



MARYLAND GENERAL ASSEMBLY  
LEGISLATIVE POLICY COMMITTEE

August 16, 2011

Mr. Donald Fry, Chair  
Maryland Video Lottery Facility Location Commission  
90 State Circle, Room 120  
Annapolis, Maryland 21401

Mr. Kirby Fowler, Chair  
Maryland State Lottery Commission  
Montgomery Park Business Center, Suite 330  
1800 Washington Blvd.  
Baltimore, Maryland 21230

Mr. Steven Martino, Director  
Maryland State Lottery Agency  
Montgomery Park Business Center  
1800 Washington Blvd., Suite 330  
Baltimore, Maryland 21230

Ms. Luwanda Jenkins, Special Secretary  
Governor's Office of Minority Affairs  
6 Saint Paul Street, Suite 1502  
Baltimore, Maryland 21202

Dear Mr. Fry, Mr. Fowler, Mr. Martino, and Ms. Jenkins:

As you recall, Section 4 of Chapter 4 of the Laws of the 2007 Special Session of the General Assembly, required a study by the Maryland Department of Transportation ("MDOT") regarding the minority business enterprise requirements of the Video Lottery Terminal ("VLT") law. While the relevant analysis was not completed prior to the 2011 legislative session, as was required by Section 4, we hereby acknowledge receipt of MDOT's response letter, a copy of the State's 2011 disparity study entitled "The State Minority- and Women-Owned Business Enterprise: Evidence from Maryland" (which was originally received by the General Assembly in February of 2011) and separate VLT-specific analysis from NERA Economic Consulting ("NERA"). We also

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acknowledge receipt of a relevant letter from the Office of the Attorney General. We forward each of these documents to you for your review and appropriate action.

In his report, Dr. Jon Wainwright, Ph.D., Vice President of NERA, concludes that over 99% of the construction work and procurement for the currently-operating VLT facilities fits within the recently-concluded State study entitled "The State Minority- and Women-Owned Business Enterprise: Evidence from Maryland" and that "an additional study is neither required nor would it be useful because the 2011 Study provides a strong basis in evidence ... that would support race- and gender-based programs" in the context of the VLT program. Based on Dr. Wainwright's conclusions and that degree of similarity between the industries covered in the study and the industries in which VLT awardees and licensees are currently operating, we agree that the findings in the State's 2011 Study are sufficient to fulfill the statutory requirement for a study and to support continued implementation of the MBE program as it relates to VLT facilities.

We are aware that there currently are two Requests for Proposals ("RFPs") that the Location Commission has issued for VLT Operation license applications with a due date of September 23, 2011. We are also aware that the Location Commission will be meeting this week. In light of the upcoming RFP deadline, we ask that you expeditiously review Dr. Wainwright's analysis, the 2011 disparity study, the letter from the Secretary of Transportation and the letter from the Office of the Attorney General and make any appropriate changes to the RFP and your procedures, in conformity with the report and in consultation with the Office of the Attorney General.

Thank you for your prompt attention to this matter.

Sincerely,



The Honorable Thomas V. Mike Miller, Jr.  
President of the Senate



The Honorable Michael E. Busch  
Speaker of the House