

# Exxon Valdez oil spill payout 'a knife in the gut'

Christopher Maag

June 27, 2008

**After a 14-year battle, the final verdict has left plaintiffs reeling.**

WHEN the Exxon Valdez ran aground in 1989, Andrew Wills was a successful herring fisherman in Alaska and the owner of three canneries.

The oil spill, caused when the supertanker piloted by a drunken captain ran aground in Prince William Sound, sent a cascade of about 41 million litres of crude oil into Arctic waters. The huge spill destroyed the rich herring fishery and Mr Wills' fishing career, so he borrowed money to open a bookshop, a cafe and the Mermaid Bed and Breakfast in downtown Homer, Alaska.

Mr Wills had expected to use his \$US85,000 (\$A88,000) share of the \$US2.5 billion punitive damage settlement against Exxon to pay off some of his debts, but a US Supreme Court decision on Wednesday cut the damages to about \$US500 million.

With soaring world oil prices, that sum represents two days' earnings for Exxon, which last year posted record profits of \$US40.6 billion.

Mr Wills will now only receive \$US15,000 as his share of the revised damages. "After everything we've been through, that's barely enough to cover payroll for a month," he said. "This is a knife in the gut."

Across Alaska, plaintiffs in the lawsuit against Exxon reacted to the decision with sorrow and rage. "I'm expecting a call that someone I know has jumped out of a building," said Evan Beedle, who lost his boat-cleaning business in Cordova after the spill.

During the long-running legal battle, there have been bankruptcies and suicides.

The average payment to the 33,000 plaintiffs was to be \$US76,500 before Wednesday's ruling. Now it's down to about \$US15,000.

"This decision is a giant cold slap in the face," said Garland Blanchard, 59, a third-generation fisherman who said he lost his marriage along with his two fishing boats, house, cat and dog to financial pressures caused by the spill. Mr Blanchard expects to receive less than \$US100,000 from the settlement, down from the \$US1.2 million he had previously expected. "It's pathetic."

The spill damaged more than 1931 kilometres of coastline, destroying fisheries and killing thousands of sea mammals and hundreds of thousands of birds.

Local radio stations were just breaking news of the decision as Alicia Jensen opened the Killer Whale Cafe in Cordova on Wednesday morning. "This has been the primary focus of this town for most of my life," said Ms Jensen, 33, who owns the cafe. "I'm glad that it's over, and everybody can get on with our lives."

The City of Homer was prepared to place the \$US4 million to \$US5 million it was to receive in an endowment to pay for social services, said city manager Walt Wrede. Now the city will receive a fraction of that.

Justice David Souter said a \$US2.5 billion award was out of line with US maritime law, and that damages should be limited to the amount of actual harm caused to victims.

The ruling follows a 14-year court battle, during which more than 3000 plaintiffs have died.

NEW YORK TIMES, GUARDIAN, LOS ANGELES TIMES

[JANUARY SALE!! Subscribe to The Age and save over 70%\\*](#)

Advertisement