



April 26, 2010

Mr. Richard M. Sandusky, Director of Regulatory Review
Pennsylvania Gaming Control Board
via email: rsandusky@state.pa.us

Dear Rich,

Thank you for the opportunity to comment on the proposed Table Games Regulations (Subpart K of Part VII under Title 58) of the Pennsylvania Gaming Control Board. As a manufacturer of playing cards and gaming chips, Gemaco Inc. is pleased to offer comments on the following provisions specifically addressing those items:

A. Gaming Chips (§523.2-4)

- a. **§523.2(b)(2)**—This provision prohibits the issuance of a gaming chip by a certificate holder unless a sample that complies with previously approved design specifications is “made available to the Bureau of Gaming Operations at the certificate holder’s licensed facility.” If the provision is intended to require that the staff review an actual chip prior to issuance, Gemaco respectfully suggests that such a requirement is unnecessary or, at best, overly restrictive.

Gemaco believes that the provision is intended to insure the integrity of chip security, but in practice, the requirement adds little to the process. The chip approval process already requires detailed specification drawings and can also include actual color samples and fully manufactured chips of a generic design to demonstrate quality and performance, so a sample of the actual design should not be necessary.

Importantly, the manufacture of an actual chip prior to a production run creates significant delay and cost burdens for the certificate holder: there is a significant, separate cost to manufacture a single sample of each denomination (typically, there are a minimum of eight denominations for the primary set of chips and five denominations for the secondary set), and each sample requires significant machine time out of the production schedule, which may not be quickly available because of previously scheduled production. It is not uncommon for actual chip samples to create a delay of several weeks or longer.

There are several alternatives available. Gemaco’s experience is that some jurisdictions do not require an actual sample at all; in fact, one specifically reserves the right to approve chips from a manufacturer that has chips approved for use in another jurisdiction. Other jurisdictions do not mention an actual sample in their regulations but may require one at the staff’s discretion. Of course, there are jurisdictions in which an actual sample is mandatory, but the original version of this requirement was promulgated some years ago and, to Gemaco’s knowledge and belief, has not been reconsidered in light of current technology.

Gemaco suggests that there is no need to mandate an actual sample in every situation, as the staff may require one on a case-by-case basis as a condition of artwork approval if an issue arises during this phase. This approach saves considerable effort and time on the parts of both the staff and certificate holder, as well as significant expense for the certificate holder. Please refer to the Schedule attached to this letter for Gemaco's specific recommendations respecting this provision.

- b. **§523.3(b)**—Gemaco wishes to clarify an error in previous correspondence with Mr. Paul Resch, where it was inferred that a primary color may not be used as a secondary color. The provision is clear that a primary color may be used as a secondary color, except as noted.
- c. **§523.3(e)**—This provision requires a manufacturer's identifying mark on each chip. Gemaco's experience is that many jurisdictions consider this an outmoded practice, and even one jurisdiction that still requires a manufacturer's mark has stated (unofficially, of course) that the mark no longer serves a purpose and merely creates extra work on behalf of the gaming staff, plus delay (and, of course, small but unnecessary design issues) for the certificate holder. Of those jurisdictions that still require a mark, some permit the mark to be invisible to the unaided eye (for instance, Gemaco's UV mark is approved in Missouri and Nevada), and it is typically required on one face only. Gemaco recommends that this provision be deleted in its entirety, but please refer to the Schedule attached to this letter for a specific alternative recommendation.
- d. **§523.4(c)**—This provision requires an edge spot on each roulette chip, apparently for the purpose of being distinguished from those used by other certificate holders. In fact, many jurisdictions permit one-color non-value chips, which present a significant savings to the certificate holder, certainly in terms of cost and often as to production lead time.

Because roulette chips never leave their assigned table, and the number and color of a player's chips are apparent when returned to the dealer, we do not believe there is opportunity for a player to introduce chips from another source, including chips from another certificate holder. The certificate holders have much more expertise in gaming operations, but based on the wide-spread use of one-color chips, we do not believe that one-color non-value chips create any issue with correct identification during play, and the two-color requirement works to the certificate holder's disadvantage unnecessarily. Accordingly, Gemaco recommends that this provision be deleted in its entirety.

B. Playing Card Multi-decks (§523.15(g))

- a. **§523.15(g)**—This provision requires packaging for multiple decks of playing cards to have certain information attached in a very specific manner. The point of the provision is well-taken: essential information should be included in multi-deck sets in a manner that promotes security and works efficiently with certificate holder operations. The specificity of the provision, however, creates an unnecessary impediment that is perhaps unintended.

The provision specifies an exact manner in which the information is to be attached to the package; however, there are many manufacturing systems that vary from the exact manner prescribed but are without consequence to security or efficient operations. If each manufacturer were required to duplicate the prescribed process, those with a different system would have to create a special process for a very few customers, which would increase the product cost unnecessarily—a distinct disadvantage to a Pennsylvania certificate holder's ability to obtain the best price and system for its operations.

