

COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION

OPEN MEETING

CHAIRMAN:

Stephen P. Crosby

COMMISSIONERS:

Gayle Cameron

James F. McHugh

Bruce W. Stebbins

Enrique Zuniga

October 30, 2012, 1:00 p.m.

OFFICE OF THE DIVISION OF INSURANCE

First Floor, Hearing Room E

1000 Washington Street

Boston, Massachusetts

P R O C E E D I N G S

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CHAIRMAN CROSBY: I would like to call to order the 33rd public meeting of the Massachusetts Gaming Commission on October 30, 2012.

The first order of business, the second order of business is our minutes with the first of October 16. Do we have any comments?

COMMISSIONER ZUNIGA: I do, Mr. Chairman. This is perhaps a minor clarification, but I think it may be important. On Page 8, second paragraph, I suggest just rephrasing it, rephrasing the sentence to make sure that it's not understood that the Commission has approval of the compact, which it does not, and I know that's not the intention of what was discussed. So it says, it will then have to be approved by the legislature. Again, you could introduce a period there. Make sure that it's not interpreted as the Commission also having

1 approval of the compact. It's just a
2 rewording of it.

3 CHAIRMAN CROSBY: That's fine.
4 Anybody else?

5 COMMISSIONER CAMERON: I just had one
6 comment actually. In reading all these, I
7 just wanted to commend Commissioner McHugh for
8 his efforts, and it reminded me of what a long
9 meeting this was and --

10 CHAIRMAN CROSBY: I thought there
11 would be a lot of attachments.

12 COMMISSIONER CAMERON: Well, it's
13 very well done, thank you. It must have been
14 a four-hour headphone session.

15 COMMISSIONER MCHUGH: It was -- it
16 took a while.

17 CHAIRMAN CROSBY: I didn't have a
18 correction or anything, but on the annual
19 report, is that still waiting on me to --

20 COMMISSIONER ZUNIGA: Yes.

21 CHAIRMAN CROSBY: So I need to finish
22 that.

23 COMMISSIONER ZUNIGA: I did -- like
24 we commented last week, the annual report, the

1 version that Mr. Stebbins had drafted.

2 CHAIRMAN CROSBY: So you've already
3 done your edits?

4 COMMISSIONER ZUNIGA: Yes.

5 CHAIRMAN CROSBY: So if you can give
6 me that, I think that's the last.

7 COMMISSIONER ZUNIGA: But I'll follow
8 up on that.

9 CHAIRMAN CROSBY: Great. Anything
10 else on October 16? All right, a motion.

11 COMMISSIONER MCHUGH: With the
12 comment suggested by Commissioner Zuniga, then
13 I move that the October 16 minutes be
14 approved.

15 COMMISSIONER CAMERON: Second the
16 motion.

17 CHAIRMAN CROSBY: All in favor.

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER MCHUGH: Aye.

20 COMMISSIONER STEBBINS: Aye.

21 COMMISSIONER ZUNIGA: Aye.

22 CHAIRMAN CROSBY: Opposed? Then the
23 October 23, any comments? Again just a
24 question sort of a reminder. This says

1 Mr. Stebbins stated that Chairman Crosby is
2 going to prepare a response to letter from
3 Springfield Convention and Visitors Bureau.
4 Is that pending still? I've sort of forgotten
5 that I was going to do that, but that's fine.

6 COMMISSIONER STEBBINS: Yes, that's
7 still pending.

8 CHAIRMAN CROSBY: But it's -- so is
9 there -- what am I saying? Am I saying thank
10 you for telling us, no problem, or do we
11 discuss that?

12 COMMISSIONER STEBBINS: I can work on
13 it with you in terms of a response.

14 MR. MCHUGH: That was the discussion
15 in which we basically said that to approve an
16 MOU of the type that the bureau submitted
17 would be to begin to set up a little series of
18 MOUs that applicants had to sign with various
19 interest groups and use the veto power and so
20 we could try to find another way to support
21 the energy and the effort behind, and the
22 intention behind the proposed MOU, but not
23 give any specific entities that weren't
24 mentioned in the statute potential veto power

1 over it.

2 CHAIRMAN CROSBY: So we discussed it
3 enough?

4 COMMISSIONER MCHUGH: Yes.

5 CHAIRMAN CROSBY: We made the policy
6 decision?

7 COMMISSIONER MCHUGH: We did.

8 COMMISSIONER ZUNIGA: Yes.

9 CHAIRMAN CROSBY: And also, there
10 were a lot of notes, comments I think by
11 Commissioner Zuniga about research, and we're
12 going to pick that up again today.

13 COMMISSIONER ZUNIGA: Yes.

14 CHAIRMAN CROSBY: Okay, find, any
15 other comments, any motion?

16 MR. MCHUGH: So I move that the
17 October 23 minutes be approved as submitted.

18 COMMISSIONER ZUNIGA: Second.

19 CHAIRMAN CROSBY: All in favor.

20 MS. CAMERON: Aye.

21 MR. MCHUGH: Aye.

22 MR. STEBBINS: Aye.

23 MR. ZUNIGA: Aye.

24 CHAIRMAN CROSBY: Opposed? Project

1 Work Plan, Consultant Status Report, the first
2 item is the October 29 meeting, which was the
3 storm-canceled meeting. I guess the question
4 we need to talk about is whether we think we
5 need to reschedule that.

6 Part of the work that Janice did when
7 she was talking to people on Friday was to go
8 into the names of people that are registered,
9 and almost all of the 20 or so people who had
10 been registered are representatives of
11 individual applicants, so we'll be meeting
12 with them one on one.

13 Of course, we don't know who was
14 going to watch it online or who haven't signed
15 up, but does anybody have a sense about what
16 we should do.

17 COMMISSIONER STEBBINS: When I spoke
18 with Janice on Friday, I mean, my suggestion
19 would be instead of rescheduling the meeting
20 for the 29th, we should just, as you suggested
21 most of the participants were people that just
22 signed up on the one-on-one meetings, but the
23 next time we have our consultants in here,
24 maybe they could give us an overview of what

1 that meeting on the 29th would have covered so
2 that that way it would still stream live or at
3 least be available to the public to see what
4 was supposed to be taking place yesterday and
5 get a general feel for what the one-on-one
6 meetings are all about.

7 CHAIRMAN CROSBY: That seems fine.
8 We can make a point of publicizing that fact,
9 because we were thinking that this was an
10 opportunity for communities, for example, to
11 get an understanding of what this process was,
12 and that's something for the ombudsman if we
13 can get that word out to people, so I mean I'm
14 fine with that. I don't have a particular
15 opinion one way or the other. That seems
16 reasonable.

17 COMMISSIONER MCHUGH: I agree that
18 that's a reasonable approach. The one
19 additional suggestion I'd make is that the
20 State Ethics Commission very helpfully
21 prepared for us a little memorandum of
22 frequently asked questions that are applicable
23 to this process, and we were going to give
24 that out at the October 29 meeting, so I

1 propose that that be given out at the
2 individual meetings.

3 It's a helpful thing, and that we
4 also post it on our website now so that
5 everybody who's involved, the cities and
6 towns, applicants, others can see the helpful
7 advice that the State Ethics Commission has
8 given.

9 COMMISSIONER STEBBINS: If there's
10 any way we could tape this segment from the
11 future meeting maybe and setting that clip
12 aside so somebody doesn't have to pull through
13 all the footage of our regular meeting, but to
14 say that we pull out the segment where we're
15 talking about the meeting on the 29th so they
16 could just watch that portion of it and not go
17 through the rest of the meeting maybe.

18 COMMISSIONER CAMERON: That makes
19 sense.

20 CHAIRMAN CROSBY: So for presumptive,
21 if any of the, some of the people who are
22 applicants had suggested to me I think and
23 several of us that the idea of having a
24 general meeting serves the purpose above and

1 beyond the individual meeting, so anybody
2 who's here or watching, you know, if you've
3 got other ideas about whether there's a need
4 for that meeting that we can't accommodate by
5 this idea of having the consultants give their
6 overview at probably our next public meeting,
7 you know, we're certainly open to any comments
8 or suggestions from anybody out there, but so
9 presumptively, let's assume that --

10 MR. STEBBINS: Do we plan to have the
11 consultants here? Probably right, we don't
12 know for sure, so let's assume presumptively
13 that we will have a segment on the agenda next
14 week, which is what, the 6th, so November 6 we
15 have a segment on the agenda where the
16 consultants would do what they were going to
17 do.

18 We will post with Janice or Eileen
19 the Ethics Q and A and figure out how to
20 tell -- we want to see what our web folks
21 bring out and post separately the piece next
22 week where we can talk about this, which I
23 think was a good idea.

24 CHAIRMAN CROSBY: Okay. Anything

1 else about that?

2 COMMISSIONER ZUNIGA: What would be
3 the status of the individual meetings? Are we
4 hoping to schedule them for next week I
5 suppose?

6 CHAIRMAN CROSBY: Janice and Eileen
7 are going back to the office midafternoon to
8 get back on the phone with consultants. The
9 two consultants, Michael and Carroll, their
10 homes were safe, but they hadn't heard from I
11 guess Stephen Innis, Ernie, and they hadn't
12 known whether their offices had recovered and
13 so forth, so we're going to talk to them
14 starting today to see about rescheduling.

15 It will be as soon as we can get
16 possibly get it going, the first question
17 being when they know they're free to leave
18 their families again, and then secondly, when
19 we can put it together in our schedules.

20 So again, for everybody watching,
21 we'll be rescheduling as fast as we possibly
22 can, but it was -- since our primary
23 consultants were going to help us with this
24 process live in New Jersey and have their

1 offices on the water in the New Jersey, we
2 didn't want to try to force them to leave home
3 and leave their families, so that's why we
4 postponed, part of why we postponed the
5 Tuesday meetings as well as the Monday
6 meeting, so as soon as we possibly can, and
7 Janice is going to get right on that. She'll
8 be back in touch with everybody who had talked
9 to us about scheduling those meetings as soon
10 as possible.

11 Okay, Item Number ii, RFA-2 Process,
12 anything to talk about on that, Commissioner
13 McHugh or anybody else?

14 COMMISSIONER MCHUGH: This really
15 bleeds -- I think at this stage really bleeds
16 into the third item. That's really where the
17 RAF-2 process is at the moment.

18 CHAIRMAN CROSBY: Okay. Do you want
19 to -- you guys talked about this last week
20 when I was away. Do you want to pick up, the
21 two of you, on where this stands?

22 COMMISSIONER MCHUGH: Sure. The
23 chart that everybody has in front of them now
24 is the product of a number of things.

1 It begins with the list of policy
2 initiatives and policy decisions contained in
3 the draft strategic plan prepared by the
4 consultants.

5 It's not a final document. It will
6 be shortly, and be available to everybody, but
7 they listed a number of policy decision that
8 had to be made. Then Commissioner Zuniga and
9 I supplemented the list with other policy
10 decisions that we thought were appropriate.

11 I went through the statute and took a
12 look at all of the areas where we need to make
13 policy decisions or have regulations based on
14 what the statute says explicitly, and some
15 other areas where it would be helpful to have
16 those policy decisions or regulations, and
17 Commissioner Zuniga did likewise, so we added
18 to the list of, total list, a global list of
19 policy decisions that are useful for the
20 Phase 2 process, and then in our discussion
21 last week, the three of us thought that it
22 would be helpful to take those policy
23 decisions and group them in a fashion that
24 related them to a particular outcome, and the

1 six chapter headings if you will on the matrix
2 that is in front of all of you and is part of
3 the handout for today's meeting, contained
4 those groupings, at least preliminary change
5 the groups and make whatever adjustments we
6 think are appropriate, and then within those
7 groups, the thinking was we ought to specify a
8 priority level and who is going to take the
9 lead on gathering the information necessary to
10 make a thoughtful presentation as to where the
11 policy ought to be decided, because if we all
12 are doing this, nothing is going to get done,
13 and we'll be stumbling over each other.

14 So that was the genesis of this
15 document. The numbers on the left are
16 artifacts from the list that was put together,
17 and they have no real function any longer, but
18 they're there for our reference and the
19 assembly of this document in case we want to
20 see where it came from.

21 And then the matrix has room for
22 following up and who else we need to talk to,
23 who's going to be primarily responsible, who
24 we need to talk to, and whether other

1 documents and information we need.

2 The thinking is, at least as we
3 discussed it last week, that it was not
4 necessarily so that a commissioner would be
5 responsible for the followup. There may be
6 some people who could be the leads on some of
7 these areas.

8 So the thought was that today we
9 could take it to the next step and begin to
10 think about these policy decisions both in
11 terms of the process for arming ourselves with
12 the information we need to make an intelligent
13 decision and who's going to do things to get
14 ourselves ready for the first or early part of
15 December in any event when we could actually
16 take the information we assembled, have a
17 session on a daily basis until we hammer out
18 the policies and then, at least to the extent
19 we can, and then proceed to write the
20 regulations therein. So that's the context,
21 we can do either.

22 COMMISSIONER ZUNIGA: I think it's
23 very well summarized. I only stress that
24 there is no policy decision that has been made

1 or even considered, especially in the last
2 meeting.

3 Our attempt here was to put together
4 a framework that could help us from a process
5 standpoint to accumulate questions, look at
6 proposed resolutions, wherever those may be,
7 whichever those may be, and just running a
8 checklist if you will that could help us have
9 a tally and a status from week in and week
10 out.

11 CHAIRMAN CROSBY: So the schedule,
12 the idea that we originally had, spend the
13 month of November chewing on these,
14 researching these, and then --

15 COMMISSIONER MCHUGH: Right.

16 CHAIRMAN CROSBY: -- try to get it
17 done the first week or so of December is still
18 the idea?

19 COMMISSIONER MCHUGH: Right.

20 CHAIRMAN CROSBY: Did either of you
21 drop any questions?

22 COMMISSIONER MCHUGH: No.

23 COMMISSIONER ZUNIGA: No.

24 CHAIRMAN CROSBY: So any questions

1 anybody has put in there --

2 COMMISSIONER MCHUGH: It's
3 undistilled stew.

4 CHAIRMAN CROSBY: Okay, undistilled
5 stew? Okay. Well, maybe we ought to go at
6 least through the major categories and assign
7 them to staff or Commission. I don't know
8 that we need to go through every single
9 question, but --

10 COMMISSIONER MCHUGH: It might be
11 worthwhile to do exactly that and let the
12 people responsible begin to assign priorities
13 and resources and come back at the next
14 meeting with that done rather than trying to
15 do it as a group.

16 CHAIRMAN CROSBY: Right, right.
17 Okay, so let's just run through all those
18 major categories. Questions/Policies
19 Necessary for Planning Purposes (for
20 Communities and/or Applicants). That seems to
21 be one of them that falls pretty naturally in
22 John's bailiwick, and maybe John and me, since
23 I did most of that stuff prior to his getting
24 here.

1 COMMISSIONER MCHUGH: Right.

2 CHAIRMAN CROSBY: And strategic
3 questions for the Commission in anticipation
4 of giving out licenses, such as you can look
5 at these, but should the Commission make
6 casino licensing decisions region by region or
7 simultaneously, require the developer to use
8 the specified percentage of instate or
9 regional employees, consider the impacts of
10 the slots license, in particular impacts of
11 other locations, etc. so you can see the kind
12 of stuff, pretty high-end policy questions.

13 COMMISSIONER ZUNIGA: The type of
14 direction.

15 COMMISSIONER MCHUGH: And these are
16 unlikely to result in regulations. These are
17 more -- maybe they will. These are likely to
18 be strategic policies that the Commission
19 adopts and sets out in the direction to go in.

20 CHAIRMAN CROSBY: Does anybody -- do
21 you see a sort of a particularly appropriate
22 person for that? I could take that or Jim.

23 COMMISSIONER ZUNIGA: I was going to
24 suggest you, Mr. Chairman, because you have

1 relevance as to -- maybe it could be in
2 consultation with someone else at your
3 discretion.

