



## Federal Admiralty and Maritime Jurisdiction Part 5: Exclusivity of Federal Jurisdiction

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This Legal Sidebar post is the fifth in a five-part series that discusses the bases and scope of U.S. admiralty and maritime jurisdiction. Last year, a supply-chain bottleneck arose at the nation's ports with as many as 101 container ships waiting for berths at the nation's Los Angeles and Long Beach ports in the weeks before Christmas. These delays added to the time it took to deliver the goods to market and increased the costs of transporting them. Claims for breaches of maritime contracts related to shipping delays may fall within U.S. admiralty and maritime jurisdiction. As a result, Congress may be interested in how this area of law operates. Additional information on this topic can be found at the *Constitution Annotated: Analysis and Interpretation of the U.S. Constitution*.

In Article III of the Constitution, the Framers granted the federal judiciary jurisdiction over "admiralty and maritime" cases to ensure that courts would apply uniform rules in deciding cases that could affect domestic commerce and might implicate foreign affairs. In the Judiciary Act of 1789, Congress conferred exclusive admiralty jurisdiction on the federal district courts while preserving concurrent state court jurisdiction over common-law remedies so that the states could supplement the administration of federal maritime law.

In practice, state courts retain concurrent jurisdiction over most contract and tort cases that fall within federal admiralty jurisdiction because a plaintiff may bring a personal action seeking common-law remedies against an individual defendant in most of these cases. In an *in personam* case under the common law, liability attaches to property only to the extent of the individual defendant's title in that property. When bringing such maritime actions against defendants, the plaintiff may choose either federal or state court.

By contrast, the Supreme Court has held that, as a matter of statute, federal courts have *exclusive* admiralty jurisdiction over cases in which the plaintiff seeks remedies for maritime torts or contracts that lie against property *in rem* (e.g., the seizure of a vessel to enforce a maritime lien). For example, the Court held invalid a California court's application of a statute that allowed the state's courts to subject vessels to condemnation and sale in lawsuits brought directly against the vessels for breaches of maritime contracts. The Court determined that the federal courts traditionally had exclusive jurisdiction under the Judiciary Act over such *in rem* admiralty proceedings. Such actions were not saved by the Judiciary Act's savings clause because they were based on civil (i.e., statutory) law rather than common law.

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https://crsreports.congress.gov LSB10828 Other *in rem* cases that are subject to the federal courts' exclusive jurisdiction include cases involving limitation of a shipowner's liability; prize, capture, and seizure cases; and suits against the United States. Only a federal court sitting in admiralty may enforce a maritime lien, which may arise, for example, out of a maritime contract or tort. State legislatures may enact laws providing for state court jurisdiction over *in rem* maritime actions only in certain, narrowly defined circumstances.

In the absence of controlling federal maritime law, courts have sometimes applied substantive state law in admiralty cases when it would not interfere with the uniformity of federal maritime law. For example, in *Southern Pacific Co v. Jensen*, the Supreme Court held that a state could not apply its workers' compensation law to stevedores injured when unloading a ship at a wharf in navigable waters under a maritime contract. The Court reasoned that workers' compensation was not a common-law remedy preserved for the state courts under the Judiciary Act, and that its application would interfere with the general maritime law's uniformity in violation of the Constitution. In *Knickerbocker Ice Co. v. Stewart*, the Court held that Congress could not authorize the states to establish their own workers' compensation laws for maritime employees. Although the Constitution permits Congress to legislate on maritime rights, obligations, and remedies, it forbids Congress from delegating its power to the states to create new rights by permitting the states to modify the maritime law in a manner that would "work material injury" to the "characteristic features" of the law or interfere with its uniformity.

Other provisions of the Constitution may also influence federal admiralty jurisdiction. For example, the Eleventh Amendment prohibits federal courts sitting in admiralty from exercising jurisdiction over lawsuits brought *in rem* against state-chartered vessels without the state's consent. However, the Eleventh Amendment does not bar admiralty courts from hearing lawsuits *in rem* in which litigants seek to recover state property, like a shipwreck, that the state does not actually possess.

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