

TECHNICAL SYSTEMS TESTING NORTH AMERICA INC.

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December 9, 2003

Mr. Clive Hawkswood
Head of Betting and Racing
Department for Culture Media & Sport
2-4 Cockspur Street
London, England SW1Y 5DH
UNITED KINGDOM

Dear Hon. Hawkswood,

RE: TECHNICAL SYSTEMS TESTING (TST) RESPONSE TO UNITED KINGDOM (UK) DRAFT GAMBLING BILL

Technical Systems Testing (TST) is an internationally recognised Accredited Testing Facility (ATF) offering a full range of testing and consultation services for Terrestrial (traditional land-based) and Interactive Gaming, Wagering, Lottery, e-Commerce and Information Technology (IT) industries.

Working closely with Jurisdictional Regulators, Operators and Manufacturers, organisations such as TST play a key role in the regulatory process as independent third party laboratories contracted to test, evaluate and verify the fairness, security and auditability of gaming systems and equipment in the United Kingdom, Canada, the United States and Australia. With this in mind, we wish to respectfully present the comments outlined in this letter in order to highlight the importance of independent testing and evaluation of gaming systems and equipment as part of the draft legislation.

TST has had an opportunity to review the Department for Culture, Media and Sport Gambling and National Lottery Licensing Division Draft Gambling Bill November 2003. In relation to Article 5, Section 56 (Consideration of application: general principals) we address the following specific sections:

*(1) In considering an application under section 55 the Commission -
c) shall consider the suitability of any gaming machines to be used in connection with licensed activities,*

and

(5) The statement (of the principals to be applied in considering applications under section 55) must also, in particular, specify the kind of evidence to which the Commission will have regard in considering the suitability of the gaming machine or other equipment and that evidence may include:

- a) the result of a test carried out by a person at the request of the Commission;*
- b) the opinion of any person.*

TST is concerned that gaming in general and remote gaming in particular, is perceived as exploitive and insalubrious. In many cases this perception is well deserved because gaming is conducted in jurisdictions where regulatory practices are little more than a façade to delude the unsuspecting player. In order to ensure the good reputation of the United Kingdom is maintained and players are protected, we believe that world best practice in gaming regulation and control is mandatory. This includes, but is not limited to:

- a) Adequate technical requirements to ensure that gaming is conducted in a manner that is fair, secure and auditable, and
- b) Testing and certification of gaming systems against these requirements by Accredited Testing Facility (ATF)s, with relevant experience and references, which are totally independent of gaming Operators and Manufacturers / Suppliers.

TST believes that the UK can benefit by looking to jurisdictions such as Nevada in the USA, Australia and Alderney for guidance in this respect. In relation to remote gaming, Alderney has been particularly successful in maintaining integrity without compromising business efficacy.

I welcome the opportunity to discuss the topic of this letter further and request that if you have any questions regarding its contents that you please do not hesitate to contact me via any one of the following:

- TSTNA office telephone +1 (604) 873-5833,
- North American cellular telephone on +1 (604) 780-7362,
- Australian mobile telephone on +61 413 751 820, or
- Email: jcargnello@tstglobal.com

Alternatively you may contact Mr. Salim L. Adatia (Marketing & Client Support Manager) via our Vancouver office telephone at +1 (604) 873-5833 or email at sadatia@tstglobal.com.

Sincerely,



Mr. John Cargnello
President / Chief Executive Officer
TST Technical Systems Testing North America Inc.