

SCOMM

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Alaska State Legislature

House of Representatives



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 24, 1991

Attorney General Charles Cole
Pouch K
Juneau, Alaska 99811

Assistant Attorney General Richard Stewart
Environment and Natural Resources Division
U.S. Department of Justice
10th and Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Jack G. Clarke
Senior Vice President
Exxon Corporation
225 E. John W. Carpenter Freeway
Irving, Texas 75062-2298

Gentlemen:

Judge Holland's decision today has raised questions about the utility of the legislature continuing its evaluation of the proposed settlement.

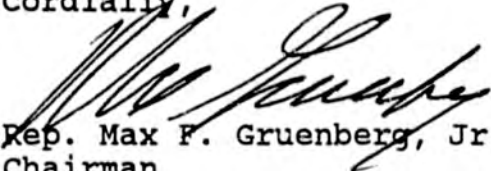
If any party decides to withdraw from the current settlement as a result of Judge Holland's decision, the legislature's timetable may need to be altered. The Committee would be grateful if the parties would inform it in writing by 2:00 p.m. Alaska Daylight Time on Thursday, April 25, 1991, if any of them intends at this time to withdraw from any of these agreements. Please consider this a continuing request, should any of the parties reach such a decision at a later time.

Pending any notification of a change in the current schedule, the Committee will continue its work under the original schedule.

The Committee believes it is important that all the parties have an opportunity to consider, without undue haste, the ramifications of the judge's decision and to reach a carefully reasoned determination as to an appropriate course of action.

If the parties believe that an extension of the May 3 deadline is necessary to provide that opportunity, it is important that the timing of legislative action concerning the agreement be coordinated through the House and Senate Special Committees.

Cordially,



Rep. Max F. Gruenberg, Jr.
Chairman

cc: Hon. Russel Holland

CHARLES E. COLE
ATTORNEY GENERAL
STATE OF ALASKA

March 12, 1991

Mr. Lee Raymond
President
Exxon Corporation
225 East Carpenter Freeway
Irving, Texas 75062-2298

Dear Mr. Raymond:

As a part of the settlement of certain issues covered by the Plea Agreement, the State of Alaska agrees that it will not bring criminal charges or seek any civil or criminal or administrative penalties, except as provided below, against Exxon Corporation, or any of its officers, directors or employees, past or present, or against any of its wholly-owned subsidiaries, their offices, directors of employees, past or present, for any violations of Alaska law arising out of or relating to the grounding of the "EXXON VALDEZ," the resulting oil spill, the containment or cleanup of that spill, the oil spill contingency plans or related documents of Alyeska Pipeline Service Company, including their preparation or submission to the State of Alaska.

Nothing in the foregoing paragraph shall prevent the State of Alaska from seeking criminal charges against Exxon Pipeline Company or Alyeska Pipeline Service Company, or any of their officers, directors, or employees, for any violation of Alaska law based on an allegation of false statements made to any agency of the State of Alaska arising out of its or their conduct in connection with the preparation or submission of oil spill contingency plans and related documents by Alyeska Pipeline Service Company to the State of Alaska.

You may advise Exxon Shipping Company of the contents of this letter and provide each of them with a copy.

Sincerely,

4-16-91 5:41

Charles Cole
Attorney General

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

STEVE COWPER, GOVERNOR

REPLY TO:

☐ 1031 W 4th AVENUE SUITE 200
ANCHORAGE, ALASKA 99501-1994
PHONE: (907) 276-3550
FAX: (907) 276-3697

☐ KEY BANK BUILDING
100 CUSHMAN ST. SUITE 400
FAIRBANKS, ALASKA 99701-4679
PHONE: (907) 452-1568
FAX: (907) 456-1317

☐ P.O. BOX K— STATE CAPITOL
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600
FAX: (907) 463-5295

April 22, 1991

The Honorable Max F. Gruenberg
Representative
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

CONFIDENTIAL: ATTORNEY WORK PRODUCT/
ATTORNEY-CLIENT PRIVILEGE

Dear Representative Gruenberg:

Thank you for the opportunity to testify before the Special Joint House/Senate Committee on the Exxon Valdez settlement last Thursday, April 18. During the discussion, some members of the committee raised questions regarding the total budget for scientific studies, and I promised to provide you with correct figures. The budget for the science program is set out at pp. 283-288 of the "pink book" (1991 NRDA study plans). The grand total for all science, restoration, and public information (including federal science and economics) is approximately \$35.6 million. Of that, the state's portion for the 1991 oil year is approximately \$10.6 million, which includes approximately \$1 million for overhead and approximately \$3 million for restoration planning. If you would like additional information regarding the budget for science projects, please let me know.

I also spoke to your aide, Andy Heminway, regarding your request for a restoration report. As I indicated at the hearing, the restoration planning work group has published a summary of the public symposium held in Anchorage about a year ago, which includes a long list of possible restoration activities that were suggested by the public. In addition, the restoration planning work group published a draft technical workshop report in April, 1990, which includes a list of potential restoration activities for each of the injuries known or suspected. That document, because it contains detailed discussion of injuries, has not been provided for public distribution. The only other document that I have been able to identify is a memorandum from Stan Senner which lists some of the potential kinds of restoration projects that could be undertaken

The Honorable Max F. Gruenberg
April 22, 1991
Page 2

and sets out what the restoration planning work group anticipates it would spend on restoration under a settlement over a 10 year period. That document also has not been published for public review, but I discussed its substance in detail with Mr. Heminway.

