

**LOBBYING: RELATIONS WITH THE PEOPLE WHO WRITE THE
LAWS GOVERNING HARNESS RACING**

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Steve Bochnak: The topic of relations with people who write the laws in lobbying really might be rephrased as something like “What do legislators think about us?” or more appropriately sometimes, “Why don’t legislators think about us?” I think one of the reasons that we run into trouble is because legislators really don’t know a lot about us. There’s an explanation for that; I don’t think it’s an excuse, but think about it. There are about 280 million people in this country and fewer than 0.5 of one percent of the population is involved in this industry. That puts a big responsibility for lobbying on the people who are actually conducting this industry—the people who really run it. It is their responsibility to inform those legislators

because frankly legislators, anybody in government from staff to governor, have no responsibility to solve your problems. They may have created some of them but they may not be aware of them unless you make them aware of what the problems are.

They have no obligation to solve them either; there's no firm obligation to solve a problem for anybody in government. If the government knew what the problems were and knew what the solutions were, we wouldn't have any problems. We'd all be happy and chugging along. It behooves us to tell them what it is and that means you have to go through two steps as an advocate or a lobbyist for the pari-mutuel industry. Prepare information and get it out there so they know what you're about. That sounds very simple, two simple steps. In reality it's a lot of hard work but it will pay off if you do it right. When you prepare, you want to write things down. I always found that writing it out makes it easier to figure out exactly where you're going, where you've been and what you have to do.

The first thing is to define your problems. You want to get your group together, define your problems and come up with a solution. That is key to your preparation. If you're going to provide any information it has to be

well thought out, accurate and you have to come up with an optimal solution to the problems that you've identified. If you're not prepared, you can't provide the information in a form that's understandable by those who really don't care that much about you. First you organize your thoughts and get your problems and solutions down. Then you're going to go to the people whom you have to deal with in your industry—the people who are in another segment of it. The reason that you're going to them after you've worked out your agenda, your problems and goals, is because you can't allow anyone else to affect or influence what you think your optimal solution to the goals is. If there's going to be compromise down the road, let it be in the capital—in the end when there's no place else to go.

You really have to solve your problem first then go to your friends, your associates and ask them if they can support your position. At the same time you're going to ask them what their position is and what their proposed solutions are. If you can't go together, you can't go together—that's all there is to it. You're going to have friends on the other teams. There's going to be competition. There are going to be problems. If you hesitate, if you have any guilt about opposing some of your friends and other organizations when you go to the capital, get out. Don't do it. You have a

responsibility to your constituents, your organizations, your group. If you can't fulfill that obligation by fighting like hell at the capital for what your people need, want and have to have, then you owe it to yourself and the interests you represent to get out of the way of somebody else who is willing to do it. I know that doesn't sound like a prescription for compatibility, but you have an obligation if you've chosen or representing a group to do the best you can in its best interest or in your best interest.

Once you've established who your friends and enemies are, you have a chance to go to the capital. I can't even count the number of mistakes that are made going into the capital every day of the week by constituents who show up, whether they're trade organizations or pros. Don't start at the stop. Don't go to see the governor. Don't go to see the legislative leaders and the top staff. Don't even start with the chairman of the committee of origin of your organization. Start with some rank and file people. Start with some people to whom you can explain your problem, explain your solution and define it. You find out the kind of questions they're going to ask you. Their questions may be ignorant or maybe not, but it's going to a learning experience for both of you.

When you go to the capital, don't go alone. You always need a witness.

