

## NEW YORK STATE OF RACING

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HORSE RACING USED TO BE IMPORTANT IN NEW YORK STATE AND THIS NATION. I CAN CITE YOU THE STATISTICS. IN 1964, THE NEW YORK YANKEES WON THE AMERICAN LEAGUE PENNANT FOR THE 5<sup>TH</sup> CONSECUTIVE YEAR. THEY LED THE AMERICAN LEAGUE IN ATTENDANCE WITH AN AVERAGE OF 16,110 FANS PER GAME. IN FACT, THE 1964 TOTAL ATTENDANCE FIGURE WOULD BE THE HIGHEST FOR THE YANKEES UNTIL 1976. THAT SAME YEAR AQUEDUCT RAN 210 PROGRAMS – THIS WAS BEFORE YOU COULD RACE ON SUNDAYS - AND AVERAGED 30,000 FANS PER DAY. YONKERS RACEWAY THAT YEAR RAN 131 PROGRAMS AND HAD AN AVERAGE ATTENDANCE OF 25,400.

RACING DWARFED BASEBALL. NOW, THE YANKEES DRAW 50,500 PER GAME. WHENEVER YONKERS RACES, YOU COULD FIT ALL ITS FANS INTO ONE SECTION OF

THE BLEACHERS AT YANKEE STADIUM, AQUEDUCT  
LAST MONTH DREW 6,636 TO ITS PREMIER RACE, THE  
WOOD MEMORIAL.

BUT I'M NOT SURE THAT THESE STATS ALONE  
GIVE A TRUE PICTURE OF THE PASSION THAT PEOPLE  
ONE HAD FOR RACING. LET ME GIVE YOU TWO  
EXAMPLES. IN 1943, GARDEN STATE PARK IN CHERRY  
HILL, NEW JERSEY OPENED FOR ITS 2<sup>ND</sup> YEAR. CHERRY  
HILL WAS THEN IN THE MIDDLE OF NOWHERE, AND THE  
FEDERAL GOVERNMENT DURING THAT PERIOD OF  
WORLD WAR II BANNED LEISURE USE OF CARS TO GET  
TO THE TRACK. YOU COULDN'T TAKE A CAR TO THE  
TRACK. THE NEAREST BUS AND TRAIN STOPS WERE  
TWO MILES AWAY. IT Poured ON OPENING DAY. 6,521  
PEOPLE WENT TO THE RACES— SOME WALKING FROM  
THE DEPOTS AND OTHERS TAKING AN ASSORTMENT OF  
HORSE DRIVEN WAGONS TO THE TRACK. AND THEY  
BET TOO. ON A CARD WITH EIGHT RACES, AND ONLY  
ONE MUTUAL WAGER, A DAILY DOUBLE, THEY BET  
WHEN ADJUSTING FOR INFLATION, 2 ½ TIMES MORE  
THAN THE SIMILAR CROWD DID AT AQUEDUCT AT LAST  
MONTH'S WOOD MEMORIAL.

THE OTHER MANIA FOR RACING STORY INVOLVES BOWIE RACETRACK IN MARYLAND. IN THE DAYS BEFORE OTB, BOWIE WHICH WAS ABOUT 15 MILES FROM WASHINGTON WAS THE ONLY PLACE IN THE NORTH OR MIDEAST WHERE YOU COULD GO TO BET LIVE THOROUGHBRED RACING IN THE WINTER. PEOPLE CAME FROM HUNDREDS OF MILES AWAY TO GO TO BOWIE. ON FEBRUARY 2, 1961, THE 11 CAR RACETRACK SPECIAL TRAIN FROM PHILADELPHIA TO BOWIE DERAILED ABOUT 2 MILES FROM THE TRACK. IT WAS A HORRENDOUS ACCIDENT. SIX PEOPLE WERE KILLED, AND MANY MORE WERE TAKEN TO LOCAL HOSPITALS. THOSE PEOPLE WHO WEREN'T HURT OR WHO WEREN'T HURT BADLY GOT OUT OF THE TRAIN AND STARTED WALKING TO THE TRACK IN THE SNOW. AS RED SMITH WROTE, "VICTIMS CRAWLED OUT THROUGH SHATTERED WINDOWS PLUCKING SHARDS OF GLASS FROM THEIR EARS AND STUMBLED OVER THE TIES ASKING, 'ARE WE IN TIME FOR THE DAILY DOUBLE?'" THE BALTIMORE SUN JUST SAID THAT "HORSEPLAYERS ARE A RESOLUTE BREED." RACING – FORTUNATELY OR

UNFORTUNATELY - DOESN'T HAVE THESE FANS OR ANY PASSION ANYMORE.

