

EAJA Fee Award

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Following a successful breach-of-contract lawsuit in the U.S. Court of Federal Claims, the Court awarded SUFI Network Services, a small telecommunications company, full market-rate attorneys' fees under the Equal Access to Justice Act (EAJA). Finding that the case presents extraordinary circumstances, the Court allowed SUFI to recover far more than the usual \$125-per-hour attorneys' fee rate (adjusted for cost-of-living increases) normally allowed under EAJA.

In ruling for SUFI, the Court explained that SUFI was a small business that endured lengthy litigation to recover damages from the U.S. Air Force, which the Court found had willfully and materially breached its contract with SUFI:

Even now, despite SUFI receiving a damages award in excess of \$111 million, the Government insists it should not be responsible for SUFI's fees and expenses incurred during that litigation. The Government still attempts to side-step responsibility by arguing that it acted in good faith in advancing a substantially justified position throughout the litigation, and by distancing itself from the bad faith conduct of the Air Force upon which the litigation was based.

The Government argued that SUFI should not recover attorneys' fees under EAJA. But the Court disagree, holding that SUFI is entitled to recover its attorneys' fees and expenses at its law firm's full, current rates with interest. The Court further stated that "there is ample evidence of the Government's bad faith," and that the Government's position was "not substantially justified," the Court urged that "[t]o prevent any further delay and expenditure of resources in this matter, counsel for the parties are encouraged to reach an agreement regarding quantum and achieve finality."

Read Judge Wheeler's full opinion [here](#).