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CALIFORNIA HORSE RACING BOARD

REGULAR MEETING

Thursday, April 22, 2004
9:35 A.M.

HOLLYWOOD PARK RACE COURSE
Turf Club
Sunset Room, Fourth Floor
1050 South Prairie Avenue
Inglewood, California

BOARD MEMBERS PRESENT:

- JOHN C. HARRIS, Chairman
- ROGER H. LICHT, Vice Chairman
- WILLIAM A. BIANCO, Commissioner
- SHERYL L. GRANZELLA, Commissioner
- MARIE G. MORETTI, Commissioner
- JERRY MOSS, Commissioner
- JOHN C. SPERRY, Commissioner
- EXECUTIVE DIRECTOR ROY C. WOOD

Reported by: NEALY KENDRICK, CSR 11265
Job No.: 04-26312

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- 8. Old Business: Issues that may be raised for discussion purposes only which have already been brought before the Board. 50

- 9. Executive session: For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by Section 11126 of the Government Code.
 - A. Personnel.
 - B. Board may convene an Executive Session to consider any of the attached pending litigation.
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1 INGLEWOOD, CALIFORNIA; THURSDAY, APRIL 22, 2004

2 9:35 A.M.

3

4 EXECUTIVE DIRECTOR WOOD: Good morning,
5 everyone. I'd like to welcome you to a regularly
6 scheduled meeting of the California Horse Racing
7 Board. We're meeting today on Thursday, April the
8 22nd. And we're at Hollywood Park Racetrack; and
9 we're in Inglewood, California.

10 Present at today's meeting are
11 Chairman John Harris, Commissioner William Bianco,
12 Commissioner Sheryl Granzella, Commissioner Marie
13 Moretti, Commissioner Jerry Moss, and Commissioner
14 John Sperry. Joining us a little later will be
15 Commissioner Roger Licht.

16 Before we go forward with this
17 morning's meeting, I'd like to respectfully request
18 that, if you give testimony to the Board, that you
19 please state your name and your organization for our
20 court reporter. If you have a business card to give
21 her, that would be most appreciated.

22 With that, I'd like to turn the
23 meeting over to our Chair, Mr. John Harris.

24 CHAIRMAN HARRIS: Good morning. The first
25 item on the agenda is one that I feel good and bad

1 about. I feel badly that we're losing Alan from the
2 Board but glad that we're recognizing him for all his
3 many contributions. I've known Alan for a long time
4 and got to know him much better by serving on this
5 Board with him.

6 And I highly respect him as an
7 outstanding leader with great vision and foresight
8 and diplomacy and all the things that it takes to do
9 all the things that he's accomplished. And I'm sorry
10 he's going to -- he's leaving the Board. But I'm
11 glad he's going to be continually involved in racing
12 and helping all segments of it. And I think we have
13 a proclamation for him wood.

14 EXECUTIVE DIRECTOR WOOD: Yes, sir. We do.

15 Mr. Minami, do you have that
16 Resolution?

17 MR. MINAMI: Yes.

18 EXECUTIVE DIRECTOR WOOD: Give it to me.

19 Mr. Landsburg, if you'd like to come
20 forward, we'd like to present you with this
21 Resolution from the California Horse Racing Board.
22 And if you would spare me the time, I'd like to read
23 it to you, if that's okay, so the audience will
24 understand how much we appreciate you.

25 "This is a Resolution from the

1 California Horse Racing Board for Alan Landsburg.

2 "Whereas, Alan Landsburg has spent a
3 lifetime communicating beliefs and illuminating
4 truth -- first, with the American Forces Network;
5 then writing, directing, and producing for radio,
6 television, and motion pictures -- gaining widespread
7 recognition for a wide range of entertaining and
8 socially relevant programming that focussed on
9 religious intolerance, breast cancer, AIDS, and other
10 consequential issues of our time;

11 "And whereas Alan Landsburg has owned
12 nearly 400 racehorses over the last 34 years, helped
13 found the Thoroughbred Owners of California in 1993,
14 and in many ways has shown a deep commitment to the
15 industry, placing him among the select few who can
16 rightfully be called the foundation of horse racing
17 in California;

18 "And whereas Governor Gray Davis
19 appointed Alan Landsburg to serve on the California
20 Horse Racing Board from November 22, 2000, through
21 January 1, 2004, and during those years, Alan
22 Landsburg served diligently on CHRB committees
23 dealing with legislation, simulcasting, and pari-
24 mutuel operations while showing strong leadership in
25 the marketing of horse racing, celebrating its

1 participants and promoting the sport's integrity;

2 "And whereas Alan Landsburg directed,
3 produced, or inspired numerous educational videos to
4 improve the image of horse racing, including those
5 dealing with the day-to-day regulation of the
6 industry, the security of the pari-mutuel wagering
7 system, and the effectiveness of our drug-testing
8 program;

9 "Now, therefore, it be resolved that
10 the California Horse Racing Board joins with those
11 who hold Alan Landsburg in high esteem and expresses
12 its recognition and deep appreciation for his great
13 contributions to the public and California horse
14 racing."

15 (Applause: standing ovation.)

16 MR. LANDSBURG: Thank you. Please.

17 I'm honored, I'm humbled and very
18 grateful for the moment in the sun in front of the
19 people who help keep racing alive in California. I
20 want to salute the Board, six people with whom I
21 shared the joys of accomplishment and the ashen taste
22 of failure but, above all, the good feelings of
23 friendship to all of you.

24 I want to thank the staff of the CHRB,
25 who provided all the necessary tools for me to

1 fulfill the job of Commissioner. And I'd especially
2 like to acknowledge Roy Wood -- friend, colleague,
3 and often a guide through the perils of racing.

4 I wish I could say racing is better
5 now than when I took office. But it isn't. It's a
6 roll call of crises that continues. And it's a
7 little louder than before. I haven't given up.

8 As an interim member of the TOC Board,
9 I'll still be in the fray. If the owners are
10 generous enough to elect me in June -- am I allowed
11 to talk politics?

12 CHAIRMAN HARRIS: Sure.

13 MR. LANDSBURG: Well, if they do elect me,
14 I'll be carrying the banner for better racing with
15 great pride. I'll still be calling for open signals
16 for all licensed ADWs. I'll still be demanding
17 greater backstretch security. I'll still be harping
18 on the need for effective marketing, serving on
19 CHRB's ad hoc marketing committee. I'll be here to
20 support the programs providing lifelines for our
21 sport.

22 Above all, I'll be waiting to witness
23 the magic moment when shuffling for precedence and
24 self-greed is replaced by all shoulders in the
25 industry bent to the singular task of keeping alive

1 the words "There are." Thank you all.

2 (Applause.)

