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BEFORE THE
TEXAS RACING COMMISSION
AUSTIN, TEXAS

COMMISSION MEETING
JUNE 3, 2008

Reported by: SHERRI SANTMAN FISHER
Job #9-69354

1 BE IT REMEMBERED that the above entitled matter
 2 came on for hearing on the 3rd day of June, 2008,
 3 beginning at 10:30 A.M. at 105 West 15th Street, Room
 4 120, Austin, Travis County, Texas, and the following
 5 proceedings were reported by SHERRI SANTMAN FISHER,
 6 Certified Shorthand Reporter for the State of Texas.

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APPEARANCES

- Commissioners: JESSE R. ADAMS
- G. KENT CARTER
- CHARLES L. "SONNY" SOWELL
- RONALD F. EDERER
- ROLANDO PABLOS
- ROBERT SCHMIDT
- GLORIA HICKS
- BETH ANDERSON
- JIMMY ARCHER

1 CHAIRMAN ADAMS: Good morning. It is now
2 10:30 on June the 3rd, 2008, and we'll now convene this
3 meeting of the Texas Racing Commission.

4 Could I please have a call -- a reading
5 of the roll call by Ms. Abby Armendariz? Help me
6 pronounce that.

7 MS. ARMENDARIZ: Armendariz.

8 CHAIRMAN ADAMS: Armendariz. Thank you,
9 ma'am.

10 MS. ARMENDARIZ: Commissioner Jimmy
11 Archer?

12 MR. ARCHER: Here.

13 MS. ARMENDARIZ: Commissioner Gloria
14 Hicks?

15 COMMISSIONER HICKS: Here.

16 MS. ARMENDARIZ: Commissioner Rolando
17 Pablos?

18 COMMISSIONER PABLOS: Here.

19 MS. ARMENDARIZ: Commissioner Robert
20 Schmidt?

21 COMMISSIONER SCHMIDT: Here.

22 MS. ARMENDARIZ: Commissioner Sonny
23 Sowell?

24 COMMISSIONER SOWELL: Here.

25 MS. ARMENDARIZ: Commissioner Beth

1 Anderson?

2 MS. ANDERSON: Here.

3 MS. ARMENDARIZ: Commissioner Dr. Kent

4 Carter?

5 VICE-CHAIRMAN CARTER: Here.

6 MS. ARMENDARIZ: Commissioner Chairman

7 Jesse Adams?

8 CHAIRMAN ADAMS: Here.

9 If I could please remind you all to
10 turn -- silence your cell phones.

11 Excuse me. Did we miss someone? We
12 missed Ron. Okay.

13 MS. ARMENDARIZ: I'm sorry.

14 COMMISSIONER EDERER: I'm here.

15 MS. ARMENDARIZ: Commissioner Ron

16 Ederer?

17 CHAIRMAN ADAMS: There you go. Okay. We
18 do have a quorum.

19 And I'd like to ask and remind everyone
20 to silence their cell phones. I'll also remind
21 Commissioners that you have a little button underneath
22 the counter right here that will activate your mike
23 and, when the mike is activated, it has this nice
24 little orange band around it lit up.

25 So the first item of business here will

1 be the public comment section of our hearing.

2 Mr. Fenner, do we have anyone who has signed to speak
3 at this time?

4 MR. FENNER: No, sir, we do not.

5 CHAIRMAN ADAMS: Thank you, sir.

6 We'll move on to general business then,
7 discussion, consideration, and possible action on the
8 following matters: Our No. 1 item, budget and
9 finance. Shelley Harris-Curtsinger, our chief
10 financial officer, will report. Thank you.

11 MS. HARRIS-CURTSINGER: Good morning,
12 Commissioners. We are 66.67 percent through the
13 current fiscal year of 2008 and this is as of April
14 30th. We are currently eight percent under budget
15 looking at just our operating budget; and looking at
16 our total budget, we are 9.73 percent under budget as
17 of April 30th.

18 In addition to the budget, we are gearing
19 up for the next legislative session and will begin
20 preparing the legislative appropriations requests this
21 next week.

22 In looking at the information in your
23 packets, if you have any questions, I'll be happy to
24 answer them.

25 CHAIRMAN ADAMS: Any questions at this

1 time?

2 I think not. Thank you very much.

3 The next item is a report on racetracks.

4 Carol Olewin, compliance auditor administrator,
5 please.

6 MS. OLEWIN: Good morning,
7 Commissioners. This is a report on racetrack
8 inspection activities. On May 6, we did an inspection
9 of Corpus Christi Greyhound Park facilities. Staff
10 inspected the kennels, backside, grandstand, and track
11 surface. Track management submitted a plan on May 28th
12 to address the deficiencies identified during the
13 inspection. Staff will conduct follow-up inspections
14 to evaluate the progress of repairs.

15 Gulf veterinary inspection did not have
16 any unsatisfactory items.

17 Lone Star pari-mutuel inspection did not
18 have any unsatisfactory items.

19 Lone Star's safety and security had four
20 unsatisfactories. They're with office equipment, fire
21 prevention, hay storage, and stable area lighting. All
22 of those have been corrected.

23 Lone Star stewards had one inspection --
24 or unsatisfactory inspection. The new office
25 facilities for Commission and DPS staff do not have

1 private telephone lines. Proposed changes in Rule
2 309.118, regulatory office space and equipment, define
3 the requirements of a private telephone line.

4 Lone Star veterinarian had one
5 unsatisfactory inspection with manure removal and
6 insect control. That's been resolved.

7 Manor Downs safety and security and
8 racing stewards, these are -- deficiencies were
9 identified in the grandstand, parking lot lighting, and
10 Commission office. These deficiencies will be
11 addressed during the downtime between meets.

12 Retama safety and security, racing
13 stewards, pari-mutuel, and veterinarian had no
14 unsatisfactory items.

15 And Sam Houston stewards had no
16 unsatisfactory items.

17 CHAIRMAN ADAMS: Any questions for staff
18 on this line item?

19 Thank you, ma'am. There are none.

20 I'd just like to take this time to thank
21 Commissioner Hicks and Commissioner Pablos for their
22 time spent attending and reviewing the Corpus Christi
23 track. And we thank you very much for that.

24 The next item is report and update by the
25 executive director and staff regarding administrative

1 matters. Charla Ann King, executive director.

2 MS. KING: Mr. Chairman and members, I
3 have three areas to report on today. First, regulation
4 issues. We've been working for some time now on an
5 extremely important issue, a significant revision of
6 the horse trainer examination process. This includes
7 revisions to both the written and practical exams.

8 In conjunction with the new test, the
9 Commission is preparing a study guide for prospective
10 trainers that will assist them in their preparations to
11 take the exams. The study guide is scheduled to be
12 available later this month, with the new exams to be
13 used starting July 1st, 2008.

14 The revised written exam will consist of
15 100 multiple choice, fill in the blank, short answer,
16 and true/false questions. The questions will cover
17 such areas as the Rules of Racing, the Texas Racing
18 Act, general racing terms, the anatomy of a horse,
19 trainer responsibility, drug testing, pari-mutuel
20 wagering, equipment, veterinary policy, condition
21 books, and claiming.

22 The revised practical exam will consist
23 of 10 question areas administered by the Commission in
24 coordination with the Texas Horsemen's Partnership. A
25 panel comprised of a Commission steward, a Commission

1 veterinarian, and a THP representative will judge
2 performance on the practical exam.

3 The questions are designed to test the
4 applicant's general hands-on barn and horse knowledge
5 and will include topics such as wraps, bandages, tack,
6 saddling, and leads. Additionally, the applicant must
7 display knowledge of the Commission medication rules
8 and labeling requirements and exhibit a working
9 knowledge of the care and treatment of a horse, which
10 will include taking a horse's temperature and pulse and
11 examining a horse for buck shins, bowed tendons,
12 thrush, and other common equine conditions.

13 Thanks very much to all of the staff
14 involved, especially Cathy Cantrell who drove the
15 process, and Tooter Jordan and Wanda O'Banan at the
16 Texas Horsemen's Partnership. And we also need to
17 recognize Rhonda Fritsche, our legal counsel's
18 efforts. She was instrumental in the process,
19 particularly in the written exam.

20 Next, a request from the Association of
21 Racing Commissioners International or RCI. On May 23rd
22 staff received a request for information from RCI based
23 on a request from the U.S. House of Representatives
24 Committee on Energy and Commerce subcommittee on
25 commerce trade and consumer protection. The

1 become a significant issue. The ability for big
2 concert transportation vehicles to traverse the turf
3 course to get to the infield has pressed Sam Houston
4 into proposing a solution to provide for access across
5 the turf course. They've done a tremendous amount of
6 research and work on their proposal. They've invested
7 significantly to broaden the appeal of coming to Sam
8 Houston Race Park.

9 Key staff and Dr. Carter attended a
10 presentation, along with industry reps, in early April,
11 at which point their vendor made a presentation and Sam
12 Houston's staff answered a lot of questions. Based on
13 the results of that meeting, I developed a request for
14 information to obtain details about the proposal that
15 they're making.

16 The plan at this point is to distribute
17 Sam Houston Race Park's response to our request and
18 obtain written feedback from all stakeholders and
19 interested parties. Before you leave today, I will
20 provide you with a copy for your information. Please
21 review it carefully and let me know what you think. It
22 is an interesting and innovative approach, but it
23 raises critical issues.

24 The rules currently require the executive
25 director make the approval decision. It is not a

1 decision that comes before the Commission. And so I'm
2 going to need the thoughtful counsel of all the
3 Commission members and industry representatives to
4 reach the best outcome. I have those materials. I
5 will make sure that you get them before you go today.

6 The next racing issue is the simulcast
7 approval dispute between the Texas Horsemen's
8 Partnership and Lone Star Park. I'll give you an
9 update. We're continuing to monitor the disagreement
10 between the Texas Thoroughbred HBPA and Lone Star Park
11 over the purse allocations from the advance deposit
12 wagering outlets.

13 As you recall from previous briefings,
14 the Thoroughbred HBPA has joined efforts with a
15 national Thoroughbred horsemen's group to obtain larger
16 purse share of ADW wagers placed on Lone Star Park's
17 Thoroughbred races. Lone Star Park has cut purses
18 because of the lost revenue.

19 The horsemen are apparently tolerating
20 the cuts in hopes of getting a larger share of the
21 growing advance deposit wagering revenue stream. The
22 racetrack continues to indicate that an increase in the
23 purse share is not financially feasible. Both the
24 horsemen and the tracks are -- track are maintaining
25 their positions; and last I checked, they remain at a

1 stalemate.

2 Similar horsemen efforts in other states
3 have also taken place. In fact, legal action is under
4 way in Kentucky. Calder and Churchill have sued the
5 Thoroughbred horsemen's group in Federal Court in
6 Kentucky. The complaint was recently amended to
7 include the Kentucky HBPA. Churchill and Calder are
8 alleging that the defendants' action have violated the
9 Sherman Antitrust Act.

10 Churchill also announced a purse cut of
11 20 percent. The HBPA in Kentucky asked the Kentucky
12 Horse Racing Authority to review the propriety of the
13 purse cut. The authority heard comment on the issue,
14 indicated that it was a private contractual dispute
15 between the horsemen and the tracks, but would continue
16 to study the matter.

17 The HBPA in Kentucky then filed a motion
18 for a preliminary injunction to restore the purses and
19 asked until July 20th to respond with their own
20 counterclaim. The judge has scheduled a teleconference
21 for June 4th, tomorrow, to discuss the pending motion
22 and we'll keep you posted as the case proceeds.

23 The last area of my report is in regard
24 to administrative issues. The first, staff is
25 currently rewriting the Commission's existing business

1 continuity plan. This is a plan -- it's a document
2 that specifically guides the agency when restoring
3 agency operations in the event of a declared disaster.

4 Our plan contains agency-wide policies
5 and procedures as well as action instructions to follow
6 to get back up and running as quickly as possible after
7 a major disruption. The revised plan will address
8 recommendations from our most recent internal audit.
9 The internal audit recommended additional types of
10 analysis for review in the planning process. And you
11 all should have a copy of that audit.

12 In response, we conducted a business
13 impact analysis survey in May and the results are
14 currently being compiled. A security risk assessment
15 and recovery strategy are in the process of being
16 drafted for review. These additional types of analysis
17 are currently required by rule by the Department of
18 Information Resources.

19 In addition to the internal audit
20 recommendations, which only address DIR requirements,
21 the plan is being rewritten to address recent guidance
22 from other relevant oversight agencies, including the
23 Governor's Division of Emergency Management and the
24 Texas State Library and Archives Commission, as well as
25 legislation that passed last session.

1 Consequently, rewriting the plan has
2 become a much more comprehensive task that is hindered
3 by the fact that oversight agencies have yet to
4 integrate their numerous overlapping requirements into
5 a unified statewide approach to business continuity
6 planning and disaster recovery.

7 We look forward to receiving further
8 direction from the State of -- the State Office of Risk
9 Management, which was identified last session as the
10 primary entity to assist agencies with the development
11 of business continuity plans.

12 Ideally, an approach similar to that of a
13 statewide strategic planning process would be developed
14 in which the oversight entities issue a set of
15 instructions to ensure clear and consistent guidance to
16 the rest of State Government. In the meantime, staff
17 will continue to develop a plan that meets as many of
18 the requirements as possible and plans to have a
19 finished draft by the end of June.

20 My last item is in regard to the sunset
21 process. I want to thank all the Commissioners for
22 their participation at the hearing and in their
23 follow-up efforts since the hearing. It was an
24 interesting day. I felt it was a good opportunity for
25 the Legislature to understand a whole lot more about

1 horse racing and the regulation that we provide.

2 We've responded to requests for
3 information and assisted Kelly Kennedy as staff works
4 to fill the Sunset Commission members' requests. I
5 predict that discussion of the issues will start to
6 pick up just as we get closer to the next meeting of
7 the Sunset Commission. For your calendars, that date
8 is Tuesday, June 24th.

9 The agenda will take up decisions first
10 and those decisions will be in the order of the
11 testimony taken at the April meeting. That puts us at
12 the end of the decision-making agenda and we're hoping
13 that that will occur before lunchtime.

14 They do not take testimony from the
15 agencies that had a public hearing. However, we will
16 need to be prepared to answer questions, if they have
17 them, while they're deliberating on what legislative
18 actions they want to take. I anticipate that questions
19 be fielded by the Chair, Vice-chair, or executive
20 staff.

21 That concludes my report, Mr. Chairman.

22 CHAIRMAN ADAMS: I don't know what to
23 say. Can you pile any more on us?

24 MS. KING: Those are just the
25 highlights.

1 CHAIRMAN ADAMS: Questions?

2 COMMISSIONER SOWELL: I think we ought to
3 get her a glass of water anyway.

4 CHAIRMAN ADAMS: I doubt that you knew it
5 was going to be like this when you took on this task,
6 did you?

7 MS. KING: I agree with that statement,
8 Mr. Chairman.

9 CHAIRMAN ADAMS: I don't think so. I
10 don't think -- when Sonny and I were interviewing her,
11 I doubt we brought that to her attention, did we?

12 COMMISSIONER SOWELL: Had we known, we
13 would have held it back.

14 CHAIRMAN ADAMS: That's right.

15 Yes, Beth?

16 MS. ANDERSON: I have one question. Page
17 42 of the report talks about penalty matrices that are
18 utilized in other State agencies for administrative
19 penalties and so forth and sort of characterizes that
20 as the best practice. Do we have any kind of similar
21 penalty matrix or is it all sort of informal by past
22 practice? How do we -- how -- can you help me
23 understand how we determine penalties to assess?

24 MS. KING: I'm sorry, Commissioner. Can
25 you clarify that just a little? Are you talking

1 penalties in terms of the action we take when there's a
2 violation of the rules?

