NOTICE OF RELEASE OF DISCUSSION DRAFT

25 C.F.R. PART 547 - 2008 (GRANDFATHERED) SYSTEMS

June 14, 2017

Dear Tribal Leader:

The Indian Gaming Regulatory Act permits the use of electronic, computer, or other technologic aids in connection with the play of Class II games.¹ National Indian Gaming Commission regulations establish the minimum technical standards governing the use of such aids.² The Commission initially implemented the technical standards in 2008 and, recognizing that the standards were new, allowed for non-compliant games manufactured before November 10, 2008, to continue to be offered for play during a set “grandfather period.” The Commission extended that period in 2012 and, pursuant to the current regulation, the “grandfather period” ends on November 10, 2018, after which all Class II gaming systems must meet the full minimum technical standards or be removed from play.

With this date fast approaching, the Commission is interested in the potential impact of the November 10, 2018, deadline for 2008 (Grandfathered) Systems and what amendments, if any, to the technical standards regarding those systems may be appropriate. To that end, the Commission included 2008 (Grandfathered) Systems as one of the 2017 Consultation topics. The Commission has greatly appreciated the comments received and the opportunity to engage in dialogue with tribes and the industry on the topic.

The Commission now proposes for your consideration a discussion draft of amendments to the technical standards designed to address issues identified thus far and to facilitate further dialogue with tribes and the industry. As we have considered the potential impact of the sunset provision for 2008 Systems, we have sought to find a potential alternative which minimizes both the economic impact of the sunset provision

² 25 C.F.R. Part 547.
and the risk to the gaming operation and the public of systems which are not compliant with the full set of technical standards. We have also kept in mind the original and overall intent of the technical standards of “provid[ing] a means for TGRA’s and operators to ensure that the integrity and security of class II games played with technologic aids is maintained and that the games and aids are fully auditable.”

The attached discussion draft re-organizes and revises the “How do I comply with this Part” section of the existing regulation. The overall goal is to provide clarity to tribes, testing labs, and manufacturers regarding their obligations under the Technical Standards and to incentivize all systems to move towards full compliance. A summary of each subsection of the draft discussion follows:

Subsection (a): Gaming systems manufactured before November 10, 2008. The discussion draft consolidates all “grandfathering” provisions into one subsection. References to “Grandfather” have been removed as such systems may now be referred to as 2008 Systems. The discussion draft removes the sunset provision but includes the requirement from the original 2008 technical standards that the player interface components of 2008 Systems have a date of manufacture before November 18, 2008. In addition, the discussion draft provides for an annual review of all 2008 Systems designed to identify 2008 Systems in play and what component modifications are necessary for the 2008 System to be brought into full compliance.

Subsection (b): Gaming system submission, testing, and approval - generally. The discussion draft separates requirements for systems and requirements for components into their own subsections. Subsection (b) now establishes initial requirements for gaming systems generally.

Subsection (c): Class II gaming system component repair, replacement, or modification. The discussion draft consolidates provisions related to component modification into one subsection that is applicable to any system, regardless of whether it was initially certified as a 2008 System or a fully compliant system. The discussion draft provides that all component modifications must be tested to the fully compliant standards. The intent is that TGRAs will receive a full report of the modifications’ compliance and non-compliance with the full standards but may only approve the modification so long as the modification maintains or advances the system’s overall compliance with the full standards.

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3 Technical Standards for Electronic, Computer, or Other Technologic Aids Used in the Play of Class II Games, 73 Fed. Reg. 60,508, 60,509 (Oct. 10, 2008).
4. Subsection (d)-(f): The discussion draft includes minor amendments to these subsections intended to make references to components and recordkeeping requirements consistent with the other sections. This consistency is accomplished by revising references to “hardware and software modifications” to include the term “components.”

5. Subsection (g): Records. The Commission intends this section to clarify the Commission’s intended use for the information required to be maintained and/or submitted to the Commission under this Part. The Commission emphasizes that the information will be used to monitor the use of Class II gaming systems, to assess the effectiveness of the standards required by this Part, and to inform future amendments to this Part. The Commission is also considering utilizing the information it collects to create a regular report that can be used by the industry.

We invite you to submit written comments by July 15, 2017, by e-mail to Vannice_Doulo@nigc.gov or by U.S. mail to: NIGC, Attn: Vannice Doulou, 1849 C St. NW, Mail Stop #1621, Washington, DC 20240.

Thank you for your consideration and participation.

Sincerely,

Jonodev O. Chaudhuri
Chairman

Kathryn Isom-Clause
Vice Chair

E. Sequoyah Símmeyee
Associate Commissioner