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THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION

OPEN MEETING

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

James F. McHugh

Bruce W. Stebbins

Enrique Zuniga

MAY 8, 2012, 12:55 p.m.

OFFICE OF THE DIVISION OF INSURANCE

First Floor, Hearing Room E

1000 Washington Street

Boston, Massachusetts

1 CHAIRMAN CROSBY: You mean we meant to do
2 something different?

3 COMMISSIONER MCHUGH: Yes. And it was my
4 motion and I didn't capture it exactly what we should've
5 been doing.

6 CHAIRMAN CROSBY: Okay.

7 COMMISSIONER MCHUGH: So, I would unless --

8 CHAIRMAN CROSBY: On May 1, as we are
9 looking at both of them, there are two corrections that
10 I saw on May 1. One is the Economic Development forum that
11 Commissioner Stebbins is working on is June 14 not 13.
12 Also, under the Racing Commission, I think there is just
13 a typo. There is a double not in line 10 under the Racing
14 Commission. I think the word not appears twice, not right
15 next to each other. But it says we were --

16 COMMISSIONER MCHUGH: Twice in the same
17 sentence?

18 CHAIRMAN CROSBY: Yes. Other than that,
19 does somebody want to move on the minutes, Commissioner?

20 COMMISSIONER MCHUGH: Then I'll move.
21 Let's deal with them seriatim. I'll move that the April
22 24, 2012 minutes be adopted as promulgated.

23 COMMISSIONER CAMERON: Second.

24 CHAIRMAN CROSBY: Any more conversation?
25 All in favor? I.

1 COMMISSIONER ZUNIGA: I.

2 COMMISSIONER STEBBINS: I.

3 COMMISSIONER CAMERON: I.

4 COMMISSIONER MCHUGH: I.

5 CHAIRMAN CROSBY: None opposed, the I's
6 have it.

7 COMMISSIONER MCHUGH: Then I would move
8 that the May 1, 2012 minutes be approved with the
9 correction of June 13 to 14 and the elimination of two nots
10 in the same sentence.

11 COMMISSIONER STEBBINS: Second.

12 CHAIRMAN CROSBY: Any discussion? All in
13 favor? I.

14 COMMISSIONER ZUNIGA: I.

15 COMMISSIONER STEBBINS: I.

16 COMMISSIONER CAMERON: I.

17 COMMISSIONER MCHUGH: I.

18 CHAIRMAN CROSBY: None opposed, the I's
19 have it.

20 I just want to say one thing to the members
21 of the press about we will be trying, as we talked about
22 before, to pass out and make available to you attachments
23 that we are talking about. There may be times for some
24 reason that we can't do that.

25 Everything will be posted on the website for

1 everybody the next day. Just be aware they have no formal
2 substantive value at all. They are just background data.
3 They are not our own work papers even, unless we specify
4 something. You're welcome to have them. We are anxious
5 to make the meeting as useful as possible to the members
6 of the press. And it's too late to get them to you
7 tomorrow, but I just want to make sure that you are sort
8 of sensitive about using what is in there because it is
9 very much preliminary stuff for the most part.

10 Let's go to item number three,
11 administration. Commissioner McHugh, you had something
12 on the search for the Executive Director. As far as the
13 search, what is the status of the RFP?

14 COMMISSIONER STEBBINS: They are due this
15 Friday by 3:00 p.m.

16 CHAIRMAN CROSBY: Okay. Do we have some
17 in?

18 COMMISSIONER STEBBINS: At this time, we
19 haven't received any.

20 COMMISSIONER ZUNIGA: No.

21 CHAIRMAN CROSBY: Haven't received any?

22 COMMISSIONER ZUNIGA: We haven't received
23 any, no. My experience is that people wait until the last
24 minute. But we have had two different firms ask
25 questions. They were very residual relative to obtaining

1 forms on Comm-PASS, which we answered. And because they
2 were procedural, we did not post as part of the Comm-PASS
3 questions that the RFR allows for.

4 CHAIRMAN CROSBY: While we are talking
5 about this, I think you were going to be working on
6 evaluation criteria?

7 COMMISSIONER ZUNIGA: Yes.

8 CHAIRMAN CROSBY: What is the status on
9 that?

10 COMMISSIONER ZUNIGA: A meeting with people
11 of our appointing authorities as we discussed last meeting
12 that we talked about this, Treasurer's office, Governor's
13 office and the AG's office as well as Janice and myself
14 will be meeting tomorrow with those people to lay out the
15 evaluation criteria that is stipulated in the RFR.

16 The assumption is that we will then review
17 however many come in and meet for a second time to discuss
18 and then subsequently interview however many firms we
19 decided to interview -- I decide to interview.

20 CHAIRMAN CROSBY: We are expecting this to
21 be done, we hope, by the end of the month?

22 COMMISSIONER ZUNIGA: That is the timeline
23 and I think it is doable.

24 COMMISSIONER STEBBINS: As we discussed
25 last meeting, working with our consultants, Spectrum and

1 Michael & Carroll, have kind of got them moving since part
2 of their work plan was to assist us with the short-term
3 hiring needs.

4 They are going to help us prepare a job
5 profile as well as come up with an inventory of
6 publications, media avenues. So, we are saving our
7 eventual vendor -- And I talked about this with
8 Commissioner Zuniga. We are saving our vendor that time
9 that they don't need to kind of play catch up. So,
10 hopefully we will have the job profile that perhaps we can
11 even approve or consider at our meeting next week.

12 CHAIRMAN CROSBY: That'd be great, because
13 usually there is a week or two taken up writing the job
14 descriptions.

15 COMMISSIONER STEBBINS: Right.

16 COMMISSIONER ZUNIGA: Right.

17 CHAIRMAN CROSBY: Okay. Mr. McHugh, you
18 had something?

19 COMMISSIONER MCHUGH: I did, Mr. Chairman.
20 On April 24, I made a motion that Commissioner Zuniga put
21 together a task force to help him select the search firm
22 finalist or finalists. That was imprecise as the
23 discussion that that motion followed -- reflects.

24 The motion should have been a motion that
25 Commissioner Zuniga be charged with making the

1 recommendation as to a search firm, assisted by whatever
2 group he chose to assemble to give him advice.

3 The clear intent of the discussion and now
4 the motion that I make is to re-pose on him the judgment
5 and the responsibility for making a recommendation to the
6 rest of the committee.

7 So, I now, to square the corners move that
8 he be charged with making that recommendation and that he
9 be charged with putting together such group that he thinks
10 is helpful to give him the advice that he needs in order
11 to make the recommendation.

12 CHAIRMAN CROSBY: Similar to the role that
13 I played on the communications person.

14 COMMISSIONER MCHUGH: Right.

15 CHAIRMAN CROSBY: Is there a second on that
16 motion?

17 COMMISSIONER CAMERON: I second that
18 motion.

19 CHAIRMAN CROSBY: Any other discussion?
20 All in favor? I.

21 COMMISSIONER ZUNIGA: I.

22 COMMISSIONER STEBBINS: I.

23 COMMISSIONER CAMERON: I.

24 COMMISSIONER MCHUGH: I.

25 CHAIRMAN CROSBY: All opposed? The I's

1 have it unanimously.

2 That's great. We've got some ideas already
3 of candidates that we will give to the search firm when
4 we are going to do the full magilla of a real serious
5 search. People know we are looking and have already given
6 us some ideas, which is good.

7 Item three B, public information officer,
8 just a quick update on that. I have closed the loop with
9 Elaine Driscoll. She definitely is coming onboard. I
10 said to her please treat the Police Department
11 appropriately and we'll wait. We'd like you tomorrow, but
12 we'll wait for however long is appropriate. She talked
13 with Commissioner Davis and she will be starting three
14 weeks from Monday, which is a holiday, so it's three weeks
15 from Tuesday, May 29.

16 She will be working with us. She may be in
17 touch with Janice already to sort of get the paperwork
18 flowing. She said she's available to work with us. Karen
19 has talked with her. There may be a small amount of
20 communication. But basically, I think we need to leave
21 her alone while she finishes up the job with BPD.

22 Everything we continue to hear about her and
23 the transactions we have with her suggests that she will
24 be a tough, smart, capable person, not that we have any
25 PR needs at all. Anything else on that?

1 Other hiring needs we've got, I think it's
2 four. Did we put out a fifth for a financial person? No,
3 not yet. Okay. So, we have four jobs posted.

4 They are posted everywhere. They are in the
5 State places, but they are also on Monster and everything.
6 And I am told by Janice that we have received over 600
7 applications. So, we are moving quickly down that road
8 there. We are pretty much going to close that down now,
9 close down the application time and just get moving.

10 Janice will be working with Stan and also
11 Commissioner Zuniga to some extent to work out what
12 priorities do we have. What we are starting to feel the
13 crunch that we need some more sort of mid-level
14 administrative support. That will be coming soon.

15 Gaming consulting status and also for that
16 matter the outside counsel, I think the background checks
17 have been completed. And?

18 COMMISSIONER CAMERON: Satisfactorily
19 completed with no issues that should preclude us from
20 moving forward with the consultants.

21 CHAIRMAN CROSBY: Great. These were done
22 on our behest by the State Police?

23 COMMISSIONER CAMERON: Correct.

24 CHAIRMAN CROSBY: The gaming consultants,
25 we have Guy Michael here from Michael & Carroll who will

1 be talking about the RFQ idea. We now put Acting Executive
2 Director McGee in touch with Kathy O'Toole who was the
3 point person on the consultant side to finalize the
4 statement of work and get a contract going as soon as
5 possible.

6 We are starting to use the consultants for
7 substantive work already to wit today, which is fine. We
8 can do that. But we do need to process that statement of
9 work as quickly as we possibly can. Stan is on that. I'm
10 happy to say I am not.

11 Outside counsel, Commissioner McHugh,
12 anything else on that?

13 COMMISSIONER MCHUGH: Yes, Mr. Chairman.
14 We are near completion of the contract with outside
15 counsel. That has not been assigned. The statement of
16 work is completed, but there were a couple of items we were
17 working on. We resolved those. I expect that contract
18 to be completed this week.

19 Outside counsel have given us, as we
20 discussed in prior meetings, a framework for their work
21 that is the statement -- ultimately the statement of work.
22 They have completed their review and the assessment of the
23 statute and have given me a draft document, which I am going
24 to review this week. I got it yesterday. It is
25 comprehensive. I will, if there are any corrections, I'll

1 make it and distribute it to all of you later this week.
2 It is, I think, a very helpful guide through the various
3 components of the statute.

4 In that connection, they have created a
5 number of appendices. One of the nice things about what
6 they've done is that the organization can be sorted and
7 organized in any way that we want. So, you can take it
8 -- It's a plastic chart, in effect. It's electronic and
9 one can sort it in various ways.

10 So, they have separated out for starters the
11 various funds for which we have some responsibility, the
12 various advisory boards. There are seven advisory
13 boards. They've listed all of their functions. And they
14 have also indicated all of the regulations we are
15 responsible for promulgating. So, this is a real
16 blueprint as to how to get through this.

17 They've also given me a draft policy on
18 policies. It sounds like a title of a novel here. But
19 we talked about this before too. What things we ought to
20 do by bylaws. What things we ought to do by regulations.
21 What things we ought to do by policies. So, I will have
22 that ready for distribution later this week as well.

23 Finally, I know Commissioner Cameron will
24 talk about this later, they prepared and thought through
25 and helped us with emergency regulations for the

1 transition to the Racing group.

2 So, we are on track, I think, and can now
3 proceed once we get these preliminaries finished up and
4 have them help us put into place the other structural
5 pieces that we need to stand up the Commission.

6 We need to have and we will work on this week,
7 integration between what they are doing, the
8 recommendations by the gaming consultant, so that we can
9 coordinate the structural regulations that govern us and
10 will govern others and the gaming regulations. And make
11 sure that we are sequencing things in the appropriate
12 fashion so that we are doing the first things first and
13 putting in place the foundation blocks on which to build.

14 So, that is my report. And that's where we
15 are and I think we're in good shape.

16 CHAIRMAN CROSBY: That's great. That's a
17 lot of work.

18 COMMISSIONER MCHUGH: They have done a lot
19 of work and the work is very good and very thoughtful and
20 user-friendly, I think.

21 CHAIRMAN CROSBY: That's great. That will
22 fit pretty quickly -- It does interface with the work that
23 the other consultant is doing. They're working on the
24 strategic plan and workflow chart and so forth. Probably
25 getting those two together as soon as possible is great.

1 Anything else on the outside counsel issues or contract
2 issues in general?

3 Nothing more on the permanent meeting date.
4 We are still working. Have we decided on this place? Not
5 quite.

6 MS. REILLY: Next week we will be back at the
7 Convention Center, but after most meetings will take place
8 here at one o'clock on Tuesdays.

9 CHAIRMAN CROSBY: We are still working on
10 trying to figure out a cost efficient way to do the live
11 streaming. This one is not being live. It will be up on
12 video tomorrow on the website as it was last week.

13 You've heard me talk about this all of the
14 time, folks who are visiting. We are committed to making
15 these things streamed live. Although the viewership has
16 been pretty modest, I think it is right to say that we think
17 if we can do it for a reasonable price, there is a principle
18 to it of transparency and access to people who are not in
19 Boston that is important. But we still haven't figured
20 out a cost-efficient way to do that yet, but we are working
21 on it. We'll get to that as quickly as we can.

