THIRTY-SEVENTH ANNUAL ROUND TABLE CONFERENCE

on

MATTERS PERTAINING TO RACING

THE NATIONAL MUSEUM OF RACING

SARATOGA SPRINGS, NEW YORK

Sunday, August 13, 1989

The Jockey Club
40 East 52nd Street
New York, N.Y. 10022
THIRTY-SEVENTH ANNUAL ROUND TABLE CONFERENCE
ON MATTERS PERTAINING TO RACING
HELD BY

The Jockey Club

The National Museum of Racing
Saratoga Springs, New York

Welcome to Participants and Guests. Ogden Mills Phipps
Chairman, The Jockey Club

Activities of The Jockey Club in 1989. William S. Farish
Vice-Chairman, The Jockey Club

Update on Thoroughbred Racing
Communications, Inc. Tom Merritt
Executive Director, Thoroughbred Racing Communications
Attracting New Owners to Racing

History of the Problem Edward L. Bowen
Editor-in-Chief, The Blood-Horse

Results of the Thoroughbred Owners &
Breeders Association Market Research Study Robert Clay
Chairman, New Owners’ Committee, TOBA

— INTERMISSION —

— Panel Discussion —

THE PROBLEM OF DRUGS IN THOROUGHBRED RACING

R. Richards Rolapp
President, American Horse Council
Moderator

Status of the RCI Committee Efforts James Smith, VMD
Chairman, RCI Drug Testing and Quality Assurance Program

Problems Associated with the Prosecution of Drugging Incidents
Edward S. Broite, Esq., Member, The Jockey Club

A Unified Approach in Sanctions for Drug Violations
Russell Jones, Jr., Member, The Jockey Club
Member, Pennsylvania State Horse Racing Commission

OPEN DISCUSSION IS ENCOURAGED DURING THE PANEL

Closing Remarks Ogden Mills Phipps
Program Chairman, John Hettinger
THIRTY-SEVENTH ANNUAL ROUND TABLE CONFERENCE
ON MATTERS PERTAINING TO RACING
HELD BY THE JOCKEY CLUB
AT
THE NATIONAL MUSEUM OF RACING
SARATOGA SPRINGS
NEW YORK
SUNDAY, AUGUST 13, 1989

IN ATTENDANCE:

Helen C. Alexander
Member, The Jockey Club; Owner/Breeder
Dr. Taylor Ashbury
Owner/Breeder
Col. Charles Baker
Chairman, Jockey Club; Member, The Jockey Club
Thomas M. Bassett
Chairman, New York Racing Association; Owner/Breeder; Member, The Jockey Club
James E. Barnett III
President, Kermendall Association; Member, The Jockey Club
W.R. Rogers Besley
Director of Sales, Keeneland Association
John A. Bell
Member, The Jockey Club; Owner/Breeder
Mrs. John A. Bell
Owner/Breeder
August Belmont IV
Member, The Jockey Club; Owner/Breeder
Paul W. Berube
President, Thoroughbred Racing Protective Bureau
James H. Binger
Member, The Jockey Club: Chairman, Golden Race Course
Edward Bishop
Raggriner, The Jockey Club
William T. Bishop
Attorney
Ellen Bongard
Owner/Breeder
Edward S. Bonnie
Attorney, Member, The Jockey Club, Panelist
Shelby Bonnie
Owner/Breeder
Peter Bockstas
National Director, The Jockeys' Guild
Ed Bowren
Eidene-in-Chief, The Blood-Horse; Guest Speaker
Dr. Parson Brett
Superintending Veterinarian, New York State Racing and Wagering Board
Henry L. Buch
Attorney, Past President, Association of Racing Commissioners International
Alexander G. Campbell Jr.
Member, The Jockey Club; Owner/Breeder
Nelson Caste
Chairman, Ocala Breeders
R. Anthony Chambless
Executive Vice President, Association of Racing Commissions International
Alan E. Channer
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Helen B. Chenevey
Member, The Jockey Club; Owner/Breeder
George M. Cheston
Member, The Jockey Club; Owner/Breeder
Mrs. George Cheston
Guest Speaker
Mehville Church III
Owner/Breeder
Steve Cipolla
New York State Racing & Wagering Board
John S. Clark
Custodian, New York State Racing & Wagering Board
Robert N. Clay
Owner/Breeder; Guest Speaker
Mrs. Robert Clay
Owner/Breeder
Charles Colgan
Executive Vice President, National Steeplechase and Hunt Association
Brownell Combs
Owner/Breeder
Mrs. Brownell Combs
Owner/Breeder
Leslie Combs
Member, The Jockey Club
C. Timothy Cooney
Chairman, Fair Point
James P. Corv
President, Bay Meadows
W.R. Corbett
Executive Director, New York Thoroughbred Breeders
Richard Corbett
Chairman, New York State Racing & Wagering Board
Steven Crist
Columnist, The New York Times
Richard Cummings
President, Turf Talk
Robert Curran
Director, Media Relations, Thoroughbred Racing Communications
Dr. Michael Dargan
Senior Surgeon, Irish Turf Club
Mrs. Michael Dargan
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Attorney
Lord Howard de Walden
Former Senior Surgeon, The Jockey Club of England
Lady de Walden
Allan R. Dragone
Steward, The Jockey Club; Trustee, New York Racing Association
Mrs. Allane duPont
Member, The Jockey Club; Owner/Breeder
Larry Ernsler Jr.
President, Fair Point
Thomas Merton Evans
Member, The Jockey Club; Owner/Breeder
Mrs. Thomas M. Evans
Owner/Breeder
William S. Farish
Vice Chairman, The Jockey Club; Owner/Breeder
Mrs. William Farish
Owner/Breeder
J.B. Faulkner
Assistant to President, Oaklawn Park
Dan Fox
Director of Racing, American Quarter Horse Association
Bill Finley
Columnist, Daily News
John M. Finney
Owner/Breeder
Bertram R. Firestone
Owner/Breeder
Hugh A. Fitzsimmons Jr.
Member, Texas Racing Commission
Richard Floyd
Member, California State Assembly
Dr. Edward Ford
Executive Director, Grafenow Foundation
Carol Frey
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George Frostatd
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Daniel M. Galtreath
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Murray Garnett
President, Horserman's Benevolent & Protective Association—New York Division
Martha F. Gentry
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Dr. Manuel A. Gilman
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M. Tyson Gilpin
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Attorney, Commissioner, New York State Racing Commission
Howard Giordano
President, New York City Off Track Betting
John Giovannini
National Manager, The Jockey's Guild
Stuart Goldman
President, Association of Racing Commissions International
John K. Goodman
Chairman, Arizona Racing Commission; Member, The Jockey Club
Robert Gowan, VMD
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James Gowan
Vice President, Thoroughbred Racing Protective Bureau
Gordon Grayson
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Mrs. Gordon Grayson
William C. Creeley
General Manager, Keeneland Association
Fred Grossman
Editor, Daily Racing Form
Leonard Halp
Senior Vice President, New York Racing Association
Richard Hamilton
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Arthur Hancock
Member, The Jockey Club; Owner/Breeder
Ike Harris
Member, Texas State Senate
Russell Harris
Columnist
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Owner/Breeder
Mrs. James Hill
Owner/Breeder
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Columnist, Daily Racing Form
Clyde Hirt
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Executive Vice President, American Association of Equine Practitioners

