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INDEPENDENT REGULATORY REVIEW COMMISSION

333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

December 27, 2006

Anne LaCour Neeb, Executive Director
Pennsylvania Gaming Control Board
Strawberry Square
Verizon Tower, 5th Floor
Harrisburg, PA 17106-9060

Re: Regulation #125-48 (IRRC #2572)
Pennsylvania Gaming Control Board
Slot Machine Testing and Control; Possession of Slot Machines

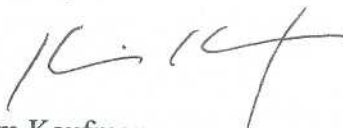
Dear Ms. Neeb:

Enclosed are the Commission's comments for consideration when you prepare the final version of this regulation. These comments are not a formal approval or disapproval of the regulation. However, they specify the regulatory review criteria that have not been met.

The comments will be available on our website at www.irrc.state.pa.us. We will send a copy to the standing committees when they are designated.

Given the fairly extensive array of comments, we would welcome the opportunity to meet with you and your staff to discuss them prior to your preparation and submission of the final-form regulation.

Sincerely,


Kim Kaufman
Executive Director
wbg
Enclosure

Comments of the Independent Regulatory Review Commission

on

Pennsylvania Gaming Control Board Regulation #125-48 (IRRC #2572)

Slot Machine Testing and Control; Possession of Slot Machines

December 27, 2006

We submit for your consideration the following comments on the proposed rulemaking published in the October 28, 2006 *Pennsylvania Bulletin*. Our comments are based on criteria in Section 5.2 of the Regulatory Review Act (71 P.S. § 745.5b). Section 5.1(a) of the Regulatory Review Act (71 P.S. § 745.5a(a)) directs the Pennsylvania Gaming Control Board (Board) to respond to all comments received from us or any other source.

1. Determining whether the regulation is in the public interest.

The Pennsylvania Horse Race Development Act (Act) (4 Pa.C.S.A. §§ 1101-1904) allows the Board to promulgate temporary regulations until April 15, 2007. The temporary regulations are not subject to two statutes that guide agencies when promulgating regulations: the Commonwealth Documents Law (CDL) (45 P.S. §§ 1201-1208) and the Regulatory Review Act (RRA) (71 P.S. §§ 745.1-745.15). The Act requires all temporary regulations to be promulgated as permanent regulations by July 5, 2007. The conversion of temporary regulations to permanent regulations requires compliance with both the CDL and the RRA.

Section 5.2 of the RRA (71 P.S. § 745.5b) directs this Commission to determine whether a regulation is in the public interest. When making this determination, the Commission considers criteria such as economic or fiscal impact and reasonableness. Therefore, the Commission must analyze the text of the proposed rulemaking and the reasons for the new or amended language. The Commission also considers the information a promulgating agency is required to provide under §745.5(a) in the regulatory analysis form (RAF).

The Preamble to this rulemaking states that the Board proposes to replace two chapters of its temporary regulations with permanent regulations. The explanation of the regulations in the Preamble and the information contained on the RAF is not sufficient to allow this Commission to determine if the regulation is in the public interest. While we commend the Board for involving the regulated community in the development of the temporary regulations, we note that a complete explanation of the need for each chapter and section was not provided in that process. Furthermore, the RAF does not contain a detailed fiscal impact and cost benefit analysis. Without this information, we cannot determine if this proposed regulation is in the public interest. In the Preamble and RAF submitted with the final-form rulemaking, the Board should provide the detailed information required under §745.5(a) of the RRA.

2. Economic or fiscal impact; Clarity and lack of ambiguity; Reasonableness of the requirements.

This regulation contains many phrases that are vague. Examples include: “in an alternative manner approved by the Board”; “technical standards adopted by the Board”; “additional documentation adopted by the Board”; “when applicable”; “in the manner prescribed by the Board”; “unless otherwise determined by the Board”; “with prior Board approval”; and “other requirements requested by the Board.” These phrases are problematic for three reasons.

