

1 THE COMMONWEALTH OF MASSACHUSETTS
2 MASSACHUSETTS GAMING COMMISSION
3 PUBLIC MEETING #137
4
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6 CHAIRMAN

7 Stephen P. Crosby
8

9 COMMISSIONERS

10 Gayle Cameron

11 James F. McHugh

12 Bruce W. Stebbins

13 Enrique Zuniga
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20 October 23, 2014 9:30 a.m. - 3:49 p.m.

21 BOSTON CONVENTION AND EXHIBITION CENTER

22 415 Summer Street, Room 102B

23 Boston, Massachusetts
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P R O C E E D I N G S :

CHAIRMAN CROSBY: We are calling to order the 137th of the Massachusetts Gaming Commission on October 23, 2014 at the Convention Center.

The first item on the agenda is approval of minutes, Commissioner McHugh.

COMMISSIONER MCHUGH: There are several sets of minutes in the book, Mr. Chairman. So, I am fully prepared to deal with them seriatim. So, I would first ask that we take up the minutes of meeting 134, which was the licensing hearing set of minutes.

I'm going to recommend that we make two additions though to those minutes. The first is in -- both are in the list of documents used at the meeting. I would recommend that we change the initial listing which simply says documents, presentations so that we list each of the presentations, the five presentations so that it's clear what we are talking about there.

And then finally that we add to the

1 list of documents the signed agreement that
2 came at the end of the meeting. So, with those
3 two additions, two amendments, I'd move that
4 the minutes be approved as they appear in the
5 book.

6 COMMISSIONER CAMERON: Second.

7 CHAIRMAN CROSBY: Any other
8 discussion? I will abstain from this vote
9 since that was a meeting that I did not attend
10 on Region A.

11 All in favor?

12 COMMISSIONER MCHUGH: Aye.

13 COMMISSIONER CAMERON: Aye.

14 COMMISSIONER ZUNIGA: Aye.

15 COMMISSIONER STEBBINS: Aye.

16 CHAIRMAN CROSBY: Opposed? The ayes
17 have it four to zero with the Chairman
18 abstaining.

19 COMMISSIONER MCHUGH: All right.

20 And then the next set of minutes is for our
21 regular meeting on September 25, 2014. Those
22 minutes too are in the book and I'd move their
23 approval as they appear with the usual
24 reservation for typographical and mechanical

1 errors -- correction of typographical and
2 mechanical errors.

3 CHAIRMAN CROSBY: Second?

4 COMMISSIONER ZUNIGA: Second.

5 CHAIRMAN CROSBY: Any discussion?

6 All in favor, aye.

7 COMMISSIONER MCHUGH: Aye.

8 COMMISSIONER CAMERON: Aye.

9 COMMISSIONER ZUNIGA: Aye.

10 COMMISSIONER STEBBINS: Aye.

11 CHAIRMAN CROSBY: Opposed? The ayes
12 have it unanimously.

13 COMMISSIONER MCHUGH: And finally
14 are the minutes of our regular meeting October
15 9, 2014. They too are in the book. And I
16 would move their approval with the usual
17 reservations as they appear there.

18 COMMISSIONER STEBBINS: Do we want
19 to make some note that Chairman Crosby
20 participated in the end of the meeting after we
21 had the Region A discussion?

22 It talks about him being recused,
23 but obviously, he joined us later in the
24 meeting.

1 COMMISSIONER MCHUGH: Yes, that's a
2 good catch. We should make that correction.

3 CHAIRMAN CROSBY: Yes. I couldn't
4 quite figure out. It looks like you adjourned
5 -- Oh, you made the motion. I think I was
6 back. So, whatever the moment at which I came
7 back to the meeting should be noted. I agree.

8 COMMISSIONER MCHUGH: Which was
9 right after we finished with Region A.

10 COMMISSIONER ZUNIGA: Right after
11 the recess.

12 COMMISSIONER MCHUGH: Yes, 11:10 AM
13 the approval of the minutes, you were there for
14 that. So, we'll make that correction there.

15 CHAIRMAN CROSBY: Any other
16 discussion? With that amendment, all in favor,
17 aye.

18 COMMISSIONER MCHUGH: Aye.

19 COMMISSIONER CAMERON: Aye.

20 COMMISSIONER ZUNIGA: Aye.

21 COMMISSIONER STEBBINS: Aye.

22 CHAIRMAN CROSBY: Opposed? The ayes
23 have it unanimously. We are then to item
24 number three, Administration, Executive

1 Director Day.

2 MR. DAY: Good morning, Chairman
3 Crosby and Commissioners. I'd like to begin
4 this morning, I'm positive you all recall, but
5 it just bears mentioning quickly is the
6 Commission has set up through its regulation
7 and through our team they have appropriate
8 expertise to set up a system to monitor the
9 casino projects and the Penn project.

10 I'd like to take a little bit of
11 your time to introduce our project monitors for
12 Regions A and B. So, I'll begin with the MGM
13 project in Springfield. We've selected Pinck
14 and Company.

15 Jennifer Pinck holds an MBA and she
16 is president and founder --

17 CHAIRMAN CROSBY: Hold on a second.
18 Rob?

19 MR. DAY: Jennifer built her career
20 from the ground up working her way through the
21 construction industry to hold senior management
22 positions for both of the region's recent mega
23 projects, the Boston Harbor project and the Big
24 Dig. Over the past 15 years, Pinck and Company

1 has managed over \$2 billion worth of projects
2 in some of the area's premier organizations.
3 The firm specializes in nonprofit,
4 institutional and public --

5 We will try this again. Over the
6 past 15 years Pinck and Company has managed
7 over \$2 billion worth of projects for some of
8 the area's premier organizations. The firm
9 specializes in nonprofit, institutional and
10 public sector and is an advocate for
11 sustainable development helping to create
12 better buildings and stronger communities.

13 Pinck and Company also, of course,
14 serves as the Commission's monitor for the Penn
15 project. I should also note Pinck and Company
16 supported the Commission's evaluation process
17 in your decisions about which licensee gets
18 licensed.

19 So, I'd like to refer to Jennifer to
20 introduce her staff that's here today.
21 Jennifer.

22 MS. PINCK: Good morning,
23 Commissioners, nice to see you again. And
24 thank you very much. You do know Pinck and

1 Company. I think we've been working with you
2 now for about the past 15 months, but I would
3 like to take the opportunity for your benefit
4 as well as anybody who may be streaming and our
5 audience here to say hello. Jennifer Pinck.

6 As Rick's said, we've been in
7 business about 15 years. And would like also
8 to let you know that as of yesterday we got our
9 DBE certification, which is a nice additional
10 credential that the company has and hopes to
11 take advantage of.

12 We are ready to go to work in
13 Springfield. You know us in Plainville. And
14 briefly I will introduce to persons who are
15 managing those projects on our behalf and for
16 you. Mike Fitzgerald, New England native. I
17 think you were born in Connecticut.

18 MR. FITZGERALD: Born in
19 Massachusetts.

20 MS. PINCK: Massachusetts, he's a
21 22-year veteran of the Army Corps of Engineers
22 with a degree in civil engineering and is a
23 licensed PE in civil engineering. And he'll be
24 assigned to the Springfield project for us.

1 And Dane Whigfall who you also know.
2 Dane is a California native who is enjoying New
3 England's Northeasters like we're having this
4 morning, who also has a civil engineering
5 degree from UC Berkeley, and has been involved
6 in his career in many heavy civil highway
7 projects on both direct management and the
8 oversight role.

9 So, we're looking forward to working
10 with you and MGM in Springfield, really seeing
11 the transformation of that downtown and the
12 region.

13 And continuing to work with Penn
14 who's been a great licensee. We've really
15 enjoyed that relationship, and bringing that
16 online. I know they're anxious to get
17 themselves up and running. And we'll see that
18 midway through next year.

19 And am going to excuse myself this
20 morning. I unfortunately have to leave, but my
21 two project managers here will certainly be
22 able to continue their work.

23 CHAIRMAN CROSBY: Great, thank you,
24 Jennifer.

1 MR. DAY: Thank you, Jennifer. And
2 I understand that Dane's vehicle had to learn
3 how to swim itself this morning a little bit.
4 We're glad you got here safely.

5 We've also selected PMA for the Wynn
6 project in Everett. Mr. Stephen Rusteika is a
7 managing director for PMA Consultants of the
8 New England Region and will lead the PMA team
9 providing oversight and OPM services for the
10 Region A.

11 Steve holds a master of science and
12 bachelor of science degrees in civil
13 engineering from Northeastern University, is a
14 member of the Northeastern University Civil and
15 Environmental Engineering department advisory
16 board.

17 In addition, Steve has significant
18 experience in the areas of owner's project
19 management and owner's representative. PMA
20 Consultants is a nationally recognized
21 consulting firm providing owner's project
22 management, project controls and dispute
23 avoidance. It was founded in 1971, and as well
24 has 12 offices nationally.

1 With that I'll refer to Steve for
2 introduction of his staff.

3 MR. RUSTEIKA: Thank you very much
4 for selecting PMA for Region A. We are very
5 excited about it. I brought my team with me.
6 Unfortunately, they are two rows behind me, but
7 they will stand or wave their hand when I
8 mention them.

9 Chad Crittenden is going to be our
10 lead person and our senior project manager.
11 Jason Lawson will be our full-time person on-
12 site, working closely with the Wynn team. Hahn
13 Halovallo (PHONETIC) who you know well will
14 continue in his role with project controls and
15 scheduling and planning. And Ken Lincare
16 (PHONETIC) is going to be an assistant to
17 myself and to Chad helping with anything that
18 we need along the way. So, we are very excited
19 about it and looking forward to getting
20 started.

21 CHAIRMAN CROSBY: Great, thank you.

22 MR. DAY: Thank you, Steve.

23 COMMISSIONER ZUNIGA: Can I just
24 also note in the introduction, PMA is also a

1 minority business enterprise, just for the
2 record.

3 MR. DAY: Thank you, Commissioner
4 Zuniga. If I might, one other thing this
5 morning I'd like to start just to make a note
6 of, we should also briefly recognize that the
7 Commission has conducted hearings led by
8 Commissioner Cameron on racing license
9 applications over the past few weeks.
10 Commissioner Stebbins was also able to attend
11 two of the hearings.

12 The hearings were in Brockton where
13 the Commission considered the Brockton
14 Agricultural Society and listened to public
15 comment. It's a placeholder application for
16 one day of live racing, thoroughbred racing
17 which may be able to expand 15 days. Also the
18 Middleborough Agricultural Society, it's a
19 placeholder application for a similar period.

20 In Plainville, the Commission was
21 also there. Springfield Gaming and
22 Redevelopment, the application is to conduct
23 105 live harness racing live days, harness
24 racing meet at the Plainridge course in

1 Plainville, Massachusetts. The proposed meet
2 will be conducted primarily on Mondays,
3 Wednesdays and Thursdays in April.

4 And then in Boston, the New England
5 Horsemen's Benevolent and Protective
6 Association has submitted an application for
7 one day of live thoroughbred horseracing meet
8 at Suffolk Downs. It may be amended later
9 during the year in the application process.
10 Those applications have been posted and are
11 pending a 30-day comment period from the
12 Commission.

13 From that point, I don't know if
14 Commissioner Cameron or Commissioner Stebbins
15 had a comment at all that you wanted to make on
16 that process?

17 COMMISSIONER CAMERON: No. I think
18 you covered it, Director Day. Thank you.

19 MR. DAY: Thank you very much. That
20 does bring us to our main item under this topic
21 area which is licensee Penn National Gaming's
22 quarterly report. And Lance George, why don't
23 you move right up to the microphones here.
24 Lance George and Emil, I forgot to include

1 Turner Construction. That's item 3(b) in your
2 packet.

3 MR. RAUEN: Good morning. Nice to
4 be here again today and talk to you about the
5 progress we've made in the past quarter as we
6 put in our quarterly report to you. With me is
7 Emil Giordano, project executive from Turner
8 Construction and Lance George, our property
9 general manager.

10 I thought we'd just touch -- you've
11 had report. I thought we'd just touch on some
12 of the highlights and then certainly answer any
13 questions you may have. But the third quarter
14 has been a positive one for us. This
15 particular report, we took the request from
16 last time from you and put some photos in
17 there, aerial photos, ground photos. I hope
18 you found them useful.

19 Project progress has been good for
20 the quarter. As pointed out in appendix two,
21 the approved schedule from you remains on
22 target for June 2015 opening. Design is
23 complete in all areas. And all critical
24 building-related permits are in hand to

1 complete the work.

2 In appendix four, we point out that
3 the overall project budget remains at \$225
4 million. It exceeds the required minimum
5 spend. And to date through 9/30, we have spent
6 in cash \$91.1 million on the project.

7 We continue to work effectively with
8 Mass. Gaming, your staff, Pinck, and working
9 effectively on a variety of project matters.
10 We're happy to report that we've made progress
11 on the off-site roadway improvements. We've
12 received the MEPA section 61 findings and are
13 pleased with the content of those. It meets
14 all of our needs and those of the town of
15 Plainville, from what I understand from them.

16 We have made significant filings
17 with MassDOT, their District 5 and the Federal
18 Highway Administration on design and permitting
19 matters. And based on meetings we've had with
20 them in the last couple of weeks, we feel we
21 should be in possession of a permit sometime in
22 the mid- to later November.

23 Adding all of that up, we think
24 we're in good shape to complete the off-site

1 roadwork by the end of May 2015, which would
2 tie in very nicely with our opening plans.

3 CHAIRMAN CROSBY: Is that done under
4 contract to you?

5 MR. RAUEN: It is. It's funded as
6 part of our development project. The work is
7 contracted to Turner. And they have -- I
8 should have pointed this out. They have issued
9 the designed, received bids. And this week we
10 actually awarded the off-site roadway
11 construction work.

12 CHAIRMAN CROSBY: Good.

13 COMMISSIONER MCHUGH: You awarded
14 that contract this week?

15 MR. RAUEN: Yes. We awarded it to
16 the same site contractor that has been doing
17 all of the site work on the project. So, it
18 worked out very well.

19 CHAIRMAN CROSBY: That's great.

20 MR. RAUEN: In the past month, we
21 have made tremendous progress. I know we've
22 reported to you struggles with the off-sites
23 before, but it's all come together very nicely.

24 CHAIRMAN CROSBY: Good. And it

1 feels like everybody, all of the agencies, the
2 public agencies have their shoulder to the
3 wheel collaborating with you?

4 MR. RAUEN: They sure do. We're
5 very pleased right now, not just MassDOT but
6 Federal Highway, tremendous cooperation.

7 CHAIRMAN CROSBY: Good.

8 MR. RAUEN: And we think all is on
9 target now.

10 CHAIRMAN CROSBY: Good.

11 MR. RAUEN: Just some other
12 highlights. In appendix number eight, we point
13 out some improvements we've made to the on-site
14 construction workforce diversity. We are on or
15 above our goals for minorities and veterans.
16 Still below goal on women, but we'll keep
17 working at it.

18 On appendix nine, and we've had
19 occasion to talk about this in recent weeks, as
20 of September 30 we've made some tremendous
21 progress on contracting with M-, W-, and VBE
22 businesses. As of the end of September, our
23 MBE direct construction contracting is at 14
24 percent versus a goal four. WBE contracting is

1 17 percent against a goal of seven. And VBE
2 contracting is at 14 percent against a goal of
3 three.

4 As of September 30 we've issued just
5 under \$57 million in direct construction
6 subcontracts. \$25 Million or 44 percent of
7 that number has been awarded to M-, W-, or VBE
8 businesses.

9 CHAIRMAN CROSBY: That's great.

10 MR. RAUEN: Also in appendix nine,
11 we point out that as of September 30 of those
12 \$25 million in awards, \$2.9 million of those
13 have been paid for work completed to date.
14 Those are the highlights as we saw them. Happy
15 to answer any questions you might have.

16 COMMISSIONER ZUNIGA: On the
17 building, Jack, you are on target to close the
18 envelope and be ready for winter conditions and
19 progress smoothly I hope?

20 MR. RAUEN: We are.

21 COMMISSIONER STEBBINS: Jack looking
22 at the remaining amount of I think it's
23 appendix eight, obviously there's still 133
24 million in remaining costs. How much of that

1 has been already contracted or accounted for
2 with identified vendors? Do you still see some
3 opportunities for participation by MBEs, WBEs
4 and VBEs?

5 MR. RAUEN: On the construction
6 side, we still have more to award. There's a
7 lot of interior construction, drywall and
8 others that present some additional
9 opportunities. So, on the construction side
10 yes. There's also the fit-out and equipment,
11 which is a whole separate exercise covered by a
12 whole separate diversity plan. But we'll put
13 the same effort behind that that we've put on
14 this one.

15 COMMISSIONER STEBBINS: The last
16 time you were here, you reported on a couple of
17 categories for ventilation systems, which I
18 think one was going to a VBE, another big chunk
19 was going to a WBE. Are those accounted for in
20 these numbers someplace?

21 MR. RAUEN: Yes.

22 CHAIRMAN CROSBY: And these are
23 percents of dollars awarded, not percents of
24 the eventual total.

1 MR. RAUEN: It's percents of dollars
2 in direct construction contracts awarded.

3 CHAIRMAN CROSBY: Presently awarded.

4 MR. RAUEN: Right. We've awarded
5 about \$57 million in direct construction
6 contracts. \$25 Million of that has been for
7 VBE, MBE or WBE enterprises.

8 CHAIRMAN CROSBY: Great.

9 COMMISSIONER STEBBINS: One of the
10 big items is the gaming and operations
11 equipment. What percentage of that \$20 million
12 price tag is gaming equipment as opposed
13 operational equipment? It's got to be the
14 bigger chunk.

15 MR. RAUEN: In this particular
16 report, not too much of it. We are looking to
17 finance slot machines separately. So, they are
18 not shown as part of this. This would be more
19 other food and beverage equipment, operations
20 equipment. And those areas do present us some
21 opportunities for M-, W- and VBE, that slot
22 machines obviously don't.

23 COMMISSIONER STEBBINS: Okay, good.
24 Thank you.

1 COMMISSIONER ZUNIGA: This is
2 actually a point that we've made to you in the
3 past, but any critical milestones going forward
4 that depend on our role, now or later we'd love
5 to understand them to make sure we are not
6 delaying you or being in the way, if you will.

7 MR. RAUEN: I don't see anything
8 significant. I know there's issues out there
9 about the central system. But not knowing the
10 outcome of that, we are planning our
11 construction processes to as if it's going to
12 happen. So, that's one item.

13 Our focus now is just continuing
14 site work, continuing to get the building
15 closed and to focus on the garage and the
16 offices so that's turned over in February.
17 Right now, there's nothing from your side
18 that's causing us any real critical problems.

19 COMMISSIONER ZUNIGA: Great.

20 CHAIRMAN CROSBY: Great. Anybody
21 else?

22 COMMISSIONER MCHUGH: This is really
23 good report. It's terrific to see this
24 progress.

1 CHAIRMAN CROSBY: We really
2 appreciate the attention to the diversity
3 efforts, much noted.

4 MR. RAUEN: Our pleasure.

5 CHAIRMAN CROSBY: Anything else from
6 your report?

7 MR. DAY: That's it for me. That
8 brings us to our Ombudsman and the two license
9 designee reports, Wynn and MGM. John?

10 MR. ZIEMBA: Thank you, Director
11 Day. Mr. Chairman, as you know, we have
12 monthly reports from our license designees.
13 First up today will be MGM. I'm going to ask
14 Mike Mathis and his team to come to the front
15 of the room. Mike Mathis will introduce the
16 rest of his team.

17 MR. MATHIS: Thank you, John. Thank
18 you, Commissioners for allowing us to present
19 today. I think this is our fourth monthly
20 update following the award of the agreement for
21 a license.

22 And the theme for today is workforce
23 development. And I think that's really
24 appropriate. This, as you know, is a jobs bill

1 more than anything else. And there's been a
2 lot of conversation in the public about jobs.

3 We're really excited. As you know,
4 we bring a tremendous amount of innovation to
5 our project design as well as our program. And
6 I think we want to show today the innovation we
7 bring to workforce development.

8 Before I hand it off to my
9 colleagues, I wanted to introduce a few people
10 in the audience today. Bill Messner, President
11 of Holyoke Community College, Bob Griffin who
12 is a director at HCC, Jeff Hayden in charge of
13 community development as well as a couple of
14 gentlemen that aren't here today, two of our
15 partners on the workforce development side are
16 with STCC and that is Bob LePage who's part of
17 the Massachusetts Casino Career Training
18 Institute as well as Ira Rubenzahl who is the
19 president.

20 With that let me hand it off to Dave
21 Cruise who's been our partner on the Hampden
22 Regional Employment Board side.

23 MR. CRUISE: Thank you, Mike. Good
24 morning, Commissioners. I wanted to take a few

1 minutes this morning as part of our
2 presentation to share some data with you that
3 as Mike said we think are important to
4 understand in relation to the excitement we
5 have around the workforce needs in Hampden
6 County, in particular in the host community of
7 Springfield.

8 This data is taken from the American
9 Community Survey in 2012. And I've got some
10 updated figures that were just released this
11 week that I think will be helpful as well.

12 In 2012, in Hampden County, which
13 has a population of approximately 460,000
14 residents, we had an unemployment rate of 11
15 percent. If you look at the graphic, you'll
16 see particularly in that critical age of 25 to
17 44 that unemployment rate two years ago was
18 10.2 percent. And in the 45 to 54 range, you
19 see it dropping significantly. But we think
20 that 25 to 44 range is particularly an area
21 where we are looking in terms of the workforce
22 for the casino.

23 I want to also share some
24 information with you that was just released

1 this week by the Massachusetts Office of Labor
2 and Workforce Development, particularly with
3 respect to the region and to the host community
4 of Springfield. In Hampden County today, we
5 have a workforce of approximately 224,000. And
6 in that workforce employed are 206,000, which
7 leaves approximately 18,000 individuals or
8 eight percent of that labor force participation
9 rate that is still not attached to the
10 workforce. And the unemployment rate as you
11 know in the Commonwealth currently sits at 6.2
12 percent.

13 In the host city in Springfield in
14 the month of September, we have a workforce
15 participation of approximately 66,000
16 individuals. And of that number, 6000 of them
17 currently remain unemployed, which is a
18 percentage of 10.2 percent.

19 And again a year ago, September
20 2013, that rate was 11.1 percent. For the
21 first nine months of this year, we've been
22 fluctuating between 10.9 percent and last
23 month's figure of 10.2 percent. We are
24 stubbornly stuck in that 10.2 to 10.9 range.

1 And again, I said across the state the
2 unemployment rate remains at 6.2 percent

3 And of the cities in the
4 Commonwealth with the highest percentage of
5 unemployment, again, Springfield ranks number
6 five. You have Lawrence, New Bedford, Fall
7 River, Gosnold and then Springfield, and right
8 behind Springfield at 10 percent again is the
9 city of Holyoke. Again, two of the critical
10 gateway cities in Hampden County, core cities
11 that are critical to the rebirth of this
12 community.

13 So, I wanted to share that data with
14 you a little bit just to give you a little
15 sense of where we stand right now this morning
16 in that area.

17 The second little graphic that I
18 want to show you that I think is important is
19 to take a look at the rich diversity that we
20 have in Hampden, and in particular in our two
21 gateway cities and in particular in the host
22 community of Springfield.

23 You can see from the graphic, the
24 population again in Hampden County is very,

1 very rich. And particularly, as I said, in the
2 two gateway cities and the host community, we
3 have a very rich population of Hispanic and
4 Latino, African-American, Asian. And we think
5 the diversity of that workforce and that labor
6 force is going to be critical again to the work
7 that we're looking at doing going forward.

8 And the third and the last graphic
9 that I want to share with you again is a little
10 bit about the educational attainment levels
11 here in the area. You can again see in the
12 gateway cities of Springfield and Holyoke, we
13 have a high school graduation rate in June of
14 2013 between 54 and 52 percent. We have a long
15 way to go to catch up not only with the county
16 as a whole, but with the state in general. And
17 that's something we are working very, very hard
18 at.

19 You can also see the number of
20 residents age 25 and over without a high school
21 diploma during the time period of 2008 to 2012.
22 Again, that figure is stubbornly stuck in those
23 areas. We are working hard to try to figure
24 out ways to respond to that.

1 And also see the small percentage of
2 individuals with a bachelor's degree. And that
3 ranges again a little bit below 20 percent of
4 the 18 and 19 percent of the residents of
5 Hampden County, in particular the two larger
6 cities. Springfield in particular again
7 stubbornly stuck in that area. And you look at
8 the number of young people again ages 16 to 19
9 struggling to be attached to the workforce,
10 those numbers are significant.

11 So, I wanted to just share a little
12 bit of this data with you. My colleague Laura
13 Lee that I'm going to introduce in a minute
14 will talk a little bit more in detail about
15 that. But I wanted to just share that data
16 with you just as a lead-in again to our
17 presentation.

18 So, let me introduce Laura Lee who
19 is a Vice President of Regional Operations for
20 MGM Resorts International.

21 COMMISSIONER STEBBINS: David, I
22 have a quick question. Around the unemployment
23 figures there is obviously the national story
24 around the unemployment rates are not

1 accurately reflecting the real unemployment
2 rate.

3 MR. CRUISE: That's correct.

4 COMMISSIONER STEBBINS: One of the
5 other key pieces of the legislation was talking
6 about the underemployed.

7 MR. CRUISE: Right.

8 COMMISSIONER STEBBINS: How do you
9 distinguish out the underemployed in these
10 numbers or can you?

11 MR. CRUISE: I think the data that
12 we have here does not really call out or pull
13 out the number of underemployed. But I can
14 tell you from the work that we do at the
15 Regional Employment Board of Hampden County,
16 there's a significant amount of young folks and
17 folks in general that are in what we describe
18 as the marginal labor market.

19 They may be working part-time. They
20 even may be working full-time at wages just
21 above minimum wage, hardly enough to sustain a
22 family. But there's a huge pool of
23 underemployed individuals. We see them all of
24 the time at our two career centers. They're a

1 significant part of the population that we
2 serve in both of those centers. And even
3 though they're not counted in that data, if
4 they were counted in that data, those numbers
5 would be skewed even higher.

6 COMMISSIONER STEBBINS: Thanks.

7 MS. LEE: Good morning,
8 Commissioners. One thing I wanted to start off
9 with is kind of telling you a little bit about
10 my career history.

11 We're an entertainment company. If
12 we can't make you chuckle then we haven't done
13 our job.

14 CHAIRMAN CROSBY: Your whole team is
15 already chuckling. I can't wait to hear this
16 story.

17 MS. LEE: I actually opened the
18 Mirage back in 1989 as a VIP services
19 attendant, which is along the lines of a front
20 desk clerk. With that, I worked my way up
21 opening up Treasure Island in human resources,
22 decided I wanted to get back to my passion.
23 And for purposes of this meeting, I actually
24 went back and counted that since 1989 up until

1 my most recent position of senior vice
2 president, I've been promoted 10 times within
3 MGM Resorts within 25 years. So, that's just a
4 little bit about me.

5 I know that you've had the
6 opportunity to meet Kelley Tucky and she's had
7 a similar background as well. Again, I just
8 want to reiterate that we are committed to
9 providing a diverse workforce for MGM
10 Springfield.

11 Next slide, we just wanted to bring
12 to everyone's attention a little bit about our
13 career opportunities timeline. We believe that
14 we will have construction up and going on Q2 of
15 2015 with approximately 1000 construction
16 workers. Our peak will be Q2 of 2016 Q3 with
17 approximately 2000 construction workers.

18 And as we are winding down
19 construction and beginning to gear up for
20 operations of the hotel, we'll begin our hiring
21 approximately five to six months prior to the
22 opening of MGM Springfield. We just have some
23 data here showing -- obviously we'll have a
24 smaller team on board between now and six

1 months out. But we'll start hiring 200,
2 ramping up about two months out where we will
3 employ or hire 1140 and then have our 3000
4 right around opening. And again, as stated we
5 are committed to hiring 35 percent from the
6 Springfield area and 90 percent from the
7 Western Massachusetts area.

8 This is just a high-level overview
9 of the areas we would be looking hire such as
10 casino, food and beverage are two of the
11 largest, and then general and administrative
12 that's usually our back of the house finance,
13 HR, warehouse, those sorts of positions.

14 And as Dave pointed out, these are
15 the demographics for the MGM workforce profile.
16 We are a majority minority company and almost
17 50-50 male-female. And we feel that Western
18 Massachusetts, they fit in well with our
19 diversity goals and commitment.

20 At MGM Resorts we have a people
21 philosophy that we are committed to engaging,
22 investing in and inspiring our employees each
23 and every day. And I'm going to spend a few
24 moments now just to let you know how we are

1 committed to do the same with the potential
2 applicants for MGM Springfield.

3 I am not going to go through our
4 entire mass hiring plan. This slide I just
5 want to point out that we've already started
6 out workforce development, meeting with our
7 partners at STCC, Holyoke working with Mr.
8 Cruise to begin developing our workforce
9 development plan.

10 The next slide will show, and I
11 think it's important, that we don't see
12 workforce development ending when MGM
13 Springfield opens. We feel it will continue.
14 We'll continue to work with our partners so
15 that our employees have the ability to continue
16 uplifting their education, perhaps looking at
17 different promotional opportunities if they are
18 interested.

19 CHAIRMAN CROSBY: Excuse me, Laura.
20 What is mass orientation at the bottom of that
21 slide?

22 MS. LEE: Typically, when you're
23 opening a property, you do large orientations
24 in your convention area. So, there might be

1 three or 400 attendees. And we have a variety
2 of sessions. And we orient them to MGM
3 Springfield.

4 CHAIRMAN CROSBY: Mass means lots
5 not Massachusetts?

6 MS. LEE: A lot, yes, not
7 Massachusetts.

8 MR. MATHIS: That continues to be an
9 issue, by the way. In our internal documents
10 we continue to use mass in that context and
11 it's creating a little bit of confusion. So,
12 we've got to come up with a synonym for that.

13 COMMISSIONER MCHUGH: What's the
14 reference to mother hen?

15 MS. LEE: They're laughing in the
16 back. What we like to do is we may hire
17 someone nine months out and we won't start them
18 until maybe four months out, three months out.
19 So, we like to stay in contact with them.

20 So, we'll send them notes, send them
21 letters, emails saying we're excited that you
22 are starting. Can't wait for you to begin with
23 MGM Springfield. So, just keeping them engaged
24 and interested in the project.

1 COMMISSIONER STEBBINS: Laura, in
2 the previous slide you talk about -- fill us in
3 a little bit more on the launch, the onboarding
4 website.

5 MS. LEE: Yes. What we will end up
6 doing, our system now is when you start with
7 the company we send you a link in that you will
8 be able to do your pre-employment paperwork on
9 that such as some of your I-9 paperwork,
10 emergency contact, all of that. So, when you
11 come in we already have a lot of that done.

12 Now I would like to just take a few
13 minutes to walk through the different steps of
14 our kind of workforce development plan. So,
15 how will we engage? Like I stated before, we
16 have already begun working with our various
17 community partners, nonprofit organizations,
18 faith-based organizations. And we plan to
19 continue that relationship beyond the opening
20 of the property.

21 We'll work through the traditional
22 channels of workforce development as well as
23 look for new ways to uplift and educate the
24 region. A good example is we will start a

1 boots to business program. That will be an
2 ongoing program. But prior to MGM Springfield,
3 we will work to bring -- hire nine to 10
4 veterans. Have them come out to Las Vegas
5 approximately nine months to a year prior to
6 opening. They may be say in casino, learn how
7 operations works within MGM Resorts. And then
8 their commitment is they will go back to MGM
9 Springfield in a supervisory role.

10 And resources, this is just a short
11 list of all of our partners. And we continue
12 to meet and grow that list of partners. And I
13 think on your printout it didn't turn out.

