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Safety and Integrity Alliance

Report of the Independent Monitor

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I. Introduction and Alliance Background

A. NTRA Safety and Integrity Alliance Background

In October 2008, the National Thoroughbred Racing Association (NTRA) organized fifty-five racetracks and every major horsemen's group in the United States to pledge support for the affirmation that the health and safety of racing's athletes, both human and equine, and the integrity of the sport are top priorities. To implement these reforms, the NTRA created the Safety and Integrity Alliance (the Alliance) for the purpose of implementing safety and integrity standards on a uniform, nationwide basis and to function as a certification and accreditation body for the purpose of recognizing and incentivizing compliance with those standards by all stakeholders.¹

The Alliance created an industry Code of Standards (Code) and an accreditation process. The Code sets forth a common minimum set of standards to be followed by Alliance members in their respective roles in the industry. The 2009 Code set standards in the following areas: (1) injury reporting and prevention; (2) creating a safer racing environment; (3) medication and testing; (4) jockey safety and health; and (5) aftercare of retired horses. The 2010 Code added a section on wagering security. This change is discussed in greater detail below. The 2011 Code is expected to contain further updates; however, these updates are beyond the scope of this report.

In addition, the Alliance created an accreditation process through which individual racetracks are certified as being in compliance with the Code. Prior to accreditation, a detailed application, with supporting material, is completed and filed with the Alliance. An Alliance Assessment Team, consisting of a minimum of three industry professionals representing various industry stakeholders, conducts a site inspection. The Team visits each applicant's facilities to confirm that the facilities, operations and written protocols are consistent with information included in the application and the standards set forth in the Code. All Assessment Teams include a regulatory veterinarian, an expert on racetrack operations and management, and an Alliance representative. Through the implementation of the Code and the accreditation process, the Alliance seeks to secure the implementation of standards and practices to promote safety and integrity in horseracing.

B. Role of the Independent Monitor

The NTRA identified the need for an independent, objective observer, who would monitor the Alliance's activities and assess industry progress in achieving the Alliance's objectives. The Honorable Tommy G. Thompson, former Governor of Wisconsin, former Secretary of the U.S. Department of Health and Human Services, and current partner at the law firm of Akin Gump Strauss Hauer & Feld LLP, was selected to fulfill this role (Independent

¹ NTRA, NTRA Forms Safety and Integrity Alliance and Announces Sweeping Reforms, Oct. 15, 2008, available at www.ntra.com/content.aspx?type=pr&id=35605&style=red.

Monitor). This report is the second assessment of industry progress in achieving the Alliance's objectives and builds on the December 2009 Report of the Independent Monitor.²

In his role, the Independent Monitor has attended track inspections, interviewed stakeholders and reviewed reports from the Alliance's Executive Director. The Independent Monitor hopes to continue and expand upon his role in 2011, becoming further involved in the accreditations and review processes and being a greater resource to the Alliance as it pursues its goals of enhancing the safety and integrity of the sport.

C. Overview of Independent Monitor's Findings

This year, the horseracing industry, like the rest of America, faced economic challenges. Every aspect of the industry has been impacted by the economic recession. In part, as a result of these financial hard times, the Alliance was not able to accredit as many tracks as it had hoped. For 2009, the Alliance set an internal goal of approximately 20 accredited tracks. As of the writing of this report, only 19 tracks have received full accreditation. Of that total, only five were accredited in 2010. These results are disappointing, even considering the economic hardship facing industry participants. This is particularly disconcerting due to the fact that 55 racetracks originally pledged their support of the Alliance yet, as of the end of 2010, not all of them have participated in the accreditation process.

The Alliance made significant progress in other areas related to its mission of enhancing and improving the safety and integrity of the sport. A new section governing wagering security was added to the Code. In addition, other improvements, such as the establishment of a compliance hotline, were put in place.

The Alliance has continued to drive safety improvements among its already accredited tracks. Many of the accredited tracks have made substantive changes in order to be fully accredited by the Alliance. Many have engaged their local governments and regulators to drive improvements in the industry. All of this progress is critical to the overall aims of improving the safety and integrity of the industry. Further details on these and other improvements are provided in this report.

