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Consistency, Transparency and Competitive Racing

Moderator:

Dan Fick: Accredited Steward and ROAP Board Chairman

Speakers:

Patrick Cummings: Executive Director, Thoroughbred Idea Foundation

Mark Mennear: Senior Consultant, Hawk-Eye Innovations Ltd

Dave Siegel: Chief Executive Officer, TrackMaster

Ms. Wendy Davis: I'd like to thank our sponsor for this panel, Racing and Gaming Services, and get this kicked off without taking too much more time.

A lot of what we've talked about has been integrity, consistency, transparency, and how important that is in racing.

Well, this is the second part of our racing integrity panel, and it's being moderated by Dan Fick.

Dan is an alumnus of the Race Track Industry Program.

He has been involved with a number of different breed registries, but today, he's really wearing the hat — his hat as an accredited steward.

He's also the chairman of the Racing Officials Accreditation board of directors.

He's going to direct this discussion this afternoon that deals with consistent, transparent, and competitive racing.

Dan, thank you so much for agreeing to moderate this panel for us this afternoon.

Mr. Dan Fick: Thank you, Wendy.

It's my pleasure.

We'll get rolling', cuz we've got a lot to cover in an hour.

Our first speaker is gonna be David Siegel.

He's the CEO of TrackMaster.

David's gonna talk about the harness side of the business to start off, talking about two new innovations that TrackMaster has developed: horse ratings and automated morning line. David.

Mr. David Siegel: Thanks, Dan.

Yes, I'm here, really, with two hats, TrackMaster hat and a USTA hat.

We are partners with them on a variety of issues.

What I'll talk about, we'll touch all three of these, three issues here: consistency, transparency, and competitive racing.

The first thing I wanna talk about is our horse rating.

This is a new concept.

I'll touch on the bullet points that are up here.

Earlier this year, John Campbell, who's a — those who don't know, is a Hall of Fame driver, came to me with two questions.

One, what is a speed rating?

Those who are familiar with buyer ratings, TrackMaster produces a similar number for harness — each harness race, each horse.

Could you use those ratings somehow to reflect the horse's ability and build classifications around them?

That answer was yes.

The benefits of using a horse rating, and I'll explain it really briefly.

We base it entirely on recent speed ratings.

I won't get into the formulas of it, but we look at recent ratings, kind of throw out bad ones, kinda average the rest.

Each horse being entered in a race has a horse rating.

These horse ratings are designed for older horses, not horses who are going through younger conditions.

They are designed really to replace one of the key, of key two harness classifications that have been used for older horses.

They're referred to as the non-winners of, so, it's like non-winners of 5,000 last 4 races, things like that. Or also the claiming races.

They can replace those.

Let me talk about some of the benefits.

The most important one is the races are more competitive.

I'm gonna go through some details of how we measure that.

There were four race tracks that used it throughout the 2018 season.

I'm gonna show you how those races compared to the races that they substituted for from the previous year.

The next one is balance field sizes.

One of the ways that you can use the ratings is if you have 80 horses, say, that enter a particular class.

In a harness race, you kinda lop them off in groups of eight, and from the highest rating to the lowest rating, so you're pretty much guaranteed competitive fields.

Also, in that case, every field size would be within one of the other.

Sometimes harness racing secretaries will ride a race or ride a couple of races where you end up with 6 horses in 1 and 12 horses in the other, and then they start changing conditions around and it gets kinda messy.

This automatically balances 'em.

It's easy to enter horses in races because you have a rating and you enter the race.

It'll either be determined by the sorting I just talked about where some race secretary says, you'll see in a little bit, will just say this is a race for 70 to 72 horses. This is a race for 73 to 75.

The entry mechanism is quite simple.

It can deal pretty well with horse shortages, because for the same reason, finding a classification for your horse may be difficult.

Another way it directly addresses it is that boys can race against girls.

A 70 is a 70.

When you're dealing with really small numbers, it's easier to compose a field that way.

For the public, if you've read through race conditions, especially at some of the smaller harness tracks, there might be five different conditions for eight courses in the race.

It'll be non-winners of 5,000 last five, also eligible horses that have blue eyes, also eligible this, also eligible that, and to try to get the five horses in.

Often, when you look through the conditions, you can't even figure out how a particular horse got into the race.

There might be a condition that says something like non-winners of a race in the last 13 races gets \$200 allowance.

You can't see back 13 races, so you don't know.

This way, if you have a range, if the race is written 73 to 75, the horse is a 74, everybody knows why it's in there.

The next one for harness racing is really important.

It's a nice way to say this way drivers and trainers, it's made much more difficult to cheat in races.

This type of cheating happens all the time.

Those who don't know me, know I'm a — who do know me, know I'm a straight shooter.

I just call it the way it is.

Particularly in the smaller tracks where you have a driver/trainer/owner.

They may be coming into the race hoping to win the race, but know that if they finish fifth, they get a drop down in class the next week to a lower non-winner's division.

