

AHCnews



Dr. Jerry Black Elected AHC Chairman

Dr. Jerry Black was elected chairman of the Board of Trustees of the American Horse Council at the AHC's annual meeting in Washington, DC on June 15.

Dr. Black is a 1971 graduate of the veterinary school at CSU. He is currently the Wagonhound Land and Livestock Chair in Equine Sciences and is the Director of the Equine Reproduction Laboratory and the Equine Science Undergraduate Program at Colorado State University.

"I am honored to serve as chairman of the Board of Trustees of the American Horse Council," Dr. Black said. "The AHC board is representative of the equine industry and is well positioned to lead the AHC in its mission of representing the various breeds, disciplines, and activities in dealing with the many issues that come before Congress and the federal regulatory agencies. Like the industry itself, the AHC board is diverse and includes individuals from all sectors of the horse industry."

"We are very fortunate to have Dr. Black as the Chair of the AHC," said AHC president Jay Hickey. "His broad background in the horse industry, not only with our industry's veterinarians, but also with the Quarter Horse and cutting horse industry, is a great asset to the AHC. His experience with many sectors of the industry is unique. He has also been involved with the AHC for many years, including chairing the animal welfare committee and serving three years as vice-chairman."

Dr. Black is also a past president of the American Association of Equine Practitioners and a past president of the Pacific Coast Cutting Horse Association. He is a director of the American Quarter Horse Association and serves on the AQHA's Animal Welfare Commission. Dr. Black is the immediate past chairman of the AAEP's Welfare and Public Policy Council and is also the Chair of the Medication Review Committee for the National Cutting Horse Association.

Dr. Black has received the distinguished alumnus award from Colorado State University, College of Veterinary Medicine and Biomedical Sciences and is an American Association of Equine Practitioners Distinguished Life Member.

Dr. Black succeeds Jim Shoemake. "Jim did a great job for the AHC and its members and we appreciate his service," said Hickey.

Jim Gagliano, president and chief operating officer of The Jockey Club, was elected vice chair of the Board. Mr. Gagliano has been with The Jockey Club since 2005. He has extensive experience in the racing industry with Magna Entertainment Corporation, Greenwood Racing, and the New Jersey Sports and Exposition Authority.

Mr. Gagliano has a Bachelor of Arts degree from Providence College.

"On a daily basis, the American Horse Council looks out for and acts in the best interest of the equine industry and I am honored to serve as vice chairman for such a widely respected industry

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organization,” said Mr. Gagliano.

“Both Dr. Black and Jim Gagliano have been AHC Trustees for some time. They know the issues the AHC must deal with, have broad experience in various sectors of the horse industry, and will step right into their new roles,” said Hickey. “We are fortunate to have them.”

Federal and Industry Speakers Address AHC’s 2015 Issues Forum

A broad range of speakers from the federal government and the horse industry addressed the American Horse Council’s National Issues Forum in Washington, DC on June 16. The theme of the forum was “Protecting and Promoting the Horse.” This year’s forum, sponsored by Luitpold Animal Health, drew a crowd of about 175 and was held in conjunction with the AHC’s annual convention, which ran from June 14 to 17 at the Hyatt Regency on Capitol Hill. “We were very pleased with the crowd and the presentations,” said AHC president Jay Hickey, “particularly the afternoon sessions which were very upbeat and highlighted the efforts of six organizations working hard to attract people, particularly youth, to the horse experience and keep them involved.”

USDA and the Horse Industry

Representatives from the Department of Agriculture led off the morning program. Most were from the Department’s Animal and Plant Health Inspection Service (APHIS), which may have the most day-to-day contact with the horse industry of any department in the federal government.

“The horse community may not understand how USDA and the industry interact on a daily basis. The forum provided an opportunity for attendees to hear from the front line of the Department’s team protecting the health of our horses and the economic viability of the industry,” said Hickey. “We are very pleased that the Department chose to send eight speakers to the forum and we are grateful that they shared their time and expertise with our attendees throughout the convention, particularly now when the agency is so busy battling an unprecedented disease outbreak of avian influenza.”

Gary Woodward, Deputy Under Secretary for Marketing and Regulatory Programs, APHIS, opened the forum. Mr. Woodward explained how the Department and the equine industry interact in a wide variety of ways, ranging from protecting horses from the importation of diseases, detecting and addressing disease outbreaks, collecting national information and statistics, enforcing federal programs for the welfare of horses, and providing grants and support to industry-led projects that support or protect the nation’s equine population.

Mr. Woodward announced a financial commitment from the USDA to the industry’s Equine Disease Communication Center, the importance of which was discussed throughout the AHC convention at committee meetings and general sessions. The communication center is an initiative of the American Association of Equine Practitioners and the American Horse Council to develop a national hub of information for equine disease reporting, similar to the Centers for Disease Control and Prevention, which alerts and educates the country about human diseases and outbreaks. “We very much appreciate this contribution. It signifies federal recognition of how important the Equine Disease Communication Center is to the industry and the role the horse community plays in preventing infectious diseases,” said Dr. Nat White who has been leading the effort to get the communication center up-and-running.

