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November 22, 2019

Via Email and Hand Delivery

Chad W. Zimmerman
Assistant Chief Counsel
PA Gaming Control Board
303 Walnut Street, Strawberry Square
10th Floor, Commonwealth Tower
Harrisburg, PA 17101

RE: Comments on Temporary Interactive Gaming Regulations
(#125-209, #125-213, #125-214, #125-215)

Dear Mr. Zimmerman:

In response to Executive Director Kevin O'Toole's November 5, 2019 correspondence, Greenwood Gaming and Entertainment, Inc. ("GGE") respectfully submits this correspondence in order to share its position on issues raised in the Board's temporary regulations on interactive gaming. GGE respectfully requests that the Board consider these comments as it promulgates its permanent regulations governing interactive gaming.

I. *The Board Should Memorialize the Branding and Advertising Provisions of its April 30, 2018 and June 12, 2018 Explanatory Comments in its Regulations*

The Board should incorporate into Section 818.3 of its interactive gaming regulations the clarifications regarding branding and advertising set forth in the Board's April 30, 2018 Explanatory Comment to Regulation Package #125-215 and its June 12, 2018 Explanatory Comment to Title 59, Part VII, Subpart L ("Interactive Gaming") Regulations (collectively "Explanatory Comments"). More specifically, the Board should codify in the regulations the following provisions from the Explanatory Comments:

- Any branded website provided by an interactive gaming operator ("IGO") on behalf of an interactive gaming certificate holder ("Certificate Holder") must clearly and prominently, at all times, indicate the associated Certificate Holder.¹
- "Clear and prominent" display includes at least identifying the Certificate Holder in the URL/web address and clear branding on the interactive gaming site and interactive

¹ April 30, 2018 Explanatory Comment at 1.

gaming application operated on behalf of the Certificate Holder that identifies that Certificate Holder.²

- An IGO website and mobile application that registers and/or maintains interactive gaming players must clearly and prominently identify the Certificate Holder on whose behalf the site is operating (including identification of the associated Certificate Holder in the URL/web address of the landing site).³
- Any advertising by an IGO of its Pennsylvania platform or offerings must identify the Certificate Holder on whose behalf the games are offered.⁴

Incorporation of the above-referenced clarifications into the regulations will further align the regulations with the intent of Act 42 of 2017. The Act empowers Certificate Holders to conduct interactive gaming. 4 Pa.C.S. § 1103. IGOs are permitted to offer interactive games or operate interactive gaming systems only on behalf of a Certificate Holder. 4 Pa.C.S. § 1103 (definitions of “Interactive gaming operator” and “Interactive gaming agreement”). Consequently, any activity undertaken by an IGO, including any advertisement, skin or branded website, should be required to clearly and prominently identify the associated Certificate Holder.

For the Board’s consideration in future rulemaking proceedings, GGE requests that the branding and advertising provisions of its April 30, 2018 and June 12, 2018 Explanatory Comments be clearly and unambiguously extended to sports wagering operations as well. This is appropriate to consider in the context of the interactive gaming regulations because the Gaming Act provides that the Board may “authorize a sports wagering certificate holder to conduct sports wagering...as a form of interactive gaming authorized by the Commonwealth.” 4 Pa.C.S. § 13C11.

II. *The Board Should Clarify that Section 809.3(1) of the Regulations Permits Managed Solutions for Domain Name Service Server Queries*

Section 809.3(1) of the Board’s temporary regulations provide that the primary server used to resolve domain name service (DNS) inquiries used by a Certificate Holder or IGO must be physically located in a secure data center. 58 Pa. Code § 809.3(1). The phrase “physically located in a secure data center” is not defined. GGE requests that the Board clarify that the requirement may be satisfied by the use of a service that manages DNS server queries from a geographically distributed network. Companies that manage DNS services typically leverage multiple DNS servers across their distributed networks to answer DNS queries in the most efficient way possible. DNS management services companies not only efficiently manage DNS services, but also are very

² April 30, 2018 Explanatory Comment at 1.

³ June 12, 2018 Explanatory Comment at 3.

⁴ April 30, 2018 Explanatory Comment at 2.

effective in protecting against internet security concerns such as Distributed Denial-of-Service (DDoS) attacks.

To clarify that Certificate Holders or IGOs may utilize a company that manages DNS services, GGE recommends that Section 809.3(1) be modified to state the following:

(1) The primary server used to resolve domain name service (DNS) inquiries used by an interactive gaming certificate holder or interactive gaming operator licensee to conduct interactive gaming in this Commonwealth must be physically located in a secure data center or in a distribution network managed by a DNS service provider, as authorized by the Board. At least one secondary server must be able to resolve DNS queries.

GGE submits that the proposed language would provide Certificate Holders and IGOs regulatory certainty that they may utilize efficient solutions for managing DNS services and protecting against internet security concerns. The flexibility to use a DNS management services company is especially important with constant changes to technology and internet security challenges.

III. *GGE Recommends that the Board Provide Detailed Guidance on the Testing and Certification of Interactive Games, Interactive Gaming Platforms and Associated Components*

The Board requires that all interactive games, interactive gaming platforms and associated components be submitted to and tested by the Bureau of Gaming Laboratory Operations and approved by the Board. From an operational standpoint, GGE submits that Certificate Holders would benefit from the Board's issuance of a detailed guide that describes testing and certification procedures for interactive games, interactive gaming platforms and their associated components. GGE envisions a guide that details whether Board approval, Board notification or no action is required by the Certificate Holder if it changes or modifies interactive games, platforms and their associated components. GGE offers that the proposed guide could also identify the timeline for approvals.