14 And what's important is community
15 outreach. We will have your traditional
16 websites, a career center where applicants can
17 call in, ask questions. But I think, and Dave
18 talks to some of the unemployment rates,
19 underemployed and then there's those that
20 aren't even reported because they've just given
21 up. The transportation becomes difficult for
22 many of these residents.

23 And we don't necessarily have the
24 expectation that they're all going to drive to

1 our career center. So, one of our goals is to
2 do a lot of community outreach. Once we have
3 our construction plan, go out to church
4 meetings, organizational meetings and so forth
5 and talk to them about how they can begin
6 developing. If they have a certain career that
7 they'd like or we're hiring for construction.
8 Here's the process if you are interested.

9 And we will also have job readiness
10 sessions once we get a little closer to opening
11 where we'll go out into the community. And the
12 HR team will do how to interview, how to write
13 a resume, just those basic skills that a lot of
14 times are lacking so that they are ready once
15 they interview at MGM Springfield, they're
16 already ahead of the game, how to dress that
17 sort of thing.

18 And we will invest in our employees.
19 And I'd like to take a moment now to introduce
20 the two gentlemen to the right. They are with
21 a company that we've contracted with called
22 SkillSmart. We found SkillSmart and utilized
23 them up in National Harbor, our project there
24 during a recent career showcase that we had

1 about three months ago.

2 And last week, we also utilized them
3 at the MGM Springfield career showcase. I have
4 Mike Knapp seated right next to me. He's the
5 CEO of SkillSmart and also a former president
6 of the County Council of Montgomery County,
7 Maryland.

8 Next to him is Jason Green. He's
9 the Vice President of Business Development. He
10 was also associate White House Counsel to
11 President Obama. And through their public
12 careers, they worked together. And once they
13 entered the private sector, they realized the
14 importance of aligning both public and the
15 private sectors to create a stronger workforce
16 in the communities in which we work and live.
17 So, I'll go ahead and turn it over to Mike.

18 MR. KNAPP: Thank you, Laura. Good
19 morning, Commissioners. It's a pleasure to be
20 with you.

21 When Jason and I left our previous
22 jobs, we had a lot of conversations about
23 challenges that were out there. And one that
24 really struck us was or continues to strike us

1 was the types of reports that we'll see where
2 the number of companies that were out there
3 that were seeking employees and yet the
4 stubborn unemployment rates continue to
5 persist.

6 As we did a lot of research, we
7 recognize that the skills gap that gap between
8 the skills employers are looking for and the
9 skills that employees or jobseekers tend to
10 possess is real and very tangible. So, knowing
11 that we really started to explore the different
12 types of things that we could do to better
13 align the employer, the jobseeker and education
14 providers.

15 So, we recognize that if we could
16 pull together a platform that could identify --
17 help employers to better identify the skills
18 that they're looking for and increase that
19 level of transparency then it would also allow
20 jobseekers literally to better identify the
21 skills that they possess. And also think about
22 where they may have acquired those skills.

23 We tend to think about skills coming
24 from going to high school, going to college and

1 that's how we're prepared for the workforce.
2 And yet oftentimes we acquire skills in many
3 different places, whether it's working in our
4 church group and volunteering, heading up Boy
5 Scouts, coaching, learning through classroom
6 activities or through the job.

7 So, we wanted to make sure that we
8 could help those employees or jobseekers more
9 holistically present the skills that they've
10 acquired over the lifetime of activities that
11 they've undertaken. So, that really became the
12 genesis for what we put together was
13 SkillSmart. Because if we could do those two
14 pieces, then we would also give the education
15 providers a better sense of the types of things
16 that they needed to help their students to
17 acquire to be able to be effective in the
18 workforce.

19 So, with that, we identified the
20 mission to really begin to transform lives by
21 connecting those elements. So, as Laura had
22 indicated, we worked last week with them. We
23 were previously in National Harbor. We worked
24 last week at the showcase in Springfield. And

1 here are a couple of pictures of folks who were
2 actually inputting their information into our
3 computers.

4 What typically happened last week
5 was there was about a 20-minute orientation.
6 And then each of the individuals was allowed to
7 basically walk through the Hall of Fame and get
8 familiarized with the types of positions, and
9 talk to MGM employees in how they did their
10 jobs and what those jobs entailed.

11 And then they would come over to
12 talk to us. And we would then put them with a
13 computer. And they would begin to go through
14 the platform and identify just some basic
15 background information about themselves and of
16 the jobs that were there, the types of the ones
17 that generated their interest and where they
18 may have had some experience.

19 And you can see on the slide in
20 front of you that here is kind of the top five
21 positions that presented themselves. There
22 were 507 people who registered. We had 484 of
23 them actually get to a computer and provide
24 their information. So, the high levels of

1 interest were front desk clerks, special events
2 rep., attendant for front services, security
3 officer and surveillance operators.

4 So, it gives a sense of just where
5 people think their skills match up or just
6 where their areas of interest are. And you can
7 see the levels of those who identified that
8 they have experience and those in those five
9 areas.

10 What I want to do though is now give
11 you a sense of what were they looking as they
12 were sitting at the computer. What we have is
13 a platform that, as I indicated, allows the
14 jobseeker to identify the skills that they've
15 acquired. They filled out a profile
16 identifying those activities, how they got the
17 skills, how they've used them.

18 Then we have the employer identify
19 the skills they have associated with each
20 position. Once we have those in, then the
21 jobseeker can then run a search against the
22 database and see where their skills match up
23 against the jobs that are in that database.

24 And in the example you see in front

1 of you, this individual scored very well on a
2 scale of 0 to 100 in the utility porter and
3 custodian positions. So, they know that that
4 is something they're well-suited for and they
5 want to apply for.

6 But perhaps they really want to be a
7 poker dealer. And if you look here, clearly
8 their skill requires some more building. So,
9 in that instance, we allow them to then click
10 on that position. It gets them -- identifies
11 the prerequisites, the job description, the
12 various skills associated with that position.
13 Then they can see where they have strengths and
14 where they have areas where they are going to
15 need further opportunity for growth. So, for
16 example in this instance, mathematics is where
17 this particular individual needs some more
18 assistance.

19 So, we highlight that. They click
20 on the improve my skills. And what it takes
21 them to is the information or the activity
22 within their community that will allow them to
23 acquire that skill.

24 In this instance, it's a math course

1 at STCC. It could well be a math course at any
2 other community colleges or any other training
3 providers that could provide the level of
4 information or skills that are required to be
5 successful in some of the things that MGM is
6 looking for.

7 This becomes a real platform that
8 you can bring lots of your community partners
9 in and make sure that they can participate in
10 helping to train up the local workforce. And
11 it's not just necessarily locally, but could
12 also tie into the Commonwealth's career 101
13 program through the One-Stop Centers and use it
14 that way as well. So, that gives you a sense
15 of how --

16 CHAIRMAN CROSBY: Excuse me. Can
17 people access this at times other than your job
18 fairs? Is this something you can access
19 remotely?

20 MR. KNAPP: Yes, and that's the
21 point. So, this would be available to the
22 community to be able to access at any time.
23 So, they could do it remotely if they're home.
24 They could also work with, if they're working

1 with a community service provider or social
2 service provider, they may have terminals or
3 computers there.

4 We could even do -- And Laura will
5 reference this in a little bit. -- but even a
6 train the trainer program where we could help
7 bring people up to speed so that they could
8 actually help individuals work their way
9 through and build their profiles. So, it's not
10 just come to a job fair or a job showcase and
11 participate in it, but you can access it
12 throughout the community.

13 MR. MATHIS: Mr. Chairman, if I
14 could just talk about why we're so excited
15 about this tool. In this day and age of
16 mobility mobile devices, I think the power of
17 this tool is that for example when we have new
18 job postings, we can send an alert to any
19 applicant who signed up through this program to
20 let them know that that position is now
21 available.

22 And as we backload those positions,
23 working with HCC, we're working with STCC,
24 working with new career training institute, we

1 can post new training programs.

2 So, I think the power of this tool
3 takes us out of the old days of submitting a
4 resume and being told that you're not qualified
5 and that being the end of the conversation
6 until someone looks at another classified ad.
7 This is a really powerful tool and we're really
8 excited about it. And you'll see some more of
9 the functionality of it.

10 CHAIRMAN CROSBY: Great. The key
11 obviously is making people know it's there.
12 Promoting it enough, having it branded somehow
13 or another and having it out there enough so
14 that people know about it.

15 MS. LEE: If I may, one of our -- I
16 was going to address this after, but our long-
17 term goal, and we've already been talking with
18 our community partners even places such as the
19 Puerto Rican Cultural Center already hit Mike
20 up for preopening budget that if they need a
21 computer, they will get a computer. Then Mike
22 and Jason their team would come and train them.
23 So, it's accessible at all of these either
24 nonprofit, community partners and so forth.

1 So, when they're working with their
2 candidates that they'll be able to just help
3 them right there as well. So, it'll be very
4 accessible in the community.

5 CHAIRMAN CROSBY: That's great.

6 MR. KNAPP: So, just want to do a
7 little bit more of the information we gleaned
8 from the showcase from last week. In addition
9 to that information that individuals have
10 identified and positions that they're
11 interested in, you can also go back through and
12 see where they may or may not be as interested
13 but have levels of experience.

14 So, it gives you a sense of the type
15 of foundational skills that the people in the
16 community may have that you can build on. Or
17 it gives the information back to MGM to think
18 about positions that may be similar to where
19 people have skills but may not be exactly what
20 people have identified so that you can steer
21 people in the right direction, and round out
22 their training so that they are better suited
23 for other positions within the organization.

24 Here's the educational demographics

1 that we found from the group that attended last
2 week. Actually, it was a very educated
3 population that came in. Twenty-six percent
4 were high-school graduates, 22 percent had a
5 bachelor's degree, 28 percent had some college
6 and even 10 percent had master's degrees, which
7 is interesting because that tends to a little
8 bit counter to the data that was presented
9 earlier.

10 And that could present us a couple
11 of different things. It may be what we're
12 seeing is an overrepresentation of certain
13 populations. Or perhaps even people are
14 overstating what they may have in a very
15 generic way because they think that that's what
16 they need to show that they're qualified for
17 the positions.

18 And we may -- provide us an
19 opportunity to educate the community that you
20 don't necessarily need to do that because we're
21 going to show you the pathway to get the skills
22 that you need for the positions within the MGM
23 community.

24 MR. MATHIS: If I can, I want to

1 pause on that for a moment, because I think the
2 data is critical. And just this first phase
3 and some of things we're learning based on a
4 sample of 490 I think is pretty telling.

5 By the way, that tiny little slice
6 that doesn't have an identifier, I filled it
7 out. Jason Green filled it out. And it turned
8 out there were two individuals with JDs that
9 were interested in positions. So, we thought
10 that was a bad sample. And we took that out.

11 If you look at this pie chart what
12 it will tell you is that under the some high
13 school that we've got a very highly educated
14 applicant group. And that GED education, for
15 example, isn't quite a priority. That's not
16 the case. You saw David Cruise's presentation.
17 We've got a 55 percent high school graduation
18 rate, a 45 percent high school dropout rate.

19 And we don't believe we'll be
20 successful unless we bring that group of
21 individuals, many of which are Springfield
22 residents, into the workforce. What we did is
23 when I looked at that data, I questioned it.
24 And I reached out to some of our community

1 partners that brought applicants to that job
2 fair.

3 We know of at least 150 or so
4 applicants that are immigrant workers,
5 immigrant folks that have not entered into a
6 GED program because they haven't been aware of
7 it or they are in a queue for a GED program.
8 And for whatever reason, they didn't indicate
9 that in this response. And I think it's
10 because they thought they needed to over
11 represent their qualifications in order to get
12 into our system.

13 The takeaway for me and our team is
14 we need to go out to that population in the
15 next round and tell them that's not a liability
16 in terms of being an attractive candidate.
17 That's actually an asset. And that's something
18 that we want to do and work with you folks on.

19 So, a lot of takeaways and that's an
20 important one for us. And we will continue to
21 monitor these metrics and modify our strategy
22 and our program there.

23 CHAIRMAN CROSBY: That's really
24 great. I really appreciate your looking

1 through the numbers and (A) trying to really
2 understand what's out there, but (B)
3 remembering who the hard to employ audience is
4 and that was a legislative mandate.

5 So, that's really to go the extra
6 mile to try to make that happen, which is
7 great. Jill, I hope you're hearing some of
8 these hints. These are really good.

9 MR. KNAPP: So, here's just the
10 employment status of those people who showed up
11 last week. Forty-three percent employed, 41
12 percent are out of work and looking. So,
13 clearly reflective of what we're seeing in the
14 community and gives us a good cross-section of
15 who we know we need to make sure we are
16 reaching out to.

17 CHAIRMAN CROSBY: What was the
18 residents make up of that four hundred and
19 something?

20 MR. MATHIS: That's coming.

21 MR. KNAPP: Nice job, thank you, Mr.
22 Chairman. I appreciate that. And our final
23 slide really begins to show where people are
24 coming from.

1 So, you can see that clearly coming
2 from Springfield, from Holyoke although
3 interestingly and you couldn't get it all on
4 one screen, people came from as far as Boston.
5 We had four or five people that came from this
6 community to come out and visit the job
7 showcase in Springfield.

8 So, you're seeing -- The nice thing
9 about this is you get to see how the outreach
10 has worked. If there have been specific
11 marketing campaigns or outreach activities with
12 specific groups, you can see did that work?
13 Did we get the yield from those particular
14 communities and if so, great. We know that
15 that's working.

16 And if we didn't and we saw
17 communities underrepresented then we know we
18 have got to begin to do a lot more work in
19 those communities to make sure people know to
20 participate or to identify other partners
21 within those communities to make sure that
22 we're helping them reach their local
23 populations.

24 So, it gives a good sense. You can

1 also split it out in different pieces and begin
2 to look at the populations in who is coming
3 from where and which skills they possess. So,
4 it's just a matter of how you want to begin to
5 slice the data.

6 COMMISSIONER STEBBSIN: Is this zip
7 code based?

8 MR. KNAPP: Yes. So, with that I'll
9 turn it back over to Laura.

10 MS. LEE: Just one thing I think
11 Mike did talk about. There's a lot of skills
12 that are transferable skills. Just because you
13 had one job, you may have skills that allow you
14 to do another job. That's what's great about
15 this program and what we like, because it
16 allows us to work with those candidates.
17 Retail cashier, okay, you don't want to be a
18 retail cashier anymore but you want to be front
19 desk, great. You have these transferable
20 skills. And you could learn how to work and
21 manage the front desk.

22 Then the next slide, this is just
23 really our high-level plan to get the community
24 ready for our positions. One thing I wanted to

1 address is our overarching mission is to allow
2 smaller companies to utilize the tool without
3 charge to backfill their positions.

4 We plan to go back to the Greater
5 Springfield Chamber and other regional chambers
6 and allow them to list their positions perhaps
7 for a year -- We're still working our those
8 details. -- because we know that there's a lot
9 of small businesses in the Springfield area.
10 And we wouldn't want to take the best food
11 server maybe from the pizza place and have them
12 work at Springfield and have that small
13 employer hurt. So, that way they will be able
14 to draw from these sources as well.

15 Additionally, we feel this kind of
16 complements what Massachusetts has put in
17 place. Where we will put in there if they need
18 the Careers 101 course and push them to that.
19 Then after they do their remediation to note
20 that in that system.

21 Then also at the end, perhaps
22 they're not selected at MGM Springfield or one
23 of the smaller companies, we will push them to
24 Job Quest and the One-Stops and say although

1 you didn't get accepted here there are other
2 opportunities within the area.

3 COMMISSIONER STEBBINS: I want to
4 stop for a minute, because this is key and a
5 tremendous asset for the region.

6 I think all of us agree that the job
7 opportunities is kind of a huge hook. It's a
8 marketing draw for people to step out and say I
9 want to pursue a career but for those with the
10 skills don't match up with this is a fantastic
11 way to use that information, coming in and
12 directing them off to other careers and
13 services and opportunities.

14 I know it's something that the
15 community college folks have been talking about
16 since the early days of the Commission. So,
17 it's great you're making this tool available
18 out to the rest of the region.

19 MS. LEE: Thank you. And we like it
20 because it allows us to be proactive as well.
21 Really we're getting towards the end. You
22 heard me talk about my background, Kelley's
23 background. But I have message from one of our
24 employees, Gabby, who is the Director for Food

1 and Beverage at New York New York Resort and
2 Casino. She would like to tell you a little
3 bit about the opportunities MGM Resorts has
4 given her.

5

6 (Video is played)

7

8 MR. MATHIS: If I can make some
9 closing comments, especially for our friends
10 from Western Mass. who trekked out this morning
11 to be part of this. This is particularly for
12 Bill Messner, President of HCC but also for
13 David as well and the rest of our group. When
14 it comes to employment, we recognize that the
15 goal of the Gaming Act is not only jobs but
16 quality jobs, and we believe net job growth.

17 So, the power of this tool is to
18 make sure that we can identify real-time what
19 kind of applicants we're getting. You saw a
20 pie chart that talked about
21 employed/unemployed. That's something I asked
22 Mike and Jason to build into their profile
23 because we didn't want to just get employed
24 applicants who are trying to get better job.

1 That's important.

2 We also want to make sure that we
3 were getting unemployed folks that are going to
4 be entering into the market. At the same time,
5 we're launching this project across the whole
6 corporation. And I think something that Laura
7 touched on is we want to make this product
8 available to small businesses that wouldn't be
9 able to invest in a product like this.

10 So, why are we starting 18 to 24
11 months earlier than we're going to make our
12 first hires is because we're going to reach out
13 to the small businesses. And as we get
14 applicants who would be a great fit but maybe
15 would be a great fit with a little bit of
16 training, on-the-job training, we can kick
17 those individuals off to some of the small
18 businesses that are also looking for positions
19 and backfill positions along with MGM
20 Springfield.

21 So, it's a wonderful tool.
22 Incredibly excited about it. And I think it
23 will allow us to achieve our goals. We have
24 goals to our surrounding communities to make

1 sure that the jobs come from all around the
2 communities. We have goals related to
3 ethnicity, employed, unemployed. And this is a
4 tool that will allow us to manage those
5 expectations and achieve those results.

6 Last thing I'll say to you is the
7 impact of what we're trying to do collectively,
8 meaning the Commission and our project really
9 came home to me last week at our career
10 showcase.

11 We had 500 individuals show up.
12 Many of them had been unemployed for five
13 months, a year, two years. They recognize that
14 these positions wouldn't be available for 18
15 months to 24 months. But they were there
16 because they desperately want these
17 opportunities.

18 So, it's incredibly rewarding. And
19 I think we should collectively be proud about
20 what we're trying to do here.

21 CHAIRMAN CROSBY: That's great
22 stuff, Mike. This is a complicated data-
23 driven. You need a lot of input, a lot of
24 training to make this thing work. It's great.

1 It's very exciting.

2 But who actually will be running it
3 on a day-to-day basis? Who is responsible for
4 making sure that the data is really up to date
5 that you're doing the outreach to the small
6 businesses? That the small businesses know
7 what they're doing that whole bit?

8 MR. MATHIS: I think Laura and I can
9 tag team that response. We're in a delicate
10 spot, because we haven't finalized our contract
11 with SkillSmart. So, I think we're in trouble.

12 COMMISSIONER STEBBINS: Sorry we
13 talked about how great they were.

14 MR. MATHIS: There's a bunch of
15 corporate lawyers back in Las Vegas that are
16 going to kill about this presentation.

17 COMMISSIONER MCHUGH: How about we
18 close the deal right here.

19 MR. KNAPP: Keep talking though. We
20 really like this.

21 MR. MATHIS: Let me hand it off to
22 Laura about our next steps and how we're going
23 to roll this out.

24 MS. LEE: Thank you. We will

1 actually have a director of workforce
2 development on the MGM Springfield team. That
3 will be one of their key jobs.

4 Our next steps are to circle back
5 with the community college, all of the
6 different nonprofit organizations and really
7 dive into their curriculums, looking at our job
8 descriptions and putting together that match.
9 What we showed you at STCC was just kind of a
10 quick example of how it'll work. So, we plan
11 to do that maybe in the next maybe three to
12 five months. Then we feel that we'll be ready
13 to go out and do our community outreach.

14 But as I stated, it will be an
15 ongoing position. So, that person will
16 continue to work with SkillSmart, getting the
17 data uploaded, working with the community,
18 keeping updated as to what new classes.

19 Or if we have a skills gap, we'll be
20 able to go out to STCC or Holyoke and say we
21 really need help with this. Do you think you
22 could create a curriculum for us.

23 CHAIRMAN CROSBY: Could I just
24 reinforce this, Commissioner? You all have

1 certainly indicated a seriousness about this
2 which we note and appreciate. But just to
3 reiterate, this is one of those things is like
4 a great website. You design a fabulous website
5 and every day that goes by it's less good
6 because you don't keep it up to date.

7 So, having the commitment to put the
8 bodies behind this so it can really do what
9 it's meant to do is obviously really crucial.

10 MR. MATHIS: We are making that
11 commitment today.

12 CHAIRMAN CROSBY: I don't doubt
13 that.

14 COMMISSIONER STEBBINS: I just
15 wanted to add as a reminder as you look down
16 the rest of our agenda, and certainly don't
17 expect you to stick around through this
18 afternoon, to go back and watch this Webcast
19 because we have some folks coming in to talk
20 about the diversity on the construction side of
21 things.

22 And getting some helpful ideas, and
23 suggestions, best practices of encouraging
24 minorities and women to enter the construction

1 workforce. I know Dave Wallace from Labor and
2 Workforce Development is here because he is
3 focused on the apprentice need which we've
4 talked about in the past as a great way to
5 encourage more minorities and women and veteran
6 to get into the workforce on the construction
7 side.

8 And it's a different issue depending
9 on where you are in Massachusetts. I know the
10 Springfield project is going to have unique
11 challenges, probably different than the project
12 in Everett. But keep focused on that goal as
13 well. This is encouraging.

14 MR. MATHIS: I appreciate that
15 comment. I met Dave earlier with Jill and
16 somebody that we want to talk to.

17 Sometimes I think it seems
18 counterintuitive that we're so focused on
19 workforce development, which are the
20 operational jobs in three years, and don't
21 spend as much time with you on the construction
22 side. Part of the reason for that is we are
23 trying that to the selection of our general
24 contractor.

1 So, those conversations are ongoing.
2 But they are obviously a critical player in
3 that conversation. We will come back to you
4 once that selection is made. We expect to make
5 it in the next two to three months. And we'll
6 roll out the same type of program to ensure to
7 you that we're going to achieve the same type
8 of goals that we are doing on the workforce
9 development side.

10 So, very focused on it and
11 understand the importance of making sure that
12 similar to the permanent jobs that we have,
13 local residents getting construction jobs, not
14 just pulling it from the East which is probably
15 easier way to do it. So, we'll be back to you.

16 COMMISSIONER STEBBINS: It's good to
17 hear. Thanks, Mike.

18 COMMISSIONER MCHUGH: I just want to
19 say we're constantly prodding and pushing and
20 that's our job. But this is a good tool. It's
21 an excellent tool. But the philosophy in back
22 of its use I think is really commendable.

23 The idea we're going to use this,
24 and here is why the lead time, is we're going

1 to train people, identify their skills,
2 identify their aspirations, help them get the
3 training, move them into the positions in a
4 company that has demonstrated its ability to
5 promote from within, and continue to do that.

6 And at that same time use this same
7 tool to backfill the jobs that are coming out
8 of other places. This is a win-win deal for
9 everybody. And it once again is, for me at
10 least as one Commissioner, demonstrating the
11 commitment that you have not only to meeting
12 our expectations but in many cases to exceed
13 them.

14 I sound like a cheerleader all of
15 the time, but there's a lot to cheer about
16 here. And I think this is really a remarkable
17 commitment to the basic and fundamental goals
18 of the statute. And I'm delighted to see this
19 presentation here today as one Commissioner.

20 MR. MATHIS: Thank you.

21 COMMISSIONER CAMERON: I also think
22 it looks like a fabulous tool, really getting
23 people the skills and having them identify what
24 they need and where they can go to get it,

1 which is even a bigger issue.

2 So, you've been doing this for about
3 two years?

4 MR. KNAPP: Yes.

5 COMMISSIONER CAMERON: And so are
6 there already some lessons learned for some
7 places that you've started to use this program?

8 MR. KNAPP: Yes. And the thing
9 we're finding is that every time we do it
10 someplace else, there are more lessons to be
11 learned.

12 So, it covers the gambit. One of
13 the nice things, and I think to your comments
14 Commissioners is about MGM, MGM is one of the
15 organizations that we've discovered has a
16 better handle on the skills required for its
17 employees than other organizations.

18 We've talked to many other large
19 companies with names that you would all
20 recognize who we've approached and said what do
21 you think about deploying this kind of a
22 strategy. And they have struggled because they
23 have recognized that they don't necessarily
24 know the skills that they have internal to

1 their current employees.

2 So, that's one of the things. So, I
3 just want to recognize that that MGM I think is
4 forward thinking not just in regard to the
5 community but also in their workforce in
6 general.

7 We are learning that the nice thing
8 about our platform is that it can be deployed
9 in partnership with a lot of people. We've
10 also found a couple of our early conversations
11 were such that people would see this as a
12 competitive element. And really, it's a way to
13 bring together the employer, the jobseeker and
14 the community service provider, education
15 provider in way that people can connect that
16 they can't currently in really any other
17 platform.

18 It's hard to your point, Mr.
19 Chairman, as it relates to kind of engaging and
20 make sure the tool is updated. One of the
21 things we wanted to create was a dynamic
22 platform because we recognize in talking to
23 other people that if you do it once and
24 everybody inputs all of the data and it goes

1 away or it hasn't been updated, within a month
2 it's out of date and it isn't a useful tool.

3 So, our platform is a dynamic
4 platform. So, as new positions come in and
5 identifies additional skills that may have not
6 already been put into the system, so you can
7 flag that.

8 So, the education providers can see
9 wait a minute, they're requiring an additional
10 capacity that wasn't there before. We need to
11 make sure our curriculum now reflects that so
12 that we can continue to have that be something
13 that is relevant throughout the time that it is
14 being used. Because you're right, if it's
15 never updated then it goes away despite what
16 all best intentions may be.

17 And we've also found the community
18 providers can really leverage this to identify
19 jobseekers who may require additional efforts
20 transportation, childcare that they can help
21 track those jobseekers through this kind of a
22 platform, and see when they're having
23 challenges or where some of the difficulties
24 may be and really provide those extra support

1 services.

2 They can see the progress that their
3 community members may be having or not making
4 and be able to make sure that the flag goes up
5 and ask the questions.

6 So, we learn a lot with kind of
7 every new deployment but we're very excited
8 about this because it's a much more holistic
9 approach because it can take place within an
10 entire community. And we've seen it in most of
11 the other places we've worked.

12 MR. MATHIS: And I'll just make one
13 more final comment. We are really are all in
14 this together. For Bob DeSalvio, we don't have
15 these guys under an exclusivity. So, I'd be
16 happy to share some of the upfront costs if
17 they'd be interesting in joining.

18 We're really excited. We really
19 appreciate the comments. And I think
20 Massachusetts has raised the bar with the
21 Gaming Act and what you've asked of us. And we
22 continue to meet it and exceed it. And it's
23 driving innovation within our own company.

24 So, I thank you for the high

1 standard that you've raised throughout this
2 process and very proud to continue to deliver
3 on that. Thank you.

4 CHAIRMAN CROSBY: Thank you very
5 much. We are going to take a quick break and
6 come back for our next report in five or 10
7 minutes.

8

9 (A recess was taken)

10

11 CHAIRMAN CROSBY: We are ready to
12 reconvene meeting 137. And I think we will go
13 right back to Ombudsman Ziemba. We are going
14 to change the schedule a little bit. We are
15 running ahead of schedule. And when we finish
16 with Ombudsman Ziemba, we are going to move to
17 the research and problem gambling agenda item
18 and have lunch after that.

19 MR. ZIEMBA: Thank you very much,
20 Mr. Chairman. Today we are joined by Wynn MA,
21 LLC for their first report since being
22 designated as the designated licensee a little
23 over a month today.

24 We are joined by Robert DeSalvio,

1 Senior Vice President of Development for Wynn.
2 And Jacqui Krum, Senior Vice President and
3 General Counsel for Wynn. Thank you Bob and
4 Jacqui.

5 MR. DESALVIO: Thanks John and good
6 morning, Commissioners. It's great to have
7 Jacqui with me here with me again from Las
8 Vegas. We are very happy really to present our
9 first update.

10 I would say that the key theme of
11 the update is significant amount of outreach
12 work that we've been doing since we last spoke
13 with you folks.

14 The first topic that we wanted to
15 cover is in the building and site design front.
16 The Commission had asked that we reconsider
17 looking at the actual design of the hotel tower
18 in particular. And I can tell you that serious
19 work is being done on that front.

20 I was in Las Vegas for the last
21 couple of weeks working alongside with Mr. Wynn
22 and the architecture and interior design team.
23 And they have some terrific ideas that we'll be
24 prepared to show you in a little bit. They

1 want to conclude the work that they've been
2 working on.

3 And quite honestly, it's not just
4 the hotel tower. Mr. Wynn really takes very
5 seriously the entire arrival sequence and what
6 the guests see as they enter the property. And
7 for those of you that might have been at G2E or
8 heard his keynote address, he spent some time,
9 quite a bit of time talking about the
10 Massachusetts project and the work that he has
11 done already in terms of making this a very
12 spectacular entry sequence, and trying to make
13 sure every aspect of that building is planned
14 out in a way that will be very well presented.

15 So, that work is underway. We took
16 your direction seriously. And we're looking
17 forward to presenting that at a later date.

18 The next items that we've been
19 working on very extensively is the preparation
20 of the final environmental report, what's known
21 as the SFEIR. That is a document that required
22 us to take a look at some of the -- mainly just
23 the transportation aspects of our program and
24 get back with DCR, with DOT, with the

1 communities that surround us and make sure that
2 we've covered all of our bases as it relates to
3 transportation.

4 I will tell you that work is going
5 on very aggressively. Our team is meeting with
6 the DOT and others at least a couple of times a
7 week. So, this is an extremely active process.
8 I can tell you also that it's going very well.

9 And without going into all details,
10 I will just give you a couple of examples. We
11 are looking in the Phase 1 Sullivan Square, the
12 DOT had some great suggestions about one of the
13 intersections. It was one that we had not re-
14 signalized. We talked about some realignments
15 of the sidewalks and the curbing to provide
16 better pedestrian access.

17 So, each of the meetings goes
18 through in sort of painstaking detail making
19 sure that we've got the right plans in place.
20 So, that work is going well. We've been doing
21 some work on Santilli Circle. That's where we
22 have a very large piece of mitigation with the
23 new flyover bridge. We got some excellent
24 feedback from DOT and some of the engineers

1 about making that transition go smoother. It's
2 a very important intersection for those that
3 might arrive from the North at our property.

4 So, those are the kinds of example
5 of things that we do really a good couple of
6 times a week. And that process is moving along
7 very well.

8 We also are working with the MBTA.
9 I know that you are fully aware that we had
10 started the procurement process with the MBTA
11 for an important parcel that helps us provide a
12 service road access around the rear of their
13 property.

14 We recently did some survey work.
15 The good news, we found out there had been some
16 questions about a right-of-way issue back with
17 the tracks. And after going through last week
18 the survey work and at a meeting just yesterday
19 with the MBTA, we realized we don't need that
20 property as part of it. So, that sort of takes
21 one complication in that particular transaction
22 off the table completely.

23 So, right now the main focus is our
24 team working with the MBTA and their operations

1 team to make sure that we can get done what we
2 need to get done, but also recognizing the
3 importance of that MBTA facility and making
4 sure that their operations can go on just as
5 smoothly.

6 So, again very strong progress and a
7 meeting again -- I think there's a meeting
8 again this afternoon with the MBTA and our
9 team. So, again, good news there. And we're
10 progressing very well for all of the items
11 related for the SFEIR.

