CALIFORNIA HORSE RACING BOARD

REGULAR BOARD MEETING

Thursday, August 19, 2004

9:30 A.M.

DEL MAR SATELLITE WAGERING FACILITY

2260 Jimmy Durante Boulevard

Del Mar, California

BOARD MEMBERS PRESENT:

William A. Bianco, Member

Jerry Moss, Commissioner

Roy C. Wood, Jr., Executive Director

John C. Harris, Chairman

Roger H. Licht, Vice Chairman

Marie G. Moretti, Member

John C. Sperry, Member

Derry L. Knight, Deputy Attorney General

Reported by: Laura Longarini, CSR 12384

MEETING AGENDA

Action Items

1. Discussion and action by the Board on the approval of the minutes of the regular meeting of June 3, 2003.
2. Discussion and action by the Board on the Application for License to Conduct a Horse Racing meeting of the Oak Tree Racing Association, from September 29 through October 31, 2004, inclusive.
3. Discussion and action by the Board on the application for license to Conduct a Horse Racing Meeting of the Fresno District Fair, from October 6 through October 17, 2004, inclusive.
4. Discussion and action by the Board on the Request of the Bay Meadows Operating Company to amend their license application to change the commencement of the Racing Meeting from September 3, 2004 to September 4, 2004.
5. Discussion and action by the Board on the approval of the Race Dates calendar for 2005.
6. Public hearing by the Board on the adoption of the following proposed regulatory amendments of CHRB rules.

    A. Rule 1520-Definitions

B. Rule 1615-Scale of Weights for Age

C. Repeal of Rules 1616 & 1684

7. Discussion and action by the Board for the 45-day notice, on the proposed regulatory amendment to CHRB Medication Rules 1843.5, 1844, 1845.

8. Public Hearing by the BOard on the adoption of the proposed regulatory amendment of CHRB Rule 1846.5-Postmortem Examination.

9. Discussion and action by the Board on the request of the Los Angeles Turf Club to distribute $262,800 in charity racing proceeds to 44 beneficiaries.

10. Discussion and action by the Board on the request of the Pacific Racing Association to distribute $60,000 in charity racing proceeds to 12 beneficiaries.

11. Discussion and action by the Board on the request by Capitol Racing, LLC concerning the location and availability of the Satellite Signal at the Los Alamitos Race Course.

12. Report by representatives of the California Animal Health and FOod Safety Laboratory on the Postmortem Program.

13. Discussion by the Board on the recently published report of the California Performance Review Commission and its specific recommendations concerning the California Horse Racing Board.

14. Staff Report on the following concluded race meetings:

A. Churchill Downs California Company at Hollywood Park from April 21 through July 18, 2004.

B. Alameda County Fair at Pleasanton from June 30 through July 11, 2004.

C. Solano County Fair at Vallejo from July 14 through July 26, 2004.

15. Report of the Race Dates Committee

16. Report of the Medication Committee

17. General Business: Communications, reports, requests for future action of the Board.

18. Old business: Issues that may be raised for discussion purposes only, which have already been brought before the Board.

14. 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 1126 of the Government Code.

DEL MAR, CALIFORNIA; THURSDAY, AUGUST 19, 2004

9:30 A.M.

MR. WOOD: Good morning ladies and gentlemen, welcome to the regularly-scheduled meeting of the California Horse Racing Board. This meeting is being conducted on Thursday, August 19 of 2004. And we're at the Del Mar Satellite facility in Del Mar, California.

And before we go forward with this morning's meeting, I'd like to introduce Chairman John Harris, Vice Chairman Roger Licht, Commissioner William Bianco, Commissioner Marie Moretti, Commissioner John Sperry, District Attorney General, Derry Knight, Commissioner Jerry Moss.

Before we go forward with this morning's meeting I would respectfully request if you would like to give testimony to the board, that you please, state your name and your organization.

If you have a business card to provide our court reporter it would be very much appreciated. And with that I'd like to turn our meeting over to the chairman, Mr. John Harris.

MR. HARRIS: I'd like to welcome everyone to the meeting. Thank you for taking the time to come, we have a busy agenda to cover.

First item is the approval of the minutes of the regular meeting of June 3, 2004.

MR. MOSS: Just one minor correction that John pointed out to me. When I asked the TOC to comment it was not about TOBA in general it was about that race series that they had.

MR. HARRIS: Could somebody explain? There was an item on the June agenda where there was a series of racing.

MR. COUTO: Good morning, Drew Couto on behalf of the Thoroughbred Owners of California. You're referring to the TCT on behalf of Thoroughbred Racing of California. I believe you're referring to the TCT.

I'm sorry, what was the specific question?

MR. LICHT: It wasn't a question for you. At that meeting I asked you to commented on your position, not about TOBA in general but about that series, I think under you guys were looking into it.

MR. COUTO: Correct. I'm not sure how succinctly I can say this, but there was a meeting held out here with the principles or the affected parties that included the Oak Tree Racing Association the Del Mar Thoroughbred Club, Hollywood Park, the CTT, TOC, and TOBA represented as well as principles of the TCT met about a month ago, a proposal was laid out, we have been

investigating it and working on a schedule with colleges out of state and it's ongoing.

MR. HARRIS: We're not interested -- basically we wanted to correct TOBA, it should be TCT. That is it.

MR. MOSS: With that understanding, Mr. Chairman, I move approval.

SPEAKER: Second.

MR. HARRIS: All in favor.

SPEAKER: So moved.

SPEAKER(S): Aye.

MR. HARRIS: The next item is, Application for License to Conduct a Horse Racing meeting of the Oak Tree Racing Association, from September 29 through October 31, 2004.

MR. MINAMI: Mr. Chairman, Roy Minami, Horse racing Board staff. This is the application for the Oak Tree Racing Association. The plan can run from September 29th through October 31 for 26 days which is 6 days less than 2003. They plan on racing five days a week, Wednesday through Sunday, with eight races weekdays, nine on opening day, weekends and on Monday, October 11. First post will be 1:00 Wednesday and Thursday, 2:30 on Friday and 12:30 p.m. On weekends and holidays.

The only thing left outstanding is the fire clearance. We have already received the horsemens' agreement signed by all parties. The staff recommends that the Board approve the application condition upon receiving the fire clearance.

MR. HARRIS: I think that this has been covered by Oak Tree, but just to clarify to the Board. The new applications from associations at this point wants to have assurance that there is a head on camera for the turf course and digital scales for the jockey rooms.

SPEAKER: We have head on shots for both the turf course and the main course and we have a digital scale in the jockey room. We do not have one for the way out, and we think that the normal usual scale is satisfactory enough when you think about when rain occurs, it will weigh a half pound more. It's not necessary to have a digital scale after the ride.

MR. HARRIS: Anyway let's get into that at another time. I think it would be good to have one.

SPEAKER: Did that answer your question?

MR. HARRIS: Yes, thank you.

MR. LICHT: I move approval of Oak Trees' application.

SPEAKER: Second.

MR. HARRIS: All in favor.

SPEAKER(S): Aye.

MR. HARRIS: For the next item is 3. Discussion and action by the Board on the application for license to Conduct a Horse Racing Meeting of the Fresno District Fair, from October 6 through October 17, 2004, inclusive.

MR. MINAMI: Roy Minami of the California Horse Racing Board staff. The application for Fresno District Fair to run from October 6th through October 17th, 11 days, they will be racing five days the first week and six days the second week. Eight races, Monday, Wednesday and Thursday, ten on Friday and Saturday and nine on Sunday. The first post 12:37 Saturday and Sunday, 12:45, Friday and 1:30 p.m. Monday, Wednesday and Thursday.

The items still out standing is fire clearance and the thoroughbred sign off for the Fresno Fair and Horsemens' Agreement and the contract with Scientific Games. The staff recommends that the board approve the application conditioned upon receiving additional information.

MR. HARRIS: Any comments on this application?

MR. SPERRY: Move approval, Mr. Chairman.

SPEAKER: Second.

SPEAKER(S): Aye.

MR. HARRIS: Approved. So moved.

Next request is for license.

MR. REAGAN: Commissioners, John Regan and CHRB staff. Bay Meadows' race course has submitted a letter in the package for your review in requesting to reduce the number of days of their meet by one. They would do this by commencing their meet on Saturday, September, 4th instead of Friday the 3rd. This reduces the overlap by one day.

Staff recommends approval of this request.

MR. HARRIS: I think it's a good idea. I don't know how it became a love fest between Sacramento and Bay Meadows to achieve this, but it's wonderful.

MR. DARUTY: Scott Daruty on behalf of Magna Entertainment. We had entered into that arrangement familiarity with Cal-Expo for this coming Labor Day weekend, but we had done so subject to the approval of the TOC. We spoke with TOC and they were not very enthusiastic about the idea. I apologize about the mix up, I thought had been withdrawn from today's agenda. Thank you.

MR. HARRIS: I think it's a good idea personally. But does Cal-Expo still support?

MR. Elliot: Dave Elliot, California State Fair. To answer your question, absolutely we support,

we obviously, at the direction of Commissioner Moretti and Commissioner Granzella, we have been in conversations with Bay Meadows and Magna to try to get something done this year and next year. Obviously in that picture is next year's calendar and all of that stuff. We've been speaking with them for two months to see what we can do to reduce overlap and Magna, to their credit, stepped forward and offered to get rid of one day of overlap this year. And after the letter was sent obviously, the TOC has some type of objection to it, but we are in support of it.

MR. LICHT: Do they have the right to withdraw from the agenda or is it up to them or us?

SPEAKER: It's up to you certainly.

MS. MORETTI: I'd like to hear from the TOC.

MR. COUTO: Good morning, again. Drew Couto, Thoroughbred Owners' of California.

We're of the understanding with NEC that they had withdrawn this from the meeting agenda. The opposition came from the directors in the north who were concerned about Cal-Expo's decision not to run a day overlapped with Del Mar. When these would be an overlap, Northern California Fair instead opted to ask Bay Meadows to give up a Friday. That was unnecessary from the Board's perspective.

They are looking for one overlap day, they would have that running with Del Mar, but instead they want Bay Meadows on a different day to give up that overlap. It was our opinion, it was in the best interest of owners and the state, to run the additional day overlapped with Del Mar and keep the one day with Bay Meadows in place. And it was, again, our understanding with Magna that they agreed and were withdrawing this amendment to their application.

MR. WOOD: Just to clarify, did the entire TOC board vote on this or just the northern directors?

MR. COUTO: It was the northern directors.

Typically what happens, Mr. Harris, the Northern California board members, make the decisions with regard to the dates and purse contracts up north and make a recommendation to staff that these be followed up.

MR. HARRIS: We're going to go ahead with the jockey weight agenda item because we have a number of people that want to be here for that. If we wait too long we'll inconvenience some of them. We'll go ahead with the jockey weight issues and come back to the dates issue after that. If no one objects to not having a court reporter for that part of the program.

We're going out of order. Onto agenda item 6.

We're going to race dates.

MS. MORETTI: Section 6. I can read the report from the meeting that we had last month. The race dates committee held a meeting in the Del Mar satellite facility on July 23rd, 2004, to discuss the 2005 racing calendar. The first matter taken up by the committee was the northern schedule, a compromise schedule was proposed by Bay Meadows and Golden Gate Fields in which the two entities would essentially put the number of days of thoroughbred racing in order of zone. The committee was advised that negotiations continue between the two thoroughbred associations regarding overlap days but there were no results to report at that time. The committee encouraged all parties to continued to work on some form of overlap relief.

Next on the agenda was the southern thoroughbred fair schedule. Although a proposal that most southern associations have accepted was on the table, representatives of Santa Anita asked the committees to expand the proposed 2005 dates for the Los Angeles Turf Club meet for one additional week in April.

This request would cause the other associations to move one week further into calendar and was not well-received by those associations. In 2005, shifts in the calendar with regard to Santa Anita's opening day to

reduce their number of days by two as compared to the number of days they had in 2004. A compromise of adding the two Wednesday, following Mondays, holidays in January and February was suggested for a one-time fix for the reduced days of racing. The matter was not resolved at that time.

The harness industry was next to be heard and simply asked the committee to allocate the full view of racing, however, given the fact that Cal-Expo only runs through July 2005 the committee will keep its options open until the RSP process at Cal-Expo has been completed. A representative for Los alamitos thanks the committee for the proposed quarter horse dates for 2005. Those are the minutes from our July 23rd meeting.

MR. WOOD: Mr. Reagan, please give us the staff report on the race dates meeting recommendation.

MR. REAGAN: Commissioners, John Reagan, CHRB staff. The current proposal for 2005 racings dates is as follows: First of all, for the thoroughbred meetings in the southern central southern zones, the Santa Anita winter meet, 85 days, from December 26th '04 through April 18th' 05. Hollywood Park, 65 days, April 20th, '05, July 17th, '05. And the rest of these dates will be '05. Del Mar, 43 days, July 20 through September 7th. Santa Anita for fall, 31 days September 28th,

November 6th. Hollywood Park, 31 days November 9th through December 19th. Also included in that schedule are 17 days at Pomona from September 9 through September 25th, that is for the central southern zones.

For the northern zone, thoroughbreds, we have Golden Gate Fields, 28 days from December 26th, '04, through January 30th, '05. And the rest of these dates will be '05. Bay Meadows, 72 days, February 2nd through May 8th, Golden Gate fields, May 11 through June 19th, 28 days. Bay Meadows, back again, 33 days, September, 3rd through October 16th. And Golden Gate Fields, 46 days, October 19th through December 19th.

The northern fairs, Stockton, 10 days, June 15th through June 26th. Pleasanton, 11 days, June 29th through July 10th. Vallejo, 11 days, July 13th through the 25th, Santa Rosa, 12 days, July 27th through August 8th. San Mateo, 12 days, August 10th through August 22nd. Ferndale, 10 days, August 11th through August 21. State Fair, Sacramento, 12 days, August 24th through September 25th. Fresno, 11 days, October 5th through October 16th. That's the northern fairs.

The nighttime industry, quarter horses, state-wide, Los Alamitos, 204 days, December 26th, '04 through December 18th, '05. The nighttime harness meet, Cal-Expo, sacramento, 134 days, December 26th, '04

through July 30th, '05.

That's the entire schedule. If you have any questions, I'll be happy to answer them.

MR. LICHT: The issue with the Southern California thoroughbred dates are; Santa Anita's proposal is to start on the 28th of December, continue on extra an week and have Hollywood continue on until the 24th, Christmas Eve, right?

MS. MORETTI: Actually, Santa Anita's position was to extend their meet. Maybe Jack could explain thoroughly.

MR. LICHT: There are two -- the committee selected one solution I guess you would say and Magna has a different viewpoint.

MR. HARRIS: I think the committee also has a viewpoint as I understand it, that is in conflict of a previous policy that you reinstituted 6 to 8 weeks on some of the holiday weeks during the Santa Anita meet, where traditionally we had holidays off on Tuesday/Wednesday.

MS. MORETTI: On the original proposed calendar Santa Anita would definitely lose some and in our final proposal we have what I hope is somewhat of a mitigation to them for the loss.

MR. HARRIS: At this time committee feels that

it was kind of a right for "X" number of days for racing association.

MS. MORETTI: We tried to be very open-minded and not concern ourselves only with what's traditional in horse racing. We wanted to see where there might be means of consensus and unfortunately there appears to be no consensus among all of the racing association and therefore there was no compromise among the associations so we came up with our own.

MR. HARRIS: So do we want to start -- we have several different segments of this. Why don't we start -- it might be easier to get some of the less controversial ones out of the way. Start off with the north and see if there is comments on that part.

MS. MORETTI: For the northern California thoroughbred the committee proposal will more or less divide available days and the purses and commissions generated between Golden Gate Fields and Bay Meadows. The change in the southern thoroughbred schedule will impact the northern schedule. The northern track and fairs have indicated that are satisfied with the 2005 allocation of dates. The overlap with the two thoroughbred tracks and fairs that is San Joaquin and the State Fair was adjusted to limit the overlap to three days at each fair for which we thank Magna and the

fairs for coming together and forming that compromise.

Harness dates are proposed through July 2005 through the RFQ/RFP process (inaudible) will be conducted by Cal-Expo regarding the extension of the lease of their facility prior to July 2005. We believe that the Board can discuss the matter of additional dates where a new lease has been executed.

Quarter horse dates are without issue at this time.

MR. HARRIS: Is there any consideration given to the overlap of Fresno?

MS. MORETTI: We talked about that but Fresno and Humboldt were left out of the equation at this moment in time. When we requested that the fairs and the association come together and discuss overlap, we offered our suggestion to at least come with a pilot program to the Board so that we could look at it for a year and we'll see what happens next year in 2005.

MR. HARRIS: What's the pilot program?

MS. MORETTI: The pilot is between San Joaquin and the State Fair.

MR. HARRIS: As far as elimination of overlap?

MS. MORETTI: Yes, just to have an elimination overlap. As you know it's a very contentious issue.

MR. HARRIS: We can do that regardless of which

side someone might be on. We need to also figure ways that we evaluate --

MS. MORETTI: Mostly our concern is the field size, the lack of import up to northern California, as you mentioned earlier. It's a major issue.

MR. LICHT: I have a question on the holidays. Veteran's Day and Martin Luther King Day, are they accounted for, I don't know the exact days but they don't look like they are indicated on here.

MR. HARRIS: Mr. Licht, January 17 is Martin Luther's and the Veteran's day is a Friday that is a normal race day.

MR. LICHT: That's not observed on Monday?

MR. HARRIS: Veterans' Day is the observed on the day that it falls.

MS. MORETTI: November 11.

MR. HARRIS: The impact on Santa Anita is on the 17th and the 21st which is one of the issues that creates six day weeks that I'm concerned about as far as field size.

MR. LICHT: Not having an overlap on those days.

MR. HARRIS: Is one also -- the issue that we're talking about the north is that there is an assumption made that the north should race every day the

south races, which, you know, importing the simulcast races I don't know if that is sacred as it one time was thought to be. It does in the north where there is difficulty everywhere with field size, but particular in sometimes in the winter and the north. If that's well-advised that they have six day weeks in January and February.

Let's go ahead with comments from the participants in the north on the proposal.

MR. KORBY: Executive Director of Racing Authority of Racing Fairs. First, I'd like to thank the Dates Committee for their hard work, that has to be one of the most challenging and complicated tasks that a commissioner can take on and thank you very much. We're here to speak in support of this recommendation from the Dates Committee and I'd also like to note on behalf of San Joaquin Fair, Forest White, the manager from that fair, sent a letter to the Board noting that San Joaquin Fair came to an agreement with two days of overlap in the 2005 calendar, we want to express our thanks to Magna for their cooperation. We've had good discussions with them. That's part of the basis for the calendar that's being proposed. Thank you.

MR. HARRIS: Additional comments on the date in the north?

I'm still concerned with the 6-day weeks basically in February and January and October. If the population in the north is sufficient to really sustain those, do the horsemen have feelings on those?

Do you want to comments on 6-day weeks during the winter?

SPEAKER: Jack (inaudible) from Bay Meadows. I think this is somewhat of a historic meeting for the first time since 1992 the north has had any controversies with the south where there was never any controversy. And I mentioned '92 that's when I started, this is sort of a landmark occasion. As far as the overlaps at that point in time, that's really when I think that we have the best chance that the horse population could be running against Emerald Downs. We're not running against any overlaps at all. I don't think that we've had too much problem in the north. I don't have the stats for those particular days, but I don't recall it being life and death to fill in January and February. Thank you, and again, we appreciate the work of the Dates Committee and accept their recommendation. Thank you.