II. 2010 Accreditations Overview

A. Accreditation Process

The Alliance's Executive Director, Mike Ziegler leads the accreditation process and is responsible for selecting the Assessment Team members. Assessment Teams consist of a minimum of three industry professionals, with expertise in various areas, depending upon the geographic location of the track and the experience of the Team member. The Alliance and Mr. Ziegler work to ensure that conflicts of interest are minimized, by ensuring that Team members do not have prior professional relationships with the tracks they inspect. Each Team member is

² NTRA, Safety and Integrity Alliance, Report of the Independent Monitor (Dec. 7, 2009).

given a specific task or area to review, depending upon his or her professional expertise. For example, the veterinarian primarily reviews racetrack policies and procedures relating to injury and fatality reporting and prevention, medication, and testing. The operational expert primarily reviews policies and practices relating to safety equipment, racing environment safety, and safety of jockeys. Certain Code issues overlap the broad categories and are addressed by the appropriate Assessment Team member for the specific issue. Mr. Ziegler provides overall process management, substantive review and formulation of the findings through consultation with Team members, acts as the primary liaison to the track during the inspection, and provides continuity from one inspection to the next. In addition, Mr. Ziegler directly conducts the review and analysis of miscellaneous Code issues.

In order to receive accreditation, racetracks submit a completed Alliance Application for Accreditation along with supporting documentation. The Assessment Team reviews the materials and then conducts a two- or three-day on-site inspection to ascertain that the information provided is accurate. The validation process consists of interviews of key racetrack personnel, first-hand observation of racetrack operational practices and environment, and review of any additional relevant documentation located at the racetrack that was not previously provided. The Assessment Teams are given unfettered access to racetrack grounds, personnel, equipment and documentation in the course of their inspections. The Alliance also formed an Aftercare Committee that consults with the Alliance to validate that racetracks meet the aftercare criteria in the Code and Application. The Aftercare Committee consists of representatives from leading horse aftercare/retirement organizations, including CANTER (The Communication Alliance to Network Ex-Racehorses), CARMA (California Retirement Management Account), New Vocations, TCA (Thoroughbred Charities of America), and TRF (Thoroughbred Retirement Foundation).

At the end of the inspection process, the Team meets to confer on observations and issue a “grade” for each criterion on the application. Each criterion is ranked as either a Best Practice, More than Satisfactory, Satisfactory, Less than Satisfactory, or Deficient. The approach entails an inherently qualitative and case-by-case analysis, but the Alliance is continually working to ensure that the approach is as consistent as possible. Many of the criteria are evaluated against the Association of Racing Commissioners International (ARCI) Model Rules³, thus the specific requirements are clear and uniform for all concerned.

In order to receive accreditation, the racetrack must achieve at least a Satisfactory rank on each of the critical Application criteria. A racetrack can still be accredited if it earns a Less than Satisfactory or Deficient score on non-critical criteria and/or it is able to immediately correct the deficiency. For example, a racetrack might have a very strict and well-communicated policy that all licensees must wear a safety helmet, but an Assessment Team member might observe an outrider without a helmet buckled or an approved helmet. This does not (and should not) lead to a failure to accredit. Rather, the racetrack must demonstrate that it is taking immediate steps to

³ Model Rules, which are developed by the Association of Racing Commissioners International, the national trade association for racing regulators, represent a group of rules used by various racing regulatory bodies as guidelines when crafting their own rules and regulations.

better enforce its policy. Before issuing the final report, the Alliance notifies the racetrack, in writing, of the criteria it found to be Deficient or Less than Satisfactory and explains the steps the racetrack must take to bring the item up to a Satisfactory level and a timeframe for doing so.

B. Accreditations to Date

In 2009, the Alliance fully accredited 14 racetracks.

Table 1: Tracks Receiving Accreditation in 2009

Track Name	Accreditation Date
Churchill Downs	April 9, 2009
Keeneland	April 17, 2009
Belmont Park	June 5, 2009
Delaware Park	June 17, 2009
Hollywood Park	June 26, 2009
Monmouth Park	July 28, 2009
Arlington Park	August 4, 2009
Saratoga	August 21, 2009
Calder Race Course	September 24, 2009
Turfway Park	September 25, 2009
Del Mar	September 30, 2009
Oak Tree Racing Association/Santa Anita Park	October 29, 2009
Fair Grounds	December 17, 2009
Aqueduct	December 22, 2009

The Alliance set an internal goal of approximately 20 accredited tracks in 2009. However, because the Alliance did not begin the process until spring 2009, the results were essentially in line with this internal goal.

In 2010, the Alliance accredited only five racetracks, falling significantly below its annual goal. Table 2 shows the tracks that received accreditation this year and the date of their accreditation. Although significant safety improvements were made at these tracks, the accreditation progress is disappointing in terms of quantity.

