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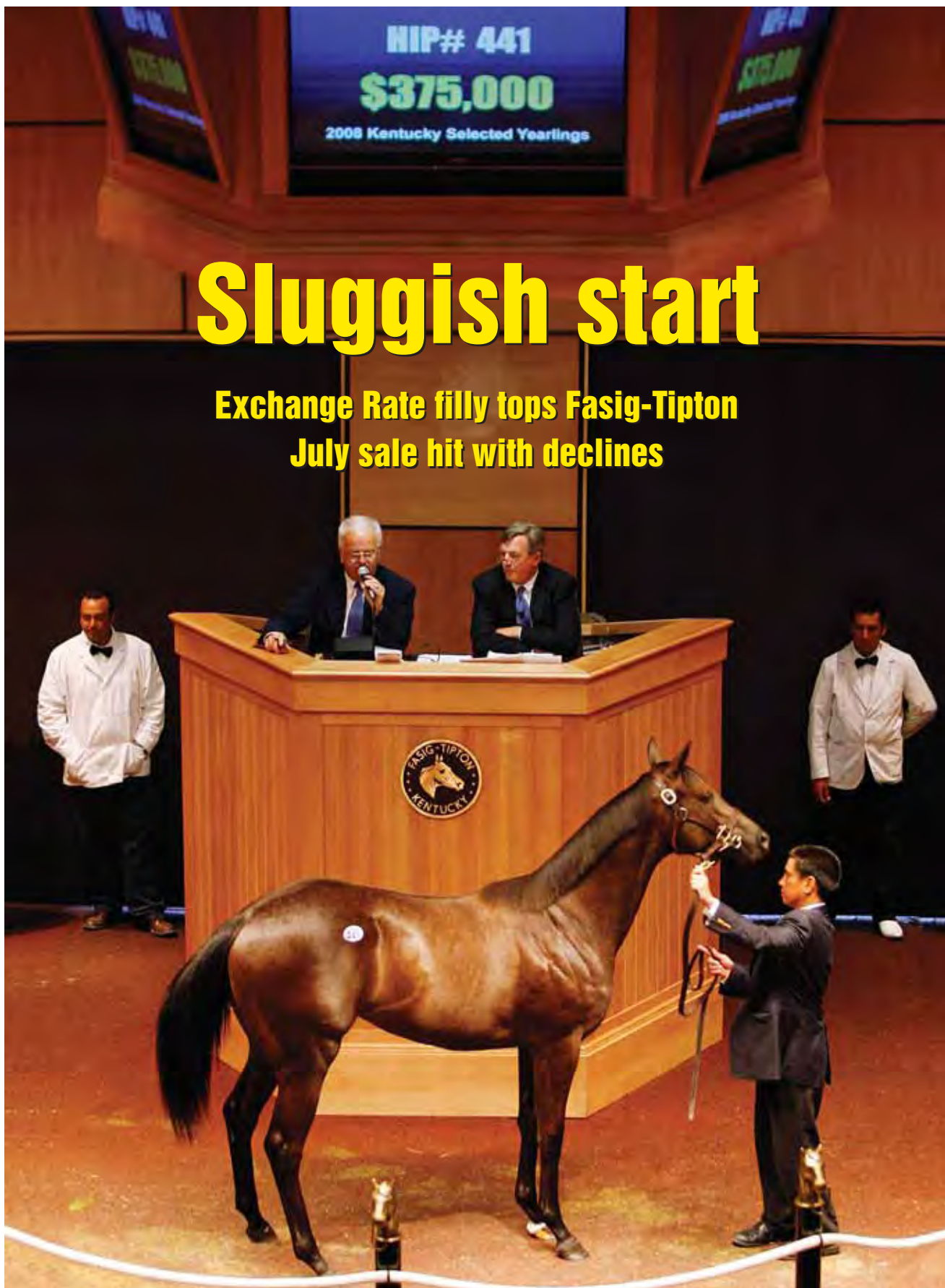
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Southwest Spotlight 25

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Sluggish start

Exchange Rate filly tops Fasig-Tipton
July sale hit with declines

California, Kentucky move forward on steroid policy

by Frank Angst and Jeff Lowe

AFTER a few false starts in some states, Racing Medication and Testing Consortium Secretary Rick Arthur, D.V.M., is glad to see some major states adding equine anabolic steroid regulations.

