March 6, 2015

Legislative Reference Library 645 State Office Building 100 Constitution Avenue St. Paul, Minnesota 55155

Re: In The Matter of the Proposed Rules of the Minnesota Racing Commission Governing Horse Racing, Minnesota Rules, 7876 Stabling; 7877 Class C Licenses; 7890 Horse Medication; 7891 Horse Examinations; and 7892 Medical Testing; Revisor's ID Number 4247

Dear Librarian:

The Minnesota Racing Commission intends to adopt rules governing Horse Racing. We plan to publish a Notice of Intent to Adopt Rules without a Public Hearing in the March 9, 2015 State Register.

The Commission has prepared a Statement of Need and Reasonableness. As required by Minnesota Statutes, sections 14.131 and 14.23, the Department is sending the Library an electronic copy of the Statement of Need and Reasonableness at the same time we are mailing our Notice of Intent to Adopt Rules.

If you have questions, please contact me at 952-496-7950.

Yours very truly,

Marlene Swanson

Rule Making Coordinator

Marlene Swanson

Enclosure: Statement of Need and Reasonableness

Minnesota Racing Commission

STATEMENT OF NEED AND REASONABLENESS

Proposed Amendments to Rules Governing Horse Racing, Minnesota Rules, 7876 Stabling; 7877 Class C Licenses; 7890 Horse Medication; 7891 Horse Examinations; and 7892 Medical Testing

INTRODUCTION

The Commission is considering a rule amendment to 7876 that is a housekeeping update that changes the name of health certificate to the currently used term certificate of veterinary inspection for horses arriving on the grounds of a racetrack. It also requires horses leaving and returning on an ongoing basis to renew the certificate within the first five days of each month. The change to 7877 would extend the above requirements to any pony horse coming on to the grounds. The second change to 7877 deals with the notification of emergency veterinary treatment by the commission veterinarian or association veterinarian. The rule changes to 7890 add to and modify existing definitions; rules on androgenic-anabolic steroids; endogenous, dietary, and environmental substances; regulatory limits of medication; medication labeling; use of compounded medications; and method of disclosure of approved medications to the public. The proposed change to 7891 would require trainers to post, on race day, an "in today" sign outside the stall of an entered horse. Changes to 7892 deal with out of competition testing and laboratory accreditation.

ALTERNATIVE FORMAT

Upon request, this Statement of Need and Reasonableness can be made available in an alternative format, such as large print, Braille, or cassette tape, or digital disc. To make a request, contact Ms. Marlene Swanson at the Minnesota Racing Commission, P. O. Box 630, Shakopee, MN 55379; phone 952-496-7950, fax 952-496-7954; or email at marlene.swanson@state.mn.us. TTY users may call the Racing Commission at 800-627-3529.

STATUTORY AUTHORITY

The Racing Commission's statutory authority to adopt the rules is set forth in Minnesota Statutes section 240.23, which provides: The Commission has the authority, in addition to all other rulemaking authority granted elsewhere in this chapter to promulgate rules governing a) the conduct of horse races held at licensed racetracks in Minnesota, including but not limited to the rules of racing, standards of entry, operation of claiming races, filing and handling of objections, carrying of weights, and declaration of official results, b) wire communications between the premises of a licensed racetrack and any place outside the premises, c) information on horse races which is sold on the premises of a licensed racetrack, d) liability insurance which it may require of all racetrack licensees, e) auditing of the books and records of a licensee by an auditor employed or appointed by the Commission, f) emergency action plans maintained by licensed racetracks and their periodic review, g) safety, security, and sanitation of stabling facilities at licensed racetracks, h) entry fees and other funds received by a licensee in the course of conducting racing which the Commission determines must be placed in an escrow account, i) affirmative action in employment and contracting by licensed racetracks, and j) any other aspect of horse racing or pari-mutuel betting which in its opinion affects the integrity of racing or the public health, welfare, or safety.

Further statutory rulemaking authority relating to the amendments contained herein includes M.S. 240.24, Medication, subd. 1 Rules. The commission shall make and enforce rules governing medication and medical testing for horses running at licensed racetracks.....The Commission shall by rule establish the qualifications for laboratories used by it as testing laboratories to enforce its rules under this section.