If I can be of further assistance, please let me know.

Sincerely,

CHARLES E. COLE
ATTORNEY GENERAL

By: *Sarah E. McCracken*
Sarah E. McCracken
Assistant Attorney General

SEM/md

cc: Charles E. Cole
Attorney General

Barbara Herman
Assistant Attorney General

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

STEVE COWPER, GOVERNOR

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600

June 21, 1989

Charles DiMonaco, Chief
Lands Division
Environmental Crime Section
Department of Justice
Washington D.C. 20038

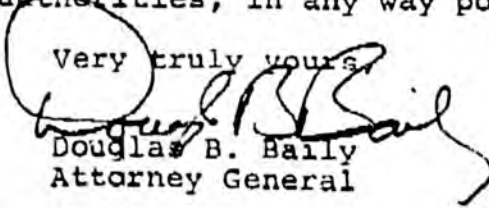
Dear Mr. DiMonaco:

We would like to inform you that the State of Alaska is no longer pursuing a criminal investigation of either Alyeska Pipeline Company or Exxon Shipping Company with respect to the Exxon Valdez oil spill. Based on our initial investigation, we believe that our remedies against these corporations are limited to B misdemeanors. For corporations, the maximum penalty for a B misdemeanor is a fine of \$100,000. In light of the state penalty structure, and the broader range of remedies available under federal law, we would defer any further investigation of the corporations involved in this matter to the Department of Justice.

Of course, if new evidence is developed that indicates additional criminal acts under state law have been committed by either defendant, we would be willing to resume our investigation. However, given our limited resources and limited remedies, we believe the best course of action at this time is to turn primary responsibility for any criminal prosecution of Alyeska and Exxon over to you. Part of the reason for our decision is the excellent cooperation we received from the Department of Justice during the course of our investigation.

As you continue your inquiry, please keep in mind that we will make available to you the information and materials we have developed to date. We will make every effort to cooperate with you, and the other federal authorities, in any way possible.

Very truly yours,


Douglas B. Bailly
Attorney General

cc: Mark Davis, Acting U.S. Attorney

April 2, 1991

MEMORANDUM

TO: Trustee Council Members

FROM: *Not* Paul Gertler, Chair *Susan MacMillan*
Management Team

SUBJECT: Agenda for April 4, 1991 Trustee Council Meeting

Below is a proposed agenda for the Trustee Council Meeting scheduled for April 4th at 10:30 a.m. in Juneau. If you need clarification or have additional items for the agenda, please call me at (786-3579) or fax your comments to me (786-3350).

DRAFT

TRUSTEE COUNCIL MEETING
APRIL 4, 1991
FOREST SERVICE CONFERENCE ROOM
5TH FLOOR -- FEDERAL BUILDING
JUNEAU, ALASKA
10:30 a.m.

AGENDA

Decision Item

1. 1991 Restoration Science Program

This is the last piece of the 1991 science program. A budget placeholder number of \$3,675,000 was approved by the Trustee Council and then the State and Federal Trustees in January. This is the number which appears in "Pink Book." The Work Group and the Management Team were asked to return to the Trustee Council with a recommended 1991 Restoration Science Program.

Decision: The Management Team and Work Group are recommending twelve projects for OY3 with a total budget of approximately \$2.3 million. The Trustee Council is asked to approve the package and suggest modification, if any.

Information Items

2. 1991 Injury Assessment Program and Settlement

If the settlement is approved, litigation concerns may no longer be a major factor in study design. Consequently there may be an opportunity for further efficiencies in the injury assessment program. However, as the State is still involved in third party litigation, litigation concerns are still a factor.

3. Status of Information and Data Release

- o Summary of injuries to Congress
- o Information release to the public

Discussion Items

4. Organization for Trustee Council Work

The Council will discuss how to proceed in the interim, before the settlement takes effect and for the three or four months after settlement as the reorganization plan is developed and put into place.

5. Trustee Coordination with State and Federal On Scene Coordinators for OY3 Cleanup

The costs of this year's cleanup will be taken out of the 1992 settlement payment. Accordingly, the Trustees will need to be involved more closely than in past years on the decisions of where, how, and how much to invest in clean up.

cc: Management Team
Legal Team
Restoration Planning Work Group

MORRIS E. UDALL, ARIZONA, CHAIRMAN
 GEORGE MILLER, CALIFORNIA, VICE CHAIRMAN
 PHILIP M. BISHOP, INDIANA
 EDWARD J. MARKEY, MASSACHUSETTS
 JUSTIN J. MURPHY, PENNSYLVANIA
 THOMAS J. DIAZ, WEST VIRGINIA
 BRUCE F. VENTO, MINNESOTA
 PAT WILLIAMS, MONTANA
 BEVERLY S. SYRON, MARYLAND
 RON W. LUGO, VIRGIN ISLANDS
 SAM GLADSTONE, CONNECTICUT
 PETER H. KOSTMAYER, PENNSYLVANIA
 RICHARD H. LEHMAN, CALIFORNIA
 BILL RICHARDSON, NEW MEXICO
 GEORGE (BUDDY) BARDEN, GEORGIA
 PETER J. VISCLOSKEY, INDIANA
 JAMES S. FUSTER, PUERTO RICO
 MEL LEVINE, CALIFORNIA
 WAYNE OWENS, UTAH
 JOHN LEWIS, GEORGIA
 BEN HIGHTHORSE CAMPBELL, COLORADO
 PETER A. DEFALZO, OREGON
 ENI F.H. FALSONAVALUA, AMERICAN SAMOA
 TIM JOHNSON, SOUTH DAKOTA
 CHARLES E. SCHUMER, NEW YORK
 JIM JORTZ, INDIANA
 PETER HOAGLAND, NEBRASKA
 HARRY JOHNETON, FLORIDA
 LARRY LAROCCO, IDAHO

