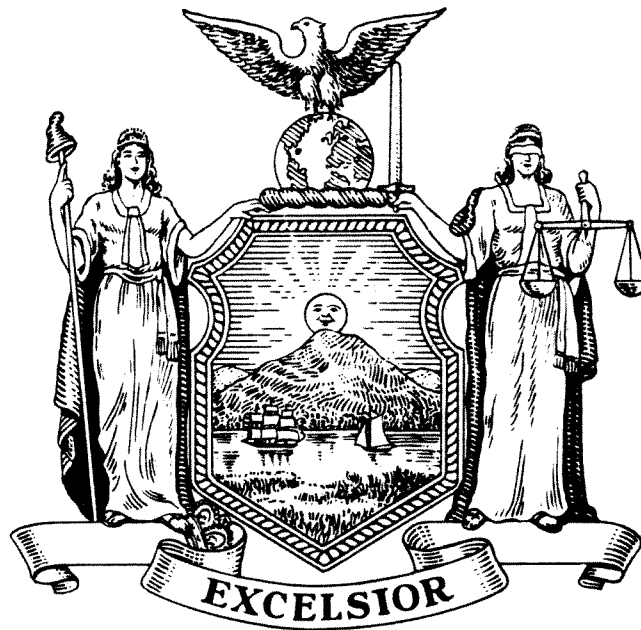


**STATE OF NEW YORK
SIMULCAST REPORT
1988**



**NEW YORK STATE
RACING & WAGERING BOARD**

MARIO M. CUOMO
Governor

RICHARD F. CORBISIERO, JR.
Chairman

BENNETT LIEBMAN
Member

JOSEPH P. NEGLIA
Member



STATE OF NEW YORK
NEW YORK STATE RACING AND WAGERING BOARD

400 Broome Street
New York, N. Y. 10013
(212) 219-4230

MEMBERS

Richard F. Corbisiero, Jr.
Chairman
Bennett Liebman
Joseph P. Neglia

March 31, 1989

To the Honorable Mario M. Cuomo, Governor:

In accordance with the provisions of Section 1002(2) of the Racing, Pari-Mutuel Wagering and Breeding Law, I am pleased to submit to you the fifth annual Simulcast Report of the Racing and Wagering Board.

Nineteen hundred and eighty-eight saw New York State continue to lead the nation in total dollars wagered on horse races. Combined handle, both on and off-track, totalled almost \$3.5 billion. The Board has identified simulcasting as a significant factor in the maintenance of statewide handle levels. This fourth full calendar year for the simulcasting of horse races for pari-mutuel purposes within the state, saw it reach a degree of maturity. Simulcast activities during 1988 and its results are described in detail in this report.

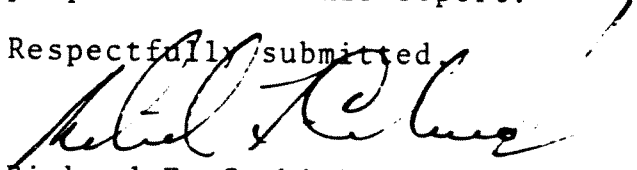
The racing and wagering industry remains an important component of the Empire State's economy. It generates substantial revenue for state and local governments and employs tens of thousands of New Yorkers. However, the industry is plagued by significant differences among its various components. The Board devotes considerable time and efforts to mediate these disputes. The acrimony which characterizes many of the relationships within the racing and wagering community can only inhibit its continued well being.

The Board strongly believes that there must be a cooperative partnership among all elements of the industry if New York is to maintain its preeminence in the racing world. Together, we must continue to promote and enhance this unique and exciting sport.

In this report, the Board recommends that simulcasting be made a permanent part of New York's racing and wagering system, while giving us the necessary authority to insure its proper and lawful conduct. As we move into the last decade of this century, the New York State racing, wagering and breeding industries must move towards the goals of expanding the economy of and interest in racing, insuring the public's confidence in the sport, and achieving true industry-wide cooperation.

The Board's staff, particularly Steven H. Richman, Eileen M. Clarke-Brady and John M. Dailey, are commended for their extraordinary efforts in the preparation of this report.

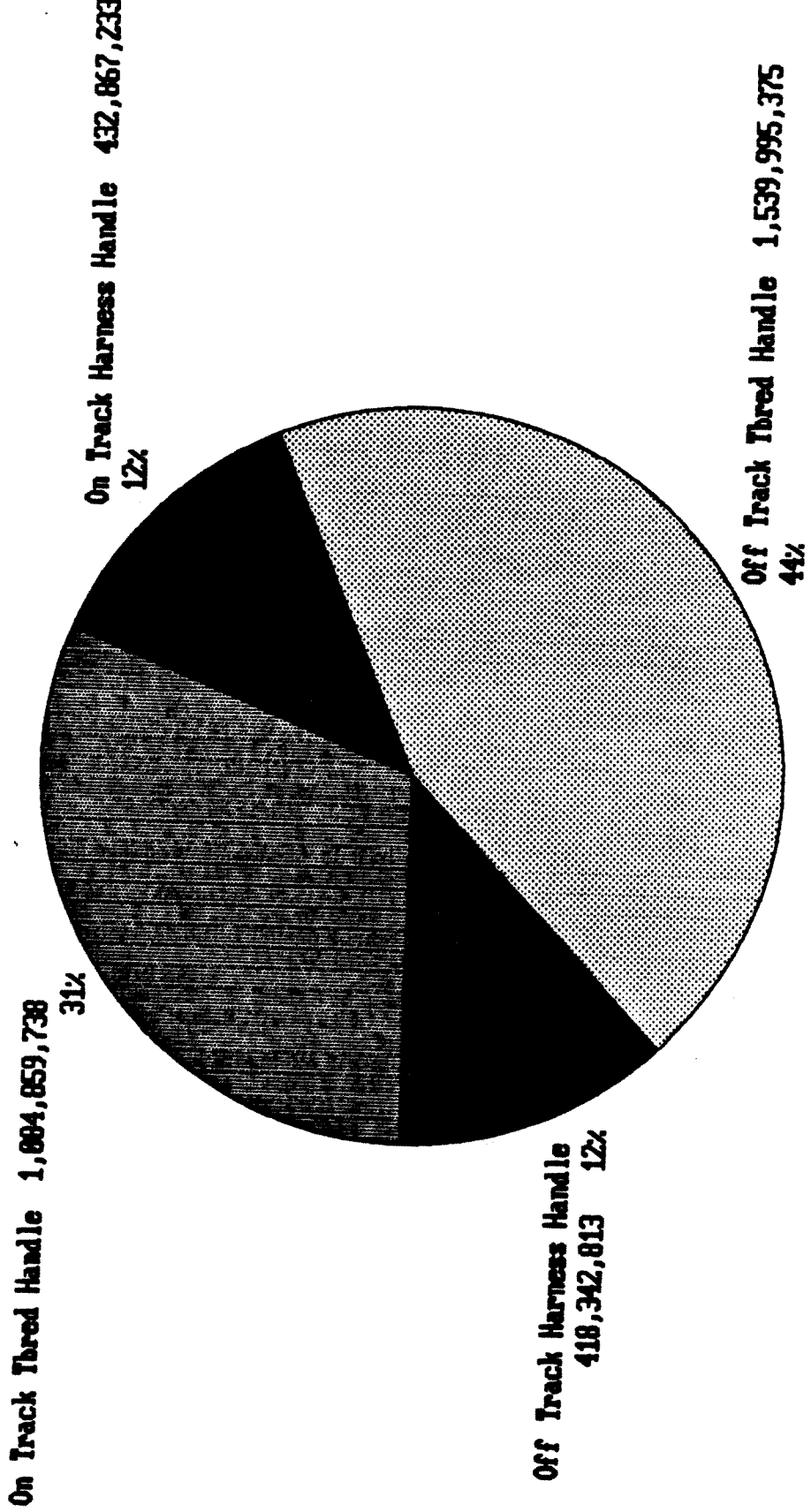
Respectfully submitted,



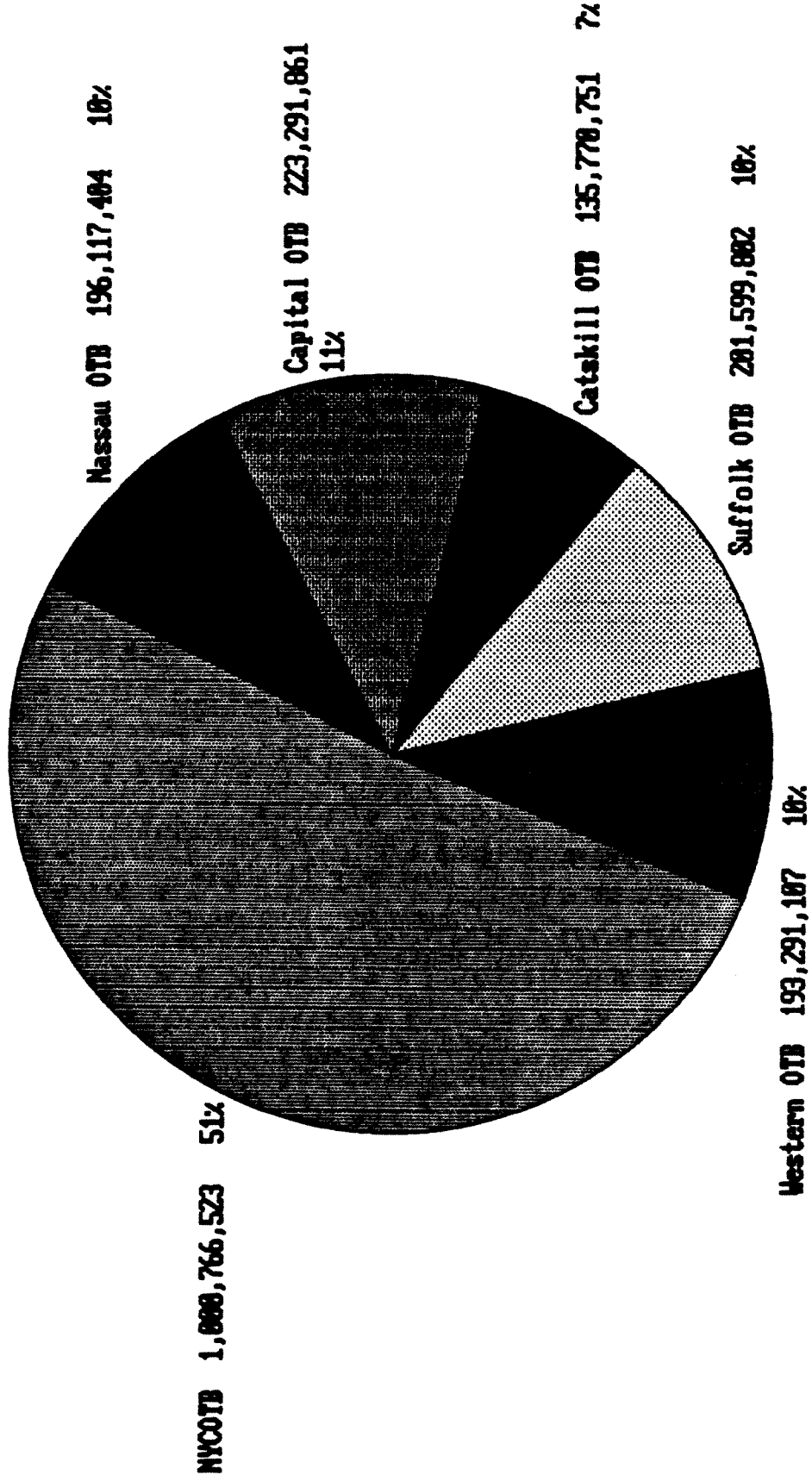
Richard F. Corbisiero, Jr.
Chairman

1988 TOTAL HANDLE

On-Track and Off-Track Combined



1988 STATEWIDE OTB HANDLE BY CORPORATION



COMPARISON OF SIMULCAST AND NON-SIMULCAST HANDLE

1988 vs. 1987

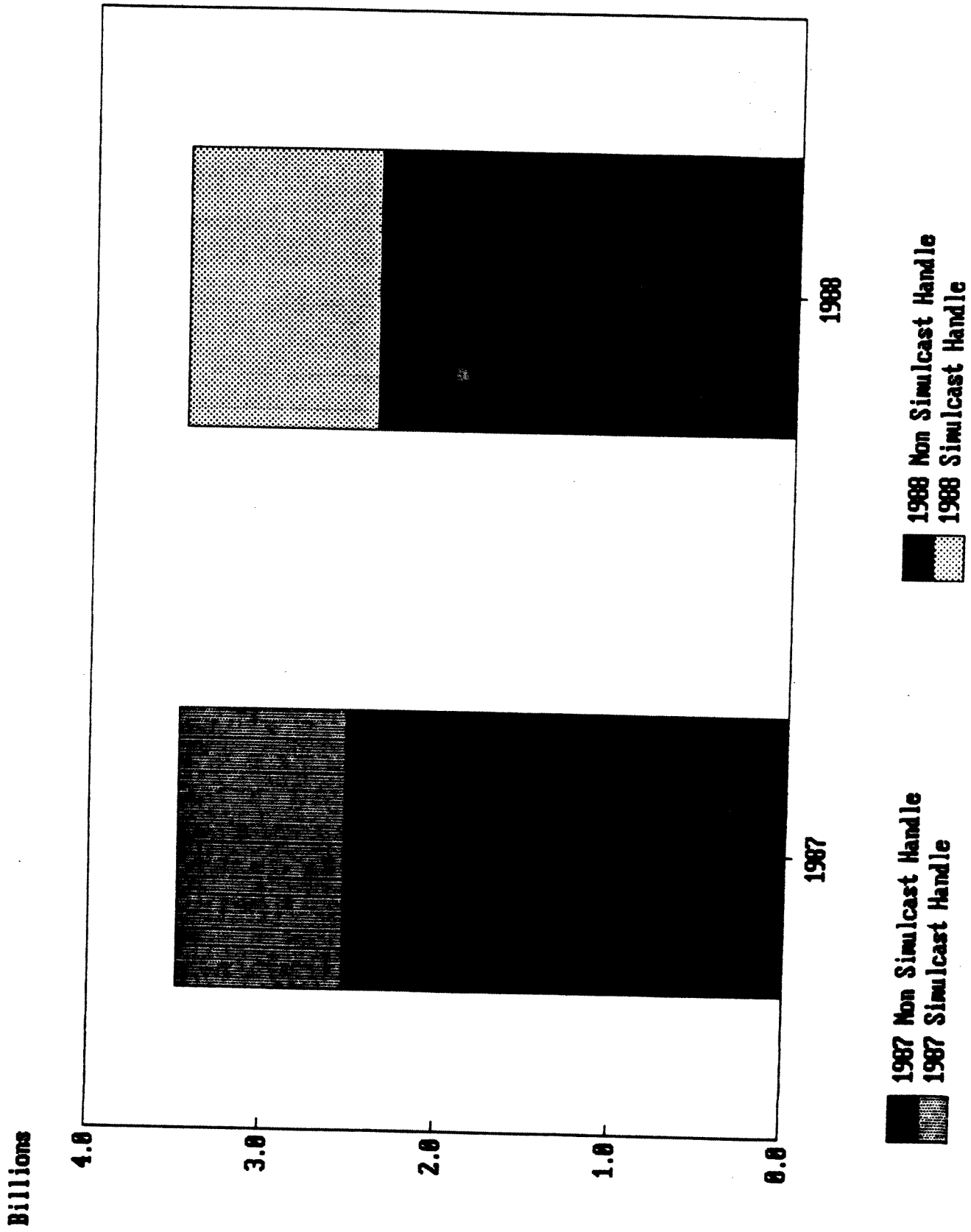


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PREAMBLE

Nineteen hundred and eighty-eight was the fourth full calendar year in which comprehensive statewide simulcasting of horse races within New York State occurred. "Simulcasting" is the display of live televised horse races on which pari-mutuel betting is permitted at a site other than the track where the race is held.