Fourth or third, they're gonna stay put.

The difference between fourth and fifth might be a hundred dollars.

When they're coming around the final turn, and they know they have no chance at the bigger money, first and second, they may hold that horse back to finish in fifth rather than fourth and screw the guy who bet the superfecta.

With the horse ratings, you don't know where you're going to be next week.

You're not gonna be able to figure out the speed rating that you're gonna get that particular week and how it might affect your overall horse rating.

People will go for as much as they can, and it's better for the public that way.

One of the items is transparency today.

These are a hundred percent transparent, as you'll see in a little bit.

The numbers are in the program.

The algorithms are on a website, and anybody can look up any one of the 29,500 horses that we rate every single day and see what their number is.

All of that said, all we do is produce a number, distribute it through the USTA, and the race offices can choose to use the numbers however they like, and I'll give you a couple of examples of that shortly.

The first thing I wanna point out is the metrics.

Before we got into this, we looked at four key metrics to measure, before we did it, how is this — how well is this going to work?

I'll blow some of these numbers up.

The first one was the percentage of winning favorites.

We figured if the number goes down, the races are more competitive.

The average win odds, if the number goes up, the races are more competitive.

The percentage of low odds horses, what that column means is the percentage of races that had an even money shot or lower in it.

The percentage of high odds horses is the percentage of races that had a 30 to 1 shot or greater in it.

I'll blow up the Hoosier Park numbers.

They used the races specifically to experiment it for filly and mares.

The top number where it says TrackMaster ratings used N. That's from 2017, when they used just the straight non-winners, and the Y is the 2018 numbers when they used the system.

I'll tell you that these numbers were ridiculously fantastic.

Much more than I ever expected coming in. Just to highlight a couple of 'em, so, the winning — the percentage of winning favorites dropped from 47 to 28.

If you look at the percentage of odds on favorites, that dropped from 50 percent from '17 to 14 percent in '18.

Even the percentage of 30 to 1 shots, the number of races with them dropped from 80-something percent to 61 percent.

Those are those numbers there.

The second track that used, or the second two of four, was Ocean Downs.

You can look by the number of races.

They went all-in this year, and they totally got rid of all the non-winners' races and substituted 'em with horse rating races.

Here, you can see the percentage of winning favorites still went down from 47 to about 42.

The percentage of low odds horses went from about half the races to about a third of the races.

In all of those categories, for all of those tracks, the metrics were very, very positive.

This wasn't theoretical anymore.

This was something that we did this year with these four tracks, and the results were quite good.

How to use them.

I kinda described fixed class ranges, racing secretaries just predetermine the ranges.

The accordion method is what I call it, which I think is the optimal way to use it.

You enter all the horses, you divide 'em by your field size, and you have, whatever, 8 fields of 8 if you had 64 horses.

As it says, it optimizes the field size, and it allows the ratings to be denser.

The closer the ratings are in a race, the more competitive it would be.

Typically, we found two- to three-point range was the ideal, and that kinda means two to three lanes, roughly speaking.

The race offices can mix in claimers.

Basically, the race office can assign points to specific claiming values, like a 10.

My track is an 82.

This way, if your horse is an 84, and you wanna go in at a lower class, you get an 82, but you have to put the horse in for a price.

This allows you combine both claimers and the non-winners, and therefore, there's more compression of the horses' ratings, again making for more competitive races.

As I said earlier, you can race boys against girls cuz the number is the number. That also helps with horse shortages and makes races more competitive.

I'll restate this, that all we do is provide the numbers to the race offices.

They can use them however they want.

The third bullet point up, Hoosier Park this year decided, instead of a bottom claiming race, having a non-winners condition.

It'd be like five claimers, but you had to have won less than 2,000 the last four starts.

They changed it to the 5 claimer, you had to have a rating of below 69 in the last 5 starts.

Something like that.

Or, excuse me, a rating of 69 currently.

Lastly, the public access, this is like a typical track program.

That number will now, going forward, if it's a horse rating-based race, of course the public will be shown the numbers.

It depends who the program printer is on how it would be.

This is a TrackMaster program, and where we're going to put it next year.

The last part about transparency, I know you can't see all this detail, but TrackMaster, itself, and the USTA will have all the numbers in their systems.

We have, on a public website, the last 30 days.

Each of those files has 29,000 horses in it. Up top, there's the formal specification, which is telling horsemen how the number was calculated for their horse.

Totally transparent.

Changing topics totally.

I'm gonna talk about the automated morning line.

About four years ago, we came up with an automated morning line in combination with the USTA and pitched it to the race tracks.

There was some skepticism way back at that time, but today, 19 race tracks are using it all the time.

It represents about 50 percent of all U.S. starts.

Some of the benefits.

One, there's no possibility of a human error.

Typically, like a typo, entering the wrong morning line.

It's timely, it takes seconds to do it.

It either saves time or possibly money if the race track decides not to pay a morning line person.

