

TDNA

In this second of a two-part interview with industry leaders regarding International Federation of Horseracing Authorities Chairman Louis Romanet's pledge to eliminate race-day drugs from Graded races worldwide, Barry Irwin talks to Jim Gagliano (President and COO of The Jockey Club), Dan Metzger (President of the Thoroughbred Owners and Breeders Association), Carl Hamilton (Chairman of The Jockey Club Information Systems) and Matt Iuliano (Executive V.P. and Executive Director of The Jockey Club). As the 30th Breeders' Cup dawns fast on the horizon, it is nothing if not apropos that the discussion revolves around strategies to bring North American racing in line with the vast majority of other jurisdictions in terms of uniform medication rules for Graded races.

Irwin: The Jockey Club is a member of the IFHA, but unlike members from European countries, our Jockey Club cannot conduct racing or impose national rules. What positive impact do you think Louis Romanet, as head of the IFHA, can have to move the ball toward eliminating race-day drugs in Graded races?

Gagliano: First of all, I think it's important to note what the IFHA is and is not. It is an organization of

independent racing authorities that come together to promote best practices and to work toward harmonization wherever they can. What IFHA is not is a regulatory authority. It does not have the power to impose rules on specific nations. All we look to do, with the executive council and the membership, is to identify a set of common principles, which are embodied within the articles of the International Agreement of racing, breeding and wagering, and try to have as many states and nations or organizations sign on to

those articles specifically. For example, there are significant parts of the articles to which the United States is not a signatory.

Barry: What do you think Chairman Romanet specifically is capable of doing to move the ball? Is it basically restricted to trying to influence as best he can?

Gagliano: Yes. And, as you know, by virtue of his many years of experience in this arena and his position of authority as chairman of this international organization, Louis does have a great deal of influence. There is no question that he cares deeply about the sport of Thoroughbred racing and I hold him in the highest esteem, personally and professionally.

Barry: The Jockey Club has no authority to impose or alter federal or state rules for racing, but it does have the Stud Book, which could be a powerful tool in restricting registration of horses. Has The Jockey Club ever thought about using Germany's Stud Book restrictions as a template to control the use of drugs in American racing as a means of protecting the breed?

Gagliano: In Germany, as I understand it, it's not restrictions within their Stud Book but rather restrictions within their breeders awards program. The way that their breeders awards are established requires certain medication restrictions while racing in order for those horses to be eligible to receive awards or premiums. So it's really not the Stud Book regulating medication policy in Germany. Here in North America, we do reserve the right to refuse to do business with certain persons. If, for example, an individual is found to have violated a medication rule that involves a prohibited substance such as an RCI class 1 drug, our Rule 19 enables The Jockey Club to deny that person the privileges to conduct registration-related business with The Jockey Club.

Barry: An Irish member of the IRPAC (International Grading and Race Planning Advisory Committee) subcommittee of the IFHA at its most recent meeting floated the notion of a super Group 1 and the possible use of an asterisk to designate Black Type use in countries where medication is allowed in Graded races. What do you think of this idea?

Gagliano: I think that's a non-starter. That has never been discussed in any kind of committee of the IFHA or in IRPAC and I would not endorse that concept. I think that it would have negative implications on a lot of aspects of our business here [in North America] and it would not achieve what those who have proposed it would like it to do. It would be the exact opposite of harmonization.

Barry: Why do you think a fellow like Kavanagh does that? Is his motivation borne out of frustration or what else could it possibly be attributed to? What's his goal?

Gagliano: I guess you'd have to ask him what his goal is. I do know that Brian is held in high regard throughout the Thoroughbred industry. He and I both serve as vice chairmen on the IFHA executive council. We



Jim Gagliano at the 2013 Jockey Club Round Table



Brian Kavanagh speaks at the Round Table

invited him to speak at The Jockey Club's Round Table Conference in August out of respect for Brian and Horse Racing Ireland.