Arthur said the consortium, a national organization with representatives from throughout the industry that has shaped equine drug policy, has enjoyed some success in racing's decentralized structure.

"It would certainly be easier if it was one-stop shopping, if horse racing had a World Anti-Doping Association model. It's always been the bane of uniform medication or any uniform rule in horse racing that you do have to go state by state," Arthur said. "Inevitably, you have a few people in a state here or there who want to do things entirely different. That's just what you have to deal with. So it is a problem. I think all of us who have dealt with uniform regulations, whether it's medication or anything, recognize that."

This month, two major racing states moved forward on steroid policy.

On July 16, a Kentucky Horse Racing Commission subcommittee recommended the Kentucky Equine Drug Council ban anabolic androgenic steroids in racehorses. The council makes drug policy recommendations to the Kentucky Horse Racing Commission, which looks on schedule to have a steroid policy in place late this year or early next year.

The next day, the California Horse Racing Board gave final approval for a reclassification of the anabolic steroids boldenone, nandrolone, stanozolol, and testosterone to Class 3 status, which would carry penalties resulting in purse redistribution and trainer suspensions and/or fines for any positives. Barring any complications in the Office of Administrative Law's regulatory process, the measure will probably become law near the start of the Oak Tree at Santa Anita Park meeting on September 24.

In 2007, the Association of Racing Commissioners International (RCI) passed model rules banning anabolic steroids in horses in training. Boldenone, nandrolone, stanozolol, and testosterone are allowed for horses recuperating from sickness or injury. Only one of those four can be administered at a given time.

The RCI passes model rules to help member commissions reach consistency in regulation. With a heightened spotlight on steroids in all sports and more attention on equine health and welfare issues, states have picked up the pace in adopting the rule.

National Thoroughbred Racing Association President Alex Waldrop has called for the model rule to be adopted by year's end by all states. The Jockey Club's Thoroughbred Safety Committee calls for the same.

Ten states have steroid policies in place based upon the model rule. Iowa had a policy in place before the model rule

continued on page 12

Next week
Comprehensive look
at anabolic steroids
in racing

Photo by Z/James Crisp

NEWS



Advances in
utility vehicles 22



How to prep
weanlings 43

New York nearing decision on Aqueduct racino operator

All three groups seeking Aqueduct's gaming contract have been qualified following a review by the state Lottery Division, and New York Governor David Paterson is expected to announce a racino operator in the near future.

The selection also requires the approval of Senate Majority Leader Dean Skelos (R-Nassau County) and Assembly Speaker Sheldon Silver (D-Manhattan).



Former Senate Majority Leader Joseph L. Bruno (R-Brunswick), whose district included Saratoga Race Course, called on leaders to make a decision soon in order to relieve the New York Racing Association's financial stress.

Bruno, 79, left office early on July 18 after announcing he would not seek re-election this fall following 32 years in the state Legislature.

"I thought six weeks ago that it was pretty well concluded," he said of the selection process. "We lose \$1-million every day [video lottery terminals] aren't operating. If that had been up five years ago, we'd be \$2.5-

billion better off in this state. It ought to get done."

NYRA, despite getting a new 25-year franchise agreement to run Saratoga, Belmont Park, and Aqueduct, is now operating with the sixth in a series of temporary extensions until its bankruptcy proceedings are resolved. The gaming operator's selection is closely tied to NYRA's efforts to emerge from Chapter 11 protection, which it filed for on November 2, 2006.

NYRA and whichever entity is chosen must reach a joint lease agreement with the state to run Aqueduct. That cannot be done until the gaming operator is decided because each bidder has a different racino plan.

NYRA President Charles Hayward has said the organization might run out of cash in September if bankruptcy is not resolved by then. As

part of its new franchise, NYRA will receive \$105-million from the state and relinquish ownership of its tracks to the state.

That money will not become available until bankruptcy is concluded, which requires the gaming operator's selection.

Staff for all three state leaders have been negotiating and reviewing the bidders, with NYRA's input, for several months. It is unclear, however, who will get the contract, which has become one of the most closely guarded secrets in Albany.

"Most of that's being done behind closed doors," said Assembly Minority Leader James Tedisco (R-



JOSEPH L. BRUNO

Schenectady), whose district includes Saratoga Race Course.

