hit the horse, or you urge your horse on
17 the butt with that part of the whip it doesn't even bend.

18 The snapper's used to create noise. And being
19 that the drivers are going to be only able to whip with a
20 line in each hand, they cannot reach back and hit like they
21 used to hit. That part of the whip will basically be
22 hitting the back pad or the saddle pad to make noise.

23 I think it doesn't hurt a horse at all. Back when
24 you were one-handing -- one-handing the horse, it would. It
25 had a possibility of accidentally marking up a horse. This

1 way it's almost impossible, the lines are in one hand.

2 So the snapper part, I think, it doesn't even
3 matter. I mean, I think it helps the driver, it helps the
4 horse. Some horses need urging, as you all know. Some
5 don't, some do. And it just makes noise, it creates noise.
6 It doesn't -- the reason it was trying to be dropped is
7 because they thought it would mark up horses by accident, a
8 driver would reach down one-handed, hit a horse down below
9 the stifles, or the hock to mark them up.

10 While doing it this way, it's almost impossible to
11 do that.

12 And that's where the penalties, the USTA -- Number
13 7. To provide for action to consider the indiscriminate use
14 of whip by harness drivers.

15 The USTA has their rules for indiscriminate use of
16 a whip. A, would be causing visible injury. B, whipping a
17 horse after a race. C, whipping under arch or shaft of the
18 sulky. Those are the rules of the USTA.

19 And, basically, I mean, that's going to be up to
20 the steward's discretion. If a driver, after the race is
21 over, keeps on hitting the horse, well, you know, he should
22 be fined. That's all on the steward's discretion after
23 watching the race.

24 So I think all of these fall under one rule. I
25 think the wording should be changed from the 5, from

1 handholds to lines.

2 And, I mean, if you want to delete 6, with the
3 snappers, I don't think it -- I thinks it's a waste because
4 I think it actually helps -- it helps the horse urge on more
5 than anything. I don't know why it's even in there.

6 And Number 7, you know, you can go by the rules
7 that the USTA set out, and also have the stewards oversee
8 everything.

9 COMMISSION VICE CHAIRPERSON HARRIS: Any other
10 comments on this, what's -- I guess our option is to put it
11 out for comment and make these modifications, and then come
12 back.

13 MR. PEREZ: That's fine.

14 COMMISSION VICE CHAIRPERSON HARRIS: Because at
15 that point --

16 MR. PEREZ: If staff wants any help in the
17 wording, we can do it right across the street.

18 COMMISSIONER ISRAEL: What was the genesis of some
19 of these?

20 REGULATIONS/LEGISLATION MANAGER WAGNER: Just so
21 I'm clear, so the action would be to incorporate the
22 suggestions that Mr. Perez made in the text. If that's the
23 Board's pleasure, we can go ahead and incorporate that text,
24 make the modifications and put that text out for 45 days.
25 Is that what you're asking?

1 COMMISSION VICE CHAIRPERSON HARRIS: That's fine.

2 COMMISSIONER ISRAEL: I have a question.

3 COMMISSION VICE CHAIRPERSON HARRIS: David.

4 COMMISSIONER ISRAEL: What is the genesis of these
5 items on the agenda, where did they start from?

6 MR. PEREZ: With the USTA.

7 EXECUTIVE DIRECTOR BREED: Where these started was
8 that our stewards, Board of Stewards at Cal-Expo, who are
9 the only harness stewards, came forward and they wrote these
10 recommended rules, rule changes.

11 COMMISSIONER ISRAEL: They came forward on their
12 own or --

13 EXECUTIVE DIRECTOR BREED: They came forward as a
14 Board of Stewards.

15 COMMISSIONER ISRAEL: As a Board of Stewards,
16 okay.

17 EXECUTIVE DIRECTOR BREED: And made these
18 recommendations for a rule change.

19 These are in response to USTA rules and also a lot
20 of pressure back east, apparently from PETA, and other
21 animal welfare organizations, especially the use of the
22 whip.

23 COMMISSIONER ISRAEL: Would they have any
24 objections, since they're not here to speak for themselves,
25 to changing these rules as they're written, so that they

1 conform with what Mr. Perez is asking us to do?

2 EXECUTIVE DIRECTOR BREED: It's the process. I
3 don't think they --

4 COMMISSION VICE CHAIRPERSON HARRIS: I
5 think -- well, I guess what we can do is put them out for
6 comment, and maybe we better modify them and then put them
7 out for comment. Because if we put them out for comment
8 right now --

9 EXECUTIVE DIRECTOR BREED: Yeah.

10 COMMISSION VICE CHAIRPERSON HARRIS: So why don't
11 we just -- well, are there any of these that everyone's okay
12 on just as they are, or they all need some modification
13 before they go to comment?

14 REGULATIONS/LEGISLATION MANAGER WAGNER: As I'm
15 understanding the presentation from Mr. Perez, he would like
16 the text to incorporate the suggested changes that he has
17 proposed before the Board.

18 COMMISSIONER ISRAEL: Yeah.

19 REGULATIONS/LEGISLATION MANAGER WAGNER: So I'm
20 prepared to do that, to take the changes that he read to
21 you, incorporate that into the text, and put that text out
22 for 45 days.

23 COMMISSION VICE CHAIRPERSON HARRIS: So we can do
24 that.

25 REGULATIONS/LEGISLATION MANAGER WAGNER: We can do

1 that.

2 COMMISSIONER CHOPER: Can I ask a question, I'm
3 confused?

4 I understand that the stewards at Sacramento
5 proposed the language that we see here, all of it, verbatim?

6 REGULATIONS/LEGISLATION MANAGER WAGNER: Correct.

7 COMMISSIONER CHOPER: And then USTA adopted that?

8 REGULATIONS/LEGISLATION MANAGER WAGNER: No, the
9 suggestion --

10 COMMISSIONER CHOPER: Then why does it say that
11 the -- why would they name the USTA rule --

12 EXECUTIVE DIRECTOR BREED: They got the rules from
13 the USTA.

14 COMMISSIONER CHOPER: The USTA went first.

15 EXECUTIVE DIRECTOR BREED: The USTA went first.

16 COMMISSIONER CHOPER: Okay.

17 EXECUTIVE DIRECTOR BREED: Then our stewards said
18 we need to adopt these rules in California.

19 COMMISSIONER ISRAEL: Okay. So has the USTA
20 outlawed snappers?

21 MR. PEREZ: They will outlaw snappers when this
22 rule changes.

23 COMMISSIONER ISRAEL: And you're suggesting that
24 California not outlaw snappers?

25 MR. PEREZ: It can go either way with us, it

1 doesn't really matter to us. But I think the benefit's
2 more -- our whips are useless, I'd say two and a half feet
3 of them are useless. I think the noise of the snapper,
4 being that you can't one-hand the horse anymore, the snapper
5 is basically going to be useless unless you hit the saddle
6 pad to make the noise. Otherwise than that, it won't even
7 make any effect. So we can go either way on that.

8 I mean, I would -- I would rather leave it out
9 because of the noise that it can make to urge a horse.

10 COMMISSIONER ISRAEL: Well, what would the
11 Stewards do, recommended that we adopt these changes, say
12 about that?

13 MR. PEREZ: What the stewards are going by is what
14 I have in front of me, are the amended rules by the USTA.

15 COMMISSIONER ISRAEL: Well, why should we be
16 different, Jim, I don't understand your rational.

17 MR. PEREZ: Well, we don't have to be different.
18 I mean, we have to be different on the wording on Number 5,
19 where the stewards put handholds, where on the USTA it
20 doesn't say handholds. I mean, that's impossible to do,
21 it's impossible on that part.

22 COMMISSIONER ISRAEL: I understand. So you're
23 suggesting -- my confusion is you're suggesting, you're sort
24 of picking some from column A, some from column B. You'll
25 conform with the rules where you agree with them and you

1 don't want to conform with the rules that you don't agree
2 with.

3 MR. PEREZ: No, we'll conform with all the rules.
4 I'm just saying it doesn't really -- I think being that you
5 can't one-hand the whip, the snapper does not come into play
6 like it used to, that's all I'm saying.

7 If we want to go by these rules, that's fine with
8 us, too, there's no problem with supporting these rules the
9 way they are, or the way the USTA put them out, that's fine
10 with us.

11 COMMISSIONER ISRAEL: Oh, okay.

12 MR. PEREZ: Yeah, we're not going against there.
13 We support this all in all, because it's going to happen all
14 across the country.

15 COMMISSION VICE CHAIRPERSON HARRIS: So that we
16 could put them out for comment, as modified.

17 REGULATIONS/LEGISLATION MANAGER WAGNER: Correct.

18 COMMISSION VICE CHAIRPERSON HARRIS: And then
19 we'll have a comment period, and then we can further talk
20 about them down the road.

21 REGULATIONS/LEGISLATION MANAGER WAGNER: Right.
22 We'll go ahead and notice the text, with the modified
23 language as presented by Mr. Perez.

24 COMMISSIONER ISRAEL: Well, wait, wait, wait no,
25 because his modified language says no snappers. Now,

1 there's a conflict here.

2 REGULATIONS/LEGISLATION MANAGER WAGNER: No, our
3 text says no snappers, as well.

4 COMMISSIONER ISRAEL: But he wants to change that,
5 he wants to put snappers back in.

6 MR. PEREZ: You know, if you want to leave the
7 snappers out, that's fine. My main change is not to require
8 drivers to have their hands on the handholds, that's all.

9 COMMISSIONER ISRAEL: That's fine.

10 MR. PEREZ: I'm just saying that the reason is
11 that the snappers do not come in play that much, like they
12 used to. It doesn't matter in or out. It really doesn't.

13 COMMISSIONER ISRAEL: Yeah, the snapper thing, I
14 mean, I know the -- I don't know very much about this. But
15 it seems to me if what Kirk says is accurate and PETA -- the
16 snapper thing is kind of a visible symbol of what PETA's
17 protesting, so I would think --

18 MR. PEREZ: No, I understand that and we'd support
19 that, that's fine with us.

20 All we're asking is that the handholds be changed
21 to lines or reins. Where a driver, if he takes his hands
22 out of the handholds and goes back to a normal, comfortable
23 position he doesn't get fined because the hands are out of
24 the handholds and now on the lines. That's all I'm asking.

25 COMMISSIONER CHOPER: I do think it might be a

1 good idea, in the materials that accompany the rule change,
2 that we have the history of this so people can understand
3 who is recommending what.

4 MR. PEREZ: I actually have a copy of it here, I
5 can give it to staff. I can make copies of it. And our
6 office is across the street, so I can drop stuff off to her.

7 COMMISSION VICE CHAIRPERSON HARRIS: It would be
8 good to get some material to read, or something, just to
9 really see what all this stuff looks like.

10 MR. PEREZ: Yeah. Like I say, I mean, well, you
11 all know what a normal line looks like, and then a handhold
12 is around a foot of the leather loop, with a buckle at the
13 end, where the rein slides through one end of the buckle,
14 out the other, and it's adjustable, where you can pull it
15 forward and back.

16 COMMISSIONER ISRAEL: When you do -- the next time
17 include a photo?

18 MR. PEREZ: I'll include a photo of it, no
19 problem.

20 COMMISSIONER ISRAEL: All right, thank you.

21 COMMISSION VICE CHAIRPERSON HARRIS: Okay, so
22 shall we -- we need a motion that we're going to put these
23 out for comment as modified.

24 COMMISSIONER MOSS: I make a motion.

25 COMMISSION VICE CHAIRPERSON HARRIS: It's been

1 moved. Second.

2 COMMISSIONER ISRAEL: Second.

3 COMMISSION VICE CHAIRPERSON HARRIS: All in favor?

4 (Ayes.)

5 COMMISSION VICE CHAIRPERSON HARRIS: Okay. Okay,
6 going on to Item 8, which is the golf course issue at
7 Alameda County Fairgrounds.

8 Do you want to present this?

9 EXECUTIVE DIRECTOR BREED: Yes, Mr. Chairman, the
10 Board has tabled this discussion. The discussion started
11 when the trainers' organization petitioned the Board to
12 revoke an exemption on the rule that prohibits the golf
13 course from being in the infield during -- at a racetrack,
14 while that track is being used for training, or racing. So
15 that that exemption was granted in 1994, and it was granted
16 as a permanent exemption. All that material is in your item
17 packet.

18 COMMISSION VICE CHAIRPERSON HARRIS: What does the
19 term "permanent" mean?

20 EXECUTIVE DIRECTOR BREED: That's a good question.

21 STAFF COUNSEL MILLER: Until changed.

22 COMMISSION VICE CHAIRPERSON HARRIS: Until
23 changed.

24 EXECUTIVE DIRECTOR BREED: Until changed, yeah,
25 that sounds good.

1 COMMISSION VICE CHAIRPERSON HARRIS: That really
2 is what --

3 COMMISSIONER CHOPER: There's nothing permanent,
4 you know, until it's changed. There isn't -- it doesn't
5 expire of its own weight in some way.

6 COMMISSION VICE CHAIRPERSON HARRIS: It's not
7 like, well, in the bill of rights or something.

8 COMMISSIONER CHOPER: That can be changed, too.

9 EXECUTIVE DIRECTOR BREED: So we have postponed
10 this item for like two months, now, to allow the trainers,
11 and the horsemen, and the Alameda County Fair to come
12 together on a resolution, or some sort of mitigation,
13 modification of the golf course, in order to conform to a
14 standard.

15 Albeit that basically the standard that they're
16 out of -- that is in question here is the distance between
17 what's called the golf course and the inside rail.

18 So this was all brought about by a person being
19 injured while they were training in the morning, and during
20 training hours they were golfing and a person got injured.

21 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, I think
22 there have been several instances of golf balls ending up on
23 the track.

24 But I think the issue is, really, do we want to
25 change this exemption. I mean, I personally think that

1 while there may be merit in having a golf course that it
2 should not interfere with our training, because this is a
3 racetrack. We're not a golf -- you know, we're not
4 regularly in golf, we're regularly in racing.

5 And the golfing going on at the same time as
6 training may well remain a danger.

7 And what happened, it looks to me like in 1994
8 there were a whole different set of circumstances as far as
9 how many horses were training and how key Pleasanton was to
10 the overall Northern California circuit.

11 So we've really got different circumstances than
12 when this exemption was made, and I just think the board
13 wants to decide if they want to revoke the exemption or not.

14 So do we have some comments? I think Ed Halpern
15 is on the --

16 EXECUTIVE DIRECTOR BREED: And Rick Pickering is
17 here, too.

18 COMMISSION VICE CHAIRPERSON HARRIS: And Rick
19 Pickering, and Rod Blonien, I guess.

20 EXECUTIVE DIRECTOR BREED: The cards are right
21 there, John.

22 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, we'll
23 get them all eventually.

24 MR. HALPERN: Ed Halpern, California Thoroughbred
25 Trainers.

1 We have seen some movement since last month. I
2 assume you saw the letter from Rick Pickering. They have
3 taken -- he has taken some action and he has gotten
4 involved.

5 EXECUTIVE DIRECTOR BREED: Ed, we haven't seen
6 that letter.

7 MR. HALPERN: Oh, okay.

8 EXECUTIVE DIRECTOR BREED: I got it e-mailed to
9 me, yesterday, but I have not had a chance to get a hard
10 copy distributed to them.

11 MR. HALPERN: Okay, basically, let me update you.
12 We had a meeting with them a couple weeks ago, with Rick,
13 and with the owners of the golf course, the operators of the
14 golf course, to talk about how to proceed.

15 One of the things we determined was that we ought
16 to be specific about where the problems exist with the balls
17 coming over. And Rick volunteered to put some people out on
18 the infield during the mornings to keep track of exactly
19 where balls are coming over, so we can take specific
20 actions.

21 And I can tell you -- so I'm happy that that's
22 moving forward.

23 And I can tell you that from the golf course
24 operator's point of view, my impression is although they're
25 nice gentlemen, and it was a wonderful conversation, they're

1 really not interested in doing anything that's going to cost
2 them any money, and that basically it's our responsibility.
3 And maybe Rick -- excuse me -- maybe Rick's responsibility.

4 And they feel that they're protected standing
5 behind the idea that, well, if a golfer hits the ball, the
6 golfer's the one that will be liable.

7 I've tried to make the point to them that I don't
8 think that's the case, and that if they know of the danger
9 they're creating, they're certainly in the line of
10 liability.

11 But that's the way they stand. They say they're
12 willing to cooperate, but so far they've shown no
13 inclination to do anything.

14 What I would ask the Board at least to do is just
15 to keep this matter moving forward at the current time, to
16 not take it off the agenda, and maybe even to put it over
17 for another month to give us a chance to see how far we can
18 move ahead. But I'd hate to see you remove it from your
19 agenda or table it.

