

**NOTE:** Government Code section 11340.85 requires the Board to post all notices, initial statement of reasons and texts of rules noticed to the public until 15 days after the proposed regulations are filed with the Secretary of State by the Office of Administrative Law.

CALIFORNIA HORSE RACING BOARD  
TITLE 4, DIVISION 4, CALIFORNIA CODE OF REGULATIONS

NOTICE OF PROPOSAL TO AMEND  
RULE 1843.2. CLASSIFICATION OF DRUG SUBSTANCES

The California Horse Racing Board (Board/CHRB) proposes to amend the regulation described below after considering all comments, objections or recommendations regarding the proposed action.

PROPOSED REGULATORY ACTION

The Board proposes to amend Rule 1843.2, Classification of Drug Substances. The proposed amendment will revise the form California Horse Racing Board (CHRB) Penalty Category Listing by Classification (Revised 02/13), which is incorporated by reference in Rule 1843.2. The revisions to the form will add cobalt as a Class 3 or Class 4 substance, depending on the level of the substance determined to be in the official test sample. Other revisions to the CHRB Penalty Category Listing by Classification will bring the form in line with the Association of Racing Commissioners International (ARCI) Uniform Classification Guidelines for Foreign Substances, and include spelling corrections, reclassification of drug substances, and the addition of drug substances.

PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, August 20, 2015**, or as soon after that as business before the Board will permit, at the **Del Mar Surfside Race Place, 2260 Jimmy Durante Boulevard, Del Mar, California**. At the hearing, any person may present statements or arguments orally or in writing about the proposed action described in the informative digest. It is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony.

WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m., on August 10, 2015**. The Board must receive all comments at that time; however, written comments may still be submitted at the public hearing. Submit comments to:

Harold Coburn, Regulation Analyst  
California Horse Racing Board

1010 Hurley Way, Suite 300  
Sacramento, CA 95825  
Telephone (916) 263-6026  
Fax: (916) 263-6042  
E-Mail: [haroldc@chr.ca.gov](mailto:haroldc@chr.ca.gov)

## AUTHORITY AND REFERENCE

Authority cited: Sections 19580, 19581 and 19582, Business and Professions Code.  
Reference: Section 19580, 19581 and 19582, Business and Professions Code.

Business and Professions Code sections 19580, 19581 and 19582 authorize the Board to adopt the proposed regulation, which would implement, interpret or make specific sections 19580, 19581 and 19582, Business and Professions Code.

## INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Business and Professions Code section 19580 provides that the Board shall adopt regulations to establish policies, guidelines, and penalties relating to equine medication to preserve and enhance the integrity of horse racing in California. Business and Professions Code section 19581 states no substance of any kind shall be administered by any means to a horse after it has been entered to race in a horse race, unless the Board has, by regulation, specifically authorized the use of the substance and the quantity and the composition thereof. Business and Professions Code section 19582 states violations of section 19581, as determined by the Board are punishable as set forth in regulations adopted by the Board. The Board may classify violations of section 19581 based on each class of prohibited drug substances, prior violations within the previous three years, and prior violations within the violator's lifetime.

The Board proposes to amend Rule 1843.2 to add cobalt to the CHRB Penalty Categories Listing by Classification, which is incorporated by reference in Rule 1843.2. The proposed amendment will also update the CHRB Penalty Categories Listing by Classification to bring it in line with the ARCI Uniform Classification Guidelines for Foreign Substances. The revisions to the CHRB Penalty Categories Listing by Classification include spelling corrections, reclassification of drug substances, and the addition of drug substances. The CHRB Penalty Categories Listing by Classification lists medications and drug substances whose presence in an official test sample, or whose presence in excess of the authorized level, will result in a violation of the Board's rules. The form also lists drug classification and penalty class for each substance. When adjudicating a hearing for a violation of Business and Professions Code section 19581, the Board, the board of stewards, the hearing officer, or the administrative law judge must consider the classification of the substance as listed in the CHRB Penalty Categories Listing by Classification.

