

THE BEST LAID PLANS

A sucker punch for Italian operators as new legislation expected to provide greater competition with VLTs, instead threatens to destroy small-medium sized businesses with the introduction of the new Comma 6aS law in Italy.

Very little in Italy transpires to plan. However, the spectacular backfire from three years lobbying by the Italian street gaming industry for the introduction of Comma 6a+ legislation proves that despite expecting the worst, Italy still has the ability to confound. Having wanted a machine that would compete with VLTs on a more even playing field, by lobbying for a doubling of Comma 6a's stakes and prizes and the introduction of bill acceptors, the industry hasn't just failed to achieve its goals, it's been robustly slapped in the face.

Having discounted the idea of increased stakes, prizes and bill acceptors, the legislation that is now Comma 6aS sees the introduction of much stricter accountability on the part of the operator. The government has called for measures that ensure there can be no unregulated access to the machine, whereby a door-mounted button must be installed onto every machine that is linked to the SOGEI central server. For the door to be opened, the operator must insert their key and depress the button, which reports the opening of the cashbox and grants permission to access the machine. Should there be a power failure that prevents the sending of the information to the government server, a two key system must be used to access the machine. Location owners have their key, while a local government official will have the other. Operators must call the regulator to gain permission to open their machine on site, with the local regulator needing to visit the location in the event of a power failure to assist the owner.

In addition to this button access system, every onsite machine must also have a barcode card-reader with the capability of reading an Italian ID card, which will verify the age of the player. The machine can only be used if the player inserts a valid ID card verifying that they are eligible to play. At the same time the legislation also calls for extra security in relation to the hopper, with new protocols

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"The new AES locking system and AES Flow Hopper are perfect solutions for the newly introduced Comma 6aS gaming legislation in the Italian street market."
LOU RUDOLPH,
Suzo Happ

governing the device. AES and Diffie-Hellman protocols are the technical terms for the new standards and these security measures are designed to prevent hopper fraud with new PC boards required to control the updated hopper configuration.

The hopper encryption protocols that have been introduced with Comma 6aS are high-end security 10/24 encryption levels that create a secure zone within the machine. The change has been instigated to counter the ability of fraudsters to empty the hopper by applying a jolt of voltage to the unit. Formerly, this would have seen the hopper empty itself, but using 10/24 encryption it is impossible to

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simulate the pulse needed to trigger the self-emptying of the hopper. The locking mechanism, meanwhile, prevents uncontrolled access to the machine, but will require the remodelling of the entire door unit.

Speaking to Suzo Happ's Lou Rudolph at the ENADA Rome exhibition, he explained that the new regulations effectively prevent the electronic manipulation of the hopper, while the lock uses pulse-stream technology with a mechanical two key override. "The operator must press the button to gain access to the machine with their key, the electronic signal representing the second signal to release the door mechanism," explained Mr. Rudolph. "If there's a





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Every hopper in every Comma 6a machine must also be replaced, which in addition to the PC board, card-reader, door metalwork and locking mechanism represents a significant overhauling of the 380,000 installed base in Italy. There are currently two split opinions as to whether kits will be the favoured route, supplied and fitted-out on site, or if operators will seek to buy totally new machines that will have all the required parts fitted as standard. All machines from 2008-09 must be remodelled to Comma 6aS by the end of 2013, while newer machines, from 2010 onwards must be outfitted by the end of 2014. As Mr. Rudolph describes, the changes increase the power demands and consumption of the machines, with many of the older machines already at the top of their power usage. "From our

EVERY HOPPER IN EVERY COMMA 6A MACHINE MUST BE REPLACED ALONGSIDE THE PC BOARD, CARD- READER, DOOR AND LOCK.

perspective the changes to the lock and the hopper presents a massive opportunity in this market as Suzo Happ is perfectly positioned to supply the marketplace with the ideal solution," explained Mr. Rudolph. "We have strong relationships with all the major OEMs and the fact that the market has many older machines unable to use a coil system, means that our solution, which doesn't take the existing power demands over the edge, presents a significant advantage right now."

Comma 6aS is a security update for the Comma 6a machine base that instead of providing operators with an extra boost to their income, is going to cost every operator in Italy a large sum per machine



to revise their estates. The legislation calls for a wholesale reconstruction of the AWP itself with potentially huge revenue losses from the cost of the changeover and downtime. Where the government sees machine theft and under-age play its top priorities, the conspiracy theorists believe this to be a way not only to add greater controls, but also begin a consolidation process in the street market in Italy. As VLT installations in Italy have ground to a halt as new venues prove harder and harder to find, the inability of small to medium-sized Comma 6a operators to fund the revisions necessary will create additional breathing room in the market for the larger companies to expand.

One of the strange elements within the

new law is that the next generation of Comma 6aS machines will allow operators to offer a one per cent lower return to player than at present. The drop from 75 to 74 per cent is being seen as an inducement for operators to changeover their estates as quickly as possible in order to 'enjoy' the one per cent extra margin. However, there's another consequence to the change in that operators will be loathed to change just a few machines at a time to the new percentage payout as players will immediately recognise that these new machines are disadvantaging them as compared to the old. Locations that are competing in close proximity will also be reluctant to make the change, knowing that local players will vote with their feet

"Our long-term partnership with Comestero is once again bearing fruits. Together we are in a special position to develop the highest security solutions that satisfy changing market requirements. Our willingness to invest in new technology was applauded on all sides. The Italian gaming market is a perfect example of how Suzo-Happ is prepared to develop local solutions with long-standing market knowledge and a unique product range".

HARALD WAGEMAKER,
Sales Director of Suzo-Happ EMEA.

when it comes to partial roll-out within their neighbourhood.

The changes are all about security and taxation revenue, so the question is, where did the Comma 6a+ stakes and prizes increases go? How can the lobbying for beneficial change have resulted in measures that will see operators potentially lose their businesses? The winners in this process

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right now are the suppliers who are looking at the changeover of hoppers, fitting of locks and barcode readers and the potential refreshing of the entire 380,000 Comma 6a machine base within the next two years. How many machines will be left in circulation after these changes come into effect is under question, though the figure might not fall dramatically, ownership of those machines is likely to reside in the hands of a much smaller group of operators in the near future.