



Race Track Industry Program

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**Horsemen and Jockeys—
Weighing In**

Moderator:

Dan Fick, Executive Vice President & Executive Director, The Jockey Club

Speakers:

Robby Albarado, Jockey

Alan Foreman, Chairman, Thoroughbred Horsemen's Association, Inc.

Jeff Johnston, Midwest Regional Representative, Jockeys' Guild, Inc.

Joe Santanna, President and Chairman, The National HBPA

Mr. Steve Barham: The title of the panel is "Horsemen and Jockeys Weighing In". If this is going to be anything like our experience with the horsemen and jockeys and model rules meeting, Dan I understand how come you wore the Race Track Chaplaincy lapel pin.

(Laughter)

Probably everybody in the audience knows Dan Fick. He's an alumni of the Race Track Industry Program; the guy that we — or one of the guys anyway — that we always turn to whenever we have a panel like this or anything that we really want done extra well. Dan, I'm going to turn it over to you and have fun.

Mr. Dan Fick: Thank you. I guess I — can you all hear me?

Mr. Barham: No.

Mr. Fick: I guess I should have worn my referee's outfit or I'm going to be a steward, so I've got to get used to this between the jockeys and the horsemen but we put together a good panel for you today. We have Robby Albarado, who's been on a couple of panels already. He's one of our America's perennial top ten jockeys, long standing member of the Guild and a current member of their board of directors and, as you all know, the regular rider of last years' horse of the year, Curlin. We're also pleased to

have Alan Foreman. Alan's one of the foremost racing and equestrian attorneys and he's the executive director of the Thoroughbred Horsemen's Association. A late rider change for Guild president Johnny Velazquez — who's father has taken ill, as I think some of you know from previous panels — is Jeff Johnston, the regional manager from the Midwest for the Guild, former leading quarter horse and thoroughbred rider; and of course, Joe Santanna, race horse owner from Pennsylvania, accountant by trade, professor, and also for the past three years, president of the national HBPA.

As you can see, we're going to cover several important topics both to the horseman and to the jockeys today. Weighing in, weighing out or weighing out, weighing in. I should say right now those of you, for the uninitiated, weighing out is what you do when you go out to ride the race and weighing in is what you do when you come back. Scale of weights — there's been a new model rule adopted. Horseman's mount fee, how much should it be, always a question within the industry. Alan Foreman's going to talk to us about workers' comp and the answers, possibly, to health insurance for our jockeys and the other people on the back side. Then if we got enough time, we're going to talk a little bit about the new riding crops.

But first off, we're going to talk about the RCI model rule on weighing out, and as you can see a jockey's weight includes a number of things. If you go from one state to another and ask the racing fans, "What's included in a jockey's weight when he goes out to ride?" Most of them probably couldn't tell you. What you'll find out from the clerks' of scales and the jockeys is it can change from state to state and even from track to track within a state. It's something that the guild's been addressing very importantly here in the last six months and something that Jeff's going to walk us through. So Jeff, I'll turn it over to you.

Mr. Jeff Johnston: I think since before I started riding the common practice was — safety equipment was never included. They said you weighed with whatever you were going out to ride with, but you didn't have to weigh with your stuff that they considered safety equipment, which at that time was a helmet, an overgirth. Since that time, there's been — in recent years especially — we've had new improvements in safety equipment. The vest came into play, which most of the vests' initially weighed two, now some of them are between one and two pounds.

Chamois are commonly used now and even the pommel pads, or they've got the thick chamois; kind of a neoprene type thing that helped the saddle from slipping. All that stuff is considered safety equipment, but the rule just said safety equipment. It didn't outline what was included and what wasn't. So we went — initially we went back, and we focused on the weighing out rule and went through and outlined what we considered safety equipment. The helmet, vest, overgirth, reins, breast collar — already the rule had already included the bridle bit, blinkers, goggles. So basically your saddle and your

lead and whatever it takes is necessary to ride the horse is what's included in your weight. All the other stuff defined as safety equipment is not.

That worked for a while until — we've got some — especially with public perception and different issues that happen in New York with the clerk of scales there, and more recently a case in Charles Town, where people were witnessing the jockeys weighing in. The program listed the weight weighing out. Some tracks didn't define — the general public doesn't know what the rule was for weighing out, so didn't know what was included. When they were witnessing the jockeys weighing in, they would see the jockeys coming in at well above that weight, well above the — say it was 118, now you add your vest and helmet, you're already at 121. Any other safety equipment, you may be a couple of pounds more, and then you come in with your mud, sweat, and tears from the race, and you may have an additional three, four, five, on muddy days or wet days, six or seven pounds. So they're witnessing riders coming in at 10 or 12 or whatever pounds over what the program says and immediately they're thinking, "Well, something's wrong. They're cheating, somebody's cheating."

So we went back and we said, "We focused on weighing out but maybe we should focus more on weighing in." So what we went back this last weekend and did is said, "Okay we've already got weighing out, now let's say what weighing in." And one of the most important things, basically we copied the world over from weighing out to weighing in. It's — the rule specifically states what's included in the weight in both sections and one of the most important things we did was ask for a mandate of a public announcement or program and that tells the general public what we're doing. What the jockeys — that it is going to be different, nothing's wrong, here's where the problem lies.

So here it says the post-race weighing of jockeys includes any sweat, dirt, mud that have accumulated on the jockey, jockey's clothing, jockey's safety equipment and overgirth.

Mr. Fick: As we were talking earlier, Jeff, with Robby. He — you gave a great example of two jockeys weighing out the same in a race and how they might come back dramatically different, could you go over that a little bit?

Mr. Johnston: Sure. Oh on days when it's muddy, you've got a foot of mud on the racetrack, obviously the guy who went to the front and kept going and won the race is going to be a whole lot different weight than the guy who came from dead last. He's going to have an additional eight, nine to ten pounds of mud on him and water. So obviously, every time you get on the scale's going to be different. The cleaner the jock, the lighter he's going to be. Simple.

Mr. Fick: And it's not really a violation if it's within reason from the steward's perspective and the clerk of scales perspective if you can attribute

it to the fact you may have been wearing have your clothing because it's inclement weather or you may have picked up all that mud during the course of the race.

Mr. Johnston: Oh absolutely. That's why you can never set a standard weight on what we should weigh when we get back, because it's — we're never going to know. I mean it's a crap shoot when we get back. I mean, I've weighed different every time but it should never be more than three, four, five more pounds than the next guy. I don't feel like it's that big of a difference weighing out, weighing in.

Mr. Fick: And this is what Jeff talked about earlier that they've adopted in the model rules as a recommendation to the racetracks to put in their daily program so people can better understand what might be involved in a jockey's weight and the fact that they may be carrying an additional weight.

This is something that NYRA has been doing for quite a while in order to explain the situation in NYRA and I think it's important the fact that they wanted to make the public aware of the fact that there's a number of items that are not recorded in the official weight and what they include, like we've previously talked about in terms of safety equipment and also that they may be wearing additional clothes for inclement weather.