4 CHAIRMAN CROSBY: Yeah, and I could
5 parcel this out a little bit. Policy
6 questions relative to the --

7 COMMISSIONER MCHUGH: Who's going to
8 do that, you?

9 CHAIRMAN CROSBY: I am.

10 COMMISSIONER MCHUGH: You're going to
11 do that?

12 CHAIRMAN CROSBY: Yes. III is Policy
13 Questions Relevant to the Contents of an
14 Application, barely technical, but still
15 policy, equity ratio, liquor licenses, what
16 degree of building design completion required,
17 etc.

18 COMMISSIONER STEBBINS: I mean, there
19 are some on here that I have a particular
20 interest in, but that's a pretty lengthy list,
21 so I don't know. Maybe we could split the
22 questions up?

23 CHAIRMAN CROSBY: And are some of
24 those of interest to the two of you?

1 COMMISSIONER ZUNIGA: Absolutely.

2 COMMISSIONER STEBBINS: We just said
3 we don't want two of us, because of a
4 subcommittee designation, but you may see
5 what.

6 COMMISSIONER ZUNIGA: Questions to
7 follow up.

8 COMMISSIONER CAMERON: Not if you
9 split them up.

10 COMMISSIONER MCHUGH: Split them up,
11 yes.

12 CHAIRMAN CROSBY: Enrique, policy
13 questions pertaining to the evaluation of the
14 gaming license and the proposal. The big
15 questions, what are the criteria we're going
16 to use, what the skills to help us to review,
17 what team of people to review them. Do we use
18 some kind of a scoring system?

19 COMMISSIONER MCHUGH: I'd be happy to
20 take a crack at that.

21 CHAIRMAN CROSBY: Okay. Policy
22 question pertaining to operations, regulations
23 of casinos -- actually, this does sort of go
24 into your kind of stuff.

1 COMMISSIONER CAMERON: I'd be happy
2 to look at it.

3 COMMISSIONER ZUNIGA: As noted here,
4 some of these questions may still need to be
5 resolved in the process of the regulation.

6 CHAIRMAN CROSBY: Well, I think --

7 COMMISSIONER MCHUGH: Yeah.

8 CHAIRMAN CROSBY: -- I think we were
9 thinking the idea here was twofold. One is
10 everything that we need to decide in order to
11 empower bidders and communities to do their
12 work in a timely fashion, A, and B, to make
13 the decisions that we're going to need to
14 incorporate into the regs.

15 I think those are the two intentions
16 here, so that by early December we would hope
17 to have all of the big policy questions that
18 we can think of that are either critical to
19 our writ writing or critical to the proposals
20 will be on the table.

21 And again, if anybody in the
22 audience, on the web, or here sees other
23 policy questions that you think we ought to
24 address or other things that, you know, as a

1 generic, not as an individual matter, but as a
2 generic matter, that you think would be well
3 addressed by us in this timeframe, please let
4 us know.

5 COMMISSIONER MCHUGH: There was a
6 suggestion that we made at the last meeting
7 that we actually post this list once it was
8 comprehensive from our standpoint on the web,
9 on our website, and ask in that posting for
10 comments and additional things, the thought
11 being, as you articulated, Mr. Chairman, the
12 regs aren't going to come for a while
13 inevitably, but if we decide policies right in
14 the beginning of December, that will in itself
15 be helpful to cities, towns, and developers.
16 So get that word out so everybody.

17 CHAIRMAN CROSBY: Yes, that would be
18 great, Janice, so that we can post that with
19 the staff/Commissioner or ers, and also, John,
20 that's something that if you start building
21 your database of all your contacts at the
22 developer side and the community side, excuse
23 me, shipped out to them as well as posted on
24 the website.

1 COMMISSIONER ZUNIGA: There's one
2 more. I don't know if you need the last page.
3 There's one more.

4 CHAIRMAN CROSBY: Oh, on this one,
5 sorry.

6 COMMISSIONER ZUNIGA: Under 6, which
7 was intended as a catchall for questions that
8 may not necessarily fit in each one of them,
9 and I just also -- I also wanted to mention as
10 of the time that I printed these, we received
11 some questions from a member of the public, so
12 we could either incorporate all of those
13 questions that we solicit from interested
14 parties in this or another subcategory.

15 CHAIRMAN CROSBY: How many were
16 there?

17 COMMISSIONER ZUNIGA: Three or four.

18 CHAIRMAN CROSBY: Why don't -- if you
19 don't mind, why don't you just post them into
20 whatever category -- let's just accept them at
21 face value for the moment, put them into
22 whichever category you think is the right one,
23 and then that's the document that we would
24 post. And if people submit further ones, then

1 we'll just keep amending the format.

2 COMMISSIONER MCHUGH: Well, let me
3 just amend that a little bit, that Number 6
4 originally wasn't a catchall, but now it is
5 designed to hold policies relative to our
6 collateral regulatory efforts.

7 By that, I mean if you look there,
8 there are colleges and should we have the role
9 of regulating the community college programs
10 and the like.

11 Should we have -- what should the
12 length of our license be, and so collateral
13 regulation is not necessarily the right word,
14 but this is non-casino regulation, for which
15 we're also maybe responsible in some way, so
16 that was part of that group and put into other
17 categories. But that in itself is a category
18 that we need to think about.

19 CHAIRMAN CROSBY: And we haven't
20 assigned this one yet. We haven't assigned
21 this to Commissioner, but Enrique, but
22 Commissioner Zuniga would still go ahead and
23 take these new questions and put them in
24 whichever of these six categories.

1 COMMISSIONER ZUNIGA: Yes.

2 CHAIRMAN CROSBY: Not the Bs.

3 COMMISSIONER ZUNIGA: But I stand
4 corrected. It not a catchall.

5 COMMISSIONER MCHUGH: Yes.

6 CHAIRMAN CROSBY: Well, does that, do
7 they sort of fit -- how do we handle? Are
8 they equally time sensitive though?

9 COMMISSIONER MCHUGH: A couple of
10 them are. The community college piece, and
11 perhaps Commission Stebbins could talk about
12 this, the community college/trade school piece
13 is maybe very important right now to think
14 about, so.

15 COMMISSIONER ZUNIGA: And part of the
16 idea of coding these with a priority level was
17 that each one of these questions may change in
18 terms of priority from even week to week I
19 guess.

20 CHAIRMAN CROSBY: Right. Okay, well,
21 does this sort of -- are these sort of
22 somewhat similar to the category that
23 Commission Stebbins and Zuniga have taken,
24 which should be added to them or more

1 technical in nature?

2 COMMISSIONER CAMERON: I --

3 CHAIRMAN CROSBY: I'm sorry.

4 COMMISSIONER CAMERON: I was just
5 going to say many of them are similar to the
6 questions that I'll be looking at.

7 CHAIRMAN CROSBY: Okay, fine, so why
8 don't we add them onto yours.

9 COMMISSIONER CAMERON: Did you have
10 another idea about that, Commissioner?

11 COMMISSIONER MCHUGH: Commissioner
12 Stebbins is heavily involved in community
13 colleges.

14 COMMISSIONER CAMERON: I agree, that
15 one question doesn't go with the others, so --

16 CHAIRMAN CROSBY: But each of us can
17 parcel these out --

18 COMMISSIONER MCHUGH: Right.

19 COMMISSIONER CAMERON: Yes.

20 CHAIRMAN CROSBY: -- to whatever is
21 appropriate, so if that was. But to take the
22 overall responsibility for the category,
23 Commission Stebbins.

24 COMMISSIONER CAMERON: Yes.

1 CHAIRMAN CROSBY: Okay, so we've got
2 -- we're going to add in the other three or
3 four questions. We're going to post this.
4 John is going to do whatever to get it out
5 there.

6 Each of us now have assigned
7 responsibility by the time -- by this time
8 next week, we would have tried to fill out
9 these, you know, who else we need to talk to,
10 the priority level, if they need to be
11 assigned to -- subcategories need to be
12 assigned out to people, we'll will do that,
13 but hopefully by this time next week we'll be
14 well on our way to start to work on these and
15 preparing them for decision-making.

16 I think we can talk -- as the process
17 unfolds, we can talk about what process we
18 want to use. Do we want each of them teed up
19 in a memo or whatever, but we can think about
20 that. Okay. Anything else about this? This
21 is a great job whoever did this.

22 COMMISSIONER MCHUGH: It was a
23 collaborative effort.

24 COMMISSIONER ZUNIGA: Collaborative

1 effort.

2 CHAIRMAN CROSBY: Okay. Status of
3 the new ethics standards, I'm not sure we
4 really need that on here. The last time I
5 read it in the minutes that it's underway.

6 We wanted to have it by the end of
7 the year. Is there -- and somebody,
8 Commissioner Stebbins I think had suggested
9 that we post it for comment when we get a
10 draft, which is a great idea.

11 Administration, personnel searches,
12 is there anything other than just everything
13 is -- aren't there two executive assistants;
14 are they in background check?

15 MS. RYBERG: One coming on
16 November 12.

17 CHAIRMAN CROSBY: One coming on, and
18 Jennifer, John, is that the person that's
19 coming on?

20 MS. RYBERG: The Gail Bruce person.

21 CHAIRMAN CROSBY: We don't have the
22 other one yet?

23 MS. RYBERG: No.

24 CHAIRMAN CROSBY: So we're looking

1 again?

2 MS. RYBERG: In process still.

3 CHAIRMAN CROSBY: So everything else,
4 ED, EIB, IEB, general counsel, BU student,
5 staff counsel?

6 COMMISSIONER MCHUGH: All are in
7 progress.

8 COMMISSIONER CAMERON: All are in one
9 phase or the other.

10 CHAIRMAN CROSBY: Report from
11 Director of Administration.

12 DIRECTOR GLOVSKY: Good afternoon,
13 nice to have everybody back. First off, I do
14 want to say that Janice is doing the yeoman's
15 work on the scheduling and the rescheduling
16 and everything. I'm going to play back. She
17 really has been taking lead on that and doing
18 the coordination with the consultants. That's
19 spectacular and time-consuming work that she's
20 been doing.

21 CHAIRMAN CROSBY: Everybody hears
22 that Ms. Ryberg will be handling the
23 rescheduling of the individual meetings.

24 MS. RYBERG: Thank you, Chairman.

1 DIRECTOR GLOVSKY: You can copy me on
2 the e-mails.

3 MS. RYBERG: Oh, I will.

4 DIRECTOR GLOVSKY: With regards to
5 procurements, we had two procurements that
6 were closing the end of last week, the
7 beginning of this week.

8 One was a stenographic procurement,
9 and we received nine responses to that. My
10 hope is to present an apparent successful
11 bidder next week on that.

12 The investigations procurement
13 technically concluded yesterday.
14 Intellectually, I'm sort of giving an extra
15 day, because I don't know if FedEx had any
16 deliveries or anything yesterday, so there is
17 the potential for something to come in, but as
18 of now, we had two responses.

19 Our target date to present an
20 apparent successful bidder to that one is
21 November 20, and we're currently just working
22 our way through other procurements for ongoing
23 services if necessary and as appropriate.

24 I did have a couple of personnel

1 items to note. One is that we had put in for
2 three potential projects for MIT externships
3 during their independent activity period in
4 January. We had responses to two of our three
5 tasks.

6 I received one response for someone
7 to do technology research for gaming, really
8 back office kind of technology, and we had
9 three responses to Commissioner Cameron's
10 request for someone to assist is it the Racing
11 Committee?

12 COMMISSIONER CAMERON: Racing
13 Committee.

14 DIRECTOR GLOVSKY: The Racing
15 Committee, so we're coming up -- the way this
16 works is we will interview, decide if people
17 are appropriate or not appropriate, and the
18 students, in turn, will decide whether or not
19 we are still of interest, and we should know
20 within a few weeks whether or not we'll have
21 anyone for either of these positions.

22 CHAIRMAN CROSBY: This one would be
23 to sort of help Jennifer staff the --

24 COMMISSIONER CAMERON: No. This is

1 the Racing Committee, which is the group that
2 the Governor has appointed a chair.

3 I am the representative for the
4 Commission, and there's a treasurer's
5 representative, and the work is to make
6 recommendations to the full Commission about
7 the numbers, the gaming moneys which will be
8 allocated to racing, how should those moneys
9 be allocated to standardbred or thoroughbred
10 racing.

11 CHAIRMAN CROSBY: And the other one
12 is the Implementation Task Force, which is --

13 COMMISSIONER CAMERON: Correct, a
14 working group we're calling that, a racing
15 working group.

16 CHAIRMAN CROSBY: Director
17 Durenberger is coordinating that.

18 COMMISSIONER CAMERON: Yes.

19 CHAIRMAN CROSBY: Okay. Is the --
20 have you -- do you know about the process on
21 investigations, the procurement, are we going
22 to be having people coming in or have you
23 looked at them yet to know what's --

24 DIRECTOR GLOVSKY: I really have not

1 looked at that.

2 CHAIRMAN CROSBY: Okay.

3 DIRECTOR GLOVSKY: And I'm not sure.
4 We may have set time. I had to go back to the
5 task form to see. I think we did allocate the
6 potential for people to come in.

7 COMMISSIONER ZUNIGA: Yes.

8 CHAIRMAN CROSBY: Right.

9 THE WITNESS: But we left that at our
10 option. It's possible that we'll have enough
11 information from what's given to us that we
12 won't need to do all of this.

13 CHAIRMAN CROSBY: Eileen, do you know
14 what names of who they are?

15 THE WITNESS: I would not. It would
16 -- it's not appropriate for me to divulge
17 those at this time.

18 CHAIRMAN CROSBY: Oh, okay.

19 DIRECTOR GLOVSKY: We had a lot of
20 response to the business analyst position that
21 was posted -- it was a job that I put up there
22 -- specifically requesting people with MMARS
23 experience, HRCMS experience, which is the
24 payroll system for the Commonwealth. It would

1 be helpful.

2 The MMARS system is the system for
3 accounting. I probably got 50 to 60 resumes,
4 of which I would say only about 20 percent
5 actually had the specific experience.

6 There were a lot of really
7 interesting resumes as well. I'll be starting
8 to move ahead with interviews for that
9 position later this week or early next week.

10 I had also put out, using the state
11 ITS43 contract, a potential position for
12 someone to assist in doing some research on
13 our document management system, which we
14 talked about a little last week. We had a lot
15 of response to that as well, and I think that
16 that one closes today, so we'll have a final
17 number on that.

18 One of the things that we I think
19 came up with by process of elimination over
20 the weekend was really a weather-related
21 policy, that at this point in time, that the
22 Commission's opening hours will follow what
23 the Governor's decisions are, and I think that
24 that will, as we get to be a bigger

1 commission, will help us as it may, in fact,
2 change as the role of the Commission changes
3 would I would guess over the next 18 months.
4 That would be acceptable.

5 CHAIRMAN CROSBY: I think that makes
6 sense.

7 DIRECTOR GLOVSKY: And then the last
8 thing that I just wanted to bring up was a
9 conversation that I had had with Commissioner
10 Stebbins and Zuniga while others were out
11 talking about some of the requirements that we
12 know exist for us, but we're not really at a
13 point to implement, and one of those is having
14 a compensation committee, and that really we
15 need to do.

16 We need to have a compensation
17 committee for reviewing that, which is, makes
18 all the sense in the world if you're an
19 organization that's up and running, but we're
20 really a startup organization, and just don't
21 have the resources to do that. We are doing a
22 lot of hiring, but I think that we're not
23 going to be able to implement a compensation
24 committee by the end of the year.

1 I think there are also some questions
2 about how a compensation committee gets
3 handled within the confines of the Commission.
4 Some of the information I had talked about
5 having subcommittees of boards, but we really
6 aren't a board, and finding out sort of what
7 the open meeting policies are, but I really
8 just wanted to say that at this point I am
9 thinking about it.

10 I'm trying to reach out to other
11 agencies that are implementing them and figure
12 out what our best practices are, but my
13 recommendation for going forward with the
14 hires that we have in process now is that we
15 abide by the spirit of the Crosby Report and
16 document the factors that were considered in
17 setting a salary, looking at salaries of
18 similar positions around the country, salaries
19 of some of the positions within the
20 Commonwealth, and the experience of the
21 candidate and be clear about why a particular
22 number was reached, and to make sure that we
23 are pretty rigorous in not having any
24 unreasonable extra benefits.

