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Governor

STATE OF NEVADA
GAMING CONTROL BOARD

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November 23, 2005

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TO: ALL NONRESTRICTED LICENSEES SUBJECT TO REGULATION 6.045
AND INTERESTED PARTIES

SUBJECT: REGULATION 6.045 WAIVERS

Regulation 6.045 requires all Group I nonrestricted licensees that have \$10 million or more in annual gross gaming revenue as of June 30th to install an on-line slot metering system that meets the specifications addressed in Technical Standard 3 of Regulation 14. The initial date for compliance with this regulation (May 22, 2005) was discussed during the Regulation 6.045 adoption process and mutually agreed upon by associated equipment manufacturers, Group I nonrestricted licensees, the Gaming Control Board and, eventually, the Nevada Gaming Commission.

Former Board Member Scherer extended the Regulation 6.045 compliance date to May 22, 2006 as the majority of systems that were thought to be Technical Standard 3 compliant were not submitted to the Board until December 2004. At that time it was believed that a one-year extension would allow the Board sufficient time to review and approve the systems and then have those systems installed at all locations. However, based on preliminary reviews of the actual systems, additional modifications were necessary. As a result, it will not be possible for some casinos to meet the May 22, 2006 deadline for system installations in a reasonable, organized fashion.

Rather than choose an arbitrary date for compliance by all, the Board will grant Regulation 6.045 waivers for each individual Group I licensee based on installation schedules provided by the system manufacturers. The Regulation 6.045 waiver process will work as follows:

1. Manufacturers will prepare a detailed installation schedule and confirm with each nonrestricted licensee that the installation dates are acceptable.
2. Manufacturers will submit their finalized installation schedules to the Board for approval by December 30, 2005.

3. An appropriate company official (President, COO, CEO, General Manager, etc.) for each nonrestricted gaming licensee must submit to the Board a Regulation 6.045 waiver request, assuming the system installation cannot be completed by May 22, 2006, based on the projected system installation date for their property. This request may take the form of a letter or may be incorporated in the installation schedule. The letter or schedule should clearly identify the requested waiver and be signed by the company official. These waivers should be considered approved unless otherwise advised by the Board.
4. Manufacturers and nonrestricted licensees must adhere to the approved schedules. Written consent for any change to approved schedules must be obtained prior to the change being affected.

Finally, if you have not contacted a system manufacturer regarding the purchase of a new Technical Standard 3 compliant slot system, or the upgrading of your current system, I encourage you to do so now in advance of the May 2006 compliance deadline. A waiver of this system installation requirement may be granted pursuant to Regulation 6.045(1)(a) to a gaming licensee if the licensee can demonstrate that a substantial portion of the slot machines on the casino floor are unable to communicate with the new generation of slot systems. Unless a complete waiver is granted pursuant to Regulation 6.045(1)(a), all slot machines that are capable of communicating with a slot system must communicate at least the bill-in, coin-in and coin drop meters as well as any meters tracking cashless wagering transactions.

Regulation 6.045 waiver requests should be submitted to the Las Vegas office of the Board's Audit Division. Should you have any questions regarding this process, please contact the Audit Division at (702) 486-2060.

Sincerely,

Mark A. Clayton
Board Member

MAC/TT:wb

cc: Dennis K. Neilander, Board Chairman
Bobby L. Siller, Board Member
Audit Division – Las Vegas
Records & Research Services