MR. HARRIS: If you did have a scenario where it was a Monday, Wednesday in February or January that you were dark but the south did run, you would still be

able to be open for simulcasting the total program that was available that day in the south and what the south imported?

SPEAKER: That's true, but it doesn't work very well, we've tried that on several occasions. And we have proposed, and it's part of a discussion now, to get legislation that would allow us to bring in the northern zone unlimited simulcast on such days but we don't plan to introduce that bill until next year. That bill was a bill that we ran about four years ago that, you know, fortunately passed a legislature that was vetoed by Governor Davis.

I don't think that the six days will be a problem in January and February. Thank you.

MR. COUTO: Good morning again, Drew Couto, Thoroughbred Owners of California. Mr. Harris, in general, we favor five days. That's clear on the horsemen. It's difficult to run sustained 6-day weeks and when you look at the total number of thoroughbred starters in California, thoroughbred meets and fair meets in 2003 it's hard to argue with the numbers. We've had the fewest that we've had potentially ever, at least back to 1990. So this is serious. There is a serious shortage of horses, we know that, all of us know that. But I would say to you that my board has not been

offered at this time, a week difference, we discussed with our track partners and they believe that the best productive time use was the schedule developed by the committee and by our colleagues at the racetrack and colleagues in the north, but I would confirm exactly what you're implying, we do favor 5-day weeks in general, and we do have a shortage of horses.

MR. DOERGHTY: Charlie Doerghty, California Thoroughbred Trainers. I'd have to echo Drew's comments that given the sentiment of the trainers in northern California they do favor the 5-day week. It's a very difficult call. It's, you know, we're given -- we're willing to give up some of those days during the fair time and to think of give up more additional days at major race tracks, that's something that most trainers just do not want to do to give up days at a major race track. It's, you know, field size is an important consideration. It's a tough call. But we do favor 5-day race weeks.

MR. HARRIS: Both of those responses were sort of yes and no. I'm not sure what they mean. Anyone with the fans committee have any feeling on this issue?

Any other comments from this issue?

MR. MARCONI: My name is Bob Marconi, I'm on the Southern California Fans Committee and our

committee, and myself being a fan, I'm real concerned with the fan field sizes, especially during the week at the Southern California sites. I'm retired, I like to go to the racetrack, but on the weekdays, especially at Hollywood Park I don't go because of the field sizes, they have five- and six-horse fields, they don't excite me at all. My main thing is I think that we should cut the racing days as far as I cannot see six day a week days because they dilute the fields. So I believe that we should go to five and sometimes 4-day a week racing. Thank you.

MR. LICHT: I move we accept northern California harness and quarter horse schedules.

MR. HARRIS: Second to that?

MR. HOROWITZ: Allen Horowitz, Capitol Racing. I know from the description of the last meeting sounds like there was no discussion at all from a proposal that was submitted by Capitol Racing to the Dates Committee that entertains harness racing at the Stockton facility from July through November. Clearly there have been no dates allocated. I think that Capitol Racing has entered into a lease with the Stockton fairgrounds for that, we think that it's a viable facility, we think that it's a viable market for developing new racing programs and in this day and age where there is so much

instability in racing, what's going to happen at Bay Meadows when it's done. What's happening with Golden Gate in light of the San Pablo Casino. There are so many negatives that I think it's shortsighted for us not to think about the future of racing and when there is an opportunity to expand to a new facility and a facility that will take some time to develop, instead of, if you will, bottling up harness racing to one facility, Cal-Expo, where Capitol Racing has been successful in developing those dates, let us have a shot at another facility that we can also begin to do the same thing that was done at Cal-Expo. I think it's shortsighted and I didn't want this meeting to go by without the members of the board without knowing there was another proposal that went beyond the July dates that are in this calendar. Thank you.

MR. HARRIS: Will the Dates Committee explain how they visualize things happening after the 1st of August?

MS. MORETTI: In terms of?

MR. HARRIS: I understand basically the harness dates have been addressed through July with the thought that they would be revisited at some point for August through December?

SPEAKER: Excuse me. I'm Ben (inaudible) the

president of the California Harness Horsemen's Association. I would like to touch on that. It is important that we get the dates for fall '05. Historically our Cal-bred closer programs have been in the fall of '05, I believe this will effect breeding in our state. We do need as many Cal breds as we can, that's how we showcase them off. It's also how we showcase our two years olds off and three years olds in October, November, December. So, I ask that you revisit that. Thank you.

MR. HARRIS: It looks like today we're not going to be able to do it. I agree that we shouldn't let it slide forever, but we do not have anything at hand today to show --

SPEAKER: We would revisit this?

MR. HARRIS: Revisit this in the fall sometime to see where it could go.

MR. HOROWITZ: Allen Horowitz, Capitol Racing. The RFQ for Cal-Expo has been essentially put out and advertised and distributed. The calendar of events from the distribution point to the future is that the decision will be made with regard to a new operator for the Cal-Expo dates on the 3rd of December. That puts us way into the fall, very late fall, almost into 2005 before we would have discussions with the allocation

committee revisiting this issue, in the meantime any improvements, and a host of improvements have to be made in the San Joaquin facility in Stockton, we've lost four months in trying to make those changes. And those changes, one of those changes include lights and frankly that's no small task, either expense-wise or time of installation. We would request that maybe this be put over for the next meeting and try to give the Board some input and try to get the Board to deal with the issue, I know it's a difficult issue. But there is another facility that is available to harness racing, and in my business sense instead of putting all your eggs in one basket sometimes you have to make changes that are hard to make to try to do something to develop another facility. Thank you.

MS. MORETTI: One of the things that Cheryl and I both talked about was to request that the dates be reviewed sooner in the course of the fall or the beginning of next year, prior to waiting for the summer, but because Cal-Expo has already indicated that they are going out would be allocating dates to non-entities.

MR. HARRIS: It won't be a problem to, whatever we do can be revised later, it's not chiseled in stone.

MR. ELLIOTT: David Elliott, California State Fair. We request that the Board -- our letters indicate

that we request to the Board to allocate the dates for the entire year, but we're satisfied with this current schedule, if you were to approve those dates today, as Allen mentioned and RFP will be out and we would award sometime in December, early enough if there is a meeting in December of the Horse Racing Board we can bring more information to this board regarding Cal-Expo beginning in the fall, '05. Thank you.

MR. HARRIS: Why don't we get the discussion out of the way on the harness or night industry.

MR. LICHT: I move that we accept the northern California schedule, the harness and quarter horse schedule as proposed by the committee.

MR. HARRIS: For that's the total schedule the motion is on. Is there a second for that?

MR. SPERRY: Second.

MR. HARRIS: Discussion on this?

To get a vote on the table I propose that we amend this recommendation to delete six day weeks except during the point that Del Mar is overlapped. Basically eliminate the days, 19th of January the 23rd of February, the 12th of October.

MR. LICHT: We have a motion the way it is --

MR. HARRIS: It will be a motion to amend. I don't know if I have a second.

MR. LICHT: There was a second by Commissioner Sperry.

MR. HARRIS: On the amendment?

MR. WOOD: On the motion that's on the table. You need to vote on that motion.

MR. HARRIS: The motion on the table is to approve it as submitted by the staff?

MR. LICHT: No, as submitted by the committee.

MR. HARRIS: All in favor.

SPEAKER(S): Aye.

MR. HARRIS: I'll vote no.

Any other notes? My no is based on the fact that I'm concerned about the field size.

MR. BIANCO: I vote no.

MR. MOSS: I vote no.

MR. HARRIS: Three nos.

We'll do a role call.

MR. WOOD: Mr. Moss?

MR.MOSS: No.

MR. WOOD: Mr. Sperry?

MR. SPERRY: Yes.

MR. WOOD: Ms. Moretti?

MS. MORETTI: Yes.

MR. WOOD: Mr. Licht?

MR. LICHT: Yes.

MR. WOOD: Mr. Harris?

MR. HARRIS: No.

MR. WOOD: It does not carry, it needs four votes to make it carry.

MR. SPERRY: Do you have another motion then?

MR. HARRIS: I'd like to see data on what sort of field sizes we had during those months and what the economic impact would be on the north if they were dark one of those given days and instead did bring in races from the south and because I know that it's been done but my recollection of that it was done on pretty limited basis and it wasn't done recently and it wasn't done very many times. My theory was that it would be good to do it, my proposal would be like three different days to see what data we could collect. These would be days that purses would be generated and commissions would be generated.

MS. MORETTI: Would you prefer to carry over the discussion until next month then?

MR. HARRIS: We have time to do it if we could carry it over to get more data to sustain or rebut the arguments.

MR. WOOD: Was the committees' recommendation to add those Mondays to the racing calendar in the north based upon the additional changes in the southern

calendar?

MS. MORETTI: We tried to accommodate north and south of course they feel --

MR. WOOD: The Wednesdays were added in order to make an overlap situation with south. So if you take the northern California as it was originally and submit it and reduce the Wednesdays, which you're having concerns with because of the six days, that would be what the industry had submitted and agreed upon. The committee tried to add the extra Wednesdays in order to facilitate the southern calendar if it worked out and we're going to mitigate the circumstances in the south. Is that not right, Ms. Moretti?

I think the northern California was agreed upon we just added the Wednesdays in order to have an overlap. If you were to make an amendment to the Wednesdays --

MR. HARRIS: The concern is, is it necessary the this northern dates absolutely mirror the southern dates or not? Or would it be wise to have an experiment in 2005 and see what sort of results we could get on those dates by racing in one sector without the other sector.

SPEAKER: Jack (inaudible) Bay Meadows.

First I'd like to point out to the Board, and I

would assume this might be supported by some of the racing associations in the south, that the northern signal is also of importance to them on days that they are open and it generates substantial commission and purse money in the south.

Secondly, you know, I would wonder whether we couldn't have some flexibility in that if we were running into field size, it would be discussed with the board and determined whether, you know, we should run on those Wednesdays or not. I would say that one of the things that's happening in the north is that, because of the concerns of the horsemen, both TOC and TCC, the dates have been changed in the north because of the perception that the Bay Meadows track can handle rain better than the Gold Gate track has in the past, although that may not be true in the future, but you cannot tell. That was one of the reasons for the change in dates. If that happens there will be impact favorably upon field size. And it seems to me that rather than making a decision right now as to what the field size is going to be in January and February that we could have some flexibility in that through the staff or through a committee that you might appoint among yourselves as to who would make a decision as to whether we would be able to run on those two Wednesdays that are

in question.

MR. LICHT: I agree with you. There is no statistical data that the impact is any more severe in the north than the south, and to penalize the north for no reason makes no sense.

SPEAKER: I think that I just called quickly to find out in the field size in the north on February was almost identical to what it was in March. And those days are the days that the north has the best chance, we aren't running against Emerald Downs and not running against overlaps. I would ask for flexibility and see if we can't work it out that way. Thank you very much.

MR. HARRIS: I could see something like that if it was earned dates, if you could show that you had a field size of 7 1/2 or 8 for that four weeks preceding the dates in question, I wouldn't have a problem with that. I'm concerned about the field sizes in the 6s and we're trying to jam in another day.

MR. COUTO: Drew Couto, Thoroughbred Owners of California. Mr. Harris, you indicated before that we gave a yes and no answer, let me clarify that. Yes, we would support 5-day weeks from TOC's perspective in terms of we do believe, and if the commission would like, we'll compile some data for you as to what field sizes were by week last year. Unfortunately I can't do

it at this moment. As a general statement, particularly in the north, we believe we have an inventory issue, we have an inventory issue throughout the state, obviously. But we do support five day weeks. We think at this point in time we would have to support any recommendation in that regard, at least with regard to the north.

MR. HARRIS: How much in purses do you think would get generated if you had a dark day in the north but had racing in the south?

MR. COUTO: I would hate to speculate on that. I could have projections run to try to identify that.

MR. HARRIS: That would be an interesting part of it if you could generate purses to be used on the other days to help field sizes.

MR. COUTO: We have to balance the interest of northern California horsemen and southern California horsemen. Obviously, we don't want to adopt a schedule that is predatory in terms of handle up north versus the south, we have to balance those interests. But at least recognizing the conditions currently in the north. As I said, my board supports to an individual 5-day race week.

MS. LICHT: How do you justify being against the three days being added on the Wednesdays and yet you

are pro the overlap that we talked about in the prior issue? Isn't that the same issue?

MR. COUTO: You're talking about the northern California Cal-Expo?

MR. LICHT: Yes.

MR. COUTO: What we're saying with regard to the northern California Cal-Expo is, you have a day, Monday, when Cal-Expo elects not to run overlaps with Del Mar then it would be the sole northern California meet, instead they choose to run on a Friday and have three meets running. If they want a day of clear overlap racing in the north, move to the Monday, help Del Mar to the south, help themselves to the north and south. We're saying, balance this. But stacking three is not a good idea.

MR. LICHT: For me that's a business decision for them, and what you're saying, you're justifying based upon field size, it has nothing to do with field size.

MR. COUTO: We think it's more than a business decision to be made alone by Cal-Expo. The horsemen have a role in suggesting what the date process is, we looked at that, we believe that the industry throughout the state is benefited by having a meet running simultaneously in the north and south on that particular

day, that Monday that we're talking about, we're talking in general, in abstract, it's different, but if you look at one instance, that's the recommendation that we have there.

MR. LICHT: I think this is a direct penalty to the northern California horsemen and horse population myself.

MR. SMITH: Good morning, Preston Smith. I have a background as a trainer and a driver with harness horses. Former owner of thoroughbred, one anyway. I think the Board itself is overlooking one important issue, if in fact you suggest moving one day out of the program, how much is going to impact the entire community, and I'm talking about 20 percent of someone's wages, if you're not working the parking lot, if you're not working the mutual machines, how many other contributing factors are involved as far as people's income is concerned. If it's at all possible to race that fifth day, you have to give consideration to a bill that was implemented earlier this year in affording the owners more additional income just for putting a horse on the track.

That may not sound like much money, $400, but if you have that bill coming in every month, and you know you have $400 in front of it for starting that

horse, then you're going to give yourself more opportunity to invest in the industry and I think there are a few trainers here in California, northern California especially, that have not aborted thoroughbred racing here in the State of California primarily because of the assistance offered by this government. The California Horse Racing Board has to take everybody into consideration. Could you lose 20 percent of your income and still exist the way that you are? Do not take this extra day away from these people. They need the income, whether they are working the parking lot, the mutual machines or just delivering something. The stewards are going to lose an extra day, they haven't even thought about that. That 20 percent is a lot to anybody's income right now.

MR. HARRIS: We're not talking about going from a 5-day week to a 4-day week, we're talking about going from a 6-day week to a 5-day week.

MR. SMITH: The mention was made of eliminating one day because of purses, because of the field sizes. You've got to give this industry a chance to adjust to the additional monies made to the starters. And maybe then you'll bring more horses into the State of California, because you'll have more people willing to put money into the industry. You're losing owners

because they do not get any money back. If you put 12 horses into the starting gate and there are guys that finish 10th, 11th and 12th, at nothing, now they have something to look forward to, at least they can pay part of their bills with that starter money. I thank you for your time.

MR. HARRIS: Any comments on this?

MR. CASTRO: Richard Castro, representing pari-mutuel clerks. We would also like to see the added day. What bothers me is that we negotiate contracts and we base our contracts on your racing calendar and then you juggle them. If this one day is not that much of a bother, but what comes down the road may be of some concern if you were to stop the overlap with Fresno or something like that. But on this issue, at this time, we would like to see you add the extra day.

MR. HARRIS: To be clear on the issue, even if it was a dark day in the north the track would be opened for pari-mutuel wagering and the employment at the front side would be similar to a normal day.

MR. CASTRO: When you run a dual signal we hire more people. When you have one part of the signal dark simulcast, it's less people.

If I could quote Dick Hughes, "If there is one such problem like that in this industry, it is one too

many."

MR. HARRIS: Would it be better that we have all 6-day weeks?

MR. CASTRO: If you want to get that way about it, what do they do with the Indian reservations? Do they shut those places down?

I think I better quit here.

MR. LICHT: Why don't we start with a simple motion. I move we accept the Los Alamitos dates and the harness dates as proposed by the committee.

MS. MORETTI: Second.

MR. HARRIS: All in favor of that.

SPEAKER(S): Aye.

MR. HARRIS: I move that we accept the proposal of the HRB Dates Committee with the exception of modifying it to eliminate the Wednesdays following a Monday holiday, subject to reconsideration based on adequacy of field sizes prior to those dates being run.

MS. MORETTI: Would you repeat that.

MR. SPERRY: You're talking about Golden Gates one day which would be January the 19th?

MR. HARRIS: Yes, that's one day.

MR. SPERRY: Bay Meadows, February 23rd and April 20th?

MR. HARRIS: Yes. We can leave the 20th, that

is the opening day of Hollywood Park. I would hate to see that as a dark day. I think that could be the exception. But the other day would be on October the 12th.

MR. SPERRY: It's okay to have short fields on that day but not the other two?

MR. HARRIS: Every day that we eliminate helps our field somewhat.

MR. SPERRY: You're only talking about three days on the calendar, it's not that big of a burden.

MR. HARRIS: I'd like to see the data of what we could do with that scenario to see if that -- I think it would be help field size somewhat, but to get the economic data if there could be a viable way to do it. I'm concerned of the 6-day weeks and our horse population the economics of racing going forward not looking that good, we need to look at different ways to experiment with it.

MR. SPERRY: I don't understand how it can impact Golden Gate's field size on just one day of a meet.

MR. HARRIS: Well, it doesn't dramatically, but I think it does help somewhat. If you run 60 horses a day that could conceivably run some other day that week, you could get another five horses in the next five days.

MR. LICHT: I can't accept it in the south if we do not accept it in the north without any statistical data at all, only speculation, there is absolutely no data in front of us.

MS. MORETTI: We could table this until we can get more data for you, would that help?

MR. SPERRY: Of the 6-day weeks, April 20th was one of them?

MR. HARRIS: Well, yes, that one I did not include. It could be included. The other day would be October the 12th, that is Fresno overlap day. If we would not want to have triple overlap on that day.

MR. WOOD: Could I make a suggestion, Mr. Chairman, those dates are added to the calendar based upon the calendar in Southern California to make them consistent. Wouldn't you want to look at the Southern California calendar to decide if you want to grant those overlap days in Southern California to determine if Northern California was right or wrong?

MR. HARRIS: One of the issues is how important it is to mirror the dates between the north and the south, which I don't buy into that it being that important.

MR. LICHT: One of the fairs last year raced one day and there was not racing in the south and it was

a disaster.

MR. HARRIS: That's a different experiment than where the race in the south and they don't race in the north, I'd like to see that data. Do we have that some place?

MR. CASTRO: I don't have it with me today, Mr. Chairman, but it's certainly available.

MR. HARRIS: I'd like to see how that has worked and if we did it enough times to really be relevant and also what sort of the field sizes we have in the north or south during these times in question. And we get some comments from fans that are upset about short field sizes and we come in here as a board and say, this is terrible but we would give as many days as they want.

MR. SPERRY: Without making a motion to table, why don't we hold it over and get the information from north and the south.

MR. HARRIS: That's fine with me, anyone object to that? We'll hold over, at least the northern proposal.