Two people are ok, three is better, four is starting to get out of control. Too people and organizations take a whole group, all of whom are not on the same page, all of whom want to make their point and interrupt. It doesn't make for a coherent presentation and you're not going to win on that. Every legislator, every staff person during the busy time of the legislative year meets with five, 10 groups every day—a leader 10 to 15. Plus going to a luncheon, a breakfast, maybe two breakfasts, maybe three lunches, four receptions in the evening, maybe a fund-raiser for a colleague. How much impact do you think you're going to have after you've exchanged pleasantries, swapped a few lies, reminded somebody that you knew somebody's cousin-in-law, then make your pitch? It's not going to work. You're going to have to go in there with three knowledgeable people, which is optimal, who are compatible, who are on the same page and who can give the same story and serve each other. You're going to get asked questions as you work your way up the chain of command. Polish your act, that's why you started at the bottom. You're working your way up.

A lot of people think if you stop at the capital once or twice in a year you're going to get what you want. You think they're never going to forget about

you but you were forgotten once the door closed, maybe before. There are a lot of heavy hitters in this industry who can pick up the phone, call the governor or legislator and get right through. If you're not one of those people don't use those people to get appointments for you. It detracts from your importance. It means that you had to ask someone else for a favor. Anybody who has that kind of clout developed it for a reason or a purpose and if that reason or purpose isn't identical to yours, then you haven't done yourself any favors by asking them to get an appointment with somebody else you think is important. The idea is if you have legitimate cause, if you have a legitimate reason and the government is the place to go to solve it, there isn't anybody on the planet that you can't get to see.

If you're reluctant to do that it means you're not prepared, you don't have a real problem or you don't understand what you're doing. I'm just trying to help you on how to approach it with information and how to provide that information. Remember it should be accurate, it should be honest and it should be detailed, but the detail has to be broken down. If you can take your detailed material, a description of your problem and its solution, and you really know it you can break it down to one page. You're going to want

to provide more than one page to a lot of the people involved but that one page is proof to you and the others that you know what you're talking about.

You also have to provide anybody who's willing to be a sponsor with the pros and cons of every issue. You're going to have enemies out there and when they show up with arguments, you have the obligation to refute those contrary arguments. You don't have the obligation to solve all their problems. They don't have an obligation to solve yours but you want to go to point A to point B with your problem, with its solution. If there are problems along that route, they're not for you to solve. That's what you're going to see the decision makers about and the decision makers don't like to make decisions. They want the easiest path too, and if they had the decision they would have made it already.

Mr. Bergstein: You have some intriguing ideas for television. Could you quickly summarize those? It's not lobbying but it may be the greatest form of lobbying the industry has.

Mr. Bochnak: Remember it's our obligation to get the news out there about us and let people know about us. Legislators are people in the public too.

Not very many people know much about us, and traditional advertising and promotion is not working in cultivating new fans. We just don't see them. There has to be a new way of getting back to where we were. There was a time when racing was a part of sporting and sports culture in this country. It was unavoidable. There were two, three, four articles in every newspaper, every sports section, even on the front page of regular papers that said something about racing. Everybody heard or knew something about racing. That's no longer true, there is a lot of other entertainment competition. We need to create a television primetime network series that's based on racing. I don't mean based on racing in terms of its going to be a show specifically about racing because every program is about people. What we want is a show about people who are involved in the racing industry—the good, the bad, the warts, the beauty, the lying, the cheating, the honesty, the integrity, the tests, the medications, everything. You find out something about lawyers, doctors, wineries, any number of things can be done through a television program. Why not inform the public about the racing industry through a television series that's based on people who are involved in our industry. We'll make the protagonist anybody we want. We'll make him a track president who has to deal with all the problems of the industry from the backstretch to medication issues to integrity. We'll put in trainers, we'll

put in owners, jockeys and drivers. We'll put in the backstretch. We'll put in problems on the backstretch, problems of immigration. It doesn't matter. We'll go the whole spectrum. We'll allow people to learn something about our industry by putting it in a television format in a series. We'll go beyond that. We'll buy time if it has to be time. We'll sponsor the show ourselves if we have to, if we can't find other sponsors.

We can also go into daytime programming, soap operas, where the leading family on Days of our Lives or Guiding Light will buy a racehorse. They'll name it, they'll race it, they'll talk about upcoming events in the industry. And the people who are watching daytime television will say, "Wait a minute. There's a race on Saturday."