3 MS. ANDERSON: Right, the administrative
4 various kinds of penalties, right.

5 MS. KING: Okay. We have the penalty
6 guidelines that we use. And have you seen a copy of
7 those yet?

8 MS. ANDERSON: I don't know. Maybe I
9 have and I've just forgotten.

10 MS. KING: Okay. That's what we use to
11 guide the penalties that are issued by the stewards and
12 the judges. And we can get you a copy of those. Mark
13 or John could characterize them in more detail. I'm
14 drawing a little bit of a blank.

15 MS. ANDERSON: Well, that would be a good
16 start, just if you could just send me a copy of them.
17 And then I'm just responding to -- you know, I thought
18 the report was well done, you know, a good product of
19 your former employer, and -- but that did raise a
20 question for me. It's on page 42 of the report they
21 talk about penalty matrices. So that's kind of what
22 I'm -- I'm sorry. I'm sorry. I've misspoken.

23 There is a discussion in the DPS sunset
24 report on page 42 about penalty matrices and so it led
25 me to wonder whether we have them. Sorry. Boy, that's

1 different, isn't it? Sorry.

2 MS. KING: Yes, we definitely have them.

3 MS. ANDERSON: So I'm just interested
4 in -- if you'd just send them to me, that would be
5 great.

6 MS. KING: Okay.

7 MS. ANDERSON: Sorry for my confusion
8 here. Too many sunset reports.

9 MS. KING: That's fine. The only thing
10 I'll add to that is that that's an item of national
11 interest and having uniform penalty guidelines used
12 across all the -- across the jurisdictions. So we may
13 add a little information to your request in that
14 regard.

15 MS. ANDERSON: Okay. That would be
16 great. Thank you very much. Sorry for my confusion.

17 MS. KING: No problem. Thank you.

18 CHAIRMAN ADAMS: So DPS is in the sunset
19 review as well.

20 MS. ANDERSON: We sure are.

21 CHAIRMAN ADAMS: So you're getting a
22 double dose of this. That's great.

23 Okay. Any other questions for our
24 executive director?

25 COMMISSIONER SCHMIDT: Just a brief

1 question. I enjoyed your report. Just to clarify the
2 issue with Sam Houston and the turf course.

3 MS. KING: Yes, sir.

4 COMMISSIONER SCHMIDT: We're concerned
5 about damage to the turf course by access or to prepare
6 for a concert?

7 MS. KING: We are concerned about the
8 condition of the section that will be used as a
9 crossing, its consistency with the rest of the turf
10 course. And they have a fairly innovative approach to
11 this that is pretty technical in terms of the way that
12 they've developed placement of grass trays for the
13 crossing. And so I'll give you some documents that
14 will explain that in detail. And the issue is
15 consistency from the -- on either side of the crossing
16 across.

17 COMMISSIONER SCHMIDT: Particularly when
18 the weather changes.

19 MS. KING: And maintenance.

20 COMMISSIONER SCHMIDT: Sure. So barn
21 security is not a concern.

22 MS. KING: No.

23 COMMISSIONER SCHMIDT: Okay. Thanks.

24 MS. KING: Thank you.

25 CHAIRMAN ADAMS: Okay. Any other

1 questions?

2 I thought it would be a good time at this
3 point in the agenda to ask our subcommittees, our two
4 working groups, to report on their progress. And I'll
5 begin with the ethics and procedures by Chairman Ederer
6 who is chairing that group. If you'll just give us a
7 short little update of where we are, Ron.

8 COMMISSIONER EDERER: Well, what I've
9 done was, with the help of staff and other assistance,
10 put together just a volume, a rather large volume, of
11 all ethics questions that could arise that apply to us
12 as Commissioners, to staff, to people who work in the
13 industry. And I've just -- like I said, I've combined
14 a rather large volume and I have submitted that to my
15 two assistants -- not assistants. That wouldn't be a
16 proper term. My two co-Commissioners or co-committee
17 people, which would be Ms. Anderson and Mrs. Hicks.
18 And we're reviewing those.

19 Mrs. Anderson has submitted to me a
20 considerable amount of comments concerning that, and
21 Ms. Hicks and I have discussed it this morning. We
22 will be -- in the next few weeks I'll be revising it,
23 cutting it down where it's manageable. It certainly is
24 not manageable now.

25 But I wanted both of the Commissioners to

1 review just about everything that is available to
2 review and then we start whacking it. Then we'll get
3 it down where it's manageable. And I would say prior
4 to the next Commission meeting I hope I will have a
5 draft to all of you. And like I said, staff has been,
6 you know, much assistance.

7 CHAIRMAN ADAMS: And we went to other
8 states as well as other agencies?

9 COMMISSIONER EDERER: Exactly. We went
10 to Oklahoma, Louisiana, New Mexico, and Arkansas for
11 their input. Arkansas did not respond, I don't
12 believe, did they? No. But we did get it from the
13 other three states. So we'll have something; but like
14 I said, it needs a lot of condensing.

15 CHAIRMAN ADAMS: Okay. Very good. Very
16 good. I thank you all three for spending valuable time
17 working on that. Thank you, Ron.

18 Next, Commissioner Pablos heads up the
19 finance subcommittee. And, Rolando, if you would
20 please bring us up to speed.

21 COMMISSIONER PABLOS: At this time we
22 have not had an opportunity to meet and so I'm just
23 waiting to find a good time to get together and
24 hopefully by next time we'll have a full report.

25 CHAIRMAN ADAMS: Okay. Very good, sir.

1 The next item of business is the
2 Commission's strategic plan for the fiscal years 2009
3 through 2013. Charla Ann King will present a report on
4 this plan.

5 MS. KING: Thank you, Mr. Chairman. You
6 should find a copy of the draft strategic plan at your
7 place. We distributed it this morning. This is the
8 first draft. Thank you to the Commissioners who have
9 provided input so far. I've heard from some of you.

10 Please take a look at it. We need your
11 comments no later than June 26th. It's due to the
12 Legislature and the Governor's office by July 11th. We
13 provided for you a calendar also which should be at
14 your place for both the strategic plan and the
15 budgeting process. So you can kind of take a look at
16 that.

17 And what I would like to stress is that
18 we are available to visit with you individually by
19 telephone after you've had a chance to look at it and
20 kind of identified areas that you're more interested in
21 and would like to work with you on it.

22 The section of the report that takes
23 quite a bit of time and insight and kind of getting
24 into that perspective of the big picture is the
25 assessment section, both the internal and the

1 external. There's certainly a lot to comment on in the
2 racing industry in that regard and within the
3 regulation; so that would probably be a good place to
4 focus, on the assessment, to make sure we're making the
5 kind of longer range picture statement that you all
6 think is important. And Jean and I am working on it
7 and Megan also, so any of us can assist you with that.

8 CHAIRMAN ADAMS: Okay. And there is an
9 action item here that we need to proceed with. And I'm
10 going to ask for a motion to approve the draft of the
11 strategic plan for fiscal year '09 through '13 for
12 submission to the Legislative Budget Board subject to
13 the Chair's final review and authorization. Staff is
14 directed to continue to seek and accept input from
15 Commissioners while developing the final plan.

16 COMMISSIONER SOWELL: So move.

17 COMMISSIONER EDERER: Second.

18 CHAIRMAN ADAMS: I have a motion by
19 Commissioner Sowell and seconded by Commissioner
20 Ederer.

21 All those in favor -- any discussion?

22 All those in favor please say aye.

23 COMMISSIONERS: Aye.

24 CHAIRMAN ADAMS: Any opposed?

25 The motion carries. Thank you.

1 Thank you, Charla Ann.

2 The next item is report and update by the
3 Texas Thoroughbred Association as the official State
4 horse breed registry. Mr. Dave Hooper, please, sir.

5 MR. HOOPER: Good morning, Mr. Chairman
6 and members of the Texas Racing Commission. My name is
7 David Hooper and I am the executive director of the
8 Texas Thoroughbred Association.

9 The Texas Thoroughbred Association
10 greatly appreciates the opportunity to appear before
11 you today as the official State breed registry for
12 Thoroughbreds and to have an opportunity to provide you
13 with a report on the status of the Thoroughbred
14 industry in Texas and an update on TTA's activities.

15 I would like to begin by providing you
16 with a thumbnail sketch of the organization. Founded
17 in 1955, the Texas Thoroughbred Association is governed
18 by a 21-member board of directors and presently
19 represents 1923 owners, breeders, stallion owners, and
20 other persons interested in the Texas racing and
21 breeding industry. And while our membership has
22 declined, I believe we still are the largest State
23 breed registry in number of members in the United
24 States.

25 TTA has eight full-time employees working

1 in its offices in Austin near the intersection of I-35
2 and Highway 290. In addition to fulfilling TTA's
3 statutory responsibilities as administrator of the
4 accredited Texas-bred incentive program for
5 Thoroughbreds, TTA also publishes an award winning
6 magazine The Texas Thoroughbred six times a year and a
7 stallion register, maintains an active website that can
8 be accessed at www.texasthoroughbred.com, sponsors a
9 two-year-olds in training sale each spring, a yearling
10 sale in late August, and a mixed sale in December, with
11 all auctions conducted by Fasig-Tipton Texas, a
12 subsidiary of Fasig-Tipton Company, the oldest
13 Thoroughbred auction house in North America. And those
14 sales are conducted at the Texas Thoroughbred Sales
15 Pavilion at Lone Star Park.

16 Also TTA interacts on breed and racing
17 issues with Texas track operators, the Texas
18 Legislature, Texas government officials, other breed
19 registries, the Texas equine research and advisory
20 committee, and, of course, the Texas Racing
21 Commission.

22 On the racing side, we annually offer the
23 TTA Sales Futurity, one of the richest early season
24 stakes for two-year-olds divided by sex, and the
25 one-million-dollar Texas Stallion Stakes, a four-race

1 series of stakes for colts and geldings, and a
2 four-race series for fillies, with two sprint races for
3 them as two-year-olds and concluding with two route
4 races as three-year-olds.

5 We also interact with Texas track
6 operators relative to Texas-bred racing opportunities,
7 race conditions for Texas-breds, and development of a
8 meaningful and realistic schedule of stakes races for
9 Texas-breds of all ages.

10 Turning to the state of the Texas
11 Thoroughbred industry today, I would like to refer you
12 to this handout. It has multi-colors. It provides a
13 statistical comparison of Texas with two of its
14 neighboring states, Louisiana and New Mexico.

15 The statistics have been taken from
16 annual reports of the Jockey Club, the national
17 Thoroughbred breed registry with offices in New York,
18 New York, and Lexington, Kentucky.

19 The statistics cover number of stallions
20 reported to have covered one or more mares in each
21 state each year, the number of mares bred each year,
22 the average book of mares for each covering stallion,
23 and the national ranking by state. There is also a
24 statistical comparison of the distribution of foal crop
25 for Texas, Louisiana, and New Mexico, with all these

1 statistics covering the years 2001 through 2006 or 2007
2 where applicable.

3 If I were a painter, what I'm going to
4 describe is not a pretty picture. While there's an old
5 saying that you can do anything with statistics, in
6 this case, unfortunately, statistics don't lie.

7 The Texas declines are in sharp contrast
8 to the increases in our two neighboring states, which
9 shows what happens when the playing field is unlevel.
10 Horses and horsemen have been leaving Texas and some
11 breeders have closed their operations or just stopped
12 breeding their mares.

13 And now I'd like to take a look at the
14 statistics. And first I'll discuss Texas. For the
15 period 2001 through 2007, in 2001 we had 438 stallions
16 standing in the state. We now have 250. That's a
17 decline of 188 or almost 43 percent.

18 The number of mares bred in 2001 was
19 3640. In 2007 it was 2137. That number may increase
20 slightly with some late reports to the Jockey Club.
21 That's a decline of 1503 and a decline of over 41
22 percent.

23 As far as Texas foals are concerned, in
24 2001 we registered 1988 Texas-breds with the Jockey
25 Club. In 2006, the last full year of reporting, there

1 were 1363 foals registered. And that number may
2 increase slightly with the late reports. But that's
3 right now a decline of 625 in just six years, nearly 31
4 and a half percent.

5 By contrast, in looking at Louisiana, in
6 2001 there were 205 stallions standing in Louisiana; in
7 2007, 369. That's an increase of 164. A lot of those
8 are Texas stallions that have relocated in Louisiana.
9 That's an 80 percent increase.

10 Number of mares bred, 2221 in 2001 in
11 Louisiana. In 2007 -- and this number is going to go
12 up with some late reporting. It's right now 3956.
13 That's an increase in seven years of 1735 and an
14 increase percentagewise of over 78 percent.

15 Of course, there are also resulting
16 increases in Louisiana-bred foals. In 2001 Louisiana
17 breeders registered 1408 Thoroughbreds with the Jockey
18 Club. In 2006 the number was 2257. That's an increase
19 of 849, just over 60 percent.

20 In New Mexico to our west, the number of
21 stallions standing in 2001 was 147. That has only
22 increased to 160 in 2007, an increase of 13, not quite
23 nine percent.

24 The number of mares bred in 2001, 1210.
25 That number has jumped to 1852 in 2007, an increase of

1 642 or just over 53 percent.

2 And the number of New Mexico foals, in
3 2001, 549 registered with the Jockey Club; in 2006,
4 977. That's an increase of 428 and percentagewise a
5 growth of almost 78 percent.

6 And you'll note rank, nationally, New
7 Mexico ranked 13th in 2001 in number of registered
8 foals with the Jockey Club. It is now eighth. In 2001
9 we were fourth. We are now sixth.

10 While those statistical comparisons are
11 sobering, we believe there is light at the end of the
12 Texas racing tunnel. I am pleased to report the Texas
13 Thoroughbred Association and Texas Quarter Horse
14 Association have reached a historic agreement on breed
15 splits if legislation is passed to legalize video
16 lottery terminals at licensed Texas racetracks.

17 The agreement also includes breed splits
18 on purse revenue generated by simulcasting, with those
19 splits to be effective on the first day of VLT
20 operations at a track.

21 In addition, TTA and TQHA have taken an
22 industry-backed bill draft from the 2007 session of the
23 Texas Legislature and incorporated language covering
24 several good-for-Texas provisions.

25 Some of the good-for-Texas provisions

1 that I would like to mention, especially in light of
2 the explosion in press coverage of the Eight Belles
3 tragedy, include a revenue stream for equine and
4 veterinary research, a revenue stream for enhanced
5 medication testing and drug research programs, a
6 revenue stream for adoption and retirement programs so
7 that horses can transition from the racetrack into
8 second careers, a revenue stream to provide enhanced
9 medical, dental, and educational programs for stable
10 area employees, and a revenue stream to create a
11 performance horse development fund to provide funding
12 support for nonracing breeds and activities throughout
13 Texas.

14 A summary of the good-for-Texas
15 provisions has been provided to you for ready reference
16 and it's this one-pager with both the TTA and the TQHA
17 logos on it.

18 One of the highlights of each year is
19 TTA's annual conference, concluding with an awards
20 banquet to honor the owners and breeders of the
21 champion Texas-breds from the previous racing season.
22 We invite a keynote speaker of national prominence,
23 like this year's guest, dual Kentucky Derby winning
24 trainer Carl Nafzger who was recently elected to the
25 National Museum of Racing's Hall of Fame and will be

1 inducted in August.

2 During the next five weeks, beginning
3 tonight, TTA has scheduled 11 regional meetings around
4 the state and a copy of the schedule has also been
5 provided to you. This year, in an effort to increase
6 substantially the grass roots support for a legislative
7 initiative, TTA has extended invitations to our Quarter
8 Horse brethren as well as members of the Texas Arabian
9 Breeders Association, the American Paint Horse
10 Association, the National Cutting Horse Association,
11 the National Reining Horse Association, and other horse
12 groups and activities to be our guests at any one of
13 the meetings to discuss issues and learn more about
14 becoming involved.

15 Certainly I also want to extend an
16 invitation to each one of you, as well as all
17 Commission staffers, to be our guests at a meeting of
18 convenience to you.