Cobalt is a naturally occurring trace element which may normally be present in horses at very low levels as a result of the ingestion of feedstuffs that contain it in trace amounts. Cobalt is also present in the structure of vitamin B12. Cobalt can be administered to horses as a powder, feed supplement or injection. Although naturally occurring in horses, excessive amounts of the substance in the system can lead to severe side effects, which include damaging the thyroid,

cardiovascular system, nerve problems and blood thickening. High doses of cobalt containing products may be used to increase erythropoiesis, the process which produces red blood cells. When more red blood cells are generated there is a greater ability to carry oxygen through the body and allow peak performance levels to be maintained for longer periods of time. This may make cobalt attractive to some in the horseracing industry who would misuse it to gain an edge in competition.

Cobalt became a concern for United States racing officials in 2013 when its presence was detected in a large number of samples taken at a New Jersey racetrack. The substance has also been of concern to horseracing officials in Australia and other international horseracing jurisdictions. In 2014 the CHRB announced it would commence monitoring cobalt levels in horses competing at California racetracks and in certain necropsy specimens. In the fall of 2014 the Board endorsed a proposal to amend its rules to regulate the use of cobalt.

The proposed amendment to Rule 1843.2 would add cobalt to the CHRB Penalty Categories Listing by Classification as a Class 3 drug at a level of 50 nanograms per milliliter, or more, in blood. Class 3 drugs are substances that may or may not have generally accepted medical use in the racing horse, but the pharmacology of which suggests less potential to affect performance than drugs in Class 2. In addition, cobalt has been added to the CHRB Penalty Categories Listing by Classification as a Class 4 drug at a level of 25 nanograms per milliliter, or more, in blood. Class 4 drugs are substances that include therapeutic medications that would be expected to have less potential to affect performance than those in Class 3. The two tiered system for listing cobalt in the CHRB Penalty Categories Listing by Classification recognizes the scenario of a trainer negligently feeding a high cobalt containing mineral supplement and exceeding 25 parts per billion (ppb). Exceeding 50 ppb would require an intentional administration of cobalt. The CHRB has similar graduated penalty schemes for TCO<sub>2</sub>, flunixin, and phenylbutazone. The cobalt thresholds under Rule 1843.2 have been established in blood because a threshold in urine has not been established in the United States (US). Urine is problematic for establishing thresholds in the US because almost all US racehorses receive furosemide (Lasix), which impacts cobalt and other drug concentrations by diluting the urine. Blood thresholds are more reliable, and it is an easier matrix to sample and test for a substance like cobalt. It is necessary to add cobalt to the CHRB Penalty Categories Listing by Classification to provide guidance to the board of stewards, the hearing officer, or the administrative law judge when adjudicating a hearing for a violation of Business and Professions Code section 19581. The CHRB Penalty Categories Listing by Classification provides both the drug class and the penalty class for listed medications and drug substances. The penalty classifications are used under Board Rule 1843.3, Penalties for Medication Violations, to determine penalties for violations due to the presence of a drug substance in an official test sample. The addition of cobalt to the CHRB Penalty Categories Listing by Classification will also provide clarity for licensees. Interested parties will understand that cobalt's presence in an official test sample (at specified levels) will constitute a medication violation, and the penalty classifications for cobalt will provide the possible penalties.

Other modifications to the CHRB Penalty Categories Listing by Classification are necessary to bring the form in line with the ARCI Uniform Classification Guidelines for Foreign Substances. The modifications include: changing Ractopamine from Class 3/Penalty B to Class 2/Penalty A; Zilpaterol from Class 3/Penalty A to Class 2/Penalty A; Deracoxib (Deremaxx) from Class 3/Penalty C to Class 3/Penalty B; and Ambroxol from Class 4/Penalty B to Class 4/Penalty C.

Spelling corrections include: Dehydrochloromethyltestosterone; Amiodarone; and 2-Aminoheptane. Additions to the CHRB Penalty Categories Listing by Classification include: Benzonatate; Almotriptan; Acenocoumarol; Pergolide; and Methylhexanamine (Geranamine). The changes to the CHRB Penalty Categories Listing by Classification will provide clarity and consistency for interested parties, as the form will align with the ARCI Uniform Classification Guidelines for Foreign Substances. The ARCI guidelines have been adopted by the majority of racing states, so horsemen, especially those from out-of-state, will find the same prohibitions regarding medications and drug substances apply in California as in New York, Florida or Texas.

