

EXISTING BETTING AREAS WORKING PARTY: FINAL POSITION STATEMENTS

This table sets out the respective positions of the Federation of Racecourse Bookmakers (FRB) and the Racecourse Association (RCA) on the three key issues, as set out at the final meeting of the Existing Betting Areas Working Group on 18 April 2008.

Issue	Principles agreed	Areas still at issue	Summary of remaining differences
<p>1. Commercial relationship between racecourses and bookmakers to replace Five Times Rule</p>	<p>Payments (Access Fees) for entering betting rings, to consist of a percentage of turnover and/or a fixed rate daily fee</p> <p>Racecourses to receive a percentage commission on trading of list positions between bookmakers</p> <p>Access Fee reviews at regular intervals</p>	<p>All details of appropriate percentage of turnover or level of daily Access Fees. Figures will need to reflect local circumstances</p> <p>What the appropriate percentage commission on trades should be</p> <p>Frequency of Access Fee reviews</p> <p>Whether there should be automatic uplift on fixed Access Fees</p> <p>Whether a combination of turnover and daily fee can be charged</p> <p>Whether there should in addition be an annual registration fee based on a tariff value of the list position</p> <p>“Obligation to stand” – i.e. provisions for non-attendance by bookmakers</p>	<p> </p> <p> </p> <p> <u>FRB</u>: Amounts and percentages cannot be consulted upon until a clear and acceptable framework is reached on the possible length and renewability of contracts (i.e. “term”), and on a dispute resolution mechanism to deal with disputes. <u>RCA</u>: Consultations between bookmakers and racecourses on amounts and percentages should commence without pre-conditions.</p> <p> </p> <p><u>FRB</u>: 5-yearly reviews, subject to binding dispute resolution if required (see below); <u>RCA</u>: 3-yearly reviews, to include dispute resolution if agreed between the parties.</p> <p><u>FRB</u>: If there is an annual fee it should be nominal. <u>RCA</u>: Annual fee should be 1-2 % of the tariff value, with a £100 minimum.</p> <p style="text-align: right;">(cont.)</p>

<p>2. "Term" i.e. length of contract and proposals for contract renewal</p>	<p>Fixed term, set out in a licence, lease or contract</p> <p>Licence, lease or contract to set out obligations of bookmakers and racecourses</p>	<p>Length of "term"</p> <p>Renewability of "term"</p>	<p><u>FRB</u>: There should be a 99 year term that must apply to all existing and new betting areas, and to all racecourses and all bookmakers; <u>RCA</u>: Prepared to recommend a "Right of First Refusal" (this terminology is not acceptable to FRB) for those with existing list positions for up to 25 years with a fixed end date, applying only to existing betting areas.</p> <p><u>FRB</u>: Can agree to automatically renewable 25 year terms, but only if a racecourse cannot veto and subject to a nominal fee based on a percentage of the tariff value of the list position, with a buy-out clause if a bookmaker wishes to surrender his lease; <u>RCA</u>: Prepared to accept i) an option for the parties to agree further terms for the Right of First Refusal; ii) a buy-out clause if bookmaker wishes to surrender his lease.</p>
<p>3. Dispute resolution in the event of disputes over charges or contracts</p>	<p>No deal reached on dispute resolution, but if in place, it should be: i) Binding; ii) Speedy; iii) Cost effective; iv) Expert; v) Defined; vi) Right of access to information from both parties</p> <p>Some agreement on most appropriate mechanism</p> <p>Benchmarking to determine acceptable level of Access Fees payments (using comparable information)</p>	<p>Status of dispute resolution</p> <p>Start point for dispute resolution</p> <p>Precise method of benchmarking</p>	<p><u>FRB</u>: An essential requirement; <u>RCA</u>: Only a potential option and not yet recommended to members.</p> <p><u>FRB</u>: To apply in 2012 with the first contract negotiations; <u>RCA</u>: To apply at the first 3 or 5 year Access Fee review, and then only if necessary.</p>