

February 14, 2011

### Alberta Thoroughbred Racing

On December 7, 2010, I posted my concerns about the state of racing and the lack of race dates for Thoroughbreds in 2011 at Northlands Park. It is now two months later and although Horse Racing Alberta and Northlands have posted approved race dates for an 82 day meet (May 5-September 24) in 2011, HBPA has yet to agree to the dates.

The March 1st date for the beginning of spring training is fast approaching and other than a December 15, 2010 HBPA release stating that spring training will be begin on March 1, 2011 nothing has been communicated. I still contend that as long as the HBPA is attempting to enforce the terms of their contract with Northlands the possibility exists that spring training will not commence. Why would Northlands allow the Thoroughbreds to access their facility if racing dates have not been formally agreed upon? The truth is that Thoroughbreds are not integral to Northlands operations. The allocation of slot revenue is important and securing that allocation is contingent on providing a limited number of race dates.

If your operation is similar to ours, you have commenced spring training. Some groups are investing heavily in the preparation of their equine athletes. What happens if Northlands stands their ground and the Thoroughbreds are not allowed onsite? The HBPA executives who are advocating the pursuit of non traditional means to solve the race date issue have a total of ½ a horse between them. Will the minor cheque that they are required to write at the end of the month for training have a negative impact on them? The HBPA's mandate is to "represent the interests of owners, trainers and employees". How can the current leadership of the HBPA truly understand the magnitude of their decisions given their financial commitment to the industry?

I am struggling to truly understand the issue. Is the issue the number of race days or is the issue the revenue split? Either way, what has been done to rectify this situation? I previously stated that if the industry is going to survive it is time for creative solutions. It appears that HBPA feels creativity is limited to that which is available through the legal avenues of contract enforcement. Currently, HBPA has defined creativity as arbitration.

That said, perhaps it is time to explore alternative solutions. I am sure there are numerous proposed solutions to rectify the situation. However, without any communication from the HBPA I am not sure what alternatives have been explored. If the issue is truly race dates, perhaps we should have attempted to find more dates on the front end. The issue then becomes; where do we ready the horses for an earlier start than May 6<sup>th</sup>? In order for this to

happen, how about securing stalls at offsite facilities and beginning training in February rather than waiting until Northlands opens in March?

What would this look like?

-Secure 750+ stalls at a location other than Northlands. The facilities would have to have an adequate track for training purposes. For the record, I made 2 calls and found the facilities to handle our needs so I am sure the facilities exist.

-When completing stall applications for Northlands, Trainers would be asked to provide a preference for their offsite training. Stalls would then be apportioned for February training.

-The drawback is the facilities would cost \$7 per day per stall.

-Ideally, we would devise a system where the owners and trainers would not have to incur additional costs, so how about HBPA paying the \$7 per day per horse. Per the December 31, 2009 financial statements HBPA had over \$750K in reserve, so perhaps HBPA could pay the \$150K out of the reserve. If they are waiting for a rainy day, it is here and perhaps this is a better use of the funds than using them for litigation.

-Failing the above; perhaps HBPA could pay for the stalls upfront and then charge the fee to the owners' purse accounts based on the number of horses and the number of days the owner utilized the facilities. Unfortunately, owners would start the year with a negative balance in their purse accounts, but we would accomplish the goal of increasing the number of race days.

With the additional training days we could start racing on April 15<sup>th</sup> and thereby add 11 race days which would then bring the 2011 total to 93 race days compared to the 84 we had in 2010 and the 89 in 2009.

Although the solution above increases the number of live race days, I struggle with the need for the additional days. Spreading our decreasing purse pool over more days just does not make sense. I am speculating, but perhaps what they are saying is we need a longer season. If so the solution above fulfills that need as well.

Other racing jurisdictions have proven that wagering increases with an increase in field sizes. So, how do we increase field sizes in order to increase the handle? Do we consider a longer race season with less race dates in order to have those bigger fields? Would that increase the overnight purses which should increase fields and increase the handle?

Again we require creative solutions. However in this case why do we feel that we need to recreate the wheel? In 2010 the average all source handle on the Alberta Thoroughbred product was \$222K per day which represents a \$17K per day decrease from 2009. Can we do much worse by implementing solutions that have worked in other jurisdictions? Ironically, the HBPA does not fear the repercussions of attempting to enforce their contract with Northlands but they fear change.

It would seem to me that our Alberta Thoroughbred industry is at the lowest point and now is the time for creative solutions conceived by all parties working together. Having each group go their separate ways and not communicate with each other does not bode well for the future of Thoroughbred racing in Alberta.

As I stated previously, now is the time for creativity, perhaps now is the time for change, deep and truly meaningful change. If the group in charge of our future fails to act on our behalf the only course of action is their replacement. Where did the HBPA get its mandate? Why does the HBPA have a \$750K surplus while the industry they represent is at its lowest point? It is time for change.

I am concerned not for me, but for the preservation of Alberta racing. I grew up watching and enjoying Alberta racing. I cannot stomach its demise at the hands of a group that does not feel the same way I do. I care; not because I require racing in Alberta to survive to make my living but because I cannot imagine life in Alberta without Alberta racing. It is time for action. We need change. At the end of the day, this is our industry whether you agree with my view or not, make your opinion known by logging on to Alberta Horse Racing at Facebook and posting your comments. Alternatively, send me your comments via email or fax and we will post them unedited.

Sincerely,  
Adrian Munro  
Concerned HBPA Member