1 The Commonwealth has a deferred
2 compensation plan, so I don't think there's
3 any need for us to consider an additional
4 deferred compensation plan.

5 I think given some of the positions
6 that we are looking at, we are making requests
7 for people to move from out of state, and we
8 may want to consider severance packages as
9 appropriate, and then the only other one that
10 in sort of looking through things is to
11 stipulate that no more than 20 percent of sick
12 time payout, and that would be upon
13 retirement.

14 CHAIRMAN CROSBY: That's a state
15 rule, too, by the way.

16 DIRECTOR GLOVSKY: I think the --

17 CHAIRMAN CROSBY: Because I think the
18 Crosby Commission felt like it wasn't fair to
19 say to authority employees to have a less good
20 deal than the state --

21 DIRECTOR GLOVSKY: Right.

22 CHAIRMAN CROSBY: -- that the state
23 deal is a bad policy in our opinion, but so
24 that's the state.

1 DIRECTOR GLOVSKY: And certainly open
2 to other comments about this, and I think
3 we'll have future discussion about it. I just
4 wanted to let you know that was something that
5 was on the radar screen and being considered.

6 CHAIRMAN CROSBY: It's a really
7 interesting question about whether we should
8 have a compensation commission, you know, for
9 authorities, which are real traditional boards
10 of directors. There is no question I think
11 and, you know, I'm not sure because I don't
12 know how compensation committees work for --
13 no, that's compensation, so that's not a
14 public meeting requirement. A committee could
15 meet privately about compensation.

16 COMMISSIONER CAMERON: Not
17 commissioners.

18 COMMISSIONER MCHUGH: I'm not sure.
19 I think we'd have to take a look at that. I
20 think this is -- the open meeting law is
21 pervasive. Subcommittees of committees are
22 bound by the open meeting law, and the
23 question would be the compensation committee
24 is a subcommittee of the Commission, and I

1 just -- my sense is that -- well, put the
2 question that way suggests the answer, but.

3 CHAIRMAN CROSBY: I wonder how
4 subcommittees of other traditional boards,
5 like Massport has a subcommittee, and I think
6 the compensation --

7 COMMISSIONER MCHUGH: It's certainly
8 worth taking a look at that.

9 DIRECTOR GLOVSKY: But in any event,
10 I think it's important that we note that we
11 are -- even if we don't end up with the
12 committee for whatever reason we try to take a
13 rigorous approach to setting salaries and to
14 reviewing salaries.

15 COMMISSIONER MCHUGH: I think that's
16 -- I agree with that. That's really
17 important, because we are beginning to ramp up
18 the hiring now, and it would be enormously
19 helpful for all of us and for applicants and
20 everybody else to know what our primary reason
21 is, so I think that's really important.

22 CHAIRMAN CROSBY: I agree, and
23 transparency, no extraordinary benefits, and a
24 real data-driven analysis of what appropriate

1 compensation is I think for us is sort of the
2 three critical criteria. You know, I also
3 think, particularly for our executive director
4 and our director of the EIB, IEB, we really
5 need the best people in the world for those
6 two jobs, and we should pay what we need to
7 pay to get the really top people, but can it
8 be done in this context, my question about it,
9 in accordance with those parameters. I'm glad
10 you're looking into that. That's really
11 getting other experience from other boards and
12 commissions would be helpful.

13 DIRECTOR GLOVSKY: Yes. That's all I
14 have for today.

15 CHAIRMAN CROSBY: Anything else?

16 COMMISSIONER CAMERON: No, thank you.

17 CHAIRMAN CROSBY: Racing Division.

18 COMMISSION ZUNIGA: Mr. Chairman?

19 CHAIRMAN CROSBY: Did I miss
20 something? Oh, I'm sorry. It's not that I
21 don't like the personnel manager. Don't get
22 me wrong.

23 COMMISSIONER ZUNIGA: Neither do I,
24 but I think, just because we really got busy

1 going a lot of other things, we have not
2 formally adopted the personnel, the employee
3 manual in full, and as we are contemplating
4 additional hires, some of them already here, I
5 thought it was of particular importance to
6 look and adopt -- look at Chapter 2, which has
7 workplace policies, and consider adopting that
8 soon. I have distributed via e-mail all
9 chapters in revision mode, which I can also
10 identify where they are in the share drive,
11 but my attempt at putting in front of us this
12 chapter was to start perhaps one chapter at
13 the time adopting as we ramp up the hiring
14 process.

15 CHAIRMAN CROSBY: No flip-flops? I
16 haven't had a chance to read this since I got
17 back, to read it carefully. You know, as
18 we've discussed in other context, this is the
19 kind of stuff that kind of goes against my
20 grain, but -- I mean, not things like conflict
21 of interest, but some of the softer ones here,
22 but I think it's basically appropriate to do
23 this. Is everybody else ready to vote on it?

24 COMMISSIONER MCHUGH: Could I -- I

1 have looked at it before, and this is sort of
2 God's work for me. It's sort of --

3 CHAIRMAN CROSBY: Like minutes.

4 COMMISSIONER MCHUGH: No, it's more
5 than minutes, and Commissioner Zuniga did a
6 very thoughtful job on this. I've looked at
7 it before and made some comments before. A
8 second read always produces additional
9 comments, and I have some additional comments.

10 If you need some more time to look at
11 it, I'm prepared to discuss it today. I'm
12 also prepared to send them to Commissioner
13 Zuniga individually, and there are a couple of
14 thematic comments that perhaps take two
15 minutes. I won't get down into the details,
16 but those are these.

17 In two places, one dealing with the
18 public records and then the other dealing with
19 sensitive information, we go into a lot of
20 detail about what the regulations are and what
21 the requirements are, and in retrospect, I
22 wonder if that's a helpful thing to have in
23 the manual rather than the generalizations
24 that are also there that are easy to read,

1 easy to understand, and basically say here's a
2 heads-up as to danger area, but go consult
3 with the general counsel if you're faced with
4 a specific problem.

5 The problem, as I read through this
6 again now and I put it to one side for a
7 while, with some of the detail is that it
8 invites -- it does one of two things.

9 It invites somebody to make decisions
10 on their own thinking that they understand
11 what is laid out here, and what is laid out
12 here is both complex and in some cases by its
13 own statement incomplete, or it's enormously
14 confusing and it turns people off and detracts
15 from the kind of common sense here's a
16 heads-up approach that the rest of it
17 contains.

18 So I wonder if it wouldn't be better
19 served by taking those sections that are full
20 of detail -- there's only two of them -- out
21 and leaving the generalizations in. By way of
22 example, I have in mind the information that
23 appears on Page 12 and Page 13. Before we get
24 on Page -- and run over to Page 13 before we

1 get to safeguarding information from improper
2 use of disclosure.

3 From Page 11 to Page, to the top of
4 Page 14, it seems to be the kind of thing that
5 could be omitted and turned into some kind of
6 a generalization that refers to the
7 regulations, and then we go on to talk about
8 safeguarding information in a very common
9 sense and helpful way, and the public record
10 deals with the same kind of thing, so I offer
11 that as a thought.

12 Now, the second thing is that there
13 are a couple of places where we say that
14 specific issues, and one has to do with I
15 think it's the alcohol and drug abuse policy,
16 that violation of the policy may lead to
17 discharge, and all of the employees are
18 employees at will.

19 The concern I have with that
20 statement and that -- I think two other places
21 -- is that it suggests that violation of other
22 policies will not lead to discharge, and I
23 don't think that's the implication we mean.

24 COMMISSIONER ZUNIGA: It was not.

1 COMMISSIONER MCHUGH: So I think we
2 ought to figure out a way to rephrase those
3 kinds of statements. I know they're meant to
4 underscore specific policies and the
5 importance of them.

6 We can say that without appearing to
7 surrender the full range of disciplinary
8 alternatives the Commissioner takes. In a
9 general sense, those are two thoughts that I
10 had, and the others are more detailed, and
11 I'll send them directly to the Commissioners.

12 CHAIRMAN CROSBY: Do you have any
13 particular reaction to the suggestions?

14 COMMISSIONER ZUNIGA: Those are good
15 suggestions. I think they will strengthen the
16 purpose of the -- here, relative to the
17 employment at will, there's language there
18 under Chapter 1, which I have not yet put in
19 front of us, which I did correct as of or edit
20 it as of the August 14 meeting that we had a
21 discussion about that, but there's language
22 here also.

23 COMMISSIONER MCHUGH: We say
24 repeatedly throughout that people are

1 employees at will and full range applies.
2 It's just having looked at a number of these
3 things have gone south. These kinds of things
4 in the agreement raise a question, we can
5 eliminate them.

6 COMMISSIONER ZUNIGA: Yes.

7 COMMISSIONER CAMERON: Have we made a
8 final decision of all of our employees being
9 employees at will?

10 COMMISSIONER ZUNIGA: No, there is --
11 in Chapter 1 in particular, there is a
12 realization that we are currently an
13 employment-at-will operation does not detract
14 from any probability of that changing under
15 the confines of everybody's labors, labor
16 rights to organize in the future, but there's
17 again, there's specific language in Chapter 1
18 that I have edited and not yet submitted.

19 CHAIRMAN CROSBY: But Commissioner
20 Zuniga and Director Glovsky are looking into
21 this whole labor issue and what are our best
22 practices of other commissions, how do they
23 relate to organized labor, do we have other
24 special relationships so that we keep it at

1 will even if we have bargaining units, etc.

2 So that's all an area that's waiting
3 whenever you guys find some free time, but
4 those are issues that we still have to make,
5 long-term decisions. We still have to make
6 the near-term decision is everybody is at
7 will.

8 COMMISSIONER CAMERON: Yeah, although
9 we do have decisions to make regarding Racing
10 employees, and we do have a time limit there,
11 and that's a key question for all of the
12 employees and their bargaining units, will we
13 be accepting the bargaining units, so I do
14 believe that we have some more urgency to
15 handle those issues, because we need to know
16 by the end of December, A, which employees we
17 will be, and frankly, probably by the
18 beginning of December, we should give people
19 the courtesy of 30 days' notice whether or not
20 we will be accepting them into the Gaming
21 Commission and what will the status be of
22 those employees, so I think it's something we
23 probably need to handle.

24 COMMISSIONER ZUNIGA: It's a timely

1 discussion.

2 COMMISSIONER CAMERON: It's timely,
3 yes.

4 CHAIRMAN CROSBY: Well, that's
5 something, particularly with respect to those
6 people, that you and the director can tee up
7 for us when the time comes. You know, we
8 definitely have to give people notices as to
9 whether or not they're going to be invited to
10 our employ.

11 We don't necessarily have to give
12 them notice about whether they can come in
13 like everybody else at first, if for some
14 reason we haven't resolved this. But if we
15 can resolve it, that's all to the good. I
16 agree.

17 COMMISSIONER MCHUGH: And we can
18 certainly -- I was not suggesting a decision
19 when I was making comments about that. We can
20 certainly put in here something carving out a
21 collective bargaining agreements, and we
22 should do that.

23 COMMISSIONER ZUNIGA: I'd like to ask
24 perhaps the best way from a process standpoint

1 to proceed. In addition to Chapter 2, which I
2 have here and I will take your comments when I
3 know what you're pointing to, could we agree
4 on a process for the rest of the chapters
5 perhaps so that we don't necessarily?

6 CHAIRMAN CROSBY: I mean, I think you
7 set this up. I, unfortunately, didn't get a
8 chance to read it, and so I'd rather postpone
9 this one until next week, but although I'll go
10 if everybody else felt ready, I'd go ahead, so
11 either way.

12 But in general, I think having you --
13 as soon as you can produce them and give us a
14 few days to review it, at least like you've
15 been doing it, is fine. Just give us enough,
16 like you did. You did give us enough time. I
17 just didn't get around to looking at it. So
18 if we have them for the week before for a
19 following Tuesday like before.

20 COMMISSIONER ZUNIGA: Okay.

21 CHAIRMAN CROSBY: So we'll move on on
22 this, and anybody else who has minor stuff.
23 Commissioner Zuniga, the big stuff, we'll talk
24 about it next week and try to resolve this

1 chapter next week.

2 Now, Director, introduce yourself to
3 our massive online audience.

4 DR. DURENBERGER: Jennifer
5 Durenberger, Director of Racing, the
6 Massachusetts Gaming Commission. I'm going to
7 repeat a little bit of the information that I
8 spoke with the other commissioners about last
9 week now that we're all here, and primarily
10 bring you up to speed on the Racing Division
11 activities.

12 Last week, I was on some operations
13 tours, toured the three facilities of the
14 licensees -- Suffolk Downs on Monday; Raynham,
15 which is still open as a simulcast facility,
16 on Thursday; and Plainridge Racecourse also on
17 Thursday -- basically meeting with former SRC
18 staff that are out there, and looking to see
19 what the infrastructure is for those
20 employees, and also getting a feel for the
21 facilities themselves, and just meeting with
22 some of the different stakeholders.

23 We do have a meeting, an informal
24 meeting, scheduled tomorrow actually at

1 Suffolk. It was supposed to be yesterday, but
2 it was canceled because of storm-related
3 activities, but we're going to be meeting with
4 some of the horsemen and other stakeholder
5 groups at Suffolk tomorrow.

6 We had a similar meeting scheduled
7 for Plainridge on Monday, the 5th. We have
8 David Murray on board and Daniel Holmes, and
9 they are working on the legislative --

10 CHAIRMAN CROSBY: Daniel Holmes,
11 Esquire?

12 DR. DURENBERGER: Daniel Holmes,
13 Esquire. They are working on the Section 104
14 mandate for the permission to do a legislative
15 review of parimutuel and simulcast law, so
16 they are delving deeply into that.

17 Let's see here, other storm-related
18 news -- live racing was canceled in the
19 Commonwealth on Monday related to Hurricane
20 Sandy, and we are in the process right now of
21 finalizing an RFP for lab, laboratory services
22 for the drug testing at the racetracks, and
23 we're going to be reviewing that over the next
24 week and probably getting it out the week

1 after.

2 COMMISSIONER CAMERON: Excellent.

3 CHAIRMAN CROSBY: We apparently -- I
4 was tracking the e-mails -- do we have to give
5 permission for the tracks to close? It sounds
6 like we do.

7 COMMISSIONER CAMERON: Yes.

8 DIRECTOR DURENBERGER: For live
9 racing, I believe the simulcasting is a
10 business decision by the terms of live racing,
11 because they are mandated to have a certain
12 number of days that they run. I think there's
13 an exception for acts of God, but I think it's
14 still protocol to go through the.

15 COMMISSIONER CAMERON: Mr. Chair,
16 they track me down no matter where I am for
17 the permission, so it's been working. We had
18 to cancel due to heat this summer. There's
19 been a couple of reasons that racing has been
20 postponed.

21 CHAIRMAN CROSBY: I didn't realize.
22 I wasn't quite sure whether it was just sort
23 of a communication or a courtesy or whether it
24 was actually technically --

1 COMMISSIONER CAMERON: Commission
2 responsibility.

3 CHAIRMAN CROSBY: Okay.

4 COMMISSIONER ZUNIGA: For my own
5 edification, is the racing date postponed or
6 cancelled?

7 COMMISSIONER CAMERON: No, they have
8 been rescheduling doing that racing date
9 further down the line.

10 COMMISSIONER ZUNIGA: Understood.

11 COMMISSIONER CAMERON: We grant
12 permission for that, because it involves our
13 employees.

14 CHAIRMAN CROSBY: And you will be
15 making decisions about how many people will be
16 coming over and who we need to hire, and we're
17 looking for office space in our own building;
18 right?

19 DIRECTOR DURENBERGER: Yes, there's a
20 lot of moving parts there.

21 CHAIRMAN CROSBY: Okay, anything else
22 from Racing Commission?

23 COMMISSIONER CAMERON: I just have
24 one comment, Mr. Chair, and that is I'm just

1 very grateful, and I think Dr. Durenberger is
2 doing an excellent job, all those
3 responsibilities. I now get the e-mails, and
4 everything is working smoothly. Meetings are
5 set up, and it's working very, very well. So
6 I am personally grateful to the Doctor for her
7 contribution after just a couple of weeks.