We do need to have races. Special events are wonderful for those who are already interested in the sport, but if we were to put it on television every Saturday, every Sunday, every evening and have regular times when our product is displayed together with people on late night, Letterman or Leno. Let them make jokes with the racing industry. Let them have personalities. We'll put real people on our television program, we'll manufacture other people. We'll have something to talk about, we'll make racing cool again.

Mr. Bergstein: Not all legislators know about racing, but one who knows racing and is a friend of harness racing is Hector Clouthier.

Hector Clouthier: If anyone in this room thinks there is an easy step-by-step process to lobby the government, think again. It's very diverse, it's convoluted and many times you face a real conundrum when dealing with politicians. Why? Because there are two groups that you have to deal with. You have the elected politicians and non-elected bureaucrats—the administrators. There's a dichotomy between those two that's as deep and wide as the Grand Canyon because the last four words in a politicians' bible are, "We care about elections." The last four words in the bureaucrats' bible are, "Who cares about elections." One will bend to the public interest and the other one will bend to their self-interests. If you can explain to the politicians why a new racetrack, VLT, casino or tax change is good for them, but more importantly to their voters, to their constituents, you're off to the races.

I was a former politician and they face a lot of opposition. First of all, church groups. Church groups look upon gambling as just an anathema. We

don't want gambling because it's the route of many evils. My local parish priest Father Bradley said " Hec, why would you be involved in horseracing. That's gambling." I said, "Let me get this straight, Father. We have parish bingos every week. What's the difference?" "The difference is it's for the church, we're not making any money." I said, "If we're not making any money, we'd close down the bingo. The church always wins. We take in about \$10,000 a week." He said, "It's for God's purposes." Now you have to figure out how you're going to ameliorate the situation with God so you can move ahead on this gambling.

Social workers look at gambling as the route to evil, as a plethora of other ills that are out there. If you don't think so, think about this. We're here in Las Vegas. Why is Las Vegas here? Because people are interested in gambling only not in my back yard—put the damn thing in the desert, so it doesn't really bother people.

Thank goodness that the only thing that endures in life is change and people's attitudes are changing towards gambling, racetracks and horseracing. Organizations such as the Woodbine Entertainment Group are doing a wonderful job at getting that message out in Canada. If people will

phone their member of Parliament or their local councilor or mayor and complain about it by e-mail, fax machines and demonstrations, the politician will always go along with the sentiment of the voters because remember the bottom line is to get re-elected.

They say that's democracy in action. Plato said, "Democracy is a charming form of government full of variety and disorder dispensing a sort of equality to equals and unequals alike." So the trick is for you to convince the politician whatever initiative you're in is going to benefit the equals and unequals equally. Then you're off to the races. Once again, I look at the Woodbine Entertainment Group and what they have done is remarkable.

They have really promoted the sport but they have really helped the local communities because a percentage of that money from the VLTs, the video lottery terminals in the casinos, goes to the local community. It actually gets into the hands of the politicians and they can dispense it to women's shelters, gamblers anonymous or infrastructures such as waters and sewers, sporting facilities, whatever.

That's great because you can tell the politician as a result of this you're going to have millions and millions into Canada. There was a check struck

not long ago for \$11 million to the city of Toronto alone. In Ottawa it's about \$3.5 million and that's every six to eight months. That's a powerful incentive, plus the spin-off results of creating new jobs. There are hundreds and hundreds of new jobs out there because of the VLTs and new casinos, everything from the manufacturing of harness to the sale of automobiles. Those are powerful incentives.

Speaking of power. Never ever underestimate the power of the unelected. If they want to, they can put up an impregnable force. It's like a \$2,000 claimer going against Varenne in a trotting race. You're almost beat before you start because bureaucrats are there for life. Politicians are there until the next election and if the voters decide you're a bum, they kick you out. But bureaucrats stay, they will always act in their best self-interest and they're tough nuts to crack.

