

## Client Alert

### Interest Paid Is Recoverable In Damages

**October 15, 2007**

In *Systems Fuels, Inc. v. U.S.* (Oct. 11, 2007), a spent nuclear fuels case, DOE argued that interest costs incurred by the contractor in substantial part due to DOE's breach of contract could not be recovered under the "no interest" rule. The court noted the difference between a company paying interest (an expense) or receiving interest (an asset) and held that interest actually paid is an expense that can be recovered as a breach damage to the extent incurred as a cost of borrowing.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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