



Hosted by the University of Arizona Race Track Industry Program

WEDNESDAY, DECEMBER 10, 2014

Breaking With Tradition: The Supply Model

MODERATOR:

Jay Privman, National Correspondent, Daily Racing Form

SPEAKERS:

Rick Baedeker, Executive Director, California Horse Racing Board

James Cassidy, President, California Thoroughbred Trainers

Georganne Hale, Director of Racing & Racing Secretary, Maryland Jockey Club

Lisa Hanelt, Veterinarian, Finger Lakes Race Track

Ms. Wendy Davis: — I would like to thank the Daily Racing form for sponsoring this panel session. I'd like to make the announcement that Gemma Freeman liked our global symposium on racing and gaming Facebook page, and won a two-night stay, including breakfast, at this hotel. There's gonna be one more drawing, so all of you who are social media savvy, please go and like our symposium Facebook page, and you, too, will have a chance to win a wonderful prize. Gemma, if you're in here, I do have the paperwork for you. If not, if you know her, let her know that she was the winner and she can catch up with us.

Also, I wanna remind everybody that the Race Track Chaplaincy of America is holding a luncheon today. It is in the Murphy Room, which is downstairs. That will start at 12:30.

This panel session is called Breaking With Tradition: The Supply Model. This is the third in a series of really important panel sessions, dealing with our shortage of racehorses. The person I would really like to thank, at this point, is our Jay Privman, Jay Privman. He has moderated all three of these panel sessions, so we

have gotten an awful lot of work out of him. He might tell you that we don't pay all that well for all the work he's done.

Jay has done a fantastic job of getting all of the presenters together for all three panels, and really connecting the dots and tying all these issues together. We've had some really good discussion, from the nuts and bolts, to the statistical side, to the reality of the equine welfare side. Jay, thank you so very much for doing triple duty with us today. We certainly do appreciate it.

With that, I'm going to turn it over to Jay and let him get on with this third in the series of three sessions.

Mr. Jay Privman: Thank you all for attending this morning. This is a follow-up, as Wendy was mentioning, from the two prior discussions that we have done. The one this morning will be fairly analogous to the one that we did yesterday, which was one breaking with tradition, the economic model. There's gonna be a little bit of an overlap. You can think of it, if you're a track and field fan, of a relay race, where one baton gets passed to the other, and there's that one area where the runners are overlapping with each other. There's a little bit of overlap, and then we're moving on to what today's discussion is to focus on mostly, which is the supply model.

As you know, for years now, most tracks have raced five days a week, nine races at a time. In some cases, at the height of the summer, of course Saratoga, a track like that runs six days a week. That model is changing, and we wanna discuss with our panelists today where we go forward in the at least near future, based on what we know the foal crops to be and the demands that are gonna be made on racing.

Rick, I'll start with you. I'm gonna introduce all our panelists first. On the far end of the stage from me is Rick Baedeker. I've known for a number of years. He's currently the executive director of the California Horseracing Board, but he's been a racetrack operator, and his family involved in handicapping. You've seen it from all different areas, over the course of your career in the sport.

Jim Cassidy is next to Rick. He is currently the president of the California Thoroughbred Trainers. He's having a terrific year in his main job, which is training racehorses, winning Grade 1 race with Tom's Tribute, and also, just most recently, last month, winning the Delta Jackpot with Ocho Ocho Ocho. If you need to hit him up for a loan, now is about the right time, cuz he's on a roll right now.

Next to him is Georganne Hale. She's the director of racing and the racing secretary for the Maryland Jockey Club. We'll get her perspective for the demands that are placed on a racing secretary under the current model that we have.

Then, nearest me is Dr. Lisa Hanelt, who is a racetrack veterinarian, the examining veterinarian, in fact, at Finger Lakes Racecourse in upstate New York.

Rick, let me begin with you. California, I think, is a good example of what's had to be done, in terms of adjusting for the current situation as it is, in terms of number of races and race days. Most of the year, now, is four day a week racing. Weekdays are eight-day races—this is in southern California; it's even less so in northern California. Do you think that that was the correct move? To follow up on that, where do we go over, let's say, a five-year timeline horizon?

Mr. Rick Baedeker: I think the direction needs to be determined by the player and by the product that's put on the racetrack. Now, I know there's other considerations, like union jobs and so forth, when you go from four days to three; nothing's easy. I think the focus should always be on that last photo in the slide we saw yesterday, that started with the racehorse in the middle. The last component is the player.

If, as a matter of fact, we have four-week programs to present, then I think we need to consider things that were talked about yesterday: maybe going to three days, maybe eliminating some of the categories in the condition book so that we can have some fuller fields. I don't think it should be defined by the economics of — the simple economics of the trainer or the owner or the association. I think we always have to look to what's best for the player.

Mr. Jay Privman: As a follow-up to that, do you think it's smarter to have the same number of races per card, but maybe less days of racing, hypothetically? Or the same number of racing days, but maybe less days on that specific card?

Mr. Rick Baedeker: I don't know the answer to that. Again, I think however we can put together the strongest racing card, then I think that determines what we do. I think it's a little bit worrisome, when you go from — we've gone, now, from — as you said, from five days to four days, in most instances, except Del Mar. To go from four days to three days worries everybody. It's a change, dramatic change.

On the other hand, if it keeps the program fresh, the program stronger, and keeps the player fresh — and I think this player stays fresh because he or she enjoys playing the races — then, as I said before, then I think that determines whether or not we go to three days, whether or not we change the races up in the four days, and so forth. I guess another way of saying it is I'm not sure.

Mr. Jay Privman: Jim, let me get your thoughts on this. From your occupation as being a trainer, do you like racing four days a week? Do you wish that you could race five days a week?

Mr. Jim Cassidy: Yeah, absolutely. I think what'll happen is, if you went to three days, besides the union situation — which is a problem — you're gonna find racetracks'll wanna run 12 races a day. That's what I think. I don't think that's gonna work. In California, we have a situation where we really are doing pretty good, compared to the rest of the country. Maybe not New York or Florida, but we're holding our own. This Ship and Win program has done a really good job.

Santa Anita's trying to do something like that. I think there's a lot more interest in coming to California now. We're not gonna have any more synthetics, so I think that'll be a help.

The problem with that is we have no place to put the horses. This is our situation. I don't think there should be any change in California. Four days is the minimum. As far as the trainers are concerned, they're quite happy with it. Five days at Del Mar didn't seem to be — it was six a couple of years ago. It's down to five, and they feel pretty good. I'm in the like of leaving things just the way they are in California.

Mr. Jay Privman: Okay, very well. Georganne, for Maryland and being part of the whole MidAtlantic area, what are some of the demands that are placed on you, in terms of numbers of races, when realizing that, unlike in California, there's neighboring competition? How do you come down on more racing, less racing, more races per day, for what you need to do?

Ms. Georganne Hale: Right now, we're running four days a week. Starting January, we'll go three days a week. We don't have too many racetracks in the MidAtlantic. We're all going for the same pool of horses. In the winter, a lot of people — a lot of trainers, many trainers, turn their horses out, give 'em a break. I think going from four days to three days will help us tremendously.

