

Exxon Valdez settlement checks could be distributed in October

Partial agreement reached in long case

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Lawyers in the epic Exxon Valdez court case have negotiated a settlement to pay out most of the \$507.5 million the U.S. Supreme Court awarded in June, the lead attorney for the plaintiffs confirmed Tuesday.

Under the deal, Exxon will release about \$383 million for distribution to the nearly 33,000 commercial fishermen and others who sued Exxon after the disastrous 1989 oil spill in Prince William Sound.

Lawyers for the plaintiffs and Exxon will continue to battle over another \$70 million, as well as potential interest of \$488 million on the Supreme Court judgment. Exxon has argued the interest isn't owed.

The oil titan will in effect pay itself as much as \$54 million -- the largest single payout -- under terms of a side settlement the company made in 1991 with seven Seattle-based fish-processing companies who formerly were plaintiffs.

David Oesting of Anchorage, the lead attorney for the plaintiffs, said he and Los Angeles-based lawyers for Exxon negotiated the settlement over the past couple of weeks.

The deal, at least in part, will nip further fighting in court, and the fishermen and other plaintiffs could see checks beginning in early October, Oesting said.

A final payout schedule could be finalized this week, he said.

Oesting said the settlement seemed to be the best way to go in lieu of the Supreme Court ruling.

"We're trying to get money as soon as we can in our clients' hands," he said.

A spokesman for Irving, Texas-based Exxon confirmed the settlement late Tuesday.

"As we have stated consistently, like everyone involved in the tragic Valdez accident, Exxon Mobil is anxious to have the matter resolved," an e-mail from company spokesman Tony Cudmore said. "We approached the plaintiffs' legal representatives with an offer to pay the punitive damages awarded by the Supreme Court on June 25, less certain costs and amounts relating to earlier settlements with former plaintiffs. The amount agreed with the plaintiffs is approximately \$383.4 million."

The Exxon case has been the source of soaring hopes and dashed dreams ever since an Anchorage jury in 1994 determined Exxon should pay \$5 billion in punitive damages for the nearly 11 million-gallon oil spill.

Ever since the jury verdict, lawyers for the plaintiffs and Exxon have engaged in an marathon, ping-pong legal battle that went to the highest court in the land. Along the way, thousands of original plaintiffs have died waiting for payment.

Exxon argued all along that it paid billions of dollars to clean up the spill and compensate fishermen for their actual damages, and that billions in punitive damages weren't warranted.

Contrary to what some believed, the Supreme Court ruling in June didn't mark the end of the battle. The justices sent the case to the lower courts to handle the disposition of the \$507.5 million judgment, which the court characterized as the "maximum" allowed. The high court also left the issue of interest to the lower courts. However the courts resolve the back-interest question, Exxon likely owes interest at least from the date of the Supreme Court ruling this summer, giving the company incentive to pay out money sooner.

Now, at least, \$383 million -- minus attorney fees -- will be distributed to the plaintiffs, Oesting said.

Frank Mullen, a Homer commercial fisherman who has closely followed the Exxon Valdez case, said he and other plaintiffs will certainly take the checks. But they won't be happy.

"It's a damn small bone for an old, angry dog is what it is," he said.

While \$383 million is a lot of money and will be "a nice infusion for fishermen and communities," it's not much when divided among the 33,000 plaintiffs, he said.

And it won't inflict much pain on one of the world's richest corporations, Mullen said.

"It's a mere aggravation for a corporation as wealthy as they are," he said. "It's not at all likely to deter them from future environmental degradation."

Find Wesley Loy's commercial fishing blog online at adn.com/highliner or call 257-4590. Find Tom Kizzia at tkizzia@adn.com.

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