In a surprise move, former Capital Play Inc. Chief Executive Officer Karl O'Farrell stepped down recently, concerned that his foreign national status was delaying the state's vetting process because his background information had to be obtained

from overseas. O'Farrell has been the face of Capital Play ever since the company emerged as one of three challengers trying to replace NYRA as the state's racetrack operator. When NYRA retained the racing franchise, Capital Play began pursuing the Aqueduct gaming contract.—Paul Post

Groups seeking Aqueduct racino contract

- New York-based Delaware North Companies
- Manhattan's S.L. Green Realty Corp. and partner Hard Rock Entertainment, which is owned by Florida's Seminole Indians
- Capital Play Inc., which is partnered with Mohegan Sun casino of Connecticut, Extell Development, and Plainfield Asset Management

Thoroughbreds possible but unlikely at Rosecroft

With Rosecroft Raceway, once the leading Standardbred track in Maryland, on the brink of extinction, the state soon will begin to examine the feasibility of racing Thoroughbreds at the financially strapped Prince George's County facility.

The state House of Delegates quietly passed a bill at the end of the spring legislative session establishing a task force to explore the concept, and the Maryland Racing Commission named David Clogg to be its representative on the eight-member panel during its monthly meeting on July 15 in Cambridge.

"Who's that lucky person want to be?" commission Chairman John Franzone joked when looking for volunteers.

Representatives from Rosecroft, which opened in 1949, told the commission on July 15 that the track could no longer afford to conduct live Standardbred racing. The commission approved a request by Kelley Rogers,

president of track operator Cloverleaf Enterprises, to continue to offer Standardbred and Thoroughbred simulcast wagering at Rosecroft while discontinuing live racing.

The track will host a limited number of restricted stakes races in November and December but no regular racing.

Rosecroft, even more so than the Thoroughbred tracks in the state, has been unable to compete with racetracks in neighboring states that have been strengthened by the addition of slot machine revenue.

Any move to race Thoroughbreds at Rosecroft would face significant hurdles, leaders in the state racing and breeding industries said.

First, the Legislature would have to authorize a new license for Thoroughbred racing (licenses have only been approved for Maryland Jockey Club tracks Pimlico Race Course and Laurel Park, the Maryland State Fair at Timonium, and an unbuilt track in Allegany County held by William

Rickman Jr.), and the five-furlong banked oval would have to be reconfigured for Thoroughbred racing. That most likely would cost millions of dollars.

"They'd have to build a new race track," said Cricket Goodall, executive director of the Maryland Horse Breeders Association. "Without slots, I don't know who would come in and put up that kind of money."

With or without Thoroughbred racing, the fate of Rosecroft appears to rest with the result of a state referendum to legalize slot machines going before voters in November. While Rosecroft is not a potential site for slot machines if the referendum passes, the track stands to get an infusion in its purse fund. The constitutional amendment also calls for matching funds for any facility redevelopment at the track, industry leaders said.

"If the referendum doesn't pass, Rosecroft is done," Franzone said. "From a history and tradition standpoint, we don't know how close we are to losing it all. They're on death's door. If the referendum fails, [Rosecroft] could be an apartment complex."—John Scheinman



JOHN FRANZONE

Jim McCue/MJC photo

States working to unify steroid policies

REGULATIONS from page 1

and most likely will update its rules to match the model rule. California looks like it will become the 12th state to adopt the model rule.

In May, the New York State Racing and Wagering Board passed a proposed rule that was forwarded to the Governor's Office of Regulatory Reform.

The Kentucky Equine Drug Research Council plans to work with the position statement of its subcommittee and the model rule to shape a recommendation for the commission. That recommendation could come out of its August 11 meeting.

"Right now, this is the most pressing [issue]," council Chairman Jerry Yon said. "This one we've got to tackle first. This has to be gone."

"We're going to work with all of the different people who have something to bring to the table to develop a consensus. Yes, I'd like to see a rec-

ommendation. ... We're on a fast track, but we want to get it right. If we hit a glitch where we're lacking science or consensus, we may have to push the schedule back a month, but it will still be our top priority."

Lawrence Soma, equine research director at the New Bolton Center of the University of Pennsylvania School of Veterinary Medicine, said Pennsylvania horsemen are making the adjustment as rules there are being implemented. Studies have shown about 60% of horses race on steroids in states where they are permitted.

