

1 MS. FEINSTEIN: Good morning. My name is Margaret
2 Feinstein. My colleague to my left is Henry Cashen.

3 This is a special day for me, and I want to thank you
4 for allowing me to be here because it is the first day in six
5 weeks I've made it to a quarter to 12:00 without any spit-up on
6 my shoulders. I have been home with my infant son for the past
7 six weeks. So it's a novelty, and I'm enjoying it.

8 MR. CASHEN: It could still happen.

9 (Laughter.)

10 MS. FEINSTEIN: I'm going to go home as soon as this is
11 over to go get some spit-up on my shoulder.

12 AGTOA. We represent the American Greyhound Track
13 Operators' Association, otherwise and affectionately known as
14 AGTOA. AGTOA is a 50-year-old nonprofit corporation that is open
15 to all lawfully licensed greyhound racetracks in the United
16 States. Its current memberships include 47 greyhound tracks.

17 Greyhound racing is a sport which has been a regular
18 source of entertainment in the United States for about 90 years.
19 The greyhound-racing industry in the United States today consists
20 of over 49 tracks in 15 states, employs about 30,000 people, and
21 pays approximately \$235 million in taxes and fees to states and
22 local governments.

23 The industry has a \$2.3 billion annual economic impact
24 on the United States economy. The entertainment value of the
25 sport is reflected by the over 20 million people who attended
26 greyhound-racing events in 1997.

1 The integrity of the pari-mutuel wagering system is
2 ensured by the close scrutiny of state and local regulators.
3 State authorities monitor all racing activities from the
4 beginning to the end, including the testing of greyhounds for
5 drugs.

6 State regulations control who can be involved in the
7 industry and how much a track can keep its profit. Indeed, about
8 82 to 85 percent of every bet that's paid out is winnings.

9 The effect of these state regulations is that the
10 greyhound-racing industry is maintained free from unscrupulous
11 operators and the states know their citizens are being treated
12 fairly. Other forms of gaming, however, as you have heard today,
13 currently present stiff competition for the industry.

14 Expansion of other gaming opportunities, particularly
15 unregulated forms of gaming, has resulted in diminished
16 attendance at greyhound racetracks, tracks closing, and declining
17 revenues paid to state and local governments. For example, gross
18 wagering at greyhound tracks in 1995 dropped 13.6 percent from
19 the previous year.

20 For the industry to survive, it must be provided with a
21 means to compete. Otherwise, thousands of jobs could be lost as
22 well as millions of dollars in tax revenue as an inexpensive
23 source of entertainment for millions of people.

24 The greyhound-racing industry is currently using
25 simulcasting and common pool wagering to compete with these other
26 forms of gaming. As you know and as you have heard today,
27 simulcasting and common pool wagering currently occur on

1 greyhound racing in 20 states and on horse races in 41 states.
2 Those are recognized as legal by the state gaming boards and
3 attorneys general in those states.

4 As you know, Senator Kyl has sponsored a bill to
5 prohibit internet gaming. This bill also states the obvious,
6 that simulcasting and common pool wagering are legal, legal in
7 the states in which they occur.

8 Given the 20-year history of simulcasting and common
9 pool wagering, AGTOA asks the Commission to support Senator Kyl's
10 clarification that these activities are legal under state law.

11 In addition, some racetracks in cooperation with state
12 and local governments, also have succeeded in competing by
13 introducing other forms of gaming themselves at the tracks.
14 Currently five greyhound racetracks in three states have added
15 additional forms of gaming to their entertainment mix.

16 By providing these regulated alternatives, the states
17 maintain and perhaps increase their revenues from these tracks
18 and ensure that their citizens are not being exploited or
19 defrauded by unscrupulous operators.

20 Given that gaming already occurs at these sites,
21 greyhound tracks are prime sites for states to allow additional
22 gaming opportunities. AGTOA asks the Commission to recognize
23 that states have a right to make these decisions and recommends
24 that states not exclude tracks from engaging in other kinds of
25 gaming.

26 In summary, the clarification of the legality of
27 simulcasting and common pool wagering, particularly when combined

1 with alternative forms of gaming at the tracks, will allow a
2 threatened industry to survive.

3 We thank you very much for the opportunity for being
4 here today. And we are both available to answer questions.
5 Thank you.