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VIA FACSIMILE & FEDERAL EXPRESS

Michaele A. Totino
Regulatory Analyst
Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, PA 17101

Attn: Comments on Final Rulemaking #125-96 (IRRC # 2739)

RE: Comments to Final Rulemaking #125-96 (IRRC #2739)

Dear Ms. Totino:

Greenwood Gaming and Entertainment, Inc. ("GGE") is the holder of a Category 1 slot machine license, which authorizes GGE to operate Philadelphia Park Casino & Racetrack ("PPC") in Bensalem, Pennsylvania. We are writing to outline our concerns over the Pennsylvania Gaming Control Board ("PGCB") Proposed Rulemaking #125-96, which addresses waivers for slot machine licensees' internal controls. Our initial concerns were set forth in detail in the comment letter dated February 23, 2009. The PGCB has addressed our issues regarding the security and fire suppression system requirements for document storage, and our remaining issue deals with the proposed requirements of 58 Pa. Code § 465a.30 for internal control waivers.

The proposed rulemaking eliminates the Amendment Waiver Request Form, which casino licensees have used since the inception of gaming in Pennsylvania. Under the proposed regulation, all regulatory waivers would require a formal petition be filed with the PGCB pursuant to 58 Pa. Code § 493a.4. GGE continues to strenuously object to the revisions of 58 Pa. Code § 465a.30 because the proposed changes are unnecessary and unreasonable and create a substantial and unjustifiable negative fiscal impact on the Pennsylvania gaming industry.

Previously, the Bureau of Gaming Operations approved all internal control changes—irrespective of whether they were deemed amendments or waivers. A casino licensee would submit an Amendment Waiver Request Form ("AWRF") for an internal control change (i.e., amendment or waiver) and the Bureau of Gaming Operations would approve it if it was satisfied that the change would not be inimical to gaming in Pennsylvania. Nearly all of the internal control requests filed by GGE were minor and dealt with day-to-day operational matters. Under the proposed rulemaking,

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many of these requests would be deemed waivers to our internal controls and GGE would be forced to file a formal petition with PGCB.

By filing a petition pursuant to section 493a.4, a slot machine licensee would be instituting a formal adversarial proceeding. These formal petitions will significantly increase the approval time for routine internal control revisions. The rulemaking would also increase both the slot machine licensees' costs associated with filing internal control revisions and the PGCB's internal costs associated with administering and reviewing the various petitions, costs which the licensees directly also bear. Undoubtedly, licensees would experience additional costs by retaining outside legal counsel to prepare the formal filings. Moreover, the PGCB will receive a substantial increase in the number of formal petitions as a result of this proposed rulemaking.

The PGCB's own response to our comments reinforces these positions. The Board notes in the preamble to the final rulemaking that "changes to internal controls happen quite often due to changes in technologies, slot machine licensees' business practices, Board[s] regulations and periodic audits. Requiring all internal control changes to go through a Board meeting would impose an administrative hardship on slot machine licensees and delay needed improvements to slot machine licensees' internal controls." GGE completely agrees with this statement. For example, GGE has at least three (3) pending AWRP with the Bureau of Gaming Operations that will need to be submitted as formal petitions because of the proposed rulemaking. These pending requests deal with minor operational issues—e.g., whether the slot operations department, instead of the finance department, can hold a specific key to a progressive slot machine.

As a result, GGE strenuously objects to this proposed rulemaking because it is unnecessary and creates a substantial and unjustifiable negative fiscal impact on the Pennsylvania gaming industry with no attendant benefit to the public or the integrity of gaming in Pennsylvania.

Thank you for your attention in this matter. GGE will be happy to answer any questions that the Commission may have on these comments.

Respectfully submitted,



Bryan J. Schroeder
Assistant General Counsel
Greenwood Gaming & Entertainment, Inc.

bps

cc: Richard Sandusky, Esq. (via Federal Express)
Al Kohler, Esq. (via email)
Mark Stewart, Esq. (via email)