The key is to get to the powerful people. I am the Special Advisor to the Prime Minister so I can gain access to him and have meetings with these people so they can explain exactly where they're coming from. You have to be passionate about it. You have to let them know the good things that are

associated with horse racing. Let them know that there are positive influences about it.

In conclusion, what you have to do is go one step further. Entice the politicians and the bureaucrats to go to a racetrack. The advantage that we have over the thoroughbred industry is that you can actually get some of these people on a jog cart and don't think it doesn't work. If they get to the backstretch—not just to the dining room to wine and dine them—get them over to the backstretch. Meet the personnel. Meet the drivers, the trainers, the grooms. There are some real characters out there. Let them know that they are ordinary people who really need horseracing to survive. We need people to continually get out that the horseracing industry is good. And never be disappointed. Sometimes you get a door slammed in your face. Turn around, go back and regroup. Think where you went wrong. Think where you can do better. Go back in. Like Cam Fella, you never, ever quit and sooner or later you will crack that nut. Thank you.

Mr. Bergstein: Our next speaker has done a remarkable job getting politicians on jog carts in New Jersey where he serves as legislative advocate for the standardbred owners and breeders. Leon Zimmerman.

Leon Zimmerman: It was about five years ago that then Governor Whitman of New Jersey drove in an exhibition harness race. That was the first of about a dozen that we've had, three of which involved the governor and others involving members of the state legislature over the last ten years. All together there are 20 to 30 legislators that have driven in one race or more and I have requests, regularly, from more of them to do that. We were doing one or two a year and there will be another one this year.

There are two things that are critical to lobbying. One is people and the other is money. We've addressed the people but not the money. There are two things to keep in the back of your mind. A fellow lobbyist friend of mine has a plaque hanging on his wall that alleges to be a citation from an 1866 New York State supreme court decision that says, "No man's life, property or happiness is safe while the legislature is in session." You've got to remember that. An old adage that I'm sure many of you have heard before is that there are two things you don't ever want to see being made because it will disgust you. One is sausage and the other is a law.

With that in the back of my mind, there are two things that I consider the most important aspect of lobbying. We talked about getting your message across, making it accurate and factual but you can't do it without people and personal contact. Generally you need someone who can steer you through the myriad of courses in the state capital, which is something I do in a professional capacity but we wouldn't be successful without the people who are part of the industry that we represent. They have to have the ability and the grass roots contact to reach each and every member of the legislature.

In New Jersey we have about 9,000 different pieces of legislation that are introduced every year. Maybe one or two-dozen concern racing. It's not a very high priority for legislators and we have to make it that. It's important to our existence and our success. The personal contact has to be made in an organized fashion so that every member of the legislature is contacted if possible and certainly the committee chairs that will hear the bills that affect racing and the member of the committee and the leadership and the administration in the governor's office.

As we sit here today, the New Jersey state assembly committee is voting on a bill to help the New Jersey standardbred industry Sire Stakes Program to

allow interstate semen transport for breeding. Right now, New Jersey does not allow it. The work has been done in advance to the point that I can sit in this chair and after a few phone calls this morning be sure that it's coming out and it's going to be taken care of because we have a gigantic supporter, among others, in the legislature who has driven in eight different exhibition races who loves the sport and loves to go to the track. He goes to The Meadowlands and reserves the biggest box possible on the night he drives and invites 50 to 70 of his friends and relatives to come watch him drive.

Last year he won his first race and before that he was constantly teased because he couldn't win. He learned something that we all learn and that is that experience helps. In the race he won, he had the worse horse. It was a substitute horse because the trainer did not show with the prearranged horse and the substitute was not anywhere near the class of the other horses. But he had driven seven times before and he knew that if he could get out in front, the other legislators wouldn't know how to urge their horses on to pass him and he won easily. He knew exactly what he was doing in his mind. All the other legislators accused me of giving him the best horse, which is another issue we have to worry about.

