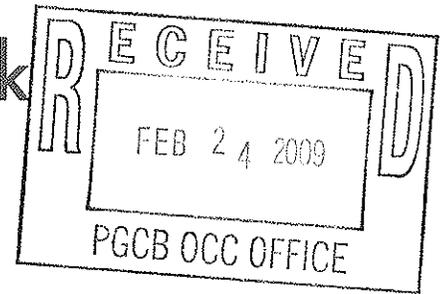




Philadelphia Park
CASINO

February 23, 2009



VIA FEDERAL EXPRESS

Richard Sandusky
Director of Regulatory Review
Pennsylvania Gaming Control Board
303 Walnut Street
P.O. Box 69060
Harrisburg, PA 17106-9060

Attn: Public Comment on Rulemaking #125-96

RE: Comments to Proposed Rulemaking #125-96

Dear Mr. Sandusky:

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. GGE respectfully submits the following comments to the Pennsylvania Gaming Control Board (the "Board") in connection with the Board's proposed rulemaking, as captioned above, which was published in the *Pennsylvania Bulletin* at 39 Pa.B. 418, on January 24, 2009.

The proposed rulemaking is an omnibus rulemaking, which proposes various changes to the Board's existing regulations governing Slot Machines and Associated Equipment. Most of the proposed changes to the regulations are minor and appear to be well-conceived regulatory revisions. In particular, GGE strongly endorses the proposed revision to 58 Pa. Code 461a.10(g)(1), which would allow either slot operations or security department members to control the key that secures the compartment housing the TRM storage box. This revision provides casino licensees with greater flexibility in their operational framework. However, GGE must object to several other proposed regulations.

I. 58 Pa. Code § 465a.6 – Retention, Storage and Destruction of Books, Records and Documents

Pursuant to the proposed rulemaking, 58 Pa. Code § 465a.6 has been revised to require that the location of documents, which casino licensees are required to retain, must be secured and have a fire suppression system. See 58 Pa. Code § 465a.6(b)(2), (d)(1)-(2). Proposed section 465a.6 would mandate a fire suppression system for any storage location, whether within a licensed facility or at an alternate location approved by the Board. GGE does not object to these new requirements for the

retention and storage of documents. However, GGE believes an important economic impact connected with this proposed regulation has been overlooked by the Board.

Several casino licensees are beginning operations or entering into new permanent facilities (i.e., licensed facilities) in 2009. For example, GGE is planning to enter its new permanent facility in 2009. As a result, this proposed regulation would create a significant economic impact at Philadelphia Park Casino & Racetrack. GGE would be forced to satisfy the fire suppression requirement for both its temporary facility as well as its permanent facility—i.e., doubling the costs of compliance. GGE respectfully request that the proposed regulation be amended to allow an exception for casino licensees who have not moved to their permanent licensed facilities. Alternatively, GGE will seek a regulatory waiver from the proposed requirements until GGE moves into its permanent facility.

II. 58 Pa. Code § 465a.12 – Access Badges

Pursuant to the proposed rulemaking, 58 Pa. Code § 465a.12 has been completely revised. Under the proposed regulation, a casino licensee's Human Resources ("HR") Department would be responsible for determining the appropriate access level for each job. Moreover, a casino licensee's Director of Security would be responsible for maintaining the database with the access levels for all employees and monitoring compliance with the access levels. Finally, the proposed rulemaking would require that the Board's casino compliance representatives have read-only access to this database. GGE must object to proposed regulation 58 Pa. Code § 465a.12 because of the negative fiscal impact associated with its implementation.

While GGE supports the Board's attempt to ensure that employees do not gain unauthorized access to various restricted areas at a licensed facility, proposed section 465a.12 limits operation flexibility and places new and significant economic burdens upon casino licensees. Initially, GGE would request that section 465a.12(b) be revised to require the HR Department or **any other relevant department** be responsible for determining the appropriate access level. Moreover, section 465a.12(c) should be revised to require the Director of Security or **any other appropriate department director** be responsible for maintaining the access level database. GGE would like to retain some flexibility to determine what internal departments could accomplish these requirements in the best manner.

