



Powerhouse Gaming

May 12, 2021

To whom it may concern:

This letter is in support of Senate Bill 130 which authorizes the sale of electronic pull-tab through electronic pull-tab devices. My name is Mark Newton and I have been involved with charitable gaming since the 1990's first with an electronic bingo manufacturer and now with an electronic pull-tab manufacturer. I assisted with electronic bingo in Alaska and have provided comment on regulations to NAGRA, NIGC, NIGA and numerous states and provinces.

This letter is to encourage your support of this measure as it allows municipalities and organizations to offer an updated version of pull-tabs which will help keep their product offerings relevant to today's consumer, while maintaining all the oversight and control of existing charitable gaming regulation. Electronic pull-tabs have been around for a number of years and have proven to be a boon to those charities utilizing them. The adoption of electronic pull-tabs has also empowered regulatory agencies to conduct real time audits through the computerized central repository of all activity.

Electronic pull-tabs have proven to be successful for the charities operating within the jurisdictions adopting them. Player acceptance of an electronic version has allowed for more participation as the consumers confidence in the game has increased. No longer are new players confused by the complexity of games designed to appeal to more experienced players of paper pull tabs. The concern over inadvertently "throwing away the winner", or otherwise playing the game incorrectly does not exist in the paper version as the device ensures that all winners are paid, and that a full accounting of each deal is obtained. With increased player acceptance the pool of participants is expanded returning pull tab profits to where they have historically been and in some cases exceeding historic levels.

This encourages the adoption of legal forms of gaming by directly competing with grey market operators who offer electronic "skill" and "sweepstakes" systems that skirt state law and are exempt from taxation. These operators are brazen and currently operate alongside legitimate organizations siphoning off their much-needed revenues. Charitable Gaming is under attack like never before and this tool will help in that fight.

In addition to the increased revenues realized by charitable operators' electronic pull-tab systems allow for complete record keeping for organizational and state audits. The operation of paper pull-tabs requires rigorous oversight given the opportunity of mistakes occurring in the literally millions of manual transactions. Whether these are honest mistakes such as miscounting the tickets purchased or paying a prize in error or acts of deceit designed to cheat the system such as fraudulent tickets being redeemed or the theft of entire deals of tickets, they are all eliminated using computers. Each and every pull-tab is tracked at every stage from manufacture through consumption and every dollar is accounted for. These systems are independently verified to be secure and robust, and remotely accessible to state auditors.

Electronic pull-tabs are not, in and of themselves, a panacea for charitable gaming, but offered as a choice within the existing regulatory framework they will be one more tool at the disposal of Alaskan charities to continue their good works, especially while they are recovering from Covid-19's economic impact.

For these reasons I encourage you to adopt SB 130

Respectfully,

Mark Newton, Vice-President
Powerhouse Gaming, Inc.