Under these statutes and session law, the Racing Commission has the necessary statutory authority to adopt the proposed rule amendments.

REGULATORY ANALYSIS

(1) a description of the classes of persons who probably will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule

The people most affected by these proposed rule changes are trainers, horse owners, and veterinarians and these are the groups that will benefit the most. Trainers and practicing veterinarians will know specifically what therapeutic medications and endogenous substances and serum/urine concentrations thereof may be present in their horse(s) at post-race testing, that these therapeutic medications are safe, effective, and labeled appropriately, and that during an emergency their horse(s) will receive treatment. They will also know that the laboratory being used to analyze test samples is accredited and in good standing with the Racing Medication Testing Consortium. There is no additional proposed cost at this time.

(2) the probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues

There is no anticipated change in costs to the Commission or to any other state or local agency due to these proposed amendments.

(3) a determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule

There are no less costly or less intrusive methods for achieving the goals.

(4) a description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule

This agency did not consider alternative methods for these proposals as industry participants and stakeholders presented many of the proposed rule changes. The remainder of the proposed rule changes brings the Minnesota Racing Commission into conformity with other Board (Pharmacy and Veterinary Medicine) statutes and rules.

(5) the probable costs of complying with the proposed rule, including the portion of the total costs that will be borne by identifiable categories of affected parties, such as separate classes of governmental units, businesses, or individuals

There are no probable costs to this agency with this proposal. Monitoring post-race serum and urine for concentrations of medications, endogenous substances, and anabolic steroids is an ongoing process for the Veterinary staff. These proposed rules simply add or modify specific medications, anabolic androgenic steroids, and endogenous steroids and concentrations thereof in the serum or urine. The cost of emergency treatment by regulatory veterinarians already occurs at no cost to the trainers; this rule provides written guidance. The remainder of the proposed rules is modifications or additions to existing rules that are already monitored on a daily basis.

(6) the probable costs or consequences of not adopting the proposed rule, including those costs or consequences borne by identifiable categories of affected parties, such as separate classes of government units, businesses, or individuals

The consequence of not adopting the proposed rules is that the medication rules as well as other housekeeping rules will fall behind the national movement for medication unity or in the instance of housekeeping rules will not be consistent with rules promulgated by the Minnesota Board of Pharmacy or Veterinary Medicine. There are no expected increased costs associated with these rules for any of the parties affected.

(7) an assessment of any differences between the proposed rule and existing federal regulations and a specific analysis of the need for and reasonableness of each difference

There are no current federal regulations regarding these proposed rule changes.

PERFORMANCE-BASED RULES

These rules are proposed to support the health and safety of the horse through regulation of medications and endogenous substances so horses are not inadvertently or deliberately treated with inappropriate or excess amounts of medications. Rules regarding proper labeling of substances and medications and clearly defining compounding of medication allow the trainers and others to accurately treat horses with known substances and not surmise or guess what might be in a non-labeled container. Providing regulatory veterinarians with clear guidelines on emergency treatment keeps horses safe and may prevent death or the spread of infectious diseases.

ADDITIONAL NOTICE

These proposed amendments were thoroughly discussed by the Commission's Racing Committee on November 4, 2013 and December 9, 2013 and unanimously voted to recommend these amendments to the Full Commission. On December 19, 2013 the Full Commission met and accepted the Racing Committee's recommendation and voted to publish a Request for Comments in the State Register. All rules discussion was clearly included on all agenda duly prepared and mailed or e-mailed 7 days prior to these meetings. Agendas were also posted on the Commission's website. Minutes from the full commission meetings are available on the Commission's website at www.mrc.state.mn.us.

The Racing Commission began work on the rules proposals in November 2013 after receiving the recommendation from the Commission Veterinarian and the Racing Committee. Updates will be provided on a monthly basis during the course of the formal rulemaking process.

The Commission's Rulemaking Docket, which is publicly posted in the Commission's office as well as on the Commission's website, will be updated as necessary to reflect the status of these rules.