WHO KILLED THE ENTHUSIASM FOR RACING? IT'S AMUSING – BUT ULTIMATELY NOT PRODUCTIVE - TO BLAME IT ON THE MANAGEMENT OF THE RACETRACKS. WE NOW HAVE MAGNA ENTERTAINMENT WITH 11 TRACKS, A TV NETWORK, AN ACCOUNT WAGERING PLATFORM, AND PART-OWNERSHIP OF A TOTE COMPANY, NOW LOSING AN AVERAGE OF \$100 MILLION PER YEAR. I THINK THAT I AM PUTTING IT MILDLY WHEN I SAY THAT MOST RACING FANS VIEW MAGNA AS THE BOGEY MAN OF RACING - A MIXTURE OF BLUTO FROM POPEYE CARTOONS AND ELMER FUDD. AND YOU HAVE NYRA –THE NEW YORK RACING ASSOCIATION. IT USED TO BE SAID THAT WASHINGTON DC WAS A CITY THAT COMBINED SOUTHERN EFFICIENCY WITH NORTHERN CHARM. NYRA HAS MANAGED TO COMBINE GOVERNMENT EFFICIENCY WITH COUNTRY CLUB EXCLUSIVITY AND SECRECY.

BUT BY AND LARGE, IF WE'RE LOOKING AT WHO HELPED TO KILL RACING, IT'S THOSE OF US WHO

WORKED IN THIS BUILDING. GOVERNMENT HAS HELPED MAKE HORSE RACING WHAT IT IS TODAY. HORSE RACING AND BOXING ARE THE ONLY SPORTS THAT STATE GOVERNMENTS CONTROL. IN OTHER SPORTS THAT GOVERNMENT DOESN'T CONTROL, ELECTED OFFICIALS ARE OUT THERE DOING THEIR SHARE AT LEAST RHETORICALLY FOR MANAGEMENT AND THE FANS. TAKE THE METS OFF CABLE FOR A FEW DAYS, AND EVERYONE SCREAMS. TIE FOOTBALL EXHIBITION GAME TICKETS TO A SEASON'S SEATS – EVERYBODY SCREAMS. RALPH WILSON OF THE BUFFALO BILLS DOESN'T LIKE THE COLLECTIVE BARGAINING AGREEMENT THAT HIS OWN LEAGUE HAS ENTERED INTO – EVERYONE GENUFLECTS TO KEEP THE TEAM IN BUFFALO.

YET, WHO'S LOOKING OUT FOR RACING AND THE RACING FAN? LOOK AT WHAT WE'VE DONE. IN 1970, WE CREATED A RIDICULOUS SYSTEM OF OTB'S TO HELP OUT NEW YORK CITY'S FINANCES DURING THE LINDSAY ADMINISTRATION. INSTEAD, WE CREATED A CADRE OF HOWARD SAMUELS CAMPAIGN WORKERS, AND OTB HAS NEVER SIGNIFICANTLY HELPED OUT

NEW YORK'S FINANCES. THEN, WE EXPANDED THE BAD SYSTEM AND TOOK IT STATEWIDE. WE THEN ADDED A SURCHARGE TO THE SYSTEM. WE'VE GRADUALLY INCREASED THE TAKEOUT ON RACING OVER THE YEARS. SINCE THEN, WE'VE STUCK WITH THE STATUS QUO BY TRYING TO PROP UP ALL THE PARTICIPANTS IN RACING – NO MATTER HOW BAD THEIR BALANCE SHEETS HAVE BECOME. WE HAVE PROTECTED THE INDUSTRY INTO INSIGNIFICANCE.

AND THE RECORD OF THE LAST TEN YEARS IN NEW YORK RACING IS JUST A TRAVESTY. NOW IF THIS COMES OFF AS SOMEWHAT OVERLY CRITICAL OF NYRA, PLEASE REMEMBER THAT HOPEFULLY FOR THE BETTER THERE REALLY IS A NEW NYRA. LOOK AT NYRA'S MANAGEMENT. WHO'S BEEN THERE FOR THE PAST DECADE? REALISTICALLY: ONLY TWO BILLS. BILL CROWELL REPRESENTING NYRA IN ALBANY WHO OUGHT TO GET A STAKES RACE NAMED AFTER HIM IF NYRA GETS A FRANCHISE EXTENSION AND BILL NADER AT THE TRACK. THE FACT IS THAT MUCH OF NYRA'S SUPPORT IN THE RACING PRESS IS SIMPLY BECAUSE TURF WRITERS LIKE AND TRUST ST. BILL NADER.