MR. SPERRY: We have to hold over both then.

MR. HARRIS: Well, if you assume the south and the north have to mirror each other.

MR. SPERRY: We need the data.

MR. HARRIS: We need the data to see those. We have a lot of other issues in the south besides this issue.

MR. CASTRO: I would like to leave you a thought with the north. This was a huge cooperative effort of the Racing Association and the trainers and TOC, and we all came together and we came up with a schedule. It's a long-established policy of this board that I think that there is imperial evidence or it wouldn't be a policy of the Board that the dates should have concurrent racing in the north and south. I think that you also have to look at how much they produce in the south in this equation because it is of importance.

You're cutting down, if I can do on those Wednesdays you're importing 21 races in the north and the south and we're at 29, and you're taking away 8 races in the south would otherwise have. I'm pointing that out for the good of the industry that someone may have a horse that's running in the south, although that's infrequent. I think that, you know, it's unclear to me whether we're talking about two days because I can see us also getting down here to October the 12th where, you know, there's going to be pressure. So that's taking two days away from Bay Meadows at least.

I think that the Dates Committee and everybody

worked hard on this and I would suggest that some votes should be paired, but I would assume that Cheryl Granzella is absent here would vote to support her committee, and if that was the case we would have four votes. Unfortunately she's not here. Thank you.

MR. HARRIS: I would like to see the data before we made a final decision.

MR. BETAKER: Rick Betaker, Hollywood Park. I do have a little data. We ran one day during this last spring summer meet uncovered, it was the Wednesday following July 4th, so July 6th. We handled, it was on Pleasanton, we handled $464,000, we generated, $23,000 in purse money on that day.

MR. HARRIS: Is that the total southern network or just Hollywood Park?

MR. BETAKER: It was total southern network, yes. That's wagering on all products, not just the Northern California products. That was the total handle that day for Southern California.

MR. LICHT: Would you have any idea what percentage of your front-sided employees you employed that day as opposed to a typical Wednesday?

MR. BETAKER: It was reduced, we knew what kind of business we would do. I can't tell you from an association standpoint -- we're happy to generate

additional purse money so that we can build that into the subsequent programs, but it's a money loser for the Association with the Union wages and so forth, and the minimum amount of space that you have to open, we simply do not have the volume to realize revenue streams like admission, parking, food and beverage and so forth.

MR. HARRIS: I'm not clear, you would like to get July 6th back as a Hollywood Park date then?

MR. BETAKER: That's not my point. You were asking for data, I wanted to give you the one day that would be as close as anybody has in the room here right now along the lines of these discussions. You can extrapolate that, that obviously was Southern California wagering on Northern California fair, and you can factor that up if you like given the other conditions. It isn't great any way you cut it.

MR. HARRIS: I would look to see it going the other way. If you run in the south and not in the north.

MS. MORETTI: Well, I can tell you that one of the other ideas that we had was to throw it all in a lottery, put everybody's name into a hat and pull out the days, that doesn't seem to work either. From my point of view as a committee member, I find it difficult to deal with the southern -- if you don't do Northern

California to deal with the southern because we actually -- first of all, thank you Northern California for coming together because it was very helpful. We kept hoping Solomon would come to the table with us but he didn't show up, so we came to the best consensus we could and it was based on the facts that we had at hand and nothing isn't concrete, we're not married to this proposal, and I'm certainly open to any and all new, you know, methods of compromise and we'll get you as much data as we can.

MR. COUTO: Drew Couto, Thoroughbred Owners of California. Perhaps I'm the most confused individual in the room, but I want to try to set at least TOC's position straight to the extent it might help you make a decision. I thought in responding to Mr. Harris' question it was a philosophical question about whether we support five days versus six days. And we, in general, support five days, we think it's better for all the horses, individuals, et cetera, fans.

With regard to the specific proposal for Northern California, I'd have to echo what commissioner Moretti says, this was a joint effort between the tracks and the horsemen trying to resolve very difficult schedule issue in the north. We spent quite a bit of time, we came to a recommendation together, submitted

that to the committee, and are prepared to live by that. We will provide, if it assists the commission in looking at this issue going forward, we volunteer to provide any statistical data, but with regard to this particular recommendation, we'd like it clear that this reflects TOC's opinions along with their colleagues in the north and we remain supportive of the committee's recommendation. Thank you.

MR. WOOD: Is there a motion on the table now?

MR. LICHT: I move that we accept the proposal of the committee regarding northern California, with a corollary that's subject to review by the Dates Committee up to their total -- their decision that unilateral decision, they can make a decision that based upon field size they can eliminate any or all of the three Wednesdays that we're talking about, if they believe it necessary.

MR. HARRIS: Well, I don't know if that's should be the Dates Committee, or just come back to the Board, they can make a recommendation of the Board.

MR. LICHT: I thought it was more efficient to have the Dates Committee. I'll keep my motion with the Dates Committee.

MR. WOOD: Second the motion.

MR. HARRIS: All in favor.

SPEAKERS(S): Aye.

MR. HARRIS: I vote no.

MR. WOOD: Five to one.

MR. HARRIS: Ideally if they could come up with some benchmark of how they will do that, that's the problem.

MS. MORETTI: That based on Northern California consensus.

Southern California, okay. The results of the committee are as follows; we'll maintain a holiday break at the end of the racing year from December 20th to 25th for 2005. The holiday break is the one item that will the TOC has indicated that is absolutely essential for them in the racing calendar. The calendar will not reduce race days thereby answering the concerns of waiver regarding the number of workdays available to their union members. It will allow Del Mar to post two after Labor Day thus keeping the majority of their meets. It will provide the racing schedule requests by all of the racing associations except Santa Anita and try to address the concerns of Santa Anita at the same time. The proposed 2005 races dates include to maintain the policy of capping the total number of races at thoroughbred meets at an average of 8.6 races per day should be continued with an additional mandate of now

more than nine races on weekends and holidays. For Southern California thoroughbreds the committee has made an intensive review of the calendar with the consideration of the input from the racing associations. In order to deal with the concerns Santa Anita has with the initial proposal for 2005 dates, with two day rejection from 2004 for their winter meet, the committee has added three days to the winter schedule, two Wednesdays and a closing Monday. We're now recommending 85 days, one more day than in 2004. The bottom line, there is a wide range of possible schedules and as I said, I did keep hoping that Solomon would come join us, but he did not show up. Only a few of these did work. Cheryl Granzella, chair of the committee, and I both agree that neither of us is completely satisfied with the total schedule given. But given all of the issues we tried to put them all into the best that we could and weigh them and we felt this was the best for this year.

We would also say that we agreed that if Santa Anita was designated to take the hit, if you will, or loss this year, then they can speak to those projected losses, that next we're we would want to make sure that they were not the ones at risk. And also we both thought that to avoid such contentious decision in the

future, not that we would avoid them, but perhaps we could come to the table with a little bit more consensus, we would suggest that the racing dates calendar be issued on a multi-year basis and obviously that is something that the Board would have to decide. But we thought that would be better for all of the associations for labor, so that everyone could preplan.

MR. HARRIS: Any discussion on the southern dates?

MR. DARUTY: Scott Daruty with Magna Entertainment. Speaking on behalf of Santa Anita Park. As you know we have made an alternate proposal different than that that staff has recommended. Over the past several months my colleague, Mr. McDaniel, has prepared the most exhaustive study and analysis of California racing dates as ever has been done. He has looked at 25 years of racing calendars, that's every racing calendar since 1980. He's color-coded them, charted them, analyzed them, looked at the handle numbers, the purse generation numbers, he's compared week on a year over year basis, compared weeks within given meets. This information has been analyzed backwards and forwards. The results of all of that analysis has been compiled in various reports and letters all of which have been previously submitted to this board. We would ask at

this time that all of that information that we have submitted be formally made part of the record at these proceedings.

I'm not standing up here today to restate all Mr. McDaniel's prior work, I cannot do that more eloquently than he already has. What I'm here to do is to focus the Board's attention on five simple facts. Each of these five points comes directly out of Mr. McDaniel's analysis. Each of these five points is in the information that has been previously submitted to you, but I want to make sure that it is highlighted for the Board.

The first point; the proposed racing calendar submitted by Santa Anita is consistent with 24 out of the last 25 racing calendars. The proposal put together by staff is consistent with one out of the last 25 racing calendars. Now, what I mean by that is, if you look at the last 25 years of racing calendars in every year but one, Santa Anita opens on the day after Christmas and runs 17 full weeks including 17 weekends. That sets the base for each racing calendar. I'm not saying that because I think that Santa Anita is the center of the universe, I'm saying that obviously because Santa Anita is the first meet of the racing calendar. But again, in 24 of the 25 years we opened on

the day after Christmas and ran 17 full weekends. The completion of the racing calendar is then slotting in each additional race meet, Hollywood Park, Del Mar, et cetera, et cetera. That's what our proposal that we have put before the Board does this year. Again, we're consistent with 24 of the last 25 years.

I would like to point out that the staff report today, there's a notation under Santa Anita that we're running 17 weeks and I want to make sure that no one is confused about that. The proposal that's on the calendar to date does not give us 17 weekends, does not give us 17 full weeks, it gives us 16 weeks and a part.

My second point is, that everybody loves a gift. If somebody comes up to you and wants to give you a gift, what do you do? You look them in the eye, you thank them, you take the gift and you walk away happy. That's what's going on here.

Hollywood Park and Del Mar are supportive of the staff proposal and I don't blame them, they are getting a gift. It's not that Santa Anita is here asking this board to do something different or do something special or give us something we've never had before. Quite the contrary, we're saying let's go with history. Let's not unilaterally give a gift to two other racing associations at our expense. Now, what's

the gift that I'm referring to? Well, in Del Mar's case it's the gift of the closing their meet the Wednesday after Labor Day instead of running an additional week. We all know that certain years Del Mar does that and certain years they don't. But that determination over the last 25 years has been based on how the calendar falls, not based on the action of the Board. This year, the calendar is such that if we follow history and tradition, Del Mar would run a week after Labor Day, that's why the staff's proposal gives them a gift.

What about Hollywood Park? They are getting a gift of two extra days. Under the traditional method of determination racing calendars, they would have 29 racing days in their fall meets. This year they have 31. Again, I don't blame Rick Betaker for stepping up here and saying he supports the staff. But let's recognize what's going on. I believe that any analysis that this board does of the competing proposals cannot be done in a vacuum, it has to be done in the financial context that our industry operates.

In other words, what's the economic effect on the industry of these competing proposals? I could dream up a scenario where it makes sense to abandon 24 years of history, where it makes sense to give gift to Hollywood and Del Mar. The scenario that I'm dreaming

up would be one where staff has compiled comprehensive financial data that shows that the industry would be better off in doing that, I don't believe that's the case, I don't believe that that financial analysis has been done or if it has, it has not been made publicly available.

Quite the contrary, the most exhaustive financial analysis that's ever been done in our industry shows the exact opposite. What financial analysis shows that the Santa Anita's proposal is much better for the industry. We'll actually have 30 million dollars more of handle, as an industry, as a whole, under our proposal than under staff's. We'll generate 1.13 million dollars more of purses under our proposal than under staff's. Now these are hard numbers, these are based on historical data. And then again, that's a net number, I'm not saying that's how much Santa Anita will lose. Santa Anita will lose more than that, and you have to net back in the gifts that Del Mar and Hollywood are given. As an industry we still come out far, far behind.

The other point I want to make is, I don't think that this should be viewed as, Del Mar supports the staff proposal, and Hollywood supports the staff proposal, so there are two on this side. And Santa

Anita supports it's own proposal, so there is one on it's side. Santa Anita loses, it's two against one.

May I suggest, that's not the appropriate way to look at it. I think you have to balance, you have to balance the benefit to the two associations versus the detriment cause to the one. And on balance, the industry comes out much better off under our proposal.

Just to make that point a little bit finer, the gift that is being given to Del Mar is the gift of not having to run a week after Labor Day. Well the financial data shows that that's not really that big of a gift, despite what we might all think. Last year in 2003 Del Mar ran a full week after Labor Day. And the handle during that week was a mere seven percent less than the handle during one of their typical midmeet weeks. It wasn't the end of the world, it wasn't horrible. I don't blame them for wanting that extra seven percent, but the gift is not really all that great. It equates out to about 4 1/2 million dollars of handle and $250,000 of purses. That's the gift that we're giving to Del Mar if we adopt the staff's proposal.

What about Hollywood Park? Again, I don't blame them for accepting the gift, but what's the gift? It's two extra days. It's going to generate about

$600,000 worth of purses, and 15 million dollars worth of handle. Again, take those gifts to Hollywood and Del Mar, net them out of the loss that Santa Anita is going to suffer and the industry is still 30 million dollars behind the handle, 1.13 million dollars behind in purses.

Now the next point that I want to make is that this is not just a one-year problem. If this board adopts staff's methodology, we have reason to expect this will continue on in the future. We're at crossroads saying, are we going to go with what happened in 24 out of the 25 years or are we going to adopt a new way of looking at things? If you adopt the new way of looking at things, Santa Anita is going to have a 16-week meet, not just in 2005, but also in 2006, also in 2007 and most likely also in 2008. This is four-year problem and over that period of time we're talking about almost 5 million dollars of lost purses. If there were a reason, if there were a reason to adopt staff's proposal backed up by hard financial information, we could have a debate about that, but I haven't seen the financial data and to me it's unclear why we would go down that route.

Now, the last point that I want to make is the point about the Christmas break. You've heard me talk a

lot about the 24 out of the last 25 years. The only year that was any different was 2001. And there was a concession made by Santa Anita in order to make sure that the Christmas break was a possibility. We still support the Christmas break, we support it because our partners, the horsemen, want it, it's important to them and it's important to us. We're not saying do away with the Christmas break, we're saying there is a much less destructive way, destructive to the industry and destructive to Santa Anita. There is a much less destructive way to do it. And for that, I'd look to turn the microphone over to my colleague, Chris McCarron who is going to talk about our ideas on the Christmas break because we do recognize it's important.

MR. WOOD: I want to make a comment. I do appreciate your presentation and it's well-prepared, but would you please remember that is not a staff recommendation, this is a Race Dates Committee recommendation, and when you speak of this recommendation it's not from the staff, it's from the Race Dates Committee. Thank you, Scott.

MR. DARUTY: Your point is well taken, thank you.

MR. MCCARRON: Chris McCarron, Santa Anita

Park.

Thank you for my opportunity to express my views on this as well. Despite the fact that we recognize that CTT and TOC have not necessarily taken a position on which calendar, should be approved for next. We're we nonetheless wanted to get the opinion of the horsemen, so yesterday morning we went into the backstretch of Del Mar to basically provide an opportunity for them to hear our proposal and get their views on it. And we wanted to take their temperature so to speak. And if I may, I'd like to pass out to each one of you the flier that we handed out yesterday that basically provides six bullet points for the horsemen that gave them opportunity to review it and we feel that any questions that they have -- I'll go ahead and pass those out.

Scott has already said that we're in favor the Christmas break and yesterday at the trainer's gathering, which by the way was incredibly well-attended, I think that anybody in this room would agree if you can get 35 trainers, no offense to people back, here, if you get 35 trainers in one room over a topic, it's pretty good attendance. And I'm happy to say at the end of our presentation Ron stood up and asked for a show of hands who favors the -- which was,

correct me if I'm wrong, the staff proposal, the calendar that we had shown them yesterday.

MR. HARRIS: Just to clarify, I don't think this was a staff proposal, the Dates Committee proposal.

MR. MCCARRON: The one that I showed them yesterday?

MR. WOOD: I just got it handed to me.

MR. MCCARRON: Nonetheless --

MR. WOOD: Everything starts out as a staff proposal, Chris, it began as a proposal of the staff. The committee had three meetings, the committee determined what the recommendation to the Board was going to be on the race dates. We take a little exception when you refer to it as "the staff." The staff does not make that recommendation, it's the committee that does.

MR. HARRIS: Just to clarify, what they show as staff proposal, is it the Race Dates Committee proposal?

MS. MORETTI: The final decision was made between Cheryl and myself.

MR. SPERRY: Chris, did you show the group that you met with yesterday both calendars?

MR. MCCARRON: No, sir. We did not have the committee's proposal in our possession yesterday, we got that this morning.

So anyway, we were -- needless to say that we were pleased with the result of our meeting with the trainers yesterday, they were overwhelmingly in favor the proposal that Santa Anita has made. I did also share with them the discussions that have gone on between the tracks and TOC and TCC with regard to the Christmas break. I realize this we already said that we are happy to provide the Christmas break, we feel it's necessary, despite the fact that it has not proven to provide the economic gain that it was projected to several years ago. I believe the statistics bear that out, that the Christmas break hasn't accomplished what it was set out to do. When I shared with them the fact that horses do not rest with a three or four day break, the help doesn't rest and all that, I basically got nods of approval around the room that everybody agreed with that.

Nonetheless, Jack worked very, very hard in trying to come up with compromise to grant this Christmas break because it is so adamantly asked for. So he came up with a creative way and that was to move the opening day off of Christmas Day. We also discovered yesterday that is not necessarily something that the horsemen are in favor of, and so we'll be flexible with that as well. If we need to open on

Christmas Day we'll do that --

MR. HARRIS: Not Christmas Day, you mean the day after.

MR. MCCARRON: Yes. After. The traditional 26th of December. And then provide the break after that if that needs to be. So we can move the dates after our opening day to go ahead and provide that break. So, we feel very comfortable that the compromise that we have offered should afford that opportunity and we just basically ask you to strongly give that consideration.

Now I'll have Mr. McDaniel come up here and add some more to it.

MR. MCDANIEL: Thank you. Jack McDaniel, Santa Anita Park, Magna Entertainment.

I can add some specific points to the numbers that have been addressed here today in terms of these proposals. First of all, Commissioner Moretti, thank you. I think that you heard our pain, you understood that this was a great loss, it is going to be a hit if you go down this road, it was a hit in 2001, we tried to quantify that. We indicated in my letter that we suffered a loss of 90 million dollars in handle from the year prior. Was all that attributable to the loss in the week, I don't think so, many other variables come into play. But we've quantified the value of the week

at a very minimum number of 50 million dollars in handle and two million dollars in purses.

MR. HARRIS: Just to clarify, do the handle numbers, do they include -- that's the total handle including imported races or everything?

MR. MCDANIEL: That's everything.

At the end of the day, as a business, we operate on what we take to our bottom line is the commission, and the commission intake is over two million dollars. What we're looking at here, and thanks for the help, we add back in those three days where they were. the two Wednesdays that we've been discussing, and closing Monday. I can give you this information. The last time that we closed on a Monday happened to be in 2001. The committee did the same thing in those years. That closing Monday was 11 million dollars worth of additional handle. We had a Wednesday also in that calendar, and that Wednesday was after Martin Luther King, and that was worth 7.7 million dollars. Add all that up it's about 26 million dollars in total handle. It gets us half way home. We're still going to lose 25 million dollars in handle and a million dollars in commission.

We're going to bleed red next year if we go down this road. That's not good for us, obviously, or

this industry. We do not want to have a series of bad news. We have been on an up swing of having good news, we had an up swing in our attendance last year. We want to continue that trend. If we go this way, this route, we can not possibly deliver on the promises that we made. We cannot possibly sustain the level of investments that we're making. We have to be realistic about what it costs to run these businesses. We've invested over 60 million dollars in this facility in the last five years. We've invested a significant amount of that money just this prior year and we're committed to do it year, after year, after year. That's the long-term play for us.