First, a regulation has the full force and effect of law. It establishes binding norms on the regulated entity and the agency that promulgated the regulation. The vague phrases in question would allow requirements to be imposed at the agency’s discretion without the opportunity for comment or review through the regulatory process. Therefore, without adequate notice as to what requirements the agency is imposing, it would be difficult if not impossible for regulated parties to discern what actions on their part would constitute compliance.

Second, incorporation of non-regulatory documents, such as “technical standards adopted by the Board,” is problematic because those documents cannot be used to enforce standards contained in regulation. In addition, this approach would allow an agency or department to bypass the formal regulatory review process and the laws that govern the promulgation of regulations.

Third, many sections in which the vague phrases are found lack details that would allow the regulated community to comply with the regulation. These sections also fail to provide the criteria the Board will use to evaluate a particular action or request. This lack of clarity would place the regulated community at a distinct disadvantage because the rules and expectations of the Board could change.

We urge the Board to evaluate all of the vague phrases we have identified in bold text in Appendix A. The Board should either delete the language or add the needed detail that would allow the regulated community to know what they are expected to do and how the Board will evaluate their actions.

3. Section 461.1. Definitions. – Clarity and lack of ambiguity.

Conversion – The definition of “modification” includes changes or alterations to “associated equipment.” Should this definition also include a reference to “associated equipment”?

Player tracking system – The last sentence of this definition states the following: “Player activity may be tracked generally or on an individual player basis.” This is a substantive provision. Substantive provisions contained in definitions are not enforceable. This provision should be moved to an appropriate section in the body of the regulation.

4. Section 461.3. Testing and approval generally. – Implementation procedures; Reasonableness; Clarity and lack of ambiguity.

Subsection (d) requires the Board to establish and maintain an independent slot machine testing facility by July 5, 2007. The cost and operation of the facility is to be paid by each licensed manufacturer “in accordance with a schedule adopted by the Board.” Subsection (e) requires the costs for testing and approval of slot machines and associated equipment to be paid “in accordance with a schedule adopted by the Board.”

These subsections are problematic because they have the potential to impose significant costs on the regulated community, but do not indicate how those costs will be calculated. The mechanism

or formula for determining the costs should be included in the final-form regulation and, as noted in our first comment, those costs should be detailed in the RAF and the Preamble.

5. Section 461.4. Submission for testing and approval. – Clarity and lack of ambiguity.

Subsections (e) and (f) state that the Board may “periodically” prescribe certain checklists and requirements. This term is vague and should be deleted.

6. Section 461.12. Progressive slot machines. – Need; Reasonableness

Subsection (m) limits the amount of progressive jackpots that meet certain criteria to an amount less than \$1,200. What is the basis for this monetary threshold?

7. Section 461.24. Waivers. – Implementation procedures; Clarity and lack of ambiguity.

This section allows the Board to waive requirements applicable to slot machines as long as the Board determines that the “operational integrity requirements” of the Act are met. The procedures for requesting a waiver should be included in the final-form regulation.

8. Section 461.25. Disputes. – Implementation procedures.

If a dispute over alleged winnings arises between a patron and a slot machine licensee, Subsection (a) requires the slot machine licensee to notify the patron of their right to contact the Board. We recommend that notification be in writing and that the notification contain an appropriate phone number and email address for the Board.

9. Section 463.6. Notice to central control computer system. – Statutory authority.

Under this section, slot machine licensees are required to “provide the Department with notice of the slot movement, in a form and pursuant to a time frame prescribed by the Department.” We note that these requirements are to be established by the Department of Revenue. The Board has no authority to require compliance with the requirements of another state agency. Therefore, this section should be deleted.

10. Undefined terms. – Clarity and lack of ambiguity.

The terms or phrases noted below are found throughout the regulation. Clarity would be improved if these terms were defined.

