

Facts or alternative facts? – Finding the truth within DQHA’s “FAQs”

On February 12, 2020, DQHA posted a list of FAQs regarding the status of its relationship with AQHA.

(The original statement from DQHA can be found here:

<https://dqha.de/dqha/aktuelles/detailansicht/article/faqs-zur-aktuellen-situation-aqhadqha/>)

Presented as facts, upon further review, much of what DQHA shares with its members is not as it seems. Let’s explore their “facts” one by one.

1) Does DQHA receive \$ 70,000 in funding from AQHA annually?

DQHA says: No. So far, AQHA has paid around \$45,000 - 50,000 to the DQHA for dedicated support (Business Plan Funding). From this, the DQHA pays various expenses, such as production and printing of the AQHA Handbook in German language, personnel costs in connection with AQHA services (registrations, transfers, etc.), support for travel expenses for judges, and more. This support does not cover the costs incurred.

Fact checking: AQHA often partners with affiliate organizations to help them serve members outside of the United States. AQHA affiliates are contractually obligated to support AQHA members and AQHA business. In fact, AQHA voluntarily (not required by the affiliate contract) provides its international affiliates in good standing with funding to support members and conduct AQHA business. A percentage of the membership, registration and transfer fees members pay to AQHA go directly back to support the affiliate in their country. In the case of DQHA, AQHA has provided \$47,000 USD annually to help DQHA support AQHA members in Germany for well over a decade. DQHA is also obligated by AQHA rules to not charge AQHA members for business service support, since AQHA is already paying DQHA for this help via business plan funds.

In addition to business plan funds, AQHA makes additional grant money available to affiliates in good standing to support educational and other opportunities.

In August 2019, DQHA was found to be in breach of its affiliate contract obligations. This was communicated to DQHA, and the affiliate was given the opportunity to correct its contractual breaches. Because DQHA declined to make those corrections, the affiliate remained in breach of contract, making it ineligible for any AQHA support until such time that it meets its contractual obligations.

2) The DQHA must hand in the original stud book. Is that correct?

DQHA says: The AQHA demands the handover of the studbook of origin. For this, however, the legal requirements would first have to be met by the AQHA, e.g. Animal husbandry EU-compliant principles, which the AQHA Rulebook does not provide in its current form. In addition, this process is only possible through a change in the statutes and must therefore be decided by the general assembly.

Fact checking: According to the European Commission, as with other studbooks of origin that exist outside of the European Union, the American Quarter Horse Association is not

governed by EU law, and is therefore under no obligation to modify the structure of its breeding program to align with EU requirements. AQHA's breeding program is listed with the EU, which allows daughter studbooks in the EU to point to AQHA as the breeding program under which they operate. EU law, which does govern daughter studbooks within the EU, then provides the framework through which daughter studbooks can structure breeding programs that reference a mother studbook outside of the EU. The claim that AQHA must meet any EU breeding law requirements in order to become the studbook of origin is incorrect. AQHA is the studbook of origin, because it established the breeding program for the American Quarter Horse breed in 1940. Two different studbooks of origin cannot exist for the same breed. The later developed breeding program would in fact be established as a new breed. This is the case with DQHA.

3) Is there a possibility that AQHA will hand over a stud book handed over by DQHA to another European association?

DQHA says: Basically yes. AQHA continues to reject an explanation that AQHA would not simply forward the source stud book to another association in Europe.

Fact checking: No. The studbook of origin is not something that can be handed over to another organization. It is simply a fact related to which organization established the breeding program and holds the historical record for the breed. AQHA cannot simply decide to say another organization has done this for the American Quarter Horse, because it is not true.

4) Will the DQHA then register a German Quarter Horse?

DQHA says: The DQHA will still only register AMERICAN QUARTER HORSES, for which they will continue to issue the relevant animal breeding certificates.

The breed standards that the DQHA has laid down in the principles of the UZB to protect the breed are based as much as possible on the AQHA Rulebook. Nobody intends to change the American Quarter Horse breed or crossbreed other breeds/horses.

Together with the keeping of the original breeding book, the breed name American Quarter Horse is entered in the animal genetic resources of the EU for the DQHA.

Fact checking: The fact is that DQHA can only register animals within the American Quarter Horse breed AND remain EU law compliant (according to the European Commission), if DQHA restructures as a daughter studbook of AQHA. Alternatively, DQHA can remain a mother studbook of a breed named differently than the American Quarter Horse – perhaps the German Quarter Horse?

While DQHA publicly disagrees with the information learned from the European Commission meeting with AQHA on January 27, in a statement of intent DQHA signed with AQHA on January 31, 2020, DQHA acknowledged the following facts shared by the European Commission with AQHA, DQHA, the German Agricultural Ministry and the Bavarian competent authority (LFL):

- DQHA will be out of compliance with EU law if the affiliate continues to operate as a mother studbook for the American Quarter Horse.
- DQHA has two options to remain EU law compliant:

- Make application to its competent authority to modify its studbook to be a daughter studbook of AQHA.
- Make application to its competent authority to establish a studbook of origin for a new breed named differently than the American Quarter Horse.