All of the other legislators have thanked me profusely, have asked me to go out on their own even when they're not practicing for a race, and I insist they go out and practice as much as possible. They have taken their grandchildren and their children out to the barns to see horses, to the farms to see trainers who train at farms, to The Meadowlands. They are huge fans and they say that they would not even have considered anything about harness racing at all and now they're champions for us. This assemblyman who finally won his race after eight tries is the prime sponsor of the bill that I was talking about and he did it as a personal dedication. The bill is moving through the legislature because we were able to establish a personal contact with key legislators.

Don't wait for your leadership to do it or the management of the track. Each and every person should be out there. You live in somebody's district; you're a constituent of some member of the legislature. Your voice is important to that lawmaker.

Mr. Bergstein: Our next speaker is a leading spokesman for racing in the state of California. Here are Norman Towne's views on lobbying.

Norman Towne: I want to add a couple things to the articulate comments of the panel today. You have to be involved in two ways in lobbying or in making decision makers decide in your favor. Financially you have to be a player in the political financial game, in the form of political contributions, and you have to remember that checkbook politics for harness racing is not going to work in and of itself because your competition has deeper pockets. In California we are dwarfed by the lobbying efforts in terms of dollars, by all of the other industries particularly, in the gaming industry, by the Indian gaming entities. Financially you are actually a small fish. The state budget in California is \$100 billion. When I first began working in the capital in 1976, it was around \$5 billion and at that time the racing industry contributed approximately \$160 million of that \$5 billion into the general fund. A fairly significant amount. Today we've been successful in reducing that amount to about \$43 million in a hundred plus billion dollar budget. The impact that we have on the general fund is insignificant and therefore our influence in that area is much less significant.

The second involvement, to paraphrase Hillary Clinton is, "It takes a village to pass a bill." My belief is that all politics are local. You've heard it from other people but the one thing that a decision maker, particularly a legislator,

an elected politician, pays attention to is votes. The greatest influence you can have both financially in terms of jobs and economic impact is at the local level; it's in the community that you serve. That's where you have to start and everybody needs to be involved. You need to be involved in all the relevant political meetings and you have to do it tirelessly. You have to have the single-mindedness about your message and a commitment to it. You have to be consistent and competitive. And it's got to be heard, first at the local level because success there will translate into success at the state level and ultimately at the federal level.

California, along with 18 other states, has term limits now and so you have a tremendous turnover. We've got two terms, three in the House, which are six years and two terms in the Senate. That's all you're allowed so the age of the lawmakers is getting lower. The oldest person I meet with, who is running for the assembly, might be 28 years old and these are people who have already served at the local level. It's almost like basketball, if you're not catching them when their 16, you're losing the influence.

Get involved locally. Get people on the city council. Get people in the mayoral chairs. These people are the people who are running for state government.

Another thing I want to mention is about timeliness and readiness. You have to be ready because as many times as you can go out and deliver your message in the halls of the state capital and locally, they may not be receptive. There are a plethora of bills on many more important areas than horseracing and most politicians are not interested. When I start anything in the capital I always start with the staff. I start with the bureaucrats, the people that have had the job and, in a state with term limits, the only people with any institutional memory. The only people you can hope have any knowledge about your product in general terms are those people who have been there and have worked on those governmental organization committees that deal with horseracing—the sin committees. You can always use the influence with the governor and the higher-ups or the final decision maker or the checkpoint here and there but you need those contacts. That's very important to deal with the people who have to deal with their boss who may be new to the whole thing and if you're not holding the hand of that

bureaucrat, that long-time senate staffer or assembly staffer, you're going to lose the battle.