12 COMMISSIONER ZUNIGA: Can I ask you,
13 are you still considering the alternative or
14 the second entrance for the service?

15 MR. DESALVIO: Yes, we are. So, we
16 started that procurement process. In the
17 document, we had actually mentioned that it was
18 subject to some final review of the property
19 lines and what exactly we needed and the ops.
20 team at MBTA. So, right now we're just kind of
21 cleaning up the design. That's the ongoing
22 meeting. Yes, we do want to have that
23 secondary access point.

24 Next item on our construction

1 manager. I think the Commission is well aware
2 that we've been working with Gilbane in the
3 preconstruction mode. Now Jacqui and the Wynn
4 design development team in Las Vegas are
5 currently working on converting that
6 preconstruction into more of a formalized
7 arrangement.

8 So, while that has not been
9 concluded, certainly our teams are negotiating
10 back and forth. And we are going to continue
11 working on that progress. And hopefully we'll
12 have a solution relatively soon in terms of a
13 final determination on construction manager.
14 But Gilbane has been a terrific partner of ours
15 all of the way through. As you'll see later in
16 my presentation, they've been working with us
17 on our outreach sessions as well.

18 Next item I want to talk about is
19 also very important on our list, and that is
20 our remediation effort. We are currently in
21 the process of doing on-site soil
22 characterization. That's really a fancy term
23 to describe going in and looking at the soil,
24 seeing what's in there so that we can do the

1 final preparation of our Phase 4 report.

2 In the DEP chain that Phase 4 is
3 really the last of the big steps before you can
4 actively begin remediation. And it's obviously
5 very important to know we've got out there.
6 So, that work is ongoing now.

7 And we're looking like that by the
8 end of the year that we should be able to
9 complete the Phase 4 process with the DEP. Our
10 current schedule calls for on-site remediation
11 to begin the first quarter of next year. So,
12 all good news on that front.

13 As a follow-up to that there's a lot
14 of public interest in the remediation part of
15 our particular project. We've had a great
16 relationship with Tufts University. That
17 started out with the environmental services
18 department but has now sort of spread
19 throughout the rest of Tufts. And economic
20 classes and other groups are now very
21 interested in not only the remediation work but
22 what does this mean longer term for the Mystic
23 River and overall development up and down the
24 Mystic.

1 So, we've had a great relationship
2 with the Mystic River Watershed Association.
3 And we're going to be doing a presentation
4 October 28 at Tufts. And that will be along
5 with the University and Jamie Fay who works
6 with us at Fort Point and myself and we'll be
7 talking to some of the students and other folks
8 that join us for the session.

9 But it's something that's important
10 to us since so many people are interested in
11 the remediation part that we want to make sure
12 that we're out there actively talking about it
13 and those sessions are available. In this
14 particular case, it's open to the general
15 public.

16 CHAIRMAN CROSBY: So, who is
17 sponsoring it at Tufts?

18 MR. DESALVIO: Tufts along with
19 ourselves and the Mystic River Watershed
20 Association. So, October 28 at 7:00 PM at
21 Tufts University in Medford.

22 CHAIRMAN CROSBY: There's a
23 tremendous resource of graduate students who
24 are -- You're nodding. Good.

1 MS. KRUM: We have spoken to them,
2 yes.

3 MR. DESALVIO: It's been a great
4 relationship so far. And it's a very important
5 topic and one that we want to make sure is out
6 there and available for the public to hear
7 about.

8 The next item I want to talk about
9 is the vendor and career information sessions.
10 What happened after the award of the license or
11 the designation of the award, our phones really
12 were ringing off the hook. Everyone wanting to
13 know how could I sign up, potentially be a
14 future team member at Wynn. How could I be a
15 vendor or get involved with the project.

16 So, we immediately began planning
17 these sessions so we could get the word out.
18 So far, it's been going very well. On the next
19 slide you'll see that we've lined up six of the
20 sessions. We've had three already and three
21 more to go.

22 Monday we were in Malden at Jackson
23 Suite. Tuesday we were in Cambridge at the
24 Marriott. Last night we were in Everett.

1 Tonight we are going to be in Charlestown.
2 Next week we're in Chelsea. And we wanted to
3 do one on the North Shore. So, we're going to
4 do one at North Shore Community College on the
5 30th.

6 These are a combination of both
7 folks that are interested in potentially being
8 new employees down the road but also those that
9 may want to get involved in the construction
10 side of the business as well. And Gilbane has
11 been there.

12 We've had representatives from the
13 Massachusetts Gaming Commission there. Both
14 Jill Griffin who's been terrific, David Acosta
15 to talk about both the employment and the
16 vendor process for registration.

17 We've also had representatives, Bob
18 LePage from the community college group and the
19 Casino Career Institute. They're talking about
20 training programs and how people can get
21 involved in the industry through either the
22 community college network or eventually through
23 the new dealer schools.

24 The building trades have been

1 represented. Brian Doherty, the head of the
2 Building Trades Council has been in attendance
3 at some of the sessions. We've had great
4 response from the carpenters. The carpenters
5 are making available at those sessions
6 opportunities for apprenticeships.

7 And what we've heard from the
8 carpenters is whenever large-scale projects
9 like this get announced, they get a significant
10 uptick in the amount of people that may want to
11 get involved in the construction trades. And
12 that opens up opportunities for the unions to
13 really use their very strong apprenticeship
14 programs.

15 So, that particular breakout session
16 has been very active as well. So, it's good to
17 see. And we've been getting tremendous support
18 from the building trades.

19 And of course Gilbane has been there
20 along with their partner Janey. Janey is the
21 group that works with Gilbane on making sure
22 that veterans, women and minorities will get
23 involved in these jobs. And most importantly
24 is we're looking to trying to break up the

1 packages into many more than would typically be
2 done in a job.

3 We're looking at upwards of 150
4 different bid packages. And if you break them
5 up into smaller pieces, normally that will
6 provide more opportunities especially for some
7 of the folks that don't normally get to
8 participate. So, that's been very well
9 received. And they're getting a lot of
10 interest.

11 Even though these sessions are not
12 really -- they're not really job fairs for us
13 yet, because really as Mike mentioned earlier,
14 it's a little early for somebody to be signing
15 up for jobs that are two and three years down
16 the road.

17 But it's not at all early for those
18 that want to get involved in the construction
19 trades. So, in a sense there are really a
20 little bit of construction job fairs, along
21 with information sessions for what we hope will
22 be very robust employment opportunities for all
23 around these communities.

24 CHAIRMAN CROSBY: Bob, excuse me.

1 You were here or Jenny at least was here when
2 we had the access and opportunity committee
3 presentation?

4 MR. DESALVIO: Correct, Jenny was
5 here. I was out in Las Vegas.

6 CHAIRMAN CROSBY: It's very
7 straightforward. It's blocking and tackling,
8 but that's what makes this stuff happen. If
9 you haven't looked at it closely just as a tool
10 to help move things along, it's worth doing.
11 It's a really good model.

12 And I am sure that the people Susan
13 Moir and whatever the other woman's name was
14 would stop by and talk to you about how to make
15 it work. But it's a really good tool for --
16 The best of intentions aren't enough is the
17 point. You really, really need on the ground
18 committed support not only from the top but at
19 the grassroots, from the unions, from the
20 subcontractors in particular. So, it's an
21 important model to follow up on.

22 MR. DESALVIO: Great. We will
23 certainly make use of that information as well.
24 But good to see really over the last few nights

1 the activity at the construction trades table.
2 It was really, really a nice part of each of
3 the session.

4 The next thing we've been working on
5 extremely aggressively is surrounding community
6 engagement. Right after the designation, I
7 began reaching out to all of the communities
8 that surround us. And quite honestly the
9 approach I'm taking is not just the ones that
10 are formal.

11 For example, I had a great
12 conversation, we haven't met yet, but over the
13 phone I met Kim Driscoll who is the mayor up in
14 Salem. They have a wonderful tourism community
15 up there. And we know that a lot of guests
16 that will be visiting us are going to want
17 reach out around the area. So, we talked about
18 getting together at a later date.

19 So, I don't view this as simply the
20 communities that we have agreements with. We
21 are in a larger area here. And I think it's
22 going to be ultimately important for us to talk
23 to everybody. So, we've been very aggressively
24 trying to get out there and talk to our

1 surrounding partners.

2 Another good example is Jay Ash over
3 in Chelsea was kind enough to give me a good
4 hour, hour and a half where he took me through
5 all of the upcoming economic development plans
6 in Chelsea. And I have to tell you, it was a
7 fascinating session.

8 I had no idea that they've got, I
9 think it's close to 1000 different rooms on the
10 books for smaller hotel projects in and around.
11 He was telling me about the Silver Line and the
12 new opportunities that will be available at the
13 transit station there.

14 So, I think it's important for us to
15 learn a lot about what's going on in all of our
16 neighboring communities. And we are just going
17 to continue that outreach all of the way
18 through. And those discussions have really
19 yielded good results and I'm going to continue
20 to schedule them.

21 Other engagement with our
22 surrounding communities, we listed a couple
23 events on the next slide. We're involved with
24 the Everett City Fest supporting local vendors.

1 We sponsored a concert series in Malden for the
2 summer. And the mayor and the community were
3 very thankful for that. We've helped out at
4 the Community Water Chestnut Removal Project.
5 That's something that's done annually over four
6 days because it's important for the Mystic
7 River.

8 We've also went to the -- I know
9 Jenny went down to the Greater New England
10 Minority Supplier Development Council. They
11 had their conference. And we were represented
12 there along with Gilbane. Other things that
13 we're doing on the next slide, we have a great
14 relationship with the Boston Bruins foundation.
15 And we're working -- We're right in the middle
16 of a series with them for youth ice hockey
17 clinics that we're doing in East Boston, in
18 Everett, in Malden and in Cambridge, and then
19 the youth street hockey as well in Chelsea and
20 Medford as part of the public school program.

21 Then the wives of the Boston Bruins
22 players are helping us out. They work with the
23 Charlestown Boys and Girls Club. And they go
24 out and help them go out and they go to a store

1 over in Somerville. They purchase costumes and
2 get them sort of ready for Halloween. Those
3 are the kinds of things that we really like
4 doing to get out there and show that we're
5 going to be a good community partner for all of
6 our surrounding areas.

7 A couple of other things I wanted to
8 talk about. We're sponsoring some pretty
9 important events coming up. Boys and Girls
10 Club of Middlesex County, their annual Gala,
11 the Cambridge Chamber of Commerce, we just
12 recently joined as a new member. There was a
13 Chelsea Pot-O-Gold banquet, the Everett
14 Independence Day celebration, Everett Chamber
15 of Commerce, we were part of the annual golf
16 tournament. The Veterans, Inc. annual Gala,
17 the Malden Latino Festival and the Malden Pot-
18 O-Gold banquet.

19 One other one I didn't mention on
20 here, but we've been helping out the
21 Charlestown Little League. They needed some
22 improvements over at the Ryan Field complex,
23 which is very close to where we are. So, they
24 worked with us in telling us what the needs

1 were. And then we recently were able to give
2 them a nice check so they can get going on
3 those programs. But it's a great group. I've
4 met some of the folks over there. And we're
5 happy help out the little league because
6 they're going to be good neighbor to us.

7 I want to talk a little bit about
8 diversity. We've had ongoing meetings with the
9 Massachusetts Supplier Development office along
10 with previously I mentioned the Greater New
11 England group. So, we're not only focusing on
12 just Massachusetts but there are some good
13 opportunities regionally as well.

14 We've been working together with
15 Jill and the Vendor Advisory and Workforce
16 Development team. We submitted a draft already
17 of the diversity plan. And then we'll be
18 working to finalize that in the near future.
19 So, all of those efforts have been going well.

20 In closing, what I really want to
21 say is that we've been extremely busy, not
22 skipping a beat, and really focusing a lot on
23 outreach. And I think it's yielded very good
24 results. So, we've hit the ground running

1 since you've made the designation and we're
2 going to continue to do so. With that Jacqui
3 and I are available for any questions.

4 CHAIRMAN CROSBY: Commissioners?

5 COMMISSIONER CAMERON: Do you see
6 any roadblocks to your timetables you provided
7 to us? You gave us a report today and talked
8 generally how you're happy with the progress.

9 MR. DESALVIO: Very happy.

10 COMMISSIONER CAMERON: So, do you
11 see anything that could create maybe a gap in
12 time or some delays?

13 MR. DESALVIO: No. Obviously, our
14 next big filing is the SFEIR. And we want to
15 make sure on that particular document accuracy
16 is more important than speed. So, we want make
17 sure that we have addressed every single item
18 that we got back in the Secretary certificate
19 so we can get that back in and have that go
20 smoothly.

21 We are not sure which meeting yet
22 we're going to get on the agenda for or the
23 submission date, but we are looking forward to
24 getting that done before the end of the year.

1 I just can't pinpoint the date. Everyone on
2 our team has been focused on making sure that
3 we accurately cover all of the bases on that
4 one.

5 COMMISSIONER CAMERON: Thank you.

6 CHAIRMAN CROSBY: Anybody else?

7 COMMISSIONER MCHUGH: I think it
8 sounds like a good report and a good start.
9 And we look forward to continuing to look for
10 some progress as the months progress.

11 MR. DESALVIO: Great, thank you.

12 CHAIRMAN CROSBY: Thank you very
13 much. I think that wraps up the Ombudsman
14 report. We are now going to move to item five
15 on the schedule, Mark Vander Linden, Director
16 of Research and Problem Gambling and his team.

17 MR. VANDER LINDEN: Good morning,
18 Commissioners. The Responsible Gaming
19 Framework that was adopted by the Commission
20 last month, September 25. The Responsible
21 Gaming Framework was designed and intended to
22 inform our regulation as a Commission. It is
23 also intended to inform practice, inform policy
24 of our operators.

1 Within that Responsible Gaming
2 Framework was adopted was one issue that still
3 remains somewhat unresolved. So, I want to
4 bring that back before you with a report, some
5 additional information.

6 That specific section was section
7 2.2 within the framework, informed player
8 choice. Under informed player choice is a
9 specific section that addresses play management
10 systems. And these play management systems
11 really are tools that are incorporated onto the
12 play management software, onto the player cards
13 to help inform players make better informed
14 decisions about their specific gambling
15 behavior.

16 These types of tools are intended to
17 be individualized for players, allowing them to
18 do a host of things but probably more
19 specifically and overarching would be allow
20 players to set predetermined limits on the
21 amount of money or the amount of time that they
22 are spending at a gambling session.

23 There was a lot of controversy about
24 this specific practice when it first came up

1 and was first introduced into the framework.
2 We've paid a lot of attention to that concern.
3 We have engaged what were our applicants and
4 now our licensees in a number of discussions
5 dating back to May when it first came up at the
6 Mass. Partnership for Responsible Gaming
7 meeting.

8 We brought it back up again in July
9 with a little bit more intensive focus on that.
10 We brought in some local experts. We took a
11 very close look at what evidence exists
12 specifically for these types of play management
13 features. What is the evidence?

14 And quite honestly, what came out of
15 that meeting, what came out of our research is
16 that these are relatively new ideas. There at
17 times lacks a lot of clarity that we would
18 normally be looking for if we said this is a
19 best practice. But at the same time, I think
20 that there is a lot of merit that warrants us
21 to look at this further.

22 So with that, the Commission engaged
23 the services of Judith Glynn who is beside me
24 here and a team that she works with through her

1 company, Strategic Science, to not just take a
2 look at what we are seeing in terms of the
3 research that has been published on this issue,
4 but to dive down deep into the weeds and take a
5 look at what was the experience of operators in
6 other jurisdictions? What was the experience
7 of gaming manufacturers? What was the
8 experience of regulators?

9 Both what is their experience as
10 well as what is their recommendations on this
11 specific issue? And that's what we hope to
12 present to you today in what I will turn it
13 over to Judith to present for you.

14 So with that I want to introduce
15 Judith Glynn with Strategic Science, and allow
16 her to provide you a report and summary of the
17 findings. Judith.

18 MS. GLYNN: Thank you, Mark. Are
19 you able to hear me okay? It's a pleasure to
20 be here and certainly an honor to put a team
21 together to help inform the great work you're
22 doing in Massachusetts.

23 So, I first became involved with
24 your Commission when I worked with Mark to

1 prepare for that meeting in July where Dr. Lia
2 Nower who is a leading researcher in the field
3 did a review of evidence. And I worked with
4 Mark and Lia to facilitate that meeting. The
5 goal was to get that deep understanding of the
6 concerns around this issue of pre-commitment as
7 it was articulated in the draft of the
8 framework that you had seen.

9 And since that time, what we've done
10 is take a look at the experience of other
11 jurisdictions and bring to you our best advice
12 based on the scientists on our team, their
13 knowledge of the research literature and of the
14 field at large. Certainly, Dr. Alex
15 Blaszczynski and Dr. Lia Nower would be two of
16 the leading scientists in the field of gambling
17 and problem gambling research, and personally
18 have contributed to the literature around
19 limit-setting tools and pre-commitment.

20 So, what we wanted to do was draw on
21 that experience and then draw on the experience
22 of a number of jurisdictions that had
23 implemented these tools in order to bring the
24 kind of information that you needed to make

1 your decision. So, we do have some
2 recommendations for you, but first maybe a
3 little bit background.

4 Maybe if we could move to the next
5 slide. We looked at the countries of New
6 Zealand, Canada, Australia, Norway, Sweden and
7 Singapore. So, there were two things that we
8 did when we looked at these countries. We
9 gathered documents. And that included any
10 documents that their regulator or government
11 agencies had produced to announce it, news
12 releases, press releases, media coverage. We
13 looked for evaluation reports, any kind of
14 documents that we could get that would give us
15 an insight into the kinds of things we needed
16 to know.

17 So, what we wanted to know from
18 these jurisdictions was what were your
19 objectives when you envisioned the program?
20 Who was your target audience? How did you
21 design the program? What were the key elements
22 of it? What did the customer interface look
23 like? What software? What hardware? How did
24 people access it?

1 And then things like what was the
2 customer response? Did you do marketing and
3 promotion? Did you do education? Did people
4 understand the tools? What was the
5 technological interface like? How was
6 implementation? Did it go smoothly? Were
7 there major glitches? Were the glitches
8 technological, operational or in terms of
9 customer understanding? Was staff training
10 what was lacking?

11 And then we asked them some bigger
12 questions like what lessons did you learn?
13 What do you plan to do to improve the program?
14 And then finally if you were giving some advice
15 to the state of Massachusetts on how to do
16 this, would you recommend that they do it? And
17 if you did how would say they should do it?

18 COMMISSIONER ZUNIGA: Ms. Glynn, did
19 you look at jurisdictions within the states?
20 You mentioned the state of Missouri.

21 MS. GLYNN: There are two examples,
22 Missouri's loss limits experiment from 1995 to
23 2008. The challenge with those examples and
24 what I'll speak to maybe a little bit more in

1 the presentation is that what was really being
2 evaluated was a mandatory registration process.

3 And what we found when we looked at
4 the countries that we did, if you could back up
5 a couple of slides, is that when you had
6 mandatory registration, it completely clouded
7 the customer response to the limit-setting
8 tools.

9 So, the challenge in the Missouri
10 loss limit experiment was that everybody had to
11 register. And everyone had to use that card
12 with the limit on it. There was no voluntary
13 aspect to it. So, it was difficult for us to
14 use that as an example.

15 And it was true of some of the other
16 examples we used. Iowa also briefly
17 experimented with loss limits. But again,
18 these were imposed limits. They set a certain
19 dollar amount, \$50 per session in Iowa, \$500
20 per two-hour session of play in Missouri. But
21 it was mandatory registration and mandatory use
22 of the card and mandatory limits. There was no
23 flexibility.

24 So, we didn't look too deeply at

1 those because there were richer more current
2 examples in other countries. But we certainly
3 looked at those for their relevance to what you
4 want to do.

5 COMMISSIONER ZUNIGA: Nova Scotia
6 also introduced it mandatorily, right?

7 MS. GLYNN: Yes. It is perhaps the
8 most cloudy introduction of play management
9 tools that we saw in any jurisdiction. And
10 we'll probably speak a little bit more in
11 detail about that as we go forward. But Nova
12 Scotia, if I may, it is probably the most
13 politically loaded gambling jurisdiction in
14 North America.

15 You might argue with me on that, but
16 it's a small and largely rural community. A
17 lot of people have jobs in the fishing
18 industry, extremely high use of government
19 income support programs through employment
20 insurance and social assistance. Further
21 clouded by the fact that the operator is in
22 fact government.

23 So, when they introduced the reforms
24 in particularly when they moved from the

1 voluntary to the mandatory model, it became a
2 game to defy government's attempts to monitor
3 and control our behavior. So, it really wasn't
4 about limit-setting tools in many senses.

5 The challenge for us with each of
6 these jurisdictions was finding the elements
7 that would be relevant to the kind of model
8 that were looking at here in Massachusetts.
9 So, we looked at all of those.

10 We looked at what we could glean
11 from them, but in some cases the results were
12 so influenced by things like mandatory
13 registration and the reaction to that, the sort
14 of visceral reaction that citizens had that it
15 was very difficult to get a clean evaluation of
16 how the limit setting tools were used and
17 whether or not they were effective.

18 And we did try to do that very much
19 by looking at all of these different
20 jurisdictions and kind of cross-referencing
21 what we learned. But yes, that is why you
22 don't see us speaking specifically to the
23 Missouri that longer '95 to 2008 loss limit
24 experiment. It wasn't an experiment. It was a

1 policy and then the Iowa one as well.

2 Let's do this. We'll jump ahead a
3 little bit. So, what we were looking at were
4 all of those things that I spoke to you about.
5 In many cases, interestingly enough, the most
6 valuable data for us was in trials rather than
7 implementation.

8 What we found with countries that
9 had implemented limit-setting were a couple of
10 things. One is that in some cases they were
11 reluctant to share too much in the way of hard
12 data. They were very willing to speak to their
13 qualitative experience. But in some cases, it
14 was difficult to get hard numbers.

15 The trials on the other hand,
16 particularly --

17 COMMISSIONER MCHUGH: Why was that?

18 MS. GLYNN: Well, in some cases,
19 it's too early. Singapore said it's just too
20 early. We can't do it yet. Sweden said we're
21 just meeting now to develop our data analytics
22 plan and what our desired outcomes are and what
23 we're going to measure.

24 New Zealand said we put this program

1 in place in three months. And we didn't set
2 specific objectives for it when we developed
3 it. So, in many cases what we learned is that
4 they hadn't actually specified their objectives
5 at the outset. So, when we were asking them
6 what they measured, in some cases they hadn't
7 measured. But where there was a specific trial
8 where they piloted the technology over a
9 contained period of time that's where we were
10 able to get some of the data.

11 So, what I've done is just extract
12 one jurisdiction. And this is the state of
13 Queensland in Australia. They did two sets of
14 trials. One was in the Redcliffe and I think
15 it's Sandbank (SIC) properties. So, there was
16 one trial there where they implemented
17 voluntary player registration.

18 Then the other one was the Playsmart
19 analysis of a phase 1 and phase 2. So, what
20 they did here were two forms of voluntary
21 registration or enrollment. Phase 1 was
22 without incentives. And phase 2 was with
23 incentives. So, this is where we got some
24 really interesting data where you can actually

1 see some comparisons.

2 What we heard from these
3 jurisdictions loud and clear was that the two
4 major things really made it challenging. One
5 was that they rarely implemented what they
6 originally envisioned. Almost always some kind
7 of political influence came into play, and they
8 went from voluntary to mandatory and back. Or
9 they went to mandatory with a watered-down
10 version.

11 Even in Norway they only had six
12 months with a voluntary system before the
13 government changed and put a mandatory system
14 in place. So, they really said envision a
15 system and implement it cleanly. Do not change
16 course part way through because you're not
17 going to get a smooth and a clean
18 implementation.

19 The other huge piece was you must
20 educate staff and you must educate players. If
21 you don't have that interaction between staff
22 and players, you are not going to get people
23 understanding and enrolling and seeing the
24 tools as relevant.

1 And related to that was this idea
2 that unless you promote the program as normal,
3 people will not see it as salient. They won't
4 see it as relevant to them. If you say these
5 are tools to reduce the harm from problem
6 gambling, nobody will sign up. Even if you say
7 they're responsible gambling tools, they think
8 that that's for people who are already at risk.
9 When they were positioned as normal budgeting
10 and time and money management tools that's when
11 the success was seen.

12 So, in these Queensland trials, if
13 we go back to the first slide on Queensland,
14 one of the things they noted was that with the
15 active promotion, and they did some pretty
16 active promotion, you can see they had a sign-
17 on incentive. They had a chance to win a
18 weekly draw. The dedicated six staff to
19 working the floor and promoting the use of the
20 tools and helping people through the signup
21 process.

22 They sent promotional letters to all
23 of their players. And even with that, which in
24 our review is probably as aggressive a

1 promotion campaign as anyone did, some of them
2 did zero or very near to zero in terms of
3 education and promotion. And many of them were
4 catching up after implementation, realizing
5 they had to train staff, send out ambassadors
6 that kind of thing.

7 But if they did active promotion, it
8 took three to four months for usage to peak.
9 That was where they would get players who were
10 using the tools actively, setting real limits
11 that had some meaning to them. And feeling
12 that the limits were useful to them.

13 So, at the Sandgate property after
14 the third month that was when 90 percent of
15 them enrolled after the third month. And in
16 the Redcliff property it was after the fourth
17 month that 79 percent of the players enrolled.

18 So, what you saw is that people
19 needed some time to understand the tools, to
20 get used to them and then they started to use
21 them in a meaningful way.

22 CHAIRMAN CROSBY: Excuse me, Judith,
23 how do those numbers square with the 13 to 28
24 percent? This says enrolled, but your report

1 says that 13 to 28 percent actually used it and
2 spent daily limits.

3 MS. GLYNN: So, these are subs of
4 that 13 to 28 percent. So, of the people who
5 used the system, 90 percent enrolled in the
6 third month. So, it was slow to get to that
7 rate.

8 CHAIRMAN CROSBY: Oh, I see.

9 MS. GLYNN: That's a percentage of
10 people enrolled.

11 CHAIRMAN CROSBY: I thought you
12 meant by the third month. Okay.

13 MS. GLYNN: Those numbers are high.
14 There are jurisdictions that were still
15 experiencing that lower kind of one percent and
16 below 10 percent uptake as well on the tools,
17 which you'll see it continues to be a concern.

18 So, just as a comparison, they did
19 12 months without promotion. And it took them
20 as long in 12 months to get the same number as
21 they got in four months with promotion. So,
22 what this tells us is if you do it right, if
23 you promote the program, if you educate
24 players, if you have ambassadors, people will

1 use the tools.

2 CHAIRMAN CROSBY: Wait a second.

3 You're saying that when they promoted the
4 signup you then got 13 to 28 percent.

5 MS. GLYNN: Yes, within four months.
6 Whereas with the other method, it took 12
7 months to get there.

8 CHAIRMAN CROSBY: Okay.

9 MS. GLYNN: So, the interesting
10 thing is you use the promotion to sign them on.
11 Then they signed on and said, hey, if I had
12 understood how valuable this was going to be, I
13 would have signed on without incentives. But
14 you have to have the promotion and the
15 incentives to let people see the value. We
16 heard that from every jurisdiction we spoke to.

17 So, if we just go to the next slide,
18 we look at how did players respond to these
19 tools? What did they think they meant for
20 them? A hundred percent of the players
21 surveyed found the procedure was
22 straightforward. They were really pleased with
23 the customer interface. There were some
24 specific findings around the customer

1 interface. They really worked at making that a
2 really warm and pleasant interface.

3 Another thing we heard, for example,
4 Norway said ours looked too much like
5 government collecting your data. And that's
6 why people resisted. Make it warm. Make it
7 engaging. Ninety-five percent felt confident
8 using the card. They felt they understood and
9 they were using it properly.

10 Fifty-eight percent felt that it
11 made them think more about how much money they
12 were spending on gambling. And that's really
13 important. Hang onto that thought making
14 people think about how much they're spending on
15 gambling, being more explicit in their
16 decision-making.

17 Forty-five percent said it made them
18 think more about how affordable it was for them
19 to gamble. They saw the card-based system of
20 limit-setting as a major benefit to them. So,
21 a benefit of having a loyalty card was having
22 these limit-setting tools.

23 If we can go next slide. The
24 maximum was interesting too. The \$50-\$100 a

1 day maximize is an interesting piece because
2 you'll see in our recommendations we talk about
3 giving people some sense of what might be
4 normal or average rates for gambling in a
5 session.

6 If we go to the next line, really
7 significant improvement reported across all
8 groups. I am going to point out that one of
9 the flaws with the research around -- certainly
10 the scientific literature around this concept
11 of pre-commitment or limit-setting is this
12 really narrow focus on harm from problem
13 gambling.

14 And if you think about these tools
15 the way they were originally envisioned that's
16 not really what they're about. Despite that,
17 there was some improvement in the problem
18 gambler group, but this was not the target
19 audience.

20 One operator said to us problem
21 gamblers are our lost souls. We are not
22 targeting problem gamblers. We are targeting
23 the average player. Twenty-three percent of
24 those that would have moderate risk reported

1 that they were better at sticking with their
2 limits, the limits that they had sent.

3 Twenty-eight percent of players
4 reported that they had reduced their spending
5 and that it was as a result of using these
6 tools. So, 62 percent said this made me think
7 more explicitly about how much money I was
8 spending on gambling.

9 And if we can go to the next slide.
10 This just speaks to the details. It really
11 came through to us from every single informant
12 we interviewed, the details of how you do this,
13 how the technology works, how the staff
14 interact with the customers and the customers
15 with the technology, this is going to determine
16 whether you're successful or not.

17 They really appreciated these are
18 five things: a personalized limit reminder
19 message; setting limits based on the money you
20 want to spend. So, that was the way -- How
21 much do you want to spend on gambling today?
22 That was a relevant way for them to think about
23 what they were going to do that day.

24 Sorry that should be preset playing

1 limits, not present. I'm sorry. So, they
2 appreciated having some preset limits that they
3 could use to guide their behavior. They liked
4 getting those player activity statements, which
5 is part of your framework already. And that's
6 good news.

7 And they liked having these breaks
8 where it said, okay, you know you're at 60
9 percent of your limit now. You're at 90
10 percent of your limit now. Oh, you're at 100
11 percent of your limit. Your game has stopped.
12 You need to make a decision now. Are you going
13 to go forward or not, because this is how much
14 you said you wanted to spend.

15 COMMISSIONER MCHUGH: So, these are
16 five ingredients to success you said?

17 MS. GLYNN: Yes.

18 COMMISSIONER MCHUGH: How do you
19 define success?

20 MS. GLYNN: How do we define
21 success? Strong uptake and the tools are seen
22 as effective and valuable to your players.

23 COMMISSIONER MCHUGH: By the
24 players?

1 MS. GLYNN: Yes. And I'll speak
2 that. That's very much how we think that this
3 program should be positioned as value to
4 players. So, if we go to the next slide.

5 CHAIRMAN CROSBY: If you're done
6 with Queensland, that was the trial. That was
7 the data from the two trials, right?

8 MS. GLYNN: Yes.

9 CHAIRMAN CROSBY: So, they now
10 implemented this in 49 venues across Queensland
11 apparently?

12 MS. GLYNN: Yes.

13 CHAIRMAN CROSBY: What's happening
14 with --

15 MS. GLYNN: We don't have data from
16 the implementation yet. The interesting thing
17 is that Australia was the most hot debate
18 around pre-commitment. I don't know if you're
19 aware of that, but it was a huge political hot
20 potato. In fact, you could say that at least
21 one government fell over the issue of pre-
22 commitment.

23 CHAIRMAN CROSBY: Really? Wow.

24 MS. GLYNN: So, it became very hotly

1 debated in Australia. They are much more
2 polarized in terms of the issue of gambling in
3 Australia.