22 Next week is back at the Convention Center.
23 The week after that is back here. Okay. And we do
24 anticipate having a meeting every Tuesday for a while
25 coming.

1 Finance and budget update Commissioner
2 Zuniga?

3 COMMISSIONER ZUNIGA: Thank you. There
4 was a chart like this in the packets relative to the costs
5 that have been expended through MMARS, the State
6 accounting system. There are two columns in this report.
7 The second to last column is the encumbered amount, which
8 I will speak to in a little bit. The total expenditure
9 amount is the last column of this report. That
10 essentially is that checks or EFTs really that have gone
11 out by category.

12 My intention is to start reporting on the
13 finance at the end of each month. In other words, meaning
14 like today reporting on the recently closed April and
15 continue to do that for the foreseeable future.

16 Also, the encumbered amount is something
17 that I need to clean up perhaps with the help of some staff
18 when we get them to really use it as a financial management
19 tool. Because we have approved certain expenditures like
20 our lease or our rent or the lease of our equipment. And
21 all of that should be encumbered as a budget type of amount
22 against which expenses will be then signed off by myself
23 and/or staff when they come up.

24 This report is not there yet. We will work
25 towards reflecting the encumbrances that we have approved

1 and then come back to a future meeting, hopefully shortly,
2 to reflect the encumbrances that we need to approve to
3 continue making those payments.

4 The Comptroller's office is helping us
5 process payments but is not helping us do financial
6 management, which is something that we need to ramp up to
7 do. Those are key features of the report.

8 There are a couple of other costs that we may
9 have incurred and we talked about in our first meeting that
10 are not being reflected here I suspect because we owe back
11 to DCAM as a chargeback. But I will be speaking to that
12 detail in a subsequent meeting.

13 CHAIRMAN CROSBY: This is one of these
14 issues where finding the line between Commission
15 responsibility and staff responsibility is going to be a
16 work in progress.

17 But I know you'll be starting to talk with
18 Stan about where's that line drawn. What do you want to
19 do? What should you be doing? What are the trade-offs
20 between what else you could be doing? Basically, however
21 you want to go on that as far as I'm concerned. But it's
22 an issue for all of us is trying to figure out where staff
23 work start and Commissioner work leaves off and vice versa.
24 It is something I think we kind of need to continue to be
25 attentive to because we all have been doing staff work and

1 our jobs are going to change a little bit as staff does
2 begin to come on.

3 Thanks. Anything else about budget and
4 finance?

5 Procurement update, I don't know that there
6 is one.

7 COMMISSIONER ZUNIGA: Yes, I have a couple
8 of updates. We are contemplating or we were actually
9 going to be putting out to bid two pieces, the
10 videoconferencing piece and the stenographer piece
11 because we anticipate and wish to look at it as the next
12 fiscal year. If we have the services of what we have been
13 paying and it has varied because of the considerations in
14 terms of venue or whether we are streaming live or we are
15 not.

16 Because some of these costs in the
17 aggregate, which is a way to look at it for a year could
18 be more the \$50,000, we are not sure, they could, we are
19 going to issue an RFR, a request for responses, which I
20 will be preparing along with Janice. And we will post in
21 Comm-PASS and on our website, etc.

22 The nuance here will be to articulate the
23 different options that we know are out there and leave
24 enough room, if you will, to entertain additional options
25 that we may not know about to see if vendors can come with

1 creative ideas as to how we can be most cost-effective.
2 These will be two procurements that I think is relevant.

3 CHAIRMAN CROSBY: Great. That will give us
4 practice at doing creative, open-ended innovative
5 solicitations. Great.

6 COMMISSIONER ZUNIGA: We will be preparing
7 those documents and come with an update hopefully in the
8 next meeting.

9 CHAIRMAN CROSBY: You said for?

10 COMMISSIONER ZUNIGA: Videoconferencing
11 and stenographer, as we understand it now they are usually
12 done by different firms or groups. But we will put them
13 at the same time and we may or may not get somebody who
14 could do both or who could do them separately. We will
15 see.

16 CHAIRMAN CROSBY: Great. And you
17 obviously will be in touch with Commissioner McHugh on that
18 since he is the one that has to make use of the minutes
19 and stuff.

20 COMMISSIONER ZUNIGA: Right.

21 COMMISSIONER STEBBINS: Great. Anything
22 else? Item six, public education information. I put May
23 3 forum, sort of wrap-up, lessons learned. Actually, I
24 accidentally put it on two different places. But I don't
25 know if there's anything more if anything came out of that?

1 I think we all felt pretty good about how it
2 worked out. There were probably variously 150 people
3 there. We had 107 different people watching and
4 streaming, which is not very many people. Does anybody
5 else have any comments or just feedback or suggestions or
6 debrief that you want to share?

7 COMMISSIONER MCHUGH: I thought it was an
8 enormously helpful day in terms of a broad sketch of the
9 landscape that we are in. Helping both us -- I'm speaking
10 for myself, I guess -- helping me understand the dimensions
11 of that landscape and also exposing others I think to the
12 complexities of what we are about to deal with, and the
13 amount of precision with which we have to work. I think
14 that is one of my takeaways from that. The complexities
15 and the precision with which we have to address those
16 complexities, therefore, the deliberateness, the speed I
17 think with which we ought to be approaching some of these
18 tasks because they are complicated and they are new.

19 They are new for us and they are new for
20 everybody we are going to be dealing with. I think we need
21 to make certain that we understand fully what we are doing
22 and that the people who are watching us understand fully
23 what we are doing. That counsels deliberate speed.
24 Speed to be sure, but speed consistent with careful
25 deliberation.

1 CHAIRMAN CROSBY: Yes. I think that is a
2 really good point. And we are just go to continue doing
3 this balancing act. Everybody is anxious to get moving.
4 But if you listen to those folks talk or going to the
5 websites of any of the other big jurisdictions, this is
6 a massive task.

7 I agree with that. And just trying to find
8 a balance between moving as quickly as we can and doing
9 it appropriately is an important one. And we have to keep
10 working on it.

11 I was struck by -- And this is something Guy
12 and Stan I hope that the consultants can really put us in
13 front. The nature of the technology that is now
14 accessible from every aspect including licensing, the
15 regulatory process but also the financial accounting and
16 so forth. I'm sure it changes. By the time we get up and
17 running, there will be a new generation of technology.
18 So, figuring out how we can really be incredibly technology
19 smart is a huge question. And I don't think any of us
20 really have competence in that to speak of. So, we are
21 really going to look to you guys to help us find the
22 expertise to really be out front on that.

23 The other thing is this idea of
24 standardizing across jurisdictions some amount of stuff.
25 Frahenkopf talked about the easy case, which was whatever

1 it was. I forget.

2 COMMISSIONER ZUNIGA: Fingerprinting.

3 COMMISSIONER CROSBY: Fingerprinting,
4 right. There may be offset and considerations, but I
5 think the idea of while we are doing our own work also
6 thinking to ourselves is there a way that we can begin to
7 either interface with existing standards or create new
8 standards and be the centerpiece or work with some of the
9 other industry associations to create efficiencies and
10 synergies and cross jurisdictional issues.

11 Maybe it is something we want to think about
12 in terms of New England. We think about a New England
13 compact maybe that would have some relationship relative
14 to problem gamblers and so forth.

15 So, I think there's a lot of really
16 interesting areas in technology and in
17 inter-jurisdictional collaboration that Guy we are going
18 to need your help to lead us on going through this. And
19 Stan will be keeping an eye on that stuff.

20 But I think it was really exciting. And
21 it's really interesting and we will be the very, very --
22 For a little while, we will be the very, very front edge
23 of the industry. And we really want to do it well.

24 COMMISSIONER ZUNIGA: Yes. I was also
25 struck by how much there is to do but comforted by the fact

1 that there's so many resources out there already. Having
2 said that, I think it is really incumbent upon us, myself
3 individually, but this Commission as well to understand
4 why there are certain standards out there or what's a
5 better standard in a start-up mode versus a steady state
6 mode.

7 When we talk about how commissions have
8 evolved over the years, we heard great insights relative
9 to New Jersey because they have gone through a very
10 interesting period of evolution. From my perspective, I
11 think it's imperative and incumbent upon us to try to
12 understand all of the lessons learned -- That was the
13 whole purpose of this forum. -- of that evolution and what
14 regulations, just to name one example, what are the most
15 incumbent pieces for us to really adopt, analyze -- first
16 of all, understand and then adopt and after that thorough
17 analysis. I think the outcome was great.

18 COMMISSIONER STEBBINS: Just to add in
19 picking up on Commissioner Zuniga's comment. The
20 information was great. The experiences that that pool of
21 people had in terms of their years of experience and some
22 of the pitfalls as well as some of the successes that they
23 had.

24 But what was interesting for me was a comment
25 that was made relative to a new commission and staff being

1 very responsive to the wishes of a new commission. But
2 over time how that relationship changes whereas the staff
3 begin to guide the ship and the commission is somewhat
4 beholden to them. We certainly don't want to fall into
5 a predicament of somebody telling us that's the way we have
6 always done it. We don't want to go down that road.

7 CHAIRMAN CROSBY: We've been doing that for
8 the last month.

9 COMMISSIONER STEBBINS: Some of the other
10 issues, adjudicatory process separate and distinct from
11 some of the other processes within the commission I thought
12 was excellent.

13 COMMISSIONER CAMERON: If I just might add,
14 I know it was very informational to our law enforcement
15 partners because they now have resources and others to
16 reach out to and receive some training. And I thought that
17 was a great help to understanding what they will need to
18 do moving forward.

19 CHAIRMAN CROSBY: So, to your point it is so
20 -- Interagency cooperation on the law enforcement side is
21 so important. It's an issue in the legislation. And I
22 think we voted with our feet saying to folks we are going
23 to be partnered with you. We are not going to bigfoot this
24 thing, which was great. You are a critical piece of that
25 obviously.

1 Anything else about May 3? Commissioner
2 Stebbins, do you want to do a status report on June 14?

3 COMMISSIONER STEBBINS: Sure. June 14 is
4 our next public education forum. Again, it's going to be
5 held at Quinsigamond Community College. I am visiting
6 there tomorrow to lay out space and resources for the
7 college as they assist us in hosting this event.

8 We've confirmed a number of speakers and
9 right now really have two strongly identified panels. One
10 being tools that this Commission can use a lot of the
11 studies and reports that were already done, some
12 additional resources that probably haven't been tapped.
13 Or at least this Commission hasn't tapped in terms of
14 information tools, methodologies and that we need to
15 consider using when we look at future gaming applicants.

16 Some discussion I've had around a third
17 session bringing in some people both from the academic side
18 but also a practical side of looking at best practices for
19 connecting gaming with economic development purposes
20 within particular communities.

21 Finding that best practice help has been
22 interesting. Commissioner Zuniga and I talked to some of
23 the representatives that were here last week from New
24 Jersey. But every state does it differently.

25 Massachusetts is doing it differently. So,

1 trying to find similar models or similar kinds of case
2 examples is a challenge. Hopefully, between some
3 academic help that we've reached out to we'll find one or
4 two kind of best practices that can come in and share that
5 not only with us, but what I hope will be a good gathering
6 of the general public.

7 CHAIRMAN CROSBY: We got some comment last
8 time that we were too heavy on the casino promoters, sort
9 of casino advocates. How do you balance the perspectives
10 here on figuring out the economic impacts?

11 COMMISSIONER STEBBINS: Sure. We are
12 reaching out to a few people who are going to be in touch
13 with former Attorney General Scott Harshbarger saying
14 listen, this isn't a platform for having a gaming or
15 anti-gaming debate. It is more of a platform of you give
16 us an idea of some things that are methodologies, are
17 resources, are information that you think we ought to have,
18 kind of notwithstanding all of the other information that
19 will be presented or already has been presented.

20 So, we are trying to create a balanced
21 approach in terms of tell us what we need to do our job
22 correctly and do it well.

23 CHAIRMAN CROSBY: That's important for
24 people to know. I think that's going to be great. This
25 is all posted on the website. We are looking and there

1 are people in the room who have already sent us stuff.

2 We are looking for additional research data.

3 We are looking for critiques of research data. We are
4 looking for an analysis to help. Anybody who has
5 constructive ideas, because I put the question, what do
6 we need to know and when do we need to know it?

7 Then secondly, do we have the resources at
8 our fingertips to learn it? We want assumptions to be
9 challenged in a constructive way. We will be reaching out
10 as aggressively as we can to solicit that kind of feedback
11 as well as from the folks who have been lined up doing this
12 kind of work for a long time.

13 COMMISSIONER STEBBINS: Right.

14 CHAIRMAN CROSBY: Anything else on that
15 forum? That is probably going to be a half-day? It won't
16 be a full day, right?

17 COMMISSIONER STEBBINS: Right now, if we
18 keep it to two panels, it will be a half-day. If we end
19 up finding a number of people to speak on that kind of third
20 topic session, it may stretch over into the early
21 afternoon.

22 CHAIRMAN CROSBY: Just on the third topic
23 session, this is something that I talked about actually
24 more before there were other commissioners. And I don't
25 know whether it's just whistling Dixie or not.

1 But I think what Commissioner Stebbins and
2 I have talked about is are there people out there who can
3 help us think creatively about the economic impact?