20 COMMISSIONER CHOPER: When you say "give us a
21 chance," what do you have in mind? That you and Mr.
22 Pickering are going to get together and come up with a plan
23 of some sort, that you can both agree on, in terms of the
24 safety of the track and the economic interest of the, you
25 know, of the racing surface, and the economic interest of

1 the contractual -- the parties that are contracted here?

2 MR. HALPERN: Well, I'm not sure. I think we need
3 a little bit of time to confirm exactly at what points on
4 the racetrack it is a problem and then determine how we can
5 protect those points, either by screens, or some kind of
6 barriers, to stop the balls for going over.

7 COMMISSION VICE CHAIRPERSON HARRIS: I mean, do
8 you think there is a need for an exemption? I mean, it's
9 particularly during training. It seemed like it would be a
10 situation where you could have a golf course there, but not
11 operate it, you know, anytime they wanted.

12 But I'm assuming there's a lot of compatibility
13 issues with any other track. I mean, conceivably, could a
14 track have a shooting range inside? Because we don't have
15 any regulations saying you can't have a shooting range. But
16 just common sense would say that would not be a prudent
17 thing to do.

18 COMMISSIONER ISRAEL: I think it might require a
19 stat because golfers, especially during the week, play early
20 in the morning, at the same time horses are being trained.
21 The avid golfers go play -- you know, before they go to work
22 they play nine or 18 holes, from 6:00 to 9:00 in the
23 morning.

24 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, but I
25 think we've got a safety issue, though, where we're

1 supported to be looking out for the horsemen's safety, and
2 that's really the issue. I guess, really, what could happen
3 is Alameda County say, look, if that's the situation, we're
4 going to close down our training center because we can't
5 abide with this closure of our golf course, so you guys are
6 done, and then that's where the rubber hits road.

7 MR. HALPERN: Well, from my point of view, if we
8 can't come up with a solution within -- or be close to a
9 solution within the next 30 days, I will be coming back to
10 this Board and asking you to do something about their
11 exemption.

12 COMMISSION VICE CHAIRPERSON HARRIS: I think,
13 really, it gets down to where if they're -- if we think it's
14 a danger the way it is now, they either need to change or we
15 need to not license it as a training facility.

16 Mr. Blonien has a comment.

17 MR. BLONIEN: Mr. Chairman, and Members, Rod
18 Blonien, on behalf of the Alameda County Fair.

19 There was an all-hands meeting on December 30th,
20 and at that time I think the parties agreed that they were
21 going to monitor the frequency with which golf balls end up
22 on the track.

23 That monitoring started this Monday and will
24 continue the rest of this week and next week, and we will
25 then take a look at the information that we have.

1 There are options, other than precluding the play
2 of golf. One of them, of course, would put up some
3 screening or netting to preclude golf balls coming onto the
4 track. But, first, we have to try and figure out which
5 holes they're coming from. And so we're in the process of
6 doing that.

7 In terms of the option of telling the person who
8 has the contract for golf that they should go away, if we do
9 that, we're looking at a multi-million dollar settlement.
10 And it will be justifiable in the permanent exemption that
11 we had from this Board. If that is taken away and we were
12 told to get out of the business, or to curtail the golf
13 contract, it will be a difficult decision for the Alameda
14 Fair Board to make.

15 And we're hoping that rather than just taking the
16 approach of saying no more golf, seeing if there isn't some
17 way that some changes, alterations to the course can be made
18 so that both activities can continue to co-exist, as they
19 have for many years.

20 And since the time the exemption was granted 14
21 years ago, there's been one incident where a person has been
22 hit by a golf ball.

23 And we've played, I'm told, millions of rounds of
24 golf on that golf course, and so the probability of someone
25 being hit again is probably pretty darn slim.

1 Someone said that the chance of an airplane
2 falling out of the sky and landing on your head is a better
3 chance than someone being hit with a golf ball again.

4 COMMISSION VICE CHAIRPERSON HARRIS: But I
5 understand that that incident, while maybe the exact
6 circumstances were isolated, there's fairly regularly
7 problems with the golf course during the time the horses are
8 training. It's not that isolated of an incident.

9 Maybe just not getting hit in the head with a golf
10 ball, but with the golfing going on inside, I've had
11 numerous calls, or e-mails, with people complaining about
12 incidents that have happened.

13 So it's not like a very -- it's not like the plane
14 falling out of the sky.

15 COMMISSIONER ISRAEL: And horses are larger
16 targets than people, I would think, and they're not able to
17 tell you that they've been hit.

18 MR. BLONIEN: Well, I don't -- we've never had a
19 report from a jockey of a horse being hit, while a horse is
20 being exercised or on the track.

21 COMMISSIONER ISRAEL: They may not realize it.
22 He's going 35, 30 miles an hour, if it hit the horse's
23 hindquarters, he would never know.

24 COMMISSION VICE CHAIRPERSON HARRIS: Is it true
25 that you have somebody that picks up golf balls on the

1 track?

2 MR. BLONIEN: Every morning, before the horses
3 begin exercising and training on the track, a crew goes
4 around the entire area of the golf course, and looks for
5 golf balls and other hazards, and removes them from the golf
6 course.

7 COMMISSIONER ISRAEL: And do they find them
8 regularly?

9 MR. BLONIEN: They do find some.

10 COMMISSION VICE CHAIRPERSON HARRIS: So it's sort
11 of hard to believe it never happens, but you have a crew
12 that goes and looks for the golf balls.

13 MR. BLONIEN: Well, in terms of a person being
14 hit. And we have procedures in place to remove the golf
15 balls.

16 COMMISSIONER ISRAEL: But, Rod, if there are golf
17 balls on the track, it's a percentage of the number of times
18 a golf ball is struck over the course of a day, they wind up
19 on the track.

20 So you can determine, by the number of rounds that
21 are played during the hours of their training, what the
22 average will be, to the number of balls that wind up on the
23 track. And every so often one of those is going to hit a
24 horse or a person.

25 It's fairly clear, if you have to pick them up

1 every day, that the horses, and the jockeys, and the riders
2 are in jeopardy.

3 MR. BLONIEN: Well, again, the horses only train
4 in the morning, and so in the afternoon there isn't an
5 issue. And the golf balls that are there in the afternoon
6 are the ones that we remove early in the morning.

7 COMMISSIONER ISRAEL: I understand that. But
8 because of the fact that you have to remove golf balls in
9 the morning, from the rounds that are played in the
10 afternoon, indicates that a certain percentage of strokes
11 result in golf balls winding up on the track. That would be
12 the case whether it's the morning or the afternoon.

13 So the people who are training on the track are in
14 jeopardy of being hit if golf is being played while they're
15 training horses. It's clear. There's a mathematical
16 formula that you could probably work out, you know, based on
17 the number of rounds played and the number of balls struck,
18 and hours that the rounds are played.

19 MR. BLONIEN: Well, what we're asking is for this
20 to be put over for a month for us to gauge which balls come
21 onto the track and see what the solutions are.

22 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, I think
23 we can put it over. It's not really a solution, but it's
24 probably prudent to do, but we need to resolve it.

25 I mean, at some point we've got to fish or cut

1 bait on this issue. And it may be that Alameda County Fair
2 is not a good place to have a training center. That Cal-
3 Expo, or Stockton, or somebody would step up to the plate
4 and fill in their spot.

5 COMMISSIONER MOSS: Mr. Chairman, what exactly is
6 our right in this situation. Can we banish the golf people,
7 is that a possibility here or what is actually -- what can
8 we, as a Board, do in regard to this?

9 EXECUTIVE DIRECTOR BREED: Mr. Moss, the Board
10 licensed the training facility, it licensed the facility as
11 a training facility.

12 COMMISSIONER MOSS: And so we have no rights, is
13 what you're trying to say.

14 COMMISSION VICE CHAIRPERSON HARRIS: No, I think
15 we have some.

16 EXECUTIVE DIRECTOR BREED: Yeah, we can withdraw
17 the license.

18 COMMISSIONER CHOPER: Authorization of the safety
19 of --

20 COMMISSION VICE CHAIRPERSON HARRIS: There's funds
21 flowing to them and we have some oversight.

22 COMMISSIONER ISRAEL: Well, we can license them as
23 a training facility contingent upon the fact that golf isn't
24 played on that golf course between the hours of 6:00 a.m.
25 and 9:00 a.m., or whatever it is.

1 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, if we
2 change the exemption.

3 Well, we'll give you a month to look at it.

4 But it may be -- I think we've got some other
5 comments. Darrell.

6 MR. HAIRE: Members of the Board --

7 COMMISSION VICE CHAIRPERSON HARRIS: Introduce
8 yourself, Darrell.

9 MR. HAIRE: Darrell Haire, Western Regional
10 Manager of the Jockeys' Guild.

11 I've spoken to riders over the years and it is of
12 concern. The riders have called me and they've expressed,
13 you know, safety issues with the golf balls being on the
14 racetrack, horses stepping on them, also.

15 So there is the possibility that a rider could get
16 hit. Slim, sure. But if it happens one time and they get
17 hit in the nose or the face, or the horse gets hit in the
18 head and goes down, you know. I know a lady that got hit
19 not that long ago and this is how it's all, you know,
20 brought to what we have now.

21 But the riders are very concerned and I've talked
22 to Mr. Pickering about this.

23 COMMISSION VICE CHAIRPERSON HARRIS: I don't know
24 if I buy into the theory that if someone is hit, that the
25 sole liability lies with the golfer. Where it seems like if

1 there were lawsuits filed, it would be against the broadest
2 spectrum you could find, including the CHRB.

3 Is CHRB named as an additional insured on any of
4 the policies, liability policies that Alameda has for this
5 use?

6 MR. PICKERING: Rick Pickering, Alameda County
7 Fairgrounds.

8 I don't have a specific answer. I would ask if at
9 all of the tracks in California is CHRB named as a specific
10 additional insured?

11 COMMISSION VICE CHAIRPERSON HARRIS: Yes, as far
12 as the licensing, yes.

13 MR. PICKERING: Then I would --

14 COMMISSION VICE CHAIRPERSON HARRIS: But I'm not
15 sure if it is for the training part.

16 MR. PICKERING: I would imagine, for our live
17 racing product, we would provide the same level of
18 insurance.

19 For training, to clarify a bit of the record,
20 Pleasanton -- the golf course was built -- first of all,
21 it's the oldest one-mile track in America, so the track has
22 been there, the history has been there, the riders have been
23 there.

24 It is the only fair in Northern California that
25 remained a thoroughbred training facility on a year-round

1 basis, with the golf course in the middle of it.

2 The problem exists underneath the track, so that
3 people can access the court and equipment can access the
4 course without touching the track surface.

5 When this rule was being promulgated in 1994 and
6 1995, and it went through the track safety committees,
7 according to all the documentations that we've received from
8 the Horse Racing Board staff, this matter was discussed at
9 length.

10 And there was a permanent exemption granted by
11 this Board, perhaps even on a unanimous vote at that time.

12 That permanent exemption was not granted
13 conditionally. It wasn't conditioned that Pleasanton would
14 have more horses, or less horses, more golf, less golf, et
15 cetera, et cetera.

16 There is screening on the golf course in certain
17 locations. One question has come forward could additional
18 screening, in the right location, prevent balls from getting
19 on the track, where we do see opportunity of balls to get on
20 the track.

21 That certainly lends to the question of if you're
22 going to look at additional screening, you want to make sure
23 that screening is placed at the right heighth, at the right
24 length, and at the right location.

25 And so the suggestion was made with Pleasanton,

1 please employ four spotters every morning, for two hours, to
2 stand out there with the clipboards, and the helmets, and
3 watch the balls, et cetera, so we've engaged in that.

4 The question of balls going onto the track after
5 training, I would argue that there's two different types of
6 golfers. This is nine-hole executive course. From 8:00 to
7 10:00 in the morning, while training is taking place, it's
8 predominantly senior citizens, the senior men's club, and
9 the senior women's club, people who golf on a very regular
10 basis.

11 The unfortunate golf incident that occurred was a
12 very good golfer, on the ninth hole, hit the ball entirely
13 over the track, at almost a 48-degree angle and,
14 unfortunately, struck Audrey, standing by the clocker tower.

15 Horrible shot from a very good golfer. Could it
16 happen? Absolutely.

17 In the history of the Pleasanton Golf Course,
18 there's only been one claim filed for a golfer being hit by
19 another golfer. And I've been there ten years.

20 And Audrey, being hit back in November, was the
21 first time a golf ball incident ever came to my attention.

22 We have talked to the trainers that have been in
23 Pleasanton from beyond ten years ago, they remember 14 years
24 ago that a horse was struck by a bouncing ball in the shin,
25 and the horse was laid up for a week or two, and then came

1 back to training.

2 I'm not standing in front of you, saying it cannot
3 happen. I'm saying we were granted a permanent exemption.
4 We went out to a competitive bid process four years ago, to
5 replace the golf operator that built the course. We
6 justifiable relied upon that permanent exemption. We
7 entered into a 30-year contract with the new golf operator.

8 However, four years ago this Board was saying,
9 Rick, if you guys will build a synthetic surface and look at
10 a turf track we're looking at shifting a whole lot of race
11 dates to Pleasanton, at such time as Bay Meadows closes.

12 I had members of this Board call me, and call
13 members of my Board and said, if you build the surface,
14 you've got the dates.

15 So when we went out to bid four years ago, we put
16 a buy-out clause in the contract. That if we have another
17 use for the golf course, racing or any other use, there's a
18 buyout clause. There's a one-year notice, and there's a
19 precalculated formula, capital improvements, just like in
20 your contracts. Tied to under-appreciated capital, tied to
21 gross receipts, tied to the number of years remaining on the
22 contract.

23 So it was very straight forward as to what it
24 would cost to buy them out.

25 Over a year ago we were successful in getting a

1 one percent increase passed for fair racing, more than
2 California, to do capital improvements at fair racetracks.
3 it was passed by the Legislature.

4 I brought that forward to this Board. In fact,
5 they said, Rick, why don't you come forward and ask us to
6 implement it? I brought it forward. I was asked to hold
7 off on that request and participate in a statewide increase
8 in takeout on exotic wagering, that would help Southern
9 California and Northern California.

10 But when we got that piece of legislation passed,
11 we gave the golf operator a one-year notice to buy them out.
12 When this Board asked me to withdraw a request for the one
13 percent increase in takeout for fairs, I then had to extend
14 their notice. I eventually had to rescind their notice
15 because we didn't have enough cash to buy them out, because
16 it was clear that we weren't going to get the one percent
17 increase approved by this Board to do the improvements we
18 needed to do, to get additional days of racing.

19 So we're working in a circle. We're being very
20 patient. We appreciate that you're being patient with us,
21 as well.

22 CTT's been very good, as has the people in
23 Pleasanton.

24 We did not ask for the Bay Meadow horses to come
25 to Pleasanton. We were asked by the racing industry in

1 Northern California, in a very short time frame, to absorb a
2 number of quality horses.

3 Currently, close to 20 percent of the horses
4 starting at Golden Gate Fields are training every day in
5 Pleasanton.

6 So with everything that's come along with that, we
7 are a fair. We've been a fair, we want to be a fair into
8 the future. We want to be a part of this important
9 industry.

10 Give us time to work through this. I, personally,
11 believe that if this Board were to say, gee, Rick, you've
12 got to buy out your golf operator, then I will be right back
13 in front of you saying where's the money? I would be back
14 in front of you asking for the one percent increase in
15 takeout for fairs, or that you would support another type of
16 an increase in takeout to pay for the improvements that are
17 needed.

18 At a time when the industry's struggling -- we're
19 not in the golf business to be unsafe to horses.

20 There's a suggestion that's come forward, can you
21 just stop golfing from 8:00 to 10:00 in the morning, and we
22 put that forward to the golf operator, and we've just
23 concluded auditing their books, and that would be similar to
24 asking United Artists, or any movie theater, don't show
25 movies from 8:00 to 10:00 at night, which is the bulk of

1 your business.

2 The nine-hole executive senior golf course, the
3 bulk of their business, is 8:00 to 10:00 in the morning.
4 Also, they're better golfers because they're part of the
5 morning teams.

6 So we're tracking the balls. The first three
7 days, which is in the letter, and I do have copies for
8 everyone on the Board, the first three days there were three
9 balls one day, four balls the next day that rolled onto the
10 track from hole one, hole four, and hole nine. And that's
11 part of the question, are we trying to stop the balls from
12 complete flight, are we trying to stop the ball from
13 rolling?

14 A ball that goes entirely over the track, because
15 a good golfer hit a horrible shot -- I'm not a good golfer,
16 but I've hit horrible shots.

17 So simply to say shut down for two hours, I
18 believe that would put us in a position of having to buy out
19 the operator. Having seen the results of the audit, that is
20 the bulk of their revenue.