8 CHAIRMAN CROSBY: Great. What is the
9 status of the implementation, what's it being
10 called the task force?

11 DIRECTOR DURENBERGER: The working
12 group.

13 CHAIRMAN CROSBY: The working group,
14 yes.

15 DIRECTOR DURENBERGER: We're in the
16 process right now of identifying who the
17 different representatives are going to be for
18 the state groups, which is part of the impetus
19 between the informal meeting at Suffolk and at
20 Plainridge over the next two weeks. We're
21 just going to have to pull the trigger on a
22 date. We've been trying to find something
23 that works with everybody's schedule, and you
24 know how that is. You can appreciate it.

1 We'll probably hear from about 12
2 people, so we're probably just going to have
3 to pull the trigger on the date and give
4 people a couple of weeks' notice and get
5 moving on it.

6 CHAIRMAN CROSBY: And schedule in
7 advance, because if they miss the first one,
8 they'll get the second one?

9 DIRECTOR DURENBERGER: Precisely, and
10 I think the lines of communication have been
11 very good with the stakeholders. I have been
12 in communication with a number of them, either
13 e-mail or phone calls. They haven't been shy
14 trying to reach me, so, and I've been able to
15 reach all of them, so I think the door is
16 open.

17 CHAIRMAN CROSBY: Do you know whether
18 the racing process on the PMA chart that we
19 talked about that I think a couple of weeks
20 ago, because it's a lot of -- it's a big
21 project, and a pretty comprehensive reform
22 agenda which --

23 DIRECTOR GLOVSKY: I think that some
24 of it is, but it's probably appropriate at

1 this point to sit down with Dr. Durenberger
2 and review what we have there.

3 CHAIRMAN CROSBY: Anything else?

4 DIRECTOR DURENBERGER: No, thank you.

5 CHAIRMAN CROSBY: Great, thank you.

6 DIRECTOR DURENBERGER: Thank you.

7 CHAIRMAN CROSBY: Okay, Public
8 Education and Information, Community and/or
9 Developer outreach/responses to requests from
10 regional groups. I don't know if there's
11 anything particularly there.

12 COMMISSIONER MCHUGH: No, we resolved
13 in your absence the Chelsea question, so.

14 CHAIRMAN CROSBY: I'm sorry to see it
15 go.

16 COMMISSIONER MCHUGH: So the
17 responses --

18 CHAIRMAN CROSBY: I passed them on to
19 Director -- okay, and John is with us for his
20 first day today, so I said he probably didn't
21 have a report after two and a half hours, but
22 anybody who's got loose ends that need to get
23 passed over to him, he is now ready to
24 receive, and he and I started talking a little

1 bit about where we've talked to the Governor's
2 Office about convening a public gaming policy
3 advisory committee.

4 They are open to suggestions for a
5 chair. It's a gubernatorial appointment, but
6 they're open to suggestions for a chair and
7 open to suggestions for other of the slots
8 that need to be filled, so if anybody of us
9 who's got ideas. I mean, I think if we had a
10 really strong gaming policy advisory
11 committee, it could help us with, help us
12 think about some of these really, really
13 naughty policy questions, and it would be
14 helpful, you know, to have, if we had a really
15 good group.

16 It can be just kind of window
17 dressing, but it only has to meet once a year,
18 but I think that's not what we're looking for.
19 What we're looking for is somebody with the
20 wisdom, the maturity, and the experience to
21 really help us wrestle with some of these
22 things. It's not just a chair, but everybody.
23 So if you've got good ideas or suggestions,
24 let us know, anybody. Okay. B, training,

1 that would be this, Commissioner Stebbins.

2 COMMISSIONER STEBBINS: Sure. You
3 have the packet of the latest update of the
4 proposal from the Massachusetts Community
5 College System, their Casino Careers Training
6 Institute. Bob LePage is here from
7 Springfield Technical Community College. Why
8 don't you come up. I just figured as we went
9 through the questions and just having a
10 conversation amongst ourselves probably could
11 help us to answer some of the questions we
12 might have. I don't know how you want to kick
13 this off, Mr. Chairman.

14 CHAIRMAN CROSBY: Well, is it -- are
15 we now going to try to approve?

16 COMMISSIONER STEBBINS: What the
17 meeting that Commissioner McHugh and I had out
18 in Holyoke and you were all celebrating and
19 having a good time in Las Vegas, we kind of
20 left the marching orders that we would review
21 this proposal, give some thoughts and feedback
22 to the community colleges, and then sometime
23 in the November timeframe, they would be back
24 to us with a final solid proposal after taking

1 our input, questions, and comments.

2 CHAIRMAN CROSBY: I had one, which I
3 sent to Chancellor Mechner, President Mechner,
4 about the whole diversity focus, and that
5 draft didn't have it. This one does, and I
6 just want to reiterate that that's a really
7 important priority, and it's not just to have
8 the words now in the document, but to really
9 incorporate it into your thought process, to
10 the group of people involved in the steering
11 group that organizes this.

12 If it isn't something that we really
13 work at, no, it's easy to say and hard to do.
14 So that's one thing that I would -- so when
15 you have a steering group that you're
16 incorporating counsel into this process, being
17 attentive to that is really important, and
18 somewhat related to that, in the
19 constituencies that you referred to besides
20 the community colleges are the workforce
21 investment boards, the one-stop career
22 centers, community-based organizations, labor
23 unions, and other public and private vendors,
24 four-year higher education and graduate

1 programs, and local school districts and
2 vocational schools.

3 In that middle one, the
4 community-based organizations, we had that one
5 session that I forget if you were there, where
6 we heard a lot from the regional -- what are
7 they called, regional.

8 COMMISSIONER MCHUGH: Community
9 action.

10 COMMISSIONER STEBBINS: Community
11 action, ABCD in the Boston area, but everybody
12 has one, and they impressed us with their
13 perspective on all the additional kinds of
14 services, what I think they referred to as
15 wraparound services, that take somebody who is
16 only marginally employable and helps them get
17 ready to be employed, and we also, those of us
18 who were in Las Vegas, went to this facility,
19 an Ihears [phonetic] facility, which was
20 incredibly thoughtful in the way it provided
21 these wraparound services, support services
22 basically, and they took pride in taking
23 people from welfare to work, and they were a
24 very high provider of welfare to work

1 candidates and so forth, and I don't know if
2 that -- I know that the community colleges do
3 have some of these same skill sets, because
4 you do the same thing, and I understand that,
5 but I think that raising the sensitivity to
6 that issue both in the text and in the
7 practice and maybe referring more
8 specifically, maybe there's some reason not to
9 do this, but unless there's a reason not to
10 referring to the community action programs as
11 being part of the team that pulls, you know,
12 that's used to provide the expertise to do
13 that, I think that would strengthen this as
14 well.

15 MR. LEPAGE: Very well, duly noted,
16 and those organizations have been reached out
17 in each of the regions to continue to expand
18 as well as other community-based organizations
19 who are joining the general groups.

20 COMMISSIONER STEBBINS: Great, okay.

21 MR. LEPAGE: I think as we spoke very
22 early on in this process, we believe it's
23 going to take a lot of organized collaboration
24 from all types of service providers, and the

1 wraparound are very key as you mentioned. You
2 don't want to get, and you will, and it's
3 necessary in this kind of thing.

4 You will have such an unwieldy group
5 that you'll have to narrow it down to a real
6 working team, and being really thoughtful and
7 strategic about who populates that working
8 team as opposed to just the potpourri of
9 people that will be on the so-called advisory
10 board, that sort of rubber really meets the
11 road and that working team, and it needs to be
12 -- those same kinds of priorities need to be
13 reflected there as well.

14 COMMISSIONER STEBBINS: The folks
15 that attended that diversity forum sent us a
16 real list. We shared it with the community
17 colleges. They sent out an invitation letter,
18 and I've been CC'd on some of the feedback on
19 the community action organizations, and I'm
20 happy to get involved or this is kind of in
21 our bailiwick to help people who might be in
22 that underemployed or severely unemployed
23 population in some of these community action
24 groups that connect, and Jeff and his team.

1 COMMISSIONER ZUNIGA: On the point
2 that you raised, Mr. Chairman, does it, and
3 this is perhaps a question for everybody. Are
4 there organizations or should we think about
5 certain organizations as having advantage if
6 you feel to a particular relation or target
7 employment level or target discipline.

8 I mean, I guess I'm thinking of again
9 a question, are there certain skills or
10 positions in a casino where the community
11 college and the consortium has a clear
12 advantage, and some kind to mind; whereas
13 another agency or support group may have a
14 particular edge at training other kinds for
15 other kinds of positions?

16 Again, I'm reminded of the unit here,
17 operation for especially hospitality workers
18 who may not have a college degree or a
19 community college degree, but may need lesser
20 in time or focus, even focus.

21 MR. LEPAGE: I could address some of
22 that. I think as we had some dialog on what
23 we feel our next tasks are, one of the next
24 steps that we are working through right now is

1 kind of inventorying all the occupations
2 within the casino framework, both in the
3 gaming environment and the hospitality and
4 support functions so that we have a clear list
5 of those occupations, and now that as
6 additional information is coming forth as
7 potential casino operators are providing
8 information on the size of their facilities
9 and the scope of their facilities, we can
10 start to get a better sense on the number of
11 employees that will be required to be able to
12 fulfill the workforce needs for these casinos.

13 As we have that list of occupations,
14 as we see as a next step starting to inventory
15 what programs exist in our community, our goal
16 is to be able to leverage those programs of
17 excellence, some of those that you mentioned
18 that already exist in each of the communities,
19 and in some of the communities across the
20 state where they may not exist, to determine
21 if there's a way to bring those programs into
22 the location in another part of the state.

23 You know, there are so many wide and
24 different occupations that are needed, no

1 organization, including the width and depth of
2 community colleges can serve. There are many
3 of those programs that are going to have to be
4 by multiple types of organizations.

5 That really is the next step that
6 we're working on now. That inventory of
7 program does include many of the trade
8 positions that are support functions that
9 traditionally do get done by other people as
10 well as some of those backup house operational
11 functions that have been done by other people.

12 So that is the task that we are
13 working on, and we hope to have for you when
14 we meet with you again hopefully in November
15 to give you a better sense as well as starting
16 to update the workforce projections now that
17 we're starting to get a better sense of the
18 size and scope of each of the facilities.

19 It still will be a range as we have
20 many different facilities, but things like the
21 number of rooms has a significant impact on
22 head counts. Things like number of slots and
23 number of gaming tables drive head counts,
24 number of restaurants.

1 So we'll have a pretty good inventory
2 of that, and then each of the regions, as part
3 of their next step, they're building their
4 regional outreach will be to inventory those
5 programs, so you'll have kind of a master
6 chart, another master chart I guess will be
7 occupations and some of the programs that are
8 available in each of the region so that you
9 can start to get a sense who the providers
10 could be.

11 COMMISSIONER CAMERON: Just one point
12 that wasn't mentioned that was very impressive
13 out in Las Vegas was the fact that this
14 training program we observed was the fact that
15 employees that start at a very low level,
16 those cleaning hotel rooms and/or those
17 working in kitchens, having the ability to
18 move up and obtain training for that next
19 level, and doing that because casinos are 24/7
20 operations, for example, they give the course
21 on, you know, being a cook as moving up from
22 being in the kitchen maybe cleaning and
23 whatnot to the next step, which is actually
24 learning more about the foods and how to

1 prepare at the basic level.

2 They would be offered like three
3 times a day so that you could -- they would
4 really work hard to accommodate the schedules,
5 and that was a source of great pride for those
6 folks that, you know, okay, they started.
7 They have a job. They've done this for a year
8 or two years, and now they're really willing
9 and able to step up to that next level and to
10 have those resources available around their
11 time schedule was most impressive to see, and
12 I think keeps people employed longer and gives
13 them hope of really achieving in this
14 profession, so this was something that I made
15 note of that was very, very impressive, that
16 next step up.

17 MR. LEPAGE: I'll just note, within
18 the strategies that we are discussing within
19 that paper and with our partners is using a
20 front line assessment of people's abilities so
21 that they can be remediated up more
22 successfully, more systematically.

23 You'll note that it does look at
24 reading skills, ability to locate information,

1 foundational math skills on the front end so
2 that we can then say, based on your scores,
3 for you to get up the pathway along the goals
4 of developing systematic pathways, many of the
5 operators have indicated to us that they
6 desired pathways and have documented pathways
7 they will share with us.

8 They will then have foundational
9 measures so we can more systematically move
10 up. For example, if somebody scores at a
11 particular level in math, we'll know the level
12 they scored, what they haven't been able to
13 learn historically, how we might be able to
14 teach them differently contextually to be able
15 to improve them and move them up the ladder,
16 and you'll see that as part of that career
17 pathway in the mention of the first line in
18 employability, making sure that people have
19 foundational skills.

20 We believe that doing them in the
21 front end will also help reduce turnover
22 within the casinos as it has for other sectors
23 by screening and remediating before putting
24 people in work that they're not comfortable to

1 do appropriately and in a level of excellence
2 that I know everybody here wants to happen,
3 and we are sensitive to that.

4 And the career pathways again will
5 drive once we have the occupations listed and
6 with the head counts of how many people will
7 be projected, then we'll be able to start to
8 point to people, this is the starting point,
9 this is the next level up, this is this next
10 level up here, and the total number of jobs
11 projected across the state.

12 COMMISSIONER MCHUGH: That tied into
13 one of several questions that I wanted to ask
14 you about while you are here, and that is that
15 the process for evaluating is a process for
16 basically screening people in and screening
17 people out for suitability for these jobs.

18 There are a number of steps in this
19 thoughtful program before you undertake that,
20 but who approves the screen-in/screen-out
21 standard, because that becomes enormously
22 important for including a diverse group of
23 people who are eligible for this.

24 MR. LEPAGE: Absolutely. I think the

1 group that will decide the screen-in -- you
2 know, we hope that doesn't screen anybody out,
3 it just screens them out for right now before
4 they can be remediated, if it is within the
5 guise to remediate them will be, and I say --

6 COMMISSIONER MCHUGH: There are some
7 disqualifiers.

8 MR. LEPAGE: There some are
9 disqualifiers.

10 COMMISSIONER MCHUGH: Some are
11 statutory, but there may be other
12 disqualifiers, and the nature of the
13 disqualifier and who makes the decision
14 whether the person is disqualified may be
15 subject to some debate; right?

16 MR. LEPAGE: Absolutely.

17 COMMISSIONER MCHUGH: So the question
18 is who ultimately approves either the
19 temporary or the permanent disqualifiers and
20 the way the evaluation process is
21 administered; how does that work?

22 MR. LEPAGE: The statutory ones that
23 are within the --

24 COMMISSIONER MCHUGH: Right. That's

1 clear.

2 MR. LEPAGE: That's clear. The other
3 ones would go within the licensing process
4 that I think there is an outcome of our
5 dialogue is ultimately that the Commission
6 will set a licensing process, policies, and
7 procedures, that this is how we would like
8 licensure to happen, and these are the rules
9 that are required for screening and
10 remediation and --

11 COMMISSIONER MCHUGH: Okay, let me be
12 more -- I don't mean to cut you off, but just
13 to take it down a level, and maybe a level
14 beyond where we're prepared to go now. There
15 is a certification, basic certifications in
16 here. You have to score X on the
17 certification in order to screen in if you
18 will; otherwise, you go into a remediation
19 pool, and I understand that.

20 It's comprehensive and helpful. Is
21 it your contemplation that the Commission
22 would approve the screening test and the score
23 that was necessary to if you feel pass that
24 test, and where does the Commission get the

1 expertise to do that?

2 A. I would expect that the Commission would do
3 that for employment at the casino, yes. The
4 expertise those are naturally used tools that
5 have scores by occupation aligned to them that
6 you can look at that are used around the state
7 for, around the state, around the country and
8 internationally for those occupations that are
9 very similar occupations.

10 You can also look at other tools like
11 take in a college environment, Compass or
12 Acuplacer. If you wanted to norm them against
13 other tools, but these are -- the tools
14 suggested are created by ACT, the largest
15 national, the largest testing provider in the
16 nation who does this, the psychometrics and
17 process for evaluating. The goal there is
18 that those people who are working in the
19 casino have the communication and the
20 foundational skills to be successful after.

