

«

Supreme Court cuts \$2.5 billion penalty in Exxon Valdez disaster to \$500 million

By MARK SHERMAN | **Associated Press** | Jun 25, 08 9:30 AM CDT in [Business](#)

The Supreme Court on Wednesday cut the \$2.5 billion punitive damages award in the 1989 Exxon Valdez disaster to \$500 million.

The court ruled that victims of the worst oil spill in U.S. history may collect punitive damages from Exxon Mobil Corp., but not as much as a federal appeals court determined.

Justice David Souter wrote for the court that punitive damages may not exceed what the company already paid to compensate victims for economic losses, about \$500 million compensation.

Exxon asked the high court to reject the punitive damages judgment, saying it already has spent \$3.4 billion in response to the accident that fouled 1,200 miles of Alaska coastline.

A jury decided Exxon should pay \$5 billion in punitive damages. A federal appeals court cut that verdict in half.

The court divided 5-3, with Justice Samuel Alito taking no part in the case because he owns Exxon stock.

Exxon has fought vigorously to reduce or erase the punitive damages verdict by a jury in Alaska in 1994 for the accident that dumped 11 million gallons of oil into Prince William Sound. The environmental disaster led to the deaths of hundreds of thousands of seabirds and marine animals.

Nearly 33,000 Alaskans are in line to share in the award, about \$15,000 a person. They would have collected \$75,000 each under the \$2.5 billion judgment.



Copyright 2008 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.



Global IT Business Intelligence

Verified contacts, org charts and corporate IT profiles of the world's largest companies. [Free Samples](#)

Top Stories

POWERED BY **newser**



6 of 9 | < || > Search Newser

Other Business Stories

MARKETS

Pharma, Tech Kill Early Gains

Washington Post 8 hours, 8 minutes ago

Court Tosses Super Bowl Fine

Washington Post 8 hours, 41 minutes ago

In Good Times and Bad, Looks Matter

Execs' trustworthy appearance can mislead consumers

Washington Post 7 hours, 41 minutes ago

PC Makers See E in Smaller 'Ne

New York Times 9 hours, 26 r

What is Newser?

Newser gives you more news in less time. We search for the best and most important stories all over the web, read them for you, and deliver concise and sharp summaries—along with links to the full text. Newser provides a way to stay on top of an ever-expanding horizon of news and opinion—politics, sports, business, trends, technology, personalities, crimes, and controversies. Newser keeps you not just better informed, but, with our signature graphic interface and smart condensed format, more enjoyably informed.

[Learn more »](#)



