

# A Level Field Within The Sport.

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The Holy Grail in every competition is a level playing field.

It is natural for people participating in a sport to try to gain an advantage. A jockey "race riding" to an advantage is acceptable. Someone giving a horse a performance-altering drug is not.

This is written for people who know about the problem and have the desire and means for a solution. We'll begin with a Level Field for racehorse owners, but then move to the problem from a marketing perspective, to the point: does it have great value to those who wager on Thoroughbred racing?

One reason we do not have a Level Field in Thoroughbred racing is there are simply too many horses in the system to make the whole sport manageable.

The proliferation of racing has seen us grow from 20,000 individual starters in 1950, to over 70,000 today. Multiply those 70,000 horses by an average of eight starts a year and you have over 560,000 starts. We cannot pre-test and post-test every starter with tests that are credible.

Today, many tracks are starting to pre-test for "milkshakes", but milkshakes are just the flavor of the month. Every year we seem to have a new substance or method of cheating revealed.

## The American System of Racing

There is a reason Thoroughbred racing was called the Sport of Kings. It required a lot of money and returned very little. In the same way flower gardens are not expected to return a profit, racing horses was primarily for the enjoyment of it.

As pari-mutuel wagering tied purses to handle, and tax laws allowed deductions for the costs of horses and training, the Sport of Kings took on a business model and attracted new participants.

The desire of state governments for more revenue further escalated the number of race days and horses racing. Then the 1978 Interstate Wagering Act empowered owners and trainers giving their local group approval on simulcast agreements. The Sport of Kings became a populist movement, complete with a new political system.

All these changes combined to form a different way of thinking about what is acceptable and permissible to keep the system running. The growth and evolution of simulcasting placed increased pressure for quantity, seemingly at the expense of integrity.

The lowest common denominator now rules the day. We have trainers, racehorse owners, track owners and state governments wanting horses with infirmities to be able to race in front of the public more for money than for sport.

Our American system, which encourages more races, makes it necessary for permissive medication, which can mask performance-altering substances and make it easier to cheat and get away with it. It can also lead to the feeling that everybody else is doing it, and if you are going to be competitive, you need to do it also.

Does this mean those who race on medication are cheaters? No. Permissive medication just creates the environment which allows cheating and helps create the perception of cheating.

If an individual racetrack, or state racing commission, establishes strict testing and bans certain medications, they will probably see their horses move to less restrictive states. Racing is a moveable feast.

There was a time when New York racing meant medication-free racing. Stallion prospects that had won at NYRA tracks without medication were more attractive to breeders. But, NYRA was brought to its knees as horses moved to other states.

The system punished New York as racehorse owners either moved, or allowed their horses to be moved, to permissive states. That started the chain reaction of creating short fields, making NYRA races less attractive on-track and via simulcasting, which ultimately led to lower purses. Without the support of racehorse owners, NYRA gave in and is no longer medication-free. Integrity has a price.

The idea of a federal program to pre-test and post-test every starter in every race in America would not be credible. The fact is, the majority of racehorses in the system probably do need medication to perform well enough to compete. Well-intentioned trainers and vets are doing the best they can to keep these horses and the system running. (We are about to step into the emotional side of the problem.)

In other sports, athletes who are slowed by infirmities would be retired or participating at the local YMCA or church league, but not presented front and center at the best venue of the sport. However, it is a fact of life this system will continue in Thoroughbred racing. Too many people and too many governments depend upon it.

Racehorse owners, who do not cheat, do not want to race against people they think might be cheating. And bettors, who do not believe the field is level, do not want to wager on them. These people have nowhere to go in the current system: except out of the sport.

## **Does The System Make the Problem Too Complicated to Solve?**

If the problem is defined in terms of establishing a level field for *all* Thoroughbred racing in America, then yes, the system really does make it too complicated to solve.

However, if the problem is defined in terms of establishing a level field *within the sport* of Thoroughbred racing, then no, it is not too complicated.

The distinction between a level field *within the sport*, and a level field for *all*, is the difference of a future and a past.

The American system of racing is not going to change. But we do not have to change the system to establish Level Field racing.

## Who Can Solve the Problem?

First and foremost a Level Field involves the integrity of the bet. Are trainers, owners, jockeys and others cheating in the races? Is there cheating in the wagering system? Based upon news accounts, the perception and reality in both areas seems to be yes.

The three major racetrack corporations, who have a vested interest in the tote, are addressing the technology of the wagering system.