3 EXECUTIVE DIRECTOR WOOD: And one other
4 presentation. Knowing how dearly you love attending
5 the races, this will help in the future to get you
6 into any racetrack in California. It's called our
7 "Gold Card." It's given to all our former
8 commissioners. Thank you very much for your support.

9 MR. LANDSBURG: Thank you, all.

10 CHAIRMAN HARRIS: Usually in these occasions,
11 Rod Blonien is here to sing a little closing. It's
12 not over till the fat lady sings, as they say. But I
13 think -- it's not quite over. But I don't see Rod
14 here. So you have to come back for an encore.

15 The second item on the agenda was the
16 bond issue for Capitol. But I understand that's been
17 pulled because a bond has been secured; is that
18 correct?

19 EXECUTIVE DIRECTOR WOOD: Yes, Mr. Chairman.
20 Item Number 2, which was the completion of the
21 agreement by Capitol Racing to provide bond, a bond,
22 in the amount of a million dollars -- that item has
23 been completed to our satisfaction. The bond was
24 given to us this morning.

25 Derry Knight, our attorney, has looked

1 at the bond. It's complete. And now all the
2 requirements of the agreement are fulfilled. So that
3 item does not take any action. And we appreciate
4 Capitol competing the requirements of the agreement.

5 CHAIRMAN HARRIS: The second -- the next item
6 is the discussion and action by the Board on the
7 application for license to conduct a horse racing
8 meeting at the San Joaquin County Fair from June 16
9 through June 27, inclusive. Is someone here from
10 Stockton to present that?

11 MR. MINAMI: Thank you, Mr. Chairman.

12 Roy Minami, Horse Racing Board staff.
13 This is the application to conduct a horse racing
14 meeting of the San Joaquin Fair in Stockton from June
15 16 through June 27.

16 The meet will run 10 days, which is
17 the same amount of days as 2003. There will be
18 racing 5 days per week, Wednesday through Sunday,
19 with 10 races per day on the first week. The second
20 week will have 10 races, Wednesday through Friday,
21 and 12 on Saturday and Sunday. The first post will
22 be 12:45 P.M. daily and 3:15 on Fridays.

23 We still need, from the fair, the fire
24 clearance and the name of the horseshoe inspector.
25 And the horsemen's agreements have all been

1 completed. So they have horsemen's agreements in
2 place for the mules, Arabs, Appies, and TOC.

3 CHAIRMAN HARRIS: Would you like to comment?

4 MR. WHITE:

5 MR. ATKINSON: Forrest White, San Joaquin Fair
6 CEO. Questions?

7 CHAIRMAN HARRIS: Yeah. How -- when did we
8 start racing at Stockton? I mean could you give us
9 just a little history of Stockton.

10 MR. WHITE: As far as racing itself started in
11 1860. We're four years away from having our 150th
12 year. As far as pari-mutuel wagering, we were the
13 first pari-mutuel racetrack in California. The law
14 passed in '33. And our races were run in August of
15 '33, which were the first ones to take advantage of
16 the new law.

17 CHAIRMAN HARRIS: Has it always been the same
18 location there?

19 MR. WHITE: It's been the same location as far
20 as the overall property. The racetrack has changed.
21 It used to run east and west along "Charter"
22 (phonetic), right up against the street -- the old
23 one. That burned down once or twice.

24 And then they -- finally, in the end,
25 they rebuilt it and went north-south on the inland

1 side of the fairgrounds. It used to be a golf
2 course, and they built it on a golf course.

3 CHAIRMAN HARRIS: Do the Commissioners have
4 any questions or comments?

5 COMMISSIONER MORETTI: There were -- I think
6 there were a couple of items pending. Have they all
7 been received?

8 MR. WHITE: The two items pending are the fire
9 marshal and the -- which, the state fire marshal,
10 since we're a state facility, doesn't come in until
11 the backside is opened with horses, which will be --
12 we open May 3. They'll be in sometime the first,
13 second week in May. And we're still trying to find a
14 horseshoe inspector.

15 COMMISSIONER MORETTI: Contingent on the
16 receipt of those, I move to adopt.

17 COMMISSIONER GRANZELLA: Second.

18 CHAIRMAN HARRIS: It's been moved and seconded
19 to approve the application for a license for San
20 Joaquin County Fair. Any more discussion?

21 (No audible response.)

22 CHAIRMAN HARRIS: All in favor?

23 BOARD MEMBER VOICES: Aye.

24 CHAIRMAN HARRIS: Opposed?

25 (No audible response.)

1 CHAIRMAN HARRIS: Unanimous.

2 Okay. The next is --

3 Thank you, Forrest.

4 -- the next is an application for
5 license to conduct a horse racing meeting at the
6 Alameda County Fair from June 30 through July 11,
7 2004, inclusive.

8 MR. MINAMI: Yeah. Roy Minami, Horse Racing
9 Board staff. This is the application for license to
10 conduct a horse racing meeting of the Alameda County
11 Fair at Pleasanton, June 30 through July 11, 2004.

12 The fair will be running for 11 days,
13 which is the same amount of days as 2003. There will
14 be racing Wednesday through Monday, the first week;
15 and Wednesday through Saturday -- Wednesday through
16 Sundays, the second week. 10 races per day --
17 Wednesday, Thursday, and Friday -- and 12 on Monday,
18 Saturday, and Sunday. First post will be 12:15 P.M.

19 We still need, from the fair, the fire
20 clearance and the name of the fitness veterinarian.
21 And I've been told that the horsemen's agreements are
22 in place. The mules, Arabs, Appies, and TOC have all
23 completed their horsemen's agreements. The staff
24 recommends that the Board approve the application
25 conditioned upon receiving the additional information

1 necessary from the fair.

2 COMMISSIONER SPERRY: With those conditions, I
3 so move.

4 COMMISSIONER MORETTI: Second.

5 CHAIRMAN HARRIS: Moved and seconded.

6 Any discussion on this?

7 (No audible response.)

8 CHAIRMAN HARRIS: We have quite a bit of time.
9 Is this -- as I recall is this the oldest track in
10 California, even older than Stockton; older than most
11 of us, even?

12 MR. "RINALDI": "Rick Rinaldi" (phonetic),
13 County Fairgrounds. This is the oldest one-mile
14 continually operating horse track in the United
15 States, dating back to 1848, as California was just
16 entering statehood.

17 CHAIRMAN HARRIS: So Fremont was on the Racing
18 Board back then, wasn't he?

19 MR. "RINALDI": Actually it was a gentleman,
20 named Don Bernal, with a large Spanish ranch that ran
21 from San Jose up through Concord, Walnut Creek, and
22 out through Livermore.

