

STRENGTHENING
THE INTEGRITY
OF RACING



QUARTERLY

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RMTCnet.com

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RMTC Drug Testing Initiative Underway

An industry-wide concern about the quantity, quality and efficiency of drug testing laboratories for U.S. horse racing has impelled the RMTC to action. At its September board meeting, RMTC approved a five-part drug testing initiative to develop a comprehensive drug testing plan that will advance equine drug testing in our country to an unprecedented level. The initiative is modeled after the World Anti-Doping Agency (WADA), which accredits all those laboratories conducting tests on Olympic athletes. RMTC's Drug Testing Initiative Task Force will look at all aspects of drug testing from sample collection to laboratory standards and economics.

Our drug testing initiative includes the following action points:

- Development of laboratory standards and accreditation criteria to ISO standards
- Expansion of current quality assurance and laboratory proficiency programs
- Development of a business plan for the U.S. drug testing infrastructure including industry-sponsored research and reference equine drug testing laboratories
- Establishment of a post doctoral and grad student recruitment program for drug testing research and laboratory staff development
- Review of current sample collection strategies including long-term storage of frozen samples

An essential element of this effort will be accreditation to ISO 17025 standards so that each laboratory's work will meet the highest standard possible.

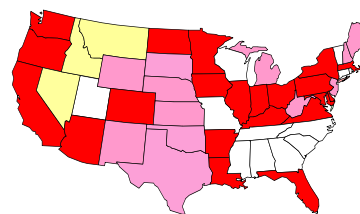
CORTICOSTEROIDS

RMTC has committed more than \$300,000 to support comprehensive research over the next two years on the use and effects of corticosteroids. When used appropriately, corticosteroids are useful in decreasing inflammatory and immune responses in horses, but can be potentially dangerous when not. We are hopeful that the results of our research will allow the development of model rules, best practices and proper procedures related to corticosteroid administration.

AAS Model Rule Adoption Progress

It has been an industry-wide goal to encourage all state racing commissions to adopt the model rule on anabolic steroids by the end of 2008. As we embark on 2009, RMTC has seen great progress in adopting this important language to regulate anabolic steroids in racing.

To date, 20 states have adopted the model rule and 13 states are in the process of adopting the language. These states constitute about 90% of Thoroughbred races in America and approximately 97% of the total Thoroughbred pari-mutuel handle.



- Language adopted
- Language in the process of being adopted
- Process has not been started
- No horse racing or harness racing commission

Contrary to popular belief, the RMTC, with the help of its many stakeholder organizations, has been working to pass this regulation well prior to the events of the Triple Crown and subsequent congressional hearings.

"RMTC officers have been very encouraged by the recent adoptions of the model rule by states such as New York, Florida and Louisiana," said RMTC Executive Director Dr. Scot Waterman. "The horse racing industry has almost totally eliminated steroids from racing competition — a truly remarkable accomplishment of which our sport should be proud."

**Alex Waldrop is
CEO of the National
Thoroughbred
Racing Association
(NTRA).**

A Higher Standard: Final Turn Essay by Alex Waldrop for The Blood-Horse

The health and safety of our human and equine athletes, and the integrity of our sport are our highest priorities. These fundamental principles will guide the newly formed National Thoroughbred Racing Association Safety and Integrity Alliance.

The formation of the Alliance is the culmination of several months of feedback received from virtually every segment of the industry, including fans. The reforms fall into five key areas: medication and testing; a safer racing environment; injury reporting and prevention; safety research; and aftercare of our retired racehorses. Fifty-five tracks and every major horsemen's association in North America have joined the Alliance. Many owners, breeders, horsemen, and jockeys have expressed their support, and a plan for enlisting added support is in development. Alliance members are aware of the significant financial costs the industry will incur by implementing these reforms. But to their credit, Alliance members have come to the realization that doing nothing would, in the long run, be far more costly.

Despite broad industry support of the Alliance and assurances that reform costs would not be pushed off on our customers in the form of higher takeout, I would speculate that overall fan reaction will range from cautious optimism to a healthy dose of skepticism. Should we be surprised? After all, many of our fans feel like they have seen this movie before.