5) Why doesn't the DQHA Presidium simply sign the required data-exchange agreement?

DQHA says: There has long been an agreement between AQHA and DQHA with the then responsible Treasurer and Executive Director of Operations Trent Taylor. This agreement ensured secure and trustful data exchange for many years. In the new agreement, neither the horse owners (who order and pay for the test themselves), the DQHA, nor the competent authorities should be granted any rights or insight to the DNA markers.

This would have jeopardized recognition as a breeding association since the DQHA is legally obliged to grant the supervisory authority access to the DNA markers on request.

In addition, AQHA in the letter reserves the right to sue DQHA for financial damage - which, according to German association law, means that the executive board is liable with its private assets. Of course, the Presidium couldn't sign it like that. The jurisdiction should also be in Texas.

In addition, the deadline was set so short that no consultation with the members would have been possible - and since we are only the representatives of the membership and a few points are also relevant to the statutes, the demands could not be met.

Thereupon the DQHA was threatened with the withdrawal of the affiliate status and the business plan funding (which had already been agreed upon by the DQHA, and all requirements had been met) was withheld from 2019. In addition, the DQHA Presidium was repeatedly accused of (data) theft in a letter from the AQHA.

Fact checking: In this case, business practices for AQHA have changed. While DQHA was operating under a practice established with a former employee of AQHA documented only by an undated letter from that employee, the fact is that AQHA data protection and sharing policies have changed since then, and AQHA is required to uphold certain standards for data and information related to members and horses. In fact, this change was brought on by the European GDPR, which obligated AQHA to make changes to the way it shared information with third-party companies, such as affiliates. In June 2018, AQHA communicated with all affiliates, including DQHA, that in order to share data held by AQHA, a data-share agreement would need to be established. The data-share agreement is designed to specify the type of data, what obligates the affiliate to have the data (example: EU law), how the data can be utilized, and a commitment to protect the data in alignment with GDPR. Data-share agreements must be in place before AQHA will share data with any affiliate. Currently, AQHA has data-share agreements in place with multiple affiliates.

In the case of DQHA, despite being informed in writing in June 2018, in person in January 2019 and via email in March 2019 of the need to put a data-share agreement in place, DQHA secured data from AQHA in an unauthorized manner. AQHA informed DQHA of this problem on August 8, 2019, and gave DQHA the opportunity to correct this by entering into a retroactive data-share agreement. The deadline to enter into this data-share agreement was September 30, 2019. AQHA gave DQHA multiple opportunities to negotiate the terms of the data-share agreement and extended the deadline repeatedly to make it easier for DQHA to

accomplish. The final deadline for this agreement is now set at February 14, 2020. To date, AQHA has received no good faith negotiation of terms of the data-share agreement, since it was originally issued on August 8, 2019.

6) Does the DQHA want to separate from the AQHA?

DQHA says: The DQHA does not want to part with the AQHA. The demands that AQHA places on DQHA with regard to rights and self-determination, such as the basic legal requirements as its own stud book, data storage, state controls, genetic tests and animal welfare aspects, require DQHA to make a decision to risk suspension as an affiliate.

Fact checking: Aligning as a daughter studbook of AQHA has not put any of its existing daughter studbooks in the EU in jeopardy of violating EU law. In fact, the only EU studbook operating a breeding program for the American Quarter Horse that is currently not EU law compliant is DQHA, due to its inappropriate representation as studbook of origin, a claim supported only by the LFL, not by an official body of the European Commission.

7) What does an affiliate suspension mean for DQHA?

DQHA says: This means that AQHA no longer offers any financial or data support. It is also prohibited to use the AQHA logo or similar. The DQHA would not fund the Education Marketplace Fund for e.g. Receive horsemanship camps. The DQHA would not receive AQHA recognition for your tournaments. The FEQHA would have to decide whether German riders/horses can ride for the title of the FEQHA European Championship of the American Quarter Horses.

Fact checking: DQHA's claim here is factually accurate. This would also leave a void in Germany for an affiliate and/or daughter studbook of AQHA that could be filled by a different organization, which would enjoy the same support DQHA has had in the past when it was an affiliate in good standing.

8) Would there be no more AQHA shows in Germany?

DQHA says: Almost 80 AQHA shows (2018: 77) are held in Germany. For this purpose, the organizer requests approval for the show from AQHA located in Amarillo, Texas independently from the DQHA and delivers the corresponding results there. Inability to hold AQHA shows would only apply to the AQHA shows organized directly by DQHA. However, in 2019 it became very clear that AQHA is currently not able to evaluate the shows and results correctly and promptly, which has already led to drastic problems with the DQHA high point evaluation. Therefore, in 2020 the DQHA will use its own software to evaluate the shows itself.

Fact checking: DQHA is correct in that the only shows that would be impacted would be AQHA shows managed by DQHA. Any AQHA shows applied for by show management other than DQHA would continue to receive AQHA support and approval.

9) Do we have no awards without AQHA?

