



Race Track Industry Program

**36th ANNUAL  
SYMPOSIUM ON RACING & GAMING  
TUESDAY, DECEMBER 8, 2009**

**NTRA Safety & Integrity Alliance**

**Moderator:**

Mike Ziegler, Executive Director, NTRA Safety and Integrity Alliance

**Speaker:**

**The Honorable Tommy Thompson**, Partner, Akin, Gump, Strauss, Hauer and Feld

**Mr. Mike Ziegler:** My name is Mike Ziegler from the NTRA Safety and Integrity Alliance. I'm here today to introduce the Honorable Tommy Thompson who's the former four-term governor of Wisconsin and formerly Secretary of the United States Department of Health and Human Services. Currently a partner at Akin, Gump, Strauss, Hauer and Feld, Governor Thompson is here today in his role as independent monitor of the NTRA Safety and Integrity Alliance where he's been tasked to monitor the activities of the Alliance and assess industry progress in achieving the Alliance's goals, so without further ado, Governor.

**The Honorable Tommy Thompson:** Well first off, let me thank you, Mike, for your leadership, your introduction and your friendship, and thank you all for coming. I appreciate very much the individuals in this room to hear what we have been able to find in regards to our position as being the independent monitors for the safety and integrity of horse racing in America.

First off, I want to thank the NTRA. I think the NTRA has shown a great deal of leadership in setting up the Alliance. I want to thank Alex, Peggy, Keith and Wyndee, four wonderful employees of NTRA who had the leadership along with the board to set up the Alliance to see what could be done to improve the safety and the integrity of horse racing in America.

I am delighted to be part of that because it's an industry that's very exciting, with a 1.2 million horses, thoroughbred horses, in America and around the world, all starting from three stallions; Darley Arabian, Godolphin Arabian and Byerley Turk. It's an amazing industry that has accomplished a great deal and truly, in my opinion, is the sport of kings.

Saying all that, I want to first tell you what my role is. I want to start out by stressing how I see my role as being the individual independent monitor. I am not an advocate for racing. I am not an advocate for the industry. It is not my job to make racing look good. Further, I am not the league commissioner of racing. It is not my job to decide which reforms should be included and be part of horse racing. My job is to be an independent monitor, an independent monitor for the Alliance, and in that role I am commissioned to evaluate whether the industry did what it said it would do, and when it created the Safety and Integrity Alliance had set up certain parameters. My job is to review those parameters and in the past year be able to issue a report, which I'm issuing to you this morning.

I had a team of four attorneys that assisted me; Gary Thompson, who is with me, my partner at Akin Gump; Jo-Ellyn Klein, who is an attorney at Akin Gump, is an expert in self-regulatory entities; Ladd Wiley, another partner in the firm who coordinated all of the effort, and Tony Currie, who helped her collect the data. We interviewed 35 individuals, disparate members of the industry representing all aspects and facets of racing.

The Safety and Integrity Alliance was set up by the NTRA and this board a year ago at a meeting just like this. The Alliance was a subsidiary organization of NTRA. The purpose of the Alliance was set up to implement safety and integrity standards on a uniform and national basis and to function as a certification and accreditation body for the purpose of recognizing as well as incentivizing horse racing in America, and to find compliance with the code of conduct.

The Code of Standards was created to serve as a minimum set of standards. The substance of the code was written by the NTRA with the input from people in this room and around the industry. The accreditation process was set up by the Alliance and it hired Mike Ziegler. Mike Ziegler is the individual that introduced me and I think has just done an outstanding job. It's not my job to say that, but I've witnessed and will testify that he is an excellent employee and has brought credibility to racing. He's an excellent choice. He's fair-minded, he's tough and independent. He's so tough and independent in one of my interviews from a national leader of the industry said, "When he came to my racetrack, I sat him down and started telling him how great we were". Mike says, "Wait a minute, I'm not here to listen to you. I'm here to find out how well you're doing, and I will be the judge of that, my team will be, and I will come back and explain it to you". That individual said, "I was so impressed by his independence, and I knew when he told me that, that the Alliance was in good hands and would carry forth".

Now here are my basic findings and recommendations. The code that I mentioned before, the standards; the findings: The Alliance did a good job in formulating the code with outside input. The Alliance, however, did not take into account the after-care community, which I think needs to be done, but has now created an after-care committee to take into account and to be able to use their input and their responses. My recommendation: You need to review the code annually. As I said, the code was the minimum standards. You now need to review that code annually, upgrade it, and improve it.

You should also create an opportunity for the public to have input. We feel that it's very important that the public has some way to tell you in the industry what they're thinking. When I say this, I don't mean to say that you need to take what they say and do it. You need to listen to them. Some things they'll say are important and you can use. Other things, like anybody, can have mistakes and misjudgments. You don't have to take it. I'm not saying that. I'm saying you should have a way for the public to have some influence.