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Trainer

John W. Jacobs
Owner/Breeder

Walter J. Jeffords
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Steward, The Jockey Club; Owner/Breeder

Russell B. Jones
President, Thoroughbred Owners and Breeders Association; Member, The Jockey Club; Partner

John Joyce
Racing Commissioner, New York State Racing and Wagering Board

Sam Kunich, Jr.
Director, New York Racing Association, The Jockey Club

John Kelt
Attorney; Rogers & Wells

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Executive Vice President, Kentucky Thoroughbred Association

Thomas M. Meehan
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Mrs. James P. Mills
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Betty Moran
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Nick Nicholas
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Owner/Breeder

Stanley D. Petere
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Ogden Mills Phillips
Owner/Breeder

Ogden Mills Phillips
Chairman, The Jockey Club; Owner/Breeder

Mrs. Ogden Mills Phillips
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Lenny Powell
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John Preiss
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Cabin S. Rainey
Former Executive Director, The Jockey Club

Dr. William O. Reed
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David P. Reynolds
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Lyle G. Robey
Chairman, Kentucky Racing Commission

R. Richards Rolapp
President, American Horse Council; Moderator, R. Richards Rolapp

Richard Sanes, DVM
Veterinarian

Timothy H. Samps
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Joe Smirnov
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Harry D. Snyder
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Vicki Sommer
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Hans J. Stahl
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Mike Steele
President, Horsemen's Benevolent & Protective Association

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Mrs. Charles Thieriot
Owner/Breeder

Whitney Tower
President, National Museum of Racing

Michael Traeger
Sports Marketing Television International

Richard Turner
President, Amuse.
WELCOME by ODGON MILLS PHEPPS: I want to thank you all for coming this morning to the 37th Annual Round Table Conference On Matters Pertaining To Racing. I want to especially thank three individuals for being here today: Michael Dargan, Chairman of the Irish Trot Club, Charles Taylor, Chairman of the Jockey Club of Canada, and the former Senior Steward of the English Jockey Club, Lord Howard De Walden. I thank all of you for being here and hope that you’ll come back next year. One other word, Whitney Trophy and John von Shade and the Trustees of the Racing Museum make this wonderful room available to us every year and I want them and support them in their endeavors, and we really appreciate the use of this room every year.

The first order of business is the activities of The Jockey Club for 1989 and Will Parish, Vice Chairman, will bring you up to date on those.

WILLIAM S. FARISH: Thank you, Ditney. I would like to report briefly on 8 areas of endeavor that have occupied much of our time during the past year.

The highlight of our year has certainly been the relocation of the entire registration department to Lexington. The 1988 foil crop is the first to be registered in Lexington. We feel very optimistic that we are on the right track in making this move. Judging from the feedback we have received from breeders throughout the country, the transition has been smooth and the improvements we have been able to implement are being well received. The staff has done a great job during this difficult transition. We are very pleased with the caliber of fine people who have joined The Jockey Club staff in the Lexington office and feel that the level of service given to the industry should continue to improve.

We have 116 people working in the Lexington office—that’s 25% less than we had in New York—and we feel like we’re doing a far more efficient job. One example of the new program that has been well received by the industry has been the 800 customer service phone system. Since we met last year this system has already logged in 140,000 calls.

Since this is the last year of the decade of the 80’s we thought it would be appropriate to put in perspective the current status of the size of the foil crop. The early 1980’s was a time of growth which peaked in 1986. In fact, all of the growth of the foil crop occurred during the first part of the decade. It appears that the foil crops of 1987, 1988 and 1989 are each smaller than the preceding year. This is approximately a decline of 52,000 to 48,000 foals. It is interesting that by the end of the decade the percentage increase of the foal crop for the 1980’s is almost the same as the 1970’s. The demand for Thoroughbreds on the other hand shows signs of growing during the 1980’s. There are 11 states that approved pari-mutuel wagering since 1983. There will be a significant number of metropolitan areas in the United States that will race during the 1980’s that did not during the 1970’s. Purses have increased during the decade. From 1980 to 1988 purses have increased a strong 64%. This represents an increase of 465 to 800 million. This October for the first time The Jockey Club will publish the Stallion Breeding Summary. This report will be possible because of the live foil no foil reports turned in by the breeders. This report is scheduled to contain the name of the stallion, the number of mares bred, live foals, barren mares and no foals reported. The first report will contain the breeding years of 1987 to 1988. Then each year we’ll submit an annual update to the industry. The report will be made available to the media, and sent to everyone requesting a copy. The media has been asking this for years and we’re very happy to be able to accommodate them.

The Jockey Club in January announced the formation of a wholly-owned subsidiary, the Jockey Club Information Systems Inc. This corporation is involved with several important functions including auction sales catalogs and equine line, an operation specializing in on-line statistical information. Receipts from this company will be put back in the industry through various important projects. The company’s formation documents the distinction between these functions and the breed registry. There has also been significant progress on several industry...
MR. PHIPPS: As you know, TRC was born in this room not many years ago and as Bill has said it hasn't been the job of TRC to promote itself. It's been the job to promote the industry. I think it's about time you really hear what TRC has done and why the Board of TRC is very proud of Tom Merritt and his staff, and their accomplishments. Tom.

THOMAS S. MERRITT: Good Morning. It's a privilege to be here and present you with an exciting story about your industry. And it's more than a two year story of TRC. It's a story of cooperation within an industry that has taken action to help itself in an area of critical importance, namely its media image. If you or your organization has helped TRC speak up for racing, I thank you. I hope your cooperation and support will continue. I hope your pride will grow. If you've yet to be involved with TRC or its projects, I hope the presentation you are about to see this morning will encourage you. I want to take this time to personally thank all the participants in the Throroughbred industry for giving me the unique opportunity to represent the sport. Special thanks are clearly in order for the TRC staff: Bob Carman, Rob Schneider, Howard Bax, Peggy Hentgeshot and Julia Van Delse, who make the many exciting achievements that you're about to learn about possible.