Mr. Jay Privman: Dr. Hanelt, from what you need to do, in terms of being an examining veterinarian at a racetrack, what are some of the concerns that you have about if there's more racing as opposed to less racing, and the demands that it places on the inventory of the animal itself that you're looking at, on a day-to-day basis?

Dr. Lisa Hanelt: Right now, we run a very long season. We run usually from late April until early December. Our horses generally run just as Finger Lakes. It's five days a week. We already did try dropping from nine to eight races a day, and the effect on field size was actually negligible. It actually dropped field size a little, just a hair, not statistically significant.

From our perspective, as examining veterinarians — we do have three of them — our focus is on doing this safely. This is the way — the analogy I always use, cuz even though I do work in New York, I'm from Boston, Saratoga, they're the Red Sox. We're the Pawtucket Red Sox, and it's okay. We're minor league. We have to do this safely.

The emphasis we have with trainers is we have a horse shortage. No one's gonna send us new horses, so we need to take care of these horses. That's something that Dr. Scollay in Kentucky has talked about, especially during the Turfway meet. We need to keep these horses safe and comfortable and happy, so that we can — so that we can run. Ultimately, you will preserve your field size by doing what's right by those horses.

Mr. Jay Privman: Let me follow up on that with you. What are some of the ways to reduce the attrition rate, to keep — understanding that we've got a finite amount of horses right now, and that the foal crops are gonna be what they're gonna be. What are some of the proactive things that, from a veterinarian standpoint, that you think are being done or can be done to keep those horses on the racetrack longer?

Dr. Lisa Hanelt: Well, actually, by doing quite the opposite. Our situation's similar to what Georganne said. Our horses, most of them get a winter break. They're professional athletes. In any human professional sport, human professional athletes don't do it year-round. They have an off-season, and then they need to. They have to take those three to four months of down time. That's ultimately gonna keep your horse going sound and comfortable through the season. There are exceptions who can maybe run a little longer, and we have some that just can't. That's how we work with it.

Mr. Jay Privman: Then, from a — what about from a reduction in medication? There's been movements to reduce the amount of medication that can be used — I'm gonna follow up the rest of the panel on this, as well, but let's start with you — in terms of, let's say, a specific corticosteroid use.

Dr. Lisa Hanelt: That's a complicated issue. I just came from the National Equine Practitioners meeting. I think that there's not the cause and effect quite as directly as is seen in the public eye. Yes, absolutely, sometimes medications can lead to a catastrophic breakdown, and no one wins. No one wins when that happens.

Being compelled to work more with the horsemanship and seeing what's going on with that horse, rather than just training him through it and medicating him — which also, by the way, keeps them out of the entries sometimes. If your horse was treated and he's on a withdrawal time, he can't enter. By improving all of your standards, you're also going to get a natural reduction in the use of medication, which, in racing, we're recognizing that it's not — we have to. We just have to.

Mr. Jay Privman: Rick, let me follow up with you on that. There's been a couple of months now where the corticosteroid rules have changed in California. If you could just briefly outline how they've changed, starting this fall, and what you think — obviously, it's only been a couple of months now, but where you think this is potentially headed.

Mr. Rick Baedeker: Well, California finally adopted the rules, the national uniform rules. They became effective October 1st. I think it probably depends on different jurisdictions, but I think it's safe to say that, in California, over a period of time, I think, in the minds of many trainers and possibly some vets, the administration of corticosteroids began to be looked at as possible therapeutic, rather than simply as administration of an anti-inflammatory for a particular injury.

I think that has resulted in overuse. It's not just a guess. Beginning on August 1st, two months in advance of the implementation of the new rules — and the new

rules, by the way, prevent the administration of corticosteroids close to the race, or in multiple joints, and so forth because, if it's close to the race or in multiple joints, then the test results will exceed the threshold, and that will result in a complaint and a positive test.

During August and September, any trainer who had a horse that was tested under normal procedures that came back with a corticosteroids level that, if it had been October 1st or later, would've exceeded the threshold, we gave that trainer a warning letter and said, "Hey, be careful. Come October 1st, you would've had a positive."

I don't think there's any reason to be politically correct here. The truth of the matter is we distributed more than 300 letters during those two months. Now, half of those were in the Quarter Horse industry. Since October 1st, since the new thresholds became rule, we've had one violation. It says clearly, I think, that, as a matter of fact, the trainers and the vets responded, and they understand the new rules. I don't know if there's a correlation, but everybody, I think, is familiar with what happened during Del Mar. We lost 16 horses during the Del Mar season.

Mr. Jay Privman: The summer meet.

Mr. Rick Baedeker: The summer meet, yeah. These changes took place October 1st. During the fall meet at Santa Anita, and the fall meet at Del Mar, we've lost one horse. Now, I don't know if there's a cause and effect. I like to think that there is. I suppose, over a period of time, we'll see that there is. I think it comes back to a simple premise. That is, I think, if we take care of the racehorse, if we keep the racehorse healthy, then the racehorse is gonna give us more starts over the course of its racing career. That might address, at least to a degree, the short fields problem, and the small foal crop issue.

Mr. Jay Privman: Jim, you're in the trenches having to deal with these new regulations. What's it been like to now adjust to what the new reality is?

Mr. Jim Cassidy: It hasn't been a major problem. Everybody goes, "Whoa." You realize what's going on, so you adjust accordingly. I'm sure everybody — not everybody, but once people stop medicating, people medicate more, and people medicate because they have to medicate, that sort of thing. I find no problem with the rule, whatsoever. I think most of the horsemen feel the same way. Lasix, that's a different story. Corticosteroids and the reduction in levels on bute and adenine and so on and so forth, I think it's fine.

We're in a jurisdiction, we probably have the best horses in the country. Now, you can argue about that, but quality-wise, we probably do. There's no reason to inject horses every two weeks. It's ridiculous. Maybe this lady's — in Finger Lakes, they have a different type of horses. They may need to work on 'em a little differently or something like that. I don't know. In California, the rules are fine. You don't agree?

Dr. Lisa Hanelt: No. I have unpublished data on that exact topic, comparing the Finger Lakes horses to the horses at NYRA. It's much less at Finger Lakes. Yes, we have some outliers, but it's much less. Partly it's economic. They can't afford to do that. They are much more likely to hold that horse out of the entries. It's true, and it's amazing. Cuz that was not what I thought, but I do have the data. It's just not published.

Mr. Jim Cassidy: One thing, I think, also, you need to — racetracks need to take more responsibility for their surfaces I think is a big problem. Most of 'em do not. I'm not saying that they want it bad, but either they don't have the personnel to make it right, or they have it on top of a meet, and we have to go. We just have to deal with it. These are things that —

Mr. Jay Privman: Well, let me just follow up with that. This is a slight tangent from where I wanted to go, but since you brought it up. At Del Mar, it's a two-fold situation. You said you're glad the polytrack's out, but it obviously performed very well in the fall. Was that because — the flip side of that argument could be maybe it's because it was just less traffic on it, less training, and less use of it. Where do you come down on that?