But they cannot solve the problem of cheating anymore than the franchise owners can stop Major League Baseball players from taking steroids. Only the players can stop cheating. Only the players can restore the public's confidence in the integrity of Major League Baseball. Once the beacon of the sport allows cheating, the whole sport is diminished.

That is a lesson the PGA Tour golfers know best. They go to extremes to convince their fans and the public they would rather lose than cheat. That's how you establish integrity and a level field within a sport.

Is such a commitment too high a price? Would you pay that price for Thoroughbred racing?

The PGA Tour is less than 300 players who have agreed to compete under strict, self-imposed rules. Millions of people play golf, but this small number of like-minded golfers on the PGA Tour has established a beacon for their sport by establishing a brand within the sport of golf, whose integrity and players are respected around the world.

It is important to note the PGA Tour is not a club. Anyone with the ability to qualify and abide by the rules can join the PGA Tour, which adds to their credibility.

Can a small number of like-minded racehorse owners do for Thoroughbred racing what the like-minded professionals on the PGA Tour did for golf? Yes. It starts when they say: "We would rather lose than cheat".

Talk is cheap. The standard of credibility is personal commitment. The system will not allow an individual to do this alone; but like-minded racehorse owners can form a Level Field racing group and say, "We pre-test our horses before the races and post-test everyone of them after the races. Anyone caught cheating will be expelled. Not expelled from the whole sport of racing, but from our brand of racing."

The testing isn't the glue for the group. The glue is the personal commitment by like-minded racehorse owners to establish Level Field racing.

The social nature of Thoroughbred racing makes peer pressure a powerful tool. It is one thing to have your horse brought before the racing commission. It is another to go before your peers

to whom you gave your word that you would not cheat.

I can imagine one of these owners saying to his trainer, “I am not going to be the first one expelled from this group for cheating. Do you understand?”

Would these like-minded racehorse owners be saying all other racehorse owners cheat? No, that is not the message the PGA Tour players put forward about other golfers. They just want it known that they play by the rules, thus assuring a level field in PGA Tour events.

## **The Other Part: A Level Field for Bettors**

Bettors want a level field too, of course without cheating in the races, but also with horses that are likely to run to their past performances. That pretty much eliminates the cloud of medication and infirmed horses, the steady diet currently fed to the bettor today.

Thoroughbred racing must deliver a product to benefit the bettors. Instead, the product in our current system is packaged to benefit those within the industry.

Races for maidens and claimers serve a need and appeal to the Thoroughbred family, but are not the best betting products. This is the core issue that has prevented marketing in our sport. Racehorse owners want to see their horse in front of the public and the current system puts them front and center. The system loads the sport in backwards with no chance to get out of the gate.

If some trainers are right when they say 90% of the horses in training need medication to race, then perhaps we need to look at the other 10% for the solution.

Major handicappers are wary of maidens without past performances and horses with infirmities because they are so tough to predict. They shun even graded stakes with short fields.

What if we could have races that combined the integrity of not cheating along with full fields of horses that are likely to run to their past performances? We would have both a level field and a superior betting product.

This superior betting product does not currently exist in American racing. The closest thing we have is Breeders' Cup Championship Day; however, even then we do not have a level field with regards to racing medication-free.

## **The Simulcast Market**

Although the health of any sport is best gauged by the desire to see live performance, the distribution of racing via simulcasting has brought a sea change in handle.

Today up to 90% of the North American handle is wagered off-track. The facility is no longer the key component of racing. The key component of racing is now the *race content*, which is distrib-

uted simultaneously for wagering. So, for the simulcast bettor, the ambiance of the host track is never experienced. It doesn't really matter where the racing content originates.

The simulcast bettor has one primary question: "What races will I choose to bet on from the menu of races offered today?"

## **Positioning a New & Improved Product into the Simulcast Market**

All racing in America under the current system has become homogenous. When all products look the same it spells a marketing opportunity. The simulcast market is screaming for a racing product providing a level field of participating horses.

In marketing terms, it is "positioning" a new and improved product and differentiating it from everything else. It doesn't have to be perfect. It just has to be better than the other races it is competing against that day.

We can position a full day of Level Field racing from one host track against the racing being simulcast from seven or eight other tracks.

Just one or two Level Field races on the day's race card is not enough. You need a *critical mass* of these races to get people out of the house. Also, you cannot confuse the betting public with the message: Races 1-4 are our regular races, but Race 5 will be on a Level Field, then after Races 6 and 7, Race 8 will again be on a Level Field.