Evaluation of Consistency and Compatibility with Existing State Regulations: During the process of developing the proposed amendment, the Board has conducted an evaluation for any related regulations and has determined that Rule 1843.2 is the only regulation dealing with classification of drug substances with regards to horse racing in California. Therefore the proposed regulation is neither inconsistent nor incompatible with existing state regulations.

#### DISCLOSURE REGARDING THE PROPOSED ACTION

Mandate on local agencies and school districts: none.

Cost or savings to any state agency: none.

Cost to any local agency or school district that must be reimbursed in accordance with Government Code sections 17500 through 17630: none.

Other non-discretionary costs or savings imposed upon local agencies: none.

Cost or savings in federal funding to the State: none.

The Board has made an initial determination that the proposed amendment to Rule 1843.2 will not have a significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states.

The following studies/relevant data were relied upon in making the above determination: none.

Cost impact on representative private persons or businesses: The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Significant effect on housing costs: none.

#### RESULT OF ECONOMIC IMPACT ANALYSIS

The adoption of the proposed amendment to Rule 1843.2 will not (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California. The proposed amendment to Rule 1843.2 promotes the health and safety of race horses, which is jeopardized if

they workout or race under the influence of unauthorized drug substances or medications, or have excessive levels of authorized medications in their systems. Keeping race horses healthy protects the economic interest of owners and ensures that there is an adequate horse inventory. Ensuring that horses entered to race are sound and are not under the influence of unauthorized drug substances or medications, or excessive levels of authorized medications, also promotes jockey safety. If horses entered to race are not running with unauthorized drug substances or medications in their systems, the public will see horseracing as a sport that cares about the health and safety of both horse and rider, which may result in an increase in the public's positive perception of the sport. A more favorable public response to horse racing could result in an increase in wagering which will have a positive economic impact on the industry.

Effect on small businesses: none. The proposal to amend Rule 1843.2 does not affect small businesses because horse racing is not a small business under Government Code section 11342.610.

## CONSIDERATION OF ALTERNATIVES

In accordance with Government Code Section 11346.5, subdivision (a)(13), the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome on affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Board invites interested persons to present statements or arguments with respect to alternatives to the proposed regulation at the scheduled hearing or during the written comment period.

## CONTACT PERSON

Inquiries concerning the substance of the proposed action and requests for copies of the proposed text of the regulation, the initial statement of reasons, the modified text of the regulation, if any, and other information upon which the rulemaking is based should be directed to:

Harold Coburn, Regulation Analyst  
California Horse Racing Board  
1010 Hurley Way, Suite 300  
Sacramento, CA 95825  
Telephone: (916) 263-6026  
E-mail: haroldc@chrb.ca.gov

If the person named above is not available, interested parties may contact:

Andrea Ogden, Policy, Regulations Manager  
Telephone: (916) 263-6033

## AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

The Board will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its offices at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation, and the initial statement of reasons. Copies may be obtained by contacting Harold Coburn, or the alternative contact person at the address, phone number or e-mail address listed above.

## AVAILABILITY OF MODIFIED TEXT

After holding a hearing and considering all timely and relevant comments received, the Board may adopt the proposed regulation substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the modified text, with changes clearly marked, shall be made available to the public for at least 15 days prior to the date on which the Board adopts the regulations. Requests for copies of any modified regulation should be sent to the attention of Harold Coburn at the address stated above. The Board will accept written comments on the modified regulation for 15 days after the date on which it is made available.

## AVAILABILITY OF STATEMENT OF REASONS:

Requests for copies of the final statement of reasons, which will be made available after the Board has adopted the proposed regulation in its current or modified form, should be sent to the attention of Harold Coburn at the address stated above.

## BOARD WEB ACCESS

The Board will have the entire rulemaking file available for inspection throughout the rulemaking process at its website. The rulemaking file consists of the notice, the proposed text of the regulation and the initial statement of reasons. The Board's website address is: [www.chrb.ca.gov](http://www.chrb.ca.gov).

## INITIAL STATEMENT OF REASONS

### RULE 1843.2. CLASSIFICATION OF DRUG SUBSTANCES

#### SPECIFIC PURPOSE OF THE REGULATION

The Board proposes to amend Rule 1843.2, Classification of Drug Substances. The proposed amendment will revise the form California Horse Racing Board (CHRB) Penalty Category Listing by Classification (Revised 02/13), which is incorporated by reference in Rule 1843.2. The revisions to the form will add cobalt as a Class 3 or Class 4 substance, depending on the level of the substance determined to be in the official test sample. Other revisions to the CHRB Penalty Category Listing by Classification will bring the form in line with the Association of Racing Commissioners International (ARCI) Uniform Classification Guidelines for Foreign Substances, and include spelling corrections, reclassification of drug substances, and the addition of drug substances.