GGE submits that its operations would be streamlined if the documentation process for testing, certification, and change/modification requests, was better defined. It would be helpful if the proposed guide provided step-by-step instructions. GGE anticipates that a guide would reduce delay and confusion in the process of implementing and changing games, platforms and associated components. It would also provide definitive guidance to the regulated community and the Board's Office of Enforcement Counsel as to the expectations related to these software modifications. As the technological landscape changes very rapidly, GGE suggests that the guide be issued as a policy statement as opposed to being incorporated into the Board's regulations.

IV. *Miscellaneous Recommendations for Improvements to the Board's Interactive Gaming Regulations*

GGE encourages the Board to consider the following recommendations in the development of its proposed regulations on interactive gaming:

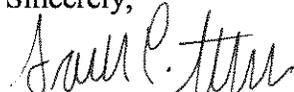
- Section 810.9 (Submission of game rules for approval) – GGE requests that this section be deleted in its entirety. The section does not appear to be relevant to or necessary for interactive games.
- Section 810.12(e)(3) (Controls) – This subsection describes what the terms and conditions must address if wagers have been placed on pending real-life events and a game or gaming activity is disabled. GGE seeks clarification on the meaning of the phrase “pending real-life events” and respectfully requests that the Board define the phrase or provide examples in the regulation.
- Section 810.13(a)(5) (Test accounts) – Section 810.13 provides that Certificate Holders and IGOs may establish test accounts to test the various components and operation of an interactive gaming system. GGE is concerned with the language of Section 810.13(a)(5), which prohibits the withdrawal of funds from a test account without the Board’s prior approval. GGE anticipates that this requirement will impede its ability to test new withdrawal methods and to conduct regular software development testing. GGE respectfully requests that the Board’s regulations be modified to reflect that Certificate Holders and IGOs may withdraw funds from a test account without the Board’s prior approval.
- Section 811.5(c) (Segregation of Bank Accounts and Reserve Requirements) – This subsection requires the chief financial officer of a Certificate Holder or IGO to file a monthly attestation with the Board that verifies that interactive gaming funds have been appropriately safeguarded. GGE recommends that the Board modify this requirement so that the submission is on a quarterly and not monthly basis. Reducing the frequency of the submission of the attestations would reduce the regulatory burden on chief financial officers but preserve the safeguards the Board has imposed on interactive gaming funds.
- Section 812.4(c)(1) (Single account requirement) – This provision requires that Certificate Holders and IGOs “Record and maintain the physical location of the registered player while logged in to the interactive gaming account.” For consistency with the Board’s policy on Geolocation Technical Standards, GGE recommends that the Board modify this provision to require that Certificate Holders and IGOs “Record and maintain the physical location of the registered player in accordance with the Geolocation Technical Standards.”

- Section 812.4(c)(2) (Single account requirement) – This provision mandates that Certificate Holders and IGOs ensure that a registered player does not occupy more than one position at a game at any given time. GGE submits that this provision is inconsistent with the operation of certain interactive games such as Multi-Hand Blackjack, where a player may occupy more than one position at a time. The Board’s Gaming Expansion Administrative Clarification/Corrections⁵ proposes to address this inconsistency by requiring that Certificate Holders and IGOs “ensure that a registered player does not occupy more than one position at a game at any given time unless otherwise approved by the Board to permit a registered player to occupy more than one position at a game [at] any given time.” The Board’s proposed correction should be incorporated into the permanent regulations.
- Section 812.7(b) (Player funding of accounts) – This provision states that “An interactive gaming certificate holder or interactive gaming operator licensee shall neither extend credit to a player nor allow the deposit of funds into an interactive gaming account that are derived from the extension of credit by affiliates or agents of the interactive gaming certificate holder or interactive gaming operator licensee.” GGE understands that the provision stems from a prohibition in Act 42 of 2017. The Act prohibits Certificate Holders and IGOs (and any person acting on behalf of, or under any arrangement with a Certificate Holder or IGO) from making any loan for the purpose of crediting an interactive gaming account. 4 Pa.C.S. § 13B28. While GGE understands the origination of Section 812.7(b), GGE suggests that the Board clarify the provision as it relates to interactive gaming payment methods.
- Section 813.4(d) (Interactive gaming tournaments) – This regulatory requirement establishes that a Certificate Holder or IGO must submit a notice of intent to conduct an interactive gaming tournament at least 5 business days prior to the start of the tournament. GGE respectfully requests that the Board modify the timeframe of 5 business days to 5 days. This modification would make the timeframe consistent with the timeframe established in Section 813.3(a) for the submission of terms and conditions for interactive gaming promotions.

⁵ Pennsylvania Gaming Control Board Gaming Expansion Administrative Clarification/Corrections (Current as of July 29, 2019), available at https://gamingcontrolboard.pa.gov/files/regulations/Gaming_Expansion_Administrative_Clarification.pdf.

Thank you for your consideration of GGE's positions and feedback on these important matters. GGE appreciates the opportunity to comment on the Board's regulations. Should you have any questions on these comments, please feel free to contact me.

Sincerely,



Sarah C. Stoner

cc: Robert Green
Thomas C. Bonner, Esq.
Bryan Schroeder, Esq.