21 COMMISSIONER MCHUGH: Sure, that's
22 everybody's goal, so my question was not aimed
23 at the goal, but at the process for making
24 sure that we weren't overscreening or

1 underscreening people to get into that. In
2 that regard, the setup here really is a
3 collaboration between the casinos, the
4 Commission, and the community colleges, right;
5 that's a three-legged stool.

6 MR. LEPAGE: Absolutely, and through
7 the community colleges I would say it also is
8 the partners in each of the region. It's just
9 that the community colleges now are working to
10 facilitate those relationships.

11 COMMISSIONER MCHUGH: And so but the
12 community -- but the casino piece is an
13 essential ingredient of the success of this
14 program. As I read this, the casino people
15 may well be the teachers, instructors. Casino
16 people will be consulted as to the curriculum.

17 Some of these games, for example,
18 that are listed here may not be games that
19 they offer, so that in a particular region,
20 may not be part of the curriculum.

21 Is it necessary, therefore, to wait
22 to approve this program until the commission
23 has identified the casinos and determine
24 whether they are prepared to participate in

1 this or is it the vision that the Commission
2 would say they have to participate in this in
3 order to get a license?

4 MR. LEPAGE: The vision is that the
5 Commission will set the policy relative to
6 those licensed occupations that all casinos
7 will have to follow. Yes, that is the vision.

8 COMMISSIONER MCHUGH: Well, to push
9 the point a little bit further, is it the
10 vision that the Commission would say as part
11 of the licensing process, you will hire only
12 employees who've come through this process or
13 that you will hire only employees who have
14 come through this process or have some
15 equivalent that the Commission defines?

16 MR. LEPAGE: Correct, and the
17 equivalent may be the Commission allowing
18 reciprocal with other states as that has
19 happened in other places, and then in that
20 case, there usually is a test-in process that
21 a Commission will put in place.

22 COMMISSIONER MCHUGH: And is it also
23 part of the vision that that Commission will
24 specify as part of the licensing process that

1 the casino, and I suppose this applies to the
2 slots parlors as well, slots parlor, must
3 participate in the training process as faculty
4 members in this training protocol?

5 MR. LEPAGE: I think that that's
6 going to be a decision that the Commission
7 will have to make. It's suggested that we
8 leverage their expertise.

9 Whether they are employed by the
10 college or employed by the casino I think is a
11 question potentially during what phase of this
12 process, if it's the startup phase or it's
13 continued operations, because some of it may
14 be volume early in the stage of people.

15 COMMISSIONER MCHUGH: Right, but as
16 written, this clearly envisions that the
17 casino is going to supply the instructors and
18 clearly envisions, therefore, that either
19 voluntarily or by force of obligation imposed
20 by, assuming the Commission, the operator is
21 going to supply the employees and the training
22 that's necessary for success in that
23 particular institution.

24 MR. LEPAGE: Correct.

1 COMMISSIONER MCHUGH: That leads me
2 to my next question, and that is what is the
3 vision for the funding that would underwrite
4 this? You Detailed how much the funding, how
5 much funding is necessary, and those numbers
6 of course can change depending on the whole
7 thing, but what is the vision for how much of
8 that is public funding, how much of it is
9 loans, how much of it is tuition by the, or
10 have you gotten that far?

11 MR. LEPAGE: I think we're at the
12 stage now of investigating all the different
13 funding sources. Part of this, as we've noted
14 in the past, goes to the time of employability
15 of that person.

16 So for example, if they're assigned
17 as an employee of the casino, then there are
18 certain funds available from the state to
19 train currently employed people. If they are
20 not yet employed, then they may be on
21 different types of funding streams to give
22 them access to this.

23 So we're now trying to break that
24 down based on the timing. The other element

1 is different states have done this different
2 ways. And on top of that to go back to the
3 list of occupations, in some states where
4 there has been a ready pool of applicants who
5 are already in jobs essentially, they are in a
6 customer service focussed or a hospitality
7 focussed job, and they are going to move
8 through a pathway that currently exists from
9 employer to employer, the state has not
10 necessarily funded that.

11 There have been situations where
12 these are brand new occupations that don't
13 exist in a state, particularly in the gaming
14 function, then some states have funded that in
15 part to create a labor pool to attract those
16 operators to their region to show that there
17 will be a labor pool to access. So it has
18 been done different in different places.

19 COMMISSIONER MCHUGH: Will your final
20 proposal lay out alternatives?

21 MR. LEPAGE: It will lay out two or
22 three different options, and it will signify
23 them by different functional areas.

24 COMMISSIONER MCHUGH: Just to put a

1 finer point on the line of questions I asked
2 you a minute ago, this proposal, if followed
3 through and implemented, would exclude any
4 for-profit or other trade schools supplying
5 certified workers for casinos in
6 Massachusetts; right?

7 MR. LEPAGE: Let me just make sure
8 that we're using terminology the same. This
9 proposal is based on the licensure of the
10 certain gaming occupations, that there would
11 be exclusivity to those gaming occupations.

12 The non-gaming occupations would be
13 able to be served and will need to be served
14 by all different organizations that are
15 accredited or unaccredited, proprietary or
16 public, to be able to fulfill those jobs.

17 The elements relative to the licensed
18 occupations in the gaming area are a function
19 of the availability of the training on the
20 equipment and ensuring the integrity of the
21 equipment, and ensuring the integrity of the
22 environment for the training, and that's why
23 we suggest a provider do it at each of the
24 locations as opposed to sprinkling it.

1 COMMISSIONER MCHUGH: So with that
2 limitation to licensed employees, it would
3 exclude -- it would make the community college
4 process that we've been discussing the
5 exclusive vehicle for certification and
6 employment say for reciprocity for some other
7 prior training?

8 MR. LEPAGE: For certain occupations,
9 but not all occupations, correct.

10 COMMISSIONER MCHUGH: That I think is
11 -- that ties into one of the policy questions,
12 for me at least, that the Commission needs to
13 decide.

14 This is a very thoughtful and very
15 comprehensive program, but it does require us
16 at an early stage to make that exclusivity
17 decision, and that creates an issue that I
18 think we need to discuss and help you
19 understand our position, or me at least.

20 MR. LEPAGE: And again, maybe that
21 document needs to be clearer on the specific
22 areas of request of exclusivity that would
23 assist you to make that.

24 Again, our goal is to recognize the

1 importance of those occupations and the risk
2 of training them in an unregulated environment
3 for the Commission and for the Commonwealth.

4 COMMISSIONER ZUNIGA: Mr. LePage, is
5 this the chart that you described of the list
6 of occupations that you are working towards,
7 and is there a timeline or an order of
8 magnitude timeframe that we could expect?

9 MR. LEPAGE: I expect it will be
10 before -- I know that it will be before we
11 meet in front of you again. I have gathered
12 the occupations and have the list.

13 I have started to have a dialogue
14 with some of the casino operators,
15 particularly those in Western Mass., to get a
16 sense from them if they are really using those
17 occupation codes and to get some information
18 from them about their expectations of the
19 quantities so that we can kind have cross
20 reference our projections against them to make
21 sure that we're clear, so we're talking weeks
22 and days.

23 CHAIRMAN CROSBY: Does the Atlantic
24 Community College curriculum only deal with

1 gaming positions, gaming jobs?

2 COMMISSIONER CAMERON: No.

3 MR. LEPAGE: There is different --
4 within their institute, there are many
5 occupations that are funneled into the casino
6 environment. The occupations that we are
7 working with Atlantic Cape are primarily are
8 within the gaming industry of things like
9 dealer, slot, maintenance, surveillance.

10 Those are the ones that we have been
11 focussed on. Many of the other programs that
12 they have already exist at many providers
13 across the Commonwealth, public or
14 proprietary.

15 CHAIRMAN CROSBY: So your whole
16 initiative is focused on the gaming positions;
17 it's not going to include the hospitality
18 positions?

19 MR. LEPAGE: They would not be an
20 exclusive part of ours, but they would be
21 included in the things that we will continue
22 to do, absolutely.

23 CHAIRMAN CROSBY: And by that, you
24 mean you're already doing them or already have

1 them?

2 MR. LEPAGE: So for example, the
3 community college already has a culinary
4 program. We will be looking and saying how
5 can we refine that culinary program to better
6 meet the needs within the casino environment.

7 CHAIRMAN CROSBY: Does it go to the
8 training of people who, maids and people who
9 clean up the rooms and stuff; does it go to
10 that level?

11 MR. LEPAGE: It doesn't go to that
12 level at the community college, but it may go
13 to that level at other providers in the
14 region, and that's as I said, inventory those.

15 CHAIRMAN CROSBY: Inventorying,
16 because that was one of the most interesting
17 parts that we say in Las Vegas was it was
18 right down to the entry level jobs where you
19 could take a seriously underemployed and
20 unemployed folks and train them in very, very
21 basic but critical skills so making sure that
22 that -- I mean, we have hotel workers all
23 across the state, so it's not like this is any
24 wreakathon, but while we're at it.

1 MR. LEPAGE: But that's a great
2 example that those programs exist and are
3 very, very successful here in Boston, partly
4 because of the quantity of the number of
5 employees. Out in Western Mass., we haven't
6 had historically an organized process to do
7 that.

8 It happens at each employer. We are
9 now learning about what they're doing in
10 Boston, and as this may scale up, it is
11 causing us to have a dialogue with that
12 industry of hospitality in saying, could we or
13 should we bring a similar program to our
14 region to assist you, because we're already
15 hearing from them that they have current work
16 force shortages, so that's part of what we're
17 doing this inventorying where we're saying,
18 where do we have gaps, where can we learn from
19 peers of what they're doing, how can that be
20 replicated in other parts of the state.

21 I suspect we will find the same
22 challenges in the Taunton potential region as
23 we may have and vice versa.

24 CHAIRMAN CROSBY: Okay, good, it goes

1 that far, which is great.

2 COMMISSIONER STEBBINS: Bob, I've got
3 a number of questions. First of all in your
4 proposal, you talk about the Commission's role
5 regarding the licensure and certification, and
6 that the Gaming Commission execute an MOA with
7 the community college system on behalf of the
8 state's workforce development system.

9 It sounds like you're asking us to
10 kind of intervene where there may be other
11 partners, Executive Office, Labor Workforce
12 Development, DET, all the other folks that are
13 part of that system. How do we engage them or
14 was it your notion that we engage them or just
15 go on our own and adopt this MOA in
16 partnership with them or exclusively for our
17 own means.

18 MR. LEPAGE: I think the MOA at this
19 point is a planning MOA, and then as it moves
20 into agreement for the specifics relative to
21 licensure and other things, that it may
22 require other organizations within the
23 Commonwealth to either have a complementary
24 agreement, particularly when we get to the

1 funding, because there are different roles and
2 functions within the different pockets of
3 programs, so yes, eventually, it may require
4 multiple MOAs I think.

5 COMMISSIONER STEBBINS: Do you see
6 from some of the research I've done in other
7 states how they certify training schools and
8 things like that, from the folks that you've
9 talked to, do you expect that they would take
10 graduates of this program and take them
11 through kind of the next training level so
12 they can say they do things the Ameristar way
13 or Caesar's way or what have you to think of
14 one?

15 MR. LEPAGE: Absolutely, I would use
16 that example of, you know, we will provide
17 them the foundational excellence, and they
18 will fine-tune them, particularly in the areas
19 of customer service that they feel is
20 appropriate for their environment, no
21 different than we do with our nursing
22 students, which is to ensure that they are
23 safe to go work within a hospital.

24 But if they may work at Mass. General

1 or Bay State or any other organization, when
2 they bring them in, there is an employee
3 orientation that will tune them for their
4 environment, so yes, I expect there would be
5 further training at each of the locations.

6 COMMISSIONER STEBBINS: Give me a
7 sense that you just raised the issue of the
8 training that community colleges do for
9 nursing. Stick with obviously you almost
10 always usually have more applicants than you
11 actually have space in the building, but what
12 are the competitive advantages you always see
13 from the community college's perspective over
14 say a private, for-profit operator that is
15 providing that same type of training.

16 MR. LEPAGE: I would say --

17 COMMISSIONER STEBBINS: Using nursing
18 as an example.

19 MR. LEPAGE: Using nursing as an
20 example, one, more diversity because of the
21 affordability element. Use an example of a
22 nurse, the average cost of training a nurse
23 for in any institution is usually around
24 \$20,000 a year.

1 The revenue streams at a community
2 college is usually around \$5,000, so that
3 means that the community is investing through
4 it community college to ensure that there is
5 an ample supply.

6 Two, because we attract a much more
7 diverse student body, using Springfield, about
8 25 percent of our population this semester
9 will be Latino. We're almost 50 percent
10 minority, so we're going to have a much more
11 diverse pool to pull in.

12 So between the affordability, the
13 access, and the wraparound opportunities,
14 which I think are very important to the
15 success of community colleges, that we have
16 many of those wraparound services either on
17 campus ourselves or with local providers who
18 sit next to our campuses. It could be
19 childcare.

20 It could be additional tutoring
21 services. It could be mentoring for students
22 that currently exist in our environments I
23 think more robustly than in some other
24 environments. Those would be the top ones

1 that I would note.

2 COMMISSIONER STEBBINS: Okay. Now,
3 based on what you just shared with us about
4 the affordability piece, doesn't that
5 necessarily position community colleges to be
6 a more attractive option for people to pursue
7 these gaming careers as than say a for-profit
8 operator?

9 I mean, I'm getting, now kind of
10 getting to the question of the exclusivity
11 that you asked for.

12 MR. LEPAGE: Sure.

13 COMMISSIONER STEBBINS: Is there a
14 need to give you that exclusivity? Dollar for
15 dollar, are you going to be at a competitive
16 advantage over say a for-profit operating?

17 MR. LEPAGE: The need for exclusivity
18 relative to the specific gaming occupations --
19 the table games, the slots, the surveillance
20 -- are not necessarily a competitive need for
21 the community colleges. They're for a
22 security purpose for the Commission.

23 They are to ensure that there is a
24 secure environment where those machines and

1 that technology exists in a controlled
2 environment, and it's to ensure that they do
3 not travel the highways and byways of the
4 Commonwealth and are not used for areas that
5 the Gaming Commission doesn't choose, and
6 that's really why we're seeking exclusivity.

7 It's exclusivity in that to be able
8 to provide training in that environment. In
9 the non-licensed occupations -- I'll use the
10 example of bartender training, since I
11 recently heard a commercial in Western Mass.
12 for casino bartender training.

13 CHAIRMAN CROSBY: Really?

14 MR. LEPAGE: Yes, and they would
15 suggest that they are in Connecticut so that
16 it would feed the needs of the Connecticut
17 casinos. Those will be the function of a
18 competitive environment, and they will be a
19 function of the proprietaries of the public.

20 The only element that will be
21 relevant is that people understand that in
22 addition to that training, that there will be
23 requirements for employment. If I want to
24 work as a bartender within the gaming

1 function, the gaming environment of the
2 casino, that the Commission is going to
3 require you to potentially go, if the
4 Commission desires, through background checks
5 and other elements, and that's why we think
6 it's important that the community, the
7 citizens start to understand, for example, if
8 I cannot currently pass a CORI, going to
9 bartender school is not going to allow me to
10 be employable in that casino environment, and,
11 you know, that's part of one of the early
12 reasons why we were seeking to understand what
13 the certification licensure process will be so
14 that we can inform people, and I think equally
15 important of that is for people to understand
16 while that may not be an environment for you,
17 there are jobs as a bartender, if that's what
18 you desire, in other organizations within the
19 region, particularly since we understand from
20 the casino operators that there will be some
21 people who will choose to leave one bartending
22 position, for example, and move to another
23 within a casino environment.

24 So we want people to understand that

1 they might not be employable in a casino,
2 there could be opportunities for you to
3 backfill into other organizations in the
4 region.

5 But the exclusivity is really for the
6 elements of security and to ensure that people
7 are trained properly and are secured no
8 different than as we are licensed to be
9 certified to be able to provide nursing. We
10 are licensed and accredited to be able to
11 provide that.