#### PROBLEM

The Board proposes to amend Rule 1843.2 to add cobalt to the CHRB Penalty Categories Listing by Classification, which is incorporated by reference in Rule 1843.2. The proposed amendment will also update the CHRB Penalty Categories Listing by Classification to bring it in line with the ARCI Uniform Classification Guidelines for Foreign Substances. The revisions to the CHRB Penalty Categories Listing by Classification include spelling corrections, reclassification of drug substances, and the addition of drug substances. The CHRB Penalty Categories Listing by Classification lists medications and drug substances whose presence in an official test sample, or whose presence in excess of the authorized level, will result in a violation of the Board's rules. The form also lists drug classification and penalty class for each substance. When adjudicating a hearing for a violation of Business and Professions Code section 19581, the Board, the board of stewards, the hearing officer, or the administrative law judge must consider the classification of the substance as listed in the CHRB Penalty Categories Listing by Classification.

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jurisdictions. In 2014 the CHRB announced it would commence monitoring cobalt levels in horses competing at California racetracks and in certain necropsy specimens. In the fall of 2014 the Board endorsed a proposal to amend its rules to regulate the use of cobalt.

## NECESSITY

The proposed amendment to Rule 1843.2 would add cobalt to the CHRB Penalty Categories Listing by Classification as a Class 3 drug at a level of 50 nanograms per milliliter, or more, in blood. Class 3 drugs are substances that may or may not have generally accepted medical use in the racing horse, but the pharmacology of which suggests less potential to affect performance than drugs in Class 2. In addition, cobalt has been added to the CHRB Penalty Categories Listing by Classification as a Class 4 drug at a level of 25 nanograms per milliliter, or more, in blood. Class 4 drugs are substances that include therapeutic medications that would be expected to have less potential to affect performance than those in Class 3. The two tiered system for listing cobalt in the CHRB Penalty Categories Listing by Classification recognizes the scenario of a trainer negligently feeding a high cobalt containing mineral supplement and exceeding 25 parts per billion (ppb). Exceeding 50 ppb would require an intentional administration of cobalt. The CHRB has similar graduated penalty schemes for TCO<sub>2</sub>, flunixin, and phenylbutazone. The cobalt thresholds under Rule 1843.2 have been established in blood because a threshold in urine has not been established in the United States (US). Urine is problematic for establishing thresholds in the US because almost all US racehorses receive furosemide (Lasix), which impacts cobalt and other drug concentrations by diluting the urine. Blood thresholds are more reliable, and it is an easier matrix to sample and test for a substance like cobalt. It is necessary to add cobalt to the CHRB Penalty Categories Listing by Classification to provide guidance to the board of stewards, the hearing officer, or the administrative law judge when adjudicating a hearing for a violation of Business and Professions Code section 19581. The CHRB Penalty Categories Listing by Classification provides both the drug class and the penalty class for listed medications and drug substances. The penalty classifications are used under Board Rule 1843.3, Penalties for Medication Violations, to determine penalties for violations due to the presence of a drug substance in an official test sample. The addition of cobalt to the CHRB Penalty Categories Listing by Classification will also provide clarity for licensees. Interested parties will understand that cobalt's presence in an official test sample (at specified levels) will constitute a medication violation, and the penalty classifications for cobalt will provide the possible penalties.

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horsemen, especially those from out-of-state, will find the same prohibitions regarding medications and drug substances apply in California as in New York, Florida or Texas.

#### BENEFITS ANTICIPATED FROM THE REGULATORY ACTION

The proposed amendment to Rule 1843.2 will revise the CHRB Penalty Category Listing by Classification, which is incorporated by reference in Rule 1843.2. The revisions to the form will add cobalt as a Class 3 or Class 4 substance, depending on the level of the substance determined to be in the official test sample. Other revisions to the CHRB Penalty Category Listing by Classification will bring the form in line with the ARCI Uniform Classification Guidelines for Foreign Substances, and include spelling corrections, reclassification of drug substances, and the addition of drug substances.