Our Notice Plan includes:

- 1. Publishing the Request for Comments in the September 2, 2014 edition of the State Register.
- 2. Posting the Request for Comments and the language of the proposed rules on the Commission's website.
- 3. Mailing or e-mailing the Request for Comments to Class A & B licensees as well as horsemen's organizations that are affected by horse racing in Minnesota, including the Minnesota Thoroughbred Association, the Horsemen's Benevolent and Protective Association, Minnesota Harness Racing, Inc., the Minnesota Quarter Horse Racing Association, the Jockey's Guild, and the United States Trotting Association.
- 4. Mailing or e-mailing the Request for Comments to organizations in Minnesota identified as having an interest in animal health including the Minnesota Board of Animal Health, the Minnesota Humane Society, the Minnesota Veterinary Medical Association, and the University Of Minnesota College Of Veterinary Medicine.
- 5. Our Notice Plan also includes giving notice required by statute. We will mail the rules and Notice of Intent to Adopt to everyone who has registered to be on the Commission's rulemaking list under Minnesota Statutes, section 14.14, subdivision 1a. We will also give notice to the Legislature per Minnesota Statutes, section 14.116. The Proposed Rules and the Notice of Intent to Adopt will also be published in the State Register.
- 6. The Commission will provide a copy of the rules and Notice of Intent to Adopt Rules to Class A & B licensees, horsemen's organizations, and animal health organizations in Minnesota as noted in #3 and #4.

CONSULT WITH MMB ON LOCAL GOVERNMENT IMPACT

As required by Minnesota Statutes, section 14.131, the Department will consult with the Minnesota Management and Budget (MMB)). We will do this by sending the MMB copies of the documents that we send to the Governor's Office for review and approval on the same day we send them to the Governor's office. We will do this before the Department's publishing the Notice of Intent to Adopt. The documents will include: the Governor's Office Proposed Rule and SONAR Form; the proposed rules; and the SONAR. The Department will submit a copy of the cover correspondence and any response received from Minnesota Management and Budget to OAH at the hearing or with the documents it submits for ALJ review.

DETERMINATION ABOUT RULES REQUIRING LOCAL IMPLEMENTATION

As required by Minnesota Statutes, section 14.128, subdivision 1, the agency has considered whether these proposed rules will require a local government to adopt or amend any ordinance or other regulation in order to comply with these rules. The Commission has determined that they do not because all activity that these amendments affect occur on licensed racetrack grounds, not out in the local community. There are times where we may have to contact local law enforcement or county/city attorney offices, but that is in the normal course of fulfilling our duties and responsibilities when events warrant. It is not anticipated that these amendments will either increase or decrease those contacts.

COST OF COMPLYING FOR SMALL BUSINESS OR CITY

Agency Determination of Cost

As required by Minnesota Statutes, section 14.127, the Racing Commission has considered whether the cost of complying with the proposed rules in the first year after the rules take effect will exceed \$25,000 for any small business or small city. The Racing Commission has determined that the cost of complying with the proposed rules in the first year after the rules take effect will not exceed \$25,000 for any small business or small city.

LIST OF WITNESSES

If these rules go to a public hearing, the Racing Commission anticipates having the following witnesses testify in support of the need for and reasonableness of the rules:

- 1. Dr. Lynn Hovda, Chief Commission Veterinarian, Minnesota Racing Commission
- 2. Ms. Marlene Swanson, Rules Coordinator will testify about the development and processing of these rules.

RULE-BY-RULE ANALYSIS

Part 7876.0100, Subp.10 and Subp.10a, On-Track Stabling. Original certificate of veterinary inspection.

Subp. 10: This proposed rule is a housekeeping rule and changes the words "health certificate" to the more correct "certificate of veterinary inspection". Documents from the Minnesota Board of Animal Health as well as boards in other states use this correct terminology and it is reasonable that the Minnesota Racing Commission rules reflect this. (**Exhibit A**)

Subp. 10a: This proposed rule will assist with the documentation and movement of horses entering and leaving the racetrack on a regular basis. It will allow the horsemen/women to coordinate all of their horses on one or two certificates of inspection instead of seven or eight and renew them in a set period of time. This is reasonable as it keeps errors to a minimum, prevents undocumented horses from entering the gate or standing for a prolonged time on a trailer at the stable gate, speeds movement through the stable gate, and decreases the amount of time that stable gate personnel and veterinarians spend searching for missing or lost documentation.

