



NEWS

The Winners Circle

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Racetrack slots are still a gamble

By Mari Stansbury

Does Kentucky have the future of its horse industry riding on the slots? You can bet on that.

This highly speculated issue has many big names within the horse industry talking. Organizations like the National Thoroughbred Racing Association, Blood Horse magazine, and the Kentucky Equine Education Project, and all have their own views.

Each year the horse industry contributes \$4 billion to Kentucky's economy, but lately many outside competitors have been luring away the industry's customers with bigger prizes and more incentives.

The NTRA believes that if Kentucky were to allow slot machines at its racetracks the racing industry would be able to provide larger purses.

"Tracks need slots to survive," said Fritz Widaman, senior director of the NTRA.

At one time, states like New

Mexico and West Virginia were not even considered to be major players in the racing industry. Since they approved slots at their tracks they have been able to offer bigger prizes and are luring more and more horses into their states, Widaman said.

"The battle for the entertainment dollar has really gotten competitive," said Dan Liebman, the executive editor of Blood Horse magazine. "We have lost money because of not having slots. I wish we didn't have to have them, but we really need them."

Gene Clabes, the equine director at KEEP, said his organization has no official position yet. "KEEP has been reviewing the issue and expects to make a statement sometime in early July," he said.

While KEEP still has no official position, its founder, former Gov. Brereton Jones, has been going out on his own to promote Kentucky's



Will Kentucky have slots at tracks, such as Keeneland? The issue is still under debate throughout the state.

horse industry and to push the possible expansion of Kentucky's gambling industry.

Clabes said making residents travel over state lines to gamble is another way that money is being drawn out of Kentucky. He said the money could be used to promote Kentucky's racing industry and to benefit

education.

According to Clabes, Jones is fighting in the state legislature for support of a constitutional amendment that would allow slot machines at the tracks. The amendment would split the income and clearly identify the benefactors and the proportions they receive. A statute, or law, would require only the vote

of the Legislature. And, Clabes pointed out, the law could be modified in another legislative session.

"A constitutional amendment makes good sense," Clabes said.

He also believes that gambling should stay at the tracks where it is already established and a constitutional amendment would keep gambling confined within the community.

By promising to confine gambling to the tracks, proponents of an amendment hope to gain more support

among the conservatives in the Legislature. An amendment would need to be voted on by all Kentuckians.

"Let's let the people decide," Clabes said.

Waiting for a ruling is a gamble that could go either way, much like playing the slots.

NTRA battles world for edge in races for purse dollars

By Rachel Fair

Let's take a stroll down memory lane all the way back to April 1982. A man by the name of John Gaines created the Breeders' Cup, starting an organization that would grow to support not just racehorse owners, but breeders as well.

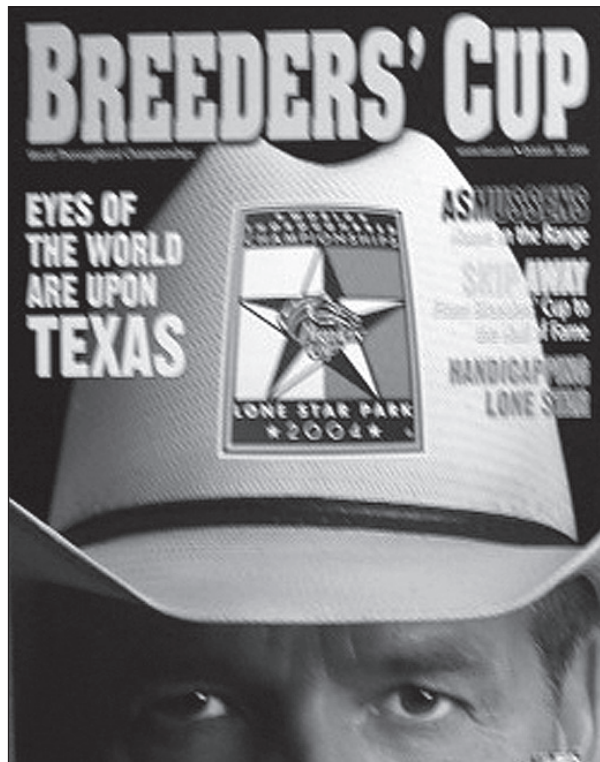
The National Thoroughbred Racing Association now coordinates the annual Breeders' Cup Championship. The NTRA has worked very hard over the past five years to make the Breeders' Cup Championship larger than life, said Fritz Widaman, senior director of NTRA marketing. Some would call the Breeders' Cup the Super Bowl of the horseracing industry. But, there's international competition. Both the United Arab Emirates and Canada have had their eyes on holding the most prestigious races in their countries, creating formidable obstacles for the NTRA.