DURING THE NYRA REIGN OF ERROR THAT WAS THE KENNY NOE REGIME FROM 1994-2000, ONLY CURRENT NYRA PRESIDENT CHARLIE HAYWARD AS A BOARD MEMBER WAS IN SIGNIFICANT OPPOSITION TO MUCH OF WHAT TRANSPIRED.

AND LOOK WHAT HAPPENED? NYRA TAKEOUT GOT RAISED, AND ITS ON-TRACK HANDLE PLUMMETED. NYRA STOPPED PAYING ITS DEBT TO THE STATE UNDER KENNY NOE - BUT CLAIMED TO BE MAKING A PROFIT. NYRA ENGAGED IN SOME CAPITAL CONSTRUCTION PROJECTS THAT FRANKLY WERE POINTLESS – THE NEW GATES AT SARATOGA, THE BRICK PATHWAYS IN THE PADDOCK IN SARATOGA, THE FILM ROOM FOR THE JOCKEYS AT AQUEDUCT, THE PADDOCK AT AQUEDUCT. WAS THERE ANY REASON FOR THESE EXPENDITURES WHEN NYRA WASN'T PAYING ITS DEBTS OR WHEN SERIOUS ISSUES SUCH AS THE DRAINAGE AT YADDO AT SARATOGA WERE BEING IGNORED? THERE WERE MOST QUESTIONABLE CONTRACTS AND CONTRACTING PRACTICES INVOLVING SIMULCASTING, PAVING, AND A GLASS INSTALLATION CONTRACT AT BELMONT AWARDED TO A FIRM WITH MOB TIES. WHY WEREN'T

THESE ACTIONS CRIMINAL, AND WHY WOULD THE LEGISLATURE RENEW NYRA'S FRANCHISE FOR TEN YEARS IN THE MIDST OF THIS CONTROVERSY?

LOOK AT ALL THE ERRORS SINCE THEN IN GOVERNMENT – RACING HASN'T BEEN JUST A POLITICAL FOOTBALL. IT'S BEEN A BIPARTISAN SCRUM. JUSTICE IN RACING HAS BEEN NONEXISTENT.

WE IN THE LEGISLATURE AUTHORIZE VLT'S WITHOUT ANY RETURN TO THE TRACKS GUARANTEEING SIGNIFICANT DELAYS AND BASICALLY ANNUAL AMENDMENT TO THE LAW INCREASING THE VLT REVENUES TO THE TRACKS THUS FAR, THE AUTHORIZED GAMES ARE IMPROVING. BUT ONLY PEOPLE IN SARATOGA SPRINGS SEEM TO LIKE THE GAMES. NEW YORK'S REVENUE PER MACHINE REMAINS THE LOWEST IN THE NORTH AND MIDEAST ACCORDING TO THE GAMING INDUSTRY OBSERVER

WE VALIDATED THE MGM- NYRA CONTRACT FOR VLT'S EVEN THOUGH THE ORIGINAL CONTRACT VIOLATED THE BIDDING PROCEDURES OF THE LAW IN

ORDER TO GET THE VLT'S UP AND RUNNING SOONER AT AQUEDUCT. NOW, VLT'S AT AQUEDUCT MAY BE READY FOR THE SUMMER OF 2007. IF SOMEONE HAD JUST ORDERED NYRA TO REBID THE CONTRACT, WE WOULD HAVE HAD VLT'S AT AQUEDUCT BY NOW.

ON THE EXECUTIVE SIDE, THE GOVERNOR NEEDED 5 ADDITIONAL TRUSTEE APPOINTMENTS IN 1997 TO OVERSEE NYRA. WHAT HAVE THESE APPOINTEES EVER DONE IN THE NAME OF OVERSIGHT? WE'VE HAD POINTLESS DELAYS ON REBATES, A DENIAL OF LOWER TAKEOUT, AND AN IRRATIONAL DENYING OF SOME, BUT NOT ALL, REBATING FIRMS ACCESS TO THE NEW YORK MARKETS. WE SENSELESSLY STOPPED NYRA FROM SELLING ITS PAINTINGS AND PROPERTIES NOT BEING USED FOR RACING; ONLY TO TURN AROUND AND LOAN THE NYRA BACK THE MONEY THAT IT WOULD HAVE EARNED FROM THESE SALES. WE ACCOMPLISHED ZIPPO.

