



**BRYAN P. SCHROEDER**  
ASSISTANT GENERAL COUNSEL

DIRECT DIAL: 267-223-3828  
FAX: 215-639-0337  
E-MAIL: bschroeder@parxcasino.com

September 13, 2011

**VIA FEDERAL EXPRESS**

Susan A. Yocum  
Assistant Chief Counsel  
Pennsylvania Gaming Control Board  
303 Walnut Street, Strawberry Square  
P.O. Box 69060  
Harrisburg, PA 17106-9060

**RE: Public Comment on Proposed Rulemaking # 125-155**

Dear Ms. Yocum:

Greenwood Gaming & Entertainment, Inc. ("GGE") is the holder of a table games operation certificate and a Category 1 slot machine license, which authorize GGE to operate Parx Casino in Bensalem, Pennsylvania. GGE respectfully submits the following comments to the Pennsylvania Gaming Control Board (the "Board") in connection with the Board's proposed rulemaking, as captioned above, which was published in the Pennsylvania Bulletin at 41 Pa.B. 4421, on August 13, 2011.

The rulemaking at issue proposes to replace the temporary regulations for Blackjack and Pai Gow Poker. Specifically, the Board is replacing temporary regulation Chapter 549 with permanent regulation Chapter 633a, which would govern the rules of the game for Blackjack. The Board is also replacing temporary regulation Chapter 561 with permanent regulation Chapter 645a, which would govern the rules of the game for Pai Gow Poker. The purpose of this letter is to reiterate the views of GGE regarding the proposed rulemaking applicable to Blackjack and to incorporate the March 11, 2011 letter from Pennsylvania casino operators to you regarding various issues related to the game of Blackjack.

GGE commends the Board for providing the appropriate level of flexibility in its table game regulations and its proposed rulemakings. However, the rules of the game for Blackjack as promulgated in this rulemaking contain a significant restriction that places GGE at a competitive disadvantage with New Jersey. Specifically, the rulemaking requires the dealer stand on all 17s, which includes a prohibition against a dealer hitting on a soft 17 (Ace + any combination of cards equaling 6). See 58 Pa. Code 633a.2(b)(3)(iii) (*Proposed Rulemaking* 41 Pa.B. 4421); 58 Pa. Code 633a.7(n) (*Proposed Rulemaking* Pa.B. 4421). This restriction severely limits the ability of GGE to operate its business more efficiently and to maximize Gross Table Game Revenue. As a result, GGE

Susan A. Yocum  
Assistant Chief Counsel  
Pennsylvania Gaming Control Board  
Page 2

respectfully request that the Board address this situation by modifying the proposed rulemaking to provide slot machine licensees with the option of hitting on a soft 17.

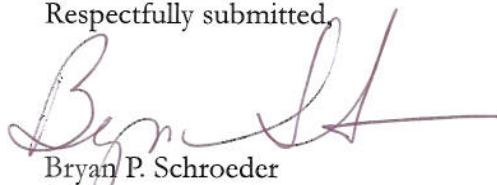
While the Board's proposed rulemaking requires all Blackjack dealers to stand on all 17s, New Jersey regulations allow its casinos to decide whether Blackjack dealers must hit on a soft 17. Generally, Atlantic City casinos will impose a dealer "hit" requirement for soft 17s on lower minimum bet tables—which have a higher operating cost ratio—and adopt a "stand" requirement for the same soft 17s on higher minimum bet tables. Moreover, this restriction on all Blackjack games operated by Pennsylvania casinos decreases the House advantage by a modest, but significant, amount—i.e., the House advantage against a perfect basic strategy player is decreased by approximately 0.22%.

This difference in regulatory requirements places GGE and other Pennsylvania casinos at a competitive disadvantage by allowing Atlantic City casinos to earn more gross revenue and a larger margin on the same amount of Blackjack play. In fact, the higher margin imposed by the difference in regulatory requirements can go to the bottom line or can be used to attract potential customers to Atlantic City casinos. Such a competitive advantage is neither fair nor appropriate. Please note that GGE is not advocating a requirement that a Blackjack dealer "hit" on all soft 17s. Rather, we are merely requesting flexibility in determining what soft 17 rule makes sense at a specific Blackjack table during a specific time period based on competitive factors and revenue generation potential. GGE and other slot machine licensees should be allowed to make operational decisions as to what rule will generate the most revenue.

By modifying the Board's proposed rulemaking to permit licensees flexibility for Blackjack, the Board will allow Pennsylvania casinos to compete with Atlantic City on a more even playing field and will generate more Gross Table Games Revenue and associated Commonwealth table game taxes. Accordingly, GGE respectfully request that the Board address this situation by modifying the proposed rulemaking to provide slot machine licensees with the option of hitting on a soft 17.

Thank you for considering the comments of GGE in connection with the proposed regulation. GGE will be happy to answer any questions that the Board may have on these comments.

Respectfully submitted,



Bryan P. Schroeder  
Assistant General Counsel  
Greenwood Gaming & Entertainment, Inc.

bps

cc: Silvan B. Lutkewitte, III, Chairman, Independent Regulatory Review Commission  
Thomas C. Bonner, Esq.