Here's the problem that we have with the calendar that you proposed. From a business standpoint, hard to turn down cutting your losses in half, but if we accept it we are accepting three 6-day weeks. And if we heard anything yesterday from the trainers and if we heard anything from the fans, and they are very vocal, six-day weeks are not going to be a good thing.

We're going into next year, Mr. Chairmen, with a down year, we're going to be losing handle and compressing our stakes races into 16 weeks. That's another problem that we haven't really addresses. We're going to take that 17th week of scheduled stakes races

in the weekend and push them back into our calendar. And that means that going forward we're going to turn those races around much more quickly, and that's a problem for us. Here's an additional problem. We're going to have our derby week, which is a big week, right butted up against our closing week, which is another big week. And that contributes to what we call fan exhaustion. We're asking too much of our public in too short a period of time. Consequently we have to respectfully decline the offer to include those days in our schedule. I suspect that after further investigation that could be the outcome of this committee.

Here's the suggestion that we would like to make. If more of this needs to be investigated, if more of this needs to be digested, if the analysis of field size, potential field six-day weeks is something that needs further study, let's push this all off to next month. Let the Board digest what we propose. Let the fans step up, let the trainers step up. Get everybody involved in this process. Our fear is that we are setting the stage for the next four years, if not forever. This is a monumental decision that impacts us not just next year but we think going forward.

MR. LICHT: Are you saying that the derby is

the week after Santa Anita? It's two weeks after.

MR. MCDANIEL: No, sir no, sir. We would run our derby weekend is four weeks out.

MR. LICHT: Oh, your derby weekend.

MR. MCDANIEL: If you look at the numbers that we submitted in the letter previously, it's a 60 million dollar handle week. It was a huge week.

MR. LICHT: When I think of the derby, I think of the Kentucky Derby.

MR. MCDANIEL: We'll change that. We'll make California the star that it deservedly needs to be.

MR. HARRIS: I could see this pushing this forward another month to make a final decisions. There is so much data that is conflicting here, not conflicting, but it is tough to digest it all.

MR. HALPERN: Ed Halpern, California Trainers.

I felt compelled to make one comment.

By State law -- first of all let me congratulate Magna on learning something from Jack, to try to interview individual trainers to come up with a different position. But the truth is, and I'm not speaking against their proposal here, but what I am telling you is that, California law created the California Thoroughbred Trainers to represent all the trainers in the state. And they elect a board of

directors to do just that. And by state law we're the ones that make the presentation to the Board. And I would say that when you take 35 trainers into a room and give them your side you may come up with a vote on your proposal or a vote favoring your proposal, but as the Board knows, from going through five years of these issues, and certainly as the Dates Committee knows, from going through five years of these issues, that when you hear from Hollywood Park and from Del Mar, and Fairplex, and you hear from fairs, all these issues become so complex that it did not work from a random pole of members giving some information.

Our board considered all that information, people that work hard at considering all that information and came to the position that our board does not know how to cut the baby so to speak. But either does this board, it's a very difficult task. But certainly, we want to make comment, that we don't think that a random pole of a few trainers should be the determining factor here, unless a full discussion has been made, and that's the purpose of our board.

MS. MORETTI: Mr. Halpern, what's CTT's position on the break and how long would the CTT propose the break be?

MR. HALPERN: CTT has always taken the position

that more breaks, longer breaks, and less racing would be healthy for racing, would be healthy for trainers, would be healthy for their employees and would be healthy for our horses and that continues to be our position. We do fall apart, and as Mr. Harris said earlier, I suppose my answer is yes and no. We take that general position to come up with the specifics of it, is almost impossible, it's a task that you face now for four years. We've seen it every year and we get into this discussion. We go from the overall principle that less is better for now, but it's not happening.

MS. MORETTI: Are you wed to the period that we had the break for the last few years?

MR. HALPERN: No, we're not wed to any position, we're really not taking a position on how you deal with this. We want you to understand that the overall feeling of horsemen is less dates, longer breaks, would be better for racing.

MR. HARRIS: Well, that has not been articulated too well in the previous discussion.

MR. HALPERN: Well, I think it's articulated over a 5-year period at every meeting.

MR. MCCARRON: Chris McCarron, Santa Anita.

When I was riding I was of the same mind set that a between each meet would be wonderful and a nice

long Christmas break would be wonderful. I thought that way for selfish reasons. Because I always felt there had to be some point during the year that I need to have a vacation. In order for me to go out there and perform to the best of my ability, I need to prevent from becoming sour. And consequently in the last several years that I rode, I took vacations. And we he have jockeys that are here today that do that as well, most do not.

The reason that they do not do that is because when they are on vacation they lose business and because of the extremely competitive environment here in Southern California to gain and secure and keep the mounts you have to be there, if you don't show up, you lose your business. Now that I've been in this job for a year and a half and I get an opportunity to see the business from a different side, I realize that that's not in best interest of the business.

To give an example, if I go to a particular shopping mall, and that's where I shop all the time, and all of a sudden for four or five days they close that shopping mall and I have to go elsewhere, I might find that that shopping mall is nicer and I'm going to start to give them my business. If I go to a bar, if there is a particular bar that I go to and they close that bar

down for a week and I have to go find some place else to go, that's where I'll go from that point on. The same thing happens with our racing fans.

I always thought that the racing fans needed a break. Give them a break and they will come back fresh and they will be throwing that money through the window. It does not happen that way. If you take racing away from the fans, they will find some other product to bet on and they might find that product more attractive to them. If we try to create these long breaks in California racing, I really don't believe that it's in the best interest of the sport.

MR. HARRIS: Additional comments?

MR. BETAKER: Rick Betaker, Hollywood Park.

With your indulgence I'm just going to read a couple of paragraphs from the letter that I submitted to the Dates Committee last week.

"Magna has argued that running through Christmas Eve has been the traditional calendar, but to refresh both fans and the horses the CHRB mandated a Christmas break in 2001 and began a new tradition, that was a Horse Racing Board that was chaired at the time by George Nicloaf. In mandating that break the Board reasoned it would be unfair to penalize

Hollywood Park by cutting off the final week of its fall meet while rewarding Santa Anita with a business windfall for the beginning of its ensuing winter meet."

In other words, Santa Anita would have been dramatically helped, Hollywood Park dramatically harmed. So the Board shifted the calendar forward, reasoning, and the reasoning was validated by the ensuing figures. After that Christmas break Santa Anita opened with large field sizes, the first week the average was 10.2, the next week it was in the mid 9s and then the following weeds the mid 8s. Then a total handle of the first two weeks in the meet increased 17.8 million dollars over the previous year, with increased in earned purses of $541,000, and similarly increases -- similar increases in earned commissions on the part of the racetrack.

So just think, when you heard the story of the total impact over the course of the entire Santa Anita meet, you should, I think, look at the impact in the first part of that meet, the positive impact that was caused by this break.

"Hollywood Park's proposal: The winter meet at. Santa Anita averaged 84.7 days over the six years, The CHRB should allow Santa Anita to restore racing as the Dates Committee has

done on two Wednesdays following the holidays; January 19th and February be 23rd, thus increasing the total number of days in our proposal to 84."

The Dates Committee has gone a step further to award an additional day on closing day. I understand that the Dates Committee is doing it's best to mitigate the effect on Santa Anita. I will, however, state for the record that we have a very difficult time with our opening day, traditionally, we lack the excitement that surrounds both the opening day at Del Mar, there's been no racing down here for all but seven weeks during the year, and the excitement that, what do you open the day after Christmas? Santa Anita. We open in April after there has been 16 weeks, 17 weeks in the most years of racing. It is fairly plain wrap. We open on a Wednesday, we do the best we can and to have Santa Anita close on a Monday, that will make that opening day more lack luster. However, these are special circumstances, and we support the proposal as submitted by the Dates Committee.

The proposal we think insures a reasonable break before Christmas, when everybody wants it frankly. If you've been at Hollywood Park on those few days before Christmas and up to and including Christmas Eve,

the fans have a choice, they obviously want to be there. I can't say that working with the employees or the horsemen is a very positive experience on those few days before Christmas.

So the Dates Committee's proposal insure a reasonable break before Christmas without severe penalties for horsemen, associations, or employees?

MR. LICHT: The employees part of your conclusion on your August 13th letter, I've always heard the opposite from the representatives of the employees here. I remember Ron with a line that I won't forget, that, "if we don't race up until Christmas, our employees don't have a Christmas." So what employees are you talking about that it has a negative effect?

MR. BETAKER: Well, I haven't poled the employees, my supposition is that the employees enjoy having that time off prior to Christmas. We have added the Monday closing to add an additional day that otherwise would not be on the calendar, for that expressed purpose. And that takes us back to last year's discussion of the dates. So you're mitigating the effect on the employees, there is no question, put us in their position, it's going to be difficult not having that time before Christmas, I presume. However, every one of those employees has a nice package with the

racetrack, does include vacation time, which they can plan accordingly.

MR. LICHT: We have been through this with TCC before, but the trainers do not make money unless they win purses, if there are no races they can't win purses. They are going to incur substantial losses during that period, they have to maintain their payroll to the full extent, they have to keep every groom, every hotwalker, it's a lot of work to take care of --

MR. BETAKER: Somewhere there is a happy middle ground, a reasonable middle ground. But based on that line of reasoning we would race six or seven days a week. Based on that, on other reasoning that's been presented here this morning, we would race 52 weeks at Del Mar to maximize purses. There is a happy middle ground. It's true, the proposal as presented by the Dates Committee is better for Hollywood Park, for it's fall meet, 31 days versus 29. I can tell you that meet is in need of help. It's difficult for us to even present a stakes schedule based on the business that happens after Thanksgiving. We'll accept that gift as characterized by Santa Anita, it's rather critically needed. But I think that the middle-ground proposal that has been presented by the Dates Committee is reasonable.

MR. CHILLINGWORTH: Sherwood Chillingworth.

I believe that the macro issue here, this is such a significant decision to make that it should be put over for another month at least. I think it takes some examination to make sure we're doing the right thing here.

On a minor issue, not to me, possibly everyone else, I thought the Dates Committee recommended a nine-race day maximum; is that correct?

MS. MORETTI: Only on weekends and holidays.

MR. HARRIS: That's the recommendation. I don't know if I agree with that, but that's in there.

MR. CHILLINGWORTH: My point is, for example, we have (inaudible) we have to have ten races that day. The first post is at 4:30. In the TCT Program if the present schedule holds up they will be televising one of our races on October 1st and two on October 8th. Both of which have to be done between 1:30 and 3:00. We need the 10th race on our calendar those two days to equalize the handle because you burn off your big races early in the day. I'm saying, we should have some latitude to be allowed three days a week and run ten races and let us know what days those are.

MR. HARRIS: I agree that to say there is not ten race days ever is not very sound. But on the

overall issue I don't know if we have enough consensus to move forward today. We have a bunch of trainers and jockeys here today that want to talk about the jockey weight issue. I suggest we give this issue back to the Dates Committee and get more data on some of the issues that come up.

MS. MORETTI: I love presents.

MR. HARRIS: Beware of greeks bearing gifts I've always heard. We need to get data on some of these issues that were brought up and return for the September meeting to try to finalize, unless if someone wants to move forward today, I'd be happy to entertain a motion to do that.

MR. MOSS: I make a motion to wait for a month.

MR. HARRIS: We'll table this until next month. Any second on that?

SPEAKER: Second.

MR. HARRIS: This is tabled until the September meeting.

(Recess.)

MR. HARRIS: Start with the Jockey Guild's presentation on the weights issue, and we'll follow that with comments from the general audience. Very broad from the Jockeys Guild will lead off.

SPEAKER: Mr. Chairmen and members, it's a

pleasure to be here today.

Before we get started I want to thank the executive director of the staff and particularly the chair, Mr. Harris, I've been around state government for a lot of years and in these part-time appointments it's not always easy to put a lot of time into these issues, and the chair has put an enormous amount of time listening to these issues as have others of you, he, I think engaged in his own personal investigation of this issue, and met with a number of the parties and brought parties together in an effort to really understand and get to the bottom of the issue and whatever the resolution of this, I just want to say on behalf of the Jockeys' guild, we appreciate the way that this issue has been treated and that we have been treated by this board.

Now, we do have one witness who is here, Mr. Bacharach, who has to leave in a few moments. I would ask that you indulge me and allow him to kind of go first since he has to leave.

MR. BACHARACH: Thank you for letting me go first. My name is Burt Bacharach, horse owner, part-time composer. All right. I'd like to read these three documented letters.

This is first one is from Jim DiBonni, he's the

doctor for the USC football team.

"To whom it may concern: Through my association with Dr. Robert Kerlan, I've been a physician taking care of jockeys for the past 20 years, including being a jockey consultant at Hollywood Park for the last eight years. I am familiar with the problems that jockeys have in maintaining their weight and the maneuvers that they endure to stay the ideal racing weight, such as hotboxings and purging. As the size of the population has increased through time, more and more jockeys have difficulty in maintaining the proper racing weight. While maintaining the lowest body fat possible, jeopardizing the health and performance in the process. Rapid weight loss reduces the plasma body and blood distribution to active tissues. Adversely effects thermal regulation which can impair performance. Water deficit as little as 2 percent body weight can impair physical performance. A jockey that weighs 120 pounds and loses 3 or 4 pounds in the sweatbox is at greater than 2 percent body water deficit. This deficit compares skeletal/muscle performance and also impairs

cognitive performance and visual motor tracking. This can lead to mistakes in judgment that can cause serious injury to other jockeys, to the horses they are riding and themselves. The injuries might not occur as often to jockeys who are not dehydrated during the race. I think the Racing Board should seriously consider raising slightly the jockey weight limits. That would improve their health and perhaps lead to less accidents on the track. This would benefit the horses, trainers and their owners. Sincerely James DiBonni, M.D."

Second one, not as long. This is from Dr. David Eaber, UCLA, professor of medicine, director of UCLA Center for Human Nutrition.

"Dear Mr. Bacharach, I'm happy to support your efforts to bring public attention to the plight of jockeys who are fasting, self-inducing, vomiting, using diuretics and diet pills all in an effort to reduce their body weights. Long-term health consequences of this type of behavior could be serious and include; bone loss, kidney and liver disease and other nutritional diseases. With severe calorie

restriction it's difficult to get the vitamins and minerals needed daily. There could be a serious balance, protein, fat, and carbohydrate leading to significant changes in body composition and function. That this problem has been wide-spread has been documented in the literature, including the paper in the International Journal of Health, and in the journal of Sports Nutrition and Exercise and metabolism in 2002."

Lot of credits on that.

"Management and Weight Loss Strategies of Professional Jockeys."

This is on record and can be looked up.

"Robert Norwood of the Los Angeles times quoted me on the topic and the story published July 21st, 2004 which details the issue involved. Let me repeat, that the loss of body weight through the methods outlined in these articles could carry significant health risk for professional jockeys. Please, let me know if you need and further information. Best regards, David Eaber, UCLA."

Last one. This is from Arilla Natif, Associate Professor UCLA, Department of Family Medicine, Division

of Sports Medicine. Also team physician for the UCLA Athletic Department.

"To whom it may concern: As a medial team physician with expertise in sports medicine, I strongly recommend the elimination of dangerous weight control practices by jockeys. These weight control methods resulting in very low body fat percentages can lead to serious health consequences that can even lead to death. It's my recommendation that jockeys can receive closer monitoring regarding their status and body fat percentages should not fall below 5 percent. Further attention in this matter is of the utmost importance for the health and well-being of jockey. Sincerely, Arilla Natif."

Thank You for letting me have he microphone. I do appreciate it, and thank you.

MR. HARRIS: Thank you.

MR. BROAD: You have in front of you a poster that requests the of Commissioner Moretti when I passed her on Hollywood and Vine there in Sacramento, she said to me that we ought to have a list of some of these quotes that deal with the health issues. These are all quotes from various studies and letters and so forth

that are in the record. I hope that you can see them. I don't know if they are big enough.

MR. HARRIS: I left my binoculars at home.

MR. BROAD: If you want I can pass it around. In any event, all of those quotes are in the record. Let me begin by saying this, our proposal is a three-legged stool. Any one leg gets kicked out from under it and it just wouldn't work. We've sat down with the industry, with the owners, the trainers, we've talked to many of you, I believe the proposal is well understood, I don't believe there is anybody out there that doesn't understand it or thinks it can't work. There are significant disagreements about whether it ought to be adopted. But I don't think, and there are various groups, and I'll comment in a little bit in a few seconds about this, that want one part or another part but not all the parts. But as far as we're concerned all the parts work together to create a system that is protective of jockey health, transparent and fair to the public and to the industry and fully appropriate and backed up by clear and strong medical science.

You've heard some physicians obviously have written in, you have also heard from the California Medical Association in support of this, the California

Nurses Association and the premier entity in the United States that deals with the issue of weight and health regarding sports, the American Dietetic Association.

The question of whether someone can compete and whether there are injuries that occur and there is danger having a body-fat level that is too low, is not a debated measure in science. It is, it is fully understood and accepted by science. And Dr. Seftel will be testifying, he is a clinical practitioner who sees jockeys in Northern California, he sees a sizable percentage of the jockey colony in the State of California. He can talk about his patients, their health, in their population. There is a -- because jockeys are superb athletes, the problem that we have is they look great, but what they are doing to themselves has very, very dangerous long-term consequences.

Included in our comments is the statement of the American Dietetic Association and American College of sports Medicine and the Canadian Dietetic, they made a statement on nutrition and sports several years ago. And all the things that jockeys do is the exact opposite of what athletes are supposed to do before competition. They are supposed, above all, hydrate themselves, have proper meals, stay away from activities that involve anything related to dehydration. They shouldn't be

ingesting drugs like diuretics, they are doing the wrong thing. I won't go on about this, it's important that you hear this from the doctor. But the three parts of this proposal work together and work in tandem. That is a limit is to say that you cannot, you have to maintain at least a 5 percent minimum body-fat standard, that the minimum weight limit be 118 pounds, and that separate and apart from their body weight, that the equipment that they carry weigh 10 pounds.

Yesterday we went out to the paddock and weighed the equipment with the chair and it weighs 10 pounds. That's what the equipment weighs. That's what jockeys go out with and come back with now. The system with regard to the equipment, we're saying when they weigh out and when they weigh in, they are going to weigh with the equipment that is used for racing that is specified, so that the weight when they go out and the weight when they go in, should be the same. Right now it's all over the place. It varies from track to track and race to race. They weigh out with one set of equipment and weigh in with another set of equipment. It allows for a situation at that's not clear and is not transparent. There are expectations in how this regulation would work in practice is that they would, before the commencement of racing on a day, the jockeys

would be required to be weighed nude, have their body fat measured, that they are in compliance, and then they would weigh out and weigh back in with their 10 pounds of equipment.

Now some folks have said, let's do the 5 percent body thing and not increase the body weight limits. The TOC for example, has said that we should do the 5 percent weight thing but we shouldn't separate out the equipment but raise the total weight to 120 pounds which means that jockeys could only weigh 110 pounds. The problem with all these various permeations of it, is that they either will continue to create incentives for people to do things that are destructive to their body or make it physically possible for the human being that you see there to actually meet the standard in a realistic way without losing their livelihoods because the weight doesn't measure. They are simply too big to be at a weight of 110 pounds or less, or more without, with 5 percent or more body fat. So, it's important that we add those additional five or six pounds on the present minimum weight limit, in fact, it's critical to us.