Any other comments you all would like to provide? I think what's — the industry needs to do in working with the NTRA Safety and Integrity Alliance and going and inspecting some of the racetracks — Is we see different protocols or procedures in the jock room. Nobody's doing it to where it's illegal or in violation of the rules. They just do it a little bit different, different places and if we could have it be more uniform, maybe the Guild can get with a racetrack that would like to produce a DVD for us that we could circulate to all the tracks in the country and all the commissions that walks them through. Again, the weighing out and the weighing in process, so we can be absolutely sure that we are where we are. Because you run into situations where we've got tracks that have casino people running the security, and they see jocks going out at 121 and coming back in at 126 and going, "Hey, what's going on here?" We need to be better able to explain that to everybody in the industry. Guys got any more —

Mr. Robby Albarado: Dan, it ought to be part of the accreditation process.

Mr. Alan Foreman: The NTRA has been very successful in the initial accreditation process and is obviously going to be taking it to the next level and the next level. This is certainly one area that the Accreditation Standards Group ought to be taking a look at and that's how you get the tracks to buy into it and that's how you get the standardization that you need.

Mr. Fick: I'd like to salute RCI and their model rules committee this weekend. They really stepped up to the plate and addressed some very difficult issues. This being one of them, but the next one was one that's even more mind-boggling to a lot of us that have been working with model rules across the country, and that's the scale of weights. This is one of the six charts that you'll see for six different distances in the current model rule for the scale of weights. You can see here on this one alone, horses will range from a 2-year-old at 102, to a 5-year-old at 130, and if you look at all the charts, it goes all the way down to 96 pounds for 2-year-olds, 98 for 3-year-olds — weights that nobody weighs anymore.

Then it also had some language in it about the fact it was kind of conflicting with what the six charts you just saw that said the base weight is basically 126 for older horses and 122 for 2-year-old horses. In looking at the different states, we found that Arkansas, Illinois, New Jersey, New Mexico, Pennsylvania pretty much followed the model rule, but they were actually the exception because when you started looking at some of the other states, like here in Arizona, there was a pretty wide range for 3-year-olds. Six pounds between what the bottom weight could be.

When we went to California, you could see that it could get down to 112, and in stakes races you could go all the way down in handicaps to 103. Kentucky had a wide range of the first one to up to 18 pounds in what can be adjusted, so there's not a lot of consistency. It was pretty much left up to the racing secretaries. Louisiana, two rules in the same rule book that to some extent appear to conflict each other. At one point, they're talking about 122 for 2-year-olds and 126 for older horses, and then you go right down to the next rule and it's 112. New York, again, 122, 126, 112. So what we found was there was a lot of differences across the board and, again, RCI stepped up, and I'll let Jeff and Robbie kind of talk you through what they landed on.

Mr. Johnston: I think a lot of people in the industry have been doing a lot of good things behind the scenes. We've had meetings every month or couple months, a group of industry representatives. It's got — the national HBPA's there, the Jockey's Guild's been there, people from AARP have been there, racing associations have been there, and racing commissioners have been there. We've kind of been able to vet some of these rules before we actually take them to the ARCI model rules committee, and it's helped in the process.

One of the things people say that nobody in this industry can get along or nothing's an easy sell. One thing that everybody agreed on was that the model rule or the rules for weight are confusing and almost — well, unanimously, they said we — this rule is; one, it's old, and one, it's confusing and we need to get rid of it and do something else. What we did is really simplified it, and, of course, the weight issue has come out, has been a hot topic of the past. In another part of the rule, nobody was using it. The — each, all the racing secretaries have gone off on their own and with — either

with the stories through documentaries such as *Jockeys* or other things that have brought the health of the jockeys into it, associations or racing secretaries have quietly increased the weights and if you look through any racing program today, you won't see the weights that you used to see, the 110s or 108s and 110s and 112s that you used to see in the past. Now everything is in the 116, usually 116's your lightest. A lot of 118s, 22s, even 26s, and there's really been no outcry from anybody in the industry to say that, "Hey what, what's going on here? These riders need to be lighter again."

And even when you see those weights of 12s and 14s and 16s, you get a lot — you're seeing a lot of jockey overweight's. Jockeys are taking within themselves to, I think, take better care of their bodies, and we, as an organization, are trying to bring better health practices in front of them and make sure that they're healthier. We came to an agreement that maybe this should be — we set a minimum. Instead of the old way of setting a weight — the racing secretary's setting a weight and then adjusting the allowances downward, maybe now we set a bottom weight and say, "Okay, no jockey other than the apprentices or allowances can weigh less than 118 pounds and then allow the racing secretaries to adjust his scale accordingly."

So I think what we've done — and in the quarter horse and appaloosa and paints kind of had the same scale in there. Of course, they don't have the allowances. So we're really going to ask the racing secretaries to sit down and really work on this but I think they were doing it anyway. So it's not going to be a big change and it's going to really simplify and be a better way for the riders.

Mr. Fick: Robby, how many — what percentage of the riders do you think is going to benefit?

Mr. Albarado: Approximately 80 percent, 85 percent of riders going to benefit because only a very few guys are 110, 112. I mean very few guys. We have a few in New York and maybe a couple in Florida but aside from that, times today we're — everybody's bigger. Everybody in the country's bigger. I mean nutritional — nutrition today and I mean, babies now are much, much bigger growing up and I just feel like it's going to benefit 85 percent of those guys, including myself.

Mr. Fick: Well what's your — what is your —

Mr. Albarado: I tack 118.

Mr. Fick: 118.

Mr. Albarado: That's what my, my tack weight, 118 and that's probably — at Fairgrounds that's probably majority of the guys. They tack between 116 to 118, 117. The guys who tack in lighter than that either be struggling to

do it — to get more business or they're naturally light, which is most of it, they're struggling to get business, so they have to get as light as they can.

Mr. Fick: What — and everybody — Alan and Joe chime in here — do you think going to this increased bottom weight of 118 and setting it there — do you think it's going to increase the stress on the horse by any means? We've heard that from some people that it's going to be too much weight for these horses to carry.

Mr. Foreman: I mean, it could. I think it would be folly to suggest that it, it won't at all. In my own view on this whole issue is that number one, it's just got to be standardized across the country, number one. Number two, I believe that it's important to adjust for any kind of safety equipment that will help the jockeys. I'm not very impressed with the notion that we have to adjust weights because of the American diet or because people are bigger or otherwise. You know, a jockey's a jockey. A jockey should be at a certain weight. If the jockey can't make that weight, shouldn't be performing as a jockey.

Mr. Albarado: Dan, I think the — if we set the — even if it was 120 and the horse is 1,200 pounds and we're talking about 2 pounds off 120, if it makes the jockey a fitter and healthier performer, then I think it's good for their safety and the integrity of our sport and I also think it's a plus for an owner and the safety and welfare of his or her horse as well.