Mr. Jim Cassidy: They don't question. I, personally, like the synthetics. Most of the trainers did not, for whatever reasons. I didn't have the issues, obviously, or I wouldn't have liked it. In the synthetic world, when we went back, years ago, and when we started putting these in, and we looked in Europe in Lingfield, and Wolverhampton, and places like that, where they had them, nobody realized they don't train on these things. This is exactly the point you just made about the fall season. We had more outriders than we had horses on the racetrack in the morning. I think that makes a big difference. Also, I think the heat from the summer makes a big difference.

Now, for the first time — and I've been in California since '80 — the first time, we're going to have the same track at Santa Anita and at Del Mar. This is a revelation. Horses will be used to the same surface, rather than having to change. Because, even when we were all dirt, there were three different surfaces. Hollywood and Del Mar was different from Santa Anita, and so on. Now, I think it's a plus, that we're going in the right direction. Now, most people in the east coast, they prefer the dirt. That's why I think you'll see an influx of more people coming west.

Mr. Jay Privman: Georganne, there's two things we've covered here that I wanna get your thoughts on. We'll talk about the most recent thing, and that's racetrack surfaces and maybe shipping in. You deal with that a lot in the area where you are. A lot of people don't — most people, actually, don't train on the track where they run, especially at Pimlico. A lot of people ship in. Do you think it's advantageous to have a racetrack that's used primarily for racing, and the training is done elsewhere? Can that help with your field sizes, by keeping maybe less injuries on the racetrack itself?

Ms. Georganne Hale: I don't think it would make a difference in the field sizes. I think that the trainers that train over the track, I think, have a little more advantage racing over it. If we had a different — if we had a training track to train over, I guess, then, my track guys would be able to—it would make life easier for the track that we're racing on, for the upkeep for that track, if I had a training track to train on.

Mr. Jay Privman: Then, just to go back, to finish up on the medication thing that we were just talking about, from your standpoint, do you find dealing in an area where you've got different states and different opportunities for people to go, what are some of the challenges that you have to deal with, in terms of medication rules, vis-à-vis horsemen entering races?

Ms. Georganne Hale: When we first — when we first did the medication, it was in January. I noticed entries were really — my entry box, it was tough. The trainers just had to get used to the no medication. I thought are we gonna — are we gonna make it through this? No, then it got fine, and everybody realized they can't use the cortisone and whatever other medications. Now, it's an even playing field for everybody. We have more states us that have the medication rules.

Mr. Jay Privman: Of the MidAtlantic tracks, is everybody pretty much operating on the same playing field now?

Ms. Georganne Hale: Yes.

Mr. Jay Privman: It makes it an equal — would you like to see that maybe instituted nationwide?

Ms. Georganne Hale: Sure, that would — I mean I don't get many shippers from California and stuff. I think it's a good idea for trainers, if they are shipping to other places, to have the same medication rules all over the country.

Mr. Jay Privman: Jim, do you find that challenging, when you have to ship to other places?

Mr. Jim Cassidy: Oh, absolutely. What you'll wind up doing is you call a friend of a veterinarian that you use and ask them what they use and what they don't use, and so on and so forth. Every place you go is different, so it is a problem, yeah.

Mr. Jay Privman: Okay. Let me lead off with you again, Georganne. Writing race conditions where you are, there's a lot of discussion about how to best write a race condition book, in terms of maybe with the number of horses that we have, having less permutations of conditions. Where do you — what are your thoughts on just writing a race condition book that fits those types of parameters, and what you're trying to accomplish for your specific needs?

Ms. Georganne Hale: Well, I try to write a book to the horses that I have on the grounds. A lot of trainers will complain that I write too many races and I need to

have more general races. If I didn't have those races where we are, my trainers, they would ship cuz there's so many tracks around us that do give 'em the perfect spot. I have to stay — I have to write the races to try to keep 'em at home. I don't want 'em running out of town.

Mr. Jay Privman: That's the necessity of what you specifically have to do because of the environment that you're in. If, let's say, hypothetically, you were on an island and you didn't have five, six neighboring states that can pull those horses away, would you wanna do it slightly differently and have less conditions?

Ms. Georganne Hale: Oh, I think I would definitely — yeah, I would definitely not have so many conditions for the trainers to choose. They have lots of choices now. If I just had the certain amount of — if I cut so many races, they would have to — and they couldn't go anyplace else, they would have to use 'em.

Mr. Jay Privman: Jim, I know there's been a lot of discussion over the years, especially in California which you're most familiar with, that a lot of trainers wait and wait for that perfect spot. Knowing that that's the — at least the perception, what do you think is the reality? Do you look for a perfect spot, or are you like, okay, we gotta go when this thing comes up in the book?

Mr. Jim Cassidy: No. Personally, I run when I'm ready to run. A lot of times, it's not the perfect spot, obviously. You have a lot of trainers, they're worried about their percentage, so on and so forth. That's one of the issues. The other issue, the other big issue, is the super trainer. It's a big problem. A guy might have 150 horses. He's got seven horses in his barn with the same condition. He's only gonna run one, maybe two of 'em. That, I think, needs to be handled somehow.

Mr. Jay Privman: What would be the best way of accomplishing that?

Mr. Rick Baedeker: I think stall limitations would be the only way you could do it, as of now. Where an owner would say he's got horses with Mr. X, and he's got 150 horses, but he's only getting 40 stalls. You say, well, if you're not gonna be at the main track, then I'm gonna find somebody that is, and that sort of thing.

Mr. Jay Privman: You brought up something that a — there was a gentleman in the audience yesterday who was a trainer, who said that — he asked the question, actually, of me, even though I was just moderating the panel. It's to something that you just alluded to, which is statistics. Do you think, either for yourself or speaking as the head of the CTT — do you think that the statistics that are expressed, in the racing form and other places, regarding win percentage, are misleading? Do you think it could be presented differently? Just where do you come down on that?

Mr. Jim Cassidy: Well, it's funny you say that because someone wrote an article the other day, and I'm trying to remember where I read it. It was about the real trainers, as far as the leading trainers. You have a trainer, for instance, that's won 30 races, so he's a leading trainer. You have a guy that's won 10 races, but he's

actually made more money than the guy that's won the 30 races. They felt that that was more important than winning a lot of races. You've seen it over the years, too, Jay. You claim a horse of 40, and they run 'em back for 8 or 10, pretty much win. The poor owner, he takes it in the shorts.

Mr. Jay Privman: Are there ever situations where you're gun-shy to run in a spot because, jeez, that's gonna hurt my win percentage?

Mr. Jim Cassidy: Not me, personal — oh, no. I've never worried about it at all. There are trainers that do.

Mr. Jay Privman: Georganne, do you find that sometimes, where you're —

Ms. Georganne Hale: Yeah, I'd like to have him in my —

[Laughter]

Mr. Jim Cassidy: No, it's ridiculous to worry about win percentage because every time you think you're gonna win a race, you're not going to, anyway, so it doesn't matter.

[Laughter]

Mr. Jay Privman: Well, trainers are about the worst touts next to jockeys. Isn't that so?