Table 2: Tracks Receiving Accreditation in 2010

Track Name	Accreditation Date
Golden Gate Fields	February 18, 2010
Woodbine	March 29, 2010
Pimlico	May 10, 2010 <i>full accreditation</i>
Sunland Park	May 13, 2010 <i>provisional accreditation</i> December 6, 2010 <i>full accreditation</i>
Canterbury Park	July 21, 2010
Finger Lakes	<i>Pending</i>

Below are some of the specific findings associated with this year’s accreditation process:

Golden Gate Fields was found to exemplify many industry best practices, mainly in regulatory related matters, such as medication and testing policies, as well as having implemented house rules requiring safety helmets and vests prior to California adopting a regulation. In addition, this racetrack has a Safety Training/“Near Miss” program, where accidents that almost happened are examined as a means to prevent future occurrences. The track has also created a starting gate safety manual that is exemplary.

Woodbine exceeded standards in many areas including pre- and post-race veterinary examinations; safety equipment, including use of cushioned crops, safety helmets and safety vests, and starting gate padding; safety training and continuing education; catastrophic injury procedures; out-of-competition testing protocols; and security training.

Pimlico was awarded provisional accreditation in May 2009. To receive Full Accreditation, Pimlico addressed the following specific areas:

- Riding Crop – The Maryland Jockey Club (MJC) petitioned the Maryland Racing Commission to adopt a rule requiring the use of an approved, cushioned crop in every race. This has successfully been implemented.
- Model Rules and Penalties – The MJC petitioned the Maryland Racing Commission to amend its regulations to conform to the RCI Model Rules regarding a pre-race sampling protocol for alkalinizing substances. This has successfully been implemented since the beginning of the 2010 Pimlico Meet.
- Out-of-Competition Testing – The MJC petitioned the Maryland Racing Commission to adopt a rule allowing for out-of-competition testing, which is currently in the rule-making process in Maryland.
- Frozen Sample Testing – The MJC petitioned the Maryland Racing Commission to adopt a rule allowing for frozen sample testing. The Commission is in the rule-writing process to adopt.

- Security Assessment Review and Training – Per Alliance requirements, Pimlico submitted itself to an independent security assessment by representatives of the Organization of Racing Investigators.
- Compliance Program – Pimlico has provided to the Alliance, and implemented, an effective compliance program that includes written documentation of all protocols required under the Alliance’s Code of Standards.

Sunland Park was provisionally accredited as it did not meet minimum standards in the following specific areas: pre-race veterinary inspections; uniform medication regulations; safety equipment and cushioned riding crops; testing for alkalinizing substances; and independent security assessment and training. In order to receive full accreditation, Sunland Park worked with the New Mexico Racing Commission to make substantive changes including the following: new rules for regulation of therapeutic medications and proscription of certain practices, such as the use of alkalinizing substances. Rules were also enacted pertaining to mandatory use of approved safety vests and helmets by all riders and helmets by all assistant starters.

Sunland Park also hired a track veterinarian to augment the state’s pre-race veterinary examinations and perform a pre-race testing protocol for alkalinizing substances; Sunland’s Independent Security Assessment was performed by representatives of the Organization of Racing Investigators.

Canterbury Park received Best Practice ratings in several areas including injury reporting and prevention; substance abuse and addiction prevention; catastrophic injury planning and procedure; infectious disease management; laboratory quality assurance program; and jockey disability support.

III. Updates to the Code

As an important part of its activities this year, the Alliance made several updates to the Code of Standards. These updates were based on input from a wide variety of stakeholders and should serve in some instances to clarify existing policies and in other instances to provide guidance on subjects that were previously not addressed.

The key area of adjustments to the Code was a new section regarding wagering security, developed with input from track representatives, tote companies, horseplayers and regulators. The new section details protocols and procedures geared toward maintaining the integrity of a track’s wagering pools.