Mr. Foreman: The only — and I agree, but the problem is once you adjust to a level and everybody adjusts to that level and then they're want to go to the next level and the next level. It's like it — probably a bad comparison but it's with speed limits. Everybody gets up to the speed limit and then you want to move the speed limit up, and it just — at some point, I draw the line at the safety of the rider. Obviously their health is important but I just don't think we should be making adjustments simply because of the excuse that "Well, it's harder to keep weight because of the American diet," or whatever. It's important to maintain the integrity of the sport and keep things at a uniform level.

Mr. Fick: We've heard some people say, "Well, sure this'll take care of some of the jockeys or most of the jockeys." Like you said, 85 percent, but will it encourage some guys that aren't currently riding, exercise riders for long standing, that may have the talent that weigh 126. Will it encourage them to start using the dehydration and the pitching practices in order to get down to be able to ride now? Do you think that's going to be a problem that emerges?

Mr. Johnston: That's been an argument and I think there will be. We're always going to have that problem. There's always going to be the exercise rider, or somebody that wants to attempt to do it, but as you increase the weights, you're increasing the number of possible jockeys. The competition

is going to create — it's going to force those guys out, because you just can't — you can't abuse your body that much and perform at the same level. With these guys, even the lighter guys, we're going to have a few smaller guys that aren't going to be — they aren't going to appreciate this rule, because that is — that's a benefit for them. They use that in there. If they can say, "I can tack 112," and they can use that as a selling point when they solicit mounts.

My answer to them is — I use the analogy of a professional football player that is — say they want to move a guard to a tackle, and they say, "The only way you can do that is if you put on 20 pounds." Well that guy's not going to go and eat or — he's going to go to the gym, and he's going to put on 20 pounds of muscle, and he's going to come back a bigger and better person. I can't wait to see the industry, the way these riders — you put two pounds of muscle on these already athletes. Instead of going to the sauna or whatever they're doing to lose those two pounds, now they're coming in fit and ready or a guy that's two pounds light is putting on two more — two pounds of muscle and see the way he finishes and see how much better he performs. I think the owners, I think the trainers, I think the fans are going to appreciate it. I think it's going to be good for the industry.

Mr. Joe Santanna: Dan, I think another aspect of this is as we all grow older, we gain that weight that we wonder where it comes from, and I can't believe that jockeys are immune from that. So if we're able to take some of — any one of the jockeys — even including our best jockeys — and by adding a pound or two, we extend their careers, I think that's good for our sport as well.

Mr. Fick: You know one thing, which you talked about with the fitness. I think possibly through the NTRA Safety Alliance and the Guild and the tracks, to institute, I don't know if it's mandatory but nutritional programs in the jock's room. Education for the jocks on nutrition and physical fitness like's being taught at the North American Racing Academy, I think will go a long ways to helping jocks make weight and putting jocks that aren't dehydrated on horses and risking not only themselves but the horse and the other participants. So I salute this. I think this is a good move in the right direction.

Next subject for us is going to be jock mounts and the Guild and the National HBPA, working with RCI and eventually a subcommittee of RCI on this particular topic have been meeting for several months trying to come up with a solution where they can determine what should be the method of determining the mount fees for jockeys and with that, we're going to turn it over to Joe and let him give you the National HBPA position on this.

Mr. Santanna: Good afternoon everyone. Before I start, there's just a late note that just popped into my head, here. I chose to stand up to do this

because my chair is at the very end of the riser here and I just feel a lot safer over here.

(Laughter)

Mr. Santanna: I speak to you on behalf of the membership that I represent as the National HBPA President and Chairman. What we are going to comment on this afternoon is the newly-adopted ARCI Model Rule with regard to jockey mount fees. We believe and agree with the very first paragraph of it, and only the very first paragraph of it. It clearly states the organizations representing the majority of horse owners and jockeys should reach and present an agreement to the racing commissions 30 days prior to the start of the race meet. We think that's all the model rule needs to address. It continues with a jock mount fee that has the mount, the purse ranges and first to fifth and below and ranges of mount fees with a high and a low. We oppose that mount fee being in the model rule even though previously it said "shall be as follows". The new model rule now says "shall be used as a guideline for the commission in the event that that agreement is not in place 30 days prior to the race meet."

The current model rule also includes a piece of language that says the commission should adjust the proposed jock mount fee schedule using 2010 as the base and 2011 based upon a series of indices tied to cost of living. We don't think an automatic increase is something that should be included in the model rule either.

The model rule also suggests that for purses that exceed \$250,000.00, the commission should consider the top end of the jock mount fee range and for those below that, they should work somewhere between the low end and anywhere in between.

Our biggest opposition, however, is the fact that we do not believe any model rule should have any economics that affect another party. We don't feel that the ARCI or a model rule, whether it mandates the jock mount fee or whether it's prescribed as a guideline, has any place in a model rule. Economics should be left to the parties that are affected and in this case, it's the payer, the owners of the thoroughbred race horses and the independent contractor, the jockeys. ARCI, like any other organization, clearly has the capability of providing its members with guidance but it doesn't necessarily have to be in the model rule. It can be by email. It could be by newsletter. It can be even in a pamphlet of suggestion. So what we're concerned about here is the new model rule on jock mount fees has created a model rule and we all know that a model rule sits there and then if it's adopted it is, and if it's not, it's not and from our perspective, we should be passing model rules that are uniformly applied because they benefit those who are affected by it.

The last agreed-upon jock mount losing fee was 45 bucks in 2001. The ranges that are in the schedule in the new model rule are based upon a

retroactive Cost of Living Adjustment (COLA) indexing that back to 1964 when the jock mount fees were \$25.00. Well, a base year is a base year. If we last agreed that 2001 was the base year, going back to any year prior to that, we believe is a double-dip. We also think that the Social Security cost of living index, the Consumer Price Index (CPI), or a fixed percentage inflation adjustment is not the manner in which the indices should be determined, nor should they be indexed. We believe that the two thoroughbred industry indices that generate this revenue should be the basis for adjusting the schedule and that is both handle and purses.

So if we apply the industry indices using 2001 as the base year, since that was the last year we've agreed upon a change in the losing jock mount fees, it wouldn't be \$45.00. If we used handle, it would be \$43.00. If we used purses, it would be \$51.00, but remember, purses have been substantially influenced by alternative gaming as a source of funding purses. If we used three percent and the Social Security cost of living, it would be \$57.00. If we used the CPI, it would be \$54.00. Not \$100.00 or not substantial increases, based upon indexing way back beyond the last time we've had an agreement. Anything past 2001, it should be irrelevant in the process.

So our point of view is clear. We want to eliminate the automatic increase in the ranges. We have no problem with using industry indices to review the adequacy and the accuracy of the fees as the Jockeys' Guild and the horsemen associations discuss this between the payer of the money and the independent contractor. We think the ARCI should not be acting as a union representative or a labor negotiator in terms of dictating to the payer of the money what the amount of that money should be. In no other ACRI model rule are there economics involved. Our counsel clearly has some concerns over the anti-competitiveness of the jock mount fee schedule and we have requested an advisory opinion from the Federal Trade Commission with regard to that.