It was authorized by Governor Cuomo and the Legislature in July, 1984, on a one-year experimental basis. The purpose of the 1984-85 experiment was to determine if simulcasting could promote the overall growth of the racing, pari-mutuel wagering and breeding industries, resulting in additional revenues for the support of racing associations and corporations, purses, breeders, off-track betting corporations, labor, and state and local government. The one-year experimental scheme for simulcasting ran from July 1, 1984 - June 30, 1985, pursuant to Chapter 363 of the Laws of 1984.

After careful study and analysis of that experiment during 1985, including this Board's 1984 Simulcast Report and recommendations to the Governor and Legislature (dated March 27, 1985), the Legislature then passed and Governor Cuomo approved, Chapters 286 and 287 of the Laws of 1985. The 1985 laws amended the provisions of Article X of the Racing, Pari-Mutuel Wagering and Breeding Law and authorized comprehensive statewide simulcasting for five years through June 30, 1990. In extending the provisions of Article X, the Legislature continued to find that the racing, breeding and pari-mutuel wagering industry is an

Section 1002(2) of the Racing, Pari-Mutuel Wagering and Breeding Law (hereinafter Racing Law) requires the Board to submit annually a report on March thirty-first following each year in which simulcasting is conducted, to the Governor and the Legislature. This report on simulcasting is to evaluate its compatibility with the well being of the horse racing, breeding and pari-mutuel wagering industries in the State and the Board is to make any recommendations it deems appropriate. In accordance with the statutory mandate, the Board respectfully submits this, its fifth report, for the year ending December 31, 1988.

DEFINITIONS

In order to better understand this report on simulcasting, several specialized technical terms must be defined.

A SIMULCAST is the display of live audio and visual signals of thoroughbred, harness or quarterhorse races conducted at a track in the State for the purposes of pari-mutuel wagering at a site away from the track.

A SENDING TRACK is the race track holding the races from which simulcasts originate.

There are three types of SIMULCAST RECEIVING FACILITIES - an OTB BRANCH (including an OTB telebranch and an enhanced OTB telebranch), a RECEIVING TRACK or a SIMULCAST THEATER (including demonstration projects).

A licensed OTB BRANCH, the ordinary operating component of an OTB corporation, is authorized to display the simulcast signal.

In the July, 1985 legislation, special types of simulcast theaters called SPECIAL DEMONSTRATION PROJECTS were created for purposes of stimulating economic development, employment opportunities and state and local revenues. These special demonstration projects were authorized only in privately owned hotels in Sullivan and Ulster Counties for the exclusive use of guests of the hotel. Hotels in Greene County were made eligible by a 1986 statutory amendment. Additionally, one such special demonstration project was authorized within the City of New York. These facilities were authorized to be operated (a) by an OTB corporation or (b) jointly by an OTB corporation and a track. In either case, an outside or third party may participate in the operation of these facilities. To date, no applications for any of these licenses have been made.

Simulcasting uses the existing PARI-MUTUEL SYSTEM of betting (the only legalized form within the State of New York). In that system, all monies bet on a given race go into a pool. Odds on each horse or combination of horses are based upon the amount of money bet on each horse or combination in relation to the amount of the pool. Neither the track at which the races are run nor OTB contributes any funds to the pool from which winning bets are paid.

During the first year of the experiment (1984-85), minimum compensation to tracks simulcasting to OTB branches was calculated on the basis of incremental handle.

INCREMENTAL HANDLE was defined as the amount by which total monies bet at designated OTB facilities during the simulcast

the entire handle of an OTB simulcast branch on the races of the track being simulcast.

BACKGROUND SUMMARY: SIMULCASTING 1979 - 1987

New York has been a leader in the development of simulcasting. Beginning in 1979, the State undertook various experiments and test projects relating to simulcasting, including the first comprehensive statewide experimental program during 1984-1985.

For the purpose of understanding what the State has done in the past, the following information summarizes New York's efforts during the period of October, 1979 through December, 1987.

SIMULCAST OPERATIONS BY OFF-TRACK BETTING CORPORATIONS
AND RACE TRACKS BEFORE JULY 1, 1984 (PRE-ARTICLE X)

Prior to the commencement of the experimental scheme in July, 1984, several limited simulcast programs were authorized.

Within the State, the Legislature authorized the New York City Off-Track Betting Corporation to display in two existing OTB facilities on Staten Island, the telecast of live audiovisual signals of harness racing. This experiment began in October, 1981, at the Grant City and Richmond Avenue branches. A similar program was undertaken in Suffolk County by that county's regional off-track betting corporation in March, 1982, at its Sun Vet and Shirley branches. The authority for this simulcasting expired on June 30, 1985 (pursuant to Section 521(8) of the Racing Law, as amended). Subsequent simulcasts to these

SIMULCASTING OPERATIONS BY OFF-TRACK BETTING CORPORATIONS AND
RACE TRACKS DURING 1984

After the enactment of the experimental simulcast statute in July, 1984, all of the State's off-track betting corporations and six of the State's ten tracks participated in the experiment.

A total of 55 simulcast licenses were issued, four to tracks, and 51 to off-track betting branches. The two tracks, which only transmitted simulcasts, were not required to be licensed under terms of the law.

The first experiment was conducted by NYRA with simulcasts of its Saratoga races to its Aqueduct track beginning August 1, 1984. During August, the New York City, Nassau, Suffolk and Catskill OTB regions followed with simulcasts of both the Saratoga thoroughbred races, and Roosevelt Raceway harness races. Eventually, during 1984, the Capital and Western regions and Saratoga Raceway, Finger Lakes Race Track and Buffalo Raceway joined the experiment.

All of the simulcasting was done by agreement between the tracks and OTB corporations. The tracks charged the OTB corporations an additional percentage of handle (approximately 4%) above the regular statutory percentages (approximately 5%). This was based upon a computation of additional incremental handle caused by simulcasting. Thus, for this incremental handle, the OTB corporations paid the tracks approximately 9%, rather than the usual 5%.

Track to track simulcasting was also based on contractual agreements. Saratoga Raceway, Finger Lakes Race Track and

authorization was somewhat less than it was under the one year experiment (pre-July, 1985).

The New York City, Nassau, Suffolk and Catskill Regional Off-Track Betting Corporations considered that their respective 1985 simulcast operations were, at the least, not a losing proposition. The Capital District Regional Off-Track Betting Corporation, as well as Finger Lakes Race Track, Saratoga Raceway and NYRA's simulcasts to Aqueduct from Saratoga, were successful. Both the Western Regional Off-Track Betting Corporation and Buffalo Raceway concluded that their experiences with simulcasting in 1985 were not financially successful.

With the enactment of the 1985 Omnibus Racing Legislation, all parties hoped that the statutory amendments would enhance the success of simulcasting and result in the overall improvement of the racing, pari-mutuel wagering and breeding industries.

SIMULCASTING OPERATIONS BY OFF-TRACK BETTING CORPORATIONS

AND RACE TRACKS DURING 1986

During 1986, regular track to track simulcasting was continued by Finger Lakes Race Track and Saratoga Raceway on NYRA races, as well as Aqueduct's simulcasting of the Saratoga 24-day meeting. Yonkers Raceway, having contracted for necessary consents of the New York City and Catskill Regional Off-Track Betting Corporations, in conjunction with its own races to them, began simulcasting NYRA races on March 24, 1986 (the opening date was delayed until the track and its horsemen reached agreement on the horsemen's purse share).

in the afternoon and Roosevelt/Yonkers races at night. The total handle was \$26.4 million for a daily average of close to \$100,000 (the State's first simulcast theater in Albany operated for the full year and averaged \$71,000 in handle per day).

Also in April, Finger Lakes began a full season of daily simulcasting to the Western and Capital regions. For the year, combined on-track and off-track betting on Finger Lakes races increased by \$24 million to \$124 million, an increase of almost 25%.

On May 17, 1986, the State's third simulcast theater was opened in Suffolk County. Through December 31, \$11 million was wagered there for a daily average of almost \$50,000.

In July, the downstate off-track betting regions began interfacing their "dark-day" pools at Finger Lakes and were able to offer the same betting pools available on-track. This, coupled with increased simulcasting, resulted in substantial increased betting.

In September, the new quarterhorse race track at Suffolk Meadows began simulcasting its races to the Nassau, Capital and Western OTB regions. For the 18 days, the total off-track handle was \$1.5 million, averaging \$82,000 per day.

Finally, during November and December, Batavia Downs and Buffalo Raceway inaugurated simulcasting to OTB branches in the Western and Capital regions. For this period, simulcast handle totaled \$5.5 million, increasing daily off-track betting by an estimated \$50,000 (31%) from \$160,000 to \$210,000.

On March 24, 1987, New York City Off-Track Betting Corporation opened its second simulcast theater (the first having opened in 1986). Simulcasts of NYRA races in the afternoon and Roosevelt/Yonkers races at night were the primary offerings. The total handle for both theaters was \$58.1 million, for a daily average exceeding \$160,000 (in 1987, the one theater had averaged \$100,000). The State's first simulcast theater, in Albany, operated for the full year and averaged \$80,000 in handle per day, while Suffolk's theater also averaged \$80,000, operating the entire year.

In April, Finger Lakes began its second full season of daily simulcasting to the Western, Capital and Catskill regions and on NYRA "dark days" to the other OTB regions. For the year, off-track betting on Finger Lakes races increased \$31 million to \$106 million, an increase of almost 41%!

Suffolk Meadows, the "new" quarterhorse track which conducted racing in 1986, failed to re-open in 1987. For 18 days in 1986, limited simulcasting of its races had averaged \$82,000 per day.

Also during the year, NYRA simulcast some of its featured races to 60 out-of-state tracks which handled \$35.4 million on those races and paid NYRA \$2.5 million. Roosevelt and Yonkers simulcast a few races to tracks in other states yielding nominal results.

A serious disruption of Connecticut's off-track betting (and, therefore, simulcasting) on Roosevelt and Yonkers races occurred in midyear, 1987, when the horsemen's association at

APPLICATION PROCESS AND GUIDELINES

In authorizing intra-state simulcasting, the Legislature mandated that each track or off-track betting corporation must apply for a license to operate a simulcast facility. Such a facility may be a race track, an OTB branch or a simulcast theater.

Applications for licenses shall be in such form as may be prescribed by the Board and contain such information, material or other evidence the Board may require. In addition, the Legislature prescribed a \$500 per year license fee for each simulcast facility to be paid by the licensee.

The application itself must contain a SIMULCAST PLAN OF OPERATION which is subject to the review and approval of the Board. Section 1003(2) of the Racing Law specifies the contents of such plan.

Each applicant must also submit a feasibility study projecting the estimated revenues and costs to operate a simulcast facility. To be included in the study is the following information:

1. the number of simulcast races to be displayed;
2. the types of wagering to be offered;
3. the level of attendance expected and the area from which such attendance will be drawn;
4. the level of anticipated wagering activity;
5. the source and amount of revenues expected from other than pari-mutuel wagering;
6. the costs of operating the simulcast facility and the

1009 of the Racing Law (including as the case may be, race tracks, off-track betting corporations and/or local governments).

In addition, Section 1010 mandates that the Simulcast Plan of Operation shall include provision for job security for race track and OTB corporation employees within the region where the simulcast facility is located.

The Board has imposed additional requirements for licensing a simulcast facility. Following Board approval of the Capital District Regional Off-Track Betting Corporation's application to operate a telebranch in Albany during 1985, an unsuccessful law suit was commenced by area residents in an attempt to prevent the opening of the facility. New York State Supreme Court, Albany County, determined that the Board acted correctly in licensing the facility. During the course of preparing for this litigation, the Board was advised that it must insure compliance with the State Environmental Quality Act with respect to the determination of the environmental impact relating to a simulcast facility. Capital OTB submitted a comprehensive statement for the Albany facility, and it was then licensed by the Board. The court thereafter found that the Board properly licensed the facility. Accordingly, the Board now requires the submission of an Environmental Assessment Statement in a prescribed format for each new simulcast facility.

In 1986, the Board began an intensive effort to insure that all off-track betting facilities (including simulcast facilities) were in compliance with the New York State Uniform Fire Prevention and Building Code. A similar effort with respect to

making a determination to authorize a specific simulcast operation. Of course, a speedy submission of the necessary written materials has always been required.

SIMULCAST FACILITY LICENSING

In accordance with the provisions of Section 1002(1) of the Racing Law, the Board issued guidelines for applications for simulcast facility licenses. An annual licensing cycle of July 1 through June 30 of the following year was established to coincide with the statutory authorization concerning Article X.

With the effective date of the revised Article X, in 1985, the Board required each applicant to apply for a new simulcast facility license for the year July 1, 1985 through June 30, 1986. Accordingly, renewal procedures were implemented for the licensing years beginning July 1, 1986, July 1, 1987 and July 1, 1988. Under this procedure, 167 simulcast facility licenses were issued and a total of \$83,500 in fees was received and remitted to the State's general fund as of December 31, 1988.