THE LAW ENFORCEMENT SIDE SHOULD TAKE ITS LUMPS AS WELL. I'M SURE THE OFFICIALS WERE WELL-MOTIVATED, BUT THE RESULTS HAVE BEEN

EXTREMELY BOTTOM HEAVY. APART FROM THE MONEY LAUNDERERS, WHY DID THE ONLY PEOPLE AT NYRA WHO GET CRIMINAL SANCTIONS APPEAR TO BE CLERKS AND MIDDLE MANAGERS WHO CLEARLY HAD NO ROLE IN ESTABLISHING NYRA'S POLICIES ON AUTHORIZING DEDUCTIONS FOR LOSING WAGERS? WHY DIDN'T ANY ONE REMOTELY IMPORTANT AT NYRA GET PROSECUTED? INSTEAD CLEM IMPERATO AND VINCE HOGAN, - THE ELDERLY FORMER MUTUEL MANAGERS – END UP WITH FEDERAL FELONIES. WHY DID THE NYRA TRACKS NEED TO GET RAIDED IN 2000 AND THEN LATER IN 2004 TO FIND THE CLERK OF SCALES RECORDS? COULDN'T YOU JUST SUBPOENA OR GOD FORBID JUST REQUEST THE RECORDS? WHAT DID THIS EVER ACCOMPLISH? AND WE NOW HAVE THE CLERK OF SCALES CASE. ASSUMING THAT THE DEFENDANTS DIDN'T TAKE ANY BRIBES, IS THEIR ACTION IN SELECTIVELY ENFORCING THE RULES ANY MORE OR LESS CRIMINAL THAN THE NHL OR NFL REFS BARELY CALLING HOLDING PENALTIES IN THE LAST PERIOD OF GAMES? BUT – EVEN ASSUMING CRIMINALITY - YOU'D THINK THAT THE VIDEO EVIDENCE SHOULD BE IRREFUTABLE. YET, IT'S

APPROXIMATELY TWO YEARS SINCE THE FIRST INCIDENT OF ALLEGED WRONGDOING, AND WE'RE STILL BARELY IN ROUND ONE.

THE COMPTROLLER'S OFFICE KEEPS REPORTING THAT NYRA OWES MILLIONS IN FRANCHISE FEES, BUT WE NEVER GET ANY FINALITY. WE NEVER ACTUALLY FIND OUT WHAT THE TAX DEPARTMENT'S DECISION ON NYRA TAXATION ACTUALLY IS. WAS THE COMPTROLLER WRONG OR RIGHT? AFTER CASTIGATING NYRA FOR EVERY IMAGINABLE SIN, AFTER MONITOR NEIL GETNICK'S REPORT VINDICATED NYRA, THE OFFICE SUDDENLY DID A 180. APPARENTLY SOMEBODY MUST HAVE SEEN THE BROADWAY MUSICAL WICKED AND BECAME INFATUATED WITH THE LYRIC FROM THE SHOW THAT "THE MOST CELEBRATED ARE THE REHABILITATED." WE WERE EVEN FETED TO THE NOTION THAT THE FRANCHISE WAS NOW WORTH MILLIONS MORE DUE TO THE ETHICAL CLEANING, WHEN NYRA DID NOT EVEN HAVE THE MONEY ON HAND TO PAY THE CLEANERS. BUT MOST IMPORTANTLY, WITH TRANSPARENCY BEING THE OPERATIVE BUZZ WORD, WE FIND THAT THE BULK OF

THE MONITOR'S REPORT IS SEALED UNDER THE PRETEXT THAT IT MIGHT INVOLVE CRIMINAL ACCUSATIONS. IT SHOULD BE CLEAR NOW, EIGHT MONTHS AFTER THE REPORT, THAT NO CRIMINAL PROSECUTIONS ARE FORTHCOMING, AND THIS REPORT SHOULD BE TRANSPARENT AND AVAILABLE TO ALL. OTHERWISE, NO ONE MOURNS THE MONITOR.

EVEN THE COURT OF APPEALS SHOULDN'T GET OFF SCOT FREE HERE. AFTER THE VLT AND INDIAN CASINO LEGISLATION GOT PASSED IN 2001, WE AT ALBANY LAW USED TO HAVE THESE PROGRAMS WHICH ROUTINELY FEATURED JIM FEATHERSTONHAUGH IN SUPPORT OF THE LEGISLATION AGAINST NEIL MURRAY ARGUING THAT THE LEGISLATION WAS UNCONSTITUTIONAL. NEIL WOULD BE RECITING PASSAGES FROM PAST CONSTITUTIONAL CONVENTIONS, AND JIM WOULD BASICALLY SAY THE LEGISLATION WAS CONSTITUTIONAL BECAUSE ON A PRACTICAL BASIS, THE LEGISLATION IS NEEDED, AND THE COURT OF APPEALS WILL FIND A WAY TO MAKE THE LAW CONSTITUTIONAL. WELL, AS PER USUAL IN THINGS ALBANY, JIM WAS RIGHT, AND THE COURT OF

