United States Court of Appeals for the Fifth Circuit

United States Court of Appeals
Fifth Circuit
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Lyle W. Cayce
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No. 25-20584

In the Matter of the Petition of M/V MS Adalyn, for Exoneration from or Limitation of Liability

Hunter Marine Group, L.L.C., *as owner pro hac vice of the M/V MS Adalyn*; Michael Quain Neward Pittman, *as owner of the M/V MS Adalyn*,

Plaintiffs—Appellants,

versus

Inland Dredging Company, L.L.C., Et al.

Defendants,

versus

Marin Gonzalez; Guillermo Cano Rivera; Matthew Crawford; Eric Goodrum; Bradley Coy Johnson; Brian Spangler; Charles Stonesifer; Eduardo Cruz,

Claimants—Appellees.

Appeal from the United States District Court
for the Southern District of Texas
USDC No. 4:25-CV-1984

Before Elrod, *Chief Judge*, and Clement and Oldham, *Circuit Judges*.

Edith Brown Clement, *Circuit Judge:*

This case is about finding the fair meaning of a provision in the Limitation of Liability Act of 1851. The Act allows a shipowner to "bring a civil action in a district court of the United States for limitation of liability." 46 U.S.C. § 30511(a). It applies to "seagoing vessels and vessels used on lakes or rivers or in inland navigation, including canal boats, barges, and lighters," but does not apply to "covered small passenger vessels." *Id.* § 30502(a)–(b). At issue is whether the *Adalyn*—a thirty-eight-foot aluminum-hulled commercial workboat weighing less than 100 gross tons—falls within that exception and therefore is beyond the Act's reach. To answer that question, we must analyze who qualifies as a "passenger for hire." *Id.* § 2101(32).

I

Hunter Marine Group, LLC and Michael Quain Neward Pittman (collectively, "Petitioners") own the *Adalyn*. Pittman is the bareboat owner and registered owner, and Hunter Marine is the bareboat charterer and owner *pro hac vice* of the *Adalyn*. Hunter Marine was responsible for, among other things, providing equipment, as well as manning, maintaining, repairing, and operating the *Adalyn*.

In December 2018, Hunter Marine and Encore Dredging Partners, LLC d/b/a Inland Dredging Co., LLC entered a "Contractor Agreement." Under it, Hunter Marine agreed to "provide equipment and perform services" for Encore. The "equipment" included the *Adalyn*, a commercial workboat, and the *John D*, a tugboat. "Encore paid a flat rate of $2,000 per day, regardless of how (or whether) the vessel was used," and provided fuel and charter hire. Hunter Marine provided the *John D* to Encore for similar uses.

In November 2024, Encore was using the vessels to perform maintenance dredging on the Alabama River. On November 3, the *Adalyn* began traveling from the *M/V Dredge Ranger*, which was working on the Alabama River near Monroeville, Alabama. After leaving the location of the *M/V Dredge Ranger*, the *Adalyn* proceeded toward a landing north of the Highway 84 Bridge crossing. Aboard the *Adalyn* were eight Encore employees.

On that voyage, the *Adalyn* encountered unforeseen shoaling and shallow water south of the Bridge. This caused the *Adalyn* to run aground and hit a steel pipe. The Encore employees reported injuries and were transported for local emergency care.

In December 2024, the Encore employees aboard the *Adalyn* when the accident occurred (hereinafter, "the Claimants") filed state-law personal injury actions in state court against Hunter Marine and Encore. In May 2025, Hunter Marine and Pittman filed this action under the Limitation of Liability Act of 1851. The district court stayed the state-court proceedings, and the parties cross-moved for summary judgment. The district court granted summary judgment to the Claimants and denied summary judgment for the Petitioners, concluding that the *Adalyn* was a "covered small passenger vessel" excluded from the limitation of liability afforded by the Act. The Petitioners appealed.

II

"We review grants of summary judgment *de novo*, applying the same standard as the district court." *In re Louisiana Crawfish Prods.*, 852 F.3d 456, 462 (5th Cir. 2017). Summary judgment is proper "if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a).

III

A

Under the Limitation of Liability Act, a shipowner can limit its liability for damages flowing from "any act, matter, or thing, loss, damage, or forfeiture, done, occasioned, or incurred, without the privity or knowledge of the owner," which "shall not exceed the value of the vessel and pending freight." 46 U.S.C. § 30505(a)–(b). We have exclusive jurisdiction to determine whether a shipowner is entitled to limited liability under the Act. *Lewis v. Lewis & Clark Marine, Inc.*, 531 U.S. 438, 440 (2001).