21 The operator's willing to be bought out. There's
22 a contract that allows him a buyout. We gave him a year's
23 notice. We then rescinded the notice, which created a while
24 bunch of heartburns for our attorney and their attorney.

25 So we've been trying to do things in a proper

1 manner, under the contracts that we have, and we appreciate
2 your cooperation.

3 But if you are going to rescind a permanent
4 exemption, then somebody's going to have to decide are we
5 going to train in Pleasanton or not?

6 The industry has told us they would prefer to be
7 in Pleasanton. If there's people that would like to see the
8 horses in Stockton or Cal-EXPO, you know, we're part of the
9 industry and we're trying to do what the industry has asked
10 to do.

11 And then we get knocked on the head because we
12 stepped forward and said we'll help the industry. That's
13 our perception, it's not necessarily the Board's perception.

14 But we are working on it and we ask for your
15 patience and assistance.

16 COMMISSION VICE CHAIRPERSON HARRIS: Well, what's
17 the pleasure of the Board?

18 COMMISSIONER MOSS: To defer it, so moved.

19 COMMISSION VICE CHAIRPERSON HARRIS: To defer it
20 for a month?

21 COMMISSIONER ISRAEL: It's the theme of the day.

22 COMMISSION VICE CHAIRPERSON HARRIS: Could we get
23 at that time, too, also a report on how much funds go to
24 Alameda County Fair for the training from the Northern
25 California Stabling and Vanning Fund, and also what their

1 costs are to operate the stabling and vanning up there, just
2 to get a background on what is going on up there.

3 MR. PICKERING: Mr. Chairman, I can share that
4 number with you, now.

5 COMMISSION VICE CHAIRPERSON HARRIS: Okay.

6 MR. PICKERING: Because yesterday the Vanning and
7 Stabling Committee met and formally adopted an agreement to
8 take us through 2009. Pleasanton's receiving \$7,142 a day
9 in subsidy, compared to the \$11,000 a day that Bay Meadows
10 was receiving, and a similar amount being received for
11 Golden Gate Fields.

12 So we are training at 30 to 40 percent less
13 expensive than Bay Meadows and Golden Gate Fields, for a
14 variety of reasons.

15 The fund is set up specifically for us not to make
16 a profit, we're only allowed to cover our expenses.

17 At the time, when we were negotiating into this
18 fund, CTT put forward the concept of perhaps you can't have
19 golf balls out there. I said, is the fund willing to pay
20 for us not to have golf balls out there, and the response
21 was absolutely not at this point in time, we'll cross that
22 bridge when we come to it.

23 There are three voting members for the Vanning and
24 Stabling Committee for Northern California. That is TOC,
25 who's been working cooperatively on this issue, Golden Gate

1 Files, and CARF.

2 Pleasanton is not a voting member of the Vanning
3 and Stabling Committee.

4 COMMISSION VICE CHAIRPERSON HARRIS: Okay.

5 MR. PICKERING: We would be happy to get \$11,000
6 or \$13,000 a day in subsidy, instead of \$7,100.

7 No, we're not making a profit off of training.

8 COMMISSION VICE CHAIRPERSON HARRIS: Well, I guess
9 that's probably what they're basing it on is costs. But if
10 we could just get a feel for what your costs are per day?

11 MR. PICKERING: Absolutely. It's all worked out
12 in a formula which both Golden Gate, Bay Meadows, TOC, and
13 CARF agreed to in advance.

14 The next question is how much we make off of
15 golfing? Our golf course lease generates about \$50,000 a
16 year in rent to us, and we provide them with free water.

17 This is a community service. We're not in the
18 golfing business to make money.

19 Our big driving range, which is out by our
20 satellite wagering facility, nowhere close to the racetrack,
21 that generates about \$50,000 of revenue to us a year.

22 So the entire combined golf course and big driving
23 range generates \$100,000 a year to the fairgrounds, and we
24 provide them with free water.

25 COMMISSION VICE CHAIRPERSON HARRIS: I don't

1 understand the rationale, if you had a profit center that's
2 making you \$50,000 a year, why the buyout of that would be
3 in the millions. I mean, when did you make that deal?

4 MR. PICKERING: Well, if you're -- if you were on
5 the other side of the table and you were putting up to a
6 million dollars of capital investment into a facility, you
7 would want to make sure your undepreciated capital would be
8 covered in the event that you had an early-on buyout. So if
9 you're only four years into a 30-year lease, your capital
10 investment has not been fully depreciated, so that's the big
11 part of the buyout.

12 COMMISSION VICE CHAIRPERSON HARRIS: Well, the
13 golf people made a big capital investment?

14 MR. PICKERING: Absolutely. Otherwise, they
15 wouldn't have got the contract. I mean, that was part of
16 the deal was the capital infusion.

17 COMMISSIONER ISRAEL: Is their lease a flat,
18 \$50,000 a year for 30 years?

19 MR. PICKERING: No, it's a percentage, it's ten
20 percent of gross.

21 COMMISSIONER ISRAEL: Ten percent of the gross.

22 COMMISSIONER CHOPER: Well, I hope that you can
23 figure out a way to keep those golf balls away from the
24 people on the track.

25 And Mr. Halpern's shaking his head. He's got

1 screens in his backyard that he can bring up here and put in
2 for you. However it works, I don't understand it fully.

3 MR. PICKERING: Thank you.

4 COMMISSION VICE CHAIRPERSON HARRIS: Let's come
5 back in the next meeting and revisit this.

6 MR. PICKERING: Thank you.

7 EXECUTIVE DIRECTOR BREED: Mr. Chairman, on that
8 item, one of the things that we need to do is determine that
9 the design and use of the golf course is the same now, as it
10 was when the permanent exemption was granted and that --

11 COMMISSION VICE CHAIRPERSON HARRIS: Can we also
12 get, which I think I know the answer to it, just a legal
13 opinion as far as what -- if there's any liability
14 associated to the Board for revoking what some considered a
15 permanent exemption?

16 EXECUTIVE DIRECTOR BREED: Yeah. Yes, we will.

17 COMMISSION VICE CHAIRPERSON HARRIS: Okay, why
18 don't we take about a ten-minute break and then we'll come
19 back and start Item 10.

20 (Off the record for a break.)

21 COMMISSION VICE CHAIRPERSON HARRIS: Okay, I'll
22 call the meeting back to order.

23 The next item is Item 9, which is an update and
24 discussion by the Board of off-site stabling in Southern
25 California thoroughbred racetracks.

1 This has been a big issue over the years. As you
2 know, there is funding coming from the satellite wagering,
3 the actual satellite sites have a certain percent of the
4 handle from all their wagers goes into a fund to provide
5 both stabling, off-site stabling, and stabling at the track.

6 Like here, at Santa Anita, this operation, they're
7 paying for their own stabling.

8 But the other off-site stabling is Hollywood Park,
9 and Fairplex, and San Luis Rey are all getting funds, now,
10 from this fund.

11 And the problem is that satellite revenue has
12 declined and expenses have gone up, and we have a situation
13 now where we have a pretty tight budget. The most you can
14 take out, legislatively, is 1.25 percent.

15 And we have a claim that's been filed by Hollywood
16 Park, and Kirk can explain where we are on that.

17 EXECUTIVE DIRECTOR BREED: Mr. Chairman and
18 Members of the Commission, basically, the two parties, or
19 three parties, or however many parties there are, have not
20 been able to determine how much can be paid to Hollywood
21 Park.

22 Hollywood Park has submitted to us a series of e-
23 mails, asking us to intervene.

24 Basically, what we interpret that as saying is
25 that we should conduct an audit of how the money's being

1 spent and then make a recommendation to the Board as to
2 whether the people should be -- whether Hollywood Park, in
3 this case, should be given more money, or less money, or
4 what.

5 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, there's
6 an organization that basically doles out the money, and the
7 problem is that Hollywood Park feels that their stipend is
8 not adequate, or equitable to other tracks.

9 But I think, is there somebody here from Hollywood
10 Park that wants to present their case?

11 MR. WYATT: I'm Eual Wyatt, Hollywood Park.

12 Notwithstanding any requests we may have made to
13 the Board to intervene somehow, and notwithstanding any
14 differences we may or may not have had with TOC, there is a
15 process that is in place, and is ongoing at this very moment
16 to determine the validity of our request for an increase in
17 stabling funds.

18 It's the same process that's been used for every
19 track that has requested an increase.

20 TOC is in the process of doing an audit. We are
21 fully cooperative with them. They are moving expeditiously.

22 And it would be our request that we wait and see
23 the results of this audit, determine what goes on after
24 that. And I don't think there's anything we'd be asking the
25 Board to do at this present time.

1 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, are we
2 doing an audit as well?

3 EXECUTIVE DIRECTOR BREED: No, we haven't started
4 on it, no.

5 COMMISSION VICE CHAIRPERSON HARRIS: But the audit
6 would be -- is the issue your cost, or the allocation of
7 revenues, or what?

8 MR. WYATT: There is -- and Drew could probably be
9 speaking better to this. But there is no question that
10 there is going to be, at some point in time, a shortage of
11 money in the stabling fund.

12 I don't know if there is an issue at the moment.
13 We have requested an increase in what we receive for off-
14 track stabling. It's being looked at by TOC. The process
15 is in place, it's acceptable. The process is acceptable to
16 us.

17 When the results of that audit come back, we will
18 go from there.

19 But again I say, at the moment we have no issue
20 with TOC, we have no issue, period, until we find out the
21 results of the audit and find out if there will be money
22 available.

23 And if not -- and if not, where do we go from
24 there. That's the story.

25 COMMISSIONER ISRAEL: Are there any models in

1 other states that have this situation, such as New York,
2 Kentucky, Florida, different from ours?

3 MR. WYATT: I'm not that familiar with what they
4 do back east?

5 COMMISSIONER ISRAEL: I mean, how is Aqueduct
6 compensated when horses are stabled and trained there, when
7 Belmont's operating?

8 MR. WYATT: I wouldn't be surprised if it's all
9 Aqueduct's treat. I don't know that they're compensated at
10 all.

11 COMMISSION VICE CHAIRPERSON HARRIS: Well, there
12 it's all NHRA, so it's a little simpler, probably, it's only
13 one --

14 COMMISSIONER ISRAEL: Okay, what about Kentucky or
15 Florida?

16 COMMISSION VICE CHAIRPERSON HARRIS: As I
17 understand it, Kentucky, and we need to research that, that
18 no one gets compensated, it's just the operating track is
19 running their deal. But anybody else is charging rent or
20 whatever, but I'm not -- I need to research and see if
21 there's any subsidies going on.

22 But the real problem is this decline in satellite
23 wagering has been fairly dramatic and that's creating the
24 tome of evidence coming in.

25 COMMISSIONER ISRAEL: Yeah, that's why I'm asking

1 if there's a different model that can be followed.

2 COMMISSION VICE CHAIRPERSON HARRIS: Well, the
3 model will be to charge rent per stall, under different
4 situations.

5 And the theory is that usually when the horses are
6 active horses at the meet would receive stalls. But
7 as -- which is the way it used to be.

8 Originally, 25 or 30 years go, every track would
9 close down unless they were operating. So if Santa Anita's
10 operating, Hollywood Park wouldn't be opened at all, and
11 vice-versa.

12 And then there was a feeling that we needed more
13 stalls than we had, so we added this program, which I think
14 maybe the program is, unfortunately, more luxurious than we
15 can currently afford. So we need a number of things to be
16 reinvented.

17 COMMISSIONER ISRAEL: Well, can we ask the staff
18 to investigate how such things are handled in states with
19 similar conditions, such as Illinois, Florida, and Kentucky?

20 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, I think
21 that's a good idea, to see if they have a program at all.

22 COMMISSIONER ISRAEL: Yeah.

23 MR. WYATT: I'd be surprised if they do. I think
24 California has probably the most sophisticated in the fairs
25 program across the country.

1 COMMISSIONER ISRAEL: Ours is unique?

2 MR. WYATT: I would -- I would guess so.

3 COMMISSIONER CHOPER: Could you briefly outline
4 the process that you say has been put in motion? Who's this
5 guy -- I mean, you're having an audit done. But is
6 something beyond the audit?

7 MR. WYATT: Not at the present time, no. I mean,
8 to simplify anything, I mean, we -- we looked at the cost of
9 our stabling, off-track stabling for the year 2007. We then
10 requested an increase based upon those results.

11 COMMISSIONER CHOPER: Yes.

12 MR. WYATT: TOC has in the past, they audit
13 anybody who asks for an increase to see if those requests
14 are justified. That's what they're doing at the moment.

15 Once that's done, in the past, you know, once the
16 audit would done then they would say, yes, those are your
17 costs, they're reasonable, then they would be put in place.

18 Now, the questions is if they're reasonable, fine,
19 but where does the money come from?

20 And so I don't know that we're at that particular
21 crossroad at the moment, we may be. But we'll know by --

22 COMMISSION VICE CHAIRPERSON HARRIS: I think we
23 really are. Yeah, because as I understand it, there is not
24 adequate funds being generated every day to continue the
25 program we have now, unless waging increases. But that

1 needs to be verified.

2 COMMISSIONER CHOPER: But I thought in Mr.
3 Liebau's e-mail he talks about a substantial disparity
4 between the amount being paid per day, or is it per what,
5 stable or day, or whatever it is, between Hollywood Park and
6 Santa Anita.

7 And so that, you know, he says, from a fairness
8 perspective, that's been wrong.

9 Is that also being considered? We should just
10 forget about this for the time being?

11 COMMISSION VICE CHAIRPERSON HARRIS: I mean,
12 Hollywood Park is now taking the attitude that it's not
13 broke, don't fix it or what?

14 MR. WYATT: Let me restate the preposition here.
15 I didn't say it wasn't broken, I don't know if it is or not.

16 But what I'm saying is that the issue that we may
17 or may not have had three months -- or three, four weeks
18 ago, is not particularly the same issue we have now.

19 And our issue was that our request was not, we
20 felt, was not being taken seriously and there was no action
21 upon it.

22 Now, whether that was because of bad
23 communication, misunderstanding on our part, or anybody's
24 part, I don't know. That has all been resolved.

25 COMMISSIONER CHOPER: That's been resolved.

1 MR. WYATT: Yes. And now our request is being
2 looked at in the fashion that all the requests have ever
3 been looked at, and we're content with that.

4 And at some point in time, hopefully very quickly,
5 we'll have a determination as to whether it is felt that our
6 request is just, and then you'll have to go from there and
7 see, you know, if there is money, if there isn't money, and
8 what do we do at that point in time.

9 COMMISSIONER CHOPER: Okay, thank you.

10 COMMISSION VICE CHAIRPERSON HARRIS: But, I mean,
11 because that's the big issue. I mean, the big issue is, is
12 there enough money to fulfill all the current requests out
13 there.

14 Well, I hate to just keep deferring items, but it
15 sounds like we've got another one that there's no -- I
16 thought it was more of a request for a resolution.

17 MR. WYATT: It might go away.

18 COMMISSION VICE CHAIRPERSON HARRIS: But it sounds
19 like it might go away.

20 And I think, really, for the sake of the industry,
21 we need a -- I mean, I don't know if it's really -- it's not
22 really CHRB's problem, unless we're requested to mediate, or
23 arbitrate, or something.

24 But I think you need a pro forma budget for the
25 year of how this thing is going to work, so we don't want

1 until towards the end of the year and all of the sudden
2 you're completely out of money, and you can't give to the
3 people that clearly have something to --

4 Well, why don't we revisit this at the next
5 meeting, if the parties desire.

6 Anyone else want to comment on this?

7 COMMISSIONER MOSS: No, I move.

8 COMMISSION VICE CHAIRPERSON HARRIS: Okay, we're
9 going to go onto --

10 COMMISSIONER CHOPER: And I'll second it.

11 COMMISSION VICE CHAIRPERSON HARRIS: Well, I think
12 we just don't take any action, because it wasn't really an
13 action item that we could do, other than try to mediate.

14 We're going to go onto 12, now, and come back to
15 11, because 11's the track safety. But 12 is the issue
16 involving Solano County Fair.

17 EXECUTIVE DIRECTOR BREED: Right. Mr. Chairman,
18 Members, when we last heard, when we finalized the 2009
19 racing calendar, there was one week that we left open. The
20 week was in Northern California, at the old Solano County
21 Fair.

22 There was two propositions on the table. One was
23 to run the race meet for one week at the Solano County Fair,
24 one week of that two-week fair was given to -- added to the
25 Pleasanton Fair, the Alameda County Fair, to give them three

1 weeks of racing.

2 The one week was -- the parties involved, TOC, and
3 others were to go back and discuss this, and decide if they
4 would support the one week at Solano County Fair, or
5 if -- they're proposal was to run that one week at Golden
6 Gate Fields.