And one final note of thanks for this morning's presentation goes to Tom Durkin who provided his voice for the narration for the film you're about to see. Here then is TRC's story.

VOICE OF TOM DURKIN (ON FILM): The Jockey Club Round Table, August 1986. Throroughbred racing needs a voice in the nation's media to bring racing's message to new fans, new markets. Throroughbred Racing Communications is created. The Jockey Club Round Table, August 1989. In just 3 years, Throroughbred racing is gaining that voice and a face and a favorable image through regular appearances in major national publications and on network television. Throroughbred Racing Communications, Inc. is at work. Six million viewers witnessed the beauty of Throroughbred racing through the eyes of painter Richard Stone Reeves during a profile on "CBS Sunday Morning," with Charles Kuralt presented by TRC.

A million viewers watched Julie Krone talk racing with Larry King. An appearance arranged by TRC.

Nearly 7 million copies of Woman's Day featuring jockey Diane Nelson are sold at the nation's checkout counters. Coverage coordinated by TRC.

A galloper named Jean whose life is spared for $550 goes on to not only win races but national attention in Newsweek and on ABC's "World News Tonight." TRC makes it happen.

In the process of serving the media TRC starts impressing the media, taking stories and personalities to new and receptive audi ences across the country. Nick Charles of CNN Sports says TRC offers all media a ready source of timely and eye-opening information. It's indispensable and TRC's credits continue. Five fascinating women in racing are introduced to the 350,000 readers of Art's Magazine. Over 2 million passengers on Southwest Airlines read about Chris McCarron in the February issue of this in-flight magazine.

ABC's sports commentator Dick Schapp has this to say: "Like most journalists I have a healthy distaste for press releases and many of them go straight into the wastepaper basket unopened. But not the weekly bulletin from TRC. I look forward to it and find ideas in it. Ideas for stories I have done on ABC. The oldest jockey in the U.S. for instance and the winningest claiming horse are items I use in my daily column. The TRC report is exceptional."

Thanks to TRC, readers of Sports Illustrated, Business Week and the Sporting News are introduced to aerodynamic silks prior to their Breeders' Cup Debut. Eclipse Award winner Jerry Seel of the Louisville Courier Journal says it's now possible for us to get information that was difficult to obtain in the past. "From my perspective TRC has made a tremendous difference," Tex Sutton, the impresario of Thoroughbred air travel, notes "ready to please even the most discerning on the pages of the Wall Street Journal and Air and Space magazine. More coverage obtained through TRC.

TRC also provides radio news feeds and interviews. Shylly Whitley, Director of Sports and Executive Producer for ABC Radio Network, adds his thoughts on TRC: "For those of us with a keen interest in Thoroughbred racing, TRC has been a gift from heaven. Not only has their publication been a tremendous help, we receive great benefit from their timely supply of objective audio cuts. TRC is a great shot in the arm for the industry."

But TRC doesn't just place news, it makes news. Through satellite news conferences involving 10 to 12 PB stations in a 2 hour period. Through the discovery of the Maryland family that didn't know they had named Sunday Silence. And through the weekly national Throroughbred poll that gives the country's leading horses prominence in the nation's newspapers on a regular basis. This TRC published guide to a day at the Races helps support any race track effort to teach the sport to newcomers. TRC even arranged photo coverage of Julie Krone presenting Winning Colors' horse to President Bush at the White House. And there's this丝毫es Julie Krone poster and growth chart to help her growing legion of young..."
fan measure up. TRC's success has meant much more than the media acceptance and appreciation. The President of San Joaquin says, "Being in Omaha we lack the national exposure of some others, but TRC has helped tell what's happening here to media throughout the country." Its short history Thoroughbred Racing Communications' contributions to the sport can be measured in more than glossiness. There is a bottom line. Dollars and cents bottom line. There was a Johnny Carson Show on "A CBS News Sunday Nightly" Feature on Sunday Silence. The back cover of Sports Illustrated sells for $11.00. The front cover can't be bought. That TRC put Julie Krone there and on 14 inside pages. The bottom line is that TRC has not only shown a return on the invest- ment made in it by the sport, it has multiplied that return a couple of times over in out- standing national media coverage. Thoroughbred Racing Communications. It is working for racing every day. It's up to racing to keep it working.

MR PHPEP: So an idea was born here not too long ago and I think it's borne fruit. I think all of the organizations should be jus- tifiably proud of their accomplishment with TRC. Next item on our agenda is Attracting New Owners to Racing. Ed Bowen, Editor-in-Chief of The Blood- Horse. He's going to talk on the history of the problem. Ed.

ED BOWEN: Thank you very much. I noticed in the Saratoga Performing Arts schedule that the Bee Gees were a come on tonight. I noticed that they're a famous rock group, so I took a look forward to telling my teenage daughters that the Bee Gees and I played Saratoga at the same time and then between the two of us got a crowd of thousands. When I received the invitation to speak today my pleasure and surprise were quickly tempered by the harsh realization that I had no ideas, or, I must say my insufficiency. In this wonderfully fragmented industry of ours, as you will recall, it took 20 years of stats and stops merely to generate a proper census of horses. The American Horse Council was able to do that just a couple of years ago.

Insofar as the number of owners however, as far as I can determine there is still no tracking system to statistics relative to that in North American Ractrack. Now each state racing commission, of course, can give a report at the moment as to how many licensees they see have but you cannot simply add that number to the overall number of owner be- cause if you're licensed in 5 states you would count 5 times. So with the proviso that the industry does not lend itself to aggregate definitive census trends, let me give you some examples of ways that we might be able to get estimates of the trends and number of owners.

Perhaps surprisingly, in several of the maj- or states that were able to get information from, there has been an increase of licensed owners as opposed to a decrease. In Florida for example, there were 3,430 licensed own- ers in the 1986-87 fiscal year and that grew slightly by 400 by the end of the next year. In Kentucky over the last 4 years the number of licensed owners has risen by 1,000 up to a total of 6,900.