23 CHAIRMAN HARRIS: Just a point of interest:
24 Why is your first post at 12:15? Has that been
25 proven to be a good time to get going versus I know

1 Stockton's, like, 12:45?

2 MR. "RINALDI": It fluctuates. We usually run
3 some breed races earlier in the day for people to get
4 out to the fair and start having fun. Stockton's
5 weather is a little bit warmer than ours. We go back
6 and forth -- just flexibility.

7 CHAIRMAN HARRIS: Who is -- do you have a
8 racing secretary now?

9 MR. "RINALDI": Greg Brent --

10 CHAIRMAN HARRIS: Greg Brent is the secretary?

11 MR. "RINALDI": -- and has been for at least
12 the last 5 years.

13 CHAIRMAN HARRIS: Yeah. It didn't show one on
14 the application.

15 Any questions of any Commissioners on
16 this issue? Any comments? Or anybody from the
17 audience?

18 (No audible response.)

19 CHAIRMAN HARRIS: If not, all in favor, say,

20 "Aye."

21 BOARD MEMBER VOICES: Aye.

22 CHAIRMAN HARRIS: Opposed?

23 (No audible response.)

24 CHAIRMAN HARRIS: It's unanimous.

25 Next item is the discussion and action

1 by the Board on the application for license to
2 conduct ADW by Youbet from June 6, 2004, through June
3 5, 2006, inclusive.

4 MR. REAGAN: Commissioners, John Reagan, CHRB
5 staff. This is a renewal of a license by Youbet for
6 their in-state ADW. Up to this point, they have been
7 anticipating using their Woodland Hills facility to
8 do some live operator wagering for ADW. That really
9 hasn't worked out.

10 However, I've been told, since this
11 package was put together, that they are -- they have
12 reached an agreement with Autotote and will be doing
13 some of their ADW California accounts through the Bay
14 Meadows hub using the Autotote equipment. So I think
15 that's the real impact of this license as we move
16 forward here.

17 So we're glad that they'll be doing
18 some of the processing through the Bay Meadows
19 Autotote system. And we look forward to working with
20 them. I know they're -- that the Youbet folks are
21 here today. If you have any further questions, we'll
22 try and answer 'em.

23 CHAIRMAN HARRIS: Just a point of information
24 here I mean 'cause we've got different -- I thought
25 we were going to try to get where all the ADW

1 providers had licenses that came up at the same time.

2 Or was that a theory or --

3 MR. REAGAN: No.

4 CHAIRMAN HARRIS: -- or are we trying to --

5 MR. REAGAN: Actually the other three licenses
6 will expire at the end of this year. This was a
7 license that came up at kind of an odd time. It was
8 the thought about the Woodland Hills live operators.
9 And they presented to us in June of that year. And
10 we acted on it at that time.

11 It is now getting ready to expire. We
12 could certainly extend it through the end of year and
13 move it with all the rest of the applications, if you
14 so desire.

15 CHAIRMAN HARRIS: I don't know what the Board
16 feels --

17 COMMISSIONER BIANCO: Do we need a motion --

18 CHAIRMAN HARRIS: -- it sort of would want to
19 do on that. It's -- basically it's contingent on
20 them having the product from the track, which is also
21 contingent on the horsemen's approval.

22 So any given licensee, I presume,
23 really only has ability to bet on races until -- you
24 know, for a given period of time. We can go out that
25 far anyway. So maybe that takes care of itself.

1 But --

2 MR. REAGAN: Oh --

3 CHAIRMAN HARRIS: -- we need to discuss --

4 MR. GALLO: Victor Gallo, General Counsel for
5 youbet-dot-com. The issue associated with the
6 licenses, I don't think really impacts this license
7 application as the in-state license. The content
8 issues really aren't applicable to this.

9 Principally what we're asking for here
10 is the ability to open a hub in California -- a
11 redundant hub. We're going to maintain our hub in
12 Oregon with AmTote. But we thought, from a business
13 perspective, a risk perspective, we should have an
14 alternate hub site at an alternate location with an
15 alternate provider. That's principally what we'd
16 like.

17 COMMISSIONER MORETTI: How many jobs will that
18 produce?

19 MR. GALLO: I think you'd have to ask Autotote
20 more than Youbet. We're contracting with Autotote
21 for this purpose. From Youbet's perspective, I don't
22 see any increases associated with a hub relocation
23 for Autotote. I believe there might be a man or two.

24 COMMISSIONER MORETTI: Okay.

25 MR. REAGAN: Commissioner Moretti, I have

1 asked for that information from Autotote. And they
2 are preparing some schematics of how the Bay Meadows
3 hub would be -- would be, you might say, physically
4 rearranged, if at all, and also other information
5 about additional personnel and other things they
6 might need. So that is on the way, and I'll see if I
7 can give that to you.

8 COMMISSIONER SPERRY: John, when do the others
9 expire?

10 MR. REAGAN: I believe it's the end of this
11 are year -- whether it's December or January; I think
12 maybe January -- but it's all right around the
13 beginning of 2005.

14 COMMISSIONER BIANCO: Well, his application --
15 and it doesn't hurt you in any way to have yours
16 expire concurrently with these others? Just give you
17 a six-month, you know --

18 MR. GALLO: It's just an administrative burden
19 more than anything else.

20 COMMISSIONER SPERRY: Mr. Chairman, I'd move
21 approval of it from June 6, 2004, through whatever
22 the actual date is in December or January --

23 MR. REAGAN: Okay.

24 COMMISSIONER SPERRY: -- of this year or 2005.

25 CHAIRMAN HARRIS: Is there a second?

1 COMMISSIONER BIANCO: I'll second.

2 CHAIRMAN HARRIS: Okay. Let's continue the
3 discussion. And we've got some people in the back
4 that have comments.

5 MR. COUTO: Good morning, Chairman Harris.
6 Drew Couto. Good morning, Drew Couto, Thoroughbred
7 Owners of California.

8 Thoroughbred Owners of California
9 would be opposed to any relicensing that extended
10 beyond the period of the other licensed ADWs. At
11 this time we're asking the Board, I think as the
12 motion has just been made, to grant an extension that
13 be coterminous with the others. Thank you.

14 MR. LICCARDO: Ron Liccardo, Pari-Mutuel
15 Employees, concerned citizen of the State of
16 California, employee of the racetrack for 35 years.

17 This is an industry. These people
18 have done nothing -- they've done everything for the
19 horse racing industry as far as the track operators,
20 the owners, and the trainers by proliferating their
21 purses with the money.

22 But they've done nothing with the
23 promises that they made my employees that helped the
24 passage of ADW or for helping them getting a
25 license -- getting a license the first time around

1 when they were turned down by this Board.