Finally, GGE currently utilizes an access card system that does not have a read-only option. As a result, GGE is left with two equally untenable choices. GGE will have to (i) purchase, install and learn a new access card system or (ii) provide full access to its access card system to the Board's casino compliance representatives. GGE should not be forced to choose between these two options. GGE is moving into its new permanent facility (i.e., licensed facility) in 2009. As a result, GGE will be creating a new access card system for its permanent facility. This change will potentially involve a new access card system or updated access card software. It will also involve new access codes, new access groups and new access doors. This entire process has a substantial and significant learning curve to ensure compliance. If GGE is required to satisfy the new regulation at its temporary facility and its new permanent facility, it creates a significant economic impact on GGE—i.e., at least doubling its compliance costs.

Accordingly, GGE respectfully requests that the Board amend proposed regulation 58 Pa. Code § 465a.12 to include an exception for casino licensees who have not moved to their permanent licensed facilities. Alternatively, GGE will seek a regulatory waiver from the requirements of proposed regulation 58 Pa. Code § 465a.12 until GGE moves into its permanent facility in 2009 and its new access card system is online.

III. 58 Pa. Code § 465a.2 & 58 Pa. Code § 465a.30 – Amendment Waiver Requests

Pursuant to the proposed rulemaking, 58 Pa. Code § 465a.2 and 58 Pa. Code § 465a.30 are being revised to eliminate 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 Board. As a result, GGE must strenuously object to the revisions to regulations 58 Pa. Code § 465a.2 and 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.

The proposed rulemaking would eliminate the long-standing and effective procedures of the Department of Gaming Operations (“Gaming Operations”) to approve regulatory waivers. Under the current procedures, a casino licensee submits an Amendment Waiver Request Form (“AWRF”) for any changes, amendments or waivers in connection with their internal controls. GGE has filed many AWRFs with the Board and Gaming Operations. GGE believes the current system maximizes time efficiency and regulatory oversight, while limiting legal costs and fees. However, the proposed revisions to these regulations would substantially change this system.

GGE believes that formal petitions will significantly increase the approval time for routine internal control revisions. Under the current system, all internal control revisions are submitted under the AWRF to Gaming Operations. Pursuant to the proposed rulemaking, casino licensees have to determine whether a particular revisions constitutes a regulatory waiver requiring a formal petition. This uncertainty and delay in the approval process could result in procedural violations for a casino licensee due to no fault of its own.

In addition to the unreasonable impact of the proposed regulation, the regulation would cause an unjustified negative fiscal impact by increasing (i) the licensees’ costs associated with filing internal control revisions and (ii) the Board’s internal costs associated with administering and reviewing the various regulatory waiver petitions. Undoubtedly, the regulation would impose additional cost on filing parties (e.g., casino licensees) by requiring its attorneys to prepare a formal petition for numerous internal control revisions. The overall cost of said legal fees will be substantial. Furthermore, the Board will receive a substantial increase in the number of formal petitions as a result of these proposed regulations. This fiscal impact is unjustified during a recession because it does not result in any identifiable benefit to the public, the Commonwealth or the regulatory system.

GGE strenuously objects to this proposed rulemaking because the proposed regulation is unnecessary and unreasonable, as well as, a substantial and unjustifiable negative fiscal impact on the Pennsylvania gaming industry. Accordingly, the Board should omit the proposed revisions to 58 Pa.

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Code § 465a.2 and 58 Pa. Code § 465a.30 from Final Rulemaking #125-96 and maintain the existing procedures for seeking a regulatory wavier.

Thank you for considering the comments of GGE in connection with the proposed regulation. GGE will be happy to answer any questions that the Board may have on these comments.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bryan P. Schroeder", with a long horizontal line extending to the right.

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

bps

cc: Arthur Coccodrilli, Independent Regulatory Review Commission (via Federal Express)