U.S. House of Representatives

Committee on Interior and Insular Affairs Washington, DC 20515-6230

April 17, 1991

DON YOUNG, ALASKA
 RANKING MEMBER
 ROBERT J. LAMARCA, CALIFORNIA
 RON MARSHALL, MONTANA
 JAMES V. HANSEN, UTAH
 BARBARA F. VUCANOVICH, NEVADA
 BEN SLAZ, GUAM
 JOHN J. RHODES, ARIZONA
 ELTON GALLEGLY, CALIFORNIA
 ROBERT P. SMITH, OREGON
 CRAIG THOMAS, WYOMING
 JOHN J. DUNCAN, JR., TENNESSEE
 RICHARD T. SCHULZE, PENNSYLVANIA
 JOEL HEFLEY, COLORADO
 CHARLES H. TAYLOR, NORTH CAROLINA
 JOHN T. DOOLITTLE, CALIFORNIA
 WAYNE ALLARD, COLORADO

DANIEL P. BEARD
 STAFF DIRECTOR
 RICHARD MELTZER
 GENERAL COUNSEL
 DANIEL VAL KISH
 REPUBLICAN STAFF DIRECTOR

The Honorable H. Russel Holland
 United States District Judge
 U.S. District Court
 222 West 7th Avenue No. 4
 Anchorage, Alaska 99513

Dear Judge Holland:

I have reviewed the U.S. Department of Justice's memorandum supporting the government's criminal plea agreement in United States v. Exxon Corporation and Exxon Shipping Company (No. A90-015-CR) which was filed in your court yesterday (April 16, 1991).

In my view, the Department of Justice's memorandum fails to satisfactorily explain why it is in the public interest to agree not to bring criminal charges or any civil or administrative penalties against Alyeska Pipeline Service Company ("Alyeska") or its owner companies, including British Petroleum and Arco, for their conduct related to the Exxon Valdez oil spill.

In my April 8, 1991, letter, I set forth compelling evidence from company documents that Alyeska and its owner companies were aware long before the Exxon Valdez spill that Alyeska could not effectively respond to an oil spill in Prince William Sound, failed to make recommended improvements in Alyeska oil spill response capabilities, and secretly decided that Alyeska would not respond to an oil spill in the manner prescribed by Alyeska's Oil Spill Contingency Plan.

Despite this evidence, the Department of Justice failed to file any criminal charges or pursue any civil litigation against Alyeska or its owner companies other than Exxon. Yet Alyeska and its owner companies and shareholder representatives are immunized in both the proposed criminal plea agreement and civil settlement with Exxon.

The Department of Justice's memorandum acknowledges that criminal charges could have been brought against Alyeska for false statements in violation of 18 U.S.C. section 1001 (p.21). However, Justice asserts that "it was in the best interests of the public" to

The Honorable H. Russel Holland
April 17, 1991
Page 2

let Alyeska and its owner companies off the hook by including them in the proposed plea agreement with Exxon. However, Justice failed to explain how they weighed the evidence against Alyeska to arrive at this conclusion.

How can it be "in the best interests of the public" when the Department of Justice is not even attempting to recover a single penny in compensation from Alyeska or its owner companies other than Exxon?

As Justice's memorandum points out, factors to be considered by the court pursuant to 18 U.S.C. section 3553 in reviewing the proposed plea agreement include the need of the sentence to: reflect the seriousness of the offense; promote respect for the law; provide just punishment; afford adequate deterrence; and provide restitution for victims.

It is difficult to understand how granting Alyeska and its owner companies immunity from criminal prosecution can conceivably "promote respect for the law" or meet any of the other sentencing criteria.

In defending the non-prosecution of Alyeska, Justice's memorandum states that the plea agreement "preserves the federal government's right to prosecute any employee of Alyeska for any criminal conduct that may have been associated with the spill plan." Yet this obfuscates the reality that it was the Alyeska owner companies and their representatives on Alyeska's Owners Committee who are most culpable since they decided not to commit the resources necessary for the Alyeska employees to respond effectively to an oil spill in Prince William Sound.

The Department of Justice has failed to meet its burden of proof that providing immunity for Alyeska, its owner companies, and their shareholder representatives, is in the public interest. I urge you to reject the plea agreement as currently written.

Sincerely yours,


GEORGE MILLER
Vice Chairman

cc: The Honorable Richard L. Thornburgh
Attorney General, U.S. Department of Justice

Alyeska Group Is Subpoenaed By Grand Jury

Inquiry Involves the Oil Spill By Tanker Exxon Valdez In Prince William Sound

By CHARLES MCCOY

Staff Reporter of THE WALL STREET JOURNAL
A federal grand jury has issued subpoenas to Alyeska Pipeline Service Co. and its owners as part of an investigation into possible criminal wrongdoing in connection with the Exxon Valdez oil spill.