This year, the Breeders' Cup World Championship will take place on Oct. 29, at New York's Belmont Park. Next year, the races will take place in Kentucky at Churchill Downs. The NTRA hopes that by that time the Breeders' Cup purse will reach a new high of \$20 million.

Dubai, the largest city in the UAE, holds a yearly race it bills as having the richest purse in the world. NTRA officials acknowledge the competition.

"The Dubai World Cut pays all expenses. You get to run for \$8 million. What could be better than that?" said Widaman.

The Breeders' Cup may never be able to offer purses as high as those offered by UAE or Canada. Those two countries have resources the NTRA does not. Both also offer more than just large purses. Dubai and Canada also accommodate their clients by paying for things such as traveling expenses and hotel accommodations. The average cost to transport a planeload of horses can be as high as \$35,000, according to the NTRA. That organization



Blood-Horse Publications produced this magazine covering last year's Breeders' Cup held in Texas.

says it cannot afford this expense. The NTRA, however, strives to maintain competitive with the rest of the industry.

The Breeders' Cup is unique, because both the breeder and the nominator win money when the horse wins. Here's why:

- If you are the nominator of a winning horse, even if you do not currently own it, you still receive 5 percent of the incentives in any Breeders' Cup race, not just the World Championship.

- Breeders nominate their foals for a \$500 fee, and then the foals are in the Breeders' Cup for life.

- If you want to enter a horse that was never nominated in a race then you have to pay an expensive supplemental fee of 20 percent of the purse to enter the race.

- If the horse is nominated as a stallion, then a percentage of the stud fee must be paid yearly to keep the stallion registered. The minimum fee for a horse can be \$1,000.

- A stud fee is the price a mare's owner must pay to breed with the stallion. Many stallions' fees differ depending on how successful that stallion's racing career was. For instance, last year's Kentucky Derby winner, Smarty Jones, has a stud fee of \$100,000, while Albert the Great, who won the Jockey Club Gold Cup, has a stud fee of \$10,000.

Bringing the Breeders' Cup to Churchill Downs and increasing purse values are efforts by the NTRA to increase the public awareness of the horse racing industry.

UK saddles up to aid industry

By Lauren C. Clouse

The University of Kentucky is already involved in equine health issues but has recently established the College of Agriculture Equine Initiative to explore broader issues in the horse industry.

The Initiative is a partnership between the horse industry and the College of Agriculture. It was created through the works of the Gluck Equine Research Foundation, the Kentucky Thoroughbred Association and the College staff.

"The initiative will be focused on ensuring that ongoing UK programs are more responsive to the daily needs of the equine industry and will be conducted in concert with the Kentucky Equine Education Project (KEEP) and numerous other equine organizations in Kentucky," said UK President Lee T. Todd in a press release.

The health of the Thoroughbred industry is of primary concern.

"There is concern we could lose our Thoroughbred status as quickly as we lost our Standardbred," said Scott Smith, dean of UK's College of Agriculture.

Kentucky breeders worry that the Thoroughbred industry might be next.

"All economy is global," Smith said as he explained other countries send their mares to the United States to be bred. He said some U.S. stallions are traveling outside the country for part of the year to breed. Eventually these other countries will not need to use American stallions for breeding because they will have built up their own breeding stock. This could then cause economic depreciation in the Kentucky's horse industry.

The College of Agriculture is looking into training extension agents to be more knowledgeable in the issues of the horse industry. There are two agents and an extension office in every county in Kentucky. There are horses in all 120 Kentucky counties. Extension agents are knowledgeable about many different animals including wildlife, cattle and domestics. The initiative has set out to train these agents to be more knowledgeable about horses.

Smith said there once was a time that horses were viewed as toys or as pets for entertainment value. Some people even saw them as something kept only by the rich for personal benefit. KEEP has started to educate the industry and the public that horses have a wide range of uses. The Initiative hopes to work with KEEP to expand knowledge of the horse industry.