The Act applies to "seagoing vessels and vessels used on lakes or rivers or in inland navigation, including canal boats, barges, and lighters." 46 U.S.C. § 30502(a). But it does not apply to "covered small passenger vessels." *Id.* § 30502(b). The Act defines a "covered small passenger vessel" as "a small passenger vessel" that is (i) "not a wing-in-ground craft," and, as relevant here, (ii) "carrying not more than 49 passengers on an overnight domestic voyage." *Id.* § 30501(1)(A). It also defines "small passenger vessel" as:

> [A] wing-in-ground craft, regardless of tonnage, carrying at least one passenger for hire, and a vessel of less than 100 gross tons as measured under section 14502 of this title, or an alternate tonnage measured under section 14302 of this title as prescribed by the Secretary under section 14104 of this title—
>
> > (A) carrying *more than 6 passengers, including at least one passenger for hire*;
> >
> > (B) that is chartered with the crew provided or specified by the owner or the owner's representative and carrying more than 6 passengers;

> (C) that is chartered with no crew provided or specified by the owner or the owner's representative and carrying more than 12 passengers;
>
> (D) that is a submersible vessel carrying at least one passenger for hire; or
>
> (E) that is a ferry carrying more than 6 passengers.

Id. § 2101(49) (emphasis added).

1

The first question is whether the statutory definition of "small passenger vessels" is disjunctive. In the district court, the Petitioners argued that "small passenger vessels" must be both "a wing-in-ground craft . . . *and* a vessel of less than 100 gross tons." They also argued that the Claimants satisfy neither the definition of "passenger" nor "passenger for hire," so *Adalyn* does not satisfy the requirements under § 2101(47)(A). The Petitioners left that argument behind in the court below, so it is forfeited. *Rollins v. Home Depot USA*, 8 F.4th 393, 397 (5th Cir. 2021).

2

Forfeiture notwithstanding, the answer is still yes. Although the definition employs "and" in between the "wing-in-ground craft" language and 100-gross-tons measurement, the Act places the article "a" before each and separates them by a comma. *See* 46 U.S.C. § 2101(49). The operative verb—"means"—is distributive. *See Pulsifer v. United States*, 601 U.S. 124, 134–35 (2024). Thus, the single, best reading of the Act's definition of "small passenger vessel" is that it "*means* a wing-in-ground craft, regardless of tonnage, carrying at least one passenger for hire" *or* it "*means* . . . a vessel of less than 100 gross tons." 46 U.S.C. § 2101(49) (emphases added).

Here, *Adalyn* is a "vessel of less than 100 gross tons." So, we must now look to see if any of § 2101(49)'s subsections apply here.

B

This appeal turns on whether *Adalyn* carried "more than 6 passengers, including at least one passenger for hire." *Id.* § 2101(49)(A). To answer that question, we must proceed sequentially by first examining the definition of "passenger" under § 2101(31)(A)(iii).

1

We anchor our analysis, as always, in the statutory text. *In re DeBerry*, 945 F.3d 943, 947 (5th Cir. 2019) ("In matters of statutory interpretation, text is always the alpha [and] also the omega."). Under the Act, a "passenger" is defined as "an individual carried on the vessel." 46 U.S.C. § 2101(31)(A). The Act then provides three exceptions—the third is relevant here: "[A] member of the crew engaged in the business of the vessel who has not contributed consideration for carriage and who is paid for on board services." *Id.* § 2101(31)(A)(iii). Within that exception are three clauses that must be satisfied for a person to be excluded from the definition of passenger. First, the worker must be "a member of the crew engaged in the business of the vessel." Second, he must not have "contributed consideration for carriage." Third, he must be "paid for on board services." *Id.*

We assume without deciding that the Claimants satisfy the first and third clauses. With that established, we focus on our analysis on the second clause—"who has not contributed consideration for carriage"—to discern its meaning and effect when placed in the Act's broader statutory context.

For the Petitioners, this clause confirms that Congress refers to "consideration by [an] individual." "This language," in their view, "does not refer to indirect consideration, or consideration paid by another except the [individual] person," so it must refer to individual crewmembers providing personal consideration. The Claimants argue that such a reading is "irrational."

