

## Yesterday and Today

Yesterday - NYCOTB can't stay in business another day.

Today - We can for another year.

The NYCOTB Board just finished their meeting and voted unanimously to rescind the termination notices and they are prepared to maintain their operations on an “interim” basis for up to a year in order to provide time for the Creditors Committee to work with “all stakeholders” to develop a permanent solution. They cited “significant, meaningful change in circumstances” last week – meaning the three-way agreement announced by the Governor – as the reason for their decision and said that the negotiations were a “ray of hope.” They made the point that they had asked for relief for statutory payments for years, but last week was the first time that real, actual proposals were ever put on the table to reduce and/or eliminate the payments. The “ray of hope” did not translate into legislative action as broken promises by NYC OTB to the industry and the unions proved the undoing of OTBs dreams. The other factor referenced by the OTB chief honcho was the appointment of a Creditors Committee as though that was some sought of unique development in a Bankruptcy proceeding.

That said, Sandy Frucher pointed out that this “interim” extension would rely on:

1. Them cutting costs and reducing parlors (as consistent with their MOU with the union)
2. Their ability to pay “market rates” for the racing product they utilize. (as determined by whom NYC OTB?)
3. The deferral of subsidy payments to the industry ( take our product and not pay us for it – a joke)

He further pointed out that they would need legislation authorizing early retirement and would need internet wagering (how about live video streaming of our racing product into homes and on computers and hand helds by the same legislation) to be able to make up for the revenue lost from the shut parlors. He concluded by stating that “the concerns of NYRA must also be addressed” and suggesting that NYCOTB would file a cash flow plan with the NYSR&WB within two weeks and would have their budget monitored by the Public Authorities Control Board.

Unfortunately, they cut off the broadcast immediately after the vote and we weren't able to see the media questions, which one would assume would include asking how they believed they would now achieve the “conditions” (i.e., deferral of subsidy payments and only paying “market rates” for the racing product) that did not happen last week. The NYS Legislature was put in a bad position by an irresponsible and self serving OTB entity and the NYS Legislature made the right decisions in refusing to hurt a racing industry employing 40,000 New Yorkers, by helping a dysfunctional OTB system. The Legislature did the right thing.