Adding cobalt to the CHRB Penalty Category Listing by Classification will have the benefit of providing guidance to the board of stewards, the hearing officer, or the administrative law judge when adjudicating a hearing for a violation of Business and Professions Code section 19581. The CHRB Penalty Categories Listing by Classification provides both the drug class and the penalty class for listed medications and drug substances. The penalty classifications are used under Board Rule 1843.3, Penalties for Medication Violations, to determine penalties for violations due to the presence of a drug substance in an official test sample. The addition of cobalt to the CHRB Penalty Categories Listing by Classification will also increase openness and transparency in government and provide clarity for licensees. Interested parties will understand that cobalt's presence in an official test sample (at specified levels) will constitute a medication violation, and the penalty classifications for cobalt will provide the possible penalties. The addition of cobalt to the CHRB Penalty Categories Listing by Classification will promote fairness, as board of stewards, the hearing officer, or the administrative law judge will all work with the same range of penalties when adjudicating a hearing for a violation of Business and Professions Code section 19581. The proposed amendment to Rule 1843.2 will have the benefit of promoting worker safety. Jockeys and exercise riders will be less likely to work with horses whose soundness has been compromised by the administration of excessive amounts of cobalt.

The changes to the CHRB Penalty Categories Listing by Classification that include spelling corrections, reclassification of drug substances, and the addition of drug substances will have the benefit of providing clarity and consistency for interested parties, as the form will align with the ARCI Uniform Classification Guidelines for Foreign Substances. The ARCI guidelines have been adopted by the majority of racing states, so horsemen, especially those from out-of-state, will find the ARCI prohibitions regarding medications and drug substances also apply in California. The proposed amendment to Rule 1843.2 will not protect the environment, public health or prevent discrimination.

#### TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS OR DOCUMENTS

In proposing the amendment to Rule 1843.2 the Board relied on the documents:

- “Cobalt Situation Analysis” by Rick M. Arthur, DVM, CHRB Equine Medical Director.

- Racing Medication and Testing Consortium (RMTC) Position Statement on Cobalt.
- Controlling the Misuse of Cobalt in Horses by Emmie N. M. Ho, George H. M. Chan, Terence S. M. Wan, Peter Curl, Christopher M. Riggs, Michael J. Hurley and David Sykes.

## ECONOMIC IMPACT ASSESSMENT/ANALYSIS

Impact on Jobs/New Businesses: The Board has determined that this regulatory proposal will not have a significant impact on the creation of new jobs or businesses, the elimination of jobs or existing businesses, or the expansion of businesses in California. The jurisdiction of Rule 1843.2 is limited to the inclosure of racing associations and racing fairs, and only has an effect on horseracing and no other California business.

## RESULTS OF ECONOMIC IMPACT ASSESSMENT

The results of the Board's Economic Impact Assessment as required by Government Code section 11346.3(b) are as follows:

- The proposed regulation will not impact the creation or eliminate jobs within the State of California, or the creation of new businesses or the elimination of existing businesses or the expansion of businesses in California.
- The proposed amendment to Rule 1843.2 will not impact the creation of new businesses or eliminate existing businesses in California.
- Rule 1843.2 will not impact the expansion of businesses currently doing business in California.
- The proposed regulation will benefit the health and welfare of horses that are in California for pari-mutuel racing and will not benefit the state's environment.

The Board has made an initial determination that the proposed amendment to Rule 1843.2 will not have a significant statewide adverse economic impact directly affecting business including the ability of California business to compete with businesses in other states.

## PURPOSE:

The proposed amendment to Rule 1843.2 will revise the form California Horse Racing Board (CHRB) Penalty Category Listing by Classification (Revised 02/13), which is incorporated by reference in Rule 1843.2. The revisions to the form will add cobalt as a Class 3 or Class 4 substance, depending on the level of the substance determined to be in the official test sample. Other revisions to the CHRB Penalty Category Listing by Classification will bring the form in line with the ARCI Uniform Classification Guidelines for Foreign Substances, and include spelling corrections, reclassification of drug substances, and the addition of drug substances.