Dr. Alecia Naugle, Director of the Sheep, Goat, Cervid and Equine Health Center for Veterinary Services (VS), APHIS, recounted the importance of horses in her life and to the country, and introduced the staff accompanying her.

Dr. Rory O. Carolan, the Equine Health Team Leader for Surveillance, Preparedness & Response Services for VS-APHIS, is often the first person contacted by industry for help. Dr. Carolan provided an overview of the Equine Health Team, its mission, its cooperating partners and the diseases of concern in the United States. He explained the Department’s responsibility to regulate the industry, conduct investigations and enforce federal requirements involving illegal importation or exportation



of horses, illegal production or distribution of veterinary biologics, enforcement of the Commercial Transportation of Equines to Slaughter Act, and the process for veterinarians to become USDA-accredited.

Dr. Josie Traub-Dargatz, Professor of Equine Medicine at Colorado State University and Equine Commodity Specialist for APHIS, spoke about the Center for Epidemiology and Animal Health (CEAH), the NAHMS Equine 2015 Study, which is underway, as well as a review of an Equine Herpesvirus Case Control Study. She mentioned the development of a National List of Reportable Animal Diseases (NLRAD), active monitoring of equine laboratory submissions to anticipate disease outbreaks, and current and potential distribution of the Cayenne Tick in the U.S. Dr. Traub-Dargatz noted that portions of the NAHMS study could be delayed by the Department's emergency response to the extensive outbreak of "bird-flu."

Dr. Joyce Bowling-Heyward, the National Director of Import-Export Animals Staff at USDA, APHIS, VS updated attendees on NIES current activities. She noted that NIES has now approved three new private equine quarantine facilities, and there is a potential for more. Dr. Bowling-Heyward said that APHIS was standardizing import processes to make it easier for shippers to request services and for APHIS to track needs and assign personnel. She hopes this will make the import process easier and more efficient.

Dr. Ellen Buck, the Equine Import Specialist for the USDA, APHIS, VS, explained the roles and responsibilities of the NIES in equine import and export, regionalization evaluation services for policy development, as well as special planning and coordination for American-hosted international equine events. Dr. Buck noted that NIES is working closely with the World Organization for Animal Health and other major trading partners on proposed protocols for the import of a subpopulation of "High-Health, High Performance" horses that compete at the top level of equestrian sports, including showing and racing, to make their international movement easier. Institution of such a program will require changes to current federal regulations, but "the program is moving forward. But as with everything," Dr. Buck said, "the devil is in the details."

Dr. Rachel Cezar, of APHIS' Animal Care Horse Protection Program, spoke about the actions being taken to enforce the Horse Protection Act. She described soring, the equipment and chemicals used for soring, as well as the industry enforcement and federal oversight provided by the USDA under the Horse Protection Act. Dr. Cezar also mentioned the USDA Office of Inspector General Audit from 2010 and the status of the changes proposed in that audit.

Chris Messer, with the USDA's National Agricultural Statistics Service, wrapped up the USDA's presentations with a description of NASS and the process for the upcoming 2017 "Ag Census." She provided an example of the form for equine census information and elaborated on how individuals can access information from previous census results. Ms. Messer also mentioned the change in the upcoming census from previous ones in the reporting of animals sold and offered to "work with the industry" on the 2017 census.

Promoting the Equine Experience

The afternoon panel focused on "Promoting the Equine Experience."

"We think these three programs are unique in how they are attempting to attract new people to the equine experience. We are very pleased to have our three speakers today," said Hickey in introducing the panel. Members of the panel included Price H. Bell, Jr. of Horse Country Inc., Ross Peddicord of the Maryland Horse Industry Board, and Patti Colbert of "Time to Ride," the AHC's marketing initiative to introduce newcomers to the horse.

Horse Country, Inc. was founded as a way to connect the general public to the sport of Thoroughbred racing through farm tours and other horse-related experiences in Kentucky. Its kickoff will be in conjunction with the running of the Breeders' Cup in October at Keeneland Race Track. "We hope this can be our piece of the fan development puzzle; to share the story of the horse – from birth, to racing, and back to breeding," said Price Bell, Jr. "By offering authentic, unique, coordinated experiences we will share with the public the history and stories of these amazing athletes who inspire us every day."



Ross Peddicord spoke about the Maryland Horse Industry Discovery Project, launched in the last two years. “The goal of the Maryland Horse Discovery Project is to develop a statewide network of neighborhood equine education centers at existing stables,” said Peddicord, “and to invite people of all ages to learn about horses and horsemanship in a welcoming and knowledgeable setting.” The project has initiated several new programs in Maryland, such as Horse Pals Affinity Group, Horse Discovery Centers, the Maryland Horse Chase and the development of horse curriculum in Maryland public schools, and Horse Land at the Maryland State Fair, to attract and engage the public in ways that haven’t been done in the past for the state of Maryland.