Fans, our racing fans, need to be able to buy into this Alliance. It's not my job, as I said, to tell you what the standards should be, but here are some suggestions that I think you need to debate. You need to strengthen the standards for the starting gates. You need to set standards for the vests and helmets of the jockey. You need to set standards for track surface and maintenance. You need to set standards for safety rails. You have to have more robust requirements on medication and medication. You have to strengthen after-care and retirement standards for horses.

I'm not telling you that these standards all should be adopted, but I am telling you that you should focus your deliberations in these areas because this is the input that we heard and the things that we were involved in. I also think that you can take the opportunity to hire the University of Kentucky — I'll just mention that as an example — their engineering department to help you examine the standards on safety rails, on starting gates, helmets and vests, and allow the university to have part of improving those and enhancing those. I did that when I was Governor of Wisconsin. I used the university engineering department very frequently, and I was always impressed by their input as well as their capabilities of improving.

Accreditation, the next one, is a good vehicle for achieving reform. The accreditation process, I believe, has been largely successful. I am concerned how you're going to get all the tracks that haven't been certified yet to join the process, and now you're going to begin your second year of racing under the Alliance. I'm concerned with how you're going to make sure that the tracks you accredited also stick to the rules. We heard one examination where one of the tracks was certified and the following races went back to their old way. So we need to make sure that that does not happen.

My recommendation: By making sure that more tracks join the Alliance, you and the industry and especially the NTRA and the Alliance, need to play a prospective role and encourage and provide training to tracks. I suggested at the NTRA board meeting this morning that you have a great opportunity to take the best, the best of each track, and compile that into a Code of Standards. Take from Keeneland or Aqueduct or Churchill Downs or whatever track there is, something that they're doing right and compile that as a standard and use that as a teaching and educational standard for the industry.

By making tracks follow the rules, I believe the Alliance should conduct random, unannounced inspections. The Alliance should also create a hotline to allow

individuals to be able to call in about somebody not following the rules. What I'm suggesting there is in the NTRA, have the opportunity to have a hotline. Most organizations, a lot of businesses have hotlines where people can call in that witness something and want to make changes and try to improve it. I had one individual person that I interviewed who is a professional wagerer, professional gambler, and he said — he has witnessed when the tote machine did not close at the beginning of the races, and he said, "I would like to be able to report that". That hotline should be able to be set up at NTRA headquarters and you can be able to respond. I believe the NTRA should set up a committee to review these complaints that come in and have the ability to investigate and be able to report back to that individual or to other people that yes, it was a problem or no, it wasn't a problem, and yes, we've corrected it or no, we will correct it, or something like that.

The accreditation process, my findings: I believe the accreditation process was well designed and implemented. The teams that were set up I believe were very well qualified. I think a lot of that credit goes to Mike Ziegler, the executive director. I believe my recommendation is that the individual monitor needs to be part of every one of those accreditation inspections. We weren't and I think that was a finding that needs to be rectified. Did the accreditation process improve tracks? The finding is the good news that the accreditation process did improve tracks. Tracks that were accredited and tracks going through the accreditation process did change the practice in tangible ways. One of the tracks that was inspected was going to the starting gates and saw that padding was not all the way up on the starting gate. Somebody mentioned to the track officials that it would probably be better if the padding went all the way up. By the next morning, padding was placed all the way up on the starting gate. I think those are just — that's just one example of how racetracks in a tangible way can improve and make things happen.

The bad news as I see and that I'm reporting today is that the fans did not notice the improvements. Many of the people we interviewed or received public comment felt that the code was not strong enough to bring about the kind of changes that individual fans want to see. We would like to see, Gary and myself, benchmarking. I think it would be very helpful if we said on this track — I'll use Keeneland because Nick Nicholson is here, my friend. If he had benchmarked his track before the accreditation and reported that, and then every time an improvement was made, be able to publicize and give that information out, I think it would be extremely helpful.

Did the Alliance make sufficient progress in accrediting tracks? Yes. The first track that was accredited was Churchill Downs in April of this past year, or this year as a matter of fact. There are 13 tracks that have been approved and certified already with two pending. Examination has been done; paper work has got to be completed so that will be 15. That is very good progress. The NTRA recommended 25, but the full year is not up until April. Now we're going into winter racing and then spring racing, so there's a good chance that the goal of 25 could be reached. I think that is wonderful. No one is going to apply if they're going to fail. We have to make sure that the remaining tracks — peer pressure is placed upon them so

that they also will continue to improve so that they can become certified. You're going to have to conduct peer pressure to get these tracks to apply. I think one of the best ways is what I said previously, using the best goals, the best standards of tracks, compile them and be able to give that out as an educational tool from the Alliance to tracks saying this is the best standards that we have.

Did the Alliance do a good job on communication? Well this is a good and bad situation. The finding was yes, it did a good job at the beginning when a team was going in to a track. After the opening press conference, press releases, information given out to the press, and after it was certified, the communication sort of fell off. That is why I'm saying it's good and bad. It's good at the beginning of the certification process but we've got to be able to follow through and be able to give information to our racing fans and to the public. It's important that we do that. I think it would be nice on a quarterly basis to have the Alliance issue new safety improvements, and bring the fans in so we can continue to get in front of the public how well the Alliance is doing, how the communication is improving and how racing is improving.