I hasten to point out however, that I do not view these statistics as referring the prevalent think that recruitment of new owners is a proper, vital and obtainable goal for Thoroughbred racing. There is no break- down in any of these figures as to how many of the owners are members of partner- ships, how many have 1 horse, how many have more than 1 horse or anything about it. The impression is this is not a growth industry, however. And this is underscored right here in New York. The New York State Racing and Wagering Board reports total licensed owners for the last completed year, 4,242 licenses. This is not only static, it's down slightly by about 60 owners from the previous year. Perhaps the best statistical compilation to estimate the size of the indus- try's owner base is the new owners to the National Horsemen's Benevolent and Protective Association. Nevertheless, even this is incomplete for it excludes the licensed owners in those states which no longer handle pari-mutuel or racetrack ownerships. Nevertheless the HBPA office in New Orleans tells me that its current records number 44,176 owners who are licensed owners. There are an additional 3,968 who are licensed as owners and undetermined as to what they are. How many owners think they are qualified to be trainers is a statistic I don't know. But there are some those out there too.

This gives us a total of 48,764 licensed owners, Mike Steele, the President of the HBPA however, pointed out that even though the association attempts to screen for dupli- cations, that he would estimate there are approximately 10% fewer than that. Thus, if we take all of these figures and estimates, round them up slightly to account for the inaccuracies in Kentucky and Maryland, we might presume there are about 45,000 individ- uals licensed to race Thoroughbreds.

The programming to track the year by year pattern in this, is not yet in place but the most sobering thing I ran across is this. Indepen- dent of each other, both Tony Chamblin, formerly of the HPBA, and Elmer Gibbons, in that spot now, both estimate that in a given year 30-35% of those owners drop from the rolls.

That means you've got a revolving door here. You've got to replace approximately 1/3 of your owners each year just to stay even. Even though that is an estimate that is not specific, that impression is very sobering I think. Ultimately I would hope that the tracking of these figures would be a by- product of The Jockey Club's ownership regu- latory, if and when it is adopted in all jurisdic- tions.

Insofar as the breeding segment of the industry is concerned, The Jockey Club's re- ports there are currently 28,700 active breeders. That is breeders of foals of 1988. That accounts for a crop of about 49,000. So if there are 29,000 breeders to produce 49,000 foals, you can tell how many of those breeders are breeders of 1 or 2 foals.

I know a lot of you are of the opinion that there is an overproduction of foals, but if you look at that figure of breeders and think about the impact of even a small reduction of horsemen in that sphere, it wouldn't take a very big percentage decrease for there to become a shortage of horses.

I come now to a factor that has created an obstacle for recruitment and equally impor- tant, the retention of owners. I don't address this as the only factor and I don't suggest it's the only significant hurdle to overcome. The factor I'm speaking of, of course, the 1986 tax changes. This deferred the taking of de- ductions on losses from passive income un- til termination of an activity. Along with this invention literature came complicated bag- gage such as requirements for material parti- cipation and pages and pages of attempts to define what material participation is. Rough- ly the guideline, as I can grasp it, is that an individual can qualify as a material partici- pant if he spends 50 hours a year in an activity, or he can spend 100 hours a year in the activity and still, by other means, other docu- mentation, prove that he is a material partici- pant on a regular continuing basis.

Among the immediate impact of this change, of course, is that it instantly places the participant in a limited partnership in a different posture. Cov Campbell whose Dog- wood Stable has been a leader in such part- nerships described it this way and I quote: "It's a tougher game than it used to be. I found the first year many of our clients were vored with hearing about tax changes. A year later however, when their noses had been rubbed in the realities of the situation, some of them did tend to become a little bearish. The main thing to point out is that the horse business is not quite the doodle, fluffy, chic thing to be involved with it was 5 years ago, although it's probably healthier than it has ever been in a number of other ways."

A more pessimistic view was expressed to me by Phil Owen of the American Interna- tional Bloodstock. Again I quote: "Recent tax legislation while perhaps generating short term revenue for the govern- ment has, in many destroyed many businesses, including the horse industry. Perhaps the single most important issue in the passive income law. Our complaint is that the entire horse business is now being treated as a tax shelter industry. And in fact, the industry was never a tax shelter industry in the sense of cattle feeder deals, oil well drilling and so forth. It is very hard to tell you everything in this letter on how the tax reform has crippled the industry. If I did it would look like the sequel to 'War and Peace.'"

In general, the increased complication on material participation would seem likely to direct stables towards general partnerships rather than limited ones. But then think of the logistical drawbacks of having a part- nership in which each of the members has to demonstrate material participation in deci- sion making. Imagine being the trainer of one of those stables.

Reduction on tax rates also has had an impact on the tax shelters of many industries which in the words of Rich Rolage in effect "lost their subsidies." The horse business is one among those industries affected by those tax changes.

So where do we stand? In my opinion the emphasis by tax law on investing in profit making operations instead of loss opera- tions need not be assisted on philosophical terms. Certainly, however, the horse busi- ness is positioned differently from any other business. It is important that recruitment of
owners be based on reality insular as the opportunity to realize a profit. With neither false nor good, our unique position was suppressed. Fighting for better tax treatment might eventually succeed but it is in the interest of necessity no longer, to determine what people has been dealt.

The availability factors in this industry in which the horse is not central to all decisions. But in the ownership of Thoroughbred the decision to enter racing is only a wise decision if an individual has the psychological makeup to derive pleasure, excitement and fulfillment from his involvement with a noble animal and an enthralling sport.

I have great confidence in the Thoroughbred and mankind's sporting nature as a viable combination. It is important for those in the industry to constantly be fulfilling that combination together between the caring that it is the right person set us in the right way, because if you can get the Thoroughbred man and mankind in the proper relationship you have one of life's real carrots and that is a heartwarming last food.

Thank you very much.

Now I've also been asked to introduce the next presentation. The second part, the intelligent part of the whole idea about ownership is an entertainment is going to be presented by Robert Clay who is in Trustee of the Blood Horse. The owner of Three Chimneys Farm, and he is head of the New Owners Committee of the Thoroughbred Owners and Breeders Association. Robert Clay.

ROBERT CLAY: On behalf of the TOBA, I want to thank you for this opportunity to update you on the TOBA New Owners' Committee, and specifically to give you the results of some of our on-going projects. The TOBA New Owners' Committee was established last August in Saratoga as a response to an outcry from the breeding industry to establish new customers for an ever-expanding population of horses. Our mission is to educate and keep new and existing owners in the sport of Thoroughbred racing, hoping that in the process we can increase the awareness raised within the industry of the need we have not and the potential of new owners.

In order to define our mission we realized that the racing sector of the industry was also aware of the need for new owners. The Jockey Club Gold Cup, run last year for a purse of $1 million with only 4 starters was an example, why both racing and breeding could mutually benefit from new owners.

