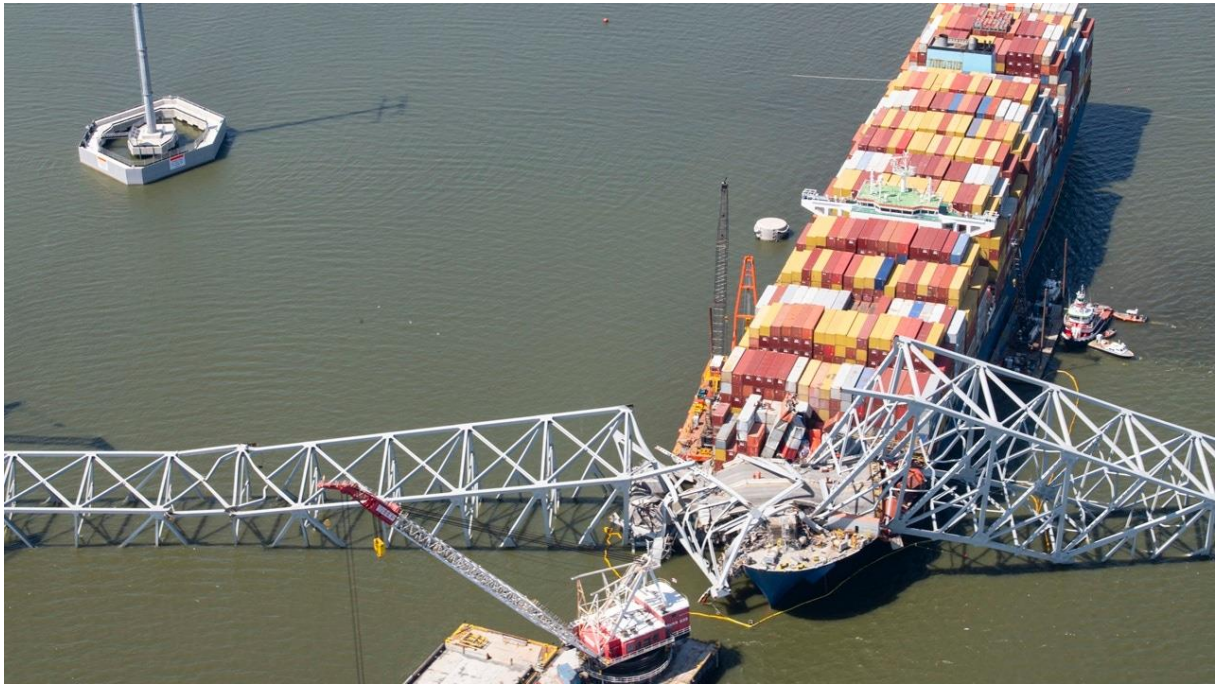


## US Department of Justice files \$100m suit against Dali shipowner, manager

Six months on from the Dail bridge strike in Baltimore and the US Department of Justice is seeking \$100 million from owner Grace Ocean and manager Synergy Marine for clean-up and recovery costs.

[Barry Parker](#), New York Freelance Correspondent

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Credit: USCG Petty Officer 3rd Class Alejandro Rivera

### At a Glance

- Department of Justice files \$100 million claim within week of interim report into Dali casualty by NTSB
- Justice Department says owner and operator well aware that vibration issue could cause a power outage
- New bill seeks to raise liability limit for foreign-flagged vessels and would apply retroactively

Last week, the National Transportation Safety Board (NTSB), the Federal agency tasked with investigating the allision, released an interim report detailing the results of investigations into the vessel's electrical system conducted in the weeks following the incident.

The report pointed to a loose cable deep within an electrical switching box as a likely cause of the blackout as the vessel was outbound from Baltimore. The blackout, in turn, caused a loss of steering; the rest of the story- deaths of workers maintaining the Key Bridge, the two-month shutdown of the port, diversions of cargo to adjacent ports, and disruptions to landside surface transportation, is well known.

Within a week after the NTSB's interim report, the US Department of Justice filed a suit in the Baltimore district court, seeking to recoup \$100 million in costs borne by the US, including by the US Army Corps of Engineers and other agencies, associated with recovery and cleanup, as well as punitive damages, from the owner and manager of the ship- Grace Ocean and Synergy Marine.

In describing alleged actions (and privity of knowledge) of the owner and manager- electrical connections, vibrations, and “jury rigging” loom large, with the Justice Department saying: “The owner and operator of the *Dali* were well aware of vibration issues on the vessel that could cause a power outage. But instead of taking necessary precautions, they did the opposite...” adding that: “Out of negligence, mismanagement, and, at times, a desire to cut costs, they configured the ship’s electrical and mechanical systems in a way that prevented those systems from being able to quickly restore propulsion and steering after a power outage. As a result, when the *Dali* lost power, a cascading set of failures led to disaster.”

**Related:**[Did a loose cable connection cause Dali blackouts?](#)

While the NTSB’s final report is likely to be released in the first half of 2025, the blame games are ramping up as all the parties concerned gain more insights into the underlying causes of the Singapore-flagged vessel’s electrical problems, and actions taken aboard the vessel before and in the aftermath of the crash.

Shortly after the late-March accident, the vessel’s owner had filed a petition in federal district court in Baltimore under the Limitation of Liability Act of 1851, actually enshrined in the US Code at 46 U.S.C. §§ 30521–30530, asking the court to limit the owner’s potential financial liability to roughly \$43 million - based on the estimated value of the vessel, post-accident, plus anticipated freight revenue on the voyage. According to a detailed report from the Congressional Research Service: “To limit their liability, shipowners bear the burden of proving that they lacked ‘privity or knowledge’ of the negligence or fault that caused the accident.”

**Related:**[City of Baltimore hits back at Dali owners](#)

Law firm Holland & Knight (H & K) has authored an article, titled ‘Foreign-Flagged Vessels Beware’, where its authors point to recently introduced legislation titled “Justice for Victims of Foreign Vessel Accidents (Bill)”. According to the authors, Miguel Escobar (based in Houston) and Christopher Nolan (dividing time between New York and Chicago), “This Bill proposes that the current liability threshold for American-flagged vessels would remain unchanged.”

The retro-active language in the proposed legislation means that, if it becomes law, it would apply to the *Dali*. They go on to note that: “While the proposed Bill was introduced only a month ago, it has garnered a good deal of attention in the shipping industry – and for good reason. It has far-reaching implications and is as relevant today as it was in 1851.”

While the bill, sponsored by two Democratic Congressmen, has a way to go in this Election year, the finger pointing has already started.

*Resources:*

Justice Department overview of case filed Sept 18

<https://www.justice.gov/opa/pr/justice-department-files-lawsuit-against-owner-and-operator-vessel-destroyed-francis-scott>

The actual complaint:

<https://www.justice.gov/opa/media/1369026/dl>

Justice for Victims of Foreign Vessel Accidents bill

<https://www.congress.gov/congressional-record/volume-170/issue-130/extensions-of-remarks-section/article/E821-1>

Holland & Knight Insights article <https://www.hklaw.com/en/insights/publications/2024/09/foreign-flagged-vessels-beware>