4 We've talked a lot about tourism. We know
5 that there is a tension that sometimes casinos are
6 perceived as all self-contained that suck resources out
7 of the rest of the community, doesn't really enhance the
8 tourism business. But we also talked about places where
9 it does enhance the tourism business.

10 We talked as a group strategically how can
11 we maximize that enhancement as opposed to the negative
12 consequences? That is only the tourism industry.

13 Are there other ways from land use and
14 intellectual property or educational systems? We talked
15 about the community college system and so forth. Are
16 there other ways we can use this resource strategically
17 to have a positive economic impact?

18 The answer may be no, but I think it is a
19 question we want to ask as thoughtfully as we can. There
20 are great people just around this town, never mind in the
21 Commonwealth, who are city planners, who are economic
22 development experts, who are great economists. So, we
23 want to be thinking as aggressively as we can and
24 creatively as we can about finding those kinds of people
25 to stimulate us in our thinking.

1 If anybody's got ideas or anybody's got
2 ideas, we would love to have them.

3 COMMISSIONER MCHUGH: Have we approached
4 the community colleges? I know we have approached them
5 from the standpoint of looking at that compact that they've
6 created. I wonder if they wouldn't be a source of some
7 of the kind of ideas you are talking about.

8 Every one of these casinos is going to have
9 a huge machinery plant that is going to require
10 computerized operations. Is there some way that one can
11 use those control rooms and control spaces and those kinds
12 of things as a laboratory or provide internships for people
13 who are trying to learn that kind of industry? Are there
14 some industries in this large enterprise that is going to
15 be placed there, industries that are transferable to other
16 segments of the economy, and the community colleges,
17 technical high schools could take advantage of for
18 internships and other learning opportunities?

19 Could we get some creative energy out of the
20 people that run those schools so that we can think about
21 incorporating that into some of the things, the criteria
22 we are looking for when it comes to license awarding time.
23 That is just one example. But I think the idea of looking
24 to leverage these institutions, these facilities would be
25 a terrific idea.

1 COMMISSIONER STEBBINS: I think -- I happen
2 to have the chance to serve on the board of STCC a while
3 ago.

4 COMMISSIONER STEBBINS: The what?

5 COMMISSIONER STEBBINS: Springfield
6 Technical Community College. And obviously the mission
7 of the community colleges is to focus on those immediate
8 job development needs in the area.

9 The legislation clearly spells out some of
10 the design the guidelines for these casinos in terms of
11 lead certification and a number of other things. As we
12 talked about with the business group from Western Mass.
13 the other day, when an applicant files their application
14 and are suppose to identify their impact on small business
15 and tourism, we should think of that with less with a
16 negative connotation more in the positive.

17 And putting the kind of request out there to
18 the business community to get them energized to think of
19 how we can approach these gaming interests who are popping
20 up around Massachusetts to say we want to be a proactive
21 partner with you to support our local small business and
22 tourism as well as the educational piece.

23 CHAIRMAN CROSBY: Where I thought you were
24 going was also the high-tech industry. This is becoming
25 a very high-tech industry. It is a vastly growing

1 worldwide industry. There are probably start-up creative
2 people who have this Internet gaming is going happen. We
3 know we got all kinds of Internet expertise. So, maybe
4 that's another thing that we could convene with people to
5 talk about. It doesn't come easy, but it is something I
6 really want to push the envelope that we really think hard
7 about.

8 COMMISSIONER ZUNIGA: I know there is an
9 item in the agenda relative to research agenda but I just
10 want to mention this. As we embark on the baseline study
11 that we need to provide to the legislature a year from now
12 -- a year from November, we had a good meeting with people
13 from UMass Amherst who brought up the point that the study
14 will be conducted, however. But then data will have to
15 be compiled to benchmark or assess against that benchmark.

16 As we develop systems to capture that data,
17 data about incidence of gambling, there are potential for
18 us to leverage that software system data, etc. whereas we
19 are also collecting information relative to economic
20 impact, the positive aspects not just the tourism industry
21 but whatever else and the negative aspects if there is
22 such. I think there is great opportunities to try to bring
23 those aspects together as we embark on these research
24 projects.

25 CHAIRMAN CROSBY: Great. Okay, the next

1 one is other forums. We talked last time. It is my job
2 to put together a forum that will have two dimensions. One
3 is community mitigation issues and the other is problem
4 gambling.

5 Commissioner Stebbins and I met with MAPC,
6 three people from MAPC. And they are very interested in
7 participating. And they've done some good work about the
8 issues of community mitigation, what are the issues. We
9 asked them if they would be willing to be the coordinator
10 of this panel or this segment of the discussion, and help
11 us pick other panels. Very much like you did. You found
12 a moderator and worked with them.

13 I don't think they formally said yes yet but
14 they are going to do it, I'm sure. We've talked with other
15 people, the Central Mass. RPA, the Western Mass., I think
16 it's called, RPA. They talked about the Southeastern
17 Mass. RPA.

18 The issue for us as we talked with them is
19 whether there are two community mitigation topics. One
20 is just to help the Commissioners be thinking about issues
21 that we want to address in the process, particularly in
22 our RFP and in our review process.

23 As Commissioner Stebbins said that is not
24 just avoiding the negatives. It is trying to figure out
25 the positives too. Are there ways that we can encourage

1 and proactively support small businesses rather than not.

2 The other is the one we talked about before
3 which is what is our role relative to proactively
4 supporting potential hosts in surrounding communities? I
5 think we kind of felt that they are two different issues.
6 But we say to MAPC you guys think about it.

7 We have reached out to MMA, Mass. Municipal
8 Association, and the Collins Center at the McCormack
9 School. Commissioner Stebbins I think have talked with
10 them.

11 There may be some interest there in taking
12 the lead. We have kind of decided -- we are not sure we
13 want to be the lead on this for fear of getting too involved
14 with different communities, maybe parceling out different
15 information. But we want to make sure somebody is doing
16 this.

17 So, we did talk about that with MAPC. And
18 we invited them to tell us whether they thought it was two
19 different things or not. So, we will see where that goes.

20 On the problem gambling issue, I haven't yet
21 talked to her, but I am not blanked on her last name
22 Kathleen --

23 COMMISSIONER STEBBINS: Scanlan.

24 CHAIRMAN CROSBY: -- Scanlan, who is kind of
25 seems to be the lead person on problem gambling and was

1 the head of the main problem gambling association in
2 Massachusetts for a long time, did a lot of work on the
3 legislation. We are going to talk with her about whether
4 she will lead, be the moderator of that panel.

5 We've got some other ideas of people to be
6 on it. I am very much interested in this question that
7 I asked at the other session, which is a how much of the
8 revenues of the operators, slots and casinos, comes from
9 problem gambling. And the panelists didn't have any
10 answers to that.

11 Some people came up to me and said they did
12 have research projects. And I've got a bunch of research
13 projects that are worth looking at. But I think it's
14 something that we need to understand what the terminology
15 means.

16 Frahrenkopf was talking about one percent
17 pathological gambling, but there is probably a continuum
18 of pathological to problem just like alcoholism and
19 everything else, so kind of define your terms.

20 I think it is a data point. I don't know
21 what we do with it. But I think we want to know it. And
22 it will say a lot about how we address problem gambling.

23 So, in this issue of problem gambling that
24 is one of the topics and we hope to get people to be able
25 to speak to with some kind of authority. Are you moving

1 like you had something to say on that?

2 Again, this is not for the purpose of
3 debating whether we are going to have casinos or not. This
4 is for the purpose of informing us as well as possible about
5 the issues that we need to address as we license and
6 regulate the industry.

7 We don't have a date yet. I would like to
8 get it done maybe even the week before Commissioner
9 Stebbins' conference but I don't know if we can get that
10 done. But we'll try to get it done in the next month.

11 COMMISSIONER MCHUGH: Could I just
12 interject? Not to rehash any of these things, but these
13 forums are enormously valuable and enormously helpful to
14 all of us. They are also enormously time consuming in the
15 effort it takes to put together.

16 I wonder if we thought about after these next
17 two occur using the mechanism of public hearings in various
18 parts of the State to gather information for two reasons.

19 One, it's helpful to continue to have a
20 presence in a public presence when we talk about general
21 ideas rather than the kinds of stuff we are talking about
22 here.

23 Secondly, in those kinds of presentations
24 and environments, I think we are likely to pick up local
25 on the ground information and concerns that we wouldn't

1 otherwise think about. And use them as a basis for
2 planning and thinking about either further forums or at
3 least further discussion about the contents of our
4 application processing.

5 While I think that these forums are
6 terrific, and if they are all the caliber of last week's,
7 they will be enormously valuable but I wonder if after that
8 we couldn't consider going to different mode of
9 information gathering for a while.

10 CHAIRMAN CROSBY: I think the answer to that
11 is yes. It was in the interview process of the
12 communications people that they have experience doing that
13 kind of organized outreach and come under Elaine.

14 That is one frustration about her not
15 starting until the 29th is I was looking to her to sort
16 of give us a plan for something like that. But I think
17 that is crucial and we probably are not going to be able
18 to wait until she gets here to start thinking about it.
19 But I think that is really important.

20 Again, the public has ideas about how we
21 might constructively do that, we are interested in hearing
22 them. Anything else on any of that?

23 COMMISSIONER ZUNIGA: To append to that we
24 could also entertain the notion of having groups or a group
25 of people to come discuss to any one of these public

1 meetings a particular topic if we so chose.

2 CHAIRMAN CROSBY: To this meeting?

3 COMMISSIONER ZUNIGA: To these meetings..

4 CHAIRMAN CROSBY: I agree.

5 COMMISSIONER ZUNIGA: I think that some of
6 the meetings that we have had on a one-on-one basis like
7 the one you mentioned with MAPC or the one I mentioned
8 earlier with UMass Amherst are of tremendous value that
9 all five of us collectively could benefit rather than two
10 of us and then later we give an update or we make a note,
11 etc. So, I think it is something to consider.

12 CHAIRMAN CROSBY: I think that's a good
13 point. Any of us who are having these one-on-one where
14 we are representing the Commission, any of them we feel
15 is particularly valuable that we ought to add to the whole
16 group, it's the only way we can have a group conversation
17 is to have them come to that. I think that is a great idea.

18 And I think there will be others as we get
19 into this. There will be a lot of things that we will be
20 wanting to have people come here just like we are today,
21 talking about this RFP process. I think that is a great
22 point.

23 Commissioner McHugh, was 6D your --

24 COMMISSIONER MCHUGH: Yes, I put that on
25 there, Mr. Chairman. We have been getting a number, not

1 a huge, of requests are typically via our website but not
2 exclusively from various representatives of cities and
3 towns, various citizens who are interested in a number of
4 issues that arise out of the gaming statute.

5 I've been handling most of those. Most of
6 those can be resolved, at least the ones that come in
7 through the web -- without being directed to a specific
8 person -- most of them can be handled without much
9 difficulty. They are fairly straightforward questions
10 that have fairly straightforward answers, but some
11 can't.

12 And we don't have at the moment a mechanism
13 for either cataloging, responding to or figuring out what
14 the response should be to some of those questions. So,
15 I would like to recommend that we put into place some kind
16 of procedure for doing that so that we can get to them
17 regularly and without structuring it into fine detail.

18 That that procedure consist of making sure
19 they all go to Brandon to put into a databank that he's
20 maintaining. That they then come to one of us. And I am
21 happy to continue to do it if that is appropriate. That
22 the ones that I can answer without difficulty, I just go
23 ahead and answer.

24 Then every week we have a space reserved for
25 the ones that come in that week that I can't answer. I

1 will try to distribute the preceding Friday so we have a
2 chance to think about them. Or if they come in by email,
3 just send an email around. If they don't, send around a
4 little praecipe of what the question is.

5 We talk about these briefly here at these
6 meetings, which is really the only time we have a chance
7 to get together and then we get an answer out the next day.
8 So that we can answer them in a timely fashion, but answer
9 them with some confidence that the answer represents the
10 consensus of the Commission in those gray areas of which
11 there are many that we need to deal with. It struck me
12 that that would be an approach.

13 CHAIRMAN CROSBY: I don't remember seeing
14 any that really required that kind of conversation, but
15 you're seeing most of them. So, it sounds like --

16 COMMISSIONER MCHUGH: There aren't many but
17 the ones that there are, are there. And we don't have a
18 mechanism I don't think.

19 COMMISSIONER STEBBINS: I've had a couple
20 come in. Again, we talked about this in terms of
21 essentially posting what I would consider as some type of
22 opinion or policy position of this Commission relative to
23 some of the questions we are getting from municipalities.

24 We had one from Springfield. We had another
25 one come in from Palmer. It is not just general comment

1 about the impact on the lottery or anything like that.
2 It's questions about negotiating host community
3 agreement. It is a question of we have different kinds
4 of water authorities within a community. How do we direct
5 the negotiations with respect to that?

6 So, I am more than happy to work with
7 Commissioner McHugh to kind of vet through some of these
8 but at the same time I think it is helpful for us after
9 we bring those to this body, to put those up on the web
10 as kind of -- I think other State agencies do it with
11 respect to opinions. Just say here is the question and
12 here is our opinion on it. Again, kind of share that
13 information back through our friends at MMA at the same
14 time.

15 COMMISSIONER MCHUGH: And it may be that we
16 get questions and suspect we will that we can't answer and
17 we just say we can't answer it. But it illustrates an area
18 where we need to do some more work and thinking,
19 particularly at the early stages when there is a lot that
20 we don't have answers to. That mechanism is one to help
21 us think about these things.