Mr. Zimmerman: I want to follow up on what Norm said. As I said before the second most important thing is money and finances are really important. Two years ago in New Jersey the national record was broken by a U.S. Senate candidate more than doubling the previous amount spent and he was successful. He spent \$63 million in his campaign and got elected to the U.S. Senate. His opponent spent \$6 million. The difference of the vote was three percent. You can imagine how much was spent per vote. Last year we had all 120 seats in the New Jersey Legislature—40 senators, 80 assembly members. They broke the record; they spent a couple billion dollars total on that. Where did they get the money to do that? They get it from people like us. They have to. You may sit that and say, “Why should I give money to a guy when it's his job to pass the laws anyway?” The fact is they wouldn't be there to enact the laws if they didn't run for office and it's costing them more to run for office so they're coming out looking for more money. We have to give money to these candidates for the legislature or these legislators running for re-election, otherwise we will not even get an audience because you can bet that your opposition is out there donating. It's important for

organized, political action to take place to help your industry as it's helping everyone else's. In New Jersey we discovered something in the last two years that we never had to worry about before.

When I started lobbying 28 years ago for the New Jersey SBOA, there was no one else lobbying. The racetracks weren't lobbying. The thoroughbred weren't lobbying. I was the only one there and we were very successful over a long period of time. A couple of years ago the thoroughbred industry realized they had a couple of very wealthy people. They've now poured in a couple of hundred thousand dollars a year for the last two years. The speaker of the house, who is now out of office, was one of their close friends and they got an edge on us. We now have to try to fight fire with fire and the only way to do it is to develop strong political action funds to help get your agenda to the legislative people.

Mr. Bochnak: You can't expect to outspend some of these other interests so know how to spend your money wisely. Never contribute against an incumbent; incumbents win. You'll look stupid; they'll beat you up for it. Should the incumbent lose go back and make reparations—hey listen, we never back a nonincumbent—something like that. Don't worry the winner

will accept your money after the fact. So don't start off on the wrong foot because what you're going to do is find out that not only did you make an enemy but you're going to make an enemy with everyone in his or her conference, in his party, probably in both houses, so never give money to someone who's running against an incumbent.

The other thing is that when you spend your money wisely, you know how to allocate it. You're obviously going to give more to the majority than you are to the minority in either house of the legislature. Carry that thing out in terms of proportion. The majority understands that; the minority understands that. The members on both sides of the aisle understand it. Their entitlement is larger if you have limited resources and you have to allocate them sparingly. Take a look at that and make sure you know what you're doing.

Mr. Clouthier: Just one comment on the bureaucracy. Everyone in this room knows John Campbell. When I was the federal member of Parliament for Canada, I promoted John Campbell for this MSM, the Meritorious Service Medal in Canada and very prestigious. Canada is a member of the Commonwealth, and the medal is presented by the queen of England or her

representative, the governor general. I thought it was a no-brainer and I asked many people to give some supporting evidence why John Campbell should get the Meritorious Service Medal.

I found out a week before the announcements were going to be that Campbell wasn't on the list. I did a little bit of background checking and I found out that the committee chair, who was not a non-elected politician, decided no. I went and spoke to that person privately and he told me that he had an unsavory experience at our harness track 10 years ago. He bet \$10 on a horse and he thought the driver stiffed his horse, so no way this was guy was going to anything. I brought him out to the track and within three days had him change his mind and Campbell gets the Meritorious Service Medal presented by the governor general, which was very good for horseracing. It was spoken about on the floor of the House of Commons.

Tuesday evening of this week we passed a bill in the Federal House of Commons in Canada making the Canadian horse the national horse. I was promoting it when I was the federal member of Parliament and after the last election—it shows you that sometimes politicians do get defeated—I was no longer there and they thought it was gone. But I ended up at the Prime

Minister's office so I gently persuaded some of the MPs and senators to support this bill and we voted on it Tuesday evening. This bill has been trying to get through the House of Commons for over 15 years, before I was elected and after I was elected, and we only had one person vote against it. It passed 162 to one. It just goes to show you that if you're persistent and determined enough good things do happen, and the horseracing industry needs that type of exposure to the general public.