

The words “or other watercraft” are omitted because of the definition of “vessel” in chapter 1 of the revised title. The words “The termination of any emergency so declared shall be announced by a further proclamation by the President” are omitted as superseded by the National Emergencies Act (50 U.S.C. 1601 et seq.).

**§ 56302. Charter terms**

(a) IN GENERAL.—If a vessel is requisitioned for use but not ownership under this chapter, the Secretary of Transportation, at the time of requisition or as soon thereafter as the situation allows, shall offer the person entitled to possession of the vessel a charter containing—

- (1) the terms the Secretary believes should govern the relationship between the United States Government and the person; and
- (2) the rate of hire the Secretary considers just compensation for the use of the vessel and the services required under the charter.

(b) REFUSAL TO ACCEPT.—If the person does not accept the charter and rate of hire, the parties shall proceed as provided in section 56304 of this title.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1654.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
56302 .....	46 App.:1242(c) (1st sentence).	June 29, 1936, ch. 858, title IX, §902(c) (1st sentence); as added Aug. 7, 1939, ch. 555, §3, 53 Stat. 1255; Pub. L. 97–31, §12(131), Aug. 6, 1981, 95 Stat. 165.

In subsection (a), the words “requisitioned for use but not ownership under this chapter” are substituted for “taken and used under authority of this section, but the ownership thereof is not required by the United States” to eliminate unnecessary words. The word “requisition” is substituted for “taking”, and the word “vessel” is substituted for “such property”, for consistency.

Subsection (b) is added because the provisions about disputed compensation, for both charter use and other takings, are consolidated in section 56304 of the revised title to avoid repetition.

**§ 56303. Compensation**

(a) IN GENERAL.—As soon as practicable, the Secretary of Transportation shall determine and pay just compensation for a vessel requisitioned under this chapter.

(b) FACTORS NOT AFFECTING VALUE.—The value of a vessel may not be considered enhanced by the circumstances requiring its requisition. Consequential damages arising from the requisition may not be paid.

(c) EFFECT OF CONSTRUCTION-DIFFERENTIAL SUBSIDY.—

- (1) IF PAID.—If a construction-differential subsidy has been paid for the vessel, the value of the vessel at the time of requisition shall be determined under section 802 of the Merchant Marine Act, 1936.
- (2) IF NOT PAID.—If a construction-differential subsidy has not been paid for the vessel, the value of any national defense features previously paid for by the United States Government shall be excluded.

(d) LOSS OR DAMAGE DURING CHARTER.—If a vessel is lost or damaged by a risk assumed by

the Government under the charter, but a valuation for the vessel or a means of compensation has not been agreed to, the Secretary shall pay just compensation for the loss or damage, to the extent the person is not reimbursed through insurance.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1655.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
56303(a) .....	46 App.:1242(a) (3d sentence words before 2d comma), (d) (1st par. words before 2d comma).	June 29, 1936, ch. 858, title IX, §902(a) (3d, last sentences), (b), (d) (1st par. words before 2d comma), 49 Stat. 2015, 2016; Aug. 7, 1939, ch. 555, §3, 53 Stat. 1255; Aug. 3, 1956, ch. 929, §3, 70 Stat. 985; Pub. L. 97–31, §12(131), Aug. 6, 1981, 95 Stat. 165.
56303(b) .....	46 App.:1242(a) (3d sentence words after 2d comma, last sentence).	
56303(c) .....	46 App.:1242(b).	
56303(d) .....	46 App.:1242(c) (last sentence).	

REFERENCES IN TEXT

Section 802 of the Merchant Marine Act, 1936, referred to in subsec. (c)(1), is section 802 of act June 29, 1936, ch. 858, 49 Stat. 1985, which is set out as a note under section 53101 of this title.

**§ 56304. Disputed compensation**

If the person entitled to compensation disputes the amount of just compensation determined by the Secretary of Transportation under this chapter, the Secretary shall pay the person, as a tentative advance, 75 percent of the amount determined. The person may bring a civil action against the United States to recover just compensation. If the tentative advance paid under this section is greater than the amount of the court’s judgment, the person shall refund the difference.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1655.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
56304 .....	46 App.:1242(c) (2d sentence), (d) (1st par. words after 2d comma).	June 29, 1936, ch. 858, title IX, §902(c) (2d sentence), (d) (1st par. words after 2d comma); as added Aug. 7, 1939, ch. 555, §3, 53 Stat. 1256; Aug. 3, 1956, ch. 929, §§2, 3, 70 Stat. 985; Pub. L. 97–31, §12(131), Aug. 6, 1981, 95 Stat. 165.

This section is substituted for the source provisions to eliminate unnecessary words.

**§ 56305. Vessel encumbrances**

(a) IN GENERAL.—The existence of an encumbrance on a vessel does not prevent the requisition of the vessel under this chapter.

(b) DEPOSIT IN TREASURY.—

- (1) IN GENERAL.—If an encumbrance exists, the Secretary of Transportation may deposit part of the compensation or advance of compensation to be paid under this chapter (but not more than the total amount of all encumbrances) in a fund in the Treasury. The Secretary shall publish notice of the creation of the fund in the Federal Register.