The issue of a level field is like being pregnant. You either have Level Field racing or you don't have Level Field racing. The betting public, not those of us in the industry, is the judge.

## **Establishing a Day of Level Field Racing**

Imagine if you could establish a Level Field for one day of racing at one track. How would you do it?

First you should require only those horses that can run without medication. That will exclude a lot of horses, but your goal is a Level Field. To assure the racehorse owners and bettors, you need to start as pure as Lot's wife. When you position a new product, you need an extreme difference. Medication-free racing with super testing, pre-race and post-race, will provide the credibility. A racing secretary would package the horses into full, competitive fields.

Next, you would probably declare all of the horses entered Wednesday for Saturday racing be put into secure quarantine barns and blood tested. They would be inspected for soundness and illness until race time and then all post-tested after the races.

Are there ways to still get to them? Probably, but these measures will go farther than any race day in America to delivering a Level Field.

That last sentence bears repeating. There is not a single day in American racing where all of the horses race medication-free. Not the Kentucky Derby, not on Breeders' Cup Championship Day. You can establish a new, improved product in American racing.

## One Solution

Here is one solution to deliver Level Field racing *within the sport* and provide market tests of its value in the simulcast market.

If 100 racehorse owners would commit to an average of 4 to 5 good allowance-caliber horses, your new group could fill 8 or 9 races one day a week for a full month. Those four Saturdays would be enough to “prove” the value of a Level Field racing product positioned against what is currently offered by other tracks in the simulcast market.

All you need is a track owner and local horsemen to agree to let you put on the show each Saturday with your Futurity-style races. (Futurity-style so that none of their local purse money would be used for your new group’s races. Your goal is not short-term purses, but to prove the value of your Level Field racing product.)

In addition, the local track and purse account should get 100% of on-track and off-track revenue from your races. Lets say the off-track handle on your eight Futurity-style races was \$10 million. The track and purse account would receive about \$300,000 from simulcasting your races, plus the entire on-track handle on the races. That’s a great incentive to let your group test market Level Field racing at their track. With no change in total racing days at the track, no change in the revenue stream and the backing of both the track and horsemen, the state racing commission should go along.

All you would ask of the track is an accounting of the handle, plus quarantined stabling where your group would provide security for the horses and seating for your members each Saturday.

You need a track with an existing simulcast agreement for all simulcast outlets in North America to allow you to prove Level Field racing in the simulcast market. I would think you would have several tracks put together a package to attract your group.

Remember, the goal is not short-term purses. The goal is to prove Level Field racing is a viable product, capable of winning in the simulcast market.

The industry will know very quickly how the betting public responds to Level Field racing. If the numbers are strong, the next step would be for the new group to sit down and discuss how to go forward. This discussion would be based upon the strength of the test market days in the simulcast market.

You do not need to spend a lot of money promoting these Saturdays. You do not need television. Your target audience for Level Field racing is regular simulcast bettors and they will know the value of what you are offering. Your objective is to show that these races are superior betting products and Level Field racing has tremendous appeal to insure the future of the sport.

## What Is in it for You?

What is in it for you? That’s going to depend upon what is most important to you. Are you most interested in winning against like-minded racehorse owners without cheating, or perhaps you feel

medication and drugs are masking racing performance and weakening the breed, or maybe you feel bettors deserve a better product? Or, maybe, you are starting to understand the soul of Thoroughbred racing in on the line.

Whatever your motivation, the end result will be a higher level of integrity for both racehorse owners and the betting public. Integrity is important in every sport. As the only sport with legal gambling, Thoroughbred racing's future requires a product of the highest integrity.

Level Field racing will have great appeal to handicappers who believe "past performance" information is key to predicting the outcome of the race. Cheating destroys handicapping. Level Field racing will empower it.

If a group tries to do this without really committing all the way, it will have no more credibility than the current system. It comes down to the credibility of the racing product, and that requires like-minded racehorse owners who want a level field for themselves and the betting public.

It is ironic that the breeders' lofty goals of only hay, oats and water provides the basis for such a solid marketing strategy. Make no mistake, this is a solid marketing strategy.

## **What does it take to get started?**

What does it take to get started? Basically it takes the same thing the sport was founded upon: sportspeople. Like-minded men and women who want to elevate Thoroughbred racing from its current position and feel the time is right to change it for the better.