The next one is important.

It basically says line makers can't cheat.

We found clear evidence that there were morning line makers that made lines higher than they should be to get people off the horse, so they could bet them, themselves.

Whether that happens or not, this guarantees the — back to the theme of this panel, guarantees some level of integrity.

The lines are consistently applied across every race track the same way every day.

They're perfectly mathematically balanced, so if you convert them to probabilities, it'll always add up to one.

I'm gonna go into the last one.

They're better. Bottom line is, they're better than the humans, on average.

In fact, when we did the research in 2014 of 40 tracks, there were only 2 tracks that had superior results.

Happened to be the Cal Expo and the Meadowlands.

The other 38, we were superior.

When I say superior, we have to figure out a way to measure it.

The way we measured it was, what I believe is the definition of the morning line, which is the line makers' best estimate of what the horse is gonna go off at.

I can tell you, not everybody agrees with that, but that's how we based it. We were gonna measure, how did the humans do against off odds?

How did the TrackMaster system, the computer, do against off odds?

We would compare those.

The way we compare them is this concept of levels. You're all kind of familiar with the standard levels. There's 29 of them, as you see up there.

We just measure how many levels was the human off?

How many levels was TrackMaster off?

That's the way we're gonna measure the success.

The green line up there is the TrackMaster line, and across that X axis is the number of levels that we're off.

The red line is the human line, and the Y axis is the number of starts.

This is all from 2017.

Here's the average difference.

That was, the TrackMaster was more — was exactly, excuse me, one level superior to that of the humans.

Again, that's across about 400,000 starts, so, lots and lots of data to prove this.

A couple of tracks that stood out in 2017, Delta Downs switched about two-thirds of the way — I said Delta, excuse me — Dover Downs switched about two-thirds of the way through, and you see they went up about a level and a half.

Their human got worse.

The Meadowlands was the other one that switched that year, roughly halfway through.

They went from the human to using the TrackMaster line, and you see an improvement of a little less than a level.

The other thing, frankly, I kinda took it personally when I heard at a couple of recent USTA meetings about how — our bad lines.

Somebody would point out a bad line to me.

I would say, "Yeah, of course we have bad lines. We absolutely had some atrocious lines, but we're dealing with 200- to 400,000 starts."

I wanted to take a look at, just particularly, bad lines.

I define them as 10 levels or more off. As you can see up there, 1.3 percent of our lines were bad, meaning 10 levels or more off.

The humans were 3.1 percent. Now, that 3.1 percent off, some of it is accuracy, some of it is the human typos, and some of it is cheating.

I really can't tell which is which. I can only look at what the final result totals were.

That's what we saw there.

The use of the morning line, back to the panel's theme here, brings more integrity to the racing, specifically, and more accuracy and the other benefits that you saw.

I really actually can't understand why not a hundred percent of the tracks are using it, at least as a tool to check against their own human morning lines, particularly since it's free to USTA members.

If there are any questions, or would you rather wait 'til the end, Dan?

Mr. Dan Fick: Yeah, let's wait.

Mr. Dave Siegel: Okay, we'll wait to the end.

All right.

Thank you very much.

[Applause]

Mr. Dan Fick: Okey doke.

Well, for about the past year, ROAP has been working with our stewards on interference.

We've had a number of regional calls talking about the rules, category one, category two rules, and decided to do a survey.

We did this survey starting at the first of November.

It closed Friday night, so we haven't had much time to analyze it.

How many of you all took this survey?

Okay, well, a few did.

We actually sent it to the alphabet soup of the industry today.

QHA, NTRA, ARCI, TRA, anybody that we could get to send it out.

Plus, we sent it to our database of stewards.

This worked. We had 579 respondents, and we culled it back to 549 that were from North America.

We took those out that were foreign.

They were first presented this past Sunday at the Model Rules Committee meeting.

Here was the breakdown.

NTRA was kind enough to send it to the National Handicapped Tour players, and championship tour players.

We picked up a lot of racing fans just through the internet.

Thirteen percent were stewards, horse owners, racing officials, horse trainers, as you can see.

The other six were a smattering of jockeys, track management, racing commissioners, commission staff.

The first question we asked is, should all jurisdictions, domestic and international, have the same rule on disqualifications in a race?

Now, we said same rule.

I would guess that most of the respondents, or at least half of the respondents didn't know that the rule outside the United States, which is category one, is the rule everywhere but here.

I think they were just thinking that we should all be harmonious and have the same rule, which is what we'd like to have in the United States.

This is the first race we showed `em.

Mr. Dan Fick: Okay, so, you saw the incident coming to the finish line. Seventy-seven percent said they would disqualify.

Twenty-three percent said no change. We'll go to the next one.

Mr. Dan Fick: In that particular race, where you saw the horse come in from the outside, it was almost 50/50. Forty-eight percent disqualified, fifty-two percent no change.

Mr. Dan Fick: I think this is the first shot again.