During the last 12 months the New Owners' Committee has been working on several projects, some of which I'd like to report to you today.

Our first project was to conduct a survey of a market in order to determine how many owners get in the racing game and maybe more importantly, why they get out. The Blood Horse Magazine graciously agreed to sponsor a research project which was conducted by Encore Square Consulting during the month of January through March.

Telephone surveys were conducted among 411 established owners defined as being in the industry for at least 5 years, 225 new owners defined as entering the business within the last 5 years, and 67 owners that had decided to leave the game. When asked what aspects of Thoroughbred ownership our respondents found most attractive and appealing, the horses themselves and the thrill and excitement of ownership scored highest among all groups, the financial gain was rated as a significantly lower third.

When questioned about the rewards and benefits derived from being an owner, once again the leading reason was for the fun and excitement of being an owner of the sport and personal satisfaction with financial gain third.

Note that established owners did report more financial rewards than new or existing owners. When questioned on what problems were encountered as new owners, all groups responded highest, and not surprisingly to most of us, that cost of ownership was the biggest problem, with lack of information or communication with trainers listed second and third. Various categories listed as problems encountered included: problems with horses (which was especially high among existing owners), honesty and integrity, registration, licensing, and race tracks.

When asked the major obstacles currently preventing people from becoming owners there was an overwhelming proportion of the costs of buying and maintaining animals—the major obstacle, with lack of information, relationship with trainers, honesty and integrity and lack of press recognition being next. The questionnaire also asked them if they would consider becoming an owner if the race tracks were held.

The report is currently being prepared for the Joint Task Force on Reorganization of the Thoroughbred Industry. Active work is being done to establish a new corporate structure for the industry and to develop a new race track system in order to address the financial problems of the industry as a whole.

In the trainers' defense, however, 43% of the established owners and 55% of the new owners encountered no problems with trainers. As for race track experiences, 60% of new owners responded they had no problems, whereas 46% of established owners answered the same. The biggest problem seemed to be the availability of stalls and access to the Turf Club.

In trying to determine why people are leaving our business, we found an overwhelming response that it was too expensive to own racehorses. Other problems mentioned were family problems, the loss of interest in racing and horses not winning.

When asked what may have kept exiting owners around longer: better purses, better horses and more knowledge were the predominant answers.

The primary conclusions we've drawn from this research is that the reason people get into our sport is for the fun, the excitement and the thrill of racing. And the reason they get out is because they can't afford it. Or they don't have enough knowledge about it. It is apparent that we must continue to sell our sport for its excitement. And concern ourselves with economic welfare of the owner, through increased purses and more favorable tax treatment, while at the same time continuing to educate the public.

In addressing these presumptions, our Committee decided to design a few projects on an extremely limited budget that could help us determine if we can make some difference. When we discovered that there were approximately 6 million racetrack programs printed in North America in a year, we decided to ask racetracks to place our complimentary ad in their programs where space was available. These are direct response ads and today we received over 450 responses from over 16 racetracks across the country.

Anyone responding to the TOBA office receives a free issue of the Blood Horse Magazine along with the TOBA's new brochure on investing in Thoroughbreds and a qualifying questionnaire. It's our hope, of course, that the respondent may have enough interest to subscribe to a trade journal, and at the same time will take some of the advice that's given in the brochure into consideration for use with the compliments of the Keeneland Association. These booklets are available, by the way, in the half outside. Hopefully, you'll take one and then take it home and give it to a friend.

Our next project includes 5 seminars to be held at racetracks across the country during the fall. The first one which was held at Del Mar on August 9th was quite a success, by the way. It is our intention to attract potential new owners to these seminars which will be held in the Turf Clubs of the respective race tracks on the days of the stakes races. We're hopeful that the panelists will consist of owners and trainers of horses in the stake that day, and that each of them will relate their own experiences as to the thrill and excitement that they experience in owning a racehorse.

Please contact the TOBA office if you're interested in attending any of those seminars, as we're interested in establishing dialogue between existing owners and potential owners.

Some future projects under discussion are the possibility of a new owners' sale, in which new owners will be invited to purchase horses with existing TOBA members as their partners, when the process of attempting to structure such a sale would not be complicated by securities laws. We're also discussing the possibility of establishing an owners' data base for use by the racing press so that owners may get more recognition. We'll be considering an ownership video that tracks could play over their closed circuit systems during race days.

We realize that attracting new owners into the sport of Thoroughbred racing is not something that can be done by any one group of people. The TOBA has decided to do something rather than nothing. Part of our mission is to raise the awareness level of the need for new owners, hoping to discover more creative ways by which all sectors of our industry could attract new people. There are shining examples of innovation taking place everywhere: Customer conveniences at Arlington Park and at Laurel, press relations at the TCB, national exposure with the Breeders Cup, the Code of Ethics established by the newly founded Thoroughbred Agents and Consultants Association. And increasing purses across the board.

As each aspect of our industry strives to make itself better, entry into our sport will become more attractive. Our Committee welcomes any suggestions you may have. Please do not hesitate to give us a call. Thank you very much.

(INTERMISSION)
MR. PHIPPS: Mr. Richards Rolapp who is President of the American Horse in Drug-going to serve as Moderator of a panel after which well invite you to ask any questions that you would like. Rich.

R. RICHARDS ROLAPP: Good morning, Ladies and Gentlemen. And so here we are again. The subject of our panel today is the Misuse of Drugs in Racetracks and has been discussed and debated at informal meetings such as this for several decades. But no subject is more important or more deserving of our attention and reconsideration. We are addressing the fairness and basic integrity of racing and the credibility of our sport. We are talking about honest racing. Racing that maintains a level playing field for the participants and that inspires the confidence of our patrons. Since the 1960's our industry has extended great effort to control drugs that are known to have pharmacological effects on the physiological and chemical systems that control the performance of the horse. And historically the use of narcotics, stimulants and depressants has been considered illegal, but recent criminal investigations have revealed grave concerns due to the unfair advantage obtained by unsuspicious individuals. Shortly before World War II drug testing was introduced into American racing, and since 1962 all racing states have adopted rules which prohibit the administration of drugs which can affect home performance.

Our industry dealt with the new aspect of drug policy in the second week of May when representatives of the country headlined Doped Horse Wins Kentucky Derby. For the next two decades we argued over the controlled and uncontrolled use of non-steroidal, anti-inflammatory drugs such as Phenylbutazone. Among these drugs, the drug that most often comes up for discussion is Bute. Bute is a powerful analgesic that is effective in treating a wide range of ailments and is legally used in both humans and animals. However, its use in horses can lead to numerous health problems such as laminitis, gastric ulcers, and damage to the liver.