A breakdown by applicant is set forth below:

1988 - 1989 LICENSING YEAR

<u>APPLICANTS</u>	<u>NUMBER OF LICENSES ISSUED</u>	<u>FEES PAID</u>
New York City OTB	38	\$19,000
Nassau OTB	10	5,000
Suffolk OTB	11	5,500
Catskill OTB	16	8,000
Capital OTB	42	21,000
Western OTB	45	22,500
New York Racing Assn.	1	500
Finger Lakes Race Track	1	500
Yonkers Raceway	1	500
Saratoga Raceway	1	500
Vernon Downs	1	500
<u>TOTAL (July 1 - Dec. 31, 1988)</u>	<u>167</u>	<u>\$83,500</u>

STATUTORY AMENDMENTS - 1985

Legislation (Chapters 286 and 287, of Laws of 1985) enacted in July, 1985, amended the Racing Law and empowered the Board to prescribe rules and regulations to govern certain activities authorized by the July, 1985 amendments. These included courier betting, licensing of all participants in simulcasting and suspension of the OTB surcharge on certain telephone betting accounts.

The Board was empowered to prescribe rules to govern the conduct of employees who provide the courier betting service within the designated locations at tracks or OTB facilities. Courier betting has not yet been requested at any on or off-track wagering facility. However, the Board has adopted rules to govern such activity in the event that an authorized entity so requests.

In its 1984 Simulcast Report, the Board recommended that it be authorized to license any person, association or corporation participating in simulcasting, including those who create, distribute, transmit or display simulcast signals. The Legislature and the Governor accepted that recommendation. The Board had begun the process of drafting rules and regulations to govern this procedure, including defining those persons, associations or corporations who must be licensed under the provisions of Section 1003(5) of the Racing Law. However, it became clear that licensing only of OTB simulcast facilities was difficult. Accordingly, the Board has recommended legislation to

STATUTORY AMENDMENTS - 1988

Several statutory amendments relating to simulcasting were enacted by the State Legislature during 1988. The most significant change was the passage of Chapter 261 of the Laws of 1988. It provided a new series of tax reductions for the State's harness tracks and Finger Lakes Race Track. It also established certain requirements for the tracks to receive such relief. The 1987 tax relief law required the Board to annually report on or before March 1, to the Director of the Budget, the Chairman of the Senate Finance Committee and the Chairman of the Assembly Ways and Means Committee on how the State's harness tracks and Finger Lakes Racing Association utilized the tax relief and other benefits authorized by Chapter 261 of the Laws of 1988.

Chapter 261 also added a new Section 906 to the Racing Law. It authorized every harness racing association or corporation, off-track betting corporation or simulcast theater operator to accept wagers on a series of harness races known as the Breeders' Crown. It also authorized simulcasts of those races to all harness race tracks as well as licensed OTB simulcast branches and theaters. This chapter also reimposed the State tax on simulcasts of New York harness races to OTB facilities within the State of Connecticut.

Other racing related legislation enacted into law during 1988 included Chapter 488 which mandates that 50% of the compensation received for international simulcasts or wagering on New York thoroughbred races, shall be allocated to purses.

with concerned members of the industry. The Board has maintained a continuing dialogue with representatives of the tracks, OTB corporations, horsemen's groups, staff members of the Legislature and other interested parties.

Each group was given the opportunity to present its views and opinions with respect to the effect of the statute, the problems encountered in implementing the statute and its recommendations for legislative action. As would be expected, the groups' representatives were forceful advocates of their respective interests and policy positions. The details of the problems encountered by each of the respective entities are further discussed within the context of the descriptive narratives for each OTB corporation and track.

On January 24, 1989, the Chairman and Members of the Board met informally with the members and staff of the New York State Assembly's Standing Committee on Racing and Wagering. At the meeting, the Board restated its ongoing concern for the continued well-being of the industry and the continued lack of cooperation and understanding which persists throughout all the segments of the racing and wagering community. The Board reported on its vigorous efforts to promote the public's confidence in, and insure the integrity of, all segments of racing and wagering. The Board's Legislative Program for 1989 was also discussed. Following that meeting, members of the Board's staff met with legislative staff members to continue discussions on pending legislation.

The report can serve as one of the bases for making important public policy decisions which will shape the future of New York's racing and wagering in the 1990's and beyond.

In April, Finger Lakes began its third full season of daily simulcasting to the Western, Capital and Catskill regions and on NYRA "dark days" to the other OTB regions. For the year, off-track betting on Finger Lakes races again increased substantially to \$119 million, an increase of \$13 million or 12%.

Also during the year, NYRA simulcast some of its featured races to 63 out-of-state tracks which handled \$41.2 million on those races and paid NYRA \$2.4 million.

The disruption of Connecticut's off-track betting on Roosevelt and Yonkers races which occurred in midyear 1987 ended in 1988. As a result simulcasting now continues on a regular basis from Yonkers Raceway to that state.

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

The Western Regional Off-Track Betting Corporation, located in western New York State, is comprised of 18 counties, 15 of which handle off-track betting. The two major cities in the Western area, Buffalo and Rochester, also participate as full members of OTB. Four branches were closed during the year which left the total number of branches operating in Western at 48. Of these 48 branches, five were relocated during the course of the year.

Western OTB conducted 218 simulcast operations during 1988 involving simulcasts at 45 branches from the New York Racing Association (NYRA), Finger Lakes Race Track, Batavia Downs, Buffalo, Roosevelt and Yonkers Raceways.

Within its region, Western OTB contains a thoroughbred track, Finger Lakes Race Track and two harness tracks, Buffalo

Western's 1988 handle for Finger Lakes Race Track was \$52 million, a decrease of \$25,000 or 0.05% as compared to 1987. Simulcast locations, of which 43 were operational for varying numbers of days during the year, accounted for \$44.8 million or 86.1% of the total Finger Lakes sales, an increase of \$2.2 million or 5.2% over 1987. The daily average handle for simulcast locations was \$6,465 per branch, compared to \$6,990 in 1987.

Western's 1988 handle for Buffalo Raceway was \$23.2 million, a decrease of \$2.9 million or 11.1% as compared to 1987. Simulcast locations, of which 35 were operational for varying numbers of days during the year accounted for \$16.5 million or 71.1% of the total Buffalo Raceway sales, a decrease of \$2.3 million or 12.2% as compared to 1987. The daily average handle for the simulcast locations was \$5,584 per branch compared to \$6,429 in 1987.

Western's 1988 handle for Batavia Downs was \$22 million, an increase of \$1.7 million or 8.5% compared to 1987. Simulcast locations, of which 22 were operational for varying numbers of days during the year, accounted for \$11.3 million or 51.7% of the total Batavia Downs sales, an increase of \$6.1 million or 116.1% over 1987. The daily average handle for the simulcast locations was \$6,631 per branch compared to \$6,932 in 1987.

Yonkers Raceway conducted both afternoon and evening programs during various periods in 1988. Western OTB'S 1988 handle for Yonkers Raceway was \$2.3 million, an increase of \$903,000 or 63.8% over 1987. Simulcast locations, of which 45

Wagering was also conducted on 13 thoroughbred races of special interest and two harness races of special interest. The series of races known as the Breeders' Cup (thoroughbred) and Breeders' Crown (harness) were each designated by law as one race of special interest. Western OTB's handle totaled \$2.3 million for the 15 special events. All out-of-state wagering amounted to \$7.3 million for Western OTB.

Western paid NYRA \$1.9 million in statutory payments and \$802,000 in simulcast contractual payments. As of December 31, 1988, Western was working under an extension of its 1986 simulcast agreement with NYRA. This contract called for NYRA to receive 4% of daily incremental simulcast pools generated by regular and multiple wagers; 6% of exotic and super exotic wagers. NYRA paid for the uplink. Western recently signed a new contract with NYRA which runs through June 30, 1990. The terms are similar to those of the 1986 contract, with the exception of a new provision for the possible establishment of a simulcast theater in Western. In that case, Western will pay 5% on the first \$1 million in handle; 6 1/2% on the next \$500,000 and 7 1/2% on all handle over \$1.5 million. Both contracts use the base year of 1984 to determine incremental handle.

Finger Lakes was paid \$2.6 million in statutory payments and \$400,000 as a simulcast contractual payment, under its agreement with Western. Finger Lakes was responsible for the uplink. Finger Lakes cancelled the 1989 option year. The parties have been unable to negotiate a new contract for 1989.

regional harness track. The terms of the contract are similar to those negotiated with Roosevelt.

Wagering at Western OTB has produced significant surcharge payments both to in-region and out-of-region municipalities. Surcharge generated by wagering on NYRA was \$3.6 million; Finger Lakes, \$2.2 million; Batavia, \$900,000; Buffalo, \$970,000; Roosevelt, \$62,000 and Yonkers, \$97,000.

A 1985 amendment to Section 532 of the Racing Law provided that, where a track located in a thoroughbred special betting district simulcasts outside such special betting district, the 50% share of surcharge allocated to the county in which such track is located shall be allocated 90% to the OTB operator and 10% to the county.

The meaning of this statute, which has produced \$371,000 in revenue for Western in 1988 was disputed by Ontario County (where Finger Lakes Race Track is located) in an appeal to the Board. Ontario County contended the amount the corporation retained should only pertain to simulcast branches. In February, 1989, the Board reaffirmed its prior interpretation of the law which provided for the application of the amendment on a corporate-wide basis. Ontario County has commenced an Article 78 proceeding, challenging the Board's determination in this matter.

For the simulcast signal from Buffalo, Yonkers and Roosevelt Raceways, Western OTB paid a total of \$320,000 to a simulcast vendor. The cost of the signals from Finger Lakes Race Track, NYRA and Batavia Downs was included in the commissions paid to the tracks by Western OTB. As part of its 1988 simulcast costs,

Western OTB undertook this expansion without the approval of the Board. The Board is conducting an ongoing inquiry into this possible violation of law.

In 1988, Western continued to conduct promotions with the regional tracks and independently, to promote racing and good will. Most noteworthy of the promotions was the Double Exacta, which is a cooperative venture among Western OTB, Finger Lakes Race Track, Buffalo and Batavia Raceways, the respective horsemen's organizations and Western OTB's tote vendor. The proceeds from the Double Exacta (\$32,000 as of December 31, 1988) are being put into a fund, which will be used to promote racing in western New York.

During 1988 Western vigorously pursued the acquisition of branches through a combination of purchasing existing facilities or constructing new facilities on their own land. Western believes that ownership, rather than leasing, results in lower operating costs and a greater degree of stability in branch operations.

Western completed construction of a new branch facility in the Town of Cheektowaga in the Buffalo area. This facility is the second Western has constructed from the ground up. Western plans to construct at least three additional facilities in 1989.

Western has acquired a total of 18 properties through 1988 at a total cost of \$6.4 million, including costs for land, building, renovations and improvements. Western OTB plans to continue its acquisition program in 1989 when purchase, rather than lease opportunities, are beneficial to the corporation.

Western's Board also has authorized a simulcast theater for the City of Rochester. Preliminary discussions with the City have occurred. No substantive action has resulted to date.

In July of 1988, a Western employee wagered over \$80,000 while on duty and came up over \$38,000 short at the end of the day. He was subsequently dismissed by the corporation, prosecuted by the local authorities and sentenced to five years probation. Western recently filed a lawsuit against its insurance carrier to recover a portion of the loss it believes was covered by the policy.

The corporation has subsequently installed "governors" in the ticket issuing machines which will shut them down if an unusual amount of wagers have been registered. The managers have also been instructed to take periodic balance inquiries from the clerks to prevent employee losses.

Western was the subject of an extensive investigative report by the Rochester Democrat and Chronicle which ultimately led to the resignation of its President, John Gannon. The articles alleged a conflict of interest by Mr. Gannon in several real estate transactions, whereby several close friends stood to benefit. The case, which is currently being investigated by a Federal Grand Jury in conjunction with the U.S. Attorney's office and the F.B.I., has not produced any criminal indictments to date.

The incident was not without its repercussions. The Legislatures of Monroe and Erie Counties, together with the City of Rochester have passed resolutions to establish a task force to

In addition, during 1988, three new directors were appointed to represent Cayuga and Monroe Counties and the City of Rochester.

CAPITAL DISTRICT REGIONAL OFF-TRACK BETTING CORPORATION

Capital District Regional Off-Track Betting Corporation is located in the northeastern portion of New York State. The major cities located within Capital OTB are Albany, Schenectady, Troy and Utica. The region is comprised of 20 counties. With the addition of Essex County in October, 1988, 15 counties, as well as the City of Schenectady, participate in off-track betting. A branch in Essex County was opened in Ticonderoga on December 30, 1988. Capital OTB started 1988 with 52 branches and one simulcast theater, closed two branches and opened one. Capital OTB ended 1988 with 51 branches and one simulcast theater.

Capital OTB conducted 205 simulcast operations. This was accomplished with 40 branches and the simulcast theater as compared to 37 and the simulcast theater in 1987. The Corporation converted three existing facilities, closed another and opened a new branch. Forty-one branches and one simulcast theater displayed races from the New York Racing Association (NYRA). Four branches and the simulcast theater displayed races from Saratoga Raceway. Forty branches and the simulcast theater displayed races from Finger Lakes. Thirty-nine branches and the simulcast theater displayed races from Yonkers Raceway. Eleven branches and the simulcast theater displayed races from Roosevelt Raceway. Eleven branches and the simulcast theater displayed races from Batavia Downs. Twelve branches and the simulcast

Capital OTB's 1988 handle for NYRA was \$143.4 million, an increase of \$8.5 million or 6.3% over 1987. Simulcast locations accounted for \$116.6 million or 81.3% of the \$143.4 million in total NYRA sales, an increase of \$17 million or 17.2% over 1987. The daily average handle for these simulcast locations was \$9,481 per branch as compared to \$9,404 in 1987.

Capital OTB distributed \$5.3 million in surcharge revenue from winning NYRA wagers. Statutory payments to NYRA in 1988 were \$3.2 million. Simulcast contractual payments in 1988 totaled \$1.1 million. This contractual payment is based on the percentage of increase in wagers over the comparable month in 1986, multiplied by a monthly minimum fee of \$17,818. Capital OTB also paid NYRA 6.5% of all NYRA wagers placed at the simulcast theater. This agreement with NYRA expired on September 30, 1987, and has been extended until further notice by agreement between the parties.