In that particular one, 38 percent disqualified, 62 percent said no change.

I'll go back to the previous two, just to let you know what happened.

In the first one, that was a foreign race in Hong Kong.

There was no change cuz it was category one rules.

In the second race, in that particular race, it was at Belmont Park.

There was no change.

In this particular race, it was at Woodbine, I believe.

Yeah, Woodbine, and there was a disqualification.

Mr. Dan Fick: There, we started over again.

In that particular race, there was — it was at Suffolk, obviously, and there was no disqualification.

Thirty-seven percent said disqualification, sixty-three percent said no change.

Then we gave them choices of three rules, to which rule they preferred.

The first is, a foul is a foul, what we had in this country for a number of years, and what we still have in a few states, three or four.

It says a foul is a foul and the offending horse shall be disqualified, regardless of the severity of the incident.

If a foul is committed, the offending horse is disqualified, even if it wins convincingly in lot of states, it'll go on to say, and is placed last.

That's the old, a foul is a foul. If you bothered me, you're comin' down.

Choice two. The offending horse shall be disqualified if, in the opinion of the stewards, the foul altered the finish of the race, irrespective of whether the horse that caused the interference is convincing in its placing.

Another way to describe is that the offending horse was cost the opportunity for better placing.

This is what we currently have as the model rule.

It's worded a little bit differently, but did the incident, in the eyes of the stewards, affect the outcome of the race?

In that first race you saw, in Hong Kong, if it was run in the United States under this particular rule, because that interference caused the horse that ended up running third, probably, if the stewards felt that way, a chance to run second, they would have taken the winner down, even though he was a convincing winner.

Then the third choice is category one.

If not for the interference, the offended horse would have beaten the horse causing the interference.

Then the offending horse shall be disqualified and placed behind the offended horse.

Again, this is just first and second.

If he ends up runnin' third or fourth, and wouldn't have beaten that winning horse, the best horse, then there's no disqualification.

They only look at the horses involved in the interference.

How do you think they voted?

It's a consensus, but not very big consensus.

Fourteen percent still want, a foul is a foul.

Take all the objectivity out of it, or subjectivity.

If you see a foul, he's comin' down.

Our current rule affected the outcome of the race.

Third, DQ only if the offended horse would have beaten the winner, which is category one.

We're pretty divided in this country on this particular issue, as I think we all knew.

These results are preliminary.

We've only had three days to go through 'em.

We're gonna go through 'em a lot more, do a deep dive.

You have to remember, we didn't provide order of finish to any of these races or what the stewards did.

It was strictly what you saw as a participant in the survey.

The interesting part's gonna be reviewing the eighteen hundred comments we have.

We'll be doing that over the next month and release that information.

This is also being presented in Hong Kong this Friday by Cathy O'Meara. Cathy put together this survey, which was excellently done.

She gets the kudos. We got a lotta comments that this was great, we're glad you did it.

That's where we are at this point in time.

Thank you.

[Applause]

Mr. Dan Fick: Am I on?

Yep.

Our next speaker is Patrick Cummings.

He's the executive director of the Thoroughbred Idea Foundation.

He's gonna talk to us about why the U.S. should consider and adopt category one interference rules and talk about how we can increase — and this is a topic we just heard in the last panel this morning — increase the communications between the racing officials, in particular, the stewards and the racing fans.

Let's have more transparency. Patrick.

Mr. Patrick Cummings: Thanks, Dan. I just wanna comment briefly on Dave's presentation to start.

I think there is a tremendous takeaway from the Thoroughbred industry to move forward with the ratings-based system for filling fields as opposed to the current condition-based system.

I think what you're doin' on the harness side is great.

I think the thoroughbred side could learn a lot from it.

It's applied in many other jurisdictions in the world, where field sizes are greater.

It makes races so much more understandable.

It's very approachable for the ordinary fan, someone that's new to the game.

I think there is a path forward, and it's all without getting rid of actual claiming.

You can still put a tag on a horse.

I think there's a lot of merit to talking about that on the thoroughbred side going forward in the future.

The Thoroughbred Idea Foundation recently launched a whitepaper, published a whitepaper in which we addressed a topic of great frustration amongst horse players, which is the perceived inconsistency across jurisdictions.

That can be maddening to the horse player. They feel that, either within a steward's panel on a circuit or across circuits, that there is an inconsistency in the way in which the rules are applied.

Mike Watchmaker, at the end of the Saratoga meet earlier this summer, put out a pretty damning piece suggesting that the steward inconsistencies at Saratoga maybe marred the meet.

We wanted to take a look into this and really kinda study the numbers.

Are there really inconsistencies?

What are they?

What are the alternatives, and do we have to just live with the system we have?

As Dan has alluded to, kinda keeping in mind that there is an alternative, and that that alternative could have some real value for players.

I wanna share some numbers with you based on races from 2017.

Now, this is taking the NYRA circuit and the Southern California Thoroughbred circuit.