"Right now we've been following horses since March and we're basically running free, except for a few horses that are being weaned," Soma said.

California is on pace to have the rule in place in time for this year's Breeders' Cup World Championships at Santa Anita. Arthur, who also serves as the equine medical director for the California Horse Racing Board,



LAWRENCE SOMA

Courtesy of University of Pennsylvania

No-steroid zones

The 11 states that have adopted anabolic steroid rules for racehorses based on the model rule:

- Arizona
- Arkansas
- Colorado
- Delaware
- Illinois
- Indiana
- Iowa*
- Oregon
- Pennsylvania
- Virginia
- Washington

*Iowa's rule was in place before the model rule.

believes it will be a steroid-free event as he cannot imagine horsemen will push the envelope.

"It is a rather onerous penalty to have a \$5-million purse redistributed because of an anabolic steroid," Arthur said. "So I do think that's going to have a significant effect."Ⓢ

Frank Angst is a senior writer and Jeff Lowe is a staff writer of THOROUGHBRED TIMES.

REGIONAL DIGEST

NYRA to boost purses at Saratoga

The New York Racing Association plans to increase purses for open company route races on the dirt and turf at Saratoga Race Course this summer based on the number of horses in a race.

The revamped purse structure was scheduled to begin on July 23, opening day at Saratoga. For dirt races at 1½ miles and longer, NYRA will provide incremental increases for every betting interest exceeding six starters. For turf races longer than 1½ miles, the increases will take effect for every betting interest over exceeding eight starters.

The purse increases per betting interest for both dirt and turf races are \$5,000 for maiden special weight races; \$8,000 for non-winners of one, two, and three; and \$10,000 for allowances and overnight stakes.

For example, an open allowance race for non-winners of two at 1½ miles on the dirt with ten betting interests will increase \$32,000 from the current purse of \$70,000 to \$102,000.

An open maiden special weight race at 1¾ miles on the turf with 11 betting interests will jump \$15,000 from the current purse of \$63,000 to \$78,000.

Average daily purses for the 2007 Saratoga meeting were \$773,738, the largest of any Thoroughbred racetrack in the country.



Magna sells Great Lakes Downs

Magna Entertainment Corp. announced on July 16 the sale of defunct Muskegon, Michigan, racetrack Great Lakes Downs to the Little River Band of Ottawa Indians for \$5-million.

The 85-acre property in western Michigan originally hosted Standardbred racing, opening in 1989 as Muskegon Race Course. After closing in 1997, the track was purchased by a group of investors led by banker and Thoroughbred owner Jerry Campbell and was reopened as Thoroughbred track Great Lakes Downs in 1999.

Campbell sold the track to Frank Stronach's Magna Entertainment in 2000. After posting several years of losses, a failed attempt to develop a new racetrack in Detroit, and a state ballot measure crippling the implementation of slot machines, Magna closed Great Lakes Downs in November 2007. A new track, Pinnacle Race Course, has since opened in Detroit (see related story, page 21).

Net proceeds from the sale of the property have been used to partially repay a bridge loan with a subsidiary of MI Developments Inc., Magna Entertainment's controlling shareholder. To offset its losses, the company is offering several tracks under its control for sale, including Portland Meadows in Oregon, Remington Park in Oklahoma, and Thistledown in Ohio.—Joe Nevills

Compromise reached on Del Mar ADW

While the beginning of the Del Mar meeting on July 16 brought an end to the state's open access experiment, Internet bettors will have some options to wager on the Southern California track.

Television Games Network has an exclusivity agreement for Del Mar. The track's meeting will be available for betting through TVG and Youbet.com. As a compromise, TVG will allow bettors who reside in states where TVG is not available to bet through California's other two licensed advance-deposit wagering operators, TwinSpires.com, and XpressBet.com.

TVG is available for wagering in 14 states including California, where TwinSpires.com and XpressBet.com customers will not be able to wager on Del Mar. In states where wagering on Del Mar will be allowed at TwinSpires.com and XpressBet.com, customers will have to wager by phone.

Drew Couto, president of the Thoroughbred Owners of California, said talks continue on the Fairplex Park meeting that starts on September 5.—Frank Angst