19 Thank you very much for the opportunity
20 to speak to you today. I'd be pleased to try and
21 answer any questions.

22 CHAIRMAN ADAMS: Any questions for
23 Mr. Hooper at this time?

24 I want to -- before we bring the
25 greyhound group up, I want to commend Charla Ann and

1 the staff for the suggestion to have this added to our
2 agenda. This has not been an item in the past, but I
3 thought that it would be very positive to hear from
4 time to time -- not on an every meeting basis, but from
5 time to time, from the registries and from the
6 designated individuals that we regulate.

7 So we thank you, Mr. Hooper, for your
8 very well prepared remarks and for your handouts.

9 COMMISSIONER SOWELL: Mr. Chairman, may
10 I --

11 CHAIRMAN ADAMS: Yes, Mr. Sowell.

12 COMMISSIONER SOWELL: -- have a moment to
13 mention something to Mr. Hooper that I think could be
14 of importance?

15 Your good-for-Texas provisions are, I
16 think, excellent. I've only seen them today. But it
17 occurs to me that one of the things that you and the
18 Quarter Horse folks might do when you're talking about
19 further things that you might want to include -- as you
20 are well aware, the Racing Act prohibits this
21 Commission from doing things to support and promote the
22 industry. And I think the Legislature, properly
23 approached -- and certainly you all are capable of
24 doing that -- can perhaps turn that around.

25 And it occurs to me that if you and the

1 Quarter Horse folks could kick it around in terms of
2 what this Commission and its members might be able to
3 do if it were unfettered by the Legislature, then it
4 might be a very persuasive thing for the Legislature to
5 take a look at and hopefully do something about it.

6 MR. HOOPER: Thank you for those
7 thoughts, Commissioner Sowell. I started to insert
8 something about a revenue stream, but there's not a
9 specific revenue stream that's in the bill language at
10 the moment.

11 However, within what the breeds would be
12 responsible for, including providing significant
13 funding to the accredited Texas-bred program and so on,
14 there is also a reference to supporting statewide
15 marketing and promotion of the industry. So that has
16 been covered, but it's not a specific revenue stream.
17 It's something that from the breed's share, the
18 respective breed's share, that we will set aside a
19 certain amount of revenue for statewide marketing and
20 promotion.

21 COMMISSIONER SOWELL: Thank you.

22 MR. HOOPER: You're welcome.

23 CHAIRMAN ADAMS: Thank you, Mr. Hooper.

24 Any other questions? Yes, Mr. Ederer.

25 COMMISSIONER EDERER: Mr. Hooper, are the

1 statistics similar for Oklahoma and Arkansas?

2 MR. HOOPER: Commissioner Ederer,
3 Oklahoma is too new with slots implementation at the
4 tracks to have any kind of meaningful show of increase;
5 but there's no question that there have been some
6 horses that have gone to Oklahoma of all different
7 types, stallions, mares; and obviously that's going to
8 result in foals as well.

9 And, you know, Arkansas has the instant
10 racing machines; but their breeding program, even with
11 that good infusion of money, has never really taken off
12 at all.

13 COMMISSIONER EDERER: But you expect
14 Oklahoma to.

15 MR. HOOPER: Yes.

16 COMMISSIONER EDERER: To go forward.

17 MR. HOOPER: Yes. Not to the level of
18 Louisiana and maybe not even to the level of New Mexico
19 because there's so much competition in Oklahoma from
20 additional indian locations where slots exist.

21 COMMISSIONER EDERER: I understand. Now,
22 what has been the response from the regional meetings?

23 MR. HOOPER: Well, we instituted regional
24 meetings, I'm going to say, almost 10 years ago; and
25 they've taken the format that they have today whereby

1 we invite our members and obviously we're inviting
2 guests this time and we have a buffet dinner. And the
3 vast majority of the meetings are held on member farms
4 and they're real pleased to host them.

5 We've had -- I'm going to leave West
6 Texas out of it. West Texas in our region is so huge
7 and we have only about 225 members going from Amarillo
8 to El Paso and from about Fredericksburg west, so --
9 but for all the other regions, we will draw at least 30
10 to 35 and we have gotten just to a hundred with two or
11 three meetings, one at Eddie Milligan's place near
12 Athens two years ago and Jim Helzer's JEH Stallion
13 Station in Pilot Point has hosted a couple of meetings
14 that have drawn right at a hundred. So we have a
15 pretty good turnout.

16 COMMISSIONER EDERER: Are State
17 legislators invited to these meetings?

18 MR. HOOPER: Yes, we have invited --
19 especially this year we've invited legislators.

20 COMMISSIONER EDERER: So you're not just
21 singing to the choir. You're inviting new participants
22 that could be effective as far as obtaining the
23 satisfactory legislation.

24 MR. HOOPER: Absolutely. And of course,
25 with the performance horse development fund, it could

1 provide a significant revenue stream to the nonracing
2 side of the horse business here in Texas because the
3 show side is losing horses as well. Rob Werstler will
4 testify before you at, I think, the next go-round. And
5 Quarter Horses -- Quarter Horse stallions on the show
6 side, 60 have gone to Kentucky in the last year just
7 because there's a revenue stream to the performance
8 side of the industry in Kentucky that is developed from
9 sales tax on stallion seasons.

10 Well, unfortunately, here in Texas we
11 don't stand stallions for six figures and our biggest
12 stallion is Valid Expectations standing at \$17,500 and
13 the next one is at 5,000. So you wouldn't generate a
14 lot of sales tax revenue off of sales tax on stallion
15 seasons. That's why we need to create a different
16 revenue stream to the performance side of the
17 industry.

18 And while our membership, as I said, for
19 a State breed registry on the racing side is
20 significant in the United States, it pales by
21 comparison with the number of Texas members in the
22 National Cutting Horse Association and the American
23 Quarter Horse Association just because their membership
24 is so huge on the show side. And that's why we're
25 looking for involvement of those groups and additional

1 grass roots support.

2 COMMISSIONER EDERER: Thank you.

3 MR. HOOPER: Thank you.

4 CHAIRMAN ADAMS: Any other questions for
5 Mr. Hooper? Yes, Charla Ann.

6 MS. KING: Mr. Chairman, I'd like to
7 address Commissioner Ederer's question. On page eight
8 of the strategic plan, Sammy has provided a chart there
9 or a table that compares a five-year regional change
10 and there's some figures in there about Oklahoma and
11 the increase in the change in the number of
12 Thoroughbreds that are competing and the number of
13 races. And it looks like to me they have experienced
14 the largest increase. Percentagewise, Sammy
15 clarifies.

16 COMMISSIONER EDERER: I understand.

17 CHAIRMAN ADAMS: Thank you very much.

18 Next we'll have a report by the Texas
19 Greyhound Association as the official State greyhound
20 breed registry. Mrs. Wheatley -- Whiteley, excuse me,
21 executive director of the Texas Greyhound Association.

22 MS. WHITELEY: Good morning, Mr. Chairman
23 and Commissioners. I'm Diane Whiteley, executive
24 director of the Texas Greyhound Association.

25 When Charla Ann called a week ago and

1 asked if we would give a presentation, I told her I
2 would be delighted. My only concern about it was that
3 she had indicated only five to seven minutes and, if I
4 get to talking about greyhounds, it could be a long
5 time. But I've been testing myself and I'm trying to
6 keep it within my guidelines before the bell goes off.

7 I'm going to start with who we are and
8 how we're structured and then on to our regulative
9 duties and then our other activities for the greyhound
10 association.

11 The Texas Greyhound Association, or TGA,
12 was incorporated in 1987 as a nonprofit 501(c)(6) or
13 trade organization; but it was actually the gathering
14 of several greyhound groups that had been in existence
15 for over 30 years, because greyhound racing has been in
16 Texas since the 1920's as well.

17 Under the Texas Racing Act, we're the
18 officially designated greyhound breed registry and our
19 mandate is to promote, develop, and improve the
20 breeding of greyhounds. The Commission also adopts
21 standards relating to the operation of not only
22 greyhound tracks but also greyhound farms and training
23 facilities. So we're unique in that respect. Our
24 focus is not only on racing, because it is a business,
25 but it's also primarily on the greyhound itself, its

1 raising and humane care, and always has been.

2 Our headquarters are in Lorena, a little
3 bit south of Waco, on the west side of I-35. You may
4 have passed it on your trip going north. You're
5 welcome to stop in any time. We have an office and
6 meeting facilities there. We're on 28 acres.

7 We also have a training track or
8 schooling track there that was built through the
9 funding of pari-mutuel racing. We have what is unique
10 in the greyhound industry. It is called a racetrack
11 management services agreement with Gulf Greyhound track
12 and they agreed to fund -- through pari-mutuel, to fund
13 the development of our research training track there.
14 And we use it as a public schooling track for
15 greyhounds and we also do research on it as far as
16 surface safety, turns, lure operation, and we school
17 probably about 300 greyhounds a week, three times a
18 week, in the mornings. So if you want to come by early
19 on a Tuesday, Friday, or Saturday morning, very early
20 when the sun is up, you can see greyhounds schooling.

21 In addition to helping us fund our
22 training track, our RMSC agreement with Gulf Greyhound
23 also provided for our input on adoption at the
24 racetracks, which is a very important aspect of
25 greyhound racing.

1 Also it provides scholarships for the
2 dependents of people involved in greyhound racing; and
3 to date, it has funded approximately a million dollars
4 in funding for students to help attend at either Texas
5 A&M or University of Texas. This is a big plus for our
6 owners of greyhounds to let them see directly not only
7 how greyhound racing has built their life but also has
8 helped the lives of their children. And it's been very
9 well received and very much appreciated by our
10 membership.

11 We're much smaller than the Thoroughbred
12 group. In 2008 we have 245 members. It's down
13 slightly from 2007, but it's holding pretty steady.
14 But yet it is about half of the membership that we had
15 in the mid '90's. So we have also experienced a
16 significant decline. We have very modest fees. It's a
17 hundred-dollar initiation fee to join and only a
18 25-dollar annual membership renewal.

19 We're organized by five geographic
20 locations or districts. Each district selects a
21 director. Right now we have seven directors and three
22 officers, president, vice-president, and
23 secretary-treasurer. In 2004, when I joined, the TGA
24 had six employees. We have two now, me and an
25 administrative assistant.

1 Every year we submit our audited
2 financial statements to the Racing Commission. And we
3 don't have to have all of our activities audited, but
4 we do that for the comfort of our membership to make
5 sure that their funds are being monitored.

6 Under the Texas Racing Act and the Rules
7 of Racing, we establish the qualifications for
8 accredited Texas-bred greyhounds. We are a little bit
9 different in that we only pay owner awards on wins. We
10 just reward winners. But we do pay a win on every
11 single grade and it's the same amount. So a maiden win
12 will pay the same as a top grade win.

13 In 2007 we paid out approximately
14 \$560,000 in owner awards. The breakdown of those
15 awards, though, is really pretty interesting. At Gulf
16 we paid out 3,391 awards, or 77 percent of their races
17 were won by Texas-breds. At Corpus Christi we paid out
18 2,972 awards. 78 percent of those greyhound winners
19 were Texas-breds. At Valley we paid out 414, with 30
20 percent were accredited Texas-breds. So we had a total
21 of 6,777 Texas wins out of a possible 9,658, or roughly
22 70 percent of the dogs that win races in Texas are
23 accredited Texas-breds.

24 And we're very proud of that. We
25 certainly would like to have a hundred percent; but

1 we're very proud that the majority of Texas greyhounds,
2 50 to 60 percent, will remain in Texas to run. The
3 rest of the -- the rest of the Texas-breds are running
4 for greater purses in other states, but we are very
5 pleased that at least 70 percent of the dogs are
6 staying in Texas.

7 We are third in the nation as far as the
8 number of puppies raised. In accredited pups
9 registered, in 2007 we accredited 2,464 puppies as
10 Texas-bred. In 2006 we had 2,643, a slight decline but
11 not too bad. In 2005 we had 3,147. So we had a fairly
12 good decline from 2005 to 2006, but we had a more
13 significant decline from 2004.

14 We don't suffer quite as much on the
15 accredited Texas-breds as do the Thoroughbreds because
16 our breeding industry uses artificial insemination, so
17 it is not important where the sire is standing. So a
18 brood owner in Texas can breed to a sire that is
19 prominent in any of the other states. But we are third
20 in the nation as far as number of pups bred.

21 While we have 245 members, only about 50
22 members are active breeders. Most of them are small
23 breeders, one or two litters a year. There's only
24 eight large -- what we consider large breeders that do
25 more than five litters a year. So we're very much a

1 small business industry.

2 In addition to the owner awards, we also
3 administrate the Texas-bred stakes program. Last year
4 we paid out \$55,000 in accredited Texas-bred stakes to
5 the three tracks.

6 Also, under the act, 20 percent -- excuse
7 me, two percent of the breakage that we recover through
8 the Texas-bred program is given out as grants to
9 nonprofit greyhound adoption programs. In 2007 the TGA
10 gave out \$2,750 to nine Texas greyhound adoption
11 groups.

12 Another responsibility of the TGA is to
13 enter into contracts with the tracks for simulcasting
14 purses. These are all private contracts, but we do
15 represent the owners and breeders and the kennels in
16 this process. We also administer the cross-species
17 purse money which is subject to Commission approval
18 annually. Last year 1.4 million dollars of purse money
19 was administered through our office that went to our
20 three greyhound tracks from the horse tracks.

21 We work with all three greyhound tracks
22 and the kennel owners and the trainers and kennel
23 helpers to work within the Rules of Racing. And we're
24 always available.

25 Those are our official duties of the TGA

1 and the regulated duties of the TGA. However, we have
2 a lot of other activities that put us really in a
3 leadership position in the United States in the
4 greyhound racing.

5 While we're -- while our business is
6 racing, we cannot provide racing without putting a
7 primary focus on our greyhounds. Annually the Texas
8 Greyhound Association and Gulf Greyhound Park sponsor a
9 track surface and safety seminar and this is attended
10 by members of Commissions, veterinarians, racetrack
11 managers, racetrack maintenance managers, judges from
12 around the country. And it is just extremely well
13 received by everyone.

14 We have up-to-date information on current
15 health research, on current track safety research, and
16 it gives us an opportunity to share our ideas and our
17 thoughts. And we're really at the forefront in our
18 industry by doing this and it started in Texas and
19 we're very proud of it.

20 Also at the one that we hosted last,
21 which was in 2006 in Waco, we were also able to get a
22 judges accreditation program involved in it which was
23 very helpful to our Texas judges as well as judges
24 around the country to get not only continuing education
25 but to qualify as new judges. We're a big believer in

1 educating and that was very helpful to the judges
2 getting certification.

3 We work also a lot with the public
4 awareness of greyhound racing and our greyhounds. This
5 last March the TGA hosted a regional veterinarian
6 continuing education program. Dr. Mike Herron, who's
7 been active in greyhound racing, gave a wonderful
8 presentation on a variety of things that a practicing
9 veterinarian could see in their practice with
10 greyhounds and the specialized treatment sometimes of
11 them.

12 Approximately 30 vets came. It was very
13 well attended. We gave them a tour of the racetrack.
14 They got to walk out on the track, see the lure in
15 operation, to see how we prepare our racetrack
16 surface. Also I brought a demo dog, which was my dog,
17 who had just recently retired from the racetrack about
18 three days before so he was racetrack ready. And that
19 was very well received.

20 And a wonderful story came out of that is
21 two days later one of the vets that attended from
22 Georgetown called and adopted him to keep in his vet
23 clinic. He goes to the vet clinic every day and greets
24 all the customers.

25 So it's a way that we can help educate as

1 to the health of the greyhounds but not only the people
2 that practice directly but also the general public.

3 Adoption of our retired racers has always
4 been front and center of what we do. Greyhounds are
5 dogs; and in the general public, although they're
6 working dogs, they identify more closely with their own
7 pet dogs. We're very sensitive to that and so we do
8 whatever we can to make sure that our retired greyhound
9 racers get into a home. They do make outstanding pets
10 and we have -- we're shooting for a hundred percent
11 adoption rate of greyhounds into homes. There's always
12 a few that are unable to make the transition, but the
13 vast majority are very adaptable.

