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Marine Logistics, Inc. v. England 265 F.3d 1322 (Fed. Cir. 2001) (Decided September 12, 2001)

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executed the single-claimant exception to the Limitation Act, the district court should have dissolved the injunction against state court proceedings.

The Court of Appeals for the Eighth Circuit accordingly reversed the district court's order which was contrary to the subsequent Supreme Court's holding in *Lewis*. It also remanded the case to the district court to dissolve the injunction, and to permit further proceedings consistent with its opinion.

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WHOLLY MARITIME APPEALS TAKEN FROM AN ARMED SERVICES BOARD OF CONTRACT APPEALS

A shipping firm that had contracted with the Naval Military Sealift Command (MSC) to transport Army equipment "port-to-port" appealed after the Armed Services Board of Contract Appeals (ASBCA) denied its claim for liquidated damages. The Federal Circuit Court of Appeals for the District of Columbia dismissed and transferred the case to the Federal District Court for the District of Columbia, holding that the contract in question was wholly maritime and therefore within its admiralty jurisdiction.

Marine Logistics, Inc. v. England

265 F.3d 1322 (Fed. Cir. 2001)

(Decided September 12, 2001)

The Naval Military Sealift Command (MSC) contracted with the shipper Marine Logistics to transport cargo from Galveston Texas to Almirante, Panama. The contract provided that the U.S. Government would be responsible for all costs of loading the cargo on the vessels, while Marine Logistics would be responsible for all costs of discharging the cargo at destination. The contract also contained a liquidated damages clause, providing for detention fees of \$9650 per day, or part thereof, if the government caused unreasonable delay of a vessel.

Marine Logistics' barges arrived at Almirante on January 1 and 2, 1996. However, the government was not able to accept the cargo until January 7, and discharge of all barges was

completed on January 15. Marine Logistics submitted a claim for delay in discharging the cargo to MSC in the amount of \$231,902.98. MSC decided that detention was owed for the period beginning with the arrival of each vessel in Almirante (January 1 or 2), through the date the government had selected a berthing facility (January 6) and, based on these dates, paid \$120,128.03 in lieu thereof. Marine Logistics submitted a revised claim of \$250,832.91, less the amount already paid by MSC, basing the claim on the time the last barge actually docked. MSC denied this claim and Marine Logistics appealed to the Armed Services Board of Contract Appeals (ASBCA), which also denied the claim, finding that Marine Logistics failed to establish what delay, if any, was unreasonable and caused by the Government.

The Federal Circuit Court of Appeals is authorized by the Contract Disputes Act to review decisions of the ASBCA (§41 U.S.C. §607(g)(1)). However §41 U.S.C. §603 provides that appeals “arising out of maritime contracts” must be brought in the federal district courts. Federal district courts have “original jurisdiction of any civil case of admiralty or maritime jurisdiction...”28 U.S.C. §1333. Only contracts that are completely maritime in nature are within the scope of the admiralty jurisdiction, and a contract to hire a vessel for the carriage of cargo is considered such a contract. Marine Logistics argues that it was only partly maritime in nature, and that the Court of Appeals was, therefore, able to exercise jurisdiction. The Court, however, determined that the appeal must be brought in federal district court instead, since the contract involved simply a “port-to-port” voyage charter, wholly maritime in nature. Marine Logistics requested, and the Government does not disagree, that if the appeal was outside the Court of Appeals’ jurisdiction, it transfer this appeal to the district court under 28 U.S.C. §1631. The Court of Appeals held that the district court is where the appeal should have brought in the first place, and transferred the case thereto, determining that it would best serve the interest of justice.

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