22 CHAIRMAN CROSBY: Is that now in place? Is
23 Brandon now cataloging?

24 COMMISSIONER MCHUGH: He is cataloging
25 everything that is coming over the web. But we add to that

1 things that come in by phone or by letter or by carrier
2 pigeon, however they get there. We could make sure that
3 Brandon gets them.

4 CHAIRMAN CROSBY: Is that a database that is
5 in shape that you can add to that some sort of a logging
6 and checking?

7 MR. MILBY: Yes, it's just a list on an Excel
8 sheet right now.

9 CHAIRMAN CROSBY: I think there is a lot of
10 data management. I feel sort of the same way about
11 resumes. Resumes are just pouring over the transom. And
12 we are trying to keep ahead of them and make sure we keep
13 track of them so that when jobs do come up that fit the
14 resumes, we remember to think about them and so forth.

15 I think that is one of the things that we are
16 hoping that Janice and Brandon -- We are going to hire a
17 receptionist so that Brandon can get off of the front desk
18 and do some of this kind of stuff. But as you've got the
19 bandwidth, we probably ought to just at least have a nice
20 little list of the data management systems that we are
21 working on. That's good. I'll add to the agenda next
22 week. We'll add that item.

23 COMMISSIONER MCHUGH: Okay.

24 COMMISSIONER ZUNIGA: And I will just
25 tackle the notion of documenting those procedures because

1 many -- They don't have to be fancy. They are essentially
2 what Commissioner McHugh just outlined. If we could just
3 write down in a couple of paragraphs, I will volunteer to
4 do most of that while we get a lot of the clerical staff.
5 So that then we can refer to it and update it if necessary
6 -- the procedure -- or if nothing else point it to when
7 we will be required to produce some of these procedures
8 as part of the Comptroller's review of procedures, etc.

9 CHAIRMAN CROSBY: That's a good idea.

10 COMMISSIONER ZUNIGA: So, documenting
11 procedures.

12 CHAIRMAN CROSBY: Good idea. Something
13 somebody said reminded me of something I forgot to say
14 about MAPC. They asked Commissioner Stebbins and I
15 whether we would like to have this topic include advice
16 about dealing with "surrounding communities". And the
17 legislation gives us enormous discretion on defining
18 surrounding communities and on how the applicants need to
19 deal with surrounding communities.

20 And we encourage them, yes, by all means put
21 that on the -- it'll definitely be on the agenda to help
22 us think about that. I just thought that was an
23 interesting observation on their part. Anything else on
24 item six?

25 Let's move off to the Racing Commissioner

1 that would be Commissioner Cameron.

2 COMMISSIONER CAMERON: Thank you, Mr.
3 Chair. As we have reported in prior meetings, we have been
4 working on our comprehensive transition plan. We've been
5 working with staff from DPL as well as the Comptroller's
6 office on various transition issues.

7 With regard to operations, we are looking at
8 this point to preserve the operational status quo for this
9 racing system. No changes to the track operations for
10 this racing season. We will have full details to report
11 at next week's meeting on how we plan to have that work.

12 Two of the other issues, we are working on
13 ISAs, the inter-service agency agreements, to address,
14 A-the continuity of the Racing Stabilization fund. That
15 one is just about complete. We have payments that will
16 go out within the next two weeks.

17 And there is a second ISA specifically
18 dealing with DPL and State Racing Commission staff and
19 contract employees. Again, we are close to ironing out
20 last details. And we'll have a full report next week and
21 we will be asking for the approval of the Commission at
22 that time to move forward with those plans. These will
23 all be before the May 20 deadline, next week's meeting.

24 A third issue is emergency regulations.
25 This is something that has been recommended by our law

1 firm. We are looking at the best way to promulgate those
2 emergency regulations. In actuality, what we would be
3 doing is officially adopting the State Racing Commission
4 regulations to be effective May 20 to the Gaming
5 Commission.

6 CHAIRMAN CROSBY: So, our emergency
7 regulations would be basically taking over their
8 regulations, more or less?

9 COMMISSIONER CAMERON: Yes. We will have a
10 final decision if that is the course of action by next week.
11 Again, we will be requesting approval at that time to go
12 ahead and move forward with that regulation.

13 The fourth issue is as we reported before we
14 did put out a request, an RFR, for a consulting service
15 to help us -- to help us better understand our new
16 responsibilities. What are the best practices in the
17 Racing industry? We did receive one comprehensive --
18 There aren't that many Racing experts as we are finding
19 out. But we did receive one comprehensive proposal from
20 the Last Frontier consulting firm, which is really Annie
21 Allman who is the principal with that company.

22 She has an extensive background in racing.
23 And what she has done has teamed with Spectrum Gaming using
24 Spectrum as a subcontractor. And they will be helping her
25 with some of the statistical data reporting for this

1 comprehensive review.

2 Just to get into a little bit about what
3 we've asked what they've proposed, we are talking a
4 holistic overview of the Massachusetts Racing industry
5 from a multi-stakeholder perspective. That is what we
6 asked for in the RFR. We are looking at key insights,
7 potential hotspots regarding our transition from the State
8 Racing Commission.

9 Annie Allman would serve as the project
10 manager in this. And she would be conducting in-person
11 field and industry expert interviews, interface with us
12 on this project. And again, Spectrum would be subbing for
13 her with some statistical analysis and text review for her.

14 The things we've asked for in brief,
15 function, the workflow, the budget, financial oversight,
16 the employee climate, legal issues, the racing industry
17 in Massachusetts as it appears to others around the
18 country. The perspective from racing associates, the
19 horsemen, trainer, owner perspective and the public
20 perception of racing.

21 In a transition like this in a situation
22 where we are mandated to oversee this part of gaming and
23 this is racing, we just thought this would be very, very
24 informative to us to understand where we are if changes
25 have to be made.

1 I'd like to empathize that we would not be
2 looking to make any changes this year. During this racing
3 season, we wouldn't be looking to make any changes. This
4 would be moving forward next year if changes are necessary.
5 To understand that, we thought that this would be a good
6 step.

7 And I would, at this time, like to make a
8 motion that we hire Last Frontier and the sub Spectrum
9 Gaming to conduct this overview of the Mass. Racing
10 Industry for us moving forward.

11 CHAIRMAN CROSBY: Do we have a second?

12 COMMISSIONER ZUNIGA: Second.

13 CHAIRMAN CROSBY: Do you know for sure yet
14 what the full Commission will be needing to do here from
15 time to time? What are we going to have to do?

16 COMMISSIONER CAMERON: We will have a full
17 report next week on those responsibilities. Frankly,
18 most of those responsibilities from a Commission
19 standpoint will falling to me.

20 We have had several meetings to talk about
21 exactly what will be needed. It's premature to advise
22 this week. Next week, we will have all of our stakeholders
23 kind of give their final opinions on how to move forward.
24 We will have a comprehensive plan to lay out to the full
25 Commission.

1 CHAIRMAN CROSBY: Great. Is it in the
2 notion somewhere or if it isn't could it be that we are
3 going to need some kind of sort of orientation to sort of
4 understand what this is? I'm not even sure we know how
5 many facilities there are and what goes on there and so
6 forth. Maybe we ought to take a field trip or two. I
7 don't exactly know how, but some kind of an overview of
8 the racing world that we are now a part of or presumably
9 be a part of.

10 COMMISSIONER CAMERON: I think this may be
11 an opportunity as Commissioner McHugh spoke about and
12 Commissioner Zuniga spoke about of maybe having someone
13 come in and give that overview. I've been getting many
14 briefings and probably have a better understanding because
15 of my responsibilities with this.

16 But this may be an opportunity where we bring
17 some of the experts in to tell us exactly what the
18 day-to-day operation are like so we will have a better
19 understanding.

20 COMMISSIONER MCHUGH: I think that would be
21 a great idea. I also think that we ought to go look at
22 the facilities. There aren't many of them. I think it
23 would be very helpful to see them. I think it would be
24 very helpful to see some of the people. There aren't many
25 of them either, comparatively speaking.

1 And we are going to be responsible for
2 regulating this. And I for one would like to have a better
3 close-up view of that environment than I have now.

4 I also wonder whether or not we are thinking
5 about offloading some of the functions as this plan is
6 formulated over the coming week. Whether for example we
7 can get the Division of Administrative Law of Appeals to
8 do the kind of appellate and fact-finding work that the
9 Commission has been doing. And I think if we can do that
10 -- They are very professional folks.

11 I don't know what the requirements are for
12 -- we'd have to ask them to do that for us. But that would
13 take a large chunk of the day-to-day kinds of things out
14 of our jurisdiction. And they are very well equipped to
15 do that. So, I would hope that that would be something
16 that we would consider in formulating the plan, as leas
17 the possibility or feasibility of that.

18 CHAIRMAN CROSBY: Is that something you
19 thought about before?

20 COMMISSIONER CAMERON: No. We had not
21 considered that, I'll be honest with you Commissioner
22 McHugh. As I look at this, the responsibilities are not
23 that great in really analyzing what the State Racing
24 Commission does.

25 They meet once a month. They hear anywhere

1 between one and four appeals on a monthly basis. So, I
2 have been analyzing the workflow. At this time, I think
3 it is something we could handle. But certainly that's
4 something we could consider as an alternative. Thank you
5 for suggesting.

6 COMMISSIONER MCHUGH: I throw that out as a
7 suggestion. I also wonder if -- What is the deadline for
8 the emergency regulations? Do we know when they have to
9 be --

10 COMMISSIONER CAMERON: Yes. We would have
11 to have it in place at the time of the May 20 transition.

12 COMMISSIONER MCHUGH: I know. But is there
13 a number of days before they go into effect that we have
14 to file them with the Secretary of State or they just go?

15 COMMISSIONER CAMERON: What we are looking
16 to do if this is the course of action, we would file
17 immediately after next week's meeting. And according to
18 our lawyers advising us, they have the appropriate time
19 to take the necessary steps so we would be ready to go on
20 May 20.

21 COMMISSIONER ZUNIGA: Commissioner McHugh
22 you may be alluding to when we were to file permanent
23 regulation.

24 COMMISSIONER MCHUGH: No, I understand
25 permanent regulations. I just want to make sure -- And

1 I'm sure that all I's are dotted and T's are crossed. But
2 I wanted to make sure that we have the emergency
3 regulations in place by the time they have to be. All
4 right.

5 CHAIRMAN CROSBY: And part of that
6 conversation it's how much you end up doing too. Can a
7 staff person either existing or new replace as much of that
8 as possible because we've got an awful lot of things in
9 the law enforcement business for us to get going on.

10 COMMISSIONER CAMERON: We have had some
11 really substantive meetings with regard to every piece of
12 this transition. And it's just premature because final
13 decisions will be made this week. I think we'll be able
14 to lay those things out in detail by next week's meeting.

15 CHAIRMAN CROSBY: I think the idea of field
16 trips is right on. We could pick a couple of days in June.
17 I think it's only three facilities, right?

18 COMMISSIONER CAMERON: Yes, three
19 facilities one of which just has simulcast.

20 CHAIRMAN CROSBY: So, we could in a day or
21 two could go. And it's probably be worth it getting a
22 tour, meeting the people, meeting the employees, being
23 told how stuff works. I think it's a great idea.

24 COMMISSIONER CAMERON: It was my plan to
25 certainly go out with the consultant and make

1 introductions. But certainly others are welcome to join
2 us.

3 CHAIRMAN CROSBY: I think getting you out
4 there with the consultant and introducing her, that's a
5 good idea too. But at some point, we ought to have some
6 hands-on familiarity of what we are doing here.

7 I think it's a good idea. Anything else on
8 Racing Commission?

9 COMMISSIONER CAMERON: We made a motion
10 to --

11 CHAIRMAN CROSBY: Any other discussion
12 about the motion to adopt the proposal from Last Frontier
13 and Spectrum?

14 All in favor for the motion indicate by
15 saying I.

16 COMMISSIONER ZUNIGA: I.

17 COMMISSIONER STEBBINS: I.

18 COMMISSIONER CAMERON: I.

19 COMMISSIONER MCHUGH: I.

20 CHAIRMAN CROSBY: Motion passes
21 unanimously. Great. Thank you. That'll be terrific.
22 Thank you a lot for doing this.

23 Interagency relations, Internet Gaming,
24 Commissioner Zuniga, I know you all had a meeting
25 yesterday.

1 COMMISSIONER ZUNIGA: No, that was on
2 charitable. Very quick update with this task force
3 meeting of the Treasurer's office on what they call an
4 online products, which is fine, on May 14. That's next
5 week.

6 CHAIRMAN CROSBY: It's online products,
7 that's what it's called.

8 COMMISSIONER ZUNIGA: Yes, that's the
9 precise term. It's fine that we have this term here,
10 because this is really is of our interests is gaming. But
11 the terminology is broader, if you will, because there
12 could be lottery online products.

13 So, we will just be attending that meeting.

14 CHAIRMAN CROSBY: I think I mentioned last
15 week that I am going to go to that first meeting.
16 Commissioner Zuniga is going to be our regular
17 representative. But I am going to go to that first meeting
18 to just help really emphasize the point that we think it
19 is important to look at this thing holistically from the
20 get-go so we don't end up in a turf battle over who gets
21 what.