14 The Texas Greyhound Association in 2004
15 started hosting an annual adoption summit. It was the
16 first time we were able to pull together all the Texas
17 adoption groups into one place in Waco and to share
18 ideas how to help promote greyhounds as pets, the
19 problems that they encounter, health problems that they
20 see of greyhounds coming off the tracks that are
21 helpful to us. It has been just a really good way to
22 keep coordinated with the adoption groups.

23 We are -- we have established wonderful
24 relations with most of the animal control officials in
25 different counties and also shelters and they know that

1 in the unlikely event -- although it does happen
2 occasionally, unlikely event that a greyhound is placed
3 in a shelter, either an adoption group or the Texas
4 Greyhound Association gets a call immediately and we go
5 pick them up and make sure that they get into
6 adoption.

7 Last year we spent over \$8,000 on
8 greyhound welfare issues such as this to make sure that
9 there is no greyhound left uncared for.

10 Our bylaws are crystal clear when it
11 comes to welfare of the greyhound, not only of the
12 Texas Greyhound Association but also the National
13 Greyhound Association, for any incidents of neglect,
14 inhumane treatment, is subject to lifetime suspension
15 and not only lifetime suspension of that member but
16 also suspension of any member that does business with
17 that member after that point.

18 So we have zero tolerance in that area
19 and we're very proud to have really taken the lead in
20 Texas to make sure that the welfare of the greyhound is
21 always placed first.

22 One of the areas that we're going to
23 focus on with potential legislation is the institution
24 of our Texas Greyhound Foundation and this will be
25 geared towards, through revenue streams, through

1 legislation, for additional research on health issues
2 and adoption issues.

3 We have two primary health issues that we
4 get concerned about. The one most -- it is not as
5 well-known as kennel cough, but it is the tick-borne
6 diseases caused by parasites, fleas and ticks. And
7 they have a prevalence in the south and there is no
8 vaccine for these and the treatments sometimes can be
9 expensive. And it's a very preventable disease if
10 proper parasite maintenance is maintained. And this is
11 something that we want to put on some educational
12 programs to both farmers and breeders of dogs but also
13 the kennels of how to prevent the tick-borne diseases
14 because they truly affect the performance of the
15 greyhounds and is often gone undiagnosed.

16 The other scourge of our industry is
17 osteosarcoma, bone cancer, which is also the scourge of
18 any large breed dog, and we would like to fund
19 additional research in that area.

20 Interestingly enough, greyhounds are very
21 hardy dogs and those are really our only main two
22 issues because they are bred for performance. They're
23 not bred for show. Therefore, most of the undesirable
24 genetic traits no longer exist. They are a lot tougher
25 than they look. But we don't have a lot of the other

1 breed problems that some of the other breeds have as
2 far as health issues. So ours are mostly educational,
3 oriented towards nutrition, selective breeding, and
4 welfare long-term issues.

5 When you have a greyhound, it's your
6 greyhound for its life and we have very tight owner
7 responsibility rules. So while we're much smaller than
8 the Thoroughbreds, we take good care of our animals,
9 too.

10 I'm open for any questions that you might
11 have.

12 CHAIRMAN ADAMS: Thank you,
13 Ms. Whiteley.

14 Any questions?

15 MS. ANDERSON: I have a question. Diane,
16 we have some rules before us today for draft rules and
17 several of them deal with greyhound racetracks and
18 facilities. When Mark and Charla Ann and I were
19 talking about this, it was suggested we might come to
20 the expert.

21 There is a proposed rule change around
22 the kennel compound that deletes the requirement for a
23 separate kennel building for greyhounds that are
24 participating in stake races. Are you aware of that
25 rule?

1 MS. WHITELEY: Yes.

2 MS. ANDERSON: Can you help me understand
3 why we don't -- I understand the industry would support
4 deleting that requirement. And can you just talk to me
5 about we've got plenty of permanent kennels so we don't
6 need separate kennels for stake races? Or help me
7 understand.

8 MS. WHITELEY: Well, quite frankly, we
9 don't support that as an industry and I had discussed
10 with Mark last week about this. Our system is a little
11 different than horses, meaning that our dogs don't
12 travel as much for stakes races as do horses, so they
13 usually run at their home track. They may move to an
14 upper level track or move to a lower level track, but
15 typically the average stake greyhound does not.

16 But it was really important to the Texas
17 Greyhound Association, when legislation was originally
18 passed, that allowed for any Texas-bred greyhound to
19 compete in any Texas-bred stakes race.

20 Now, since we are under the contract
21 kennel system, each kennel contracts for their
22 greyhounds in their kennel; and they have at Gulf, for
23 example, 62 greyhounds in each kennel. So if we were
24 to host a major stake race -- and we still have high
25 hopes of doing that. If we are to host a major stakes

1 race, right now, without a stakes kennel, that
2 greyhound would need to be housed in a current kennel,
3 which would displace another greyhound in that
4 situation. And not only that, is that since it's in
5 that contract kennel, then that contract kennel is
6 entitled to a percentage of a win.

7 So originally it was designed to have the
8 stakes kennel. Now, it has not worked out that way.
9 It has not worked out to the point where we have used
10 that stakes kennel on any sort of consistent basis.
11 But to take that away gives our Texas-bred owners an
12 idea that they only can run at the track where their
13 dog is.

14 So we would like some clarification on
15 that. Over the next several months we're going to be
16 working together with the tracks and the racing
17 directors and some of the kennels to go through these
18 rules some more, additional rules than 309.

19 MS. ANDERSON: So do the current tracks
20 that are in operation today all have -- they have
21 contract kennels and then do they have separate kennel
22 buildings for stakes races that are just empty?

23 MS. WHITELEY: Yes.

24 MS. ANDERSON: Okay.

25 MS. WHITELEY: Now, it could be used for

1 other things in the meantime. It could be used for an
2 overflow kennel, for example, if someone is bringing in
3 more greyhounds and is moving out greyhounds and on a
4 temporary housing basis. So it could be used for other
5 things. It could be used potentially for other things
6 between --

7 MS. ANDERSON: Now and whenever we
8 have --

9 MS. WHITELEY: -- now and whenever we
10 have million-dollar stake races.

11 But for example, in Florida there was a
12 million-dollar stakes race and all those -- the
13 majority of the dogs, the greyhounds traveled in from
14 out of state into Florida and it created some problems
15 because the contract kennel in Florida said, "Well, I'm
16 going to get 10 percent of that purse because my
17 trainer is going to be working on that greyhound."

18 So the greyhound couldn't take their own
19 trainer or their own assistant because by taking their
20 own trainer and assistant, it disrupted the routine of
21 the regular kennel. So there is a purpose behind it;
22 and although those haven't been used, maybe we can find
23 another use for those kennels in the downtimes. But I
24 would be very reluctant to see those kennels --

25 MS. ANDERSON: So you would -- so your

1 advice, at least to this Commission member, would be
2 not to strike the language.

3 MS. WHITELEY: Right.

4 MS. ANDERSON: Okay. Thank you.

5 MS. WHITELEY: Thank you.

6 MS. ANDERSON: Thanks.

7 CHAIRMAN ADAMS: Any other questions?

8 Thank you, Ms. Whiteley.

9 MS. WHITELEY: Thank you.

10 CHAIRMAN ADAMS: Okay. We're going to go
11 on now with Item 4 on our agenda, the proceedings on
12 racetracks, discussion, consideration, and possible
13 action on the following matters: Designation by the
14 Commission of an application period for race dates
15 under Commission Rule 303.41. Ms. King, please.

16 MS. KING: Mr. Chairman, I recommend that
17 the Racing Commission designate an application period
18 for race dates starting June 4th to July 3rd. I
19 recommend that the requests provide for the
20 associations to submit race dates for calendar year
21 2009. I also recommend that the Commission allow an
22 association or a group of associations to request any
23 race dates between January 1, 2010, and August 31st,
24 2010, to provide a longer term view. This
25 recommendation is in keeping with the rule change to

1 the race date allocation process that you all made last
2 year.

3 CHAIRMAN ADAMS: Do we have anyone signed
4 to speak on this issue?

5 Okay. Do we have any questions from
6 Commissioners regarding the recommended motion by
7 staff?

8 Could I have a motion to that effect
9 then?

10 COMMISSIONER EDERER: Motion to approve.

11 COMMISSIONER SCHMIDT: Second.

12 CHAIRMAN ADAMS: It's been moved and
13 seconded to designate an application period for race
14 dates beginning June 4th and conclude on July 3rd of
15 '08. All requests for race dates in calendar year '09
16 should be submitted during that period. And
17 associations may also submit requests for race dates
18 during the period through January through August of
19 2010.

20 Any discussion?

21 All those in favor please say aye.

22 COMMISSIONERS: Aye.

23 CHAIRMAN ADAMS: Any opposed?

24 The motion carries.

25 Thank you, ma'am.

1 The next item --

2 MS. KING: Mr. Chairman?

3 CHAIRMAN ADAMS: Yes.

4 MS. KING: Mr. Chairman, if we may make
5 an announcement in regard to race date working groups.
6 I believe that we have a date scheduled for the
7 greyhound race date working group with Commissioner
8 Pablos and Commissioner Hicks. I believe it is June
9 17th, Tuesday, June 17th, at 1:30 in the Austin office
10 conference room. So I wanted to make sure that that
11 announcement was made. And we're looking forward to
12 that and staff will be assisting in any way possible.

13 In regard to the horse race date working
14 group, I understand that the -- that Commissioner
15 Ederer and Commissioner Schmidt have requested that the
16 industry proceed and submit their proposed dates and
17 see if the parties can come to a consensus on that
18 calendar. So that would be a signal to the industry to
19 get busy and sit down and talk to each other about
20 dates and see what they can come up with first.

21 That's the information I have.

22 Commissioner Ederer or Commissioner Pablos may like to
23 add to that.

24 COMMISSIONER EDERER: That's correct.

25 We'd prefer the industry go ahead and decide what dates

1 they want. And if they have a problem deciding the
2 dates, then we'll assist them. But they are in a much
3 better position to advise the Commissioners. And we'd
4 like to have those submitted to us the week prior to --
5 what is your deadline here?

6 MS. KING: July 3rd.

7 COMMISSIONER EDERER: July 3rd. If they
8 could submit them to us, let's say, by June the 30th,
9 just for information purposes; but if they have a
10 problem, they need to get back to us, I would say,
11 by -- at least by the 25th of June. If they could get
12 back to us then and then if they then need our
13 assistance -- but I really don't imagine them needing
14 our assistance. I feel certain that they can come to a
15 consensus as far as the dates.

16 MS. KING: Very good.

17 CHAIRMAN ADAMS: Any other discussion on
18 that item?

19 Okay. Thank you.

20 Next item, proceedings on rulemaking,
21 discussion, consideration, and possible action on the
22 following rules. Okay. I would like to see us go
23 through all of the Chapter 309 rules and vote on those
24 that we can together as a group, if that's okay with
25 the Commission. I think in the -- in an effort to try

1 to minimize the length of time it takes us to get
2 through all of these, if we can go through those. And
3 then if, in fact, we do have an individual rule that we
4 need to single out, we'll take it out of the package
5 and then we'll deal with it separately if that meets
6 with the rest of the Commission.

7 Okay. With that in mind, Mr. Fenner,
8 will you proceed?

9 MR. FENNER: Commissioners, this Chapter
10 309 rule review process began on July 13th, 2007, when
11 the Commission staff sent a letter to all the breed
12 associations and to the racetracks soliciting their
13 input, telling them that Chapter 309 was coming up for
14 review, and asking for their recommendations. We then
15 compiled those results and distributed them to the
16 tracks and the breed associations on September 1,
17 2007.

18 In addition, on January 25th, staff, with
19 the assistance of Commissioners Sowell and Pablos, met
20 with the racetracks on Subchapter A which deals
21 specifically with the racetrack management and
22 operations.

23 At the last Commission meeting, the
24 Commission voted to publish Chapter 309 as a rule
25 review, opening the rule review process, and that has

1 been published in the Texas Register. And the rules
2 that are before you today are the outcome of that
3 process.

4 I will tell you that late yesterday
5 afternoon I did get some feedback from the racetracks.
6 They do have some concerns about individual rules. And
7 we don't agree necessarily with all those comments,
8 though I must say we've not really had an opportunity
9 to go through them all in this short period of time.
10 But I will tell you that through the comment period, if
11 these rules are published, we would go through the
12 normal process of working with the tracks and coming up
13 with any sort of changes that are necessary.

14 Now, going through the changes, the first
15 change is on page 5-1. This is a clarification of what
16 the duration of a license is all about. We're adding
17 the language "The Commission may suspend or revoke a
18 license in accordance with the Act and these rules."
19 This is not really a change. This is what the act
20 already provides.

21 It also adds that "By agreement with the
22 Commission, an association may voluntarily surrender a
23 racetrack license for suspension or revocation." And
24 that's an acknowledgment of what has happened in the
25 past with some associations when they've lost their

1 licenses. It's always been by an agreed order with the
2 Commission.

3 On the next page we have some changes to
4 309.7. This change increases the initial processing
5 charge for handling racetrack applications and also
6 provides that the charge is to cover the actual
7 expenses of processing the application. Therefore, if
8 the expenses are higher, we would bill them for the
9 difference. If the expenses are lower than what we
10 charge, we would refund the difference.

11 And this change came about after
12 processing the applications in Webb County where they
13 had a set fee of \$20,000, I believe, and, in fact, the
14 agency incurred expenses that were higher than that.
15 So we'd like to bump them up, with the provision that
16 we return any extra.

17 The next page, page 5-4 -- by the way, on
18 the previous one we are adding processing applications
19 for greyhound tracks.

20 Page 5-4, we're adding some things to the
21 bases for denying, suspending, or revoking licenses.
22 These changes are all consistent with what's already in
23 the act. The one thing that is slightly different is
24 the last one, No. 10. That's the ownership provision.
25 It says "A license may be denied, suspended, or revoked

1 if it results or would result in a person owning more
2 than a five percent interest in more than three Texas
3 racetrack licenses."

4 This became somewhat of an issue during
5 the Webb County application; and at that period in time
6 there was a restriction to two licenses, not three; and
7 there were differing views between the Commission and
8 one of the applicants. This is our opportunity to go
9 ahead and incorporate what the Commission's view at
10 that time was into the rule with the three instead of
11 the two.

12 Those are the Subchapter A proposals.
13 Chair, did we want to break the feedback into
14 subchapters or do we want to go through them all at one
15 time?

16 CHAIRMAN ADAMS: We were going to take
17 public input on each of the subchapters and then rule
18 on -- and then vote on all of them at the same time.

19 MR. FENNER: That's the conclusion of
20 Subchapter A.

21 CHAIRMAN ADAMS: If you're concluded
22 there, are there any questions of counsel before we
23 take public comment?

24 Okay. I do have Mr. Bryan Brown signed
25 in. And I'm assuming, Bryan, this is on this portion

1 of the Subchapter A?

2 MR. BROWN: Yes. I can speak to all of A
3 if you'd like.

4 CHAIRMAN ADAMS: Yeah. That would
5 probably be simpler for us.

6 MR. BROWN: Good morning, Mr. Chairman
7 and Commissioners. We submitted comments yesterday
8 from several of the racetracks. That included Retama
9 Park, Manor Downs, Sam Houston Race Park, Lone Star
10 Park, Gulf Greyhound, and the Austin Jockey Club. I
11 brought copies. I don't know if they were given to
12 each Commissioner. I brought copies of our comments if
13 it would be appropriate to hand them out. And I'll be
14 just basically reading off those, so if that makes
15 sense.

16 I'll go quickly through the ones we don't
17 have comments on. Chapter 309.1 we think is
18 appropriate and fine.

19 Chapter 309.7 dealing with the racetrack
20 application fees, we don't believe that the fees set
21 are really adequate to address the amount of staff time
22 that is incurred for an extended prolonged application
23 period. We'd recommend quite possibly looking at a
24 higher fee. The word "actual cost" is used in the rule
25 to allow the Commission, I believe, to increase that

1 fee or decrease it. If actual cost includes staff
2 time, that rule is probably fine and the fees are
3 probably fine as it is.