Mr. Jim Cassidy: Jocks are the worst.

[Laughter]

Mr. Jay Privman: Yeah, I said the jockeys.

Mr. Jim Cassidy: Jocks are the worst.

Mr. Jay Privman: I said next to jockeys. Dr. Hanelt, talking about the medication stuff and the horse men finding the perfect spot, what types of things do racetrack veterinarians do, in terms of feedback from horse men to get to the point where they're running in an optimum spot? What types of things do you do, interacting with horse men, to facilitate that?

Dr. Lisa Hanelt: At our racetrack, it's a little bit less pressure to hit that perfect spot. You will, especially when we're doing our New York Sire Stakes races, there's a little more pressure. I get just a taste of what some of the folks that are working with the graded stakes horses get. We get very excited about those. I think we had 14 or 15 two-year-old fillies this year for New York Sire Stakes race. We were really excited. We wanna see what the class looks like next year.

Talking to trainers, though, it's mostly trying to encourage thinking of the long-term. What is the plan for this horse, in the long-term? The plan cannot stop with I need to get this horse past you and up to the starting gate. That's not a good plan. We need to back up.

We spend a lot of time talking to people. It's very rewarding, when we get feedback from trainers that we've talked to about let's back off here and see what we have, going forward. We have a cooperative relationship with the private veterinarians there who, frequently all we have to do is encourage that trainer — and sometimes it's more than once — please, let your private veterinarian do some diagnostics. See what you're treating. Don't just try and cover this over. See what you actually have.

I actually talked with one young trainer at the end of this season, who had a horse that's on the veterinarian's list. We don't know what's wrong with it. We don't. He said, "I'm gonna turn him out and bring him back in the spring."

I said, "This is an owner's horse. Why don't you talk to him and maybe send him for a nuclear scan? Then you can see what, exactly, you have, and whether we're gonna be able to bring this horse back safely. Otherwise, he's gonna spend the money to lay that horse up all winter, spend the money to put him back in training, and then what happens if we can't bring him back? If you bring him back in the spring, even if he looks okay, if we don't know what we had, we may not be safe. We may look safe, but we may not be safe."

This is not a trainer that we really have a lot of problems, as far as I don't think he's ever gotten really a significant drug positive. He may never have gotten one. That way, you look like a smart businessman when you're talking to your owner. You're also doing the right thing by the horse, and you're doing the right thing by the examining veterinarians and by your private veterinarian, who would love to know what's wrong.

Mr. Jay Privman: Great, thank you. Rick, I wanna — the panels that we've had, the two prior, now this one, we're looking at handle and field size and the trends and where things are headed. I'm wondering has the California Horse Racing Board, or even other jurisdictions that maybe you're in contact with looked at if there's a finite amount of money that's bet, regardless of the amount of races or race days that are put on, or do the more race days always result in more handle? What I'm trying to say is, is there a perfect point that you can reach, where we know that this is the amount of races that need to be run, statistically, in order to optimize handle, and where does that fall?

One of the reasons I'm asking that is because I just noticed — and this is anecdotal, so it's not what I'm hoping for, but I noticed at Del Mar, for instance, there were several days where the number of races that were run comparatively to prior year at the fall meet at Hollywood were less, and yet the handle was up. Now, there could've certainly been other factors. I'm wondering is there just a

finite amount of money that people have to bet, and whether you run 8 races a day or 13, that's the amount of money they're gonna bet.

Mr. Rick Baedeker: I think it's a great question. I think it's a complicated one. You raise an interesting point, asking if the horseracing board has studied it. I think it's an interesting point because I think, as the industry has struggled and declined, more people have looked to the regulatory body: save us, figure it out. This question I would put into that category.

I gotta tell you, we, as a regulatory body, we have auditors. We have people that write the rules and regulations. We have chief council. We really don't have a little think tank. I really don't have — I've got a couple of people that are actually safety storage that focus on racing services and so forth. When projects come up, like the microchip thing that we're doing and so forth, I can get them to focus on things like this.

We really don't have the ability to do that. We don't really have the ability to study it. We really do rely on the people that have a few bucks, whether or not it's the associations or the TOC or a combination, to go out and get the answers to those questions. I think we all know that, up to a certain point, at least, each incremental horse in a field size equals incremental handle.

I don't know, Jay, if there's a finite amount of money there. That leads to another question about the takeout rate. If there is a finite amount of money, I liken it to all of us sitting at a poker table. The house raises the ante. Well, that means that one of us is gonna be out of the game sooner than we would've been, had that increase not taken place. Now, that's fine for the house, if there's somebody waiting to take my seat. If it results in an empty chair, then pretty soon all we're gonna have is empty chairs.

It's a complicated question. I think, if we could wave a magic wand, we would say yes, it's in everybody's best interest to lower the takeout rate, to keep the player healthier, to keep more money in play. Even if we didn't change the number of races that we're offering, there's more money in play. Then, as a matter of fact, there'll be more money bet on each of those events. It reflects on the purses, which maybe brings more horses, and so forth.

Mr. Jay Privman: Again, we're gonna wrap up a little bit early cuz I wanna leave plenty of time for questions from the audience. What I wanted to talk to you, just as we go down the panel here, to end things off — and I'll start with you again — over the last couple days here, we've heard some of the things from an economic model that need to be done, in terms of increasing field size or trying to increase field size, the supply model of trying to increase field size. What are some of the things that you think, long-term, can be done, not only in California but nationally, to do that? I'll start with — I'll throw one at you. One of the things that seems, to me, that could really work, from a supply standpoint, is the idea of more off-track training. Shipping in to run seems, at least, from what I've seen, at least, in

California, to be something that does work, at least there. What would you like to see, over a five-year horizon, on that and other issues related to this?

Mr. Rick Baedeker: I'm not sure I understand the question exactly.

Mr. Jay Privman: That's okay. Like I said, we've seen the economic models and supply models. What are some of the things that you think can be done to try and get those numbers up, or at least not have any more dilution over the next five years?

Mr. Rick Baedeker: Well, I'm gonna take the opportunity to give you an answer that you don't expect, which I harangued you on yesterday. I know there's a number of people out there that I've known a lot of years that, when they see me coming, they turn and go the other way. You know who you are. It's because I've been giving this and preaching this for a long time.

I think we're focused on the wrong thing. What's happened, over the years, is that the industry has declined. Many years ago, when people like myself got involved — of course, I was in a family that was involved in the game — most of us had a mentor. He was our dad, our uncle, our grandfather. We had somebody that taught us the game, from the time we were 6 or 7, until the time that we made an illegal bet when we were 14, and then, at some point, we became an adult and we continued to play, and we loved it. We loved every bit of it. We loved solving that puzzle.

Then, the marketplace changed, and we lost the mentor. We've got generations behind us that haven't played, don't know how to play. I use this analogy. This really does make people nauseous because I forget that I've used it with them before. It's like I want Jim to try this great game of Monopoly. You're gonna love it. It's just the best. He says, "Well, I'll give it a shot." Give him the brand-new game of Monopoly. He takes it home. He opens it up. He takes out the directions, and they're printed in French. He goes, "I can't play this game."