Let me talk about a few of the positions of the opponents from their comments.

The TOC proposal, we actually appreciate their

proposal, they sat down with us, we had a fair and frank discussion at Hollywood Park about a month or so ago. Their proposal is deficient in our minds because if you raise the total weight limit to 120 pounds and the fact is that they are carrying, jockeys are carrying 10 pounds of equipment, then their real weight that they can have goes from 112 pounds now to 117 pounds. I don't think it really helps.

We can't perpetuate a myth out there that somehow this equipment weighs 5 pounds when it weighs 10 pounds. That's critical to us. While we agree with much of what they said, for example, they seem to propose that the weighing out and weighing in process be videotaped for the purpose of insuring that it's a whole honest process, we have no objection to that. We want it to be an honest process. I don't know if in the Board's wisdom that's a necessary step that needs to occur here, but we want it to be an honest process, if that's what it takes, that's what it takes.

One of the things that I think that you'll probably hear today is that this is going to hurt the horses, this is going to harm the horses and we fundamentally disagree with that. These horses are ridden by exercise riders that weigh 140, 150, 160 pounds every day. In Europe, in England, in Australia

and South Africa, the jockeys weigh 123, 124, 125 pounds. In South Africa they have, for example, 20 tracks, they race 5 days a week, and the jockeys weigh 125 pounds. There is no evidence that we've seen that this is going to cause some kind of harm to the horses. We know that there is harm going onto the jockeys, we know that horse racing around the world can operate with heavier weights of jockeys and that realistically reflects human physiology and we think that it can be done here.

Finally, there is this anxiety, and I understand the anxiety, this is a very anxious industry, it's been anxious ever since I've been involved in it because it feels like it's coming apart. And it's felt that way for the last 20 years. It's in a constant state of crisis what it's going to do for itself, we share that anxiety, and we understand that. The concern here is that, if we fix in this in California without fixing it the rest of the country, first somehow, that there will be smaller field size in California, that people will leave. We don't believe that this will occur.

And at the meeting in Hollywood Park there was a thought mentioned, why don't we get together and develop a national standard that everybody can agree to.

We said, that's fine, let's do this in the next couple of weeks, let's get together, let's talk about it, let's put out a joint letter and take it on the road nationally. The fact is we live in a federal system in the United States and states are going to have to adopt this, state by state, by state, no matter what. And we have to start somewhere. I'm pleased to say that California has been, for jockeys, the place where the best things start first. And that's a proud legacy in this state, unfortunately, it means we tend to come here first for everything, and we're here first for this, we think that this is the state where we think that we'll get first and foremost the first hearing on our case.

Let me conclude by saying this, you know, these jockeys, they risk accident out there, and that's a risk that they are willing to accept and that many people, including themselves, they can profit by the risk that they take.

That's the acceptable risk of the sport. But the acceptable risk of the sport is not kidney failure, or diabetes, or a significantly shortened life expectancy, or a significantly greater risk of disease, that is not an acceptable risk, and it's an unnecessary risk. And I just ask you to look into your hearts and do the right thing, please, thank you.

MR. LICHT: I have a couple questions. First of all I'm in favor of making some adjustment to the scale of weights, what it is I'm not certain yet, I want to hear everything. But I think that the Jockeys' Guild today has done a disservice to it's position by mischaracterizing the testimony of some of these physicians and so forth. They aren't saying adust the scale of weights, they are just saying that the weight-loss techniques used by jockeys are not healthy. I think that's smoke that should not be thrown at us.

MR. BROAD: Those letters speak for themselves, Mr. Licht, and so does the testimony from the California Medical Association that supports the proposal and the California Nurse's Association that supports the proposal. I urge you to just read what's in the record. I'm not mischaracterizing -- they were read into the record. Different people have different things to say and I don't think that I intended to mischaracterize anything and I frankly don't agree with that, sorry.

MR. LICHT: My second question is, if health is the issue, which I accept that it is for sure, why should we grandfather existing jockeys, and older people have more health issues than younger people.

MR. BROAD: That's a totally legitimate question. Let me explain that because a lot of

questions have been raised. Here's what we're grappling with, we need to have jockeys change their own behavior. Okay. Now, when they went -- and the model that we've looked at was hockey when it went to helmets, protective gear, and what they did is they grandfathered in the hockey players and they basically got significant compliance immediately even from the grandfathered-in hockey players. There were a few that didn't comply until their retirement, but basically they all complied voluntarily.

Nevertheless, I don't want to suggest that we're hypocrites here. These jockeys need to meet this 5 percent body-fat standard and it's critical that they do so. And I understand that to simply grandfather in to say, well, only the newest jockeys have to apply, the existing jockeys are given a nudge, if you will, a significant opportunity to do it, and we think that they will comply voluntarily. However, if the Board in it's wisdom here feels that is a deficiency in the proposal, then we understand and we may take some lumps from those jockeys right at the edge, this is about their livelihood, who are at the heaviest weight, engaged in the most dangerous activities, they are going to be overweight.

Well, somebody if they are overweight one or

two pounds will someone say, sorry, we will not ride you any more? I don't know if that's even a reasonable anxiety. We want to save them from that anxiety and that was our motivation. God only knows we want them to comply. If you feel that they should not be grandfathered in, and I understand the point, and the point is well taken, then you must give them a period of time to comply. Two years, three years, something on that magnitude. They need the existing group, they need to learn to live differently than they do now. And that's going to take education, training, it's going to take a whole kind of relearning process about nutrition and health and what you can do and can't do and how to stay healthy.

And so I recognize your point, and I think your point is well taken, you understand our point, that was our intention was not to evade the rule that we so strongly believe in, but to try to accommodate its introduction in a way that would not be disruptive to the current jockey colony. And I leave it at that.

MS. MORETTI: I have a question. I too am supportive of this proposal, I have no problem with the fact that California would be the first in the nation to do this. When it comes to health we've been the first in many, many instances, whether it's from smoking to

1 second-hand smoking, to short-handled hoes for farm
2 workers to OSHA standards. There is a lot that we're
3 the first in the nation. And in fact what's happened is
4 the rest of the nation has followed. But I do have a
5 question and it goes back to what you just said about
6 the education. Is there a component of your plan so
7 that if we were to pass this that we would be assured
8 that the jockeys will be educated as to the proper
9 nutrition, what they need to do, how they can make this
10 transition, that would be a very, very important point.
11 MR. BROAD: There is nothing in the proposal
12 that funds or establishes a government program to do
13 that. Obviously, the Guild has ever interest in the
14 world in insuring that its members and frankly anybody
15 who races, I mean the Guild represents 90 percent or
16 more of the jockeys in the United States at this point.
17 We're reaching pretty much the entire group. But we
18 obviously have a strong incentive in doing that. We
19 want people to be able to meet the standard, protect
20 their health and continue to race. Is it formalized in
21 this proposal, no. Should it be? I think that's a
22 question that you folks should consider. We had not
23 considered it in developing it, creating, setting out a
24 mandatory standard. I'm not sure how you would do it,
25 how you would monitor that. But it's certainly worthy

of consideration. I will say also, that just in response to what you said about California being first, frequently, and I hope we don't hear this today, whenever we're considering doing something new and different the legendary chicken little makes an appearance and the sky is falling, and the world is coming to an end.

If you recall, eliminating smoke in restaurants was going to destroy restaurant industry forever, there are way more restaurants now than there were then. So sometimes these things turn out to be making a mountain out of a molehill. It doesn't mean that people's anxieties aren't real and that we respect them, but it just doesn't turn out to be as big a problem as people think it might be. We're not out to destroy horse racing, we're for horse racing. That's what we want to do is to promote the sport. We would not do it if we thought that we would harm our industry or harm our members or harm our trainers or the owners. And so, I hope that people understand that.

MR. SPERRY: I'm in favor of it also and in fact I wish there would be one for owners that there would that they had to be a specific weight. Also I wonder whether a 2-year period of time for example, that everybody has to comply, is not too long a period of

time.

MR. BROAD: Well, yes.

MR. SPERRY: Is there any study that says, if you're saying all new jockeys have to do it now, then obviously they are going to get on the band wagon a lot quicker than somebody that has a long period of time to adjust.

MR. BROAD: Yes, although, I think what happens, the sizable percentage of these jockeys, probably be 70 percent or so by our calculation, they are simply going to be able to eat a little bit more, stop heaving and stop taking the drugs and they will be in compliance the next day. It's a group in the 30 percent area in our mind that could conceivably have problems. I think that two year is necessary,

Mr. Sperry, because we're talking about a couple of seasons, let's say you adopted his and it was in effect in January and you said that you had to come in compliance in six months, that's in the middle of the year. I don't think there is any danger here in making it a 2-year period. If we make it less than that we're going to have timing problems and people are going to -- it will be more difficult. As far as we're concerned, if we need to have a delayed implementation date for other reasons related to making this work, we don't have

an objection to kind of a more -- we're not trying to rush the thing, it doesn't have to be tomorrow. We want it to get done, but I think we would like at least a 2-year period, a 2-year period would probably be sufficient. I mean could it be 18 months, I don't know.

MR. HARRIS: We have to discuss that, I agree that the grandfather deal needs to come out, but I think we'll have to look at that. One of the issues that American Diuretic Association brought up was a different baseline between woman and male athletes, and do you have any problem in putting a higher body fat on female jockeys?

MR. BROAD: Here's what our reasoning was; unlike unique to horse racing, maybe there is another sport, but unique to horse racing, males and females with all their differences and body physiology, compete head to head. There is not a female division and a male division of this sport. The doctor can respond to this in greater detail. We thought about the idea of creating a minimum 12 percent, which is the recommendation for females. However, because of the woman, in the human population there are many, many more woman that weigh 118 pounds or less, than there are men. That woman in the ranges that we're talking about will be able to meet this standard and will be at 12 percent

or above without having to create a separate standard for males and females. There is a little bit of a complication I think, that someone might argue, that it's a competitive advantage or disadvantage.

MR. HARRIS: Well the issue is, is it true, that a woman would -- at the same body fat, be doing more damage to her kidneys than say at 5 percent than a man would be at 5 percent, if it is a health issue there may be two different standards.

MR. BOARD: I'll let the doctor answer that, there are as I understand it, and he can correct me, as I understand it, part of the difference between males and females is that males and females have different fat in different parts of the body that serve different purposes. Women have breast tissue, men do not have the same breast tissue. The damage, as I understand, that the woman is, it is not, is not the significant internal body damage, it's a different kind of lesser serious --

MR. HARRIS: We're familiar with external appearance but we're talking about internal organs here.

DR. SEFTEL: Just to clarify on the issues of 5 percent versus 12 percent. Female body fat has a different distribution and slightly different composition to that of the males. The reason why the 12 percent standard is adopted is for protection of

reproductive organs and reproductive system that requires additional body fat as an energy source. And we certainly see in the literature for anorexia nervosa that it is critical that the females have a higher body fat standard. I am not opposed to the differential of the 5 to 12 percent on this basis. In other words, that is my professional view. And the Guild has taken a position that they want a single standard and that simply simplifies matters. But from a physiological prospective there is an appreciable difference. For women in the reproductive age group, the 12 percent standard is the preferred standard.

However, most the jockeys that I have had exposure to and measured easily meet the 12 percent standard, measured 14 to 18 percent on average. The decision should be up to the discretion of the Board as to if they want to create differential standard from a physiological prospective for reproductive women, 12 percent is the ideal.

If I can continue with my former comment, as I mentioned I am with the California Emergency Physicians Practice Group, I also have served for the last four years as the medical director for Bay Meadows and Golden Gate Fields, in this capacity I've been involved in studying the jockey community both from a physical

prospective and from a biochemical prospective and amassed a critical amount of data which would be available to the Board in an anonymous form and to substantiate a number of the elements that I will be discussing.

We're sitting today to discuss an absolutely critical rule that effects the health and welfare of the jockey community. I think all of us would agree that we're facing an important decision. The choice before the Board today is simple, that is, do we abolish state-sanctioned starvation and/or perpetuate it. There is no medical or ethical justification for mandated malnutrition. I repeat that. There is no medical or ethical justification for mandated malnutrition.

And the current status quo does effectively do that. I speak, not only personally, but on behalf of the 600 physicians within our medical practice group and most importantly on behalf of my colleagues that sit right there. These are the individuals whom I have to stare into their eyes every single day, when they are dry, dehydrated, confused and disoriented and fall off their mounts, because they do not have any energy left in them, they are the people that we think about, they are the people that should be sitting right in front here and be telling you their stories, daily stories of

1 struggle and survival in facing an untenable situation.
2 I'm proud that Bert Bacharach had presented
3 additional reports, additional letters which were
4 submitted to the commission that substantiate the work
5 that we have done to show that there is unanimity within
6 the scientific with this standard should be adopted and
7 should be enforced rigorously.
8 From my own four-year studies we have
9 demonstrated the ten-fold increase in kidney damage and
10 kidney failure in the jockey community as compared as to
11 the average population. The average jockey in my colony
12 has proteinuria on a daily basis. What does that mean?
13 That means that the kidneys are leaking protein. Every
14 single day their kidneys are losing function on a daily
15 basis. This is an untenable situation. We do not want
16 our jockey community to all end up like one of their
17 colleagues that appeared on the HBO Special. They have
18 8 times increase in incidents in infectious diseases;
19 pharyngitis, laryngitis, bronchiolitis, herpes
20 infections, urinary tract infections, the amount of
21 antibiotics that I prescribe to this population is 8
22 times as is necessary in this community.
23 They get antibiotic-associated complications;
24 diarrhea and the emergence of other multi-drug resistant
25 organisms that makes treating the infections much more

complicated. Please, do not allow the implementation of this rule to be delayed any further. The issues that are being raised and addressed by Barry are critical issues and they address some of the objections that we have, that people may have to this issue.

Today the eyes of California are on this commission, and the eyes of the nation are on California. We have a unique and truly historic choice to make. In the past California led the nation in bringing about positive change to the racing industry. Today I call upon you once again to lead the nation in adopting the proposed rule that will make a landmark contribution to the mental and physical welfare of the rider community. Thank you for allowing me to testify.

MR. HARRIS: Any questions of Dr. Seftel.

MS. ROWE: I'm Mary Francis Rowe from Hemit California and I have I'm a horse owner. I have one horse. I know what you're talking about when you say that they put in 165 or 175 pound exercise rider on my horse. But my question to you is, I'm 73 years old, I've been involved in sports, I've never been in the hospital except when I had my son. I don't have any high blood pressure or cholesterol, in fact the doctor says --

MR. HARRIS: Get to the question.

MS. ROWE: My question to you is, what are these jockeys doing? That, I mean, I don't smoke, I notice that a lot of them do. They drink. What is this doing to them, that isn't the weight problem. They could be doing this if they weighed 150 pounds.

DR. SEFTEL: Thank you for that question. I think in your situation you had the fortunate situation of choosing your parents correctly. Genes have an enormous amount to do with good health. The critical issue is that we don't want to obviate the importance of education. Health education, as Ms. Moretti pointed out, it's critical. It's not one or the other, we have to have both. We have to have basic minimum standards in nutrition that are complied with and consistent with every other sport in the nation. We have done hundreds of studies, this standard of 5 percent has been on the books since 1985. Since 1985 this has been an established standard for athletes. What we believe is exactly what you're talking about;, education, decrease in smoking, decrease in alcohol consumption, but you have to give people the strength, physical strength and mental strength to do this. When you are malnourished and can't eat then you drink. There is an enormous amount of depression within this community that I treat on a daily basis. If they can eat better they will be

less prone to the other forms of addiction and physical abuse.

MR. HARRIS: Let's go ahead with other proponents, some of these the jockeys have to leave before we get to the opposing side.

MR. HALPERN: Ed Halpern, I suggest that we could have the jockeys and trainers that are here that have to leave, speak first.

MR. HARRIS: Would any of the riders like to comment object this proposal?

Proponents of the proposal first.

MS. SWAN: May name is (inaudible) Swan. Mr. Chairman and members of the Board. I have been a race rider for 35 years. And I'm now the chairman of the Board of The Jockeys' Guild. I have been since 2001. That means that I represent 1,229 jockeys across the nation. And those riders ride 90 percent of all the races in the United States. So, yes, the Jockeys' Guild speaks for the jockeys, and I, as chairman of the Board would like to speak for them. I am not going to go over all the same issues that have been brought up by Mr. Broad and Dr. Seftel because they covered it. There are a couple of things that I want to remind you of, that is, when these riders leave today and go to ride here at Del Mar, they have of the choice of the three

venues that you just heard about, taking medication, sitting in a hotbox, or vomiting in the bowls that are conveniently put there by the racetrack to encourage bulimia. They are doing that to ride a 1,200 pound horse with a system that was put into effect in 1907. Please, keep that in mind. That is almost over 100 years that this system has been in effect. And it is time that it be changed. Like I said, I'm not going over it all again, I just want you to keep in mind that this is a moral issue, it's a small thing for you to do but it can make a tremendous impact on the quality of the lives of the riders.

MR. HARRIS: We like to get all the opposition first.

Any other proponents would like to make a statement and then we'll get to the opposing parties.

MR. McCarron: I guess I'm somewhere in the middle. I'm absolutely -- I've already gone on record here in front of the Board stating the fact that I'm very much in favor of raising the scale of weights. I am not in favor of the Guild's proposal however nor the representatives of Magna, I believe Churchill Downs or NYRA, we're going through extensive dialogue between those companies to come up with a proposal that will be meaningful and acceptable to the jockeys who are over

here to my right as well as jockeys all over the country and I believe the horsemen will eventually agree that, you know, the proposal that these three companies can come up with will be something that they can live with. I have a number of -- first of all I should probably give the microphone to any other proponent who is here that they want to speak, if there is anybody else I'll certainly surrender the mic.

MR. HARRIS: Is there anybody else that would like to speak in favor of the proposal? Go ahead.

MR. MCCARRON: Number 1, as far as the body fat issue is concerned, I've done a little reading about the wrestlers, about the NCQA wrestlers and going on a website of the National Wrestling Coaches Association. The reason they came up with a body fat percentage program is because of three deaths in '98 involving wrestlers who had reduced so hard that they died because of the practices. The program that they have in place is to establish -- they measure the body fat percentage in order to establish a minimum weight that that wrestler can compete at. They do it once a year, it's not something that they do on an on-going basis. If we give this serious consideration we may also be able to implement a similar type of policy whereby, test the body fat on January 1, and make sure that I prepare my

body in such a way that the measurement will be accurate and true, because body fat measurement has a great deal of inaccuracy if the proper tools are not used. For example, the NCQA only approves the use of calipers and body displacement measurement which is when you're emerged in water. They do not approve of the bioelectric analysis devices that are made by the Tenita scale company. Those can be inaccurate by several points.

There are a number of things that the body has to be prepared with and the number one thing is hydration, before any tests can be conducted the individual must go through, I believe it's called a urine specific gravity test. You're familiar with that I'm sure. The point is, I'll cut to the chase, the point is, this is very complicated stuff. And the thing that I, as a racetrack manager, I'm most concerned with, is the potential negative impact that it could have on the field size here in California. I'll repeat myself as I said earlier, I am fully in favor the rasing the scale of weights. It has to be done. Those guys over there work their tail off in trying to maintain their weight.