Finally, Patti Colbert of Time to Ride gave an update on the program and the new initiatives it is undertaking this year to attract newcomers. She updated attendees on the 2015 Time to Ride Challenge. Ms. Colbert reported that the 2015 Time to Ride Challenge was underway. Nearly 1,000 stables, facilities, or businesses, termed “hosts,” have signed up from 49 states to compete for \$100,000 in cash and prizes in three categories, small, medium, and large. To date 4,112 newcomers have had a first-time horse experience through the Challenge at 206 events already held, Ms. Colbert noted. Hosts will be holding events through September.

“By focusing on word of mouth and the media, we can continue to target and engage our primary audience of moms and their children,” said Colbert. “Through programs such as National Meet a Horse Day, Mom Round-Up, Time to Ride Stories, and the Time to Ride Challenge, we are hoping to connect more newcomers than ever,” she said.

Both panels were well received and highlighted much of the positive work being done in the industry to keep youth involved and attract newcomers to the horse industry.

Save the Date for the 2016 Meeting

The AHC’s 2016 Annual Meeting and National Issues Forum will take place June 12-15, 2016 at the Washington Court Hotel in Washington, DC.

PAST Act Introduced in the House

On July 28, 2015, Representatives Ted Yoho (R-FL) and Kurt Schrader (D-OR) re-introduced the Prevent All Soring Tactics Act of 2015 (HR 3268) (PAST Act) in the House of Representatives. The PAST Act is supported by the American Horse Council (AHC) and almost all major national horse show organizations and many state and local horse organizations. The Senate version of the bill was introduced by Senators Kelly Ayotte (R-NH) and Mark Warner (D-VA) earlier this year.

The PAST Act would strengthen the Horse Protection Act (HPA) and end the soring of Tennessee Walking Horses, Spotted Saddle Horses, and Racking Horses. Despite the existence of a federal ban on soring for over forty years, this cruel practice continues in the “performance” or “big lick” segments of the Walking Horse industry.

“As a veterinarian and lover of animals, I feel the time is now to stop the practice of horse soring for good. I am not the only one who feels this way. Roughly 280 plus organizations, associations, veterinary and animal health advocates, horse industry professionals, and various other groups, support the ending of this unnecessary practice. Also the Senate companion bill, introduced by Senator Kelly Ayotte, currently has the support of 41 Senators,” said Representative Ted S. Yoho (R-FL).

“The Walking Horse industry has had since 1970 to reform their ways and come up with a more ethical means to achieve their desired goal. They have failed to take advantage of this opportunity and now is the time for horse soring to end,” continued Yoho.

“Soring is a cruel and inhumane practice and, despite being illegal for more than 45 years, it remains far too prevalent in the walking horse community. We must end the industry’s failed self-policing of this abuse, ban the use of soring devices,



strengthen penalties and make other reforms needed to end this malicious practice. I'm proud to partner with my colleague and fellow veterinarian Representative Yoho on this bill to strengthen the Horse Protection Act in an effort stop to this heinous abuse of American horses once and for all," said Representative Kurt Schrader.

"Ending soring is important for the welfare of Tennessee Walking Horses, Spotted Saddle Horses, and Racking Horses," said AHC president Jay Hickey. "But, it is also important for the economic health of the horse industry because, while soring happens only in a small segment of the Tennessee Walking Horse, Spotted Saddle Horse, and Racking Horse industry, such abuse damages the image of the entire horse industry."

Most major national horse show organizations support the PAST Act, including the American Horse Council, the American Quarter Horse Association, the U.S. Equestrian Federation, the American Association of Equine Practitioners, the American Paint Horse Association, the American Morgan Horse Association, the Pinto Horse Association of America, the Arabian Horse Association, the American Saddlebred Horse Association, the United Professional Horsemen's Association, the Appaloosa Horse Club, as well as many state and local horse organizations.

"The bill was introduced with the support of 108 original co-sponsors, 54 Republicans and 54 Democrats, very few bills in Congress ever achieve this level of bi-partisan support," said Hickey. "The magnitude of support for this bill is clear, but there is still a lot of work that will need to be done to make sure it is brought to a vote."

The AHC urges all members of the horse community to contact their Senators and Representative and tell them "the PAST Act should be given a vote as soon as possible and they should vote for it, when that happens."

Racing Medication Bills Again before Congress

The last few Congresses have seen an increasing number of bills introduced that call for a new, national structure to replace state regulation of medication in racing. Hearings have been held on some of these bills in past Congresses.

Bills regulating or prohibiting the use of medications in racing are once again before Congress, but with the new wrinkle that there are competing bills that now have some industry support. But it is not broad support.

On June 5, 2015, Representatives Joe Pitts (R-PA), Jan Schakowsky (D-IL), and Anna Eshoo (D-CA) introduced the Horseracing Integrity and Safety Act of 2015 to regulate medications in racing.