Between the two jurisdictions, what sticks out here is that, despite running well over 250 races less than New York, Southern California's stewards demoted horses twice as often, from not quite twice as many — certainly, from about 15 percent more reviewed incidents.

The situation that we're living with right now is that roughly five percent of races in Southern California have an inquiry or an objection, and about two percent of them have a demotion.

New York, different set of stewards, different panel.

Fewer reviewed incidents, fewer demotions.

Clearly, a very different panel, a different approach to the sport.

The question that Watchmaker posed, the feeling that from one season to another, that the stewards were more active, he was absolutely right with that.

There were twice as many horses demoted in the 2018 Saratoga meeting as there were in the 2017 meeting.

To the player, the feeling is, maybe from race to race, I'm not getting a consistent approach to the adjudication of the sport.

Dan identified very clearly, I think, the two different philosophies.

Category two has been in place in America since essentially the foul is a foul rule was eliminated.

Now, that's most jurisdictions in North America.

That took about a 25-year period of time.

Mostly, it happened from the 1930s through the mid-1950s.

New York was one of the last jurisdictions to move away from the foul is a foul concept.

In that concept, if you interfered with a horse, you were placed last.

Secretariat could have interfered with someone going into the first turn of the Belmont.

He may have won by 32 lengths.

He would be placed last if that rule was still in place at that time.

Today we know that's not the case.

It's based on, if it may have affected the horse in a better placing.

The category one alternative is much different.

In our assessment of the situation, we were of the belief that the category one approach is a much better way forward for the sport.

It is much more consistent.

The yield that you get from this category is one in which the best horse is prized.

The best performance is awarded. If a horse or rider causes interference and finishes in front of the horse interfered with, but otherwise, the suffering horse wouldn't have finished ahead, there is no change.

Category two, what we have in place in the U.S. and Canada now, benefits the aggrieved horse, regardless of whether that horse was deemed better.

It requires the stewards to be quite subjective.

At this symposium last year, there was a very good panel on the same topic, that was focused on the stewards' opinion.

Eddie Arroyo from Illinois, who I know is here, and Scott Chaney from California, both got up and spoke pretty glowingly in terms of category one, suggesting that what they have to do right now is very subjective.

It causes a lot of heartache.

It causes a lot of decision-making.

A lot of opinion comes into the mix.

That subjectivity is the cause of madness.

Category one brings much less subjectivity.

It requires the stewards to focus only on whether or not the aggrieved horse would have finished in front of the horse that did the offending.

It would yield far less frequent demotions.

I wanna off you some numbers to show you what we're talking about.

These are just projections, that if the rates of demotions in New York and Southern California carried across America over the course of the year, it's estimated that there's roughly 600 take-downs in category two.

That's coming from just shy of seventeen hundred and fifty reviewed incidents within a year.

If we were switch to category one across North America, the estimate using the rates of demotion from Great Britain, there'd be only 81 take-downs within a year, from just under 500 reviewed incidents.

It's a significant change.

A 72 percent reduction in the number of reviewed incidents, an 86 percent reduction in demoted horses.

The best horse is certainly more respected, and this becomes — basically, if we're talkin' about 487 reviewed incidents within a calendar year, we're talking about 1 and change per day across the continent.

One demotion, roughly, every four and a quarter days across the continent.

It's definitely a big change to the sport.

Now, keep in mind that, earlier this year, Panama moved from category two to category one.

At the beginning of 2018, France and Germany, who were the last European holdouts to the category two model, they have moved from category two to category one.

The only two racing jurisdictions on the planet to continue to hold the category two model are the U.S. and Canada.

There feels as though there's a bit of inevitability that this could come to North America, as well.

We're of the opinion that consistency and clarity in the adjudication of the race is a boost to the confidence of the races' participants, particularly gamblers, and certainly, to a degree, owners.

Now, some of you might suggest that owners are aggrieved in category two or category one, and some might feel more aggrieved than others.

I think it's worth noting — and we point this out in our paper — there is no perfect solution.

Someone's gonna be pissed off.

There is no perfect solution.

We think the category one model on balance is better for the sport and the North American jurisdictions should adopt it.

If you wanna take a picture of a jurisdiction that has made the change, and we have some kind of long-term data on that, Japan is certainly the example to use.

In 2010, a horse that won the Japan Cup was demoted.

There was international outcry.

The horse was a two-length winner, but demoted, anyway.

Japan decided that, in a couple years, they would shift from category two to category one.

What you notice from the 2011 and '12 numbers, is that they're much different than 2010 because they started to apply the principles a little bit differently.

They knew they were going to back away from the category two model, and began fewer inquiries, fewer demotions.

Since they have changed — take note of those 2012 numbers: 14 demotions, 143 inquiries.

Since they have moved, in the five full years since, they have not had as many inquiries as they did in the last single year, nor as many demotions.

It's a big change to the system. Better horses are respected.

The best horses tend to stay up.

Your customers understand a more consistent approach here.

