

May 20, 2010

**VIA HAND DELIVERY**

Richard Sandusky  
Director of Regulatory Review  
Pennsylvania Gaming Control Board  
303 Walnut Street, Strawberry Square  
Verizon Tower, 5<sup>th</sup> Floor  
Harrisburg, PA 17106

Re: Joint Comments to Temporary Table Game Rulemaking No. 125-116

Dear Mr. Sandusky:

The following casino operators, Downs Racing, L.P., d/b/a Mohegan Sun at Pocono Downs (“MSPD”), Greenwood Gaming and Entertainment, Inc., t/d/b/a Parx Casino (“GGE”), Penn National Gaming, Inc., t/d/b/a Hollywood Casino at Penn National Race Course (“Penn”), and Sands Bethlehem (“Sands”) (collectively referred to as the “Operators”) respectfully submit the following Joint Comments in response to the Pennsylvania Gaming Control Board’s (hereinafter the “Board”) temporary table game rulemaking number 125-116 (hereinafter the “Rulemaking”) primarily addressing equipment. The Operators join in this letter to state their concerns regarding the Board’s regulation of gaming in the Commonwealth of Pennsylvania and to offer their suggestions to the Board for review and consideration on how to best regulate gaming matters in order to allow operator flexibility and to maximize revenue to the Commonwealth.

**I. INTRODUCTION**

The Operators maintain their position as previously communicated to the Board, that the Board’s temporary regulations related to the conduct and rules of table games should be drafted in a way that provides operators the discretion and flexibility needed to accommodate each individual market and business model. Operators note that the Board appears to have allowed flexibility in the definition of “pit manager” found in Section 521.1 in response to the Operators’ previous requests.

The comments below address the Board’s instruction on the handling of chips, dice, cards and other equipment, provide practical considerations to be taken by the Board and continue to raise the importance of operational flexibility and discretion in appropriate areas. All comments related to transportation, security, canceling and destruction of equipment are intended to apply

to all table game equipment identified in the Rulemaking. Operators offer these comments and practical considerations to increase the functionality and efficiency of table game operations.

## II. COMMENTS CONCERNING CHIPS

- § 523.1 – (Definitions). A *non-value chip* is defined as only applying to those nondenominational chips used for wagering in the game of Roulette. Non-value chips are used in the game of Sic Bo and in tournament environments. Operators recommend that the Board revise the definition by deleting the reference to the game of Roulette. The exclusive reference to Roulette using non-value chips is also mentioned in Sections 523.4(a) and (b)(3); 523.5(a), (b), (c) and (e); 523.6(b)(5) and (i); and 523.10(f).
- § 523.3(b)(c); § 523.3(j) – (Value chips; denominations and physical characteristics). The Rulemaking assigns the primary colors to be used for each denomination of value chips. Operators submit that all primary colors of value chips should be left to each individual operator's discretion. Mandating all casinos to use the same primary colors reduces game security and provides patrons with cheating opportunities. If operators are permitted to select different primary colors specifically for value chips of higher denominations this will allow for a more secure gaming experience.

It would be particularly helpful if the Board would provide further guidance on the specific primary colors designated, for example, what is "fire orange" and are operators permitted to use "off-white" where "white" is specified? In the Operators' experience, white chips have the potential of getting dirty rather quickly and as a result have a bad reflection on the casino.

Section 523.3(j) orders the use of specific sizes of value chips. Generally, chips with a uniform diameter of one and 11/16ths inches usually have a denomination over \$5,000, not "\$1,000 or more" as directed by the Board in the Rulemaking. The rationale behind using the larger sized chips for higher denominations is simply that the larger sized chips interfere with storage container lids. Thus it follows that if lower denomination chips, which are used much more frequently than higher denomination chips, are required to be manufactured in larger sizes and result in the interference with storage container lids, operators will have to send all the larger sized chips (*i.e.* higher denominations) back to the cage before the tables can be closed. Additional time will then be spent refilling the game in order to open the table. This requirement will only serve to waste time in opening and closing tables.