The Pitts bill calls for an "independent anti-doping organization" to be responsible for "ensuring the integrity of horseraces that are the subject of interstate off-track wagers and the safety of persons involved in such horseraces." The bill specifically designates the United States Anti-Doping Agency (USADA), a private, non-governmental agency, as that organization. USADA is the official anti-doping agency for the U.S. Olympic team and program. The legislation gives USADA authority to permit or prohibit the medications that may be administered to a horse in a race subject to an interstate off-track wager under the Interstate Horseracing Act.

The legislation prohibits a horse from receiving any medication within 24 hours of a race. There is a two-year exception for Furosemide (Lasix) used for three-year olds under the current Association of Racing Commissioners International rules.

USADA would also be charged with organizing programs for anti-doping education, research, testing, and enforcement. USADA may consult with state racing commissions, race tracks, horsemen's groups, and others in developing the rules and programs.

The bill does not directly amend the Interstate Horseracing Act; rather it prohibits interstate wagering under the IHA without the "consent" of USADA. USADA is charged with ensuring that all costs incurred in carrying out the new programs are paid by the industry.



The second bill that would turn over the regulation of medication in racing is the similarly-named Thoroughbred Horseracing Integrity Act of 2015, introduced on July 16, 2015 by Representatives Andy Barr (R-KY) and Paul Tonko (D-NY).

This bill would require USADA to organize an independent anti-doping authority to regulate medication use in Thoroughbred horseracing. That authority would be called the Thoroughbred Horseracing Anti-Doping Authority (THADA) and would include industry representation. It would write and enforce regulations for medications in Thoroughbred racing.

Anyone wishing to compete in races subject to interstate wagering pursuant to the Interstate Horseracing Act, in essence all races, would be required to recognize this new anti-doping oversight authority. The Thoroughbred industry would bear the costs of programs and enforcement, which go into effect on January 1, 2017.

This legislation is supported by The Jockey Club, Breeders' Cup, Ltd., the Water Hay Oats Alliance (WHOA), Kentucky Thoroughbred Association, and others. But it is also opposed by horsemen's groups, tracks, and the Association of Racing Commissioners International, among others.

While the two bills are similar in that they both call for a new, national organization to regulate racing, they are different in important respects. The Pitts bill applies to all racing; the Barr-Tonko bill applies only to Thoroughbred racing. The Pitts bill puts USADA in charge; the Barr-Tonko bill directs USADA to form a new, national authority, which will include industry people, to regulate medications. The Pitts bill bans race-day medication immediately; the Barr-Tonko bill does not, rather leaving that decision to THADA.

Both bills were referred to the House Committee on Energy and Commerce, on which Representatives Pitts, Schakowsky, Eshoo, and Tonko sit.

The final bill was introduced in April by Senator Tom Udall (D-NM) and Representative Joe Pitts (R-PA). In what can be described as a "more stick than carrot" approach, the bill simply repeals the Interstate Horseracing Act of 1978 (IHA), the federal legislation under which pari-mutuel racing has operated and grown over the last four decades.


In a press release issued upon the introduction of the legislation, the two members of Congress noted that their bill would "eliminate most wagering on horseracing, encouraging the sport to end doping and crack down on cheaters." But unlike the other bills, this legislation offered no alternative structure to deal with medication use at the federal level.

The American Horse Council and the racing industry oppose this bill because it simply repeals the Interstate Horseracing Act and would have devastating consequences for the industry.

Congressman Yarmuth Receives AHC's Rolapp Award

Congressman John Yarmuth of Louisville, Kentucky was awarded the American Horse Council's 2015 Rolapp Award for his outstanding service to the horse industry. The award was presented to Congressman Yarmuth on June 16th at a Congressional Reception on Capitol Hill during the AHC's annual meeting in Washington, DC before leaders of the horse industry and Members of Congress.

Each year the American Horse Council presents the Rolapp Award to that Member of Congress who has been a great supporter of the horse industry. The Award is presented in honor of the late Rich Rolapp, the president of the AHC from 1974 to 1993. Previous award winners include Senators Mitch McConnell, Jim Bunning, and Blanche Lincoln, and Congressmen Hal Rogers, Bob Goodlatte, Larry Combest, Jim McCrery, and Bart Gordon, among others.



In presenting the award, Jay Hickey, president of the AHC, said that “this year’s winner is most deserving. The horse industry very much appreciates Mr. Yarmuth’s support, hard work, and tenacity on issues important to the industry and is pleased to honor him.”

In accepting the award, Mr. Yarmuth noted, “It’s an honor to receive this award, especially when the sport of kings has the world riveted by the thrill of a Triple Crown winner. As a Kentuckian, I’m proud to be recognized for representing the interests of an industry that drives billions of dollars in economic impact and generates tens of thousands of jobs for our Commonwealth. I thank the American Horse Council for presenting me with this year’s Rolapp Award, and for their tireless dedication on behalf of the horse industry.”

