

August 13, 2010

Log # 167100

Horse Racing Industry Participants:

As discussed at the open meeting with industry on July 27, 2010, the financial challenges affecting the horse racing industry have created a very difficult environment for racing in this province and elsewhere.

While we all hope the fiscal picture has stabilized and will begin to improve, it is much too early to reach any conclusions in that regard. Perhaps more importantly, it is clear a significant and fundamental change in business approach is necessary if the industry is to have an opportunity for real and sustained recovery.

The Horse Racing Industry Management Committee has been striving to balance a number of competing challenges (declining revenues, everyone's desire to have better and more race dates despite that, etc). The committee has been strategic, thoughtful and organized in its efforts to achieve the best results possible, including making difficult financial allocations that did not necessarily reflect traditional practices.

To date, the committee has focussed on the current year, in order to fully understand and explain the financial realities, stabilize circumstances and mitigate any negative consequences.

However, we have clearly heard the industry is concerned about what will happen in the future. Participants in the industry are looking for a longer-term vision. In this regard, the committee intends to implement a plan that creates the best possible opportunities for success. This will require some difficult decisions.

I am writing today to communicate decisions taken by the Great Canadian Gaming Corporation (GCGC) regarding the current and coming race seasons.

This plan is endorsed and supported by the Horse Racing Industry Management Committee, which believes the following steps will best prepare horse racing in British Columbia for a successful and sustainable future.

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Race days and financial allocations for the duration of 2010

GCGC has advised the Gaming Policy and Enforcement Branch (GPEB), in its role as regulator of the industry, that GCGC is adjusting the race season for the standardbred sector for both 2010 and 2011.

For the remainder of 2010, GCGC has requested that GPEB reduce the number of assigned race days for the standardbred sector from 37 to 23 days during the period between October 15 and December 31, 2010. This reduction will not only avoid any overlap between British Columbia's thoroughbred and standardbred racing seasons, but will also improve the value of purses available for distribution among the remaining standardbred race dates.

GPEB has approved this revised racing schedule, which includes Fridays and Sundays during the mid-October to December period, as well as Thursday, November 11.

At present, the committee does not anticipate any change in 2010 financial allocations made to either the standardbred or thoroughbred sectors as a result of this reduction in standardbred race days.

Standardbred race days and financial allocation for 2011

For 2011, GCGC has requested that GPEB rescind all assigned race days for the standardbred sector but has indicated that it may in future request approval to race in 2011 with the number of potential race days yet to be determined.

GCGC has verbally advised the committee that the viability of a 2011 standardbred race season will be significantly enhanced if the Harness Racing BC Society (HRBCS) can reach an arrangement with the Alberta Standardbred Horse Association (ASHA) and Horse Racing Alberta (HRA) to establish an inter-provincial standardbred racing season. Discussion with HRA have already identified the possibility of a season that would involve 4 months of racing in BC (January to April) and 4 months in Alberta (September to December) starting in 2011.

The Horse Racing Industry Management Committee proposes to establish a dedicated task force involving the HRBCS to ensure timely and effective negotiations between the relevant parties, with the goal of formalizing this arrangement prior to October 15, 2010.

The intention is to establish a coordinated inter-provincial standardbred racing season beginning in 2011 and continuing thereafter. Such a coordinated effort has the potential to stabilize the breed in both provinces, provide a lengthy race season for interested standardbred participants in both BC and Alberta, and allow the BC industry to achieve some operating savings through a shortened season at Fraser Downs.

Given a shortened 2011 standardbred season, the committee anticipates a reduction in the allocation to the standardbred sector in 2011. This reduction will reflect industry revenues but ideally, will also facilitate increased purses for the remaining race days.

Once the 2011 season has been determined, the committee will make decisions concerning the allocation of available funds in the best interests of British Columbia's horse racing industry.

Sincerely,

A handwritten signature in black ink, appearing to read 'DSturko', with a stylized flourish at the end.

Derek Sturko
Chair, BC Horse Racing Industry Management Committee

pc: Honourable Rich Coleman
Committee members
Chris Curtis
Doug Scott