IV. Other Alliance Improvements

In addition to its accreditation activities and updating the Code, the Alliance took some additional steps aimed at improving track compliance, safety and integrity. These are described briefly below:

- **Compliance Hotline.** The email address compliance@ntra.com has been established as a means for the public to communicate any issues concerning track compliance. Tracks have been asked to communicate this address to customers. The link is also posted on the Alliance website (www.ntraalliance.com).
- **Continuing Education.** In October 2010, the Alliance hosted a continuing education program at Keeneland racetrack for many racing entities to receive continuing education, which is a key facet of the Alliance. Veterinarians, Farriers, Track Medical Directors, Racing Officials, Aftercare Personnel, and Trainers were invited, at no charge to them, to discuss issues, share best practices, and help establish mandatory standards in their own areas of focus.
- **Media Kits.** As accredited racetracks' race meets opened, they received a media kit from the Alliance with mechanisms included to help promote to their horsemen and fans the benefits associated with supporting an accredited.
- **Letters of Recommendation.** In order to motivate non-accredited tracks to go through the accreditation process, letters of recommendation were secured from Fully Accredited tracks, telling each of them the benefits of accreditation. These letters have been utilized in communications with tracks that have not yet been accredited to help them understand the value of accreditation from the perspective of tracks that have undergone the process.

V. Findings of the Independent Monitor

A. Disappointing Year with Very Few Tracks Accredited

This year proved to be a disappointment in terms of the number of tracks accredited. As outlined above, only five tracks were fully accredited in 2010. This is compared to 14 tracks in 2009 and a goal of 20 tracks per year. The low accreditation rate may be attributed to a variety of factors, including the economic downturn and its impact on the racing industry and the lack of a strong means available to the Alliance to motivate tracks to apply for accreditation.

One primary factor that appears to have contributed to the low rate of accreditation this year is the difficult economic environment facing the racing industry. Specifically, in 2010, wagering on Thoroughbred racing in the United States was down 7.3 percent and purses declined 6 percent.⁴ According to the Thoroughbred Racing Economic Indicators, commingled wagering totaled \$11.4 billion, compared with \$12.3 billion in 2009.⁵ U.S. purses totaled \$1.02 billion in 2010, as compared with \$1.09 billion in the previous year.⁶ When compared with 2007, 2010 betting rates reflect a decline of 22.5 percent.⁷ As these economic indicators demonstrate, the racing industry has faced significant financial hardship over the past three years. The impact has been pervasive, affecting every aspect of the industry, from breeding to betting.

⁴ Horse Racing News, Wagering Fell 7.3%, Purses Down 6.1% in 2010, available at www.bloodhorse.com.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

Table 3: Annual 2010 vs. Annual 2009

Indicator	Annual 2010	Annual 2009	% Change
Wagering on US Races	\$11,416,570,932	\$12,319,991,176	-7.33%
US Purses	\$1,027,731,620	\$1,094,098,603	-6.07%
US Race Days	5,473	5,933	-7.75

In this tough economic environment, tracks are struggling to stay financially viable. In response to the economic stress placed on the industry, the Alliance developed a sliding scale pricing structure for their accreditation. The pricing structure is now a sliding scale based on total purses paid:

Table 4: Sliding Scale Accreditation Fees

Purse Level (per calendar year)	Member Accreditation Fee	Non-Member Accreditation Fee
\$25 million and greater	\$15,000	\$40,000
\$20 million to \$25 million	\$12,500	\$30,000
\$10 million to \$20 million	\$10,000	\$20,000
Less than \$10 million	\$7,500	\$10,000

Another challenge facing the Alliance in terms of accrediting tracks is that there is no distinct mechanism available to compel tracks to seek accreditation by the Alliance. In the Independent Monitor's compliance interviews, this was mentioned as an important factor when tracks determine whether or not to seek accreditation.

B. The Alliance Continues to Face Budget Challenges

The Alliance continues to face challenges associated with its budget. The main funding source for the Alliance comes from an investment by the NTRA, from the track inspection fees, and donations. In order to sustain its efforts, it is likely that additional resources will be required. At this time, the accredited tracks and the NTRA are the only stakeholders that make a significant investment in the Alliance. At this juncture, the Alliance has one full-time staff, the Executive Director, and a number of consultants that help in the inspection process. The Alliance needs to build a staff that can create and maintain a rigorous entity.

In spite of the lack of direct contribution from industry stakeholders outside of accredited racetracks and the NTRA, the Alliance has been successful in obtaining support of its programs, including the Continuing Education program held in October 2010. Entities including Pfizer Animal Health, the Keeneland Association, and the American Association of Equine Practitioners Foundation have supported the Alliance's efforts.

