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In this March 26, 1989, file photo, shows the Exxon Baton Rouge (smaller ship) attempting to off load crude oil from the Exxon Valdez in the Prince William Sound near Valdez, Alaska. The U.S. Supreme Court is scheduled to hear arguments on Feb. 27, 2008, from Exxon about why the company should not have to pay the \$2.5 billion punitive damages awarded to victims of the disaster that happened 19 years ago when the Exxon Valdez ran aground on Alaska's Bligh Reef, spurting 11 million gallons of crude oil into the rich fishing waters of Prince William Sound. (AP Photo/Rob Stapleton, File)

Supreme Court to Hear Exxon Valdez Case

By MARK SHERMAN – 5 days ago

WASHINGTON (AP) — The Supreme Court will consider whether to prevent victims of the Exxon Valdez disaster from collecting a \$2.5 billion judgment, nearly 19 years after the tanker dumped 11 million gallons of oil into Alaska waters.

In the case being argued Wednesday, Exxon Mobil Corp. wants the court to erase the award of punitive damages to nearly 33,000 commercial fishermen, Native Alaskans, landowners, businesses and local governments.

The 987-foot tanker, commanded by its captain, Joseph Hazelwood, missed a turn and ran aground on a reef in Prince William Sound, causing the worst oil spill in U.S. history.

A jury initially awarded \$287 million to compensate for economic losses and \$5 billion in punitive damages. A federal appeals court cut the punitive damages in half. The compensatory damages have been paid.

Now Exxon says it should not face any punitive damages because the company already has paid \$3.4 billion in fines, penalties, cleanup costs, claims and other expenses.

It argues that long-standing maritime law and the 1970s-era Clean Water Act should bar any punitive damages, which are intended both to punish behavior and deter a repeat.

The company says it should not be held accountable for Hazelwood's reckless conduct. He left the bridge of the ship before the turn and had been drinking shortly before it left port, both in violation of Coast Guard rules and company policy.

The plaintiffs say the judgment, representing three weeks of Exxon's 2006 profit, is rational and proportionate. It takes account of Exxon's decision to allow Hazelwood to command the ship, despite knowing he had an ongoing drinking problem, the plaintiffs contend.

Justice Samuel Alito, who owns Exxon stock, is not taking part in the case. A 4-4 split would leave the damages award in place.