7 So that is the item. We have Mr. Vasquez, John
8 Vasquez, from the Solano County Board of Supervisors, who
9 wishes to make a statement about that.

10 MR. VASQUEZ: Good morning, and thank you,
11 Chairman -- Vice Chairman Harris, maybe it was a Freudian
12 slip there, and the other Commissioners of the Horse Racing
13 Board.

14 Again, my name is John Vasquez. And when I last
15 spoke to you, on December 15th, I spoke to you as a member
16 of the Solano County Board of Supervisors. Today, I'm
17 speaking to you as the Chairman of the Solano County Board
18 of Supervisors and for the Board of Supervisors, themselves.

19 On Tuesday, January 13th, the Solano County Board
20 of Supervisors voted to authorize me, the Chair, to forward
21 the letter that is in front of you today.

22 And I'd like to read that letter right now, it's a
23 very short one.

24 "On Tuesday, January 13th, 2009, at the
25 meeting of the Solano County Board of

1 Supervisors, as Chairman of the Board, I
2 was given direction to write this
3 request, asking that the California
4 Horse Racing Board grant the Solano
5 County Fair our traditional two weeks of
6 live horse racing. Essentially, we wish
7 to maintain the status quo for racing in
8 Solano County."

9 And I've also given you a couple of articles that
10 appeared in the newspaper the following day.

11 Since our last meeting, upon the former
12 Commissioner and Chairman Shapiro's sage advice, I began to
13 ask the questions and to educate myself on the issue that
14 faces not only Solano County Fair, and with horse racing,
15 but the needs of racing in the State of California.

16 The actions I have taken and the means I have had
17 have been with the Secretary and the Undersecretary of Food
18 and Ag, and with your Executive Director. And I want to
19 thank him publicly right now for taking the time and the
20 opportunity to educate me more about the horse racing needs
21 in California.

22 And we've also placed the issue of horse racing on
23 our State and Federal legislated platform, which has already
24 been adopted, and ask that our State and Federal lobbyists
25 begin to research those issues that confront horse racing in

1 California.

2 Lastly, the Solano County Board of Supervisors has
3 re-engaged itself and wants to ensure that not only that our
4 fair is successful, but that horse racing also is at Solano.

5 With that, I'm here to answer any questions.

6 I would like to say that now having attended the
7 second meeting, and gone over a number of the transcripts of
8 your meetings, you must love to do this work, because it
9 certainly anything that you're truly compensated for.

10 The variety of issues that must confront you, and
11 given your agendas, seems to me to be vast. I don't think
12 the general public truly understands the complexity, as
13 myself, and as an elected official, of all of the issues
14 that face horse racing.

15 And I commend you for your efforts and your work.
16 I know the industry is struggling, and as many industries
17 are, not only in this State, but in the nation.

18 With that, thank you.

19 COMMISSION VICE CHAIRPERSON HARRIS: Thank you.
20 I'm not really clear if the Solano County is looking at this
21 as something they're proud of and want to keep it, or is it
22 a revenue source for them, or what is your primary aim in
23 wanting to keep the racing there?

24 MR. VASQUEZ: I think it's both of those. I mean,
25 we're very proud of the fact that horse racing started in

1 Solano County in 1885. It began at Dixon -- well, Dixon
2 Mayfair, which is the oldest fair in California.

3 It did come over from Dixon to Solano in 1951. We
4 wish to continue as long as we can accommodate it there.

5 I know there's been much discussion, actually over
6 the last 20 years, about what that program will look like
7 some day. Those discussions continue.

8 There's nothing to say that, well, there isn't
9 going to be there for the next 10 or 15 years. Given the
10 economy, I don't see us very quickly rehabilitating and
11 readapting the uses there at the fairgrounds, itself.

12 COMMISSIONER ISRAEL: I'm confused as to why
13 there's this change of heart on the part of the County?

14 MR. VASQUEZ: Well, as I stated last time, the
15 Board of Supervisors did not realize that any of this
16 discussion was going on. It wasn't until I read an article
17 in the Contra Costa Times, I think it was, in October of
18 last year.

19 I then asked for a presentation to take place at
20 the Board of Supervisors. That did not happen until
21 November 25th. The presentation was an oral presentation.
22 No data was given to us, no analysis, what the potential
23 impacts of racing has right now, or potential loss, and what
24 we would do with that infrastructure at the fair.

25 The Board has now authorized the County

1 Administrator to begin to look at all aspects of the fair,
2 itself, what the possibilities are, before we begin to
3 engage in -- what's the word -- I guess I refer that the
4 Board of Supervisors are now very serious about the action
5 that might have led to the loss of horse racing in Solano.

6 COMMISSIONER MOSS: Can I ask a question, sir?

7 MR. VASQUEZ: Yes, sir.

8 COMMISSIONER MOSS: Have the Board of Supervisors
9 at this point, you know, offered any kind of funds to sort
10 of make racing more attractive in Solano, let's say, so
11 there would be added money races?

12 Or I mean have they considered the fact that the
13 so-called bird has been lessened and, you know, there's
14 fewer horses to go around, and the supervision -- and, you
15 know, the tracks need to be maintained? Have they
16 understood that this is a money proposition and that money's
17 going to have to come from the Board of Supervisors?

18 MR. VASQUEZ: I think there's a great
19 understanding of that, now. And we want to do that study,
20 do the analysis and look at what's it going to take to
21 continue to make racing viable at Solano County.

22 And, you know, we may come to the same conclusion
23 that some other folks have come to, that it might not be.
24 But, certainly, we want that discussion to occur at the
25 Board of Supervisors, and for them to give policy direction,

1 to set goals.

2 Also understanding what Chairman Shapiro said last
3 month to me, that we need to get fans to the fair and to the
4 races, and I want to look at what that market has been in
5 the past, and then look for programs that are going to be
6 more successful.

7 COMMISSIONER ISRAEL: Who has the authority to
8 speak for the Solano County Fair? I mean, we were told when
9 we met in Davis in, was it November, that you only wanted
10 one date and that, actually, you were bargaining with the
11 other fairs to sell a date. Which I thought was, frankly,
12 an affront to the people of California, who actually own the
13 racing dates.

14 And they're not dates that can be sold by one
15 county to other counties, they're dates granted by the State
16 of California and the people of California.

17 MR. VASQUEZ: I can tell you that that
18 proposition, or that deal, or whatever it was, never came to
19 the Board of Supervisors.

20 COMMISSIONER ISRAEL: But who has the authority to
21 operate the Solano County Fair? The question is who's in
22 charge, who has the right to come to us and ask for racing
23 dates, who has the right to bargain on behalf of Solano
24 County? Who has the right to deal with the TOC, and the
25 trainers, and any other entity that has an interest in horse

1 racing in California?

2 MR. VASQUEZ: I can tell you that very quickly,
3 that may be the Solano County Board of Supervisors.

4 COMMISSIONER ISRAEL: Maybe or is, there's a
5 difference?

6 MR. VASQUEZ: Well, right now we have a contract
7 with an association that expires on January 27th of this
8 month.

9 COMMISSION VICE CHAIRPERSON HARRIS: The structure
10 is the Solano County Fair, is that a subsection of Solano
11 County, or is it a --

12 MR. VASQUEZ: It's a nonprofit association that
13 we've contracted with, that's supposed to act as our agent.
14 But like any agent, if the agent is not performing the way
15 the owner of the facility feels it needs to be, that's why
16 we're going to have a fairly frank discussion about what we
17 want. We, meaning Solano County and the Board of
18 Supervisors, who sets policies and goals for everything that
19 the County deals with.

20 COMMISSIONER ISRAEL: Well, it's our duty to
21 allocate racing dates.

22 MR. VASQUEZ: Yes.

23 COMMISSIONER ISRAEL: And we need to know who
24 we're dealing with, and who we should be dealing with, and
25 who's speaking with authority on behalf of any entity that

1 comes before us and asks for racing dates.

2 I mean, we know when Santa Anita comes and asks
3 for racing dates who's speaking for Santa Anita.

4 We know, when Pomona comes and asks for racing
5 dates, who's speaking for them.

6 Right now, obviously, there's confusion, even it
7 seems on your part, as to who's speaking for Solano County
8 and you're requesting different racing dates from what were
9 requested two months ago.

10 MR. VASQUEZ: Yes. And you have a letter in front
11 of you. This discussion occurred with the Board of
12 Supervisors. They directed me to write this letter. The
13 facility's owned by Solano County. We have an agent right
14 now that's working for us, that's the association.

15 I can tell you that probably, I think our
16 manager's here today. But I was given a message by e-mail
17 that they are in concurrence with what the Board of
18 Supervisors was asking.

19 COMMISSIONER ISRAEL: Have you had any
20 consultation with the thoroughbred owners, or the trainers,
21 and what their position is on this and how --

22 MR. VASQUEZ: No, we have not.

23 COMMISSIONER ISRAEL: Would anybody, from the
24 entities involved, like to address this subject?

25 MR. COUTO: Good morning, Drew Couto, on behalf of

1 Thoroughbred Owners of California.

2 I'd like to begin by thanking Councilman Vasquez
3 for being so passionate about racing in Vallejo, and the
4 history of racing in this county, and understand his
5 sentiments.

6 We received a telephone call this morning, from
7 Mr. Korby, sort of explaining this change of circumstances,
8 maybe 20 minutes before the meeting started.

9 I would ask the Horse Racing Board, when we were
10 last looking at this, we were looking at one week at
11 Vallejo, and we were asked to work it out and we did.

12 And we worked it out with those that we understood
13 were -- had authority to deal with the situation. We came
14 to agreement and we support that week at Vallejo this year,
15 and we were going to sit down and work out some compensation
16 to the various funds that support racing there, so that
17 we're not carrying the entire week of that week on behalf of
18 Solano County. We continue to support that.

19 If Vallejo and the Supervisors would like to
20 reevaluate the long-term role of Vallejo in racing, in
21 Northern California, we'd welcome that, we'll work with
22 them.

23 But for 2009, we would ask that the Board continue
24 with the one-week allocation. We support it. We worked
25 with those who had the authority to do that, as directed by

1 you folks. And we would say, for 2009, don't change the
2 schedule.

3 But if they're interested in 2010 and beyond let's
4 sit down, just as we've done over the past four years, with
5 those who did run the facility, to figure out what the
6 future held. We're glad to do that this year and,
7 hopefully, find a place either where it makes sense
8 financially for the industry and the County, or educate them
9 as to what they're really looking at, and the prudence of,
10 as a County, with all of their budgetary constraints,
11 whether it's prudent for them to continue as a venue.

12 And since they don't know whether that's the case
13 today or not, I think for 2009, we would ask just that one
14 week be --

15 COMMISSIONER CHOPER: And what you've worked out
16 for 2009 is for the second week, in fact, be at Pleasanton;
17 is that right?

18 MR. COUTO: That's right. One of the weeks would
19 be at Pleasanton.

20 COMMISSIONER CHOPER: One of the weeks?

21 MR. COUTO: Yes.

22 COMMISSIONER CHOPER: Excuse me, one of the weeks.
23 And did that, so far as your understanding is concerned,
24 make that revenue neutral, so far as Solano is concerned?

25 MR. COUTO: If we're talking about revenue neutral

1 in terms of the expenses to the industry, no, it does not
2 solve that. For Vallejo, however, yeah --

3 COMMISSIONER CHOPER: Well, that's actually, for
4 Solano?

5 MR. COUTO: Yeah, they're actually going to be
6 better off receiving --

7 COMMISSIONER CHOPER: Better off financially.

8 COMMISSION VICE CHAIRPERSON HARRIS: Solano is
9 getting revenue from the week at Pleasanton? Because I
10 actually share Commissioner Israel's concerns of some of the
11 revenues shifting from fair to fair and --

12 COMMISSIONER ISRAEL: Well, you're not --
13 revenues, necessarily are -- they're certainly not dates
14 that are one fair's right to give to another fair. The
15 dates belong to the people of California.

16 MR. COUTO: We believe that, as well.

17 COMMISSION VICE CHAIRPERSON HARRIS: But that's
18 kind of maybe -- from a practical stand point, maybe that's
19 what's happening.

20 We need to keep in mind, too, that a lot of the
21 revenues are not necessarily generated by the races being
22 conducted at the site, but rather the host revenues, because
23 that site is the host for Southern California racing, and
24 out-of-state racing, and so there's a lot of revenues coming
25 in.

1 Even if nobody shows up at whatever track it is,
2 there's still going to be revenue generated.

3 COMMISSIONER CHOPER: But that's included in your
4 response to the question I asked, as I understand it.

5 MR. COUTO: I want to preface my answer by saying
6 this has all been related to me, personally, and TOC second,
7 and we were not parties to the discussions between Vallejo
8 and Pleasanton, but that's what has been represented to us
9 by everyone.

10 COMMISSIONER CHOPER: Well, can I say something?
11 This is a difficult situation, obviously. Solano County had
12 authorized representatives at the time making the deal,
13 right. And a long-term position was taken.

14 And I think I speak for the whole Board in saying
15 that we had no inkling that anyone in -- that your -- that
16 your counsel was in any way going to be -- the Board was
17 going to in any way be in disagreement with this.

18 Okay, but it is. That's -- that was then and this
19 is now.

20 There has been a certain amount, I guess, of
21 planning. I don't want to use the word "reliance", but a
22 certain amount of planning based on the schedule that was to
23 be worked out which was, at least for 2009, one week at
24 Vallejo and the other week in Pleasanton, revenue neutral at
25 the worst or plus, if things work out well.

1 And the horsemen were key players in this, had
2 just represented, through their representative, that they'd
3 look into this and try to work with you, just as our Board
4 offices work with you and inform you of what's going on, and
5 that they would have, as I understood it, an open mind in
6 determining what happens after 2009.

7 And I guess I'll try to cut this back. Would you
8 accept that as a, if not ideal, nonetheless, reasonable
9 resolution of it for 2009, with the understanding that it
10 doesn't go beyond 2009?

11 COMMISSIONER CHOPER: Commissioner Choper, I
12 understand what it is to be one of those decision makers,
13 and I certainly understand the confliction I've brought with
14 this issue, and with my Board of Supervisors.

15 I certainly am going to agree with whatever
16 decision this Board ends up making. And I appreciate the
17 Thoroughbred Owners willingness to come and meet with the
18 Board, and to speak about what the future might mean.

19 Certainly, that was what I was looking for was the
20 future. I know that we may not be able to do anything about
21 today, or this coming year, but I certainly will, as a
22 member of the Solano County Board of Supervisors, take back
23 whatever your decision is and to work with whatever that
24 decision is.

25 With that, anything else?

1 COMMISSIONER MOSS: Let's hope you have a great
2 week this year.

3 COMMISSIONER CHOPER: And it's the 60th
4 anniversary, right, there was a big deal about that.

5 MR. VASQUEZ: I hope that that's -- yeah, I hope
6 so, too. And I think with the Board of Supervisors renewed
7 interest in the fair, itself, to want to make it as
8 successful as it can be that, certainly, we are going to
9 focus a lot of attention on it.

10 I think my fellow Board members have re-engaged
11 themselves and want to be something -- want to put something
12 out there that we can all be very proud of.

13 So with that, thank you.

14 COMMISSION VICE CHAIRPERSON HARRIS: Thank you.

15 COMMISSIONER CHOPER: Thank you.

16 COMMISSION VICE CHAIRPERSON HARRIS: I don't think
17 we need a vote because we're just staying with the calendar
18 we put into place.

19 EXECUTIVE DIRECTOR BREED: You need to --

20 COMMISSION VICE CHAIRPERSON HARRIS: We need to
21 approve that.

22 Okay, well, does somebody want to move that we
23 approve the one week for Solano?

24 EXECUTIVE DIRECTOR BREED: July 22nd through July
25 26th at the Solano County Fair.

1 COMMISSIONER CHOPER: And I think, and I don't
2 quite know how to do it in terms of proper procedure, but it
3 is with the understanding that the TOC is going to engage in
4 full discussions and consultation with whoever the Solano
5 Board of Supervisors designates to represent the County, and
6 see if there's any -- I mean, to be frank about it, is there
7 any real hope that you can make a go of it there in Vallejo,
8 because it just has not been good in terms of attendance and
9 the like. And you're going to learn a lot about it, not all
10 happy.

11 COMMISSION VICE CHAIRPERSON HARRIS: If there was
12 some way to define success, not only what's success, but how
13 do we really define success, and use that as a basis for
14 going forward.

15 MR. COUTO: Mr. Chairman, just one last thing.
16 Mr. Choper you referenced the TOC. I'm hopeful that this
17 will be broader than the TOC and the County, but include
18 Golden Gate Fields and --

19 COMMISSIONER CHOPER: Oh, I'm in favor of that.

20 MR. COUTO: Okay, thank you.

21 COMMISSIONER CHOPER: That I certainly didn't mean
22 to, as your understanding, restrict it that way. Because as
23 many of it can make a full go of it, make a full
24 consideration of it, see if it can go.