It should be noted that, of Capital OTB's \$143.4 million NYRA handle, \$19.5 million was wagered during Saratoga Race Track's August meet. This was an increase of \$1.4 million or 8% over 1987. Simulcasting within the region accounted for \$16.1 million, or 82.9% of the \$19.5 million in total Saratoga thoroughbred wagers. The daily average handle for Capital OTB branches simulcasting Saratoga Race Track was \$16,410 per branch as compared to \$15,780 in 1987.

Capital OTB's 1988 handle for Saratoga Raceway was \$18.2 million, an increase of \$1.9 million or 12% over 1987. Simulcast locations accounted for \$12 million or 66% of the \$18.2 million

million in total Yonkers sales, an increase of \$561,000 or 6.8% over 1987. The daily average handle for these simulcast locations was \$5,058 per branch as compared to \$7,583 in 1987. The decrease in the daily average handle may be a result of increased race dates due to Roosevelt's closing.

Capital OTB distributed \$374,000 in surcharge revenue from winning Yonkers wagers. Statutory payments to Yonkers in 1988 were \$192,000. Simulcast contractual payments totaled \$61,000 in 1988. The contractual payment is 0.5% of the total daily Yonkers pools which exceed \$83,000 for each race day. Capital OTB also pays Yonkers an annual fee of \$50,000. While there is no written contract, Capital OTB does have a verbal agreement with the same terms as Roosevelt's contract.

Capital OTB's 1988 handle for Roosevelt Raceway was \$5.2 million, a decrease of \$353,000 or 6.3% as compared to 1987. Simulcast locations accounted for \$4.2 million or 80.2% of the \$5.2 million in total Roosevelt sales, a decrease of \$82,000 or 1.9% as compared to 1987. The daily average handle for these simulcast locations was \$5,276 per branch as compared to \$5,644 in 1987.

Capital OTB distributed \$188,000 in surcharge revenue from winning Roosevelt wagers. Statutory payments to Roosevelt in 1988 were \$93,000. Simulcast contractual payments totaled \$2,400 in 1988. The contractual payment is 0.5% of the total daily Roosevelt pools which exceed \$83,000 for each race day. Capital's agreement also called for a \$50,000 annual fee which

in total Buffalo sales, an increase of \$84,000 or 6% over 1987. The daily average handle for these simulcast locations was \$2,411 per branch as compared to \$2,234 in 1987.

Capital OTB distributed \$76,000 in surcharge revenue from winning Buffalo wagers. Statutory payments to Buffalo in 1988 were \$40,000. Simulcast contractual payments totaled \$5,000 in 1988. Capital OTB pays Buffalo Raceway a simulcast payment of \$300 per day. From January to July, Capital OTB paid Western OTB \$36,000 as part of the technical costs to simulcast Buffalo Raceway.

Capital OTB's combined 1988 handle for Batavia Downs and Buffalo Raceway was \$3.5 million, an increase of \$125,000 or 3.7% over 1987. Simulcast locations accounted for \$2.3 million or 65.8% of the \$3.5 million in total Batavia and Buffalo sales, a decrease of \$25,000 or .1% as compared to 1987. The daily average handle for these simulcast locations was \$2,525 per branch as compared to \$2,258 in 1987.

Capital OTB's 1988 handle for Monticello Raceway was \$1 million, a decrease of \$209,000 or 16.8% as compared to 1987. Simulcast locations accounted for \$570,000 or 55% of the \$1 million in total Monticello sales, a decrease of \$323,000 or 36.2% as compared to 1987. The daily average handle for these simulcast locations was \$2,456 per branch as compared to \$1,531 in 1987. This increase may have been caused by a reduction in the number of simulcast dates.

Capital OTB distributed \$40,000 in surcharge revenue from winning Monticello wagers. Statutory payments to Monticello in

Crown (harness) were each designated by law, as one race of special interest. Capital OTB's handle totaled \$2.8 million for the 18 special events. All out-of-state wagers amounted to \$9 million for Capital OTB.

The State has granted its harness tracks and Finger Lakes Race Track a tax credit (against the State's pari-mutuel tax on handle), as an incentive for simulcasting to OTB branches. The State's harness tracks earn a 1.5% tax credit on simulcast handle, while Finger Lakes Race Track earned a 1% credit on simulcast handle. In 1988, Roosevelt Raceway received \$48,000; Yonkers Raceway received \$92,000; Saratoga Raceway received \$80,000; Batavia Raceway received \$6,000; Monticello Raceway received \$6,000 and Finger Lakes Race Track received \$115,000 in simulcast tax credits. Therefore, on a simulcast handle of \$38.8 million, the various race tracks received a total tax credit of \$347,000 for simulcasts to Capital OTB branches.

Nineteen hundred and eighty-eight brought the end of a 12 year agreement which guaranteed the City of Schenectady a minimum share of net earnings of \$1 million per year. This agreement covered the years 1976 through 1987 with the payment due on or before April 30th of the year following the year it was earned. The last payment, under this agreement, was due by April 30, 1988. Schenectady's normal earnings are approximately \$500,000 a year, which means the participating counties will share in an additional \$500,000 each year.

Capital OTB and Ontario County continued to debate the interpretation of Section 532(3)(b)(v) of the Racing Law. This

facility has been converted to a telebranch. Concession sales averaged over \$290 per day for the 19 days this facility operated. A complaint from the Town of New Lebanon was received concerning the installation of a large illuminated sign at this location (contrary to the local zoning ordinance). The Board has asked the parties to begin discussions to resolve this matter.

These two facilities bring to four the number of telebranches operating with concessionaires. A summary of their handle activity follows:

<u>TELEBRANCH (OPENED)</u>	<u>1988 HANDLE</u>	<u>1988 DAILY AVG HANDLE</u>	<u>DAILY AVG HANDLE PRE-CONVERSION</u>
Amsterdam (Aug 1987)	\$5,950,494	\$16,393	\$11,972 (1986)
Plaza East (Nov 1987)	6,203,937	17,091	14,268 (1986)
Gloversville (Feb 1988)	3,364,325	9,268	5,750 (1987)
New Lebanon (Dec 1988)	6,288,559	17,324	17,190 (1987)

In 1988, Capital OTB continued to offer vending machine food service. In 1987, Capital OTB authorized vendors to install and maintain soda, snack and coffee machines in certain simulcast locations: Second Avenue (Troy); Sixth Avenue (Troy); Herkimer; Johnstown; Bridgeport; Black River Blvd. (Rome); Columbia/Washington (Utica); Latham and East Greenbush. Concession sales for 1988 were \$27,000, which produced \$2,000 for Capital OTB.

Financing for these and other projects has been through commercial loans. Capital OTB borrowed an additional \$1 million in 1988. Capital OTB presently has five outstanding obligations:

storage room and smoke had filled the building. The automatic alarm system failed due to fire damaged telephone lines. While all employees were safely evacuated, there was extensive damage done to both the phone lines and Control Data Corporation (CDC) equipment. It took approximately six hours to clean CDC's computer equipment (which returned on-line at approximately 7:00 p.m.). Capital OTB sustained approximately \$246,000 in damages, all recovered through insurance.

This act resulted in considerable loss. Not only was Capital OTB inoperable for most of the day but so was Western OTB which processes its wagers through CDC's Schenectady computer.

Capital OTB lost an estimated \$519,000 in handle and Western OTB lost an estimated \$272,000 in handle. Capital OTB was insured for its lost profits and was reimbursed \$69,000. Neither Western OTB, NYRA nor any other beneficiaries were compensated for their losses. The employee has been indicted for Arson in the Third Degree, a Class C felony, and Criminal Mischief in the Fourth Degree, a Class A misdemeanor. On March 8, 1989, the employee pleaded guilty to Criminal Mischief in the Third Degree, a Class E felony. Sentencing is scheduled for June 3, 1989.

In September, Capital OTB introduced NYRA's SAMs (Screen Activated Machines) for parlay wagering and CDC's PAMs (Player Activated Machines). SAMs for parlay wagering are available only at the simulcast theater. Due to the inability of CDC to handle parlay wagering, Capital OTB was required to use NYRA's Autotote terminals (SAMs and a regular ticket issuing machine) to offer these opportunities. PAMs have been installed in Woodlawn

as Director of Off-Track Betting. Mr. Bartolotta replaced Paul Montana, Columbia County's original director, who had served since 1975.

TELEPLEX RACING CENTER -1988 UPDATE

The Teleplex Racing Center consists of a single building and contains two OTB facilities. The first facility, known as a telebranch, seats 270 people, offers food and non-alcoholic beverages and has no dress code. The telebranch does not charge an admission fee and winning wagers are subject to the 5% OTB surcharge. Deli style food service, offered here, yields daily average sales of \$560. The other facility, a simulcast theater, has an admission charge of \$3 per person; winning wagers on in-state simulcast races are not subject to the 5% OTB surcharge. All non-simulcast races and out-of-state special events are subject to the 5% OTB surcharge. This entertainment center includes food, alcoholic beverages, sports information, special sporting events and assorted patron amenities. A dress code has been established. During 1988, concession sales averaged over \$2,300 a day.

The Teleplex Racing Center's handle for 1988 was \$48.2 million, a daily average handle of \$132,685. The simulcast theater's handle for 1988 was \$33 million, a daily average handle of \$90,794. The telebranch's handle for 1988 was \$15.2 million, a daily average handle of \$41,891. Approximately 21.6% of Capital OTB's total handle results from wagers placed at this unique facility.

allocated in a manner which distinctly complement each area. For example, the ground floor offers only wagering and comfortable simulcast viewing areas. One side of the second floor offers table service; the other side provides deli food service and a bar area. The third floor offers an additional table service area and also provides for administrative office space. The Imperial Racing Center had a daily average handle of \$27,980 and concession sales of \$1,000 a day for 1988.

In Charlestown, Herkimer County, Capital OTB operates the Charlestown Racing Center which incorporates a restaurant and simulcast betting area. Purchase price of the restaurant portion was \$43,000 and renovation costs totaled \$11,000. In this facility, customer services include table service, a bar and a comfortable simulcast viewing area. In 1988, Charlestown had a daily average handle of \$11,135. Concession sales averaged \$110 a day.

In Troy, Rensselaer County, Capital OTB operates the Troy Atrium Racing Center. The Racing Center was opened with renovation costs of \$863,000. This facility offers deli food service as well as table service, a bar, sports information and comfortable simulcast viewing areas. The daily average handle for 1988 was \$19,312. Concession sales averaged \$510 a day.

CATSKILL REGIONAL OFF-TRACK BETTING CORPORATION

Catskill Regional Off-Track Betting Corporation is composed of 13 counties located in the eastern and southern parts of the State. The eight participating counties are Broome, Chemung, Chenango, Dutchess, Orange, Rockland, Tioga and Ulster. There

Harness simulcast handle at 15 branches (Nanuet lacked harness simulcasting) amounted to \$37.2 million in 1988. This was a decrease of \$1 million or 2.6% from 1987.

Monticello Raceway had just 19 programs simulcast to Catskill OTB in 1988. These were Monday-Tuesday programs from Labor Day through November 1 and a single program the day after Christmas. Total handle was \$1.1 million. This was a decrease of \$1.4 million or 56.8% from 1987, when 63 programs were simulcast to the Catskill branches. Daily average simulcast handle was \$3,805 per branch, an increase of \$1,128 per branch over 1987. Surcharge revenue of \$202,000 on Monticello races was distributed by Catskill OTB.

Simulcast handle from Roosevelt Raceway totaled \$12.4 million in 1988, the year in which Roosevelt ceased operations after June 15. This was a decrease of \$6.1 million or 33% from 1987. Daily average simulcast handle was \$7,613 per branch, an increase of \$610 over 1987. Surcharge revenue of \$560,000 on Roosevelt races was distributed by Catskill OTB.

The Yonkers simulcast handle for 1988 reached \$23.6 million, an increase of \$6.4 million or 27.2% over 1987. Yonkers picked up most of Roosevelt's racing dates to account for this sizeable increase. Daily average simulcast handle in 1988 was \$6,913 per branch, an increase of \$702 over 1987. Surcharge revenue of \$1.1 million on Yonkers races was distributed by Catskill OTB.

The combined Yonkers/Roosevelt simulcast handle increased in the Catskill OTB region in 1988 by \$421,000 due to the cannibalization of handle from non-simulcast to simulcast

of contract termination and pending litigation, no simulcast contractual payments to Yonkers were made. The simulcast vendor received \$484,000 from Catskill OTB in 1988 for technical services.

Currently, Catskill OTB has in effect a 1985 simulcast contract with NYRA that expires in January of 1990. This contract calls for Catskill OTB to pay NYRA a \$50,000 yearly premium plus 6.5% of simulcast handle. The 6.5% premium rate reverts to the statutory rate in Rockland and Dutchess Counties when NYRA/Yonkers inter-track wagering is in operation and the Catskill handle for Rockland-Dutchess is below the April 1985 - March 1986 base level. As part of the on-going Catskill OTB/Yonkers Raceway dispute, NYRA has attempted to cancel this agreement on several occasions. To date, no termination has been effected.

A 1987 contract with Finger Lakes Race Track expires in early 1990. The contract calls for Catskill OTB to pay Finger Lakes an annual simulcast commission of \$60,000 in 1987, \$70,000 in 1988 and \$80,000 in 1989 (payable in equal monthly installments on the 15th of each month). These payments were in addition to payments required by Section 527 of the Racing Law.

Catskill OTB has contracts with Yonkers and Roosevelt Raceways that are similar. Each contract calls for Yonkers/Roosevelt to receive a premium of 0.5% on simulcast handle up to \$82,000 nightly; 0.75% on the next \$30,000; 1% on the next \$50,000 of nightly simulcast handle and 1.3% on nightly simulcast handle over \$162,000. There is a minimum premium of

Therefore, on a simulcast handle of \$47.9 million, the various race tracks received a total tax credit of \$620,000 for simulcasts to Catskill OTB branches.

The newest Catskill simulcast branch opened on November 1, 1988, in a converted movie theater on busy Route 59 in Nanuet near both the New York Thruway and the Garden State Parkway. Smaller non-simulcast branches in nearby Spring Valley and Pomona were closed with this new venture, envisioned as a central location to which Spring Valley, Pomona, other Rockland County and nearby New Jersey customers would be attracted. The new Nanuet branch has also helped alleviate the overcrowding that sometimes plagued the Suffern simulcast facility a few miles away on Route 59.