Irwin: IRPAC and SITA set the agenda for Graded races in the world and how they are recognized in the sales catalogs. They have the authority and power to pressure North American racing jurisdictions into eliminating drugs from Graded races. Do you think this is the best way forward for those progressive horsemen that want change sooner rather than later?

Gagliano: I'm going to say no. I don't believe that is the best way.

Hamilton: I don't believe this is the best way and I think in trying to achieve harmonization, it could have the opposite effect. We don't know how the North American sales companies would react.

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Gagliano: I found Nick Nicholson's keynote address at the IFHA conference interesting as he gave a bit of a retrospective of his involvement in the IFHA. He discussed all of the gains that had been made over the years in harmonizing things such as the Stud Book. It wasn't always easy, but collaboration has brought success on many fronts. Together we stand, divided we fall. We think it's much better to work toward harmonization than to work for exclusion.

Barry: Would The Jockey Club or the American Graded Stakes Committee welcome a threat from an outside source such as IRPAC or SITA or even the IFHA on elimination of drugs in Graded races, that if not met would cause a loss of black type in sales catalogs?

Metzger: The Graded Stakes Committee proposed the elimination of race-day medication in two-year-old Graded races. Insofar as welcoming a threat, I cannot speak to that, because that would be up to Dr. David Richardson [chairman of the American Graded Stakes Committee] and the other voting members. But, if a threat did come from SITA, I think it would have to be taken seriously. I think it's more probable that SITA would encourage rather than threaten us to take some action. The sales companies are the ones with real influence on the Graded Stakes Committee. The Graded Stakes Committee derives its authority through SITA. So we would hope there would be the encouragement to do that as opposed to a threat.

Barry: Breeders' Cup and the American Graded Stakes Committee moved to eliminate Lasix from Graded races only to step backward. Obviously there are business reasons for these decisions that reflect reluctance on the part of both entities to be engaged in costly lawsuits, among other reasons. Do you think these sputtering efforts have irreparably damaged the movement to eliminate race day drugs from Graded races?

TDN Q&A cont.

Gagliano: I don't think we can call anything "irreparable" at this point. There have been a lot of different tactics used; some have been successful and some have not. We look at the expanse of the efforts on all levels of medication reform. This is one of them. I don't think this is the last we'll see of this issue and we certainly support it and will continue to support any efforts that help us achieve our longstanding goal of seeing horses compete only when they are free from the influence of medication.

Barry: The Jockey Club conducts the Round Table each August at Saratoga and features speakers that in great part generate comments that seek to influence racing and breeding. Influence is important, especially in America, where states' rights trump federal authority outside of the Interstate Horseracing Act. What if anything can be done to centralize authority?

Gagliano: As you know, pari-mutuel racing has long been regulated by individual states. While there have been several efforts to bind those states together - such as through a federal compact - to date, none have made much progress. At times, those of us that are involved in leadership roles in the sport bemoan the lack of central coordination. But I also think there are times when we also should take a step back and look at what has been achieved. For example, take the three initiatives that we talked about at last summer's Round Table Conference: uniform medication rules, uniform penalty structure and accredited lab standards. We're very encouraged that these reforms are starting to gel. It's quite possible that by early 2014 the majority of the states that conduct pari-mutuel racing will be operating from harmonized rules and penalties and lab standards. In this regard, you've got to give a lot of credit to the ARCI and the RMTC, as well as the NTRA, all of whom have really taken the promotion of reform as a major responsibility and have been very serious and aggressive in promoting it. On the matter of Lasix, I would note that is one issue we've always dealt with separately, and regulated differently.

The Jockey Club continues to believe that a phase-out of Lasix is imperative, and will continue to press for North American Lasix regulation to be harmonized with the rest of the world. But back to the other matter - medication rules, penalties and lab standards - it's very difficult to conceive of a bright future for the sport if these reforms are not embraced and implemented.

