# E-WORLD

By Thomas E. Weber

Click, Place or Show: Playing the Ponies In Your Jockey Shorts

ONCE OR TWICE EACH WEEK, Daniel Habib boards a subway train for a 45-minute journey to Boston's Suffolk Downs race track. The 21-year-old Harvard senior loves to play the ponies. But he never places a bet without first consulting the Internet.

At site after site, Mr. Habib pores over raw data on how the horses have fared in the past, inspects picks by other handicappers and scans discussion groups for insider dish. Once at the track, he consults charts and spreadsheets printed out from the Web before putting down his money.
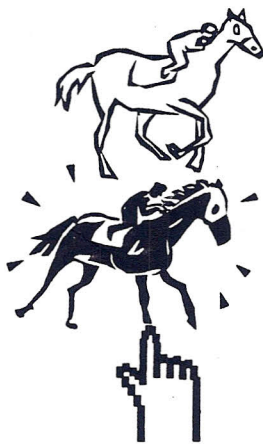
Lisa Blackshear

"I get a lot of funny looks," he says. "But if you're not online, it's a huge disadvantage." Mr. Habib credits the Net with helping him turn a $500 stake into $1,000 since the beginning of the year.

As horse-racing fans gear up for the 126th running of the Kentucky Derby Saturday, the Internet is transforming their sport into something Nicely Nicely Johnson would scarcely recognize. Instead of jotting down notes on the Daily Racing Form, today's players download reams of data and even make their wagers online.

THERE'S MORE TO COME. Racing is poised to become a key testing ground for the much-heralded convergence of television, telephone and the Internet. Ambitious industry executives envision a new generation of fans experiencing races from their armchairs, watching the horses run on their wide-screen TVs while using the Net to research and place their bets.

If these plans succeed, they could breathe new life into the sport. But they also serve as a reminder that the Internet, with its ability to bridge great distances and take us places electronically, may wind up replacing real-world experiences with virtual ones.

"We're going to make this industry broader and bring in those casual fans and new fans," says Mark Wilson, the CEO of TVG Network. Operating on satellite and cable-television systems, TVG broadcasts live races from selected tracks, including Aqueduct, Churchill Downs and Pimlico.

Last month TVG began rolling out a companion Web site that lets subscribers in Kentucky, Maryland and Oregon place bets. A special option dubbed "ez-Bet," designed for novice players, avoids track jargon and walks players through wagers step by step.

Actually, technology has been remaking horse racing for a while. Years ago fans could see only the races at their local track. Though bookies might give you odds on out-of-town races, the betting window at the track took bets only on its own races. Then came satellite technology and "simulcasting," in which races from around the country were broadcast on closed-circuit TV at local tracks and off-track betting parlors.

NOW HERE COMES online betting. Most efforts so far have been mired in the thicket of federal and state gambling laws. For instance, tiny Youbet.com, based in Los Angeles, was forced to drop its wagering service in California late last year but continues to offer it in other states with different rules.

Still, things are looking up lately for online racing fans. A bill working its way through Congress would ban most forms of Internet gambling but includes an exemption for horse racing. Meanwhile, while legislators debate cyberbetting, offshore wagering sites of dubious legality have sprung up like wildflowers. For track operators and horse trainers, it's critical to keep bettors playing with officially sanctioned companies, because those concerns share revenue with the tracks, supporting big-money purses for the horses.

Larry Rowland, a devoted player for 25 years, used to visit a track in Maryland every day. Now he sits at home, makes wagers through Youbet and watches the races in a window on his computer screen. To prepare each day's picks, he downloads data files sold by sites like Thoroughbred Sports Network, then runs the data through software he developed.

"With races going off every five minutes, no one has time to use the old-style handicapping methods of reading the Daily Racing Form," says Mr. Rowland. He views himself as "an investor, not a gambler," he adds, and considers horse races "the next-best thing to the stock market."

With its emphasis on data, the sport of racing does display striking parallels to stock-market investing, especially the go-go world of day trading. Buffs frequent data-heavy sites like Equibase.com, BRISnet.com and Thoro-Graph, as well as chattier outposts like E-Ponies.com.

Studded with bar graphs and pie charts, the "fan friendly" race programs at Equibase.com look more like a brokerage report than the cryptic columns of the Daily Racing Form. "I think there's a lot more dumb money in the stock market these days than in racing," says Alan Marzelli, CEO of Equibase, the racing industry's official database company and the operator of Equibase.com.

Over at the Daily Racing Form, which Steven Crist, its editor and publisher has been toiling to revive since he and a group of investors bought it in 1998, the Internet is a key part of the turnaround strategy. Two weeks ago the Form released its own handicapping software, dubbed "Formulator," to appeal to Internet buffs. The program is free, but users must pay for the data.

The Derby is run as a mile-and-a-quarter race, but most of the preparatory races are shorter. So Mr. Crist recommends searching and sorting to find which horses ran the final 1/8th of a mile fastest in previous races. Is all this technology taking some of the fun out of things? "You're still talking about flesh-and-blood animals," he says. "There's always going to be an element of your sixth sense."

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