C. Safety Remains a Critical Issue

Although significant improvements in safety have been made, we remain concerned that there are safety issues that persist. However, as a function of going through the accreditation process, a number of tracks have made marked improvements in the areas of safety and integrity of their tracks. Below are some of the highlights of the safety improvements:

- **Churchill Downs and Keeneland** adopted a house rule requiring the use of a cushioned riding crop prior to the Kentucky Horse Racing Commission making use of a cushioned crop a statutory requirement. In addition, both tracks petitioned the Kentucky Horse Racing Commission to adopt a rule allowing for out-of-competition testing to be conducted on horses racing in Kentucky. According to the Equine Medical Director of the Kentucky Horse Racing Commission, an out-of-competition rule is close to being adopted and expected to be approved in summer 2011.
- **Delaware Park** adopted the use of cushioned crops as a result of applying for accreditation. In the accreditation process, the track learned that the state rule concerning the use of Furosemide was inconsistent with the ARCI Model Rule and petitioned the Delaware Racing Commission to change the rule. The rule change is in process. Additionally, Delaware Park and its horsemen's group formally aligned with Mid-Atlantic CANTER, a racehorse adoption agency, in order to meet the Alliance standard for aftercare of retired racehorses.
- **Belmont Park, Saratoga, and Aqueduct** racetracks, operated by the New York Racing Association (NYRA), implemented house rules regarding the use of cushioned crops. The NYRA successfully urged the New York State Racing and Wagering Board to adopt an out-of-competition testing rule, which was accomplished this year.
- **Hollywood Park, Del Mar, Oak Tree Racing Association, Santa Anita Park, and Golden Gate Fields** have combined their advocacy efforts to contribute to the California Horse Racing Board enacting rules regarding the use of riding crops and rulemaking regarding the adoption of more stringent requirements for safety helmets and safety vests.
- **Calder Race Course** in Miami Gardens, Florida made some fairly significant operational changes, including adopting the use of cushioned crops as a house rule, improving starting gate padding, and adopting a house rule concerning the use of shock wave therapy on association grounds. Calder also petitioned the Florida Division of Pari-Mutuel Wagering to adopt a post-mortem examination program for horses and petitioned the state to enact a pre-race sampling program for testing for Alkalinizing substances.
- **Monmouth Park** adopted the use of cushioned crops through a house rule and established a relationship with and a funding mechanism for Re-Run, a retired racehorse adoption program.
- **Arlington Park** adopted house rules regarding the use of cushioned crops in their races and regarding administration of shock wave therapy on association grounds. Arlington advocated successfully for the adoption of a pre-race sampling protocol for Alkalinizing substances. Additionally, it established a racehorse retirement program in cooperation

with its horsemen's group and now require participation in the Jockey Health Information System, an online database that makes jockeys' medical history immediately accessible to emergency healthcare providers.

- **Turfway Park** petitioned the Kentucky Horse Racing Commission to adopt an out-of-competition testing rule and created a "surrender stall," where horsemen can make sure a horse that is no longer able to compete can be brought to the Kentucky Equine Humane Center.
- **Fair Grounds** in New Orleans greatly improve the pre-race examination process. The regulatory veterinarian on the inspection team encouraged improved protocols, which were not yet in use. The track adopted the use of cushioned riding crops and added new padding to its starting gate.

D. A Better Public Understanding of the Alliance Is Required

The public continues to lack a deep understanding of the Alliance's activities. A better public understanding of the Alliance and its role will help elevate the significance of the Alliance and the desirability of accreditation. Furthermore, as the Alliance matures from its formative stages, greater emphasis should be placed on promoting and highlighting those facilities that have committed the resources to achieve accreditation.

E. Expansion of the Code of Standards Results in a Need for Additional Resources

As we discussed above, the Code now incorporates a section on wagering security. Although we believe this is an important step in furthering the integrity of the industry, we also recognize that such an expansion will require additional expenses associated with monitoring and implementing these new requirements. We believe that this will place additional stresses on the Alliance's budget. In order to appropriately monitor and implement these new requirements, additional staffing and time will likely be required.

VI. Independent Monitor's Recommendations

Given our assessment, and consistent with our analysis above, the Independent Monitor makes the following recommendations:

A. Increase the Number of Accredited Tracks

In the coming year, the Alliance should focus on increasing the number of accredited tracks. This objective is twofold: (1) motivate currently accredited tracks to apply for re-accreditation following the conclusion of the initial two-year accreditation cycle; and (2) identify and attract new tracks to apply for initial accreditation.

The Independent Monitor views the sliding scale payment methodology as an important improvement in achieving the goal of accrediting all racetracks. This methodology makes sense from a cost perspective, particularly in light of the economic challenges facing the industry today.

