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Signal fight goes on as Churchill sues

By MATT HEGARTY

Negotiations between Churchill Downs Inc. and horsemen remained in a stalemate on Friday over issues related to a purse contract at Churchill's Calder Race Course in Florida and the export of the signal from Churchill Downs to account-wagering operations, officials on both sides of the dispute said.

Calder held the second day of racing of its meet on Friday, though the track still does not have a purse contract with its horsemen. Churchill's meet was scheduled to begin on Saturday, and the track has failed to reach an agreement with a horsemen's group that would allow betting on Churchill's races on account-wagering sites.

The stakes in the dispute were raised on Thursday night when Churchill filed a lawsuit against the Florida Horsemen's Benevolent and Protective Association and the Thoroughbred Horsemen's Group, the group that is negotiating with Churchill for the rights to export signals to account-wagering companies. The lawsuit claims that the two groups are in violation of the Sherman Antitrust Act by allegedly conspiring to withhold their consent for Churchill's tracks to send their signals to out-of-state locations.

Typically in lawsuits such as that filed by Churchill, the plaintiff seeks a temporary injunction against the defendants. Kevin Flannery, Churchill's senior vice president, said on Friday that the company would not comment on the lawsuit or whether Churchill intended to seek a temporary injunction.

The lawsuit, filed in U.S. District Court for the Western District of Kentucky, seeks the dissolution of the THG.

Kent Stirling, the executive director of the Florida HBPA, said on Friday that "the lawsuit is completely without merit and we will defend ourselves vigorously." Bob Reeves, the executive vice president of the THG, declined to comment on the suit directly.

The Florida horsemen have been seeking a purse contract with Calder that would include revenue splits for purses from both parimutuel betting and a casino that is expected to open at Calder within the next several years. Voters in Miami-Dade County, where Calder is located, approved slot machines for the track in a referendum earlier this year.

The THG is seeking one-third of the revenue for horsemen from wagers made through account-wagering operations. The THG is negotiating the contracts with TrackNet Media, a simulcast-marketing partnership between Churchill Downs Inc. and Magna Entertainment Corp. TrackNet was formed last year to seek higher prices for the simulcast signals controlled by Churchill and Magna.

The THG and TrackNet have also failed to come to terms on a contract for Magna's Lone Star Park in Texas, resulting in a blackout of that track's races on account-wagering sites since Lone Star opened on April 12.

Although the availability of Churchill's races on account-wagering sites remains in limbo, the track's three biggest races next week - the Kentucky Oaks, Kentucky Derby, and Woodford Reserve Turf Classic - are protected under a separate contract that gives Churchill the exclusive right for export. As a result, the three races are expected to be available on Churchill's Twinspires.com and Magna's XpressBet.

Barring any separate contract stating otherwise, horsemen have the right to approve the export of any simulcast signal from a track through a federal law, the Interstate Horseracing Act.

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