- | | |
|----------------------------------|---------------------------------|
| • promotional program | • paytables |
| • bonus award | • theoretical payout percentage |
| • slot machine bill validator | • “double up” games |
| • wide area progressive system | • per pay table basis |
| • progressive payout | • manufacturer’s par sheet |
| • reset amount | • progressive awards |
| • progressive rate | • hand pay |
| • related systems | • gaming day |
| • pseudo random number generator | • slot operations department |
| • reel strips | • slot accounting department |

- currency cassettes
- slot system operator
- remote system access
- educational institution
- common carrier
- Slot Machine Master List
- high-boy

11. Reference to temporary regulations. – Clarity and lack of ambiguity.

The following sections of the regulation contain references to the Board's temporary regulations. The Board's temporary regulations will cease to exist as of July 5, 2007, unless they are promulgated as permanent regulations by that date. We recommend that the Board delete references to temporary regulations unless the pertinent temporary regulations have been promulgated as permanent regulations prior to the Board's submittal of this final-form regulation.

- § 461.7(b)(2)
- § 461.8(d)
- § 461.8(i)
- § 461.8(k)
- § 461.8(n)
- § 461.10(b)
- § 461.12(g)(2)
- § 461.18(c)
- § 461.20(e)
- § 461.21(e)
- § 461.22(c)
- § 463.3(b)

Appendix A

Section	
461.1	(Definition of “coupon system”) The collective hardware, software, communications technology and other ancillary equipment used to facilitate the issuance of coupons, the acceptance of a coupon by a slot machine or its redemption at an automated coupon redemption machine, cashiers' cage or other locations, and in an alternative manner approved by the Board.
461.1	(Definition of “gaming voucher system”) The collective hardware, software, communications technology and other ancillary equipment used to facilitate the issuance of gaming vouchers and the redemption of gaming vouchers by slot machines, automated gaming voucher redemption machines, the cashiers' cage or in other locations, and in alternative manners, as approved by the Board.
461.4(c)(11)	Other associated equipment specifically identified by the Board.
461.4(d)	Slot machine prototypes and associated equipment prototypes, and any modifications thereto, which are subject to testing and approval under this section will be evaluated by the Board for overall operational integrity and compliance with the act, this subpart and technical standards adopted by the Board. In addition, with regard to any slot machine, or modification thereto, the Board will test for compatibility and compliance with the central control computer and protocol specifications approved by the Department including the ability to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval and activation and disabling of slot machines.
461.4(h)(2)(iv)	In the professional's opinion, the equipment, device or software complies with the act, this subpart and technical standards adopted by the Board...
461.4(h)(7)	Any hardware, software and other equipment, inclusive of technical support and maintenance applicable thereto, required by the Slot Lab to conduct the abbreviated testing and approval process contemplated by the act, this subpart and technical standards adopted by the Board. The testing equipment and services required by this paragraph shall be provided at no cost to the Board.
461.4(h)(8)	Additional documentation requested by the Board.
461.4(i)(2)	Certifications required under subsection (f) providing assurances from the manufacturer that the product was properly and completely tested and emulated by the manufacturer prior to its submission to the Board and that the product, device or software complies with the act, this subpart and technical standards adopted by the Board, including applicable requirements related to the central control computer.
461.4(i)(5)	Any hardware, software and other equipment, inclusive of technical support and maintenance applicable thereto, required by the Slot Lab to conduct the testing and approval process contemplated by the act, this subpart and technical standards adopted by the Board. The testing equipment and services required by this paragraph shall be provided at no cost to the Board.
461.4(i)(6)(x)	For meters required by this subpart or technical standards adopted by the Board, a cross reference of product meters to the required meters, if necessary.
461.4(i)(6)(xx)	Additional documentation requested by the Board.
461.4(i)(7)(v)	Additional documentation requested by the Board.
461.4(i)(8)(xi)	When requested by the Board, all source codes.
461.4(i)(8)(xii)	When applicable, a complete, comprehensive and accurate description, accompanied by applicable diagrams, schematics and specifications, of the creation of a voucher and the redemption options available.
461.4(i)(8)(xiii)	When applicable, a complete, comprehensive and technically accurate description, accompanied by applicable diagrams, schematics and specifications, of the creation of a coupon and the redemption options available.
461.4(i)(8)(xiv)	Any specialized hardware, software or other equipment, inclusive of technical