4 However, we'd recommend a much lower fee
5 if there's a noncontested case that's very easy for the
6 Commission to handle. We'd recommend \$25,000, but
7 that's just a number we came up with.

8 Chapter 309.9 is acceptable.

9 Chapter 309.1 dealing with the time
10 period with which the racetrack must notify the
11 Commission of a proposed facility construction plan --

12 MS. KING: Bryan?

13 MR. FENNER: You're moving into
14 Subchapter B now.

15 CHAIRMAN ADAMS: Bryan, we're just going
16 to get you on A and then we'll bring you right back.

17 MR. BROWN: I just glanced at the
18 agenda. I thought it was all under A. So I
19 apologize. I'll sit back down.

20 MS. KING: Stay close, Bryan.

21 CHAIRMAN ADAMS: Okay. Go ahead,
22 Mr. Fenner. Chapter B now, Subchapter B.

23 MR. FENNER: Subchapter B, 309.103 on
24 page 5-5, a simple change increasing the amount of
25 notice that the construction plan must be submitted to

1 the executive secretary from 30 to 60 days. And this
2 is a proposal that is being -- the reason for this
3 change is that we have three new racetracks that are
4 going to be constructed on the Rio Grande River in the
5 next year or so and that's a lot of work. That's going
6 to be a lot of heavy lifting on the part of the staff
7 to review the plans and oversee that construction. So
8 we think a longer time line would be helpful to us.

9 On page 5-6, a change to add the words
10 "and licensees" to ensure that the -- this change
11 matches the language of the model rules. Actually, if
12 you look at the definition of patrons in the rules
13 right now, it does include licensees; but it's just to
14 make it more explicit that comfort and safety applies
15 to both the patrons and the licensees.

16 The next page, 5-7, this is just a change
17 to realign the pointer in the rules to where that
18 section, the accessibility for buildings, has moved to
19 that's been codified.

20 Page 5-8 sets a minimum standard for
21 toilet facilities and also says that toilet facilities
22 need to be provided for licensees that are within the
23 nonpublic areas of the enclosure, basically the
24 backside.

25 As to the reference to the Administrative

1 Code, Title 25, Chapter 265, while it has not
2 referenced it in the past, I mean, this is a provision
3 that's already applicable to all these entities
4 anyway. It applies to anywhere there's a large
5 gathering. So they're subject to it whether it's in
6 the rule or not.

7 The next page, 309.115, page 5-9, we're
8 striking the term "and other refreshments". I'm not
9 aware of other refreshments being provided, at least
10 for free, than water. And to clarify that the water is
11 to be there for both the patrons and the licensees.
12 And, yes, staff does believe that there should be free
13 drinking water available on the backside for the
14 licensees.

15 The next page, 5-10, complaints, to
16 provide some detail regarding the complaints and the
17 process of handling complaints, we have seen, I
18 believe, in the past where the complaints are
19 treated -- if it's a violation of a rule, it is passed
20 to the Commission; and the tracks have sometimes, we
21 feel, not really felt like they had a separate -- an
22 independent responsibility to address that complaint.

23 And we really feel like complaints that
24 come to the association and that are reported to the
25 Commission, particularly when they involve a rule

1 violation, are a dual responsibility. It's not just
2 the Commission's responsibility but it's everybody's
3 responsibility to address that complaint.

4 The next page, 5-11, this is the first
5 aid room, two changes here. First, adding some
6 specificity about the qualified personnel who need to
7 be manning the first aid room and then also regarding
8 the ambulance.

9 The way the ambulance rule is kind of
10 written right now, they're required to have a mobile
11 intensive care unit as the first-line ambulance; but it
12 seems to imply that if a first-line ambulance is sent
13 off-track that some ambulance of a lesser standard
14 could be brought in as long as it's been approved by
15 the executive secretary or her designee. And that's
16 not really what we think is advisable.

17 If you're going to have an ambulance on
18 the racetrack ready to serve people who have had a --
19 say, fallen off a horse, a jockey who's been injured,
20 it really needs to be a mobile intensive care unit
21 standard.

22 The next page, 5-12, is some revising,
23 some updating of the specifications for the regulatory
24 office space and equipment. If you have questions
25 about that, I'm going to defer to one of our folks who

1 has looked at that more in detail.

2 Subchapter 309.120, 5-16, adding the
3 requirement that the parking area for licensees outside
4 the stable or kennel area be lighted, this is a safety
5 issue. We have had some issues with very dark parking
6 lots.

7 Page 5-17, we're providing some
8 additional specifications and updating for the internal
9 communication system to add that we need to be able to
10 talk to the chase truck, the claims clerk, the security
11 office.

12 And then we have 309.151 on 5-18,
13 inserting a new section which is a reflection of a
14 change in the statute. The statute has been modified
15 to provide that when you're doing a background check in
16 connection with a change in ownership of a pecuniary
17 interest in an association that the association shall
18 reimburse the agency which in turn will reimburse the
19 Department of Public Safety for the costs of conducting
20 the background investigation. And this is to reflect
21 that. I know that Commissioner Anderson possibly may
22 want to talk about that one separately.

23 And then the last rule change within
24 Subchapter B is on page 5-21. This is a new hazardous
25 weather rule to address situations where severe

1 thunderstorms or lightning are approaching the
2 racetrack and placing the patrons and the participants
3 in danger. It's requiring some procedures to be in
4 place, setting some minimum standards for when people
5 will be ordered to take shelter or directed to take
6 shelter.

7 That is the conclusion of Subchapter B.
8 Any questions?

9 CHAIRMAN ADAMS: Okay. Any questions for
10 Mr. Fenner at this point?

11 COMMISSIONER PABLOS: I do.

12 CHAIRMAN ADAMS: Yes, Commissioner
13 Pablos.

14 COMMISSIONER PABLOS: Mark, when we met
15 back in January to talk about 309, what was the scope
16 of that conversation? Was it just Subchapter A?

17 MR. FENNER: We focused on Subchapter A
18 at that time, yes, sir.

19 COMMISSIONER PABLOS: Did you have a
20 similar working group for Subchapter B?

21 MR. FENNER: No, we did not. Subchapter
22 A was particularly sensitive because it deals so
23 directly with the management and operations of the
24 racetrack and the granting of licenses and denying and
25 suspending of licenses.

1 COMMISSIONER PABLOS: Since that time in
2 January, did you receive any feedback such as the one
3 we just got from Bryan?

4 MR. FENNER: I have received some
5 feedback in connection with the proposed repeal of
6 311.51 which is the interim license rule. As you may
7 recall, at the last Commission meeting we were directed
8 to go ahead and see if there was an alternative method
9 of addressing the issue of what happens to a racetrack
10 that, for whatever reason, becomes inactive and is
11 there any mechanism by which it could get a new license
12 or take over an old license or what.

13 We've done quite a bit of work on that
14 and I have had some e-mails back and forth and I think
15 we are pretty close to a solution on that. And that
16 solution will be a Subchapter A solution. Outside of
17 that context of being in connection to the repeal of
18 interim license rule, I've not really received any
19 other feedback.

20 COMMISSIONER PABLOS: I'm just a little
21 concerned that we're getting this feedback from Bryan
22 right now and we're being asked to consider all this.
23 And so I'm a little overwhelmed by what is in Bryan's
24 comments here and for us to consider all of this in
25 haste is a little concern for me.

1 MS. ANDERSON: I agree with Commissioner
2 Pablos. It's very difficult for a Commission to take
3 feedback on rules real time when these are just
4 proposed rules anyway that are going to be out for
5 comment. And it's also difficult for staff to then
6 come back and -- and then we don't want a debate
7 between a public witness and a member of the staff,
8 which is what we're likely to end up with.

9 So I just -- I share your sentiment on
10 trying to get real time input into draft rules. On the
11 other hand, if we then make massive changes to a draft
12 rule as a result of public comment, then the rule may
13 be subject to reposting under the Administrative
14 Procedures Act. We'd just have to do that.

15 VICE-CHAIRMAN CARTER: Were these changes
16 posted? These changes, proposed changes, were posted
17 for comment?

18 MR. FENNER: This is the period of time
19 when they are being proposed for posting for comment.
20 This was all preliminary work that we have done.

21 VICE-CHAIRMAN CARTER: So they have not
22 been posted yet.

23 MR. FENNER: No. This is the process of
24 posting.

25 CHAIRMAN ADAMS: No. The action that

1 we'll be asked to consider after we've reviewed all
2 four sections of this will be the action to go ahead
3 and post this so that we can start taking in the public
4 comment. We've asked the industry to do preliminary
5 comments, which we've received now, as well as the
6 staff work that's been done.

7 Okay. Thank you, Mr. Fenner.

8 Mr. Brown?

9 MR. BROWN: Commissioners, I should add
10 that the collective group that was involved with this
11 really includes, in addition to the tracks I had
12 listed, LRP Group, Laredo Race Park, Valley Greyhound,
13 and Valle de los Tesoros. I think I should just add
14 that. I think we have their backing for these changes
15 as well. Or these comments. Excuse me.

16 CHAIRMAN ADAMS: Okay, sir.

17 MR. BROWN: Back on 309.103, we
18 understand that there are certain projects that are
19 going to require more time, more study by the
20 Commission; but we do think that the 30-day time period
21 has worked well in the past and is ample. I don't
22 believe it stops the staff from coming back and needing
23 more time, needing more input, having meetings and
24 doing other things to get more comfortable with the
25 proposed facility construction.

1 Again, I'm happy -- in light of the
2 comments, I'm happy to go through all of this, you
3 know, rule by rule, if you think that makes sense, and
4 answer any questions.

5 CHAIRMAN ADAMS: Okay, sir.

6 MR. BROWN: Chapter 309.111, I think I
7 heard a little bit better explanation from Mr. Fenner
8 on the reason for adding the word "and licensees"; and
9 if that's all it is, to further define really what
10 patrons are so that it's not excluding licensees, I
11 don't think we would have a problem with that change.
12 If there's something else that's trying to be changed
13 with adding that word, we'd certainly like to know; but
14 if it is as Mr. Fenner said, I don't think we would
15 have a problem with that proposed change.

16 309.113, the changes were acceptable.

17 309.114, we don't see the reason for the
18 added language. The last sentence, as Mr. Fenner
19 stated, is something that we must conform to as well
20 under the code. We don't see why that needs to be
21 repeated in the rules in addition to what we already
22 have in code and other statutes.

23 309.115, I don't know from track to track
24 what is on the backside in terms of water fountains. I
25 know we don't have water fountains all throughout the

1 backside. So we would like to know, from the
2 standpoint of the staff, who is in compliance with this
3 proposed change and if it indeed would require water
4 fountains or if the hose bibs which are everywhere on
5 the backside at most tracks are adequate.

6 309.116, the changes that are being
7 proposed look fairly broad to us. If you look at --
8 (a) and (b) in particular seem overly broad. We think
9 that (a) and (b) as they are are adequate. You know,
10 opening the door to all types of complaints versus
11 complaints just about the facilities, again, is what we
12 think gets a little bit broad. However, again, we
13 could meet with staff and understand a little bit more
14 what they're trying to get at.

15 Section 309.116(c)(1) and (2) are fine as
16 changed as proposed.

17 And then (c)(3) in that section again
18 seems overly burdensome and not necessary to allow the
19 staff to carry out its duties. If there's some things
20 that haven't been reported that are problems, then we
21 could certainly address those.

22 And then 309(c)(4) is acceptable as
23 changed.

24 309.117 is acceptable as proposed.

25 309.118. And a lot of these rules, I

1 think it would be really, really good for the
2 Commission and for the tracks to hear so I don't repeat
3 myself every time on them who's in compliance and who's
4 not. And here's another one. It would be nice to
5 know, from the staff's perspective, who is in
6 compliance and who's not because we may have
7 differences of opinion as to some of these rules and
8 whether our own individual tracks are in compliance.

9 So, you know, without going further into
10 118, that would be a big issue there. You know, we're
11 not trying to in any way make it so the Commission
12 can't have comfortable office space with all the things
13 it needs. We just would like to know are individual
14 tracks doing what they're supposed to.

15 309.119 is fine.

16 309.120. And I'll give you an example on
17 this rule as it applies to Retama Park. We have a huge
18 lighted area outside the race office which is generally
19 where the horsemen and licensees park. To us, that
20 would be our lighted parking area. I'm not sure if
21 that's what the staff would feel. And then every other
22 track, I'm sure, has something different. We have
23 other parking areas on the backside. Some are
24 lighted. Some aren't. But again, it would be good to
25 go through track by track and see where we all stand.

1 309.123 and 151 are acceptable.

2 And then 309.168 I think is a very, very
3 big issue. I would just hate the burden of having to
4 figure out when lightning is within six miles. I mean,
5 South Texas has historically been an area that's
6 received a lot of lightning. We've gotten it at the
7 track quite often. And basically putting a duty on us
8 to guarantee that we're going to clear the track in the
9 event we do have lightning within six miles, I mean, I
10 don't know how you can figure out when it is within six
11 miles. It seems to be putting a burden on the track
12 that we ought not to have.

13 I don't think this same type of rule is
14 in place for outdoor malls or golf courses or any other
15 facilities, football stadiums. I've been in a football
16 stadium -- I've been at a football game when the field
17 was cleared due to lightning, but the patrons were not
18 told to leave. And that's a much more, I think, severe
19 case of where lightning could be an issue.

20 So I just would hate to see the tracks
21 burdened with this and I think every individual can
22 decide for themselves whether they want to take cover
23 in the event of lightning and we're no better equipped
24 to make that determination for them.

25 And I think that's all of B. I can

1 answer any questions.

2 CHAIRMAN ADAMS: Any questions for
3 Mr. Brown?

4 VICE-CHAIRMAN CARTER: I have one
5 question, please. You made a comment, and you wrote it
6 here, about the group would like a statement from the
7 staff as to the compliance of existing facilities. If
8 we can all agree to what should be there, what
9 difference does it matter which facilities are in
10 compliance or not?

11 MR. BROWN: Dr. Carter, I think it would
12 be a matter of interpretation. We might all agree what
13 should be there, but we may disagree on whether or not
14 we comply. You know, lighted parking facilities should
15 be there. Does Retama comply by virtue of the lighted
16 parking area it has? You know, I think we do.

17 VICE-CHAIRMAN CARTER: So you're not
18 opposed to the rule change. You just want to make sure
19 that they interpret it right.

20 MR. BROWN: I'd have to go back rule by
21 rule to answer your question, but in all likelihood.
22 You know, the office equipment, you know, I don't think
23 we're opposed to it; but are we in compliance and is
24 there something that the staff has in mind that we're
25 not doing?

1 VICE-CHAIRMAN CARTER: Thank you.

2 COMMISSIONER SOWELL: A better
3 definition.

4 MR. BROWN: Yes, sir. The existing rules
5 in a lot of those cases, office equipment being one --
6 and I don't want to pick too much on office
7 equipment -- is very, very specific; and now we're
8 getting very, very broad. So I take it someone is not
9 in compliance, but I don't know who. I don't know what
10 issue there is. Or it may apply to concerns about the
11 new tracks coming on line, which may be very valid
12 concerns.

13 CHAIRMAN ADAMS: Any other questions for
14 Mr. Brown?

15 Thank you, sir.

16 Okay. We'll go on with Subchapter C
17 now. Mr. Fenner?

18 MR. FENNER: The changes under Subchapter
19 C begin on page 5-22 at Rule 309.250. There is three
20 substantive changes here. The first is on line seven
21 and eight, adding the requirement that the test barn
22 must be adequately ventilated. We have had some very
23 hot barns, we've noticed, and we are concerned
24 particularly with the three new tracks going in in
25 South Texas that they could be extremely hot.