25 MR. COUTO: Okay, thank you.

1 COMMISSION VICE CHAIRPERSON HARRIS: Okay, any
2 motion to approve the Northern California calendar as
3 stated?

4 COMMISSIONER ISRAEL: July 22nd to July -- yeah,
5 so moved.

6 COMMISSIONER MOSS: Yeah, I second it.

7 COMMISSION VICE CHAIRPERSON HARRIS: All in favor?

8 (Ayes.)

9 COMMISSION VICE CHAIRPERSON HARRIS: Okay, now,
10 we're going to go back to Item 10, which is the ADW missing
11 items, which I don't exactly understand.

12 And who's going to make this report?

13 EXECUTIVE DIRECTOR BREED: Mr. Chairman, in our
14 last Board meeting we approved the licenses for the ADW
15 companies, TwinSpires, TVG, Youbet, and XpressBet.

16 And we ran exemptions on the inclusion in those
17 agreements or in those licenses, the agreement with the
18 racing association, agreement with the horsemen, and
19 agreement with the labor organizations. On page -- which
20 are all required by the law.

21 On page 10-2, on which we've listed, the staff has
22 listed those agreements that are still outstanding. And we
23 would like to hear from, and made contact with these
24 organizations about that, asking them to come forward and
25 tell us how they're doing in terms of fulfilling that

1 requirement.

2 COMMISSION VICE CHAIRPERSON HARRIS: Would someone
3 like to comment on that?

4 COMMISSIONER CHOPER: Well, I would like to
5 believe -- another month has gone by and we still don't
6 have --

7 COMMISSION VICE CHAIRPERSON HARRIS: Well, some of
8 these I'm not clear, I had a question on the horsemen's
9 part.

10 MR. CORRELL: I'm Jim Correll, I represent SEIU,
11 Local 280. This morning we signed agreements with
12 Twinspires, XpressBet, and Youbet. We'll have to renew our
13 agreement with TVG, but the other three we have signed with.

14 COMMISSION VICE CHAIRPERSON HARRIS: Well, that's
15 good news.

16 On the horsemen's part of this, as I understand
17 it, and you can elaborate, but I thought the issue was on a
18 meet-by-meet basis with the horsemen, that they could refuse
19 to have their signal system. But I don't know if there's an
20 overall agreement which says that you're in for the whole
21 year, I thought it was on a meet-by-meet situation.

22 MR. COUTO: Drew Couto, Thoroughbred Owners of
23 California.

24 Forgive me, are you asking in the context of ADW
25 or the --

1 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, ADW,
2 which would be the export of races which, in general --

3 MR. COUTO: Well, there are two -- there are sort
4 of two agreements. One, we typically participate in the
5 formation of the hub fee agreements, which are separate.

6 And the other is the consent regarding rates, et
7 cetera.

8 We have reached agreement with all of the ADW
9 companies on rates for the entire year, for all of
10 California thoroughbred tracks.

11 And there seems to be some lingering questions,
12 now, that just became apparent to me this morning, about
13 perhaps the hub fee agreements. I'll just -- I'll leave it
14 at that because I'm confused based on some information I
15 heard earlier today about those, so it may be an issue going
16 forward.

17 COMMISSIONER CHOPER: So maybe I'm a bit dense.
18 But we're told with all four ADW providers, let me just read
19 it to you, what's missing is "the horsemen's agreement or
20 written approval from the horsemen's organization." That's
21 you, right?

22 MR. COUTO: That would be us for thoroughbreds.

23 COMMISSIONER CHOPER: "Responsible for negotiating
24 purse agreements for the breed on which the wagers are made,
25 in accordance with the Interstate Horse Racing Act."

1 Now, that is apparently part of the statute, is
2 that right, that these agreements have to be made on the
3 issuance of a license?

4 MR. COUTO: Forgive me, but it would -- only with
5 the excerpt that you read from me, I'm not certain if that's
6 the portion that relates to interstate, the release of our
7 signals in interstate ADW, or if that relates to the hub fee
8 agreement. There's two different agreements.

9 And in the hub fee agreements, there's actually
10 some flexibility where an ADW company can sign with a
11 racetrack, rather than with TOC, with regard to hub fees.

12 We have -- we have granted, with regard to
13 interstate ADW -- okay, let me just finish --

14 COMMISSIONER CHOPER: The whole thing is pursuant
15 to the requirements of the Federal statute, of the Interstate
16 Horse Racing Act?

17 MR. COUTO: No, it's confusing, sure.

18 COMMISSIONER CHOPER: Well, the whole thing says
19 outstanding. I'm sorry, go ahead. If you're confused, I'm
20 certainly confused.

21 MR. COUTO: Okay. I'm not sure, I'm confused
22 about the references.

23 But what we typically have here are with regard to
24 interstate ADWs, use of our signal, we handle those as we
25 would any other Interstate Horse Racing Act approval. We've

1 given those with regard to all of the four licensed ADW
2 companies. We've given those for the entire year, so
3 there's no issue with regard to interstate ADW use.

4 The second component relates, and this is what you
5 might be referring to, with regard to the ADWs accepting
6 wagers within the State of California, they are required to
7 have a hub agreement, a hub fee agreement, which sets,
8 basically, their compensation. And then the balance, after
9 distributions, is divided between tracks and horsemen.

10 That is the -- that latter area that controls ADW
11 in the State, and the distributions, is of confusion to me.
12 That's what I'm saying, as of this morning there's been some
13 conversations I've had.

14 So I can't give you a good answer, but I know that
15 there is a question, now, with regard to hub fees in the
16 State.

17 COMMISSIONER CHOPER: But maybe Jackie wants to
18 explain the -- what you understand is missing.

19 REGULATIONS/LEGISLATION MANAGER WAGNER: Yeah, and
20 Drew, I was just giving him the statute, as you were
21 referencing it, in order to help clarify what he was trying
22 to explain to you.

23 As we presented -- what we presented in the
24 analysis, those are the same items that were outstanding at
25 the time the licenses came before the Board for approval.

1 From what Drew has indicated, there has been some
2 agreements made between the TOC and the interested parties.

3 For staff's purposes, we have not received
4 notification of that, and that's what's being referenced in
5 this analysis.

6 So based on what he says, it sounds as if
7 agreements are being made, we just have not received those.
8 And we are just updating the Board to let you know that, as
9 far as we're concerned, we don't have documentation of that.

10 But he has made representation that movement has
11 been taking place in those required agreements.

12 And I do want to report to you that I did receive,
13 this morning, some XpressBet documentation that they have
14 reached a labor agreement with Local 280, so that has been
15 received.

16 COMMISSIONER CHOPER: Thank you.

17 COMMISSION VICE CHAIRPERSON HARRIS: Well, I agree
18 with you, I don't know if we need to get them in, to get
19 them done. I think the big fear is we don't want to have
20 some disruption based on a contractual dispute that,
21 hopefully, could be resolved.

22 COMMISSIONER CHOPER: The other thing here it says
23 for Twinspires, and we've talked now about the labor
24 agreement and the horsemen's agreement.

25 REGULATIONS/LEGISLATION MANAGER WAGNER: Yes.

1 COMMISSIONER CHOPER: But this says there's still
2 an outstanding, but we don't have copies of it. Maybe
3 that's the problem here, that they're there, but they
4 haven't sent them in. Contractual agreements between
5 Twinpires and the applicant tracks.

6 REGULATIONS/LEGISLATION MANAGER WAGNER: Correct.
7 My understanding, for most of these listed items, the
8 agreements have been made, or they're about to be made, but
9 we, as staff, in terms of completion of the documentation
10 for the application, we don't have that. So we're waiting
11 for notification that the --

12 COMMISSIONER CHOPER: And we've asked for it?

13 REGULATIONS/LEGISLATION MANAGER WAGNER: Yes, yes.
14 We've been in contact with the parties and they've been
15 responsive. We just have not received them as of today.
16 That was the purpose of this item, just to update you on the
17 fact that we are working towards trying to get those items
18 from the ADW providers.

19 COMMISSION VICE CHAIRPERSON HARRIS: Because on
20 the meets that are going on right now, I mean fees, you
21 know, money is moving around at some rate, so that rate must
22 be something.

23 REGULATIONS/LEGISLATION MANAGER WAGNER: Right.

24 COMMISSION VICE CHAIRPERSON HARRIS: Okay, what's
25 the next one.

1 EXECUTIVE DIRECTOR BREED: Item 11.

2 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, this
3 one, 11, this might take a little longer than some of these.

4 EXECUTIVE DIRECTOR BREED: That's really the event
5 that --

6 COMMISSION VICE CHAIRPERSON HARRIS: This might be
7 the last item to go to public comment on. But this is on
8 the track safety issue, our service.

9 EXECUTIVE DIRECTOR BREED: Mr. Chairman, Members,
10 what we have done this budget year, in preparation for next
11 year, is to request a budget amendment, basically, for
12 enough money to conduct a study of the existing track
13 surfaces, be they synthetic, turf, or dirt in California.

14 Under Section 19481 subparagraph (a) and (b) of
15 the Business and Profession Codes, the Board is required to
16 maintain safety standards of racing surfaces.

17 And an attempt was -- we started this process on
18 dirt surfaces I think in the early nineties, with the
19 cooperation of Steve Woods, and others. We do have a
20 standard, minimal standard on dirt surfaces, but we have not
21 developed a standard on turf or synthetic surfaces.

22 The idea behind this was to have -- to contract
23 with a firm that would provide the analysis of data. That
24 firm would also train and equip a team of CHRB staff and
25 contractors at the locations of live racing. Basically, one

1 team in the south and one team in the north.

2 They would collect data on a daily basis,
3 sometimes an hourly basis. The team would be made up of our
4 investigative staff, our safety track steward, and
5 these -- and the association would try to provide assistance
6 through their maintenance department, in terms of those
7 maintaining the track.

8 The idea here is to find out what these tracks are
9 doing throughout the year. That's the purpose and we have
10 the manpower, we've actually started this process, that will
11 give us an idea of where we can -- give us the basis on
12 which we can develop this standard of the track surfaces.
13 Specifically, especially the synthetic track, that we can
14 use to set forth specifications, known specifications in the
15 future application of this surface, which is something that
16 the law requires. We haven't done it and we're now doing
17 it.

18 The other part of this work is studying the
19 practices that are going on in training and racing, and I've
20 asked Dr. Arthur to speak to that.

21 EQUINE MEDICAL DIRECTOR ARTHUR: Dr. Arthur,
22 Equine Medical Director.

23 A lot of what I'm going to talk about we mentioned
24 at the Medication Committee meeting at UC Davis, in
25 November, and that revolves around the necropsy data, which

1 I think we've come a long ways in really refining that and
2 getting the type of information we need.

3 Particularly as of July 1st, when we've
4 implemented the Equine Injury Database, through InCompass,
5 which allows us to tie this information to considerable
6 racing data, as well.

7 The only racetrack, major racetrack, that's not
8 involved, with the exception of the standardbred tracks, is
9 Los Alamitos and, hopefully, they'll be on board with that
10 soon.

11 Involved with that is also reporting by the
12 official veterinarians of injuries that come to the
13 attention of the official veterinarian. That's primarily
14 scratches on the track, horses injured after the race, that
15 are non-fatal injuries.

16 We have also -- I've also been involved in trying
17 to develop a program for private veterinarians, either
18 through InCompass, in the Equine Injury Database system.

19 Kentucky's also interested in a similar system for
20 private veterinarians to enter similar type of data.

21 But the Dolly Green Research Foundation here, at
22 the Southern California Equine Foundation, has developed a
23 program that they can implement. In fact, it looks like it
24 will be funded by the Grayson Jockey Club Research Fund
25 Foundation as a pilot project, starting here soon, that

1 allows private veterinarians to enter data.

2 And there's also a -- I've been working on a way,
3 and we've solved the problem, to be able to eventually
4 relate that to the rather extensive InCompass database, as
5 well.

6 There are opportunities, and we talked about this
7 in November, Rule 1842 allows us leeway to request
8 considerable more information than we currently get from
9 practicing veterinarians. Basically, in terms of how horses
10 are treated, uniarticular injections.

11 We already record anabolic steroids, we record
12 shock wave therapy. But we're looking at other things, like
13 uniarticular inject, or the steroid use. We have nascent
14 use, at least for racing. But we do have an opportunity to
15 do that in either one of these databases. Our data
16 gathering system will allow us to do that.

17 Dr. Stover's work at UC Davis has been quite
18 convincing that how horses are trained are related to
19 injuries. California works horses twice as often per start
20 as Kentucky does, and 50 percent more than is done in New
21 York.

22 We do train our horses differently and trying to
23 get a handle on that I think is very important.

24 We talked earlier about toe grabs and, certainly,
25 the Jockey Club, Welfare and Safety Summit, as Mr. Harris

1 participated in, myself, and several other people in this
2 room have identified multiple issues that are involved in
3 racing injuries.

4 The fatality data is a very definitive database,
5 but it's only the tip of the iceberg. Typically, and you
6 can do these calculations in a number of ways, the attrition
7 rate for horses that leave racing and never come back is
8 between three and a half and four percent a month in
9 California. That's an enormous cost. Nationwide, it's
10 almost a \$100 million a month in horseflesh that has to be
11 replaced.

12 Besides the economic cost, obviously, is there's
13 the welfare issue that we have to be concerned with. The
14 attrition rate is not horses that die, it includes horses
15 that are retired because they're too slow, they go into
16 other careers, or they are no longer able to race because of
17 debilitating injuries.

18 So all of these are moving along, I think quite
19 well.

20 I was just at the Grayson Jockey Club Research
21 Foundation meeting in Ft. Worth last week, and several
22 projects in California were being analyzed, including the
23 one I just talked about, which is going to be correlated to
24 biomechanical testing, which is a little bit different than
25 what the Board and the Executive Director just talked about.

1 And Dr. Stover also has projects in the works to
2 also do biomechanical testing and modeling on different
3 combinations of track surfaces, as well.

4 So all of these are moving along and I think
5 they're very complimentary to where research is going in
6 this area.

7 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, I think
8 it is very important that we coordinate with the other
9 bodies that are working on this same thing. And, ideally,
10 if we can come up with a national standard, a measurement
11 that we can correlate back to different types of injuries,
12 and track surfaces, and the whole thing.

13 We're getting there, but we don't want to try to
14 have every jurisdiction do it differently

15 COMMISSIONER ISRAEL: Might there be some kinds of
16 scale if we work together with Kentucky, and whoever else,
17 concerning these similar studies, is there a way to
18 correlate the whole thing so maybe you can save some money?

19 EQUINE MEDICAL DIRECTOR ARTHUR: I think there's
20 certainly an answer to do that. For example, the Grayson
21 Jockey Club Research Foundation's a national organization
22 that is actually being -- does a lot of research here, in
23 California.

24 And the two projects that were evaluated, it
25 hasn't been decided which ones are going to be funded, if

1 either of them. I'm pretty sure one of them will be. But
2 those are national money being utilized here, in California.
3 And I think there are opportunities to correlate.

4 In fact, even the two competing projects in
5 Grayson Jockey Club are very amenable to combining those
6 efforts to make it more cost effective.

7 COMMISSIONER ISRAEL: Right.

8 EQUINE MEDICAL DIRECTOR ARTHUR: But it takes an
9 effort to coordinate those and a willingness to do it.

10 COMMISSIONER ISRAEL: Right, different
11 jurisdictions, I'd understand. But maybe, if we can work
12 together, you can get a lot more bang for the buck and
13 expand the research by not being redundant with other
14 research.

15 COMMISSION VICE CHAIRPERSON HARRIS: Yeah,
16 especially if we're --

17 COMMISSIONER MOSS: Is there a time frame on this,
18 is it open, or are they going to come up with some result in
19 a couple of months?

20 EQUINE MEDICAL DIRECTOR ARTHUR: We should
21 actually -- there will be an effort to refine the private
22 veterinarian injury reporting project, probably is going to
23 start before the end of the month.

24 Getting the biomechanical testing data, I don't
25 know what the schedule is on that, but that can start very

1 soon.

2 And what the Executive Director was talking about,
3 in terms of the CHRB collecting the data, I think takes
4 funding and some reallocation of some resources in the
5 Board.

6 EXECUTIVE DIRECTOR BREED: Right. The request is
7 in, that money becomes available in July. We have already
8 started the collection of data and have been in contact with
9 the various firms that are in the business of analyzing the
10 data.

11 It's understanding is the mechanics, the
12 biomechanics of this is you're analyzing not only the
13 natural data, the bio data, but you're also analyzing the
14 exotic data, the exotic materials that you put in these
15 racetracks.

