

IAGR NEWSLETTER

International Association of Gaming Regulators
www.iagr.org

February 2008

IAGR OFFICERS

CHAIR

Dennis Neilander
Chairman
Nevada Gaming Control Board
Carson City, NV 89702

VICE CHAIR

Andre Wilsenach,
Chief Executive Officer
Alderney Gambling Control Commission
Alderney, Channel Islands

SECRETARY

Susan Hensel, Esq.
Director
Bureau of Licensing
Pennsylvania Gaming Control Board

Steering Committee Members

Peter Cohen, New South Wales, Australia
Trudy Fuselier, Louisiana
Larry Gregory, Mississippi
Atle Hamar, Norway
Susan Hensel, Pennsylvania
Raja Kumar, Singapore
Serobi Maja, Limpopo, South Africa
Keith Manch, New Zealand
Hases Per Sjoblom, Sweden
Mike Sarquis, Queensland, Australia
Jenny Williams, United Kingdom

Message from Chair Neilander

I would like to remind all IAGR members that the 2008 IAGA/IAGR International Gaming Law Conference will be held at the Rome Cavalieri Hilton in Rome, Italy from September 22-26, 2008. Please make sure to mark your calendars so that you don't miss out on what will surely be an outstanding conference and the history and landmarks that Rome has to offer. Of course, if there are any topics you would like presented at the conference, please email them to me at ccchair@gcb.nv.gov so that they can be considered by the Steering Committee when it meets in April.

Additionally, please join me in congratulating Susan Hensel whom I have appointed as Secretary of IAGR. She replaces Alicia Gibson whose many years of service and dedication to IAGR have been invaluable and greatly appreciated. Finally, I would like to thank the New Jersey DGE for its willingness to continue to handle the production and distribution of the newsletter and if you have a regulatory update of interest, please email it to me so that it can be included in a future newsletter.

Update on Gaming in Pennsylvania

The Pennsylvania Gaming Control Board is working to fulfill its mission of opening and regulating 14 world-class slot machine facilities. By the end of 2007, six of these facilities had opened, with a seventh poised to begin operation in early 2008. The Board has licensed four other facilities that are in various stages of development.

In addition, the Board has begun the process of awarding the final three licenses permitted under Pennsylvania's Gaming Act. Toward that end, priorities for the new year are to hold hearings to gauge the suitability of applicants for a slots facility at a new race track in western Pennsylvania and for two limited slot machine licenses at existing resorts.

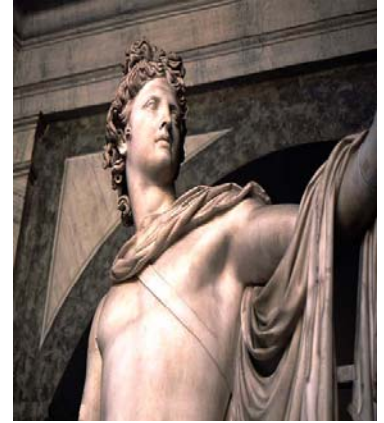
Meanwhile, the introduction of slots gaming in Pennsylvania has resulted in putting approximately 6,000 licensed, permitted and registered employees to work at gaming facilities around the state. Pennsylvania has now received more than 8,600 employee applications through SLOTSlink, the state's online application tracking system. The web-based system permits gaming and non-gaming employees to submit their applications via the Internet. As a new jurisdiction with multiple slot facility openings in its future, the Gaming Control Board's Bureau of Licensing made the development of SLOTSlink an early priority. The system was in place in time for the state's first opening and made it possible for the Bureau to permit and register the more than 3,100 employees needed for four consecutive facility openings in four months. SLOTSlink is now being expanded to accept vendor applications.

Since Pennsylvania's first slots facility opened in November 2006, the state's gaming industry has generated more than \$1.14 billion in tax revenues with \$770 million directed to property tax relief programs.



Norway's Gaming Monopoly – Ladbrokes Litigation

In January 2007, Ladbrokes PLC, the leading bookmaker in the U.K., Ireland and Belgium, initiated legal proceeding in Oslo District Court against the Norwegian Government to abolish that country's gaming monopoly on the grounds that it is in conflict with the European Economic Area Agreement governing Norway's relations to the European Union. The case was subsequently referred to the EFTA Court to resolve several questions regarding the monopoly. The EFTA Court issued an advisory opinion indicating that the Norwegian Government's monopoly does not contradict the existing laws in the European Union since it is based upon the objectives of fighting gambling addiction and reducing crime and malpractice. Thus, Ladbrokes, which commenced the legal proceedings after its application to offer gaming products in Norway had been denied, contends that the Norwegian Government cannot maintain a monopoly on games that are defined as "harmless."



State of Jersey, British Channel Islands - 2008 Regulations

On January 22, 2008, the State of Jersey implemented regulations which allow entities that are licensed to operate remote gambling services in other jurisdictions to place their disaster recovery, or backup systems, in Jersey and, in the event of disaster, operate temporarily from Jersey. The regulations create a licensing regime for both the hosting facility providers and remote gambling operators requiring disaster recovery provisions in Jersey.



Study of Nevadans' Internet Gaming Attitudes and Behaviors

In early 2007, the International Gaming Institute at the University of Nevada Las Vegas conducted a study of the online gaming attitude and behaviors of Nevadans on behalf of the State Gaming Control Board. The study, which can be reviewed at <http://gaming.nv.gov>, consisted of a random digit dialed telephone survey of 1,000 Nevada residents and some in depth, open-ended focus group interviews. Some of the more notable findings of the study are as follows:

- 3.7% (37 out of 1,000) of the survey respondents have gambled online in the past five years.
- Approximately 65% of those who have not gambled online indicated that they simply were not interested in the activity, with lack of Internet access (11%), privacy concerns (6.6%) and legality issues (2.6%) also cited.
- Approximately 88% of Nevadans who have not gambled online indicated that they were "not at all likely" to participate in online gambling if licensed and regulated in Nevada.
- Online gamblers cited convenience (36.6%), enjoyment (33.1%) and chance of winning (18.1%) as the main reasons they gamble online.
- Approximately 80% of online gamblers indicated that gaming online has not affected their land-based gaming habits, i.e., not necessarily mutually exclusive.
- Online gamblers tend to be younger, male, wealthier and better educated than those who have not gambled online.

Important Dates

Global Gaming Expo (G2E)
November 18-20, 2008
Las Vegas Convention Center
Las Vegas, Nevada, USA
www.globalgammgexpo.com

European Gambling Briefing
May 13-14, 2008
Hotel Okura
Amsterdam, Holland
www.ateonline.co.uk/103/139/

Dennis Neilander
IAGR Chair