

Century Old Maritime Law Center Stage in Bridge Collapse

By James E. Mercante

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Everyone saw the eerie footage of a 900-foot-long container ship taking down an entire bridge with one punch. Many rounds (and just over two years) later, the plethora of claims are nearly down for the count as well.

The referee in the matchups arising from the Francis Scott Key Bridge collapse, Maryland Senior U.S. District Judge James K. Bredar did a seaworthy job in pushing the billions of dollars of claims to a swift result with no trial.

What could be the final bell (unless reversed) came on Aug. 25, 2026, when Judge Bredar authored a 36-page decision in *Matter of Grace Ocean Priv. Ltd.*, 2026 WL 2482018 (D. Md. Aug. 25, 2026), applying a nearly century-old economic loss rule to knock out the business interruption and purely economic loss claims.

Just prior to this decision, the shipowner and operator settled the State of Maryland's claim for \$2.25 billion dollars for complete destruction of the bridge, harm to the Patapsco River and surrounding environment, and economic loss. This was in addition to the \$101 million settlement with the US Government for wreck removal, pollution abatement, and channel clearing activities.

No damage, No dough says Supremes

Hundreds of millions in private economic loss claims were filed in the litigation against the ship owners and its managers. But only a few of those claims resulted from actual physical damages, like the bridge itself. All other such claims were from local government claimants and private companies who could establish actual business interruption, loss of earnings and revenues caused by the bridge collapse but sustained no physical damage to their businesses.

The key distinction being purely economic loss flowing from someone else's property damage versus economic loss associated with actual damage to a claimant's property.

Thus, a claimant may indeed have sustained very real economic loss, but experienced no physical damage to its own property. In maritime law, this is where the line is drawn for permissible recovery...all stemming from a 1927



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maritime case decided by the United States Supreme Court, known to any maritime lawyer worth his or her salt as the *Robins Dry Dock* economic-loss rule. *Robins Dry Dock & Repair Co. v. Flint*, 275 U.S. 303 (1927).

The *Robins Dry Dock* economic loss rule has been adopted by a majority of the federal courts, including the Fourth Circuit. The rule is a typical example of how admiralty courts developing general maritime law have woven casualties involving the sea with general tort concepts.

As Judge Bedar noted in the decision: The United States Supreme Court decided *Robins* nearly a century ago, applying a principle, then settled in both the United States and in England, which refused recovery for negligent interference with contractual rights. *Matter of Grace Ocean*, 2026 WL 2482018 at *5.

Robins Dry Dock was a unanimous 9-0 decision, and Justice Holmes wrote the opinion. To recover under *Robins*, a claimant must have a proprietary interest in property that was physically damaged. These economic claims, explained Judge Bedar, “loomed large” in the litigation and the time was ripe to pick it apart: [T]he time has come to face the implications of *Robins* and the near-century of case law that has interpreted and applied it. *Matter of Grace Ocean*, 2026 WL 2482018 at *1.

And, such claims have been repeatedly denied for decades in admiralty. As Justice Holmes noted in *Robins Dry Dock*, “[t]he law does not spread its protection so far.” 275 U.S. at 309.

Will Any Exceptions Hold Water?

At the core, the claimants with no physical damage pursuing losses were relying upon non-binding dicta in some maritime tort decisions

that seem to infer *Robins Dry Dock* would not apply to an intentional tort or a criminal act. Here, the companies that managed the ship and the ship’s chief engineer have been indicted so there appeared to be some whiff of hope if there is any merit to such alleged exception.

But the District of Maryland did not agree, reasoning that the cases cited by the Claimant “reflect an exception not for intentional conduct generally, but for situations where the wrongdoer intentionally targeted a plaintiff’s economic interests... [i]ndeed, the key to these cases... is not merely that the tort is intentional, but that the tortfeasor knew of the plaintiff’s contractual relation and intended to interfere with it.” *Matter of Grace Ocean*, 2026 WL 2482018 at *18 (internal citations and quotations omitted).

In reaching its conclusion as to the suggested intentional conduct/criminal act exception, the District Court relied on the holding and reasoning of *Nautilus Marine, Inc. v. Niemela*, 170 F.3d 1195 (9th Cir. 1999), a Ninth Circuit decision where the Claimant was a charterer “who suffered no property damage because it did not own either of the damaged vessels.” There, the Ninth Circuit refused to apply the suggested exception:

The exception urged by [Claimant] would threaten to deprive the rule of much of its practical effect. The line between recklessness and negligence is sufficiently indistinct that extensive litigation would be likely to ensue before *Robins Dry Dock* could be applied in any case. *Nautilus Marine*, 170 F.3d at 1197.

Todd D. Lochner, a counsel for the economic loss claimants’ states “this is where we expected

to be: one step from the Supreme Court, seeking a criminal-conduct exception to *Robins*.”

In the other corner, William R Bennett III, a counsel for shipowners countered “there is no course for the economic loss claimants to recover. They cannot navigate around *Robins Dry Dock*.”

The appeals have already been filed to the Fourth Circuit Court of Appeals. This could be full steam ahead to the United States Supreme Court... a court that has a fond affinity for admiralty cases dating back to 1796 and including such notable cases as the TITANIC, EXXON VALDEZ oil spill, the DEEPWATER HORIZON drill ship blow out, and the recent GREAT LAKES INSURANCE/ RAIDERS RETREAT REALTY Choice of Law under marine insurance contracts.

This ruling illustrates how powerful the *Robins Dry Dock* doctrine remains in maritime tort litigation. The law can be devastating for ports, terminal operators, shippers, logistics companies, longshore workers, and local businesses such as restaurants and hotels. At the same time, “it is no surprise that the precise scope of the *Robins* rule has been subject to debate.” *Matter of Grace Ocean*, 2026 WL 2482018 at *6.

Various admiralty courts “established various exclusions and exceptions to the rule, identifying categories of claims that may proceed—despite seeking recovery of economic damages flowing from harm to property not owned by the claimant.” *Matter of Grace Ocean*, 2026 WL 2482018 at *6.

Act of Congress?

Claimants now face the *Robins* “uphill battle” that we predicted previously in this Admiralty column. See, James E. Mercante “DALI DRAMA: Baltimore Bridge to Nowhere”, New York Law Journal, Admiralty Law (Volume 275, #56, March 25, 2025).

With a fast track to the United States Supreme Court, the question lurks as to whether an exception will be carved out here for the Claimants, or, whether Congress would intervene like it did with *Exxon Valdez* (Supreme Court carved out a *Robins* exception in *Exxon Valdez* for commercial fisherman, leading Congress to pass the Oil Pollution Act of 1990 which, among many other things, explicitly permitted third parties like commercial fishermen and tourism operators to recover pure economic damages for oil spill claims even if they did not own the damaged physical property).

On the other hand, perhaps the Maryland bridge collapse will be viewed as the type of unforeseeable chain reaction casualty in which the Supreme Court intended to limit recoverable damages in cases that inherently involve “potential for boundless, indirect damage”. *Matter of Grace Ocean*, 2026 WL 2482018 at *5.

We will soon see whether *Robins* celebrates 100 years and remains firmly grounded!

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