Gemaco suggests that the provision allow flexibility to accommodate all manufacturing systems that serve the purpose of the provision. Please refer to the Schedule attached to this letter for specific recommendations respecting this provision.

Thank you again for the opportunity to comment. I welcome further discussion of any of the above should you have any questions, so please feel free to contact me.

Yours truly,

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**Pennsylvania Table Games Regulations
SCHEDULE OF PROPOSED CHANGES**

Gemaco Inc.
April 26, 2010

§523.2(b)(2)

Current provision:

A sample of each denomination of gaming chip, manufactured in accordance with its approved design specifications, is made available to the Bureau of Gaming Operations for its inspection and approval at the certificate holder's licensed facility.

Proposed actions (in order of recommendation):

- a. Deletion of the provision in its entirety.
- b. Revision of the provision as follows:

Prior to approval, the Bureau of Gaming Operations may require a sample of any denomination of gaming chip, manufactured in accordance with its approved design specifications, to be made available for its inspection at the certificate holder's licensed facility.

§523.3(e)

Current provision:

In addition to the characteristics specified in subsection (d), each value chip in a denomination of \$25 or more shall contain a design or other identifying characteristic that is unique to the gaming chip manufacturer. Upon approval of a particular design or characteristic by the Bureau of Gaming Operations, the gaming chip manufacturer shall thereafter have the exclusive right to use that design or characteristic on any denomination of value chip. The approved unique design or characteristic may be used on all chips manufactured for use in this Commonwealth and may only be changed upon a showing by the gaming chip manufacturer that, despite the change, each value chip in a denomination of \$25 or more shall nonetheless be readily identifiable as having been produced by that manufacturer.

Proposed actions (in order of recommendation):

- a. Deletion of the provision in its entirety.
- b. Revision of the provision as follows:

In addition to the characteristics specified in subsection (d), at least one face of each value chip in a denomination of \$25 or more shall contain a design or other identifying

characteristic that is unique to the gaming chip manufacturer, [which design or characteristic may appear invisible to the unaided eye](#). Upon approval of a particular design or characteristic by the Bureau of Gaming Operations, the gaming chip manufacturer shall thereafter have the exclusive right to use that design or characteristic on any denomination of value chip. The approved unique design or characteristic may be used on all chips manufactured for use in this Commonwealth and may only be changed upon a showing by the gaming chip manufacturer that, despite the change, each value chip in a denomination of \$25 or more shall nonetheless be readily identifiable as having been produced by that manufacturer.

§523.4(c)

Current provision:

Each non-value chip issued by a certificate holder shall contain an edge spot, which shall:

(1) Be applied in a manner which ensures that the edge spot:

(i) Is clearly visible on the edge and, to the extent required by the Bureau of Gaming Operations, on each face of the non-value chip.

(ii) Remains a permanent part of the non-value chip.

(2) Be created by using the colors approved for the face of the particular non-value chip under subsection (b)(4) in combination with one or more other colors that provide a contrast with the color on the face of the non-value chip and that enable the non-value chip to be distinguished from the non-value chips issued by any other certificate holder.

(3) Include a design, pattern or other feature approved by the Bureau of Gaming Operations that a natural person with adequate training could readily use to identify, when viewing the non-value chip through the surveillance system of the certificate holder, the player to whom the non-value chip has been assigned when the non-value chip is placed in a stack of gaming chips or in any other location where only the edge of the non-value chip is visible; provided, however, that the design, pattern or feature created by the colors required by paragraph (2) shall be sufficient by itself to satisfy the requirements of this paragraph if approved for that purpose by the Bureau of Gaming Operations.

Proposed action: deletion of the provision in its entirety.

§523.15(g)

Current provision:

Each deck of cards shall be packaged separately or in a set containing the number of decks authorized in this subpart and selected by a certificate holder for use in a particular table game. Each package of cards shall be sealed in a manner approved by the Bureau of Gaming Operations so as to provide evidence of any tampering with the package. If multiple decks of cards are

packaged and sealed in a set, the package shall have a label that indicates or contain a window that reveals an adequate description of the contents of the package, including:

- (1) The name of the certificate holder for which the cards were manufactured.
- (2) The type of cards.
- (3) The color(s) of the backs of the cards.
- (4) The date that the cards were manufactured.
- (5) The total number of cards in the set.

Proposed action: revision of the provision as follows:

Each deck of cards shall be packaged separately or in a set containing the number of decks authorized in this subpart and selected by a certificate holder for use in a particular table game. Each package of cards shall be sealed in a manner approved by the Bureau of Gaming Operations so as to provide evidence of any tampering with the package. If multiple decks of cards are packaged and sealed in a set, the package shall **contain an adequate description of its contents**, including:

- (1) The name of the certificate holder for which the cards were manufactured.
- (2) The type of cards.
- (3) The color(s) of the backs of the cards.
- (4) The date that the cards were manufactured.
- (5) The total number of cards in the set.