

# From the President

## The Weight of the Economy, and more...

In the course of the interstate ADW impasse, those opposed to the idea that racetracks and horsemen deserve a more equitable share of associated revenues intentionally, and in obvious self-serving fashion, misrepresented the principal issues. Instead, they incessantly broadcast false statements and baseless assertions – propaganda really – intended to misinform viewers, and to discredit and knowingly subject those on the other side of a business dispute to personal attacks and physical threats. Such tactics were reprehensible, particularly from those holding themselves out to be our partners in promoting California racing.

When the dust settled, TOC and THG had secured for California Thoroughbred owners – and our track partners – broader, non-exclusive interstate distribution of California Thoroughbred signals, at greater host fee rates (i.e., amounts paid by ADW companies to tracks/purses), with increases ranging from a low of 18% to a high of 42%! In particular, Santa Anita and Golden Gate Fields rates were increased approximately 21%, with the rates to be paid for the Del Mar, Fairplex, and Oak Tree meets increasing by 42%. Those are significant increases, and could not come at a better time, given the state of the economy.

Every day, newspapers and broadcast reports chronicle an economy in peril, citing industry after industry struggling to find its footing in what seems to be ever worsening news. Racing is no exception. These are hard and difficult times, for everyone. The questions are many, but essentially the same in character: “*What can be done to save racing?*”

In my opinion, there is plenty that can be done, but it will require a willingness to try new things, from an industry often reluctant to embrace change, no matter how slight. I offer a few brief thoughts in this regard. Mind you, they represent personal thoughts, and not those of the TOC Board. Some are admittedly broad and ambitious in scope, but history reveals that individuals more learned than I have often advocated making significant fundamental change when times are bleakest and tough. With that in mind, I say it’s time to...

**Restructure the Sport of Racing.** At a time when nearly every major newspaper is cutting back on racing coverage, should we not candidly ask ourselves: Can anyone coherently define of what “the sport” consists? Is its structure discernable to general sports fans? Over the past 40 years, racing has devolved into a justification to wager, and little more. If racing is ever going to appeal to a broader audience, then it must take this opportunity to redefine itself as a legitimate sport first, on which its fans can wager. Divisional race schedules, regional rivalries, on-going standings, even “playoffs” could have a place in racing were we committed to doing so. These are but a few of the characteristics that make other sports fan friendly and compelling. Racing should take notice.

**Introduce New Wagers.** Win, place, and show, and a varied selection of “exotic” bets comprise racing’s core wagering menu. That menu remains largely unchanged from decades ago, and while still enjoyable, lacks a certain freshness and flair. Enter *betting exchanges*. Betfair – the world’s leading betting exchange – offers players an exciting, innovative way of betting on the races. It is a remarkable, new approach to playing an old game, and one we in California should do everything to legalize in the coming year. Tournament-style parimutuel wagering is another modern approach to bet on the races. Authorized by the Association of Racing Commissioners International last year, efforts to introduce both to racing fans should get underway this year.

**Revise California’s Revenue Distribution Laws.** The laws regulating California racing evolved piecemeal over nearly 80 years, and it shows. They are rife with logical incongruity and inconsistency, often partially amended to protect one interest group at the expense of all others. The industry would benefit from a less regulated business environment in which controlling law encourages innovation and change, rather than arcane prohibitions and stagnation.



Drew J. Couto