- § 523.4(c) – (Non-value chips; physical characteristics). Non-value chips are required to contain edge spots. It is the Operators' position that requiring edge spots on non-value chips adds no security value given today's technological capabilities and advances in surveillance.<sup>1</sup> In addition, non-value chips typically do not contain edge spots.
- § 523.5(c) – (Non-value chips; permitted uses, inventory and impressment). Non-value chips are subject to an impressment at least once every 30 days by a floorperson or above and any chips needed must be prepared by a bank cashier or chip bank cashier. It is unclear why these chips that have no value like tournament chips are not treated the same as tournament chips, *e.g.*, only be required to be stored in a secure area approved by the Bureau of Gaming Operations. See § 523.6(c). Requiring non-value chips to be secured in a cage or chip bank or making them subject to an impressment forces operators to devote a significant amount of time and resources fulfilling unnecessary tasks. Non-value chips do not require the same level of security as value chips. Alternatively, Operators propose that the impressment be required once per month rather than every 30 days.
- § 523.8(a) – (Additional sets of gaming chips). Within 120 days of commencement of table games there must be at least one approved set of value gaming chips for the \$25, \$100 and \$500 value chips in active use. The Operators support this provision and in addition to the Board's requirements plan to maintain a sufficient volume of back-up chips for all denominations higher than \$25.
- § 523.10(c)(2); § 523.10(n) – (Exchange and redemption of gaming chips and plaques). Patrons can purchase gaming chips or plaques at the poker room cage or the poker window cashier at the main cage. It is unclear why patrons cannot purchase gaming chips or plaques at other cages. Guidance is needed on why the Board is restricting the use of other cages.

Operators are required to prominently post in front of the cashiers' cage, any satellite cage and poker room cage a sign stating that only operator's chips and plaques may be used, exchanged or redeemed. Guidance is needed from the

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<sup>1</sup> Gemaco, Inc., a gaming chip manufacturer recommended in its comments to the Board that this provision be deleted altogether and stated that in the game of Roulette, the non-value chips are assigned to a table and are not permitted to be removed from that table and therefore patrons do not have the opportunity to introduce chips from another operator.

Board on whether the sign must read verbatim from the regulation or be substantially similar.

- § 523.11(c)(2); § 523.11(f) – (Receipt of gaming chips or plaques from a manufacturer or supplier; inventory, security, storage and destruction of chips and plaques). According to the Rulemaking, gaming chips or plaques not in active use must be stored in either a vault in the main bank “or other restricted storage area approved by the Bureau of Gaming Operations” and in “locked cabinets in the cashiers’ cage.” See §§ 523.11(c)(1) and (2). Operators propose an amendment to Section (c)(2) that would also permit the storage of gaming chips and plaques in other restricted storage areas approved by the Bureau of Gaming Operations.

Currently an annual physical inventory is required for value chips and gaming plaques that are sealed in a locked compartment. Operators propose that non-value chips be included in this process. Also, it is proposed that the frequency of the inventory required “at least once every 30 days” of all sets of value chips and gaming plaques be amended to occur once per month.

### III. COMMENTS SPECIFIC TO DICE AND CARDS

#### A. Dice

- § 523.12(b) – (Dice; physical characteristics). Concerning the physical characteristics of dice used in the game of Pai Gow in this Section, application of this rule should include the game of Pai Gow Poker as well.
- § 523.13(d); § 523.13(f)(3)(v); § 523.13(h)(1); §§ 523.13(k) and (l); § 523.13(o) – (Dice; receipt, storage, inspections and removal from use). The appropriate number of dice to be used each gaming day are required to be removed from storage. This is an unnecessary step to take every day unless there is a need for additional dice on a particular day. Operators propose that the aforementioned procedure only be required on an as-needed basis.