	support and maintenance applicable thereto, required by the Slot Lab to conduct the testing and approval process contemplated by the act, this subpart and technical standards adopted by the Board . The testing equipment and services required by this paragraph shall be provided at no cost to the Board.
461.4(i)(8)(xv)	Additional documentation requested by the Board.
461.4(i)(9)(iii)	Additional documentation requested by the Board.
461.4(n)	Notwithstanding subsection (m), the Board may authorize installation of a modification to a slot machine prototype or associated equipment prototype on an emergency basis to prevent cheating or malfunction, upon the written request of a licensed manufacturer in the manner prescribed by the Board . The request must expressly detail the name and employer of any persons to be involved in the installation of the modification and the manner in which it is to be effected. Within 15 days of receipt of any authorization to install an emergency modification, the manufacturer shall submit the modification for full testing and approval in accordance with this subpart.
461.4(o)	A slot machine licensee shall immediately notify the Board, in a manner and form the Board prescribes , of any known or suspected defect or malfunction in any slot machine or associated equipment installed in its licensed facility. The slot machine licensee shall comply with instructions issued by the Board with regard to the continued operation of the slot machine or associated equipment.
461.4(q)	The testing of equipment, devices or software under this subpart may require the dismantling of the product and testing that may result in damage to, or destruction of, one or more systems or components. Once submitted for testing, equipment, devices or software will not be returned to the manufacturer unless otherwise determined by the Board .
461.5(2)	Give prior notice of a slot machine conversion to the Slot Lab in writing in the manner prescribed by the Board .
461.6(1)	The equipment, device or software is not in compliance with the act, this subpart or technical standards adopted by the Board .
461.7(d)	In addition to the requirements of subsections (a), (b) and (c), the volatility of a slot machine must verify that the theoretical payout percentage equals or exceeds the minimum payout requirement of 85% within 10 million plays. The criteria used to calculate the volatility must be in accordance with technical standards applicable to volatility adopted by the Board .
461.7(e)(2)	As determined by the Board , a random number generator must pass a standard chi-squared test for goodness of fit.
461.7(h)	Slot machines approved for use in a licensed facility must be equipped with the following meters that comply with the technical standards adopted by the Board :
461.7(h)(22)	<i>Additional requirements. Other meters required by technical standards adopted by the Board.</i>
461.7(l)	A slot machine must have a meter which stores the number of games played, in the manner and for a duration specified in this subpart or in technical standards adopted by the Board , since the following events:
461.7(o)	A slot machine must be equipped with a tower light capable of effectively communicating the status of the slot machine in accordance with technical standards on tower lights and error conditions adopted by the Board .
461.7(p)	A slot machine must be equipped with a device, mechanism or method for detecting, displaying and communicating to a slot monitoring system error conditions. The error conditions detected, displayed and communicated by a slot machine, and the method to be utilized to clear the message with regard to the error condition, must be in accordance with technical standards on tower lights and error conditions adopted by the Board .
461.8(b)	The design specifications for a gaming voucher, the expiration terms applicable thereto, the voucher verification methodologies utilized, and any limitation on the

