



February 23, 2018

Pennsylvania Gaming Control Board Attn: Honorable David M. Barasch, Chairman P.O. Box 69060 Harrisburg, PA 17106-9060 pgcb@pa.gov

Re: Interpretation of Sections 3102 and 3702 of the Pennsylvania Race Horse Development and Gaming Act

Dear Chairman Barasch:

Accel Entertainment Gaming, LLC ("Accel") is a current Terminal Operator licensee in the State of Illinois, and a prospective applicant for a Terminal Operator license in Pennsylvania. We are currently discussing opportunities in Pennsylvania with Rutter's Farm Stores. As such, we have joined them in corresponding with the Pennsylvania Gaming Control Board ("Board") regarding certain provisions in the recently expanded Pennsylvania Race Horse Development and Gaming Act ("Act").

Accel has been a licensed Terminal Operator in the state of Illinois since 2012. We operate video gaming terminals in over 1440 establishments, including over 60 truck stops. Our experience operating in the Illinois video gaming market from the beginning has taught us valuable lessons that we would like to share with the Board. We would like to offer our thoughts on two specific areas of the Act.

<u>Section 3102 – Definition of Commercial Motor Vehicles:</u>

Among the six qualifying characteristics of a "Truck Stop Establishment," are the requirements that a premises is "equipped with diesel islands used for fueling commercial motor vehicles," and has "at least 20 parking spaces dedicated for commercial motor vehicles" (emphasis added). "Commercial motor vehicles" is not separately defined in the Act. We propose that the existing definition of "commercial motor vehicles" in Chapter 16 of the Pennsylvania Vehicle Code be applied to the Act. Having this clarity will allow establishments throughout the state to clearly understand whether they may qualify for a license from the Board, or what they may need to modify in order to do so.

Section 3702 – Structural Changes to Establishments to Segregate Gaming Area:

The Act provides that video gaming may only be provided to patrons in a secure environment within an Establishment Licensee. Specifically, pursuant to Sections 3702(A)(4)-(6), an Establishment Licensee may offer video gaming terminals for play within its premises if the area is "properly segregated from minors," if the entrance to the area is "secure and easily seen and observed by at least one employee of the Establishment Licensee," and the area is "monitored by an employee of the Establishment Licensee either directly or through live monitoring of video surveillance."

These same segregation requirements exist in Illinois, and compliance with these requirements is of paramount importance to Accel. We pride ourselves on the protection of our Terminal Operator license and our establishment partners' licenses. Notably, the Illinois Gaming Board conducts investigatory stings



P.O. Box 1218, Bolingbrook, IL 60440

to monitor compliance with underage gambling prohibitions, and routinely issues \$5,000 fines to locations found to be in violation of the law. We have found that assisting location licensees design and construct a properly segregated and secured gaming area is critical in assuring compliance with the Illinois Gaming Board's regulations.

Section 3702(B)(9) of the Act provides that Terminal Operators may not make "structural alterations or significant renovations to a video gaming area *unless* the Terminal Operator has notified the Establishment Licensee and obtained prior approval from the Board" (emphasis added). This implies that a Terminal Operator will be permitted to assist with the structural build out of a video gaming area; however, Accel would like to confirm with the Board that Terminal Operator Licensees will also be allowed to pay for the costs associated with such alterations or renovations.

We are cognizant and extremely respectful of Section 3702(B)(6) in the Act, providing that "no Terminal Operator Licensee may give or offer to give, directly or indirectly, any type of inducement to a Truck Stop Establishment to secure or maintain a Terminal Placement Agreement." We note that the Act specifically excludes "costs paid by a Terminal Operator applicant or Terminal Operator Licensee related to making Video Gaming Terminals operate at the premises of an Establishment Licensee" from being included in the definition of an Inducement. Our interpretation is that reasonable structural changes to an Establishment's premises to properly segregate the video gaming area would fall within this exception, thereby enabling a Terminal Operator to bear such costs.

A Terminal Operator's knowledge and experience in properly designing and building a segregated gaming area will increase compliance with the Act, and allowing a Terminal Operator to pay for such costs will enable the build out to be completed faster, allowing video gaming to become operational in a shorter timeframe.

We greatly appreciate your consideration of our thoughts on these issues, and would be happy to provide any additional information, which may be helpful to you as the Board works through the implementation of this expansion.

Sincerely,

Andrew H. Rubenstein President and CEO Accel Entertainment

Cc: Scott Hartman, CEO, Rutters Farm Stores