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

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

MR. CASHEN: It could still happen.

(Laughter.)

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

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

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

The industry has a $2.3 billion annual economic impact on the United States economy. The entertainment value of the sport is reflected by the over 20 million people who attended greyhound-racing events in 1997.
The integrity of the pari-mutuel wagering system is ensured by the close scrutiny of state and local regulators. State authorities monitor all racing activities from the beginning to the end, including the testing of greyhounds for drugs.

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

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

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

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

The greyhound-racing industry is currently using simulcasting and common pool wagering to compete with these other forms of gaming. As you know and as you have heard today, simulcasting and common pool wagering currently occur on
greyhound racing in 20 states and on horse races in 41 states. Those are recognized as legal by the state gaming boards and attorneys general in those states.

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

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

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

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

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

In summary, the clarification of the legality of simulcasting and common pool wagering, particularly when combined
with alternative forms of gaming at the tracks, will allow a
threatened industry to survive.

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

Thank you.