	value of a gaming voucher must be in compliance with technical standards on gaming vouchers adopted by the Board.
461.8(c)	The design specifications for a gaming voucher system must be in compliance with technical standards on gaming voucher systems adopted by the Board.
461.8(d)(2)	Procedures for issuance, modification and termination of a unique system account for each user in accordance with technical standards adopted by the Board.
461.8(d)(3)	Procedures used to configure and maintain user passwords in accordance with technical standards adopted by the Board.
461.8(d)(4)	Procedures for restricting special rights and privileges, such as administrator and override capabilities, in accordance with technical standards adopted by the Board.
461.8(d)(6)	A description of physical controls on all critical hardware such as locks and surveillance, including the location and security protocols applicable to each piece of equipment as approved by the Board.
461.8(d)(7)	Procedures for the backup and timely recovery of critical data in accordance with technical standards adopted by the Board.
461.8(f)	At the end of each gaming day, the gaming voucher system must generate reports, as approved by the Board , which reports are provided to the slot accounting department, either directly by the system or through the information technology department, and which, at a minimum, contain the following information:
461.8(g)	A slot machine licensee shall immediately report to the Board, in a manner prescribed by the Board , any evidence that a gaming voucher has been counterfeited, tampered with, or altered in any way which would affect the integrity, fairness, reliability or suitability of the gaming voucher.
461.8(o)	A gaming voucher system must be configured to alert a slot machine licensee to any malfunction. Following a malfunction of a system, a slot machine licensee shall immediately notify the Board and may not utilize the system until the malfunction has been successfully eliminated. Notwithstanding the foregoing, the Board may permit, in accordance with approval procedures the Board prescribes , a slot machine licensee to utilize the system prior to its being successfully restored, for a period not to exceed 72 hours, provided that:
461.9(a)	A slot machine licensee may utilize coupons and a coupon system that has been tested and approved by the Board under § 461.4 (relating to submission for testing and approval) and complies with technical standards on coupon systems adopted by the Board.
461.9(b)	The design specifications for a coupon, the expiration terms applicable thereto, the coupon verification methodologies utilized, and any limitation on the value of a coupon must be in compliance with technical standards on coupons adopted by the Board.
461.9(c)(3)	A unique serial number, which is automatically generated by the system in accordance with this subpart and technical standards adopted by the Board.
461.9(c)(6)	A bar code or magnetic strip which enables the coupon system to establish the validity of the coupon and its value in accordance with this subpart and technical standards adopted by the Board.
461.10(c)	An automated gaming voucher and coupon redemption machine must have the capability of establishing the validity of a gaming voucher or coupon by comparing the instrument's unique serial number, automatically generated by the respective gaming voucher or coupon system in accordance with this subpart and technical standards adopted by the Board with electronic records within the gaming voucher system or coupon system.
461.10(d)	The method or methods utilized to comply with subsection (c) shall be submitted to and approved by the Board in the context of the testing of a gaming voucher system or coupon system.
461.10(j)	Access controls relating to the operating system or applications of the automated gaming voucher and coupon redemption machine, and ancillary systems,

	applications and equipment associated with the reconciliation thereof, must employ security measures that require authentication of the user and recording and maintaining of data regarding access and modifications made. Authentication must be in accordance with this subpart and technical standards adopted by the Board.
461.10(k)	A gaming voucher or coupon accepted by an automated gaming voucher and coupon redemption machine shall be cancelled immediately upon exchange in a manner that effectively prevents its subsequent redemption by the cashiers' cage, another automated gaming voucher and coupon redemption machine or its acceptance in a slot machine bill validator. The method utilized to comply with this requirement shall be in accordance with this subpart and technical standards adopted by the Board.
461.10(r)(8)	<i>Additional requirements.</i> Other meters as may be required by technical standards adopted by the Board.
461.12(b)(5)	A key and key switch to reset the progressive meter or meters or other reset mechanism as may be approved by the Board.
461.12(b)(7)	Dual key control by the security department and slot accounting department, or alternative key controls as the Board approves , of the compartment housing the microprocessor or other unit that controls the progressive meter or meters. The compartment shall be in a location approved by the Board.
461.12(d)(1)(ii)	A notice approved by the Board indicating the proportional probability of hitting the progressive jackpot on the a linked progressive system is conspicuously displayed on each linked slot machine.
461.12(d)(2)	The probability of winning a progressive jackpot offered on linked slot machines may vary among the slot machines when necessary to enable a slot machine licensee or, as applicable, a slot system operator, to institute a change in the probability which is otherwise permitted by this subpart, if the change is completed expeditiously in accordance with procedures that have been filed with and approved by the Board.
461.12(f)	A slot machine that offers a progressive jackpot may not be placed on the gaming floor until the slot machine licensee or, as applicable, the slot system operator, has submitted to the Board, in a manner the Board directs, and the Board has approved, the following:
461.12(g)(3)	The progressive jackpot has, with prior Board approval , been transferred to another progressive slot machine or wide area progressive system in accordance with this subpart.
461.12(g)(4)(i)	For progressive jackpots governed by subsection (b), an explanation shall be entered on the progressive slot summary required by this subpart and the Board shall be notified of the resetting in writing in a manner the Board directs.
461.12(g)(4)(ii)	For progressive jackpots governed by subsection (m), an explanation shall be entered on the machine entry authorization log required under this subpart unless the slot machine automatically addresses the malfunction in a manner approved by the Board.
461.12(j)(1)	A slot machine licensee may establish a payout limit for a progressive jackpot provided that the payout limit is greater than the then current payout amount on the progressive jackpot meter. The slot machine licensee shall notice the Board, in a manner the Board directs , of the imposition of a payout limit on a progressive meter or a modification thereto concurrent with the setting of the payout limit.
461.12(j)(4)(ii)(A)	The progressive meter for a slot machine or wide area progressive system with the same or greater probability of winning the progressive jackpot, the same or lower wager requirement to be eligible to win the progressive jackpot, and the same type of progressive jackpot (cash, annuity, annuity/cash option or a combination/alternate jackpot). However, if no other slot machine or wide area progressive system meets all of these qualifications, the Board may authorize a transfer of the jackpot to the progressive meter of the most similar slot machine or