Take-downs are fewer.

Now, this comes with some concerns.

The arguments, we think, are weak.

There's a negative impact to exotic bettors.

Third and fourth, first and third, no matter where you are, if there is a foul, it will impact the result of the race in some capacity.

Is it really enough to undo the result?

Tote-heavy jurisdictions, where trifectas, superfectas are in play, have been some of category one's stalwarts, Hong Kong, in particular.

France made the move.

Japan has made the move.

They are tote-heavy jurisdictions.

The negative impact to owners of aggrieved horses.

There was a comment that was made at this symposium last year.

I saw it in the video back, thinking that this would cost owners.

That race that Dan showed at Woodbine, a horse named She Calls It was the winner by six lengths.

Clearly, much the best, but was disqualified and demoted back to about fifth or sixth because of that interference on the turn, from two horses who, yeah, they were probably cost a better placing, but they had no chance.

None of those horses had a chance of beating She Calls It that day.

How do you think the owner of that six-length winner felt versus the horses that were fifth and sixth, and that may have been jostled and may have been cost a few hundred dollars?

The owner of She Calls It was cost about 40,000 Canadian dollars that day.

Increases in dangerous riding.

That if I know I'm not going to get taken down, I'm gonna take more chances.

There is absolutely zero empirical proof that this happens in jurisdictions that change.

Whether it be France this year, Japan the past, they have not seen an increase in dangerous riding.

There is a line that jockeys are not going to cross because their own health is coming into it, as well, not just the health of those that are around them.

There is no proof that a change in these rules would yield jockeys taking more chances or behaving in a dangerous fashion.

If that were shown, if that were exhibited, it could be adjudicated away by sterner measures from the stewards.

What countries and jurisdictions that have moved to category one have done is increased the penalties and the fines that are associated with these incidents.

In a letter to North American racing officials back in 2015, in the aftermath of the Arlington Million meeting, when international horse Secret Gesture was demoted, Hugh Gallagher, who, at the time, was the chairman of ROAP, and is currently one of the stewards on the NYRA circuit, suggested that there was a need to consider the alternative.

Let's look elsewhere and see what's possible.

In that letter, he cited Henri Pouret of France Galop, who said that France was resolved to stay with category two due to their historical and cultural reasons.

What he's really inciting here is the tote and exotic wagers and stating that the compelling component for a category two approach is a deterrent, that you may get taken down.

That helps.

Then, in October of last year, France made a change, roughly two years after that letter was written.

Since France adopted category one at the beginning of this year, Mr. Pouret reports that incidents, reviewed incidents, so, inquiries or objections, are down 33 percent, and demotions have declined by 50 percent, all in the first year of adopting category one, and that there has been no noticeable rise in dangerous riding.

France is a very similar jurisdiction to America when it comes to betting.

It has a very similar culture.

Tote-heavy culture.

They have not seen this rise in these incidents.

Regardless of whatever rules, philosophy either remains in place here in North America, or changes at some point in the future, our organization is certainly in

absolute support of a need for stewards and racing stakeholders to communicate better.

The way in which stewards treat bettors needs to improve.

I look at Churchill Downs.

On Thanksgiving weekend, there was a three-horse photo, roughly.

The first two horses were both paying in the jackpot pick six bet, and the third-place horse was not, was a carryover horse.

There was a double disqualification of the first two horses.

The immediate response from horse players was conspiracy.

The track told the stewards, or the stewards acting on behalf of the track thought it was better for the carryover to go on to the next day, and then the day after that.

That's absolutely ludicrous.

There's no chance of that, but the perception that players would come to that belief immediately is a sign that something's broken.

Our suggestions to enhance the communications infrastructure between racing officials and the public include incidents reports that should be significantly more detailed than they are and published within 24 hours of the race.

This is a standard in other racing jurisdictions.

Hong Kong, Japan, Australia.

Here, you have to wait days, weeks.

The New York Gaming Commission hasn't posted an incident report in New York since April.

It's just disrespectful to the player.

There's a need to focus more on non-foul-related oversight.

It's not just about bumping in a race.

Is my jockey trying?

Is my jockey, who looks like he's whipping the horse, actually hitting the horse?

Are the reins fully extended on this horse?

What about a dramatic change in riding tactics?

Is a horse that has always gone to the lead wrangled back off the lead today, and if so, why?

Bettors need that information, but there is no recourse for bettors to get that information in this — on this continent.

Stewards should appear either on track feeds or in some capacity to interact with the media, to provide a greater insight into their decisions.

Prior to my joining the Thoroughbred Idea Foundation, I spent three years in Hong Kong with the Jockey Club.

I wanna just offer you two insights to the way in which they would deal with a situation that was particularly egregious and required public attention.

Here was the situation from October of 2016.

You see the gate has not opened on all of these stalls.

There was a 126 million — that's about a \$17 million U.S. dollar refund.

You notice the timecode in the top of that picture, eight forty-six?