Nearly six years ago to the day, a group of former students at Drexel University almost pulled off the biggest heist in the history of our sport when they manipulated the wagering data of the Breeders' Cup Pick Six. The NTRA hired a high-profile individual, along with a talented team of security experts, to assess our industry's tote system. The result was an outstanding set of recommendations to improve the industry's tote infrastructure, many of which have yet to be enacted. In fact, six years later, we continue to operate under a fundamentally flawed assumption: that our customers will tolerate the changing of odds well after the horses have broken from the starting gate. In hindsight, we should also have had Mayor Rudolph Giuliani hold our industry's feet to the fire until we enacted the important reforms his team recommended.

A series of catastrophic injuries in high-profile events, admissions of steroid use by some top trainers, skepticism of bettors after repeat violations of medication policies, and the economy have resulted in double-digit declines in our business in recent months. I am an optimist and one who believes our industry has many good stories to tell relating to integrity. In many respects, our drug testing is better than that of the Olympics. And I believe the overwhelming majority of our horsemen care deeply about the welfare of the horses from which they derive their livelihoods. However, to overcome current negative public perceptions of our game, we must act, and our actions must be meaningful, swift, decisive, and transparent. Those aren't my words. They are yours — pulled from thousands of interviews we have conducted with our customers. To this point, the industry response has been encouragingly on the mark. In a short period of time, important reforms have been identified and implemented. The goal of banning steroids from racing competition by 2009 is within reach and demonstrates the industry does have the structure to act uniformly and nationally. The Alliance will lead to further structure and uniformity, and an accreditation process similar to that utilized by other state-regulated industries (think insurance and health care).

What was missing, at least until recently, was sufficient transparency. Enter Tommy Thompson, a former four-term governor in Wisconsin and U.S. Secretary of Health and Human Services, and the Washington, D.C., law firm Akin Gump Strauss Hauer & Feld. Gov. Thompson, a former Thoroughbred owner, and Akin Gump have been given the task of providing periodic public updates and an annual report card on the industry's efforts to implement safety and integrity reforms.

The governor's lone request was that he would have the independence to call it as he sees it. We agreed wholeheartedly and asked that he hold the industry accountable. It is my hope that in the not-too-distant future we will look back to Oct. 15, 2008, as the day the industry began to hold itself to a higher standard. Our customers, our human and equine athletes, and the hundreds of thousands of honest, hard-working individuals who make their living in this sport and industry deserve nothing less.

***“...to overcome
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AAEP: Blog by Larry Bortstein for NTRA.com

If horse racing is to have better procedures for drug testing, fewer laboratories to conduct the testing could be the solution.

This seeming contradiction was one of the key points driven home last week at the 54th annual convention of the American Association of Equine Practitioners (AAEP) at the San Diego Convention Center.

"There are 18 testing facilities around the country and the cost for testing is about \$30 million annually," said Dr. Scot (cq) Waterman, the executive director of the Racing Medication and Testing Consortium, based in Lexington, Ky.

"But because of differences in equipment and technology, not all the laboratories have the same proficiency and capabilities. We can talk about zero-tolerance for that drug or another. But that term means nothing if some labs can detect the presence of drugs and others can't."

The answer, Waterman said during a panel discussion attended by several hundred of the 10,000 AAEP members, could be to reduce the number of laboratories contracted by states to conduct the testing.

"Some states are employing the labs that come in with the lowest bids to do the testing," Waterman said in an interview. "And in these difficult economic times, it's hard to get states to think of drug testing on horses as being important. But the states are benefiting economically by the revenues from racing, so it's in their best interests to want the highest possible level of integrity for the sport."

The Ken Maddy Laboratory at UC Davis, which conducts drug testing in the state under a contract for the California Horse Racing Board, derived nearly \$2 million in revenue in 2008, according to CHRB spokesman Mike Marten. (cq)

The UC Davis lab is overseen by Dr. Rick Arthur, the equine medical director of the CHRB. He believes one of racing's biggest problems is that the general public makes no differentiation between drugs legally used for therapeutic purposes and illegal performance-enhancing drugs.