2 Three ADW companies are in this state.
3 They've increased no jobs on the racetrack. As I
4 reported to you last month, that Xpressbet people
5 shouldn't be around very long -- may not be around
6 very long. They've all been terminated.

7 There's no people working at an ADW
8 company within this industry on-track. And that's
9 why we're opposed to their licensing. Thank you.

10 CHAIRMAN HARRIS: Any other comments?

11 (No audible response.)

12 CHAIRMAN HARRIS: We've got a motion to
13 approve the license, though how would we -- would we
14 just change the ending date to correspond with the
15 other ADW providers that are -- is there also a
16 stipulation that any ADW provider -- it's interesting
17 that you have to be signed up with at least one
18 entity that's racing at the time to operate.

19 I mean could we -- conceivably could
20 you have an operator that was licensed in California
21 but didn't have any California tracks that were not
22 part of it --

23 MR. REAGAN: That would not be possible.

24 CHAIRMAN HARRIS: No? You've got to have a
25 California track to operate it?

1 MR. REAGAN: Yes, sir.

2 CHAIRMAN HARRIS: There's a motion on the
3 floor to approve it with the change in the date. All
4 in favor?

5 BOARD MEMBER VOICES: Aye.

6 CHAIRMAN HARRIS: Opposed?

7 (No audible response.)

8 CHAIRMAN HARRIS: It's approved.

9 MR. REAGAN: Thank you.

10 CHAIRMAN HARRIS: We now have a presentation
11 by TVG on their updated programming for television
12 coverage of horse racing.

13 MR. ALLEVATO: Good morning, Commissioners.
14 Tony Allevato, executive -- Vice President, Executive
15 Producer for TVG. I also have Ryan O'Hara, COO for
16 TVG, who I'll introduce in a moment.

17 Just wanted to just give you guys --
18 get you guys up to speed on some of the new things
19 we're doing at TVG 'cause this is the start of a new
20 season for us, so to speak, with Hollywood Park
21 opening yesterday. And we are on-track every day,
22 starting with the first race. We have announcers
23 here all day.

24 We're still simulcasting on Fox
25 Sportsnet 2 every day from 3:00 o'clock to 5:00

1 o'clock, which goes into 5 million homes in the L.A.
2 Area.

3 (Vice-Chair Licht joins the proceedings.)

4 MR. ALLEVATO: And we're still producing the
5 quarter shows, which you see at night from 7:00 to
6 9:00 P.M. "The Works," a show that most -- I'm sure
7 all of you are familiar with, begins on Saturday.
8 That show will air at 6:00 o'clock at night on TVG.
9 But it's also being simulcast on Fox Sportsnet.
10 They're showing it twice a day. They're showing it
11 at 5:00 P.M., and they're also showing it at 11:30
12 P.M.

13 CHAIRMAN HARRIS: Which show is this?

14 MR. ALLEVATO: "The Works."

15 CHAIRMAN HARRIS: Oh, "The Works." For the
16 Derby?

17 MR. ALLEVATO: For the Derby. Yes. And
18 that's also being picked up by, just for your
19 information, by Fox Sportsnet New York and Fox
20 Sportsnet South. "The Works" is going into about 30
21 million homes this year.

22 We talked about -- this new season
23 started for us yesterday. We don't like to rest on
24 our laurels at TVG. We wanted to find a way to
25 improve what we're doing.

1 And a lot of it came from our new
2 COO -- Ryan O'Hara -- and decisions made that we're
3 going to try and refine our graphics, improve our
4 presentation, do more features on jockeys and
5 trainers, and try to do more educational packages
6 that would help bring new people to the sport --
7 something that we've done sporadically in the past,
8 and you're going to see a lot more of it in the
9 future -- while still maintaining the show all the
10 way so that we show every jock to the players and the
11 bettors that have been accustomed to watching TVG.

12 I've put together a tape -- it's six
13 minutes long -- to show you some of the stuff that
14 we're doing at TVG. It will start off with graphics
15 that we're doing different. Then you'll see some
16 bios that we do on jockeys and trainers. We've got
17 some people would maybe call them "situational sound
18 bites" where we take Bobby Frankel, who's got horses
19 running in a race coming from Europe. We'll hear a
20 little 25-second clip of him talking about what he
21 does with European horses.

22 Then we've got some new promos. And
23 you'll see Frank Lyons's package, talking about body
24 language of horses and then a package on jockeys.
25 Let me roll that tape for you.

1 (Tape was shown.)

2 MR. ALLEVATO: I want to introduce Ryan
3 O'Hara, who's our COO. Ryan comes to TVG from TV
4 Guide, where he was the Senior VP of business
5 development and strategic planning. And before that,
6 he worked for Fox SportsNet, BskyB.

7 So he's been part of the Newscorp
8 family for quite some time. But Ryan is part of the
9 driving force behind what you just saw.

10 MR. O'HARA: Thanks, Tony. Thanks for the
11 demo.

12 Thank you for having me here today and
13 appreciate your time for TVG. I just want to give
14 you an update on how we're doing and what we're
15 focussed on. I thought I would just take three or
16 four minutes to give you a look at where we are at
17 TVG.

18 First, speaking from a programming
19 perspective, we decided this year to invest more
20 money than ever in the product. I think we need to
21 do that for a few reasons. I think that the
22 television viewer is expecting more from a sports
23 network.

24 When you look at what the Golf
25 Channel's doing; when you look at the Speed Channel's

1 doing, which is the auto racing version of TVG; when
2 you look at what the NFL channel is doing, the NHL
3 channel, and the NBA channel -- they're all improving
4 their product.

5 The TV viewers are demanding us to get
6 better, and cable operators are demanding us to get
7 better to have a chance to be carried. So we're
8 going to focus a lot money on product.

9 We're also going to make sure -- what
10 makes the network work is a combination of great
11 production talent and us investing properly and
12 efficiently and also having great -- great content,
13 obviously, is one of the key elements.

14 So we're focussed on making sure that
15 we put that in the best light and make -- and we had
16 a great start with Keeneland. Now Hollywood's
17 looking good. And we had a good kickoff yesterday.
18 And Del Mar is down the line.

19 I think I'm going to -- just from the
20 distribution side, we were in about 8 million homes
21 about a year and four months ago. So that's 16
22 months. We're in about 12.5 million homes now.
23 Those are full-time homes.

24 And then we're on Fox SportsNet, being
25 distributed through them as well. I think it's a

1 pretty good growth pattern. We're up, maybe, well,
2 that's 50 percent, year on year.

3 The biggest deals that got us there
4 are the ones that we just announced kind of in the
5 last eight weeks. First, we announced a deal with
6 EquiStar, where we already were on their basic tier.
7 So if you order EquiStar, you get TVG.