At 10:10 that evening, in the middle of the race card, the stewards panel invited the media to come in and take a look at the video as close up as they could get it, and show them what had happened, and discussed the decisions as to why they had just refunded \$17 million.

A bit of a quirky horse, Pakistan Star, if you've seen his antics, he was the one-to-five favorite in a grade three race, and he stopped.

He just stopped.

After the subsequent race, stewards panel invited the media to come in and take a look immediately at what had happened.

Very, very open, transparent communications.

Now, look, I know we don't have this sort of media presence on our tracks.

We're lucky if there's one or two people there.

This is a very serious betting jurisdiction.

Japan is a very serious betting jurisdiction.

We heard the success story of Australia earlier today.

Flabbergasted at the very friendly approach to wagering.

These jurisdictions are taking the sport far more seriously than we are in North America.

If we want the customers to stay, if we want to engage them, we must become far more transparent.

As you're going to hear in just a second, there is some technology available that I think could help that, as well.

Thank you.

[Applause]

Mr. Dan Fick: Thank you, Patrick.

Next is Mark Mennear. He's the senior consultant with Hawk-Eye Innovations.

They provide video coverage for the officials in 20 different sports in 90 different countries.

He's gonna talk about how we can help our officials do a better job of what they're doin'.

Mr. Mark Mennear: Thank you, Dan.

Hello?

Yeah.

Thank you very much, Dan, and thank you, Patrick and Dave, as well.

I think I'd just like to say, from the outset, around technology within sports is that, as Dan alluded to, we're in 25 different sports.

We speak with different sports, and it's my role, really, to speak to those different sports and see how we can improve the level of officiating in that sport.

As a result, we're now the world leader.

We've been providing sports technology across the world.

It might not surprise you that, in the U.S., we aren't providing any technology for horse racing.

That might be something that we can change going forward. Just to give you a bit of background —

Mr. Dan Fick: Top, top.

Mr. Mark Mennear: This top one?

There we go. Just to give you a bit of background as to what we're doin' within the U.S., in North America, within the NHL, we provide the video adjudication system there.

They have a centralized location.

They have it all — it's all very consistent and very transparent.

The way that they make sure it's transparent is by having a webpage dedicated for telling everyone around exactly what's going on.

That's something, that as soon as an incident occurs, as soon as a goal happens, you can definitely see exactly what — the reason why that's a goal, so there's no reason why there's going to be any think — for anyone going forward to think otherwise.

That's so clear, and that's what we need to do within horse racing.

I've worked for a long time within — across the world with all the different horse racing members, from Australia, Asia, and Europe, to help them with that.

Then, to move on to MLB, they also use a centralized system to make sure that that's consistent, to make sure that consistency is maintained across the sport.

The same with NASCAR.

They use a video replay system, as well, but we also provide 3D scanning for them so that the cars are maintained and maintained in terms of the size of that car, so they don't try and change, and change the rules and the actual body work for that car so it can move a bit quicker, and essentially cheat their way through to winning.

Then I'll move on to the MLS, which we've been working with for the last two years, using a video adjudication system, which has been phenomenal in the U.S., and now spread across the rest of the world.

VAR, for us, is one of the biggest of our clients.

I just want to show some statistics, really, around what video reviewers really helped within the MLS.

The comparison you see on the screen is from 2015, where they didn't have any video review.

Now, in this season, where they do have video review.

What we saw is that around 40 percent of decrease in simulation, so that's, players dive in and tryin' to cheat their way.

Then also, dissenting, as well, so not speaking back to the referee and giving the referee some respect.

Then, we've seen a reduction in the fouls committed.

Because players know that they are being watched from way over 20 different angles, if they are in the MLS — I know that's different for horse racing to a certain extent but decreased by 10 percent.

As well in Russia in 20 — well, this year, for the FIFA World Cup, there was a reduction by 10 percent in the number of fouls there between — from the previous World Cup, as well.

That's highlighted by the drop in the number of foul — yellow cards and red cards that you can see there.

Let's talk around horse racing, around how we can help in horse racing and what we do across the continent to help improve consistency and transparency within the world of horse racing.

To give you a better background, we provide services across Australia, Asia, Europe, and as I said earlier, not the U.S.

Which is just not surprising, considering it's so segmented within the U.S. in terms of rule changes, and that if I want to try and bring a system to try and help the officials, I have to go to the race track, itself, then the stewards, and

[laughter]

you have to try and get them all to agree that this is the right step forward.

Which is the biggest challenge.

One way to increase the transparency, as you can see in the picture there, is our system being used in British horse racing.

That's from one of the cameras.

One of the cameras that we have installed inside the stewards' area, that is available live to the broadcaster.

The broadcaster can see exactly what they're lookin' at.

The centralized screen, as well, what you can see at the top there, which is bein' output — that's output back to the broadcaster.

The broadcasters can then send that back out to everyone watchin' so they know exactly what's goin' on.

That's one way to maintain that transparency and actually increase the engagement from fans.