	wide area progressive system available if the Board finds the transfer would be in the public interest.
461.12(j)(4)(iv)	Notice of intent to transfer the progressive jackpot is provided in writing to the Board, in a manner the Board directs , at least 30 days prior to the transfer of the progressive jackpot.
461.12(j)(5)(ii)	Provided in writing to the Board, in a manner the Board directs , at least 30 days prior to the removal of the progressive jackpot.
461.13(a)	Two or more slot machine licensees may, with the prior written approval of the Board , operate linked progressive slot machines that are interconnected between two or more participating licensed facilities. The slot machines participating in the link shall be collectively referred to as wide area progressive system.
461.13(b)	A wide area progressive system shall at all times be installed and operated in accordance with relevant requirements of the act, this subpart and technical standards on wide area progressive systems adopted by the Board.
461.13(c)	A wide area progressive system shall be operated and administered by participating slot machine licensees in accordance with the terms and conditions of a written agreement executed by the participating slot machine licensees. The agreement shall be referred to as a slot system agreement. Slot system agreements must be approved in writing by the Board prior to implementation and comply with the act, this subpart and technical standards on wide area progressive systems adopted by the Board.
461.13(d)	Slot machine licensees participating in a slot system agreement may delegate, in whole or in part, the operation and administration of a wide area progressive system to a licensed manufacturer provided that the slot system agreement is executed by the licensed manufacturer and its express terms are determined by the Board to be in compliance with the act, this subpart and technical standards on wide area progressive systems adopted by the Board. The persons designated in a slot system agreement as being responsible for the operation and administration of a wide area progressive system shall be referred to as the slot system operator.
461.13(f)(4)	Other requirements requested by the Board, including those required to comply with technical standards on wide area progressive systems adopted by the Board.
461.13(g)	A wide area progressive system shall be controlled and operated from a computer monitoring room approved by the Board. The computer monitoring room must:
461.13(g)(1)	Be under the sole possession and control of, and maintained and operated by, employees of the slot system operator designated in the slot system agreement for that system. The employees shall be licensed or permitted as the Board deems appropriate based on an analysis of specific duties and responsibilities.
461.13(g)(2)	Have its monitoring equipment subjected to surveillance coverage either by the surveillance system of a slot machine licensee participating in the slot system agreement or by a dedicated surveillance system maintained by the slot system operator. Surveillance coverage must be in accordance with technical standards adopted by the Board.
461.13(g)(5)	Reside within a participating licensed facility or other location approved by the Board.
461.14(b)	A slot monitoring system must comply with the act, this subpart and technical standards on slot monitoring systems adopted by the Board.
461.15(b)	A casino management system must comply with the act, this subpart and technical standards on casino management systems adopted by the Board.
461.16(b)	A player tracking system must comply with the act, this subpart and technical standards on player tracking systems adopted by the Board.
461.17(d)	An external bonusing system must comply with the act, this subpart and technical standards on external bonusing systems adopted by the Board.
461.18(b)	A cashless funds transfer system must comply with the act, this subpart and

