

U.S. Department  
of Transportation  
United States  
Coast Guard



Commandant  
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DEPARTMENT OF TRANSPORTATION

U.S. COAST GUARD

STATEMENT OF CAPTAIN JAMES M. MAC DONALD

ON SHIPBOARD GAMBLING

BEFORE THE

SUBCOMMITTEE ON MERCHANT MARINE

COMMITTEE ON MERCHANT MARINE AND FISHERIES

HOUSE OF REPRESENTATIVES

4 OCTOBER 1990

## BIOGRAPHICAL SKETCH

### CAPTAIN JAMES M. MACDONALD

Captain James M. MacDonald has been Division Chief of the Coast Guard Merchant Vessel Inspection and Documentation Division at Coast Guard Headquarters since 12 August 1988.

Following his graduation from the Coast Guard Academy in 1968, Captain MacDonald's early assignments included duty aboard the Polar Ice Breaker EDISTO and as Coast Guard Liaison Officer and Instructor at the Naval Damage Control Training Center in Philadelphia.

Captain MacDonald has served as Executive Officer of MIO Kobe, Japan from 1981 to 1982; as Chief, Inspection Department and Executive Officer of MSO Honolulu, Hawaii from 1982 to 1985; as Chief Commercial Vessel Safety Branch Fourteenth Coast Guard District from 1985 to 1986 and as Commanding Officer of Coast Guard Section Marinas from 1986 to 1988.

Other assignments included Assistant Marine Environmental Protection Branch Chief, in the Twelfth District and Marine Inspection at Marine Inspection Office, Los Angeles-Long Beach.

In addition to his Bachelor of Science Degree in Engineering from the Coast Guard Academy, Captain MacDonald holds a Master of Science Degree in Management from Rensselaer Polytechnic Institute, Troy, New York.

Captain MacDonald's decorations include the Meritorious Service Medal, two Coast Guard Commendation Medals, two Coast Guard Achievement Medals, the Navy Achievement Medal and two Coast Guard Meritorious Unit Commendations.

DEPARTMENT OF TRANSPORTATION  
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HOUSE OF REPRESENTATIVES SUBCOMMITTEE ON MERCHANT MARINE  
COMMITTEE ON MERCHANT MARINE FISHERIES  
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THANK YOU VERY MUCH AND GOOD MORNING MR. CHAIRMAN. I AM CAPTAIN JAMES M. MACDONALD, CHIEF OF THE COAST GUARD'S MERCHANT VESSEL INSPECTION AND DOCUMENTATION DIVISION, AND I AM VERY HAPPY TO BE ABLE TO TESTIFY BEFORE THIS SUBCOMMITTEE ON THIS IMPORTANT MATTER.

THERE ARE PRESENTLY ABOUT 100 FOREIGN FLAGGED PASSENGER SHIPS OPERATING FROM U.S. PORTS. VIRTUALLY ALL OF THEM OFFER GAMBLING. H.R. 5533 WOULD RESERVE SHIPBOARD GAMBLING ACTIVITIES IN U.S. TERRITORIAL WATERS, DEFINED AS TWELVE NAUTICAL MILES FROM SHORE, TO U.S. VESSELS. H.R. 5534, REPEALING THE GAMBLING SHIP ACT (18 USC 50), WOULD REMOVE CURRENT FEDERAL RESTRICTIONS ON GAMBLING AND THE CARRIAGE OF GAMING DEVICES ABOARD U.S. VESSELS.

THE PENDING LEGISLATION COULD RESULT IN SIGNIFICANT NEW CONSTRUCTION OF U.S. PASSENGER VESSELS SPECIALLY DESIGNED FOR GAMBLING SUCH AS WE HAVE SEEN ON THE RIVERS WHERE STATES HAVE LEGALIZED GAMBLING. FURTHER, THERE ARE ABOUT 1000 "LARGE" SMALL PASSENGER VESSELS THAT PROBABLY HAVE ENOUGH DECK AREA NOW TO OFFER GAMBLING. BY ALLOWING THE GAMBLING NEAR SHORE, THE SMALLER VESSELS CAN BE USED, AND OPERATORS CAN SAFELY OPERATE THEIR VESSELS IN THE SHELTERED AREAS.

THERE HAVE BEEN THREE U.S FLAGGED PASSENGER VESSELS THAT HAVE SWITCHED TO FOREIGN FLAGS, NOT TO AVOID COAST GUARD INSPECTION, BUT SOLELY TO OFFER GAMBLING.

THE COAST GUARD'S MAIN INTEREST IN THESE BILLS IS TO ENSURE THE SAFETY OF THE PERSONS EMBARKED ON BOARD PASSENGER VESSELS. WE WILL CONTINUE TO CONDUCT OUR INSPECTIONS TO ENSURE THAT PASSENGER VESSELS ARE MAINTAINED, EQUIPPED AND OPERATED IN THE SAFEST MANNER POSSIBLE, WHETHER OR NOT GAMBLING IS PERMITTED ON BOARD. WE WILL CONTINUE TO REVIEW, INSPECT AND ISSUE THE CERTIFICATES NECESSARY FOR ALL U.S. PASSENGER VESSELS TO OPERATE. WE WILL CONTINUE TO INSPECT FOREIGN FLAG CRUISE VESSELS AS WELL, UNDER DIFFERENT BUT COMPARABLE INTERNATIONAL STANDARDS. EVEN THOUGH WE FEEL THE INTERNATIONAL STANDARDS ARE COMPARABLE TO OURS, UNDERSTANDABLY, WE WOULD BE MOST COMFORTABLE DEALING WITH U.S. VESSELS IN THIS TRADE BECAUSE WE WOULD HAVE DIRECT CONTROL OVER THEM.

MR. CHAIRMAN, THAT CONCLUDES MY PREPARED REMARKS. WE REALIZE THAT H.R. 5533 AND H.R. 5534 HAVE A SIGNIFICANT IMPACT ON THE ENFORCEMENT OF FEDERAL GAMBLING LAWS. WE DEFER TO THE DEPARTMENT OF JUSTICE ON THIS IMPORTANT ASPECT OF THESE BILLS. I WOULD BE HAPPY TO RESPOND TO ANY QUESTIONS YOU OR THE SUBCOMMITTEE MIGHT HAVE.