What's happened, in my opinion, is we've gotten so focused on I'll call it the old fart syndrome, where people like myself, that want more and more and more, and give me more sophisticated information. It's great, and we all love it, except that, in the process, we've raised the barrier, the entry-level barrier. It's made it more difficult for a newcomer to come into the game and experience the game like we did, and like we do, where we get involved in that puzzle, and we figured it out, and it's the greatest feeling in the world.

What I would love to see is this industry get together with the new people who, 38 or 39 of 'em in this program, they wanna come in to our world. I would love to see the industry — I'd love to see Equibase and DRF and the associations and anybody else figure out a way where we can repackage this great game, where we can present the instructions, if you will, in an easy, readable, understandable format. I suggest it's as handy as this.

We learned way back when, at the Woodlands, 1990. We had a greyhound track here and a horse track here. The greyhound track was a huge success. The horse track was a huge flop. We went out and studied. The same people were going to both. We went out and studied the marketplace. The answer came back: greyhound racing is easy. Nobody really has a better chance than anybody else. I know that a greyhound going from level A down to level B probably has a better chance.

That same person went over to the horse track. Well, there was no A, B, C, or D. There was this volume, this computer printout, and that same person didn't know how to read it. Here was the interesting thing, to me. That person said, "I don't like feeling stupid." We have a hard time, as men, asking for directions. Well, we don't like going up to a mutual clerk and not knowing what to say. I don't like — I don't like the fact that Jim knows what a — how to part wheel a trifecta. I don't even know what he's talking about. I'm not sure what a trifecta is, to begin with, and I have no idea what a part wheel is.

On the other hand, if it was all in here, in a cool app, when I walked into the racetrack, and I'm sitting next to him, and he's talking about a part wheel, and I go, "Oh, I get it. I see what it is." I use the example of blinkers. He's talking about blinkers. I don't know what blinkers are. I go into this app, and I see a 15-second video of Jim Cassidy showing me blinkers, putting it on, putting the blinkers on a filly, and saying, "This is why we use blinkers," and standing behind and saying, "Now, see, she can't see me," and so forth. All of a sudden, at 15 seconds, this same guy that felt stupid now feels like he's part of the game.

Thanks for giving me the opportunity to give the speech. I was gonna give it.

Mr. Jay Privman: The bill will be in the mail.

Mr. Jim Cassidy: I couldn't agree with him more. Honest to god, honest to god, I've preached this for a long time. He has no idea that I have. The simplicity of the game, how it could be. Not only do they get the racing form, which looks like Rubik's cube to them, then they gotta walk up to a machine and start pressing — what? Or to a clerk that wants to be rude. Hurry up, hurry up, what do you want, what do you want. It is a difficult situation, for the new people.

Mr. Rick Baedeker: I'll give you one example what Jim's talking about. You walk up to a self-service machine at Santa Anita. There are 36 tracks altogether. It's the program that starts early in the day, goes through the whole thing. It was interesting, to me, that Santa Anita was on page two. I knew to hit the next button and go to the second page, and there it is. I'm looking at the first page, and there's all these abbreviations for tracks I've never heard of. I'm talking now as a newcomer going up. What would you do? You'd turn around and walk away. You'd probably walk away from the sport.

We found, in all the years at Hollywood Park, drawing the younger people out with the dollar beers, and they came out in droves. We'd give 'em all the bounce-back

coupons, so they could come back on gold cup day. None came back. Why? Because they had the security of their dollar beer crowd, their friends with 'em, and they didn't care if they didn't know. When they come back out without that security blanket, then they go back into that intimidation factor. They don't like it. Why would you buy that experience?

Mr. Jay Privman: Jim, just regarding the — again, just to get back to the supply and economic model of all this, one of the things you had alluded to earlier was maybe reducing stalls for trainers. I know that's the model in a lot of places, especially overseas, like Hong Kong. You have a finite number of stalls, and that's it. I think it'd be hard, at least, to do a finite number of stalls per person, overall, but maybe where you're stabled. In addition to that, what are some of the other thing that you think would be smart to help the supply of horses keep up with what we're gonna need to do, from a racing standpoint, over the next four or five years?

Mr. Jim Cassidy: I think purse distribution would help a lot.

Mr. Jay Privman: How so?

Mr. Jim Cassidy: Well, I think — well, always remember that, in my world, 20 percent of the trainers or owners make 80 percent of the money, and 80 percent of the trainers or owners make 20 percent of the money. Now, I understand that you have levels where guys have really all the good horses. That needs to change. If you gave more incentive to some shmoe that was running the horse that is gonna finish seventh or eighth, anyway.

Mr. Jay Privman: You think it'd be better to pay down for placing.

Mr. Jim Cassidy: Pay down, yeah.

Mr. Jay Privman: Any other?

Mr. Jim Cassidy: Well, I'm sure there are, but I —

[Laughter]

You're trying to get more horses in races, and we wanna do it safely. They're doing their job with the medication, which I think is gonna help, in the long run, especially with these — I keep going back, and I don't mean to, but our horses, the quality of our horses. If you don't believe me, come to California and try and win a race. It's not an easy spot to do that because we do have some really good horses. You know that, Jay.

I think, between that medication, if you did stall limits, we don't have a whole lot of area. We're trying to get Galway Downs involved now, where we could have stalls there because Hollywood is gone and Pomona is gone. Our land values are so high that there aren't the farms anymore to break and train horses, so that's difficult. Our field size, I think, will increase with the ship and win programs, with increased

distribution and purses to the lower level guy. A guy can afford to stay in the game. That's just all I can think.

Mr. Jay Privman: Thank you. Georganne, for what you need to do to keep races at the level that you wanna keep them at, do you envision increased cooperation between the MidAtlantic tracks, or would you at least like more cooperation between the MidAtlantic tracks, to try and have maybe some sort of a circuit, where you're not always competing with each other, but maybe cooperating?

Ms. Georganne Hale: I think we're gonna end up — that's what's gonna happen. The racetracks have to get together, and the horse men's groups have to get together. I think we are gonna have to have a circuit. We're in a two-hour radius of I don't know how many tracks. The trainers won't have to move. They can stay in their — they can stay in Maryland still, if we had the circuit. They can run at the other tracks, also, instead of bumping heads and trying to run up against one another. It doesn't make any sense. I think we will have to have the circuit.

Mr. Jay Privman: Has there already been some discussions taking place on that, or do you think it's —

Ms. Georganne Hale: Yes. No, there have been discussions.

Mr. Jay Privman: By necessity?

Ms. Georganne Hale: We have to get everybody to that — yeah, everybody has to get on the same page.

Mr. Jay Privman: How do you think that's going so far?

Ms. Georganne Hale: Oh, I think it'll eventually happen. I don't know whether this year or next year, but I think it'll eventually happen. It's funny. We're so different from California. I do have a stall limit, 40 horses. They don't have enough stalls. I have the stalls. I don't have the horses. Cuz we have lots of farms. We have three racetracks open. I have plenty of stalls, just not enough horses.