However, there has been a drawback to an otherwise successful Nanuet facility that has caused Catskill OTB to rethink its plans to develop a simulcast theater. The Nanuet simulcast branch has been unable to secure permission to show the picture of either Monticello or Yonkers races. Catskill OTB and Yonkers Raceway could not come to an agreement that would allow Catskill to have the Yonkers picture for Nanuet. Yonkers also refused to allow Catskill OTB to have the Monticello simulcast signal at Nanuet. Catskill OTB displayed the NYRA simulcast daily and simulcast one month of Finger Lakes, while they were in operation in November, 1988. However, given these problems, Catskill has only three and a half hours of simulcasting a day in this modern facility - not the most productive use for its sizeable investment.

Special demonstration projects for simulcasting into privately owned hotels in Sullivan and Ulster Counties have still not come into being. These facilities would be for the exclusive use of "registered guests only" at the participating hotels. The Concord Hotel in Kiamesha Lake has been designated by the Catskill Hotel Association to be the first site. In 1988, the Association approached Catskill OTB to discuss proceeding with the plan. Data lines were again installed. Monticello Raceway continued to refuse to consent to the project bringing all planning and implementation to a halt.

SUFFOLK REGIONAL OFF-TRACK BETTING CORPORATION

Suffolk Regional Off-Track Betting Corporation, located in Suffolk County, had 20 branches and a simulcast theater operating in January, 1988. It closed two branches on January 30, 1988, and ended the year with 18 branches and a simulcast theater. Suffolk OTB conducted 40 simulcast operations. Ten branches and the simulcast theater simulcast races from the New York Racing Association (NYRA) and nine of these and the simulcast theater displayed races from Yonkers and Roosevelt Raceways. The eleven NYRA simulcast facilities also simulcast Finger Lakes on 34 NYRA dark days from April 12 to November 29. Suffolk did not simulcast Monticello during 1988.

In 1988, Suffolk handled \$144 million on thoroughbred races and \$57.5 million on harness races, for a total of \$201.6 million, an increase of \$6.2 million or 3.3% over 1987. This total amount accounts for 10.3% of all the New York State off-track betting handle in 1988. Suffolk OTB ranks third in the

averaged \$12,587 per simulcast program, an increase of \$561 over 1987. Roosevelt did not have a matinee program in 1988, and stopped racing at the close of its spring meet on June 15, 1988.

Evening simulcasting of Yonkers races resulted in an average daily handle of \$15,222 per branch, an increase of \$1,233 or 8.8% over 1987. The simulcast of the Yonkers matinee averaged \$7,708 per day, an increase of \$877 over 1987.

The contract with Roosevelt called for a minimum payment of \$500 daily, with payments made on a sliding scale from 0.5% on the first \$50,000 to 1.3% on wagers over \$120,000 for all bets made after 7 p.m. Under the terms of this contract, Roosevelt was paid \$69,000 in contractual payments and \$598,000 in statutory payments in 1988. Suffolk distributed \$519,000 in surcharge revenue from Roosevelt handle.

The contract with Yonkers also called for a minimum payment of \$500 per evening, except for Sunday evenings when Yonkers receives 0.5% of simulcast handle. Again, payments are on a sliding scale, from 0.5% of handle up to \$90,000 to 1.3% on handle over \$210,000 for all wagers placed after 7 p.m. This contract expires on February 28, 1990. Yonkers received \$170,000 in contractual payments and \$1.6 million in statutory payments during 1988. Suffolk distributed \$1.2 million in surcharge revenue from Yonkers handle.

Finger Lakes racing was simulcast into ten branches and the simulcast theater for 34 NYRA dark days. This generated handle of \$2.6 million, a daily average of \$7,591 per simulcast branch, an increase of \$1,865 over 1987. Finger Lakes simulcast handle

Yonkers Raceway received \$379,000 and Finger Lakes Race Track received \$13,000 in simulcast tax credits.

Therefore, on a simulcast handle of \$37.6 million, the various race tracks received a total tax credit of \$544,000 for simulcasts to Suffolk OTB branches.

In addition to payments made to the tracks for simulcasting, the corporation has a simulcast vendor who is responsible for the encoding, uplinking and satellite transmission of Roosevelt and Yonkers simulcasts. Suffolk paid \$394,000 in 1988 for this service. This vendor also provided the downlink for all other simulcasts at Suffolk facilities.

Suffolk has vending machines in five simulcast branches, which supply hot and cold drinks, candy, snacks, sandwiches and cakes. Under the contract, Suffolk was paid \$2,500 per year for the machines in Bohemia in 1988. The remaining machines occupy leased space in the branches at a rate which is approximately \$100 per square foot per year. Suffolk received approximately \$12,000 for the space at the four branches.

Starting in 1987, and continuing through 1988, Suffolk improved existing branches with the addition of restrooms in most branches. In addition, the Ronkonkoma and Shirley simulcast branches were moved to nearby locations. Seating in theater areas, vending machines and tables and chairs were provided for customers. West Islip also moved, and became a simulcast facility on October 25, 1988, with the same amenities. Handle at West Islip increased from an average of \$18,858 per day to \$40,216 per day with this move. The decline at Bay Shore and

shortcomings in management. Suffolk OTB is now preparing a three year operating plan which addresses some of the criticisms raised by the audit, and will help guide the company.

TEL-A-RACE - 1988 UPDATE

Suffolk 's simulcast theater, called "Tel-A-Race", opened in May, 1986. This well appointed, attractive facility had its most successful year in 1988. Handle totaled \$37.3 million, or \$102,634 per day, an increase of \$21,499 per day over 1987. Handle at the simulcast theater accounts for 18.5% of total handle in Suffolk.

NYRA handle in 1988 totaled \$26.3 million, or \$85,385 per day, compared to \$19 million or \$62,552 per day in 1987. This represents an increase of \$7.3 million or 38.3% in total NYRA handle over 1987. The daily average handle increased \$22,833 over 1987.

For Roosevelt and Yonkers, with matinees included, 1988 handle totaled \$10.2 million, or \$28,357 per day, compared to \$9.2 million or \$24,421 per day in 1987. Yonkers handle, which represents almost 80% of the total Yonkers/Roosevelt handle, and about 60% of the programs, is always higher than that of Roosevelt.

Finger Lakes handle was \$414,000 or \$12,162 per day, compared to \$302,000 or \$9,445 per day in 1987. This represents an increase of \$112,000 or 36.9% in total Finger Lakes handle, or \$2,717 in daily average handle over 1987. The balance of handle at Tel-A-Race was comprised of \$20,600 in Monticello handle, plus out-of-state racing on NYRA dark days and special events.

probably benefit if the number of tables in the restaurant area is increased. Additional betting windows will benefit Suffolk.

NASSAU REGIONAL OFF-TRACK BETTING CORPORATION

Nassau Regional Off-Track Betting Corporation consists of one county, Nassau, on Long Island. Nassau OTB began 1988 with 20 branches in operation and ended the year with 21 branches. Nassau OTB conducted 27 simulcast operations in 1988. Ten branches simulcast thoroughbred races from the New York Racing Association (NYRA). Seven of the branches that simulcast thoroughbred races also simulcast harness races from Yonkers Raceway. Nine simulcast branches displayed harness races from Monticello Raceway for nine days while one branch simulcast races from Monticello Raceway for six days.

Two tracks, NYRA's Belmont Park and Roosevelt Raceway, are located in Nassau County. Within its region, Nassau OTB handles wagers on the three NYRA tracks (Belmont, Aqueduct, Saratoga) and three harness tracks (Roosevelt, Yonkers, Monticello). Because of the statutory track consent requirements, Nassau OTB has been greatly limited in obtaining agreements for simulcasting due to the proximity of its branches to the tracks. It should be noted that once again Roosevelt Raceway was not part of Nassau OTB's simulcast handle for 1988.

In 1988, Nassau OTB handled \$151.6 million on thoroughbred races and \$45 million on harness races for a total of \$196.6 million, an increase of \$15.9 million or 8.8% over 1987. This total amount accounts for 10% of all the New York State OTB handle in 1988. Nassau OTB ranks fourth in the State in terms of

Wagering was also conducted on 13 thoroughbred races of special interest and two harness races of special interest. The series of races known as the Breeders' Cup (thoroughbred) and Breeders' Crown (harness) were each designated by law as one race of special interest. Nassau OTB's handle totaled \$2.6 million for the 15 special events. All out-of-state wagering amounted to \$8.3 million for Nassau OTB.

Nassau OTB's contract with NYRA during the period May 11, 1988 through and including June 30, 1990, obligated them to pay 6.5% of the daily net NYRA handle at all OTB simulcast branches. Based on this contract, Nassau OTB paid NYRA \$1.1 million in simulcast contractual payments and \$3.7 million in statutory payments for the ten branches. Nassau OTB distributed a total of \$5.9 million in surcharge revenue on NYRA.

Nassau OTB has no written contract with Yonkers Raceway. However, compensation is based upon a minimum payment of \$300 a day with an additional 0.5% above the statutory rate for all wagers placed after 7 p.m. up to \$90,000 a day. The percentage increases as the handle increases. As a result of this agreement, Nassau OTB paid Yonkers Raceway \$101,000 in simulcast contractual payments and \$1.6 million in statutory payments for its seven branches. Nassau OTB distributed a total of \$1.4 million in surcharge revenue on Yonkers wagers.

Nassau OTB's contract with Monticello Raceway called for no simulcast contractual payments. Nassau OTB paid \$3,664 to Monticello in statutory payments for the nine days of

On March 7, 1988, the Board of Supervisors of the County of Nassau appointed Frank J. Oddo to be a member of the Board of Directors of Nassau OTB. He filled the vacancy caused by the resignation of Stanley Shapiro. This resolution was unanimously passed by the Board of Supervisors. County Executive Thomas S. Gulotta approved the resolution on March 7, 1988.

In 1988, Nassau OTB established a restructuring program which included the opening, closing and relocation of various branches. Nassau OTB reopened a branch at a new location in Jericho after having lost its lease at a different location in October, 1985.

This new site hosts a 4,300 square foot building previously operated by Davis Optical. There are four NEC 46" television screens in the middle of the branch showing simulcasts of NYRA and Yonkers. In addition, there are nine 27" television sets suspended from the ceiling. There is seating for approximately 80 patrons along with 16 tables along the walls. Two restrooms have been installed. No food or drinks are permitted in the branch. Renovations cost \$250,000.

A new concept has been suggested by corporate management. Nassau OTB would like authorization to install a combined telephone and video display screen unit in various locations. This "Direct Line System" will operate as a direct telephone line into the telephone betting facility at Suffolk OTB's headquarters. The video screen will display updated racing information such as current odds, late scratches, jockey changes,

\$2.6 million, or 0.26% from 1987. NYCOTB ranks first in the State in terms of total betting handle.

The total 1988 simulcast handle for NYCOTB was \$384.4 million, which is 38.4% of total corporate handle. This is an increase of \$6.1 million, or 1.6% over 1987.

The simulcasting of NYRA races into 21 NYCOTB branches and two simulcast theaters (plus 13 more branches during the four week Saratoga meet) showed a 1988 total simulcast handle of \$274.9 million, an increase of \$16.8 million, or 6.5% over 1987. The daily average simulcast handle was \$38,356 per branch, an increase of \$1,347 over 1987.

The simulcasting of Finger Lakes races into 27 NYCOTB branches plus one simulcast theater for 34 days showed a 1988 total simulcast handle of \$10.1 million, an increase of \$2.5 million, or 32.9% over 1987. The daily average simulcast handle was \$10,593 per branch, an increase of \$2,563 over 1987.

The evening harness program from Roosevelt and Yonkers Raceways into 14 branches plus two simulcast theaters (for Roosevelt) and 11 branches plus two simulcast theaters (for Yonkers) showed a 1988 total simulcast handle of \$92.5 million, a decrease of \$5.6 million, or 5.3% from 1987. The evening daily average simulcast handle for both tracks was \$21,196 per branch, an increase of \$2,062 over 1987. The 1988 evening simulcast handle for Roosevelt was \$35.1 million, a decrease of \$24.3 million, or 40.9% from 1987. The daily average handle was \$21,623 per branch, an increase of \$641 over 1987. For Yonkers, the 1988 evening simulcast handle was \$57.4 million, an increase

A simulcast theater pays 6.5% inclusive of statutory commissions on a daily net handle of NYRA wagers. Based on these contracts, NYCOTB paid NYRA \$1.7 million for 1988 simulcast programs. Statutory payments amounted to \$13.8 million. Surcharge revenue of \$29.3 million on NYRA races was distributed by NYCOTB.

NYCOTB paid Finger Lakes \$68,000 in simulcast contractual payments and \$343,000 in statutory payments for 1988. Surcharge revenue of \$984,000 on Finger Lakes races was distributed by NYCOTB.

Under the five-year contract with Roosevelt Raceway (expiring June 30, 1990), NYCOTB had an ascending scale arrangement, whereby wagers placed after 7 p.m. are calculated on a percentage of a predetermined handle figure. The percentage increases as handle increases. As a result of this arrangement, NYCOTB paid Roosevelt Raceway \$173,000 in simulcast contractual payments and \$1.7 million in statutory payments for 1988. Surcharge revenue of \$2.1 million on Roosevelt races was distributed by NYCOTB.

Under the five-year contract with Yonkers Raceway (expiring June, 1990), NYCOTB has an ascending scale arrangement whereby wagers placed after 7 p.m. are calculated on a percentage of a predetermined handle figure. In no event does NYCOTB pay Yonkers less than \$750 for each evening of simulcasting, excluding Sundays. As a result of this agreement, NYCOTB paid Yonkers Raceway \$270,000 in simulcast contractual payments and \$3 million in statutory payments for 1988. Surcharge revenue of \$4 million on Yonkers races was distributed by NYCOTB. Yonkers Raceway notified NYCOTB that it was terminating its agreement

was appointed a member on September 13, 1988 by Mayor Koch. Mr. Gill, serving at the pleasure of the Mayor, is a managing partner in the law firm of Robinson Silverman Pearce Arohson and Berman, as well as a member of various Mayoral advisory boards. Mr. Gill filled the seat vacated by Peter M. Rivera, who resigned in May, 1988. Allen G. Schwartz, former Corporation Counsel of the City of New York, and currently in private law practice with Proskauer Rose Goetz and Mendelsohn, was appointed to the Board by Mayor Koch to fill the seat vacated by Henry T. McCabe for a fixed term expiring December 31, 1993.

NYCOTB continued its aggressive marketing/advertising campaign in 1988. Taking advantage of a provision in the 1985 simulcast law which authorized suspension of the surcharge from winning wagers on special telephone accounts (with minimum balances of \$1,000), the Corporation increased the number of these accounts. In addition, customer awareness concerning credit card use in establishing telephone betting accounts increased.