It also requires the financial means to race an average of four or five allowance-caliber horses in these Futurity-style test races. Some may commit one horse and someone else may be willing to commit ten.

If each Futurity-style race requires an entry fee of \$10,000. With twelve entries, the total purse for each race could be \$100,000, with \$20,000 going to expenses (drug tests, vets, security, etc). That means the winner's purse could be \$60,000. The entry fees and the level of purses could be higher or lower, but eight \$100,000 races on one day will attract good jockeys and trainers.

Where would it go from there? That is up to these like-minded racehorse owners. They could enter into an agreement with The Breeders' Cup and a variety of racetracks to move around the country like the PGA Tour events, or they could make other agreements. They will not need to fund their own races once the tests prove successful.

If Level Field racing proves itself in the simulcast market, this new product will be in great demand by the betting public. What the group does with it then could impact the future of the sport.

For example, in the same way stallion prospects from the 1960's to 1980's, who had raced under New York's strict medication-free rules had greater value, new stallion prospects could come from the new group's evolving program.

The program should not be limited to the conditions of the test stage. It should grow and build upon that success with the highest level of races.

Does this solution deliver a Level Field to the Thoroughbred industry? Considering that 90% of all handle is now via simulcasting and Level Field racing will be available to all of those bettors, yes, it will deliver a level field within the sport.

The people who make the majority of the bets on Thoroughbred racing believe in handicapping. The entry of Level Field racing into the simulcast market will empower and validate handicapping because it makes past performances information on the horses credible. This will bring many of us back to active participation.

## **What might happen?**

The first Saturday of Level Field racing might see these like-minded racehorse owners; their families and friends, bring a critical mass of high-profile people to the host track. That's quite an attraction for others to join. So regardless what track serves as the host, the on-track experience will be significant.

For handicappers, the eight or nine \$100,000 Level Field races will be the closest experience they can have to Breeders' Cup Championship Day. Handicappers will find no boredom between races. Remember, in modern times there has never been a full day of Level Field racing in America, so we should expect a big response.

The second Saturday of Level Field racing would benefit from the results of the first Saturday. Professional gamblers will come into the larger pari-mutuel pools created by the bettors. The *Daily Racing Form* should ramp up production of extra papers with past performance information. Simulcast outlets will love these races because they make upwards of 18% on them, so they will promote them to their patrons.

The third and fourth test Saturdays will see the media come in and these Level Field races will become very large events. There is a multiplier effect as more and more bettors wager on the races, increasing the pari-mutuel pools, etc.

## **Think Small to Benefit The Sport**

We are fortunate to have millions of casual fans who attend the races as the guests of the racing family, or who just like horses and the track experience. They make casual bets, but do little to fund our purses. There is a process for converting these millions into participating bettors and the payoff has tremendous potential for the sport, both as handicappers and perhaps racehorse owners.

There will be new pride in the Thoroughbred industry. With Level Field racing as its beacon and the dominant branded product, the public perception of the sport will be elevated. Children in the Thoroughbred family will have a new reason to stay in the sport.

It requires a few hundred racehorse owners to “think small” and realize their goal of a Level Field *within the sport* of Thoroughbred racing. Although the current system is too large to manage, Level Field racing can be managed. In fact, the smaller the number of like-minded racehorse owners, the easier it will be to manage.

## How Fast Can It Get Started?

There doesn't need to be a committee formed to study it. The marketplace will determine its value. If you had two or three hundred horses ready, all you would need is a host track, their local horsemen's association and the state racing commission to agree. That could transpire very quickly if they know you are serious and committed. Then you would set up the program for screening and security at the host track and run the races. That's it.

Probably the fastest startup would be at a small track with very few major races that would need to be transferred from the Saturdays. Remember, you are talking about upwards of \$500,000 per week in found money for that track and purse account to augment their other races. There should be competition among tracks for your group.

Sure, some people will say this won't work. They might say the bettors don't care what kind of races they are betting on. You can expect such statements from the people delivering the current system. But, if Level Field racing doesn't really matter, then it won't matter to try it. They can't have it both ways.

This group does not need to be the leading racehorse owners. You don't even need 100 owners, just enough to insure the horses for the races and provide the credibility. You need like-minded sportspeople who want to race on a level field for the benefit of themselves and the sport.

We're down to about one hundred thousand handicappers in America and dropping steadily. These are the bettors who make the whole system run. If you doubt that number, just check the circulation figures for the companies that provide past performance information. You cannot handicap without the information.