22 We need to look at the good that can be done
23 by gaming as well as the bad by expanded online gaming and
24 figure out what is the most proficuous to put that to
25 regulate it. And I think it's important for us to be four

1 square that that's how we are going to try to approach this.

2 Anything else on that?

3 COMMISSIONER ZUNIGA: Not at this time.

4 CHAIRMAN CROSBY: Tribal, I don't think we
5 have anything new to report. We haven't got any kind of
6 a status report or anything recently.

7 The strategic considerations, number nine.

8 COMMISSIONER MCHUGH: We report the last
9 time that the First Circuit is going to hear the Urban case
10 in June, June 13. That's the case that is brought by the
11 developer in Fall River claiming that the Tribal
12 preference in the statute is unconstitutional.

13 There was some concern, not some concern,
14 some uncertainty as to what the date that the First Circuit
15 -- The United States Court of Appeals for the First
16 Circuit, the Federal Appellate Court, when they would hear
17 the appeal from the District Court decision dismissing the
18 case.

19 I think the date is June 13 to 14. It is in
20 that period some place. It is going to be heard as early
21 as one could have hoped, because resolution one way or
22 another is going to end some uncertainty that attends that
23 whole area of the statute.

24 CHAIRMAN CROSBY: I think on the 17th I am
25 going to speak at a big sort of regional Southeastern Mass.

1 Regional Chamber of Commerce. So, I am going to want to
2 get some serious briefing on that situation. Anything
3 else on those?

4 Okay. Item 9A we can skip. That is in
5 there by accident. B, finally we are to Guy Michael.
6 Thank you very much.

7 Just to introduce -- During our review of our
8 gaming consultant applications, we spent a few minutes at
9 not communicating because the Michael & Carroll team was
10 talking about what we thought was the RFP process that
11 would be starting very, very soon. And we're thinking how
12 can we start that?

13 Finally figured out what they're talking
14 about in this bifurcated process. And I thought this is
15 a big enough deal for us that we ought to spend our time
16 really understanding what this is before we decide whether
17 we want to go forward with this.

18 So, we asked Guy to come in and kind of walk
19 us through the process, the theory, the issues. Then we
20 can fire away with questions.

21 MR. MICHAEL: Thank you very much.
22 Members of the Commission, thank you for inviting me up
23 here to brief you on this subject.

24 Before we get into that, if you don't mind,
25 on the Indian Tribal Gaming I just want to mention that

1 Stan and we met with representatives of the Governor's
2 office and the Attorney General's office last Friday and
3 had discussions about Tribal Gaming issues. And to the
4 extent that we can be helpful there, we'll try to do that.

5 CHAIRMAN CROSBY: That's great. I made a
6 note of that too at that meeting to make sure that we get
7 our consultants into that loop. And now we've got Stan
8 who is very familiar with that. That's great and I
9 appreciate that.

10 Whatever gets done, we are going to end up
11 owning some portion of it. And we want to have a major
12 say in how it gets done. That's great. Thank you.

13 MR. MICHAEL: Back to the RFP and RFQ, what
14 we think in discussions as the Chairman has mentioned seems
15 to be the process first of all that is contemplated by the
16 legislation. That of course is the bull star of
17 everything to look and see what the Legislature intended.

18 And there is a section in the legislation,
19 Section 12C that specifically provides that if the Bureau,
20 that is the investigative Bureau of your Commission has
21 determined that an applicant is suitable to receive a
22 gaming license, the Bureau shall recommend that the
23 Commission commence a review of the entire application.

24 So, we read that to mean that there would be
25 an initial review, one step out of a two-step process that

1 would be conducted by the Bureau of the backgrounds, the
2 background suitability of those persons who have an
3 interest in ultimately obtaining a license to operate a
4 casino in the Commonwealth. That would constitute what
5 we would call the RFQ.

6 The RFQ would deal exclusively with those
7 integrity background issues of the applicant. It would
8 not have any -- It would not include any aspects of the
9 applicant's developmental ideas, their impacts on the
10 community, what the casino is going to look like, how many
11 people it will employ. That would be for a later date.

12 The purpose of this RFQ would be to initially
13 evaluate the backgrounds of the people who are applying
14 so that this Commission can screen out basically, those
15 who would not meet that standard. The advantages of this
16 are many.

17 First of all, you would of course avoid the
18 unfortunate circumstance of going through the entire
19 process, which would include both the background
20 investigation and the evaluation of the project and the
21 local approvals and the local election and then ultimately
22 finding out that the person who had obtained all of those
23 approvals from the local community, had gone through the
24 trouble of putting together this big project, had won an
25 election in the community ultimately isn't qualified

1 because of some problem in their background. And you have
2 to start the process all over again.

3 By doing it this way, you would avoid that
4 what could be a monstrously difficult obstacle to moving
5 forward efficiently. It also from the applicant's point
6 of view, it avoids their having to spend all of the money,
7 effort and time on obtaining all of those approvals and
8 putting together their plans and so on before they know
9 whether or not they could even proceed. So, they would
10 be able to get that initial green light or red light,
11 depending on the circumstances, before they had to go any
12 further.

13 And without requiring a complete project
14 description, it mitigates a lot of the costs the applicant
15 would have to go through. Not only the cost to the
16 applicants but the cost of the Agency of having to analyze
17 all of these plans and evaluate them when they were not
18 necessary. And the cost to all of the local communities
19 of evaluating these projects when in fact those projects
20 may never be able to come to fruition.

21 The two-step process has all of the
22 advantages. And fundamentally we think it is what the
23 Legislature intended.

24 Once the two-step process would be
25 implemented, what we would be thinking the Commission

1 would do would be to issue this RFQ. What it would include
2 would be essentially an application form of a very
3 extensive nature. These application forms are not like
4 applying for a magazine subscription. This is very
5 comprehensive, very detailed --

6 CHAIRMAN CROSBY: I have distributed the
7 two.

8 MR. MICHAEL: As the Commission has before
9 them then, the standard type forms that are used in many
10 jurisdictions. To the Chairman's point earlier about
11 inter-jurisdictional cooperation, the International
12 Association of Gaming Regulators in conjunction with the
13 International Association of Gaming Advisors has devised
14 a multistate jurisdictional form that is used in many
15 jurisdictions as the standard form for these types of
16 applications.

17 CHAIRMAN CROSBY: That's that personal
18 disclosure.

19 MR. MICHAEL: That is the personal
20 disclosure. That form would be filed by those persons
21 that the Commission determines are what are typically in
22 the industry called qualifiers. Those individuals whose
23 relationship to the project is such that their individual
24 qualifications are a necessary precondition to the
25 qualification of the project itself.

1 These typically include the members of the
2 board of directors of the company, the officers of the
3 company, the key employees of the company and
4 shareholders. The extent of the shareholding would
5 depend on whether it's a public or a private company.

6 If it's a public company, there are
7 thresholds that could be established in terms of which
8 controlling shareholders who would need to file on these
9 forms.

10 The types of organizations that have thus
11 far publicly at least announced their interest in
12 Massachusetts are acquainted with and accustomed to these
13 types of inquiries and this type of format. And it would
14 come as no surprise to them and they probably filed it in
15 other jurisdictions.

16 In addition to the individuals, there would
17 be a corporate form that would need to be filed by both
18 the entity who would hold the license, which is typically
19 a subsidiary of holding companies that otherwise own the
20 project.

21 So, you would have corporate business entity
22 forms filed by the licensed entity and then up the chain
23 to ultimately the controlling entity. Whether there are
24 intermediary companies in between or not, it would
25 ultimately go to the holding company and the individual

1 qualifiers within that holding company. So that you have
2 an overall picture of everyone who would have a material
3 impact on the operation of the casino.

4 Those forms would then be referred to the
5 Bureau. They would not be the exclusive source of
6 information about the applicant. They are basically a
7 starting point for the investigation into the applicant.
8 The investigators would have the opportunity to first
9 review all of the information there, but then with regard
10 to anything they thought would need further inquiry, they
11 could either request additional information from the
12 applicants themselves.

13 Typically, there are visitations to the
14 applicants, individual interviews with the applicants,
15 background checks with other jurisdictions with regard to
16 the applicants and a very extensive investigation into who
17 you're dealing with.

18 At the culmination of that process, there
19 would be a recommendation made to you as to whether or not
20 those applicants are deemed suitable. If they are, they
21 passed that part of the test. And then they could proceed
22 to the RFP process, which we would take to another date.

23 If they are not found suitable by you, there
24 would be an opportunity for them to contest the finding.
25 And ultimately it is a contest again before you. They

1 would be able to -- If they could convince you otherwise,
2 they might be able to proceed. If they did not convince
3 you otherwise, their adventure in Massachusetts would be
4 over.

5 The information that you have before you in
6 terms of the extensiveness of the application, these
7 investigations are unpredictable in their length. It
8 depends on how complicated the corporate structure is.
9 How many entities are necessary to investigate the
10 background of. How many people are involved in it. How
11 familiar the investigators are with the people that are
12 involved.

13 As I say, this industry has some players that
14 have been everywhere and the investigators are somewhat
15 familiar with already. But that does not mean that they
16 pass your test. You have been independently given the
17 opportunity to review them.

18 And also any additional issues that arise in
19 the course of the investigation. And more relevant the
20 cooperation of the applicants and how their alacrity in
21 providing information to you upon your requests. They
22 under the law are obligated to comply with your requests.
23 And failure to do so would be a cause for their being deemed
24 unsuitable in and of itself.

25 There are some issues in the language of the

1 legislation with respect to the way the applications
2 themselves are handled. Typically, and we would think it
3 would be the same here, the background information is
4 private and it is confidential. It would become public
5 only if became an issue that needed to be litigated in a
6 public forum.

7 CHAIRMAN CROSBY: Is there unclarity you're
8 saying?

9 MR. MICHAEL: No. That is essentially what
10 we believe the legislation holds. There were some
11 questions at the seminar about that. so, apparently some
12 people are reading the statute and aren't certain of that.
13 We think that is the way the law should be interpreted.

14 CHAIRMAN CROSBY: Then as you read it,
15 it's something that the applicants would be comfortable
16 with.

17 MR. MICHAEL: Once that's explained that
18 that's what the language says, yes. That is essentially
19 the overview. I don't know how much more detail you want
20 to go into. I am obviously available right here for your
21 questions.

22 COMMISSIONER CAMERON: Question, in your
23 experience working in many jurisdictions, do you have a
24 ballpark kind of percentage of those applicants that apply
25 that may not be suitable?

1 MR. MICHAEL: In the early stages of the
2 industry, the percentage of much higher than it is now.
3 When you are dealing with the type -- or the applications
4 we'd be dealing with in this RFQ process, we are dealing
5 with only the highest level of employee and the entities
6 themselves. We are not talking about the dealers and the
7 lower-level employees who would be ultimately staffing the
8 casino.

9 So, as I say, a lot of the applicants who have
10 voiced public interest in Massachusetts are well-known and
11 are licensed in many other jurisdictions. Unless they
12 introduce new players that have not been previously
13 approved, I would think the percentage would be fairly low.

14 COMMISSIONER MCHUGH: I take it that the
15 import of this is not only that we would save a lot of time
16 and money if we did this bifurcated process, potentially,
17 one way or the other. You eliminate some uncertainty
18 early and you either go forward or you go back. You also
19 potentially speed up the initial stages.

20 That would suggest to me, I guess, we need
21 to think about at an early stage building the Bureau.
22 Because if you're going to receive these applications,
23 these complex applications, we have to have a repository
24 for them, probably electronic. We also have to have the
25 processors who are the Bureau.

1 If the legislation permits this bifurcated
2 approach and if it makes sense, and assuming we can get
3 by the first hurdle, it does certainly make sense to me.
4 Then the creation of the Bureau and the training that the
5 Bureau is going to need ought to be an early consideration
6 for us, right?

7 MR. MICHAEL: I agree. There is a nuance to
8 that in that the Bureau need not be staffed up at the outset
9 in a way that would accommodate the initial needs because
10 the initial needs are going to overwhelm the later needs.

11 You're going to get a flood of applications,
12 not just in this RFP but when all of the staffing as the
13 casino starts. You'll have an enormous flood of
14 applications that would require a large staff at the
15 Bureau. But that is going to trickle down.

16 COMMISSIONER MCHUGH: I understand that.

17 MR. MICHAEL: On the RFP itself, there are
18 two ways to do it. Certainly, the Bureau is ultimately
19 responsible. So, they will have to have staff that can
20 do this. But there also could be -- A lot of jurisdictions
21 subcontract these initial investigations out while the
22 Bureau is being staffed. So that the subcontractor can
23 both start the process sooner and train at the same time.
24 Then the subcontractor is weaned off of the process as the
25 Commission staffing becomes appropriate to the task.

1 COMMISSIONER MCHUGH: The subcontractor
2 piece, of course, is a policy decision.

3 MR. MICHAEL: Absolutely.

4 CHAIRMAN CROSBY: Go ahead.

5 COMMISSIONER ZUNIGA: My question was
6 exactly that. I'm interested as to what sort of
7 infrastructure would we need in terms of bodies, budget
8 and timeline. Essentially, the same relative to that
9 intake.

10 MR. MICHAEL: I think that would be a policy
11 decision as Commissioner McHugh points out as to whether
12 or not you want to take it all in-house, in which case yes,
13 there would need to be a substantial staffing needs
14 addressed quite quickly.