12 COMMISSIONER STEBBINS: And what I'm
13 finding from looking at other states more
14 recently, newer gaming jurisdictions that have
15 some type of certification procedures, it runs
16 the gamut of we'll certify you if you offer
17 this base level of training to Indiana where
18 they want to know exactly what happens to all
19 the equipment that you use, so you have both
20 ends of the scale.

21 Back to a somewhat broader question,
22 we talked about this top of the 30,000 people
23 feeding into the system. Is that inclusive of
24 potentially the tribal casino operating in the

1 Southeast or are you just focussing on --

2 MR. LEPAGE: Inclusive of, it's
3 inclusive of the 10,000 to 12,000 potential
4 employees is inclusive of the casinos as well
5 as the racino, and the workforce to be
6 required there.

7 As I said, now that we are starting
8 to get the specs of the different casinos,
9 we'll be able to get a better idea on it if
10 those numbers are holding based on what are
11 the elements that they're announcing.

12 If they're announcing eight
13 restaurants, there are projections you can do
14 based on eight restaurants and seats how many
15 employees. If they are announces 400 rooms
16 when we thought they might have originally
17 announced 800 rooms, we'll have a much better
18 sense on the number of employees.

19 COMMISSIONER STEBBINS: Do you get
20 the sense of -- I think that answers my next
21 question -- whether this is going to vary
22 geographically on a region based on the
23 available workforce the number of slots.

24 MR. LEPAGE: Absolutely, quite

1 simply, the Boston market has a much bigger
2 pool, a more diverse pool, and has a longer
3 history of providing systematic training for
4 the hotel and entertainment industry than the
5 other regions. In my bottom pages perception,
6 they've just been doing it much longer.

7 The other element is that as this
8 unfolds, as it unfolds, it is going to require
9 that funnel of 20 or 30 thousand is going to
10 have to be inclusive of what other indirect
11 jobs, because everything we're understanding
12 is there's a ratio of .5 on top.

13 So if there's 10,000 direct, there
14 could be another 5,000 indirect, and those are
15 going to require our function, too. But
16 certainly the different regions are going to
17 have different demands, and that's why having
18 three different regional groups working on
19 this is important. It has to be covered to
20 each of those communities.

21 COMMISSIONER STEBBINS: And again,
22 just a final point, what I like about your
23 proposal is that thoughtful is as people get
24 excited about these careers, potential

1 careers, our work moves forward, you're kind
2 of catching everybody, and if everybody
3 doesn't fit in the future in the type of
4 gaming license or what have you, that at least
5 you're steering them off into available
6 programs.

7 So I mean, you're really casting the
8 hook and the net out there to try to catch
9 people and entice them, but if they get to you
10 and say because of our guidelines, a career in
11 this is really not going to happen for you,
12 but the skills assessment may be able to put
13 you into other programs. Again, some of those
14 could be publicly funded for particular
15 education and another career, and the need
16 that seems to be --

17 MR. LEPAGE: And one of the reasons
18 of using that screening tool as you noted is
19 it allows us to evaluate their ability,
20 current abilities, and remediate them, but it
21 also allows us to career guidance to be able
22 to say, well, based on where you are, here are
23 other occupations that you now have the
24 abilities that you could go to and here are

1 examples of other employers who may be looking
2 for other people.

3 So this is as much a casino workforce
4 development as it is the start of a process to
5 be a little more systemic in career advisement
6 and development, which are all part of the
7 goals of building a sustainable job and a
8 sustainable wage. So that's why we've tried
9 to build it so that it can be a pathway to a
10 casino occupation, but also a pathway to
11 employability.

12 COMMISSIONER STEBBINS: Okay.

13 CHAIRMAN CROSBY: More?

14 COMMISSIONER STEBBINS: No.

15 CHAIRMAN CROSBY: Just a couple of
16 things just for the record. You referred to a
17 racino. We don't have any mandate to license
18 a racino. We have three casino and one slots
19 parlor, slot parlor, and if it turns out to be
20 related to a racing facility, fine, but
21 there's no racino plan in our mandate.

22 You mentioned this I think -- I saw
23 in the write-up for I forget who it was, but
24 somebody in Western Mass. was talking about

1 one of their proposal. They talked about they
2 were going to use some space for their
3 training facility. I think they were talking
4 about a railroad station or something.

5 So as you're doing your environmental
6 scan or your inventory, I assume you're
7 finding out what people are already budgeting
8 for training and how that's going to interface
9 with yours and so forth.

10 MR. LEPAGE: And that's part of our
11 dialogues with the different providers are.
12 In some cases, every state has done it
13 differently, so we're trying to get examples
14 from them of the way they scaled up, and some
15 of them is how they will invest and where they
16 will invest.

17 But the availability -- if there
18 isn't available resources in the community,
19 then part of it they had to create their own
20 training capacity. We're really fortunate
21 here in Massachusetts that we have a very
22 robust educational system versus some other
23 parts of the country.

24 So we are trying to work with them

1 and inform them. One of the things we're
2 definitely finding is that as I've been
3 meeting with operators with President Mechner
4 and others, that they are very positive about
5 this approach, because they feel we're being
6 very proactive, that they'll have it, and the
7 second I will add is that while not one of our
8 original goals, but I think it's a very
9 positive that's coming out of this dialogue is
10 that I have been contacted, at least in the
11 western part of the state, from a number of
12 employers who have asked for the information
13 about how the workforce components of a casino
14 would impact their potential organization.

15 So if they're a hospital in the
16 region or a banking company in the region,
17 they are curious how it might impact them, and
18 do we have plans as the region's provider of
19 training and certificates of credentials, are
20 we making plans to ensure that there are
21 additional employees for them.

22 So I think the more information we
23 can get out there and the more proactive it
24 will go to that goal of creating, you know,

1 what we believe from the original legislation,
2 it might be communicated a systemic approach
3 to that job growth, not borrowing from one to
4 replenish in another.

5 CHAIRMAN CROSBY: Not just
6 cannibalize. Well, that's great. That's
7 great to hear.

8 MR. LEPAGE: So we are trying -- you
9 know, as we learn and progress with you,
10 you're sharing information in bits, we are
11 being cautious not to get out further than you
12 would like us to be, and we are taking very
13 systemic steps in communicating locally with
14 other people, including the casino operators.

15 COMMISSIONER CAMERON: Question, have
16 you had any pushback from the four-year
17 universities on exclusivity?

18 MR. LEPAGE: No, because the elements
19 we're asking for exclusivity are the
20 short-term training programs that are going to
21 be onsite that they don't usually provide.
22 What we found is the exact opposite.

23 As we go to other organizations,
24 including the four-year institutions and

1 saying this is coming to our region, we're
2 trying to pull together a planning task force,
3 we know, for example, they're going to be
4 looking for bachelor level people to do X, Y,
5 and Z, we'd like to have you join us and plug
6 you into a component to be able to feed this.

7 They are very receptive, and in fact
8 are joining, and in fact, some others, at
9 least in the western part, are now asking to
10 be part, which I think is a very positive step
11 of some of the privates who have recently
12 contacted us and said, hey, we're hearing
13 about this planning.

14 We'd like to figure out how our
15 programs, but relative to the exclusivity to
16 those done onsite, which are those gaming
17 positions, we haven't gotten pushback, and
18 when we explain to them it really is a
19 function of equipment and technology and
20 security, they very quickly understand that.

21 They usually say to me, well, that
22 makes sense. I guess you wouldn't want a
23 bunch of slot machines running all over the
24 state that weren't regulating. We understand

1 why you would want all slot machines in a
2 secure environment. I guess that makes a lot
3 of sense. We had been thinking about that.

4 COMMISSIONER CAMERON: Okay, thank
5 you.

6 CHAIRMAN CROSBY: In your next
7 version of this or November when we get
8 together, it's been a while since I read this,
9 and maybe it's here, but it would be
10 interesting if you had sort of a description
11 of how the licensing process, the training and
12 licensing process works in other good
13 jurisdictions, similar jurisdictions, so do
14 they have an exclusive arrangement?

15 How does it work? Who does it? Are
16 there competing models, you know, some kind of
17 background about the lay of the land.

18 MR. LEPAGE: We've started to put
19 together a chart that basically says Method 1,
20 2, 3, and 4 state X, Y, and Z.

21 CHAIRMAN CROSBY: Yeah, that would be
22 great.

23 MR. LEPAGE: I think as one of the
24 other Commissioners has mentioned, as gaming

1 has grown over the last decade, it seems that
2 every state has used this as an opportunity to
3 learn from the other states, and that is --

4 CHAIRMAN CROSBY: That's a good sign.

5 MR. LEPAGE: And I think what the
6 difference being that the states that have
7 been more recent where there is more data on
8 things like the challenge of building a
9 diverse workforce that it has caused us to
10 say, okay, we can see in Pennsylvania, they're
11 now five or six years in, and they have had
12 some difficulties in certain regions getting
13 to the goals of diversity, what didn't they do
14 in building community engagement on the front
15 end, partnerships with many different
16 community-based organizations to feed that
17 funnel. So we can give you some of those
18 models, but it is different from state to
19 state.

20 CHAIRMAN CROSBY: That's helpful. I
21 think, Commissioner, this is really good
22 stuff, and I appreciate that you're getting
23 into this as deeply as you are.

24 When the time comes to make the next

1 presentation, it's going to be a substantial
2 chunk of time probably, so we should make it a
3 big item on the agenda, and if you all want to
4 have a, make a PowerPoint presentation or
5 however you want to do it, you know, this is
6 really important to us, and we'll take as much
7 time as it takes to do whatever time you want
8 to give us the full. This is really good
9 stuff.

10 MR. LEPAGE: Thank you.

11 COMMISSIONER MCHUGH: I agree.

12 CHAIRMAN CROSBY: Are we doing
13 anything on the construction -- there's a
14 meeting coming up or something of people or
15 where does that stand, because this is not
16 including construction workers; right?

17 MR. LEPAGE: Although I will note
18 that based on our advice from our last
19 meeting, we have started to reach out to them
20 to add them, too, as well as the other trade
21 associations to our process.

22 As recently as just a couple of days
23 ago, I was contacted by one of the
24 associations about can't we start to develop

1 some pre-apprentice programs that would allow
2 us to feed into the construction trades in the
3 regions of Western Mass., so I think again,
4 this is starting dialogues that, you know, as
5 a taxpayer you would hope would happen, but a
6 long time ago a detailed operation, but I
7 think it is breaking down some of those walls.

8 CHAIRMAN CROSBY: So that might end
9 up being -- construction jobs might end up
10 being under this umbrella to some extent?

11 MR. LEPAGE: I think perhaps the next
12 step would be to inventory some of the
13 construction functions. We hadn't really
14 taken that as our charge, but after hearing
15 you that you'd like us to start that
16 engagement.

17 CHAIRMAN CROSBY: Well, I can add to
18 it. I'm not opposed you to doing it at all.
19 It's just that we've been talking about this,
20 and I had kind of forgotten where we are in
21 the process.

22 COMMISSIONER STEBBINS: The topic
23 came up at our meeting in Holyoke, primarily
24 from some of the folks in the construction

1 trades in Springfield who are worried about it
2 because of the size and scope of this project,
3 of a casino project in Western Massachusetts,
4 because it worries that if there isn't a
5 contractor out there big enough to do the job,
6 then it would be a contractor from outside the
7 region who could potentially come in with his
8 or her own workers and employees, etc.,
9 thereby kind of leaving some of the remaining
10 construction slots or what would be left over
11 to the local trades in Western Massachusetts.

12 Frank Callahan was at that meeting
13 and talked about the training locations, even
14 invited us as the Commission to come out and
15 see the training locations. Hopefully,
16 there's going to be enough of a genesis to get
17 the conversation going.

18 You know, the chance to work on a
19 project this size for anybody thinking about
20 the construction trades would be pretty
21 appealing and might generate some folks to get
22 into that field as well, but as Bob mentioned,
23 just started to surface.

24 MR. LEPAGE: Not unlike the gaming

1 situation, there are certain decisions that
2 may be Commission policy decisions or local
3 host city or town decisions, like agreeing on
4 objectives for local residency within the
5 construction phase or within the employment
6 within the casino, and that does tie into
7 that, into all of this.

8 So if a city in Western Mass. like
9 Springfield, not just Springfield, but like
10 Springfield, was within their agreement to say
11 that we are going to have this casino as X
12 percentage of diversity or X percentage in
13 construction phase from local environment as
14 part of our host agreement, then that is going
15 to ripple back through ultimately to our
16 workforce strategies and our workforce plans,
17 you know, as it unfolds, but we're just trying
18 to make those linkages so that we're all on
19 the same page at this point.

20 CHAIRMAN CROSBY: Okay. We do have
21 some meeting coming up; don't we?

22 MR. LEPAGE: Thank you.

23 COMMISSIONER STEBBINS: Thank you.

24 COMMISSIONER MCHUGH: Thank you.

1 COMMISSIONER CAMERON: Thank you.

2 COMMISSIONER ZUNIGA: Thank you.

3 CHAIRMAN CROSBY: Thank you. The
4 suppliers and diversity from the suppliers'
5 standpoint doing business as, but I see the
6 folks from the United Training Center, I don't
7 know if they want to address this topic or
8 kind of the next topic down, but.

9 MS. MARIE DOWNEY: Really, we're just
10 interested what the community-based
11 organizations are doing, and we try to reach
12 out, too, to the community colleges to say,
13 you know, we're here, come see what we're
14 doing.

15 If there's any way we can work with
16 you in any region of the state, share
17 resources that we have, how we've done it,
18 we'd like to be helpful.

19 CHAIRMAN CROSBY: Great, are you in
20 touch with Bob's group?

21 MR. LEPAGE: No, you talked to --

22 MS. MARIE DOWNEY: I talked to
23 Jennifer.

24 CHAIRMAN CROSBY: Well, you've heard

1 -- I didn't realize that's where you were
2 from. If I knew, I've forgotten, but you've
3 heard us refer to that trip that made a really
4 big impression on all of us, and there's a lot
5 to be learned there, so the theory is that
6 this will be a totally collaborative venture,
7 so by all means.

8 Also, there was someone in the room,
9 if he is still here, was there a Tom Drechsler
10 or something like that. He came up to me and
11 said he was interested in some of the
12 workforce development stuff, but I'll refer
13 him to.

14 Well, we sort of did Item i. Do you
15 have more on that, ii, discussion of
16 Commission's role in certification of training
17 schools?

18 COMMISSIONER STEBBINS: Yeah, just to
19 bring you up to speed, we fully expect that
20 other agencies in the state will start getting
21 either license applications or approval for
22 schools.

23 We're trying to get our arms around
24 what that process is normally as opposed to

1 the DPL. In the meantime, I've gone to
2 New Jersey, Pennsylvania, and Ohio and Indiana
3 to look at what their processes are for
4 certifying training schools, and as I
5 mentioned, it kind of runs the gamut.

6 There are regulations in Indiana that
7 are laid out relative to space, training
8 hours, what happens with the equipment, to
9 other states that are basically saying,
10 looking at the curriculum and the experience
11 of the trainers, ability to get certified, and
12 then I think in Pennsylvania it lists all of
13 their certified schools on their website.

14 So if you're thinking about going and
15 taking some classes, you go look at kind of
16 the pre-approved list from Pennsylvania, but
17 hopefully I have a little more to report on
18 next week.

19 On this thing, as best I can tell,
20 this is going really well. This is pretty
21 exciting.

22 CHAIRMAN CROSBY: Commission Cameron
23 and I wanted to report on our trip a little
24 bit. Commissioner, do you want to go first?

1 COMMISSIONER CAMERON: Sure.

2 CHAIRMAN CROSBY: Okay.

3 COMMISSIONER CAMERON: The
4 International Association of Gaming Regulators
5 was in Singapore this year, and as new
6 regulators, we thought it was really important
7 to go and meet the other regulators from
8 around the world, a very impressive group, all
9 wanting to be helpful to us, some of whom came
10 up to me to say that they watched a couple of
11 our meetings, so what we do is --

12 CHAIRMAN CROSBY: Worldwide.

13 COMMISSIONER CAMERON: Yes, is
14 important to some folks around the world.
15 Singapore did an excellent job. They've only
16 had casinos, two casinos up and running since
17 2010.