16 COMMISSIONER MOSS: So based on what you said with
17 regard to that three and a half percent of horses that we're
18 losing and the cost of that, how does that relate to maybe
19 similar studies of five years ago? I'm asking specifically
20 before synthetic racetracks.

21 EQUINE MEDICAL DIRECTOR ARTHUR: The data that I
22 have looked -- I did that analysis probably about five years
23 ago, and I haven't looked at it again. But just my
24 estimate, based on Jockey Club data, and that is data such
25 as years of racing, starts and the like, it is -- it hasn't

1 markedly changed.

2 COMMISSIONER CHOPER: I have a question about the
3 surfaces. I don't want to interrupt any further discussion
4 on the statistical study that you're doing. So if you're
5 done with that, I'll ask the other.

6 You know, I'm the last one who understands
7 anything about civil engineering, but it occurs to me that
8 these course surfaces, synthetic surfaces that we have in
9 this State are very different from one another.

10 COMMISSION VICE CHAIRPERSON HARRIS: Yeah.

11 COMMISSIONER CHOPER: And I think I'm just
12 stating -- I think I am just stating the obvious. It's
13 going to take a special kind of setting, and it's not as
14 homogenous as four different dirt tracks, which may be real
15 different, too. But if you're an engineer, this is not
16 soil. I'm just saying that we made need someone who may
17 know something different, but I don't know who it is or what
18 it is. I think that's a challenge.

19 EQUINE MEDICAL DIRECTOR ARTHUR: Just to comment
20 on that is they're all very, very different. And not only
21 are they different, but the cushion track that was installed
22 originally, at Hollywood Park, looked nothing like the
23 cushion track that was originally installed here, at Santa
24 Anita.

25 And not only are they different when they're first

1 installed, but the temporal changes have been more dramatic
2 than I think any of us had anticipated, and which really
3 complicates this issue.

4 It's not a simple issue and I don't know how -- it
5 is going to be a lot of work to try to sort through it.

6 COMMISSIONER CHOPER: In selecting who is to do
7 the work, and what the work ought to be, see, I think it
8 strikes me as complicated, and --

9 EQUINE MEDICAL DIRECTOR ARTHUR: Well, we do have
10 this disinterested analysis, there's just too many people
11 have too many stakes in this. And I think --

12 COMMISSIONER CHOPER: That's an element. If you
13 assume independence, though, you've got to assume competence
14 and knowledge on how to do it. I mean, it may take a very
15 different person to look at the track at Del Mar, than it is
16 to look at the track at Hollywood Park.

17 EQUINE MEDICAL DIRECTOR ARTHUR: There isn't even
18 agreement on precisely what measurement should be made. I
19 mean, that's how complicated it is. Particularly
20 biomechanics.

21 COMMISSIONER ISRAEL: Well, is there a measurement
22 of what percentage of the different synthetic materials are
23 used in each track?

24 Do they even know, for instance -- I mean, I guess
25 one of the track surfaces has some carpet fibers in it, and

1 as well as the plastic resins, and the rubber, and
2 everything else. I mean, do they actually know what
3 percentages they put those in, in the mix at?

4 EQUINE MEDICAL DIRECTOR ARTHUR: They supposedly
5 do.

6 COMMISSION VICE CHAIRPERSON HARRIS: Well, but
7 they change. As time goes on, whatever you had --

8 COMMISSIONER CHOPER: Yeah, that's what I'm
9 saying.

10 COMMISSION VICE CHAIRPERSON HARRIS: I mean, I
11 guess the material's still there, but the dimensions of it
12 keep changing, it's getting ground up.

13 EQUINE MEDICAL DIRECTOR ARTHUR: And that is a
14 major aspect. And the Executive Director addressed that,
15 and everybody's looked at it, specifically as to your
16 question.

17 Because they do change and some of them are more
18 compatible mixtures than others.

19 It's a complex issue and it has not been as simple
20 and easy as we all were led to believe or all had hoped,
21 there's no two ways about it.

22 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, I mean
23 the track we woke up with wasn't the same one we had hoped.

24 COMMISSIONER ISRAEL: Just the night before
25 action.

1 COMMISSION VICE CHAIRPERSON HARRIS: Well, but
2 really the hope was that we would have a consistency that
3 was so good that we didn't even worry about it anymore. It
4 didn't really take any maintenance, you just went out there
5 and did it, and it's become a lot more complicated.

6 As I understand it, the data does show that we are
7 having less injuries now, on synthetics, for the period of
8 time before that.

9 COMMISSIONER MOSS: I don't agree with that, I'm
10 sorry.

11 EQUINE MEDICAL DIRECTOR ARTHUR: Well, the data
12 does show that up until the last detailed analysis, which
13 was through June 30th.

14 I am not convinced it's going to be as dramatic,
15 and this is as to racing primarily, because the previous
16 data, prior to July 1st, '07, it's very difficult to tell
17 where a training fatality occurred at.

18 But if you look at fatalities overall, the racing
19 fatalities still look okay. But the dramatic improvement
20 that we saw early on in the process is deteriorating rather
21 quickly, just like the tracks.

22 But we have seen a -- the last six-month data, and
23 I have done this preliminary, it's not going to look as
24 impressive as the first six months did.

25 COMMISSIONER ISRAEL: But it's not just fatalities

1 that we really need to measure. We need to measure all
2 injuries.

3 I mean, I know I've heard just in the backstretch
4 there are a lot of injuries in the morning, hind end
5 injuries that we're occurring on dirt, you know, from
6 trainers. I'm an easy target, so they complain.

7 But, I mean, if there were a way to sort of
8 quantify that information and calculate it, I think that's
9 what Commissioner Moss is referring to, that there are
10 injuries, especially in the morning, that just aren't being
11 reported, but are keeping horses off the track, you know,
12 and have a detrimental impact on the quality of the game.

13 EQUINE MEDICAL DIRECTOR ARTHUR: That's exactly
14 why we've tried to put together this report from private
15 practitioners, to answer that very specific question.

16 I will say, however, we have made an effort to
17 look at issues, for example the number of X-rays, the number
18 of ultrasounds, the number of surgeries, and those haven't
19 changed. The X-rays have been down. The ultrasounds
20 haven't changed. The nuclear centigraphies haven't changed.
21 The arthroscopic surgeries have been down dramatically.

22 So those objective measures we can obtain look
23 encouraging.

24 But I hear the same issues that you hear about.

25 COMMISSIONER ISRAEL: The soft injuries that don't

1 necessarily require all of that kind of thing.

2 EQUINE MEDICAL DIRECTOR ARTHUR: Well, ordinarily,
3 a soft tissue would require an ultrasound examination.

4 But the bottom line is we don't have the objective
5 data that we need to make informed decision, where a lot of
6 it is anecdotal and people have a tendency to remember the
7 bad start.

8 The bottom line is we don't have enough
9 information. We have better information than anybody in the
10 country, but it's not good enough to answer the questions we
11 need to have answered.

12 COMMISSIONER CHOPER: Yeah, and empirical studies,
13 look, they're very difficult. Even when they're, quote,
14 scientific, which -- and the time period is too short. I
15 mean, you can't take it in six months, eight months.

16 And you have this issue of the varying conditions
17 at track, if you believe what you read, which is often a
18 mistake.

19 Nonetheless, it would seem once they fix it up,
20 you know, things get much better.

21 So you're going to take statistics, gross
22 statistics that we haven't accounted for are very hard. I
23 mean, not just this one, all empirical studies.

24 You know, there's not a single one that doesn't
25 have some real flaws to it. Now, that's a strong statement,

1 and I'm talking about scientific and medical empirical
2 studies, because you just can't control them.

3 COMMISSIONER ISRAEL: Have you given any thought
4 to control group studies? I mean, I don't know how you
5 would do it, or how they would be designed, but in the same
6 way they do for testing, the FDA does for testing medicines,
7 where they establish control groups, they use medicine --

8 COMMISSIONER CHOPER: They do the best they can.

9 COMMISSIONER ISRAEL: That's what they did with
10 the hormone replacement therapy. Yeah, I mean it's one of
11 the biggest studies we ever had, medical, in the country,
12 and boom, we thought it was all wrong after about ten years.
13 It's horrible.

14 EQUINE MEDICAL DIRECTOR ARTHUR: Control groups in
15 horse racing are very difficult. And basically, what I've
16 tried to do, is go back to January 1st, 2004 and look at all
17 the racing fatality data, which we do have very solid, and
18 we're able to calculate a rate based on that. But that's
19 about as good as we can do.

20 We have some good epidemiologists and
21 statisticians at UC Davis, which are used to looking at
22 these sorts of issues. And we can look at what those
23 alternatives are.

24 But it is a difficult question. We don't have the
25 data we've got --

1 COMMISSIONER ISRAEL: I don't know how to do it,
2 but maybe you need to take a hundred horses in training, in
3 California, spread across any number of trainers' barns, and
4 follow them very specifically, you know, both fillies and
5 colts, of a variety of ages, a variety of medical problems
6 going in, follow them very specifically for a year or two
7 and see what happens.

8 And maybe, at the same time, take a similar survey
9 of horses in training, and tracks in a different state,
10 where they don't have synthetics, and see what happens. And
11 have a finite beginning, a finite end, and a finite number
12 of horses.

13 I mean, it would take a cooperate effort between,
14 say, Kentucky and California, but maybe there's some value
15 in that.

16 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, let's
17 get a comment from others. We have a couple of comments,
18 for instance, Jack Liebau, you have something you want to
19 say?

20 MR. LIEBAU: Yes, as far as the track surface is
21 concerned, and perhaps Dr. Arthur could help me out a little
22 bit on this, as far as I know, which certainly doesn't mean
23 there isn't something else, but in my mind the leading
24 experts, specialists, whatever, as far as track surfaces,
25 and the only one that I've dealt with or had any connection

1 with, is Dr. Mick Peterson, of the University of Maine, who
2 has -- I don't know if you call it practicing in this area,
3 but we have had him on various tracks. And Hollywood Park,
4 in particular. He was having a student there, or students
5 there, for an extended period of time, like two or three
6 months, and they have been taking all sorts of tests, and
7 have all sorts of mechanisms that they use. And I can't
8 explain what they are. From ground radar, to temperatures
9 at variance levels.

10 I mean, it is a very complex study that they have
11 made, that I don't think the results are out. But I would
12 just caution the Board and staff that maybe it might be
13 productive to talk to Dr. Peterson before you go off and
14 hire somebody else that may not have previously had any
15 experience with tracks.

16 And I don't know whether Rick would concur as to
17 Dr. Peterson's qualifications. I just don't know of anybody
18 else, or any other university that is into that particular
19 area. I would think that you'd certainly want to talk to
20 him. And perhaps Dr. Arthur would like some other people.

21 COMMISSION VICE CHAIRPERSON HARRIS: He hasn't
22 called me. Yeah, he is involved in some of these industry
23 issues.

24 EQUINE MEDICAL DIRECTOR ARTHUR: In fact, he was
25 one of the co-authors of the Grayson Jockey Club research

1 project that I was talking about here. So his biomechanic
2 testing is part and parcel, and his materials testing is
3 part and parcel of that particular project, and certainly
4 recognize that.

5 And Dr. Sue Stover also has specific expertise,
6 particularly in instrument and shoe testing, and the like.

7 But having said that, there is still -- I think he
8 is certainly -- Dr. Peterson is certainly as knowledgeable,
9 and has done more in site testing of track surfaces than
10 anyone in the world, to my knowledge.

11 MR. LIEBAU: Well, maybe the Board will want to
12 hire some soils --

13 COMMISSION VICE CHAIRPERSON HARRIS: Oh, yeah,
14 that's the idea. If we can use the experts we have on
15 board, that are already doing it. Because you've got to
16 quantify what you have, as far as to how hard is it, how
17 much -- you know, all these different characteristics.

18 EXECUTIVE DIRECTOR BREED: I just wanted to say,
19 Mr. Chairman, we used Dr. Peterson in setting up the
20 parameters of this study, so he was the principal, he made
21 the principal input in setting up the parameters of the
22 study.

23 We put together a request for proposals, which we
24 have sent out to everyone involved, involved in this
25 analysis process, so that everybody in the industry has a

1 chance to compete and to get the contract.

2 COMMISSION VICE CHAIRPERSON HARRIS: Yeah. Craig
3 Fravel wanted to make a remark.

4 MR. FRAVEL: Thank you, Mr. Chairman. Craig
5 Fravel, Del Mar Thoroughbred Club.

6 I think this is a very useful effort and, as Rick
7 has noted, there have been a lot of efforts going along on
8 this, that need to be attended to.

9 One of the problems that I see in all of these
10 things is that the database that relates to prior history is
11 what's missing, and this goes to Mr. Choper's comment
12 earlier.

13 But what we do know is how the tracks perform
14 since they installed them. What we have very little data,
15 if any, on is what happened in California, in particular
16 before we had these racetracks. There was no database at
17 all on injuries, soft tissue or otherwise, and we have no
18 way of going back historically and resurrecting them.

19 We do have a study, I think, that Davis engaged
20 in, that goes along with what Commissioner Israel suggested,
21 that showed attrition rates on the old racetracks, and I
22 believe there would be a way of studying what you're talking
23 about, to repeat that effort, the tracking kind of concept
24 that you talked about, and see how horses performed over
25 time and what the attrition rate on the inventory actually

1 is.

2 So I would encourage Rick, who I'm sure is aware
3 of that study, I mean, it was used in some of his
4 presentations, to go back and look at that, and revisit that
5 methodology and see if there would be useful information
6 that can be repeated.

7 I would also caution, and it's very popular to
8 compare, for example, some like to say, well, there were no
9 injuries at Saratoga this summer.

10 Well, first of all, there isn't a track outside of
11 California that keeps data, particularly on catastrophic
12 injuries, the way we do here in California, it just doesn't
13 happen.

14 And secondarily, it's also very easy to compare a
15 track -- let me give you Saratoga, for example. There are
16 two training tracks, the main track, and there's the local
17 and the training track. There are two turf courses.
18 There's a "Darly" training track right off the grounds.

19 And if you look at any given day on the main
20 track, at Saratoga, they might have 30, 40, 50 workers on
21 any particular day.

22 I just happened to be looking at the work tab for
23 Santa Anita this last Sunday, there were 210 workers going
24 over the same piece of ground here, at Santa Anita.

25 To compare tracks in California to tracks

1 elsewhere, I think it's useful and there are ways it can be
2 done, but you always have to keep in mind that the training
3 methodologies differ, the training tactics, and particularly
4 the available real estate is dramatically different here.
5 Nobody puts their racing surfaces under the kind of --
6 whether they were dirt, or synthetic, or anything else,
7 nobody puts their surfaces under the kind of pressure that
8 we do.

9 So my only suggestion is whatever -- however you
10 proceed with this study, and I would encourage you to do it,
11 and we'll cooperate to whatever extent we can, make sure
12 that all of those kind of things are taken into account.
13 Because things -- it's very hard to compare apples to apples
14 in this business.

15 And as we all know, and I don't care whether it's
16 dirt, synthetic, turf, or other, the major source of griping
17 at racetrack, other than money, is the racetrack, itself.
18 Okay, thank you.

19 EQUINE MEDICAL DIRECTOR ARTHUR: Excuse me, to add
20 one more comment, and one thing I think we all have to
21 remember is that when you look at the necropsy data, it's
22 very clear that over 90 percent of the fatal musculoskeletal
23 injuries that we deal with have some evidence of pre-
24 existing pathology at the source of the catastrophic injury
25 when they occur.

1 That doesn't mean that somebody did something
2 wrong, some of the pathology is microscopic, some of it's
3 pretty overt. But a lot of it's microscopic.

4 These are repetitive stress injuries. And Dr.
5 Stover has presented very convincing evidence, in fact she
6 presented here about this time last year, that many of the
7 injuries that occur on track B started at track A six months
8 before.

9 And so it's a very, very complicated puzzle to put
10 together, as Commissioner Choper pointed out. It's not an
11 easy answer, you know, but it's something we have to look
12 at.

13 COMMISSIONER CHOPER: Thank you.

14 COMMISSION VICE CHAIRPERSON HARRIS: Mr. Richey,
15 you had a comment?

16 MR. RICHEY: Thank you. You know, I know it's
17 easy to look --

18 EXECUTIVE DIRECTOR BREED: Can you identify
19 yourself?

20 MR. RICHEY: Sure. My name is Earl Richey, I have
21 a CHRB license, I have horses, I live in the neighborhood.

22 I think there's quite a few things going on here,
23 and I think everybody has some good suggestions.

24 For every horse that leaves the ground there
25 should be, maybe, a yellow card on it to say what the reason

1 the horse is leaving the grounds for, if it's a health and
2 safety issue. At least you'd know.