4 COMMISSIONER ZUNIGA: Don't they own
5 the casinos in Australia just like they do in
6 Norway?

7 MS. GLYNN: Oh, no. No, it's all
8 private sector.

9 COMMISSIONER ZUNIGA: But they own
10 them in Norway?

11 MS. GLYNN: Yes, in Norway it is a
12 government operator, yes. And that actually
13 would speak to some of that resistance in
14 Australia because they are used to the private
15 sector being able to do what it wants.

16 So, when this was going to be
17 imposed, these mandatory limit-setting tools
18 that where you got the resistance. And really
19 the resistance was to the mandatory aspect of
20 it.

21 CHAIRMAN CROSBY: Go ahead.

22 COMMISSIONER CAMERON: You answered
23 my question. What was the polarization all
24 about? And it was the mandatory aspect.

1 MS. GLYNN: The polarization is
2 there in Australia around gambling already.
3 Dr. Alex Blaszczynski who was one of our team
4 members found himself in the midst of that
5 storm. Where he was being seen by the
6 responsible gambling advocates as being aligned
7 with industry, because he spoke out against
8 mandatory limit setting and said it doesn't
9 work.

10 One of the wonderful things about
11 working with Dr. Blaszczynski on this report was
12 that he came to say I wholeheartedly with every
13 ounce of my being support what we're
14 recommending here because this is doing it
15 right. And it will surprise people because of
16 the way he was perceived in that Australian
17 debate as having aligned himself with the
18 industry who were resisting the introduction of
19 pre-commitment.

20 But what he really spoke to was when
21 you make it mandatory, you miss the point. And
22 I guess that's what this slide is about.

23 CHAIRMAN CROSBY: Sorry, one more
24 Queensland question. The trials were in 2005.

1 When did they implement these in the 49 venues?

2 MS. GLYNN: I don't know the exact
3 date, Chairman Crosby.

4 CHAIRMAN CROSBY: More or less? I
5 mean was it like several years ago? It was 10
6 years ago when they did the trial.

7 MS. GLYNN: I would have to look it
8 up. I apologize.

9 COMMISSIONER ZUNIGA: How long did
10 the trial last?

11 MS. GLYNN: Two years.

12 CHAIRMAN CROSBY: Oh, two years.
13 So, the soonest would have been 2008. It'd be
14 interesting to know obviously because the data
15 of how the system is actually operating versus
16 how it worked in this experiment would be
17 tremendously interesting.

18 MS. GLYNN: Yes. We did get that
19 from a lot of the jurisdictions who had it in
20 place. I think what I might suggest, and ask
21 questions as we go, but when we get to speaking
22 to some of the specific recommendations that
23 we've made, maybe what I can do is talk about
24 which jurisdictions fed into those or drove

1 some of those recommendations in terms of their
2 experience with the limit-setting tools.

3 And that might give you a sense of
4 what you're looking for there. Because you're
5 looking for who is doing it right now, and the
6 choice of Queensland was because they had
7 really clean data for us to use. And that was
8 challenging with the jurisdictions that have it
9 in place.

10 So, this next slide is really about
11 terminology. I'm sorry, if we can go back to
12 the pre-commitment slide. One of the things
13 that's happened in the world of gambling is
14 that this issue of pre-commitment has come to
15 be seen as a problem gambling prevention tool.
16 Or a tool that is really all about preventing
17 people from developing gambling problems.

18 But what we as a team would like you
19 to do is go back to first principles. What
20 does pre-commitment mean? It has a long
21 history in the economics and consumer behavior
22 literature starting with I think Strotz
23 (PHONETIC). And then in the 80s Thaler and
24 Thomas Schelling, one of your most famous US

1 economist Nobel Prize winner. They spoke about
2 this concept.

3 They named it pre-commitment but
4 they said we're not inventing the concept.
5 What we're doing is naming a behavior that
6 people use to manage themselves. So, what they
7 really talk about in this literature is that we
8 all understand that we are dynamic beings.

9 That when we sit here in our calm
10 and present state and we think about our long-
11 term goals for our weight and our physical
12 health and our financial health and our
13 relationship health, we say these other are the
14 things that I want to achieve.

15 But tonight after two glasses of
16 wine or on the weekend in the jewelry store in
17 front of some sparkly baubles or some beautiful
18 shoes or all of these different things, we know
19 that we will become carried away in that
20 aroused state. And that we will potentially
21 make decisions that imperil our long-term
22 objectives. We all know this. We all do this.

23 The wisest among us more often than
24 not set limits on our future behavior based on

1 our long-term objectives. We force ourselves
2 to make the right choice later. Or at the very
3 least, we delimit our choices so that we can't
4 do as much harm to our long-term objectives as
5 we might when we are carried away. That's the
6 concept of pre-commitment.

7 It's not about people who have lost
8 control. It's not about people who need
9 treatment. It's about normal people being more
10 explicit about how they manage themselves.

11 And one of the best examples they
12 used was the old Christmas savings account.
13 They said the bank protects all of your savings
14 accounts in the ways that it protects all of
15 its accounts. But the Christmas savings
16 account is more protected than the others
17 because not only is it protected from fraud and
18 all kinds of other threats, but it's protected
19 from its most important threat, you.

20 So, you create this savings account.
21 You contribute to this savings account because
22 you want the bank to put those administrative
23 and sort of ceremonial barriers in place that
24 will limit you or reduce the likelihood that

1 you will imperil your long-term objectives by
2 spending that money. That's the concept of
3 pre-commitment.

4 So, it's with that understanding of
5 pre-commitment that we as a team are
6 recommending that you implement pre-commitment.

7 Then maybe if we move to the next
8 slide, the key question was should
9 Massachusetts move forward with a pre-
10 commitment program? And the members of our
11 team strongly and wholeheartedly recommend that
12 you do. Not only do we think it would
13 accomplish a lot of good, but you're in a
14 wonderful position to benefit from the advances
15 in technology, the reductions in cost and the
16 lessons learned from other jurisdictions in
17 doing that. So, we strongly recommend you do
18 it.

19 But we say with that that if you're
20 going to do it, you must make it meaningful and
21 you must do it right. So, with that in mind,
22 we have 15 detailed recommendations. They're
23 not down to the finest point, but they speak to
24 the things that we heard and read from these

1 other jurisdictions in terms of the things that
2 you need to do to make this an effective
3 program.

4 What I've done is group the
5 recommendations, those 15 recommendations not
6 according to numbers one, two, three, four or
7 five, but rather in terms of the goals that
8 they speak to.

9 So, if we move to the next slide,
10 the two things Chairman Crosby you'll recall,
11 the two things we heard from industry was
12 around effectiveness were around uptake.
13 Uptake rates are so low, it can't possibly be
14 worth the money that we would spend putting
15 this technology in place.

16 So, how do you influence uptake.
17 That was a really big important thing. And
18 this is what we heard from the key informants.
19 And this is what we derived from the reports.
20 You must position these tools positively. You
21 must show the players that these have value for
22 them. And you must make them salient.

23 Don't talk about them as preventing
24 problem gambling. You don't even necessarily

1 want to talk about them as responsible
2 gambling. You might call it positive play.
3 You might say they're budgetary tools. That's
4 in fact why we would recommend that you not
5 necessarily use the term pre-commitment because
6 it's becomes sort of contaminated in the
7 gambling world with its association with
8 problem gambling.

9 Position these as targeted to all
10 players.

11 CHAIRMAN CROSBY: That's become
12 associated with problem gambling and mandatory
13 implementation.

14 MS. GLYNN: Yes. We all know words
15 matter. Once words have become contaminated
16 with associations, it's lot more work to
17 eliminate those associations than just shift
18 your language.

19 So, call them limit setting tools or
20 something similar to that. Something that's
21 very innocuous and speaks to this idea that
22 you're helping people manage themselves. You
23 have to do strong education and marketing. And
24 this is out and in.

1 So, you need to educate your
2 players, but you also need the staff at these
3 venues to be educated and to understand why the
4 tools would be valuable to their players and
5 what role they can play in helping players both
6 understand why they're valuable and how to use
7 them.

8 If you have that communication in
9 those two directions, active promotion and
10 education out to your players and lots of
11 internal promotion and education and training
12 to your staff, the two come together.

13 In New Zealand, they had almost a
14 complete breakdown in communication because
15 they implemented it so quickly. But they
16 responded so quickly with staff training and
17 ambassadors on the floor that they started to
18 turn it around immediately. So, really this is
19 a key part of making it work.

20 Integration with loyalty cards,
21 everybody said to do this. Everybody said to
22 make it as easy as possible and integrate it
23 with their existing loyalty card so that it is
24 a simple tool for them to use. And key again,

1 it must become a normal part of the play
2 experience. Make it normalized.

3 Incentives to encourage continued
4 use. Almost no jurisdictions offered any
5 incentives while you were using the tools.
6 Some of them offered a sign-up bonus. None of
7 them offered loyalty points while in play.
8 It's a new thing that you can do to show
9 players that it has value and that there's a
10 reward for managing yourself well.

11 So, if I set limits, if I use the
12 tools actively, I set limits and I maintain
13 limits, I get bonused on that as well. That
14 was a key that people recommended strongly.

15 Default limits, this is going to be
16 a little bit controversial. There are two
17 things here, really two thoughts, default
18 limits and an opt out program. These are the
19 pieces that you'll probably have the most
20 questions about.

21 We wrestled long and hard as a team
22 before making such strong recommendations. And
23 we probed this issue with key informants. But
24 at the end of the day, we strongly feel that

1 you should make it an opt out system. If you
2 are indeed positioning this as a normal part of
3 the player experience, then it should be that
4 when they put their player card in, the
5 assumption is made that they will set limits.

6 And if they don't set limits,
7 default limits will apply unless they actively
8 say you know what, I'm okay. I don't need to
9 set limits. And then they opt out of the
10 program.

11 COMMISSIONER ZUNIGA: Doesn't that
12 start to sound like mandatory?

13 MS. GLYNN: It's the first time they
14 put the card in they get the chance to say no.

15 COMMISSIONER ZUNIGA: But if you
16 default them to say to opt out, you've assumed
17 that it's --

18 MS. GLYNN: -- you've assumed that
19 it's the right choice and the normal choice.
20 So, if you look at any other instances where we
21 use opt out in society, it's because we're
22 making it easy for people to do the smart
23 thing.

24 COMMISSIONER MCHUGH: But you don't

1 opt out of a Christmas savings account.

2 MS. GLYNN: No, but you do out of
3 environmentally friendly behaviors with power
4 use and other things. There are increasingly
5 structures put in place where you opt out if
6 you decide you don't want to use the tool
7 that's been offered to you.

8 COMMISSIONER MCHUGH: That is
9 creating a normative approach to what may not
10 be a normative -- in fact a normative approach
11 to the tool.

12 If we really want to make this a
13 useful tool -- And I think it is a useful tool
14 to have in the arsenal. -- it seems to me one
15 is far better off doing the kind of education
16 and incentivizing that would allow people to
17 make the choice consciously. And then use the
18 tool and get the benefit from it. You talked
19 about words have meaning and they obviously do
20 have meaning. By using this as a budgeting
21 device the way you budget for furniture or
22 shoes or food would be it seems to me a very
23 helpful way to go about it.

24 But once you begin to start

1 defaulting people into it and then even worse
2 in my view defaulting people to certain limits
3 that somehow express what is normative strike
4 me as the kind of thing that in fact can push
5 people away.

6 Sorry, just to finish that, and give
7 this whole regime the kind of nanny state
8 approach that I think is particularly in this
9 day and age terribly off-putting and
10 counterproductive.

11 MS. GLYNN: I accept your
12 perspective. And it's definitely one of the
13 more controversial aspects of this. If you
14 accept that this would be a normal practice
15 that people should routinely be setting a limit
16 when they walk into the facility anyway, and
17 we're not talking about annual limits or
18 anything like that. What we might talk about
19 is within session limits and maybe monthly
20 limits because those are kind of the basis on
21 which the average person budgets.

22 If you're really positioning this as
23 something that normally you'd like them to do
24 or normally they probably should do when they

1 go gambling, then opt out, as long as you're
2 very clear in your education and very clear
3 when they put their card in that this is what's
4 in place, you are more than welcome to change
5 it. And you have staff trained to make sure
6 that people understand that -- And I would
7 argue that in the gambling venues, they are
8 going to want players to be making that
9 explicit choice. -- then what you'll find is
10 that players will begin to use the tools in see
11 their usefulness over time. It's part of
12 making it a normalized practice.

13 But I understand it's one of the
14 more sensitive recommendations. It definitely
15 has some views on either side of it.

16 COMMISSIONER ZUNIGA: Can I ask
17 about this notion of normal. We have a very
18 tight market here in New England with players
19 having multiple options, not just in
20 Massachusetts but nearby around it. How could
21 something be normal to a player if it only
22 occurs in Massachusetts, for example?

23 The reality that our neighbors don't
24 have these, because they don't or the culture

1 around the United States, which is different
2 from say Australia that is surrounded by ocean,
3 how could that be perceived as normal in our
4 state only?

5 MS. GLYNN: Norms and attitude shift
6 over time. And you're certainly the leaders in
7 other areas of which you're doing.
8 Massachusetts is doing things in the
9 implementation of gambling that no other US
10 state has done. Certainly, in the regulatory
11 structure, in the funds you've set aside for
12 research, so, you're leaders in a number of
13 areas. And yes, you would be leaders in this
14 area. You absolutely would be leaders.

15 But norms aren't about what
16 everybody is doing already. Sometimes norms
17 and laws or norms and rules have a very dynamic
18 relationship over time. So, if you talk about
19 normal levels, then you make a statement about
20 what you think is normative. But another part
21 of this is that we are strongly recommending
22 lots of player testing and lots of tweaking and
23 refining as you put the system in place. And
24 seeing where the points of resistance are. And

1 sometimes you think it's one thing and it's
2 something else.

3 So, the jurisdictions that we talked
4 to that were really making constant
5 improvements in response to players were the
6 ones that were successful. But yes, it would
7 set you apart from your fellow states. There's
8 no question about that.

9 CHAIRMAN CROSBY: There are two
10 tiers to the opting in and out. You could have
11 an opt out program which assumes you're going
12 to be setting limits but has a button down
13 below that says I don't want to set a limit.
14 That's one level of opt out.

15 There's another level of opt out
16 which is the default. If you don't do
17 anything, then a number comes up.

18 MS. GLYNN: Yes. They're paired
19 here just for description but there are two
20 separate recommendations. And you could
21 certainly do what you just said. You could say
22 opt out of limit-setting at all and not set
23 default limits. There is no question that
24 default limits are challenging.

1 In Norway, they have a maximum of --
2 It's not really a meaningful maximum. The
3 daily maximum is 99,999 krona. So, it's
4 basically as high in five digit as you can get.
5 They have this idea that they could just give
6 players a sliding scale so they could set their
7 limit.

8 But all of the limits were in the
9 middle. So, they did interviews and everyone
10 said I consider myself to be an average
11 gambler. So, I put my level in the middle. We
12 found that very interesting. Most people
13 wanted to know sort of what does an average
14 gambler spend. And they wanted to put
15 themselves in that range. So, that is part of
16 the thinking around those defaults.

17 So, I think you should consider them
18 as a Commission as two separate
19 recommendations. They're not dependent on each
20 other. You don't have to do one and the other.
21 We're recommending both. But we recognize that
22 there is controversy around both of those
23 recommendations.

24 Of the two, certainly the opt out as

1 an approach is one that we probably feel more
2 strongly about than having the default limit
3 simply because it is channeling to give people
4 what are normative limits.

5 So, you would need to be very
6 careful, use data. There was one suggestion
7 that the research team that you have here in
8 Massachusetts might be able to as part of their
9 population survey gather some data around what
10 people consider to be normal spending on
11 gambling.

12 There are ways that you could use
13 that and then you could say here are some
14 limits that are based on, and tell them what
15 they are from. And educate them so they know
16 what those limits are based on. But definitely
17 they are two separate recommendations.

18 So, and we may go back to those, but
19 I'll just quickly go through a couple of more
20 -- this and two more slides and then we can
21 come back to the issues that you want to speak
22 about the most.

23 Multiple access points, some players
24 want help. They want to go to customer

1 service. They want an ambassador on the floor.
2 They want someone to walk them through it.
3 Other players don't want anything that imperils
4 their privacy. They want to maybe do it on the
5 website at home where they login. Or they want
6 to do it on a kiosk or in a corner. Or they
7 want to do it on a machine.

8 So, New Zealand started off with
9 just a kiosk. Then they moved it to a machine
10 -- I'm sorry. They started it with the machine
11 interface but some players were shy to set
12 limits when there were players around them.
13 So, they set up kiosks. And their enrollment
14 started to increase. So, this idea of multiple
15 access points that address both those who want
16 help and those who want privacy.

17 Then another one was if people have
18 opted out and said I don't want to set limits,
19 that doesn't mean they might not be rethinking
20 it three months later. So, have some
21 milestones.

22 Say after three months or after
23 they've gambled a certain number of times where
24 you ask them again would you like to reconsider

1 setting some limits for your daily or your
2 monthly gambling.

3 So, those features are all designed
4 to make sure that you have the highest possible
5 uptake of these tools. And over time, people
6 will see them as valuable and useful. And
7 you'll start to see the kind of data that we
8 saw in Queensland in terms of the response and
9 the usefulness to players.

10 There's another set of
11 recommendations on the next slide that talk
12 about how do you make sure they're effective?
13 So, one of the things that the team talked
14 about is if you're going to do it, they need to
15 be meaningful. They need to be effective.
16 They actually need to give people that pause so
17 they have time to do that self-management.

18 One of the things that seems to be
19 standard in I think all but one jurisdiction is
20 that once you've set your limits, if you decide
21 you want to raise them, then you have to wait
22 24 hours for that raise to take effect.

23 In one jurisdiction, New Zealand, as
24 long as you're below 80 percent of your limit

1 you can raise and lower without any
2 consequences. But once you start to near your
3 limit, then you have to wait 24 hours for a
4 raise. And that's where they're trying to
5 prevent people from getting carried away in
6 this aroused state.

7 So, definitely recommend a cooling
8 off period for increases to take effect.
9 Lowering limits should take effect immediately
10 or as quickly as the gaming management system
11 is able to respond. So, sometimes they might
12 go a few dollars over or something just because
13 they are in the middle of a game. We're not
14 talking about a hard, hard limit, but that
15 lowering limits should take effect almost
16 immediately.

17 COMMISSIONER ZUNIGA: What happens
18 then when they reach their limit?

19 MS. GLYNN: So, this is important.
20 There are jurisdictions that simply log you out
21 for the day. You're done. We know that that's
22 probably not the right option for
23 Massachusetts.

24 So, we thought about it. How do we

1 make the tools meaningful so that we're in
2 keeping with that concept of self-management
3 that this term was first invented for.

4 COMMISSIONER ZUNIGA: And voluntary,
5 right?

6 MS. GLYNN: Yes. So, we want the
7 screen to stop. We want the game to stop. And
8 for it to say to you, you've reached the limit
9 -- Well, first of all at 60 and 90 maybe, or 75
10 and 85, different jurisdictions have tried
11 different thresholds. And then when you get to
12 your limits, it should say you've reached your
13 limit. And you have to acknowledge that.

14 And then the game stops. You're not
15 in the middle of your game anymore. It's
16 telling you that you've met your limit.

17 If you decide you want to continue
18 playing, you're reminded that for any play
19 after that you're no longer going to collect
20 loyalty points. So, we're trying to disincent
21 you to go beyond your preset limits, until the
22 next time period, the next session or the next
23 month or whatever it is that you've set that
24 limit for.

1 COMMISSIONER ZUNIGA: But you
2 earlier were talking about incentivizing by
3 adding points if you signed up.

4 MS. GLYNN: So, if you went beyond
5 your limit -- So, let's say you reach your
6 limit and you maintain your limits over a
7 certain number of visits, well, you would get
8 rewarded for that. So, one of the things you
9 would be notified of is you're not going to get
10 those bonus points for maintaining your limit.
11 And we're not going to give you bonus points
12 for the gambling that you continue. If you
13 gamble another \$200, you will not collect
14 loyalty points for that extra 200.

15 COMMISSIONER ZUNIGA: Could the mind
16 then say, well, I already had a bonus because I
17 signed up for the limit. I already was "ahead"
18 in my points. I'm going to be able to now
19 afford not accruing any more points and that
20 would be a wash.

21 MS. GLYNN: But you would also have
22 forgone the extra points you would have gotten
23 for maintaining your limits. So, hopefully,
24 what we're trying to do is --

1 COMMISSIONER ZUNIGA: You're going
2 to take back the points that I had from signing
3 up?

4 MS. GLYNN: No, you get sign-up
5 points but then you also get points over time
6 for maintaining limits. So, we're recommending
7 both. You get some points for setting limits
8 but then you also accumulate some points over
9 time for maintaining limits.

10 Then if you start to exceed limits
11 on a regular basis, you won't get those points
12 for maintaining limits anymore. But we're
13 further recommending, and a number of
14 jurisdictions are doing this, once you set the
15 limit that you told us that you wanted to play
16 for, you're not going to get anymore loyalty
17 points until the next 24-hour period and you're
18 notified of that. So again, you're notified.

19 There is also the option of having
20 every 30 minutes after that a reminder.
21 Remember, you said that your limit for today
22 was -- You could do it every 30 minutes, every
23 hour, every so many spins, whatever you like.
24 But just to sort of reinforce the idea that

1 they said in their calm, wise state that they
2 didn't want to spend any more than this.

3 Then the last piece was the
4 provision of complementary play information
5 tools. So, a lot of these programs had all
6 sorts of other play management tools in place.
7 I would argue that what you've already got in
8 your framework represents a very fulsome set of
9 complementary play information tools. So, you
10 have those pieces in place to complement a
11 limit-setting system for your players.

12 Then just one more slide. So, I
13 think the biggest message from the team that
14 worked on this is that Massachusetts is in the
15 very wonderful position of being able to
16 benefit from the passage of time and
17 experience. So, in the early iterations of
18 limit-setting tools or play management systems,
19 you saw jurisdictions that at least in one case
20 spent millions to develop software and hardware
21 to retrofit across four or five different
22 machine manufacturers with a number of
23 different platforms and gaming management
24 systems.

1 There was hardware. There was
2 software. There were large annual operating
3 costs. That is simply no longer the case.

4 As this has become a more commonly
5 used tool in more than a dozen jurisdictions in
6 the world, the gaming technology industry has
7 responded. The technology has advanced. And
8 you now have off-the-shelf packages that are
9 tied to gaming management systems or that can
10 be put on top of a coordinated set of gaming
11 management systems that can implement limit-
12 setting tools.

13 I understand that Mark has some
14 information for you on what he has been quoted
15 as current day cost for those systems. But
16 you're now talking about a total capital cost
17 of well under 200,000 maybe 300,000, 350 in
18 year one. And annual licensing fees that range
19 anywhere from \$50- to \$200,000. This is not
20 expensive in the context of the gaming
21 industry. It's no longer costly the way that
22 it was seven or eight years ago.

23 Also, the advances in technology,
24 the refinements, the New Zealand experience was

1 perhaps our favorite in terms of relevance for
2 you as a jurisdiction. They did a really good
3 job of having tremendous clarity in their
4 regulation.

5 In fact, Bally in response said that
6 was the easiest build because the regulations
7 were so specific that we were able to build
8 exactly the system they wanted. And it was
9 very much a collaboration in New Zealand among
10 regulator, gaming operator and gaming
11 technology company to build that Bally system,
12 which now will be a world-leading system. It's
13 part of their executive bonus suite.

14 One of the charms of the system or
15 attractions for a gaming operator is that when
16 you're playing at machine 227 then it can send
17 a message directly to that machine and say we
18 know you like this game, would you like to
19 switch. Or we know you like this, and it's on
20 special in the dining room and we would like to
21 give it to you today.

22 So, it has that direct to the
23 individual, to the machine they're playing
24 ability to bonus. So, it's a very attractive

1 gaming management system. But it has this
2 feature that can be added on for a very modest
3 cost in comparison to previous technological
4 offerings.

5 So, you have the benefit of that
6 development in technology and that lowering of
7 costs, which is the case with any new
8 technology. But you also have increasingly --
9 The government of Nova Scotia was extremely
10 forthcoming in terms of all of the things they
11 did wrong and all of the things that they would
12 recommend you do right.

13 And when asked do you think that
14 limit-setting tools are good, they said
15 absolutely. In fact, every other member -- So,
16 Nova Scotia is part of the Atlantic Lottery
17 Corporation, which is four provinces in Eastern
18 Canada. So, they together manage gaming. And
19 all of the other provinces are this year
20 rolling out the GTECH system for limit-setting.

21 Nova Scotia is going to take a break
22 because of the heatedness of the political
23 situation. But when asked what they are doing
24 next, they said we consider these tools to be

1 an industry best practice. And we are going to
2 be watching for what the right solution is for
3 Nova Scotia.

4 So, what we heard is that it has
5 benefit. And then they told us how to ensure
6 its success. And that's what you see in some
7 of these detailed recommendations and certainly
8 in some of the conversations that we've had
9 with Mark around things that you could do.

10 Keeping it very simple. Only
11 introducing very modest limits initially and
12 things like that. So, we really feel that here
13 in Massachusetts you are very much in the
14 position to benefit from that learning across
15 the world and from those advances in technology
16 and the decreasing cost to do something in
17 Massachusetts that will be really leadership
18 work.

19 CHAIRMAN CROSBY: Thank you, very
20 much. That's really well thought. Questions?

21 COMMISSIONER MCHUGH: I looked with
22 Mark at G2E at some of the tools that are
23 there. They are there. The interface is
24 simple. They're easy to use. I believe that

1 they are a useful budgeting device if properly
2 presented to a player.

3 But then when we get into some of
4 the detail, I still am having difficulty. I
5 don't want to beat the horse that I just beat a
6 few minutes ago.

7 MS. GLYNN: No, no, please.

8 COMMISSIONER MCHUGH: No, no. That
9 horse is tired. It's still standing. But more
10 thematically you define success as high uptake
11 and player satisfaction, player belief in the
12 utility of the tool. And I accept those. I
13 can understand those two philosophically.

14 But then when we begin to drill down
15 into the specifics in that menu of specific
16 items designed to ensure success, if success is
17 designed subjectively, it seems to me that we
18 are getting into a realm without a lot of data
19 that's designed to tell people what a useful
20 tool ought to look like rather than the tool
21 that they believe is in fact useful.

22 And to the extent we do that, it
23 seems to me particularly without data, a lot of
24 data to support it, we do run the risk of

1 getting back into that philosophical quagmire
2 that I articulated in connection with those two
3 other specifics.

4 And that rather than the concept as
5 a whole is where I am having a little bit of
6 difficulty, not with the concept but with the
7 detail.

8 MS. GLYNN: Yes. I think from at
9 least half of the informants that we
10 interviewed, they said -- a couple of them said
11 more player testing, or a lot more player
12 testing or do player testing and then do more
13 and then do more.

14 So, they really did talk about
15 working with people to figure out the best way
16 to introduce these tools or the best way to
17 have the tools function. If you have a lot of
18 discomfort with the idea of default limits or
19 of opt out, it may be that you could get some
20 data beforehand that would help increase your
21 comfort or your sense of whether or not people
22 would see this as useful and helpful or whether
23 they would see it as intrusive.

24 Because I think that's at the heart

1 of what you are saying is that if we want them
2 to adopt it, and we want them to see it as
3 normal and we want them to see it as useful, we
4 don't want to annoy them at the beginning by
5 suggesting that we know better than they do by
6 offending them, by intruding too much into
7 their ability to manage themselves.

8 And I agree that that is something
9 that needs to be done with care, but I think
10 that you could gather enough information with
11 some fairly simple work to be able to introduce
12 a program that may be staged where you would be
13 able to have confidence that you are going to
14 overcome that.

15 COMMISSIONER MCHUGH: Okay.

16 COMMISSIONER CAMERON: I was
17 interested, I know that I saw Singapore on the
18 one chart. And I believe you said that it was
19 too soon to have data.

20 MS. GLYNN: Yes. They've actually
21 agreed to meet with us in November.

22 So, one of the things that I would
23 like to do with some indulgence from Mark is
24 there are some jurisdictions that said I will

1 have data on this date or I will be in Toronto
2 on this date, can I come and talk to you then,
3 because I can't officially -- Basically, in
4 Singapore he said if you want me to officially
5 transmit information, there's a formal approval
6 process that has to come from your Commission
7 to my government. It was quite an elaborate
8 thing. And it's too early.

9 But I'm going to be in Toronto in
10 November. And I'd like to talk to you about
11 what we are seeing so far. So, in the case of
12 Singapore we did not get to do any key
13 informant interviews. All we got to do is to
14 look at their process and their system.

15 CHAIRMAN CROSBY: What is the
16 process -- What is the model in Singapore?

17 MS. GLYNN: It's a mandatory model.

18 COMMISSIONER CAMERON: It is
19 mandatory.

20 COMMISSIONER ZUNIGA: They debated
21 whether Singaporeans could gamble there. There
22 was a big emphasis on --

23 COMMISSIONER CAMERON: You have to
24 pay \$100 for a day pass.

1 COMMISSIONER ZUNIGA: Right, right.

2 CHAIRMAN CROSBY: Other questions?

3 COMMISSIONER ZUNIGA: I think it was
4 already discussed, but I have thought about
5 this. Throughout the report, there is a little
6 bit of a notion of mistrust to government
7 watching. In this day and age, as Commissioner
8 McHugh was probably alluding, big brother, the
9 notion that somebody is always watching. It
10 occurs to me that may be a disincentive for
11 people to use some of these tools in general.

12 I am also very interested in whether
13 you would think that cultural beliefs and
14 attributes, differences between the United
15 States and say Australia or Norway -- I can
16 think of Norway because I had a roommate from
17 Norway. The acceptance of government is very
18 different or the government's role for example.

19 What can you tell us about that?
20 That's the context that I was looking at in my
21 previous questions as to how could that be
22 perceived as normal here in Massachusetts?

23 MS. GLYNN: I want to talk a little
24 bit about culture too in another sense. But

1 first let's talk about the issue of government
2 and culture around acceptance of government
3 kind of intrusion or monitoring in your life.

4 Certainly, even Sweden where they
5 said we have to present our SIN number to do
6 almost anything, we got heavy resistance when
7 we had mandatory registration for gambling
8 because it was one area of people's lives where
9 they didn't have to register. So, when we
10 required them to register, we got great
11 resistance.

12 So, certainly I think when there is
13 that sense of government imposing some form of
14 monitoring or control of behavior, you will get
15 strong resistance. I'm not sure that that is
16 relevant to a US state because you have private
17 operators.

18 And we didn't see that resistance as
19 much in jurisdictions where private operators
20 were the ones. So, in New Zealand, Sky City
21 implemented their pre-commitment or limit-
22 setting program at the Auckland and Christ
23 Church locations. They unrolled it. I think
24 they had seven days' notice and unrolled it

1 across all of their machines.

2 Highly successful. It was not seen
3 as imposed by government at all because the
4 private sector operator implemented it. So,
5 they worked with the players to educate them.
6 And the players saw the casino as putting it in
7 place rather than government.

8 So, definitely in jurisdictions
9 where government is the operator, an agency of
10 government is operator, so that's true of North
11 Katiping (PHONETIC) and (INAUDIBLE) in Norway
12 and Sweden. It's true in every province in
13 Canada.

14 But in Australia, in New Zealand, in
15 the US, you have private sector operators. So,
16 at most people would have to reach beyond the
17 operator and say somehow you were forcing the
18 industry to do something that was good for
19 them.

20 But I would argue that in the US
21 because there is maybe some cynicism about the
22 gaming industry that it would almost counter
23 any sense that this was government controlled.
24 That people would see it as yes, it's a good

1 thing that the casino has to offer me these
2 tools. It's something that's helpful to me.

3 So, I think in terms of that
4 culture, it was where it was mandatory. And
5 more important than limit-setting, it was
6 registration that they had to register with all
7 of their personal information, and that would
8 go to government.

