Ontario Racing Commission Commission des courses de l'Ontario

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November 21, 2012

Notice to the Industry

ORC Chair's comments to Horse Racing Representatives

On Friday, November 16, 2012, the Ontario Racing Commission (ORC) held a meeting with representatives of the horse racing industry. A list of those attending the meeting is attached to this Notice.

The purpose of the meeting was to provide clarification and additional information with respect to the process of licensing racetracks for pari-mutuel purposes, as well as determining Race Dates in 2013. (See Notice to the Industry, November 9)

ORC introduces measures to determine 2013 Race Dates

ORC Chair Rod Seiling opened the meeting with the following comments.

Thank you for taking the time to be with us this morning. Before the meeting continues with Steve Lehman and his Administration Team, I would like to give you some context as we all move forward.

I can understand what I suspect is your frustration at this point. We recognize that there still remains a degree of uncertainty as it relates to the future of horse racing. First, please keep in mind that, apart from what happens after March 31, 2013, there will be racing and pari-mutuel betting to that point. It is incumbent upon the ORC to ensure that the regulatory licenses and permits are in place to meet CPMA requirements. Without them, the money would not be able to flow to the tracks' or horse people's purses. Most significantly, the customer would be shut out.

At this meeting, we will attempt to answer your questions. As I mentioned, we understand the uncertainty and we will be as flexible as possible within the legal and policy frameworks. A certainty we can give you today is that the ORC is and will continue to be the regulator of horse racing in Ontario, and we will be ready to provide the quality service which licensees and the bettors expect, and deserve.

The government has made it clear it will work with the industry as it relates to a sustainable future. That is why we have made strategic decisions as to how best remake the ORC to fit the service demands you make of us.

These decisions and plans assume a re-focussed and re-energized sport that encompasses all of its sectors working together for a common goal: ensuring the future of horse racing.

It means that you will need to learn to trust one another. Trust is something that normally is earned. Ladies and gentlemen, you do not have the luxury of time, so for many of you it's going to be a leap of faith. *Collaboration* needs to be your theme on a go-forward basis.

It is also a time to stop throwing the "hand grenades" as part of a government relations program. Your best friend today is the Panel, working in conjunction with the Minister of Agriculture, Ted McMeekin. They have been operating within a very narrow margin, given the fiscal plight of the province.

In my estimation -- notwithstanding the uncertainty and your frustration with the process and timing – one could say they have done extremely well. To be blunt, the Panel and Minister McMeekin have "won", as it relates to the horse racing file. As the result will mean less racing in Ontario, I acknowledge it is not what you hoped for. But it is a starting point for conversations with the Panel.

The Panel has relied heavily on the ORC for the "facts and figures." While it may have reached its own conclusions, at the very least, Panel members have the benefit of having the right information at hand. And while we have been told they are open to suggestions, the total dollar amount committed to horse racing rests with the Ministry of Finance.

Before moving on, I do want to recognize the work of ORC staff during these past few months. They have endured the same sense of uncertainty about their future, as have all of you. All the while, they have been true professionals, providing excellent service and in some cases working overtime to supply requested information to the Panel. The Panel's ability to "get up to speed" on your issues is a direct result of information supplied to them by ORC staff.

Many of you may be wondering how the ORC will be funded after March 31, 2013. I should state that the ORC's fiscal year and our current budget coincides with this date. That budget has been approved by government, and we will continue to operate on a "business as usual" basis. Looking beyond this fiscal year, the ORC Board has taken the position that it should be funded by government. While we believe the Panel accepted this as part of its model, this has not been confirmed as of this date.

I would like to point out that we gave you a commitment to become more efficient well before the government's announcement in the spring of this year. And we are. The Panel's report referenced this and it is fully aware of our efforts in this area.

For example, last March the ORC Board made changes to the Rules of Racing with respect to the minimum number of Racing Officials (Judges or Stewards) required to officiate horse races in Ontario. The rule change was made to allow for two-person stands where needed.

And earlier this fall we introduced a significant modernization, with the implementation of a "Central Adjudication Room," modeled on the NHL's centralized video review centre. These efforts have reduced costs.

Beyond efficiencies, I also think it is important to point out that the health and welfare of the horse is becoming an even more pressing issue for horse racing. Some will say the prospect of abandoned horses has influenced the government's decision to restate its willingness to work with industry. Regardless, the public's view on that industry with respect to the ethical treatment of race horses is in a state of flux.

Most people have a natural affinity toward the horse. For the horse racing industry, that is a double edged sword: the public is concerned about the welfare of the horse but they also want to know what you intend to do about it. Recent stories in the local, as well as US and international media, demonstrate this changing public standard.

In closing, I raise the issue of integrity. The linkage between integrity and wagering is irrefutable. For horse racing to succeed – and I firmly believe it can – there is one key underpinning, and that is integrity. There is no room for error.

To that end, it is time for all of us in horse racing to "walk the talk." I can assure you that the ORC will do all it can to assist you. We are already looking at ways the regulator might help, without detracting from due process.

I sincerely hope you take my comments in the positive spirit with which they are intended. You all have heard me raise many of these matters prior to today. I do so because I have an affinity for racing and I care about the thousands of people whose futures are at risk. Let us work together to secure that future.

Thank you.

Rod Seiling

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Meeting with the Industry November 16, 2012 List of Attendees

Ajax Downs Nick Coukos Emilio Trotta

Clinton Raceway lan Fleming

Central Ontario Standardbred Assoc Bill O'Donnell

Horsemen's Benevolent and Protective Association (HBPA)

Conrad Cohen Sue Leslie

Ft. Erie Race Track

Jim Thibert Tom Valiquette

Grand River Raceway

Ted Clarke

Georgian Downs/Flamboro Downs

Bruce Barbour John Stolte Jim McGrogan

Hanover Raceway

Gord Dougan Randy Rier

Hiawatha Horse Park

Jim Henderson Ryan Trussler

Jockey's Benefit Association

Robbie King

Kawartha Downs

Jim Huck

Northern Horsemen's Association

Bob Bodkin

Ontario Horse Racing Industry Association

(OHRIA) Sue Leslie

Ontario Harness Horse Association

(OHHA) Ken Hardy Brian Tropea

Quarter Racing Owners of Ontario

(QROOI)

Bob Broadstock Eric Lehtinen

Rideau Carleton Raceway

Peter Andrusek Larry Todd

Standardbred Breeders of ON Association

Anna Meyers

Sudbury Downs

Pat McIsaac Andrew McIsaac

Western Fair

Hugh Mitchell Reg Ash

Woodstock/Dresden Raceways

Chris Kruba Pat Souilliere

Woodbine/Mohawk Racetracks

Jamie Martin Jane Holmes