If I were a trainer and I were going to select a jockey, if they had an opportunity, now don't get mad

guys, if they had an opportunity to see a rider come out of the hotbox after having been in there and expect him to go in there and ride at his absolute best, there is no way, there is no way that a rider -- I believe Barry and Dr. Seftel have already testified that this is counter to what most athletes do when they are preparing themselves for an athletic engagement. It's a must. We have to raise the scale of weights. But in order to do it properly it has to be done on a national basis. We cannot put our California racing program at risk not knowing what the consequences would be if we only implement this proposal here in California.

I have already stated, I've engaged in dialogue with the representatives, Churchill Downs Incorporated, New York Racing Association, and I feel very confident that we can come up with a proposal that the jockeys and trainers and the Racing Commission throughout the country can live with.

MR. HARRIS: What sort of time table do you think that that will happen?

MR. MCCARRON: We're setting the goal at January 1. And if the Guild wants to continue down the road, and I'm not discouraging them from doing this, if they want to continue down the road of going state to state, commission to commission and getting regulations

in place to make sure that any house rule that is implemented cannot be reversed, then that is their prerogative.

What we'll do as a company, and hopefully I can persuade Churchill Downs Incorporated and NYRA to do as well, we can implement house rules that will increase the scale of weights at level that will be acceptable to the jockeys and to the track management and to the horsemen and I think we can do it in an expeditious fashion.

Another thing that's difficult to accept with the Jockeys' guild proposal is, what does 118 on the program or the racing form mean to a racing fan in New York? They look at a horse than runs here at Santa Anita Park and it looks like he was assigned 118 pounds and in fact he carries 128 pounds. When that horse runs in New York next time out, he might be assigned 115 pounds. What does that mean that he carried? How does the better understand how to analyze all this importation?

MR. HARRIS: Would you stipulate though that even the current system has that flaw in it? One is carrying 118 here really is carrying 122, under this carrying 128. It's confusing the way we do it.

MR. MCCARRON: As far as that that goes it's

all relative. I already proved that -- okay, I'll offer an explanation. If I weigh 112 stripped, if I put on a pair of socks, underpants, T-shirt, light set of owners colors, I'll give you an example, Bob in Beverly Lewis colors you throw them up and they float down they are so light. Stoners colors, they weigh almost two pounds because they are thick satin. Owners colors vary in their weight. So I get dressed, I get my small saddle with an undergirth and a rubber pad, that weight totals about 4 1/2 pounds. I go from 112 to 116 1/2. Okay, now when you add to the fact that the horse is going to carry a number cloth, overgirth, helmet, flat jacket that's another 5 1/2 pounds, that's where the 10 pounds comes in.

MR. HARRIS: Now just to clarify, do you support the concept of the 10 pounds as part of the concept or do you prefer the current system?

MR. MCCARRON: I prefer the current system. We should raise the sale of weights whatever number of pounds we agree upon and it's going to force us to re-educate the public. We'll have to go out to the public and explain to everybody that these horses are now carrying a lot more weight than we have ever revealed before.

MR. HARRIS: Is that in the program somewhere

the way we do it now?

MR. McCarron: No, I don't think so.

MR. HARRIS: They are not too informed now I take it. As far as the methodology of measuring the weight, the way that it is written up in the proposed rule is that the jockeys' body fat content should be measured and recorded by the scales once each day of racing. I'd like to hear from Dr. Seftel on the practicality of that, is there or is there not a measuring device that can do that every day or is it more complicated than that?

MR. SEFTEL: Just to clarify, when Chris talks about measuring specific gravity this is an incredibly simple test that can be done in 30 seconds, dipsticks test that can be done. The methodology for using these scales is standardized as you can see from the American Diabetic Association letter that you have, they explain the procedures by which these tests are used. The bioelectric impedance method is internally consistent, it has a very low error rate, and if it's done according to the procedure it is accurate. Any methodology for measuring anything has to be done in a standardized fashion. That's the critical thing that is borne out by the ABA recommendation. The other point that bears mentioning is the American Sports

Medicine, which is an umbrella body, that is larger than the Wrestling Foundation, has found that the bioelectric impedance method is an efficient way to measure the body fat standard. From the overall measurement of total body fat there is no debate on the industry. The consensus is this technology is doable and standardizable and is recommended.

MR. HARRIS: It could be done every day and the hydration issues would be addressed?

MR. SEFTEL: Yes, we have one of the machines here with us and we can show you the internal consistencies of measurements with that. As you see from the ADA report there are requirements that have to be logged at each time when the machines are used. But provided these requirements are met the technology is consistent.

MR. MCCARRON: I'm certainly not to go to argue with the Harvard graduate. However, I do believe that there are some gross inconsistencies with the measurement process. I almost bought a scale a couple days ago in order to prepare more greatly for this meeting today. I went to Brookstone and I put a scale on the ground and I stood on it and I measured my body fat percentage. If you remember, Dr. Seftel, when we were up in Sacramento I believe it was, and I measured

the little hand-held devices they use I was 15.9 on that scale. On this particular scale at Brookstone the other day, I got on it, I imputed all the importation, I weigh 118 pounds, 49 years of age, male, all the information necessary, I went on there it said my body fat was 5.9. There is no way that my body fat percentage is 5.9, I am higher than that. I don't think that I'm as high as 15.9. They had two scales. I put the other on the ground and it said I was 11.7. There was six point swing in the two different devices. We need to make sure that we know exactly which device is going to be certified the way the NCQA does it they have a certified physiologist or exercise coach that has a license in his practice that does it. I'm certain that a Clerk of Scales with a very short educational process would be able to accomplish that, it would not be a big deal, this is a very complicated issue, there is much more to it than meets the eye. Once again, I don't think we should be exposing the California Racing Program to the potential impact that rasing the scale of weights to the degree that's proposed by the Guild has to be decided upon today.

MR. HARRIS: We'll not decide today but we're moving in that direction.

Any other proponents?

MR. DISARMO: Ken Di Sarmo, jockey. Good morning, everybody. Before we get far from what Chris said, we as the jockeys have no intention whatsoever to allow the racetrack to have dialogue on how they feel we jockeys should weigh. We feel like we've already allowed other entities to decide such as the TOC, but they decide for the whole industry of the horsemen what the take out would be of simulcasting, and you know what that has done to the purse structure, we have no intent to let the racetrack cannibalize our livers and our kidneys.

MR. HARRIS: I don't think that's exactly the proposal.

MR. BETAKER: Rick Betaker, Hollywood Park. I probably should have been waited, but I don't think that I can. Hollywood Park and Churchill Downs support increasing the scale of weights. We're not going to mandate the weight that is put on the back of an owners' horse, we feel like the owners need to be in the dialogue with the jocks with the tracks. We're going to implement it. As a matter of fact our responsibility is to the racing fan directly and we have a moral obligation to the jockeys relative to their health. In this state I'm like any other, health insurance is mandated by statute for the jocks and in this state the

jocks are determined to be an employee of the trainers so that there is guarantee that they are covered by Workmans' Comp insurance. In this state 20 percent of Racing Association's charity money, by statute, goes to the Jockeys' guild for Disabled Riders. We're not opposed, we're supportive. What we're trying to prevent is an imbalance in the country, where it causes confusion for everybody, but specifically the racing fans. Where a horse appears to be carrying a lot more weight mere than another jurisdiction or vice versa.

There was a press release put out last week, I hope everybody saw it, joint press release by Magna, by Churchill, by NYRA that they are going to take the lead, come up with a national policy, working with the Guild, working with the owners and working with the trainers. If I was you guys I would say it will take a year. No, it won't. We're working on it right now. We'll be back shortly. You heard it from Chris, Chris is spearheading it. I want this group to know, Churchill Downs and Hollywood Park supports increasing the scale of weights, to do it on a reasonable level and implement it on a national basis.

MR. HARRIS: Just as a hypothetical, do you think if California enacted this rule or perhaps it did not go into effect from a year from now, would that

encourage other states to enact a similar rule or would it help or hurt the process?

MR. BETAKER: I don't know the answer to that. I can tell you that the fact that it's on your agenda has simulated this conversation between these three major companies. You have already compelled these three big companies to get together, work with the other entities and figure this out. I would suggest to you, Mr. Chairman, if, as a matter of fact, this board does see inertia over the next 60 days, see that there is no agreement and we're not getting anywhere on this level, then maybe you need to take the lead and you have to implement something and force the others to come on board.

I'm telling you honestly, I know how our company stands, we're supportive of raising the scale, we know how Magna stands, we've all heard it from Chris, we've read Barry's comments from NYRA, we'll get this done and work together with the Guild and the owners and the trainers. And wouldn't it be great today if we were all standing here with an agreement, jocks and owners and everybody else, saying, here is what we're going to do and we'll implement this January 1st. We can still be in that position within a board meeting or two.

MR. FISS: Mr. Howard Fiss, Jockeys' guild,

vice president.

I in fact did read the press release from last week and I was amused by the fact that it included Churchill, NYRA and Magna and didn't say if the Jockeys' guild was called or sent a letter or addressed one of the issue of participating in that work group.

I'm frightened anytime Churchill, NYRA and Magna, they all get together on anything because it seems to be the detriment of jockeys every single time. I submit to you that the argument is that this will hurt horse racing in California. And so again, I ask the question, if that's the case then why is NYRA involved in this all, anything that hurts California racing by definition is going to help New York racing. So, I don't think that the idea of Churchill, NYRA and Magna and I will be getting together and solve this problem on a national basis is going to improve horse racing either in California or nationally, really files.

The other point that I want to make quite frankly is that you have to remember, I think, that we can't look at the existing rules on it the scale of weights nd make the assumption that they have anything to do with current reality. Like Tommy Gene Swan, our chairmen said, they were made almost a 100 years ago. And so, looking at them as a comparison to what we're

proposing is comparing apples to oranges. Thank you.

MR. HALPERN: Mr. Chairman, can we get the people that have to leave at this point.

MR. HARRIS: Anyone that needs to leave can go ahead. I have a horse in the last race so I have plenty of time.

MR. MARINO: Ken Marino, horse trainer.

All I have to say is that we have all these sick riders that can't do the weight, they should get another occupation. And it should be up to the horsemen to decide about the weights, not the jockeys. We have over 200 million people in the United States, we should be able to get enough riders out of that much and 100 riders here in California, 112, 115 pounds, if they can't do the weight, they need to quit. That's all I have to say.

SPEAKER: Kathy (inaudible).

We started the meeting here this morning since 9:30 and we've discussed the majority at the early part of the meeting had to do with the big issue of field sizes and I think that when you're talking about field sizes and you're talking about the new proposed rule that you're absolutely creating a catastrophe. I currently have had two owners already contact me and asked me if I was going to attend this meeting and

informed me that in the event if this rule goes into effect, which doesn't mean anything to anybody else, it will mean a lot to me, they will remove their horses from the State of California.

I think we lost the issue here that the people that are putting up the money, investing millions and millions of dollars, are being left to the side. I take exception to the gentleman that spoke about Europe and also made the statement that we have 150 pound exercise riders. We do have 150 pound exercise riders, they don't leave the starting gate in 21 and change and finish the race in 9 and change, they are out there galloping in a very slow and normal training procedure. For the gentleman's information, in Europe, where they have a higher scale, they run the first quarter of a mile in 27, 28 seconds on very forgiving grounds, the races are run in turf very much easier than we're dealing in the State of California.

The State of California already has the reputation of being a very difficult place to race because of the soundness of horses, because of our race tracks, which, we as trainers, have to overcome and get people to believe that it is not all that quite true and now we're going to take an issue and put it in front of the other states and say that we'll put this rule into

effect for the benefit of the riders.

I don't think there is anyone in this room that has any doubt that as soon as you raise the scale of weights you'll have a number of exercise guys that weigh 140, 150 pounds now that will drop weight and try to become jockeys. I appreciate the fact that the riders are very deserving of some consideration, I have no doubt that should be taken into effect. But there is an exception to the rule, that it comes to the time when your occupation you don't fit it any longer, and you have to deal consciously with that. I don't think this is going to be a big solution for riders that have been doing all the purging and this stuff. I have exception to the doctor that made the statement that they have a difficult time. I think in all good conscience, as a medical person, that if a jockey was in that kind of difficult shape I would say it's time you find another occupation.

We have an obligation to our owners, we have an obligation to our industry that we protect. No one is even dealing with this, we protect that animal, he puts his trust in us and it's time to think about who is out there and who is the athlete, that horse is the athlete and he deserves something too. That's my opinion.

MR. STEW: My name is Warren Stew. I'm a

trainer for a long time and I gallop horses for years because reducing was too hard, I wanted to be a jockey too, but it was too hard so I galloped horse for years and became a trainer. And I'm on the jockeys' side. I think when they have to reduce they are really overdoing it. They should maybe get a different job.

I would like to say something for the horse. We don't know how much we hurt a horse. If it doesn't hurt a horse, I'd say let them carry 150 pounds, but I think you should find out how much weight hurts a horse. I do know when a horse gets tired and has a lot of weight he is liable to get hurt. I think you should try to find out if weight does hurt a horse. If it doesn't, put it up to 50, but if it does hurt a horse, you spent thousands of dollars on track -- trying to find out if the racetrack itself hurts a horse, so I think you should really think about the horse more than the jockeys. Thank you.

MR. SCHULMAN: Sammy Schulman, trainer. I have one question, I'm all for the rasing of weights, it's necessary, people are bigger now, there is so much to it. I have one question as to the proposal of the 118 minimum with the 10 pounds. Which would be total of 128 which would be fair. What happens to the overweight, does the overweight then become an obsolete thing? Are

the jockeys still allowed, to make myself clear, say you raise the minimum to 118, now he's allowed to carry 10 pounds of equipment, whether it be equipment, whether it be lighter boots, lighter whip, lighter anything, if you can have 6 pounds of equipment the maximum a jockey would carry as I believe it would be the proposal 128 pounds, 118 plus 10.

MR. HARRIS: That would be the minimum.

MR. SCHULMAN: Is a jockey then allowed to come in and be 3 or 4 pounds overweight still? That would be my question to you.

MR. HARRIS: The rule would allow a rider to be 7 pounds overweight but the 10 pounds has to be 10 pounds regardless of how much overweight he is, the 10 pounds doesn't go against the overweight

MR. SCHULMAN: May I ask then, if the minimum becomes 118 and allowed 10 pounds of equipment, by the rules he could be another 6 pounds overweight, bringing to the total 134; is that correct?

MR. HARRIS: It might be where you had certain categories where 122 down to 118, it would be 10 pounds more than whatever the --

MR. SCHULMAN: To be simplified, wouldn't it be a lot simpler if the jockey Guild sets the scale at 118 pounds then the jockey would be allowed up to 10 pounds

of equipment, up to 128, that would be the high, then that would be the high a rider with his equipment would be able to weigh. Wouldn't that be a lot simpler than to break it down --

MR. HARRIS: You're making the proposed high lower than the current high.

MR. SCHULMAN: Well, the current high is what now?

MR. HARRIS: Well, unlimited really. But assuming a jockey could conceivable weigh whatever and still he has to carry another 4 pounds of equipment that doesn't count, the current rules is you can't be more than 7 pounds over the assigned weight to ride the horse, even then, it's announced. But one weight would be the minimum/maximum, one size fits all, that's not part of the proposal.

MR. HALPERN: Ed Halpern California Trainers. I'd like to start by saying that we're characterized as the opposition. We're not the opposition here, we're not opposed to most of the things that are being proposed here. In spite of the perception here we're not an industry alined against the jockeys, we're an industry trying to find effective solutions to make life safer and healthier for our jockeys. You must realize that for many of us and for many of the jockeys, we're

work mates and many trainers are very close friends with jockeys, many are even relatives of jockeys. So we're just here to make things better for them and everybody and make sure that we don't make a mistake here. You face the same conflict as we do in a sense as that you might appear unsympathetic while denying these rules. But the truth is none are unsympathetic, we just don't want to make things worse for them.

You will hear from all other segments of the industry regarding all of the reasons as to why some of the proposals should be rejected. My letters to you list many of those reasons. You asked at the last meeting when this proposal was first brought up, that we bring you information and science to help make you a decision here. We have gone out and done that. First, let me tell you the parts the proposal that we have favor. And we suggest, the industry and the Guild hire people to create diet and exercise programs, training regimens customized to the jockey.

Second that the 5 percent body fat rule will be approved with a reasonable time to comply.

And third, that we determine, list, and enforce true equipment. A fourth point is that we take the time necessary to completely study the weight issue. You asked for science and we've got it. Let me give you

some of that. But first let me ask you to ignore some of the nonsense. The fact that exercise riders are heavy, it's a very different situation, you will learn from the information that I provided, that the critical time is the time when the horse is tired after they have run long distances at maximum effort. That's when we cause breakdowns. That's not just those few pounds on that one occasion, it's the combined stress over a number of weeks, months, and years of putting that stress on these small structures.

When went out and had a person do a study on the effect of the additional weight. And what we presented to you out of 30 experts and these are people that work with body dynamics and animal body dynamics, and not with humans. And they -- 28 out of the 30 that were interviewed for this matter said that, there is a problem, every time you add weight to a horse you increase to some degree the risk of breakdown. You will read that at lower levels you increase the risk less, if you go from 113 to 118 you may have .53 increase in stress, if you go from 122 to 128 it goes up to 5.9 increase in stress, and if you go from 130 to 137 you may go up to .7. That doesn't seem like a lot but you are effecting the small structures over a period of time. And that small amount of increase hastens the

breaking point so to speak.

I don't know how many of you had the pleasure of going to driver's school after getting a ticket, but many of those show a film where people can make a curve at 65 miles an hour with no problem at all, but the same people when it is raised up to 66 miles per hour can't make the curve and that's the same here, when you add that stress it may seem like a small amount, but they are only to take so much stress before they break.

And, in addition thereto, we're talking about 30,000 horses here. So if we only increase the stress a small amount and we only increase the number of breakdowns half a percent or 1 percent, you'd be talking about another 150-300 breakdowns over the course of the year on the track. And our concern for the jockeys, not just the horses, for the jockeys is that every time you have another breakdown like that on the track you increase the risk of serious risk or death to a jockey. If these 30 experts that we talk to are right, the concern is, do you do them a favor by fixing one problem and but creating another that is a worse problems for them.

So for now we say adopt those parts of the rule that we know can be effective and spend a reasonable amount of time to study the effective weight and how

much we can responsibly provide without increasing the problem. Thank you.

MS. MAHATTI: Jeanine Mahatti, president of CTT. I'm opposed to the 118 pounds strip rule. I'm not opposed to increase weight, but I am opposed to it the way that it is written.

I will say that I resent the Guild insinuation that the riders are not taken care of, this industry rallies around the jockeys on a regular basis, they are paid on a weekly basis, trainers are not, and are afforded great parking spots, their wives are sitting front and center on boxes on the finish line. They get forms and programs every day. When one of them goes down we're all at the hospital to make sure that they get the best care and best doctors. Owners in California have gone above and beyond the call of duty to help the riders and things like that. I just -- because not everybody is in agreement with your 118 pound proposal and 5 percent body fat and for some riders not to fall within that category of the 5 percent body fat because they have been riding for a certain period of time, there is no way that I can accept the proposal the way that it is, it is not fair in any way, shape or form. But it is insulting that anybody associated with the Guild would insinuate that

California and the race track and anybody associated with racing has done anything other than to try to help the jockeys and provide them with a safe environment to ride and work in. Everybody does the best to make sure that they are afforded a safe environment. To insinuate anything other than that is ludicrous.