Part 7876.0110, Subp.4 and Subp.4a, Off-Track Stabling. Original certificate of veterinary inspection.

Subp. 4: This proposed rule is a housekeeping rule and changes the words "health certificate" to the more correct "certificate of veterinary inspection". Documents from the Minnesota Board of Animal Health as well as boards in other states use this correct terminology and it is reasonable that the Minnesota Racing Commission rules reflect this. (**Exhibit A**)

Subp. 4a: This proposed rule will assist with the documentation and movement of horses entering and leaving the racetrack on a regular basis. It will allow the horsemen/women to coordinate all of their horses

on one or two certificates of inspection instead of seven or eight and renew them in a set period of time. This is reasonable as it keeps errors to a minimum, prevents undocumented horses from entering the gate or standing for a prolonged time on a trailer at the gate, speeds movement through the stable gate, and decreases the amount of time that stable gate personnel and veterinarians spend searching for missing or lost documentation.

Part 7876.0120, Subp.1, On- and Off-Track Stabling of Nonracing Horses. Certificate of veterinary inspection.

This proposed rule is a housekeeping rule and changes the words "health certificate" to the more correct "certificate of veterinary inspection". Documents from the Minnesota Board of Animal Health as well as boards in other states use this correct terminology and it is reasonable that the Minnesota Racing Commission rules reflect this. (**Exhibit A**)

Part 7876.0120, Subp.2, On- and Off-Track Stabling of Nonracing Horses. Renewal of 30-day certificate of veterinary inspection.

This proposed rule will assist with the documentation and movement of horses entering and leaving the racetrack on a regular basis. It will allow the horsemen/women to coordinate all of their horses on one or two certificates of inspection instead of seven or eight and renew them in a set period of time. This is reasonable as it keeps errors to a minimum, prevents undocumented horses from entering the gate or standing for a prolonged time on a trailer at the gate, speeds movement through the stable gate, and decreases the amount of time that stable gate personnel and veterinarians spend searching for missing or lost documentation.

Part 7877.0170, Subp.10, Duties and Responsibilities of Class C Licensees. Pony riders.

This proposed rule change accomplishes several things. The change from the words "health certificate" to "certificate of veterinary inspection" provides consistency among all rules as does the description of what test results must be found on the certificate. Renewing the certificate during the first five days of each month speeds entry through the stable gate and decreases the amount of time that stable gate personnel and veterinarians spend searching for documentation that may be found on several certificates or lost completely. (Exhibits A and B)

Part 7877.0175, Subp.8, Duties and Responsibilities of Racing Officials. Commission veterinarian.

This proposed rule clarifies the responsibilities of the commission veterinarian(s) in the event of an emergency should the owner's veterinarian not be on racetrack grounds or easily reachable or if the owner or the owner's agent is not available for consultation. It provides guidance regarding consultation with the owner and for transfer of the case to the owner's veterinarian as soon as he/she can be contacted and are present.

This rule change is needed to allow for emergency treatment of horses during or immediately after a race when the commission veterinarian is the only person present on the racing surface, on the path to or from the barn area, or in the barn area itself. It also allows for emergency treatment prior to and after the race meet when no other veterinarians are present or on rare instances during the meet when there is either no

other veterinarian on the grounds or he/she is unavailable due to another emergency. This rule is needed to prevent horses from suffering needlessly in the event that the practicing veterinary is not unavailable or unable to respond in a short period of time.

It reasonable in that it provides clear guidelines for emergency treatment of horses when the commission veterinarian(s) is/are the only veterinarian(s) present on the racetrack grounds and follows Minnesota Board of Veterinary Medicine rule 9100.0800; subpart 8 Humane Care (**Exhibit C**)

Part 7890.0100, Subp.7a, Definitions. Compounding.

Subp. 7a: This proposed rule change provides a definition of the word compounding used by the Minnesota Board of Pharmacy. It is reasonable to add this definition as it is used in another proposed rule change. (**Exhibit D**)

Part 7890.0100, Subp.13, Definitions. Medication.