Now in his fifth term, Congressman Yarmuth represents the Third Congressional District of Kentucky and serves on the House Committee on Energy and Commerce and the House Committee on the Budget.

“Congressman Yarmuth is a bit unique in his support of the horse industry,” noted Hickey in making the presentation. “His first work for the industry in Congress was as a young legislative aide for Kentucky Senator Marlow Cook from 1971 to 1974. Indeed, when the AHC was initially organized, it worked with Mr. Yarmuth. Although there were intervening years, Mr. Yarmuth immediately renewed that support when he was elected to Congress in 2007. He hit the ground running,” said Hickey.

Currently when a bettor wins \$5,000 at a race track at odds of 300-to-1, Internal Revenue Service rules require the track to withhold 25%. But the IRS rules are outdated and unfair with respect to how winnings are calculated. Realizing that this withholding tax was harming the growth of the racing and breeding industry, Congressman Yarmuth immediately introduced legislation to repeal it.

“Not only did Mr. Yarmuth seek a legislative change, he also sought a regulatory solution to the problem with the Department of Treasury and Internal Revenue Service, pushing the agencies to update the way pari-mutuel withholding was treated to comport with present-day wagering patterns. He organized Congressional letters and Congressional and industry meetings with the agencies,” said Hickey.

These efforts bore fruit in March of this year when Treasury formally announced that it was considering a rule change to clarify when reporting and withholding requirements applied to winning bettors at race tracks. “We are very hopeful this will finally lead to the clarifications we have sought – and Congressman Yarmuth has championed - for many years,” said Hickey. Mr. Yarmuth has also supported the horse industry’s efforts to amend the Horse Protection Act to end the soring of Tennessee Walking Horses in the performance segment of the industry. Mr. Yarmuth was a cosponsor and supporter of the Prevent All Soring Tactics Act in the last Congress.

Finally, Mr. Yarmuth pushed for comprehensive immigration reform, which is supported by the horse industry. He was a member of the “Gang of Eight,” a bi-partisan group in the House that pushed the broad, bi-partisan bill passed by the Senate in June, 2013. “Congressman Yarmuth was working on specific horse issues in that legislation. Unfortunately, it ultimately got bogged down in the immigration morass and never moved forward in the House,” noted Hickey. “But he was working for the horse industry again.”

“For all these reasons – and particularly because Congressman Yarmuth recognizes the importance of the \$102 billion horse industry in the agricultural, sporting, entertainment, gaming and recreational life of the U.S., it is a pleasure to present this year’s Rolapp Award to Congressman John Yarmuth of Kentucky,” said Hickey at the June 16 Congressional Reception.



UHC Celebrates 10th Anniversary and Releases New Educational Brochure

This summer marks the 10th anniversary of the Unwanted Horse Coalition.

The Unwanted Horse Coalition (UHC) grew out of the Unwanted Horse Summit, which was organized by the American Association of Equine Practitioners (AAEP) and held in conjunction with the American Horse Council's annual meeting in 2005, a time in which new legislation had brought slaughter to the forefront of the equine welfare debate.

The 2005 summit was held to bring key stakeholders within the equine industry together to start a dialogue on the plight of the unwanted horse in America. Its purpose was to develop consensus on the most effective way to address the issue. After a second summit and strategic planning session, the Unwanted Horse Coalition was created, and in 2006 was folded into the American Horse Council.

The UHC is an educational organization that provides information to existing and prospective owners, breeders, sellers, and horse organizations regarding the long-term responsibilities of owning and caring for horses, as well as ways to make certain that horses do not become unwanted. Over the past 10 years the UHC has developed several educational programs and initiatives to address, and help solve, the unwanted horse issue. One of these is the UHC's Operation Gelding program.

In 2007 it was estimated that about 170,000 horses go unwanted each year. The UHC identifies overbreeding and indiscriminate breeding as just one of the factors that contributes to these numbers. In 2010, as part of its mission to reduce the number of unwanted horses, the UHC launched Operation Gelding. The program, which is open to anyone, offers funding assistance at the rate of \$50/horse to organizations and groups that wish to host low-cost clinics at which horse owners can have their stallions castrated by a certified veterinarian. The impetus for these clinics is that the castration of a stallion will help prevent overbreeding, in turn reducing the number of unwanted horses being bred. Castrations will also produce a gentler horse that is more rideable, trainable, salable, and adoptable, allowing them to be used in several careers.

Now in its fifth year, Operation Gelding has assisted in castrating 1,128 horses at 93 clinics, with an average of 270 horses gelded each year.

This year, as a supplement to this highly successful program, the UHC developed a unique educational pamphlet which not only highlights the benefits of gelding, but also discusses options for mares such as spaying and hormone therapy. Preventing Unwanted Horses: Geld and Spay includes an introduction about the unwanted horse issue and reasons horses become unwanted; a discussion about responsible breeding and how owners and breeders are exercising responsible ownership by considering gelding and spaying; brief explanations of gelding and spaying and how these practices can positively impact the equine population, breed quality, and behavior; and information about Operation Gelding and how to host a clinic.