DQHA says: If there is a separation from AQHA and fewer AQHA shows are held in Germany, it is up to DQHA to design its own honor system based on DQHA recognized shows. In addition to the successful futurity program, DQHA can design its own title system similar to

ROM, Superior, High Point etc., which in turn counts as proof of performance breeding. That would be another point that members can influence and have a say in. In addition, there would be scope to adapt the rules, the age from which horses can be shown under the saddle, etc.

Fact checking: DQHA is correct here. The organization can absolutely continue to offer awards for DQHA events independently of AQHA. The question remains: Will these be shows for German Quarter Horses only?

10) Double payment and preparation of DNA tests: How does this happen?

DQHA says: The AQHA requires a DNA test from the horse owner to prepare the CoR (Certificate of Registration). If this is available, AQHA issues a zootechnical certificate for the import of the horse into the EU (or the import of breeding material - sperm, embryos). Unfortunately, these have so far mostly been incomplete. The so-called DNA markers, which are required for clear identification in the EU and Germany, are missing. The owner of the horse can only cure this mistake by requesting a second test so that the DNA markers can be passed on to the DQHA so that his horse can be clearly identified.

The DNA markers are also required to create an equine passport and to include a horse in the DQHA stud book. If the AQHA does not deliver the markers, the owner must secure them, i.e. through a second DNA test. Despite the promise by AQHA that European laboratories will be recognized, like APHA does, this has not yet taken place.

Fact checking: DQHA misunderstands the process of zootechnical certificates as handled by AQHA, but the key issue it seems concerned about in this question is the burden placed on members of securing a second DNA test to provide DQHA with DNA markers. There is a simple solution for DQHA to be able to obtain DNA markers from AQHA and alleviate the burden of responsibility it has now shifted to DQHA members: sign a data-share agreement with AQHA and align as a daughter studbook. Should this occur, DQHA would have no problem securing DNA markers from AQHA to remain EU law compliant.

11) Why does the DQHA suddenly issue equine passports for American Quarter Horses, although they are not yet registered with the AQHA?

DQHA says: The DQHA has included the prerequisite in its breeding program and the principles of the original breeding book that the AQHA CoR (Certificate of Registration) must always be present before the equine passport is issued in order to guarantee the AQHA a maximum registration rate. Due to obvious internal problems, the AQHA is currently unable to issue this CoR within a reasonable period of time, nor is it making the data urgently required for equine registration (e.g. DNA markers) available to the DQHA or the breeders themselves. However, the DQHA is legally obliged to provide an equine passport within a certain time frame, since it is mandatory for transport (veterinary clinic, sales) etc.

In order to remain able to act, the DQHA and its supervisory authority have agreed to be able to issue equine passports without an AQHA CoR beginning 1 February 2020.

Fact checking: AQHA has experienced service problems. This, I am sure, all DQHA members have experienced. While AQHA is taking immediate steps to correct this for the German market, including re-implementing emailed certificates as of February 11, 2020, DQHA's inability to secure the DNA markers it says it needs to complete a registration is only due to the organization's failure to enter into a data-share agreement with AQHA.

12) AQHA claims that it is already holding the original stud book for American Quarter Horses - is that right?

DQHA says: So far, the AQHA has not yet been able to produce any document or notification that shows that it has really applied for the original stud book for the EU. In addition, the AQHA has so far not been able to present any necessary EU-compliant breeding program. However, the DQHA has a final decision, which has not been contradicted by any EU country as part of the recognition process. This gives DQHA indefinite protection for the AMERICAN QUARTER HORSES breeding book in the EU.

We can guarantee our members that there will only be one AMERICAN QUARTER HORSE in the EU. This can be given an equine passport at the DQHA or in the other branch breeding facilities within the EU. However, many affiliates rely on data exchange with the AQHA as the basis of their breeding work and do not have their own EU-compliant breeding book, which puts breeders in a difficult situation legally and financially (e.g. double DNA tests) because the AQHA does not have all the necessary data provides.

Our goal is to continue working in partnership with AQHA and to be able to follow European and German legislation. The way of future cooperation lies first with the AQHA and then finally, with our members, the breeders of the DQHA.

Fact checking: Neither AQHA nor DQHA has produced a document or notification from the EU declaring it the studbook of origin. The European Commission does not declare an organization the studbook of origin, and therefore it is not a status to be applied for with the European Commission. The European Commission considers it a matter of definition as the establisher of the breed and holder of the historical record, as defined by EU law. In the case of the American Quarter Horse, this is AQHA, and has been since the breeding program was established in 1940, which predates the establishment of a breeding program by DQHA in 2013.

What the European Commission did declare in the January 27 meeting was that at the time DQHA made application as a mother studbook to its competent authority, the LFL should have noted that a breeding program for the American Quarter Horse was already in existence, and should have subsequently denied the DQHA application and invited DQHA to reapply as a daughter studbook.

Now, the only organizations making the declaration that DQHA is the studbook of origin for the American Quarter Horse breed are DQHA and the LFL.