

SENATE JOINT RESOLUTION NO. 28

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY SENATORS WAGONER, Gary Stevens, Lincoln, Elton

Introduced: 2/11/04

Referred: Resources, Judiciary

A RESOLUTION

1 **Requesting Exxon Mobil Corporation to pay claimants for court-ordered damages resulting**
2 **from the Exxon Valdez oil spill.**

3 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **WHEREAS**, on March 24, 1989, at 12:04 a.m., the oil tanker Exxon Valdez grounded
5 on Bligh Reef in Prince William Sound resulting in a spill of 11,000,000 gallons of North
6 Slope crude oil along Alaska's shoreline; and

7 **WHEREAS**, immediately following the spill, executives of Exxon Corporation
8 promised the residents of the state that they would make Alaska whole again; and

9 **WHEREAS** the oil spill killed or affected seabirds, sea otters, harbor seals, bald
10 eagles, killer whales, salmon and herring eggs, and many tidal plants and animals, and has
11 caused long-term damage to the environment of Prince William Sound; and

12 **WHEREAS** the oil spill affected many communities; commercial, subsistence, and
13 sport fishermen; tourism operators; subsistence gatherers; large and small businesses; and
14 others in the area; and

15 **WHEREAS**, on September 16, 1994, an Alaska jury in the federal district court
16 returned verdicts against Exxon Corporation to help compensate those affected by the spill;

1 the verdicts provided for payment of damages in the amount of nearly \$5,300,000,000, of
2 which \$5,000,000,000 represents an award of punitive damages; and

3 **WHEREAS**, between 1994 and 1996, the federal district court judge denied numerous
4 motions by Exxon Corporation to overturn or adjust the verdicts, and the corporation
5 continues to file motions that delay settlement of the case; and

6 **WHEREAS**, between 1996 and today, Exxon Corporation filed two motions for new
7 trials that were denied by the federal court; and

8 **WHEREAS**, in November 2001, the United States Court of Appeals for the Ninth
9 Circuit issued an opinion concluding that the punitive damages decision of the trial court was
10 excessive, and directing a review; and

11 **WHEREAS**, in December 2002, the trial court reduced the punitive damages award
12 to \$4,000,000,000; and

13 **WHEREAS**, following a second appeal by Exxon Mobil Corporation, the United
14 States Court of Appeals for the Ninth Circuit again found the trial court's punitive damage
15 award excessive and ordered a reconsideration in light of an intervening United States
16 Supreme Court decision setting out a mechanism by which to calculate punitive damages
17 based on actual damages; and

18 **WHEREAS** the trial court has now ordered Exxon Mobil Corporation to pay
19 \$4,500,000,000 in punitive damages and another \$2,250,000,000 in interest, with the
20 defendant indicating that it would file a further appeal in the United States Court of Appeals
21 for the Ninth Circuit; and

22 **WHEREAS** Exxon Mobil Corporation has been paying for research projects
23 challenging the competency of juries to fairly set punitive damages and cites these results in
24 its appeal; and

25 **WHEREAS** Exxon Corporation has prospered financially in the 15 years since the oil
26 spill and has merged with Mobil Corporation to create the largest corporation in the world,
27 recording \$21,510,000,000 in corporate profits during fiscal year 2003; and

28 **WHEREAS**, 15 years after the oil spill and nearly 10 years after the damage
29 judgment, 32,000 claimants are still waiting for payment of compensatory and punitive
30 damages; 1,200 claimants have died since 1989; and

31 **WHEREAS** the majority of the claimants who are owed compensatory and punitive

1 damages are working men and women with families, homes, mortgages, and financial
2 obligations; and

3 **WHEREAS** the petroleum industry plays a vital role in providing revenue,
4 employment, and economic stability for the state; and

5 **WHEREAS** the Alaska State Legislature has encouraged development of the
6 petroleum industry through incentives and partnerships; and

7 **WHEREAS** Governor Murkowski has called upon Exxon Mobil Corporation to settle
8 this suit; and

9 **WHEREAS**, in order to foster partnerships between Exxon Mobil Corporation and
10 the people of Alaska, Exxon Mobil Corporation must make good on its promise to make
11 Alaska whole again, and pay its debt to the people of Alaska as prescribed by the court.

12 **BE IT RESOLVED** that the Alaska State Legislature urges the Exxon Mobil
13 Corporation to immediately pay the compensatory damages awarded in the court-ordered
14 judgment, and to pay the punitive damages, without further delay or appeal; and be it

15 **FURTHER RESOLVED** that the Alaska State Legislature urges the governor not to
16 entertain any proposal to negotiate draft contracts under the Alaska Stranded Gas
17 Development Act pertaining to North Slope stranded gas until Exxon Mobil Corporation pays
18 the punitive damages awarded in the judgment handed down by Judge Russel Holland on
19 December 28, 2003.

20 **COPIES** of this resolution shall be sent to the Honorable George W. Bush, President
21 of the United States; the Honorable Richard B. Cheney, Vice-President of the United States
22 and President of the U.S. Senate; the Honorable John Ashcroft, Attorney General of the
23 United States; the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives;
24 the Honorable Bill Frist, Majority Leader of the U.S. Senate; Timothy J. Muris, Chairman of
25 the Federal Trade Commission; Susan Creighton, Director, Bureau of Competition, Federal
26 Trade Commission; the Honorable Ted Stevens and the Honorable Lisa Murkowski, U.S.
27 Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska
28 delegation in Congress; and Lee R. Raymond, Chairman, Chief Executive Officer, and
29 President of Exxon Mobil Corporation.