15 Or entirely subcontracted, I guess, to
16 eliminate that problem or somewhere in between which would
17 allow for the Bureau to gradually get up to speed.

18 COMMISSIONER ZUNIGA: You mentioned some
19 large public companies, many with subsidiaries, etc. For
20 this personal disclosure form, what is the ballpark of a
21 number of people, officers, shareholders or owners? I
22 know it's difficult. It varies tremendously if it's a
23 private company as opposed to a public company.

24 MR. MICHAEL: That can vary widely in size.
25 This is a gross estimate, but 15 to 20 per company. Beyond

1 the companies themselves, when we are talking about
2 shareholders, not just equity shareholders but a lot of
3 the financing obviously and debt securities.

4 So, you would have to evaluate -- And one of
5 the things the consulting group is working on is developing
6 for you as part of the strategic plan a scope of licensing.
7 That's one of the pegs of the strategic plan.

8 So, we identify for you who needs to apply
9 in connection with each of these entities. What level of
10 that security should you consider as a threshold for
11 application level. What level of equity security
12 ownership and so on. Those are the decisions we'll
13 ultimately make.

14 There too, it would depend on whether the
15 debt securities are held by institutional investors or
16 whether they are held by individuals or held overseas.
17 There are a variety of factors that play into it.

18 Just to get back to your initial question,
19 I would say anywhere between 15 and 20 is a good estimate.

20 CHAIRMAN CROSBY: Go ahead.

21 COMMISSIONER ZUNIGA: Also in terms of
22 infrastructure, whether it's contracted out or in-house
23 or in between, I'm thinking of the criteria that we will
24 use ultimately to decide what constitutes a
25 prequalification or not. Some of it is intuitive by the

1 questions that are asked in here, but other may not.

2 I know there is a level of discretion that
3 we need to allow for. That's the whole point of this
4 open-ended questions some of them here. But what can you
5 tell us relative to criteria that we could have in place
6 before we issue these set of RFQs?

7 MR. MICHAEL: The criteria are
8 intentionally ambiguous in just about every statute in
9 here as well. That's really the only way it can be done.
10 Essentially, it's good character, honesty and integrity
11 and financial stability and financial integrity, casino
12 experience and business ability and experience. And each
13 jurisdiction makes its own determination on what those
14 standard should mean for the policy of that jurisdiction.
15 There are companies that have been licensed in one
16 jurisdiction and not in another. The same issue.

17 The standards should be high, especially at
18 the outset. You've said this at public sessions last
19 week. At the outset of any gaming enterprise, any gaming
20 regulatory process you set the bar high. You cannot raise
21 it later. So, it would be important that you look to the
22 highest degree of integrity and good character when
23 evaluating these applications.

24 I wish I could give you a very specific
25 mathematical calculation on what that means but there

1 simply isn't any.

2 CHAIRMAN CROSBY: To follow up on that, the
3 law and the system accommodates us asking broad-based
4 questions like what is your debt ratios.

5 MR. MICHAEL: Right.

6 CHAIRMAN CROSBY: We can then decide after
7 this all comes back in what level of debt ratios we can
8 tolerate.

9 MR. MICHAEL: Right, up to a point. When
10 again the consultants provide you with the strategic plan
11 and in that scope of licensing area, we will probably
12 recommend to you some standard, because the applicants
13 need to know that too before they apply. What is it you're
14 looking for?

15 In the background in the good character
16 areas, it's hard to say. In the financial stability and
17 financial responsibility area, there are guidelines that
18 can be done by regulation to show that this is what we need
19 in terms of a debt to equity ratio for you to demonstrate
20 your capacity.

21 The statute also provides even in the
22 integrity areas that thinking about some definite
23 standards, there is some automatic disqualifications.
24 Felony convictions and so on for certain offenses that
25 automatically would disqualify someone. But for the most

1 part in the applications you'll be receiving in this RFQ
2 process, it would be rare that someone would come to you
3 with that kind of background.

4 COMMISSIONER ZUNIGA: Is there a way or is
5 it envisioned either in the legislation or the process that
6 you thought about for the disclosure form or thresholds
7 criteria, is it different for the different licensees that
8 we would be contemplating, Type 1 casinos, Type 2 slots
9 parlors? Because they have different levels of minimal
10 investment. So, the debt to equity ratio could be
11 considerably different.

12 MR. MICHAEL: The application form probably
13 would not be any different. Your evaluation of it might
14 differ depending on like you say on whether it's Type 1
15 or Type 2. The application will not.

16 I don't also want to leave you with the
17 impression that the application forms that we provided to
18 you, the multijurisdictional would be precisely what
19 ultimately we would recommend. Every jurisdiction tapers
20 with them just a little bit of a tailoring to whatever the
21 jurisdiction wants.

22 In fact, in addition to the multistate
23 application have a state supplement, a Massachusetts
24 supplement that would go with it that could be addressed
25 to specific issues that you are more concerned about.

1 COMMISSIONER STEBBINS: I have a general
2 question about -- It sounds like the legislation allows
3 us or essentially directs us to do this anyways. The
4 question is what step? We are going to go all of the way
5 through the process you said of the local approval, the
6 host community agreement that comes to us and potentially
7 gets kicked out.

8 How does that kind of address the timeframes
9 we talked about a six-month RFP process. A six-month
10 period for an applicant to respond to the RFP, six-month
11 evaluation by the Commission, are we cutting those
12 timelines in half or at least shortening them by going
13 through this step?

14 MR. MICHAEL: No. We are still talking to
15 the same kind of timelines. This does not prevent you from
16 following any of the other statutory limitations that are
17 in the Act. In fact, if it works the way it is envisioned,
18 it would allow you to do this in a more expedient way. So,
19 you may be able to get through it a lot quicker. There
20 aren't any statutory deadlines that I'm aware of that would
21 be at risk.

22 COMMISSIONER STEBBINS: Is it possible or
23 has it worked that this process probably more than the
24 review of the proposal process, which I consider to be a
25 little potentially more subjective, I would look at this

1 process as more objective, and it is more of an easy kick
2 out method with probably less ability to kind of contend
3 our decision. Is that the way you see it?

4 MR. MICHAEL: I agree. The background,
5 although there are ambiguous standards, background issues
6 can be articulated a lot easier, I think. Once everybody
7 passes the threshold of the integrity standard, now it's
8 not a question of whether you are qualified or not. It's
9 who is more qualified? Who has the better project? I
10 agree with you, that is going to be a more subjective
11 evaluation.

12 COMMISSIONER STEBBINS: I think you
13 answered the question as my colleague said the staffing
14 requirement. This is a pretty thorough process of
15 reviewing these applications. Have you seen this work
16 where issuing the RFQ, setting a deadline for responses
17 has actually brought other potential applicants who may
18 not be on the radar screen kind of to the surface, knowing
19 that they have to apply if they are going to get into the
20 mix?

21 MR. MICHAEL: No, I haven't actually. It
22 is not a comfortable process. As you can see from the
23 application, it is fairly intrusive into your personal and
24 business life. It is fairly costly. It's not something
25 that someone would just take a flyer and say let's see if

1 I qualify or not would be too willing to do.

2 COMMISSIONER STEBBINS: I think in a lot of
3 the comments we have gotten from local communities has been
4 their effort to upfront a lot of costs in negotiating host
5 community agreements. And maybe this saves them a little
6 bit of money because they can either step back from the
7 process and let this kind of work itself through or
8 obviously they still have the luxury to continue to work
9 with whoever the local project proponent is.

10 Finding a process that is more objective
11 than subjective at this RFQ stage I think would be
12 preferable.

13 MR. MICHAEL: We are trying to make it as
14 objective as possible.

15 CHAIRMAN CROSBY: We don't want to preclude
16 competition. We want to leave the door open to as many
17 bidders in all of our regions as possible. Do you have
18 a cutoff point that makes it quicker? Can people decide
19 late in the game that they want to come in?

20 MR. MICHAEL: The RFQ would be a similar
21 process to an RFP. In other words, you would issue an RFQ
22 and it would have a date certain as the time when all of
23 these applications would need to be filed.

24 They would request the application as part
25 of the RFQ. And then there would be a deadline for its

1 mission and that would be the cutoff. Those would be the
2 people that you would be evaluating.

3 CHAIRMAN CROSBY: Circumstances on the
4 ground change, the lay of land is changing in Western Mass.
5 all of the time as I just dealt by reading the news reports.
6 The same happens in Southeastern or Foxboro for example.

7 You could have a change in circumstances
8 that would want to cause people to come into the business.
9 You could even have a situation where somebody gets kicked
10 out who was presumed to be very strong. And all of the
11 other people say there is an opportunity for me that I
12 didn't have.

13 Could we do it in a way somehow that we would
14 keep it open? Why would we want to put a cutoff date
15 earlier than replying to the RFP?

16 MR. MICHAEL: That is a policy that you
17 could make as to what the cutoff date would be. And it
18 also is something we'd have to cover with the Massachusetts
19 firm in terms of how these can be issued if there's any
20 Massachusetts restrictions on dates certain and so on.

21 Certainly, there would have to be some
22 flexibility. I don't anticipate it would be the case, but
23 suppose all of the applicants for one region fail in this
24 first step? You can't leave a region uncovered.

25 CHAIRMAN CROSBY: Somehow or another

1 thinking about how to lock in that kind of flexibility and
2 maximization of competition is important.

3 COMMISSIONER MCHUGH: If you leave it open
4 until the time of the RFP then you lose the advantage of
5 the bifurcated process.

6 MR. MICHAEL: I would think you would.

7 COMMISSIONER MCHUGH: It would have to be
8 some continuum if we went down this.

9 MR. MICHAEL: Or some condition on which you
10 could reopen it if such and such occurs.

11 COMMISSIONER ZUNIGA: We could prequalify a
12 number of people for a number for some time after which
13 time we could open up another RFQ process if we saw
14 necessary.

15 MR. MICHAEL: If you felt it was
16 insufficient, yes, as I think the typical RFP process
17 allows for that.

18 COMMISSIONER STEBBINS: We do have a date
19 looming at the end of October to issue an RFP for
20 Southeastern Mass., unless a Tribal gaming pact is
21 reached.

22 To try to be fair to all three regions, what
23 are your thoughts of an RFQ in that scenario?

24 MR. MICHAEL: We wouldn't see the RFQ as
25 independent of the RFP. It's a part of the RFP process.

1 So by issuing the RFQ on or before October 31, I think you
2 would be in compliance with the requirement that the RFP
3 be issued because this is part of the RFP process.

4 CHAIRMAN CROSBY: That's a really important
5 point. That leads me to a thought that I and Stan had.
6 There are other things -- There are a variety of things
7 that are pegged to the RFP. An application fee for
8 example, which is not huge but is not chump change for most
9 people. I think Stan said also, the establishment of the
10 license fee.

11 I have no reason to think we will know what
12 we think the minimum license fee should be sooner than
13 later. That's one of the things we're doing all of this
14 research and trying to figure out, what kind of license
15 fees makes sense. There probably are others.

16 A, are there other things that are tied to
17 the trigger point that we need to think through if we are
18 going to think about doing this quite a bit sooner than
19 we had thought?

20 MR. MICHAEL: Right now I would have to go
21 back and check and see. Again, I don't think you would
22 be -- I think as long as you fairly -- I think it would
23 be fairly characterized this RFQ as part of that RFP
24 process and those other dates go online as they would had
25 this been the full RFP.

1 CHAIRMAN CROSBY: That works if we don't
2 mind having those dates moved forward. Maybe we don't
3 mind the application fee being moved forward. But moving
4 forward our decision on what the minimum license fee is
5 going to be. Well, I guess the minimum license fee has
6 been determined. The minimum is determined. But whether
7 it is going to be higher than that.

8 So, we need to look really, really hard are
9 there any other linkages pegged to that date that cause
10 an issue for us? Maybe we can work our way around. Maybe
11 the language will let us work our way around that issue
12 of the license fee.

13 MR. MICHAEL: We'll do that as part of the
14 submission that we do. We'll identify those as quickly
15 as possible.

16 COMMISSIONER CAMERON: Question, in your
17 experience with other jurisdictions with an RFQ, what
18 timeframe is it for an applicant to make application for
19 an RFQ? What have you seen as a timeframe that someone
20 would have once we announce this part of the process?

21 MR. MICHAEL: Again, for the type of
22 companies that are expressing their interest in
23 Massachusetts, they have these things basically on file.
24 A lot of them could with the amount in the space of 30 days.
25 For those who are new to the process, it might take twice

1 as long. I would think they would be able to submit
2 something within 60 days.

3 COMMISSIONER CAMERON: What about a review
4 process, what is your experience?

5 MR. MICHAEL: We've estimated that and
6 again it is just an estimate, as I said before depending
7 on the issues that might arise, but about six months.

8 COMMISSIONER ZUNIGA: What sort of
9 regulations would be incumbent upon this Commission to
10 issue, if any prior to the issuance of this RFQ?

11 MR. MICHAEL: The regulations, again, that
12 would be part of the strategic plan would include the forms
13 themselves would be regulatory. They would be in the
14 regulations. And the scope of licensing regulation. Who
15 are the qualifiers? Who needs to be the ones who apply?
16 What are the standards what are the thresholds for
17 qualification? Then administrative regulation as to
18 where they are filed and so on, very housekeeping type
19 regulations.

20 COMMISSIONER MCHUGH: Can regulations for
21 the RFQ be filed -- be created separately from the
22 regulations for the RFP? Is that part of a package?