In 1988, NYCOTB introduced semi-automated wagering by computer card. The new system, designated "Mark-Sense", was developed to enhance productivity and reduce betting transaction errors. The Mark-Sense program was in operation in most branches by the end of the year.

Income from vending machines in three branches generated \$2,500, and income from pay telephones in 55 branches generated \$10,000.

NYCOTB is planning a new branch on Williamsbridge Road, The Bronx, to replace two nearby branches. The new facility will be operated pursuant to Section 1008(4) of the Racing Law, allowing restaurant and bar facilities. The plan calls for a two-floor facility, to be leased for 25 years. On the first floor, there will be 25 individual lounge chairs. On the second floor, there will be 12 tables providing seating for 48 persons, plus individual lounge chairs for 23 additional persons. Also proposed are counter-type food and bar services. Initial anticipated daily handle is \$35,000. Yearly growth is estimated at 5%.

NYCOTB is planning a new branch on Staten Island, also pursuant to Section 1008(4) of the Racing Law. This branch is intended to replace an existing branch in the shopping mall where both are located. Bar and restaurant facilities are contemplated. A two-story facility will be leased by NYCOTB for ten years. It will contain 12 tables or booths seating 48 persons on the mezzanine level, and theater-type seating for 102 persons on the ground floor. Arrangements have been proposed for restaurant service as well. Anticipated daily handle is \$75,000 and concession revenue over the ten-year term of the lease is estimated at \$264,000.

These proposals have been submitted to the Board for consideration. No action has been taken as of March 31, 1989.

fulfilling expectations for handle and attendance. Total simulcast handle in 1988 was \$30.1 million or 76% over 1987. The daily average thoroughbred handle was \$81,749, an increase of \$42,141 over 1987, and the daily average harness handle was \$15,372, an increase of \$4,066 over 1987. Per capita wagering was \$726 for thoroughbred races and \$455 for harness races. Total per capita wagering was \$591.

Revenue generated from the Select Club amounted to \$2.2 million to the racing industry, \$450,000 to the State of New York and \$1.3 million to New York City. A \$5 admission fee is charged. Total revenue from 1988 admissions was \$205,000, of which \$8,200 was paid in State admission taxes. Total revenue from all concession operations at the Select Club amounted to \$131,000 in 1988.

NYCOTB intends to continue taking advantage of more stable business conditions created by long-term simulcast contracts. It will continue to consolidate branches into more modern, efficient and streamlined operations.

In addition to construction of new telebranches in Manhattan, the Bronx and Staten Island, management intends to scrutinize costs and take advantage of any changes in legislation which will enhance its ability to generate revenue.

NYCOTB continues to seek legislative changes lifting restraints on the number and location of telebranches and simulcast theaters permitted by law. It will continue discussions with NYRA concerning simulcasts to specific areas of Queens and Brooklyn, the two most populous boroughs, and explore

TRACK TO TRACK SIMULCASTING WITHIN NEW YORK STATE
NEW YORK RACING ASSOCIATION (NYRA) - SARATOGA TO AQUEDUCT

NYRA's 1988 Saratoga thoroughbred meet covered a 24-day period between August 3 and August 29, 1988. The 1988 total attendance for the simulcast dates at Aqueduct was 162,614 as compared to the 1987 total attendance of 172,016, a decrease of 9,402 or 5.4%. The total simulcast handle was \$28.8 million as compared to \$30.4 million in 1987, a decrease of \$1.6 million or 5.3%. During this period, daily average attendance was 6,776 per day (7,167 in 1987) and daily average handle was \$1.2 million (\$1.3 million in 1987), resulting in a \$186 daily average per capita betting handle (identical to 1987). During this period, Saratoga Race Track's on-track handle was \$83.1 million, a decrease of \$1.4 million over the corresponding period in 1987, while the total on-track attendance decreased 49,000, resulting in a daily average of \$3.5 million and 28,025 respectively. NYRA attributes these declines to an unusually hot month of August.

NYRA retained \$4.3 million from the Saratoga to Aqueduct simulcast and \$187,000 from admissions, concessions and newsstand sales. The State of New York received \$803,000 in tax revenue, as compared to \$848,000 in 1987. The Thoroughbred Breeding and Development Fund received \$144,000 compared to \$152,000 in 1987. NYRA's horsemen received (as accrued purse obligations) \$1.1 million compared to \$1.2 million in 1987. Since simulcasting was from one facility of this franchised racing association to another of its track facilities, no contractual agreements were required.

and the Thoroughbred Breeding and Development Fund received \$43,000. NYRA received \$621,500 pursuant to a contract which provided that Finger Lakes pay 7.5% of the simulcast handle under \$3.5 million and 7% on anything over that amount. NYRA provided the uplink and transmission of the simulcast signal, while Finger Lakes was responsible for the transmission of wagering data to NYRA.

Batavia Downs received \$43,000 pursuant to a consent agreement with Finger Lakes Race Track. That agreement provided Finger Lakes would pay 1.5% of the total simulcasting handle to Batavia Downs.

Finger Lakes reported a net profit of \$148,000 from NYRA's simulcasts.

TRACK TO TRACK SIMULCASTING: NYRA TO SARATOGA RACEWAY

Saratoga Raceway conducted 284 days of simulcasting NYRA races during 1988, compared to 280 days in 1987. The 1988 total attendance was 131,564 compared to 172,996 in 1987, a decrease of 41,432 or 25.1%. The 1988 total simulcast handle was \$17.4 million compared to \$18.9 million in 1987, a decrease of \$1.5 million or 7.9%. Daily average attendance fell from 618 in 1987 to 463 in 1988. The daily average handle was \$61,290 (\$67,495 in 1987). Daily average per capita betting rose to \$134 from \$110 in 1987. On-track harness handle decreased \$1.1 million and attendance decreased 19,772 in 1988. Comparisons of the on-track harness dates show a daily average decline in attendance of 256, an 11.2% decrease from 1987, and a decline in daily average handle of \$18,943, a 9.9% decrease.

From the simulcast handle, Yonkers Raceway retained \$8.4 million and earned \$825,000 in ancillary income from admissions, concessions and programs. New York State received \$2 million in tax revenue, and the Thoroughbred Breeding and Development Fund received \$499,000. NYRA received \$7.2 million pursuant to a contract which provided that Yonkers Raceway pay NYRA 7.5% of the total simulcast handle. NYRA provided the uplink and transmission of the simulcast signal, while Yonkers Raceway was responsible for the transmission of wagering data to NYRA.

Pursuant to a contractual agreement, Yonkers Raceway paid its horsemen 50% of the net revenue from wagering on NYRA races when there was on-track harness racing. Yonkers' horsemen received the sum of \$1.6 million in 1988 from NYRA's track to track simulcasts.

Yonkers Raceway reported a net income of \$3.4 million from the simulcast of NYRA races.

CATSKILL OTB - YONKERS RACEWAY DISPUTE

On February 3, 1988, the Board, by an Emergency Suspension and Notice of Hearing order, suspended the simulcast facility license of Yonkers Racing Corporation (Yonkers), effective February 6, 1988. Such suspension was based upon Catskill Regional Off-Track Betting Corporation's (Catskill) withdrawal of its written consent, which is statutorily required for the transmission of simulcast signals to Yonkers Raceway.

Section 1003 of the Racing Law provides that any racing association or corporation or regional off-track betting corporation must submit a "Plan of Operation" to the Board for

the Board that it had given Yonkers the requisite six months' notice on August 3, 1987 cancelling its consent and terminating the agreement.

On February 3, 1988, the Board, pursuant to Section 1004(3) of the Racing Law, issued the emergency suspension of Yonkers' simulcast license, effective February 6, 1988 and provided for a hearing to be conducted on February 22, 1988.

Hearings in this matter were held at the offices of the Board on February 22, 1988 and March 7, 1988 before Victor A. Cocozziello as Hearing Officer. The Board was represented by Steven H. Richman, Esq., Catskill by Fabricant, Lipman & Stern, Esqs., Mark A. Stern, Esq., of Counsel and Yonkers by Bleakley & Schmidt, Esqs., Frederick J. Martin, Esq., of Counsel.

At the hearings, testimony was adduced and various documents were marked for identification and introduced into evidence as exhibits for the Board, for Yonkers and for Catskill.

Yonkers, through its Counsel, argued that substantial economic loss, demands by Catskill for additional daily compensation, Catskill's failure to provide evidence of loss, contract interpretation and legislative intent all supported its contention that Catskill be prevented from withdrawing its consent.

Counsel for the Board stated that the only question before the Board concerned the interpretation of a specific clause relating to consent in the agreement; that it was on this basis, among other requisites, that the Board issued the simulcast facility license to Yonkers; that Catskill has demonstrated that

The Hearing Officer concluded that the answers to the above questions were all "yes".

In his report, the Hearing Officer found that the parties represented by Counsel negotiated the terms of the agreement. These terms dealt with, not only the consent of Catskill for the simulcasting of the NYRA races to Yonkers, but also other matters such as the rates chargeable by Yonkers for the simulcasting of its races to Catskill's branches. No evidence was adduced at the hearing that the parties were prevented from including an economic impact or irrevocability provision in the agreement, or even their understanding of legislative intent. Instead, the parties agreed that the only condition relating to the cancellation of the agreement was the provision for six months' notice. It is clear that the exercise of cancellation was, pursuant to the terms of the agreement, available to both parties. The evidence further revealed that Catskill exercised the cancellation clause in accordance with the provisions of the March 5, 1986 agreement.

On September 13, 1988, the Board affirmed the recommendation of the Hearing Officer and made the following findings:

- o The simulcast facility license issued to Yonkers was based upon the consent of Catskill, as required by Section 1003 of the Racing Law.
- o Catskill elected to cancel the agreement by notice by certified mail, received by Yonkers on August 3, 1987.

May 6, 1988, following a two day cessation of NYRA simulcasts to Yonkers. Subsequently, the Appellate Division vacated the May 2, 1988 TRO for lack of a showing of injury.

On November 23, 1988, Justice Delaney entered a preliminary injunction in those proceedings. His order enjoined Yonkers from conducting simulcasting of NYRA's races at its facility without the written consent of Catskill. As a consequence of this injunction, track to track simulcasting was not conducted for five days at the end of November, 1988. On November 28, 1988, the Appellate Division, Second Department stayed enforcement of Justice Delaney's preliminary injunction, pending a full hearing of the appeal in this matter. The appeal is scheduled to be heard by the Appellate Division, Second Department, during its April 1989 term.

Therefore, as a result of court orders, simulcasting of NYRA races to Yonkers continues despite the absence of a valid simulcast facility license.

Patrons view NYRA simulcast races Wednesday through Monday and Yonkers/Roosevelt simulcast races Monday through Saturday on the 24'x32' projection screen, as well as on 18 monitors strategically placed throughout the facility.

A concessionaire operates the food and beverage service in the Teletrack and the fare ranges from hot dogs to full course meals. Alcoholic beverages are available.

Total handle in the State of Connecticut was \$202.8 million in 1988. The handle for the Teletrack alone was \$88.8 million, while the 14 branch offices and telephone betting had a total handle of \$114 million. The yearly average handle per branch (including telephone betting), was \$8.1 million compared with the yearly average of \$7.2 million at the 271 branches in New York State. New York City OTB Corporation had a total handle in excess of \$1 billion at 102 branches for a yearly average handle of almost \$9.8 million per branch.

AmTote, a division of General Instrument, owns and operates the Teletrack and leases the off-track branches. The State of Connecticut hires and pays the pari-mutuel clerks, internal security and maintenance personnel. AmTote paid approximately \$500,000 for transmission fees in 1988. Pursuant to agreements between the metropolitan harness tracks and the State of Connecticut, Connecticut pays a 5% commission on regular and multiple wagers and 7% on exotic wagers. In 1988, Roosevelt Raceway received \$384,000 and Yonkers Raceway received \$1.6 million under these agreements.

simulcast handle was \$1 million for a daily average simulcast handle of \$110,000.

A contractual agreement between both parties, provided that Connecticut OTB pay Monticello Raceway a 4% commission on regular and multiple wagers, and 6% on exotic bets. This resulted in a total commission of \$46,000. Monticello paid \$18,000 for the transmission of the simulcast signal. Monticello Raceway's profit from Connecticut wagering was \$28,000, which was evenly shared between the track and its horsemen.

Connecticut law currently restricts the Teletrack's operations to six days a week. This is usually accomplished by closing on Tuesday in the daytime, and on Sunday night. However, the nights of closing may be changed to other days as long as the total does not exceed six days.

NEVADA

In June, 1983, NYRA and Caesars Palace of Las Vegas, Nevada, entered into an agreement to simulcast NYRA racing to the race book operation located in Caesars Palace Hotel.

This agreement gave Caesars the exclusive right to the signal in the State of Nevada and included the right to disseminate the signal to other locations in Nevada. There are presently 38 licensed race books receiving the NYRA signal in Nevada.

On January 1, 1985, a new contract between NYRA and Caesars Palace was signed. This contract ran through December 31, 1988 and called for NYRA to assume all transmission costs and for

INTERFACING OF OTB WAGERS WITH TRACKS

By law, all off-track betting wagers must be combined with comparable on-track wagers to constitute a single statewide pool for in-state races. Without this requirement, pari-mutuel wagering off-track would result in differing pay-off prices on the same winning selections. Among the six OTB corporations and nine potential simulcast tracks there could be up to 15 various pay-off prices throughout the State on each pari-mutuel pool in each race. Legislative policy directs uniform statewide pay-off prices and to make this possible, all on-track and off-track wagering pools are required to be combined through a process called "interfacing".

Each track in the State maintains a separate computer system to issue and record wagers made at the track. (The actual betting system is maintained and operated by specialized vendors, and at present, one vendor, Autotote, has three track operators, while another vendor, Amtote, has the other six tracks.)

In addition to the tracks' systems, off-track betting is conducted by separate off-track wagering systems. Nassau and Suffolk OTB regions share one system (under contract to Autotote), New York City and the Catskill OTB regions share another system (under contract with Amtote) and Capital and Western OTB regions' computers are headquartered in Schenectady (under contracts with Control Data Corporation).

Through 1984, in order to accomplish the necessary interfacing to combine off-track and on-track wagers, complicated and cumbersome techniques were employed. In general, New York

Delay in effecting OTB pay-offs also has been substantially eliminated. While off-track pay-off prices are pegged to on-track prices, the OTB's, except at simulcast theaters, must deduct the statutory surcharge and enter the prices in their respective systems, but these delays have been eliminated and OTB prices are posted almost simultaneously with on-track prices.