So the last time I did this was in front of The Jockey Club at its Round Table a couple years ago but it's always good for us to focus on what the financial condition of this industry in which we operate and enjoy. Purses earned are slightly less than \$1.2 billion dollars. The pool of money that is used to pay jock mount fees is almost \$100 million. Trainers get \$80 million for their winning percentages. That leaves slightly under \$1 billion dollars for the owners to pay for the cost of training their horses. Based upon an average of 6.2 horses in starts per year, and 50,000 races, we estimate the training cost to be \$1.8 billion. So before we even reinvest in horses and we support the blood stock market, we're \$814 million out of pocket. The 2008 auction spending was \$940 million — that's an annual event. So annually, owners lose 1 and 3/4 billion dollars. This is not a cumulative number. This happens every year. Last time we did this, it was \$2 billion. How do we economize on almost \$250 million? Well the blood stock market went down. It's the one and only thing that has changed these dynamics. I don't know of any other industry stakeholder group that loses almost \$2 billion.

So, looking at this if purses are \$1.2 billion — and I ask you to focus on the left-hand side of the screen first — then we'll go to the right-hand side. I wasn't bright enough to get this separated. If the win percent is 60 percent, \$720 million goes to the winner. If the jock mount winning fee is 10 percent, that's \$72 million and you'll see by my legend and the asterisk that that equals 71 percent of the total \$99 million paid to the jockeys. If the winning jockeys were to take 9 percent instead of 10 percent and reallocate that 1 percent to losing jock mount fees that would reallocate \$7.2 million. If you look at the right-hand side now on 50,000 mounts at an average of 8 starters per race, there's 400,000 mounts. First, second and third takes 150,000 of those losing mounts. Fourth and lower take 250,000, and by simple math, we take the 250,000 mounts and divide it by the \$7.2 million. A realignment within the ranks would add 30 bucks per losing jock mount fee.

So as we continue to analyze this. We look at it as a top-heavy plan. There's 400,000 mounts, as I mentioned to you before, that we set the parameters. The mount fees that go to the first, second and third mounts, the 150 of the 400,000 mounts is almost \$86 million. Thirty-eight percent of the mounts consume 87 percent of the money. Conversely, when you look at the 250,000 losing mounts, the other side of the 99 million leaves 13.4.

If you recall my previous slide, the \$7.2 million that we are suggesting might be reallocated in an intra-jockey funding of the jock mount fees would be greater than a 50 percent increase to the losing jock mount fees. If 38 percent of the mounts consume 87 percent of the jock mount fees, to me 62 percent of the mounts share 13 percent. So I have no other way to describe this slide than a top-heavy plan. Just because I like to do charts, I couldn't avoid putting this into some pictorial, and if you look on the right-hand side, that's the 13 percent of the fees shared by 62 percent of the mounts, the losing jock mount fees.

So this is our thought. Do it within the \$99 million. Try to reduce this intra-jockey organizational creation of haves and have-nots. As I mentioned to you before, the 10 percent and the 5 percenters earn 87 percent of the jock mount fees. If we did it gradually, 10 percent to 9-1/2, 9-1/2 to 9 percent, we could have losing jock mount fees increased and not increase the \$1.75 billion that owners lose every year.

So in closing, Jeff, Terry, Remi and I — a model rules working group that we have within the National HPBA — spent months discussing this issue. We were making progress after we drew a few lines in the sand and the progress was working well and the RCI Subcommittee on Jock Mount Fees indicated that they had to have an answer on this for this December 5th RCI Model Rule Committee at which they passed the new jock mount fee. They determined a compromise. They stifled the work that we were doing, meaningful work for the first time between the Jockeys' Guild and at least the National HPBA. Horsemen were working with the Guild.

Since 2001, we understand jock mount fees have increased at at least 25 tracks. It's working. Why change it? Why rush? What was the hurry? It interrupted this process that was functioning. It might have not been moving along fast enough for them, but we were making progress but the most important thing was we were working together towards the solution of a problem. So as newly-minted as the model rule is, we seek a repeal of it. We can — we certainly can agree that an agreement between the jockeys and the horsemen at a race track should be in place 30 days prior to the start of the race meet. Let us do that.

I don't know of any other business where the economics that affect that business are determined by a third party that doesn't either receive that money or pay that money. I know of no other model rule that contains economics in it, while it may have previously doing the same thing over and over and having no difference in the results, is crazy. Take it out. Let the payers of the fees determine what the fees are. I think almost \$100 million is substantial. Our suggestion — and I'll leave it at this — our suggestion where it's an 87/13 split on 62 percent of the mounts and 38 percent of the mounts — if we reorganize as we're suggesting, it's still 80/20. It's still top heavy but we place the \$100 million in the hands of the jockeys — you folks figure out how you'd like to split it up. Thank you.

[Applause]

Mr. Fick: Jeff, it's your turn.

Mr. Johnston: I disagree.

(Laughter)

Mr. Johnston: I'll try and keep it short. I'd just like to go through some of the same slides that — Dan there's no —

Mr. Fick: There you go. You already —there you go.

Mr. Johnston: One of the main arguments — I've been — we've been pushing for this for — well when I first started, I went to the jockeys and asked them what they'd like me to do as their regional manager and overwhelmingly, the response was, "We'd like a raise. We haven't seen any increases in our mount fees in years." So I went back to look at it and when I went to the horsemen's groups and asked, the overwhelming response was, "This is a bad time; the economy, the industry, owners are losing money. It's not the right time. We're willing to talk to you but it's really, I'm going to tell you, it's a hard sell. It's not the right time." So I went through and really researched and looked at what the history of mount fees were, and what I found was minimum jockey mount fees in most states had only been increased once since 1985, which was a \$5.00 increase in 2001. It was

implemented in — adopted in 2000, implemented in 2001 in some states. Some states elected not to do it, so there's been no change in mount fees since 1985.

When you look at other industry participants, trainers daily rates, exercise riders' fees, pony people's fees, the race they help — when a person ships into the track, the jockeys are saying, "This guy's getting \$50.00 or \$60.00 to walk this horse over from the barn and then he goes in and drinks a beer while I'm out risking my life to ride this horse around the race track. I should — why is he making more than I am and I'm sitting — I have to — I have all these rules and have to buy this equipment and sit in the room all day and reduce?" So they really felt that they were getting the short end and wanted this issue addressed.

Effectively, since the fees hadn't been changed other than the one change since 1985, through the economic system, fees were virtually cut in half and when I looked, I said, "Well what should they be?" Do we just ask for another five dollar increase? Do we ask for a \$50.00 increase; a \$100.00 minimum? What's the correct answer? So we tried to use a meaningful way to see what to ask for and when we took the 1985 fee of \$40.00 — and again, it's always been listed as a model rule as a schedule. Most of the — or many of the mount fees were \$40.00, so I used that fee and ran it through the inflation calculators and at the 19 — in 2001, when the \$5.00 increase went into effect and moved that \$40.00 to 45, it really should've been more closer, according to the economics, to the 65, to \$65.00 range.