APPEALS BASICALLY REWORKED JIM'S SPEECHES AS ITS OPINION. JIM SHOULD HAVE GOTTEN A WRITING CREDIT. SLOT MACHINES ARE THE 800 POUND GORILLAS IN THIS CASE. THE OVERWHELMING MAJORITY OF THE PROFITS AT ALL AMERICAN CASINOS DERIVE FROM SLOT MACHINES, AND NOBODY AT THE COURT WOULD EVEN APPROACH MENTIONING THE QUESTION WHETHER SLOT MACHINES ARE AUTHORIZED UNDER THE STATE CONSTITUTION. INSTEAD, WE GOT A SUBSTANCE-FREE OPINION FROM THE COURT OF APPEALS.

SO WE'VE FOULED UP ROYALLY. WHAT DO WE DO ABOUT IT?

THERE AREN'T ANY MAGIC WANDS OUT THERE, AND THERE AREN'T ANY MESSIAHS. BUT ONE THING WE NEED TO DO THOUGH IS TO STOP HELPING THE SPORT. HORSE RACING IS CHOCK FULL OF DATHANS. YOU MAY REMEMBER DATHAN. HE WAS THE CHARACTER PLAYED BY EDWARD G. ROBINSON IN THE MOVIE, THE TEN COMMANDMENTS. HE'S THE CORRUPT NAYSAYER FOREVER SNEERING AT THE ISRAELITES

AND SANDBAGGING MOSES. HE'S ALWAYS CURSING THE DARKNESS RATHER THAN LIGHTING A CANDLE. HE'S THE GUY ALWAYS SAYING, "WHERE'S YOUR MESSIAH NOW, MOSES?" HORSE RACING IS HABITUATED BY DATHANS WHO SPEND MUCH OF THEIR TIME BLOWING UP LEGISLATION, PLOTTING AGAINST OTHER PEOPLE IN RACING AND TRYING TO BLOCK MOST ANYTHING THAT WOULD CHANGE THE STATUS QUO. IT'S TIME TO BANISH THE DATHANS AMONG US TO THE SINAI – OR MAYBE AT LEAST TO ROOSEVELT RACEWAY.

THREE YEARS AGO I WROTE THAT WE NEEDED A MORELAND ACT COMMISSION TO LOOK INTO EVERYTHING THAT HAS HAPPENED SURROUNDING NYRA. LAST YEAR, I SUGGESTED THAT IT WOULD BE IN NYRA'S BEST INTEREST TO HIRE ITS OWN OMBUDSMAN TO COME CLEAN AND REPORT ON THESE ISSUES. NOW, I THINK WE ALMOST NEED A SOUTH AFRICAN STYLE TRUTH AND RECONCILIATION COMMISSION. EVERYONE GETS IMMUNITY AND WE FIND OUT WHAT ACTUALLY HAPPENED AT NYRA. AGAIN, THERE'S SO MUCH WE

DON'T KNOW. WE'VE NEVER SEEN THE FULL STORY OF WHAT HAPPENED WITH NYRA'S USE OF HORSEMEN'S FUNDS. WHAT HAPPENED HERE? WHY WASN'T THIS CRIMINAL? DID THE LEADERSHIP OF THE HORSEMEN CONSENT TO ANY OF THIS USE? WHAT HAPPENED TO THE RECOMMENDATIONS OF SAFIR ROSETTI – THE SECURITY CONSULTING FIRM HIRED BY NYRA IN 2003? WHAT DID THIS FIRM RECOMMEND AND WHAT HAS NYRA DONE TO IMPLEMENT THESE RECOMMENDATIONS? IN A MORE PERFECT WORLD, WE MIGHT HAVE LEARNED THIS FROM THE MONITOR -BUT WE NEED A PUBLIC RECORD OF THIS, SO WE CAN LEARN FROM THE PAST, AND NOT REPEAT IT.

AND QUITE FRANKLY, I THINK IT'S IN NYRA'S BEST INTEREST TO MAKE EVERYTHING IT DOES PUBLIC. OPEN UP ITS RECORDS, DISCLOSE SALARIES, DISCLOSE AMOUNTS PAID TO CONSULTANTS PUT THE ANNUAL REPORTS ON THE INTERNET. OPEN UP BOARD MEETINGS. IN SHORT, DO EVERYTHING THAT IN YOUR POWER TO DIFFERENTIATE YOURSELF FROM YOUR COMPETITION.