Accordingly, the time for "churning" (i.e., the tendency of winning bettors to bet on the next race) has been increased.

While ultimate last minute betting still has not been achieved (OTB regular and multiple pools are closed one minute or more, and exotic pools are closed six minutes or more, before their closure on-track) the delay in cashing OTB winners appears to have been overcome.

The display of odds at OTB branches, however, is still a problem. Win pool odds can be displayed with a 15 second delay, but the display of current daily double, exacta and quinella odds is still inadequate.

The study by the Legislative Commission on Science and Technology has addressed these problems and offered recommendations, which hopefully will be followed up by the industry.

INTERFACE TECHNIQUES AMONG TRACKS

The problem of connecting different pari-mutuel on-track systems has been a matter of some concern in implementing track to track simulcasting. The law requires that all bets be combined at the sending track to assure uniform odds and uniform winning pay-off prices statewide. Because the receiving tracks

so that their tote computers can "speak" to each other and easily transmit their bets from the receiving track's computer systems to the sending track's system and permit the sending track's system to transmit back the odds and prices to the receiving track's system for display to the public.

During 1988, some progress toward this goal was made when several harness tracks attempted to take the Breeders' Crown series of harness races. Using Batavia Downs as the site of the statewide interface tracks with the same totalizator equipment were able to effect a practical interface. However, Saratoga Raceway, which has a different vendor, discontinued its simulcasting of those events because of the delays required in its interfacing with the computers at Batavia.

Presently, Finger Lakes has the ability to take bets on its own system and transmit the totals to NYRA for the Kentucky Derby, Preakness and Breeders Cup. The display of odds and prices from NYRA is accomplished over a separate telephone line using special video equipment. This methodology appears satisfactory and, hopefully can be expanded to enhance the ability of all the tracks to engage in special events simulcasting.

decoders were being sold in the New York City area. All concerned parties were notified of this development.

By July, 1986, NYRA had contracted with a new encryption manufacturer, Scientific-Atlanta, to fulfill its encoder/decoder needs. Beginning with its Saratoga meet in August, NYRA encrypted its signal with Scientific-Atlanta's "B-Mac" system. It is interesting to note that immediately after changing to the B-Mac system, numerous telephone calls were received from around the country complaining that the NYRA signal could no longer be decoded.

NYRA transmits its simulcast signal utilizing an earth station located in the backstretch of Belmont Park. The property on which the earth station is built was leased from NYRA by Cablevision Program Services Company and Cablevision of Westchester in an agreement signed on September 26, 1978, and amended on October 10, 1978. A second amendment signed on September 15, 1980, transfers and assigns the above lease to Atlantic Transport Company.

The above agreements permitted the tenant to build a transmitting and receiving earth station consisting of two 11-meter dishes (transmitter antennae) and a microwave system on the grandstand roof to be connected to the earth station. A third dish has been added as per the amendment of September 15, 1980.

Under the agreements NYRA may receive, free of charge, any programming received by the tenant at the earth station. This tenant must provide to NYRA all necessary transmission time at published common carrier rates.

Aqueduct to the earth station at Belmont on their private coded system. Another weakness of point-to-point transmission is that it may be intercepted along the path of the signal.

MULTIPOINT DISTRIBUTION SYSTEM (M.D.S.) - Broadcasts in a wide oval from the point of transmission. Depending on the height and wattage of the unit, the signal can travel 100 miles without loss of quality. In New York State, this system is used only by Capital OTB within the Albany area.

CABLE T.V. - Shielded coaxial cable used to carry the signal from the source to each designated receiver. This method of distributing a television signal is used primarily as an in-house system for a track to feed its monitors via Closed Circuit TV (CCTV), or by a local cable company (CATV) to service its subscribers.

New York City OTB (NYCOTB) uses a franchised cable company to service some locations in Manhattan. NYCOTB and its franchised cable company installed a cable encryption system in 1986. This system, manufactured by Zenith, uses an addressing system to activate only specific decoders in OTB branches. During 1987, there were confirmed reports of unauthorized reception of this signal.

Capital OTB owns and operates a franchised cable company that produces TV-12. This station carries the "live call" of races while the screen displays only odds and prices to cable TV subscribers as well as other cable companies.

It is simple and inexpensive to steal the programming, if access can be gained to the cable. Since 1985, when such a

An engineer is paid approximately \$40,000 per year; assisting technicians are paid about \$25,000 per year to run the earth station.

The cost of such an endeavor, in the first year, to construct and operate the earth station could be in excess of \$1 million.

At the receiving sites, the cost of a downlink dish (antenna) could range from \$2,500 to \$10,000 per location. A dish costing \$2,500 would not be suitable to receive a high level of encrypted television signals. The signals must be amplified a minimum of 100,000 times in order to allow the decoder to function at high encryption levels.

branches to the simulcast branch (OTB cannibalization). Further, if tracks in the OTB region are conducting track to track simulcasting, simulcasting at OTB branches, while seeming to be disappointing, may really be successful, in that it has stemmed a greater shift of business to a nearby track which is now receiving simulcasts.

In 1984, legislation guaranteed that horsemen would receive a portion of the OTB simulcast revenues, and established a measure for determining incremental OTB handle from simulcasting. The OTB corporations complained that the statutory method of computing incremental handle (basically the increase in a simulcast branch's weekly handle above the average week when it had no simulcasting) was unrealistic since the formula did not take into account cannibalization from other branches. Because of this OTB, claimed that since it had to pay larger commissions to the tracks for already established business, it was actually losing money through simulcasting. (New York City OTB claimed it lost almost \$500,000 on Roosevelt Raceway simulcasting in a three month period alone.)

In 1985, the Legislature amended this formula and dropped fixed allocations of OTB simulcast handle for the race tracks or purses. It thereby abandoned any attempt to define incremental handle legislatively and left the parties free to negotiate such compensation.

Historical computations have shown large variations among branches due to live audio race calls, closer to post time betting, more up to date odds changes, opening and closings of

NYRA which lost \$23 million handle on-track, gained \$173 million at track to track and off-track locations! Finger Lakes which maintained its handle on-track, gained \$23 million off-track.

It seemed fair to say that the net \$173 million additional handle in 1986 resulted from simulcasting. (Note: Catskill OTB, which feared a substantial reduction in its NYRA handle from the competition of the Yonkers' track to track facility showed a gain of \$4.4 million (or 6.4%) in its NYRA handle in 1986.)

The harness track situation was more perplexing. While off-track simulcasting, despite disruptions, expanded in 1986 and gained \$39 million, stemming the trend of recent losses, the on-track handle continued to decline, losing \$31 million.

It was apparent that the overall increase in statewide handle of \$184 million was almost all due to simulcasting (some resulting from increased harness programs and the then new quarterhorse track).

1987 RESULTS. Simulcasting in 1987 appears to have reached maturity. Fifty percent of all off-track betting is now done at simulcast branches or theaters -- 48.3% of all NYRA OTB handle, 71.1% of Finger Lakes OTB handle, 65.4% of Roosevelt/Yonkers OTB handle, 61.5% of Saratoga Raceway OTB handle and 53% of Buffalo/Batavia OTB handle.

Track to track operations just about duplicated 1986 operations but on a full year basis and registered a \$40 million gain in handle, mostly at Yonkers Raceway (\$37.5 million) which operated for all of 1987 compared with 9 months of 1986.

1988 RESULTS. The lack of any dramatic increases in betting handle during 1988 appears to prove that the business stabilized in 1987. Fifty-five percent of all off-track handle was generated through simulcasting, 64% of all NYRA OTB handle (up from 48%), 79% of Finger Lakes' OTB handle, 68% of Roosevelt/Yonkers' off-track handle, 77% of Saratoga Raceway OTB handle and 65% of Buffalo/Batavia OTB harness handle.

Track to track simulcasting of NYRA races registered some small increases during the year. Curiously, the increase of Yonkers' simulcasting handle on NYRA races of \$4 million just about matched the decline of on-track handle at NYRA tracks.

Finger Lakes, again in 1988, registered the only substantial increases which must be attributed to simulcasting. The handle on their races at OTB locations rose 12%. While this increase is not the same magnitude as 1987's (\$31 million), it still was a bright spot for the year.

The year's results continued the now long-term trend of growth of OTB handle on thoroughbred racing (up \$64 million) and loss of on-track harness handle (down \$64 million) with on-track thoroughbred and off-track harness handle remaining relatively flat.

As stated in the 1987 Simulcast Report, simulcasting in New York appears to have matured under present conditions, and any new dramatic growth would probably have to come from sources not presently available.

position in the racing and wagering community at large, simulcasting must continue.

RECOMMENDATION #2

During 1987 and 1988, both the New York State Government and the racing and wagering industry throughout the United States have focused a great deal of attention on the issues of integrity and accountability. At the same time, the Board began an intensive review of the ways and means to improve and enhance all aspects of integrity and accountability throughout the racing and wagering community.

The Board strongly supports the efforts underway to promote and insure professionalism, integrity and ethical conduct within all segments of the racing and wagering community. With respect to off-track betting, the state's six public benefit corporations must heed that call, as well as respond to the public's demand for accountability for all government agencies.

Therefore, the Board recommended, as 1989 departmental legislation, a series of proposals which would enhance the Board's oversight and regulatory functions with respect to OTB and help insure the integrity and accountability of this State's system of off-track betting. These proposals are designed to promote the more effective management of off-track betting and enable the Board to more effectively monitor and review their operations.

With respect to insuring the integrity of off-track betting activities, the Board has submitted three significant legislative proposals. They all relate to the ability of the Board to more

The second proposal would authorize the Chairman of the Board to designate a Board officer to preside at off-track betting hearings. Currently, the statute provides that the Chairman, a Board Member or the Board sitting en banc preside at hearings involving off-track betting. The thoroughbred, harness, quarterhorse and simulcast articles of the Racing Law permit the designation of an officer of the Board to preside at such hearings. This proposal will allow for the prompter scheduling of such hearings because of the availability of a greater number of individuals who may preside. The parties to the hearing are not prejudiced because the Board must review the report and recommendation of the hearing officer and it alone, makes the final determination.

The proposal recognizes the fact that today there are many more hearings held by the Board which require the availability of more than three individuals to act as hearing officers than there were at the time the statute was originally enacted. It will also insure a uniform procedure with respect to all administrative hearings conducted by the Board. Accordingly, the Board recommends the enactment of A. 4297.

The final "integrity" proposal would authorize the Board to license any person, association or corporation participating in off-track betting as the Board may by rule prescribe. This proposal will conform the off-track betting article of the Racing Law to its sister provisions governing all types of racing as well as simulcasting in this State.

With respect to the issue of accountability and integrity in the management of off-track betting, the Board has recommended the enactment of legislation which would bar a director of a regional off-track betting corporation from holding any position of employment with that off-track betting corporation.

The board of directors of an off-track betting corporation is responsible for the management of that corporation, including the appointment of its officers. It is not in the public interest to have directors also serve as paid employees of that corporation including the position of President and Chief Executive Officer.

Under the common law doctrine of compatibility of office, dual employment is found to be contrary to public policy. In Formal Opinion No. 88-F1, Attorney General Abrams wrote:

"A director cannot effectively and impartially supervise himself nor can his colleagues on the board of directors exercise such supervision. Additionally, an appearance of impropriety would result. This dual employment would erode the natural checks and balances that flow from the employer-employee relationship to the detriment of corporate operations and public trust. Were this not prohibited, an entire board could serve as employees of the corporation creating conflicting interests and raising questions as to whether board decisions are made solely in the public interest".

The New York State Comptroller shares this concern. In recent audit reports, he concludes that service as a director of an off-track betting corporation as well as its president and chief executive officer, is contrary to the doctrine of compatibility of office. Recently, the Attorney General of the State of New York reached a different conclusion. He found that

utilization of these innovative yet costly facilities be encouraged.

Accordingly, the Board recommends that simulcasts from out-of-state race tracks into licensed simulcast facilities be authorized for races with significant public interest, such as the Kentucky Derby, the Preakness, the Breeders' Cup or the Breeders' Crown.

RECOMMENDATION #4

The advent of simulcasting has drastically changed the way in which off-track pari-mutuel wagering on horse races is conducted. The State's off-track betting corporations have undertaken significant and worthwhile programs to expand and enhance their facilities. With simulcasting, it is important for the patrons to feel comfortable, enjoy all the new amenities now allowed by law and actively participate in new wagering opportunities offered by simulcasting (i.e. - increase the "churn").

In order to accommodate these new requirements, OTB corporations have and must continue to upgrade their physical facilities, as well as the technical equipment needed for simulcasting. Off-track betting corporations, like race tracks, must offer their patrons an incentive for returning day after day or night after night.

In this report, we have described the efforts of several off-track betting corporations to improve their facilities and the services offered therein. We have also described how these corporations have sought to finance these cost-intensive

that Article X be amended to give it explicit statutory authority to prescribe and enforce minimum standards in relation to the methodology, equipment and means employed to safeguard and control the transmission of simulcast signals and wagering data.

APPENDICES

The following charts summarize various financial results during the calendar year ending December 31, 1988. All figures are tentative.