The brochure was introduced during the a special program celebrating the 10th anniversary of the UHC during the American Horse Council's annual meeting in June along with a newly updated The Problem of the Unwanted Horse brochure.

If you are interested in receiving brochures to be displayed or use as educational materials, please contact UHC Director Dagmar Caramello at dcaramello@horsecouncil.org or (202) 296-4031.



National Forest Trail Bill Gains Momentum

The National Forest Service Trail Stewardship Act of 2015 (H.R. 845/S.1110) introduced to help address the current trail maintenance backlog on many National Forests, continues to gain momentum. Recently, the bill won praise in a Senate Agriculture Committee hearing and the number of endorsements from many national and local groups continues to grow.

“A June 2013, study by the Government Accountability Office (GAO) found that the Forest Service has a trail maintenance backlog that exceeds half-billion dollars,” said AHC vice president, government affairs, Ben Pendergrass. “This maintenance backlog is causing major access and safety issues for equestrians and all trail users on National Forests.”

The bill was introduced earlier this year by Representatives Cynthia Lummis (R-WY) and Tim Walz (D-MN) in the House and Senators Mike Enzi (R-WY) and Michael Bennet (D-CO) in the Senate. It would direct the Forest Service to take several actions to help address the current trail maintenance backlog that is adversely impacting all trail users on National Forests, including equestrians. Most importantly the bill would require the Forest Service to establish and implement a national strategy to expand the use of volunteers and partners in National Forest to perform trail maintenance.

The American Horse Council, Backcountry Horsemen of America, and the Wilderness Society were significantly involved in the creation of this bill.

In July, the Senate Agriculture Committee held a hearing on the bill. Robert Bonnie, Under Secretary, Natural Resources and Environment, U.S. Department of Agriculture testified on the bill. In his testimony Bonnie spoke favorably regarding the goals of the bill. Senator Thom Tillis (R-NC) also praised the bill.

The bill is now supported by over 60 organizations representing equestrians, sportsmen, conservation groups, motorized recreation groups, outfitters and guides, trail associations, and local and state governments.

“Every week more national and local groups are endorsing this bill because our National Forests and trails are so important to millions of Americans. We need to invest more resources in these national assets, but we also need to make sure the Forest Service is effectively utilizing volunteers and other means to address its maintenance issues,” continued Pendergrass.

“In the current fiscal environment it is unlikely Congress will appropriate additional funds to directly address the trail maintenance backlog. This bill will help improve trail maintenance without the need for additional funding.”

The bill now needs to be marked-up by the House and Senate Agriculture Committees to advance. The AHC urges all recreational riders and trail users to call their Senators and Representative and ask them to support the National Forest Service Trail Stewardship Act of 2015 (H.R. 845/S.1110) and to please co-sponsor this legislation.



Equine Disease Communication Center Fundraising Initiative Launches

The horse industry is always just one step from the calamity of a disease outbreak. Our industry is built on its ability to move horses easily for sales, breeding, racing, showing, events, work and recreation and an infectious disease outbreak has the potential to limit such movement through emergency action imposed by state, federal or international authorities to stop the spread of the disease.

The horse industry has dealt with serious disease outbreaks before and will be forced to again. But through the efforts of many organizations and individuals the horse industry has the opportunity to be more proactive in preventing and responding to outbreaks. Working with the American Association of Equine Practitioners and state and federal health authorities, the American Horse Council has been developing a National Equine Health Plan. While development of the plan is in its final stages, its cornerstone, the Equine Disease Communication Center (EDCC), is almost ready to go.

In order to get the EDCC fully up and running the AHC and AAEP have launched a fundraising initiative. The goal is to raise \$300,000 for the EDCC to cover operating expenses for the first three years, allowing time for industry development of a sustainable plan to fund operations for subsequent years. The USDA has showed their support with a \$75,000 one-time grant.

Currently, the EDCC is operating in a limited capacity and, you can visit the website at www.equinediseasecc.org to see the very real threats infectious disease imposes on the industry at large. With further contributions from individuals and organizations alike the EDCC will be completed and staffed, allowing the industry to more effectively respond to outbreaks in the future.

If you would like to contribute please visit <http://www.equinediseasecc.org/sponsors.aspx> for donation information, or call 202-296-4031. All contributions to the EDCC are tax-deductible through the AAEP Foundation.

Positive Developments on Several Tax Issues

The Senate Finance Committee recently approved legislation to extend retroactively a number of tax provisions, including several beneficial to the horse industry and supported by the American Horse Council. Additionally, the Department of the Treasury and Internal Revenue Service (IRS) announced their intention to amend the IRS regulations regarding the reporting and withholding of gambling winnings on pari-mutuel racing. The AHC and horse industry have requested for many years that these regulations should be updated so that they accurately and fairly reflect the realities of wagering on horseracing today.

