CHAIRPERSON JAMES: Mr. Foreman

MR. FOREMAN: Good morning, Madam Chair, members of the Commission. My name is Alan Foreman. I am Chairman and Chief Executive Officer of Thoroughbred Horsemen's Associations, Incorporated, which is located in Columbia, Maryland, and I welcome any questions about Maryland politics, having listened to the previous panel.

Madam Chair, I'm going to take you up on your admonishment to depart from our prepared testimony. One of the, I guess, advantages or disadvantages of being a fifth or sixth speaker is that the previous speakers may say what you were going to say. They may touch on issues you were going to touch on. I was extremely impressed with the briefing that you received. I thought that it was a tremendous and fair examination of the pari-mutuel industry, and I compliment Mr. Seay for that presentation. And the speakers seemed to all be hitting a recurrent theme about racing, and I don't want to be repetitive. So I would like to, if I could, with my remarks place from an economic impact standpoint what we're all really talking about here this morning.

The key issue for the racing industry, and in particular the people that I represent is "handle". Handle is the dollars that are bet at the racetrack by the public. Because it's the handle that gets divided between state government, between the racetracks, among a number of other parties, but primarily that money goes to fund purses. And purses are the dollars that are paid to the horse owners who own the horses. And those dollars that are bet at the racetrack, and that portion
that goes to purses, funds a vast network of people who support
the animal and who, quite frankly, support this industry. They
are the economic engine of this business. You will take a tour
this afternoon of Del Mar, and you will see what's called the
front side of the racetrack. It's the stadium facility itself.
What you probably will not see is the area called the back
stretch. The back stretch is where the people who own the horses
keep their horses; where the trainer trains the horses; where the
hot-walkers and the grooms care and prepare the horses to race;
where the veterinarian provides medical care for the horse; where
the farrier works on the shoes of the horse; where the feed
companies bring the feed into the racetrack; where the van
companies van people -- horses back and forth; where the tax
supplier operate. There are tens of thousands of people at
racetracks throughout this country who work on the back stretch
and the farms preparing these animals to race at racetracks
throughout the country everyday. And 365 days a year from well
before dawn and till after dusk this network of people work in
this industry to prepare these horses to race. They don't know
what a day off is. They love this business. They work hard, and
they are an economic engine that helps to make this industry
work.

Racing is also a community. Racing, unlike any other
industry, takes care of its own people. It provides jobs for
many people who would not be employable elsewhere. Horsemen
cover the social and economic strata of this country at every
level. The racing industry through purses provide medical,
health, welfare programs, championcy programs, drug and alcohol
abuse programs, scholarships, educational programs. You name it, we do it. We spend tens of millions of dollars a year to care for the people who work in this industry, which is why it is so important. There is not a community in this country, I don't believe, that doesn't have someone who lives in that community who works in the racing industry. There are whole communities in this country, from rural areas to regions that support the racing industry. And what makes it work, as I said, is the dollar that's bet across the street at the racetrack, because it's that portion of the dollar that goes into purses that provides the money for the owner to pay the trainer, to pay the back stretch people, to make this whole economic engine work.

And when you talk about the number of the -- the various issues that were talked about at the previous panel and that you're concerned about, whether it's simulcasting, whether it's account wagering, whether it's off-track wagering, or whether it's alternative gaming, they all come back to the same place, and that's handle and purses. We went through a period in this industry in the 1970's -- you know, prior to the 1970's racing had a monopoly on other forms of wagering in this country, other than, of course, gaming in Atlantic City and then in Las Vegas. And when our partner state governments decided to go into the gaming business through lotteries and other forms of gaming, it became our competitor, and the dollar that's taken away from racing is a dollar that's taken away from this vast network of people that I've described. So with the advent of lotteries and other forms of gaming and competition, those were dollars that
were taken away from racing. And racing was, quite frankly, slow
to respond to those changes.

We also were buffeted by the explosion of
professional sports in this country. Other forms of gaming, and
a generational change where the younger generation wanted to
embrace faster forms of entertainment. Racing did respond to
that, for example, with simulcasting which has enabled us to
provide racing programs where the public has more activity. They
certainly can wager more dollars. It has been good for racing
from the standpoint that it has provided more money for handle,
and more money for purses. Off-track Betting facilities have
also had a positive impact on racing. They are tastefully done
facilities. They are located in communities that want them.
They have allowed us to take our business out into the
marketplace, and they have allowed us to complete. It has
provided, again, additional dollars to supplement purses and
provide money for that vast network of people.

With respect to alternative forms of gaming. There
is no consensus in the racing industry, quite frankly, with
respect to whether or not alternative forms of gaming are good or
bad. It is something that competitive forces dictate. Those
tracks in states that have embraced alternative forms of gaming
have done so in order, quite frankly, to save an industry that
was extremely distressed. Tracks in those states that have been
permitted to add slot machines or video terminals have generated
revenues in order to remain in business. Permitting gaming at
those facilities has made sense provided they were located solely
at the racetracks. Racetracks are strictly regulated. They are
also controlled businesses with a proven record of responsible operations in a gaming environment. Alternative forms of gaming work for racing if those revenues are to be devoted primarily towards racing, and that is towards purses.

In closing, Madam Chair, I would again like to emphasize the importance of handle and purses to the racing industry and the critical nature that it has with respect to the horsemen and the people who are the economic engine of this industry.

Thank you.

CHAIRPERSON JAMES: Thank you, Mr. Foreman.