"That's the perception even though it doesn't make sense to many veterinarians," Arthur said. "That's the reason most of the 38 racing states in this country are working to abolishing anabolic steroids, which have never been illegal in horse racing and serve a legitimate medical purpose."

... Craig Dado (cq), the vice president of marketing for Del Mar Thoroughbred Club, said a consumer research study conducted by the National Thoroughbred Racing Association indicated that most people — even racing insiders like owners and breeders — believed drugs are a serious problem in the sport.

"I have some of our biggest bettors coming up to me all the time and saying that in addition to publishing jockey and trainer standings and lists of which horses are receiving medications, we also should publish lists of which tests are taking care of which horses," Dado said.

Larry Bortstein lives in L.A. and has been covering horse racing for almost 35 years.



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**BOARD MEETING
REMINDER:**
The next RMTC
board meeting will
be held on
February 6 at the
Bellagio Hotel in
Las Vegas, NV.

Our Mission

The RMTC strives to develop, promote and coordinate, at the national level, policies, research and educational programs that seek to ensure the fairness and integrity of racing and the health and welfare of racehorses and participants, and to protect the interests of the racing public.



Industry News

Florida Announces Steroid Ban

In December, the Florida Division of Pari-Mutuel Wagering (DPMW) issued new rules on the use of anabolic steroids in Florida horse racing. The new language, which took effect December 30, prohibits the use of stanozolol, boldenone, nandrolone and testosterone within 30-45 days prior to race day, and also states that those drugs cannot be administered simultaneously. Meeting the deadline set by the Thoroughbred Owners and Breeders Association's American Graded Stakes Committee, Florida is subsequently eligible for graded stakes.

As RMTC recommended, a 90-day grace period is now in effect with warnings for trainers whose horses test positive. Once the grace period concludes, detection of an anabolic steroid will be a Class IV violation with a fine of up to \$250. Second violations within a 12-month period will be penalized with a fine of up to \$500, and a third violation within a 12-month period will result in a maximum fine of up to \$1,000.

The Florida DPMW is working on new rules to toughen penalties on trainers for prohibited drug use, and plans to upgrade anabolic steroids to a Class III drug.

"We need to show the betting public that horses are not racing on them," said Florida DPMW Director David Roberts.

New York Eliminates Steroids

Effective January 1, the New York State Racing and Wagering Board is regulating the use of the only FDA-permitted anabolic steroids — boldenone, nandrolone, testosterone and stanozolol. The new rules, which are similar to those issued by Florida, affect both Thoroughbred and Standardbred trainers.

"We will eliminate the use of steroids and make the public feel that everyone is running on the same (playing field), that horses are humanely treated, and that there's less chance of drugs affecting the outcome of the races," said New York State Racing and Wagering Board Chairman John Sabini.

Violations will result in suspensions and a maximum fine of \$5,000 for each infraction.

RMTC CEO Dan Fick Speaks at ROAP's First Conference on Officiating Horse Racing

The Racing Officials Accreditation Program (ROAP), in conjunction with the University of Arizona Race Track Industry Program's Annual Symposium on Racing and Gaming, held its first Conference on Officiating Horse Racing on December 8.

Panelists included several racing industry experts such as RMTC CEO and executive director and vice president of The Jockey Club, Dan Fick; Thoroughbred Horsemen's Associations (THA) Chairman and CEO Alan Foreman; Delaware Harness Racing Commission Executive Director Hugh Gallagher; and American Quarter Horse Association Chairman Duayne Didericksen.

Fick spoke in detail about RMTC's Drug Testing Initiative and the organization's goals for 2009-2010. He was also a panelist later in the week for the session titled, "Safety and Welfare Part 2, Industry Initiative Updates," which featured the latest initiatives and efforts moving forward to promote the safety of the sport.

RMTC Welcomes Lonny Powell

In November, Lonny Powell came on board with the RMTC as a consultant. Lonny has served the racing industry in many capacities including vice president of public affairs for Yobet.com, and president and CEO of the Association of Racing Commissioners International.