

MINUTES

OREGON RACING COMMISSION MARCH 15, 2001

The Oregon Racing Commission met on Thursday, March 15, 2001, at 1:30 p.m. for their regular meeting in Room 140 of the Portland State Office Building located at 800 NE Oregon Street, Portland, OR. Commissioners in attendance were Steve Walters, Chair; Tom Towslee, and Lisa Metcalf, DVM. Laura Fine, Vice Chair, and Jeff Gilmour were excused. Agenda items were discussed in the following order with resulting actions:

1. Approval of February 15, 2001, Minutes

ACTION: MOTION(Towslee) Approve minutes as submitted.

VOTE: 3 Aye, 0 Nay, 2 Excused

2. New Portland Meadows Race Track Surface Report

Pat Carter reported everything has been going well regarding the track surface. The incidences of injuries are down according to the commission veterinarian. Some of the new equipment, the screens, have been purchased and they are waiting for the rotovator and space is ready for the sand they will use for patchwork in areas that are holding too much water. It was the consensus of opinion of the commission with input from Pat that he no longer needed to come before the commission with monthly reports unless there was a specific issue needing to be addressed.

3. Multnomah Greyhound Park 2001 Race Meet Application

Before beginning his report Carl Wilson announced an Oregon-bred greyhound, J Johnson, was pictured on the cover of the March issue of *The Greyhound Review* as having been named greyhound of the month for the month of January at Palm Beach Kennel Club. J Johnson is owned by Larry Arnsberg, owner of All Stars, the OTB site in Oregon City.

Regarding the application, Mr. Wilson went through some updates since the application was submitted. There are to be 119 performances with the same schedule as last year of Wednesday through Saturday evenings and Sunday and holiday matinees. Evening post time will be 7:00 p.m. , which is being implemented as an energy conservation measure, and 1:00 p.m. for matinee performances. The number of stake races have been reduced, with the remaining major stakes races having retained the same purse level as last year. At the suggestion of the OGA stakes committee they will move the amount of money from the dropped stakes races over to weekly purses which will help all kennels rather than just the specific few that happen to win the stakes races. Steve Barham had a couple of comments regarding the length of time full-time security at the compound would be present following the end of the race meet and the surety bond, the amount of which he recommended would be \$225,000.

The majority of the discussion on the application pertained to MGP's proposal to change the manner in which their simulcast signals would be distributed. Chair Walters voiced some strong concerns about how their plan would work and whether or not it would violate some of our rules. Mr.

Wilson explained the overall major point is that there are two separate sides to the plan. The plan of utilizing The Racing Network and NTRA Services to receive video signals only relates to the receipt of video signals, the cost of which would be the same as that paid by an individual to receive the signal in his/her home. The off-track operators would subscribe, like MGP already does, to receive the video signals. The other side is the wagering side which would remain the same as it has in the past. MGP would have a contract with the host track, they'd have the normal approvals from everyone and nothing would change except for the fact MGP would not be ordering decoders from however many tracks whose signal they would be taking because they would now receiving the video signals from The Racing Network or NTRA Services. They would continue to pay the same host track fee. Basically what MGP would be doing is eliminating taking the signal from the track through the track's disseminator as well as eliminating the leasing of decoders for that signal. The implementation of the plan through using these other systems would provide more product at a much lower cost to an off-track operator which would result in substantial savings in their operational costs.

Two problems were noted by Chair Walters: First, the rules on simulcasting, which don't apply to hubs, use the term "receiving track" which is what MGP would be. In his view the arrangement MGP is proposing does not make MGP a receiving track. Secondly, there is a rule prohibiting flipping which is going back and forth from one race meet signal to another. If MGP were to receive the video signals from a source other than directly from the host track, they would be getting a signal that would move from one track to another rather having an uninterrupted signal from each track. Then there is the general policy issue of whether or not off-track simulcasting is the same as hubs, which he stated he believed they were not.

