



op/ed

by rob whiteley

IN SEARCH OF A MASTER PLAN

The present. A friend called me recently to tell me that he will soon be joining the list of industry casualties. A bank is taking control of his farm and horses.

I am deeply sad for my friend and for the many others in every segment of racing and breeding who can no longer "make it" doing what they know and what they love. And I am sad for myself to realize that I became so preoccupied with my own efforts to survive that I did not recognize the seriousness of my friend's difficulties and try to help in some way. We are all connected in the horse world. What diminishes one of us diminishes all of us. John Donne had it right when he wrote the timeless lines, *'Do not ask for whom the bell tolls, it tolls for thee.'*

My friend and I are just two people struggling along in central Kentucky, but on an industry-wide basis and across all groups, we are playing out a similar scenario, only the stakes are higher. We go about our daily business while thinking very narrowly about what directly and personally affects us and our specific group, today and in the moment. This preoccupation with ourselves and what is specifically important to us is a natural response during times of high stress and perceived danger. Human nature in the form of basic survival instincts compels us to become self-absorbed in the interest of self-preservation. My great worry, however, is that as we act solely in our own best interests to sustain ourselves, we lose the motivation to cooperate with one another and fail to grasp and acquire the awareness and perspective necessary to create a master plan that could save all of us.

United we stand...divided we fall. It is clear that we must raise our level of awareness about the importance of working together. Every day that we delay joining collectively into a unified effort to fix our problems adds momentum to our decline and makes reversal of our downward spiral more difficult. Some people contend that our downturn is a function of the recession. However, it is delusional to think that when the economy bounces back, we will bounce back with it.

Our industry was deteriorating long before the housing bubble and the financial crisis, and the causative fundamentals underlying our predicament have not changed. Reversing the current trend can only be accomplished by sustained cooperative effort and give-and-take, within and across all industry segments.

To this point in time, the large majority of our industry decision makers have not grasped this essential principle.

The future. Because we lack strong, centralized leadership and a common agenda that imposes standardization of industry-wide rules and regulations, our hope for the long-range growth and well-being of horse racing (and therefore breeding) in America steadily slips away for no good reason, other than the short-term gain and longer-term solidification of power for a few.

In the face of this unfortunate circumstance, recent news of a proposed "racing compact" that would forge an alliance among several state racing commissions to standardize some basic rules shows that we have the capability to think and act cooperatively. This initiative is encouraging and very important. If it can make it through the gauntlet of our industry's partisan politics to gain necessary endorsement from competing groups, the "compact" could serve as a model for further cooperation.

However, motivating a critical mass of our decision makers to place the welfare of the industry above their own personal needs for power and control is very difficult. If they do nothing but preserve their own "territory," they will be just fine at the end of the day, even as the scope and vitality of racing diminishes and many of us disappear. Individuals with position and privilege who command most of the alphabet organizations will still have their primary wealth and their box seats on the finish line of any remaining tracks. As contraction occurs, exiting track executives will draw down their last big salary checks, cash in their stock options and golden parachutes, and move on to new business positions with their 401(k)s and pension funds intact. The largely unqualified and poorly informed political appointees who "oversee" racing in each jurisdiction will simply be recycled into other quasi-governmental positions or be returned to private life. The industry as we know it will be transformed and compressed, and many of the grass-roots workers, horsemen, and other people with "skin in the game" will be gone. Our great sport will change status from that of an increasingly minor sport to a club sport, known less for its daily excitement, grandeur and entertainment value, and increasingly for that one two-minute spectacle on the first Saturday of May.

So what to do? Those of us who are "little guys" and are generally disenfranchised participants must learn to speak up. As the saying goes, if we are not part of the solution, we are part of the problem. We need to start taking personal responsibility for our collective fate by individually *demanding cooperation* between industry groups through phone calls, e-mails, letters and faxes to organization leaders, track executives and racing commissioners. One person's voice will not be heard, but a crescendo of voices can make a difference.



Op-Ed cont.

The mere act of speaking up, however, cannot in itself be effective. Significantly motivating officials, executives and behind-the-scenes people in power requires that our voices must have more substance than whine, and our words must include more proactive suggestions than finger pointing. The good news is that we are not alone and the landscape is not totally barren. Some bright and well-intentioned decision makers with clout are already in place and interspersed in positions of influence throughout racing. Their ability to act in the interest of the broader industry, however, is rendered useless or muted because they are restricted by constraints within their own organizations and are stymied by the lack of cooperation across groups. We need to give these isolated agents for change something to work with and for, and something to rally around.

Toward that end, therefore, I make the following proposal, which can be discussed, tweaked and modified into a working framework for creating a master plan for the industry. Unless we can develop, endorse, and implement a comprehensive plan for industry governance, our only hope for stabilization and meaningful growth in the foreseeable future would be through carefully crafted federal legislation to establish a national office to create and enforce standardized rules and regulations across all constituencies.

The proposal. One representative from every key industry faction listed below will be selected to serve on a National Racing Consortium composed of 21 members. Persons lacking a cooperative spirit and genuine interest in building a better tomorrow for the entire industry need not apply.

