

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

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
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.

(2) AVAILABILITY OF AMOUNTS DEPOSITED.—Amounts deposited in the fund shall be available to pay the compensation or any of the encumbrances (including encumbrances stipulated to in a court of the United States or a State) existing at the time the vessel was requisitioned.

(c) CIVIL ACTION.—

(1) IN GENERAL.—Within 6 months after publication of notice under subsection (b), the holder of an encumbrance may bring a civil action in admiralty, according to the principles of libels in rem, against the fund.

(2) VENUE.—The action must be brought in the district court of the United States—

(A) from whose custody the vessel was or may be requisitioned; or

(B) in whose district the vessel was located when it was requisitioned.

(3) SERVICE OF PROCESS.—Service of process shall be made on the appropriate United States Attorney, the Attorney General, and the Secretary, in the manner provided by the Federal Rules of Civil Procedure (28 App. U.S.C.). Notice of the action shall be given to all interested persons as ordered by the court.

(4) AS BETWEEN PRIVATE PARTIES.—The action shall proceed and be determined according to the principles of law and the rules of practice applicable in like cases between private parties.

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

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
56305	46 App.:1242(d) (last par.).	June 29, 1936, ch. 858, title IX, §902(d) (last par.), as added Mar. 24, 1943, ch. 26, §3(d), 57 Stat. 49; Pub. L. 97-31, §12(131), Aug. 6, 1981, 95 Stat. 165.

In this section, the words “encumbrance” and “encumbrances” are substituted for “any valid claim by way of mortgage or maritime claim or attachment lien” and “any valid claim by way of mortgage or maritime lien or attachment lien” to eliminate unnecessary words.

In subsection (b)(1), the words “The Secretary shall publish notice of the creation of the fund in the Federal Register” are added for clarity, based on language barring a civil action not brought within 6 months after publication of such a notice.

In subsection (c)(1), the words “Within 6 months after publication of notice under subsection (b)” are substituted for “prior to June 30, 1943, or within six months after the first such deposit with the Treasurer and publication of notice thereof in the Federal Register, whichever date is later” for clarity and to eliminate obsolete language.

Subsection (c)(3) is substituted for “and such suit shall be commenced in the manner provided by section 742 of this Appendix and service of process shall be made in the manner therein provided by service upon the United States attorney and by mailing by registered mail to the Attorney General and the Secretary of Transportation and due notice shall under order of the court be given to all interested persons” because the relevant sentences in 46 App. U.S.C. 742 were struck by an amendment in 1996. See generally *Henderson v. United States*, 517 U.S. 654, 116 S. Ct. 1638 (1996).

In subsection (c)(4), the words “any decree in said suit shall be paid out of the first and all subsequent deposits of compensation” and “any decree shall be subject to appeal and revision as now provided in other cases of admiralty and maritime jurisdiction” are omitted as surplus.

§ 56306. Use and transfer of vessels

(a) IN GENERAL.—The Secretary of Transportation may repair, recondition, reconstruct, operate, or charter for operation, a vessel acquired under this chapter.

(b) TRANSFER TO OTHER AGENCIES.—The Secretary may transfer the possession or control of a vessel acquired under this chapter to another department or agency of the United States Government on terms and conditions approved by the President. The department or agency shall promptly reimburse the Secretary for expenditures for just compensation, purchase price, charter hire, repairs, reconditioning, or reconstruction.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1656.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
56306	46 App.:1242(e).	June 29, 1936, ch. 858, title IX, §902(e); as added Aug. 7, 1939, ch. 555, §3, 53 Stat. 1256; Pub. L. 97-31, §12(131), Aug. 6, 1981, 95 Stat. 165.

In this section, the word “vessel” is substituted for “property” for consistency in the chapter.

In subsection (b), the words “Such reimbursements shall be deposited in the construction fund established

by section 1116 of this Appendix” are omitted as impliedly repealed by 46 App. U.S.C. 1119 as amended in 1967.

§ 56307. Return of vessels

When a vessel requisitioned for use but not ownership is returned to the owner, the Secretary of Transportation shall—

- (1) return the vessel in a condition at least as good as when taken, less ordinary wear and tear; or
- (2) pay the owner an amount sufficient to recondition the vessel to that condition, less ordinary wear and tear.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1656.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
56307	46 App.:1242(a) (4th sentence).	June 29, 1936, ch. 858, title IX, §902(a) (4th sentence), 49 Stat. 2015; Pub. L. 97–31, §12(131), Aug. 6, 1981, 95 Stat. 165.

The words “requisitioned for use but not ownership” 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.

