

A United Position



From the Executive Corner

by DOUG BURGE

As mentioned previously in this publication, the California Thoroughbred Breeders Association (CTBA) has joined the California Authority of Racing Fairs (CARF), Fairplex Park, Oak Tree Racing Association, Del Mar Thoroughbred Club and Thoroughbred Owners of California (TOC) to form Horse Racing United (HRU), a coalition in which the state's racing interests speak in one voice as it pertains to internet gaming legislation.

Currently in the Golden State, racing has the exclusive legal right to conduct wagering over the internet. It is the goal of

HRU to protect and grow racing revenues by assuring that the industry is a licensed participant with any internet poker legislation that is debated by the California legislature.

Recently, there has been internet poker draft legislation developed and circulated by California gaming tribes that would be very detrimental to the breeding and racing industry, as well as the many jobs it supports. In an effort to keep the CTBA membership informed and engaged, below is a position letter response from HRU which was delivered to members of the legislature. ■



HORSE RACING UNITED

May 30, 2013

TO: Members Of The Legislature

SUBJECT: Horse Racing United Position Statement re: The Tribal Draft Legislation

Dear Members Of The Legislature:

Respectfully, we are contacting you in response to the Internet Poker draft legislative language dated May 13, 2013 developed by a number of California gaming tribes that recently has become public.

Horse Racing United (HRU) is a not-for-profit organization that represents the interests of Thoroughbred racing and breeding within California. HRU members consist of: Del Mar Thoroughbred Club, Fairplex Park, Oak Tree Racing Association, Thoroughbred Owners of California, California Thoroughbred Breeders Association and California Authority of Racing Fairs.

The California horse racing and breeding industry is responsible for the employment of nearly 50,000 Californians, including union workers employed directly by the racetracks, and annually creates \$2.46 billion in total economic impact for the State.

We are currently the only industry in California authorized to conduct online gaming, which contributes a significant and growing percentage of our industry's revenue.

Despite being the only industry authorized to conduct online gaming, HRU has consistently made it clear that it is supportive of efforts to pass legislation authorizing Internet Poker that would provide equality for all, given that such an approach is in the best interest of the people of California.

Specifically, HRU supports such an all-inclusive approach for three reasons:

First, making Internet Poker available to many entities will create a new and significant revenue source for the State, estimated to be in excess of \$300 million annually. Internet Poker would be a right being provided by the state, and, as such, should be made widely available to benefit the state fully.

Second, an Internet Poker bill that provides an even playing field for all will enable additional revenue to support existing entities that employ thousands of citizens and create jobs in California. For the California horse racing industry, it will offer much needed support that will allow it to maintain the jobs created by the industry, and to be able to compete with other states who have authorized alternative forms of gaming to support their racing.

And, third, an Internet Poker bill that allows for an even playing field is the type of bill that will generate the broad-based support that is required of such legislation. We appreciate that in a democracy it is important that various sides come together to pursue a constructive approach where everyone can participate. Out of a desire to support passage of a bill, HRU has not adopted the position that the horse racing industry alone – despite its special online status – should have exclusive rights to Internet Poker. We realize such an approach would be neither constructive to passing legislation nor conducive to the best interests of the state. In short, it is our belief that Internet Poker is an opportunity where the many, and not just the few, should be able to participate.

By demanding exclusivity, this tribal draft legislative language fails in that it does not serve the best interest of California when it comes to generating revenue; it also does not serve the best interests of California when it comes to protecting existing jobs and economic development; and it does not serve the best interest of California when it comes to an approach that would generate broad-based support for the legislation by allowing for greater participation.

HRU looks forward to continuing our support for an approach to Internet Poker that represents the best interest of the state and all of our members are committed to assisting with the legislative process in a constructive manner.

We deeply appreciate your efforts to date and look forward to working with you to find a solution that is truly in the best interest of all of California.

Sincerely,

HORSE RACING UNITED MEMBERSHIP