The grand jury investigation, however, was confirmed in documents filed with the Securities and Exchange Commission by Atlantic Richfield Co. Arco's Arco Pipeline Co. owns 21% of Alyeska, the consortium set up by several companies to operate the Trans-Alaska Pipeline. A separate but related Federal Bureau of Investigation investigation has been under way since shortly after the March 24 spill, caused when the Exxon Valdez supertanker crashed into a reef and dumped 11 million gallons of crude oil into Alaska's Prince William Sound.

Alyeska is responsible for reporting the first efforts to contain damage from spills in the sound and had long assured state regulatory bodies that it was capable of responding speedily to any major spill. It has been bitterly criticized for a slow, stumbling response in the hours immediately after the Exxon Valdez ran aground. Although Alyeska has defended its efforts, environmentalists and many state officials maintain that Alyeska's failure to corral more of the oil before it drifted away from the ship greatly increased the environmental damage done as the oil roamed the sound and washed up on its rocky shoreline.

Late yesterday, Alyeska confirmed that it had been subpoenaed but said that the Justice Department had informed it that it was "not a target" of the probe. An Alyeska spokesman declined to specify the target. Neither the Justice Department nor the FBI had any immediate comment on the grand jury probe.

In its filings, Arco said Arco Pipeline had been subpoenaed by a federal grand jury in Anchorage for records of its "review and evaluation of Alyeska's oil spill equipment, personnel, capabilities and contingency plans."

To operate the pipeline, Alyeska is required by state law to submit contingency plans spelling out how it will respond to spills or other disasters. In the Valdez spill, Alyeska failed to do many of the things it had said it could do in its plan. For example, the plan called for Alyeska to respond in less than five hours to spills in the area where the Exxon Valdez crashed. Significant emergency equipment didn't begin arriving at the site until

AS THE WALL STREET JOURNAL THURSDAY, AUGUST 31, 1989

nearly 14 hours after the tanker went aground. In addition, some of Alyeska's spill-fighting equipment was in disarray or quickly broke down.

Lawyers familiar with the numerous investigations and lawsuits surrounding the spill also said it was likely that, in addition to Arco, the other owners of Alyeska had been or will be subpoenaed, too. Those companies are Exxon Corp. (which owns the Exxon Valdez), British Petroleum Co., Mobil Corp., Amerada Hess Corp., Unocal Corp. and Phillips Petroleum Co.

Arco wouldn't elaborate on precisely what the grand jury is looking into. A spokesman would say only that "we have been asked for records, and we are in the process of compiling those records." None of the other owners could be reached to comment.

However, the probe most likely focuses on whether any of the companies may have been guilty of negligence that would constitute violations of federal anti-pollution laws such as the Clean Water Act. The laws authorize sizable fines and—in certain circumstances—prison sentences of as many as 15 years. Last month, Alaska dropped a criminal probe of Alyeska, saying that federal laws have stiffer penalties and tougher provisions than state laws and thus were better suited to the case.

Alyeska has already been named a co-defendant in many of the suits filed in connection with the spill, including the massive civil lawsuit filed by the state earlier this month.

Trustees for ALASKA

A Non-Profit, Public Interest, Environmental Law Firm

April 12, 1991

DEPARTMENT OF
NATURAL RESOURCES

APR 12 1991

COMMISSIONER'S OFFICE
ANCHORAGE

Commissioner Harold Heinze
Alaska Department of Natural Resources
400 Willoughby Avenue
Juneau, Alaska 99801

PUBLIC RECORDS REQUEST

will fax it. smh

Dear Mr. Heinze:

Trustees for Alaska, Alaska Center for the Environment, and Thomas Lokash hereby request information under the Alaska Public Records Act, AS 9.25.110. Please furnish us, within 10 working days of your receipt of this letter, with a copy of the following documents:

- a. Any and all economic, sociological and scientific studies generated to assess the damage to Alaskan lands, waters, flora, fauna, or residents (the "Damage Assessments") as a result of the grounding of the T/V Exxon Valdez on March 24, 1989 (the "Spill"), including, but not limited to, the post-mortem examination of dead marine mammals, birds or fish;
- b. Any and all correspondence, memoranda, and other documentation provided to the Alaska Legislature concerning the Spill settlement, including data describing those members of the Alaska Legislature to whom such information was distributed;
- c. Any and all correspondence, memoranda, and other documentation regarding the detection of mutagenic, carcinogenic, or toxic substances in areas affected by the Spill;
- d. Any and all correspondence, memoranda, and other documentation concerning the cost of removing the remaining oil from areas affected by the Spill; and
- e. Any and all correspondence, memoranda, and other documentation concerning the cost of restoring the areas affected by the Spill.

We also request that you provide us with a catalogue of the above referenced documents so that this information will be readily accessible to the public and their Legislative representatives.

In determining whether to honor this request, we refer you to Anchorage School District v. Anchorage Daily News, 779 P.2d 1191 (Alaska 1989) ("[A] public agency may not circumvent the statutory

disclosure requirements by agreeing to keep the terms of a settlement confidential.")

If you withhold any portion of the requested documents, please identify the document and specify the exemption that applies and provide any guidance documents or legal opinions that support your interpretation.

If you determine that any of the requested documents, or portions of them, are exempt from release, please segregate those portions and release the remainder of the document.

