



NEW YORK STATE SENATOR

Eric Adams

Senator Adams' statement regarding the NYC OTB filing for Chapter 9 bankruptcy

ERIC ADAMS December 3, 2009

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Statement of NYS Senator Eric Adams

New York City Off Track Betting Corporation has been running an unsustainable financial deficit, and it has filed for Chapter 9 bankruptcy as a necessary step towards its continuance as a viable entity. As Chairman of the NYS Senate Committee on Racing, Gaming and Wagering, I endorse the petition as the best available alternative to a cessation of NYC OTB operations.

I support measures necessary to remediate problems that have handicapped the ability of NYC OTB to fulfill its mission as a public benefit corporation, including a proposed overhaul of an existing statutory distribution framework that is outdated and outmoded in view of developments in the racing industry. Entering Chapter 9 positions NYC OTB to emerge as a stronger and more capable entity that will bring a 21st century product to the NYC metro area, a region that produces the largest proportion of handle in the United States. To revive this economic engine, it is imperative that NYC OTB be able to provide a premium experience for its existing client base and a welcoming environment for customers new to the industry.

I have considered the business plan outlined by Chairman of the Board Meyer “Sandy” Frucher and deem it a significant proposal in NYC OTB’s attempt to address its insolvency, modify its business model, position itself for future growth, and impact positively on the horse racing industry in and the economy of the State of New York.

The mission of the six regional Off Track Betting corporations is of paramount value. Regional public benefit corporations have a relationship with the areas they serve and provide general and specific financial aid that should not be abrogated or diluted lest it compromise their ability to remit aid and attend to the specific and unique needs of member municipalities. However, I applaud Chairman Frucher for endeavoring to design operating efficiencies within his own corporation and other OTB districts as well, including the consolidation of redundant services (telephone and internet wagering platforms, tote system, television broadcast signal, and other operations) that are used throughout the OTB regions.

A final note: New York City OTB currently employs more than 1,360 full and part-time workers. These jobs are of vital importance to both New York City and the State of New York, especially during these troubled economic times, and we must make every attempt to maintain this employment.