The fundamental question under § 2101(31)(A)(iii) is whether its second clause requires that, to be a passenger, a crewmember must *personally* provide consideration. We must be mindful of what the text says and does not say. "Our duty is to read the statute according to the natural and obvious import of the language, without resorting to subtle and forced construction for the purpose of either limiting or extending its operation." *United States v. Temple*, 105 U.S. 97, 99 (1881). Here, a "crewmember . . . who has not contributed consideration for carriage" is excluded from the definition of "passenger." 46 U.S.C. § 2101(31)(A)(iii). Perhaps, this provision applies only to a crewmember who personally supplies consideration. On the other hand, this provision may apply to a third-party who has contributed consideration on behalf of the crewmember. In either event,[1] we must look at the rest of the Act for additional clues as to the meaning of this exception.

As a foundational matter, we have a "duty to construe statutes, not isolated provisions." *Graham Cnty. Soil & Water Conservation Dist. v. United States ex rel. Wilson*, 559 U.S. 280, 290 (2010) (quoting *Gustafson v. Alloyd Co.*, 513 U.S. 561, 568 (1995)). That is because "the meaning of statutory language, plain or not, depends on context." *King v. St. Vincent's Hosp.*, 502 U.S. 215, 221 (1991). So, § 2101(31)(A)(iii)'s text "must be read in context since a phrase gathers meaning from the words around it." *Hibbs v. Winn*, 542 U.S. 88, 101 (2004) (cleaned up).

Here, § 2101(32)—the subsection immediately following § 2101(31)(A)—defines "passenger for hire" as a passenger "*for whom*

[1] Suppose a university defines a "student" as an individual enrolled in the university but excludes from that definition enrollees who have not "paid tuition." And let us say that one enrollee funds his first semester using his personal savings; his remaining semesters are funded by a grandparent pursuant to a family trust. It is unclear from the language *alone* whether the enrollee has "paid tuition" during those later semesters. As a matter of basic, ordinary English, both interpretations are reasonable. The same problem exists in § 2101(31)(A)(iii)'s second clause.

consideration is contributed as a condition of carriage on the vessel, whether directly or indirectly flowing to the owner, charterer, operator, agent, or any other person having an interest in the vessel." *Id.* § 2101(32) (emphasis added). Consideration is also "an economic benefit . . . accruing to an individual, person, or entity, but not including a voluntary sharing of the actual expenses of the voyage, by monetary contribution or donation of fuel, food, beverage, or other supplies." *Id.* § 2101(5).

Read in context, these definitions are unified in their use of consideration, contribution, and carriage. Under the principle of consistent usage, these terms are "used to mean the same thing throughout a statute." *Brown v. Gardner*, 513 U.S. 115, 118 (1994); *see also* ANTONIN SCALIA & BRYAN A. GARNER, READING LAW: THE INTERPRETATION OF LEGAL TEXTS 170–73 (2012). Thus, we presume that Congress consistently used these words in the same manner across the Act.

The interlocking relationship between § 2101(31)(A)(iii) and § 2101(32) is crucial. Section 2101(32) defines a smaller subset of those who already qualify as a "passenger" under § 2101(31)(A). The definition of "passenger for hire" therefore presupposes the first definition is satisfied.

In comparing these definitions, the Petitioners point out a grammatical distinction that they argue denotes a difference in the meaning and purpose of the sections. Section 2101(31)(A)(iii) asks whether a crewmember "has not contributed consideration," whereas § 2101(32) asks "for whom consideration is contributed." The Petitioners hitch their analysis to the active-passive distinction, contending that the change in subject is dispositive. Under their proposed reading, a passenger must personally provide consideration—"an economic benefit," *id.* § 2101(5)—as a condition for carriage, *id.* § 2101(31)(A)(iii). Yet that grammatical distinction is one without a dispositive difference. The shift from active voice ("has not contributed") to passive voice ("consideration is contributed") merely reflects a change in subject from the crewmember to consideration, but it does not materially change the threshold requirement: An "economic benefit" must be received by "an individual, person, or entity" for carriage. *Id.* § 2101(5). In both provisions, consideration is a condition for carriage.

The core of Petitioners' argument is that "a passenger for hire" must also qualify, at a minimum, as "a passenger." We agree. Yet even under that reading, a problem emerges for the Petitioners: If a "passenger for hire" is someone who must also be a "passenger," and a "passenger" includes a crewmember who provides personal consideration for carriage, then § 2101(32)'s broad language—that consideration may be "directly or indirectly flowing to the owner, charterer, operator, agent, or any other person having an interest in the vessel"—is significantly cabined, and therefore fails to perform any meaningful independent work in the Act.