18 They take regulating the facilities
19 very seriously. The Casino Regulatory
20 Authority, the CRA -- by the way, they had
21 great golf shirts -- a very impressive group.
22 They accommodated all of the guests from
23 around the world very, very well, attention to
24 detail, attention to their job, subject

1 matter, knowledge of what they were doing I
2 found to be very impressive.

3 Two facilities in Singapore, both
4 very different, interesting to hear that they
5 actually wrote it into their specs before
6 putting it out to bid what they wanted. They
7 had a real vision for what they wanted in
8 Singapore, two very different visions.

9 One, they thought that something they
10 were lacking in in Singapore was
11 architectural, something very different,
12 something that people would come to see the
13 architecture.

14 So they have one in the city, one
15 facility that's just stunning from a distance.
16 From every angle, it's very different looking.
17 It certainly meets their investigation of what
18 they wanted.

19 The second is a facility out on the
20 waterfront, four different themes. One is a
21 Universal Studio, and one's a beach theme. I
22 mean, there are four different themes, and the
23 casino underneath the whole facility, and
24 they're beautiful facilities.

1 Again, you know, very much, they pay
2 attention to every aspect of regulation. I
3 was just really impressive if we can regulate
4 the way they do, I think we'll be in good
5 shape.

6 They were very proud to host this
7 conference after just being up and going for
8 two days. Just briefly, I'll go through
9 developments in Asian gaming started the
10 conference on day one, interesting panel.

11 The Singaporeans were very proud of
12 talking about what they've done, and then
13 there was talk of Macau and some honest
14 conversation about the fact that they don't
15 regulate very much at all, and some of the
16 issues, although they're making a lot of
17 money, there are significant issues around
18 money-laundering.

19 It's just the extreme, and I thought
20 that was a very honest conversation about the
21 two different jurisdictions. We were
22 fortunate enough to go to Macau after the
23 conference to really see the operation there,
24 a lot of money, extravagant facilities, and

1 again, that's probably not the model we want
2 to utilize with regulation.

3 You know, we talked about social
4 gaming. That was interesting, too, because it
5 really goes from basic gaming operations to
6 what should be regulated or where's the line
7 drawn, different ideas from those regulators
8 from around the world, new technologies and
9 trends, and this is a fast-moving business.

10 As soon as you have machines on the
11 floor, they're going out of date, and new ones
12 have to come in, so how do we as regulators
13 allow that to happen in a timely fashion.
14 There was talk about testing trends, labs that
15 tests, can you use that information across
16 jurisdictions, and some people think that you
17 can, and others think that you can't, so just
18 a lot of things for us to focus on.

19 Day two I found especially
20 interesting, focussed on money-laundering,
21 terrorism, financing, sports betting, the role
22 of regulators.

23 Frankly, the rest of the world thinks
24 that we're well behind the times, because we

1 don't regulate sports betting. They know how
2 -- they talk about there are legal bookmakers
3 there who talk about the fact how much money
4 their companies make with the NFL around the
5 world, and the fact that we do not regulate it
6 and take a piece of it, they found very
7 strange.

8 Same thing with iGaming, internet
9 gaming, most of the jurisdictions are now
10 regulating it, and they don't think it's hat
11 hard to do frankly, and taking a tariff,
12 taking taxes and regulating internet gaming.

13 Actually, they see it as a way of
14 bringing in new folks to the casinos. Lots of
15 times you're on internet betting, whatever the
16 game may be, and then they'll offer rewards at
17 one of the casinos. You know, whatever you
18 won, now you can go to the casino, and you're
19 able to do X, Y, and Z. So they look at it as
20 an opportunity. So that was of interest also.

21 And Day Three was really a tour of
22 the two facilities, which again were just
23 pretty impressive facilities. One is 57-floor
24 high with an infinity pool on the top. You

1 look like you're going off the side of the
2 building if you get into that pool. Mr. Chair
3 did not think he wanted to get into that pool,
4 but it was just an impressive looking
5 facility.

6 CHAIRMAN CROSBY: I was ho holding
7 onto the rail 20 feet away.

8 COMMISSIONER CAMERON: Some
9 conversations about things that we've been
10 talking about, MOUs with other jurisdictions,
11 sharing investigative material, sharing
12 intelligence, so a lot of very good
13 information, and I think well worth the trip
14 as well as a lot of good contacts.

15 People really do want to be helpful
16 with what we're doing here. Very interested
17 in what we're doing and really want to be
18 helpful. So I know I was certainly impressed
19 by both the subject matter, touring the
20 facilities themselves, and the contacts from
21 around the world, folks that regulate and have
22 been regulating for quite some time. Do you
23 want to add to that.

24 CHAIRMAN CROSBY: Yes, well, a

1 little. It was interesting that Singapore
2 does not talk about having casinos. They talk
3 about having integrated resorts. They talk
4 about IRs. They don't talk about casinos, and
5 the idea was actually in their presentation,
6 they talked about integrated resort.

7 It's with casino as a small but
8 catalytic component to make Singapore a more
9 attractive tourist destination. Clearly, it's
10 the casinos that are the cash cows, but they
11 knew that if they could give away these two
12 licenses for enormous cash cows and ask the
13 developers that they put tremendous resources
14 into other things. So as Commissioner Cameron
15 said, one of them had a whole Universal City
16 theme park and an incredible aquarium, which
17 is every bit as good, if not better than ours,
18 a beautiful, brand new modern aquarium, and
19 the casino is kind of inside there.

20 You hardly even notice it. It's the
21 cash from the one that justifies the other,
22 but it was a -- we've talked about this, but
23 never quite as powerfully as they have done
24 it.

1 Now, these are much more profitable
2 casinos, but the other one has not only the
3 casino, but a big convention center and I
4 think it's a museum, the other facility. So
5 it's an idea.

6 It's a way of approaching and
7 leveraging the casino investment to generate
8 other stuff that makes Singapore a tourist
9 attraction, and we've been wrestling with how
10 much leverage can we get out of this, how much
11 can we attract outside people as opposed to
12 just inside people.

13 I think some of the proposals we
14 begin to see, and all I've done is read about
15 it in the newspaper, but some of the proposals
16 that Springfield has talked about other
17 activities -- retails and spas and facilities
18 and so forth -- but I think we'd like to -- I
19 came away, at least energized that we might be
20 able to be a little more aggressive in
21 thinking about what else will advance the
22 strategic objectives of the legislation.

23 What else will advance the economic
24 development priorities that tourist

1 attraction. What will internationalize these
2 things as opposed to just have them be
3 Massachusetts, etc., so that was really
4 interesting.

5 The cultural differences with Asia,
6 particularly China, because that's where most
7 of the money comes from, but all of Asia were
8 striking. First of all, the Singaporeans,
9 their government didn't really want locals to
10 gamble.

11 So thinking it would pretty much
12 squeeze out the locals, they had a \$100
13 24-hour fee. You have to pay \$100 in order to
14 go into the casino for a 24-hour license, and
15 everybody has a swipe card, and if you get to
16 24-hour in one second, your card no longer
17 works, and you can't use it anymore, and
18 you've got to go buy another \$100 card.

19 But it didn't matter, people come
20 like crazy anyway, but I think it was 60/40
21 the people were external to Singaporean, but
22 the revenues is like 85/15 or 90/10 out of
23 Singapore, mostly China to Singapore.

24 But also what was interesting is the

1 slots parlors are a diminimus part of their
2 business. The ratio for them is slots is
3 around 20 percent of their revenues, and the
4 table games, particularly Baccarat, is like
5 80 percent, and for us it's the opposite.

6 The slots are like 80 percent of our
7 revenue, and the table games are 20, just
8 because it's the Asians are much more
9 interested in the ostensible skill aspect of
10 it rather than just the dumb luck of the slots
11 machines.

12 Tremendous emphasis both in Singapore
13 and Macau on junkets, and most of the gambling
14 doesn't go on on the floor that we think of as
15 the casinos. It goes on in private rooms
16 above, which can be as small as one table.
17 Sometimes you'd have one table in a very
18 opulent room, and a dining room, and another
19 would have three or four small tables, and
20 that's where the real money goes. Talk about
21 million-dollar bets. One table I think had a
22 \$400,000 minimum.

23 COMMISSIONER CAMERON: Yes.

24 CHAIRMAN CROSBY: Something like in

1 Singapore, I think around 85 percent of their
2 revenue comes from the junkets.

3 COMMISSIONER CAMERON: They don't
4 call it the junkets. It's the high-rollers,
5 but the junkets has a negative connotation.

6 CHAIRMAN CROSBY: I'm sorry. I was
7 talking about Macau. They don't have junkets.

8 COMMISSIONER CAMERON: You're right,
9 yes.

10 CHAIRMAN CROSBY: I misspoke. In
11 Macau, 70 percent of the Macau money comes
12 through junkets and VIP operators. Singapore
13 doesn't permit junket operators, and has made
14 the decision not to permit junket operators.

15 Now, there may be some gray areas,
16 but it was interesting to talk to the people
17 in Macau, like the guy we talked to when we
18 were at the Hyatt who was admiring that
19 Singapore was able to outlaw or not prohibit
20 without license junket operators and yet
21 they've done tremendously well.

22 They've still managed. The Chinese
23 figure out some way to get money out of the
24 country, even though they don't go through

1 junket operators, but a Chinese citizen can't
2 leave the country with more than \$50,000,
3 which for us is a lot of money, but if you
4 want to bet a million bucks, so somehow they
5 figure out how to get their money out of the
6 country, even if they don't have junket
7 operators.

8 So the contrast between a regulated
9 environment, Singapore, and a totally
10 unregulated environment, Macau, was really
11 interesting.

12 As Commissioner Cameron said, we have
13 a lot of great contacts that -- we talked a
14 lot of time with the woman who runs the gaming
15 commission in Britain, a woman who runs the
16 gaming commission in Denmark, no, in -- yeah,
17 in Denmark, and the people from Singapore were
18 terrific, and we met a lot of the regulators
19 in the Caribbean that are close enough to us
20 that there's some potential working
21 relationships.

22 We also met a lot of people,
23 candidates for jobs. There's a great
24 recruiting opportunity, not only jobs, but

1 also people who can refer us to candidates for
2 jobs.

3 Gayle mentioned the money-laundering.
4 The whole online, you know we got this
5 impression a little bit when we were in
6 Singapore -- I'm sorry, when we were in
7 Las Vegas, but much more.

8 I felt like we were in the 1800s, and
9 everybody else was in the 21st century,
10 because we're wrestling with the issues of
11 bricks and mortar, and they're wrestling with
12 the issues of not even online gaming, but
13 social gaming, social networking.

14 How do you and can you and should you
15 let people use their Facebook pages and their
16 whatever all these other social games that
17 people play as either gambling devices or
18 precursors to gambling devices, and we're
19 sitting like what the hell are you talking
20 about, and we're really Nowheresville in terms
21 of the future of this industry. So yet again
22 it caused me to think as well as
23 Commissioner Cameron talked about the sports
24 betting.

1 So that treasurer's task force is
2 really, really important, and I think for
3 defensive reasons, if not for offensive
4 reasons, we need to be proactive in figuring
5 out what we need to do. We need to know what
6 this is going to do to the developers. Is it
7 going to enhance their bids? Is it going to
8 diminish their bids, so it's a huge area that
9 we've got to get on top of.

10 I have a couple of other notes. The
11 stuff that Commissioner Cameron mentioned
12 about interagency, interjurisdictional MOUs.
13 You can sign MOUs with Singapore,
14 Pennsylvania, whoever to share data from the
15 background checks, which is important, and we
16 learned a lot about that.

17 Oh, another interesting thing about
18 the IRs, the integrated resorts, their tourism
19 board, Singapore Tourism Board was the agency
20 that did the licensing. They didn't do the
21 background checks. They don't do the
22 regulation.

23 That's the Casino Regulatory Agency,
24 but it's the tourism board that brought these

1 things in, and they set up four criteria --
2 tourism appeal and contribution, architectural
3 and urban design concept excellence, level of
4 development investment, and strength of
5 consortium and partner's track record as the
6 four primary categories of judgment.

7 And then they had task forces that
8 judged each of those four, unbeknownst to the
9 others, and then those four categories were
10 upvoted to the tourism senior people, and then
11 they somehow took those metrics decisions,
12 those data, those were weighted decisions, and
13 added some subjectivity.

14 But it was an interesting way for us
15 to start thinking about how we're going to
16 organize our evaluation criteria. They also
17 talked a lot all their facilities, both of
18 their facilities were phased, but those were,
19 you know, each of them together was about six
20 billion dollars as opposed to our 500 to 1,
21 and I think in that environment you couldn't
22 not have a phased structure.

23 We don't know whether we're going to
24 permit phasing or not, but they did give us

1 some ideas about ways to, if you do phase
2 construction, criteria for getting to the,
3 when you can open your casino. You have to
4 have 50 percent of the work done or 50 percent
5 of the money spent or various kinds of devices
6 and clawback rights.

7 If things, if subsequent phases don't
8 happen the way that they were promised or if
9 other things that have promised don't happen,
10 you can have clawback rights and other
11 regulatory rights if the non-gaming facilities
12 aren't being kept up like the gaming
13 facilities are, because they're not really the
14 big profit centers, and the developer doesn't
15 want to put their money in there, you can
16 protect yourself obviously, and they gave us
17 some ideas about that. So there was a lot of
18 really interesting stuff. I think that was
19 about it.

20 COMMISSIONER CAMERON: Yeah, one of
21 the things that was interesting was on
22 responsible gaming.

23 CHAIRMAN CROSBY: Oh, yes.

24 COMMISSIONER CAMERON: In Singapore,

1 there are computer screens above every table
2 that says, it's now 9:30 at night, should you
3 be home with your kids.

4 So a message board on every single
5 table that will give you some message about,
6 hey, should you stop doing this right now, is
7 there something else you need to do. So that
8 was -- they take that aspect very seriously
9 with these big message boards above every
10 single table.

11 CHAIRMAN CROSBY: Yeah, their whole
12 preoccupation with protecting their own
13 citizens, and it was very impressive. One was
14 the point that Commissioner Cameron just
15 mentioned. They require -- this is really
16 interesting dealing with this problem.

17 They require advance problem gambling
18 recognition training for the casinos, but they
19 don't know whether that's worth doing or not.
20 They're wrestling with the problem of a
21 legally enforceable duty of care. You know,
22 how do you go to the casino operators and put
23 a legally enforceable duty of care on their
24 croupiers, you know, dealers to watch out.

1 Whether you can or not is an issue.

2 That's again something that we're going to
3 need to talk about here. I think it was a
4 really tremendous provocative and interesting
5 period of time.

6 COMMISSIONER STEBBINS: How many
7 people attend? I mean, is this a small --

8 COMMISSIONER CAMERON: Several
9 hundred.

10 CHAIRMAN CROSBY: I think they had
11 185 to 200 people. I think there are 60-some
12 jurisdictions.

13 COMMISSIONER CAMERON: Yes.

14 CHAIRMAN CROSBY: This is the only
15 second year that the International Association
16 of Gaming Regulators has been an independent
17 body. It was affiliated with somebody, and I
18 don't --

19 COMMISSIONER CAMERON: All the
20 attorneys, they're gaming attorneys, and they
21 split off, and there are two separate groups
22 now.

23 CHAIRMAN CROSBY: And they're working
24 very hard on getting a standardized

1 multi-jurisdictional personal background check
2 form. You've got the multitudinal business
3 background check form. I think this is a body
4 which is trying to find --

5 COMMISSIONER CAMERON: Yes.

6 CHAIRMAN CROSBY: It's a pretty
7 strong body now, but it has the potential to
8 be a very, very important part of the
9 regulatory environment as everything becomes
10 more mobilized. I think it's something we
11 should consider straying pretty involved and
12 be supportive.

13 We volunteered to tell some of our
14 other state jurisdictions that don't belong
15 this might be something important to belong
16 to, because they're trying to build an
17 international constituency. It was
18 fascinating.