## THE CREATION OR ELIMINATION OF JOBS WITHIN THE STATE OF CALIFORNIA

The proposed amendment to Rule 1843.2 will revise the CHRB Penalty Category Listing by Classification, which is incorporated by reference in Rule 1843.2. The revisions to the form will

add cobalt as a Class 3 or Class 4 substance, depending on the level of the substance determined to be in the official test sample. Other revisions to the CHRB Penalty Category Listing by Classification will bring the form in line with the ARCI Uniform Classification Guidelines for Foreign Substances, and include spelling corrections, reclassification of drug substances, and the addition of drug substances.

The regulation will only affect boards of stewards, hearing officers, or administrative law judges when adjudicating a hearing for a violation of Business and Professions Code section 19581. The proposed amendment will also affect licensed trainers, owners and veterinarians by setting limits on the levels of cobalt that may be present in an official test sample. Therefore, the Board has determined that the proposed regulatory action will not have an impact on the creation or elimination of jobs in the State of California.

#### THE CREATION OF NEW BUSINESSES OR THE ELIMINATION OF EXISTING BUSINESSES WITHIN THE STATE OF CALIFORNIA

The proposed amendment to Rule 1843.2 will revise the CHRB Penalty Category Listing by Classification, which is incorporated by reference in Rule 1843.2. The revisions to the form will add cobalt as a Class 3 or Class 4 substance, depending on the level of the substance determined to be in the official test sample. Other revisions to the CHRB Penalty Category Listing by Classification will bring the form in line with the ARCI Uniform Classification Guidelines for Foreign Substances, and include spelling corrections, reclassification of drug substances, and the addition of drug substances.

The regulation will only affect boards of stewards, hearing officers, or administrative law judges when adjudicating a hearing for a violation of Business and Professions Code section 19581. The proposed amendment will also affect licensed trainers, owners and veterinarians by setting limits on the levels of cobalt that may be present in an official test sample. Therefore, the Board has determined that the proposed regulatory action will not have an impact on the creation or elimination of existing businesses in the State of California.

#### THE EXPANSION OF BUSINESSES CURRENTLY DOING BUSINESS WITHIN THE STATE OF CALIFORNIA.

The proposed amendment to Rule 1843.2 will revise the CHRB Penalty Category Listing by Classification, which is incorporated by reference in Rule 1843.2. The revisions to the form will add cobalt as a Class 3 or Class 4 substance, depending on the level of the substance determined to be in the official test sample. Other revisions to the CHRB Penalty Category Listing by Classification will bring the form in line with the ARCI Uniform Classification Guidelines for Foreign Substances, and include spelling corrections, reclassification of drug substances, and the addition of drug substances.

The regulation will only affect boards of stewards, hearing officers, or administrative law judges when adjudicating a hearing for a violation of Business and Professions Code section 19581. The proposed amendment will also affect licensed trainers, owners and veterinarians by setting limits on the levels of cobalt that may be present in an official test sample. Therefore, the Board

has determined that the proposed regulatory action is not relevant to the expansion of businesses in California. The proposed amendment to Rule 1843.2 will not have an impact on the expansion of existing businesses, as the proposed amendment will only affect those adjudicating a hearing for a violation of Business and Professions Code section 19581, and licensed trainers, owners and veterinarians by setting limits on the levels of cobalt that may be present in an official test sample. Therefore, the Board has determined that the proposed regulatory action is not relevant to the expansion of businesses currently doing business within the State of California.

#### **BENEFITS OF THE REGULATIONS TO THE HEALTH AND WELFARE OF CALIFORNIA RESIDENTS, WORKER SAFETY, AND THE STATE'S ENVIRONMENT**

The anticipated benefit of the proposed amendment to Rule 1843.2 is the promotion of worker safety. Jockeys and exercise riders will be less likely to work with horses whose soundness has been compromised by the administration of excessive amounts of cobalt. The proposed amendment will not affect the health and welfare of California residents or the state's environment.

#### **ALTERNATIVE TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON AFFECTED PRIVATE PERSONS OR BUSINESSES.**

The Board has determined that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

#### **REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION.**

The proposed amendment to Rule 1843.2 was discussed at the April 16, 2015 Regular Board Meeting. No alternatives to the recommendation were proposed by the Board or by any other individual or entity at either meeting. No subsequent alternative recommendations were made prior to the notice. The Board invites any interested party to submit comments which offer any alternative proposal.

California Horse Racing Board  
June 26, 2015