We feel we got shorted somewhat on the 2001 increase and then it continued to decrease until, through those calculators, in 2008 the fees were effectively cut in half where they should have been \$40.00 in 1985 is equivalent to \$82.00 or \$78.00, depending on your calculator, so almost \$100.00 increase. We knew we couldn't sell \$100.00 increase. We didn't even try, but we did say, "You know, what is reasonable? What's a reasonable fee?"

The argument comes do we need a model rule? Should we allow this — just allow the horsemen's group and the jockey colony, or Jockey's Guild to work with — work amongst themselves to establish a fee before the meet starts and have it approved by the commission? Well we already have a model rule. It's not like we've created this new rule to solve this problem. The model rule was there. We just went in and what we — we just tried to update it, modernize it.

I must thank many of the HBPA affiliates and the THA affiliates — Chicago, Indiana, THA in New York and New Jersey, the Florida HBPA. They sat down with the jockeys, the local colonies or the guild representatives, and they listened to our arguments, and they had kind of what we're doing through the model rules committee was being done on a smaller scale, and we solved the problem. We came to an agreement, and we put new mount fees in place in probably 20 — at least 20 — jurisdictions, now, but there are other

jurisdictions that are saying, "No. Absolutely not. We're going broke. There's no money to be had. You guys don't deserve a penny. We're not even talking to you anymore." Or, "We're talking to you but you're free, you're welcome to come visit our — come to our next board meeting," but the answer was still the same; it was no.

So again we thought, "Well, you know, maybe we should let an outside party come in and mediate this thing and arbitrate and say, 'You know, these guys are really right. We haven't updated this fee and what is the correct answer?'" When we went to state regulators — when we went to the state commissions and said, "Look, you've got this rule," and we argued with them to say, "You know, we'd like an increase." They said, "Well what's the model. We have the model rule. What do you want from us?" And they said, "We can't do anything. It's legislative. You guys come to an agreement." Well again, we're going around a vicious circle. What's the right answer? We looked to the model rules committee to adjust their fees to then go back to the HBPA's or the racing commissions and say, "Look, you know, here's a guideline."

And the Rules Committee was great. They say, "You know, we don't want to do this for you, but we do have a rule, and it does need amended, so we recommend you guys sit down." We did. Remi and Joe were very accommodating, Terry and I. We sat down, and we had some — again we drew lines — I guess we drew lines but we did have some very good conversations, some very good ideas. We established certain things, such as the range of fees, which is now included in the proposed rule. We took points from both side, but we got to a point where neither side seemed to be budging and the Rules Committee did have this committee and a deadline, and they submitted this proposal.

It's not what the HBPA wanted — It was down from what we had initially proposed, but I think it's a start. It's not drawn in the — this is not every state has to adopt this. There is still the room that the HBPA asked for to negotiate the fees on a local basis. I'm sure if any horsemen's group sits down with their jockey colony, that they will be able to come to a decision. The model rule also provides for any jockey can still — just as it does now — has the right to establish his own fees with his own trainer. It says unless, in lieu of another agreement or unless there's another agreement, these are the fees we recommend.

I took the C tracks. Now again, it's a range of fees. So the C tracks are going to be asked to adopt one set of fees — we don't think that they should be paying the same fees as they are in New York or Florida or wherever the higher classes of racing are. So I just sectioned out the C tracks to show you the percent increases that are included in the model rule and especially these lower tracks. We really looked at trying — knowing that these horsemen are struggling and tried to, again, the calculators say 100 percent increase. The increases that are actually included in the proposal are from 5 percent, or

even 0 percent on the top end, 5 percent at the lower tracks — but most of them are in the 10, 11, 12 to 18 — the highest percent increase would be a 30 percent increase at purses over \$10,000.00, which many of those C class tracks rarely run at those fees. So we're looking at the 12.5 to maybe 20 percent increase for the most part.

The reallocation topic. This is not a favorable topic in my — in the jockey community. We're not fans of the Robin Hood Plan. Reallocation of jockey mount fees only saves — and a flaw — I found — I think I've found a flaw in the HBPA's presentation. They actually don't want to do this because reallocation of jockey mount fees only saves the owners money in races where purses are over \$25,000.00. The math's pretty simple. Say a \$10,000.00 race and the winning jockey's going to earn \$600.00, you're going to take 1 percent from him — that's \$60.00. That's only going to pay two losing jock mounts, which you've got in an average field size of eight; you're going to have to pay five. So the owners are actually, at those lower tracks, or those purses under \$25,000.00 are going to be pitching in an extra 190, \$120.00 on top of what they're already paying. The money that Joe's talking about finding or reallocating from the jockeys is coming from the top in but those jockeys already — the rule only calls for 10 percent and those jockeys, Mike Smith, for instance on Zenyatta or the top jockeys that are going Robbie on Curlin or — the top owners are contracting these jockeys to go ride these horses in major races and they're getting just like the trainers are getting: ten percent across the board. So those owners are still going to pay to get those top riders. The top fees are going to remain the same. The lower fees are going to be increased — higher than what the proposal is. So I think the HBPA should be very careful in that reallocation because I think it's going to end up in the long run costing them more money than what our proposal is.

And you talk — if you're going to talk about reallocation — if you're going to take a percent from the jockeys, why not take a percent from the trainers? They're getting ten percent across the board. There's another pot of money. They earn almost the same in percentages as jockeys do, so there's another \$7.2 million that the owners could — and why stop there? Why not look at track income? We've got tracks, Beulah Park and River Downs are really struggling. Why not have Churchill share a percentage of their income with Beulah Park or Turfway and Ellis that are struggling for their life? If we're talking about reallocation, let's look at the big — let's look at all of them. The better — if we're going to talk about reallocation, a more sensible thing would be to reallocate purses, which many race tracks have done. They've reallocated — they're paying back the less. They're taking money off the top and the same purse, reallocate the purses instead of the owners, the top owner getting 60 percent; give him 54 percent. Give him a percent increase to pay those losing owners. The jockey's taking the same cut. The \$540.00 he was getting from the 10 percent to 9 percent allocation is now getting the same by paying those owners to last; it's going to pay for their mount fees.

Mr. Fick: You're going to need to pick it up a little bit, Jeff —

Mr. Johnston: All right.

Mr. Fick: — or Robby's going to be spending the night in Tucson.

Mr. Johnston: The HBPA would like to eliminate the automatic increases. That's what got us here in the first place. These fees need to be updated as economic times need more — we need to continue to look at this on a yearly basis or every three years and update them. We asked — they want to do the 2001 fee again. I've said, "You know, fees haven't been increased since 1985. Why choose 2001? Why not look at '85 or someplace in the middle, '96?"

This slide — these are the same numbers Joe showed. This is the exact same slide only the numbers are switched around because what I'd like to show here is the purse earned, the spend at auction, available to owners, the cost to train — the owners are now \$1.5 billion in the hole before they've even looked at a jockey. It's not — an increase in jockey fees is not the straw that's going to break the camel's back here. This is a very, very small increase. It's less than one half of one percent total cost to the owners. This is a very small change.