After lengthy discussion on this issue, Chair Walters suggested the commission could take action on the live racing portion of the application today and deal with the simulcasting portion after the commission has received advice from legal counsel on the legality of the request. Mr. Wilson then asked if it was possible for the commission to approve the simulcasting part under the old system which would allow them to get the necessary contracts with the host tracks.

ACTION: MOTION(Towslee) Approve the application as submitted with the exception of the simulcast proposal as reflected in Exhibit F and substitute that portion with the verbal amendment provided by Carl Wilson whereby MGP and the off-track sites would receive simulcast signals via the host tracks' decoders. Also, delegate to the executive director authority to approve any changes in race meet officials.

VOTE: 3 Aye, 0 Nay, 2 Excused

4. Backside Improvement Budget for Current Period Through April 30, 2001

Steve Barham stated he had asked for a backside improvement budget. This budget covers through the period of April 30, 2001, and the plan is to have the committee meet following the Portland Meadows race meet and prepare a budget for the following year. His only question related to who would have ownership of the assets. Brian Ferryman, NPM, and Dick

Cartney, HBPA, stated that issue had not been discussed. It was agreed that it made the most sense that those assets would be the property of the Backside Improvement Fund and any disposition would require approval of the people who sign off on that fund. Mr. Barham recommended approval of the budget.

ACTION: MOTION(Towslee) Approve budget as submitted.
VOTE: 3 Aye, 0 Nay, 2 Excused

5. Request by Karen Knapp for Reinstatement of Jockey License

Karen Knapp was present to respond to questions by the commission. Chair Walters began by reviewing her last request for reinstatement in November Ms. Knapp. At that time she was only interested in getting an exercise rider license. While the commission had serious concerns at that time about reissuing her jockey license, she was approved for an exercise rider license. During the meeting Ms. Knapp was told the commission was not prepared to consider a jockey license application until such time as she had demonstrated the ability to make and maintain riding weight without the use of illegal substances, which has been her history in the past. The consensus of the commission was it that it was too soon for them to consider issuing Ms. Knapp a jockey license. She needs to be able to present the next time she comes before the commission documentation that she has been able to maintain riding weight for a period of time.

(The commission took a five minute recess)

6. Request by Dan Tobin for Reinstatement of License

Dan Tobin was present and responded to questions presented by commissioners.

ACTION: MOTION(Towslee) Deny application for reinstatement of license.
VOTE: 3 Aye, 0 Nay, 2 Excused

In response to a question from Mr. Tobin regarding whether or not he would be able to reapply at any other time, Chair Walters responded by saying that unless the commission saw a substantial improvement over a considerable period of time it would probably be futile to make another application for reinstatement. Commissioner Towslee suggested a period of three years.

7. Proposed Meeting Dates for 2003

ACTION: MOTION(Metcalf) Approve proposed meeting dates for 2003.
VOTE: 3 Aye, 0 Nay, 2 Excused

8. New Portland Meadows

a. Race Meet

Mike Dorough reported the positive changes they had hoped to have in the handle have not occurred. The handle is still off and they will probably finish the year being off. The only bright spot in the numbers is there has been an increase in attendance. In response to a request regarding the average number of starters, Mr. Dorough stated he didn't have any exact numbers but he felt it had improved. They currently have 760 horses on the backside. Instate the live handle is still off 4 to 4.5 percent and the overall handle is probably down about 4.6 percent. On simulcasting, horse

handle is about even and greyhounds are down about 4.5 percent. Their exported signal is off about 30 percent.

b. Projects Update

Woody Mitchell reported the manure handling facility was put into operation the previous week and seems to be working well. The temporary scaffolding and coverings over the bunkers are in the process of being dismantled. They are considering using some of the bunkers where the concrete is in good condition as foundations for the building of sheds for storage of hay, grain, feed, etc. which would provide more room for trainers in the shedrows.

9. Proposed Orders

a. Bernice E. Vandervort

ACTION: MOTION(Towslee) Amend the proposed order to increase the fine amount to \$250 and then adopt the amended proposed order as a final order.