Subp.13 A. (1), (a), (b), (c): This proposed rule change removes the words "or metabolites" from the regulated limit of the three permitted nonsteroidal anti-inflammatory drugs (NSAIDs). Medication testing for these three NSAIDs has become increasingly more sensitive and the concentration of administered medication (parent compound) remaining in the blood at post race testing is measured in increasingly small amounts. This rule is needed as the metabolites, which are substances formed when drugs are broken down by the liver or other organs, no longer accurately reflect the presence or concentration of the parent compound in the serum or the time frame in which the medication was administered. It is reasonable to make this change as it prevents inadvertent medication violations based on the presence of metabolites and not the actual concentration of the parent compound.

Subp. 13. A. (1) (c): This proposed rule change lowers the allowable regulatory limit of ketoprofen in the blood from ten nanograms/mL of serum or plasma to two nanograms/mL of serum or plasma. It is needed as ketoprofen is a medication that is very rapidly metabolized (i.e. changed) and excreted by the kidneys and the level of two nanograms/mL serum or plasma accurately reflects a 24 hour withdrawal period. The current level of ten nanograms/mL is more reflective of the medication being administered at 6-8 hours prior to racing. This change is needed to identify and prevent race day administration of ketoprofen. This is a reasonable change as the laboratory methodology has become sophisticated enough to accurately measure a concentration of ketoprofen that represents a 24 hour withdrawal time frame. This corresponds to the national recommendations made by the Racing Medication Testing Consortium (RMTC) and the Racing Commissioners International (RCI) model rules. (Exhibit E)

Subp. 13. A. (3): (3) This proposed rule change deals with the use of more than one of the three approved nonsteroidal anti-inflammatory drugs. It provides secondary levels for the maximum amount of phenylbutazone, flunixin, and ketoprofen that may be present in the serum or plasma at post race testing and specifies that no other NSAID may be present in any amount. This proposed rule is reasonable as it prevents the use of more than one approved NSAID in concentrations that may affect racing performance or alter the effects of prerace examinations and is in line with RMTC recommendations and RCI model rules. (Exhibit E)

Part 7890.0100, Subp.18a, Definitions. Threshold.

This proposed rule provides a definition for the word threshold. It is needed as the term is used elsewhere in the rule making process.

Part 7890.0110, Subp.7a, Medications and Practices Prohibited. Androgenic-anabolic steroids (AAS).

Subp. 7a. These proposed rule changes remove a specific AAS from the permitted list and modify the concentrations of the three endogenous (i.e. occurring naturally) androgenic—anabolic steroids in horses. Stanozolol is removed in entirety as is not an endogenous AAS, is no longer commercially available as a manufactured substance, and should not be present in any concentration in the racehorse. Concentrations of boldenone, nandrolone, and testosterone which are all endogenous substances have been modified based on current scientific research. These proposed rule changes are necessary to bring the Minnesota Racing Commission rules into conformity with the RCI model rules for androgenic-anabolic steroids. It is reasonable to do so as it supports national standards and provides consistency for trainers and owners as their horses move from state to state. Further it prevents the abuse of androgenic anabolic steroids in the racehorse and limits concentrations of those occurring naturally ensuring that horses race free of anabolic steroid effects. (Exhibit F)

Part 7890.0110, Subp.9, Medications and Practices Prohibited. Endogenous, dietary, and environmental substances.

The proposed rule broadens the title of this subpart to include endogenous, dietary, and environmental substances and seeks adoption by reference to RCI model rules. The proposed rule change aligns the Minnesota Racing Commission on a national basis with the RCI model rule which provides a list of approved specific endogenous, dietary, and environmental substances and accompanying thresholds. Many of the substances on this list are contaminants in small amounts and performance enhancing in larger amounts, making thresholds important. Adoption by reference is needed as scientific research continues in this area and more substances will likely be added as research is completed and the lengthy rule making process may result in considerable delays. Adopting the list and doing so by reference to RCI model rules is necessary to keep horsemen/women current as substances and thresholds are added by RCI, allow safe, substance free racing in Minnesota, and move towards national unity in all areas of testing. (Exhibit F)

This rule is reasonable as it keeps horsemen/women from being penalized for things that are truly beyond their control yet prevents intentional misuse or abuse by horsemen/women. They also align the Minnesota Racing Commission rules with the RCI model rules (**Exhibit G**).

