

BUSINESS & LABOR

EXHIBIT NO. 1
DATE 1-12-11
BILL NO. SB 16

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From: Merritt and Barbara Pride <lostfork@3rivers.net>
To: joebalyeat@yahoo.com
Sent: Tue, January 11, 2011 12:38:06 PM
Subject: SB 16

Dear senator Balyeat,

In appreciate your time to visit with me on SB 16. Sorry for the delay in getting back to you, but wanted to make sure we had all the facts correct.

Anyway, the current statutes state that a simulcast network provider shall be licensed by the state. When there are competing license applications the board must follow the Administrative Procedures Act to award the license. The hearing process has been ineffective process because the hearing officer's decision is based only on the evidence submitted which has been insufficient in the previous years. The proceedings have been very adversarial and have no system in which promises made by the applicants can be incorporated into the license.

SB 16 would allow the state's RFP process for awarding contracts and provide an opportunity for the Board to request additional information as necessary, check references and incorporate terms and conditions into vendor contracts. The RFP would be a much more effective process than the current hearing procedure. It would also hold the network provider accountable to a level of quality and service necessary to support live horse racing in the state.

SB 16 would also give the Board the ability to act as the network provider when it is in the best interest of the horse racing industry in Montana. Current network operations involve contracting out for services, tracking signals, internet accounting and wagering services. Up to date equipment can now be rented rather than purchased, which has required a large initial investment in the past. The Board is fully capable of contracting for services to provide simulcast racing to the local sites. The Board would always have the option to contract with the network provider if the provider can offer better services than the board can provide.

Hope this helps in explaining why we need changes in the procedures. Thanks for your time and hope your hunting season went well last fall. Ours was a little cold toward the end but overall things went well.

Very truly yours,

Merritt Pride