

Medication Rules: A Regulator's Perspective

By: Joe Gorajec

Good Morning.

I will speak today about regulations and reforms.

Specifically, I'll discuss the cost of regulation along with the most important ingredient to implementing reform – which is the collective will of those of you sitting in this room.

In short, I'll speak about money and resolve.

First, some background on the RCI model rule process – how it works - or how it doesn't.

It is common knowledge that racing industry participants and our fans have been frustrated by the lack of uniformity in rules governing horse racing.

This frustration is justified.

Let's look at some of the hurdles to achieving uniform national regulations.

When the Association of Racing Commissioners International "RCI" passes a model rule, the expectation is that the model rule will be adopted by every state racing commission. If this comes to pass, the end result is national uniformity on a particular issue.

What often happens, however, is that racing commissions do not enact a particular model rule. Experience confirms that the state horsemen's association or the local race track operator rarely request that their Commission do so. More often, commissions attempt to promulgate the model rules only to learn that either their horsemen or their tracks – or both – adamantly oppose them. In those instances, the model rule is adopted only by those Commissions that choose to vote against the wishes of their horsemen or the tracks in their States. Very few commissions have the appetite to do that.

I submit to you that the failure to uniformly pass model rules is a collective failure of *all* industry stakeholders – not just racing commissions.

Looking forward I am optimistic that our industry can and will do better. The reason for my optimism is what I refer to as the legacy of Eight Belles.

Since Eight Belles, almost all national industry associations – including the National HBPA and Jockey's Guild have, to a large extent, left behind provincial self-interest. These groups and others have focused on progressive changes needed for the benefit of the sport. Industry participation in the process is key.

In addition to greater involvement of industry stakeholders, there is encouraging news in the area of the rulemaking process itself.

There is serious consideration by state racing commissions to form an Interstate Compact that will fast track the passage of model rules.

Interest in an Interstate Compact is gaining momentum. Such a compact will require action by State legislators. However, once passed, participating states would have the ability to by-pass the time consuming state rule making process while coordinating a uniform implementation date with other states on new rules. Should this effort, which is being lead by the New York State Racing and Wagering Board, come to fruition, it will be a significant step forward to the industry's goal of national uniform rules.

It is important to keep in mind, however, that such a compact will not diminish the need for industry support and will still require funding for reforms.

Speaking of funding, the ability to pay for new initiatives has never been more problematic. The reality of the current economic environment is that the budgets of state racing commissions – along with all of the other agencies of state government – are being reduced. Consequently, it is difficult enough for regulators to fund existing operations – much less to find the funds to implement new initiatives.

The funding crisis for racing regulation is real, acute and is unlikely to get better anytime soon.

So that brings us to the most important question: how are all these new and future initiatives going to be paid for?

I'd like to suggest to you a mechanism to supplement current regulatory funding. I'll call it the Indiana model. It is the Gaming Integrity Fund established by our state legislature in 2007 as a part of its approval of slot machines at Indiana racetracks.

Indiana Gaming Integrity Fund

- *\$1,000,000 annually*
- *Statutory mandate contained in racino legislation*
- *Paid from the tracks' and horsemens' share of slot machine revenues*
- *Paid to Racing Commission*
- *Fund use limited to drug testing and research*

What has the Gaming Integrity Fund done for Indiana racing?

Indiana has had in the past what I'll describe as a "mainstream drug testing program". The new supplemental funds will double our expenditures for drug testing in 2010. We will now have *an elite* drug testing program. I think it is fair to say that no other state is currently doubling the resources available to its drug testing program.

Should other states wish to emulate Indiana's model, I recommend that legislation in this area be written broadly enough to include funding to implement both current and future RCI model rules as well as NTRA Safety and Integrity Alliance initiatives.

Getting back to the issue of resolve – let me give just one example of true reform that will not cost a penny to regulate – but will be a stiff test of the industry's commitment to reform.

There has been a vigorous debate over the past three decades about the race day use of Furosemide. Regardless of your opinion about Salix, one lesson learned is we should not loosen strict medication policies without ample due

diligence, an abundance of caution and consideration of the racing public's aversion to drugs of any kind in racing.

Let's vow *never again* to allow our horses to be given *any* drug or medication on race day until *after* research is conducted, results are studied and the implications to the sport are fully debated. In other words, don't shoot first and ask questions later.

Sadly, we are doing it again. Today! Not here in Saratoga nor in my home state of Indiana! But in many states including several major racing jurisdictions.

I am speaking of bleeder adjuncts. These are state sanctioned drugs that are permitted on race day - *in addition to Salix*. Today – right now as we sit here, veterinarians are making their rounds in stable areas at tracks across the country. They are injecting our horses with aminocaproic acid (trade name “amicar”), carbazochrome (also known as “Kentucky Red”), conjugated estrogens, amongst other substances. These horses will race this afternoon. None of these drugs have passed scientific scrutiny as to their effectiveness,

never mind possible side-effects and long term consequences to the animal's health.

I mention this practice as part plea, part criticism and part challenge. Let's eliminate these bleeder adjuncts. This is a reform which requires no funding – just resolve.

There will be some that will say that there are other more significant issues that we should be focusing on. In my humble opinion, this is simply a tactic to divert attention away from the problem and continue the status quo. Our equine athletes deserve better.

Think about this. How do we ever expect to harmonize our medication policies within the U.S. - or for that matter with the rest of the world - when we can't even prove to ourselves that the drugs we give to our own horses are beneficial?

Thank you for listening.