They know what's goin' on. You see that in NFL, you see it in MLB.

They will explain the rules to you so you know exactly what's going on.

Cuz a lot of times in races, if you — I'd say 98 percent of people that would have watched those races that you showed them, they wouldn't have noticed that there was an — that was foul riding, they should have been banned.

That's something which I think improves the sport, itself, and I think that's something that I would like to see happen going forward.

We've also seen, and especially in Australia, the number of appeals that have gone down from jockeys.

Jockeys realize that they actually — they can't appeal against a certain ruling because they've got every single camera angle backin' up the stewards.

They've got no place to be able to speak up.

We want to maintain the consistency of the ruling, as well.

By doin' that, you — sometimes in horse racing what you have, and in other sports, it's still quite a big problem, is where those angles are coming from at the moment.

If the angles are coming from the broadcaster, themselves, sometimes they could be a bit biased in the way of sometimes certain angles might not be shown because of if they have betted on a certain horse, themselves, or somehow an angle miraculously is lost.

Because actually, if they showed that angle, that horse could be disqualified.

That is a problem within sports.

By using a technology that allows the — all the feeds to be independent of the broadcaster and actually, so the stewards can manipulate them exact — all on their own.

We provide training to the stewards, and we help and we liaise with the authorities so that they get trained in a certain way, and that their training is in line with all of the procedures.

Going forward, if there is a set way that we want to go in the U.S. in terms of rulin', we can help that, as like what we do in MLS.

We train all of the referees in how to use the software in line with the procedures. That's what we've got going forwards.

It also helps the education of stewards.

There's a lot of training that you can do off the back of being able to look at all the different angles at the same time.

Educating stewards so they knew, in this situation, this should have happened. Educating that, in another situation, you don't disqualify them for this.

Similar to what you just showed earlier, Dan, is that that is something that we can provide to be able to help that.

Overall, we just want to increase the level of competition for everyone.

If you provide the jockeys with the ability not to cheat, they can't cheat, they will have to perform better on the day.

They can't use their special tactics that they used to use.

That's where we feel that we can help within the U.S., within horse racing, and that's what we've done going forwards.

What I want to show you , really, is a video, really, here, where I'm from Australia, from the Melbourne Cup.

We can show that our system here is being used.

In the bottom right, you'll — bottom left corner, you'll be able to see that we'll zoom in to one of the key angles.

Could you just press play, please?

Yep, there we go.

As you can see, you can see multiple angles there bein' able to be viewed.

As you can see, in the middle there, Damien Oliver is comin' across and causes the rider behind to check.

As a result, usin' the technology, you could easily see that.

As a result, Damien Oliver got banned for 10 meets.

Well, then that inquiry had no case to go against what the stewards said.

This is something which we believe, and as a company, this is — our aim is to improve the level of safety, fairness, and engagement of a sport.

As sport lovers, that's what we want to do. Thank you.

[Applause]

Mr. Dan Fick: Thank you, Mark.

I'd like to make one comment on behalf of the Racing Officials Accreditation Program, and that is that we totally agree with what these gentlemen have talked about in providing more transparency and consistency through the stewards.

That's what we teach in the stewards school, and that's what we have as points of emphasis for our continuing education.

We would like to see daily reports where the stewards explain why they did or didn't do, during the race, and cite in detail and then cite the rule that applies to that situation.

Then always have an open-door policy.

If somebody wants to come in the next day and go over it, and listen to why you did what you did, we encourage the stewards to be available.

Do we have any questions?

We got a couple minutes. Eric.

Audience: Mark, you had mentioned two items that you thought were driving the difficulty here in the States, but wouldn't say funding be a difficult — I mean, what sort of pricing are we talking about for a system like that?

Mr. Mark Mennear: Yep.

Funding-wise, it's a very good question.

It's around \$30,000 to \$60- to \$70,000 in terms of dependent on how many camera feeds that you have.

That depends on the hardware.

Just to give you a bit of background, we try and keep that as minimum as you can because we just want to improve the sport as a whole.

I don't know if that's in line with what you feel, but I feel that with the betting coming in, and the gamification of the sport, it's going to become more and more crucial within this area of the world.

Mr. Dan Fick: Mark, and —

Mr. Mark Mennear: That's a one-time fee.

Mr. Dan Fick: Yeah, that's what I was gonna say.

It's a one-time fee, and they're taking all of their equipment off the shelf.

It's not custom equipment, it's custom software.

Do you wanna say somethin', Patrick?

Mr. Patrick Cummings: No, I'm good.

Mr. Dan Fick: Any other questions?

I had one comment, goin' back to my days.

Oh, go ahead.

Audience: I have a question for Pat. I'm in Southern California. Even though we're a category two jurisdiction, even though we have a relatively high number of dq's, it's essentially impossible to get dq's this **[inaudible 00:59:02]**.

I'm just curious. How does that work?

[Abrupt end of recorded material.]