Final comments — effectively, jockey fees have been cut in half. We're not looking for full recovery. We're just looking for an increase. Again, we've made headway with many a horsemen's group but we're having some that are sticking their toes in the sand, and we hope this model rule will help. Again, the proposal was based on work with both HBPA and the Jockey's Guild. It wasn't like this was a one-sided proposal, so.

Mr. Fick: Thanks.

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[Applause]

Mr. Fick: Just briefly, to go over what is the new model rule at this point. It was discussed, the first part of it is the horsemen's representative and the jockeys need to come together and prepare an agreement within 30 days of the start of the race meet. Or in absence of that, the commission is going to step in and look at the possibility of setting the fees. This is the mount fees that were agreed upon. Probably the most significant part is — is that the five percent is on the bigger races is now carried back to the fourth mount, which does, to some extent, spread the wealth a little bit more. This is available on the Arizona RTIP web site if you'd like to print it off and take a better look at it. The other aspect of it is what Joe talked about is based on next year in 2011, looking at these indices; the jocks' fees could be raised at that point in time.

I think we had a pretty good discussion from both sides of this, and I can't resist the temptation but let's see who won the debate with this crowd. Wait, wait — that's, right, that's right. Alan?

Mr. Foreman: There is another horsemen's group here.

Mr. Fick: Yep, that's true.

Mr. Foreman: And while we have not been in this debate — so I don't believe the RCI should be involved in this issue. I don't know why there are jurisdictions where we've been able to work this out with the Jockeys' Guild. We have to be subjected to a model rule that we have not been involved in and that, quite frankly, we disagree with. I just don't think this is an area, as Joe said, that the RCI belongs, but put that aside. Just doing a situation analysis from where I come from — I represent the horsemen who race at Aqueduct, Belmont, Saratoga, Monmouth Park, Meadowlands, Delaware Park, Laurel, Pimlico, Arlington, Hawthorne — which represents a good portion of the handle in this country on a daily basis. In each of our jurisdictions, we have worked out an agreement with the Jockeys' Guild. Some have been very cordial negotiations and some have been contentious and in one of my states, Maryland, we actually do things a little differently and a model rule doesn't allow for and complicates, quite frankly, the ability to think outside the box.

Joe's my best witness for the years I've been making the argument that the problem, when it comes to mount fees, is that it really doesn't address the core problem. Arguing over whether it's \$10.00, \$20.00, \$30.00 — you've got a \$99 million dollar pot that's divided among 6 or 700 riders across the United States on an annual basis. Of that number — and you can go from state to state and I guarantee you it'll work out the same — there is probably 30 to 40 percent of the riders make the bulk of the money. It's the same riders every year and in the mid-Atlantic where most of my tracks are located, you've got jockeys who are actually riding in more than one state on a daily or weekly basis, so they're compounding their income. Now I don't say that to criticize the riders for the money that they make. That's not the issue.

Robby Albarado is always going to be in the top one percent and a mount fee increase of \$20.00 to \$30.00 is going to make absolutely no difference to him whatsoever. He gets it but it doesn't make a difference to him. He's working under a system that the riders have implemented in this industry that we have all lived under, and that is the guys at the top get the money and the guys at the bottom get the scraps. That's never changed and perhaps that's part of the problem, but if you go from state to state, the same riders who sit in the room every day and try to eke out that living — it's the same group at the same track at the same time. If we are trying to help that group, this all isn't going to make a darn bit of difference — I don't care what the number is.

In New York, where purses are in excess of \$100 million, yeah the horsemen said, "You know the right thing to do is let's raise the mount fee," and they did. It was the right thing to do instead of arguing about it. In Jersey, they did it. In Delaware, they deal with a different jockey colony and they've worked out a very creative way to deal with jockey mount fees. At our Chicago tracks, they had very contentious discussions, but they did work out an agreement and there was an increase.

In Maryland, where racing is very challenged, because the Maryland horsemen felt that a mount fee increase should be specifically targeted to the riders who need it. What they do is at the end of the year, they look at which jockeys made less than \$100,000.00. That's the threshold that they use. For every rider who made less than \$100,000.00, who had at least 50 mounts; at least he was there every day. I mean 50 mounts isn't very much — they calculate a mount fee bonus for those riders based on the number of losing mounts they've had and come Christmas time, the beginning of the year, they get a bonus check. May not be the perfect solution, and jockey colonies in other states may not like that, but it really works well in Maryland. A mount fee schedule with cost of living increases and the like — doesn't help that situation at all.

I don't negotiate collectively for the THA groups. That's not my responsibility, and I don't by any stretch — I compliment Joe because he's got a different constituency than I do; that he's trying to help a lot of the horsemen at tracks that are struggling. Where this really does have an economic impact, and I don't believe executive directors of racing commissions should be making these economic decisions that affect the people who are paying the bills every day and are losing money. I believe it's something that can be worked out, but I am a proponent of a reallocation system.

What I heard Joe say was, "Take that \$99 million riders and reallocate it amongst yourselves," which to me does make sense, because I think within that \$99 million the Robby Albarados of the world are still going to be at the very top echelon of our business. Economically, they're going to be at the very top echelon of the economic system of the jockey compensation, but there's a way to bring up the people at the bottom in a way that I think works for everyone and doesn't necessarily harm the economics of our sport, which I think is something we all ought to take a very careful look at as we go forward right now.

Mr. Fick: Thank you.

[Applause]

Mr. Fick: Would you like to comment, Robby?

Mr. Albarado: No, I — my only comment is you're talking about the owners losing money — I've got a great friend who's owners and all and they never complain when their training bills went up from ten years ago. You own horses, Joe.

Mr. Santanna: Since 1988.

Mr. Albarado: How much did you pay then?

Mr. Santanna: Pardon me?

Mr. Albarado: To train, daily — on a day rate. What was the day rate, then?

Mr. Santanna: Probably 30 bucks.

Mr. Albarado: Thirty bucks. It's 100 now. You pay 100 now.

Mr. Santanna: I don't pay 100.

Albarado: Seventy-five. It's a lot more.

Mr. Santanna: I live in Pennsylvania.

(Laughter)

Mr. Albarado: Well it's a lot more than 30 bucks. I promise you that. So did you put up a big argument when you went from 30 to 60 or 50 whatever it may be then? There's no — there's no pay scale like you showed us from 1964 whatever. I mean it's a — people don't consider that. Like your saying how much the owners are losing, yeah, because every — their training bills went up. Everything else went up but jock mounts. That's the only thing that didn't go up.

Mr. Fick: So the issue at hand, as I hear it is, is the horsemen are saying, "Leave it to the horsemen and the jockeys to negotiate it in each location,"

Mr. Santanna: Absolutely.

Mr. Fick: And what the guild is saying is, "Let us negotiate it with the horsemen but if we can't reach an agreement, then let's have it be determined by the state racing commission and let's have a guideline for them that's not set in concrete, which they can work from." So the question is should it just be strictly negotiations between the horsemen and the jockeys? How many believe in that by applause?

