



SEMAPHORE

Newsletter of the Maritime Law

Association of Australia and New Zealand



Legal Action Commences Over Dali Allision with Baltimore Bridge

Containership Dali's Singapore-based shipowner Grace Ocean and ship manager Synergy Group lodged a petition and motion to exonerate or limit liability with the United States District Court District of Maryland on 1 April and the City of Baltimore has since filed its own lawsuit against the companies.

In the early hours of 26 March, the 48.2-metre and 95,128-GT ship commenced a voyage from the Port of Baltimore and, having suffered a loss of power and propulsion in the shipping channel, allided with the Francis Scott Key Bridge. Of eight construction workers on the bridge at the time, six died and one of two recovered from the water was injured. The bridge itself was largely destroyed.

Legal Action of Shipowners and Ship Managers

The first of the two documents filed by the shipowner and ship manager claim that the incident "was not due to any fault, neglect, or want of care on the part of petitioners, the vessel, or any persons or entities for whose acts petitioners may be responsible".

"Petitioners claim exoneration from liability for any and all losses or damage arising out of the [allision] and from any and all claims for damages that have been or may be filed," it stated.

"Petitioners further allege that they have valid defences to any and all such claims.

"Petitioners alternatively claim the benefits of limitation of liability provided by 46 USC §§ 30501, *et seq*, as supplemented and amended (the Limitation Act). To that end, petitioners are ready and willing to give a stipulation with sufficient surety for the payment into the Court of the value of the vessel and its pending freight, and for costs, as provided for by the Limitation Act, Rule F of the Supplemental Rules, and the rules and practices of this Court."

"Subject to an express reservation of rights, petitioners offer an Interim Stipulation of value in the amount of [US]\$43,670,000 (ie, sound value of the vessel plus pending freight less repair costs and salvage costs).

"The value in the Interim Stipulation is expected to be substantially less than the amount that has been or will be claimed for any losses or damages arising out of the [allision]. Petitioners will file an amended stipulation for value once the repair and salvage costs are finally determined."

Legal Action of the City of Baltimore

On 15 April, Baltimore mayor Brandon Scott announced the City of Baltimore's planned legal response to the Key Bridge collapse.

Member Comment

MLAANZ member and 5 Wentworth Chambers barrister Anna Elizabeth has kindly provided further, in-depth insight on the topic as well as a local context, in an article titled "Limiting Liability Arising from the Baltimore Bridge Collision Incident".



United States National Transportation Safety Board drone image of Francis Scott Key Bridge and containership Dali (sourced via Wikipedia)

“This unthinkable tragedy has taken Marylanders from their loved ones, and risked the livelihoods of thousands of Baltimoreans who rely on the Port of Baltimore,” he said.

“We are continuing to do everything in our power to support everyone impacted here and will continue to recognise the human impact this event has had. Part of that work needs to be seeking recourse from those who may potentially be responsible, and with the ship’s owner filing a petition to limit its liability mere days after the incident, we need to act equally as quickly to protect the City’s interests.”

The City of Baltimore has retained “national complex issues and trial firm” DiCello Levitt in partnership with law firm Saltz Mongeluzzi Bendesky, who will work in collaboration with the City’s Law Department on the case.

Although *Semaphore* had been unable to cite the City of Baltimore’s legal filings at the time of writing, overseas media reports have described them as alleging the Dali was operated in a “wilful, wanton and reckless manner” and of a failure to “provide a competent crew and safe equipment”.

Stated at least one media outlet: “Reporting has indicated that, even before leaving port, alarms showing inconsistent power supply on the Dali had sounded ... Dali left port anyway, despite its clearly unseaworthy condition.”

A statement on DiCello Levitt’s website confirmed the intention to oppose the petitioners’ efforts to limit their liability.

“... by showing that the MV Dali was not seaworthy when it left the Port of Baltimore, which ultimately caused the destruction of the Key Bridge, and that the petitioners knew or should have known this fact,” it stated.

“In addition, our team will present the City’s claims for damages caused by the allision against the petitioners and other potentially-liable parties. These claims include the loss of tax revenue from shutdown businesses, unemployment of longshoremen and other workers at the Port of Baltimore, the staggering cost of environmental cleanup, and the petitioners’ violation of multiple different ordinances in the Baltimore City Code, among many others.

“Initial estimates of aggregate insurable damages for all prospective claimants at this time already exceed [US]\$4b.”

A magazine publisher has also lodged a class-action claim against the shipowner and ship manager, as reported by [*TradeWinds*](#).

The FBI is additionally conducting a criminal investigation of the incident.

Further Links of Potential Interest

- [Mayor Scott Outlines Additional Steps Being Taken by the City of Baltimore to Respond to Key Bridge Collapse](#)
 - [City of Baltimore Key Bridge Responses 2024 Action Plan](#)
- [Mayor Scott Announces Extension of the Key Bridge Emergency Response Fund, Thanks Supporters of the Fund](#)
- [Synergy Group statements on the Dali-Francis Scott Key Bridge incident and subsequent developments](#)

June 2024