Horse Players (1): Horseplayers Association of North America (HANA).

Owners (1): Thoroughbred Horsemen's Group (THG) or Thoroughbred Owners and Breeders (TOBA).

Race Tracks (4): Churchill, Keeneland, Magna and NYRA.

Racing Commissions or state oversight agencies (4): California, Florida, Kentucky and New York.

Special interest groups (3): American Horse Council (AHC) or NTRA, Breeders' Cup and The Jockey Club.

Trainers (1): Horsemen's Benevolent and Protective Association (HBPA).

In addition, seven **at-large members** will be chosen for their acumen, industry knowledge, commitment to the welfare of the industry as a whole, and their willingness to speak up with an open mind and a cooperative spirit. These seven members would be identified and selected by majority vote of a panel consisting of one representative from *The Blood-Horse*, *DRF*, *Paulick Report*, *TDN* and *Thoroughbred Times*. Members of those five organizations may also be considered as candidates. This panel will also choose between the AHC and the NTRA in order to include an organization with significant lobbying experience and capability, and will choose between the THG and TOBA to be sure that owners are represented.

Once the at-large members are selected, the panel will contact the other organizations to have them identify their representative, and will convene a meeting for the Consortium as a whole.

The mandate. The Consortium will select a chairperson, establish by-laws, and create a comprehensive master operating plan that establishes standardized rules and regulations for the entire industry. In addition, the Consortium will formulate implementation strategies to monitor and enforce those regulations, and will design a national marketing plan to promote the industry, retain current participants and recruit new participants.

The agenda. Once consortium members make a necessary commitment to each other to leave their competitive histories and personal issues and antagonisms outside the room when the door closes, many of them will have to change their typical mindsets. To this point, most problem-solving activities have tended to focus piecemeal on difficulties related to specific entities, and have not exhibited much awareness or concern with how local policies or initiatives impact other intertwined racing problems or regions.

In short, a broader perspective is required. In basketball terms, instead of looking down at the ball when dribbling down the floor, this consortium needs to "see the court" in order to create comprehensive strategies aimed at producing success for the whole team. To use another analogy, we need to engineer the synchronized mechanisms of a smooth running national clock, not the simple lever of a one-thrust corkscrew in someone's boardroom. We need policies that can be integrated across all groups, and procedures that can be incrementally implemented over time to foster and guide our overall growth.

We surely don't need the status quo. We don't need band-aids or one-dimensional initiatives that pit one fiefdom against another. Not now, and especially not now at a time when our increasingly anemic American racing is further compromised by a multi-year blood-stock drain to foreign shores.

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Op-Ed cont.

We need solutions that address our domestic problems, but we also need to develop strategies to participate more fully in the world scene. This is very important. We must not drink the Kool-Ad of nationalism. The growing globalization and strength of international racing threatens to minimize our product if we don't get our house in order and get in sync with the rest of the world.

It is obvious that we have many important problems in need of fixing. Several items that have special urgency for the Consortium's national action agenda are as follows:

(1) We need to establish and effectively enforce uniform drug policies, rules and testing that are in the best interest of horses and in line with the standards of the rest of the world;

(2) We need to recognize that gamblers (i.e., fans and handicappers who bet significant amounts of money) are the drivers of our business who make our enterprise possible through their wagering. Our "players" should be valued, hosted and rewarded by racetracks in a way that is comparable to the treatment they receive from casinos in major gambling destinations. Like they say on the airplane, 'We understand that you have a choice of who you fly with,' and we must realize that our most dangerous competitors are not one another, but alternative gambling venues outside our industry.

(3) When considering issues related to racing surfaces, we need to keep all of our constituencies in mind and make decisions that address our complete set of objectives. Three especially important considerations need to be examined *together* when making decisions about which surfaces to install:

• *Safer surfaces.* We need to provide safer racing surfaces in order to do right by horses and jockeys, and to improve the way we are perceived by horse-loving fans and would-be fans (i.e., those who follow racing but may not contribute significantly to handle). In short, we need to improve the reality as well as *the perception* of our efforts to protect horses and jockeys.

• *Consistent surfaces.* In addition to installing surfaces that reduce training and racing injuries (especially catastrophic injuries on big days in front of national audiences and prospective fans), we also need our surfaces to be relatively uniform from day to day *at the same track, and from track to track.* In that regard, track surfaces need to be sufficiently *consistent and "formful"* for serious handicappers upon whom we depend for our well-being.

• *Synthetic tracks.* Furthermore, if we wish to hold significant international events and continue to claim that we host a "World Championship," we need to install surfaces that can attract the top international stars. Toward that end, *we should stop generalizing and talking about "synthetic tracks" as if they are one and the same.*

Tapeta. The thoroughly frustrating and heart-breaking experiences for horsemen (and horseplayers) with regard to Santa Anita's botched efforts are literally a world apart from the relative consistency and kindness of Tapeta across disparate climatic conditions at Golden Gate in California, Presque Isle in Pennsylvania, and Meydan in Dubai. We should not throw a superior synthetic track under the bus because of the failures of one botched effort in one location, no matter how angry or disenchanted we might be. Instead, we need to conduct competent and thorough research to identify the best-performing surface with the most potential to help us achieve *all of our objectives simultaneously*, and then we need to install that surface at all major circuits.

