



July 6, 2017

Dear Legislators,

The Pennsylvania Equine Coalition objects to the repeated lies and misinformation being disseminated by the Commonwealth Foundation as part of its ongoing attacks on Pennsylvania's agricultural industry. Since Rep. Todd Stephens has begun circulating the Commonwealth Foundation's poorly researched material, we wanted to note that their information contains inaccurate data, lies, and is riddled with errors.

Perhaps that is to be expected from a "research" think-tank that -- according to their most recent non-profit Form 990 filings -- spends less of its budget on research (\$131,000) than it does on fundraising (\$244,000), lobbying (\$290,000), advertising and promotion (\$687,515), and the salary and benefits of its President (\$156,223). If the Commonwealth Foundation were to allocate more than a fraction of its budget to actually studying and attempting to understand issues, its analysis might have some factual basis.

We have developed the attached fact sheet that dispels some of the other misinformation and fake news being pushed by the Commonwealth Foundation as it relates to our industry.

Fortunately for the Commonwealth Foundation, there is no litmus test for competency or truthfulness that entities need to maintain to keep their nonprofit status. We would also note that the Foundation is engaged in a number of questionable activities, such as efforts to generate fake news by commissioning articles from entities like Illinois News Service that it then attempts to pass off as a legitimate news stories to newspapers -- stories that promote themselves, their flawed views, or give platforms to their allies like Rep. Stephens. But it is still fake news -- news written and prepared at their request to further their agenda.

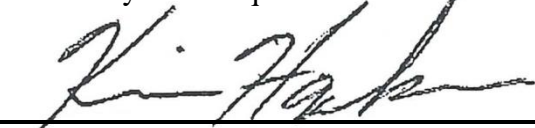
Virtually every piece of information about the state's horseracing industry that the Commonwealth Foundation shares is inaccurate. From the size of the RHDF to its economic benefits, the Foundation's data and numbers are just flat out wrong. In recent mailers targeting constituents of specific legislators -- paid for courtesy of the Foundation's discounted nonprofit postal rate -- the Commonwealth Foundation falsely claims that the RHDF is a taxpayer subsidy. We challenge the Commonwealth Foundation to identify anywhere in Act 71 that identifies the contributions to the RHDF as tax dollars. They can't, because it does not exist.

Rather, the RHDF is funded by an assessment that casino operators agreed to pay on their slot machine revenues - an "obligation" they voluntarily undertook to offset the negative impact that the legalization of slot machines would have on live racing and the state's agricultural industry. It was part of a commitment they made to gain support for Act 71 (which legalized slot machines) from the horse racing and breeding industry, as well as legislators representing agricultural districts. That assessment ensures that rural counties with horse breeders, stables, and farmers who supply the industry also see some benefit from slot machine legalization in the form of revenue for the agricultural industry and protection of open space.

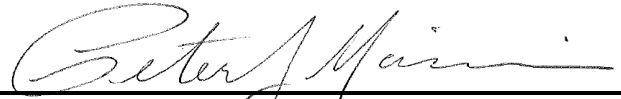
If you have any questions or need additional information, please feel free to contact Pete Peterson with the Pennsylvania Equine Coalition by phone at 215-893-4297 or email at ppeterson@bellevuepr.com -- because if you heard about it from the Commonwealth Foundation, it's probably wrong.

Sincerely,

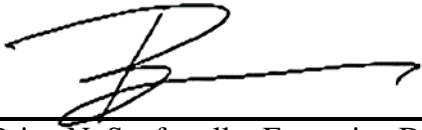
The Pennsylvania Equine Coalition



Kim P. Hankins, Executive Director
Meadows Standardbred Owners Association



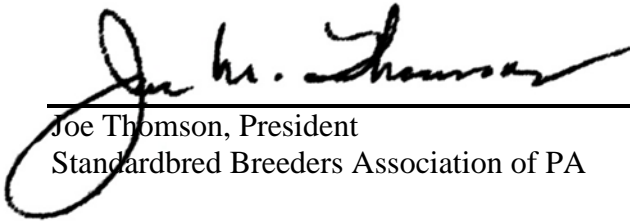
Peter Marinari, Executive Director
Pennsylvania Harness Horsemen's Association



Brian N. Sanfratello, Executive Director
Pennsylvania Horse Breeders Association



Todd Mostoller, Executive Director
PA Horsemen's Benevolent & Protective Assoc.



Joe Thomson, President
Standardbred Breeders Association of PA



Michael Ballezzi, Executive Director
PA Thoroughbred Horsemen's Association