1 The change on line 11 and 12, where we're
2 adding that the walk ring must be large enough to
3 accommodate eight horses, this is a reflection of some
4 material that's in the model rules which says that
5 there should be some -- a specification as to how many
6 horses the walk ring should accommodate. It does not
7 specify eight in particular, but we believe all the
8 tracks currently do accommodate eight.

9 And then the changes at the bottom,
10 beginning with line 22, are to tighten up the security
11 and the access to the test barn. We don't want people
12 in the test barn who do not need to be there.

13 The deletion on the next page, 5-23, of
14 Rule 309.251 is a deletion of the rule requiring an
15 isolation area. We have found that no track is
16 actually providing an isolation area. In fact, what
17 happens if a horse has a communicable disease, the
18 horse is removed from the racetrack. It's taken either
19 to a nearby veterinary clinic or to the owner or
20 trainer's farm where it can be treated.

21 The same answer or rationale for the next
22 page, 5-24, the deletion of the treatment area, the
23 Rule 309.252. The associations are not providing a
24 treatment area because the horses are being removed
25 from the facility if there's some sort of serious

1 injury that requires treatment.

2 A change on 5-25 to 309.253, deleting the
3 requirement for a locked storage area. The locked
4 storage areas are not being used at the facilities.
5 What happens is if a necropsy has to be done on a
6 horse, it is the backside vets who are doing it, not
7 the Commission vets. The Commission vets observe and,
8 you know, diagnose; but it is the backside vet who is
9 actually doing it and they provide their own tools.

10 The equine ambulance change on the next
11 page, 5-26, in order to load a horse onto an
12 ambulance -- and this is a live ambulatory horse. You
13 can either move them up a ramp or what they're doing
14 now is the ambulances lower to the ground so that
15 there's only two or three or four inches that they have
16 to step up to get into the ambulance. And that seems
17 to be a better system.

18 The next page, 5-27, a new rule on the
19 chase vehicle. We were somewhat surprised to find
20 there was not a rule requiring a chase vehicle, so we
21 want to specify that a chase vehicle is required and
22 what the minimum requirements for it are.

23 The next page, 5-28, Rule 309.256,
24 specifying that there must be one assistant starter for
25 each horse to start in a race. There have been some

1 problems that this is trying to address.

2 The next page, 5-29, to provide
3 information to the public in the official program about
4 the lessee and lessor for any leased animals and also
5 the city and state of the owner or designated
6 representative. I mean, it does happen that you will
7 have an owner or designated representative who has a
8 fairly common name and there may be -- we may have
9 several in our database. And so it's helpful for our
10 own purposes; and if it's helpful for our purposes, we
11 think also for the patron purposes to know that this is
12 that person, from which city they're from, so that they
13 can help distinguish.

14 That's the conclusion of Subchapter C.

15 Any questions?

16 CHAIRMAN ADAMS: Okay. Any questions for
17 Mister -- yes, Rolando.

18 COMMISSIONER PABLOS: Mark, you're
19 proposing to strike 251 and 252 with respect to
20 isolation and treatment areas?

21 MR. FENNER: Yes, sir.

22 COMMISSIONER PABLOS: What was the
23 original intent of having treatment areas? And wasn't
24 taking the animals to a nearby hospital contemplated at
25 the beginning? Or why is there not a need for that?

1 MR. FENNER: May I defer that question to
2 Dr. Marsh?

3 COMMISSIONER PABLOS: Please.

4 MR. MARSH: I'm Stewart Marsh, chief
5 veterinarian of the Texas Racing Commission.

6 A treatment area would be a place with a
7 stanchion to put the horse in to provide maybe bandages
8 on the legs. In the racing industry, they do it in the
9 stalls. So there really was no place ever built at any
10 racetrack with that particular facility in mind.

11 Now, there is areas right outside the
12 stable gate that have those facilities at our Class 1
13 tracks, with the exception of Retama Park, which the
14 facility would be one mile down the road.

15 Isolation areas were not built at any of
16 the Class 1 tracks for the same reason. There are
17 facilities right outside the stable gate that can house
18 injured horses or horses with extreme illnesses that
19 require continuous IV therapy or something like that
20 which couldn't be provided in a barn area.

21 So the areas are covered. The treatment
22 is covered. The isolation is covered. But not on the
23 backside of the racetrack.

24 COMMISSIONER PABLOS: I'm looking forward
25 into new tracks. Are we going to -- what is going to

1 happen if a new track doesn't have that?

2 MR. MARSH: Let's look at Manor and
3 Gillespie. Gillespie has none because it's 100 percent
4 haul-in horses. There are no horses that stable
5 there. Manor does not have one, a Class 2 track. 90
6 percent of those horses are haul-ins. They're there.
7 They're gone the next day. So that's the situation
8 we're in.

9 Now, I mean, we could enforce these rules
10 that are presently on the books and require the tracks
11 to build these facilities; but in the past we have
12 not. And at the Class 1, the reason -- and this is
13 before my time, so this is secondhand information. The
14 reasoning was because these facilities were in such
15 close proximity that waivers were given.

16 COMMISSIONER PABLOS: So waivers were
17 issued?

18 MR. MARSH: That's my understanding.

19 COMMISSIONER PABLOS: What about future
20 tracks? We've got two tracks in Laredo. How are we
21 going to make sure that there will be facilities close
22 by any time we open a new track? I mean, how is that
23 going to work if we strike this language?

24 MR. MARSH: They would be Class 2 tracks
25 and they would be largely haul-in people. So they will

1 probably have a point that since no horses are stabled
2 there permanently, they do not need those facilities.

3 I don't know how to answer the question
4 really because if we keep this language and this is
5 important language, we can make sure that that's
6 incorporated in the new tracks.

7 COMMISSIONER PABLOS: And who determines
8 whether it's important or not?

9 MR. MARSH: The Commissioners.

10 My recommendations were to strike those
11 two rules because those rules are not being used and
12 they haven't been for 12 years that I know of.

13 COMMISSIONER PABLOS: Okay. Thank you.

14 COMMISSIONER SCHMIDT: Mark, on a
15 different note, 309.256, I guess I'm trying to
16 understand a little bit. You referred to that this
17 rule was changed in response to some concerns. I
18 presume the starting problems we've seen. Do we have
19 data or is there a correlation that number of starters
20 ensures a good start or --

21 MR. FENNER: May I bring up the director
22 of racing, John Ferrara, to answer that question?

23 COMMISSIONER SCHMIDT: Okay. Thank you.

24 MR. FERRARA: Good morning. This rule
25 really is for the Quarter Horse industry. Quarter

1 Horse trainers, it is important to them that they have
2 an assistant starter and a header in the gate for every
3 horse. And we've had our problems that we've had some
4 Quarter Horse races in which horses have started
5 without a header, yes.

6 COMMISSIONER SCHMIDT: But the rule does
7 apply to the Thoroughbred as well, right?

8 MR. FERRARA: It does.

9 COMMISSIONER SCHMIDT: I mean, if we were
10 to adopt it --

11 MR. FERRARA: It does. But of course,
12 the stewards would use a little judgment. You know, if
13 a Thoroughbred trainer did not want a header in the
14 gate with his horse, you know, they wouldn't demand
15 that there be one in there. But the problem we face is
16 we did not have enough assistant starters for every
17 Quarter Horse race where the trainers do want a header
18 in the gate with their horse.

19 COMMISSIONER SCHMIDT: I guess my concern
20 would be that, when you said steward judgment, are you
21 saying we would be adopting a rule that would be then
22 disregarded by the stewards?

23 MR. FERRARA: Again, we've already
24 discussed this problem a little bit, what is -- if
25 there was a 10-horse gate with 10 Quarter Horses, what

1 if there was only nine headers. What would you do?
2 Then it's up to the stewards. I'm sure they would not
3 scratch the horse. But the stewards are put in
4 situations where they've got to use some judgment at
5 times.

6 COMMISSIONER SCHMIDT: Okay. Thanks.
7 Thanks very much.

8 CHAIRMAN ADAMS: I think the bottom line
9 is if we've got the 10 there and they choose not to use
10 them, then they would have that prerogative; but if
11 you've got 10 horses in the box, you're not going to
12 ask one header to try to hold two horses. It's just
13 not going to happen. And so it makes sense that we
14 have the people there to handle the task.

15 MR. FENNER: And if I may add, we have
16 had a problem, I believe, where the insufficient number
17 of starters have led to the veterinarians having to
18 actually close the gates behind the horses, so they're
19 getting to a level of actually participating in the
20 race that we think is inappropriate.

21 CHAIRMAN ADAMS: Our staff -- you're
22 talking about our staff?

23 MR. FENNER: Our Commission
24 veterinarians, yes, Commission staff.

25 CHAIRMAN ADAMS: Okay. Let's -- where

1 are we then, Mark?

2 MR. FENNER: Subchapter D on page 5-30.

3 CHAIRMAN ADAMS: Did we hear from Bryan
4 on C?

5 MR. FENNER: Did we?

6 MR. BROWN: No.

7 CHAIRMAN ADAMS: No, we haven't yet. As
8 much as we'd like to move this along.

9 MR. BROWN: I think that means Mr. Fenner
10 likes my comments and doesn't want me to have to repeat
11 them.

12 309.250, I think we're all in agreement
13 these changes are good changes. I think we all feel,
14 again, that we're within the rules. But it would be
15 nice to sit down with staff and just make sure that
16 staff agrees with our assessment of ourselves.

17 309.251, 252, 253, 4, and 5 are fine.

18 309.256, what we were just discussing, I
19 think this is clearly a rule that we need to have a
20 sit-down with horsemen, staff, and tracks. We have
21 reduced the number of starters in our Quarter Horse
22 meet because of the difficulty in finding assistant
23 starters. And to conform with not the rule but the
24 staff, we have gone from an 11-horse maximum to 10 just
25 to conform to the one starter per horse. And we're

1 not -- we're very much in favor of sitting down with
2 everybody that's interested.

3 A Thoroughbred meet is much more
4 difficult where most of your Thoroughbred races have
5 eight, nine, 10 horses and then you'll have a 14-horse
6 field; and to have 14 separate starters when a lot of
7 the Thoroughbred trainers are not real concerned about
8 whether or not each horse is headed seems to me to be
9 overly burdensome to the track.

10 But again, I think we would need to sit
11 down with both the Quarter Horse side and the
12 Thoroughbred side. I know how the Quarter Horse side
13 feels. We understand it. We've taken measures to, I
14 think, accommodate them. Unfortunately, it's meant
15 reducing the number of starters per race, but at least
16 each horse does get a header.

17 309.296, the lessee information that's
18 being suggested is important; and subject to us making
19 sure our software can handle it, which I'm almost
20 certain it can, that's not a problem. We do slightly
21 object, I would say, to requiring the location of the
22 owners because we don't think it's, from a handicapping
23 standpoint, all that valuable information. But if --
24 you know, I heard Mr. Fenner say that it is important
25 for the staff; so again, if that's something that's

1 easy for our system to take care of, it's not a big
2 problem to us.

3 CHAIRMAN ADAMS: Any questions for
4 Mr. Brown?

5 I notice, Mr. Brown, how fast you went
6 through the 251 and 252. Do you have a copy of the
7 waiver that was granted to your track for the --

8 MR. BROWN: I think we do. I mean, I
9 know that was very much discussed. But I'd have to go
10 back and check. I mean, that was before my time and it
11 was quite awhile ago.

12 CHAIRMAN ADAMS: I'm being sarcastic.

13 MR. BROWN: Well, I tried to pull it out
14 actually for the purposes of other license applications
15 because I knew the issue would come up. But I don't
16 know that I found it. It's somewhere.

17 CHAIRMAN ADAMS: Thank you, sir.

18 Mr. Fenner?

19 MR. BROWN: I hope.

20 COMMISSIONER EDERER: I have a question.

21 MR. BROWN: Yes, sir.

22 COMMISSIONER EDERER: And I'm going to
23 bounce back.

24 MR. BROWN: You can't go back to B
25 without getting Mr. Fenner's approval.

1 COMMISSIONER EDERER: He says it's okay.

2 Talking about the weather, now, I know at
3 a golf tournament, when the lightning comes close, they
4 will stop play and the players will get off the course
5 and they will request that the attendees get off the
6 course, you know, the public.

7 Is there anything in place at the tracks
8 that would require this if the lightning is coming?
9 Now, I understand what you're saying. You don't want
10 to be a weatherman and you're not weathermen and this
11 type of thing. But do you just keep right on racing if
12 it's sitting there lightning right on top of the
13 track? Is there anything in place at the present time
14 to protect the participants, both the animals and the
15 athletes and the -- I like to call the animals athletes
16 in this case.

17 MR. BROWN: Sure.

18 COMMISSIONER EDERER: And the visitors.

19 MR. BROWN: Not at the current time. And
20 that's a hotly debated topic by golf courses -- and
21 I'll give you a little background -- as to whether or
22 not you should, as a golf course, for liability
23 purposes, have a warning system. And I was involved in
24 litigation on it where we were clearly going to win and
25 the insurance company settled.

1 Golf courses have looked at it both ways
2 and insurance companies that insure golf courses have
3 looked at it both ways, where if you have a system at
4 least you're trying to warn patrons. However, if you
5 have one and it doesn't work and patrons have relied on
6 that system, you're subject to litigation.

7 In the case I was involved with, we told
8 a woman to get off the golf course three times and she
9 didn't. Lightning came, hit the green next to her.
10 She had to go to the hospital. She was fine, sued us.
11 And the insurance company settled.

12 So I am very sensitive to this issue and
13 any burden or any requirements that isn't well thought
14 out at least that's put on the tracks I'm going to be
15 very sensitive to because I've seen what happens. And
16 we went through in this particular case with our
17 insurance company afterwards, after the fact, do we put
18 a system in; and their answer was no, because now
19 patrons are relying on you. The system -- systems
20 aren't a hundred percent, by any means. And if it
21 doesn't work --

22 COMMISSIONER EDERER: I understand. The
23 public who is there visiting, they're going to do what
24 they want to do. If they want to stand out in the
25 rain, there's nothing you can do about that. But will

1 you suspend racing?

2 MR. BROWN: We have, absolutely. All
3 tracks have suspended racing quite a bit. And
4 sometimes you suspend it and the lightning never
5 comes. Sometimes you don't suspend it and the
6 lightning comes real, real quick and you probably
7 should have. So it's very, very difficult.

8 The stewards participate quite a bit in
9 that decision. They are, fortunately, up high above
10 and probably have a better vantage point than anybody.
11 And the jockeys participate in that decision. If they
12 don't want to ride, we suspend racing, no questions
13 asked. We don't mess with lightning.

14 COMMISSIONER EDERER: So there's nothing
15 set in concrete, no rule.

16 MR. BROWN: Right.

17 COMMISSIONER EDERER: But it is -- you do
18 have some sort of a -- I'm not saying this very well,
19 but you have some sort of a way to protect --

20 MR. BROWN: Oh, yes. Absolutely.
21 Absolutely.

22 COMMISSIONER EDERER: -- the athletes and
23 the jockeys and the --

24 MR. BROWN: Yes, yes.

25 COMMISSIONER SOWELL: Bryan, as you've

1 already pointed out, there are a lot of ways to skin a
2 whatever. And I've been asked to leave two stadiums at
3 football games, one here in town and one in Florida.
4 The one in Florida, if you left the bleachers or the
5 stands, that was okay. If you didn't, that was okay,
6 too. In Memorial Stadium, they made an effort to run
7 everybody out. It wasn't successful. In fact, in
8 Florida it happened three different times during the
9 same game. So they have a lot more lightning than we
10 do here. But it's a matter of how do you want to run
11 it.

12 MR. BROWN: Sure.

13 COMMISSIONER EDERER: The main thing,
14 though, is there's provisions in place at each track to
15 shut down racing, suspend racing.