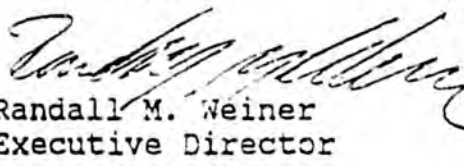
We also request that you waive any applicable fees for material search and duplication, since furnishing this material will benefit the public. Trustees for Alaska is a non-profit, public interest environmental law firm. We will make information requested available to our members and the general public upon request.

Trustees is not seeking financial gain through this request and does not anticipate using the information received for financial gain. In the event that charges in excess of \$100.00 are anticipated meeting this request, please notify the undersigned of the appropriate cost before filling this request.

Trustees is representing all of the groups and individuals making this request. Your response to this request should be made to the undersigned.

Thank you for your attention to this matter.

Sincerely,


Randall M. Weiner
Executive Director

cc. Charles Cole
John Sander
Carl Rosier
Anch Daily News
Anch Times

Tom Lakosh 2535767



April 22, 1991

Memorandum

To: Rep. Gruenberg

Fr: T. O'Malley

Re: Media Coverage of Oil Spill Committee close-out

The special committee's work over the next ten days or so merits some special news media planning. Here are some thoughts about what we can do to maximize news media coverage:

- Monday, April 22, 1991-Provide copies of Holland letter to all media once it's been officially approved by the committee.
- Tuesday, April 23, 1991-Conduct TV and radio interviews with you on the substance of the Holland letter.
- Wednesday, April 24, 1991-Have news release prepared on the final action and work completed by the special committee. Also, incorporate in the news release a reaction to Judge Holland's decision regarding the plea bargain. Hold news conference responding to Holland's decision and be prepared to discuss the implications of his decision vis-a-vis the civil settlement.
- Friday, April 26, 1991-Have a news release prepared on the report issued by the special committee and hold a news conference announcing what the recommendations of the committee are. Also, contact CNN, ABC, NBC and CBS and offer interviews regarding the committee's recommendations.

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STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

STEVE COWPER, GOVERNOR

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811-0300
PHONE: (907) 485-3800

June 21, 1989

Charles DiMonaco, Chief
Lands Division
Environmental Crime Section
Department of Justice
Washington D.C. 20038

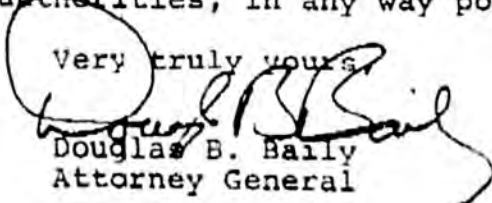
Dear Mr. DiMonaco:

We would like to inform you that the State of Alaska is no longer pursuing a criminal investigation of either Alyeska Pipeline Company or Exxon Shipping Company with respect to the Exxon Valdez oil spill. Based on our initial investigation, we believe that our remedies against these corporations are limited to B misdemeanors. For corporations, the maximum penalty for a B misdemeanor is a fine of \$100,000. In light of the state penalty structure, and the broader range of remedies available under federal law, we would defer any further investigation of the corporations involved in this matter to the Department of Justice.

Of course, if new evidence is developed that indicates additional criminal acts under state law have been committed by either defendant, we would be willing to resume our investigation. However, given our limited resources and limited remedies, we believe the best course of action at this time is to turn primary responsibility for any criminal prosecution of Alyeska and Exxon over to you. Part of the reason for our decision is the excellent cooperation we received from the Department of Justice during the course of our investigation.

As you continue your inquiry, please keep in mind that we will make available to you the information and materials we have developed to date. We will make every effort to cooperate with you, and the other federal authorities, in any way possible.

Very truly yours,


Douglas B. Bailly
Attorney General

cc: Mark Davis, Acting U.S. Attorney



United States
Department of
Agriculture

Office of the
General
Counsel

Washington,
D.C.
20250-1400

Representative Max F. Gruenberg, Jr.
Chair, House Special Committee on the
Exxon Valdez Oil Spill Claims Settlement
P.O. Box V
State Capitol, Room 216
Juneau, Alaska 99811

April 10, 1991

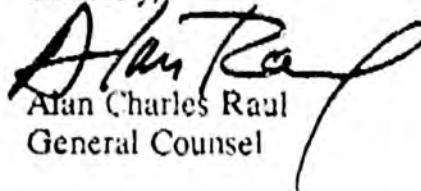
Dear Representative Gruenberg:

Thank you for your invitation to testify before the Special Committee of the Alaska House of Representatives on the Exxon Valdez Oil Spill Claims Settlement. Unfortunately, I must decline your request at this time. Because many of your questions concern matters of legal interpretation and because this matter is currently in litigation, the United States Department of Justice will prepare a more detailed response to your inquiry on behalf of the federal administration and this department.

In lieu of testimony, I am enclosing a copy of my statement before Congressman Gerry Studds' Subcommittee on Fisheries and Wildlife Conservation and the Environment on March 20, 1991.

Again, thank you for your invitation to us to participate in your hearings on this important subject.

Sincerely,


Alan Charles Raul
General Counsel

Attachment

Alaska State Legislature

House of Representatives



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 3, 1991

Honorable Russell Holland
United States District Court, District of Alaska
222 West 7th Avenue
Anchorage, Alaska 99510

Dear Judge Holland:

The Alaska House of Representatives has established the Special Committee on the Exxon Valdez Oil Spill Claims Settlement to review the agreements entered into by representatives of the State, the United States and Exxon Corporation, et al. The committee is reviewing the settlement agreement, the Memorandum of Agreement, and the Plea Agreement.