Part 7890.0110, Subp.10, Medications and Practices Prohibited. Medications with regulatory limits.

Subpart 10. This proposed rule change adds therapeutic medications to the list of those with regulatory limits and deletes a few that should not be there either because they are no longer available or a more effective medication in the same class has been added. This current schedule of therapeutic medications provides concentrations of medications in amounts that, when followed, have no effect on racing performance. Over the past 18-24 months a national effort has been made to provide a standardized schedule of controlled therapeutic medications with thresholds so horsemen/women know exactly what the regulatory limits are as they move from state to state. The therapeutic medications have been identified as necessary to treat racehorses and the thresholds based on sound scientific literature; all have passed through several scientific review committees beginning with the combined ARCI/RMTC working group, the RMTC SAC (Scientific Advisory Committee), RMTC corticosteroid working group, RCI DSTP (Drug Testing Standard Procedures), RCI Model Rules, and ending at the RCI board of directors. They have been studied and approved by the AAEP (American Association of Equine Practitioners) racing committee. They have been added to the ARCI model rules (see exhibit noted in text) and adopted or passed by 16 of the 32 racing jurisdictions and in the adoption process by 7 more jurisdictions. An additional 6 have them under discussion and only 1/32 is uncommitted (Exhibit H). The therapeutic

medication schedule is not static but fluid as scientific research continues on other medications and more will be added as research is completed. Adopting the list and doing so by reference to RCI model rules is necessary to keep horsemen/women current as new medications are added, prevent stagnation in a lengthy rule making process, keep Minnesota Racing Commission rules in line with other jurisdictions, allow safe, medication free racing in Minnesota, and move towards national unity for medication testing.

Part 7890.0110, Subp.11, Medications and Practices Prohibited. Medical labeling.

Subp. 11: This proposed rule adds a new section regarding the correct labeling of medications. It refers to both general substances (A) and prescription medications (B). It provides clear instructions on how prescription medication should be labeled and deals with the issue of expired medications. The rule is necessary for a number of reasons. Unlabeled substances found in tack rooms, trunks, trailers, etc. pose a risk to the safety of the horse and integrity of the trainer or groom. The contents of an unlabeled or poorly labeled product, such as "Solution B" or "White Paint", provide the trainer with no knowledge of what actually is present in the container and may, in fact, contain medications or other substances that are harmful to horse or applicator or result in a medication violation if administered incorrectly or to the wrong horse. The proposed rule for labeling of prescription medications is necessary for the same reason and brings the Minnesota Racing Commission rules in conformity with both the Minnesota Board of Pharmacy and Board of Veterinary Medicine rules. They also provide a means of tracking the medication back to the manufacturer and/or dispenser in the event of a medication recall or other issue. Expired medications should be discarded as many of them degrade into substances that are harmful to the horse or administering them. The rule is necessary to prevent the administration of expired medications that may be detrimental to the safety and welfare of the horse or handler. (Exhibits I, J, K)

Part 7890.0110, Subp.12, Medications and Practices Prohibited. Compounded medications on association grounds.

Subp. 12: This proposed rule adds a new section on the correct use and labeling of compounded medications. The use of compounded medications in Minnesota is regulated by the Board of Pharmacy and these proposed rule changes bring the Minnesota Racing Commission rules into alignment with them. Further, the use of properly compounded and labeled medications protects the trainer and owner from the use inappropriate, mislabeled, misbranded, and adulterated products by their veterinarian. (**Exhibit L**)

Part 7890.0150, Disclosure of Approved Medications to Public.

This proposed rule change removes the need to post the names of any horse(s) racing on an NSAID on a public information board. It is necessary to remove this portion of the rule as greater than 95% of horses in Minnesota race on an NSAID. In addition, horses racing on NSAIDS are identified as such in the daily racing program. (Exhibit M)

Part 7891.0100, Subp.1c, Racing Soundness Examination. Trainer must post stall.