The use of Bute in racing is tightly regulated, with strict guidelines in place to ensure its proper use. These guidelines are designed to protect the health and welfare of the horse and the integrity of the sport. Violations of these guidelines can result in severe penalties, including suspension or expulsion from the industry. The guidelines are continually reviewed and updated to reflect the latest research and best practices in equine medicine.

The majority of racetracks in the United States require a negative Bute test before a horse can run in a race. The test is typically a urine test, which is collected before the race and analyzed for the presence of Bute or its metabolites. If a horse tests positive, it is immediately disqualified from the race and the owner is subject to penalties.

In conclusion, the use of Bute and other medications in horse racing is a complex issue that requires careful regulation and monitoring. The industry must continue to work together to ensure the health and welfare of the horses and the integrity of the sport.

Dr. James Smith: It's a hard act to follow Rich. He does such a great job. I don't want to take much time explaining the membership of the Committee but I would like to read you our affirmation of what we were asked to do at the beginning. All of this thanks to Harry Buch, sitting out there in the audience, who is the ramrod behind getting this started. I'd like to take just a minute to read this.

We were asked to set minimum standards for testing laboratories, designate reference labs, report performance levels to racing...
commissions and organizations with re- 
responsibility toward them, establish a moni-
toring system for testing labs, review the 
results, and make recommendations for imme-
diate steps to fund and implement methods to 
prevent and detect these substances. Evaluating 
effectiveness and ineffectiveness of current use of industry 
fuels for testing and enforcement and make 
recommendations with respect thereto. Em-
ploy a full time administrator and receive and 
report findings from racing jurisdictional 
organizations.

I want to emphasize, as Rich has, that the primary 
reason for the success that this Com-
munity has had, it's broad base. There of our members are over here. Many of 
the others are scattered in the audience today. I 
think over half of them are here and partic-
ipating in the program. I believe that every 
major organization involved in horse racing 
is represented on the Committee, and I think 
that there's no question that without that representation we wouldn't be as far as we are today.

I think without question that the first pro-
gram was a success and, what I think the most 
important, was a blind sampling pro-
gram. Even though we did have a good start in 
a program as Rich has mentioned in earlier 
years, we did not have a really good method 
of, say, is your laboratory doing the job it 
could do?

So we started this blind sample program 
and that did exist for about the first two 
months of our reference lab, which is Ohio 
State, sends us blind samples, and that is 
that we don't know the content of these are 
being sent to every participating racing jurisdiction. 
They do have the same samples that we would have from Churchill Downs or Santa 
Anita or Belmont or wherever. There's only 
one person in that state that knows of that 
sample, or whether it's coming in or not. The 
results are communicated back to Dr. 
Gowen in our office and after everything has 
been sorted out each time to make sure that 
there are no problems, then each Commis-

sion is told of the result of that lab.

We had our first严格 and we have sam-
ples out the first year and that program 
started last September. They have received 6 
months so far and the results are back on five 
of them and I will tell you that they have, gener-
ally, indicated improviement in doing.

The value of these, of course, is easy to 
understand. They're a teaching aid to the 
labs. They're a list of problems that they should know their lab is doing. Along those same 
lines we're sending out proficiency samples. 

They come some times at the rate of every 
two weeks but they'll get at least 12 of those a 
year.

And this is strictly a teaching example because 
the laboratory knows what is arriv-
ing at the lab. It's a method that will help the lab in 
detecting it. It may be a new drug or a new test 
and other appropriate information that will help 
that lab in getting the right answer.

If they have a problem they are free to 
contact us or Dr. Same at Ohio State and go 
over that problem. As I said this is an instruc-
tional thing so that at the end they feel profi-
cient in testing for that particular drug.

One of our other subcommittees chaired 
by Richard Jones is the Legal Subcommittee and 
they have been charged, among other 
things, with collecting statutes, rules, deci-
sions by courts and commissions relating to 
drug testing and assist committees in 
avoiding litigation.

We have started that process, but also at 
Rich mentioned, we've expanded what the most 
important was, a blind sampling pro-
gram. Even though we did have a good start in 
a program as Rich has mentioned in earlier 
years, we did not have a really good method 
of, say, is your laboratory doing the job it 
could do?

That is a commitment of money from financial 
groups to be doled out for research re-
lated to drugs as well as other medical problems. And we 
still have that goal but we've attached it 
slightly differently. We have assisted a 
number of states in the direction that they are 
spending money. I think the best example right now is the Kentucky Equine Drug Coun-
cil which has a considerable amount of money to 
spend produced by the Kentucky Racing 
Commission. And they have come to us 
along with a number of others from many 
states in saying where can we go from here? 

What can we do with this money? What's needed the most?

And in the case of Kentucky, they have 
spent a considerable amount of money on 
the Elisa test and I'm very happy to show you a 
list of 40 new drug tests that have been 
developed in the last 2 months by the Uni-
versity, some of them on some extremely 
important drugs that have not been a test for 
in the past. These are not to the market 
ghyet. They are in the process now of de-
veloping the manufacturing ability for them 
but the tests are ready to go. That far exceeds 
anything that I could've expected at this 
point. If I would've told you 8 or 10 drugs I 
would've been very happy.

We've also been very pleased with the 
organization that we've helped get together 
between the University of Pennsylvania 
and Ohio State and Kentucky in doing some joint 
projects regarding screening and confirm-
ation of new drugs and new drug tests. We've 
had some wonderful response from a num-
ber of other Universities. I'm almost afraid to 
try to name them because I'm sure that I've 
left some out that I should've mentioned.

But one of the big advantages of these 
new drug tests is that our industry now is more 
dependent upon one source, or these Elisa tests, as 
we have been to a degree in the past.

Law enforcement is another important 
aspect of our Committee business and this 
part of it is headed by Paul Berube, who is 
charged with exploring the various problems and 
strategies. We have set up an inter-
agency network, quite a bit like the one Paul 
had before but we're adding to it and I think 
it's very important and interesting to know 
that we have had over 75 drugs reported to us 
and in many instances sent to our office, 
where someone said, "I think you should 
know this is being used," at such and such a 
place and so forth. Now some of those have 
turned out to be a hoax and nothing but flour 
or some other innocuous substance, but in 
many instances they have proven to be very 
valuable leads and after we had them analy-
zed we have sent the results along to labor-
atories and commissions telling them what 
we found, how to find this particular drug 
and any other information that we had about it.