Due to the extraordinary importance and complexity of these agreements, and the other time demands on the committee members, it is impossible for the Special Committee, much less the full legislature, to complete our work prior to April 11.

We feel strongly that the elected representatives of the people are a body whose opinion on the merits of the various agreements, including the Plea Agreement, warrants the consideration of the court in its assessment of the public interest.

In order to provide the court with the committee's views on these agreements before you take action on any of them, the Special Committee will issue its report on or before April 23.

Cordially,

Rep. Max F. Gruenberg, Jr., Chair

UNITED STATES DISTRICT COURT

District of Alaska
222 West 7th Avenue - No. 54
Anchorage, Alaska 99510-7545

H. Russel Holland
Chief Judge

April 12, 1991

The Honorable Max F. Gruenberg, Jr.
House Special Committee on the
Exxon Valdez Oil Spill Claims Settlement
Alaska State Legislature
Post Office Box V
State Capitol, Room 216
Juneau, Alaska 99811

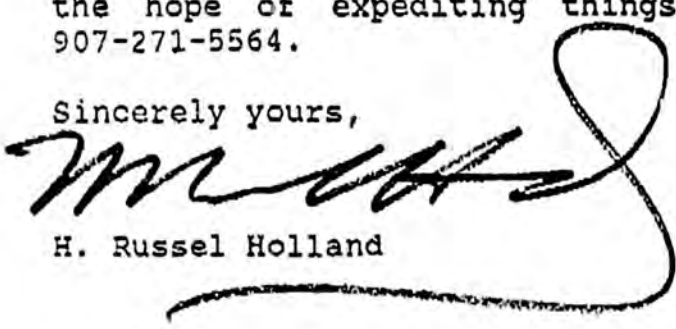
Re: United States v. Exxon Corp.
Case No. A90-015 Criminal

Sir:

I am in receipt of your letter of April 3, 1991. It is apparent that your committee has gone to some pains to accommodate the court and our calendaring of consideration of the plea agreement in the Exxon Valdez criminal litigation. I feel constrained to reciprocate, even though I had very much hoped to have all the materials to be considered in hand by April 11.

As I believe you are aware, we have scheduled consideration of the plea agreement for 8:30 a.m. on April 24, 1991. I do not expect to take the matter under advisement; and, as a consequence, my review of the committee's report will have to take place before the 24th of April. I will appreciate your arranging for delivery of the committee's report to me as early in the day on April 23 as you possibly can. Although we have expressly rejected the idea of permitting the general public to present comments employing our FAX number, I will receive the committee's report in that fashion in the hope of expediting things. The clerk's FAX number is 907-271-5564.

Sincerely yours,



H. Russel Holland

-----via facsimile-----

Alaska State Legislature

House of Representatives



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 23, 1991

Honorable H. Russel Holland
United States District Court
222 West 7th Avenue No. 54
Anchorage, Alaska 99513-7545

Re: United States v. Exxon Corporation
Case No. A90-015 Crim.

Dear Judge Holland:

The Committee appreciates the opportunity you have provided for legislative comment on the plea agreement. We particularly appreciate the courtesy of your April 12 letter.

We recognize the responsibility of all counsel not to make any threat of criminal prosecution to gain advantage in a pending civil case and your concern that the court not be a party to any such conduct.

However the legislature has its own responsibility, and that is to give thorough and thoughtful consideration to the civil agreement as well as to the plea agreement. That responsibility arises directly from, not only the civil agreement itself, but also the legislature's role as elected representatives of the people of Alaska.

In considering these agreements, it has become apparent that the civil agreement and the criminal plea agreement are in fact expressly and inextricably linked. Exxon can withdraw from the civil settlement if the criminal plea is not accepted. See item 38 on page 27 of the Agreement and Consent Decree. It was impossible (and probably inadvisable) for the parties, the public and this committee to consider them separately, without acknowledging their interrelationship. Except as set forth below, it has therefore not been possible for this committee to comment on the plea agreement alone, as if our judgment as to the public interest in that case had no relation to the civil agreement.

Page 2
April 23, 1991

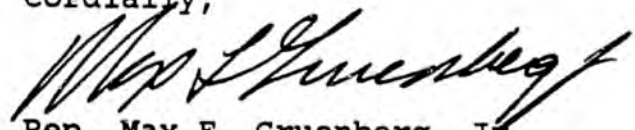
At this time, we have not reached a final decision regarding either the plea agreement or the civil agreement. We intend to present our report to the House of Representatives later this week. We are therefore unable to make conclusive comments on the plea agreement at this time. As we have previously stated in House Concurrent Resolution 19, copy enclosed, it is our view that, because these two matters are clearly linked, we request that the court defer action on the plea agreement until May 3, when the legislature will have reached a final decision regarding the civil agreement.

The Committee has several concerns about the proposed plea agreement, however:

- (1) Should Alyeska be relieved of all criminal liability without specifying the conduct or charges at issue?
- (2) Should Count IV of the indictment with respect to Exxon Shipping Company be dismissed, when the National Transportation Safety Board found that Exxon Shipping's "failure...to provide a fit master and a rested crew" was a probable cause of the grounding?
- (3) Is the criminal fine sufficient to deter other large corporations from engaging in similar criminal conduct in the future?