ON-TRACK RACING STATISTICS
COMPARED WITH JANUARY-DECEMBER, 1987
FOR ALL TRACKS

JANUARY - DECEMBER 1988

A T T E N D A N C E

H A N D I E

THOROUGHBRED:	RACING DAYS		T O T A L		DAILY AVERAGE		% OF AVGR. INCR. OR DECR.		T O T A L		DAILY AVERAGE		% OF AVGR. INCR. OR DECR.	
	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1988	1987	
NYRA (A)	308	304	4,284,790	4,456,137	13,912	14,658	(5.09) %	879,643,773	884,745,427	2,855,986	2,910,347	(1.87) %		
FINGER LAKES	172	171	403,734	419,923	2,347	2,456	(4.44)	50,528,183	48,976,593	293,769	286,413	2.57		
NYRA SIMULCAST AT:														
AQUEDUCT (SARA. MEET)	24	24	162,614	172,016	6,776	7,167	(5.46)	28,774,479	30,411,611	1,198,937	1,267,150	(5.38)		
FINGER LAKES	99	91	40,811	39,329	412	432	(4.63)	8,644,860	7,260,261	87,322	79,783	9.45		
SARATOGA	284	280	131,564	172,996	463	618	(25.08)	17,406,274	18,897,279	61,290	67,490	(9.19)		
YONKERS	298	304	569,100	569,242	1,910	1,873	1.98	99,862,170	94,153,799	335,108	309,716	8.20		
TOTAL THOROUGHBRED	480	475	5,592,613	5,829,643	11,651	12,273	(5.07)	1,084,859,739	1,084,444,970	2,260,124	2,283,042	(1.00)		
HARNESSES:														
BATAVIA	147	147	241,618	262,168	1,644	1,783	(7.80)	24,310,035	26,353,572	165,374	179,276	(7.75)		
BUFFALO	139	143	248,097	240,225	1,785	1,680	6.25	23,905,239	25,057,225	171,980	175,225	(1.85)		
MONTICELLO	180	216	349,991	426,318	1,944	1,974	(1.52)	43,418,787	52,796,229	241,215	244,427	(1.31)		
ROOSEVELT	109	183	347,333	732,334	3,187	4,002	(20.36)	82,230,782	157,492,707	754,411	860,616	(12.34)		
SARATOGA	202	188	408,895	428,667	2,024	2,280	(11.23)	34,984,062	36,120,680	173,188	192,131	(9.86)		
SYRACUSE MILE	7	7	19,085	21,315	2,726	3,045	(10.48)	2,364,448	2,210,154	337,778	315,736	6.98		
VERNON	154	160	361,510	382,835	2,347	2,393	(1.92)	31,676,454	32,570,020	205,691	203,563	1.05		
YONKERS	247	193	800,009	721,558	3,239	3,739	(13.37)	189,977,426	163,946,198	769,139	849,462	(9.46)		
TOTAL HARNESSES	1,185	1,237	2,776,538	3,215,420	2,343	2,599	(9.85)	432,867,233	496,546,785	365,289	401,412	(9.00)		
STATEWIDE TOTAL	1,665	1,712	8,369,151	9,045,063	5,027	5,283	(4.85)	1,517,726,972	1,580,991,755	911,548	923,476	(1.29)		
MEADOWLANDS	289	282	3,405,858	3,567,944	11,785	12,652	(6.85)	514,128,313	588,991,839	1,778,991	2,088,624	(14.82)		

(A) Figures include Aqueduct, Belmont and Saratoga.

1988
NEW YORK RACING ASSOCIATION SIMPLICISTS TO OTHER NEW YORK TRACKS

NMRA Betting At

Dates	Yonkers Raceway		Saratoga Raceway		Finger Lakes		Combined Totals	
	1/1 - 12/31	Average	1/1 - 12/12/31	Average	1/1 - 3/2/21, 12/1-12/31	Average	1/1 - 12/31	Average
Days Raced	298	1,910	284	463	99	412	308	308
Attendance	569,100		131,564		40,811		741,475	
<u>HNRA</u>								
Regular								
Multiple	\$27,518,068	27.56	\$5,419,127	31.13	\$1,491,783	17.26	\$34,428,978	27.34
Exotic	64,746,190	64.83	10,445,695	60.01	6,448,225	74.59	81,639,110	64.84
Super Exotic	5,935,351	5.94	1,257,336	7.23	590,474	6.71	7,773,161	6.17
Total Handle	<u>1,663,560</u>	<u>1.67</u>	<u>284,116</u>	<u>1.63</u>	<u>124,378</u>	<u>1.44</u>	<u>2,072,054</u>	<u>1.65</u>
	<u>\$99,862,169</u>	<u>100%</u>	<u>\$17,406,274</u>	<u>100%</u>	<u>\$8,644,860</u>	<u>100%</u>	<u>\$125,913,303</u>	<u>100%</u>

SPRING OF HNRA

State Tax	\$1,987,390	1.99	\$ 296,698	1.71	\$ 232,288	2.69	\$2,516,376	2.00
Breeders Fund	499,308	0.50	87,031	0.50	43,224	0.50	629,563	0.50
NMRA	7,225,790	7.24	1,253,159	7.20	621,494	7.19	9,100,433	7.23
Receiving Track	8,391,365	8.40	1,547,976	8.89	667,746	7.72	10,607,087	8.42
Total Commission/Breakage	<u>\$18,103,853</u>	<u>18.13</u>	<u>\$3,184,864</u>	<u>18.30</u>	<u>\$1,564,742</u>	<u>18.10</u>	<u>\$22,853,459</u>	<u>18.15</u>
Betters Share	81,758,316	81.87	14,221,410	81.70	7,080,118	81.90	103,059,844	81.85
<u>HNRA</u>	<u>\$99,862,169</u>	<u>100%</u>	<u>\$17,406,274</u>	<u>100.00</u>	<u>\$8,644,860</u>	<u>100%</u>	<u>\$125,913,303</u>	<u>100%</u>
% of Combined Handle	79.31%		13.82%		6.87%		100%	
Average Bet Per Capita	\$175		\$132		\$212		\$170	

PARI-MUTUEL HANDLE AT SIMULCAST LOCATIONS IN NEW YORK STATE (1988 - 1987) (Part 2)

RACES

NYRA SIMULCASTS

AT:

	Monticello		Saratoga Raceway		Batavia/Buffalo	
	1988	1987	1988	1987	1988	1987
Aqueduct	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Yonkers Raceway	---	---	---	---	---	---
Saratoga Raceway	---	---	---	---	---	---
Finger Lakes	---	---	---	---	---	---
TOTAL						

N Y City OTB

Nassau OTB	\$ 1,200,000	\$ 376,700	\$ ---	\$ ---	\$ ---	\$ ---
Suffolk OTB	366,000	25,000	---	---	---	---
Catskill OTB	---	35,000	---	---	---	---
Capital OTB	1,100,000	2,500,000	---	---	---	---
Western OTB	909,000	694,000	14,000,000	6,359,000	3,300,000	2,028,000
TOTAL	\$ 3,575,000	\$ 3,630,700	\$ 14,000,000	\$ 6,359,000	\$ 31,100,000	\$ 26,028,000

TELETHEATERS

N Y City OTB	189,000	\$ 24,000	---	---	---	---
Suffolk OTB	---	---	---	---	---	---
Capital OTB	127,000	199,000	4,300,000	3,658,000	254,000	330,000
TOTAL (Teletheaters)	\$ 316,000	\$ 223,000	\$ 4,300,000	\$ 3,658,000	\$ 254,000	\$ 330,000

STATEWIDE TOTAL

	\$ 3,891,000	\$ 3,853,700	\$ 18,300,000	\$ 10,017,000	\$ 31,354,000	\$ 26,358,000
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TRACK TO TRACK SIMULCASTS NYRA RACING - Handle at Receiving Tracks
5 Year Comparison of Combined On-Track and Simulcast Handles and Racing Days

<u>BUFFALO RACEWAY</u>	<u>On-Track Own Racing</u>		<u>On-Track Simulcast NYRA Racing</u>		<u>Combined Handle</u>
	<u>Days</u>	<u>Handle</u>	<u>Days</u>	<u>Handle</u>	
1984	144	\$31,711,856	23	\$1,011,609	\$32,723,465
(Decrease) Increase 1985		(2,759,595)		4,546,090	1,786,495
1985	141	\$28,952,261	155	\$5,557,699	\$34,509,960
(Decrease) 1986		(255,250)		(5,430,538)	(5,685,788)
1986	133	\$28,697,011	9	\$127,161	\$28,824,172
(Decrease) 1987		(3,639,786)		(127,161)	(3,766,947)
1987	143	\$25,057,225	No Simulcast		\$25,057,225
(Decrease) 1988		(1,151,986)			(1,151,986)
1988	139	\$23,905,239	No Simulcast		\$23,905,239
<u>FINGER LAKES</u>					
1984	151	\$51,542,090	23	\$1,466,435	\$53,008,525
(Decrease) Increase 1985		(2,630,450)		8,357,391	5,726,941
1985	161	\$48,911,640	194	\$9,823,826	\$58,735,466
Increase (Decrease) 1986		342,268		(634,452)	(292,184)
1986	161	\$49,253,908	114	\$9,189,374	\$58,443,282
(Decrease) 1987		(277,315)		(1,929,113)	(2,206,428)
1987	171	\$48,976,593	91	\$7,260,261	\$56,236,854
Increase 1988		1,551,590		\$1,384,598	\$2,936,188
1988	172	\$50,528,183	99	\$8,644,859	\$59,173,042
<u>SARATOGA RACEWAY</u>					
1984	221	\$46,245,401	108	\$6,159,825	\$52,405,226
(Decrease) Increase 1985		(7,679,379)		11,060,402	3,381,023
1985	187	\$38,566,022	282	\$17,220,227	\$55,786,249
(Decrease) 1986		(3,249,412)		(702,945)	(3,952,357)
1986	187	\$35,316,610	286	\$16,517,282	\$51,833,892
Increase 1987		804,070		2,379,997	3,184,067
1987	188	\$36,120,680	280	\$18,897,279	\$55,017,959
(Decrease) 1988		(1,136,618)		(1,491,005)	(2,627,623)
1988	202	\$34,984,062	284	\$17,406,274	\$52,390,336
(1988-NYRA Simulcast racing includes \$170,348 for Kentucky Derby and Preakness)					
<u>YONKERS RACEWAY</u>					
1984	154	\$177,808,085			\$177,808,085
Increase 1985		9,109,839			9,109,839
1985	163	\$186,917,924			\$186,917,924
(Decrease) Increase 1986		(14,873,827)			(14,873,827)
1986	182	\$172,044,097	242	\$56,680,458	\$228,724,555
(Decrease) Increase 1987		(8,097,899)		37,473,341	29,375,442
1987	193	\$163,946,198	304	\$94,153,799	\$258,099,997
Increase 1988		26,031,228		5,708,370	31,739,598
1988	247	\$189,977,426	298	\$99,862,169	\$289,839,595
(1988-NYRA Simulcast racing includes \$282,354 for Kentucky Derby and Preakness)					

SARATOGA (THOROUGHBRED MEETS of the New York Racing Association and Selected Simulcasts
Comparisons of Handle and Attendance - Totals, Daily Averages and Increases and Decreases

ON-TRACK HANDLE AT SARATOGA - 5 YEAR COMPARISON

ATTENDANCE

DATES	DAYS	TOTAL FOR MEET		AVERAGE PER DAY		TOTAL FOR MEET		AVERAGE PER DAY	
		AMOUNT	% CHANGE	AMOUNT	% CHANGE	AMOUNT	% CHANGE	AMOUNT	% CHANGE
1984 Aug. 1 - Aug. 27	24	\$73,181,523		\$3,049,230		664,762		27,698	
Increase - 1985		3,028,313	4.14%	126,180	4.14%	25,511		1,063	3.84%
1985 July 31 - Aug. 26	24	\$76,209,836		\$3,175,410		690,273		28,761	
Increase(Decrease) - 1985		(178,964)	(0.23%)	(7,457)	(0.23%)	14,054		585	2.03%
1986 July 30 - Aug. 25	24	\$76,030,872		\$3,167,953		704,327		29,346	
Increase - 1987		8,523,904	11.21%	355,163	11.21%	18,094		754	2.57%
1987 Aug. 8 - Aug. 31	24	\$84,554,776		\$3,523,116		722,421		30,100	
(Decrease) - 1988		(1,418,372)	(1.68%)	(59,099)	(1.68%)	(42,719)		(2,071)	(6.88%)
1988 Aug. 3 - Aug. 29	24	\$83,136,404		\$3,464,017		672,702		28,029	

NEW YORK CITY OTB SARATOGA THOROUGHBRED RACING - 5 YEARS COMPARISON

DATES	DAYS RACED	NYC OTB HANDLE		AVERAGE PER DAY	
		AMOUNT	% CHANGE	AMOUNT	% CHANGE
1984 Aug. 1 - Aug. 27	24	\$54,275,827		\$2,261,493	
(Decrease) 1985		(840,143)	(1.55%)	(35,006)	(1.55%)
1985 July 3 - Aug. 26	24	\$53,435,684		\$2,226,487	
Increase 1986		1,681,585	3.15%	70,066	3.15%
1986 July 30 - Aug. 25	24	\$55,117,269		\$2,296,553	
Increase		5,171,372	9.38%	215,474	9.38%
1987 Aug. 8 - Aug. 31	24	\$60,288,641		\$2,512,027	
(Decrease) 1988		(5,915,298)	(9.81%)	(246,471)	(9.81%)
1988 Aug. 3 - Aug. 29	24	\$54,373,343		\$2,265,556	

YONKERS RACEWAY - SARATOGA THOROUGHBRED SIMULCASTS

DATES	DAYS RACED	YONKERS HANDLE		AVERAGE PER DAY	
		AMOUNT	% CHANGE	AMOUNT	% CHANGE
1986 July 30 - Aug. 25	24	\$7,095,423		\$295,643	
Increase 1987		1,881,286	26.51%	78,387	26.51%
1987 Aug. 8 - Aug. 31	24	\$8,976,709		\$374,030	
Increase 1988		47,096	0.52%	1,962	0.52%
1988 Aug. 3 - Aug. 19	24	\$9,023,805		\$375,992	

1988 SIMULCAST REPORT STAFF

COORDINATORS:

John M. Dailey, Esq.
Steven H. Richman, Esq.
Eileen M. Clarke-Brady

Director of Racing and OTB
Chief of OTB Operations
Assistant Chief of OTB Operations

WRITERS AND RESEARCHERS:

John M. Dailey, Esq.
James J. Gallagher
Steven H. Richman, Esq.
Arthur Schechter
Eileen M. Clarke-Brady

Director of Racing and OTB
Chief of Racing Operations
Chief of OTB Operations
Chief of Audits and Investigations
Assistant Chief of OTB Operations

Margaret W. Anderson
Milton Levine
Joseph Lynch
Thomas J. Martin
Joseph P. Sorbello
John F. Carroll

OTB Operations Analyst
OTB Operations Analyst
OTB Operations Analyst
OTB Operations Analyst
OTB Operations Analyst
OTB Operations Analyst

Ismet Apdiroglu
Louis T. Paruolo
Winifred E. Donohue
David Hee

Associate Accountant
Associate Accountant
Senior Accountant
Senior Accountant

EDITORIAL SUPPORT:

William A. Creighton
Daniel J. Goldberg, Esq.
Frank R. Massimo
Ronald S. Sommer

Finance Officer
Assistant Counsel
Computer Services
Assistant to the Executive Director

TECHNICAL SERVICES:

Catherine A. Badner
Victoria J. Bailey
Justa G. Buso

Rae S. Gordon

Anna Marie Clucas
Mary Williams Foster
Arvind S. Patel

