



A cleanup worker walks through the oily surf at Naked Island on Prince Williams Sound in 1989

US high court to review 1989 Exxon Valdez oil spill case

1 day ago

WASHINGTON (AFP) — The US Supreme Court will revisit Wednesday the case of the Exxon Valdez oil tanker disaster in Alaska, examining whether the corporation should have to pay 2.5 billion dollars in punitive damages over the oil spill that occurred 19 years ago.

The court will hear ExxonMobil's appeal in the latest chapter in a long-running legal battle that has raged since the Exxon Valdez crashed into a reef in Prince William Sound on March 24, 1989, spilling 11 million gallons of crude into Alaskan fishing waters.

It was the worst oil disaster ever to hit the United States, polluting 500 kilometers (310 miles) of coastline, killing tens of thousands of birds and hundreds of sea otters. According a University of Alaska study, only a quarter of the marine life survived the spill.

ExxonMobil afterwards spent some 2.1 billion dollars cleaning up the polluted coastline and more than 300 million in compensation for fishermen and locals affected by the catastrophe.

The company also paid out more than 900 million dollars of fines in a bid to halt criminal proceedings begun against it by the US government and the state of Alaska.

But in 1994, a jury in a civil Alaskan lawsuit ordered the Texas-based firm to pay five billion dollars in damages to some 34,000 fishermen and others whose livelihoods were decimated in Prince William Sound.

The oil giant has fought that verdict ever since and in 2006, a federal court cut the punitive damages to 2.5 billion saying the amount was more in line with legal precedent.

"The evidence established that Exxon gave command of an oil tanker to a man they knew was an alcoholic who had resumed drinking after treatment that required permanent abstinence, and had previously taken command in violation of Exxon's alcohol policies," the Court of Appeals for the 9th Circuit said in its ruling.

ExxonMobil, which posted 40.6 billion dollars in profits for 2007, argues it has taken full responsibility for the oil spill and paid all relevant fines and costs associated with the disaster.

It wants the high court to reject any punitive damages awarded against it under maritime law -- or at least consider whether such high compensation is justified.

Exxon also argues that it has been punished under the federal Clean Water Act and that more compensation is excessive.

"Imposing vicarious punitive liability on a shipowner, without requiring the jury to find that the shipowner directed, countenanced, or participated in the conduct, was in conflict with almost 200 years of unbroken maritime law," the company argues in its brief to the court.

The case is so complicated the court has scheduled an unusual 90-minute hearing instead of the customary one-hour session.

One of the nine justices, Samuel Alito, has recused himself from the case because he owns Exxon stock.

The court is expected to issue its ruling before July.

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