Another one of our projects has been the 
equine drug hotline. That is an 800 number 
that goes into our office in Lexington and it 
allows someone on the backside to call in 
and report to us a suspected use of an illegal 
drug. So far we have had only set up on 
very limited basis, but I feel confident that by 
the end of the year we will have that at a good 
many racetracks around the country. We 
can't succeed, no matter how much we 
want, without a budget and fundraising com-
mitee and that group has been very active. 
We've had wonderful support from the 
industry. We've had wonderful support from 
many people in the industry and I really wish 
to tell you, in the past, it has been a $25,000 
fee from one organization to help laboratories to 
become members. We are slowing changing that 
to a method where each commission pays 
the minimum of $5,000 and the maximum of 
$50,000 based on 1 per sample for post race 
samples taken during a race meet. We have a 
Medication Model Rules Committee that I'm 
sure in the future will hope to work very 
actively with The Jockey Club Model Rules 
Committee who are involved in gathering 
information from every state. They are in-
terested in, for example, a model breeder 
rule, similar to the one that the AAP has 
recently released on the use of medications. 
It is very impor-
tant that we don't want the same kind of thing 
that happened to someone who is caught with an 
over amount of Butoxalid as compared to the 
use of a narcotic. So far it's important to 
have this classification of drugs indicating 
which ones are more serious than others. And of course, along with this is the 
trace level thing that I mentioned before be- 
cause that's going to be one of our most 
difficult problems to work out in the future.
Last month we had a laboratory 1999 workshop—Dr. Gowen called it—which is a prediction of ideas of what will be necessary in the future. It was attended mainly by directors of laboratories but also by some executive directors and commissioners. It’s important that we keep ahead of this because of the sophistication of tests and the sophistication of the use of illegal drugs. I think it’s worthwhile to tell you that the participants came away with this broad idea of the lab in the future. It will be computerized. It will very well be robotized, automated, more sensitive equipment. Elisa based screening and concern with threshold levels, that trace level thing again, and much more difficult drugs. The screening process is worth noting because it was the opinion of most of the people there that that will be done on sites, on the racetrack where there will be a screening laboratory to test samples post race, and if there are suspicious samples then those will be sent on to a more sophisticated lab. That could be on a more regional basis. Because it’s going to take equipment that many labs frankly probably aren’t going to be able to afford and probably by doing this we may be able to consistently reduce the cost per sample. Do fewer samples and do a much better job on the ones that they do.

Another meeting that we had this summer was the laboratory directors meeting. The idea was to set up some very basic standards and standards that a laboratory should be required to follow to become a member of this organization. We have employed Dr. Gary Henderson and Martha Hartline from the University of California and the School of Veterinary Medicine. They are approved by the federal government and the National Institutes of Health in evaluating laboratories, and their job is going to be to go to every one of our participating labs to assist them and get their input also. It’s very important because there is a difference in veterinary medicine and human medicine and we must have a system that works with both. The transfer of information will be both ways. But get to the input both ways and in helping to set these standards, and once they’re set to make sure that laboratories are following them.

This is just a quick overview of where we stand now. We have come a long way. I’m very proud of what the Committee has accomplished in the last year. We have a long way to go, I think it comes more slowly as well as Rich put things a few minutes ago but we can only do it with the help from all of you getting behind us and assisting us. Thank you very much.

Mr. ROLAPP: Our next speaker is the attorney at large for the horse industry, a graduate of the University of Kentucky College of Law and member of the Louisville, Kentucky firm of Brown, Todd & Haymarn, Ned Bonnie serves as counsel to numerous horse related organizations. He is counsel to the American Horse Shows Association, National Steeplechase & Hunt Association, Thoroughbred Owners and Breeders Association and the KTA. He rides and trains horses, an outstanding horseman as long as he doesn’t fall off.

EDWARD S. BONNIE, ESQ.: Thank you, Rich, and I’ve got my watch out for those of you who know me. Sometimes there’s been a problem with the length of my presentation so I’m going to try to compress a 5 hour presentation into 10 minutes. Jim Smith took 5 of my 15 minutes. But I promised John Hettinger I can do it so I’m going to give it a try.

My presentation is related to problems associated with the prosecution of drug violations. I’m going to add a postscript with some suggestions and hope for the future because I believe they’re there. I think and I believe the experts will support me, that prosecution of drug violations should, but has not in the past, always started with the pharmacist. In some cases, when little work has been done in this area; prosecution should come only after the effect of the drug on the performance of the horse has been established. The racing chemist’s job begins before the horse has been entered in a race; it has been prepared, injected, or completed incomplete knowledge of what drugs do to horses leads to unfair prosecutions and improper penalties and loss of confidence in the system by all the phases of the system, including the owners, the trainers, the administrators.

The second issue is the chain of evidence. There are cases where the blood or urine specimen, if fact, come from the horse which was the subject of the prosecution and the positive report is both embarrassing to the industry and a tremendous economic burden on the horse and the trainer as well.

Specificity of drug identification has been a problem historically. It has been very, very difficult with the Elisa test but it’s still a problem. It’s particularly true for drugs that are used frequently. They’ve got to stimulate or kill a horse in a horse. Imagine taking one drop, mixing it in 40 quarts of blood or 8 or 9 quarts of urine in a horse and then ask that chemist hours later to find that drug. That gives you a graphic demonstration of the difficulty with which the chemist is faced. He is asked to come up with a positive identification system which will enable a racing commission staff attorney, stewards, etc. to prosecute and effectively rid the industry, temporarily or permanently of that person. The responsibility placed upon the chemist to do quick, accurate and definitive work is very imposing and must be so carefully done that there can be no room for error.

Next, the inability of laboratories to find many drugs apparently being administered to horses to effect their performance. There are currently no fewer than 10 drugs being used on horses in every racing jurisdiction. I repeat, in every racing jurisdiction for which there are currently no identification procedures in place.

The procedural due process rules have been a continuing source of problems for the industry. Suspicions before hearing, Suspensions produce news releases, bad publicity, multiple prosecutorial efforts which produced hundreds of prosecutions when the same not effect could’ve resulted from 2 or 3 prosecutions for a drug positive. Hearings without witnesses and lack of time for proper hearing. A good part of this has resulted in commission having to use part-time counsel, that is assistant attorney generals who are assigned to 5 or 6 administrative agencies. Only one of their jobs is to represent the racing commission. These are by and large very good lawyers with virtually no experience in the prosecution of drug cases. This has resulted in the loss of cases that should’ve been won, cases being prosecuted which should have never been prosecuted in the first place.