	technical standards on cashless funds transfer systems adopted by the Board.
461.18(d)	Transfer of electronic credits to a slot machine under this section shall be initiated by a patron using an access control approved by the Board . Access controls must require the use of a unique access code for each patron. The access code shall be selected by and only available to the patron.
461.19(b)	Remote system access shall be performed in accordance with technical standards on remote system access adopted by the Board .
461.20(c)	A server supported slot system must comply with the act, this subpart and technical standards on server supported slot systems adopted by the Board .
461.21(c)	A server based slot system must comply with the act, this subpart and technical standards on server based slot systems adopted by the Board .
461.22(b)	An automated jackpot payout machine must comply with the act, this subpart and technical standards on automated jackpot payout machines adopted by the Board .
461.23(b)	<i>Use of alterable storage media.</i> Any use of alterable storage media in a slot machine or associated equipment must be in compliance with the act, this subpart and technical standards on alterable storage media adopted by the Board .
461.25(b)	When a slot machine licensee refuses to pay winnings claimed by a patron and the patron and the slot machine licensee remain unable to resolve the dispute after 7 days, the slot machine licensee shall, on the next day, notify the Board in writing of the dispute in a manner and form the Board prescribes . The notice must identify the parties to the dispute and shall state the known relevant facts regarding the dispute.
463.1(b)	The following persons and any employee or agent acting on their behalf may possess slot machines in this Commonwealth for the purposes described herein, subject to the terms and conditions imposed by the Board , provided that the slot machines are stored in secure locations specifically approved in writing by the Board and that any slot machines located outside of a licensed facility are not used for gambling activity:
463.1(b)(4)	An educational institution, as authorized in writing by the Board , for the purpose of teaching slot machine design, operation, repair or servicing
463.1(b)(5)	A manufacturer or supplier of slot machines not licensed within this Commonwealth, as authorized in writing by the Board , for the limited purpose of temporary exhibition or demonstration.
463.1(b)(8)	Other persons authorized in writing by the Board upon a finding that the possession of slot machines by those persons in this Commonwealth is not contrary to the goals and objectives of the act.
463.3(a)	A gaming floor must consist of one or more areas within a licensed facility approved by the Board for the placement and operation of slot machines.
463.5(a)	Prior to the commencement of operations at a licensed facility, an applicant for, or holder of, a slot machine license shall file with the Board's Director of Gaming Laboratory Operations, in writing or in an electronic format approved by the Board, a complete list of slot machines possessed by the applicant or licensee on its gaming floor, in Board-approved restricted areas off the gaming floor but within the licensed facility, and in Board-approved storage locations in this Commonwealth off the premises of the licensed facility . The list shall be denoted as a Slot Machine Master List.
463.5(b)(4)	Additional documentation requested by the Board.
463.5(c)	Once a slot machine has been placed in an authorized location on the gaming floor or is stored in a Board-approved restricted area off the gaming floor but within the licensed facility , all subsequent movements of that slot machine within the licensed facility shall be recorded by a slot department member in a machine movement log which includes the following:
463.6	To insure activation or disabling, as appropriate, in the central control computer system and the retrieval of real time meter information from the slot machine

	coincident with the movement of a slot machine, the slot machine licensee shall provide the Department with notice of the slot movement, in a form and pursuant to a time frame prescribed by the Department. The notice is required prior to any of the following:
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Facsimile Cover Sheet



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INDEPENDENT REGULATORY REVIEW COMMISSION
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To: Cheryl Posavec
Richard Sandusky (214-8111)
Agency: Pa Gaming Control Board
Phone: 346-8319
Fax: 703-2988
Date: December 27, 2006
Pages: 13

Comments: We are submitting the Independent Regulatory Review Commission's comments on the Pennsylvania Gaming Control Board's regulation #125-48 (IRRC #2572). Upon receipt, please sign below and return to me immediately at our fax number 783-2664. We have sent the original through interdepartmental mail. You should expect delivery in a few days. Thank you.

Accepted by:

Cheryl Posavec

Date:

12/27/06