§ 56308. Transfer of substitute vessels

In the case of any vessel constructed in the United States after January 1, 1937, which has been taken by the United States for use in any manner, the Secretary of Transportation, if in his opinion the transfer would aid in carrying out the policies of this Act,¹ is authorized to transfer to the owner of such vessel another vessel which is deemed by the Secretary to be of comparable type with adjustments for depreciation and difference in design or speed, and to the extent applicable, such other adjustments and terms and conditions, including transfer of mortgage obligations in favor of the United States binding upon the old vessel, as the Secretary may prescribe.

(Added and amended Pub. L. 115–91, div. C, title XXXV, §3502(a)(2), (b)(5), Dec. 12, 2017, 131 Stat. 1910.)

Editorial Notes

REFERENCES IN TEXT

This Act, referred to in text, means act Mar. 8, 1946, ch. 82, 60 Stat. 41, known as the Merchant Ship Sales Act of 1946, which was classified principally to chapter 54 (§4401 et seq.) of Title 50, War and National Defense. The Act has been repealed, except for sections 8(d) and 11, which were transferred to this section and section 57100 of this title, respectively, by Pub. L. 115–91. Provisions relating to the policies of the Act were contained in section 4401 of Title 50 prior to repeal by Pub. L. 115–91.

CODIFICATION

Section, as added and amended by Pub. L. 115–91, is based on act Mar. 8, 1946, ch. 82, §8(d), 60 Stat. 46, as amended by Pub. L. 97–31, §12(154), Aug. 6, 1981, 95 Stat. 167, which was formerly classified to section 4404(d) of Title 50, War and National Defense, before being transferred to this chapter and renumbered as this section.

¹ See References in Text note below.

AMENDMENTS

2017—Pub. L. 115–91, §3502(b)(5)(C), which directed striking out “adjustments with respect to the retained vessels as provided for in section 9, and”, was executed by striking out “adjustments with respect to the retained vessel as provided for in section 9, and” after “extent applicable,” to reflect the probable intent of Congress.

Pub. L. 115–91, §3502(b)(5)(B), which directed insertion of “of Transportation” after “Secretary”, was executed by making the insertion after “Secretary” the first time appearing to reflect the probable intent of Congress.

Pub. L. 115–91, §3502(b)(5)(A), inserted section enumerator and catchline.

Pub. L. 115–91, §3502(a)(2), transferred section 8(d) of act Mar. 8, 1946, to this chapter and renumbered it as this section. See Codification note above.

§ 56309. Emergency foreign vessel acquisition; purchase or requisition of vessels lying idle in United States waters

During any period in which vessels may be requisitioned under this chapter, the President is authorized and empowered through the Secretary of Transportation to purchase, or to requisition, or for any part of such period to charter or requisition the use of, or to take over the title to or possession of, for such use or disposition as he shall direct, any merchant vessel not owned by citizens of the United States which is lying idle in waters within the jurisdiction of the United States and which the President finds to be necessary to the national defense. Just compensation shall be determined and made to the owner or owners of any such vessel in accordance with the applicable provisions of this chapter. Such compensation hereunder, or advances on account thereof, shall be deposited with the Treasurer of the United States in a separate deposit fund. Payments for such compensation and also for payment of any valid claim upon such vessel in accord with the provisions of section 56305, shall be made from such fund upon the certificate of the Secretary of Transportation.

(Added and amended Pub. L. 115–91, div. C, title XXXV, §3504(a), Dec. 12, 2017, 131 Stat. 1911.)

Editorial Notes

CODIFICATION

Section, as added and amended by section 3504(a) of Pub. L. 115–91, is based on act Aug. 9, 1954, ch. 659, §1, 68 Stat. 675; Pub. L. 96–70, title III, §3302(c), Sept. 27, 1979, 93 Stat. 498; Pub. L. 97–31, §12(152), Aug. 6, 1981, 95 Stat. 167, which was formerly classified to section 196 of Title 50, War and National Defense, before being transferred to this chapter and renumbered as this section.

AMENDMENTS

2017—Pub. L. 115–91, §3504(a)(2), inserted section enumerator and catchline and, in text, substituted “this chapter” for “section 902 of the Merchant Marine Act, 1936, as amended” in two places and “section 56305” for “the second paragraph of subsection (d) of such section 902, as amended”.

Pub. L. 115–91, §3504(a)(1), transferred section 1 of act Aug. 9, 1954, to this chapter and renumbered it as this section. See Codification note above.

Statutory Notes and Related Subsidiaries

REFERENCES

Pub. L. 115–91, div. C, title XXXV, §3504(f), Dec. 12, 2017, 131 Stat. 1913, provided that: “Any reference in a