

# ***Virginia Horsemen's Benevolent & Protective Association***

## **Frequently Asked Questions**

The 40 day summer meet at Colonial Downs in New Kent, Virginia ended on a mixed note. Once again racing was of good quality and very competitive. The major stakes drew some of the top young turf horses in the country, with *Battle of Hastings* and *Straight Story* finishing first and second, separated by a head, in both the \$500,000 Colonial Turf Cup (Gr. 3) and the \$750,000 Virginia Derby (Gr. 2).

Overall nearly seventy-five percent of racing during the meet was on Colonial's huge grass course. An average of 9.5 horses started in each turf race, a significant increase over last season. And the temperate weather was a welcome respite from the usual dog days of summer in central Virginia.

On track wagering handle and attendance averaged about the same as the prior year. Total handle, however, including out of state simulcast wagering was down more than 30% compared to the 2008 meet.

Following are questions often asked by horsemen about the summer meet.

*Question: Why couldn't horsemen in states like Maryland, Florida, and Kentucky watch and wager on Colonial's races?*

Answer: TrackNet Media, the agent for Churchill's tracks (Churchill Downs, Calder, the Fairgrounds, and Arlington Park), Magna's tracks (Laurel, Pimlico, Gulfstream, Santa Anita, Thistledown, Lone Star, Golden Gate Fields, Remington Park, Portland Meadows, and the Meadows), and their on-line wagering companies Twin Spires (Churchill) and XpressBet (Magna), boycotted Colonial's signal. Colonial's races were not shown at any of those tracks or their associated off track betting locations nor were they available for wagering and watching on the internet through Twin Spires or XpressBet. YouBet, not associated with TrackNet but one of the most popular on-line wagering companies in the country, also refused to take wagers on Colonial's races. TVG was the only on line company licensed in Virginia that offered out of state wagering on Colonial Downs racing.

Based on prior wagering history the combined boycott likely caused a 25% drop, or nearly \$10 million, in Colonial's off track wagering handle. As a result the Virginia horsemen's purse account was about \$125,000 poorer.

The professed reason for the boycott appeared both simple and shortsighted. TrackNet acting for Twin Spires and XpressBet, and YouBet purportedly on its

own, viewed their boycott as a protest against legislation enacted this Spring by the Virginia General Assembly. It increased fees on all advance deposit wagering companies licensed and doing business in Virginia.

Under existing contracts between Twin Spires, XpressBet, and YouBet, on the one hand, and Colonial Downs and the Virginia HBPA on the other, those companies paid the track and the horsemen a “source market fee” of approximately 8% on all wagers by Virginia account holders. The new law, effective July 1, 2009, increased that fee to 10%.

Even though Colonial and the VHBPA agreed to honor the old 8% rate through 2009, including this summer’s race meet, TrackNet and YouBet nonetheless boycotted Colonial’s signal. Those internet companies, however, continued to take wagers from Virginia residents on all other races around the country.

On January 1, 2010 Twin Spires, XpressBet, and YouBet will face a dilemma. Their yearly licenses to do business in Virginia will be up for renewal by the Virginia Racing Commission. But renewal cannot be granted unless those companies begin paying the statutory 10% fee. Their only alternative, short of seeking some sort of accommodation from their boycott victims (the Virginia HBPA and Colonial Downs), is to stop doing business in Virginia.

Why TrackNet extended its boycott to include the Churchill and Magna tracks and their off site wagering locations, who were not affected by the new legislation, was not clear.

*Question: Why weren’t there more overnight races for Virginia bred?*

Answer: Racing Secretary Tyler Picklesimer wrote twenty races restricted to Virginia bred, including maiden and claiming races on the turf and dirt, both short and long. Only four of the races, all for maidens, attracted sufficient entries (between 9 and 13) to be carded. The other races drew from zero to six entries and were not used.

In addition to the four overnights for maidens seven stakes races for Virginia bred were carded.

*Question: Why did it take so long for the horsemen’s bookkeeper to issue purse checks?*

Answer: Checks were routinely distributed on Friday for the previous five days of racing, Friday through Tuesday, with the exception of the winner’s purse. Because the winner and another horse selected by the stewards were drug tested after each race their purse money was withheld until results were received from the Commission’s Iowa testing laboratory. That usually was about 8 or 9 days after a race.

Horsemen from south Florida may have considered Colonial's system slow because at Calder and Gulfstream purse money is released 72 hours after a race without regard to receipt of drug test results. But Colonial's practice was pretty much the same as that of its Mid Atlantic neighboring tracks.

*Question: Why did horsemen have difficulty gaining free admission to Colonial's fourth floor Turf Club?*

Answer: In past years the VHBPA had a fourth floor sky suite every day of the meet, meaning horsemen always had complimentary access to the Turf Club. This year track management limited that use to weekdays because it expected to sell the suite on Saturdays and Sundays. On weekends the VHBPA did have a table for 10 in the Turf Club. Free use of it was controlled by wrist bands given at the ground floor upgrade window to the first ten horsemen who asked to go to the fourth floor. Number eleven was out of luck.

But horsemen at all times had unlimited free access to the third floor Jockey Club, which simply required picking up a wrist band at the upgrade window.

Next summer we expect complimentary admission to the Turf Club will resume.