23 MR. MICHAEL: Subject to the advice of the
24 Massachusetts counsel, I would think it could be. You
25 would hope they could be. They would be done on an

1 emergency basis and need to be done first.

2 COMMISSIONER MCHUGH: I take it there are
3 other jurisdictions that use this bifurcated process?

4 MR. MICHAEL: In a way. There aren't that
5 many jurisdictions that have -- Massachusetts is unique
6 in a number of ways. There are other jurisdictions that
7 have this selection process where you have regions and
8 there is going to be only one casino in those regions and
9 we evaluate prospects. Pennsylvania for example, has
10 that system.

11 But I'm not aware of any that has language
12 in the statute as you have in 12C and that handles them
13 specifically this way. There may be jurisdictions that
14 administratively handle them this way. In other words,
15 they go through the background first before they waste
16 their time in evaluating the project if it might be a waste
17 of time.

18 But Massachusetts is unique because of local
19 approval aspects, which are laudable, but they make the
20 process much more complicated. And they all the more
21 argue in favor of getting the integrity issues out of the
22 way first.

23 I'm not aware of any other jurisdictions
24 that have that local approval. So, I don't know of any
25 other jurisdictions that bifurcate in such a delineated

1 way. They do it administratively. The agency itself
2 will decide to prioritize the background before it does
3 the --

4 COMMISSIONER MCHUGH: I see. In
5 connection with that administrative bifurcation, are
6 there sets of regulations that say we do this and then we
7 do this? I am looking to see if there is something we
8 can --

9 MR. MICHAEL: No. It would all be a matter
10 of administrative policy. It would not be regulatory
11 saying first we are going to do on this kind of timeframe.
12 Many of the gaming regulatory agencies don't like to
13 constrain themselves with a timeframe that says we are
14 going to do this first and then we are going to do this
15 next.

16 COMMISSIONER MCHUGH: But if we went this
17 route -- I'm just thinking about timelines. Again, trying
18 to think about prioritizing activities. We talked about
19 prioritizing the creation of the Bureau so you can support
20 this when it gets in. We would have to have some kind of
21 a set of regulations that governed this bifurcated
22 process, at least the front end of it, the RFQ piece.

23 And then we would have to have a set of
24 regulations that govern the RFP process. I don't know how
25 extensive that would be but the statutory criteria are

1 extensive. So, that's a start. So, at least the RFQ
2 regs. would be something we need to think about early,
3 right?

4 MR. MICHAEL: Yes. What I was trying to say
5 earlier, probably not clearly enough, was that they would
6 be separate sets of regulations, the RFQ and the RFP, but
7 they wouldn't need to be promulgated at the same time.

8 COMMISSIONER MCHUGH: I hear you.

9 CHAIRMAN CROSBY: Do you have an aura of
10 magnitude of cost? What kind of cost are we talking about
11 here?

12 MR. MICHAEL: To the Agency?

13 CHAIRMAN CROSBY: No, for us to process the
14 RFQ's, like per entity?

15 MR. MICHAEL: Again, I don't. It varies so
16 because of the size and scope of each of entities
17 application or the amount of time that would be required.

18 Many jurisdictions, and I do not see
19 anything for example in your statute that would preclude
20 you from setting your fee when you establish your fees,
21 to charge by the hour. And to have the applicant pay not
22 on a flat fee basis but on the basis of how long it took
23 you to handle their application.

24 If they delay or if they make things more
25 difficult for you or if they don't answer your phone calls,

1 then it requires much more effort on your part then it is
2 not unusual to have them pay for that. And your fee
3 regulations would not be X-dollars but they would be
4 X-dollars per hour per investigative cost.

5 CHAIRMAN CROSBY: When would you envision
6 -- If we decided to really go for this hell bent for
7 leather, when would we reasonably be able to get the RFQ
8 out the door?

9 MR. MICHAEL: We are now looking at 16 weeks
10 for the strategic plan. Then at the conclusion of that
11 strategic plan, we would have a proposal for what it would
12 look like and what the regulations would look like. The
13 Commission could institute a timeframe immediately
14 thereafter when it could be issued.

15 CHAIRMAN CROSBY: Is there a reason why the
16 RFQ has to await the full strategic plan?

17 MR. MICHAEL: There are a lot of
18 interlocking aspects to this. At this point, we hadn't
19 contemplated doing it that way. If the Commission would
20 like to, we could restructure how we kind of timed the
21 strategic plan work so that we would prioritize this to
22 get it out sooner. If that's what you prefer, it's just
23 a question of identifying what we would need for that and
24 doing that first before we do the rest of it.

25 CHAIRMAN CROSBY: I think it is worth

1 talking about with people know more about this than I do
2 at this point. The gesture of accommodating people's wish
3 for speed, if it can be done in a way which does not
4 compromise our work -- And that is the point that
5 Commissioner McHugh was talking about, efficiently but
6 deliberately. It's certainly not worth screwing things
7 up. But it is worth thinking about whether that is
8 something that we can get out so people can be working on
9 it while we are going about our business of completing the
10 strategic plan and preparing the RFP and doing our
11 background research and so forth.

12 I don't know if that is a good, bad or
13 indifferent idea, Guy. But it's something we'd like to
14 have looked at. At this stage of the game, we are not
15 invested in any particular sequencing of the strategic
16 plan. You guys probably know more about that than we do.

17 MR. MICHAEL: We were basically timing it on
18 the basis of what we could get done. Assuming that we
19 would need all of it done by the end of the 16 weeks, what
20 time it would take for each of it. But if you desire
21 something to be done before the end of the 16 weeks that
22 is something -- we'll just do.

23 CHAIRMAN CROSBY: Does anybody else have
24 thoughts?

25 COMMISSIONER MCHUGH: I remain concerned

1 about this combination of deliberation and speed. But it
2 seems to me that even if we didn't have a full panoplied
3 process in mind even by the end of the 16 weeks, if we have
4 a policy matter decided we were going to go that route that
5 decision, it seems to me in and of itself would be of great
6 assistance to the cities and towns. Because they would
7 know that step one is going to come before they had to go
8 to the expense of step two.

9 So, I'm not sure that we have to have the RFQ
10 process in place to get an advantage out of a decision to
11 use the RFQ process is what I'm saying.

12 CHAIRMAN CROSBY: I think that's a good
13 point. But also if these two standard forms have been used
14 by multiple jurisdictions and have probably 90 percent of
15 what we are going to want, we could get these out and get
16 people started. And the other 10 percent it would be added
17 later on. There is nothing that says we couldn't add to
18 this.

19 It's just worth thinking about. I'm very
20 sensitive to -- And I have an instinct to go too fast. So,
21 I'm completely in favor of balancing perspectives.

22 I think it is worth thinking carefully about
23 what constructive good could come out of re-syncing this?

24 MR. MICHAEL: Whatever way you decide to go,
25 we can accommodate that.

1 COMMISSIONER ZUNIGA: What about the
2 Massachusetts type additional form, which could
3 considerably take us longer to produce and think about from
4 a policy standpoint? I guess my question is, could those
5 forms be issued separately or do we lose efficiency really
6 because now we have our bifurcated RFQ process?

7 MR. MICHAEL: Those forms would be issued
8 with these. It would be a totally different form as far
9 as the RFP is concerned and this initiative of the details
10 of the project and development. That would not be a
11 standard. We take that from the statute and that is not
12 available in any kind of multijurisdictional basis.
13 These forms can be massaged and then add any Massachusetts
14 supplement created. If you decide that you want to do it
15 before the 16 weeks that could be done.

16 CHAIRMAN CROSBY: Okay.

17 COMMISSIONER CAMERON: It sounds like you
18 may be suggesting this process and at the same time we'd
19 be working on standing up the Bureau, making decisions
20 about outsourcing. There is no downside that you can see
21 with making this decision and working towards this at the
22 same time not having all of the decisions made about the
23 Bureau, the investigative end of things?

24 MR. MICHAEL: Other than what we talked
25 about earlier in terms of how you anticipate staffing the

1 investigative process. If you're going to entirely to do
2 it in-house with BIA, Bureau investigators, the expedited
3 timeframe that you are talking about now would probably
4 not be feasible.

5 But if you wanted to do it on an expedited
6 timeframe and are willing to do subcontracting or other
7 forms, not just Bureau but State Police would be involved
8 in this too and getting the staff form the State Police
9 and if it is possible to get those people on board quickly
10 enough, it can be done. But it probably would be
11 difficult. So, the timeframe would hinge on your decision
12 as a matter of policy as to how you want to staff it.

13 COMMISSIONER STEBBINS: What kind of firms
14 do this kind of work on a contract basis?

15 MR. MICHAEL: There are investigative firms
16 that do background checks. That do employment background
17 checks, substantially large firms, former FBI agents have
18 firms like this, former State Police, government
19 investigators from many agencies. They do employment
20 backgrounds for government and they do these kinds of
21 licensing.

22 Pennsylvania used those. Other
23 jurisdictions -- I'm trying to think. There are a number
24 of emerging jurisdictions that used private
25 investigators.

1 COMMISSIONER CAMERON: I am aware of
2 individuals who have worked in New Jersey and other places
3 and they have great experience with these kinds of
4 investigations. And they've gone from jurisdiction to
5 jurisdiction as consultants doing this work.

6 CHAIRMAN CROSBY: There are big outfits
7 like Kroll that I'm sure will do this kind of stuff.

8 COMMISSIONER STEBBINS: Massachusetts the
9 way this law was set up is obviously unique to other
10 jurisdictions. The minimal level of investment certainly
11 means we are not having fly-by-night casino operations be
12 an applicant. Many of the -- Obviously, these firms are
13 publicly traded. Have you ever seen an RFQ process with
14 those types of entities where somebody had been kicked out?

15 MR. MICHAEL: It wasn't an RFQ process, but
16 in New Jersey in their initial applications Playboy was
17 denied a license. They were publicly traded. Caesars
18 was initially denied a license. They're publicly traded.
19 Bally's was initially denied a license. They're publicly
20 traded. And Hilton was initially denied a license and
21 they are publicly traded. So, yes.

22 CHAIRMAN CROSBY: Does it make sense do you
23 think everybody to ask the consultant to take a real hard
24 look at it and say if we are going to try to fast-track
25 this piece how would we do it? What are the issues? What

1 are the consequences? And come back to us next week if
2 you can?

3 COMMISSIONER CAMERON: As long as we are
4 simultaneously looking at our options for investigative
5 work because I think one decision hinges on the other.

6 MR. MICHAEL: Right, that would be part of
7 the answer.

8 COMMISSIONER STEBBINS: I would also be
9 interested in that proposal looking now how does the
10 calendar lay itself out for issuing RFQs, receiving RFQs,
11 RFPs, etc. as well as obviously their scope of work. I'm
12 interested in seeing as an objective tool as possible.

13 CHAIRMAN CROSBY: It seems like the primary
14 savings here is if we don't do the RFQ portion until we're
15 ready to do an RFP -- Let's say we are ready to do an RFP
16 in November, just pick a date. All of the time that is
17 involved in that RFQ process would then start in November.

18 Now that will be behind us. So, whether
19 it's a minimum of two months to a maximum of six months,
20 we are talking about a pretty substantial savings of time
21 by doing it this way.

22 COMMISSIONER ZUNIGA: Is the fast track,
23 this idea of issuing an RFQ prior to completion of the
24 strategic plan? Is that the notion? Or is the fast track
25 just the notion of issuing the RFQ and then the RFP?

1 CHAIRMAN CROSBY: That's a good point. We
2 probably actually have two questions on the table. One
3 is do we want them to propose a system that has the
4 bifurcated system. I think it's pretty clear we do want
5 that.

6 In addition, now we are saying if we were to
7 move that up and do it as soon as possible, as soon as
8 reasonably possible what would the trade-offs be?

9 MR. MICHAEL: Staffing and bumping up
10 against any other deadlines and so forth.

11 COMMISSIONER STEBBINS: Again, it's the
12 scheduling, I'm mindful of schedules we've talked about.
13 But if you are talking about a three-month process to
14 respond to an RFQ and a six-month process of reviewing the
15 RFQs, where is that going to space it out and where does
16 the RFP kind of fall into place?

17 COMMISSIONER MCHUGH: I think this is fine.
18 And we ought to go down this path and look at it. But A,
19 I'm mindful of the fact that we do not have any staff at
20 the moment. B, we are talking next week and I very much
21 doubt that I'm going to be in a position to make a go, no-go
22 decision next week. And C, there are a whole series of
23 interlocking considerations that a carefully drawn plan
24 that I'm sure we'll get will take into account. And a
25 number of decision trees in that plan that are going to

1 make other decisions possible or impossible.

2 So, I think that we ought to explore this.
3 I think it is really an important idea and can save the
4 cities and towns a lot of money and can save everybody a
5 lot of money.

6 But, I don't want to get into a process where
7 we are so beguiled by the goodness of the idea that we
8 overlook some of the details that is necessary to make it
9 succeed. That comes back to this refrain I guess that I've
10 been uttering since the beginning. I do think we ought
11 to take a look at it. But those are my concerns.

12 MR. MICHAEL: We certainly have no
13 objection if you give us more time to do this. That would
14 be fine. If it's two weeks instead of one week, I think
15 probably could do a more thorough analysis.

