MR. PUTSAVAGE: Thank you, Madam Chair and Commissioners. I want to express the appreciation of Commissioner Tim Smith and the National Thoroughbred Racing Association for this opportunity to present our recommendations to the Commission as it proceeds through deliberations toward a final report.

Just as a brief background, Allen, who is a board member of the NTRA, alluded to this. The NTRA is a recent industry-wide effort to reinvigorate the economics of thoroughbred horse racing in the U.S.

The NTRA represents and is funded by all the major participants in the sport: racetracks, owners, breeders, trainers, jockeys, vets, and other individuals and businesses involved in racing. As a result of our efforts, you will see more racing on television this year.

Racing has been particularly exciting in the last two years with two near Triple Crown winners. Attendance has been showing signs of growing.

We would remind you, as you have heard from various sources today and before, that we are on the small end of the wagering dollar, somewhere over seven percent. We have, in fact, experienced declining wage earning in absolute dollar terms over the 25-year period that was discussed earlier today.

And one other economic point. On a different scale, the average family income of thoroughbred owners is about $70,000, certainly a decent level of income but not significant wealth.
We have submitted to you a series of proposed findings and recommendations addressing our sport and industry. These recommendations are jointly supported by the NTRA, the American Horse Council, and the Thoroughbred Horsemen’s Associations.

I want to speak to you briefly about two of those sets of recommendations, one of which has to do with the regulation of racing. You have heard repeatedly the assertion that the regulation of gambling is a matter reserved to the states and should stay there. We think we have provided the Commission with an ample foundation to recognize the soundness of the regulation of racing.

State legislators, citizen racing commission members, state racing regulators, and racing regulatory organizations have testified to the Commission in support of the effectiveness and responsiveness of the existing regulatory structure that governs racing at the state level.

Extensive personal licensing requirements apply to all facets of racing and individuals involved in racing, assuring that background documentation and checks occur on all racing and wagering staff.

State regulations and strict veterinary standards and examinations govern the condition of and treatment of horses allowed to enter and run in races. Those of you and your staff who toured Del Mar saw and heard firsthand from the California state track veterinarian about the controls in place for racing integrity and soundness. And you also heard in Del Mar from Mr. Chamblin of the Association of Racing Commissioners
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International. And I believe you have heard also from the National Association of Pari-mutuel Regulators. We urge you to adopt findings supporting this regulatory structure.

Let me come to an issue of central concern to all of us. And that is the recognition of and treatment of problem gambling. The U.S. horse-racing industry has recognized the problem of compulsive gambling and has finally begun to undertake steps to address it. And I want to thank this Commission on behalf of the industry for ringing a wake-up bell that has helped to start this initiative.

You have seen the responsible wagering resources guide for racing managers. We urge you to recognize this as a sound first step.

As an aside, I want to express the industry’s thanks to Dr. Curtis Barrett, who is, in fact, here with us today and some of you know, for his work in bringing this manual about, in helping to write it, and his work through the Winners Foundation.

A number of racetracks have undertaken appropriate education and training programs to address compulsive gambling. You might say one of the industry leaders here is Churchill Downs. And you heard from Mr. Meeker in Del Mar about his efforts there.

We recognize that our industry should have the goal of full implementation of such programs, and you would be right to call for that.

Commissioner McCarthy has, in fact, asked us to assess for him in an assembled fashion the extent and nature of these
programs. We have received that request recently, and we are working to compile that information for you.

The racing industry is committed to studying avenues for funding additional compulsive gambling research and program implementation. We think we should concentrate our dollars on looking at issues which are central to our business and our wagering characteristics.

We have heard reports here this morning that I have yet to read of findings coming out of the patron survey, which seem to indicate a very severe problem in the racing industry. And while there may be methodological issues to raise with that survey that might cause that outcome to be a different figure, we want to stress to you our recognition that that does indicate a level of a problem.

And we are committed to looking at that and finding out what is the nature of the scope of the problem and, furthermore, regardless of the scope of the problem, realizing that it does exist, move forward to address it.

Finally, I want to express my personal thanks to the Commission for the attention you have given the racing industry. I hope you have gained some appreciation of how much people love participating in our sport.

Thank you also again for raising the awareness of the social impact side of our industry. We’re well-aware of all the pluses. I think we’re more aware of the potential negatives.

I’m happy to respond to any questions. Thank you very much.