[Applause]

Mr. Fick: Okay.

Mr. Santanna: Is this the meter?

Fick: All right. How many believe that if the horsemen and the jockeys can't reach a decision within 30 days of the race meet, that it should go to the commission and the commission should mediate the situation and ultimately make the determination.

[Applause]

Mr. Albarado: I think that one was —

Mr. Fick: I think it's pretty much a draw. The next topic we're going to talk about is —

Mr. Albarado: I have to go.

Mr. Fick: — you got to go?

Mr. Albarado: Yes.

Mr. Fick: Okay. We're going to cover one more topic with Alan but we need to wish Robby and his driver, Jeff —

Mr. Johnston: No, we've got a separate driver, I can stay.

Mr. Fick: — you can stay. Okay. Well thanks, Robby, we appreciate you coming.

Mr. Albarado: Thank you, thank you. Appreciate it.

Mr. Fick: Good luck, travel safe.

[Applause]

Mr. Fick: Alan's going to talk to us about a critical issue in this industry that we've been dealing with for a long time and that's health insurance, health and accident insurance for the jockeys and the exercise riders. It's a high cost, and that high cost keeps going up as we all know. It's a hot topic in this country, and we'll turn it over to Alan to talk about it.

Mr. Foreman: Yeah. Well I actually want to talk about workers' compensation, which has been a very controversial issue and a very hot button issue for horsemen over the years and the industry. I think if you look at what's happened in the past year with Rene Douglas; we had Gary Birzer a few years ago. It could — I guess it could have come up in the last discussion that jockeys are independent contractors, and that's the legal

argument that you will always hear. That they're independent contractors and that no one in the industry has a responsibility for the rider except the rider himself. As a lawyer, I certainly know that argument. For, I guess, over 20 years now, the horsemen in Maryland and for more than a decade, 15 or 20 years, the horsemen in New York, New Jersey, California have provided workers' compensation to the riders.

It is, bar none, the best bargain in racing and if you put aside the legal arguments, because I don't want to — we're already running over time, so I'll dispense with all the remarks — if you put aside the legalities of whether or not a jockey is an independent contractor or not, in Maryland in 2010, every owner and trainer is going to pay \$50.00 to cover a jockey for — all the jockeys — for workers' compensation for any rider who is injured in the riding of a race next year. That's the cost of a tank of gasoline, and you can argue all you want about the legalities of well, they're independent contractors, whatever it is — it's the right thing to do. I've been on this soap box, and I appreciate having it again, for more than 20 years, trying to convince the industry that it is a — not only the right thing to do — but it's a cost-effective — it's just — it's cost-effective and easy to do.

In Maryland and New York, and Rick Violette's here. Rick has been the godfather of workers' compensation jockey program in New York and he can tell you. In New Jersey and in California, it's relatively inexpensive but think about it. A rider, who is on the horse in the running of a race, who goes down is going to be covered for life for any injury that he sustains; the medical bills. There are additional awards that go with it. The owners and trainers are exculpated from any liability. Trust me, the reason why we did it in Maryland, because we had a jockey who was killed, and there was litigation that followed, and we all looked at ourselves and said, "This is crazy. We need to address the situation."

I don't think it's out of the realm of possibility to think that this couldn't happen again, God forbid but for the cost of \$50.00 — and we all do it differently. New Jersey is providing this coverage without expense to the horsemen. In New York, the New York THA subsidizes the cost. Trainers that chip in pay a small fee. In California, it's done differently. Insurance companies are bidding for this work, this insurance coverage, and the cost has come down.

To me as an industry, if there is one thing that I would like to see done, other than laboratory consolidation of medication, there was one thing that I could get done in my work with THA and work in the industry, it's to see that every state provides workers' compensation for the riders in this country and I don't know how the HBPA feels or others feel, but I just think it's something that's the right thing to do and we ought to do it.

Mr. Fick: I don't disagree, not speaking on behalf of The Jockey Club or the American Quarter Horse Association, who I used to work for. Remi and I

worked together about seven years ago on a worker's comp solution for this country for the riders and that people on the backside. I think it's something that needs to be seriously looked at again, depending on where we end up with health care in this country. But we need to take care of the people to take care of the horses, because it only benefits all of us.

Any questions from the audience? I know we started a little late, we're running a little late, cocktails await. Yes sir.

Mr. Richard A. Violette, Jr.: Hi, I'm Rick Violette, president of the New York Thoroughbreds, and chairman of the Jockey Injury Compensation Fund. It's more of a comment and an observation that I think, by and large, jockeys were considering you a friend. I think Terry would agree with that. We did step forward in New York and go up to \$100.00, understanding that we might be an outlier with our purse schedule at 100 million a year or plus. Mark you said something that has me — hair standing up on the back of my neck, and your lack of respect for the guy who leads the horse over and might have a beer while he's watching you ride.

If there's any part of this industry that needs more money, it's the guys on the backside. The disconnect that you and Robby, with his parting remarks about day rates, and I'm a trainer first and foremost. How we have to carefully guard our day rates and anybody — we go up a dollar, five dollars, or ten dollars on, we have to really weigh whether we're going to lose that client or we're going to keep the client. The disconnect in the economics in what you're asking and what is happening in the real world on the backside is unfathomable. But the lack of respect you show for the poor guy that might be making 50 on the high end is pretty disturbing, and I suggest you don't use their backs to get more money. That's all.

[Applause]

Mr. Santanna: If I may, I wanted just to make sure that everybody was aware of the health care funding that the three thoroughbred tracks in Pennsylvania make for the jockeys. When our enabling legislation for our gaming was created, the horsemen, without any representation from the jockeys there, set aside \$250,000.00 of the 4 percent that we get for health and pension for our owners and trainers' health care and pension plans. We set aside \$250,000.00 per race track and for the 40 jocks that are qualifying, in each one of those three race tracks, we provide an average of \$6,000.00 per year towards their health care, are responsible for that to the Pennsylvania Gaming Control Board. So we are not insensitive to the needs of all of the people, and then finally I'd like just to say that when we canvas our 30 HPBA affiliates, we provide at least \$5 million dollars worth of benevolence to grooms and hot workers and backside workers. It's not enough. We give them what we can because we do truly respect their effort as part of the team that makes this fabulous sport that we all love.

Mr. Foreman: And I would add to that — that Delaware does similarly with respect to revenues that they receive as a result of gaming, and most of the benevolence programs that I'm aware of — I know in Maryland — they provide benevolence to the back stretch, including assistance funds, also provides those benefits to riders and their families.

Mr. Fick: I agree. Working with the Race Track Chaplains and the Winners' Federation and The Jockey Club Foundation, we need more funding. I think it's incumbent upon states that are looking at legislation for alternative gaming, expanded gaming, that you set aside a piece of it to take care of the people that are on the race tracks, because there is an imbalance as Rick said, in terms of what we're doing for the grooms and the hot walkers and the exercise riders. Any other questions or comments? Any questions or comments from the panelists?