This is a new proposed rule change, already in place as an RCI model rule, which addresses the need to clearly identify each horse racing on a specific day. It is allows the backside investigators to quickly locate an entered horse and prevents veterinarians and others from unknowingly or illegally entering a horse's stall on race day. It also aids in finding a specific horse for furosemide administration especially

in those instances where English is not the first language of the grooms or handlers. It is reasonable as it provides the investigators with an increased layer of knowledge, prevents the inadvertent administration of medication to the wrong horse, and supports the furosemide administration program. (**Exhibit N**, **Exhibit O**)

Part 7892.0120, Subp.1, Taking Of Samples. Horses tested.

7892.0120, Subp. 1 C. The new proposed rule allows off grounds testing of horses that have been nominated for a graded stakes race. A special fund referred to as the "Graded Stakes Out of Competition Testing Grant Fund" has been established by the RMTC to defray the cost of this testing. It is reasonable to do this as out of competition testing may be required by the American Graded Stakes Committee on horses present in the Minnesota that are entered in graded stakes either in Minnesota or other states. (Exhibit P)

Part 7892.0130, Subp.5, Testing. Laboratory accreditation.

7892.0130, Subp. 5: The new proposed rule clearly specifies that the official laboratory chosen by the Minnesota Racing Commission must be accredited by the RMTC. This provides a level of medication testing that is recognized as excellent on a world-wide basis, superior to non-accredited laboratories, consistent among other RMTC accredited laboratories, and demonstrates repeatable and accurate laboratory results. This rule is reasonable as it provides the trainers and owners with the results that are consistent and accurate and ensures that all testing contracted by the Minnesota Racing Commission is of the highest standards. (Exhibit Q)

EXHIBITS

- Exhibit A. Minnesota Certificate of Veterinary Inspection, Minnesota Board of Animal Health
- Exhibit B. Equine Infectious Anemia Laboratory Test form, United States Department of Agriculture
- Exhibit C. Minnesota Board of Veterinary Medicine 9100 Minimum Standards of Practice, subpart 8, Humane Care.
- Exhibit D. Minnesota Statute 151.01 Definitions, Article 5, subd. 35, Compounding.
- Exhibit E. ARCI Controlled Therapeutic Medication Schedule, Version 2.1, revised April 17, 2014; http://arcicom.businesscatalyst.com/assets/arci-controlled-therapeutic-medication-schedule---version-2.1.pdf. Accessed 10/1/2014.
- Exhibit F. ARCI rules, chapter 11, I; https://ua-rtip.org/industry_service/arci_model_rules.

 Accessed 10/7/2014.
- Exhibit G. ARCI Endogenous, Dietary, or environmental Substances Schedule Version 1. http://arcicom.businesscatalyst.com/assets/ede-schedule.pdf. Accessed 10/8/2014.

- Exhibit H. Colored map of states adopting, passing, discussing or considering the RCI Controlled Therapeutic Medications Schedule. Dated October 13, 2014.
- Exhibit I. Minnesota Administration Rules. 6800.3400, subpart 4. Veterinary prescription drug label
- Exhibit J. Minnesota Statutes 156.18, subdivision 1(d) Prescriptions and Subd 2. Label of dispensed veterinary drugs.
- Exhibit K. Photo of "Solution B" taken from a trainer's tack room. The contents of the container resulted in a medication violation for the unknowing trainer.
- Exhibit L. Minnesota statute 151.15 (Compounding drugs illegal unlawful under certain conditions), 151.212 (Labels of prescription drug containers), and 151.253 (Compounding).
- Exhibit M. Sample of 2014 Canterbury Park program page showing horses racing on an NSAID. They are identified by the letter B after their name, with explanatory footnote at the bottom of the page.
- Exhibit N. ARCI 007-025, Operations, 7(e). Race day security measures
- Exhibit O. Sample of "In Today" sign
- Exhibit P. American Graded Stakes out of competition testing grant information
- Exhibit Q. RMTC press release regarding RMTC accredited labs.

CONCLUSION

Based on the foregoing, the proposed rules are both needed and reasonable.

Jecomber 3, 2014

Thomas DiPasquale Executive Director

Minnesota Racing Commission