19 The research agenda, I saw a lot of
20 good conversation in last week's meeting about
21 that. The status report that I can add to
22 what Commissioner Zuniga talked about last
23 time is this. We had, I guess -- yeah, you
24 reported on this. We had a kind of an

1 informal advisory group of people get together
2 to talk about this. Interestingly, there was
3 kind of a consensus that we could to just --
4 we ought to just go ahead and do an ISA.
5 UMass Amherst has one of the leading
6 researchers in the world, particularly on the
7 problem of gambling assigned there, and there
8 was some pretty strong sense that for
9 simplicity purposes, the legislature likes
10 keeping the money in the state and likes to
11 support other state agencies like UMass.

12 There's plenty of good reasons why we
13 could do something really good there, but I
14 think Commissioner Zuniga and I felt that for,
15 at least for reasons of optics if nothing
16 else, that we could move very quickly on a
17 research RFP, and that is the better way to
18 go. I don't think we made a final decision.
19 That's where I think we kind of ended up.

20 COMMISSIONER ZUNIGA: Yup, there was
21 no final decision. That was a question that I
22 posed last week as perhaps a next step. If we
23 I guess in two alternatives, whether by ISA or
24 by requesting a proposal, really the next step

1 is what to request or engage in for.

2 If it's a sort of project management
3 type of function that can then commission
4 different pieces of studies or project manage
5 a larger effort or whether the Commission
6 would want to be in the role of doing some.

7 CHAIRMAN CROSBY: Yeah, and my sense
8 on that is sort of a hybrid. I don't think we
9 want to have multiple projects going on,
10 multiple pieces of the research where we're
11 trying to coordinate different research teams
12 doing different things.

13 I think we'd be better served asking
14 or having an RFP that asks for a team which
15 has the capacity within to oversee all of that
16 work. We will probably still need somebody to
17 oversee that, you know, but I think to ask us
18 to bring on the capacity to integrate
19 cross-team research and so forth is more than
20 we would want to undertake.

21 And if we write the RFP properly, it
22 could be done, but it would be put together by
23 people who know how to do these
24 cross-disciplinary kinds of research projects,

1 so that's my presumption.

2 So what Commissioner Zuniga and I
3 e-mailed back and forth about this one when I
4 was away, and we've talked about getting
5 somebody who has real research chops to help
6 us draft the RFP, because there were issues in
7 the RFP like methodological debates and so forth
8 that we felt we were not capable of really
9 resolving, and so I reached out to somebody
10 whose name is Mary Huff Stephenson, who is a
11 retired economist who I knew a little.

12 Actually, I wrote several people and
13 said -- three people, and said do you have
14 ideas of somebody who might come on just as a
15 short-term consultant to help us do this, and
16 two of the three mentioned her as a person.
17 Then coincidentally, I bumped into her at an
18 event, and it turns out she did have the time
19 and interest, so subject to Commissioner
20 Zuniga over approving it, I've said to her
21 let's go, and so she is prepared to draft up
22 the substantive guts of the RFP, not all the
23 boilerplate stuff, but substantive stuff,
24 which would give us something to look at I

1 hope by the end of the week, and then we can
2 also send it out to our research advisory
3 committee, and if it seems to suit where we're
4 going, we could get it out by the week after
5 that.

6 So I'm, as usual, I'm frustrated by
7 the passage of time, but I do think this is
8 the right way to go, and there were a lot of
9 -- I think we talked a little bit last week
10 there were a lot of interesting elements in
11 the feed, but I think you mentioned in the six
12 or seven different proposals we got or RFIs,
13 the responses that we got including maybe one
14 of the most dramatic ones was differences of
15 opinion about whether you could really do this
16 kind of research well, but I guess you had
17 access to all these reports. If you want to
18 see more about it, you can.

19 CHAIRMAN CROSBY: Okay, anything else
20 on that? Internet gaming, Commissioner --

21 COMMISSIONER ZUNIGA: I submitted
22 that for your consideration. I have a memo
23 that I included as part of the packets. The
24 Treasurer's Office has reached out to this

1 Commission to try to communicate jointly a
2 message to federal authorities, federal
3 legislators relative to specifically these
4 refile bill that's pending in the Senate,
5 which would regulate and give Nevada an
6 exclusive position relative to regulating
7 online poker, so I included a summary of that
8 bill as part of the packet.

9 We were given a full transcript of
10 the bill. It is very -- it is rather unclear
11 what could happen to that bill. I'll give you
12 a number of things. Clearly, the election,
13 the lame duck Congress, the future Congress,
14 or anything after that.

15 Furthermore, there does not seem to
16 be a big effort in the house side, but at
17 least our colleagues at the Treasurer's Office
18 believe that communicating our position on
19 something like this is important, which is why
20 I've included that as part of the packet. I
21 can take any questions or comments.

22 COMMISSIONER CAMERON: I have a
23 comment. This is a document prepared at the
24 Treasurer's Office; correct?

1 COMMISSIONER ZUNIGA: That's correct.

2 COMMISSIONER CAMERON: I am
3 personally very hesitant to do a joint letter.
4 I think we're two different -- we are two
5 different commissions, and our goals may not
6 always be the same.

7 For example, there's language about
8 racing in this particular bill, which is not
9 mentioned in this letter, which I don't know
10 that we've had enough time to research whether
11 or not that particular language is
12 advantageous or not.

13 So I just personally just don't
14 really like the idea of a joint letter. I
15 think if we have something to say as a
16 commission, we should take a little time,
17 research on our own, and respond
18 independently, particularly where there are
19 some racing language -- there is some racing
20 language in that particular bill also, so
21 that's just my thought on joint letter.

22 COMMISSIONER ZUNIGA: Well, my
23 recommendation given that background was
24 perhaps also addressing that concern, which

1 like that, but I would kind of at this -- and
2 they said can we team up on the response to
3 refile, and I said sure, and I kind of hate to
4 have the first shot out of the box say we want
5 to do a separate letter.

6 I'd be completely comfortable with
7 making sure the letter doesn't say anything
8 other than what we mean, and for example, if
9 it made sense to say, you know, there are
10 other sections in the legislation on which we
11 take no position or something like that, I'm
12 more than happy to do that, but it would kind
13 of go against the effort I'm trying to make to
14 have them be thinking about this a little bit
15 more holistically.

16 For understandable reasons, they've
17 been sitting there doing the Lottery for
18 years. That's what they think about. They
19 think about the Lottery, and since we're still
20 developing stuff, we're not necessarily quite
21 as intrinsically territorial, and I kind of
22 hate to not.

23 COMMISSIONER ZUNIGA: To that end
24 also, there's a particular section in the

1 legislation that specifically talks about
2 coordinating with their office --

3 CHAIRMAN CROSBY: That's true.

4 COMMISSIONER ZUNIGA: -- as it
5 relates to internet gaming, so which I
6 included.

7 COMMISSIONER CAMERON: I saw that in
8 your memo, but it doesn't say we have to have
9 joint correspondence, because again, I really
10 do think that there will be things that we
11 will not be, you know, just a document that we
12 haven't had time to research, and they wrote
13 the response, and like I say, I know there's
14 some information in there about racing
15 wagering that is not addressed here that I
16 know we are starting to look at. I know our
17 director is on top of that and mentioned it to
18 me today.

19 But just for that reason, it just
20 strikes me as something we should consider. I
21 understand the point about wanting to
22 collaborate, and I think we are doing that
23 when it comes to meetings, attendance, your
24 participation in the working group, but again,

1 I get back to speaking for ourselves when it
2 comes to most issues. If you see fit to do
3 this letter, Mr. Chair, certainly I understand
4 the reason. I'm just personally hesitant to
5 do this --

6 CHAIRMAN CROSBY: Well, I
7 certainly --

8 COMMISSIONER CAMERON: -- on most
9 occasions frankly.

10 CHAIRMAN CROSBY: I'm not saying
11 anything about other than this letter at the
12 moment. You know, I'm certainly not saying
13 this ought to be necessarily a tag team
14 effort.

15 COMMISSIONER MCHUGH: I have two
16 substantive questions, and I didn't realize we
17 had the full text of the bill, so I didn't
18 have a chance to read the full text of the
19 bill, but I did look at the summary, and I
20 don't see in the summary, that I was able to
21 find, that the proposed act would effectively
22 limit participation in an online gaming
23 marketplace to gaming operations with a
24 presence in Nevada.

1 It talks about a regulatory
2 mechanism, but I don't see that in the summary
3 that I read, and that's reiterated. Those
4 that have -- that's at the bottom of Page 1,
5 and the top of Page 2 it says that those that
6 have Nevada ties would have access to the
7 online market while those who don't would be
8 at a complete disadvantage.

9 Thousands of jobs and millions of
10 dollars in licensing tax revenues would be
11 potentially undercut as a result. I just
12 don't see that in the summary, that somehow
13 the Nevada gaming facilities have some kind of
14 an exclusive.

15 There's a two-year provision, at
16 least described in the summary, for gaming
17 regulators having to have experience in online
18 gaming regulation, but I don't see in there
19 any -- I'm repeating myself now -- any tie to
20 a casino.

21 The second thing is there is a
22 complete ban on scratch tickets and Keno under
23 the legislation, and so there's no competitive
24 advantage that's going to anybody else as a

1 result of the passage of that legislation, but
2 the existing Lottery structure would remain in
3 place.

4 This is frozen out in the long line
5 piece, and in the long term, I suppose that is
6 problematic, but for the minute, I'm not sure
7 why we favor as a commission online scratch
8 tickets. I know how valuable the Lottery is,
9 and I don't doubt the value, and I know that
10 the preservation of the Lottery and its value
11 amongst and throughout the legislation, and I
12 think we're dedicated to doing that according
13 to the statutory mandate.

14 Why we would be in favor of allowing
15 online scratch tickets is something that I'm
16 -- I just don't know why we would want that.
17 There may be a very good reason for it.

18 Now, the general proposition, the
19 states ought to regulate gaming within their
20 borders is something that seems to make sense,
21 although in an Internet environment, I have
22 some real questions about whether that can be
23 done without an overarching traffic cop in
24 effect to decide who and how, who regulates

1 what and how, and so I don't know how you set
2 up a system, a national system of Internet
3 gaming without that superimposed traffic cop,
4 and this may not be the ideal mechanism for
5 that for a variety of reasons, but frankly, I
6 don't know enough about it to be fundamentally
7 opposed to the basic premise that you need
8 such a traffic cop.

9 So for those -- I have those
10 substantive questions, and maybe there are
11 perfectly obvious answers to them. At this
12 point, there are questions that I have, and I
13 don't know the answers. I'm not, therefore,
14 prepared to support this letter.

15 CHAIRMAN CROSBY: I'm not supporting
16 this letter either, just for the record, for a
17 variety of reasons. There are certain things
18 in the letter, but I wouldn't say just on its
19 face, but also I haven't read the legislation
20 either. There is -- this is an article from
21 Politico that says -- did you read it?

22 COMMISSIONER MCHUGH: I read the
23 article.

24 CHAIRMAN CROSBY: Okay, well, to

1 qualify to be a gaming, a licensing body for
2 federally sanctioned online poker, a state
3 must have demonstrated capabilities relevant
4 to the online poker environment. That's in
5 quotes, and only Nevada has it.

6 COMMISSIONER MCHUGH: But that,
7 Mr. Chairman, is a gaming regulator. This
8 letter talks about a gaming participant.
9 They're two different things as I read it. A
10 gaming regulator is us.

11 CHAIRMAN CROSBY: Right.

12 COMMISSIONER MCHUGH: A gaming
13 participant is a casino, and this letter talks
14 about casinos.

15 CHAIRMAN CROSBY: Oh, I see, okay.
16 That does not talk about regulators. At the.

17 COMMISSIONER MCHUGH: The top of the
18 fourth paragraph, the first sentence, and the
19 second sentence in the paragraph on the next
20 paragraph, of the next page, clearly focus on
21 the people who would be licensed to operate,
22 at least as I read it, these online gaming
23 facilities, not the people who would regulate,
24 so.

1 CHAIRMAN CROSBY: But I didn't really
2 look into this, but if you could only do it in
3 Nevada --

4 COMMISSIONER MCHUGH: It says you can
5 only be a regulator.

6 CHAIRMAN CROSBY: Right, well.

7 COMMISSIONER MCHUGH: It doesn't say
8 that the Nevada regulator, that the Nevada
9 company couldn't operate it in states other
10 than Nevada.

11 COMMISSIONER ZUNIGA: The assumption
12 was --

13 COMMISSIONER MCHUGH: Or that a
14 company would have to have a Nevada regulation
15 tie to operate a facility here.

16 COMMISSIONER ZUNIGA: That was a
17 question, and I guess it's a question. It's
18 an assumption based on some of what's
19 summarized of the bill, it would keep the
20 impression that only those casino operators
21 with presence in Nevada may have the ability
22 to conduct online gaming.

23 COMMISSIONER MCHUGH: Why?

24 COMMISSIONER ZUNIGA: Online poker.

1 That's according to the summary, but obviously
2 the discussion of the bill may be more
3 relevant for a future meeting.

4 CHAIRMAN CROSBY: Well, there's
5 clearly enough lack of knowledge about this
6 that I don't think we should go forward with
7 anything just yet, and I think there's enough
8 lack of knowledge and understanding and
9 reluctance that I don't think I should be
10 authorizing between now and next week.

11 I think between now and next week, we
12 ought to try to get our arms around what's in
13 the bill. Is there a reasonable response that
14 we can structure with the Treasurer, and if we
15 think the answer to that is yes, then we can
16 talk to the Commissioner about doing that. So
17 I think you and I should just follow up on
18 this, but let's not vote to do anything in
19 particular at the moment.

20 When this harkens back to what I was
21 saying earlier about coming back from
22 Singapore, you know, where it's just this
23 whole other world out there versus still
24 trying to figure out what to do with it.

1 It's really interesting. It raises
2 all kinds of questions, and certainly the
3 Commonwealth is a long way. This isn't up to
4 us. This is up to the Legislature and the
5 Governor on whether and how we're going to get
6 into this, not whether we send a letter, but
7 whether we're actually going to get into this.

8 It's going to re-raise all the
9 questions that we went through when we debated
10 gambling in the first instance, and I don't
11 even know where I come down on those things,
12 but it is absolutely clear that this is a big
13 priority, and we would -- we, the
14 Commonwealth, policymakers in the
15 Commonwealth, would be doing ourselves and the
16 Commonwealth a disservice not to try to get on
17 top of this and figure out what's going on.

18 COMMISSIONER MCHUGH: I don't
19 disagree.

20 CHAIRMAN CROSBY: No, I'm sure you
21 don't. Okay, anything else? Great. I think
22 we're all set. A motion to adjourn?

23 COMMISSIONER MCHUGH: So moved.

24 COMMISSIONER CAMERON: Second.

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CHAIRMAN CROSBY: All in favor?

COMMISSIONER CAMERON: Aye.

COMMISSIONER MCHUGH: Aye.

COMMISSIONER STEBBINS: Aye.

COMMISSIONER ZUNIGA: Aye.

CHAIRMAN CROSBY: All right, thank

you.

(Meeting adjourned at 3:37 p.m.)

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ATTACHMENTS :

1. Agenda
2. Meeting Minutes 10/16/12
3. Meeting Minutes 10/23/12
4. MGC Framework for Addressing Policy Questions
5. MGC Employee Handbook
6. A Statewide Initiative Addressing the Workforce
Needs of the Gaming Industry in Massachusetts
7. Memorandum re: Reid-Kyl Bill for Regulation of
On-Line Poker

SPEAKERS :

- Eileen Glovsky
- Jennifer Durenberger
- Marie Downey
- Robert LePage

C E R T I F I C A T E

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I, Mary K. Corcoran, a professional stenographic court reporter and notary public in the Commonwealth of Massachusetts, hereby certify that the foregoing 146 pages contain a full, true, and correct transcription of all my stenographic notes to the best of my ability taken in the above-captioned matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of October, 2012.

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

// Mary K. Corcoran // Date 10/31/12
 Mary K. Corcoran
 Notary Public
 My commission expires June 13, 2014

// Elizabeth Tice // Date 10/31/12
 Elizabeth Tice, President
 My Commission Expires August 26, 2016
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