VOTE: 3 Aye, 0 Nay, 2 Excused

b. James Westley Wooten

ACTION: MOTION(Towslee) Adopt the proposed order as a final order and delegate to the executive director the authority to set the dates of suspension.

VOTE: 3 Aye, 0 Nay, 2 Excused

10. Legislative Update

Steve Barham stated there were six bills he was following:

(1) HB 2061 deals with eliminating requirement that the Oregon State Fair have animal racing as part of their fair which was put in by the joint interim task force on the Oregon State Fair. He wasn't sure what was going to happen on this bill and he wasn't sure the commission needed to take a position one way or the other on it.

(2) HB 2776 does basically the same thing and was put in by Rep. Bowman. There was a proposed amendment to this bill, however, he has been told that amendment has been withdrawn. The amendment was intended to give some leeway on the nine live races per day requirement, and also the 80 live race days. It also stated a live race would be one with six or more horses at time of entry. Chair Walters stated that if this amendment has not been withdrawn or if a similar amendment is attached to another bill, he felt the commission should be on record as opposing it. The adoption of such an amendment would remove flexibility that the commission currently has to require races to be made up and also would erode some protections for live racing in an era where the industry has increasingly been dominated by simulcasting.

ACTION: MOTION(Towslee) Go on record that the commission opposes any type of legislation that would erode the commission's ability to regulate live racing.

VOTE: 3 Aye, 0 Nay, 2 Excused

(3) HB 2823 and SB 755 relate to internet gambling. On SB 755 hearing was held last Friday and Mike Dewey was there and is preparing amendments to protect the hubs from that bill. HB 2823 didn't appear to affect the hubs because they are operating as legal and lawful gambling. Regarding SB 755, Chair Walters stated he had had some conversations with Sen. Metsger's office and feels the overall goal of the bill is good in

that the problem of off-shore unregulated internet gambling in an important one. It does, however, need to be modified that it does not encroach on specifically the hubs and account wagering options which are very different in the way they are operated and are very heavily regulated. He urged people to support passage of this bill with the qualifying language that Mike Dewey is preparing.

(4) HB 3928 came out from the Committee on Judiciary and is relating to dog racing which would make greyhound racing in the State of Oregon illegal. It had it's first reading on the 13th, referred to the speaker's desk and hasn't been sent to committee yet.

(5) HB 5037 is our budget bill. Public hearing was on the 7th, they made some amendments to it and it's now on it's way to full committee.

11. OAR 462-220-0040 - Clarification of State of Oregon Share of the Pari-Mutuel Handle

Steve Barham reported this amendment is a result of Australian signal coming into Vancouver, BC. The commission, after having looked at the situation, asked that the rule be revised to allow the state share to be .25% rather than the 1%. Mr. Barham recommended approval.

ACTION: MOTION(Metcalf) Approve amendment of OAR 462-220-0040.

VOTE: 3 Aye, 0 Nay, 2 Excused

12. OAR 462-110-0030, 462-120-0050, 462-130-0010, 462-130-0040, 462-140-0420, 462-140-0470, 462-170-0030, 462-170-0050, 462-180-0010, 462-180-0060, 462-190-0010 - Proposed Amendments to Greyhound Rules

Steve Barham held a hearing March 14, 2001, and his report was included in the materials handed out today. The judges and greyhound industry representatives, track staff and commission staff conducted meetings during the winter to prepare proposed amendments to the greyhound rules. Mr. Barham recommended approval of the proposed amendments.

ACTION: MOTION(Towslee) Adopt amendments of rules as stated in the Notice of Proposed Rulemaking and the repeal of OAR 462-140-0470.

VOTE: 3 Aye, 0 Nay 2 Excused

Other Business as May Properly Come Before the Commission

Chair Walters wanted to point out that there was a benefit on April 7, 2001, at Portland Meadows for the family of Randall Beech whose daughter, Emily, is having some severe medical problems and are needing help with payment of expenses. He urged everyone who can to attend and to spread the word about the event because it is another example of the racing community pulling together for a member of the community.

There being no further business, the meeting was adjourned.