

50930 3 2 1 On April 13, 1992 water from the Chicago River poured nonstop into a freight tunnel running under the river and thence into the buildings in the downtown Chicago Loop. Chicago is a fair sized town and, during the last 100 years, has always been located in the Northern latitudes, so the buildings are constructed with basements. The floodwaters entered the lower levels of so many buildings that the event became known as the "Chicago Flood."

Garment wholesalers, candy makers, restaurateurs, salesmen, and business persons from all sectors of the economy, filed tort claims in state court against Great Lakes Dredge and Dock for negligent pile driving in the river near the freight tunnel and against the city for negligent maintenance of its freight tunnel.

The handsomely paid admiralty lawyers for Great Lakes Dredge and Dock filed a petition in the federal court for limitation of its liability to the value of its tug and its two barges which performed the pile driving. This action depended upon allegations supporting the admiralty jurisdiction of the federal court.

The lower level pizza mongers and bow tie brokers were furious. The lower level lawyers questioned how claims for damage to merchandise a mile from navigable waters could be covered by admiralty law. The lower level lawyers puzzled over a law which would allow Great Lakes to limit its liability for millions of dollars of damage to the combined value of an old tug and two rusty spud barges. On motion by the lower level lawyers, the district court dismissed the Limitation action for lack of jurisdiction.

Handsomely paid admiralty attorneys for Great Lakes appealed to the U.S. Court of Appeals for the Seventh Circuit, which found

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admiralty jurisdiction and reversed the decision of the district court. This decision was based upon the Extension of Admiralty Jurisdiction Act, which invests federal courts with admiralty jurisdiction over all cases where the injury was caused by a ship or other vessel on navigable waters, even if such injury occurred on land.

Furious, the lower level lawyers appealed to the U.S. Supreme Court, but on February 22, 1995, this nation's highest court sided with Great Lakes and found admiralty jurisdiction over claims caused by negligent pile driving resulting in the Chicago Flood.

More next week on The Admiralty Docket. Until then, remember your rights and responsibilities may change as you approach the shore and may God Almighty grant you pleasant sailing. 50930

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