WE OUGHT TO STICK TO WHAT GOVERNMENT DOES BEST WHICH IS CONCENTRATING ON MAKING SURE THAT HORSE RACING IS HONEST. AGAIN, WE COULD DO BETTER HERE. THE MAJOR NEED TO AVOID CORRUPTION IS TO WORK TO MAKE RACING FREE OF DRUGS, BUT WE HAVE WOEFULLY UNDERFUNDED DRUG TESTING AND DRUG RESEARCH OVER THE YEARS. WE'VE TREATED DRUG TESTING AS JUST PART OF THE OVERALL BUDGET GAME AND NOT AS AN ESSENTIAL NEED OF A SPORT THAT WE CONTROL. WE'VE DONE LITTLE FOR RACING INTEGRITY. IF YOU'RE GOING TO UNDERTAKE TO RUN A SPORT, RUN IT RIGHT.

WE NEED TO AVOID MAKING ECONOMIC POLICY DECISIONS ON RACING. OUR PAST PERFORMANCE IN STATE GOVERNMENT IS AWFUL. YOU MAY RECALL ZIPPY CHIPPY, THE HORSE THAT WENT 0 FOR 100. ON ECONOMIC DECISIONS, WE IN THE STATE MAY NOT BE ZIPPY CHIPPY, BUT WE'RE CLOSE TO THE 1962 METS OR THE 2006 KNICKS. I'M NOT SAYING THAT THE STATE DOESN'T HAVE THE BEST OF INTENTIONS. IT JUST ISN'T WITHIN THE STATE'S KNOWLEDGE BASE TOMAKE

THESE DECISIONS. THE TRACKS AND THE OTHER PARTICIPANTS IN RACING SHOULD BE MAKING THE FINANCIAL DECISIONS. GOVERNMENT JUST ISN'T MUCH GOOD IN DETERMINING HOW MUCH RETENTION OF A BET MADE AT AN OTB IN SCHENECTADY ON A NIGHTTIME RACE IN OREGON SHOULD BE GOING TO PURSES AT FINGER LAKES ON A DAY THAT NYRA ISN'T RACING. THERE'S NO WAY OF MAKING A RATIONAL DECISION HERE, AND POLITICS ALWAYS WILL DICTATE THE OUTCOME OF THESE DETERMINATIONS. ECONOMIC DECISIONS SHOULD BE LEFT TO THE RACING INDUSTRY. LET THEM SUCCEED OR FAIL ON THEIR OWN. IF THE TRACKS FAIL, LET IT BE ON THEIR HEAD.

NOW I TRIED TO DO JUST THAT. FOR THE ERSTWHILE FRIENDS OF NEW YORK RACING, I PROPOSED A DRAFT REVISION OF MUCH OF THE RACING LAW. THE MAIN IDEA WAS TO KEEP THE GOVERNMENT FROM MAKING DECISIONS ON THE ECONOMICS OF HORSE RACING. OTHERWISE, I LIBERALLY UTILIZED THE BEST IDEAS OF OTHERS – INCLUDING MUCH OF THE GOVERNOR'S PROPOSAL ON A UNIFIED STATE GAMING COMMISSION AND PATRICK

BROWN'S IDEA FROM THE EARLY 1990'S ON GIVING ALL PARTIES IN RACING A SHARE IN MOST EVERY OFF-TRACK BET. TO SAY THAT MY PROPOSAL WAS DEAD ON ARRIVAL IS PUTTING IT MILDLY. IT WAS DEAD IN UTERO. I'VE ENCLOSED IT IN YOUR MATERIALS SO THAT WE COULD SAY KADDISH – THE JEWISH PRAYER OF MOURNING - OVER THE PROPOSAL. BUT I STILL THINK THE BASIC PROPOSITION IS SOUND. WE AT THE STATE LEVEL SHOULD BE WORKING ON PROTECTING THE INTEGRITY OF THE SPORT FOR THE BENEFIT OF THE FANS. LET THE INDUSTRY DETERMINE THE ECONOMIC CONSEQUENCES OF ITS ACTIONS.

WE NEED TO MAKE TECHNOLOGY – MOST SPECIFICALLY THE INTERNET - WORK FOR RACING. NOW EVERYBODY SAYS THIS, BUT LOOK AT RACING'S HISTORY. A LOT OF WHAT HAS WORKED FOR RACING OVER THE DECADES HAS INVOLVED TECHNOLOGY. RACING PROSPERED AFTER THE CIVIL WAR BECAUSE THE ADVENT OF RAILROADS MADE IT EASIER TO TRANSPORT HORSES. GREYHOUND RACING PROSPERED WORLDWIDE IN THE 1920'S BECAUSE OF THE TECHNOLOGY WHICH ENABLED DOGS TO CHASE A