On July 21, the Senate Finance Committee approved a tax extenders bill that would extend several tax provisions favorable to horse owners, breeders, and equine businesses that expired or were reduced at the end of 2014. These include the three-year depreciation for all race horses, regardless of their age when placed in service.

The bill would extend these various provisions for two years, retroactive to January 1, 2015. This means eligible equine assets, including horses, purchased and/or placed in service at any time in 2015 and 2016 would be eligible for the benefits described hereafter.

Depreciation of Race Horses. From 2009 through 2014 all race horses were depreciated over three years, regardless of their age when they were placed in service. This provision was passed in 2008 through the efforts of Majority Leader Mitch McConnell (R-KY). This change, which eliminated the 7-year depreciation period for race horses, expired at the end of 2014.

The Senate bill would extend the three-year recovery period for all race horses placed in service during 2015 and 2016, regardless of age.



179 Expense Deduction. For the last few years, the so-called Section 179 business expense deduction was set at \$500,000. This meant that anyone in the horse business could immediately depreciate up to \$500,000 of the cost of any investment in business assets, including horses. The deduction was reduced dollar-for-dollar once investment in all one's business activities hit \$2 million.

This provision was not extended by Congress and has reverted to \$25,000 for 2015.

The Senate bill would extend the expense deduction at \$500,000, with a phase-out at \$2 million, for assets, including horses, purchased and placed in service during 2015 and 2016.

Bonus Depreciation. Anyone in the horse business could depreciate up to 50% of the cost of new property purchased and placed in service in 2014, including horses and other equipment. This is known as "bonus depreciation." It was restricted to new assets, which meant that the first use of the horse or other property had to begin with the taxpayer.

This provision was not extended by Congress and has expired for 2015.

The Senate bill would extend bonus depreciation at 50% for the cost of new assets purchased and placed in service during 2015 and 2016.

Conservation Easements. Favorable rules for contributions by farmers and ranchers of capital gain real property for conservation easements, allowing a deduction of up to 100% of the donor's contribution base, expired for 2015.

The Senate bill would also extend for 2015 and 2016 the enhanced deduction involving conservation easements. In the last Congress all of these provisions were extended, but at the last minute, almost a year after they had expired or been reduced. This made it difficult for individuals, including horse owners and breeders, to plan and take advantage of them. In reporting out the tax extenders package, Finance Committee Chair Orrin Hatch (R-UT) noted this and said "All of these provisions are meant to be incentives – they are meant to encourage and promote certain activities. If they are expired, they aren't doing much good. That being the case, we need to move this package forward as soon as possible."

The Senate tax extender bill must now go to the full Senate for approval and the House of Representatives.

For several years, the horse racing industry has pushed legislation in Congress to change the current federal laws that require IRS reporting on pari-mutuel winnings of \$600 or more and 25% withholding on winnings of \$5,000 or more. Both require the odds to be 300-to-1.

During this time period, the National Thoroughbred Racing Association and American Horse Council have also pursued an administrative solution by asking the Department of Treasury (Treasury) and the IRS to review the current federal regulations regarding how "wagering proceeds" are calculated to ensure that the reporting and withholding requirements on winnings from pari-mutuel betting are accurate and reflect the current state of wagering in the industry. The industry has suggested that winnings from combinations of bets into the same pool be calculated as total proceeds minus total wagers into that pool. The industry has argued that to be fair, the regulations should be updated to define a bet or wager to include the amount won less the amount wagered into each specific pool.

On March 4, 2015, the Treasury proposed to update the regulations for reporting winnings from bingo, keno, and slot machine play. While the primary proposed changes dealt with circumstances surrounding those forms of gaming, the proposal also noted that Treasury and the IRS were aware that taxpayers required to report winnings from pari-mutuel gambling may have concerns similar to those addressed in the proposed regulation with respect to bingo, keno, and slots relating to when wagers with respect to horse races may be treated as identical. Identical wagers are combined and offset against winnings to determine proceeds from the wager for purposes of determining whether the reporting thresholds are satisfied.



Accordingly, the proposed rule announced that Treasury and the IRS “intend” to amend the regulations regarding pari-mutuel wagering under Section 31.3402(q)-1 in a manner consistent with these proposed regulations relating to bingo, keno and slot machine play. Treasury and IRS requested comments from the public on this topic with respect to other forms of wagering. This would include pari-mutuel racing.

The request by IRS for comments on this issue provided the horse racing industry with an opportunity to make the broader case to the government that the reporting and withholding rules that currently apply to pari-mutuel wagering on horse racing are not only outdated, but are unfair to racing’s patrons, horse owners, breeders, trainers, race tracks and states. All of these entities share in the amount wagered and withholding reduces this betting amount dramatically. [The full AHC comments can be read here: http://www.horsecouncil.org/sites/default/files/AHC%20Treasury%20Letter.pdf](http://www.horsecouncil.org/sites/default/files/AHC%20Treasury%20Letter.pdf)

Horse Slaughter Amendments Debated

The horse slaughter issue continues to receive Congressional attention, most recently when two Congressional committees debated amendments to the FY 2016 U.S. Department of Agriculture (USDA) appropriations bill.