8 We've extended that deal well into
9 the, you know -- well to the north of 2010. So
10 that's good. That means TVG's guaranteed the lowest
11 tiers to be on EquiStar for a long time. We've also
12 worked with them and talked about an interactive-TV
13 application.

14 One of my last jobs, before coming to
15 TV Guide, was working at -- in Britain -- BskyB. And
16 in Britain, in our television is a little bit ahead
17 of where it is in the United States. Their set-top
18 boxes, which consumers have in the home, are almost
19 like mini-computers. And the U.S. is going in that
20 direction.

21 And what it allows for is that people
22 can use the remote and actually toggle different
23 screens, see different angles of horse racing. Or
24 you can go get extra statistics -- or I'm sure --
25 racing information, extra betting information. And

1 you actually can place a bet through the television.

2 So it makes it an easier way to place bets.

3 So we've been working on that, as
4 well, with two of the big operators. On Comcast --
5 Comcast is the biggest and arguably the best cable
6 operator in the U.S. And TVG has some sporadic
7 distribution with Comcast.

8 But we just reached an agreement with
9 them that we announced where, across the breadth of
10 TV Guide, we have a couple different television
11 networks; we have something called a "TV Guide
12 Channel," with the Internet programming guide -- "TV
13 Guide." And we have TVG, a couple of other networks.

14 We did a wide-ranging deal across all
15 the products. And it allows us, with Comcast, to
16 have TVG launched in their sports tier. Their sports
17 tier is basically Golf Channel, Speed Channel, NFL
18 Channel -- all the sports channels. They put it in a
19 tier.

20 And then the consumer either can pass
21 or get it. Or it comes as part of the basic package.
22 And you pay 60 or \$70 a month, and you just get it.

23 It's great for TVG because it allows
24 us to launch in not just the "wagering states" --
25 quote, unquote -- but across the country. And being

1 associated with Comcast and having it there is
2 something that's necessary.

3 And then, finally, on Direct TV --
4 we're on the sports tier there. And over time we
5 hope that, as the product's better and we get a
6 little bit healthier, we hope to melt down from the
7 sports tier to their basic tier and really be more
8 penetrated.

9 So I think 8 to 12 is where we --
10 where we've come from the last year. And I expect
11 that same sort of results, going forward.

12 I think, from a promotion standpoint,
13 one of the things that I pressed, when I came to TVG,
14 was that we need to use the assets of the company to
15 try to also promote TVG and promote horse racing in
16 general.

17 So these are kind of hot off the
18 press. I'll pass a couple around. I have two
19 copies. But what it basically did is for the Derby,
20 for instance, we're going to -- we got the cover of
21 TV Guide, which is the first time ever.

22 And in Indiana, Kentucky, Los Angeles,
23 and Cincinnati the cover will be a picture of the
24 Derby and horse racing on the cover of TV Guide
25 magazine, which goes out to 9 million people a week.

1 27 million people read it a week. So it's a huge,
2 you know -- it's a huge reaching factor.

3 The networks will pay, you know, over
4 a million dollars for a cover shot. So this -- it's
5 that kind of promotion that we need to take advantage
6 of. And in it is an article about the Derby, how
7 wide open the field is, and that sort of thing. So
8 I'll pass this around. It's also -- they're talking
9 about TVG in it.

10 And then just because we ran short,
11 there are some other ones that just show some of the
12 ads that we've taken out in TV Guide magazine that
13 talk about horse racing in general, how exciting it
14 is, and TVG.

15 Also TV Guide Channel, which is in
16 actually 7 million homes -- they're going to be doing
17 a special on horse racing. They're going to be --
18 they have a "What's On?" segment every night. And
19 they're going to be doing -- simply talking about
20 horse racing. So some things about the Derby.

21 TV Guide Magazine's targeted more
22 towards women -- or TV Guide Channel is; so they're
23 going to be talking about the fashions around horse
24 racing. So the fashions at the Derby, you know; the
25 fashions at Hollywood Park -- the hats, et cetera;

1 and also a lot of the stars and celebrities that like
2 horse racing.

3 So we're going to talk with Danny
4 DeVito. We're trying to get Steven Spielberg -- and
5 really show those -- kind of the amazing people that
6 love horse racing as a sport and think it's one of
7 the best sports and best places to spend time.

8 I think, lastly, you'll see our focus
9 is on creating a really quality product. The
10 company's lost an incredible amount of money. And
11 we've decided to kind of double-down, in the parlance
12 of the industry, and continue to invest in this
13 product to grow it and to make it successful.

14 So that's our kind of commitment to
15 you guys. I think, over time, we'll definitely be
16 needing help from CHRB to help us maintain that path
17 and to make sure that we're able to kind of compete.
18 So I look forward to working with you guys on that.

19 And I think, you know, kudos to Tony
20 and the rest of the team. They worked really hard
21 these first four months this year to get ready for
22 the relaunch. It's not really a relaunch of the
23 whole network. It's what I would call a "polish."

24 And from a graphics standpoint, from
25 the way we're using our talent, from the way we're

1 covering the tracks -- I think that Tony and the team
2 did a good job of making sure we take the next step
3 in television product for the viewers. Thanks.

4 VICE-CHAIR LICHT: What are you guys doing in
5 the nonwagering states? 'Cause if you're promoting
6 the program, you want to promote the wagering. Are
7 you doing extensive lobbying and so forth?

8 MR. O'HARA: Yeah. We have -- John Hindman
9 is here. And some of our external lobbyists are
10 helping us in those states to see if we can get, you
11 know, the kind of wagering, in our definition,
12 "enabled."

13 But regardless of whether or not we
14 are taking TVG wagering there, we're looking at this
15 like a sports network as well. And we want to be
16 everywhere. So we're going to be launching the
17 network in every state.

18 VICE-CHAIR LICHT: Does that mean we're going
19 to be seeing more outside advertising on TVG?

20 MR. O'HARA: "Outside advertising" as in --

21 VICE-CHAIR LICHT: I mean, in other words,
22 just promotional people advertising on the --

23 MR. O'HARA: Oh, you mean regular
24 advertisements? It's an interesting -- an
25 interesting network. I think we'll see more of that.

1 Just I'm still, you know -- I've been here two-and-a-
2 half months. I'm still out on the road, kind of,
3 with our ad-sales guys.

4 And having seen the ad-sales pitch at
5 other networks, this one's unique. And we'll have to
6 see how we develop. The wagering aspects of it -- a
7 lot of people shy away from that, a lot of blue chip
8 advertisers. So I'm not sure it has the legs that a
9 normal sports network does with a really good demo.

10 I think still there's an advertising,
11 you know, probability that will work once we get
12 larger. But it could be a little bit -- you might
13 not get the PPMs and kind of the tonnage that you
14 would get if were you a network that wasn't
15 associated with wagering.