This letter is being sent by motion of the Committee. Individual members who are so inclined may also submit separate comments.

Cordially,


Rep. Max F. Gruenberg, Jr.
Chairman

Encl.: HCR 19

HOUSE CONCURRENT RESOLUTION NO. 19 am
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE

Amended: 3/21/91

Introduced: 3/21/91

Referred: Today's Calendar

A RESOLUTION

1 Relating to the United States v. Exxon plea agreement.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS the T/V Exxon Valdez oil spill of March 1989 and the actions taken by the United
4 States, the State of Alaska, and Exxon Corporation as a result of that spill have had a tremendous effect
5 on the people, land, and natural resources of Alaska; and

6 WHEREAS certain proposed agreements relating to the T/V Exxon Valdez oil spill have been
7 entered into by or between the United States, the State of Alaska, and Exxon Corporation and certain
8 of its subsidiaries; and

9 WHEREAS these agreements would provide for the settlement of various civil claims and
10 criminal charges brought by the United States and the State of Alaska against Exxon Corporation and
11 certain of its subsidiaries; and

12 WHEREAS the Alaska State Legislature is presently reviewing these agreements in order to
13 determine, among other things, whether the agreements are constitutional and in the best interest of
14 Alaska; and

15 WHEREAS the review being conducted by the Alaska State Legislature is not expected to be
16 completed until May 3, 1991; and

17 WHEREAS one of the agreements under review by the Alaska State Legislature is the plea

1 agreement entered into by the parties in United States of America v. Exxon Corporation and Exxon
2 Shipping Company, No. A90-015 CR; and

3 **WHEREAS** a hearing on that plea agreement is scheduled for Friday, March 22, 1991, before
4 the United States District Court for the District of Alaska; and

5 **WHEREAS** the Alaska State Legislature is concerned that approval of the plea agreement by
6 the United States District Court prior to the time the Legislature completes its review of all the
7 settlement agreements will not be in the best interest of Alaska;

8 **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the parties to the plea
9 agreement in United States of America v. Exxon Corporation and Exxon Shipping Company to request
10 the United States District Court to take no final action on the plea agreement prior to May 3, 1991; and
11 be it

12 **FURTHER RESOLVED** that if the parties refuse to accede to this request, the Alaska State
13 Legislature respectfully requests the United States District Court for the District of Alaska to take
14 judicial notice of this official act of the Alaska State Legislature and on its own motion delay final
15 approval of the plea agreement in United States of America v. Exxon Corporation and Exxon Shipping
16 Company until May 3, 1991.

17 **COPIES** of this resolution shall be sent to Joseph G. Block, Chief, Environmental Crimes
18 Section, Environment and Natural Resources Division, United States Department of Justice; Charles A.
19 De Monaco, Assistant Chief, Environmental Crimes Section, Environment and Natural Resources
20 Division, United States Department of Justice; Eric W. Nagle, Trial Attorney, United States Department
21 of Justice; Mark R. Davis, Special Assistant United States Attorney; Mark B. Harmon, Trial Attorney,
22 United States Department of Justice; James F. Neal, Counsel for Exxon Shipping; E. Edward Bruce,
23 Counsel for Exxon Shipping; Robert C. Bundy, Counsel for Exxon Shipping; Edward J. Lynch, Counsel
24 for Exxon Corporation; John F. Clough III, Counsel for Exxon Corporation; and to the Honorable H.
25 Russel Holland, Chief Judge, United States District Court for the District of Alaska.

Alaska State Legislature

House of Representatives



Official Business

P.O. Box V
State Capitol, Rm. 218
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 25, 1991

Charles Cole
Attorney General
State of Alaska
P.O. Box K
Juneau, AK 99811

Dear Mr. Cole:

Enclosed is a memorandum from Representative Kay Brown posing some questions she would like to have you answer. I thought we had previously sent this to you, but now find that we probably did not.

I apologize for the short time period, but would appreciate it if you could respond directly to Representative Brown by Monday, April 29. Please let me know if that timeframe for your response is not possible. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Andy Hemenway".

Andy Hemenway
Committee Counsel

Enclosure

Representative Kay Brown

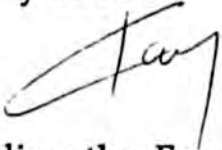
ALASKA STATE LEGISLATURE

Legislative Information Office
3111 C Street #435
Anchorage, Alaska 99503
(907) 561-7627

During Session
P.O. Box V
Juneau, Alaska 99811
(907) 465-4998

TO: Representative Max Gruenberg, Chair
Special Committee on the Proposed Exxon Settlement

FROM: Representative Kay Brown

DATE: April 17, 1991 

SUBJ: Questions Regarding the Exxon Valdez Settlement

As we discussed, I would like to have Attorney General Cole provide a written response to the following questions:

1. Is it the administration's policy to fully determine the natural resource injuries caused by the spill?
2. The plea agreement and the memorandum of agreement define restoration to include "enhancement of affected resources" [Plea Agreement p. 8], or "enhancement of resources" [MOA, p. 8]. In contrast to the rest of the definition, these words are not found in the Clean Water Act. Where did the added language come from? Why was it included? Please explain how natural resources "enhancement" differs from or enlarges on the definition of restoration contained in the Clean Water Act and related regulations (see, for example, see 42 USC. sec. 9607: "Sums recovered by a State as trustee...shall be available for use only to restore, replace or acquire the equivalent of [injured] natural resources.")
3. How much state funds have been spent on economic studies related to this case?
4. What valuation (dollar value) of the damages from the Exxon Valdez spill was determined by the contingent valuation analysis conducted by the economists hired by the state? [See the Washington

DISTRICT 12

Downtown • Fairview • City View • Bootleggers Cove • Inlet View • South Addition • Thunderbird Terrace
Eastridge • Penland Park • Airport Heights • Government Hill

printed on recycled paper

Post, 3/20/91, "Value of Intangible Losses From *Exxon Valdez* Spill Put at \$3 Billion."]