Since 2006, a congressional prohibition on funding for USDA meat inspectors at horse processing facilities in the U.S has been added to every annual USDA appropriations bill, except the FY 2012 and FY 2013 bills. This ban on funding for inspectors has prevented horse slaughter facilities from opening or operating in the U.S. for the last 9 years. Even though there is no federal law against horse slaughter, these de-funding provisions have resulted in a de-facto ban on horse slaughter.

In July, both the Senate and House Appropriations Committees once again debated horse slaughter amendments to their respective versions of the FY2016 USDA Appropriations bill. In the Senate Appropriations Committee mark-up of the bill, Senator Tom Udall (D-NM) offered an amendment to continue the current ban on funding for USDA inspections at U.S. horse slaughter facilities. The amendment passed by a voice vote. A similar amendment was offered by Congressman Sam Farr (D-CA) when the House Appropriation Committee marked-up the House version of the bill on July 8. However, that amendment was defeated in a 24-24 vote.

This defeat of the horse slaughter amendment in the House is the first time such an amendment has been defeated in a recorded vote. Previously, every time an amendment to prohibit funding for USDA inspectors at horse processing facilities has had a vote in the past 9 years it has been approved. In 2011, when the horse slaughter provision was not included in the final FY 2012 bill it was removed during a Conference Committee and the next year the entire FY 2012 bill was extended for one year by a Continuing Resolution.

Because a ban on funding for inspectors is not in both the House and Senate versions of the bill its inclusion in any final bill will once again be determined during a Conference Committee that will reconcile the differences between the House and Senate versions of the bill.

Currently, no horse slaughter facilities are operating in the U.S and a prohibition on funding for inspectors at such facilities from last year’s FY 2015 USDA bill remains in effect until September 30, 2015. If that prohibition expires, USDA would be required to provide inspectors at horse slaughter facilities if any were to open.

Legislation has been introduced this Congress as it has been for several years that would permanently ban horse slaughter in the U.S. as well as the transport of horses to Mexico or Canada for such purposes. However, Congress has not taken any action on these bills and it is likely any congressional action on the issue will happen in conjunction with the annual USDA Appropriations bill.

Both the full Senate and House must now debate and approve their respective versions of the bill.



Yvette Anderson-Rollins Receives AHC's 2015 Van Ness Award

On June 16, the American Horse Council presented the Van Ness Award to Yvette Anderson-Rollins of Springville, Indiana during the organization's annual meeting in Washington, DC.

The Van Ness Award is presented annually to an individual who has shown leadership and service to the horse community in his or her state. It is awarded in memory of Mrs. Marjorie Van Ness, one of the founders of the New Jersey Horse Council. Mrs. Van Ness was one of the organizers of the AHC's Coalition of State Horse Councils.

"Ms. Anderson-Rollins has dedicated her life to creating, maintaining and promoting land and trail usage both in Indiana and nationwide," said AHC president Jay Hickey in presenting the award to her. "She is a true educator in conservation, planning and government affairs, and has worked tirelessly to open lines of communication, keep them open, ensure concerns are heard, and answers found to major problems."

Ms. Anderson-Rollins has spoken at many trails symposia, including the National Trails Symposium, the Southeastern Equestrian Trails Conference, and the National Equestrian Trails Conference. She has served as the Treasurer and Vice-Chair for the Back Country Horsemen of America, as well as on their Media and Public Lands Committees. She was the President of Hoosier Back Country Horsemen, BCHA of West Central Indiana, the Indiana Horse Council, and the Indiana Trail Riders Association. She served on the Governor's Committee for the "Hoosier's on the Move" master trails plan and was the Chair for the DNR Trails Advisory Board.

Receiving the Van Ness Award is just the latest in a long line of awards. She has also received the Trail Warrior Award from Trail Blazer Magazine, the Trail Advocate Award from the Mid-America Trails and Greenways Conference, and was the first recipient of the Mike Phillips Award from Best of America by Horseback.

She has worked for the past 29 years at Indiana University. "During her spare time, she raises and rides American Quarter Horses and is an adventurous trail rider who enjoys riding with her grandchildren and discovering what is over the next ridge with the hope that they will carry on the tradition of promoting and protecting trails," said Hickey.

"I am truly honored to have been chosen as the recipient of the Marjorie Van Ness award," said Ms. Anderson-Rollins. "When I look at all those who have received this award before me and their great accomplishments, and the knowledge they have shared, I am overwhelmed by their dedication to the betterment of the horse. There are so many people who deserve to be recognized with the Van Ness award. I would like to thank all those for their hard