

New York Court Awards Loss of Use Damages to Dredge for Repair Period

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Working with local counsel, Winston & Strawn's maritime practice group won a notable victory in the U.S. District Court for the Southern District of New York on behalf of long-term client Great Lakes Dredge & Dock Company, resulting in an award of loss of use damages of \$13.2 million. Great Lakes' dredge "New York" was severely damaged by a collision in New York harbor in January 2008, ultimately requiring a repair period of seven months. While the tanker's owners had ultimately conceded liability, they would not agree to pay the loss of use of the dredge during the lengthy repair period.

At the end of the trial to the bench, the court concluded that Great Lakes' witnesses were all credible and helpful, and the tanker owners' witnesses were not. The court further agreed that the repair period was subject to a presumption of reasonableness, which was not rebutted by the tanker owners. In addition to granting full loss of use damages for the full period of the repairs, the court further agreed that pre-judgment interest was merited, and that recent economic developments made the prime rate (at 3.66%) a more reasonable rate to apply than the Treasury Bill interest rate usually applied by the court (at 0.1%), resulting in an additional award of \$1.5 million in interest.

Winston & Strawn associate [Rand Brothers](#) worked alongside local counsel of Freehill Hogan & Mahar and in-house counsel.

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