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**INDEPENDENT REGULATORY REVIEW COMMISSION**  
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

November 17, 2008

William G. Carpenter  
Lebanon County Commissioner  
Room 207, Municipal Building  
400 South Eighth Street  
Lebanon, PA 17043-6794

Larry E. Stohler  
Lebanon County Commissioner  
Room 207, Municipal Building  
400 South Eighth Street  
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Jo Ellen Litz  
Lebanon County Commissioner  
Room 207, Municipal Building  
400 South Eighth Street  
Lebanon, PA 17043-6794

RE: Pennsylvania Gaming Control Board #125-85  
Licensed Facility  
IRRC #2692

Dear Commissioners:

Much has been said in a variety of forums pertaining to the Independent Regulatory Review Commission's (IRRC) decision regarding this regulation. Your recent letter to Attorney General Corbett is perhaps the best opportunity to respond to a number of misconceptions arising from this action.

IRRC reviewed the regulation from the Pennsylvania Gaming Control Board (PGCB) and commented on the proposed form on July 2, 2008. We met with interested parties during the review of the regulation. All written comments regarding this regulation, including IRRC's, are available on our website at [www.irrc.state.pa.us](http://www.irrc.state.pa.us). Throughout the process, all the Commissioners remained fully advised of these discussions and were provided all written correspondence.

The public meeting held on November 6 provided an opportunity for Commissioners to ask any remaining questions and hear additional concerns expressed by the general public. All the Commissioners were provided with ample information from which to base their vote, and a

quorum, as provided for by the Regulatory Review Act, was maintained throughout their deliberation. Any assertion or suggestion that there was anything remotely deficient in either IRRC's review or determination is both unfounded and inaccurate.

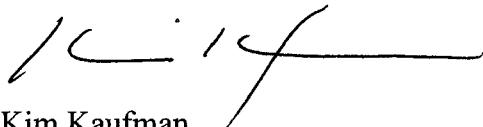
While IRRC fully understands, and is not unsympathetic to the concerns of the officials of Lebanon County and East Hanover Township, the legislative actions provide clear evidence that the General Assembly provided the authority to the Pennsylvania Gaming Control Board to define the term "licensed facility." As you are also aware, while an IRRC disapproval action may delay a regulation, it is ultimately the General Assembly that has the authority to bar a regulation. Although IRRC did receive legislative correspondence regarding this regulation, neither standing committee in the House nor Senate took the action necessary to stop or delay the regulation and had "deemed" the regulation approved prior to IRRC's public meeting.

While the definition in the regulation may bear consequence that displeases the Lebanon County Commissioners and the officials of East Hanover Township, the regulatory process is ultimately subservient to the underlying statute as the expressed will of the General Assembly and the Governor. As such, the regulation considered by IRRC was not the appropriate vehicle to address your remaining concerns. During the public meeting, the Commissioners suggested that remedies remain either within the General Assembly or through the negotiation of a suitable agreement between the local governments to apportion the tax revenues; however, neither resolution may be dictated by IRRC.

We appreciate your inclusion of IRRC in your correspondence to the Attorney General as well as the opportunity to clarify the misconceptions involving both our role and actions within this process.

Should you have any additional concerns or questions, please feel free to contact me.

Regards,



Kim Kaufman  
Executive Director

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cc: Thomas W. Corbett, Jr., Attorney General  
Senator Mike Folmer  
Representative Maureen Gingrich  
Representative Rosemarie Swanger  
Mary DiGiacomo, Chair, Pennsylvania Gaming Control Board  
Frank T. Donaghue, Acting Executive Director, Pennsylvania Gaming Control Board  
Robert A. Mulle, Director, Legal Review Section, Civil Law Division, Office of the  
Attorney General  
Louis J. Rovelli, Head of the Civil Law Division, Office of the Attorney General  
David Arnold, District Attorney, Lebanon County  
Samuel Weiss, Esquire