9 The big concern in Nova Scotia was
10 that it was going to go to the tax office and
11 that it would imperil their government
12 assistance programs.

13 They couldn't shake that. It didn't
14 matter how much education they did. People
15 believed that that information being gathered
16 by the government agency that ran gambling was
17 going to share it with the government agency
18 that collected their taxes.

19 So, you simply don't have that
20 dynamic here. I agree that you need to be
21 careful that it doesn't seem big brotherish. I
22 understand Commissioner McHugh's concerns. And
23 I think they're very legitimate. But I don't
24 think you're going to run into that same sense

1 that government is somehow monitoring them. Or
2 that someone knowing how much they spend on
3 gaming will affect whether they can collect
4 their social assistance check.

5 The other piece though that you
6 reminded me of that I had forgotten was that
7 there were some cultural influences at play in
8 some of these jurisdictions where they found
9 that for example, in New Zealand their Asian
10 players were not using the tools.

11 So, they did interviews with their
12 Asian players. What they said was that I'm
13 here to gamble. Why would I set limits? It's
14 all about gambling and having fun. So, then
15 they brought in models from countries like
16 Singapore and used the kind of language that
17 they had used in those countries around
18 managing play.

19 And then they did some interactions.
20 They put the screens in both English and
21 Chinese. And the uptake in the Asian
22 population rose, because they got sensitive to
23 the cultural differences. They asked questions
24 and then they responded accordingly.

1 So, I'm not sure the extent to which
2 in Massachusetts you might have large cultural
3 groups that you would need to have that same
4 kind of sensitivity to in terms of maybe some
5 targeted education, some ambassadors on the
6 floor and maybe messaging that is slightly
7 different. That was another finding that we
8 had from some of these jurisdictions.

9 CHAIRMAN CROSBY: When did New
10 Zealand implement its system?

11 MS. GLYNN: 2011, I believe.

12 CHAIRMAN CROSBY: What's the uptake
13 in New Zealand?

14 MS. GLYNN: I don't know what it is
15 right now. I know after six months, it was
16 only one percent. So, they've been working
17 very hard to increase it. Actually no, it
18 wasn't 2011. It was 2012 for New Zealand.

19 CHAIRMAN CROSBY: And when you
20 talked to them, you didn't ask them what the
21 uptake was now?

22 MS. GLYNN: I did and they said they
23 didn't have that data yet.

24 CHAIRMAN CROSBY: It's hard to

1 believe. Have they implemented all of these
2 reforms that they are recommending we adopt?

3 MS. GLYNN: They've implemented many
4 of them. And they were very interested in
5 things like incenting with loyalty points. So,
6 they actually think they're going to start
7 doing that.

8 But a lot of the promotion and staff
9 training came from their ideas. They were
10 recommended in other places. But they've done
11 a lot of work with the technological interface,
12 moving the buttons around and making the screen
13 very user-friendly. Initially, it took over a
14 small part of the screen now it takes over the
15 whole screen.

16 So, they've implemented I would say
17 the vast majority. They don't have opt out.
18 They have a shopping list of default limits.
19 So, it's not one but it's a few choices. So,
20 they've moved to those because what they were
21 finding is that I think 90 percent of players
22 wanted to just pick from a list. And only a
23 small percentage wanted to set a very specific
24 dollar amount.

1 I'm trying to think of the other
2 recommendations. I think pretty much
3 everything other than opt out and a preset
4 default limit.

5 CHAIRMAN CROSBY: I talked about
6 this a little bit with Mark. My sense is the
7 logic of the idea is really hard to argue with.
8 It seems like offering people an opportunity to
9 control their utilization of this system on a
10 voluntary basis makes all the sense in the
11 world. And the way you couch it in sort of a
12 philosophic economic structure and pointing out
13 that we have similar systems in other aspects
14 of our lives that we tend to have a hard time
15 controlling is very persuasive and interesting.

16 I agree with Commissioner McHugh
17 that some of the particulars like the default
18 limit, like I wrestle with the idea of
19 restraining people's ability to change their
20 mind to change their limit. I'm not sure what
21 right we have to do that. And I'm troubled by
22 the idea of having the operator reward people
23 for not playing. That seems so counter
24 systemic and counterintuitive. But be that as

1 it may, conceptually I think it's a very
2 persuasive structure.

3 What troubles me is that as best I
4 can tell there is not a single model out there
5 where the system has operated with the
6 conditions approximately similar to ours where
7 we have any information about what's happened.

8 We have the one model in Queensland,
9 which was a trial. We might have data if we
10 can learn what's going on in New Zealand and if
11 we can learn what's going on in the 49 venues
12 in Queensland maybe we will have some real
13 data.

14 But at this moment in time, we would
15 be the first jurisdiction in the world, not the
16 United States, but the world that we know of to
17 really implement this on a go-forward basis
18 with zero, basically zero actual data. And do
19 we want to be the first ones who do that?

20 There are apparently BC, British
21 Columbia is going to institute a system, you
22 said in here I think pretty soon starting next
23 year that's quite similar to ours. There are
24 New Zealand and Queensland.

1 There are number of them that are
2 teed up to be the first out there that in a way
3 quite similar to what you are proposing for us.
4 So, besides the particular details that I have
5 trouble with, what I'm wrestling with and my
6 mind is totally not made up on this is should
7 we wait a year or two and let these three or
8 four or five jurisdictions out there that are
9 really doing pretty much what we're talking
10 about and use the benefit of their experience?
11 Or should we be the first ones out of the block
12 to do that?

13 MS. GLYNN: I think we would say
14 that you have enough information to know that
15 it's valuable and it can be made effective.

16 CHAIRMAN CROSBY: How can you say
17 with conviction to the operator who raises the
18 question of it costs X and the uptake is so low
19 it's not worth -- the cost-benefit thing that
20 they came up with at the last meeting, how can
21 you say with the conviction that there is
22 enough utilization of the system to rationalize
23 the cost?

24 MS. GLYNN: What would be enough

1 utilization to rationalize \$50- to \$200,000 a
2 year across a casino of 2500 machines?

3 CHAIRMAN CROSBY: Well, it's 1200
4 we're talking about here. But I don't know.
5 There's an economic analysis, but play that
6 out. If the uptake is one percent, which seems
7 like a pretty reliable minimum because we know
8 you can get one percent, what are the economics
9 of that?

10 MS. GLYNN: I would say that one
11 percent is the minimum. One percent is
12 jurisdictions that instituted the program with
13 very little energy.

14 CHAIRMAN CROSBY: I understand that.
15 But we don't know of a single other system that
16 has gone above one percent on an --

17 MS. GLYNN: -- on an ongoing basis,
18 we know of trials, two-year trials. Yes, to
19 the 13 to 28 percent range.

20 CHAIRMAN CROSBY: Right.

21 MS. GLYNN: I think one of the
22 things you need to do is to think about what is
23 enough? How many players could be helped
24 through this program that would be enough?

1 What would your gambling population be
2 estimated at here in the state of
3 Massachusetts?

4 CHAIRMAN CROSBY: Rachel, everybody?

5 MS. GLYNN: How many adults?
6 Casinos are usually 30 to 40 percent of the
7 population. So, let's do 30 percent of five
8 million. Does anyone have a calculator?

9 CHAIRMAN CROSBY: Thirty percent of
10 five million is 1,500,000.

11 MS. GLYNN: So, if you help one
12 percent of them and they manage their finances
13 better and their families aren't affected by
14 the impact, I would warrant that even at one
15 percent it's valuable and worth doing. But you
16 can achieve so much more than one percent.
17 That's jurisdictions that have done it badly.

18 MR. VANDER LINDEN: I would argue
19 that this is one element that we have a lot of
20 control over, the level of uptake. And I think
21 that we already have pieces in motion that
22 would encourage a much greater uptake than
23 jurisdictions that did a poor rollout of this
24 type of program.

1 MS. GLYNN: Think of that for a
2 moment, one percent did you say it was 1.5
3 million. So, one percent of 1.5 million at a
4 cost of a licensing fee of \$50- to \$200,000 a
5 year could be help to manage their gambling
6 spend more responsibly that's compelling. From
7 a public health perspective, that's very
8 compelling.

9 COMMISSIONER MCHUGH: But that
10 drives me back to how you define success. And
11 you didn't define success -- And this is part
12 of my struggle, although intuitively as I said
13 I still believe this is a useful thing to have.
14 You define success as a tool that people found
15 useful subjectively, not a tool that produced a
16 result. And now it seems to me you're
17 shifting into result.

18 MS. GLYNN: Well, the whole area of
19 how you would evaluate this system is one that
20 we do speak to a little bit in the report. And
21 I would argue that you would need to sit down
22 and have some hard objectives. You would.

23 So, not just yes, I thought was
24 useful. But I do agree that you would want to

1 have some harder objectives that talked about
2 impact beyond just whether or not the person
3 felt they were maintaining limits better.

4 You asked me what is successful, and
5 I didn't say did they feel they were valuable
6 that they were valuable. So, what is
7 successful is that tools are valuable to
8 players.

9 And how you determine what that
10 value is part of it is going to be
11 intellectually are they more aware of their
12 spend? And part of it is going to be much more
13 subjective, how is it affecting their lives?
14 Is gambling representing a more manageable part
15 of their lives? What kind of impact is it
16 having on their relationships?

17 I would argue that yes, you would
18 want to for your entire Responsible Gaming
19 Framework, and I believe you do have those
20 kinds of measurements that are going to be
21 taken in your population to see whether or not
22 the population feels healthier about gambling,
23 more positive toward gambling, healthier in
24 terms of families and relationships.

1 So, I wasn't saying it's just do
2 they feel good about using the tool. I was
3 saying does it have to have value for the
4 players.

5 COMMISSIONER MCHUGH: I didn't
6 understand that.

7 MS. GLYNN: I'm sorry.

8 COMMISSIONER MCHUGH: I'm sure you
9 were clear and I misunderstood. But then we
10 don't have data now to know whether these tools
11 are going to yield that kind of substantive
12 result, right?

13 MS. GLYNN: If substantive is that
14 that small percentage that uses it even at the
15 most minimum promotion or lack thereof, and in
16 those cases muddied implementation that shifted
17 from six-month to six-month or as elections
18 came and went, even if you look at those
19 minimal numbers and all you have achieved is
20 helping that percentage of gamblers to gamble
21 in a way that is more explicitly what they
22 wanted to do, then I still think that's a
23 tremendous social good.

24 COMMISSIONER MCHUGH: Yes, it does.

1 MS. GLYNN: So, if you said as a
2 Commission we will only be successful if we
3 achieve these other outcomes, because I am
4 anticipating that as part of your Responsible
5 Gaming Framework there will be targets. And
6 these will be measured through the research
7 that the team at UMass is doing in terms of
8 sort of community wellness, as well as some
9 very tangible economic figures, I would argue
10 that this would be a large contribution to that
11 framework in terms of impact.

12 Of all the things you are talking
13 about in your Responsible Gaming Framework,
14 this one is one of the most powerful tools
15 based on what we have read and what we have
16 seen and what we have heard.

17 COMMISSIONER MCHUGH: I hear you.

18 COMMISSIONER ZUNIGA: What about the
19 notion of a trial, I didn't see that in the
20 recommendations like many other jurisdictions
21 have done.

22 MR. VANDER LINDEN: Could you give
23 me an example?

24 MS. GLYNN: Do you mean one of your

1 facilities?

2 COMMISSIONER ZUNIGA: Right, right,
3 or a subset of some machines. It occurs to me
4 that many of these jurisdictions made some
5 mistakes and had some recommendations because
6 as they went through it. And some of them went
7 through it on a trial basis, work out the kinks
8 along the way.

9 MS. GLYNN: I think if you did that,
10 you are potentially putting -- You have a
11 built-in trial frankly. You have one facility
12 that's going to open at least two years before
13 any others. That's your trial.

14 But if you have one doing it and one
15 not, you've created a competitive imbalance.
16 So, if you want to use your first facility
17 opening as your trial and reserve the right to
18 decide whether you roll it out across the
19 remaining operators that would be operationally
20 wise. But I would not have a situation where
21 some of your facilities are required to do it
22 while others aren't.

23 COMMISSIONER ZUNIGA: And that was
24 to my point about New England, two of them in

1 Connecticut with the same driving distance to a
2 lot of the population here in Massachusetts
3 will not have it.

4 COMMISSIONER CAMERON: But doesn't
5 the fact that it's voluntary negate that?

6 MS. GLYNN: I honestly believe that
7 if you position this well -- The jurisdictions
8 that are now rolling it out, BC it's being
9 called a benefit of loyalty membership that we
10 give you these tools. They are not positioning
11 this as anything negative at all. If you sign
12 up for our loyalty program, you get all of
13 these things and we give you these budgeting
14 tools and they're great.

15 CHAIRMAN CROSBY: Just to reiterate,
16 I've said to some of our operators that I think
17 there's a potential win for an operator to
18 lead. This is the only -- This is the
19 criticism that is the most compelling of this
20 industry. If this industry could neutralize or
21 substantially neutralize this criticism, I
22 think it would go a long way towards advancing
23 in the long run the interest of the industry.
24 And I think an operator could be a hero in

1 leading the way here.

2 MS. GLYNN: I would allow your
3 operators to take all of the credit.

4 CHAIRMAN CROSBY: For sure. But if
5 it's going to be imposed by us, if they don't
6 come to that same conclusion, it's just -- It
7 is an opportunity. We've talked about this.
8 And we've talked with our operators about this.
9 It is an opportunity for us to do a real sine
10 qua non trial. We have a trial opportunity
11 coming up, as you said. But do we want it to
12 be we who are the first out of the box?

13 MS. GLYNN: But you're not. You're
14 coming out of the box with the benefit of
15 everyone else's experience.

16 COMMISSIONER MCHUGH: But we also
17 have to be clear about what we're trying to
18 achieve. If you take a look at the automobile
19 industry, for example, when safety seatbelts,
20 roll bars, all of this other kind of stuff was
21 initially promulgated through government
22 regulation, there was resistance to it. And
23 soon, not soon but over a period of time, the
24 automobile industry came to begin to tout

1 safety as a selling device. And it caught on
2 and it increased sales.

3 So, it seems to me that your point
4 is well taken. But it seems to me we have got
5 to be clear about what we're trying to do. And
6 if we're trying to find something that is
7 useful to the player and market this as a
8 voluntary thing that may be useful to players
9 that's one thing that seems to me to be an easy
10 sell.

11 But on page 15 of your report, you
12 said that at one venue participants who set
13 limits reported a 40 percent reduction in
14 spending compared to those who did not set
15 limits. If we're trying to reduce spending and
16 that's the goal, then it seems to me we have
17 got a very different kind of regime and a very
18 different kind of objective that may not be
19 consistent with the operator's ability or
20 desire to market this as a useful thing to get
21 people to come.

22 So, it seems to me from a whole host
23 of standpoints, we really need to be clear
24 about what we're trying to do and then devise a

1 program that will accomplish that goal.

2 MS. GLYNN: I absolutely agree with
3 you. I really do. When we talk about
4 evaluation, it starts at the beginning. You
5 can't evaluate if you don't articulate upfront.
6 Yes, we would like to do this. And let's
7 start to drill down to what we think it will
8 achieve.

9 And we didn't do that in this
10 report. We didn't drill deeper than those
11 high-level objectives that I spoke of. But as
12 part of an evaluation strategy, one of the
13 jurisdictions said have that evaluation and
14 data analytics plan ready upfront.

15 So yes, I agree that you would need
16 your staff to work at saying these are the
17 kinds of objectives that we're going to target
18 to achieve. And then we're going to have every
19 feature line up with those objectives because
20 that's what you're saying about the default
21 limits is are they consistent with the
22 positioning?

23 And I agree that you need to take
24 care with that. You need to be very clear that

1 these are the objectives you're trying to
2 achieve. It's probably more about a sense of
3 wellness around gambling, a sense of having
4 participated freely and actively. And being as
5 happy when they left as they were when they
6 came in.

7 Those are the kinds of things you're
8 going to want to get at. And those are the
9 kind of things you're going to want to measure.
10 And you're going to want your objectives to
11 line up with that, the features of the system
12 to line up with that and the evaluation design.

13 So, I do agree and I do think you
14 have to wrestle with those two elements that
15 you've identified as sensitive. And if you're
16 going to do them, then you need to be very
17 careful about your education, your promotion
18 and your positioning and the way that you
19 evaluate against those objectives at the end of
20 the day.

21 CHAIRMAN CROSBY: I noticed too the
22 same thing that Commissioner McHugh said about
23 the 40 percent reduction in spending. This is
24 one of the things about being first out of the

1 box with the full-blown program.

2 If that 40 percent reduction in
3 spending was a consequence of taking at-risk
4 gamblers and having them not move down the
5 continuum towards problem gambling because they
6 were able to control. And by controlling they
7 reduce their gambling by 40 percent that's a
8 consequence, and although that might be tough
9 for the industry, I'd be comfortable with.

10 If it's because the devices were an
11 annoyance and they hated it and they went out
12 and went to the one in the other state, I would
13 not be happy with that.

14 MS. GLYNN: Or if it's because they
15 think you're trying to collect too much data.

16 CHAIRMAN CROSBY: Right. And we
17 don't know that. And we do have the ability to
18 find out. As you said, we have a very, very
19 good research team here and a big research
20 budget. And we could find out whether this
21 really will work or not. And are the
22 suppositions that are built into this right or
23 not.

24 But if there are unintended

1 consequences like that 40 percent is for
2 exogenous reasons not actually saving people
3 going down the continuum, then we will have
4 done real damage to the industry in our
5 experiment, in our trial.

6 If other people had done it, if we
7 really knew what happened in New Zealand or in
8 Queensland or in any of these other places with
9 a full-blown mature trial, then we would not be
10 imposing that element of risk by having the
11 trial be ours. That's where I'm wrestling
12 with.

13 Anybody else? I think you did an
14 extremely thoughtful job, Judith. Under
15 rigorous questioning, you are articulate and
16 thoughtful. I think you articulate the very
17 best of the theory and to the extent that there
18 is practice on this. And I commend you for
19 that. And I commend you Mark for doing it.

20
21 It's a big important challenging
22 issue. I hope the press is paying attention
23 because this conversation probably has never
24 happened in any other gaming commission in the
United States. I am proud of you guys for

1 helping us have it.

2 We decided to have at least a two-
3 week period of comment as we so often do. We
4 are inviting our operators or anybody else to
5 comment on this. Mark is taking the lead. It
6 is his job to come up ultimately with the
7 recommendation. And I know he's wrestling on
8 this. He will incorporate whatever feedback we
9 get over the course of the next week to 10
10 days.

11 And then perhaps as soon as the
12 sixth, which is where it's presently intended,
13 Mark will come back with a recommendation. And
14 we will see what we can come up with.

15 COMMISSIONER MCHUGH: I just echo
16 that. I was aggressive in the questioning and
17 it is because I am fascinated by this topic. I
18 think it's as an important topic as we are
19 taking up. And it is really great to have a
20 thoughtful, many thoughtful observers and
21 researchers here to present this. And I too
22 think this is a terrific report and grateful
23 for it.

24 MS. GLYNN: Thank you. I wish you

1 had been able to be there when Lia and Alex and
2 Karen, when the four of us were having these
3 teleconferences over and over again and teasing
4 through and working through, because you
5 would've heard your concerns and heard us work
6 through them. It was a wonderful process. I'm
7 grateful for the opportunity.

8 COMMISSIONER MCHUGH: Thank you.

9 COMMISSIONER ZUNIGA: Thank you.

10 CHAIRMAN CROSBY: If there is, by
11 the way, any opportunity to get any more data
12 from New Zealand or Queensland that would be
13 all to the good.

14 MS. GLYNN: And Singapore and
15 Norway, they're all prepared to --

16 CHAIRMAN CROSBY: Well, Norway is a
17 mandatory, right?

18 MS. GLYNN: Yes. Although they've
19 done some really unique things with what the
20 limits should be which we will learn.

21 An interesting tiny little aside,
22 they had a sliding bar. Everyone wanted to be
23 in the middle. So, now they're trying to
24 gather data on what would be normative levels

1 for gambling. So, I think there's stuff to be
2 learned from those jurisdictions and we will
3 continue to gather it.

4 MR. VANDER LINDEN: May I recommend
5 that we have a one-week period for comment and
6 then that would allow me adequate time to
7 review the comments to bring this back with a
8 recommendation on the sixth?

9 CHAIRMAN CROSBY: Most of our
10 operators are here. Hank, you might want to
11 make sure we send it out widely that we're
12 looking for comments in the next week on this
13 issue.

14 Thank you very much. It's really
15 fascinating.

16 COMMISSIONER ZUNIGA: Thank you.

17 MS. GLYNN: Thank you.

18 CHAIRMAN CROSBY: Okay. It is
19 quarter to one. I think what we're going to do
20 is take a lunch break. We have I think -- Is
21 45 minutes enough? We would start at 1:30. Do
22 you want to make it an hour? We lose most
23 people in the afternoon anyway. Let's make it
24 1:30. We'll be back here at 1:30. Thanks

1 everybody.

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(A recess was taken)

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CHAIRMAN CROSBY: Okay. Folks we are ready to reconvene at about 1:30 public meeting number 137. We will pick up again with Director Mark Vander Linden on research and problem gaming.

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Before we do that, we thought again and talked to Mark about the timing of comment period on the report that we just entertained before lunch and agree that it would be better to give a couple of weeks. So, we'll have a two-week comment period. And then Mark's recommendation will be as soon as two weeks after that. So, again if you could get that word out, Hank that it's a two-week comment period rather than one. It's an important enough issue. We want to make sure everybody has a chance to be heard.

22

23

24

Item 5(b) is draft credit checks, ATM and bank card regs., Attorney Grossman and Mr. Vander Linden.

1 MR. VANDER LINDEN: Good afternoon.
2 So, as you said we are bringing back before you
3 the credit regs. that would include the
4 acceptance for checks, procedures for
5 establishing patron credit accounts, patron
6 request for suspension of credit privileges and
7 automatic teller machines.

8 And while we're putting this under
9 the problem gambling agenda item, I think that
10 that's absolutely accurate because it's
11 reflected -- much of what is reflected in the
12 Responsible Gaming Framework is also reflected
13 in the document that's before you now. But it
14 also includes obviously a number of other items
15 that would address this issue.

16 The feedback that we got for this
17 even thus far for the framework would come from
18 some of our licensees through the Massachusetts
19 Partnership for Responsible Gaming. We also
20 received comments from the AG's office and have
21 had a couple of meetings with them.

22 So, with that we can talk about some
23 of the key points of it. We can also just open
24 it up for discussion if you have any pointed

1 questions.

2 CHAIRMAN CROSBY: I'm open to
3 suggestions. From my standpoint it'd be
4 helpful. I haven't had a chance to read it
5 closely. But it would be interesting to know
6 what you all think are the highlights, in
7 particularly what you think are controversial
8 at this point. Any other suggestions?

9 COMMISSIONER CAMERON: No that makes
10 sense.

11 MR. GROSSMAN: Good afternoon,
12 Commissioners. I will just walk you through
13 what we believe some of the highlights to be.
14 Of course, we can pause at any point for a
15 deeper dive.

16 Ultimately though, I think it's
17 important to consider the context that these
18 appear in. We've separated these out from the
19 internal control regulations but ultimately
20 it's envisioned that these will be part of the
21 internal controls in the filing. We separated
22 them out given the heightened attention they've
23 received over the course of the past year or
24 so.

1 But ultimately, we would hope to
2 merge them back together as we move forward
3 with the internal controls which you'll hear a
4 little bit more about later.

5 That being said, we've broken what
6 we've colloquially referred to as the credit
7 regulations out into a number of different
8 sections. There is a general section that
9 provides an overview of how checks and cash
10 equivalents will be accepted and presented by
11 patrons. And how what are referred to as
12 counter checks or markers, we don't use the
13 term marker, but that's what they're
14 colloquially referred to as, are processed and
15 what the procedure for that is.

16 And we require that the gaming
17 licensee establish processes and procedures for
18 all of those things in a general sense. I
19 thought I would just note at this point though
20 that the statute, it's section 27F requires
21 that the Commission collaborate with the
22 Department of Transitional Assistance, Labor
23 and Workforce Development and Housing and
24 Community Development in a number of areas that

1 are relevant here.

2 So, this depending upon where we go
3 from here today will be the time where we
4 probably want to initiate some contact with
5 those agencies to get their input here. As
6 there are a number of provisions in here that
7 by statute we are obliged to coordinate with
8 those other entities on.

9 Such as the cashing of government
10 issued checks and things of that nature,
11 ensuring that EBT cards can't be used in the
12 casino, all of those areas the statute says we
13 work with the other agencies to collaborate to
14 ensure that there are good regulations in place
15 to prevent some of those things from happening.

16 We talk about on page two, for
17 example a section on the redemption,
18 substitution and consolidation of counter
19 checks. So, we start with the issuance of
20 counter checks then we move to how you go about
21 redeeming them, substituting them or
22 consolidating them in the event that you have
23 more than one outstanding. We require here
24 that the gaming licensee again come up with a

1 process and protocol for all of those things
2 happening.

3 In here, they're fairly general. We
4 don't get into a lot of particulars about how
5 that needs to be done. And a lot of that issue
6 will kind of meld into a later conversation
7 about the internal controls in the discussion
8 about how prescriptive we want to be when it
9 comes to these types of areas.

10 Do we want to prescribe exactly how
11 you go about redeeming a check? Or do we want
12 to say to the gaming licensee that you need a
13 procedure relative to redeeming checks? And
14 it's finding a comfortable place that we're
15 going to need to get to.

16 As we move onto section 42, the
17 bottom of page two top of page three, we get
18 into the acceptance of payments on outstanding
19 counter checks and how coming up with a policy
20 and procedure for doing that.

21 COMMISSIONER ZUNIGA: Can I go back
22 to a previous section as it seems like you are
23 going to walk us through a few of these.
24 What's the thought behind debit card cash

1 transactions being precluded?

2 MR. GROSSMAN: Yes. I'm glad you
3 brought us back to that. I scrolled a little
4 too far. So, this is -- What Commissioner
5 Zuniga is referencing is on the top of page
6 two. It's paragraph 10. This is one of the
7 general provisions we have included in the
8 standard policy and procedures for the issuance
9 of counter checks.

10 And this derives from the Problem
11 Gambling Framework. This was one of the
12 provisions that the Commission looked at in a
13 general sense. And this represents the
14 regulatory form of something you looked at in
15 the framework.

16 It's highlighted here so that you
17 could get a close look at it and understand
18 exactly how it fits into the regulatory
19 structure. And what this does is that it would
20 preclude the acceptance of either credit cards
21 or debit cards essentially at the cage in the
22 gaming area. And it would require the gaming
23 licensee to come up with processes and
24 protocols to ensure that they are precluded.

1 COMMISSIONER MCHUGH: That they are
2 what?

3 MR. GROSSMAN: Precluded that they
4 can't be used.

5 COMMISSIONER MCHUGH: At the cage?

6 MR. GROSSMAN: Anywhere in the
7 gaming area, but it's at the cage effectively
8 that we're talking about. So, that's what it
9 would look like and that's what the effect of
10 your review of the Problem Gambling Framework
11 looks like.

12 COMMISSIONER MCHUGH: Then I guess I
13 didn't fully understand that because nine says
14 -- Why doesn't 10 swallow up nine?

15 MR. BAND: Nine has to do with
16 automatic teller machines, which can be located
17 within 15 feet of the casino floor. So, it's
18 not on the gaming floor itself.

19 COMMISSIONER MCHUGH: But 10 says
20 you can't have a credit card transaction --

21 MR. BAND: -- in the gaming area.

22 COMMISSIONER MCHUGH: Ten says
23 credit card cash transaction or debit card cash
24 transaction anywhere in the place, right?

1 MR. BAND: No. It says gaming area.
2 Gaming areas is that that actually encompass
3 the casino cage and stuff. Nongaming area is
4 where you'd go to the hotel, restaurants that
5 kind of --

6 COMMISSIONER ZUNIGA: But still the
7 gaming establishment.

8 COMMISSIONER MCHUGH: I don't need
9 to stop us now. I may want to talk about that
10 further.

11 MR. GROSSMAN: We may need to
12 clarify nine. That applies to the whole gaming
13 establishment, 10 just to the gaming area.
14 That was the intent anyway.

15 COMMISSIONER MCHUGH: I see, I see
16 what it is. Okay, thank you.

17 COMMISSIONER ZUNIGA: But under 10,
18 a patron could presumably pay a meal or the tab
19 in the gaming area with a credit card, right?

20 MR. VANDER LINDEN: Yes.

21 COMMISSIONER ZUNIGA: Because it's a
22 credit card cash transaction, cash advance
23 that's precluded, not the use of credit cards
24 altogether.

1 MR. GROSSMAN: That's something we
2 would need to clarify. The way this is
3 written, you couldn't use a credit card in the
4 gaming area.

5 CHAIRMAN CROSBY: What does credit
6 card cash transaction mean?

7 MR. GROSSMAN: We define that term
8 actually in a different section.

9 COMMISSIONER ZUNIGA: I actually
10 thought it meant only take cash, cash advances.

11 COMMISSIONER MCHUGH: You can get a
12 burger but not cash.

13 COMMISSIONER ZUNIGA: Right,
14 exactly.

15 COMMISSIONER CAMERON: That's
16 accurate?

17 COMMISSIONER ZUNIGA: That's the
18 intention.

19 COMMISSIONER STEBBINS: You don't
20 want to get a \$500 cash advance off your credit
21 card in the gaming area.

22 COMMISSIONER ZUNIGA: The intention
23 is a patron cannot use their credit card in the
24 gaming area to get cash, but they can use their

1 credit card to pay for a burger.

2 MR. GROSSMAN: In the general sense,
3 there's nothing that's intended to preclude
4 using your credit card for any nongaming type
5 things. I think that's the intent.

6 MR. VANDER LINDEN: That's accurate
7 to me.

8 MR. GROSSMAN: I think one of the
9 more interesting places where we have a lot of
10 good language is on page four. It's the
11 establishment of the patron credit account.

12 And the standards and some of the
13 considerations that go into that determination
14 are listed here in paragraphs (A) through (G).

15 The first two, essentially (A) and
16 (B), set out the standard, if you will. And
17 they talk about credit worthiness and ensuring
18 that credit is not extended to an individual in
19 an amount beyond that which the information
20 reviewed demonstrates they have a reasonable
21 ability to pay. So, we set up essentially a
22 standard for the licensees to apply when
23 issuing credit.

24 It may be that this is essentially

1 the standard that is used generally, though we
2 weren't able to find it written in this way in
3 other jurisdictions. But we thought it would
4 be helpful to have some actual language here in
5 these regulations.

6 Paragraph © or section (C) is also a
7 provision that was migrated over from the
8 Responsible Gaming Framework. And that is that
9 credit will only be extended to patrons who
10 qualify for a minimum threshold of \$10,000 and
11 will not exceed the amount requested by the
12 patron. So, that's an important provision as
13 well.

14 It doesn't mean that someone has to
15 take \$10,000 just that they have to be deemed
16 qualified to receive \$10,000 to ensure that the
17 lower amounts or people who would only qualify
18 for lesser amounts wouldn't be extended credit
19 of course. So, that's important.

20 COMMISSIONER MCHUGH: Where does the
21 \$10,000 come from? I understand the concept.
22 How did we get the number?

23 MR. VANDER LINDEN: It was an issue
24 that was discussed during the Partnership for

1 Responsible Gaming. It was a recommendation
2 that came from that group.

3 CHAIRMAN CROSBY: So, that's
4 something the operators support?

5 MR. VANDER LINDEN: Yes.

6 COMMISSIONER MCHUGH: All right,
7 good. This is an opportunity just to see if I
8 understand a premise underlying all of these
9 check things correctly. In this world, as I
10 understand it, checks are often used as
11 security for house credit, right?

12 I mean normally you'd give a check
13 to somebody. And you'd anticipate the check to
14 be cashed and in return you'll get something
15 from it.