Mr. Jay Privman: Dr. Hanelt, just to finish up with you, what are some of the things that you think could be done? One of the things that you brought up earlier that I wanted — you can start with that, but please, if there's anything else — is the idea of maybe taking a break, having a prescribed amount of time off, owing to the race season. What do you think of that, to help the supply stay well for when you're racing? Then, please, on anything else you wanna elaborate on.

Dr. Lisa Hanelt: That's challenging. That's really an educational issue, more than anything. We actually looked at that. We looked do we have troubles with the horses that are high-start horses, high-start probably being a horse that's making more than 15 starts in a seven-and-a-half month racing season.

What we saw was very interesting because the horses that we have trouble with are not the horses — we have horses with comparable number of starts. Two groups: one that are only racing with us during that seven-and-a-half month period, and one that has the same number of starts but was racing all winter and maybe all fall the year before.

I've encountered some horses this year, and it's becoming a more prevalent group that, for the last two years plus, every single month of their lives, they have either a published work or a race — at least one of those — or both, for two years or more. It's no wonder that those horses have problems. The thing is, if you limit the amount of time that a horse can spend in a racing period, you have no way to regulate whether that horse stays in training or not.

Mr. Jay Privman: Is there a point of diminishing returns, though, if you keep —

Dr. Lisa Hanelt: Yes, I really think so. That's something a lot of people are looking at. That's when you get into education because what we're really talking about is risk reduction, examining veterinarians. If you do it intelligently, you're not going to kill the field size because you can look at this horse and realize that, even though — for example, I have a furlong counter at my racetrack. I know that's what he does. Then I also know the horse'll race close a few times, and then I won't see that horse for a few months cuz he's counting furlongs.

Dr. Lisa Hanelt: It's safe because he knows what he's — he knows he has a plan. When we work with trainers on risk reduction, some of the places where we started to realize there was risk that did come from the horsemen. It's two sides of the same thing. The veterinarians, we know a lot about lameness. We know a lot about injuries. Trainers know a lot about how to train horses. When you work together, the trainers will say, "Hey, we tend to have problems with this type of horse." The veterinarian says, "We've noticed that." The trainer sometimes provides that little bit of insight, and we look.

This is also where mentorship comes in. It used to be that you would work, as a young trainer, with a mentor. You would also work, as a young veterinarian, with a mentor. I was very fortunate. Early in my career, I worked with a couple of very intelligent, very ethical racetrack practitioners, who were proud to call themselves racetrack practitioners.

One of them was my professor in vet school, and he told me: "If you do everything that I teach you, and you never do anything to a client's horse that you would not do to your own horse, I will stand up for you in court, if you get sued, and I will take care of you. Just do this ethically, and do this safely." It's a good way to think. It's the way that the whole industry should be.

Mr. Jay Privman: Thank you. Thank you for that. Apologies for you guys having to listen to me cough up a lung. That's all the stuff that I wanted to cover with our panel — with our panelists, but I wanted to leave plenty of time here for question and answer. Please, there's a couple of microphones in the center. Identify

yourself, and please ask specifically who you want, on the panel, to answer your question. Thank you.

Mr. Scott Wells: I wanted to say — I'm Scott Wells, Remington Park and Lone Star Park. I worked for Rick 20 years ago. I remember one afternoon, being asked to host a group of young, very, very successful and wealthy young men. We got a table in the turf club. They had never been to the races. They were so baffled by what appeared on the screen, with all the possible payoffs. These are smart guys that would've, with a little bringing along, with a little more simplistic initial introduction, would be great horseplayers. They were so intimidated.

I said, for years, this is one of the biggest problems that our sport has, is giving the super sophisticated betters the complicated information that they want and need, without totally intimidating the novice. I know, years ago, at Los Alamitos, they did a very, very simplified program. We've experimented with a thing called In Simple Terms. Because, when you walk up, just as Rick said, you look at a racing form, it is Greek to most people.

We've gotta fulfill both parts of the equation. We have to treat the novices right, or we're not gonna have any novices join us. We've gotta treat the 20 percent that do 80 percent of the gambling right, or they won't like the game. That's a challenge. I think racetracks have to do a better job of fan education. I think a two-page program with the sophisticated information on one page, and a matching page of more simplified information would be one thing to get there.

Again, getting to the perfect spot syndrome. When you try to show someone the conditions of a race now, my goodness, if it's not just a maiden special, it gets complicated as the dickens. I trained horses for almost 20 years, and I can hardly read a condition book anymore.

There, again, we're giving those guys, the trainers that are looking for that perfect spot — if you have a limited horse population to begin with, and you put limiting conditions four or five layers deep in the conditions of your race, sure you're gonna have a five- or six-horse field. Your trainers that are spoiled, that want that perfect spot — I can sympathize entirely with Georganne because, if I was stabled at Fair Hill, like I used to be, and I could get the perfect spot at another racetrack, and she's writing general conditions, then sure, I'm gonna try to pick my spot.

I don't know the answer to that. I think getting together and agreeing on it is probably the only way to do it because, as long as one person is writing a less complicated condition book and another track isn't, the trainers are gonna pick their spots and race at the other track.

Through the last couple of days, this paradox of how do we have — how do we deal with this horse shortage, no one has the answer to that right now. I think simplifying our game, and getting more people involved in the game — or not simplifying it, but making it accessible to a greater group of people. I do think that the cell phone, the mobile device, has great ability to do that.

We just started doing the phone bets at Remington Park recently, and it's really catching on, and it's catching on with the right people. It's catching on with younger people who don't wanna be intimidated by a grouchy mutual clerk, and who do get it, when they go up to a machine, and usually can bet. The more progress we make in that area, the better off our sport's going to be.

Mr. Jay Privman: Go ahead, please.

Mr. Jacob Pollowitz: I'm with Sire and Son here. I just wanted to touch a little bit on the title of the discussion here, Breaking With Tradition, and just talking maybe a little bit about the condition book, which, to me, seems a bit of an antiquated process. I know that, when we had 2,000 horses on the grounds, being able to just write a book that would include all the horses on the grounds and make sure that they all had a chance to run in a nice cycle worked very well.

With the shortage of population, trying to figure out ways to maximize field size — and with ours, it's a interactive race menu, using the sum of entries in order to decide what races will go in real time. I wanted to get your guys' thoughts on at least reexamining the process of the horse entry process because I feel like maybe there's some opportunities there to try to maximize field size with the inventory you have.

Mr. Jay Privman: Georganne, I guess you'd be perfect person to lead off.

Ms. Georganne Hale: I'm not quite sure. Can you explain it again, what you were — what you were asking?

Mr. Jacob Pollowitz: Well, just reexamining the horse entry process. We know, now, that a race office will put out a condition book. It'll include three weeks of racing, maybe nine racing days. It's a very reactive approach. If I'm a racing secretary and I'm sitting in the race office, I got my fingers crossed, hoping that those races are gonna fill that day. I really have no measurement, when the day comes, that that was the best race for me to run that day, based on field size, cuz it's a bit of a reactive approach. I'm just wondering if you have or would be willing to at least reexamine the process, to try to find a more proactive approach.