MR. HARRIS: Setting aside the weight issues, anybody that feels that the 5 percent body fat is a bad rule, that that is flawed?

MR. MCCARRON: Real quickly, in order to address a comment made earlier about exercise rides, I believe the 5 percent body fat is a very important aspect of this proposal. In order to prevent those wanna-be jockeys who are exercise riders to reduce down, if they drop below that 5 percent body fat, they are not going to qualify to ride.

SPEAKER: Owner/trainer. I will speak a little bit, I'm going to represent the horse. The majority of us trainers when we breed our horses they are only extended themselves on their breeze dates, not their gallop dates, on the gallop dates most of them go around slow, they are carrying 135 to 150 pound men or women, when we breeze them they are going 70-85 percent of their capacity. Generally all of us put 120 pound or less people on them and we work feverishly at trying to

keep these horses together.

Whatever you decide, it seems like you've already made up your minds, the more weight you put on these horse cause more fatigue and breaks these horses down, we will increase the breakdown ratio of the horses, without a doubt.

The other thing is having California be the first state to do this. I don't think is real a good idea because we're already experiencing and exodus out of the State of California because of all of our other problems. Some of these states that have all the casinos and all the slot revenue, maybe you could start there first. I see a lot of damage to the State of California if we're the ones that start it.

MR. CASSIDY: Jim Cassidy, trainer.

No one in this room wants to risk the health of anyone, trainers included. But we do concern ourselves with these horses and nobody but us trainers see these horses on a daily basis, the changes and the unforgiving racetracks. Chris made mention that we should go to the sweatbox and watch these boys try to lose weight on a daily basis. I have never seen a rider in the blue room when they have a shattered leg or broken knee. We're here to defend the horse and that's all, we're not trying to hurt anybody else.

SPEAKER: Horse trainer. If we're going to go up to 128 pounds you better get a new track man around here, for these things are walking home in 27 now, they will be walking home in 28. You're talking about being the first, if you are the first, you will see horses leave here. If it goes nation-wide, that's great, but being the first, Bobby Franco better be careful. Thank you.

MR. ELLIS: Ron Ellis, trainer.

I'm probably going to echo what everybody said, most of this has all been covered. It's a very uncomfortable position for a trainer to be up here kind of speaking against the jockeys when we rely on them or are friends with them. I hope that all the jockeys understand our opposition to that request. We're all very sensitive to their health. It was very perceptive of Mr. Licht to listen to the medical explanations about the jockeys, they do not take care of their bodies and some of them don't have the best nutritional practices and there is a problem with some of the things that they do to keep their bodies so low.

But I'm not sure that rasing the weights necessarily is going to solve that. I believe there is going to be a lot of riders that are heavy now that have given up on riding that will try to do the same things

that this group is doing to get down to what the new riding weight will be. You are not solving any problems. You might be with this group but you'll create a secondary group of heavy riders that are going to ride.

I find Mr. McCarron's stance very interesting because I can guarantee that when Chris was riding he would take a much more heavier stance leading towards the jockeys than he has now that he's seen the other side a little bit. A lot of these jockeys if they had to train and see these horses and the weight and see what injuries they have, I think that they would have a little bit of a different view of how much weight these jockeys should be carrying.

Danny Velazquez was here earlier and wanted to speak, he is person that has ridden a lot of years, he now trains. He had to leave, but he said it was all right for me to get up and say that he's all for dropping the weights by 3 pounds. There is somebody that has seen both sides.

When you're training these horses every day, I've been training for twenty years, you want to see a trend, and the trend is these horses are not staying as sound as they used to be. To do something that would counteract that is not in the best judgment. I didn't

think that I would ever run into somebody that could logically say that 10 pounds of weight would not make a difference on a horses soundness but I didn't talk to anybody in the Jockeys' Guild. There is no way that that makes any sense.

In Europe it's been said that the pace of the whole race is much slower, anybody that has been to Europe has seen that the surfaces are much kinder. It's not a good analogy to compare those two. I don't believe that California should be a trend setter in this instance. I think some of the smoking issues and things are not a good analogy, because that was public health and not a specific group. There are a lot of people that have worked hard in the state to try to keep horse and get horse here with the workers' comp reform and performance fees, I don't think that we need to give people a reason not to send horses here. I think that there is a perception around the country that California's tracks are harder and unforgiving and the horses do not stay sound in California. It's hard to get people that race around the country to race in California to beat that perception. Especially, if there horses are carrying 128-135 pounds we're not going to be able to help that argument much.

If you do decide to go through with this

proposal, I definitely think that you ought to go ahead and print on the program what the weight is that the horse is carrying. If he's carrying 128 pounds, I think that you should go ahead and put that on the program. If they are carrying 135 pounds, I think you should put that on the program. If you have a problem doing that then you really have to re-evaluate if you're making the right decision. I think if you put 118 pounds and you have 10 pounds that you're deceiving the public on, that's because you think there's a problem with the horse carrying 128 or 130 pounds. That's the way that it will be perceived by the racing fan. That's all I have to say. Thank you.

DR. ARTHUR: Dr. Rick Arthur, practicing veterinarian for 20 years. As everyone, I support the jockeys weight problem and certainly think that some adjustment is in order. My concern however, is that force equals mass times acceleration. For our purposes mass is weight and weight is bad for horses. That's why jockeys ride horse and people like me don't. All of us should recognize that these horses are raced to the very limit of their ability. And all too often they exceed that. I assisted in the preparation of biomechanical analysis with Dr. Gillette and I want to point out that that is a purely mathematical calculation of the

absolute minimum of fact that these weight changes will have on that's horses. Does not take into account fatigue at the end of the race and a study in Kentucky had shown that 20 percent of the horses break down past the wire. Doesn't take into account live versus dead weight and by live weight I'm talking about the horse -- and the jockey is a dead weight because it's not natural to the horse. And we have our racing surface to contend with in all the other multitude of factors. To put these small numbers in perspective a 1 percent change in a time of a race at a mile is five lengths and that's a tremendous difference in horse racing when you talk about very small numbers.

And remember that I would argue that the greatest risk to a jockey is not the weight issue but the horses breaking down. The fact of the matter is that when a horse goes down, when we push them past the limit of their structural integrity and a horse goes down, that's the greater risk to the jockey than fighting the weight.

I agree the jockeys' weight problem is an issue but there is no way that we can increase the upper limit and not increase the workload on the horse, that's the bottom line, we have to balance those interests somehow.

MR. COUTO: Drew Couto, Thoroughbred Owners,

1 california.

2 In reviewing the materials issued to the

3 Commission I noticed that the staff analysis did not

4 acknowledge that prior to the close of public comment

5 period, letters were submitted from both the TOC and

6 the Florida HBPA and the day after the public comment

7 period closed the Kentucky HBPA provided some input as

8 well. It's uncertain whether the Board has had the

9 benefit of reviewing the TOC recommendation, but I'd

10 like to address that briefly right now.

11 In researching this issue of the minimum weight

12 we're talking about the minimum weight, we looked at the

13 rules and rule 1616 says that the minimum weight in

14 California is currently 112 in overnight races.

15 We noted that in addition to the -- we looked

16 to see how many races were run in California at 112 this

17 year and we were able to locate nine so far this year

18 and we didn't locate any races where a horse was asked

19 to carry less than 112 pounds. Based on the information

20 provided by the Guild, we understand that safety

21 equipment that is excluded from this 112 assigned weight

22 is roughly 5 pounds, that includes the vest, the helmet

23 and the whip. Not included in the weight is the silks,

24 and as Chris indicated those can vary from 6 ounces to 2

25 pounds. What we concluded was that the current minimum

in California currently being carried, that's the minimum, that occurred again, roughly times so far this year --

MR. HARRIS: There were 9 races that 112 was the high weight? Was the low weight?

MR. COUTO: It was nine horses that were asked to carry 112 --

MR. HARRIS: In different races.

MR. COUTO: In different races, correct. So adding that figure together you come up with 117 minimum. Now the Guild has represented a number of times that we're talking about increase of 4 pounds in the minimum weight, but as we do the math and perhaps we're missing something, a minimum of 117 to a minimum of 128 is an 11-pound increase in the minimum weight. The risk to all of us being up here to voice any opinion contrary to the proposal is portrayed as insensitive to the riders, and a number of riders now in the Guild knows that TOC and myself are not insensitive to the riders.

My brother was a rider who was a Guild representative for years in the State of California. We include the riders and like to count them among our friends at the races. Some of us go out to dinner, have social occasions with them and we're very concerned for

their safety. I don't think that's hopefully not a serious question among the Guild or among the riders.

In all of the evidence that has been discussed today and presented we've only found one factor relating to the health of the rider and that is the minimum body fat content of 5 percent. I was not aware of any of the data submitted by the Guild that said 118 is a magical weight that these health issues would disappear, but if you maintain a minimum of 5 percent body weight the health issues disappear.

So the question becomes what is the fair minimum weight to be applied? We have made a proposal to this board that the minimum weight in California be increased currently from the 112 that's indicated in rule 1616 to 115 that's that 3-pound increase as the Guild said early on they were seeking. All this was a 4-pound increase from the minimum, we've recommended a 3-pounds increase in the minimum. We've gone to include a couple of more components.

As Mr. Broad said this is a 3-legged stool. I guess the question comes we're not trying to knock out amy of the legs but determine how long the legs are on the stool.

We proposed a 115 minimum weight, minimum weight, not maximum, not average, not anything but 115

minimum. We've proposed that the five additional pounds of equipment be included in the program to identify for the public that the minimum weight is actually 120, that there be standardization of the silks so that the weight does not vary between 6 ounce and 2 pounds, so the fans are getting a true reading of what's being carried. We have asked, I think that the Guild has pointed out us a very valuable point, the current system may be deceiving the public as to what the horses are actually carrying. The only way to protect the public is to have the weighing in and the weighing out, conducted live in front of the public or video access to the actual weight carried and this again would protect the public.

And lastly, because we are concerned and we are convinced and Mr. Broad has done a good job of pointing out to us, the dangers currently imposed, in addition to the 5 percent body fat we do believe that nutritional counseling will help, as well as a nutritional diet at the jockeys room will help maintain bodies as professional athletes. We want our friends to be safe, no doubt about that. We want to balance their interests and make sure that we do nothing as an industry to endanger them.

But we also think that they themselves don't not want to injure the California industry and the

concern here is if 128 minimum is applied in this state, they've heard trainers tell them, they are aware of this, there will be horses that leave the state, with or without that 128 there will be horses that leave the state. If a riders is set, if their weight is set 128 nude in California and they follow that horse to another state that does not apply this standard, which they do all the time, and I don't blame them, they are pursuing their riding opportunity, but they will arrive in a state where they will have to drop weight very quickly, under very drastic conditions in order to maintain that mount.

The point that everyone had been making today is, not only is this a California problem but it should be a national problem, otherwise we'll be inflicting harm when they leave the state, which is something, again, we don't want to do. The TOC made a recommendation to increase the minimum weight 3 pounds, to impose as is recommended by the Guild, a 5 percent minimum. To issue in the program the actual weight which includes the 5-pound safety --

MR. HARRIS: Just to clarify, there is dispute between 5 pounds and the 10 pounds. What's the difference between your 5 pounds and the Jockey Guild's 10 pounds?

MR. COUTO: Currently under the rules excluded from the program weight are three items, the whip, the helmet and the vest.

MR. HARRIS: Would they be included in your weights?

MR. COUTO: At 120 they would be included in our weights, correct.

If you look at today and you recognize that the minimum is 112 per the rules and according to the Guild they are carrying that 112 is including the five pounds of equipment that they must weigh with. If my math is correct that means that the minimum that they are weighing nude is 107 to make the minimum.

MR. HARRIS: The 5 pounds is not including some other items that the horse does carry.

MR. COUTO: An overgirth, correct, what we're asking to do is to standardize things if 120 is not the correct weight because there is an additional pound of equipment listed in that then 121 should be the minimum if you have 6 pounds. This is the question. We don't have it standardized. What we're recommending is an increase of 3 pounds in the minimum weight and protection of the body-fat issues. Thank you.

SPEAKER: John (inaudible) trainer.

I think that everybody is in agreement about

making some adjustment in the jockeys' weight scale. I think there is a lot of disagreement on how this is going to happen. I can tell you as a trainer when I look at a person to get on my horse, it's the galloping, all I look at the weight and then see if the person is strong enough to hold the horse. If I want to work the horse, if I want a fast work, I look for the lightest rider I can find. How much weight is a detriment, we have to be careful there. There is's 5 percent body fat issue, I have a hard time with that. But I think there is some 6-year old that is dreaming about being a jock and it might be somebody that is 5'8" or 5'9" and maybe their chance to be a jockey is very limited, only 3 or 5 years, I don't know what it is, but I think it's wrong to take that opportunity away from that person because he can't do that because his body fat is not there.

SPEAKER: Darrell, National Representative of the Jockeys' Guild. I need to clarify a couple of things. In talking with Drew I just don't understand where that 11 pounds comes in. First of all, it's 10 pounds of equipment with the riders go out and come back with, it's 10 pounds, you've all seen it. Ron when he said add 10 pounds of equipment, we're not changing anything that they are already carrying, doesn't make sense. And what drew said about the all the equipment

that they go out with, he left out saddle, towel, whip, all we want here is full disclosure, all we want in that 10 pounds of equipment, so that when he weighs out and comes back in, it's the same. It isn't even close now.

And getting to the 11 pounds, I talked to him and to be perfectly frank, we're acting in good faith, and we met with Drew and we're supposed to get together. We have not heard anything from him until yesterday. That 11 pounds -- it's 6 pounds, 112, we're looking at here is a 6-pound increase from 112 to 118, it's 6 pounds, not 11. That will make these riders -- if they can weigh 118 they don't have to crucify their bodies. They are not all stressed out from trying to get down to 112 or 113 or whatever they are trying to do. At 118 they can be so much healthier and we can educate them on nutrition. It's a lot different to weigh 118 than 112. I just want to clarify, it's 10 pounds of equipment, it's 6 pounds we're looking at here.

MR. LICHT: The jockey is assigned 112. He's carrying 107 pounds of his own body, right? 5 pounds of equipment that's listed and 5 more pounds that is not listed; am I right?

SPEAKER: That's correct.

MR. LICHT: Let's use that example. We have 112 plus 5, plus 5. Under your system explain to me

what it would be.

SPEAKER: Under our system it would be --

MR. LICHT: 118 plus 10.

SPEAKER: Plus 10. But they get on the scale with everything that they are going to go out and ride with.

MR. LICHT: Right now it's 117 and under yours it's 128.

SPEAKER: That's correct.

MR. LICHT: It's 10 pounds different.

SPEAKER: It's 10 pounds of equipment though.

MR. LICHT: No, it isn't. Let me finish, please. If a jockey is assigned 112 today his body weighs 107 pounds. He has 5 pounds of equipment that is counted and 5 more that is not. Don't tell me that is not correct. 5 Disclosed weight added and 5 more pounds. You're asking him to carry 11 pounds more.

MR. COUTO: No.

MR. HARRIS: Under some circumstances --

MR. COUTO: You're asking him to weigh 107 pounds.

MR. LICHT: I'm not asking him to do anything.

MR. COUTO: I don't know what exactly you're saying, Mr. Licht. The fact of the matter is very simple. We're talking about the minimum weight

supposedly is 112 pounds, they carry 10 pounds of equipment.

MR. LICHT: 5 of it is counted and 5 --

MR. COUTO: That doesn't make it better, that makes it --

MR. LICHT: You can't double count it.

MR. COUTO: It's --

MR. LICHT: I'm not saying that it's better or worse. I'm just asking you to make a true representation of what's going on instead of some kind of a phoney allocation of the numbers.

MR. COUTO: The only thing that is phoney is the deception that's been done to the public.

MR. LICHT: What deception is that?

SPEAKER: He's trying to make his argument here based on 9 races that were raced in California last year. I don't want the commission to be caught up in that. The reality is if you look at the current scale of weights, the racing rules in California, the minimum that a that a horse can carry is 96 pounds, not 112, not 107. 96 pounds. Under the condition a 2-year old starter in September running a mile race, you look at your racing book, you'll find 96 pounds. You're getting into the same old trap of thinking that the current scale of weights has any legitimacy to it. It doesn't.

You have to remove yourselves from the idea that 100 year-old rule has any form of legitimacy.

MR. LICHT: All I'm saying is you're asking for 11 pounds more to be added.

MR. HARRIS: For the 112 pound one, you have to look at different weight of horses.

SPEAKER: In Drew's example you're absolutely right and that would effect 9 races next year. Now, if the Commission wants to decide on 9 races over the course of a year, you can do that.

MR. HARRIS: Let's look at 118. That is more realistic. The 118 the jockey would weigh 113 and we have 5 pounds of equipment, under the current situation if the program weight shows 118 the jockey weighs 113, he has the 5 pounds of equipment and another 5 pounds. What were the other 5 pounds in?

MR. LICHT: That's what's not disclosed, the helmet and the whip --

MR. HARRIS: That's above the 118.

MR. LICHT: To make the 118 he has to have a body naked of 113.

MR. HARRIS: How much is the horse actually carrying?

MR. LICHT: 123.

MR. HARRIS: It's about 4 more pounds.

MR. FISS: Let me interject on more thing though, you're forgetting that trainers will bring their own pads that weigh 2 pounds more than the pad that the jockey weighed out with from the training stable into the paddock to be worn by the horse. You're talking about deception upon deception here.

MR. LICHT: Under the Jockey Guild situation with that same 118 they would be carrying --

MR. HARRIS: I'll stipulate to that. Let's just go back to the 118 under the current rules, they are carrying 123, that's the additional 5 pounds under the new system versus the system in place.

MR. LICHT: No, they are going to take the 5 pounds off and add 10 extra, we're only adding 5 now.

MR. HARRIS: That's the 5, isn't it?

MR. COUTO: If I could make one point. Albert said that I'm arguing over 9 races. The fact is if you increase the minimum to 115 as proposed, that's the minimum, you'd be looking at 9 races run at 115 which means it elevates the average weight 3 pounds. Now the scale of weights to which Albert refers to is the historical scale of weights that only applies in the absence of conditions. You have to understand that based on condition books and based on agreements between the TOC and the racing offices that 112 is accepted as

the minimum weight based on conditions in the State of California.

There has not been, and I've challenged him, show me a race that someone had to ride with 96 pounds in this state in I don't know how long. And it hasn't happened. 112 is the minimum based on current conditions and the regulations in the State of California. The thing to recognize in the current program, the current rule, the riders weigh in wearing their pants and T-shirt, they carry their saddle, there are pads not included, we agree. But they carry roughly 5 pounds, that 112 includes 5 pounds of material, equipment, et cetera. Their body weight is 107 for those that are asked to make the minimum it's 107.

MR. LICHT: You correct me if I'm wrong. I'm the racing secretary, I assign your horse 118 pounds today. How much is that horse carrying?

MR. COUTO: It should be you add 5 pounds to that weight and that's the actual weight that's going out.

MR. LICHT: He's carrying 123.

MR. HARRIS: Under the new rule he will be carrying 128.