16 CHAIRMAN CROSBY: I'm sorry. Don't let me
17 push you on that. You tell me when you think the
18 appropriate time is to look at this in a really serious
19 and thorough way. If that's two weeks, that's fine.

20 MR. MICHAEL: Let's try two weeks that.

21 COMMISSIONER ZUNIGA: I'm also curious as
22 to the status of the strategic plan. How are we on those
23 16 weeks, which I share Mr. McHugh's points.

24 CHAIRMAN CROSBY: We don't have a
25 contract. He's volunteering today.

1 COMMISSIONER ZUNIGA: I know they spend a
2 lot of time thinking about this. Maybe thinking about
3 when that 16 weeks would considerably start is really the
4 question I should be asking.

5 MR. MICHAEL: That's when you tell us to.

6 CHAIRMAN CROSBY: The 16 weeks start when we
7 have negotiated the contract. We are going to be working
8 on that as quickly as we can. Stan and Kathy O'Toole are
9 now in touch and starting to work on this. It is not a
10 minor contract. So, it is going to take a little while.
11 It's not rocket science either.

12 MR. MICHAEL: Any other questions?

13 CHAIRMAN CROSBY: Anything else? Is there
14 any reason not to do it, Guy? Whatever the right time to
15 do it is, maybe there's reasons not to speed it up. Is
16 there a school of thought that we're missing that says this
17 does not make sense?

18 MR. MICHAEL: We've given it a lot of
19 thought and we really don't see -- you could probably
20 stretch it and probably think of some insignificant reason
21 but it would be overwhelmed by the positive aspects of it.

22 COMMISSIONER STEBBINS: I happen to have a
23 conversation at our forum the other day with a municipal
24 representative that was there. Kind of barring any
25 details, the local official I talked to didn't seem to have

1 any reason not to go an RFQ route but that was absent some
2 of the fine print.

3 CHAIRMAN CROSBY: Thank you very much. We
4 really appreciate it.

5 MR. MICHAEL: Thank you for having.

6 CHAIRMAN CROSBY: I am going suggest a
7 five-minute facilities break.

8

9 (A recess was taken)

10

11 CHAIRMAN CROSBY: We are back. Community
12 college follow-up, 9 C. I don't know if there really was
13 much here. We talked a little bit more about maybe being
14 quite proactive about trying to get them to think really
15 big about this idea.

16 COMMISSIONER STEBBINS: I had some
17 follow-up with Holyoke Community College President Bill
18 Messner who has kind of taken the lead among the community
19 colleges as well as President Rubenzahl who we talked with.

20 I think we wanted to kind of begin to figure
21 out what other entities should be at the table. You have
22 regional employment board, you have one-stop career
23 centers all located around the State.

24 And recently got an email which I think you
25 sent around to us, an interested member of the public who

1 highlighted a number of reports. But one that I found was
2 interesting was that the Federal Reserve had done on a
3 number of impoverished communities. My hometown of
4 Springfield made that list in that study group.

5 They also looked at Atlantic City and some
6 target neighborhoods of Atlantic City. And one of the
7 reasons they said the unemployment had grown was because
8 there had not been adequate training to upgrade the skills
9 of local residents to be viable candidates for the jobs.

10 This gets back to our original point that the
11 bill was created to create jobs in Massachusetts. Should
12 we be looking -- Obviously, we know we want to partner with
13 community colleges, how that partnership works out. But
14 give local residents a chance to be qualified applicants
15 for the positions wherever these casinos decide to site.

16 Do we reach out to some of the hospitality
17 schools? I know UMass Amherst has a hospitality school.
18 Commissioner Zuniga and I met with a representative of
19 Local 26 UNITE HERE. I'd like to work with Stan to try
20 to begin to flush out who some of these parties are and
21 begin to look proactively what a job training program could
22 be to again give Massachusetts' residents the skill base
23 they need to be potential hirees for some of the casinos.

24 CHAIRMAN CROSBY: I think it's a great idea.
25 I don't know whether it was Mike Nead. We have two or three

1 kinds of projects like this. Relationship with the
2 tourism industry is something where we could use help on.
3 Maybe we want to think about getting somebody be the point
4 person on this kind of an initiative. I don't know. It's
5 definitely worth thinking about it.

6 Just having read the Federal Reserve Study,
7 we don't want to be in the situation we're simply a party
8 to people yelling back and forth these create poverty, no,
9 they don't. Having us begin to understand like you now
10 do this relationship between proper training for the
11 people in these communities is great. That is really
12 great insight and the kind of stuff we really need to get
13 our arms around.

14 COMMISSIONER STEBBINS: It kind of goes
15 without saying. There are other sectors of the economy
16 in Massachusetts that do really well that really starve
17 for qualified talent to work for them. For some reason
18 it's a suitable reason for them to decide where they are
19 going to locate.

20 Because we've created a market and we have
21 an opportunity for a casino interest to come into
22 Massachusetts, we still want them to find the qualified
23 workforce available to them so they are not having to
24 import employees from other jurisdictions or people that
25 have done this work elsewhere. We want our local

1 residents to have just as suitable a shot at those job
2 opportunities as they want.

3 CHAIRMAN CROSBY: Great. Anything else on
4 that topic? The advisory committee schedule I think we
5 got, you referred to.

6 COMMISSIONER MCHUGH: I have a draft of that
7 schedule. There are seven such groups. I expect to have
8 it distributed to everybody by tomorrow or Thursday.

9 CHAIRMAN CROSBY: Great. Charitable
10 gaming. We were going to be thinking about how we get this
11 project done.

12 COMMISSIONER MCHUGH: I went with
13 Commissioner Zuniga yesterday to meet with the folks at
14 the Treasury -- I mean of the Lottery. We met with the
15 Lottery staff and then talked about their role of tax
16 collectors and regulators. They are the Beano
17 regulators. They don't regulate the bazaars and raffles,
18 but they do collect taxes from those. We had a good
19 discussion with them.

20 We have asked them for additional
21 information. We are going to spell that out. They are
22 glad to give it to us about revenues and licenses and what
23 they are involved in and some ideas they have for changing
24 the way the regulatory framework works. Although mainly
25 it is statistical data that they have.

1 We met with the Attorney General. The
2 Attorney General -- I followed up with one of the Assistant
3 Attorney Generals last week at the May 3 forum. And they
4 are going to send us some memorandum they have that deal
5 with this subject.

6 We have also been advised to talk to the
7 representatives of the city and town clerks who actually
8 issue the licenses, and to talk to a couple of groups who
9 represent those who participating the gaming -- who run
10 these games, charitable groups who run these games. We
11 can do that either by reaching out to them or by having
12 some kind of a public forum, which we would invite them
13 to come in.

14 There is not that much more that we need to
15 do to get the raw materials from which to make a judgment,
16 to begin to make some judgments about whether any changes
17 are needed. Then I think an approach would be to get the
18 major players, the folks from the Lottery, the AG's
19 officer, us, maybe a representative or two of the municipal
20 associations and others together to think through what an
21 ideal framework would look like, write that down and put
22 that up to the Legislature as our recommendation.

23 I have no doubt that we can make the July 31
24 deadline. And I also think that the assumption of
25 responsibilities that we face on July 31 is not going to

1 impose on us a significant workload.

2 To the extent we have any role in the Beano
3 regulation, that looks like it is coming along and has been
4 for years in the Lottery domain. To the extent we have
5 some responsibilities for the others, I think -- I don't
6 want to speak out of turn. But I don't think that will
7 be a difficult thing to do either.

8 I am confident that we can with not an
9 enormous amount of effort, and I know you were concerned
10 about that with all of the other things we have to do,
11 without an enormous amount of effort I am confident that
12 we can create a report. And it is thorough, careful and
13 has good recommendations and has a consensus behind it all
14 within the timeframe without interfering with other
15 duties. Commissioner, I don't know if you want to add
16 anything to that.

17 COMMISSIONER ZUNIGA: No, just very little.
18 She just mentioned the associations that we could meet
19 with. The Police Chief Association and the City and Town
20 Clerks Association are two particular ones that given the
21 role are good people to meet with. That's the only thing
22 that I would add.

23 CHAIRMAN CROSBY: I keep asking this and I
24 keep getting the answer. But you don't feel like you need
25 a staff person to be the drafter or first resort or

1 use one of these meetings for these folks to come in?

2 COMMISSIONER MCHUGH: That might be
3 worthwhile to do. And let us talk to a couple of groups.
4 Let me see if I can get the material from the Lottery, the
5 material for the Attorney General. And establish some
6 kind of a liaison with a couple of these group that
7 conducted them and with the Association of Town Clerks and
8 Association of City Clerks, there are two associations and
9 see if I can't get them to -- And have one afternoon where
10 we spend a couple of hours with these folks and hear about
11 this. And then wrap it up.

12 CHAIRMAN CROSBY: Just after we take the
13 trip to Suffolk Downs. Great. Anything else on that?

14 Assistance for municipalities we have
15 stricken. We talked about that a little bit. The
16 research agenda actually maybe this is also something --
17 Does anyone remember, is there just one section that refers
18 to research? I'm thinking that research tasks are kind
19 of marble throughout the legislation like all of these
20 advisory committees. Do you have a sense of that?

21 COMMISSIONER MCHUGH: I don't, but I
22 certainly can find that out. I didn't think they were
23 marbled throughout the statutes. I thought there were a
24 couple of discrete places where they are. They are easily
25 identifiable, but I can't identify them right now.

1 CHAIRMAN CROSBY: Maybe if you could ask the
2 lawyers or if it's easy for you to do it have you do it,
3 but just to double-check. I'd just feel more comfortable
4 if I also had that on a Gantt chart somewhere on what we
5 are suppose to be doing.

6 Also I don't know the extent to which it
7 relates to the research we are going to be doing on our
8 own to try to learn how to make these decisions.

9 I think that's it. Anything else that we
10 didn't touch?

11 COMMISSIONER MCHUGH: One item that I guess
12 falls under the general area. I forgot to mention this
13 a minute ago, Mr. Chairman, of assistance for
14 municipalities and also responses for information from
15 various members of the public. There is a statute now that
16 deals now with contributions by applicants for gaming
17 licenses.

18 The office of political and campaign finance
19 is thinking of issuing regulations. I think that we ought
20 to be involved in the commentary on that and wonder if we
21 couldn't take steps to reach out to them and make sure our
22 voice is heard and see what their thinking is.

23 The statute is a little ambiguous in that it
24 doesn't talk about when a person becomes an applicant.
25 One can take the position that you become an applicant when

1 you put the application on the table. But that does not
2 focus on run-up to that when the preparations are being
3 made and everybody knows that you are going to be
4 applicant.

5 So, is that just unregulated? Should it be
6 regulated and if so how? When should it start? I think
7 Commissioner Stebbins has some of the same questions and
8 has been hearing some of the same questions.

9 So, I think we ought to reach out to that
10 office and see if we can't be heard on what the regulations
11 are because they could be very helpful here in clarifying
12 an ambiguous situation.

13 COMMISSIONER STEBBINS: I think that is the
14 definition that you just picked up on, applicant. But
15 this intervening period where there is a lot being done
16 at the local level, we want to give some guidance or
17 direction to local officials. Again, with our friends at
18 the MMA to give direction to local elected officials in
19 terms of accepting a contribution or not. It's kind of
20 a volatile period.

21 CHAIRMAN CROSBY: Does this extend to the
22 issue of the extent to which somebody should be overseeing
23 money that vendors spend? I know there are limitations
24 on contributions campaign that you make. But there's been
25 talked about having us come up with something that would

1 require bidders to reveal how much money they have used
2 in their local work. Does it extend that topic?

3 COMMISSIONER MCHUGH: It might be all part
4 of the same conversation. The campaign-finance folks may
5 not want to include that in their regulations but we might
6 want to include it in our regulations. On the other hand,
7 they might want to include it in their regulations, then
8 it would simply be redundant to have it in ours. I think
9 it is a conversation that has all of those components.

10 CHAIRMAN CROSBY: Great. That would be
11 great. Are you comfortable in taking the lead on that?

12 COMMISSIONER MCHUGH: Sure.

13 CHAIRMAN CROSBY: At some point maybe we all
14 want to involved in the conversation.

15 COMMISSIONER MCHUGH: I think everybody has
16 to be.

17 CHAIRMAN CROSBY: And maybe there are
18 people out there who would have views on this that we would
19 want to have come in and talk to us as a group also. I
20 think that is a really important thing to think through.
21 Thank you.

22 Are there any other issues? Do we have a
23 motion to adjourn?

24 COMMISSIONER MCHUGH: So moved.

25 CHAIRMAN CROSBY: Second?

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COMMISSIONER ZUNIGA: Second.

CHAIRMAN CROSBY: All in favor? I.

COMMISSIONER ZUNIGA: I.

COMMISSIONER STEBBINS: I.

COMMISSIONER CAMERON: I.

COMMISSIONER MCHUGH: I.

(Meeting adjourned at 3:24 p.m.)

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C E R T I F I C A T E

I, Laurie J. Jordan, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Laurie J. Jordan, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

I, Laurie J. Jordan, further certify I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by Verbatim means, and transcript produced from computer.

//Laurie J. Jordan// Date: May 9, 2012

Court Reporter for Office Solutions Plus, LLC

My commission expires: May 11, 2018

//Elizabeth Tice// Date: May 9, 2012

Elizabeth Tice, President, Office Solutions Plus, LLC

My commission expires: August 26, 2016