Section 523.13(f)(3)(v) provides an alternative for the inspection and distribution of dice to the gaming tables at the beginning of each gaming day and at other necessary times. This process has the result of being very labor intensive and frankly unnecessary given the fact that an inventory will be conducted daily. Furthermore, Operators can account for all dice on the gaming floor three times per gaming day at the start of each shift. This too is the case under Sections (k)

and (l) with respect to the collection of all dice. These Sections require the collection of all dice (used and/or reserved) “at the end of each gaming day or, in the alternative, at least once each gaming day at the same time each day” and at other necessary times. Operators and the Commonwealth share an interest in maintaining a high level of security and the integrity of gaming and therefore Operators suggest that varying the times of collection is a necessary security precaution that will offer more protection to the game and assets. This small change will reduce the success of collusion and other illegal attempts against operators.

Sections 523.13(h) and (k) of the Rulemaking seem to propose that dice collected by security and designated for cancellation will be canceled by drilling a hole in each die and subsequently be destroyed within 72 hours. See § 523.13(o). The standard and more efficient procedure is to use a dice canceling device in the gaming pit and then transfer the dice for destruction. Drilling a hole in the dice and then destroying them through shredding adds an additional and unnecessary step to destruction.

Cancellation and destruction of dice according to Section 523.13(o) must be completed within 72 hours of collection. In addition to the request above regarding cancellation, Operators request an amendment to the Rulemaking that allows an exception to the 72 hour rule when an operator finds it necessary to hold dice from tables with suspicious or questionable activity and tables experiencing exceptional losses. It is proposed that operators be permitted to hold dice for a reasonable period when suspicious events occur at a table in order to conduct a full investigation prior to destroying the dice.

B. Cards

- § 523.16(c); § 523.16(f); § 523.16(h); § 523.16(1); § 523.16(p); § 523.16(s) – (Cards; receipt, storage, inspections and removal from use). Similar to the concern raised regarding dice and for the same reasons, operators should be allowed the flexibility to replenish cards on an as-needed basis rather than “immediately prior to the commencement of each gaming day.” See § 523.16(c). Operators should also be permitted to vary the times of collection of cards for security purposes as described above, rather than collecting cards “at the end of each gaming day or...at the same time each day....” § 523.16(l).

Section 523.16 discusses the distribution of “preinspected, reshuffled” cards to the gaming pits. Operators intend to have pre-shuffled cards delivered to their

facilities. Clarification is needed on whether the Rulemaking requires pre-shuffled cards to be pre-inspected prior to being used at a gaming table.

The requirement under Section 523.16(h) that dealers inspect each deck of cards and have the inspection verified fails to acknowledge technological advances, *i.e.*, the capabilities of automated shuffling devices. Operators suggest the Board update the Rulemaking to reflect these capabilities. For instance, there is an automated shuffling device on the market, the MD2 by Shuffle Master, Inc., that shuffles the cards and verifies the count and composition of the decks and therefore eliminates the need of a human to perform these tasks.

In section 523.16(p) operators are given the option of collecting and returning unopened, sealed, usable cards to the storage area. The Operators support the flexibility of this provision since there is no benefit of collecting and returning unopened, sealed, usable cards (or dice) to the storage area only to have to transport them back to the gaming pit for use.

Section 523.16(s) addresses the destruction and cancellation of card decks by shredding and drilling a circular hole through the center. Operators believe that similar to the related dice process, shredding and drilling cards is unnecessary. It is proposed that cards can be canceled by simply placing black striped markings along the edges of card decks at the time the cards are removed from the game.

C. Other Equipment

- § 523.17(j) – (Dealing shoes; automated card shuffling devices). With respect to the placement of the discard rack on the side of the gaming table to the right of the dealer, it is proposed that in the game of Midibaccarat operators be permitted to place the discard rack in the center of the gaming table as in the game of Baccarat due to the size of the Midibaccarat gaming table.

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#### IV. CONCLUSION

Based on the foregoing comments to Rulemaking No. 125-116, as well as the prior comments regarding flexibility that have been restated herein, and the proposed amendment to Section 553.15(b), MSPD, GGE, Penn and Sands respectfully request that the Board consider their comments above and adopt the interpretations carefully drafted herein.

Respectfully submitted,

  
Alan C. Kohler

cc: Robert DeSalvio (Sands)  
Robert Green (GGE)  
Robert Soper (MSPD)  
Mike Bean (MSPD)  
Tom Bonner (GGE)  
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