MECHANICAL RABBIT. THOROUGHBRED RACING PROSPERED IN THE 1930'S BECAUSE OF THE ELECTRONIC TOTALIZATOR AND THE ELECTRICAL STARTING GATE. HARNESS RACING THRIVED IN THE LATE 1940'S AND 1950'S AFTER TECHNOLOGY ALLOWED FOR NIGHT RACING AND A MOBILE STARTING GATE. THE POINT IS THAT WE SHOULD BE PARLAYING TECHNOLOGY AND RACING'S POSITION AS THE ONLY SPORT WITH LEGALIZED WAGERING TO MAXIMUM ADVANTAGE. WE SHOULD BE SUPPORTING ACCOUNT WAGERING OVER THE INTERNET. WE NEED TO LET FIRMS FROM OUTSIDE NEW YORK COMPETE FOR ACCOUNT WAGERING DOLLARS SO LONG AS THEY OPERATE ON THE SAME LEVEL PLAYING FIELD AS THE NEW YORK ENTITIES. WE NEED TO TRY TO MAKE MORE HANDICAPPING DATA AND MATERIAL AVAILABLE FOR FREE ON THE INTERNET, AND WE NEED TO PRESENT PAST PERFORMANCE DATA IN A WAY THAT DOESN'T LOOK LIKE HIEROGLYOPHICS TO FIRST TIME FANS. WE OUGHT TO ENCOURAGE OTB'S TO WORK AMONG THEMSELVES AND THE TRACKS. WE SHOULDN'T BE RESTRICTING BROADCASTING OF HORSE RACES. WE NEED A BETTER PRODUCT. WE WON'T ACHIEVE IT BY

PROTECTING THE EXISTING PRODUCT. WE NEED TO ENCOURAGE COMPETITION IN ORDER TO IMPROVE THAT PRODUCT.

MOST SPECIFICALLY, I BELIEVE WE OUGHT TO LOOK AT AUTHORIZING ROTISSERIE OR FANTASY WAGERING ON HORSE RACING. PEOPLE IN RACING TEND TO BELIEVE THAT RACING HAS LOST ITS MARKET SHARE TO GAMES LIKE LOTTERIES AND SLOT MACHINES THAT HAVE MADE GAMBLING EASY AND DUMB. BUT RECENTLY, WE'VE SEEN THE OPPOSITE OF THIS DUMBING DOWN PHENOMENON. WITH THE RISE OF POKER AND EVEN MORE SPECTACULARLY THE RISE OF FANTASY SPORTS, WE'VE SEEN THE EMERGENCE OF THEGEEK GAMBLING GAMES. WHEN YOU PUT ON ANY TELEVISED SPORTING EVENT, YOU GET A CRAWL OF THE STATISTICAL HIGHLIGHTS ALL ACROSS THE LEAGUE. THAT'S NOT THERE FOR FUN. IT'S BECAUSE THAT'S WHAT FANTASY PLAYERS WANT.. WHY IS THERE NOW SO MUCH HOOPLA OVER THE NFL DRAFT? IT'S FANTASY-DRIVEN.

THE FANTASY STATS ARE MIND-BOGGLING. A RECENT HARRIS POLL PUT THE NUMBER OF U.S. FANTASY SPORTS PARTICIPANTS AT 29.6 MILLION, WITH AT LEAST 20 MILLION PLAYING FANTASY FOOTBALL. MORE THAN \$3 BILLION IS SPENT ANNUALLY ON PUBLICATIONS, LEAGUE FEES, COMMISSIONER SERVICES, TRANSACTION FEES AND THE PURCHASE OF FANTASY-SPORTS-SITE CONTENT. 65% OF ONLINE SPORTS REVENUE COMES FROM FANTASY CONTENT. FANTASY SPORTS ARE DISPROPORTIONATELY POPULAR WITH MANY OF THE MOST HIGHLY SOUGHT-AFTER DEMOGRAPHIC SEGMENTS, INCLUDING YOUNGER, MORE EDUCATED AND MORE AFFLUENT CONSUMERS. IT'S THE PERFECT NICHE MARKET THAT RACING HAS ALWAYS COVETED. WEALTHY YOUNG SPORT-OBSESSED MALES. OTHER THAN THE OBSSESSED MALE PART, THIS IS NOT THE CROWD THAT WILL BE IN THE GRANDSTAND AT BELMONT TOMORROW.

MOST IMPORTANTLY, A PRETTY GOOD ARGUMENT CAN BE MADE THAT FANTASY LEAGUES OFTEN INVOLVE ILLEGAL GAMBLING. AS A PLAYER, YOU PUT

UP MONEY. YOU GET A PRIZE IF YOU WIN, AND THE PRIZE IS BASED ON FUTURE CONTINGENTS EVENT NOT WITHIN THE PLAYER'S CONTROL. BINGO, THAT'S THE DEFINITION OF GAMBLING UNDER NEW YORK'S PENAL LAW.