Ms. Georganne Hale: Well, would that be like asking the—going around and asking the trainers what races they would want? Then you know—if you get enough for that race, you know that's gonna be a big field?

Mr. Jacob Pollowitz: Well, that's what we're doing with our software. I'm just curious. If you look at a condition book, it's basically the admin's best guess. Now, a good racing secretary that does a lot of work and research and has good communication will obviously have a better opportunity to maximize field size than another racing secretary. I feel like maybe a little bit more transparency and information with trainers, and especially owners, if you can get owners to be a little bit more transparent.

You guys were talking already about trainers worried about win percentage. They have owners who have those horses, and the trainers are basically taking the first priority of what to do with the horse, when really the owner is the one paying all the bills and taking the responsibility for the horse, post-race life and all, et cetera. I'm just wondering if maybe a little bit more transparency with altogether, a little bit more communication, and somehow factoring that into the horse entry process might be a way to maximize field size.

Ms. Georganne Hale: I guess having more contact with the trainers and seeing when the horses are ready and if a race in the book — I asked a couple days ahead of time if your horse is gonna be ready for that race, or if the horse is not ready. That's the only — just more contact with the trainer.

Mr. Jay Privman: The other thing I was just gonna say — you can address this. You talk about more transparency. I don't know what could be more transparent than a condition book, where all the conditions are listed two weeks out, of here's what's coming up.

Mr. Jacob Pollowitz: Well, I mean what's more transparent from the trainer's intentions. I know a lot of race offices'll look at the workout report and try to make a guess, based on the workout report. Or they'll take the horse's last race. We all know that a horse that's running for 25,000, his very next race he could be running for 10. There's a lot of information that racing secretaries aren't gonna be able to get. I know that, obviously, when you put out the races, the trainers get the information; they understand what the racing office intentions are. I'm not sure the race office has as much of an idea of the intentions of the trainers and owners.

Ms. Georganne Hale: Well, I know — I mean our race — I mean my racing office, we do ask the trainers where they're gonna run next, and how the horses trained. We try to — I try to get as much information beforehand, before the day of entries, or even before I write a condition book. How many horses — and with the Encompass nowadays, where Encompass has gotten so that they're gonna have the — we're gonna be able to see the horses that are in our area, around for those conditions. I guess just more communication with the trainers.

Mr. Jacob Pollowitz: Okay, yeah, just with more transparency, I think, obviously is gonna be helpful in the process. Thank you.

Mr. Jay Privman: Thank you. Yes, sir.

Mr. Bruce Seymour: My question's for Mr. Cassidy. My name is Bruce Seymour. My question is — all we talked about is — not all, but most important thing is field size. We talked about incentives. If the incentives were geared towards the trainer versus being a reward for the owners, do you think that would have any reflection upon what happens with the field size?

Mr. Jim Cassidy: What incentives, for example?

Mr. Bruce Seymour: Recently, at our small track in Colorado, I started an incentive program, to where I would give a trainer \$1,000.00 if he ran a horse with no race-day medication and won the race. I saw that it worked out, for me. I was just wondering — and I'm sitting here, thinking of expanding on it — would the same thing work for a trainer, if it was — different from the purses. It's a fund that would be created by the house. I know no trainer would never run horses not ready. Do you think, if it went to the trainer versus the owner, as an incentive, that that would have a difference on field size?

Mr. Jim Cassidy: Well, in California, bribery is illegal.

[Laughter]

However, I don't think, with the sophistication that we deal with in California, I don't think that that would — it wouldn't hurt. Don't get me wrong now; it wouldn't hurt. I don't think it would be a big incentive, as far as the trainer's concerned. Certainly, there would be some that would jump to that. Overall, I don't think — I don't think it would be a problem. I can't really say because the executive director and he's out to hold it against me in the future.

There's a lot of ways. The gentleman before you was talking about transparency. The owners are concerned, and so on. I'm a big fan of owners. However, you get more owners involved, they'd be running a \$10,000.00 horse in a stake race. That's just the facts. I think one of the problems with filling races in that vein — another problem are jockey agents cause a problem because they'll tell you don't wanna run in there because such and such has got a horse in there. You can't beat him. That sort of thing. I think that needs to be addressed, but there's so many things. Thank you for the \$1,000.00.

[Laughter]

Mr. Rick Baedeker: It was interesting, when I had that couple years at the Woodlands that had the greyhound and thoroughbred racing there. It was interesting. The greyhound model was completely different, but there were kennels that operated there. What I didn't know, until I got there, was that, if you owned a greyhound, once you gave that greyhound to the kennel operator, then you, as an owner, never had another nickel of expense. The kennel operator assumed all of the expense. In exchange, the kennel operator got 50 percent of the purse share going to the owner.

There was a great incentive for both to participate and to win. I'm not suggesting that could ever work in thoroughbred, quarter, or even harness, probably. Maybe some kind of a little slice of that might. I was thinking maybe in conjunction with the other thing that's been thrown around over the years, of doing group purchasing on the backside, to save money for owners.

I put it into possibly, if you'd look at it, a little bit like an HMO type of system on the backside, where trainers would voluntarily participate, perhaps reduce their day rate, in exchange for an increase in the share of the purse, maybe from the 10 percent share to a 20 percent share or a 25 percent share. Perhaps the end of the entity could do group purchasing of all of the supplies that are generally needed, and pass along those savings directly to the owner.

I don't know if it's a good idea, a bad idea, or somewhere in the middle. If, as a matter of fact, it did work, then a trainer that might be stuck with training, training, training, and rarely racing might have an incentive to race a little bit more frequently.

I remember sitting in my office at Hollywood Park years ago, and we had all the racing manuals up there. I looked at I think it was 1956, when Swaps was the horse of the year. We had an 11-week season during the summer, then. He raced five times during the summer.

A recent example: last weekend, my brother has this Live Your Dream Stables, and they had a horse that came back three weeks ago, that John Sadler'd been training. They knew he wanted to route a ground, and they started him — I think it was at a mile. I'm not sure if it was the turf or the dirt.

Anyhow, he needed the race. He was a fast-closing fifth, I think. They understood that he needed more ground. Sadler called a few days later and said he came back so good out of that race. There's a race on Sunday at a mile-and-a-half. Why don't we — why don't we run him there? They brought him back seven days later, ran him a mile-and-a-half. He ran a good, solid second, was closing ground at the wire. It was a throwback to the old days. Run 'em, don't work 'em.

Anyhow, I don't know if that other idea, that HMO thing, will ever get legs or not. It might be food for thought.

Mr. Jay Privman: We'll call it Baedeker Care.

Mr. Rick Baedeker: That was a low blow.

Mr. Tom Dipasquale: I'm from the Minnesota Racing Commission. I just wanted to go back to your question, Jay, about whether there's a sweet spot between number of races and field size, and optimizing handle. I have a sample size of one. My unpublished study is prior to the time that racing was — or betting on races was taken away from me, by law. My own experience was that, whenever I was late to a racing card and I bet on the last few races, my handle was larger than if I had bet on the whole card, and my results were better.