16 Here in this world, as I understand
17 it, the check often is a means of establishing,
18 getting some house credit. So, you give a
19 check for \$10,000 and you get 5000 or 3000 in
20 cash. And they hold the check until you pay
21 the \$3000 back.

22 MR. BAND: Most of the time if you
23 put a check for 10,000 down that would be
24 considered a cash deposit in these regs. And

1 you can draw right on that deposit at the cage
2 from a table or whatever.

3 COMMISSIONER MCHUGH: But the check
4 would not necessarily be cashed.

5 MR. BAND: No, at the end of the day
6 you would have the right to redeem that if you
7 wanted. It could eventually be deposited.

8 COMMISSIONER MCHUGH: I understand
9 that.

10 MR. BAND: But you have the
11 opportunity to redeem the check if you have the
12 funds to do so.

13 COMMISSIONER MCHUGH: And do these
14 regulations say how long the operator must hold
15 the check?

16 MR. BAND: They have to have a
17 policy, but it cannot be longer than 30 days.

18 COMMISSIONER MCHUGH: So, they could
19 hold it for 30 days and give you 30 days to
20 redeem it?

21 MR. BAND: Yes.

22 COMMISSIONER STEBBINS: I have a
23 question because you're talking about item ©,
24 credit will only be extended to the patrons who

1 qualify for a minimum threshold of \$10,000.

2 Are we talking within a specific time period or
3 is it that one time request for the minimum
4 threshold?

5 MR. BAND: That would be when they
6 initially set up credit. It would be based on
7 that. They would check and see if they
8 actually qualified for that amount. You might
9 only ask for 3000 in credit but you would have
10 to qualify for that \$10,000 threshold.

11 COMMISSIONER STEBBINS: The timeline
12 in terms of that's my one-shot deal or is that
13 a weekly basis, monthly basis?

14 MR. BAND: No. It would be as long
15 as you have credit there or ask for an increase
16 or decrease or whatever.

17 COMMISSIONER STEBBINS: Okay.

18 COMMISSIONER MCHUGH: Just to pick
19 up on that would this house credit against a
20 \$10,000 check be covered?

21 MR. BAND: It's not actually house
22 credit. What you're doing is drawing on that
23 deposit that you put in there. At the end, you
24 can buy that check back if you have sufficient

1 funds do so. So, you're not really drawing on
2 credit if you put a cash check in.

3 COMMISSIONER MCHUGH: I see. That's
4 not considered a credit transaction. It's
5 considered a cash --

6 MR. BAND: It's a cash deposit.

7 MR. GROSSMAN: The term credit, it
8 seems as someone who is somewhat new to this is
9 somewhat of a misnomer. This is not really
10 credit per se as we all understand it. It's
11 really you have cash there that they let you
12 use.

13 CHAIRMAN CROSBY: Are there
14 standards that determine creditworthiness or
15 who has the ability to get credit up to 10,000
16 or is that part of what we would be reviewing?
17 Where do those standards come from?

18 MR. GROSSMAN: Well, that comes down
19 a little further on. And we talk about what
20 has to go into the creation of a credit file.
21 This starts on page five. We go into some of
22 the sources of information that the gaming
23 licensee has to use.

24 And then they have to verify certain

1 information. And we go into a little bit about
2 how they have to go into verifying certain
3 pieces of information.

4 So, essentially they have to create
5 a whole credit file on an individual in which
6 they are able to document why they did decide
7 to extend credit to an individual and then in
8 what amount.

9 There's also a provision that talks
10 about derogatory information, which we actually
11 define in the internal controls regulations as
12 essentially things like bounced checks and
13 other types of bad things. So, that if they
14 decide to issue credit to someone who has
15 derogatory information that they explain why
16 they did it. Perhaps someone bounced a check
17 by mistake. So, it wasn't a big deal. They
18 cleared it up shortly thereafter whatever it
19 is.

20 The regs. do require that a process
21 and an infrastructure be put in place to
22 address the gathering of certain information.
23 A thoughtful decision as to whether to issue
24 credit and then how they go about paying it

1 off. And then we get into a little further
2 down how the gaming licensee would go about
3 collecting a debt if in the event the check
4 bounces essentially.

5 CHAIRMAN CROSBY: Okay.

6 COMMISSIONER STEBBINS: I'm sorry.
7 Can I go back to page 4 letter F, the credit
8 application will include the problem gambling
9 self-assessment. Who's coming up with that
10 self-assessment?

11 MR. VANDER LINDEN: There's a
12 standard assessment that I would recommend
13 called the BBGS, brief biopsychosocial
14 assessment. It's a three question assessment
15 that's been widely accepted, tested, evaluated.

16 COMMISSIONER STEBBINS: It's more of
17 once again, right before you sign that credit
18 application, ask yourself these questions. It
19 doesn't involve necessarily the licensee's
20 staff.

21 MR. VANDER LINDEN: No.

22 COMMISSIONER STEBBINS: I would
23 think we would want to be more prescriptive
24 than a problem gambling self-assessment. If

1 we've identified what it is, put it in there.

2 MR. VANDER LINDEN: Sure. I think
3 we can add that easily.

4 MR. GROSSMAN: Along those lines, we
5 have added some language in here about certain
6 disclosures that have been made as part of the
7 credit application. Those are on the top of
8 page six.

9 Mr. Chair, just to pick up on part
10 of your question, the credit file and the
11 information looked at looks at such things as
12 the individual's residence, current casino
13 credit limits, outstanding balances,
14 outstanding indebtedness, and personal checking
15 account information, verification of all those
16 items.

17 We talk about the implementation
18 process by which credit will be approved. Who
19 is going to approve it. What type of sign-offs
20 do you need. And the same as there are
21 parallel requirements that they put in place,
22 provisions for the increase in one's credit
23 line and how often that can be done.

24 On the bottom of page 13, we get

1 into data collection. Essentially, we say they
2 have to keep a log of all of the counter checks
3 and slot counter checks that they have
4 outstanding.

5 We get into on the bottom of page 15
6 the suspension of one's credit privileges.
7 This is a voluntary process. Similar to the
8 process by which one would exclude themselves
9 from the casino altogether, we require a
10 process be put in place where one could exclude
11 themselves from receiving credit or having
12 their account shut down. The corollary is that
13 there are procedures in place as to how they
14 could reestablish their account once they
15 decide they want to open it back up.

16 COMMISSIONER ZUNIGA: So, this is
17 similar to the self-exclusion in that it could
18 be tiered? I could sign up for one year, for
19 three years?

20 MR. GROSSMAN: This is not quite as
21 detailed as that. This is more basic. And we
22 just say -- We certainly could go down that
23 road.

24 MR. VANDER LINDEN: There are not

1 set prescribed times or a menu of timespans
2 that somebody could choose from. It's more
3 general than that.

4 CHAIRMAN CROSBY: Why not? You've
5 got self-exclusion that has time, why is there
6 no time associated with the credit exclusion?

7 MR. VANDER LINDEN: I didn't see any
8 precedent for that in any other jurisdiction.

9 CHAIRMAN CROSBY: That never held
10 you back before.

11 MR. VANDER LINDEN: That's a very
12 great point. We could certainly use the same
13 timeframes.

14 CHAIRMAN CROSBY: Just for the same
15 reason that a self-exclusion does have time
16 associated with it, it seems kind of odd to not
17 have it -- It seems like very much the same
18 principle trying to support people who know
19 they've got a problem and are volunteering for
20 help. Why would you have time associated with
21 one and not the other? It just doesn't make
22 sense.

23 Okay. So, you'll look at that?

24 MR. VANDER LINDEN: I certainly

1 will.

2 MR. GROSSMAN: And just to pick up
3 on something we talked about before, it was the
4 top of page 18 we get into the procedure for
5 depositing of checks, consolidation and
6 redeeming of checks, some of the particulars
7 there. The correction of any mistakes that are
8 recorded on some of these counter checks.

9 The bottom of page 19 gets into the
10 debt collection practices. We cross-reference
11 the Attorney General's debt collection
12 regulations. And say that essentially those
13 have to be followed.

14 We add in here at the top of page
15 20, we say that a gaming licensee's debt
16 collection policy shall not allow for placement
17 of a lien on a patron's primary residence.
18 That was an issue that came up a while back.
19 So, we explicitly mention that.

20 And then the last provision we have
21 on page 22 deals with ATMs. We essentially
22 cross-reference the Division of Bank's statutes
23 and regulations and make clear that those have
24 to be followed. Then again incorporate one of

1 the provisions that was found in the
2 Responsible Gaming Framework that says that
3 ATMs shall be located -- shall not be located
4 closer than 15 feet from the gaming area in the
5 gaming establishment -- No ATMs shall be
6 located within 15 feet. So, that is kind of a
7 broad overview of what we have in here.

8 CHAIRMAN CROSBY: Excuse me, Todd.
9 The Division of Banks is okay with that
10 standard?

11 MR. GROSSMAN: That issue is still
12 somewhat outstanding as to whether ATMs will be
13 allowed in gaming establishment at all. You'll
14 recall there is a provision in the banking
15 statute that talks about the location of what
16 they refer to as electronic branches, which
17 include ATMs in places where legalized gambling
18 occurs. That provision was placed in the law
19 20 years ago or so. And we are still working
20 to determine how that will be interpreted.

21 So, this would be kind of a subset
22 of that. There is still a chance that one
23 could interpret the banking statutes to
24 preclude ATMs altogether. But assuming that's

1 not the approach that is taken, this would fit
2 neatly in there.

3 To answer your question directly
4 though, they haven't signed off on this.

5 CHAIRMAN CROSBY: And they won't
6 think we've assumed it. You're in touch with
7 them?

8 MR. GROSSMAN: I have mentioned that
9 this is something that was in the framework.

10 CHAIRMAN CROSBY: Where did the 15
11 feet come from?

12 MR. BAND: It was originally 100
13 feet. And having seen some of Penn's plans,
14 that would have us out in the parking lot some
15 place being 100 feet away. So, I thought to be
16 reasonable to give them some space where they
17 would be able to have an ATM if they wanted off
18 their floor.

19 MR. VANDER LINDEN: It was also an
20 issue that was discussed in the MPRG, Mass.
21 Partnership, meetings. And I think
22 specifically we discussed 100 feet. We
23 discussed that, exactly as Bruce had said,
24 would not facilitate -- not be reasonable and

1 we came up with 15 feet.

2 The idea is that it's not in the
3 gaming area. That it's off that it allowed
4 somebody to actually get up to go to think
5 about whether or not they're going to access
6 more cash for gambling purposes.

7 CHAIRMAN CROSBY: Okay, if you're
8 fine with that. Any other questions, comments?
9 All right. Thank you very much. So, where are
10 we in the process? What happens next with
11 these regs.?

12 MR. GROSSMAN: I think we might be
13 able to gain some clarity after we talk about
14 the internal control regs., which are coming up
15 at some point in the not-too-distant future.
16 So, we can talk about everything together and
17 whether you'd like to move different pieces at
18 different times or if you wanted to do the
19 whole thing together.

20 As I mentioned, this is part of the
21 internal controls. So, if you elect to move
22 the internal control document, which you have
23 before you, ahead today for example, this would
24 be done separately. I suppose in keeping with

1 past practice, you would want to allow a period
2 of informal comment on these credit regs.
3 before we start moving them through the formal
4 process. In which case, we would just move
5 these separately from the remainder of the
6 internal control regulations.

7 Or if you were to hold off on the
8 rest of the internal controls, we could move
9 everything together.

10 COMMISSIONER CAMERON: Is there an
11 urgency?

12 MR. BAND: We're just starting
13 today. We got our first comments on the
14 internal controls. And I understand group one
15 possibly coming to comment on it. It would
16 probably be beneficial for us to look at those
17 comments prior to moving it ahead.

18 COMMISSIONER MCHUGH: Is it purely
19 procedures? I'm thinking about Penn. It's
20 three weeks. If we wait a couple of weeks,
21 we're likely into January before we finalize
22 the internal control and these regulations.

23 MR. BAND: They have been working on
24 the draft to implement it into their system. I

1 think if we had it by the end of January that
2 would not be a big problem for them. I've been
3 in constant communication.

4 CHAIRMAN CROSBY: Come on up, Lance.

5 MR. GEORGE: Bruce is correct. Rick
6 asked me that question yesterday. From our
7 regulatory folks, in a perfect world 12/31,
8 drop-dead date of 1/31 for us. So, the end of
9 January works.

10 MR. DAY: And I think part of the
11 process here is and I think Bruce kind of
12 mentioned it is the credit sections make sense
13 to go ahead and put it up for informal public
14 comment because otherwise it sort of gets lost
15 in the huge product of the internal controls
16 themselves.

17 CHAIRMAN CROSBY: Yes. For the
18 reason that you pulled them out to begin with,
19 I think that does make sense. Thank you,
20 Lance.

21 COMMISSIONER ZUNIGA: Can I make one
22 quick comment. On page 16, we write that the
23 Commission shall maintain a list of the credit.
24 It's probably a little ideology, but I prefer

1 every time that we write something that the
2 Commission will do to be a may. We will do it,
3 but I don't want to write shall in regulations.
4 Of course, we'll maintain it.

5 MR. VANDER LINDEN: Similar to the
6 self-exclusion, the casino self-exclusion list,
7 I would want to go back to make sure we could
8 see that that language is consistent between
9 those. Because we are responsible for
10 maintaining that master list. It should look
11 similar to the credit suspension.

12 COMMISSIONER ZUNIGA: I should have
13 mentioned unless it's a specific directive in
14 the statute. If it is, of course, shall fits
15 just fine in deference to the statute. But if
16 it isn't, I just wanted to mention that.

17 CHAIRMAN CROSBY: Okay, great.
18 Thank you very much. Now item number six,
19 Workforce, Supplier and Diversity Development
20 Director Jill Griffin.

21 COMMISSIONER CAMERON: We haven't
22 been on all day.

23 CHAIRMAN CROSBY: We haven't been on
24 all day? We're not streaming live?

1 COMMISSIONER CAMERON: Not us, just
2 the documents.

3 CHAIRMAN CROSBY: What are you
4 saying? I can't hear what you're saying.
5 What's the issue here?

6 COMMISSIONER ZUNIGA: Does the
7 stream carry just what's on that screen, Rob?
8 Is the live stream carrying only what's showing
9 up on that screen?

10 CHAIRMAN CROSBY: So, what we're
11 looking at is not the live stream?

12 AV TECH.: Yes, that is correct.

13 CHAIRMAN CROSBY: Yes, it is not.
14 Okay.

15 COMMISSIONER MCHUGH: Yes, it is
16 not.

17 CHAIRMAN CROSBY: Vote yes on no.

18 COMMISSIONER STEBBINS: We want to
19 make sure everybody can see your lovely shining
20 face.

21 CHAIRMAN CROSBY: I have no idea
22 what we just did, but let's move along.
23 Director Griffin.

24 MS. GRIFFIN: Chairman Crosby,

1 Commissioners, as you all know themes of
2 economic and workforce development as well as
3 opportunity for the unemployed and
4 underemployed are woven throughout the gaming
5 law.

6 The law and our own regulations set
7 a priority for diversity in all stages of the
8 casino including design, construction and
9 operations. In fact, 23K section 15 stipulates
10 that each gaming licensee must formulate for
11 Commission approval and abide by an affirmative
12 action program of equal opportunity whereby the
13 operator establishes specific goals for the
14 utilization of minorities, women and veterans
15 on the construction jobs.

16 Those goals need to be equal or
17 greater to the goals contained in
18 Administrative Bulletin number 14. That's 15.3
19 percent minority and 6.9 percent women.
20 Section 3 of Administrative 14 says that the
21 contractor shall strive to achieve the labor
22 participation goals in each job category
23 including bricklayers, carpenters, cement
24 masons, electricians, ironworkers and so on.

1 At our last meeting, we had a
2 presentation from Susan Moir from UMass Boston
3 and Liz Skidmore from the Carpenters union.
4 They're both members of the policy group on
5 tradeswomen's issues. And I think Susan is
6 here today with us.

7 They presented best practices for
8 achieving gender diversity during construction.
9 So, on November 7 I will be presenting to you a
10 recommendation that the Mass. Gaming Commission
11 establish an Access and Opportunity Committee
12 to both provide transparency regarding progress
13 towards diversity and to recommend actions to
14 increase the level of minority, women and
15 veterans as employees and vendors during
16 construction.

17 Unions are integral to the success
18 of the diversity during construction.
19 Commissioners, I have representatives today
20 from the Regional Council of Carpenters and the
21 Building and Construction Trades Council.
22 These are unions that are leaders in diversity
23 efforts and will be our partners on the ground.

24 So, I'd like to introduce you to

1 Mark Ehrlich to my immediate left, Executive
2 Secretary and Treasurer of the New England
3 Regional Council of Carpenters. And then to
4 his left Brian Doherty Secretary and Treasurer
5 and General Agent of the Building and
6 Construction Trades Council.

7 CHAIRMAN CROSBY: Welcome.

8 MR. ERLICH: Thank you. Mr.
9 Chairman, members of the Commission thank you
10 for listening to Brian and me today on this
11 critically important subject. I will talk a
12 little bit about my personal situation. I
13 joined the Carpenters Union in 1975, a long
14 time ago. I've got a lot of gray hair I didn't
15 have back then as well as a few other things.

16 It was a very different union back
17 then. It was really kind of a father-son,
18 uncle-nephew dynamic, and mostly comprised of
19 white men. And diversity was not an issue that
20 was either taken all that seriously or much of
21 a priority at any level of the industry.

22 Fast forward, it's now 2014. It's a
23 very different world. I've been the head of
24 the New England Regional Council of Carpenters.

1 We cover the six New England states. We have
2 about 19,000 members. And we are, I can say
3 with a great deal of pride, a diverse union.

4 It is a very, very different union
5 than the one I joined. People are always
6 asking about statistics. Probably the most
7 reliable statistic that I think that we can
8 provide is by looking at our apprenticeship.
9 The membership data is actually not broken out
10 by race and ethnicity. The apprenticeship data
11 because of the role of the state and the
12 federal government in apprenticeship training
13 is.

14 And if you look at our Boston area
15 locals, which sort of cover the geographic
16 district equivalent to the Boston SMSA, which
17 is about 35 percent minority, our
18 apprenticeship program is 35 percent minority.
19 So, we are what I would consider reflective of
20 the demographics.

21 CHAIRMAN CROSBY: Is that the
22 apprenticeship program at this moment in time?

23 MR. ERLICH: At this moment in time.

24 CHAIRMAN CROSBY: How long has that

1 been the case?

2 MR. ERLICH: Ten years. And it's
3 important to understand the value of
4 apprenticeship statistics because that's the
5 future. That's the future of the industry.
6 We're in an interesting moment in time in the
7 industry where because of the depth of the
8 reception from 2008 to 2012, there was about
9 four or five years of between 30 and 40 percent
10 unemployment. Nobody new came into the unions.

11 There were no jobs. With that level
12 of unemployment, you could barely keep the
13 existing membership working. So, you had a
14 whole group of people who aged that four or
15 five years without being replaced by anybody
16 incoming new, which means there's a tremendous
17 opportunity now with the economic recovery that
18 we're facing.

19 There will be people retiring. The
20 workforce got four or five years older without
21 any replacement and therefore the opportunities
22 are there in an almost unprecedented way for
23 the casinos and for all of the other
24 construction that's going on. So, this is a

1 great time to be thinking about the issue of
2 diversity.

3 We have 24 locals in New England, 13
4 in Massachusetts. And three of them are two
5 African-American leaders, and one Latino head
6 of the union. So, it's a completely different
7 world than the Carpenters organization. We
8 still have a long ways to go. Our numbers
9 around the inclusion of women is not what we
10 would like it to be. And there is more of a
11 need for aggressive outreach and recruitment
12 there.

13 But the difference is that the
14 culture has changed from top to bottom.
15 There's an eagerness and willingness to reflect
16 the demographics of the communities that we
17 live and work in. I live in the city and have
18 for all of my adult life. And I am committed
19 to that on a personal basis.

20 So, I guess the real question then
21 becomes well, what do you do? How do you make
22 it happen? What are the impacts? You heard as
23 a Commission from Susan and Liz about their
24 best practices, which I think is probably one

1 of the better documents about nuts and bolts.

2 I will say this, I've been doing
3 this for a long time. I was on the Diversity
4 Compliance Committee with then Senator
5 Wilkinson for the Convention Center. I've been
6 doing this for many, many years. It is really
7 simple, which is that you put a laser like
8 focus on the issue from the beginning of the
9 job and you don't ever let it go.

10 And everybody who is involved from
11 the general contractors to the subcontractors
12 has to know that there is a carrot and a stick
13 associated with having a diverse workforce.
14 That if they want to work on the Wynn Casino,
15 if they want to work on the MGM Casino, this is
16 part of the deal.

17 It comes with it. There's a
18 commitment to a diverse workforce. And if
19 you're not committed to that, if you're not
20 interested in that then don't work here.
21 There's other work you can do. But if you're
22 going to be part of a Gaming Commission
23 project, then you have to be committed to that
24 and have goals and standards. There are

1 metrics that are measured. And in some ways
2 have compensation related to the ability to
3 meet those goals and standards.

4 It is remarkable with all the
5 discussion about color, in the industry the one
6 that is green is the one that really drives
7 people's decision-making. If you are going to
8 get paid or not get paid, suddenly your
9 behavior changes.

10 Going back to the Kroc Center with
11 the Salvation Army that was an example of a
12 job, of a private job where the ownership said
13 from the beginning this is built in a community
14 of color. The workforce has to reflect the
15 communities of color. Everybody was told that.
16 Every subcontractor was told that.

17 They were measured every single
18 week. If they weren't in compliance, they had
19 to fix it right away or payments were withheld.
20 Guess what, the numbers were excellent. UMass
21 Boston PLA same thing. It is really a question
22 of riding herd.

23 And again, Susan and Liz's piece on
24 best practices talks about the role of the

1 owners. It starts with the role of the general
2 contractor. It starts with the role of the
3 subs. Everybody has to have a set of steps in
4 which they are held accountable to including
5 us, including the union side.

6 If that happens, these goals are
7 imminently achievable. And if it doesn't
8 happen, they won't be met. It is really as
9 simple and clear as that.

10 I work very closely with my friend
11 Brian Doherty around these issues who is the
12 same level of commitment. And he can describe
13 the programs that he's come out of with the
14 Building Pathways and what he's doing now with
15 the building trades.

16 Between the two of us you have a
17 very ringing commitment to the issue of
18 transforming the construction industry
19 workforce. It's long overdue. It's happening.
20 It's underway. There's no reason why in this
21 next decade we really can't make enormous
22 strides. Thank you.

23 COMMISSIONER CAMERON: Question,
24 Mark. I'm curious as to why you don't track

1 diversity numbers only with the apprentices.
2 Why don't you track that information with the
3 general membership?

4 MR. ERLICH: The membership database
5 that we use is one that our International Union
6 has developed. It covers the United States and
7 Canada. They designed it. I didn't. They
8 don't have fields for race or ethnicity in it.
9 That's why I can't tell you. That's the
10 database we use.

11 COMMISSIONER CAMERON: It does not
12 make a compelling argument that you're
13 interested in this when you don't track the
14 information.

15 MR. ERLICH: Again, I think you can
16 track it in terms of the apprenticeship because
17 especially in the period of time now. That's
18 the workforce of the future.

19 COMMISSIONER CAMERON: How many
20 apprentices become full-time members? What's
21 the percentage?

22 MR. ERLICH: There's a churn factor
23 in the first year. Some people come in to the
24 apprenticeship -- We try to do -- We are

1 getting better and better at screening and
2 preparing people. Some people think they're
3 going to work in this old house when they
4 decide to become a union carpenter. And they
5 find out that they're humping concrete forms in
6 the middle of three-degree weather in the
7 winter.

8 So, it's not quite as attractive as
9 they thought it was going to be. So, we have
10 about a 25 to 30 percent dropout rate in the
11 first year. But after that, almost all of them
12 become journeyman.

13 COMMISSIONER CAMERON: Do you track
14 the percentage of the 35 percent that make it
15 into the full membership?

16 MR. ERLICH: Yes.

17 COMMISSIONER CAMERON: And are the
18 numbers consistent?

19 MR. ERLICH: The churn factor is
20 about the same across-the-board.

21 COMMISSIONER CAMERON: With women
22 and minorities?

23 MR. ERLICH: Maybe a little bit
24 higher. We are now beefing up our mentoring

1 program within the apprenticeship to make sure
2 that people don't fall through the cracks so
3 that they get the support.

4 It still can be, there's no other
5 way to say it, on occasion a hostile work
6 environment especially for a woman. Working to
7 be one woman on a crew of 50 men can be a
8 pretty tough situation. And there's real
9 strong needs for support groups and mentoring
10 to make sure that people can survive and thrive
11 in that environment.

12 COMMISSIONER CAMERON: And you
13 mentioned certain projects require a diverse
14 workforce, which means certain projects don't.

15 MR. ERLICH: That's correct.

16 COMMISSIONER CAMERON: Does that
17 mean there is no effort there at all for those
18 projects? Or is there an effort put into all
19 of the projects even though it's not a
20 requirement?

21 MR. ERLICH: As I'm sure you know,
22 the projects that require are the Boston jobs
23 ordinance, which covers all publicly funded
24 jobs in the city and private jobs over 100,000

1 square feet. And then state-funded jobs have
2 their own goals that they try to meet.

3 If you were to talk about some
4 hospital in the suburbs that is built that the
5 ownership plays no part, then it's simply a
6 question that we supply a workforce that is
7 diverse. But there's no goals typically there.

8 COMMISSIONER CAMERON: Thank you.

9 CHAIRMAN CROSBY: Good questions.

10 Welcome Brian.

11 MR. DOHERTY: Thank you. Mr.
12 Chairman, members of the Commission, thank you
13 for this opportunity. I'd like to say thank
14 you my colleague Mark Erlich. Mark is a
15 pioneer in this campaign for diversity in the
16 construction trades. I'm honored and
17 privileged to be sitting next him and to
18 actually learn from a lot of the efforts that
19 he's put in place over his career. So, thank
20 you Mark.

21 Just moving onto some of the stuff I
22 wanted to mention today. Similar to Mark, I
23 started my career right here in Boston 16 years
24 ago. At the age of 18, I had an opportunity

1 after high school to join the Big Dig. It was
2 a major time of looking for opportunity.

3 There was a big economic boom going
4 on because of the Central Artery Tunnel
5 project. I graduated high school on a Friday.
6 I was working by Monday. I was very lucky. I
7 was very fortunate to have that opportunity
8 after applying to the Laborers Union in Boston,
9 Local 223.

10 So, the reason -- I'd like to catch
11 up to my career, just quickly the story that I
12 want to tell today is the story of what unions
13 do for families. My parents are immigrants in
14 this country. They came separately. They came
15 and they worked hard. And they were afforded
16 an opportunity to join a union, my mother right
17 here across the street for the International
18 Longshoreman's Association on the waterfront
19 where she worked very long hours, very hard
20 manual labor as a young woman in this country.
21 And she did that to make it and survive here.

22 When she did that she was given some
23 decent wages, access to healthcare and a decent
24 retirement if she chose to take it. She was a

1 young woman then working toward it.

2 My father, same situation, he joined
3 the construction trades, was given the same
4 benefits that a union career provides to you.
5 They met, they married, they had eight children
6 here in Boston, Massachusetts. They met in
7 Roxbury.

8 CHAIRMAN CROSBY: Eight?

9 MR. DOHERTY: Eight children. I am
10 very proud to say the my parents put eight kids
11 through college because again they had access
12 to decent wages. They had access to
13 healthcare, which meant one of those children
14 wasn't going to bankrupt them if they got sick.
15 And they could put food on the table every
16 night.

17 And because of economic
18 opportunities that happened for them 50 years
19 ago and 16 years ago for me and potentially
20 more opportunities in 2014, we want that same
21 story of no matter where you come from or who
22 you are or what you look like, we want these
23 economic opportunities to benefit everyone and
24 their families. So, that's the position we're

1 taking at the Building Trades.

2 I've had the very fortunate
3 opportunity to learn from colleagues like Mark
4 Erlich, Mark Fortune, the President of the
5 Building Trades, my predecessor Martin Walsh,
6 Martin J. Walsh. He took over as mayor of the
7 city of Boston. And when he took over the
8 Building Trades, we saw that there was not
9 being enough done in diversity.

10 So, we immediately enacted campaigns
11 to create stronger outreach through our
12 apprenticeship programs. We created the
13 Building Pathways program, which was
14 essentially a campaign to go into every
15 community, every part of the city, every part
16 of this region to tell people if you want a
17 career in construction, come get it.

18 It doesn't matter where you come
19 from, what your background, the message is
20 this, if you want a career in construction,
21 come apply to our programs. That's the message
22 and that's where we're taking this movement
23 forward.

24 It's not that simple. And what we

1 had to do is we had to do a lot of outreach.
2 And I'm proud to say I was talking to Susan
3 Moir, another colleague. And just to be clear,
4 I am the General Agent for the Building Trades,
5 which represents thousands of working families
6 in this Eastern Mass. region.

7 I am the former project coordinator
8 for Building Pathways. And I am a current co-
9 convener of the policy group on Trades Women's
10 Issues with the Regional Council of Carpenters,
11 the Building Trades, UMass Boston and some
12 community groups. I'm sorry. Let me pull back
13 UMass Boston. A professor at UMass Boston is a
14 convener of that group.

15 So, three years ago, the Mayor took
16 over the Building Trades said that he always
17 had the attitude of we can do more for more
18 people. So, immediately opened up more
19 programming, more opportunities to make sure
20 that there was a change.

21 And I recognize in the past 30 years
22 this has been a white-male dominated industry.
23 We are and have been to Mark's point making
24 strident efforts to change that. And we have

1 kicked that into I would say high gear for the
2 past three years.

3 We're very proud to say we've almost
4 doubled the number of women in the city -- in
5 the Eastern Mass. Region from the national
6 average from three percent which it was
7 plaguing the industry, but here in Boston we're
8 between five and six percent. So, that is a
9 major step because we've changed our policies.
10 There are practices. There are best practices,
11 which I think we should discuss today, that can
12 lead to changes such as seeking women and the
13 proactive steps it takes to let everyone know
14 now is the time.

15 So, I just want to talk about a
16 couple of things that had worked over the past
17 few years. In my current term, I've been in
18 the general agent's position for 15 months.
19 what I've seen is jobs where workers are
20 protected, project labor agreements are in
21 place or some type of community benefit
22 agreement. Access and opportunity committees
23 are put in place or where there is some type of
24 vehicle or conduit for everyone to come to the

1 same table and shine a light on all
2 stakeholders' expectations.

3 There's been some room and some
4 growth around good things happening. At UMass
5 Boston they're meeting the Boston resident
6 policy numbers for the first time on a project
7 in the city that I can think of except the one
8 Mark mentioned, the Kroc Center. And the best
9 impact has happened on unionized sector or
10 organized sector jobs.

11 This is not in any way a union
12 versus nonunion conversation. This is a
13 conversation about protecting all workers no
14 matter what sector they're in. I can just
15 state firmly that workers will be more
16 protected when they have union representation
17 or collective-bargaining agreements. So, I am
18 very pleased to see a project labor agreement
19 on this particular development.

20 Some of the things that we've also
21 done have created as a building trades, we've
22 reached out to all of the high schools in the
23 city of Boston. We're reaching out to the high
24 schools in the regional sector, which would be

1 the towns of Medford, Somerville, Chelsea,
2 Revere, Everett. Around the city of Boston as
3 you go out in concentric circles in trying to
4 regionalize the access and opportunities for
5 these programs.

6 Building Pathways has had some major
7 success in the city. We've put over 125 people
8 into the trades, half of which have been women,
9 over 90 percent have been people of color.
10 Four percent were at one time actually
11 experiencing homelessness. So, some good
12 things have happened.