3 I mean, because if a horse has a problem it
4 doesn't go -- all of the horses don't go over to the vet or
5 over to the hospital, as an example.

6 But, you know, I have a couple of really good
7 suggestions I'd like to make, and it's not a matter of
8 trying to pick on any one of you.

9 But as an example, since the CHRB has taken the
10 intent to change the racing surface in the State of
11 California, and mandated that all of the surfaces be
12 changed, or else there's no racing dates to be given to the
13 horse racing establishments, I think the liability should be
14 on CHRB for the breakdowns that we have here by putting in
15 the racing surfaces.

16 And number one, that we have no recommendations
17 or -- we have recommendations, but we have no standards. We
18 don't have any justifications for our surface that you're
19 mandating or instructing, you're asking the racetrack to put
20 in.

21 Basically, since we are actually being used as
22 Guinea pigs, which I think was a great comment that was used
23 last week, if it be the horses, if it be the horse owners,
24 if it be the exercise riders, if it be the jockeys, if it be
25 the racetrack owners or the facilities, here, that in the

1 event we have breakdowns here, the CHRB should write a check
2 for using those horses as an experiment, based upon the
3 track surface that you've chosen, or even forced or mandated
4 each of these racetracks to install.

5 And I think the liability really lies on the CHRB
6 for that.

7 If you're going to ask -- or not ask, but if
8 you're going to make the racetrack install the surface, then
9 you need to take the liability or the fee for whatever the
10 outcome of that might be.

11 And as it was mentioned in this meeting here, if
12 the first racetrack was established in California, in Dixon,
13 in 1865, that's 144 years that we should have had some type
14 of a test, or paperwork should have been submitted, or
15 followed upon as to why these horses are breaking down or
16 why we have these problems.

17 But to jump from 144 years of using a dirt
18 surface, if it's adequate, or sufficient, or not, and now to
19 jump, without having the results as we sit here today, and
20 now jump and say, hey, great, let's go put a sponge track at
21 all these racetracks and it's going to solve everybody's
22 problems.

23 I don't think any of us are doing a good job of
24 representing even the stockholders of Santa Anita, as an
25 example, fairly in regards to that.

1 And so I guess my recommendations are I'd like to
2 see the CHRB compensate each and every horse owner for
3 horses that have to be put down, that have broken down on
4 the racetrack, on the track surfaces that the State of
5 California has mandated that every track has. Number one.

6 And Number two, I'd like the CHRB to compensate
7 every one of the racetrack facilities in the State of
8 California for the track surface that you mandated, for
9 which we have no standards, we have no rulebook, we have no
10 guidance as far as how they're supposed to be taken care of,
11 and let's see if we can consolidate our efforts and let's be
12 held accountable for the decisions we have made.

13 COMMISSION VICE CHAIRPERSON HARRIS: Okay, thank
14 you. I think that we all need to realize that the CHRB
15 mandate was not approved in a vacuum, it was supported by
16 virtually all the industry, the TOC, the CTT, and the
17 tracks, and the Board, and I think that the jury is still
18 out as far as if this is a successful thing or not.

19 But it was not done in haste, or without
20 forethought, and I think it may well work. It's just been a
21 lot more complicated than was discussed and what everybody
22 thought.

23 But if you think anyone's going to send you a
24 check, you better -- I got a bridge I'll sell you someplace,
25 too.

1 MR. RICHEY: Well, hey, that's great, maybe I'd
2 like to buy the bridge.

3 But, you know, based upon the CHRB, and it was
4 stated that you have liability insurance, what's your
5 liability insurance cover, John?

6 COMMISSION VICE CHAIRPERSON HARRIS: Well, I think
7 we also have sovereign immunity, referring to my counsel
8 over here.

9 STAFF COUNSEL MILLER: That's right.

10 MR. RICHEY: Well, if you have sovereign immunity,
11 that means they have insurance, what does the insurance
12 cover?

13 COMMISSION VICE CHAIRPERSON HARRIS: I didn't say
14 that we had insurance, I was saying that we -- different
15 parties, we should be named on their insurance, if they are
16 sued for something, and we are sued as a result of that.
17 That's kind of a whole different --

18 MR. RICHEY: Well, I guess my question is what
19 insurance does the CHRB have, that's my question?

20 EQUINE MEDICAL DIRECTOR ARTHUR: You know, can I
21 interrupt here? I will tell you, quite unequivocally, I'm
22 not going to say that the synthetic surfaces are better. I
23 can tell you unequivocally, in racing, that the synthetic
24 surfaces have decreased fatalities and up through June 30th
25 of '08. And even through this last rather bad six months,

1 that I would doubt if you're going to feel in racing some
2 increase in fatalities.

3 The training data may be a little equivocal. But
4 overall, there is absolutely no evidence that synthetic
5 surfaces have increased breakdowns.

6 MR. RICHEY: Well, I guess my question, again, is
7 what liability insurance does CHRB have?

8 COMMISSION VICE CHAIRPERSON HARRIS: Well,
9 liability doesn't matter. Insurance -- I mean, basically,
10 anybody can sue anybody for anything. And I think that the
11 liability insurance doesn't have anything to do with this
12 issue.

13 MR. RICHEY: Well, hey, John, I'm not asking to
14 sue anybody, I'm just asking what liability insurance does
15 CHRB have? I mean, it's just a direct question. Do we
16 know?

17 COMMISSIONER ISRAEL: Well, you know, the State
18 basically is a State --

19 COMMISSIONER MOSS: It's self-insured.

20 COMMISSION VICE CHAIRPERSON HARRIS: The State's
21 self-insured.

22 COMMISSIONER CHOPER: I think, as we learned
23 today, earlier, as I thought I heard, many of the racing
24 associations have purchased insurance against potential
25 liabilities that occur at the tracks, that include, as one

1 of the people covered, one of the entities covered by that,
2 the Racing Board. Maybe that's wrong, but I thought that's
3 what I heard someone say. So that's one package.

4 But the State of California, of which the Board is
5 a part, is the State of California and is a private
6 insurance, it's a self-insurer. So the answer is there
7 isn't any. Nor, as I understand it, do members of the Board
8 have any directors and officers liability insurance.

9 Is that right, too?

10 STAFF ATTORNEY MILLER: That's correct.

11 COMMISSIONER CHOPER: So I would say that I'm not
12 a -- I don't think you were serious. I mean, I think you're
13 making a point and that's fine.

14 MR. RICHEY: Yeah, I was trying to make a point
15 for discussion and maybe we can learn from one another. I
16 think that's the reason for the meeting here today.

17 COMMISSIONER CHOPER: No, that's fine.

18 MR. RICHEY: Okay, thank you for your help.

19 COMMISSION VICE CHAIRPERSON HARRIS: Okay,
20 anything else on this issue?

21 Okay, what's our next on the agenda.

22 Well, also, we've got the announced stewards
23 assignments, which are on Tab 13, which you can look
24 through. And these are also posted on our website. It
25 outlines some backgrounds on all the stewards, and also

1 their actual assignments for this upcoming year.

2 Yeah, the assignments are -- what happened, I
3 think it's something the Board delegated to the Stewards'
4 Committee to come up with these assignments, and that's what
5 we've done.

6 I think we've got a good group of stewards, they
7 represent diverse backgrounds, and collectively a lot of
8 expertise and knowledge of racing, and I think we're
9 fortunate to have the group we have.

10 COMMISSIONER CHOPER: Move to approve.

11 COMMISSION VICE CHAIRPERSON HARRIS: Is there a
12 second?

13 COMMISSIONER ISRAEL: I don't think we have to
14 approve anything.

15 COMMISSION VICE CHAIRPERSON HARRIS: Well, I think
16 we've delegated and I guess we could withdraw that, it's
17 delegation or something.

18 I would urge all the members, too, to try to visit
19 the stewards' stand when you visit the track, and try to get
20 a feel for what all they're doing.

21 Okay, now we're going to go to public comment.

22 COMMISSIONER CHOPER: The calendar, I think we
23 have.

24 COMMISSION VICE CHAIRPERSON HARRIS: Oh, the
25 meeting calendar, I didn't see that.

1 EXECUTIVE DIRECTOR BREED: Yeah, the meetings.

2 COMMISSION VICE CHAIRPERSON HARRIS: We don't have
3 any issues there. I think we've changed it a few times
4 already.

5 COMMISSIONER ISRAEL: Yeah, I do remember, I've
6 made this point before, I believe the October meeting should
7 be held in Arcadia. It was just two weeks in advance of the
8 Breeders' Cup and I think it's important for us to
9 acknowledge that the Breeders' Cup is certainly the most
10 important day on the California racing calendar. It's
11 probably the most important day on the American racing
12 calendar. And I think we should meet here and do whatever
13 we can to help promote it.

14 And also, not to inconvenience the many people who
15 will be working at that time to prepare for it. We'd then
16 have to travel to Fresno, which I think it's a good idea at
17 some point to meet at Fresno, but it is not the easiest
18 place to get to, and that's just an inopportune time for us
19 to be meeting in Fresno.

20 COMMISSION VICE CHAIRPERSON HARRIS: Well, I think
21 we try to move these meetings around the State and that's
22 when Fresno is offering.

23 The Breeders' Cup is actually more like three
24 weeks after this meeting, anyway. I guess we could
25 consolidate.

1 What day is the Breeders' Cup this year, November
2 the 2nd, or something like that.

3 COMMISSIONER ISRAEL: It's about two weeks later.

4 COMMISSION VICE CHAIRPERSON HARRIS: I don't know
5 if that many people, so-called working on Breeders' Cup, are
6 really -- is there someone that --

7 COMMISSIONER ISRAEL: That's not simply my point.
8 My point is the Breeders' Cup is the most important event in
9 American racing, and it's occurring at this racetrack this
10 year, and we should -- we should respect that, and honor
11 that, and help promote that by meeting here the month in
12 advance, you know, just a couple of weeks in advance of the
13 Breeders' Cup.

14 It's much more important than becoming familiar
15 with Fresno. There's no two ways about it.

16 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, we met
17 here last October and I didn't see any publicity in our
18 meeting that tied into the Breeders' Cup last year.

19 I mean, I just don't see how it really -- I mean,
20 I'm one who wants to promote the Breeders' Cup, but I don't
21 see that the fact that we're having a CHRB meeting, that
22 that really moves the needle very much.

23 COMMISSIONER ISRAEL: Well, it's also -- the
24 meetings are a convenience to the public and to the people
25 that they serve, not simply to the Commissioners. And I

1 think it's making it much more difficult for the public to
2 get to a meeting if it happens to be that time, within two
3 or three weeks of the most important thing that is going to
4 occur on our racing calendar.

5 COMMISSION VICE CHAIRPERSON HARRIS: Well, that's
6 debatable.

7 COMMISSIONER MOSS: Yeah, I frankly, I agree with
8 both Commissioners as was mentioned. I think there's an
9 emphasis, and I think our emphasis has to be, at a certain
10 point, on Southern California, because this is where the
11 bulk of our industry is, and I would go along with what
12 Commissioner Israel said as far as the Breeders' Cup is
13 concerned. I agree with him.

14 COMMISSION VICE CHAIRPERSON HARRIS: Anybody else
15 want to comment on this?

16 You know, I just feel that it's good to move
17 around the State, and that Fresno is more convenient for
18 the -- most of our staff is coming from Sacramento, which is
19 more convenient to go to Fresno, instead of Arcadia. And we
20 can look at -- you know, I just like the concept of moving
21 it around.

22 We could have every meeting in the Burbank Airport
23 or something, I guess, but --

24 COMMISSIONER ISRAEL: That's not what we're
25 seeing, John. This is a special case, the Breeders' Cup is

1 not here every year. It has been here two years in a row,
2 it's great that they decided to bring it here two years in a
3 row. We should support that, we should try to encourage
4 them to be here as frequently as they can. It's the best
5 and biggest thing that happens in racing here.

6 Any other year I wouldn't object to going to
7 Fresno. I just think it's the wrong year, it's the wrong
8 place, it's the wrong time. We can go a different month to
9 Fresno. We can go to one of the other fairs in a different
10 month.

11 It's just not the right time, it's the wrong damn
12 year to do it.

13 COMMISSION VICE CHAIRPERSON HARRIS: Well, I just
14 don't agree. I don't see what we're going to accomplish. I
15 mean, if we want to talk to the Breeders' Cup, let's set up
16 a special meeting with the Breeders' Cup Board, or their
17 management, or whatever, and really talk about how --

18 COMMISSIONER ISRAEL: What are we going to
19 accomplish in Fresno, where they have racing one week a
20 month -- or one week a year -- two weeks a year.

21 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, what do
22 we accomplish any place? I wonder what this Board
23 accomplishes, period, sometimes.

24 (Laughter.)

25 COMMISSIONER MOSS: That's a profound question

1 right there.

2 COMMISSION VICE CHAIRPERSON HARRIS: I mean,
3 that's one issue. Do we really need to be having as many
4 questions as we're having here.

5 COMMISSIONER MOSS: That's another one.

6 COMMISSIONER ISRAEL: That's a different question.

7 COMMISSION VICE CHAIRPERSON HARRIS: Well, why
8 don't we get the rest of the Board back together and see
9 what they want to do.

10 COMMISSIONER ISRAEL: Okay.

11 COMMISSIONER CHOPER: I notice that it does -- it
12 is in the alternative on the calendar here, it says Fresno
13 or Oak Tree.

14 EXECUTIVE DIRECTOR BREED: Well, that was
15 basically considering the opinions of the -- input from the
16 various Board members.

17 COMMISSION VICE CHAIRPERSON HARRIS: The one that
18 comes up sooner is Los Alamitos, which I think we
19 should -- one of my big gripes about, regardless of where we
20 have it, is don't just go to the location and you find the
21 meeting room, and you meet and then you leave as quickly as
22 you can.

23 We need to see the facility, see what the track is
24 like, what the horsemen are like there, how are stewards are
25 there, and really do more than just see how fast we can get

1 through the meeting and how quickly we can leave, I mean,
2 and not see anything.

3 Which if we meet at Los Al, I think it's going to
4 be important that we take a look at the backstretch, take a
5 look at any plans they may have to be part of a bigger
6 racing scene going forward.

7 COMMISSIONER ISRAEL: I agree to that. And maybe
8 we can meet there in the afternoon, and stay for the racing
9 in the evening.

10 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, I think
11 that's usually the deal there.

12 Okay, let's go on to public comment.

13 EXECUTIVE DIRECTOR BREED: Yeah.

14 MR. BROAD: Mr. Chairman and Members, Barry Broad,
15 on behalf of the Jockeys' Guild.

16 I just want to update the Board on our view of
17 kind of what occurred at Los Alamitos, when Jockey Sam
18 Thompson was injured and subsequently died.

19 That track, and I'm not here to suggest -- I don't
20 know that there's any action that the Board can take, but I
21 think you obviously need to know.

22 That track has a statutory exemption to the
23 general rule that a track physician must be present when
24 racing occurs.

25 It also, perhaps more significantly, has an

1 ambulance, as all tracks are required to have, but it does
2 not have an ambulance staffed in such a way that it can
3 travel on the highway. So that a jockey, who was injured,
4 would have to be -- would have to be switched from one
5 ambulance to another in the parking lot.

6 We think that that's -- those conditions need to
7 change, and we're asking the owner of that track to do that
8 voluntarily, rather than turning into a thing where we have
9 to go to the Legislature and get it done, or come here and
10 get it done at a public forum.

11 So, obviously, to the extent that any of you, you
12 know, would want to -- like to help with your persuasive
13 abilities in that direction, that would be great.

14 But it's not necessarily that any of these things
15 could have prevented the death of Sam, but that we need to
16 maximize the safety for jockeys at every track, and minimize
17 the possibility that there's going to be a fatality.

18 And, you know, for us safety is, that's kind of
19 our number one goal. And we've pressed very hard over the
20 years for it, as you've -- many of you have seen, because we
21 feel that it needs to be improved in horse racing. It
22 continues to be an extremely dangerous sport and there are
23 things that can be done, preventatively, to minimize that
24 kind of a tragedy.

25 So that's kind of where we're at on it. We're

1 working, hopefully, in a cooperative way with Los Alamitos,
2 and its representatives, to resolve this matter.

3 And, of course, any of you who wish to help are
4 welcome to do so. Thank you.

5 COMMISSION VICE CHAIRPERSON HARRIS: I agree we
6 need to straighten this out. It just seems so counter-
7 intuitive that you could put somebody in an ambulance, but
8 that particular ambulance couldn't go anywhere. Because I
9 guess we've got these ambulances that just follow the field
10 around, but if anything happens, they're not going to go
11 anywhere, and it doesn't make sense somehow.

12 I mean, I think we need to look at every track,
13 and regardless of whether we have a track physician or not,
14 but where the ambulance is going to go.