As the average bet has grown with inflation, we are relying more and more on fewer and fewer handicappers. The toll on racehorse owners who get tired and quit the system is also growing.

## The Risks

Regardless of the success or failure of the test Saturdays, even if you have to acquire a few allowance horses for the races, you will still own them. The entry fees for the Futurity-style test races should cost you about the same as lower level stake races and the winnings will be similar. The entry fees will include the costs for testing, screening, security, etc. So the risks are minimal. This new group needs just one thing: a racetrack with a national simulcast agreement willing to conduct these tests of Level Field racing. You run the races and find out if Level Field racing sells in the marketplace. That is the only study you need to conduct.

The current system will not go away. Most races in America will be run just as they are today, but the betting public will come to know a brand of racing that is better for them. A Level Field, if you will, where less is more.

So this solution will not keep anyone from racing their horse, or change current racing in any way, except to provide a new product for simulcast outlets.

Under the current system a host track can be punished for implementing policies to prevent cheating. The horsemen simply move to another track and take away the racing product. That's effectively what happened in New York and stopped NYRA's policy of medication-free racing.

The difference with the solution offered here is that the host track for Level Field racing will be guaranteed full fields of horses to fill its races. And, something more, something that has never been offered to the betting public in America before, medication-free horses who are not infirmed and more likely to run to their past performances.

## Summary

The American system of racing, which encourages quantity, makes it nearly impossible to assure a level field for racehorse owners and the betting public. More and more permissive medication clouds the ability to check for performance-altering substances among the majority of our horses. The major racetracks are working to improve and prevent breaches in the tote system, but they cannot prevent the individual jockeys, trainers and owners from breaking the rules.

A small number of like-minded racehorse owners, similar to the PGA Tour players in golf, can establish a Level Field for Thoroughbred racing. They can establish a beacon within the sport. It starts when they say, "We would rather lose than cheat."

Then they must back up those words. First, with higher standards to convince each other and bettors they are not cheating. And, secondly, by packaging their new racing product to win in the simulcast market.

Level Field racing will not require any changes in the current system of racing. The fact that all other racing stays the same will actually increase the performance of Level Field racing as it is positioned in the simulcast market.

Once these test Saturdays prove the value of Level Field racing, this new group of like-minded racehorse owners can plan for the future from a strong business position.

The reality is every racehorse owner being asked to start Level Field racing probably has five or six horses in training that require medication for every one that could participate in Level Field racing without it.

When I presented my plan for the National Thoroughbred Association (NTA) to the late John Franks in 1996, he had about 1,000 horses in training. We both knew most of his horses would never have participated in NTA races, but he wasn't offended. Mr. Franks committed to creating

a major league because he recognized what it would have done for the sport. He was a great sportsman who loved Thoroughbred racing.

The current situation is different than it was for the NTA. This Level Field racing solution is much easier to implement and requires a smaller group of racehorse owners. (Level Field racing is not a suggested name, it just describes the product and the need it meets in the industry.)

For Thoroughbred racing to compete in America, it must provide a Level Field of competition, unmasked by drugs and cheating. To continue to treat the betting public as if they do not know the difference is to risk the whole industry's future.

Level Field racing isn't about getting rid of medication. It is focused only on delivering a level field for racehorse owners and bettors, *the two primary parties in the sport who must believe they have a fair chance to win.*

Bettors need to know their wager, whether educated or frivolous, is not going to be negated by someone cheating in the races. Successful marketing starts at the point you fill an unmet need.

A small number of racehorse owners can now give the bettors what they need, a level field. When they do, this small group will insure the future integrity, growth and development of Thoroughbred racing.

Level Field racing is not for everyone. In fact, the majority of racehorse owners will not participate. Likewise, the majority of golfers do not participate on the PGA Tour. One reason our sport is in its current state is the desire for every program to be all things to all people. That doesn't work in politics and it doesn't work in business.

Every other sport has a beacon, a brand within the sport, that leads the way. *We need a beacon within the sport of Thoroughbred racing.* There is no downside to creating Level Field racing. The upside is something many thought was long gone.

My role is to provide this analysis of the problem and deliver a viable solution. If you have read this far, you now know the role I am asking a few like-minded racehorse owners to play.

Call some of your peers in racing and discuss this opportunity for Level Field racing. If you want to discuss it with me, please contact me at the address below, or by email: [fpope859@aol.com](mailto:fpope859@aol.com)

Thank you for your time and interest in Thoroughbred racing.

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