13 But that vehicle that Building
14 Pathways project has been with my colleague
15 Susan Moir called the Anchor Conversation which
16 it gave everybody a chance to come and talk
17 about something very important to each
18 stakeholder, whether an elected official, a
19 constituent group, a community group, union
20 laborer, a contractor, a subcontractor,
21 academia, etc., you are coming to the same
22 table to put a focus on this important issue.

23 So, that has happened through a
24 couple of efforts. Our training programs have

1 all opened their doors and increased their
2 application -- I'm sorry. We have streamlined
3 the application process. We've made it public
4 for all application times, dates, who are the
5 contact people. We've simplified the versions.
6 We have created sensitivity training programs.

7 And I would just like to say that we
8 are putting the steps in place to make this a
9 fair equitable opportunity for everyone. If
10 you can use this as an opportunity to promote
11 the message, I do want to make clear the
12 message is very simple, if you want a career in
13 the Building Trades, the time is now to get it.
14 Come apply to our programs, regardless of
15 anything. Now is the time to apply to our
16 programs.

17 So, I'm happy to answer questions or
18 talk about best practices that we put in place.
19 But would like to say thank you for your time.
20 And thank you for letting us share as organized
21 labor that we are here to do good things for
22 every community, for every family, for every
23 worker. That's our role in this. So, thank
24 you.

1 COMMISSIONER STEBBINS: Encouraged
2 to hear about the ongoing kind of recruitment
3 efforts and even kind of going down into the
4 high schools and talking to people who might
5 not have thought about this as a career until
6 now.

7 And Brian as you just mentioned,
8 kind of highlighting the sensitivity trainings
9 that you're doing. It's great to recruit, but
10 if they walk into that hostile work
11 environment, all of your recruitment efforts
12 are going to go out the window.

13 The question that's come up has been
14 thinking about the appeal of these projects,
15 again, from Springfield, the MGM project is
16 going to be the biggest private construction
17 project in Western Massachusetts in the history
18 of the region.

19 Thinking about what should we be
20 looking for maybe in terms of the apprentice
21 participation, one to help increase the
22 diversity numbers, but any other
23 recommendations you would have for us in
24 looking at that piece of the construction

1 project in terms a percentage of apprentices?

2 Does that vary by region or by locale?

3 MR. DOHERTY: I think that's a fair
4 question. This is not a dodge in any way. I
5 represent Greater Boston. I represent the
6 metropolitan area, which is a different
7 demographic population than other parts of the
8 state.

9 They would be under the same
10 training programs and the same outreach
11 opportunities and the same numbers for
12 compliance goals. So, there is no reason none
13 of these goals should be met -- all of these
14 goals should be met on all of these projects.
15 I think putting a proactive plan in place from
16 day one until the time we hand the keys over to
17 the casino or whoever the end-user developer,
18 that is the type of commitment we need to see
19 these numbers stay and maintain a decent level
20 of percentages.

21 There was a question asked. And I
22 think it was a good question and a fair
23 question. It was do we track all jobs?
24 Something that we found because we are looking

1 at this in a very -- We have our partners in
2 academia. We have our partners in our research
3 departments. We're trying to drill down to see
4 what's actually happening on these jobsites.

5 What we are trying to avoid -- What
6 we're trying to promote is that any of our
7 workers, they become part of a core crew.
8 Meaning that these compliance goals, they
9 incentivize making sure we meet the numbers but
10 they also incentivize what we call checker
11 boarding or making sure that they're meeting
12 the numbers, which means you might get six
13 weeks on this project, six weeks on the next
14 project. And you actually don't get the
15 training you deserve by spending a full year or
16 two years or three years.

17 So, when you come into one of our
18 programs, we want you to have all of the on-
19 the-job training you can receive plus all of
20 the schoolwork and a full-time course load.
21 But we want to see you make relationships with
22 your contractor or subcontractor and you'll
23 have a 30-year career out of it.

24 So, we want to avoid working toward

1 the numbers. We're working toward protecting
2 the worker, making sure that every worker has
3 the training and the opportunity necessary to
4 have a fruitful career. So, when we don't
5 track them on jobs, we are still promoting that
6 they stay in that contractor base or in their
7 company on their team, learning their skills.

8 I think it's a fair question but
9 there are a few other best practices that we've
10 done. Core crews being one of them creating
11 some type of oversight committee such as Access
12 and Opportunity just to continuing to shine the
13 light on it and look for best practices.

14 At first glance it might seem that
15 it would be appropriate to keep the numbers up
16 on jobs, but the commitment from labor is the
17 worker comes first. The worker should be in a
18 position where they can do well for themselves
19 and their family. And we've seen that keeping
20 them in a good position or in a good
21 environment is the best way to make that
22 happen.

23 As far as percentages, we have
24 increased them quite a bit. And we have a long

1 way to go. And I think it's going to take that
2 proactive nature to continue improving these
3 numbers. I don't know if that answers
4 directly.

5 MR. ERLICH: I can speak a little
6 bit to Springfield. We have Local 108 that
7 covers Western Massachusetts. Here in
8 Berkshire County, Springfield areas, I don't
9 know the exact numbers but it's a very diverse
10 membership out there. Probably in terms of
11 racial groups, maybe slightly less African-
12 American more Latino given the population that
13 exists in Springfield, Holyoke and Chicopee,
14 etc.

15 So, I am not concerned at all about,
16 at least I don't know enough about the other
17 trades, but with respect to our trade meeting
18 the goals.

19 In terms of specific things that you
20 can do, I can tell you what doesn't work. What
21 doesn't work is saying, yes, yes, yes, we have
22 these goals. They're on paper. They're in the
23 contract. And then nobody pays attention to
24 it. Then somebody comes along, a compliance

1 officer whether this is the city of Boston or
2 whether it's the state or whoever it is,
3 whoever the owner happens to be. And then six
4 months into the job, says wait a minute the
5 numbers are terrible.

6 Then there's a Chinese fire drill.
7 Everybody starts running around like crazy.
8 And everybody starts yelling at each other.
9 And it's important to remember in our business
10 that the actual workers are primarily employed
11 by the subcontractors and not the general
12 contractor or construction manager. And that
13 will be the case with the casinos for sure.

14 So, the onus is really on the
15 subcontractors. Some of them are interested in
16 changing the nature of the industry, and quite
17 frankly some of them aren't. So, unless their
18 feet are held to the fire -- So, what happens
19 is the numbers are bad because they bring their
20 usual workforce to the job. And their
21 workforce is primarily white and primarily
22 male.

23 And then someone tells them you're
24 not meeting your goals. So, then they call up

1 the union. And they say send X, Y or Z to fill
2 in whatever. And the job is already 80 percent
3 done. And they're trying to sort of cover
4 their reputation or parts of their anatomy in
5 terms of not having been compliant from the
6 beginning. And that's a disaster.

7 That's a disaster for everybody
8 because people who are sent there recognize
9 that they're only being sent there in order to
10 meet goals and criteria. They're not
11 necessarily treated with respect. It's not a
12 comfortable work situation for anybody. And
13 there's an enormous amount of resentment all
14 over the place and it doesn't work.

15 What works is to tell the
16 subcontractors from the beginning you start the
17 first week of the job with a crew that is
18 compliant with the numbers that we are trying
19 to do. They should be part of your core crew,
20 not fill-in folks that the union provides.
21 That's not the way to think about this. It's
22 about ultimately transforming the industry and
23 the people who move with those subcontractors
24 from job to job to job.

1 You're in a position as a gaming
2 commission with two massive projects to be able
3 to set the tone for how this is going to be
4 done. That tone has to be set both verbally
5 and contractually from the beginning. And I
6 would argue even more strongly there needs to
7 be carrots and sticks for rewards or incentives
8 and disincentives for people who are either
9 compliant or noncompliant.

10 If there's a subcontractor in some
11 trade who doesn't want to go along with that
12 program that's fine. They just shouldn't be
13 working in Springfield or in Everett. That's
14 all. And I think you're in a position to
15 really make that crystal clear along with the
16 owners to say this is what we want. This is
17 what we insist on. And here is the language in
18 the contract that you're going to be held
19 accountable for.

20 It's no different from saying I want
21 the color of that wall painted a certain color.
22 It's the same thing. It can be written into
23 the contract. These are your goals. These are
24 your specifications that you're required to

1 meet in order to get paid appropriately. It's
2 remarkable what happens when language like that
3 is in a contract.

4 MR. DOHERTY: If I may touch on it
5 also. I think that a couple of things are very
6 important here. I think political will is very
7 important. I think the owner end-user needs to
8 be from the top this while every level of this
9 pyramid or every level the structure whether
10 vertical or horizontal is saying the same
11 thing. That this is important to both the
12 unions, the contractors, the subs, pushing
13 everybody at the same time.

14 Some simple steps to Mark's point,
15 you have to come on the site with a diverse
16 workforce to maintain that throughout the
17 project. You can't play catch-up if you start
18 on the wrong foot.

19 One of the simple things that a
20 construction or any project management team
21 will do is create a Gant chart that tells you
22 when something is coming into a project. We
23 can do the same thing for work hours. We can
24 do the same thing. And when you have that work

1 hours, you are going to know that if you need
2 10 percent of 10 hours, you need at least one
3 hour covered by someone that fits in that
4 demographic.

5 You can break down the hours by what
6 number of people you need on each crew coming
7 into it. That could be something that's put
8 into the bid specs so that you're focused just
9 as much on having the material on-site as you
10 are a workforce reflective of the efforts by
11 the joint political capital.

12 Just this past year, two and a half
13 months ago, Mark and I co-convened with all of
14 the general contractors in this region, pretty
15 much the big ones you can think of and the
16 subcontractor base to do things in a
17 responsible way.

18 We had a large first-ever building
19 summit, which brought all of the folks that
20 actually do the building of these projects into
21 the same room. Because oftentimes what happens
22 is you'll have the subcontractor blaming the
23 general contractor, the general blaming the
24 unions or the unions blaming subs or some

1 variation of a siloed conversation.

2 We are no longer interested in the
3 siloed conversations, but bringing everyone to
4 the same table to have bigger conversation
5 which is there's something amiss right now.
6 How do we fix it?

7 Solutions based, solution oriented,
8 eliminate the blame game, eliminate ways that
9 you can get away or out of doing the diversity
10 piece and just bring it into the same
11 conversation. That's the first time it's ever
12 happened.

13 There were over 300 subcontractors
14 in the room with probably 12 or 14 biggest
15 general contractors in Massachusetts in the
16 room with all of organized labor and
17 construction industry saying the same thing.
18 Diversity is important to us. The political
19 will is here. I think the political will needs
20 to be there from every level speaking the same
21 language. I would ask that that is throughout
22 the entire project of all three projects or
23 however many projects there are. That that is
24 kept at the table the entire time.

1 We have found that women seeking
2 women drives this conversation. That they are
3 the most underrepresented demographic in the
4 industry. So, when you focus on the most
5 difficult piece, the other pieces start to come
6 up with them. Drive that women number, let
7 everybody know.

8 I had the very fortunate opportunity
9 to go to college because of the wages that my
10 family or I when I started working. And after
11 that I opened a nonprofit to help kids in
12 Dorchester, Roxbury, Mattapan, South Boston,
13 Hyde Park get into high school and college
14 through sports, academics, nutrition, wellness,
15 just providing resources to folks that may or
16 may not have it.

17 But what I saw was there has to be a
18 level of changing the conversation. That if we
19 continue to say you can't get into these
20 trades, someone is going hear that and believe
21 it.

22 I think the message has to be if you
23 want be part of it, go take advantage of it.
24 So, from your level -- From our level we're

1 doing that. We're saying that if you want this
2 come get it. I think that conversation is to
3 change. I want everybody that speaks on this
4 type -- on our industry or on this message,
5 they should be speaking from the same script.

6 The ethos of what's happening in
7 this industry has to change. It has already
8 thawed. The time to get in has changed. That
9 was years ago. The time to do better is now as
10 we move forward. So, I think all of those
11 different pieces should remain in the
12 conversation that we are jointly having as an
13 entire stakeholder group. So, I'd just like to
14 make those points too.

15 COMMISSIONER STEBBINS: One just
16 quick final point, if I can. The license
17 conditions that we've given our two license
18 designees for the Category 1's require them
19 once they select a general contractor, to come
20 in and meet with us personally to talk about
21 what those diversity goals obviously and how
22 important those are.

23 So, Mark, to your point we're
24 starting off the conversation as early as we

1 possibly can. The interesting kind of new
2 nuance out of the gaming legislation was
3 veterans. You probably have a lot of veterans
4 in your workforce who may or may not self-
5 identify themselves as having been in the armed
6 services.

7 Any thoughts or any ideas as to what
8 the population of your membership is, just kind
9 of a ballpark to see how many have military
10 experience prior to getting into the
11 construction trades? It's a number we really
12 haven't talked about. So, I'm just curious as
13 to any thoughts you had on that.

14 MR. ERLICH: I would be hesitant to
15 estimate numbers with any kind of reliability.
16 We have had a partnership with a program called
17 Helmets to Hardhats for many years, which has
18 been returning veterans.

19 There is a very simple crossover
20 from serving in the military to us serving on a
21 construction site. There's a high level of
22 discipline required. You've got to be there on
23 time. Once you're there, there is no fooling
24 around. You work under unpleasant conditions

1 out in the open.

2 So, there's actually a kind of
3 synergy between people who have succeeded in
4 the military and people who have succeeded in
5 construction. So, the numbers are high. I
6 don't know what they are.

7 What's interesting now is as the
8 military has become significantly more diverse
9 that the Helmets to Hardhats program has
10 actually been one of the programs that has
11 helped add to the diversity of the construction
12 workforce. Many of the most successful women
13 who have come into the trades have military
14 background.

15 COMMISSIONER STEBBINS: Interesting.

16 CHAIRMAN CROSBY: Brian, do you know
17 how many positions are there in all of your
18 apprenticeship programs in any given year
19 roughly?

20 MR. DOHERTY: That's a good
21 question. I would speak to the trend if I can.
22 And it's very tied very much to the economic
23 cycle. We are a boom/bust industry. As we
24 ramp up, just simply put ballpark number, it'd

1 be tough to say, but I do know that we have had
2 internal meetings both in DC, here at the state
3 level and then at the Council level. And we
4 are trying to track the markets a bit.

5 We have doubled and tripled our
6 apprenticeship programs in the past two years.
7 We're expecting to triple them next year. So,
8 the time is now for an opportunity. I think
9 with all of the cranes in the city of Boston
10 and the outlying immediate areas, plus the
11 additional three major projects through this
12 gaming legislation, we are preparing for the
13 larger opportunities to come in. As a ballpark
14 number I don't have that for you off the top of
15 my head.

16 CHAIRMAN CROSBY: Do you know 500,
17 1000, 10,000?

18 MR. ERLICH: I think maybe I could
19 project. I cover all of the New England. Our
20 apprentice training facility is in Millbury,
21 Massachusetts, Central Massachusetts. I'd like
22 to say it's equally and convenient for
23 everybody. We were at 250 apprentices in 2011.
24 That's for Massachusetts, Rhode Island, Maine,

1 New Hampshire, Vermont. Connecticut we're
2 about to merge that in. We're now at 1100. We
3 quadrupled it in four years. And the diversity
4 -- You walk in there and it feels extremely
5 diverse. So, we probably represent about a
6 third of the jobs on one of these. So, I think
7 you could kind of extrapolate.

8 CHAIRMAN CROSBY: How many members
9 are in your collective group, total members?
10 What's the membership of your Council?

11 MR. DOHERTY: So, we represent 20
12 trades. And those trades are just about
13 anybody you can think of in roads and bridges
14 infrastructure and commercial high-rises,
15 infrastructure work or any type of vertical
16 building. In this area, those 20 trades have
17 35,000 members.

18 CHAIRMAN CROSBY: 35,000?

19 MR. DOHERTY: But again, it will get
20 tricky as a regional impact. Some of the
21 trades that I represent are New England trades.
22 Some of them are tri-state trades. In this
23 area there are thousands. I wouldn't venture a
24 guess much more than 14,000 maybe. I'm talking

1 specifically again to the Boston region. So,
2 to the statewide number I think it's 75,000,
3 but that's family members. So, I'm basing this
4 on our healthcare coverage.

5 CHAIRMAN CROSBY: Is Susan
6 volunteering to speak?

7 MS. MOIR: 3,757 is the answer to
8 your question.

9 CHAIRMAN CRSOBY: Which question?

10 MS. MOIR: The apprentices in
11 Massachusetts.

12 CHAIRMAN CROSBY: In Massachusetts
13 three thousand six hundred and some?

14 MS. MOIR: 3757 as of the last
15 quarterly report. That's a 20 percent increase
16 since last year.

17 CHAIRMAN CROSBY: And that's in
18 Massachusetts in the construction trades.

19 MS. MOIR: Across the state.

20 CHAIRMAN CROSBY: Great. You ought
21 to get a little guidance from Susan on your
22 data.

23 MR. DOHERTY: She's a great
24 teammate. We can always rely on Susan. Thank

1 you, Susan.

2 CHAIRMAN CROSBY: This is really
3 good. And we appreciate this has got to come
4 from every direction. And having it come from
5 the heads of the unions, as you well understand
6 is really critical. So, we really appreciate
7 this.

8 MR. DOHERTY: I would just like to
9 simply put it once more, the capital of the
10 political will is different than it used to be.
11 And moving forward, it is going to reflect
12 economic and social opportunities for
13 everybody. So, now's the time to get in.

14 CHAIRMAN CROSBY: Great, thank you.
15 Is that it for you Jill?

16 MS. GRIFFIN: Yes.

17 CHAIRMAN CROSBY: All right, thank
18 you. General Counsel Blue?

19 MS. BLUE: Good afternoon,
20 Commissioners. You have in your packet today a
21 set of regulations for the Race Horse
22 Development Fund.

23 And I think just to give you sort of
24 a broad overview. There's actually two

1 regulations in that packet. The reason for it
2 is that the Race Horse Development Fund is
3 found in 23K. So, those regulations may end up
4 in the section of regulations that pertain to
5 23K.

6 The second group of regulations,
7 which gives the Commission some flexibility on
8 Race Horse licensing will probably end up under
9 the 128A regulation. So, we've separated them.
10 But they do work together and they do have some
11 interaction.

12 So, to go over the high points, the
13 Race Horse Development Fund regulations as we
14 discussed last time are put forward to give
15 some clarity as to how that money will be used
16 and how it will be paid out. This is a very
17 new fund under the Commission's statute. So,
18 this is a good time to take a look at how we're
19 going to deal with that.

20 It does a few things. It requires
21 someone who holds a racing license to notify
22 the Commission if it's going to take any kind
23 of action. Action being something like
24 shutting down, transferring a license, going

1 dark. And they have to give the Commission 30
2 days prior notice.

3 Once they give that to the
4 Commission, these regs. give the Commission the
5 authority to hold a hearing and determine
6 what's best to do given the situation that's in
7 front of the Commission.

8 The regs. go out to talk about how
9 the Race Horse Development Fund is paid out.
10 It tracks the statute. But there are some
11 places where the statute isn't quite as clear.
12 So, we've tried to clarify that in the regs.

13 It describes how the funds will be
14 distributed by a licensee once a licensee gets
15 them. And that's also set by statute. It
16 gives the Commission the authority to hold
17 certain funds in escrow. Especially in a
18 situation where there is a track that goes dark
19 or a license that is being transferred or
20 something else that's occurring that the
21 Commission feels in the best interest of the
22 industry it would make sense to hold the funds
23 in escrow.

24 It does make payment of the Race

1 Horse Development funds contingent upon the
2 licensee accepting and adhering to safety
3 standards as they're adopted by the Commission.
4 And the idea is that this pot of money under
5 the Race Horse Development Fund is a little
6 different than the purse money that came out
7 under 128A.

8 So, in this situation we thought it
9 would be a good idea for the Commission to at
10 least suggest that before you can receive
11 payment as a licensee, you adhere to whatever
12 broad safety standards the Commission has
13 adopted for racing.

14 The funds can be escrowed by the
15 Commission for up to three years. What we've
16 also done is given the Horse Racing Committee
17 the ability and the authority to determine the
18 split of Race Horse Development funds if there
19 is more than one licensee in a particular area.
20 So, for example, if there were three harness
21 racing licensees, we would go back to the Race
22 Horse Committee and ask them to determine how
23 that money should be split between multiple
24 licensees.

1 CHAIRMAN CROSBY: Could they rethink
2 the overall split or is that locked in stone
3 and you could only take say the harness racing
4 25 percent and split it three ways?

5 MS. BLUE: Essentially, it's both.
6 The Race Horse Committee does have the right to
7 rethink the split. And they have talked about
8 looking at that annually. This would be sort
9 of a subset of that once they determine the
10 split.

11 CHAIRMAN CROSBY: Okay.

12 MS. BLUE: Under the second set of
13 regs. that deal with the application, these
14 regulations give them Commission the ability to
15 waive deadlines for the filing or for acting on
16 an application under certain circumstances.

17 So if, for example, there were no
18 licensee in the Commonwealth and someone came
19 forward outside of the timeframes, if an
20 existing licensee has submitted notice to the
21 Commission that it's not going to request a
22 renewal of its license, it gives the Commission
23 some flexibility on taking applications and
24 making decisions.

1 These regs. also allow the
2 Commission to take supplemental information up
3 to 45 days before the beginning of a meet.
4 That 45-day number is arbitrary. And I think
5 we want to give some thought to that because it
6 depends on when the meet starts, obviously.
7 But it would also depend perhaps on the
8 situation in front of the Commission and
9 whether you had certain investigations to do or
10 certain things you wanted to look at and
11 whether 45 days before the start of a meet was
12 enough time in which to do that. So, that I
13 would appreciate direction from the Commission.

14 And then finally the regs. give the
15 Commission the ability to hold application
16 checks in escrow and to require that a bond,
17 which is required by statute, be submitted 30
18 days after award instead of with the
19 application.

20 CHAIRMAN CROSBY: Great.

21 COMMISSIONER CAMERON: The one piece
22 I, and you just brought it up, I don't think 45
23 days is enough time in order to complete an
24 investigation on the application. And hiring

1 alone is a process that takes some time. So, I
2 think we should rethink that 45 days and I do
3 think we need more time. I'm thinking maybe 90
4 days would be appropriate.

5 CHAIRMAN CROSBY: Anybody else have
6 thoughts about that?

7 COMMISSIONER STEBBINS: Yes. It was
8 a question that kind of came up as we have gone
9 through the hearing process this week in terms
10 of we know the application process is somewhat
11 fluid. We know some of these applications are
12 kind of placeholder applications.

13 I also thought 45 days might be a
14 little bit too close. Also think that there's
15 got to be some communication back and forth
16 kind of in an ongoing nature between our agency
17 and whoever the applicants are to let them know
18 what the deficiencies are to the extent that we
19 can so that we don't bump up against some of
20 these timeframes.

21 Yes, I would like to see it extended
22 out. Ninety days certainly sounds doable.
23 We'll get some feedback on that obviously when
24 these go out.

1 CHAIRMAN CROSBY: Anything else?

2 COMMISSIONER ZUNIGA: A lot of the
3 funds are paid -- I haven't looked at this in
4 detail but one of the first reactions I had
5 that the funds would be paid to the horse
6 racing associations, provided that they are
7 associated with a racing licensee? Or how is
8 that nexus to the racing licensee?

9 MS. BLUE: The language in section
10 60 of 23K is a little bit vague. So, what we
11 did in the regulations was set it up so that
12 the 80 percent, which is the purse money, would
13 go to a racing association.

14 The 16 percent and then the four
15 percent could come directly from the Commission
16 to the breeders program because the statute
17 says it can go to a breeders program approved
18 by the Commission. The four percent that I
19 always refer to as health and welfare benefits
20 can go into an account set up for health and
21 welfare benefits.

22 So, we tried to give the Commission
23 the flexibility to make the smaller of three
24 payments go directly to a place that's not

1 associated with a licensee, but that the bigger
2 amount would go to the license racing
3 association.

4 COMMISSIONER ZUNIGA: Which would be
5 the racing licensee?

6 MS. BLUE: Yes, it would be.

7 COMMISSIONER ZUNIGA: Okay.

8 MS. BLUE: Yes.

9 COMMISSIONER CAMERON: We discussed
10 the issue of if in fact the licensee happens to
11 be, for example, the horsemen. So decisions on
12 using that money -- that complicates the
13 decisions on how to use that money.

14 MS. BLUE: So, for the benefit of I
15 think the folks that are listening to us or
16 watching us, what has happened the past with
17 the money that goes into purses now is that
18 money is a piece of the wagers. And that money
19 stays with the licensee. And the licensee
20 takes that money, comingles it with other funds
21 and then enters into a purse agreement with the
22 horseman's groups.

23 In that situation by contract, the
24 license and the horseman's group can determine

1 what they're going to do with that purse money.

2 In this situation where the money is
3 coming from gaming license fees and then in the
4 future from ongoing gaming revenues, the
5 Commission would want to consider what would
6 happen when that money went to a licensee if
7 the licensee were the same entity as the group
8 that was entering into the purse agreement.

9 It strikes me initially as it would
10 be sort of like someone doing a contract with
11 themselves. So, the Commission might want to
12 consider what additional either conditions they
13 would put on the license, if that were the
14 situation or perhaps -- I'm sure we'll get
15 comments on the regs. But perhaps if we need
16 to add more to the regs. to address that
17 particular situation.

18 But it is something to think about
19 because that's not commonly what happens now.

20 COMMISSIONER CAMERON: I'm thinking a
21 condition on a license would be appropriate and
22 maybe a plan that would have to be approved.

23 CHAIRMAN CROSBY: Anything else?

24 MR. DAY: Mr. Chairman, we probably

1 should have just a brief discussion about
2 emergency regulations, whether or not there is
3 a case I think for these to be move forward as
4 an emergency.

5 I'm guessing after we did the public
6 comment, we could probably accomplish that by
7 the November 20 meeting. Of course we have the
8 distributions -- We're assuming the
9 distributions would take place in November.

10 Then the second set that Catherine's
11 been talking about -- the second set of
12 regulations govern the application we have now.
13 So, that's kind of why we need them in effect
14 before we can go with the process. The process
15 in this case is about 160 days I think.

16 MS. BLUE: It's longer. This has
17 the additional time before the Legislature that
18 our 23K regs. do not.

19 CHAIRMAN CROSBY: Do we need to act
20 on that?

21 MR. DAY: I just wanted to run it by
22 the Commission here just briefly kind of the
23 thought process as we prepared to bring them
24 back to the Commission that's how we'd prepare

1 them.

2 CHAIRMAN CROSBY: Does that make
3 sense to you?

4 COMMISSIONER CAMERON: Yes.

5 MS. BLUE: So, we'll put them out
6 for informal comment now, bring them back on
7 the 20th. We can certainly do that.

8 CHAIRMAN CROSBY: Great. Next one?

9 MS. BLUE: The next item that you
10 have in your package, you have three amended
11 small business impact statements. These are
12 for the capital investment regs., for the
13 surveillance regs. and for the regulatory
14 monitoring and inspections.

15 These are all regulations that have
16 gone through the public hearing process. This
17 is just the final step to file them.

18 You also have in your package
19 comments from Penn and MGM on the surveillance
20 regs. We did consider their very thoughtful
21 comments very carefully. We think we've
22 addressed them to a broad degree in the
23 regulations themselves. So, we didn't make any
24 additional changes. But we did appreciate the

1 comments and we did go back and review them as
2 against what we had.

3 So, if the Commission would vote to
4 approve the amended small business impact
5 statements and the regulations as they stand,
6 we will file them. And then they will go
7 through the process and become final.

8 CHAIRMAN CROSBY: This is just on
9 the SBIS?

10 MS. BLUE: It's on the amended SBIS
11 yes and the regulations we have attached.

12 CHAIRMAN CROSBY: So, you're looking
13 for final approval of these regs.?

14 MS. BLUE: Yes, so we can move them
15 forward. Mr. Grossman advises me, we did make
16 some changes to the surveillance regs. based
17 upon comments we received but they are in here
18 and they've gone through the public hearing
19 process.

20 COMMISSIONER MCHUGH: Did we make
21 some change in response to the comment that I
22 think we got both from -- we got more than one
23 about taking over the surveillance room and
24 excluding people from it?

1 MR. GROSSMAN: Good afternoon,
2 again. I'm not sure if this draft made it into
3 the packet. We have taken a look at all of the
4 comments and made some recommendations in red
5 in the draft incorporating some of the
6 comments. If you compare the comments received
7 from Penn National and from MGM, you will see
8 that they were in agreement in a number of
9 areas.

10 And in response, we wanted to
11 address some of those areas in here. And to
12 get to that one in particular --

13 COMMISSIONER MCHUGH: Could I just
14 stop you there because my draft doesn't have
15 any red.

16 MR. GROSSMAN: Page 160 in the
17 Commissioners' packet.

18 COMMISSIONER CAMERON: What page?

19 MR. GROSSMAN: Page 160 in the
20 Commissioners' packet. It's page two of our
21 actual draft.

22 CHAIRMAN CROSBY: You're talking CMR
23 141?

24 MR. GROSSMAN: Yes.

1 CHAIRMAN CROSBY: Mine has red.

2 COMMISSIONER CAMERON: So, I see
3 there are concerns about the security have been
4 addressed but not - I don't see the piece about
5 the surveillance room.

6 MR. BAND: 141.02(a)2.

7 MR. GROSSMAN: Top of page two
8 paragraph two.

9 COMMISSIONER CAMERON: Only in an
10 extreme situation is how you address that.
11 There are no alternatives.

12 MR. BAND: No alternative means to
13 do that. We felt that whatever investigations
14 they might be doing might be compromised if we
15 didn't take that action.

16 In some other jurisdictions, I don't
17 think it's ever been used but you don't want to
18 take the possibility out totally that a
19 circumstance might arise that you might need to
20 do that.

21 COMMISSIONER MCHUGH: What kind of a
22 circumstance might arise when you need to do
23 that? I thought the comments made sense.

24 MR. BAND: I would say that if you

1 felt somebody in the room was involved in this
2 in some form or fashion and would compromise
3 what you're trying to do or tip off somebody as
4 to what you're trying to do, it just gives you
5 the option to do it to forward an
6 investigation. I would be surprised if it was
7 ever used but you don't want to take out that
8 possibility all together.

9 COMMISSIONER CAMERON: That was the
10 only circumstance I could think of it, was
11 someone in that room as part of an
12 investigation.

13 COMMISSIONER MCHUGH: Couldn't that
14 be part of the regulation?

15 COMMISSIONER CAMERON: No, then
16 they'd know if you did it that's what you were
17 doing. That's not going to help an
18 investigation if the person knows that you're
19 looking at them.

20 COMMISSIONER MCHUGH: I hear what
21 you're saying. But it seemed to me that
22 they've got a great deal of responsibility that
23 they're implementing through this surveillance
24 system. And I thought -- except in an

1 extraordinary circumstance, which it seems to
2 me we ought to be able to define, excluding
3 them from this area impedes their ability to
4 control the safety of the premises that they're
5 responsible for.

6 CHAIRMAN CROSBY: I think all they
7 are saying is that's true. And it probably
8 would never happen, but there might be
9 theoretically a situation where it could be
10 called for.

11 COMMISSIONER CAMERON: And security
12 is a joint operation. The troopers that would
13 be in there would certainly --

14 COMMISSIONER MCHUGH: I don't have
15 any trouble with the troopers, but it's who is
16 ultimately responsible for it. Suppose we
17 exclude people there and something goes wrong
18 and somebody gets hurt, is the Commission then
19 responsible for something that could have been
20 prevented had the people been there who knew
21 what they were looking for.

22 COMMISSIONER CAMERON: Troopers that
23 work in gaming are very familiar with
24 surveillance rooms and are very capable of

1 monitoring those cameras during an
2 investigation.

3 COMMISSIONER MCHUGH: All right. I
4 hear you.

5 COMMISSIONER CAMERON: I had the
6 same concern other than when we explain it, no
7 alternative means and that is really rare. I'm
8 comfortable with that additional language.