(4) If we presume to be a major sport (or aspire to be one), we need to act like other major leagues by working together on two fundamental functions that are performed by any properly run sport:

• *Centrally coordinated scheduling.* Organized baseball does not leave the Red Sox and Yankees to sort out their own annual schedules (the operative word here is *organized*). They coordinate the schedules of the 32 major league teams, making sure that the teams play one another according to a plan that is designed to boost fan interest and team revenue. We need to develop and coordinate national strategies to do the same.

• *Ethical retirement of athletes.* Major sports take care of their retired athletes, and so should we. We have a Jockeys' Guild to support our human athletes; however, we also need to fully define our horses as "athletes" and take care of them properly when they can no longer compete for our gain and enjoyment. Full industry participation in a combination of equine social security and some form of mandatory 401(k) plan is essential if we are to do right by our animals and convince the public that we truly care about them.

(5) Every item above is of great importance. However, *racings broken business model is the biggest and most fundamental problem that we face.* Lacking a master business plan, tracks collectively lose money, owners collectively lose money and breeders collectively lose money.



Op-Ed cont.

We urgently need to develop a new business model for racing and revenue sharing that can lower take-out for gamblers, increase purses for horse owners, prevent the pirating or loss of revenue to offshore gambling sites, and achieve profitability for track owners. One would think that our increasing loss of market share to competing gambling venues and the resultant annual decline of national handle, as well as our continuing loss of fans to other sports, would inspire cooperative effort between tracks to stop the bleeding. But, go figure; it hasn't happened yet. Perhaps a forum like the proposed consortium can help our "leaders" escape their entrenched competitiveness and tunnel vision.

(6) And, finally, once some or all of the above initiatives are accomplished, the Consortium needs to formulate a creative, nation-wide, and effective marketing plan that motivates current fans and gamblers to become more involved, and entices prospective fans to join the fun.

Advertising to one another on TVG or HRTV and in print magazines or internet news sources does not cut it. We need fresh, imaginative minds pushing the envelope to expand our connectivity with Mr. and Mrs. America and their children. For example, why do we not intertwine racing games with state lotteries to the mutual benefit of horse racing and the state? Why is there not a plethora of video, arcade, and virtual games available with horse racing themes and experiences? Why do we do such a poor job of showcasing celebrities who already participate in our sport as owners or fans? During this year's Oaks and Derby coverage, NBC, Bravo, and ESPN did a nice job of presenting enthusiastic and broadly recognizable celebrities who made great promotional comments. We need to do something similar, not two days a year but throughout the year, and in a nationally coordinated way. Furthermore, why do we not send a continuous barrage of promotional materials, such as Seabiscuit books, racing movies, historical documentaries, owner testimonials, and special invitations with comp tickets, to thousands of our nation's wealthiest people? In October, another mega opportunity will be handed to us when *Secretariat*, the movie, is released. What national body will develop a cleverly orchestrated plan to follow-up and use this timely gift in a way that draws new fans from theaters to an actual racetrack?

And, as the popularity of our sport declines and our aging fan base shrinks, where is our inventive, captivating, and systematic strategy for connecting with young people interactively through technology and current social networking tools? We need to recognize the fact that today's young people have many entertainment options from which to choose and have shorter attention spans and a lower threshold for boredom than other generations. We must collectively step up with a modern, cutting-edge set of ideas, tools, and initiatives or we will be spit out.

In short, we need to target innovative and coordinated marketing strategies to each specific group of current and potential participants. This cannot be done effectively in a piecemeal fashion. It needs to be accomplished comprehensively and on a national level. But, who is minding the national store? The answer is *no one*. And this is where our self-absorption hurts us most. Year after year, we act selfishly, unilaterally, and locally, thereby giving new meaning to the enduring Shakespearean words of Cassius, "The fault, dear Brutus, is not in our stars, but in ourselves that we are underlings."

Our options. OK, so the odds may seem astronomical that the proposed disparate, competitive and self-serving groups can be motivated to organize and work cooperatively together for the common good. However, we need to try. Even if we only accomplish part of this agenda, we will have made things better. And, think about it for a moment. Our options have been reduced to three distinct and mutually exclusive choices:

- (1) we can maintain the status quo and continue our steady decline; or
- (2) we can work together and take responsibility for fixing our problems and growing our sport; or
- (3) we can call in the Feds (or see them intervene uninvited) to mandate a national governing body that will establish oversight and standardized rules and regulations for the entire industry.

Which do you choose?

Rob Whiteley is owner of the commercial breeding operation known as Liberation Farm. He may be contacted through his website, www.liberationfarm.com.

Comments? Submit your Op-Ed feedback for publication to suefinley@thoroughbredailynews.com.