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Ghost of Exxon Valdez lingers in Cordova

Town of 2,200 waits for Supreme Court judgment on \$2.5 billion in punitive damages for 1989 oil spill.

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CORDOVA, Alaska (AP) -- For many in this coastal town, the 1989 Exxon Valdez disaster was an event so crushing that hard-bitten fishermen still get teary-eyed recalling ruined livelihoods, broken marriages and suicides.

But mostly, people in Cordova talk about the discouraging wait for legal retribution for the worst oil spill in U.S. history.

It's been almost 19 years since the tanker Exxon Valdez ran aground at Alaska's Bligh Reef, spurring 11 million gallons of crude into the rich fishing waters of Prince William Sound. In 1994, an Anchorage jury awarded victims \$5 billion in punitive damages. That amount has since been cut in half by other courts on appeals by Exxon Mobil.

Now the town of 2,200 looks anxiously to the U.S. Supreme Court, which will hear arguments Wednesday from Exxon on why the company should not have to pay punitive damages at all.

Scores of Cordova residents are among almost 33,000 plaintiffs - including commercial fishermen, Alaska Natives, landowners, businesses and local governments - who could see the \$2.5 billion judgment taken away by the high court.

"With this legal system the way it has been protracted out, people can't put it behind them," said Cordova Mayor Tim Joyce. "The final recompense has never been made."

Steve Smith, a 69-year-old Cordova fisherman, worries that big business will prevail.

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"I really wonder, what do you do if you don't get a just decision out of the Supreme Court," he said on his boat Prince William. "I mean, there's no other court to take it to. What do you got left, really? Anarchy?"

The spill soiled 1,200 miles of shoreline and killed hundreds of thousands of birds and other marine animals, inflicting environmental injuries that have not fully recovered, according to numerous scientific studies. Exxon contends it should not be liable for the actions of the Exxon Valdez skipper, Joseph Hazelwood, when the supertanker ran aground on March 24, 1989, with 53 millions gallons of oil in its hold.

Prosecutors said Hazelwood was drunk, but he denied it and was acquitted of the charge in criminal court.

Cordova itself, 45 miles from Bligh Reef, was not directly touched by the slick. But residents say the spill was a crippling blow for a town so dependent on commercial fishing, particularly for herring, whose numbers

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plummeted several years after the spill and have yet to return.

The mayor at the time of the spill later killed himself, leaving a long suicide note that mentioned Exxon.

Mike Webber, a 47-year-old Native Alaskan artist and fisherman from Cordova, said his marriage did not survive the strain; he and his wife divorced two years after the spill. With the fishing industry in shreds, he also began drinking heavily, finally checking himself into rehab in 1998.

He said that he has been sober ever since, but that others kept drinking and abusing drugs and sank into severe depression and, in some cases, suicide.

Webber carved a "shame pole" last year to commemorate the spill and will be in Washington this week with the 7-foot carved piece of cedar, which depicts former longtime Exxon chief executive Lee Raymond with dollar-sign eyes and a Pinocchio-like nose. An oil slick pours from Raymond's mouth along with the words uttered by a top Exxon official soon after the spill: "We will make you whole."

"Well, they didn't," Webber said, his voice breaking. "They just put a hole in us is what they did, right in our hearts and it hurts. And they took part of our soul."

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According to plaintiffs, Exxon knew Hazelwood had begun drinking again after seeking treatment, but the company still put him at the helm of the nearly 1,000-foot ship.

At issue is whether Exxon should have to pay any damages under the federal Clean Water Act and centuries-old laws governing shipping.

Exxon maintains that punitive damages would be excessive punishment beside the \$3.5 billion in cleanup costs, compensatory payments and fines it already has paid. As for the environmental effects of the spill, the claim about severe, continuing damage to the sound "is simply untrue," according to the Texas company, which earlier this month posted the largest annual profit by a U.S. company - \$40.6 billion.

"The environment in Prince William Sound is healthy, robust and thriving," Exxon spokesman Tony Cudmore said in an e-mail to The Associated Press. "That's the conclusion of many scientists who have done extensive studies of the Prince William Sound ecosystem."

To the casual observer, the sound's stunning beauty has been restored, its many islands, fjords and glaciers a photographer's dream. But residents in Cordova and other communities say the region is still a long way from healing. It took years for salmon to rebound, and sea otters and Harlequin ducks are still below pre-spill numbers.

An estimated 85 tons of crude linger, according to a federal study released last year. Jars of oil-stained sand and rocks still being dug up in the spill area can be examined at the Prince William Sound Science Center at the south end of town.

Most devastating to Cordova residents, the once-lucrative Pacific herring fishery has not returned in significant numbers since 1993, a failure precipitated by the spill, according to a recent report by science center researchers. Exxon maintains there is no link between the spill and the virus that reduced the number of herring.

The herring catch used to kick-start the entire town after the quieter winter months. Herring meant a quick bounty for fishermen and ready cash for boat insurance, equipment repairs and new gear. For many, it represented a half year's earnings. Herring also brought auxiliary ships, processor vessels, and plane crews for spotting the fish.

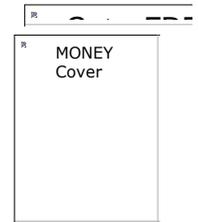
"A whole lifestyle has gone," said restaurant owner Libbie Graham. "Life was great. I mean, you worked hard but you were rewarded for it."

The year before the spill, Cordova received \$1.2 million - or 2% of the value of fish caught - through the state's raw fish tax, according to Joyce, the mayor. Post-spill, the town's annual cut has averaged around \$500,000, reflecting the loss of the herring and the falling price of salmon.

"When our budget is just \$6 million, that's a big hit for us," Joyce said.

Steve Picou, a sociologist with the University of South Alabama who has been researching the effects of the spill on Cordova residents, said that initially, reports of stress and depression were directly linked to the loss

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of jobs for fishermen and the damage to the environment so crucial to Alaska Natives who hunt and fish for their food. Later, he said, the stress increased because of the drawn-out court battle with Exxon ([XOM](#), [Fortune 500](#)).

"I find it not only ironic but tragic that the very process that is supposed to resolve the social impacts of the Exxon Valdez spill - that is, litigation - has, over time, become a source of stress and disruption itself," Picou said. ■

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