9 CHAIRMAN CROSBY: Are you all right?
10 Any others?

11 COMMISSIONER STEBBINS: I just had a
12 quick question on page six, the requirement of
13 how long you need to keep a recording.

14 MR. BAND: Thirty days.

15 COMMISSIONER STEBBINS: Yes. We
16 start to deviate and say the licensee can ask
17 us for permission. Why don't we just leave it
18 at 30, cut and dry?

19 MR. BAND: It became I think more of
20 a storage issue. There would be certain
21 filming because they're kind of required to
22 film everything they do. And let's say of an
23 escalator or something like that they might
24 only want to keep for seven days.

1 I don't really see that as being a
2 huge issue if that's what they would want to
3 keep as a retention period for that. I would
4 say gaming operations and things that are
5 happening more in the cage you'd certainly want
6 to keep for 30 days.

7 Thirty is probably the highest limit
8 in the country. The original most people use
9 seven, but that was originally designed because
10 video tape was being used and the number of
11 tapes that you would have to have to make then
12 retain more was ridiculous. But 30 I think is
13 certainly a reasonable length of time that you
14 certainly would catch any possible problem in
15 investigating you wouldn't have.

16 I believe that the Attorney
17 General's office actually asked us to make it
18 60.

19 COMMISSIONER STEBBINS: I'm talking
20 about the piece where the licensee can
21 petition. So, are they going to come back to
22 us and say can we throw away the escalator
23 tapes?

24 MR. BAND: It would be on a one-by-

1 one basis. And you can't just blanket say what
2 you have to or what's not, because every
3 property is designed differently. So, one
4 entrance to an escalator might lead to a money
5 area, you might want to make them keep. So,
6 you'd have to really handle that one by one
7 which would be part of the surveillance
8 submission that they would review with you.

9 MR. GROSSMAN: Just based on the
10 comments, my expectation would be not so much
11 that they'd come after and say can I throw this
12 stuff away, but that they would come before and
13 say here are the 50 areas that we're recording,
14 for these 20 is it okay if we just keep them
15 for seven days instead of 30 in advance.

16 COMMISSIONER STEBBINS: So, you look
17 at it kind of as a one-time request?

18 MR. BAND: Yes, it would be when
19 you're doing your surveillance submission.

20 CHAIRMAN CROSBY: On page three of
21 the printed regs. there's the thing that
22 requires dedicated facial recognition coverage.
23 Apparently that's available, that's a
24 requirement that can be met?

1 MR. BAND: We had found in New
2 Jersey, and that's what I'll use as an example,
3 we had two holdups at the cashier's cage. And
4 there weren't necessarily designated cameras
5 right on the face of the patron that was
6 committing the robbery. We found it invaluable
7 for events that happened later during the
8 course of things because we had a clear concise
9 photo of that individual. We could run it
10 through facial recognition.

11 CHAIRMAN CROSBY: I misunderstood.
12 You're not saying facial recognition software.
13 You're just saying a camera on their face.
14 Sorry, got it.

15 MR. BAND: We say that because the
16 quality camera makes a difference as to whether
17 you're able to utilize that picture or not.

18 COMMISSIONER CAMERON: The higher
19 quality.

20 CHAIRMAN CROSBY: I was in the
21 Matrix I was -- Others?

22 COMMISSIONER CAMERON: I just had a
23 question on page four. How did we decide -- I
24 know the comments were for B(1), we had 35,000

1 we went to 50. They asked for 100 or more?

2 That was a compromise?

3 MR. BAND: It's somewhat of an
4 arbitrary number anyway. 35,000 was something
5 that was from the past. I figured with
6 inflation 50 would be there. But there aren't
7 an abundance of machines that offer a jackpot
8 of 50,000 or above. We thought it was a fair
9 number.

10 COMMISSIONER STEBBINS: We also
11 asked for cameras, obviously, it's important to
12 have them in the parking areas. But during our
13 visits to establishments, we notice there are
14 cameras that zoom in on license plates coming
15 in and out of the garage. Is that something
16 obviously a benefit to the licensee and to us
17 to actually require that kind of license plate
18 camera?

19 MR. BAND: The license plate is
20 actually software that let's say you do have a
21 robbery or something like that you can identify
22 everybody that came in and out of the garage,
23 get an address, name from registration. It's
24 been useful. I know a few of the properties I

1 worked at have that. And it's actually helped
2 them solve quite a few crimes by doing that.

3 COMMISSIONER STEBBINS: Should we be
4 specific though in terms of that actual license
5 plate camera as opposed to just general parking
6 areas of the gaming establishment?

7 MR. BAND: Maybe I could get Karen's
8 assistance a little bit on this.

9 MS. WELLS: I think that we would
10 need to look at the facility. MGM's facility,
11 we were just out there last week, they're
12 proposed facility is very different.
13 Plainridge is a one entrance, one exit. So, I
14 think we'd work with the licensee on what makes
15 sense, sort of balancing public safety and the
16 interest of the casino against civil liberties
17 of people that are going in and out. I think
18 you have to be cognizant of both sides.

19 CHAIRMAN CROSBY: I didn't cross
20 walk all of their comments back to the text.
21 So, the remote access that Blue Tarp was
22 concerned about --

23 MR. BAND: Both Plainridge and MGM.

24 CHAIRMAN CROSBY: Did you address

1 that?

2 MR. GROSSMAN: It's on page two,
3 that's paragraph four. And I think Director
4 Wells will address that.

5 MS. WELLS: I think that one of
6 their comments was regarding the security and
7 concerns about an additional line. That's the
8 reason that the language was modified to say
9 that the transmissions have been encrypted to
10 ensure security. So, that's to address the
11 concern.

12 From my perspective I feel strongly
13 that we do want the remote access for law
14 enforcement and for regulatory enforcement
15 purposes. It does make a difference that we
16 have the ability to look at what we're looking
17 at without people in the room knowing that
18 we're looking at it. That's an advantage that
19 I think is worthwhile.

20 Also, we have based on the set up we
21 have in Massachusetts, we're not in Atlantic
22 City where our offices are right near all of
23 the casinos. The casinos are in different
24 locations. So, there's a benefit to the

1 Commission if we're working on different
2 investigations having a remote location. I do
3 personally think that it's worthwhile.

4 COMMISSIONER MCHUGH: And in the
5 places I've seen, the Commission room in the
6 casino is a room separate from the surveillance
7 room. And that room on premises has access.

8 MS. WELLS: Yes, right.

9 COMMISSIONER MCHUGH: Why wouldn't
10 that serve the purpose?

11 MS. WELLS: Because there would be
12 people such as myself or the commanding officer
13 from the State Police and other people who may
14 be working on investigations that may not be in
15 Springfield or Everett or in Plainville. That
16 would be the advantage.

17 CHAIRMAN CROSBY: Is that used in
18 some places?

19 MR. BAND: Not to my knowledge.

20 CHAIRMAN CROSBY: This would be
21 unique to us.

22 MR. BAND: Yes.

23 COMMISSIONER CAMERON: I don't know
24 that it's unique.

1 MR. BAND: I say I don't know of
2 anyplace else. I have though been in
3 conferences we're we've seen live feed of other
4 people's casino floor. It wasn't like to the
5 regulators or anything like that, but I have
6 seen it.

7 Back further on encryption wasn't up
8 to what it used to be today. I think it's less
9 of an issue now. Military uses encrypted
10 video. Everybody else can do encrypted at a
11 level that you don't have to worry about
12 somebody stealing a signal.

13 COMMISSIONER CAMERON: It's very
14 common in policing now also to have the off-
15 site availability. I would agree.

16 CHAIRMAN CROSBY: Is there a cost
17 implication to this.

18 MR. BAND: It's usually just done
19 over like a T-1 line.

20 CHAIRMAN CROSBY: We would do it on
21 our own line. It doesn't cost the operator
22 anything.

23 MR. BAND: That's right.

24 COMMISSIONER MCHUGH: Don't we have

1 to have a secure facility in our place where
2 you look at this? When you go into these
3 surveillance rooms, you have to sign in a book
4 and somebody stands by the book 24 hours a day.

5 MS. WELLS: In the new office space,
6 it would be in the IEB section which will be
7 locked and have restricted access.

8 MR. BAND: The sign-in log would
9 serve more of a purpose as to who they are
10 allowing in there.

11 COMMISSIONER MCHUGH: I know. It
12 serves as an accountability piece. I know
13 we're not going to be sloppy about this. But
14 the accountability piece --

15 Can I come back to make one more
16 shot at this nearly dead horse and that's
17 paragraph two. I finally have found my red.
18 What about leaving that as it is but saying
19 something along the lines of no exclusion can
20 occur without the personal authorization of the
21 head of the IEB or the division. So, you've
22 got to get individual, identified individual at
23 the very top to sign off on this before it can
24 happen.

1 MS. WELLS: I would say either
2 myself as the director --

3 MR. BAND: Something that would be
4 involved in anyway hopefully.

5 MS. WELLS: I would say the director
6 or the commanding officer of the Gaming
7 Enforcement Unit of the State Police.

8 COMMISSIONER MCHUGH: I thought it
9 was the AG's division of gaming enforcement
10 that we were talking about.

11 MS. WELLS: Oh, the division. I'm
12 sorry. So, that would be the division
13 director.

14 COMMISSIONER MCHUGH: Director of
15 the division or the director of the IEB.

16 MS. WELLS: It does say the
17 Commission and the division. So, I would think
18 the Commission would be IEB and the division --
19 I would just say if I was not available I would
20 also defer to in the present example would be
21 Detective Lieutenant Connors if I was not
22 available to direct that. The division would
23 be the division's Assistant Attorney General
24 Chief, so that presently Patrick Hanley.

1 COMMISSIONER MCHUGH: That's fine
2 with me so long as there is an identifiable
3 individual who has to sign off on this before
4 it happens.

5 MS. WELLS: I would be in agreement
6 with that.

7 COMMISSIONER MCHUGH: Okay. Now the
8 horse is dead.

9 CHAIRMAN CROSBY: Anything else?
10 Where are we now?

11 MR. GROSSMAN: If the Commission is
12 comfortable with these changes as amended, this
13 document has now been through the entire
14 promulgation process. It's ready for final
15 promulgation if you're ready to do it now or
16 whenever it seems appropriate.

17 COMMISSIONER CAMERON: I would move
18 that we approve the surveillance of the gaming
19 establishment regulations with the amended
20 change just identified.

21 CHAIRMAN CROSBY: And the SBIS, the
22 amended SBIS.

23 COMMISSIONER CAMERON: And the
24 amended -- I don't think that was amended

1 though.

2 MR. GROSSMAN: It's called the
3 amended SBIS.

4 COMMISSIONER CAMERON: Oh, it's
5 called the amended SBIS. Yes and the amended
6 SBIS.

7 COMMISSIONER STEBBINS: Second.

8 CHAIRMAN CROSBY: Did that cover
9 everything?

10 MS. BLUE: No. We would also ask
11 that you approve the capital investment
12 regulations and the amended SBIS for that to go
13 forward and the amended SBIS and the regulatory
14 monitoring and inspection reg. as well.

15 COMMISSIONER STEBBINS: Do you want
16 an individual motion?

17 MS. BLUE: If you want to do all
18 three at one time, that would be great. But we
19 can do them individually too that's fine. But
20 there's three separate regulations we would
21 like to move forward.

22 CHAIRMAN CROSBY: And two or three
23 SBIS's.

24 MS. BLUE: Three SBIS's and three

1 regulations.

2 CHAIRMAN CROSBY: Do you want to
3 take that one from the top?

4 COMMISSIONER CAMERON: So, we
5 weren't going to discuss those, correct? We've
6 already discussed those enough?

7 MS. BLUE: The other ones we should
8 be fine. It's my understanding we did not make
9 changes to the monitoring reg. and the capital
10 investment we haven't made changes to.

11 COMMISSIONER CAMERON: Okay. Let me
12 get them all. So, I move that we --

13 CHAIRMAN CROSBY: It's 7(b) on the
14 agenda, 7(b) might help.

15 COMMISSIONER CAMERON: I have 7(b)
16 here. I have to flip the pages to get all of
17 the titles correct. So, the first amended
18 small business impact statement is 205 CMR 141
19 surveillance of the gaming establishment, and
20 that to include the surveillance of the gaming
21 establishment regulations with the changes just
22 identified. Then the amended SBIS and final
23 version of the capital investment as well as
24 the administrative search and seizure

1 regulations.

2 MS. BLUE: Yes, and the amended SBIS
3 for that.

4 COMMISSIONER CAMERON: And the SBIS
5 that accompanies that.

6 COMMISSIONER STEBBINS: I'll re-
7 second that motion.

8 COMMISSIONER CAMERON: Thank you.
9 That's what Steve was trying to tell me to do.

10 CHAIRMAN CROSBY: We have a second.
11 Do we have any other discussion? Okay. All in
12 favor, aye.

13 COMMISSIONER MCHUGH: Aye.

14 COMMISSIONER CAMERON: Aye.

15 COMMISSIONER ZUNIGA: Aye.

16 COMMISSIONER STEBBINS: Aye.

17 CHAIRMAN CROSBY: Opposed? The ayes
18 have it unanimously. Thank you very much. Why
19 don't we take a quick break and then we'll
20 finish up with item number eight.

21

22 (A recess was taken)

23

24 CHAIRMAN CROSBY: We will reconvene

1 meeting number 137 at about 3:30. Director
2 Wells of the IEB all by herself.

3 MS. WELLS: I am all by myself, but
4 not for long. Good afternoon, on the agenda
5 this afternoon are the results of the
6 suitability investigation for an additional
7 Wynn MA, LLC qualifier, Mr. Robert DeSalvio.
8 And Mr. DeSalvio is present here this
9 afternoon.

10 Mr. DeSalvio was hired by Wynn
11 Resorts Limited in March of 2014 as Senior Vice
12 President of Development for Wynn Resorts
13 development. He will be overseeing the
14 Massachusetts facility in Everett. He was just
15 recently officially named President of Wynn MA,
16 LLC.

17 Mr. DeSalvio submitted all of the
18 required forms and supplemental document
19 requests to the IEB. And our investigators
20 conducted a rigorous background check. The
21 full report has been given to you for your
22 consideration.

23 As I've said on numerous occasions
24 doing these qualifier reports before, the areas

1 covered in the investigation included
2 employment history, criminal record, education,
3 directorships and shareholder interests, civil
4 litigation, bankruptcies, property ownership,
5 political contributions, references and media
6 coverage. Investigators also conducted a
7 financial responsibility evaluation with
8 positive results.

9 Mr. DeSalvio obtained a bachelor of
10 science in business administration from the
11 University of Denver in 1978. He began his
12 career in the casino industry in 1979 as a
13 sales manager for Caesar's in Atlantic City,
14 New Jersey. From 1981 to '83, he was the
15 National Sales Manager for Bally in Atlantic
16 City, New Jersey. From 1983 to 1987 he was the
17 Executive Vice President of Marketing and then
18 Director Casino Marketing Credit Executive Host
19 at Sands in Atlantic City, New Jersey.

20 From 1997 to 2006 he was the
21 Executive Vice President of Marketing Vice
22 President of Marketing at Foxwoods Resorts in
23 Connecticut. And from 2006 to 2014 he was the
24 President of Sands Casino Resort in Las Vegas,

1 Sands in Bethlehem, Pennsylvania before taking
2 a position with Wynn.

3 During his career, Mr. DeSalvio has
4 been licensed in four other jurisdictions New
5 Jersey, Connecticut, Nevada and Pennsylvania.

6 The report does note a matter from
7 Connecticut where in 1999 Mr. DeSalvio
8 authorized two cash vouchers allegedly in
9 contravention of governing standards of the
10 Mashantucket Pequot Tribal Nation. Foxwoods
11 settled that matter with the Connecticut
12 Department of Special Revenue in February 2001
13 and acknowledged that the governing standards
14 and controls were not entirely clear.

15 Foxwoods has since revised and
16 clarified the policies and procedures. There
17 was no individual discipline against Mr.
18 DeSalvio. He remained licensed and in good
19 standing in Connecticut and was subsequently
20 licensed in Pennsylvania after leaving Foxwoods
21 and taking a position with Sands in Bethlehem,
22 Pennsylvania.

23 Overall, Mr. DeSalvio has
24 demonstrated by clear and convincing evidence

1 that he is suitable for licensure in
2 Massachusetts. And therefore the IEB is
3 recommending that the Commission find him
4 suitable. No conditions are recommended.

5 CHAIRMAN CROSBY: Questions?

6 COMMISSIONER CAMERON: I see no
7 reason why we shouldn't approve this. For a
8 career this long, I am actually surprised there
9 is only one minor issue here of note. It's a
10 clean investigation.

11 MS. WELLS: We are comfortable.

12 CHAIRMAN CROSBY: Do we have a
13 motion?

14 COMMISSIONER CAMERON: I move that
15 we approve this applicant as a qualifier, Mr.
16 DeSalvio.

17 CHAIRMAN CROSBY: Second?

18 COMMISSIONER MCHUGH: Second.

19 CHAIRMAN CROSBY: Any further
20 discussion? All in favor, aye.

21 COMMISSIONER MCHUGH: Aye.

22 COMMISSIONER CAMERON: Aye.

23 COMMISSIONER ZUNIGA: Aye.

24 COMMISSIONER STEBBINS: Aye.

1 CHAIRMAN CROSBY: Opposed? The ayes
2 have it unanimously. Congratulations. Now you
3 have some more topics.

4 MS. WELLS: Okay. I've got my team
5 here now. I believe next on the agenda is the
6 internal controls which I believe there was
7 some discussion earlier when I was in the back
8 of the room in conjunction with the credit. I
9 defer to Mr. Grossman and Mr. Band on some of
10 the substantive matters. My understanding is
11 we need to make a decision on what we want to
12 do moving this forward.

13 MR. GROSSMAN: This document is a
14 work in progress as you can probably tell from
15 looking at it. There are a number of citations
16 and the like that need to be tightened up. We
17 certainly look forward to comments from the
18 licensees and designated licensees on this.

19 We received a comment this morning
20 from MGM relative to an overall approach that
21 they would like the Commission to consider as
22 we move forward this particular document. I
23 don't think we have a lot of substantive
24 comment to make relative to this.

1 At the moment, I think it would be
2 most helpful for us to develop a plan for
3 moving this forward at this point.

4 CHAIRMAN CROSBY: Is there anything
5 that you would, not to necessarily discuss now,
6 but just for purposes of our own thinking about
7 this, is there anything you would particularly
8 point our attention to?

9 MR. GROSSMAN: I think what MGM's
10 comments are and these are overall an area that
11 we have been and will continue to look at is
12 the level of prescriptiveness that we have
13 included in some of the areas and whether that
14 is the best approach.

15 Whether it's essential for us to do
16 that or to make it more risk-based and say to
17 the licensees you must submit a policy and
18 protocol relative to whatever it is. As
19 opposed to us saying you have to submit the
20 policy and it has to contain the following 15
21 elements or what have you.

22 And that's something that we'll
23 continue to look at. There's no one area that
24 I think needs to be pointed out today. But

1 that's the overall theme of this whole process.

2 I think we've done a good job of
3 identifying the areas in need of policies and
4 in need of attention. The question then
5 becomes how do you go about ensuring that the
6 internal control that's submitted to us is of
7 the quality that we would be looking for. That
8 is the process we are looking at right now.

9 CHAIRMAN CROSBY: If you took the
10 less prescriptive route.

11 MR. GROSSMAN: Yes, exactly, what
12 level of prescription is essential.

13 MS. WELLS: I was just going to say
14 what also might be helpful in balances is with
15 the licensees having some direction for them so
16 they are not creating documents which we are
17 then coming back to them and saying no, this
18 isn't good enough. You need to do something
19 better. That they have some idea of what the
20 framework should be so that there is not a
21 continual back-and-forth with the internal
22 controls. And they know what we really would
23 expect and what would make us comfortable on
24 our end for the Commission and that would be

1 sufficient.

2 COMMISSIONER ZUNIGA: But the
3 fundamental process here is that they submit a
4 document of internal controls, gets reviewed
5 here and needs to include certain minimum
6 standards. And they're all articulated here.
7 The level of that prescriptiveness is a matter
8 of debate or ongoing analysis.

9 But when after they submit that it
10 could be turned around with comments, requests
11 for improvements or etc., etc. The general
12 framework here is it allows for that process.
13 Submit, review and resubmit if needed, which I
14 believe is a reasonable good approach.

15 COMMISSIONER MCHUGH: I haven't read
16 this letter. It's dated today. It's long.
17 But we've always had these continuing dialogue
18 between how much detail to put in there and how
19 much to leave to the licensee.

20 What the chips have to look like,
21 that's like money regulations. That needs to
22 be highly detailed. The other end, there's
23 something that doesn't need to be detailed at
24 all and they could probably give us anything

1 that would work. And then there's everything
2 else that's in the middle.

3 CHAIRMAN CROSBY: Where does this
4 fall on the continuum now, Bruce? What does
5 this represent on the continuum of best
6 practice?

7 MR. BAND: Right now, I think you
8 are probably standard in most jurisdictions, of
9 course not in Nevada which is a completely a
10 different operation. I think it would be
11 greatly beneficial to us to be able to see the
12 property's comments and specifics about that
13 and give that full consideration. We're always
14 willing to take a look at another point of
15 view.

16 The one comment we did get was this
17 morning. And nobody's really had time to
18 review that in detail. So, I would kind of
19 take that approach to get the responses back
20 from the industry.

21 CHAIRMAN CROSBY: Okay. Where are
22 we in the process for this? How much longer
23 for this --

24 MR. DAY: Mr. Chairman I think in

1 order to phase 2 -- The testimony from Mr.
2 George this morning, in order be able to
3 support Penn's efforts, we need to try to get
4 this finished by the end of January, which
5 we've got about a 60-day formal process. So,
6 we'd have to try to move our internal controls
7 into the formal process by about November 20.

8 CHAIRMAN CROSBY: Okay.

9 COMMISSIONER CAMERON: This will
10 come back to us in a couple weeks with comments
11 and whatever proposed changes based on those
12 comments.

13 MR. DAY: Yes. And we're hoping as
14 well that we'd be able to combine -- it's
15 possible to be able to combine. Commissioner
16 Enrique and his group as well are working on
17 two other sets to go with this set. So, the
18 best world would be to be able to get those all
19 ready to go on the 20th.

20 COMMISSIONER MCHUGH: These are out
21 now for obviously -- These internal control
22 regulations are now out for the informal public
23 comment before the formal public comment
24 period.

1 MR. DAY: That's correct.

2 CHAIRMAN CROSBY: The informal
3 process runs how much longer?

4 MR. DAY: It usually runs about 10
5 days in total. But I think these have been out
6 now, this section has been out for that period,
7 haven't they?

8 MR. GROSSMAN: It's been out for a
9 number of weeks.

10 MR. DAY: We could move them
11 forward, I suppose. But I think in this
12 situation because there are things that have
13 come in for the licensees, it's better for us
14 to hold --

15 CHAIRMAN CROSBY: We agree with
16 that. Okay, next, next up.

17 MS. WELLS: So, we don't need to do
18 anything?

19 MR. GROSSMAN: Just to clarify, I
20 guess we will post the credit draft for
21 informal public comment. Leave this out there
22 for informal public comment and bring it back
23 before you in two or four weeks.

24 CHAIRMAN CROSBY: Right.

1 MS. WELLS: I think the last thing
2 on the IEB agenda was the gaming equipment
3 regulations, Loretta.

4 MS. LILLIOS: Good afternoon. This
5 regulation on gaming equipment as drafted
6 focuses on equipment for table games. And you
7 are seeing this for the first time. Its
8 subsections are subdivided into chips and
9 plaques, equipment and layouts for the table
10 games themselves, dice, cards and tiles, and a
11 section on Commission inspection and approval
12 of gaming equipment.

13 The regulation covers the equipment
14 and table layouts for about 30 of the most
15 popular table games. And the games in this
16 reg. will correspond with the games included in
17 the regulation on rules of the games, which is
18 being drafted now.

19 The chips and plaques section sets
20 forth specifications for the manufacturer of
21 the various chips, and builds in steps for
22 Commission and IE approval in the design and
23 manufacture process.

24 This is to ensure that the physical

1 characteristics of the chips, for example, the
2 graphics, colors, edge designs of the various
3 denominations have appropriate differential
4 features, have built-in anti-counterfeit
5 measures and are designed so that certain
6 features can be viewed from the gaming
7 establishment's closed circuit television
8 system.

9 The chips and plaques section also
10 includes provisions requiring the gaming
11 establishment to inspect chips. It includes
12 provision for the handling of chips, their
13 storage, provisions for documenting, inventory
14 and for the destruction of chips.

15 The game section sets out
16 specification for the gaming equipment and
17 table layouts associated with the approximately
18 30 games now included. And there is also a
19 petition process if the gaming licensee wants
20 to add a game not presently included.

21 The reg. as drafted also allows the
22 establishment to offer alternative layouts for
23 some games with notice to the IEB and to
24 patrons. And the dice section and the cards

1 and tiles section like the chips section also
2 specifies design features, handling and storage
3 requirements and inventory measures.

4 Mr. Band has taken the laboring oar
5 on the substance of this regulation. We'd be
6 happy to try to answer any questions. It would
7 be our suggestion to put these out for informal
8 public comment at this time. Since it's a
9 table game reg. and it applies to the Category
10 1 licensees, this seems to be sufficient time
11 for that to happen. And this is the first time
12 that you are seeing it.

13 We would intend to work the
14 licensees to get their comments and also to
15 identify an appropriate manufacturer or
16 manufacturers to ask for their comments as
17 well.

18 CHAIRMAN CROSBY: Questions?

19 COMMISSIONER CAMERON: I'd be
20 interested from Mr. Band, I know that many of
21 these are best practices and used pretty much
22 uniformly from jurisdiction but there are some
23 differences in jurisdictions.

24 MR. BAND: Yes.

1 COMMISSIONER CAMERON: How did we
2 decide which way we wanted to go?

3 MR. BAND: I took what I thought was
4 probably the most common used in the industry.
5 Gaming equipment kind of like the rules of the
6 game are pretty specific. Gaming equipment is
7 you have some options with things like dice,
8 whether you use rounded dice or what they call
9 razor edge dice where you really want to use
10 razor edge so people can't slide dice and it
11 catches the felt and rolls, little specifics
12 like that.

13 On the chips that's pretty much
14 standard in the gaming industry from the
15 manufacturers. You don't want somebody to be
16 able to what they call barber poling chips from
17 another casino or something in a pile. They
18 should easy to identify that they are all XYZ
19 casino's chips.

20 CHAIRMAN CROSBY: Same question I
21 asked before. Besides the issue of
22 prescriptiveness, is there anything in
23 particular that you think we should be pay
24 particular attention to?

1 MR. BAND: I don't see this document
2 as being controversial in the industry. It's
3 pretty straightforward.

4 CHAIRMAN CROSBY: Okay, great.
5 Anything else?

6 COMMISSIONER MCHUGH: I take it this
7 is one in which you think a lot of prescriptive
8 regulation ought to be --

9 MR. BAND: You do spell it out
10 because the table layouts have winning odds on
11 it and particular spots for betting. It's
12 prescriptive because you don't want the spots
13 too close together where people would be able
14 to switch cards or cap bets and a lot of
15 things.

16 So, a lot of the things spelled out
17 in here are for games protection. And I think
18 you have to be when you're talking about
19 equipment because you're looking for some
20 specific standards.

21 COMMISSIONER MCHUGH: This I take it
22 also is an area where you want standardization
23 across the jurisdiction?

24 MR. BAND: Yes.

1 COMMISSIONER MCHUGH: For
2 enforcement purposes.

3 MR. BAND: Yes.

4 CHAIRMAN CROSBY: Anything else
5 anybody? I think that may bring us to our
6 conclusion. Anything else on anybody's agenda?

7 COMMISSIONER MCHUGH: What's the
8 step here? We put these out for public
9 comment?

10 MS. LILLOS: For informal public
11 comment, so no vote is needed.

12 COMMISSIONER MCHUGH: No vote for
13 that, right. Okay, great.

14 CHAIRMAN CROSBY: Okay.

15 COMMISSIONER MCHUGH: Thank you.

16 CHAIRMAN CROSBY: Thank you.
17 Anything else, Catherine, John, Rick? Do I
18 have a motion to adjourn.

19 COMMISSIONER CAMERON: Move to
20 adjourn.

21 CHAIRMAN CROSBY: All in favor, aye.

22 COMMISSIONER MCHUGH: Aye.

23 COMMISSIONER CAMERON: Aye.

24 COMMISSIONER ZUNIGA: Aye.

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COMMISSIONER STEBBINS: Aye.

CHAIRMAN CROSBY: And we know what
that means.

(Meeting adjourned at 3:49 p.m.)

1 ATTACHMENTS:

- 2 1. Massachusetts Gaming Commission October
- 3 23, 2014 Notice of Meeting and Agenda
- 4 2. Massachusetts Gaming Commission September
- 5 8-17, 2014 Meeting Minutes
- 6 3. Massachusetts Gaming Commission September
- 7 25, 2014 Meeting Minutes
- 8 4. Massachusetts Gaming Commission October 9,
- 9 2014 Meeting Minutes
- 10 5. Penn National Gaming, Inc. Quarterly
- 11 Report as of September 30, 2014
- 12 6. Wynn MA, LLC Monthly Update
- 13 7. Strategic Science Report on Informing Play
- 14 Management Systems: International Review
- 15 of Limit-Setting Tools
- 16 8. Massachusetts Gaming Commission October
- 17 21, 2014 Memorandum Regarding Estimated
- 18 Cost of Play Management Tools
- 19 9. 205 CMR 138.40 to 138.47 Uniform Standards
- 20 of Accounting Procedures and Internal
- 21 Controls DRAFT
- 22 10. 205 CMR XX.00 Race Horse Development Fund
- 23 DRAFT

24

1 ATTACHMENTS:

2 11. Amended Small Business Impact Statement

3 205 CMR 122

4 12. 205 CMR 122 Capital Investment

5 13. Amended Small Business Impact Statement

6 205 CMR 141

7 14. 205 CMR 141 Surveillance of the Gaming

8 Establishment DRAFT with Attachments

9 15. Amended Small Business Impact Statement

10 205 CMR 142

11 16. 205 CMR 142 Regulatory Monitoring and

12 Inspections

13 17. Massachusetts Gaming Commission October

14 20, 2014 IEB Qualifier Report of Applicant

15 Wynn MA, LLC for Qualifier Robert DeSalvio

16 18. 205 CMR 138 Uniform Standards of

17 Accounting Procedures and Internal

18 Controls DRAFT

19 19. 205 CMR 146 Gaming Equipment DRAFT

20

21 GUEST SPEAKERS:

22 David Cruise, Regional Employment Board Hampden

23 County

24 Robert DeSalvio, Wynn MA, LLC

1 GUEST SPEAKERS:

2 Brian Doherty, Building and Trades Council

3 Mark Erlich, Carpenters Union

4 Lance George, Penn National

5 Judith Glynn, Strategic Science

6 Michael Knapp, SkillSmart

7 Laura Lee, MGM

8 Mike Mathis, MGM

9 Jennifer Pinck, Pinck and Company

10 Jack Rauen, Penn National

11 Stephen Rusteika, PMA Consultants

12

13 MASSACHUSETTS GAMING COMMISSION STAFF:

14 Bruce Band, Assistant Director IEB

15 Catherine Blue, General Counsel

16 Richard Day, Executive Director

17 Jill Griffin, Director Workforce, Supplier and

18 Diversity Development

19 Todd Grossman, Deputy General Counsel

20 Loretta Lillios, Deputy General Counsel

21 Mark Vander Linden, Dir. Research and Problem

22 Gambling

23 Karen Wells, Director IEB

24 John Ziemba, Ombudsman

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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.

WITNESS MY HAND this 27th day of October, 2014.



LAURIE J. JORDAN
Notary Public

My Commission expires:
May 11, 2018