16 VICE-CHAIR LICHT: Thanks.

17 CHAIRMAN HARRIS: Which states are
18 contributing the most? I mean, besides California,
19 what states do you look to, you know, as far as
20 current wagering for the best revenues?

21 MR. O'HARA: We do quite well in Kentucky,
22 quite well in Indiana, obviously California. Ohio's
23 a good state -- very good state, actually. And, you
24 know, it really kind of follows the population, to be
25 honest so -- and obviously skews in Kentucky and in

1 Indiana too.

2 CHAIRMAN HARRIS: Has New York got a different
3 system or something?

4 MR. O'HARA: Yeah. New York is, you know --
5 because of "New York OTB, they have issues there. So
6 New York is a big, big market and one that we want to
7 get more distributing in. We don't have that much
8 television distribution in New York. We'd love to
9 get it.

10 CHAIRMAN HARRIS: Any other comments by the
11 Commissioners or questions? Or anyone from the
12 audience want to --

13 (No audible response.)

14 CHAIRMAN HARRIS: Thank you very much. I
15 think it's a great program that you're putting on.
16 And it's helping racing and hope you can just keep
17 expanding that distribution.

18 As I understand it, Comcast -- you're
19 going to be in all Comcast homes or just certain
20 areas?

21 MR. O'HARA: We're going to be out there on
22 the sports tier in all Comcast homes. And there's a
23 rollout plan. So in certain states, it goes very
24 shortly there, within, you know, within three months.
25 And in other states, it rolls out over time.

1 CHAIRMAN HARRIS: In California, Comcast's got
2 a pretty big presence. With that big package, will a
3 lot of people in California be able to get TVG?

4 MR. O'HARA: Yeah. It will be -- anyone who
5 has digital, which is, you know -- Comcast has built
6 out 65 percent of West Los Angeles or I should say
7 Southern California digitally.

8 Well, you know, getting in on a sports
9 pack -- most people buy a package where you get all
10 the channels -- you'll get TVG. If you don't buy all
11 the channels, if you buy just the cable --- you know,
12 "the digital basic," they call it -- you can buy 99
13 channels -- then you can pay extra to get TVG as a
14 part of a sports tier. It's about four ninety-five.

15 In certain markets, what we've done,
16 roughly, we've melted down digital basics. So any
17 Adelphia customer with digital gets TVG. And we're
18 in talks, you know, tomorrow with the local Comcast
19 guys in L.A. to see if we can even melt it down from
20 a sports tier to digital basics so that it's popular
21 there.

22 CHAIRMAN HARRIS: Any other comments from
23 anyone? Anybody have --

24 COMMISSIONER SPERRY: Keep up the good work.

25 MR. O'HARA: Thanks.

1 CHAIRMAN HARRIS: Next item we have is a
2 report from the California jockeys on the formation
3 of a riders committee and the progress of working
4 with the Jockeys' Guild in achieving the type of
5 health and welfare programs that California riders
6 desire.

7 MR. REAGAN: Commissioners, John Reagan, CHRB
8 staff. Just a minute of background here. This came
9 about in January, when the Board approved over a
10 million dollars for the health and welfare fund for
11 jockeys from the unclaimed refunds.

12 At that time some issues were raised
13 by the Jockeys' Guild by some of the jockeys. And
14 the chairman asked for a 60-day update at that point.
15 It turned out that 60 days was a meeting in Northern
16 California. The jockeys asked that it be at a
17 meeting in Southern California.

18 Here we are this month. And I see
19 members from the Guild and the riders' colony. And
20 I'm sure that they'll have some things they wish to
21 speak to you this morning. So I'll let them take
22 over.

23 MR. ATKINSON: Good morning. Paul Atkinson,
24 with the California Jockeys' Committee. Follow-up
25 briefly says here that what we're working on is to

1 get better insurance for the California Riders.

2 We've had -- we have a committee set
3 up. We've had a few conference calls already with
4 guys in Northern California and Southern California.
5 We're making progress. I'd say it's moving forward.
6 I've been told by my fellow riders that I'm a little
7 too impatient. I think it should happen right now.
8 But everyone seems to be moving good.

9 We have a network that has all the
10 hospitals in the area here that -- well, actually all
11 the hospitals that all the jockeys have used -- this
12 new network we're looking at has all but one. So
13 that would give us a lot more option. It gives us
14 the Methodist hospital across from the street from
15 Santa Anita and whatnot. So we might go that route.

16 We had another conference call that
17 was postponed for whatever reason to May 5 now. And
18 so, on May 5, I'm sure we'll hear more from them and
19 discuss more and go from there.

20 CHAIRMAN HARRIS: Thank you.

21 Are there any comments from any other
22 interested people in this?

23 (No audible response.)

24 CHAIRMAN HARRIS: I think it's good that
25 people are working together. I assume part of the

1 problem is there's only so much money available and
2 you have to come up with a plan that can do the most
3 possible with that amount of money when we get it.

4 There are a lot of different networks,
5 and there are a lot of different issues that people
6 have. But I think the main thing is communication to
7 see if everybody can agree on something that works.

8 Any comments from the Commissioners on
9 this issue?

10 COMMISSIONER BIANCO: John Reagan, this
11 question's for you. I was told that the fund for
12 lost tickets is completely -- in plain English --
13 wiped out; there's no money in the account.

14 MR. REAGAN: It's interesting. What it is,
15 Mr. Bianco, the refunds that fund this program -- of
16 course, it's not a set number every year that we
17 purge on May 15. And we have the greater years,
18 lesser years. And we've seen kind of a shrinkage
19 over the last couple of years.

20 But to answer your question directly,
21 yes, the last time we purged the system, for uncashed
22 tickets and refunds and whatnot, was in May of 2003.
23 And we dropped just under a million dollars in
24 refunds out of the system at that point -- 980,000 or
25 something.

1 And, as you know, in January, we
2 allocated a million dollars in refunds to the
3 Jockeys' Health and Welfare Fund. So my point was
4 that we're now at that point where, if the refunds
5 drop a little bit or maybe they're a little higher,
6 we're right in the area where, if they were to come
7 in and say, "We need a million one," we may have to
8 say "All we have is a million." So we're at that
9 point.

10 COMMISSIONER BIANCO: So with the ADW over the
11 last 3 years, there's been a percentage of dollars
12 that have dropped where we used to have, you know, X
13 and now we have something that's less than X?

14 MR. REAGAN: Yes. And, in fact, I'm kind of
15 waiting, holding my breath a little bit here to see
16 what happens this May 15, when we begin to process
17 the purging out the refunds from last year.

