

HBPA Pursuing Risky Venture

On October 15, 2010, Horse Racing Alberta (HRA) released a letter to all industry stakeholders in which they declared that the HRA Board had completed the "race date allocations for Northlands Park" for 2011. The letter went on to state that Thoroughbreds were granted access to Northlands Park from March 1, 2011 through September 25, 2011. If you are like me, you probably assumed that the dates for 2011 were now solidified; however, the procedure dictated by HRA requires one additional step. The dates only become effective upon the completion of a formal agreement between the HBPA and Northlands as to both the number of days of training and the number of live racing days in the "block of time" allocated by HRA. As a member of the committee that devised the schedule agreed to by HRA, I can tell you that the block of time allocated by HRA contemplated 60 days of training and 88 days of live racing. Unfortunately, the HBPA has refused to sign the contract with Northlands. Instead, the HBPA is attempting to enforce an antiquated contract that they had entered into with Northlands Park in which Northlands would provide 90 days of training and 100 days of live racing. The ability of Northlands to fulfill the HBPA contract is limited due to the allocation of dates to the Thoroughbreds from HRA. More importantly, HRA's authority to allocate race dates (blocks) is legislatively granted which ultimately means that an antiquated contract can only be fulfilled if the block allocated by HRA is sufficient to support the level of racing mandated in the contract. Northlands and the HBPA have no authority to alter the proposed blocks allocated by HRA.

In response to Northlands request to enter into the agreement based on HRA's date allocation, the HBPA Board of Directors authorized the HBPA management to send a letter to Northlands rejecting the agreement on dates. The HBPA suggested a new set of dates and "strongly" advised that they would seek to enforce the provisions of the "unenforceable" contract. The mandate given to HBPA Management by the HBPA Board of Directors *was only the issuance of a letter to Northlands*. However, unbeknownst to the HBPA Board of Directors, an escalation of the conflict has occurred and the HBPA has enacted the dispute resolution clauses of the "unenforceable" contract. The next step in the dispute is that the HBPA and Northlands will enter into non-binding arbitration to settle the dispute. When that fails, HBPA management will pursue legal means in an attempt to have Northlands fulfill their contractual obligation. Remember, until the agreement between the HBPA and Northlands is solidified the Thoroughbreds officially have no race dates for 2011.

Although the stance taken the HBPA is a noble one, perhaps it is the wrong tactic to employ for a couple of reasons. First, if Northlands is being sued by the HBPA, how likely are they to provide a service to the group that is suing them? Secondly, until an agreement with Northlands is finalized there are no race dates for Thoroughbreds for 2011 and as a result Northlands is at risk of losing the operator portion of the slot revenue or approximately \$12M. In order to preserve the operator portion of the slot revenue Northlands is required to provide 100 days of live racing. The preservation of the slot

revenue is contingent on Northlands solidifying the live racing dates. If the HBPA and Northlands are still working through the dispute resolution clauses in their contract, no resolution can possibly be reached before the date that the Thoroughbreds are to move into Northlands. As a result, a scenario where Northlands simply offers the Standardbreds additional race days in 2011 to fulfill the 100 day requirement is possible. Why would they continue to negotiate with a group that is simply going to sue them anyways?

The problem with the direction being taken by the HBPA is that they are jeopardizing Thoroughbred racing in 2011. They are fighting over 12 live race days in an environment where every racing jurisdiction in North America is reducing race dates in order to increase handle and field sizes. The money available to support purses is decreasing and spreading the decreasing pool over more race dates does not make sense. The number of horses is decreasing. Finally, fighting over 2011 detracts from what we really need which is to focus on the long term viability of the industry. If we continue to focus on the short term, and live year-to-year, we will perpetuate our own demise. To me the HBPA has taken drastic action which should not be pursued without first calling a General Meeting of the HBPA membership. Clause 17 of the HBPA Constitution and By-Laws titled *Drastic Action* states:

No Drastic Action shall be taken by the Association without there first being held a general meeting of the members of the Association, of which meeting the management of the Racing Association or any other party or parties interested shall have been notified and given opportunity to appear and present their side of the controversy. No Drastic Action shall be taken by the Association until the President of The Horsemen's Benevolent and Protective Association of Canada shall have been notified and given sufficient time to arrive and attend such meeting.

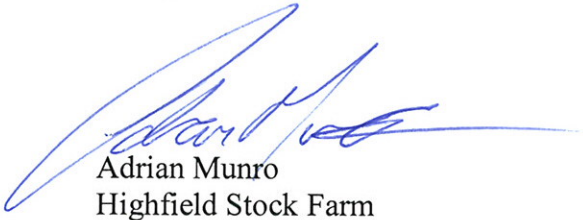
Under no circumstances, shall a meeting called to consider Drastic Action be held sooner than three days notice of the meeting has been given to the members of the Association, the Racing Association and any other party or parties of interest. Failure by a member to attend a meeting called to consider Drastic Action shall not be any excuse for failure to carry out the purpose of any motion made and carried out at such a meeting.

A 75% favorable vote of the members present led to consider Drastic Action at any meeting called to consider Drastic Action shall be required to carry any resolution or approve any course of action in furtherance of Drastic Action.

If the President of The Horsemen's Benevolent and Protective Association of Canada is unable to attend any general meeting of the members of the Association called to consider Drastic Action, he shall be entitled to appoint a person in writing to represent him at such meeting.

The question that needs to be asked is who gave HBPA management the authority to jeopardize Thoroughbred racing? The potential demise of Thoroughbred racing in Alberta due to the pursuit of ill advised legal action should constitute drastic action. It is time that those truly effected by the action or inaction of the HBPA should stand up and be heard. The industry is teetering on the edge of obscurity and now more than ever we require stability. The stability starts with assurances that racing will take place at set times and at set locations. Short term stability is the first step towards recovery, without it the industry leaders cannot concentrate on revolutionary ideas that will ensure the longevity of Thoroughbred Racing in Alberta.

I encourage every HBPA member to contact the Board of Directors of the HBPA and demand that an emergency General Meeting be held to determine an appropriate course of action. Alternatively, perhaps it is time to adopt a BC type model where the HBPA is replaced by a stakeholders group that focuses on the long term viability of the industry in Alberta. It is time for action as doing the same old thing is going to yield the exact same result.



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