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April 7, 2008

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INDEPENDENT REGULATORY  
REVIEW COMMISSION

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**VIA EMAIL AND REGULAR MAIL**

Paul Resch, Secretary  
Pennsylvania Gaming Control Board  
Attn: Public Comment on Regulation No. 125-79  
303 Walnut Street  
P. O. Box 69060  
5th Floor, Verizon Tower  
Harrisburg, PA 17101-9060

**Re: Comments to Proposed Regulation No. 125-79**

Dear Mr. Resch:

Please be advised that we represent Washington Trotting Association, Inc. ("WTA"), the holder of a Conditional Category 1 Slot Operator license approved and issued pursuant to 4 Pa. C.S.A. § 1302, License No. F-1316. On behalf of WTA, we are submitting the following comments to proposed regulations 58 Pa. Code §§ 461a.1, 463a.7, 465a.2, 465a.9(o), & 465a.11(c) ("Proposed Regulation No. 125-79"):

• **58 Pa. Code § 461a.1**

Proposed regulation 58 Pa. Code § 461a.1 amends the definition of asset number to include a unique number assigned to a slot machine or piece of associated equipment.

The current definition of associated equipment under 58 Pa. Code § 401a.1 includes equipment or mechanical, electromechanical or electric contrivance, component or machine used in connection with gaming, including replacement parts needed to conduct slot machine gaming. WTA respectfully submits that the term replacement parts is broad and may include items such as light bulbs, buttons, fibers, etc. Requiring such items to contain an asset number would generate countless asset numbers, which would prove difficult for a slot machine licensee to monitor and inventory. Further, WTA believes that it was the intent to only include these numbers on slot machines, automated gaming voucher, coupon redemption machines and automated teller machines as proposed regulations 58



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Pa. Code §§ 461a.7(y)(3), 461a.10(b), and 461a.29 specifically discuss the asset numbers on these machines. Accordingly, WTA requests that the definition of asset number be narrowed and limited to the above machines, and not include the many individual or component parts of machines that may be encompassed by the definition of associated equipment.

- **58 Pa. Code § 463a.7**

Proposed regulation 58 Pa. Code § 463a.7 requires a slot machine licensee seeking to store slot machines off the premises of the licensed facility to file a petition with the Board seeking approval of the off-site storage.

WTA respectfully submits that requiring a slot machine licensee to file a petition for approval of the off-site storage is burdensome and does not enhance the current approval process. WTA believes that the current administrative approval process is adequate and provides the Board staff with sufficient information to approve the off-site storage of slot machines. WTA suggests that a petition will delay the approval process without providing any additional information or security to the Board staff.

- **58 Pa. Code § 465a.2**

Proposed regulation 58 Pa. Code § 465a.2 requires a slot machine licensee to use the Amendment Waiver Request Form to request approval of changes to its internal controls.

The Amendment Waiver Request Form that currently is posted on the Board's website is addressed to the Board. Therefore, WTA requests clarification that the Amendment Waiver Request Form may be used by a slot machine licensee to electronically submit requests to change its internal controls to both the Office of Gaming Operations and the Department of Revenue. It would be a burden and confusing to submit to the Board electronically, but have to submit hard copies separately to the Department of Revenue.

- **58 Pa. Code § 465a.9(o)**

Proposed regulation 58 Pa. Code § 465a.9(o) requires a present or former surveillance department employee of a slot machine licensee to file a written petition requesting that the



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Board waive the mandatory one year restriction that the employee is prohibited from accepting employment as a key employee or gaming employee.

WTA believes that there is no benefit to the one year restriction on surveillance department employees from being key employees or gaming employees. It should be at the discretion of the licensee to determine whether a surveillance department employee has earned such a promotion. WTA submits that allowing a present or former surveillance department employee of a slot machine licensee to request a waiver of the mandatory one year restriction is a constructive advance; however, WTA suggests that the Board should consider completely removing the restriction.

• **58 Pa. Code § 465a.11(c)**

Proposed regulation 58 Pa. Code § 465a.11(c) gives the Board the authority to reorganize a slot machine licensee's organizational structure. Specifically, the Board will be permitted to require that, under a slot machine licensee's internal controls, the supervisors of the surveillance and internal audit departments, report to an independent audit committee or other persons designated by the Board in the slot machine licensee's Statement of Conditions.

WTA incorporates, by reference, the comments to proposed regulation 58 Pa. Code § 441a.24 entitled "Standards for Independent Audit Committees" (Proposed Regulation No. 125-82) submitted to your attention under letter dated March 28, 2008.

By way of additional comments to the proposed regulation, WTA submits that its current, internal organization was structured, with the Board's guidance and instruction, in compliance with the Pennsylvania Race Horse Development and Gaming Act and the regulations promulgated thereunder. WTA submits that its current, approved internal organization is operating efficiently and effectively; and, therefore, Board intervention is unnecessary.



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**Pennsylvania Gaming Control Board**

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Thank you for considering the comments of WTA to the proposed regulations.

Very truly yours,

**Marie Jiapello Jones**

cc: **Arthur Cocodrilli, Chairman, Independent Regulatory Review Commission**  
**Guy Hillyer, Executive Vice President**  
**Ryan Toland, Director of Compliance**  
**Douglas A. Kaminski, Director of Internal Audit/Compliance**  
**Michael S. Keelon, Manager of Compliance**