18 And we'll have to see how that number
19 compared to last year and the year before and see if
20 we started to see that trend of -- a steady trend or
21 maybe a pronounced trend of reduction in those
22 numbers.

23 I'll let you know as soon as I find
24 out. Probably around the 1st of June, we'll have
25 audited numbers.

1 CHAIRMAN HARRIS: On the refunds -- how it is
2 impacted by out-of-state wagers -- if somebody wagers
3 out of state and it gets refunded and they just
4 didn't get around to getting it? Who -- who --

5 MR. REAGAN: Yeah. That's right.

6 CHAIRMAN HARRIS: Does that go out of the
7 state?

8 MR. REAGAN: When they're in the out-of-state
9 jurisdiction, they're betting through our pools; but
10 all they're doing is transferring the pool
11 information. The wagers are in the other system's
12 tote. So uncashed tickets, uncashed refunds --
13 they're in the other jurisdiction. We don't partake
14 of those.

15 CHAIRMAN HARRIS: There's uncashed. And then
16 there's vouchers. What if somebody loses a voucher
17 itself? Does that go into some kind of a fund?

18 MR. REAGAN: Yes. The unclaimed vouchers are
19 dropped a year after a meet is over. And that money
20 is used to fund our CHRIMS system -- our official
21 database.

22 CHAIRMAN HARRIS: I found some -- every time I
23 put on a sport coat, I find some unused voucher. So
24 I'm glad CHRIMS is doing well on my --

25 MR. REAGAN: Check the expiration date.

1 CHAIRMAN HARRIS: Yeah, I do. But I think
2 it's about a year after that meet is concluded or
3 something like that.

4 MR. REAGAN: Yes.

5 CHAIRMAN HARRIS: Yeah. Any other comments on
6 this issue?

7 MR. LANDSBURG: There was supposed to be
8 interest on the account money. Where does that go?

9 MR. REAGAN: When the Board allocates funds
10 and the conditions, certain conditions, are met, we
11 put the unclaimed refunds into the trust fund for the
12 Jockeys' Health and Welfare. It's a trust back in
13 Lexington. And once the money is in the fund, of
14 course, it generates interest.

15 CHAIRMAN HARRIS: I think what Alan was
16 referring to was, if the account's at an ADW --
17 somebody has an account there and there's money in
18 it -- is that, you know, just sort of sitting there?

19 MR. REAGAN: Yes. It was just a month or so
20 ago -- I don't have the information with me -- but we
21 did go through the process of having the ADW
22 companies take their 2003 account balances and
23 calculate interest on that account -- on those
24 accounts, and then they provide it to the backstretch
25 welfare fund and the other parties that are involved

1 in that.

2 Unfortunately with interest rates --
3 interest rates being, you know, three quarters of a
4 percent or a percent or something, we didn't really
5 generate \$50,000 or something -- so not a lot.

6 CHAIRMAN HARRIS: Talk to Alan Greenspan, get
7 him to raise the rates a little bit so we can --

8 MR. REAGAN: Okay.

9 CHAIRMAN HARRIS: I think it's probably good
10 for the economy to keep these rates lower, but all
11 these interest-bearing accounts have been impacted by
12 that. Anything else on this issue?

13 Should we move on to -- or should we
14 take a break here? Let's go on to the Race Dates
15 Committee. Is that -- oh --

16 COMMISSIONER GRANZELLA: That's me. The Race
17 Dates Committee held its first meeting to discuss the
18 2005 race calendar in Sacramento on April 8, 2004.
19 Representatives of the California Racing Association,
20 Racing Fair, horsemen, and labor were present at the
21 meeting.

22 The purpose of the meeting was to have
23 the industry present its proposals for the 2005 race
24 year and begin working with the committee to put
25 together the 2005 racing calendar.

1 After opening remarks, the process
2 began. The various associations, fairs, and horsemen
3 stepped up and outlined the proposals for the
4 committee. These proposals will be the basis of a
5 draft schedule for 2005.

6 Subsequent committee meetings will be
7 held to work out the details of the various and, in
8 some cases, conflicting proposals. It is anticipated
9 that the next Race Dates meeting will be in
10 Sacramento in early June.

11 CHAIRMAN HARRIS: So how many meetings do you
12 anticipate you'll have of Dates before we get it to
13 the Board?

14 COMMISSIONER GRANZELLA: Two? Three?

15 EXECUTIVE DIRECTOR WOOD: See. It's the hope
16 that the finalization of the race dates can be
17 completed by July or August in Del Mar. And that is
18 only a hope. We have a myriad of complex new issues
19 to discuss this year.

20 And there are probably going to be at
21 least four more Race Dates meetings before we come to
22 the conclusion. And I'm hoping for July or August at
23 Del Mar for presentation to the full Board.

24 CHAIRMAN HARRIS: Okay.

25 Go on to general business. Any

1 communications, reports, or requests by -- for future
2 actions of the Board?

3 MR. FISS: Mr. Commissioner, Albert Fiss of
4 the Jockeys' Guild. Sorry for the late notice on
5 this.

6 Yesterday I handed to the Commissioner
7 or to Mr. Wood a letter from the Jockeys' Guild on
8 behalf of the jockeys riding at the
9 Southern California race tracks. I have copies of
10 that letter if the rest of the Commission needs it.

11 But I'd like that letter read --
12 either read to or proposed into the minutes of
13 today's meeting.

14 VICE-CHAIR LICHT: Do you have copies to
15 distribute to everyone?

16 MR. FISS: I believe I don't. I think I have
17 five copies here.

18 CHAIRMAN HARRIS: I just got the letter, like,
19 shortly before the meeting and haven't had a chance
20 to -- to --

21 MR. FISS: Is it possible to take a five-
22 minute recess on this so that --

23 CHAIRMAN HARRIS: Why don't we take -- yeah.
24 Why don't we do that and get some copies of it so we
25 can look at it?

1 MR. FISS: Okay.

2 CHAIRMAN HARRIS: You know what? I don't
3 think we'll read it into the record 'cause it's
4 really long. Let's take a five-minute break right
5 now, anyway.

6 (Break: 10:29 - 10:53 A.M.)

7 CHAIRMAN HARRIS: Okay. We're back on the
8 record. And we're hearing from Albert Fiss.

9 MR. FISS: Yes. Well, once again, I think --
10 did all the Commissioners get a copy of the letter?

11 Again, the jockeys wrote this letter
12 on behalf -- I wrote it on behalf of the jockeys,
13 expressing their concern with the decision last week
14 with regards to that stay of Pat Valenzuela's
15 suspension.

16 They made some recommendations in the
17 letter, not that they're experts in making
18 recommendations on that. But they are experts in
19 race riding and the dangers and pitfalls of race
20 riding and the condition in which a jockey needs to
21 be in order to perform that duty.