Iuliano: Currently, the industry's engine for regulatory reform in general, and medication and testing matters specifically, is through the combination of the RMTC and ARCI. These two groups more or less bookend the industry on medication matters with the RMTC providing the scientific and analytical bases behind substances used in racing, and the RCI crafting that science into regulations. Thus, the machine for change is already built and self-contained within the industry. Together, these two organizations can be very instrumental in coordinating the states to act in a concerted fashion to ensure uniformity of rules.



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Gagliano: So how do we, The Jockey Club, help to promote these things? One of the ways we've done so is through the Round Table Conference. Another of the ways we have done so is through the media, with statements, press releases, white papers, even advertising. Another resource we've created, in collaboration with TOBA, was CleanHorseRacing.org, which later morphed into HorseRacingReform.org. It's our grassroots advocacy program. It has been used as a very powerful tool for owners and breeders and trainers and participants and observers to express their points of view on medication reform. It's been enormously successful. We've had thousands of people support and sign petitions in support of reform. I think Dan would agree that we need more people to get involved and to make their voices heard.

Iuliano: You've got a great chronology on that website. I think it dates all the way back to 2006 and it gives a good timeline to look at all the medication reform efforts. For that matter, it even includes the larger health, safety and welfare reform efforts that have gone on in the industry, starting with 2006 for the first welfare safety racehorse summit. So, it's a good resource for everybody to look at.

Barry: Do you think that federal legislation offers a viable way to move our industry forward or do you think we're better off just keeping the federal government where it is right now?

Gagliano: That's a tough question to answer at this point. In 2011, in a statement, we said it's undeniable that some aspects of the sport fall under the responsibility of the federal government - for example the 1978 Interstate Horseracing Act. It is also true that the states have regulated the sport for a long time, and would vigorously oppose a change in control. There has been an awful lot of progress toward reform recently, and the state commissions deserve a lot of credit for that. However, as we stated at the Round Table, if those reform efforts stall or are deemed to be inadequate, we may very well have to get behind federal legislation. If that time should come, that legislation needs to be carefully considered within the industry and cannot come from just one quarter.

Iuliano: At a recent meeting of the Massachusetts Gaming Commission, Alex Waldrop gave a very good chronology of the Interstate Horseracing Act, reminding the audience that, at its inception, the IHA was effectively a piece of federal legislation that was originally drafted by the industry and then provided to the federal government. There are certain aspects of the business that certainly belong and are currently regulated under the purview of the federal government and there are other aspects where regulation by the state is provided.

Irwin: I think it was (former RCI President) Tony Chamblin that basically constructed that part of the IHA and he's had misgivings about doing it because of how it's turned out. In that regard, do you think horsemen are being shortsighted in fighting over race-day drugs, based on Louis Romanet's contention that the future of the industry depends on attracting a younger generation and drugs simply turn them off?

Gagliano: Over the years we have conducted a lot of research and there is statistical support for the position that the use of medication in race-horses in competition makes it difficult to create and attract new generations of horse racing fans. It's hard to pick up The New York Times or any other major publication that covers sports or society and not see the taint of drugs on competition. It's not something that's going to go away, as much as some wish it would. I just want to come back and make sure I'm really clear on this statement. We have the utmost respect for those who have considered federal legislation and we have even met with and collaborated with some of them. We have also reached out to USADA by having Travis Tygart speak in 2012 at our Round Table Conference. (Barry, I know you had suggested this idea maybe a decade before). In fact, Matt Iuliano and I went out to meet with USADA in Colorado Springs last February to learn about its programs and operations.

Right now, however, we're very encouraged with the movement that we're seeing among state racing commissions and horsemen's groups such as the Thoroughbred Horsemen's Association (THA), in particular. I want to make it clear that we wholeheartedly support the current reform movement.

Irwin: I asked Chairman Romanet if he thought there would be an appetite among the international members of SITA to disallow Graded Black Type in sales catalogues for American races in which drugs were allowed if Keeneland and Fasig-Tipton supported it. His response was, "I think it would make the world totally different if Keeneland and Fasig-Tipton would support it." What do you think?

Gagliano: I don't think going to SITA addresses the core issue. And I don't think SITA is the right body to decide this matter.