THAT'S WHY THE FANTASY SPORTS INTERESTS ARE SEEKING TO PROTECT FANTASY SPORTS BY OBTAINING AN EXEMPTION UNDER THE PROPOSED INTERNET GAMBLING PROHIBITION ACT THAT IS CURRENTLY BEFORE CONGRESS. AGAIN, RACING COULD BE POISED TO OFFER THE ONLY ASSUREDLY LEGAL FANTASY CONTEST. WE HAVE TO FIND A WAY TO DEVELOP A FANTASY COMPONENT FOR HORSE RACING.

FINALLY, I DIDN'T INCLUDE IT IN MY CATECHISM OF SUGGESTIONS – BECAUSE EVEN FOR ME IT WAS EXCESSIVELY POLLYANNAISH, BUT WE NEED TO TRY TO KEEP MONEY AND POLITICS OUT OF THE FRANCHISE GAME. WE HAVEN'T SEEN MUCH OF THIS IN THE PAST YEAR OR SO, BUT WE'VE SEEN IN THIS STATE AND

OTHER STATES THAT NYRA, MAGNA, CHURCHILL, AND THE HORSEMEN CAN PROVIDE AMPLE CAMPAIGN FUNDS WHENEVER THEY CHOOSE TO DO SO. LET'S TRY TO KEEP CAMPAIGN DOLLARS OUT OF THE FRANCHISE DETERMINATION.

I RECOGNIZE THAT WE'VE SCREWED UP RACING IN NEW YORK, BUT WE. HAVEN'T MANAGED TO DESTROY IT YET.. LOOK, I'VE BEEN A RACING FAN FOR A VERY LONG TIME, AND I'VE GONE TO ALL MANNER OF SPORTING EVENTS FOR MORE THAN 50 YEARS. THERE IS NOTHING LIKE THE ROAR AT THE TRACK. I REMEMBER HEARING IT IN 1997 AT THE BELMONT STAKES WHEN SILVER CHARM WHO WAS GOING FOR THE TRIPLE CROWN, TOOK THE LEAD IN THE STRETCH. THE SAME ROAR CAME OVER BELMONT WHEN SMARTY JONES ENTERED THE STRETCH IN 2004. NOBODY IS SAYING A WORD. THERE'S NO "GO, BABY, GO." THERE'S NO HOWARD DEAN SCREAMING OR ANY ACTUAL WORDS BEING SPOKEN. BUT SUDDENLY TENS OF THOUSANDS ARE ROARING, AND AS THE HORSES MOVE DOWN THE STRETCH IT BECOMES ONE GIGANTIC HOWL OF SOUND. SURE, THESE HORSES MAY NOT HAVE WON THE TRIPLE

CROWN, BUT I'VE NEVER GOTTEN OVER THE 20 SECOND ULTIMATE ROAR OF THE STRETCH. FOR THOSE MOMENTS THE PASSION OF THE FANS AT GARDEN STATE AND BOWIE WAS STILL ALIVE. IT SHOULD BE OUR JOB IN THIS STATE TO KEEP THE SOUND OF THAT ROAR ALIVE.

RIGHT NOW, HORSE RACING TO THE NEW YORK STATE LEGISLATURE IS THE EQUIVALENT OF JACK NICHOLSON'S CHINATOWN. NOBODY WANTS TO VENTURE THERE. IT'S WHERE THE REGULAR RULES DON'T APPLY. ASK THE LEGISLATIVE LEADERS OR MAJOR STAFFERS ABOUT RACING LEGISLATION, AND THEY'LL SHAKE THEIR HEADS AND CRINGE. THEY HATE IT. THEY DON'T UNDERSTAND WHY THEY HAVE TO DEAL WITH IT. IT'S A SMALL INDUSTRY PRODUCING MINIMAL STATE REVENUE DEMANDING CONSTANT PROTECTION. IT'S AN INDUSTRY THAT CAN NEVER GET ITS ACT TOGETHER. THEIR RESPONSE TO RACING IS "FORGET IT JAKE, OR SHELLY, OR JOE IT'S CHINATOWN."

HOPEFULLY, THE IDEAS I'VE RAISED WILL  
TRANSPORT US OUT OF CHINATOWN AND MAKE  
CERTAIN THAT THE PASSION AND THE ROAR THAT IS  
RACING AT ITS BEST CAN CONTINUE AT THE BELMONT  
OF OUR FUTURE.