MR. COUTO: No, under the new rule, if he was assigned the equivalent of 118 today, he'd be carrying

134. You're talking about 6 pounds --

MR. HARRIS: As far as when he weighs back in --

MR. COUTO: Let me finish. If the 112 is the minimum today and the horse is asked to carry 118 --

MR. HARRIS: Let's not compare apples to oranges.

MR. COUTO: Let me work through this. I think that we'll understand it if we go step by step. If the minimum is 112 and a horse is asked to carry 118 today, he is 6 pounds over the minimum weight.

Now, if you add 6 pounds to the minimum suggested by the Guild at 128 that horse today would be carrying 134, if the average weight being carried today --

MR. HARRIS: That would be the data for us to get is the average weight carried today, I guarantee it has to be something like 118.

MR. COUTO: That's not what's in front of us, what's in front of us is the request to change the minimum. We have to stay focused on that minimum. That minimum effects --

MR. HARRIS: It is more than to do that. We have the body fat rule, all kinds of stuff.

MR. LICHT: Whether it's right or wrong we need to know what's to be decided here.

MR. HARRIS: Why don't we get some comments on the commissioners on what they think about this. I don't think that we are going to pass this rule today. We need to get it refined and see what people feel about it. We've heard people's opinion on this. What do the commissions feel about this?

MR. MCCARRON: In my humble opinion we're really making a mountain out of a mole hill. In all due respect to the trainers who stepped up here and voiced their opinions and Dr. Arthur who presented a scientific proposal as well, there is no doubt in my mind, after having ridden for 28 years, that the horses are capable of carrying more weight than they are assigned today. I do not believe it will increase the chance of more frequent injuries. I cannot dispute the fact that more weight -- well, I don't want to contradict myself --

MR. HARRIS: I think we have heard this, I think we have heard about everything that there is to hear on it. We're not going to decide today. Get a few comments from the commissioners and we'll see where we can go with it.

MR. LICHT: I think we should raise the weight minimally to accommodate the growth in people's body size from generation to generation. This is too extreme and the 5 percent situation, if we're going to have it

there should be no grandfather clause.

MR. SPERRY: I would agree with Roger.

MS. MORETTI: I also agree.

MR. MOSS: I agree with the 3-pound increase. I'd still like to understand the 5 and the 10 pounds, which I still don't have together. So if somebody can fax me something. But I am for a 3 pound-increase. Thank you.

MR. BIANCO: I'm for an increase but I'm like Jerry, I'd like to really understand the weight issue, I think it's more important on the 5 percent body fat and if there is a difference for a lady jockey then that should be a consideration, but as far as the weight issue I can see 3 pounds plus mandatory body fat requirement.

MR. MOSS: I'd like to pay some attention to the national picture that is of concern. Chris seems to think that we can resolve this by January 1, that is a good date to perhaps look at it strongly.

MR. SPERRY: We should have full disclosure. If it's 10 pounds of equipment they are carrying that's what should be in the program.

MR. HARRIS: My comments -- we would have to get rid of the grandfather clause and have them phased-in for a short period of time. That we need to

take a good look at the American Dietetic Association recommendation on different body fat, recommendations for female riders and someone to clarify what type of measure there would be on body fat in general. I like the idea that TLC had, a more transparency on the scales to show our fans that those weights are correct or at least have are reference to go back if there is any controversy over the weigh in or weigh out.

I think we need to address the issue, and I'd hate to see us not have some action at some point, but there are enough questions out there we need to have our staff take a look at and us take a look at. One of the things that we need to get to the bottom of is 5 pounds versus 10 pounds and how much stuff there is. Whatever the stuff is it's got to be part of the weight when a jockey weighs in or out it would be better to show the public what that rider carried, not what he weighed sometime and did not include this or that. Our current system is flawed. It's not very transparent at all. I suggest we send this back to staff and rework the recommendation and bring them back and we'll debate it again.

MR. SPERRY: And at the same time, Mr. Chairman, encourage the industry to continue their national discussion to try to come up with something

that everyone can live with.

MR. HARRIS: Is there a comment?

SPEAKER: I'm trainer and a jockey. I definitely think there has to be an adjustment on the weight for the jockeys. I think it's time. It's a situation that's too hard for them to stay a specific weight, especially in Del Mar where they are out partying. I think it has to be done on a national basis, if you try to do it just in California it's going to be a real negative to racing in the state. And we all go to the races all the time and you see horses in every race from 112 pounds to 123 pounds. I think just look at what's real and actual out there and not get confused by different things thrown out there today. Whatever is done you have to look at the repercussions nation-wide. Racing is very fragile in this country. No one knows if there is going to be difference in horses breaking down if they are carrying 2 or 3 pounds more. If you get up to the higher weights then everybody agrees that there is a problem. This is a problem that has to be addressed for the jockeys, but it has to be addressed for the jockeys across the country. Thank you.

MR. HARRIS: There is no motion on this. We'll ask our staff and all of us to provide input to come up

with another proposed rule that hopefully we'll address -- I don't think we'll have a consensus but we'll come up with something that is closer to what we're trying to do.

(Recess.)

MR. HARRIS: Item 7. This is the proposed amendment of rules on medication. These are done to bring us as -- actually we would be one of the lead states, we don't necessarily want to be a lead state.

To join some of the RMTC recommendations.

SPEAKER: The racing industry has long asked for be uniformity in medication rules and medication drug testing in racing for many years. An organization known as the Racing Medication Testing Consortium was established to do just that. What you have before you are suggested rule changes that will incorporate the recommendations of the Racing Medication Testing Consortium into the California Horse Racing Board rules.

And I should explain at that the Racing Medication Testing Consortium is an organization made up of all statements of the racing industry and includes several representatives from the California racing industry. The Medication Committee met last Friday here at Del Mar and the committee approved these changes with some additions and some corrections to those. And I'd

like to read those changes that were made at the Medication Committee into the record so that everybody is aware. We start with rule 1843.5, Section I. Which has changed to read that.

"Veterinarians, other than the official veterinarian and racing veterinarian should not have contact with the entered horse on race date unless approved by the official veterinarian except for the administration of medication."

What's been changed is that, "other than the official veterinarian" and the official veterinarian has been added to that change.

MR. HARRIS: On these changes basically all the regulations are in compliance with what the recommendations were?

SPEAKER: That's correct.

MR. HARRIS: Do the tracks have concerns about losing horses to Kentucky because of our regulations being stricter than theirs?

SPEAKER: Well, there are several -- California racing associations represented and none of them voiced that concern.

Second rule being changed is 1844. And there were no changes to those amendments made during the

medication Committee meeting.

Rule 1845 does have some changes. Section A of 1845 now includes CHRB Form 194. At the time of the committee meeting there was no form established for this and there is now a form and it's CHRB 194.

MR. HARRIS: One of the parts of this one was, we're abandoning the theory that you had to show a horse bled to put it on a bleeder's list. Just notify somebody that you're doing it, but it eliminates the need to show that horse necessarily bled in the workout?

SPEAKER: That's correct.

MR. HARRIS: Which really was the de facto way it was being done anyway.

SPEAKER: On page 2 of 1845, Section C, now reads;

"If the specific gravity of post urine sample is determined to be below 1.010 or if a urine sample is not available for testing, quantitation of perosamide in serum or plasma will then be formed. To the addition of, if a urine sample is not available for testing has been added during the medication committee meeting."

Also on page 2, Section E,

The minimum amount of phenacemide that is going

to be recommend is 150 milligrams, not 250 milligrams as was listed this your information received in your packet. And that was a mistake on my part when I cut and pasted the recommendations into the RMTC recommendations into the California recommendations I neglected to put 150, but it is 150 milligrams.

On Page 3, one additional change and that is in Section E, which begins on page 2, and is continued in the first paragraph of page 3, there is an additional sentence added during the Medication Committee Meeting, which reads:

> "Upon request of a board representative, the veterinarian administering the authorized medication shall surrender the syringe which was used to administer the medication which then may be submitted for testing."

And finally in Section F, there is now a form that I mentioned 194, CHRB 194 is now included in that requirement. Those were the changes that were made during the Medication Committee Meeting. And like I said, that was the opinion of the committee that this be brought to the Board and asked the Board to request that the staff notice these changes to the Office of Administrative Law for the 45-day discussion and public commentary.

MR. HARRIS: Any comment on this?

MR. BIANCO: I'll make a motion.

MR. SPERRY: Second.

MR. HARRIS: All in favor.

SPEAKER(S): Aye.

DR. JENSEN: Dr. Ron Jensen, Equine Medical Director for the California Horse Racing Board. This rule adoption is an addition to submission form that's used to -- when a horse is submitted to the diagnostic lab for postmortem examination and the change is in the form that's utilized and because it's referenced in the rule it takes a rule changes to change the form. So what's been added to the submission form is a place to note if there has been a jockey injured or a human injury associated with this horse that is being submitted for postmortem examination. And also on the form there is space added for additional comments that the submitting veterinarian may ask the diagnostic lab do additional testing. That's been changed on the form as well. In addition, this rule changes the word that mandates the test samples be taken from the carcass when the postmortem is being conducted and that the samples may be collected and tested.

And the reason for that is it is not always necessary to do testing in certain cases and it's done

on a case-by-case basis. And those are the changes that is are proposed for CHRB.

MR. HARRIS: It is clear that these postmortem reports are available to the owner and trainer of the horse in question?

DR. JENSEN: That's true. Made available to the owner or the trainer or the attending veterinarian.

MR. HARRIS: Any comments on these?

SPEAKER: I have a quick comment. The only concern I have is often times the horse is brought off the race track in the ambulance, the veterinarian who fills out this form would not know if there was an injury involved in that. There has been to be a mechanism that an official veterinarian or HRB Veterinarian may need to fill that out. We fill them out and submit them to the veterinarian we would not know if someone got hurt or not.

MR. HARRIS: The stewards need to be on the loop somewhere.

DR. JENSEN: Current practice is if the official veterinarian is not available the form is faxed into the diagnostic laboratory and some follow up is often performed by the diagnostic laboratory to fill in the blanks that information is missing. The idea is to have it available so that it's noted on the form.

MR. HARRIS: This has been noticed and is for adoption?

DR. JENSEN: Yes, it has gone through the notice period and there has not been any comment from the public. And staff recommend that it be adopted.

MR. HARRIS: Motion on that?

MR. MOSS: So moved.

MR. HARRIS: Second by Jerry.

All in favor.

SPEAKER(S): Aye.

MR. HARRIS: Okay. A few more things. Let's go ahead with the request for approval of charity distribution by LATC.

MR. REAGAN: Yes, commissioners, John Reagan CHRB staff. Los Angeles Turf Club is requesting approval to distribute $262,800 in charity day benefits to 44 beneficiaries, we find this to be in order and request your approval.

MR. SPERRY: So approved.

MR. HARRIS: Second.

MR. MOSS: Second

MR. HARRIS: All in favor.

SPEAKER(S): Aye.

MR. HARRIS: Another one is item 10, Pacific Racing Association to distribute $60,000.

MR. REAGAN: Commissioners, you've also reviewed this, $60,000 to 12 beneficiaries. We find it to be in order and recommend your approval.

MR. LICHT: So moved.

MS. MORETTI: Second.

MR. HARRIS: All in favor.

SPEAKER(S): Aye.

MR. HARRIS: It's approved.

This item on Los Alamitos and Capitol --

MR. WOOD: Both parties involved in item number 11, which was the discussion action by the Board, request of Capitol Racing concerning location and build a satellite signal on Los Alamitos race course. Both entities have requested that this be tabled for the meeting in September.

MR. HARRIS: What was item 12?

MR. WOOD: Item 12 was the report by the representatives of the California Animal Health and Food Safety Laboratory on the Postmortem.

MR. HARRIS: We have deferred that also.

Item 13. Is the California Performance Review Committee discussion.

MR. WOOD: I'll be glad to advise the Board that there has been a California performance review committee, hearings have been scheduled, in fact the

first hearing for the input on that was conducted on August the 13th. There is another meeting scheduled -- another hearing scheduled on August the 20th in San Diego. It is a review committee to listen to public input and for final adoption of the proposal made by the Governor by his committee to create (inaudible) in the regulatory agencies of the state. We were asked to provide information to that committee when the CPR was put together. We believe that we're going to continuously be able to provide reports to that group through information requested of the Board.

And we encourage the board members and the industry to help on getting involved in those discussions. We think that the process will give us an opportunity to explain the importance of racing to the members of the community. At this point in time we brought this as a general item at your request so that everyone would understand that the review committee is in process and the steps that are necessary for their recommendations to be approved.

MR. HARRIS: I did suggest this be on the agenda. I think that government is a continuing process of reinvention and that's probably healthy but the actual CHRB, I can't really envision it going away very easily without having some way to regulate the industry

for the benefit of the fans and the public, unless it was completely deregulated and all the regulations were turned over to whatever track was operating. But there might be functions that could be integrated into different parts of government, there might be some function that we do that other parts could do more efficiently. I'm not sure how we really have input or how we get into the thing as far as specifically how they would do it if you didn't have CHRB. If you have a draft of where all these different functions would go to.

MR. WOOD: Yes, they have made recommendations in the function of the Horse Racing would be placed in the Consumers Affairs Protection Agency and some of the investigating (inaudible) of the California Horse Racing Board will had been placed under the Department of Justice. These are recommendation, there is a long road to go before they're approved or adopted. And that's set out in the staff analysis of the different areas that have to be traveled down before these adoptions are made and we have just constantly getting requests from the CPR Committee for our input to get additional data and we continue to provide that. I solicit everyone's involvement in this review process to learn what's happening, distributed the commissioner, the pages of

the 250 page report that relates to the Horse Racing Board and marked the areas in which we are involved.

MR. HARRIS: I guess the overall changes would be made legislatively. They proposed an obvious bill that would do a lot of this or are they going to do this piece by piece? Do they have a plan on how they plan to move forward?

MR. WOOD: The hearings that are being conducted now by the CPR Committee, would determine whether it will be required legislatively the adoption of these recommendations where the constitutional amendments will have to be infected or the Governor and the legislators together will have to go through the committee to make some of the changes that have been recommended. As you know, the California Horse Racing Board is a constitutionally created entity. It's unclear at this time what process will be to use to develop these changes.

MR. HARRIS: I think we need to become familiar with the budget and source of revenue. As I understand that all of our revenue come from pair-mutuel wagering not from the general funds.

MR. WOOD: That is correct.

MR. HARRIS: Part of the wagering goes to run our agency. A lot of things was not to try to save

general fund money, but we need to be prepared to defend the way we spend the money. In any event, but it's different than if it was just general fund money.

MR. WOOD: We can keep this on a regular monthly update of what's happening in the CPR and bring to the Board's attention what we find takes place.

MR. HARRIS: Any comments on that? Let's go to item 1414.

MR. REAGAN: Yes, commissioners, John Reagan, CHRB staff. We have three reports, Churchill Downs and Hollywood Park. The spring meet and Alameda County, and the Solano County Fair. The information is presented for your review. We have the additional charts and if you have any questions you'll let us know. Thank you.

MR. HARRIS: Too bad this is the end of the -- I'd like to spend more time on these at some point to try to figure out what we're doing wrong or what we could do better. All these trends are discouraging, not showing any growth, show a slow decline.

The next item, things that come up under general business. Anything under old business?

General business or old business.

One issue that had come up was the concern with the recent compact signed by the Governor, I guess proposed to be signed by the governor, that had to be

approved by legislature, to give a basically a tribal gaming compact to a group of native Americans in San Pablo which is five or six miles from Golden Gate Fields. Also part of the compact would prohibit any other entity having slots within 35-mile radius of that. And that I think would be detrimental to racing. And I'm not sure if we have much time to do anything about it, but different people in the industry need to be aware of that.

MR. MOSS: Are you familiar with anything being done to accomplish what -- between race tracks and the Indian gaming similar to what happened in the State of Washington or even happening here and so far is cross promotions between Del Mar and casinos. In New Jersey they are getting money from gaining the interest without having to have slots in the race tracks.

MR. HARRIS: Overtures have been made but nothing has come about, TOC has had discussions with them. Del Mar is the best example.

MR. MOSS: We're not doing so well on this thing.

MR. HARRIS: You got that right.

MR. MOSS: What should we do, should we write the Governor a letter or --

MR. HARRIS: We don't have an agenda item. I

don't know if we could discuss it in detail. We do need to have an agenda item of how racing can best survive with all the different competitive things out there, gaming out there, can we figure out a way that we can join with them or how do we get there from here.

Meeting is adjourned.

MS. ROWE: I am Mary Francis Rowe from Hemit and supposedly yesterday all of you -- let me go back and say that since June the 2nd I have sent 22 letters and faxes to members of the California Horse Racing Board and I received on the 11th a response back from Mr. Wood which I considered was a form letter regarding trainer loans fraud judgment case. And on that I spoke with

Mr. Wood this morning and he said that because it was a Nevada case that that nothing could be done about it. So I'm going to put this in a letter so that you can say to me what you said to me this morning so that I can check into it. I have a letter from attorney Joseph T. Frank, an expert on the California Public Records Act and I made copies because Mr. Wood said he did not get a copy.

MR. HARRIS: Who are you representing at this meeting?

MS. ROWE: Myself.

MR. HARRIS: This letter is dated the 17th. I don't think I ever got this letter.

MS. ROE: It was sent by fax and Mr. Frank said he sent it also to your ranch or farm in Colinga at the fax number that you have there.

MR. HARRIS: Maybe it's there.

MS. ROE: I'll give you a minute to read it then and then you can respond. I'm requesting of Mr. Wood on August the 9th, I'll read it. As submitted by fax and also I sent it certified with return receipt a copy of the letter plus a couple of other letters to Mr. Wood and I requested a complete list of the all positive drug test results for the years 2001, 2002, 2003, and through July of 2004, including the trainer's name the horse's name, what illegal drug was used, and what disciplinary action was taken by of the CHRB. You must give me that information.

MR. WOOD: The Attorney General's Office will respond to your question right now. I must let them do that.

MR. KNIGHT: My name is Derry Knight, I'm with the Attorney General's Office and your letter on behalf of the Horse Racing Board was responded to by a letter that I signed and mailed to you yesterday. And we basically will be providing that information, they are

gathering the information as we speak, they don't have it all together but we'll be providing it to you. And I did respond. It was mailed to you, you presumably were in route and would not have seen my letter.

MS. ROWE: You mailed it yesterday?

MR. KNIGHT: I didn't but my secretary did.

MS. ROWE: Well, I probably won't get it for a couple three days. Will that be within the 14 days that is allowed here or are you asking for more time?

MR. KNIGHT: Yes, the staff will contact you to either come and review them or have them mailed to you, I believe the date is September 2nd.

MS. ROWE: Thank you very much.

MR. HARRIS: On our website there is a complete report of all stewards rulings and administrative rulings that someone could go to get some of this right there.

MS. ROWE: I don't use Internet. I'm retired.

MR. HARRIS: Meeting is adjourned.

(Recessed for executive session.)

(End of meeting 4:23 p.m.)

REPORTER'S CERTIFICATE

I, Laura Longarini, a Certified Shorthand Reporter for the State of California, do hereby certify that I reported in shorthand the above proceedings on July 22, 2004; and I do further certify that the above and foregoing pages contain a true and correct transcript of all of said proceedings.

IN WITNESS WHEREOF, I have subscribed my name this 6th day of September, 2004.

_____

LAURA LONGARINI, CSR NO. 12384