Does the Alliance have enough resources? Well, you can well imagine what that conclusion will be. There's no question the NTRA made a very heavy investment, and they did it on a voluntary basis because they wanted to improve their sport. The running of the Alliance is expensive, and you only have one employee, that's Mike, but it's an expensive undertaking. You have to have enough resources to get the job done, and you have to do it on an ongoing basis. I was happy and am happy to be able to report that of all the interviews, there was no individual that we interviewed said the Alliance should stop; it's not doing its job. On the contrary, every person who was interviewed said that it needs to be continued, needs to be improved, and the standards have got to be continually upgraded; unanimous, from everybody that we interviewed. I think that in and of itself is something that I'm very happy to be able to report to this group. We know that times are tough, but you're going to have to raise more money, I believe, for the Alliance. I hope that you can find an independent way to fund the Alliance.

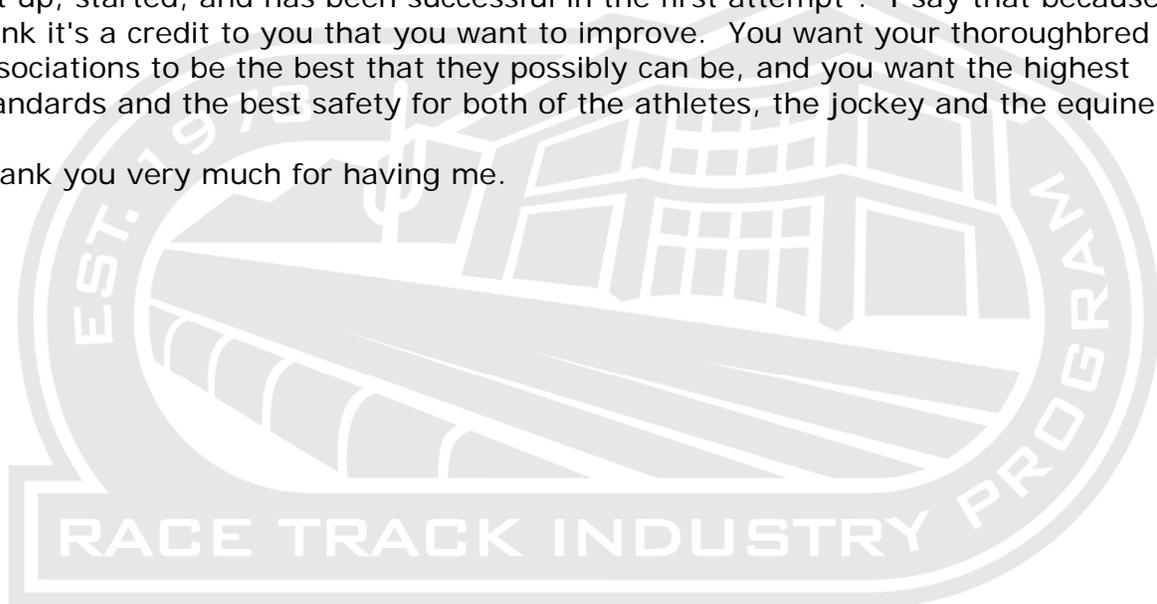
Is the Alliance achieving the goals that were set out by NTRA when it started last October, a year ago? We've accomplished a great deal. You've accomplished a great deal. The Alliance has accomplished a great deal. Yes, the finding is that I think you can be very proud of your effort. You can be proud of the initial progress. You can be proud that, first off, that you stepped up to the plate and said after Barbaro and Eight Belles you're going to improve the safety and the integrity of your profession, and you've done that. You have, I think, accomplished a great deal in the first year. You need now to improve upon that, to grow upon that and help to find ways to come up with uniform standards. You have to keep it up, and you have to make this a sustained effort.

In conclusion, I would like to once again go back to what I started at the beginning, saying I think the NTRA needs to be complimented for their leadership and their vision to set the Alliance up. I think the Alliance did as well as could be expected and anticipated and continues to improve. This is an evolutionary type of

operation. The code has got to be looked at on an annual basis. The certification process has got to be looked at on an annual basis. You've got to continue to improve. You want your industry and your profession to have the highest ethical standards, safety standards for both the athletes, the jockey as well as the equine. I think the recommendations are fashioned to help you improve and to grow and expand.

As one cynic told me when I interviewed that person, he says, "Governor, you've got to understand that we are an Alliance in a profession that it is impossible for all of us to get along. We have many different views and there has never been, until the Alliance, any idea like this to set up a new group or study that was implemented the first time out. The Alliance, in my memory", I'm paraphrasing what this person said to me, "the Alliance is the first time an idea like this has been set up, started, and has been successful in the first attempt". I say that because I think it's a credit to you that you want to improve. You want your thoroughbred associations to be the best that they possibly can be, and you want the highest standards and the best safety for both of the athletes, the jockey and the equine.

Thank you very much for having me.



**COURTESY OF UNIVERSITY OF ARIZONA  
RACE TRACK INDUSTRY PROGRAM**