16 MR. BROWN: Absolutely. And it happens
17 quite often, you know. At every meet you have that
18 happen. And if you're looking at simulcast racing, you
19 very often see tracks that are doing that. And for the
20 most part, what happens is the horses, if they're in
21 the paddock, stay in the paddock. If they were coming
22 out, they go back into the paddock area and they sit
23 there and watch it rain and lightning for a while and
24 then a determination sometimes is made just to suspend
25 racing, period. We've lost half a card due to safety,

1 which is fine. You know, it's important. Most of the
2 times you do resume racing and pick up with that race
3 where the lightning started.

4 COMMISSIONER EDERER: Thank you.

5 MR. BROWN: Thank you.

6 CHAIRMAN ADAMS: I do -- for comment, I
7 do know that there is a -- there is a provision for
8 NCAA sports that requires this type of notification
9 process where student athletes are involved and it is
10 very strictly adhered to and that's the same rule that
11 kicked in at Memorial Stadium here.

12 COMMISSIONER SOWELL: Of course, it's
13 easy to get the players off. The coach says, "Get your
14 butts out of here."

15 MR. BROWN: Sure.

16 COMMISSIONER SOWELL: The fans don't have
17 anybody to do that.

18 MR. BROWN: I think it merits some
19 discussion clearly. We want what's safe for the
20 patrons, too.

21 CHAIRMAN ADAMS: But at The Ballpark at
22 Arlington they have a program I know because I've been
23 booted out of The Ballpark at Arlington for a storm
24 that was 15 miles away. But there certainly is some
25 verbiage out there that -- yes, Charla Ann? I know

1 you --

2 MS. KING: Mr. Chairman, if I could,
3 Commissioners, address this because we've been working
4 on this proposal for a long time and we want to work
5 with the racetracks to make it work because it is so
6 critical.

7 Chuck Trout on our staff has a lot of
8 background in this and was very diligent in doing
9 research of other venues, how is it handled, what is
10 the best way to go about this.

11 We appreciate your input, Bryan. I do
12 have to take exception to the comment that there are
13 provisions that make it happen, the stopping of racing
14 in bad weather, at least in any regular standard way.
15 My observation in the past two and a half years has
16 been that it doesn't happen the same way in any place.

17 I have been on the track when a lightning
18 storm has come to the track and racing not been stopped
19 and dangerous lightning bolts have hit. And when I
20 asked each participant in this decision-making process
21 whose decision was it, the general manager said it was
22 the stewards' decision. The stewards pointed to the
23 placing judges and the jockeys. And the jockeys
24 pointed back to the general manager. And I was not
25 getting any satisfaction on who makes the call and did

1 people have good information to make the call.

2 You're right. It's not an easy decision
3 to make. And so there may be some variety between the
4 tracks the way that it's handled. This was an effort
5 to try to establish a standard. And maybe we need to
6 talk about it some more and I can see this patrons
7 versus the actual participants. But I'm very concerned
8 about particularly the jockeys and the starting gate
9 crew because the starting gate is a pretty big target
10 when lightning is coming down and a lot of people could
11 be killed if it was struck. So if we haven't got it,
12 we're happy to continue working on it; but it's a very
13 important policy issue.

14 MR. BROWN: I would agree with everything
15 she just said because I do think there's probably --
16 you could go track to track and you'd get 14 more
17 different answers on who's in charge with regard to
18 lightning. So I would absolutely agree that that needs
19 to be looked at and specified.

20 CHAIRMAN ADAMS: Very good, Mr. Brown.
21 Thank you very much. I don't think there are any
22 further questions.

23 Let's go on to Section D.

24 MR. FENNER: All right. Subchapter D
25 relates to greyhound racetracks. On page 5-30, first,

1 we're -- we're not really striking the lines from eight
2 to 11. We're removing them and inserting them into a
3 new rule so that we can make it a little broader, a
4 little broader that would really fit under the title
5 "Starting Boxes". So while you see it being struck
6 here, you'll see it reappearing two pages later.

7 On page 5-31 on 309.309, the lockout
8 kennel, there's a requirement and an expectation that
9 the kennelmen, the trainers will be able to see the
10 dogs while they are in the lockout kennels. The rule
11 calls for there to be a one-way viewing window; but in
12 fact, what many of the tracks, the greyhound tracks,
13 have is a closed-circuit television monitoring system
14 so that there's a camera in the lockout kennel and the
15 kennelmen and the trainers can observe them down the
16 hall. And this would reflect that.

17 Page 5-32 is a deletion of the
18 requirement for a separate kennel building for
19 greyhounds that were participating in stakes races. If
20 you would like to hear the staff position on that, I
21 would defer to Mr. Ferrara who could probably give an
22 explanation on that. Would you like to hear that?

23 CHAIRMAN ADAMS: We probably should since
24 we've had a question about that already.

25 John, would you -- would you touch on

1 5-32?

2 MR. FERRARA: In talking with the judges
3 in the field, they mentioned that in recent years we
4 have not had stakes where greyhounds came from out of
5 state, that they were all on the grounds, and also in
6 recent years, with the shortage of dogs, there's always
7 been empty kennels. And to be honest with you, in my
8 tours of the backside and the kennel areas, I've
9 never -- no one ever pointed one out and said, "This is
10 a stakes kennel."

11 But there are empty kennels back there;
12 and again, the input from my judges is we have not had
13 a stake race in Texas for so long where dogs came in
14 from off the grounds.

15 CHAIRMAN ADAMS: Thank you.

16 Any questions for Mr. Ferrara?

17 Thank you, sir.

18 MR. FENNER: On the next page, 5-33, a
19 change to the turnout pens rule, that is, to replace
20 the requirement that there be a minimum of 12 inches of
21 sand that's replaced at least every three months that
22 we use the language to have sand or a comparable
23 material of a depth approved by the executive secretary
24 that's maintained in a sanitary state.

25 It was our observation and what we've

1 heard from our judges is that, first of all, that's a
2 lot of sand that they'd be replacing. Also, with a
3 seasonal track, they're only operating maybe six months
4 a year, for example, Valley; so every three months two
5 of those would not even be effective because they're
6 not operating.

7 The next page, 5-34, two changes here to
8 reduce the number of sprint paths that are required
9 from one for every three kennel buildings to one for
10 every five kennel buildings. John Ferrara and I were
11 discussing this before. He mentioned that because
12 there was a shortage of greyhounds that, in fact, they
13 are not even -- they race so often that they don't use
14 the sprint paths right now.

15 If the industry turns around, we may want
16 to revisit that rule; but right now they're not using
17 those sprint paths as much to justify that higher
18 requirement.

19 Also adding the requirement to be a
20 highly visible material at both ends of the sprint
21 path, evidently the greyhounds, when they get in a
22 hurry and they see something beyond, they -- or if they
23 see something beyond, they may run into the fence at
24 the end or they may not even see the fence because it's
25 not visible.

1 Then the next page, 5-35, is the
2 reappearance of that portion that was struck earlier to
3 require them to have a person present on association
4 grounds who's skilled and qualified to maintain the
5 starting boxes; but we are also adding that they must
6 be skilled and qualified to maintain the racing surface
7 and all track equipment. And we believe they already
8 have the people at their tracks to perform this
9 function, but it's nice to break it out and be specific
10 about it.

11 Any questions?

12 CHAIRMAN ADAMS: No questions at this
13 time.

14 Is there anyone -- I don't have anyone
15 signed. Ms. Whiteley, are you going to speak to the
16 Section D?

17 MS. WHITELEY: Yes. Thank you.

18 I was under the understanding earlier
19 this year that there would be a working group on
20 309-D. I knew there was a working group on 309-A
21 related to licensing, and I had asked if there would be
22 a working group on 309-D since it did affect the
23 greyhound industry as greyhound people rather than
24 racetrack owners and had thought there would be one
25 scheduled.

1 I did talk with Mark Fenner when I got
2 this last week and talked about the timing of the
3 proposed rules to where they would be public and told
4 him that I would get organized a working group with the
5 racetracks and the racing directors, some judges, some
6 racing kennels, and the TGA to go over additional rules
7 in 309-D, some of which we have some issues with. But
8 as far as these ones that are proposed, I'll give you
9 my comments on these.

10 On 5-32, which is the stakes races, hope
11 springs eternal. In the event that there is a major
12 turnaround, we would like to have that available. We
13 have three licensed tracks now. I don't know if there
14 will be -- at this point there will not be another
15 greyhound track built. So I see no necessity in
16 eliminating it at this point.

17 5-33, on the turnout pens, this has been
18 a problem. To change the turnout sand every three
19 months is a burden and I think it is too often. But on
20 the other hand, 10 years is too long. I think there's
21 a medium in there somewhere.

22 And as far as this language, there's no
23 objection to the language other than it is not clear to
24 us who determines what is sanitary. Is it the kennel
25 trainer? Is it the State veterinarian? Is it the

1 owner of the greyhound?

2 So we would just like to have more
3 conversations with who determines what is sanitary and
4 also who is responsible for maintaining that sanitary
5 condition, where the responsibility lies, if a kennel
6 owner or trainer says, "I need additional sand in
7 there," to make sure that the track will provide that
8 sand. So I just think this needs to be discussed a
9 little more thoroughly as to the specifics of the
10 responsibility.

11 5-34, "An association shall provide, for
12 every three kennel buildings, a sprint path" -- and I
13 recognize that we have some -- I recognize we are not
14 full with 18 kennels. I do recognize this. And it
15 differs between tracks of how many greyhounds are
16 sprinted on a regular basis.

17 But each greyhound kennel houses --
18 again, at Gulf it's 62. At Valley I think it's 70.
19 Corpus I believe is 70. That's potentially a lot of
20 greyhounds. And even though a lot of greyhounds won't
21 need to be sprinted if they're on a regular racing
22 rotation, if they're only racing once a week, then
23 those greyhounds will need to be sprinted; so you're
24 looking at potentially with three kennels -- or five
25 kennels, you're looking at 300 greyhounds with a sprint

1 run to compete for and that's going to be a real
2 problem.

3 Even though we have empty kennels, I
4 don't see the necessity to eliminate these sprint
5 paths. They're already built. It's just determining
6 the maintenance of it.

7 Those are our concerns. And overall,
8 again, we would like to have the opportunity to get a
9 working group together to go over some of these things
10 more thoroughly as well as other 309-D that are not in
11 these proposed rule changes.

12 CHAIRMAN ADAMS: Anyone -- any questions
13 for Ms. Whiteley?

14 Thank you, ma'am.

15 Anyone else signed to speak on 309-D?

16 Okay. Mr. Fenner?

17 MR. FENNER: Commissioners, I would like
18 to point out that Chapter 309 is still open for rule
19 review. Staff has some additional changes we may be
20 bringing at the next Commission meeting. And the
21 greyhound association is certainly welcome to continue
22 to review Subchapter D and bring additional proposals.
23 We'd be happy to work with them.

24 CHAIRMAN ADAMS: I would like to ask if
25 our greyhound Commissioners, our Commissioners who are

1 working with greyhounds now, would mind serving on a
2 working group to address D.

3 COMMISSIONER PABLOS: Actually I would
4 encourage to have a working group.

5 CHAIRMAN ADAMS: I think Commissioner
6 Pablos has no problem with that. How about you?

7 COMMISSIONER HICKS: No.

8 CHAIRMAN ADAMS: Would staff then please
9 incorporate our Commissioners with those efforts?

10 MS. KING: Yes, sir.

11 CHAIRMAN ADAMS: Okay. We're going to
12 close the input now on this portion of the agenda and
13 we'll have discussion among the Commission as to how to
14 proceed.

15 I personally -- in order to begin this
16 discussion, I personally would like to see us go ahead
17 and move as many of these line items forward with the
18 publishing in the Texas Register as possible. I don't
19 have any individual item that I have a problem with
20 holding back if we do choose as a Commission to hold
21 back any of these, so we can certainly do that. If we
22 do think -- I think probably it would be wise, if we
23 see major changes to any one of these recommendations,
24 that we consider holding that back rather than to have
25 to go through and repost it.

1 So I'll open it now for any suggestions
2 or comments from the Commission before we entertain a
3 motion.

4 Ms. Anderson?

5 MS. ANDERSON: I have several. I have
6 several comments.

7 CHAIRMAN ADAMS: Okay.

8 MS. ANDERSON: First, with regard to
9 Subchapter B, the rule is 309.151. You know, and
10 whatever my fellow Commissioners want to do, you know,
11 we can post it as is, you know; but I think there's a
12 lot more discussion that needs to be had about the
13 content of this rule and I really think there are a
14 number of things in it that merit a closer look. Staff
15 might want to work on it some more because they are,
16 you know, continuing to work on Chapter 309-B.

17 And I'm specifically interested on page
18 V-18 in the language -- it's existing language on lines
19 15 and 43 that imply that if you just submit the
20 following paperwork, you're going to receive the
21 ownership transfer approval of the Commission. And to
22 me, I think we ought to all be very clear in
23 understanding that that's what we're agreeing to if we
24 leave the language the way it is. And I'm not sure
25 about the wisdom of that.

1 There's several places in here where we
2 talk about fingerprints on a form prescribed by DPS and
3 I just want a language change there to in a form
4 prescribed by DPS because we really ought to be getting
5 our fingerprints electronically.

6 And then on page V-19 on lines 20 and 33,
7 there is language, you know, perhaps of longstanding,
8 that says transfers are considered to have the prior
9 approval of the Commission if, you know, just some
10 paperwork is submitted. And I think that that may
11 restrict our reasonable discretion to, you know,
12 evaluate decisions like this. So I'd like to have the
13 staff look at it.

14 And finally, in the last part of the
15 rule, beginning on line 36, it talks about, you know,
16 transfers to exempt institutional investors, which I
17 discovered is a pretty long list of people.

18 On page V-20, line five, the Commission
19 is supposed to get a copy of that investor's annual
20 report. We don't think we have any institutional
21 investors today, but we have an annual report. What
22 are we supposed to do with it? What does the annual
23 report tell us about, you know, their fitness to
24 participate in an investment group in a racetrack? So
25 I would like to ask that we give staff some time to

1 work some more on that one. That's 309.151.

2 Then on the two greyhound issues where --
3 you know, you can play this either way. We can post
4 them with language struck and we'll get comment from
5 the greyhound association. If we -- and we won't get
6 any comment from the tracks because they probably like
7 having this requirement removed.

8 I don't think -- you know, I'm not -- I
9 think I would prefer to post the rule without any
10 changes and let's hear from the tracks and the
11 greyhound association, assuming they'll all get word
12 that they ought to both -- but I'm open to my fellow
13 Commissioners' thoughts on that one. But I'm concerned
14 about taking requirements out that are already built in
15 existing tracks if, in fact, the kennel compounds could
16 be repurposed. You know, I'm interested in more
17 information from staff.

18 So I don't feel as strongly about pulling
19 those. I don't need to -- I don't want to pull those.
20 But I think we need to have some discussion about how
21 to post them. And I would like to have staff go back
22 to work on 309.151.

23 CHAIRMAN ADAMS: A question concerning
24 the technical portion of that. Would you -- would
25 you -- first, would you be allowed to post a rule

1 without any change if you just posted it the way it
2 was?

3 MR. FENNER: No, that wouldn't be
4 necessary.

5 CHAIRMAN ADAMS: See, I saw a little
6 problem with that. But I do agree with Ms. Anderson
7 that -- Commissioner Anderson that if you've got three
8 dog tracks in Texas and that's all we're allowed to
9 operate and all three of them have these facilities
10 already, why would we -- why would we change it? I
11 have a problem with that.

12 So it doesn't keep us from posting it.
13 It doesn't keep us -- I don't agree with posting it as
14 it currently is, but I think that we should post it as
15 a change and hope -- and maybe get some input from the
16 tracks. We don't have anyone here today that wanted to
17 speak representing the tracks. But that's my personal
18 opinion.

19 Any other questions?

20 MS. BRIGGS: Mr. Adams, I would be glad
21 to if you'd like for me to. I'm Sally Briggs from Gulf
22 Greyhound Park. And I agree that we are in -- we
23 already have all of these already. And I agree. Why
24 are we going to delete them whenever we have the three
25 tracks? We do have a stakes kennel and we do

1 occasionally use it to put our adoptive greyhounds that
2 have not been adopted yet. We do have the amount of
3 turnout pens and -- I mean, the amount of sprint paths,
4 and we do maintain them. You know, and our kennels do
5 use all of our sprint paths at this time. So I agree.