Mr. Johnston: I'd just like to say I understand. Mr. Violette, I have to apologize for my comment. It wasn't meant as a — I have all the respect for the people on the back side as well. It was in reference to the mount fees. It's been a contentious issue, and I have to apologize for that comment, I'm sorry.

[Applause]

Mr. Fick: We got one behind you, first.

Male Voice: Yeah, I just want to make one comment also. We were involved in the same issue a year ago and the amount of time and the anxiety that it created and the hostility that it created is beyond imagination. We still, to this day, a year later have this constantly thrown in our face about the issue of what the jock mount should be or should not be. All I'm telling all these jurisdictions is that if you want real disharmony in your racing community, if you want a total lack of progress on any other issue, you just get involved in this issue. I think an easy out is to let these commissions take a look at this, if that's the only solution. It's a lot better than calling in to meets, have threats of jockey walkouts; have disunity among the trainers; actual arguments breaking out. I mean we came close to fistfights in Chicago all over whether or not these guys were going to get an increase.

The jockeys are a critical component of this industry and it's not fair not to appreciate their talents and their duties. It is a dangerous business. We know it is an inherently dangerous business. I like Alan's idea about the — it should be remodeled, the jock mounts. But you have to also understand that these jockeys, since 1969, have fought hard for the ability to have 10 percent and that, to them, is the first on the tenth commandment. They're not giving up on that. We all, as horsemen, we're going to have to just adjust to it. I'm not saying we have to cave in to them, but it seems to me like it works best when the horsemen's group sits down and a logical way

with the jockeys and we worked this out among ourselves as ladies and gentlemen, as it should be.

Mr. Fick: Terry, you had one gentleman behind you, first.

Male Voice: Let me talk.

(Laughter)

Male Voice: You're better off letting me talk.

(Laughter)

Male Voice: The one thing is, it's been a tough couple years, but when you have tracks like Fairmount Park coming to you and saying the jocks need an increase, whether it be five dollars or ten dollars, the intent is there. We've had major problems with Kentucky. Keeneland and Churchill — the horsemen's association, HBPA — we've had Oaklawn in Arkansas HBPA; Oklahoma, where they've got slots. There's where the tracks are \$400,000.00 in purse and up, we've had our major issues with — again it goes back to tracks that are struggling to make it; Finger Lakes and stuff to come up increases.

I think that's important, but the one thing that was on the slide before. You know, we're looking for stability in the industry. We don't want to cause problems or have jocks not come out and ride races or what we went through in Chicago. We're working for stability, but we need to find some common ground in working together and whether it be Alan's format or whatever it may be, but we don't — there's no mutual respect. I mean, I'm sorry.

Mr. Foreman: But Terry — the pro — my own view is the problem is we're locked into a decade's old system, and nobody wants to entertain discussions where you're thinking outside the box. Everything that we do in racing right now, we're being forced to reexamine how we do business, because we're in a different world today. To just think that we should continue to perpetuate a system where we're having these terribly contentious fights over whether we're going to increase the bottom \$10.00, \$20.00, \$30.00. Mike Campbell's right. We couldn't have any kind of discussion other than is either our way or our way. It's very — been very tough over the years to negotiate with the Guild. You bring a fresh face to the Guild, and you bring fresh thinking, and my approach to you, we all know, has always been, "Let's start thinking outside the box," and I think the HBPA certainly feels that way. You have to start now thinking differently than a decade's old system that may not even be addressing the problem.

Male Voice: Don't disagree, but to these people in the room, a lot of it is that the trainers are asking the jockeys to work horses in the morning. At

Finger Lakes it might be eight or ten horses a morning that they're working in the morning that they're getting zero compensation for, for the majority. You know and then when you ask them to ride two or three horses in the afternoon, and they're making 33, 35, and they pay their agent. They have to pay their valet if they're a Guild member; they have to pay the Guild. You know, they're taking home \$18, \$20. And I've —

Mr. Santanna: Terry I'd just like to comment on one thing you've said just to clear the air. I think two people, two organizations, two governments, two countries can have a difference of opinion that has mutual respect. So I view it as a difference of opinion. We have never disrespected the Jockey Guild.

Male Voice: Well, you know —

Mr. Santanna: We can have a difference of opinion.

Male Voice: But again when —

Mr. Santanna: Everyone's entitled.

Male Voice: — the only thing is — In some of these organizations, whether it be the Kentucky HBPA, when you don't get phone calls or returned calls for a year, don't want to sit down and talk to you — I think there goes the respect.

Mr. Santanna: Well, then talk, talk about a particular party but —

Male Voice: Well, it's a national HBPA —

Mr. Santanna: — the conversations that went on between us there's a difference of opinion. It was not a lack of respect.

Male Voice: Oh, okay.

Mr. Fick: All right guys we can take that one outside.

Male Voice: I've got one more thing. We talked about benevolence, and I think it's important that we've talked the thing with the permanently disabled jocks fund. Both you guys were on the board at one time, and the lack of funding from the horsemen's organizations to take care of the 60 permanently disabled jocks fund. They get a \$1,000 — those 60 people get \$1,000.00 a month. It's \$12,000.00 a year. We need to do more working together to help protect them, take care of their needs.

Mr. Foreman: If we could get workers' compensation passed in every state, we could make the disabled jockey fund almost irrelevant. Wouldn't that be nice?

Mr. Fick: Well I think we've run way over our time. I'd like to — did I have one more? Go ahead.

Male Voice: Is he allowed to talk now?

Male Voice: First of all, I respect each and every one of you guys up there for what you do and the horsemen and the owners. I mean, because without the owners in this game, I don't have a job, the racetracks can't function, all the people you talk who work on the backside can't work. The farms — nobody could work, but the reason I got up here, I'm looking at your diagrams that you had up there, and I'm looking at 1964 jockeys were making \$25.00 to ride a horse. Then you show nothing until 2001, they're making \$45.00 in 37 years. How do you expect someone to even make it if it — it's not the Robby Albarados, the John Velazquez that put the show on.

Those guys that ride making all the ten percents across the country — it's the guys that are running fourth through last that put the show on. These racetracks don't want a three horse field. They want 10, 12 horses in a race and the jockeys that are riding them 20-, 30- and 40-to-1 shots. Those are the ones that are putting the show on and that's where I'm going. We have a system, and excuse me the word, the system we have it needs an enema, because we're way behind the times. Just like Alan's saying, we're way behind the times and what Alan's saying about the workman's comp, I think is probably the greatest thing this industry can do. Thank you.

[Applause]

Mr. Fick: Well again, I'd like to thank the panelists. They've created a lot of issues that we've talked about and raised a lot of questions that still need addressing. I go back to the panel this morning on the interstate racing and wagering compact. I think anything that we can do that will bring everybody to the table, bring Alan Foreman and Joe Santanna and the jocks and the regulators to the table and try to come to a consensus on these issues will help this industry move forward and solve some of our problems. So I thank you all for your time. I'd just like to invite you all to the Race Track Chaplaincy prayer breakfast tomorrow morning at 7:00 in Cottonwood. Have a good evening.