Continuing along this path in facilitating accreditation for racetracks, the Alliance should identify the tracks that it believes are high priorities for accreditation and should engage in a thoughtful campaign to convince those tracks to enter into the Alliance process.

B. Secure Additional Investments in the Alliance

We remain concerned about the resources available to the Alliance to fulfill its mission in the coming year. As discussed above, the racing industry, like many industries throughout the United States, faces a difficult economic time. Nonetheless, investment by a broader range of stakeholders is essential for the Alliance to achieve its goals in the following areas: communication to all industry stakeholders, including fans, measurement of ongoing compliance at accredited tracks, and education and promotion of the Alliance to non-accredited tracks. In order for the Alliance to most effectively and efficiently perform its functions, the Alliance needs greater funding. With additional funding, the Alliance could add additional staff. Ideally, in the near future, the Alliance should have at least one person dedicated full time to the inspections process, at least one person dedicated to compliance of accredited facilities, at least one person responsible for development of increasing the presence and understanding of the Alliance amongst racing fans, and at least one person working to update the Code and monitor regulatory developments in racing jurisdictions in which an accredited facility resides. This level of staffing will be imperative as the Alliance continues its growth.

C. Promote Industry Consideration of Additional Funding Mechanisms for the Alliance

We remain concerned about the available resources to fund the Alliance's activities in the years to come. As described above, the industry is facing some real financial challenges. However, investment by a broader group of stakeholders and appropriate corporate sponsors can ensure continued viability of the Alliance's efforts – and will enable the Alliance to expand its reach.

All industry stakeholders, not just accredited tracks and the NTRA, should invest in the Alliance because the success of the Alliance is critical to the overall success of the industry, the other stakeholders should be encouraged to get involved in these efforts. Widespread involvement should include horsemen, breeders, jockeys, veterinarians, the aftercare community, and others. Financing methods, including annual dues or upfront investments utilized in other industries, might be considered.

D. Create Incentives for Racetracks to become Accredited

As discussed above, the lack of an enforcement mechanism or incentive for accreditation is impeding the success of the Alliance's accreditation efforts. We encourage the industry to consider a long-term strategy to enact the type of enforcement mechanism necessary. While we believe that there may be other ways of achieving this type of incentive for participation, we

encourage the Alliance to consider ways in which the Graded Stakes Committee⁸ can be engaged in the process. Other options include engaging state regulatory authorities to consider requiring accreditation as a condition of licensure.

E. Educate Fans about the Alliance's Work

A better job can and should be done to brand the Alliance and educate racing fans about the Alliance's efforts to improve the sport. If racing fans understand what Alliance accreditation means, they may only want to wager on Alliance facilities. As discussed in the 2009 Report of the Independent Monitor, the Alliance should provide periodic progress reports to fans providing an accounting for overall activities. Direct and consistent reporting from the Alliance to its fans will instill greater confidence in the Alliance and its work. We note that there is a good deal of publicity on the NTRA website regarding the Alliance's work and the accreditation process – an important step in the process of engaging the fans in the Alliance's activities. However, we recommend that more be done to engage fans in the Alliance's work to improve the sport.

VII. 2011 Expectations

While the lack of accreditation through the end of the calendar year appears to be problematic, we recognize that the Alliance is still in its infancy – just two years old. While the number of accreditations may seem small in quantity, tracks accredited thus far represent most of racing's premier venues. In addition, nearly 70 percent of annual nationwide pari-mutuel wagering handle is represented by the tracks already accredited. However, for the Alliance to succeed, broader support must be garnered.

It has been reported by the Alliance and NTRA personnel that 2011 is expected to be a significant year in terms of track accreditations. Expectations are that all or nearly all tracks originally accredited in 2009 will seek re-accreditation. Further, many tracks that had planned on going through the accreditation process in either 2009 or 2010 but sought to delay due to economic circumstances have indicated that they will be able to participate in 2011. As part of this significant activity going forward in 2011, the Independent Monitor plans to have an increased presence in the accreditation and review process. We believe that 2011 will present opportunities to improve the integrity of the sport and we look forward to working with the Alliance to achieve its objectives.

⁸ The Thoroughbred Owners and Breeders Association (TOBA), a trade group representing racehorse owners and breeders, produces an annual list of Graded Stakes, based on a comprehensive grading of all major races run in North America. A committee of TOBA and racetrack representatives contributes to the decisions concerning grading.