6 CHAIRMAN ADAMS: Okay. Thank you.

7 MS. BRIGGS: Thank you.

8 CHAIRMAN ADAMS: If you could please fill
9 out a card, please.

10 Okay. Other discussion from the
11 Commission?

12 VICE-CHAIRMAN CARTER: Could I ask --
13 these proposed changes that we received in our packet,
14 when did the tracks receive those proposed changes that
15 we just got the responses last night?

16 MR. FENNER: Sure.

17 VICE-CHAIRMAN CARTER: How long have they
18 had those?

19 MR. FENNER: Well, it's been a long
20 process. Many of these changes, in fact, particularly
21 the greyhound ones, were originally sent to them on
22 September 21, 2007. I'm not going to tell you that I
23 haven't gone through since then and revised or edited,
24 but substantively they're the same as to what was sent
25 out September 21. And we had a Subchapter A meeting in

1 January. I sent them the material again on May 22nd,
2 which was fairly current, Thursday a week ago. So --

3 MS. ANDERSON: So they saw the draft
4 rules before they were even provided to the
5 Commission.

6 MR. FENNER: Yes, ma'am.

7 VICE-CHAIRMAN CARTER: I have a comment
8 that I would like for us to try to work on. I'm not
9 sure exactly how we can do it. But like Commissioner
10 Pablos, I'm a little bit overwhelmed by getting these
11 exceptions handed to me right now while I'm reading
12 through here trying to sort them out and trying to make
13 sense out of them.

14 And perhaps we should put a deadline on
15 these types of correspondences so we can get them with
16 the packet and think about them and read them so that
17 we have had time to mull them over in our mind before
18 we have to come here and talk about them because we
19 might have some questions tomorrow that we would have
20 had today.

21 I don't know if we have that in place,
22 but I'd like to encourage us to do that.

23 CHAIRMAN ADAMS: A very good comment.

24 Yes, Ron?

25 COMMISSIONER EDERER: Could you -- I just

1 have a question. Could you clarify the procedure, what
2 we're doing here?

3 MR. FENNER: Yes, sir. Today?

4 COMMISSIONER EDERER: Yes.

5 MR. FENNER: You are voting to publish in
6 the Texas Register these rules for public comment. It
7 takes about two and a half weeks before they will
8 actually be published in the Texas Register. The breed
9 association, tracks, any interested party, or the
10 public in general can comment for 30 days.

11 COMMISSIONER EDERER: What's being
12 published is the changes that are being recommended.

13 MR. FENNER: Yes, sir.

14 COMMISSIONER EDERER: That's what's being
15 published.

16 MR. FENNER: And then at the following
17 Commission meeting, we will come back to you. We will
18 give you the comments that we have received. We will
19 give you the staff response to those comments. And
20 you'll be able to take additional oral testimony. And
21 you can decide at that point whether to adopt them,
22 whether to adopt them with amendments, whether to
23 reject the proposal. You'll have full flexibility at
24 that point. Or to repost them with changes.

25 COMMISSIONER EDERER: So anyone who wants

1 to have any input is going to have the input.

2 MR. FENNER: They'll have an
3 opportunity.

4 COMMISSIONER EDERER: If there are major
5 changes in a rule, such as the 309.151 that
6 Commissioner Anderson is interested in --

7 MR. FENNER: Yes. I would recommend
8 actually pulling that one down. I agree, from
9 discussing with her and Charla Ann, that there is
10 additional work that needs to be done on 309.151. And
11 I would support --

12 COMMISSIONER EDERER: I think that's
13 really the only major one that I've heard.

14 COMMISSIONER SOWELL: Will that delay the
15 process?

16 MS. ANDERSON: Not on all the rest of
17 these.

18 MR. FENNER: Not on the rest of them.
19 And I think we will be bringing additional rules
20 probably at the next Commission meeting under Chapter
21 309. So the rule review process is not always a clean,
22 simple, you know --

23 MS. ANDERSON: Once and done.

24 MR. FENNER: -- once and done deal.

25 COMMISSIONER EDERER: So at this point in

1 time then, the one that you would recommend that be --
2 the only rule that you'd recommend to be pulled would
3 be 151.

4 MR. FENNER: I would recommend 309.151.
5 As to 309.311 and 309.314, the kennel compound and the
6 sprint path one, I don't have strong feelings either
7 way.

8 COMMISSIONER EDERER: The changes would
9 be relatively simple that we could take care of at the
10 next meeting, such as the weather, the hazardous
11 weather, that type of thing. You could come up with
12 some sort of a quick proposal that we could vote on at
13 that point in time.

14 MR. FENNER: Yes, I believe so.

15 COMMISSIONER EDERER: But 151 needs to be
16 pulled.

17 MR. FENNER: I would agree with that.

18 COMMISSIONER SOWELL: Mr. Fenner, just
19 one more question. I don't feel at all uncomfortable
20 at this point, based on what I've heard, about
21 something being rushed in and not adequate time to
22 review and that sort of thing because really this is
23 just the beginning of a process that gives everybody an
24 opportunity over a period of weeks and maybe months.
25 Is that correct?

1 MR. FENNER: Yes, sir.

2 COMMISSIONER SOWELL: So my view is this
3 is just -- we're just getting started.

4 MR. FENNER: Right.

5 CHAIRMAN ADAMS: Any other questions for
6 counsel?

7 Thank you, Mr. Fenner.

8 The Chair will now entertain a motion to
9 publish the proposed amendments, with those exceptions
10 selected by the maker of the motion, with the Texas
11 Register for public comment.

12 COMMISSIONER SOWELL: So move.

13 COMMISSIONER SCHMIDT: Second.

14 CHAIRMAN ADAMS: Do you have any, as the
15 maker, that we want to hold back, Mr. Sowell?

16 COMMISSIONER SOWELL: No.

17 CHAIRMAN ADAMS: Do you want to hold the
18 151 back?

19 COMMISSIONER SOWELL: Yes.

20 CHAIRMAN ADAMS: Okay. Do I have a
21 second to that?

22 COMMISSIONER SCHMIDT: Second.

23 CHAIRMAN ADAMS: Okay. I have a motion
24 and a second to post Subchapters A, B, C, and D, with
25 the exception of 309.151, with the Texas Register for

1 public comment.

2 All those in favor please say aye.

3 COMMISSIONERS: Aye.

4 CHAIRMAN ADAMS: Any opposed?

5 The motion carries.

6 Rule adoptions, information for
7 background investigations. Mr. Mark Fenner.

8 MR. FENNER: Commissioners, this
9 amendment was proposed at the last Commission meeting.
10 It was published in the May 2nd edition of the Texas
11 Register. This was a proposal to reduce the amount of
12 time between fingerprints from a five-year period to a
13 three-year period. We have not received any public
14 comment in response to the posting.

15 I did receive comment from a
16 Commissioner, Commissioner Anderson, who observed, as
17 she did as well in 309.151, that on line five it says
18 "a set of the applicant's fingerprints on a form" and
19 she suggested that it might be appropriate to change
20 that to "in a form prescribed by the Department of
21 Public Safety". I don't really think that that's a
22 change that would require a reposting of the rule if
23 the Commission agrees with that change.

24 With that said, I would recommend
25 approval and adoption of this amendment and it's your

1 discretion as to whether to do the "in" versus "on".

2 CHAIRMAN ADAMS: I have no one signed. I
3 have no one signed to speak on this item.

4 Are there any questions of the Commission
5 before I ask for a motion?

6 Hearing none, the Chair will accept --
7 will recognize a motion to adopt the amendment of 311.3
8 as published in the Texas Register with the changes
9 that we've discussed suggested by Commissioner
10 Anderson, if that is the -- if that is, in fact -- the
11 changing of the word from "on" to "in" per the DPS's
12 new program for electronic fingerprints.

13 MS. ANDERSON: So move.

14 COMMISSIONER EDERER: Second.

15 CHAIRMAN ADAMS: It's been moved and
16 seconded.

17 Any discussion?

18 All those in favor say aye.

19 COMMISSIONERS: Aye.

20 CHAIRMAN ADAMS: Any opposed?

21 The motion carries.

22 Next item of rule adoptions, No. 2,
23 repeal of 311.51, interim license to conduct race
24 meetings.

25 MR. FENNER: Commissioners, this was

1 proposed or voted to propose for repeal at the last
2 Commission meeting and it was published in the April
3 25th edition of the Texas Register.

4 COMMISSIONER SOWELL: This is on V-39,
5 5-39?

6 MR. FENNER: Yes, sir, on page 5-39, the
7 repeal of 311.51, interim license to conduct race
8 meetings.

9 As you may remember, at the last
10 Commission meeting we were charged with discussing with
11 the tracks and trying to achieve some sort of a
12 resolution for compromise by which the tracks could
13 deal with the problem that this interim license was
14 aimed at.

15 I've had extensive discussions and
16 e-mails back and forth with the racetracks, most
17 particularly Mr. Brown. And I thank Commissioner
18 Sowell. I have called him on occasion to solicit his
19 input because of his expertise in sports franchises and
20 sports facilities.

21 I do think we are close to a solution
22 that I can bring to you and ask for your approval. It
23 wasn't quite ready for this Commission meeting, but we
24 are making progress. And I would ask that we go ahead
25 and repeal 311.51 at this Commission meeting.

1 COMMISSIONER SOWELL: This would
2 effectively eliminate any further discussion about an
3 interim license. Is that correct?

4 MR. FENNER: Well, there is pending
5 litigation and I'm sure that that discussion will
6 continue. But with the repeal of this, our discussion
7 will focus on, as part of the 309 rule review, as what
8 is the need that they thought this was trying to
9 address and what's the appropriate way to address it
10 without actually creating a whole new type of license
11 that's not authorized by the statute.

12 CHAIRMAN ADAMS: Okay. We have one
13 individual signed to speak. Mr. David Freeman,
14 please.

15 MR. FREEMAN: Mr. Chairman, members of
16 the Commission, my name is Dave Freeman. I am here on
17 behalf of the Lawley Group that has opposed this rule.

18 We still want to be on record as opposing
19 the repeal of the interim license rule. We clearly
20 feel that the repeal, quite frankly, was directed at us
21 and we take it seriously.

22 But nevertheless, we do believe we vested
23 our right by making application under the existing
24 rule. Before this gets repealed, we do want to be on
25 record as saying that we believe we've done everything

1 that we are supposed to do under the current rule; and
2 even though we feel that the repeal of the rule may be
3 directed at us and that the repeal of this rule is
4 imminent, it happens to us; but we believe, based on
5 the testimony of others at the last Commission meeting,
6 that it's not good for the industry as a whole,
7 especially in light that there's not a substitute for
8 it at this time.

9 CHAIRMAN ADAMS: Any questions for
10 Mr. Freeman?

11 I think not, sir. Thank you very much.

12 MR. FREEMAN: Thank you.

13 CHAIRMAN ADAMS: Okay. If there are any
14 questions of our counsel or --

15 MS. ANDERSON: I have one question for
16 Mark. And that just is during the public comment
17 period that this was posted, did you receive public
18 comment on this rule?

19 MR. FENNER: I did not receive public
20 comment other than in the context of the ongoing
21 discussions I had with the racetracks regarding
22 alternative methods of addressing this. But I did not
23 receive any public comment from Trinity Meadows or
24 anybody else in writing.

25 MS. ANDERSON: Okay. Thanks.

1 CHAIRMAN ADAMS: Okay. Any other
2 questions?

3 I'll close this portion and ask for the
4 Commission to consider a motion to adopt the repeal of
5 311.51 as published in the Texas Register.

6 COMMISSIONER SOWELL: So move.

7 COMMISSIONER EDERER: Second.

8 CHAIRMAN ADAMS: Moved and seconded.

9 Any discussion?

10 All those in favor please say aye.

11 COMMISSIONERS: Aye.

12 CHAIRMAN ADAMS: Any opposed?

13 The motion carries.

14 The next item is the -- we'll go on to
15 the next page of the adoption portion. Mr. Sammy
16 Jackson.

17 MR. JACKSON: Good afternoon,
18 Commissioners.

19 CHAIRMAN ADAMS: Mr. Jackson is our
20 deputy director.

21 MR. JACKSON: I think they want me to
22 talk in a microphone.

23 Before you today are several rules that
24 we discussed at the last Commission meeting when we
25 proposed them. These rules are in regards to changes

1 made during the 80th legislative session when House
2 Bill 2701 was passed. House Bill 2701 amended Section
3 11.07 of the Texas Racing Act and repealed Section
4 11.08. These sections of the Racing Act address outs
5 tickets, vouchers, and the remittance time periods that
6 those monies were due to the Commission. We've
7 received no public comment on these rules and staff
8 would urge adoption.

9 I'd be more than happy to answer any
10 questions if I can.

11 CHAIRMAN ADAMS: Any questions for
12 Mr. Jackson?

13 Thank you, sir.

14 I have no one signed up to speak on
15 this.

16 With that, without further ado, I will
17 entertain a motion to adopt the amendments as described
18 in Agenda Items V.B.3-9 -- 5-B 3-9 as published in the
19 Texas Register.

20 MS. ANDERSON: So move.

21 COMMISSIONER SOWELL: Second.

22 CHAIRMAN ADAMS: It's been moved and
23 seconded by Commissioner Anderson and Commissioner
24 Sowell that these be -- the amendments be adopted.

25 Any discussion?

1 All those in favor please say aye.

2 COMMISSIONERS: Aye.

3 CHAIRMAN ADAMS: Any opposed?

4 The motion carries.

5 The next item is rule review, adoption of
6 Chapter 311, other licenses, as amended. Mr. Fenner?

7 MR. FENNER: Commissioners, on October
8 26 -- or at the previous Commission prior to October
9 26, the Commission voted to open Chapter 311 for rule
10 review. That rule review was published in the October
11 26th edition of the Texas Register. We've made a
12 number of changes to 311 during this period of time,
13 and the most recent one is today. It is the repeal of
14 311.51.

15 At this point we believe it's appropriate
16 to go ahead and close the rule review and readopt the
17 changes -- the chapter with the changes that you have
18 made.

19 CHAIRMAN ADAMS: Any questions?

20 Okay. I have no one signed to speak.

21 So with that, I will entertain a motion
22 to readopt Chapter 311 with the repeal of the 311.51.

23 COMMISSIONER SCHMIDT: So moved.

24 CHAIRMAN ADAMS: Do I have a second?

25 COMMISSIONER EDERER: Second.

1 CHAIRMAN ADAMS: Moved and seconded,
2 Commissioner Schmidt, Commissioner Ederer.

3 All those in favor please say aye.

4 COMMISSIONERS: Aye.

5 CHAIRMAN ADAMS: Any opposed?

6 The motion carried.

7 We will not have an executive session
8 today, so that completes our meeting.

9 We do have our next meeting scheduled
10 already, do we not?

11 MS. KING: Yes, we do, sir. Tuesday,
12 August 5th.

13 CHAIRMAN ADAMS: August the 5th.
14 Tuesday, August the 5th.

15 Thank you all for attending and the
16 meeting is now closed.

17 (Proceedings concluded at 1:04 p.m.)

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1 STATE OF TEXAS)

2 COUNTY OF TRAVIS)

3

4 I, SHERRI SANTMAN FISHER, a Certified Shorthand
5 Reporter in and for the State of Texas, do hereby
6 certify that the above-captioned matter came on for
7 hearing before the TEXAS RACING COMMISSION as
8 hereinbefore set out.

9 I FURTHER CERTIFY that the proceedings of said
10 hearing were reported by me, accurately reduced to
11 typewriting under my supervision and control and, after
12 being so reduced, were filed with the TEXAS RACING
13 COMMISSION.

14 GIVEN UNDER MY OFFICIAL HAND OF OFFICE at Austin,
15 Texas, this 9th day of June, 2008.

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