All right, those are the problems. Do I have any suggestions for what to do about them? I always feel that if I’m going to talk about problems I ought to talk about potential solutions.

Yes, I believe there are some and I don’t think any of them are unsuitable.

First of all I would remove the bloodstream from the stewards. If you can imagine the stewards have just gotten scratch time, they’ve just been beat on by owners, trainers, jocks, agents, they’ve got to start a drug hearing at 10:00 a.m. in the morning, they’ve got to make the first race at 1:30. They’ve got to give a fair hearing and the witnesses are not in the room, on, off, cross-examined, get all that done between 10:00 and 1:30 and they’ve missed lunch. It doesn’t work. The stewards have been asked to perform an impossible task. These hearings should be assigned to experienced hearing officers and removed from the stewards, and only the stewards asked to help when their experience is necessary. Employ lawyers who specialize in drug related prosecutions or send current attorneys representing drug enforcement agencies like the Commissions, to the Quality Assurance Seminars which Jim Smith has discussed.

Every Commission needs to consider amending their currently existing split sample rules to adopt rules such as Pennsylvania and Texas now have in place. Which avoids bad publicity in most if not all instances by sending a portion of the urine or blood sample to another laboratory and getting the positive result affirmed before they have any hearing. This means if there’s a problem with the chain of evidence or if there’s a problem with the chemist’s decision, then that problem is rectified and there is no prosecution and no bad publicity until that happens. It’s worked effectively in Pennsylvania; hopefully it’ll work as effectively in Texas. We need new hearing officer rules for those states that do not currently the ability of a hearing officer. We need also new commission rules to protect the chain of evidence. Commissions have to recognize that they are assigned the responsibility for keeping a level playing field in racing, they’ve got to devote adequate funds for quality testing of blood and urine. Commissions must take an interest in this issue. They must know whether or not their labs can find the drugs which are currently being used, There is no way to do that. I’m looking at some of the nation’s leading businesses and women in politics today, I know each of you has an auditor, a CPA, outside independent, who looks at your business and says your business is being run inconsistent with the views of your trustees and boards of directors. Why should a Commission or a state hire a testing laboratory and expect any less from that testing laboratory?

And the Commission should also consider whether or not the contractual bidding process, which the state most often requires, gets the best lab for the money or the worst. To ask, and be required to take the low bid for testing is simplistic. It does not achieve necessarily what is in racing’s best interest.

Commissions need to consider out-of-state testing laboratories as alternatives to in-
adequate in-state funding. And finally, Commissions must establish adequate standards for research, testing, and monitoring. This is necessary to protect the public from the dangers of medication abuse and to ensure that the state's residents are receiving the best possible care.

MR. ROLAP: The conclusion I draw from all this is that we need more drugs and more drug testing. These are the only options we have to keep our horse racing industry in shape. And I believe that the racing industry has a responsibility to do its part to keep our industry healthy and strong.

RUSSELL JONES, JR.: Thank you, sir. I am an American, and I have a lot of respect for the racing industry. I believe that the racing industry has a responsibility to do its part to keep our industry healthy and strong.

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This is Allen Dragoone asking who should decide what drugs should be prohibited in any state or region?

MR. BONNIE: I'll take a shot at that. The Commissions should make the decision but only after extensive consultations with the veterinarian, the veterinarian pharmacologist who has to relate the drug to its effect on the performance of horses. And there's substantial research out there on those drugs, and if they don't have it they ought to have it before they prosecute.

MR. ROLAPP: Thank you. One more question.

UNIDENTIFIED QUESTIONER: The question is you mentioned talk about cheaters. Are we ever going to be able to catch up with them and if so, what are we doing about it?

Well who wants to try that one? Russell?

MR. RUSSELL JONES: Yes, I'll try that. The answer is that we will never completely catch up with them but what we're doing is shooting at a moving target and we're narrowing the distance between us and that.

MR. ROLAPP: Thank you. Of course the key to this is the research that leads to new methods to detect new drugs that are being abused. What we've discovered over time, however, is that as soon as we find a test for a particular drug, that drug no longer is the drug of use and a new one enters to find its way to the backstretch and so the problem is we tend to be a step behind but we are certainly quickening our pace to catch up at this point.

One more question? If there are no questions I'll turn the time over to Chairman Ogden Mills Phipps.

OGDEN MILLS PHIPPS: Thank you, Rich, your entire panel. We at The Jockey Club do have an opinion on the medication issue and the broad questions of medication and testing rules we recognize are complex and critical areas facing our industry and I might add it's not just facing our industry, it faces football and baseball and the Olympics and children and it really is facing our entire nation. There are many aspects to this complicated area ranging from the obvious, to such questions as total race track security and the various so-called absolute insurer rules. Just the question of if medication should be allowed or what drugs permitted, and how long before race time they should be administered, receive and deserve our continuing attention.

No matter what our individual view on the details of these questions, we're virtually all in accord that our testing must be of the highest possible quality and violators must not be tolerated.

The future of laboratory drug testing needs our immediate best effort. Racing in America is spending over $27 million to test over 1 million samples a year. It is a responsible question to ask, can this $27 million be spent in a more effective manner? The Jockey Club believes it can. The new exotic designer drugs demand that we test for minute samples. These drugs also require the industry to develop comprehensive tests utilizing more sophisticated testing techniques. All of this will be as expensive as it is necessary to insure the future credibility of our industry.

Therefore, the time has come that we must analyze our entire testing and drug testing research programs. The Jockey Club suggests that we must overhaul our historic method of drug testing over a million samples per year.

The Jockey Club recommends that as soon as possible we shift our approach so as to spend the monies that are available in a manner that is both more effective and recognizes the reality of modern high potency drugs. On the surface, it makes sense that these goals can be accomplished by a combined tactic of (1) testing fewer animals; (2) testing each animal sampled more thoroughly; (3) having fewer laboratories and utilizing a system of state of the art, well equipped, professionally staffed regional labs; (4) dedicating funds saved for an unprecedented inter-state cooperative research program to develop new tests and better techniques.

This new approach would allow the states to receive a better end product without buying expensive equipment which is duplicated in state after state. We would also be able to do the type of intensive nationally coordinated research necessary to stay ahead of the would-be violators. The Jockey Club realizes that drug testing is not a state problem, rather it is a national one. The solutions and levels of performance necessary to successfully conduct effective drug testing will not be obtained by the states acting independently.