15 MR. BLONIEN: Mr. Chairman and Members, Rod
16 Blonien, on behalf of Los Alamitos.

17 Dr. Allred personally grieves the loss of Sam. He
18 was somewhat the leader of the jockey colony at Los Al, and
19 an individual that Doc knew very well. And we are working
20 with the Jockeys' Guild in trying to fix the situation
21 there.

22 And just Dr. Allred wants you to know that he is
23 very concerned and sensitive to this and, hopefully, we can
24 get this resolved soon. Thank you.

25 COMMISSION VICE CHAIRPERSON HARRIS: Well, that's

1 encouraging.

2 Anything else? Any other public comment?

3 If not, we'll not officially adjourn the meeting,
4 because we're going to go into Executive Session, but
5 basically -- go ahead, do you have a comment?

6 MR. STEWART: Gus Stewart, and I spoke with Mr.
7 Breed. I've been involved with, probably, thoroughbred
8 racing ownership, and some management, and things like that.

9 And a couple of people have asked me to come up
10 here because they are out of town, and also one of the
11 things that kind of drove me to come here is I went to
12 Breeders' Cup for the last Breeders' Cup that was here.

13 And I'm not trying to say anything derogatory, or
14 get anyone fired, or anything like that, but I had called
15 numerous times, whether it be Del Mar, Santa Anita, and I
16 spoke briefly about the Breeders' Cup coming up and saying,
17 how do you market, how do you promote this sport.

18 And the individual I spoke to in the marketing
19 department said, well, what do you mean?

20 And I said, well, you're kind of promoting
21 "Curling" is probably not the smartest thing to do. And she
22 goes, well, what do you mean?

23 And I go, well, we have -- and, again, just an
24 example, "Vice President Woman," you have a filly of Mr.
25 Moss's there, that's undefeated, she's spectacular, promote

1 her. Do something to promote her, as opposed to promoting
2 someone like "Curling," just looking at it from a different
3 perspective.

4 Secondly, the revenues that you need to be
5 generating in California. Most of the bettors that I know
6 that go to every tournament in Vegas probably -- and
7 probably the top five percent of people who gamble are
8 betting other tracks because of either the fields are too
9 short, the exotic wagering doesn't make any sense to them.
10 It's better for them to bet bigger fields for 50 cent Pick-
11 Fours, whatever it might be, and betting a lot of money on a
12 daily basis.

13 So when they look at the Racing Forum, or the
14 sheets, or whatever they look at, they don't even look at
15 Golden Gate, they don't even look at Santa Anita, they look
16 at Hollywood Park, they immediately go to the other tracks.

17 So you have to think about how that looks to the
18 people that are actually betting a lot of money on a daily
19 basis. And you have to change the exotics, you have to be
20 creative on how you do that. Otherwise, you're not going to
21 get the revenues to pay for the things that you've
22 requested. You know, Alameda County, the Hollywood Park
23 trying to get money for the stables and things like that.

24 It just doesn't make any sense for anyone to bet
25 on the California tracks if they don't have a comparative

1 payoff when they go -- you know, you can bet online, you can
2 do anything you want to do with the different tracks, so why
3 would they bet on California tracks? It doesn't make sense
4 to them.

5 The other thing, as far as the vets, and the
6 medication, and things like that, you have -- I don't know
7 the politics, again, behind that, but why would you not
8 regulate every vet who works for the track?

9 And when you punish trainers or you punish the
10 vets for medications, or things like that, don't punish them
11 for a month vacation, a two-month vacation, litigate it
12 forever. Make some stipulations that they are done for five
13 years and they can go sell donuts, whatever they want to do.

14 Equal the playing field for the people that want
15 to get involved in the sport.

16 The perception of the sport is gambling. I've
17 been involved in other sports, and there's so many things
18 that go into those sports, that primarily people look at,
19 and they bring their kids to. But, yet, if they knew the
20 true things going on behind the scenes with athletes, with
21 actors, things like that, they're not role models.

22 Gambling is not a bad thing if you teach your
23 children that this is actually a sport.

24 My friend brings his family out here for years.
25 Other people I know bring their kids. Kids aren't gambling.

1 There's no gambling problems with their children, they
2 educate them going in.

3 This sport has to be promoted and has to be seen
4 by the public in a different way. And I wonder why the
5 industry doesn't look at it.

6 And as far as marketing goes, you have to go
7 directly after the people. There's a lot of -- you know,
8 we're all a certain age here, and all of us have been, you
9 know, working in the industry, whatever it might have been.

10 I don't see a lot of young people going direct out
11 to the public, and as opposed to, you know, giving away a
12 wallet, or whatever it might be.

13 I mean, you need to have some people going out,
14 whether it be to a youth, whatever it might be, to bring
15 these people might be. Why don't you go pick up -- you
16 know, get a limo to pick the individuals, the women, men, to
17 bring them to the track for a certain day, and make those
18 plans so they have something where they feel comfortable
19 about going to this facility, which is a wonderful facility.
20 Everyone's different, as far as Cal-EXPO, Del Mar, Hollywood
21 Park.

22 But they have to have an opportunity to feel
23 comfortable with what they're doing, and also have fun while
24 they're doing it. And I don't see a lot of that being done,
25 since I've been going to this sport for years.

1 And a lot of people I used to bring to the track
2 were younger people, who had never been there, and had a
3 great time. But they had nothing to follow up on unless I
4 called them and said, hey, let's go to the Friday night
5 racing, let's go to Del Mar, let's do something like this.

6 I don't see a lot of that done. And I may be
7 naive to that, but I just wonder why it hasn't been done,
8 and why you're not more focused on that when the revenues
9 have to be generated either by the people coming to the
10 racetrack or, again, in California, the wagering. And
11 whether it be four days a week you want to run it, you have
12 a Pick-Four here at Santa Anita, the first Pick-Four. No
13 one even looks at that. Anyone I know, much less -- I mean,
14 they're looking at carryover, but that's it.

15 So the revenues have to be generated with the
16 internet wagering and the off-track betting, and things like
17 that, but you can't get the revenues if you're not really
18 giving a product where the people are going to be able to
19 gamble a certain way, and spend their money there, as
20 opposed to doing it across the country, when they can do it
21 on the net.

22 COMMISSION VICE CHAIRPERSON HARRIS: Jesse, go.

23 COMMISSIONER CHOPER: You've made a lot of points,
24 right.

25 MR. STEWART: Uh-hum.

1 COMMISSIONER CHOPER: I only want to address one,
2 and I'd like to ask you, not necessarily here, but in
3 writing, your thoughts about the large gamblers.

4 MR. STEWART: Correct.

5 COMMISSIONER CHOPER: Big bettors. What do they
6 call them, whales?

7 MR. STEWART: Whales.

8 COMMISSIONER CHOPER: Who are not putting their
9 money on the product at the California racetracks.

10 I think it would be very helpful if you would
11 outline for us, and I'm not asking for a 50-page book, or
12 anything like that, a page or something, an e-mail to the
13 Executive Director, saying here is how the California
14 industry could improve its product in order to attract
15 betting from those people.

16 MR. STEWART: Well, love to, absolutely. There's
17 a lot of them.

18 COMMISSIONER CHOPER: I mean, you're an observer.
19 I don't know whether you're a participant, or an observer,
20 but you know about this, I take it; right?

21 MR. STEWART: Uh-hum.

22 COMMISSIONER CHOPER: I think we want to see it.
23 And, I mean, there's no guarantee that anyone listens to
24 anything anyone says, but I think we ought to consider it
25 because that's what it's all about.

1 I mean, that's not what it's all about, but it's
2 what's driving what it's all about.

3 COMMISSION VICE CHAIRPERSON HARRIS: Jerry.

4 COMMISSIONER MOSS: Going on with what
5 Commissioner Choper mentioned, I mean is there -- and this
6 is a real -- maybe it's a silly question. But in Las Vegas
7 is there a difference? Is a five to one payoff from Santa
8 Anita from a five to one payoff at Aqueduct?

9 MR. STEWART: Well, you're not looking at the
10 actual two dollar win, place, and show. That's kind of a
11 backseat. No one really looks at that. Basically, they're
12 looking at exotics. So the exotics that are -- the pools
13 that are generated from across the track, again, when you
14 have certain pools or let's say in the other chair over
15 here, obviously, you're going to attract some attention.

16 But if you don't, the Pick-Fours at Gulf Stream
17 Fairgrounds are full fields. I mean, they pay -- you know,
18 you could have the only ticket for a 50 cent ticket, which
19 pays 20, 30 thousand.

20 Here you're betting the Pick-Four and you have
21 six-horse, you have five-horse fields, and it's paying \$120,
22 it doesn't mean anything to them.

23 If they're able to invest more betting a 50-cent
24 Pick-Four, and getting a chance at having full fields, and
25 all of the sudden you have two or three long shots, it's

1 paying 20, 30, 40 thousand dollars, it's a big difference.

2 And there's no sense in them doing that.

3 COMMISSIONER MOSS: And if we had two or three
4 long shots, that wouldn't make a big difference?

5 MR. STEWART: If you have full fields in the late
6 Pick-Four. I'm saying, you know --

7 COMMISSIONER MOSS: So maybe it's the early Pick-
8 Four that shouldn't even be --

9 MR. STEWART: It shouldn't be on. I've discussed
10 it, it shouldn't even be there. Because every day you look
11 at a five-horse field, a six-horse field, and make a 50 cent
12 Pick-Five.

13 And something that was suggested, you know,
14 carryovers generate a lot of interest. Why are you not
15 carrying over the place all? What's the sense of that?

16 I mean, people are going -- all of the sudden, in
17 two days, three days, you might have a hundred thousand
18 dollar carryover in the place of the call back. Make it
19 worth, you know, where you have some people that are
20 interested in betting into the pools.

21 COMMISSIONER CHOPER: I really appreciate, you
22 know, your -- again, you can see there's some real interest
23 in it. Let's get them down someplace, would you?

24 MR. STEWART: Absolutely.

25 COMMISSIONER CHOPER: I appreciate it.

1 COMMISSIONER ISRAEL: Last week there was a
2 million-two carryover in the Pick-Six. And if I remember
3 correctly, the payoff was about \$6,000; is that right?

4 MR. STEWART: Actually, 9,800.

5 COMMISSIONER ISRAEL: So 9,800 because it was all
6 favorites the next day.

7 MR. STEWART: Correct.

8 COMMISSIONER ISRAEL: And the fields were short,
9 is that a part of the problem?

10 MR. STEWART: No, the Pick-Six is going to -- the
11 Pick-Six is definitely the standard. As far as revenue that
12 goes up, that's your best draw for California.

13 COMMISSIONER ISRAEL: It was a very low payoff, I
14 remember.

15 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, but
16 that's good in a way because you get a lot of winners. One
17 thing to keep in mind is that the takeout for these multiple
18 bets, like a Pick-Six, or Super Invecta, is more in
19 California than -- it's really a better bet for people, than
20 New York is like 25 percent and we're about 21 percent.

21 So I'd like to see the data. I don't know if it's
22 apples and apples, or not, betting on California.

23 I mean, obviously, they might be betting on you've
24 got a 12-horse field in New York, versus a five-horse field
25 here. But I think it's really the tracks' problem, and the

1 tracks and horsemen are the ones that are, you know, you're
2 making them and losing some money.

3 But I'd like to see some data put together, and it
4 could be substantiated that, in fact, people do not like
5 California --

6 MR. STEWART: Well, I don't know if I can give you
7 the data but --

8 COMMISSION VICE CHAIRPERSON HARRIS: If not you,
9 somebody can get it.

10 MR. STEWART: And if you wanted to go investigate
11 the people that would be in a tournament in February, the
12 big one, you know, that they have every year in Vegas, and
13 you can ask 90 percent of those people and they don't even
14 look at California tracks.

15 COMMISSIONER ISRAEL: Yeah, but the truth is the
16 handle's down across the board, everywhere.

17 MR. STEWART: Oh, yeah, absolutely. But it
18 also --

19 COMMISSIONER ISRAEL: And I think it may be down a
20 little bit less here than it is in some of those other
21 states you mentioned.

22 COMMISSION VICE CHAIRPERSON HARRIS: That's true,
23 I think.

24 MR. STEWART: Well, again, because --

25 COMMISSIONER CHOPER: If we're disfavored, let's

1 cure it.

2 COMMISSION VICE CHAIRPERSON HARRIS: Well, let's
3 analyze it. I don't think I would buy into the fact that we
4 are disfavored.

5 COMMISSIONER CHOPER: Well, I think we are.

6 COMMISSION VICE CHAIRPERSON HARRIS: But let's
7 look at it, yeah.

8 COMMISSIONER CHOPER: I mean, if you have ideas as
9 to why we are, I think we ought to take a look at it.

10 COMMISSIONER ISRAEL: You have good anecdotal
11 evidence, and the question is does the statistical evidence
12 support the anecdotal evidence, and we need to find that
13 out.

14 MR. STEWART: Well, I think, again, the draw being
15 in California has always been this is the biggest draw there
16 is as far as racing goes in the thoroughbred business, so we
17 have a bigger pool to look into as far as how many people
18 are actually looking at the racing industry in comparison to
19 other tracks.

20 COMMISSIONER ISRAEL: Well, Drew presented, Drew
21 Couto presented us with a study in October, that showed that
22 48 percent of all bets made on -- ADW bets made, were made
23 either by California horse players or on California races,
24 so we're about half the business.

25 MR. STEWART: That's surprising to me because I

1 didn't know the amount going on, but I certainly know that
2 the individuals that I've seen them bet, again, on a daily
3 basis that I know, that live here and everything else, I
4 mean, they basically have got to the point where you look at
5 Golden Gate, and you have five-, four-horse fields, six-
6 horse fields, and there's just no sense to them making any
7 wagers at that track.

8 COMMISSIONER CHOPER: Yeah.

9 MR. STEWART: Because, you know, the value for
10 that.

11 COMMISSIONER CHOPER: Well, sure.

12 MR. STEWART: And, again, that's surprising to me,
13 but the bettors are going to be bigger in California, and
14 soon as they learn to use the internet more, and see what's
15 available on the internet -- part of the problem, again, is
16 they have TVG, and the internet companies, again that's
17 another complaint, working -- instead of working together,
18 where you can bet every track, but they can't. So they have
19 to have three different --

20 COMMISSIONER ISRAEL: You know, we've had that
21 same complaint and we're trying to fix that.

22 COMMISSION VICE CHAIRPERSON HARRIS: I think
23 that's pretty well fixed.

24 But, anyway, we need to move on here. But I
25 appreciate your comments, too.

1 MR. STEWART: Thank you.

2 COMMISSION VICE CHAIRPERSON HARRIS: Drew?

3 MR. COUTO: Drew Couto, Thoroughbred Owners of
4 California. I also appreciate the comments that's made.

5 But I will have to say that there's a very
6 mistaken representation made to you. And I was in Vegas ten
7 days ago, with the 12 largest book managers, negotiating
8 rates for California, all of whom, each one of them
9 represented that the largest signal, from Vegas's
10 standpoint, is the California signal, both north and south.
11 The number one track that is bet annually, on a daily basis,
12 is the Southern California signal. And the second most
13 wagered signal actually happens to be the Northern
14 California signal.

15 And those are the two most important signals to
16 the 12 largest books. When I say "books," the 12 largest
17 operations, from the Wynn, MGM, you name it. So I would be
18 careful before we draw any conclusions based on this. We
19 should look at the numbers.

20 And I'd be glad to bring them here, and they'll be
21 glad to tell you exactly what they told us.

22 COMMISSION VICE CHAIRPERSON HARRIS: Okay, thank
23 you. Let's put out some data on that, because I believe
24 you, Drew.

25 If there's nothing else, we'll adjourn the meeting

1 and go into Executive Session.

2 COMMISSIONER ISRAEL: Can I ask that we adjourn in
3 memory of Sam Thompson?

4 COMMISSION VICE CHAIRPERSON HARRIS: That would be
5 nice.

6 COMMISSIONER ISRAEL: And that it be noted in the
7 minutes.

8 COMMISSION VICE CHAIRPERSON HARRIS: Yeah, that's
9 a nice thing.

10 EXECUTIVE DIRECTOR BREED: We're not adjourned,
11 yet.

12 COMMISSION VICE CHAIRPERSON HARRIS: Yeah.

13 EXECUTIVE DIRECTOR BREED: Public session.

14 COMMISSION VICE CHAIRPERSON HARRIS: Okay, thank
15 you.

16 (Thereupon the California Horse Racing
17 Board Regular Meeting resolved into
18 Closed Executive Session and the Public
19 Meeting was adjourned at 12:52 p.m.)

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CERTIFICATE OF REPORTER

I, RAMONA COTA, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing Meeting of the California Horse Racing Board; that thereafter the recording was transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, or in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of January, 2009.

Ramona Cota

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