Interpretive principles teach us that each word must be given its due. *Leocal v. Ashcroft*, 543 U.S. 1, 12 (2004). Yet the Petitioners' reading of § 2101(31)(A)(iii) substantially limits the application and force of § 2101(32)'s "directly or indirectly" language by requiring that a crewmember *always* provide his own consideration to be a passenger and, in turn, a passenger for hire. This creates a crewmember loophole. If these provisions are read in isolation, a crewmember whose third-party employer paid a vessel operator to deploy him would look like a "passenger for hire" because money changed hands. But that crewmember could not actually qualify as a passenger for hire unless he personally provided consideration as a condition for carriage. Under the Petitioners' reading, a crewmember must first provide consideration to qualify for passenger status before he could qualify as a passenger for hire under § 2101(32). So, why would Congress include § 2101(32)'s "directly or indirectly" language if § 2101(31) could all but guarantee that every crewmember, who qualifies as a passenger, already meets § 2101(32)'s consideration requirement? Apart from the active-passive voice distinction, the Petitioners put forth no compelling textual clue in support.[2] Thus, in affording proper effect to each provision in question, we harmonize both: § 2101(31)(A) defines who qualifies as a "passenger," and § 2101(32) identifies who is a "passenger for hire." For each one, consideration is a condition for carriage, no matter *who* provides it.

* * *

At bottom, the Petitioners' reading requires isolating the active voice of § 2101(31)(A)(iii) from its definition in § 2101(32). But words must never be taken out of context. *Winn*, 542 U.S. at 101. Aside from rendering a portion of § 2101(32) largely devoid of content for crewmembers, Petitioners invite us to adopt a hyper-literal reading of the text. *See United States v. Palomares*, 52 F.4th 640, 648 (5th Cir. 2022) (OLDHAM, J., concurring) ("I've never understood textualism to mean hyper-literalism."); s*ee* also John F. Manning, *The Absurdity Doctrine*, 116 HARV. L. REV. 2387, 2392–93 (2003) ("Even the strictest modern textualists properly emphasize that language is a social construct. They ask how a reasonable person, conversant with the relevant social and linguistic conventions, would read the text in context."). In effect, the Petitioners' reading of § 2101(31)(A)(iii) swaps the "*fair*

[2] The Petitioners also respond that reading the second clause this way renders the third clause—"who is paid for on board services"—superfluous. Even if the two clauses overlap, the canon against surplusage "is not an absolute rule." *Marx v. Gen. Revenue Corp.*, 568 U.S. 371, 385 (2013). "Redundancies across statutes are not unusual events in drafting," so that must also be true *within* a one-sentence subsection of a statute. *Conn. Nat. Bank v. Germain*, 503 U.S. 249, 253 (1992). Unlike our interpretation across both § 2101(31) and § 2101(32), which harmonizes the statute, the Petitioners' reading treats them as mere "isolated provisions," *Graham Cnty. Soil & Water Conservation Dist.*, 559 U.S. at 290, and substantially reduces the independent work of § 2101(32)'s "directly or indirectly" language. In effect, the Petitioners invoke the canon against surplusage to protect the third clause in § 2101(31)(A)(iii), but only at the expense of § 2101(32)'s application. Since the surplusage canon "assists only where a competing interpretation gives effect to every clause and word of a statute," *Microsoft Corp. v. i4i Ltd. P'ship*, 564 U.S. 91, 106 (2011) (cleaned up), it does not rescue the Petitioners' argument.

meaning," of the text, our interpretive "touchstone," for a "hyperliteral meaning," split from context. *See* SCALIA & GARNER, *supra*, at 356. Such a reading is unmoored from "what the text says and fairly implies." *Id.* at 16; *see also New York Trust Co. v. Commissioner*, 68 F.2d 19, 20 (2d Cir. 1933) (HAND, J.) ("[A] sterile literalism . . . loses sight of the forest for the trees."). We reject that invitation and instead adopt the "fair" reading of the text, which harmonizes § 2101(31)(A)(iii) and § 2101(32).

Accordingly, we conclude that Congress did not require personal consideration as a condition for carriage.

2

Having resolved the tension between § 2101(31)(A)(iii) and § 2101(32), we now apply our reading here. The question left is whether the Claimants, "directly or indirectly," paid Hunter Marine to travel on the *Adalyn*, and therefore qualified as passengers for hire under § 2101(32). The parties do not dispute that Encore paid Hunter Marine to use the *Adalyn*, including by having it carrying Encore employees aboard the vessel. Because the Claimants indirectly paid consideration for carriage on the *Adalyn*, they are "passengers for hire," and therefore the *Adalyn* was a "covered small passenger vessel." Thus, the Act's limitation of liability does not apply.

IV

For these reasons, the district court's grant of summary judgment is AFFIRMED.