I don't know if that's statistically relevant data. The thought occurred to me that Woodbine was getting at this yesterday, with their heat matrix. I think that your question is amenable to a statistical answer to determine whether a race card with 6 races and 12-horse field that is eliminating inscrutable races and prohibitive

avored races would yield a much larger handle is a worthwhile question for the industry to look at.

Mr. Jay Privman: Well, I hope somebody takes us up on that. Any other questions before we get to the top of the hour and have to wrap it up? Yes, please.

Mr. Chris Larmey: Hi, I'm from NHC Players' Committee. This is for Jim, representing the trainers. We saw a lot of data that shows that the average number starts per horse is down dramatically from what it was 20 years ago or so. My question to you, just from a trainer's perspective, why do you think that is? Is there anything that could be done that would encourage trainers to start their horses more frequently — safely start their horses more frequently? What do you think's driving that?

Mr. Jim Cassidy: Well, my personal opinion, it goes back to the breeders. We breed a faster, more delicate horse today than we did 30 years ago. It's simple as that. I think most of the breeders, in my opinion, breed speed to speed, so they can sell the horses at the sales. Nobody wants to put a foundation in the breeding program anymore. I think it's simple. I think you wind up with a softer horse. You wind up with horses that are predisposed to tendons because their daddy has a tendon. Or you have one that's predisposed to bad throats because his daddy was a winded — all this kinda thing.

I think the breeders need to take more responsibility for their breeding programs, and not worry about selling these horses at the sales. However, you find that most people pay no attention to it, and it's been an irritating thing right from the start. The breeders are the first ones to stand up and start screaming about medication. After they sell their product, then it's your problem. Think about it that way.

Mr. Jay Privman: Thank you, Jim, very much. I wanna apologize for my bad throat. Oh, did you have a question? Go ahead, please.

Audience Member: I don't really know who to direct this to. When I started training, the average distance was a mile and 70, so I'm dating myself. It's now five-and-a-half. I totally agree that the races — people are breeding faster horses because the two-year-old training sales are basically driver of their economic model. For us, being trainers, it's really hard to win a race with horses that are bred to go a distance anymore, since so many of the races are five-and-a-half. I think that, is there a way to gradually get our races longer again, so that the horses that are bred to go long can be competitive?

Ms. Georganne Hale: You're right. I do write — I write a lot of short races. That seems to be the races that the majority of the trainers want now. A prime example is when I would have a race a mile and an eighth and it wouldn't go. I'd bring it back a mile 16th and we'd have ten horses in it, around the two — well, you know, at Laurel. I think it's unfortunate. We do have — the races are getting shorter, and people do want 'em shorter. I would much rather 'em longer.

Audience Member: That's a statistic I read the other day. In the early '70s, the average race was a mile and 70, and now it's five-and-a-half.

Ms. Georganne Hale: I think you're right.

Audience Member: It's not something I made up. Of course, it was in the blood horse. In other words, if we're gonna say — if horses are gonna be sounder, if we can somehow gravitate back to more distance races. We used to have mile-and-a-half races. You couldn't find one of them unless it's a grade one with a search warrant anymore.

Ms. Georganne Hale: No, you're right.

Mr. Jim Cassidy: It was funny you bring that up. I had a mare several years ago that was invited to run in the Melbourne Cup. That was pretty cool. In Melbourne Cup, you have to pay each — every so often, you pay a fee to sustain your nomination. At the end of the day, when I considered really going, they asked me, "How many races has she won at a mile-and-a-half?" Or a mile-and-a-quarter, I think it was, or a mile-and-a-half or better. I said, "Well, she's won at a mile-and-an-eighth two or three times, but she's never" — well, see, that wouldn't work. I said, "Well, we don't have any."

Anyway, the long and the short, I didn't run, and I did get all my monies back. We don't have those kind of races. That was Moscow Burning. Remember her?

Mr. Jay Privman: Of course. I think we have time for one more, and then we're gonna have to wrap it up cuz we got till the top of the hour. Please.

Mr. Jesse Ullery: from Will Rogers Downs in Oklahoma. Mr. Cassidy, you mentioned that it's on the breeders, that they need to be more responsible on the breeding end of things. My question is we're talking about the supply model, and that they need to be more responsible, but across the nation, we have several stallions that were either not successful on the racetrack or, for whatever reason, they had a predisposed condition. My question is, if it's on them to be responsible — and this is for the panel, itself, if anybody would like to chime in. If it's on them to be responsible and have horses that aren't predisposed to conditions, how would that — how do you feel would that affect our supply? We're so worried about field size and the foal crop, as well. How do you feel that would be affected in the short-term, and then also long-term?

Mr. Jim Cassidy: I think, in the long-term, it would be a great thing. In the short-term, it's gonna hurt us badly because there has to be a big adjustment. There are a lot of stallions that shouldn't be breeding. Most like there's a lot of mares that shouldn't have babies, if you're talking about quality. That's what we're talking about. The gentleman asked me why wouldn't you run more often, but I think horses get hurt more often than they ever did, 30 years ago. I think the reason for it is the fact that they're much more fragile than they were.

That, to me, just goes back to the breeders because they're the first ones to say, "Hey, it's out of our hands. You bought 'em." Unfortunately, when you have a client and he likes a certain stallion, or he likes his mare, or whatever, you can only do so much. It's the foundation breeders that need to make the change. Everyday guy's not gonna be able to do it.

Mr. Jay Privman: This'll have to be the last one. Go ahead, please.

Mr. Ed Martin: This would only be a one-word answer, so it's a quick question, Jay. Ed Martin from RCI. I'll ask everybody except for Rick, cuz Rick's a high government official in California and I don't wanna put him on the spot on this. Given what Mr. Cassidy said about the breeders, breeding is an unregulated activity. Do you think it should be regulated? That's a yes or no. Given what you said, Mr. Cassidy.

Mr. Jim Cassidy: Yes.

Ms. Georganne Hale: Whoa.

Mr. Jim Cassidy: Well, I'm gonna expand that. The Jockey Club's telling us what to do all the time. Why can't they regulate it?

Mr. Jay Privman: Well, I think you could make the argument that they do.

Mr. Jim Cassidy: Pardon me?

Mr. Jay Privman: I think they might make the argument that they do.

Mr. Jim Cassidy: No, they don't.

Mr. Jay Privman: No, I'm just saying.

Mr. Jim Cassidy: Well, argue all you want, but we know they don't.

Mr. Jay Privman: I think it'd be fair to have some from them respond to that.

Mr. Ed Martin: They just published the average number of starts on your blood horse book, your stallion ads. If you put the number of starts, average number of starts in there, it'd be a very helpful statistic. You notice they show what their yearlings and their weanlings sold for. There, again, they're dealing with the commercial aspect of it, but what's the end product? How many times do those horses start? That might be a step in the right direction.

Mr. Jay Privman: Thank you. With that, we're gonna have to wrap it up. I wanna thank Dr. Lisa Hanelt, Georganne Hale, Jim Cassidy, and Rick Baedeker. Thank you all very much. Thank you guys.

[Applause]