

FELRC Press Conference – September 13, 2013

Jim's Speaking Notes

Deja-Vu –Here we go again... and again... and again. It feels to me like that movie Groundhog Day with Bill Murray.

That was a comedy but of course, our case is real:

- Real people
- Real jobs
- Real suppliers
- Real customers
- Real fears
- Real important economic impacts on Fort Erie and the Region of Niagara

And quite frankly nobody should have to wait every year on pins and needles just to find out if their lives are going to be turned upside down or if they will have another year of gainful employment in a career path that is very likely determined from their experiences as a youth. Horseracing is a family business at Fort Erie.

And we are here today because the Board of the FELRC has directed me to prepare our application for racing in future years.

We need approval as soon as possible and certainly before our race season ends on October 15<sup>th</sup>.

And quite frankly, this year while it seems like Déjà vu... again! It's quite different.

The Province, the Ministry of Agriculture and Food, the Ontario Ministry of Finance, the public at large, the horse people, breeders and racing industry and media should be completely aware of what is going on these last 18 months in the racing industry.

But just in case, let me re-cap:

In March of 2012 all racetracks were advised without warning that the Slots at Race Tracks would be terminated one year hence. That 20% of net Slots wins, that sustained the racing industry as revenue sharing contract between OLG, the Racetrack and the horse people's organizations, was really now a subsidy and the Province need those funds for better purposes.

I won't go back into those gory details but suffice it to say that the confidence of the people investing their money and effort and livelihood in this industry was shaken from its foundations.

In the past 18 months, the shortage in horse supply, the drop in wagering revenues, the loss of jobs, particularly in rural Ontario, small town Ontario has been devastating, and they remain threatened to great extent today.

- Thank goodness for Premier Wynne, who recognised that Ontario is more than just downtown Toronto.
- Thank goodness for her support to the OMAFRA Horse Racing Transition Panel.
- And thank goodness for her good judgement in giving Horse Racing a home Ministry, that of OMAFRA, where we have real people with a mandate to help stabilise and foster the future development of horse racing in Ontario.

These are all extremely important building blocks in the foundation of the modernization of horse racing and we in future are grateful and support those actions.

Horse racing and race economics are very complex matters and we appreciate the OMAFRA panel has moved quickly, with very deliberate direction for the industry as a whole and with remarkable consultation efforts, their over-riding emphasis must be to re-instill confidence back into the horse racing businesses in Ontario.

We are here today to remind the panel, the Ministry and the Province that in the case of Fort Erie, attention right now is both necessary for our community and congruent with the panel's goals as laid out in their Interim Report of June 2013.

Yesterday, the FELRC Board directed me to apply to OMAFRA for authority to race in years 2014/15 and 16, that being a preferred 500 races but a minimum of 400 races, and further that such approval be based on a 3 year ever green contract basis.

(That is as, each year begins, there is always 3 more years of committal/approval)

We are aware the Province is looking at 5 year program; in fact I believe the Premier recently wrote the panel directing them towards that.

However, a program does not make a contract and our proposal for a 3 year evergreen style, agreement is really the best and most immediate mechanism to re-instill confidence into the horse racing industry, and confidence means of stability, more investment growth, more horse supply and stability for our rural Ontario communities and lifestyle.

A 5 year contract will not have the same magnitude of impact because the industry has seen contracts and programs unilaterally torn up, cancelled and denigrated.

A 5 year contract will accomplish some of that confidence re-building but only for the first two years and then the doubt will creep in and every day through the last 3 years the industry will retract that confidence and be back to where we are today.

A 3 year evergreen contract does not preclude the Province from the 5 year program basis but a guarantee of three years operation, literally renews every year for 3 year terms and ergo 3 years of notice for change, let people plan, invest and adjust. It is fairer for those in the industry and better for the people of Ontario.

We also have a more imperative issue with our contract. It is our understanding that the racetracks that received contracts to operate this year actually have 3 year terms, likely with 2 years funding committed or two, but Fort Erie was issued a contract for only 2 years with funding for only 2013.

We are therefore bound to secure a decision on 2014 race season. We know how hard and how quickly the panel, OMAFRA and OFINA worked on this file and for Fort Erie, but the fact is, the approval came late in April and such timing is unbelievably horrendous to the lives of people it affects at the track. The lack of knowing if they had a job, had to sell a house, could carry their horses over winter, could survive to spring, cannot be something we repeat this year.

Thank goodness our staff and horse people rallied and come back more determined than ever and we are having a really good year and looking to make 2014 a really excellent year.

And the Board believes we have a really strong case to present to the Premier and to the Panel.