22 I think that it's very important for
23 the Commission to take their advice from that expert
24 position with regards to Mr. "Day" and his ability --
25 or his ability to get back on the racetrack.

1 VICE-CHAIR LICHT: "Valenzuela."

2 MR. FISS: Excuse me. "Valenzuela." I'm
3 sorry.

4 Barring that, we would also request
5 that the Commission take up this issue -- the
6 appeal -- in an expedited manner so that the jockeys
7 know where the Commission stands.

8 CHAIRMAN HARRIS: Yeah. I think we concur
9 that we want to expedite the process as much as we
10 can and direct our Executive Director to do that.

11 I'm not sure if our -- Derry Knight,
12 from the Attorney General's office could explain some
13 of the restrictions we have on, really, the
14 Commission discussing this with it not being admitted
15 on the agenda.

16 DEPUTY ATTORNEY GENERAL KNIGHT: Yeah.
17 Unfortunately the issue that has been raised is not
18 agendized; so the Commission is precluded, both in
19 closed and open session, from really taking this
20 matter up at this meeting. It can be agendized for a
21 future meeting. But it is not agendized today.

22 VICE-CHAIR LICHT: Albert, are you asking
23 that the issuance of the stay be -- is being appealed
24 or that you're talking about we, maybe, look at
25 Patrick's appeal of the stewards' ruling? Which one

1 are you talking about?

2 MR. FISS: Well, there's one that gets the
3 other, I think. We're really asking that the -- that
4 the entire Commission look at the stay that was
5 given -- that was granted last week, under the --
6 with the additional information that you have
7 received from the jockeys and their concerns about
8 their safety on the racetrack. That's Item Number 1.

9 Obviously, if that does not get
10 addressed, we obviously want the Commission, in
11 total, to, again, to expedite their appeal process
12 or the decision process on the appeal.

13 VICE-CHAIR LICHT: Is Patrick a member of the
14 Guild?

15 MR. FISS: No, he's not.

16 CHAIRMAN HARRIS: I think we appreciate your
17 input. And we'll put this as an agenda item for the
18 next meeting. And I -- what else can we do?

19 EXECUTIVE DIRECTOR WOOD: Mr. Chair, we'll
20 say that the appeal filed by Mr. Valenzuela on the
21 ruling of the stewards -- we will try and set an
22 expeditious hearing. It may be that, because of the
23 time frame of dealing with the administrative law
24 judges, that we may have to have this hearing
25 conducted by someone other than an administrative law

1 judge.

2 But I will try to expeditiously have
3 this hearing conducted on the appeal that is filed
4 with the Board on the ruling of the stewards.

5 VICE-CHAIR LICHT: Is there a procedure to
6 review for someone to file an appeal of the granting
7 of the stay? Or is it that there isn't?

8 DEPUTY ATTORNEY GENERAL KNIGHT: It's your own
9 action; so you'd be appealing yourself.

10 VICE-CHAIR LICHT: No, not us. Someone else.
11 Patrick obviously wouldn't because he's happy with
12 it.

13 DEPUTY ATTORNEY GENERAL KNIGHT: No.

14 CHAIRMAN HARRIS: So nobody else has the
15 standing --

16 DEPUTY ATTORNEY GENERAL KNIGHT: No. No third
17 party would -- no. No. There's no standing.

18 CHAIRMAN HARRIS: What should have probably
19 happened was, if people wanted input into it, they
20 should have really brought this up once the stay was
21 requested, which jockeys are familiar with stays.
22 That would have been a better time to --

23 MR. FISS: It's my understanding that we were
24 not notified of the request for a stay on the
25 suspension.

1 EXECUTIVE DIRECTOR WOOD: I don't think they
2 were notified. I don't know of any procedures for us
3 to notify, you know, if people request stays or
4 appeals. It's not --

5 MR. FISS: This is an unusual circumstance.
6 You have a jockey who is riding under a conditional
7 license. Obviously the level of integrity on his
8 part is much greater, although it's always great on
9 the racetrack, than somebody who's operating under a
10 normal license.

11 The issue at hand here -- I believe
12 his conditional license is due to his prior
13 violations of the State of California's drug
14 policies. And obviously when you bring that into
15 the -- into the mix, it's of particular concern on a
16 safety issue.

17 CHAIRMAN HARRIS: Well, since I mentioned that
18 we really can't get into the discussion of it since
19 it wasn't -- it's not on the agenda. But appreciate
20 your input.

21 MR. FISS: Thank you.

22 CHAIRMAN HARRIS: Any other thing on general
23 business?

24 (No audible response.)

25 CHAIRMAN HARRIS: Old business? Old business?

1 COMMISSIONER MORETTI: Yes, Mr. Chairman.
2 Just briefly, I was asked by the Governor's office
3 to -- specifically by our legislative secretary,
4 "Richard Costigan" (phonetic) -- to thank the horse
5 racing industry for working with the Governor's
6 office -- in this case, Cynthia Bryant (phonetic) --
7 to help with the comprehensive workers' comp package.

8 Obviously the governor was extremely
9 delighted that the legislature did pass through a
10 package that he felt was to the benefit of California
11 and he could sign. And the legislative office wanted
12 to acknowledge the work that you all did in regards
13 to our own workers' comp package but also in
14 assistance with the comprehensive package. So
15 thanks.

16 CHAIRMAN HARRIS: Yeah. I guess it's going to
17 be a good cost savings for the total industry and
18 should help the track for people to the industry --
19 both the overall compensation bill and the one
20 particularly for racing.

21 Any other old business?

22 One thing on this agenda -- be sure,
23 anybody, if you've got some items that you'd like to
24 have discussed, that you did -- I think there's a
25 date that you've got to have it in -- the agenda

1 comes out 10 days ahead of time -- and so sometime
2 well in front of that, submit it to the CHRB so that
3 we can get it on the agenda. Then we can have a full
4 discussion of any issue.

5 And the CHRB and the staff can come up
6 with the issues that they know that they want on the
7 agenda but anyone else should have the same
8 opportunity.

9 EXECUTIVE DIRECTOR WOOD: Mr. Chairman, I
10 think at this time, if it's all right with you, I'd
11 like to introduce the newly elected President of the
12 California Harness Horsemen's Association -- Mr. Ben
13 Kenney.

14 Mr. Kenney, would you stand up.

15 (Applause.)

16 MR. KENNEY: I look forward to working with
17 you all as a representative of the CHHA. Thank you
18 very much.

19 EXECUTIVE DIRECTOR WOOD: We're certainly glad
20 to have you on board.

21 CHAIRMAN HARRIS: Okay. If there's no other
22 old business, we'll move into executive session.

23 (Proceedings concluded at 11:04 A.M.)

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