5. Did any representative of the state make any representation to Exxon or any other party that the state would not disclose the state's economic studies?
6. Please provide for the committee copies of memoranda prepared by the Department of Law for state representatives to the restoration planning work group interpreting the definitions of restoration found in federal laws and regulations.
7. Could forested habitat or timber rights in or near the Kachemak Bay State Park be an "equivalent resource" as that term is used in the federal definition of restoration?
8. Why is the state's claim under the TAP liability fund being kept secret from the public?
9. Is it the view of the administration that state employees may be employed in restoration activities funded by the settlement without appropriation by the legislature of the funds to cover their salaries?
10. Is it the view of the administration that the trustees may enter into contracts independent of state laws and procedures governing government contracting?
11. Is the Governor precluded from appointing a member of the legislature to serve as a Trustee?

Your assistance with this request is appreciated.

Alaska State Legislature

House of Representatives



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 24, 1991

Attorney General Charles Cole
Pouch K
Juneau, Alaska 99811

Assistant Attorney General Richard Stewart
Environment and Natural Resources Division
U.S. Department of Justice
10th and Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Jack G. Clarke
Senior Vice President
Exxon Corporation
225 E. John W. Carpenter Freeway
Irving, Texas 75062-2298

Gentlemen:

Judge Holland's decision today has raised questions about the utility of the legislature continuing its evaluation of the proposed settlement.

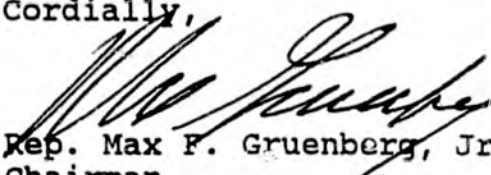
If any party decides to withdraw from the current settlement as a result of Judge Holland's decision, the legislature's timetable may need to be altered. The Committee would be grateful if the parties would inform it in writing by 2:00 p.m. Alaska Daylight Time on Thursday, April 25, 1991, if any of them intends at this time to withdraw from any of these agreements. Please consider this a continuing request, should any of the parties reach such a decision at a later time.

Pending any notification of a change in the current schedule, the Committee will continue its work under the original schedule.

The Committee believes it is important that all the parties have an opportunity to consider, without undue haste, the ramifications of the judge's decision and to reach a carefully reasoned determination as to an appropriate course of action.

If the parties believe that an extension of the May 3 deadline is necessary to provide that opportunity, it is important that the timing of legislative action concerning the agreement be coordinated through the House and Senate Special Committees.

Cordially,



Rep. Max F. Gruenberg, Jr.
Chairman

cc: Hon. Russel Holland

EXXON

J. G. CLARKE
Director and Senior Vice-President

April 25, 1991

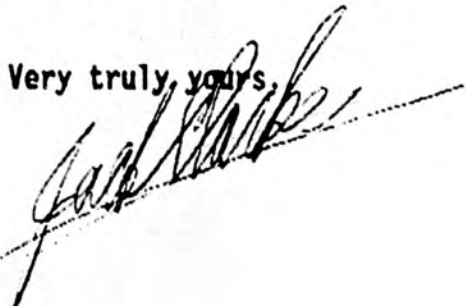
VIA FACSIMILE

The Honorable Max F. Gruenberg, Jr.
Chairman, Special Committee on the
Exxon Valdez Settlement
House of Representatives
Alaska State Legislature
P. O. Box V
State Capital, Room 216
Juneau, Alaska 99811

Dear Mr. Gruenberg:

With reference to your letter of April 24 to Charles Cole, Richard Stewart and me, this will confirm that if we decide to withdraw from the March 12, 1991 Civil Agreement and Consent Decree, we will inform you in a timely manner of that decision after we have informed the other parties to that agreement.

Very truly yours,



JGC:nc

c: The Honorable Charles E. Cole
The Honorable Richard Stewart



Alaska State Legislature

House of Representatives



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 22, 1991

Honorable H. Russel Holland
United States District Court
222 West 7th Avenue No. 54
Anchorage, Alaska 99513-7545

Re: United States v. Exxon Corporation
Case No. A90-015 Crim.

Dear Judge Holland:

The Committee appreciates the opportunity you have provided for legislative comment on the plea agreement. We particularly appreciate the courtesy of your April 12 letter.

We recognize the responsibility of all counsel not to make any threat of criminal prosecution to gain advantage in a pending civil case and your concern that the court not be a party to any such conduct.

However the legislature has its own responsibility, and that is to give thorough and thoughtful consideration to the civil agreement as well as to the plea agreement. That responsibility arises directly from, not only the civil agreement itself, but also the legislature's role as elected representatives of the people of Alaska.

In considering these agreements, it has become apparent that the civil agreement and the criminal plea agreement are in fact expressly and inextricably linked. Exxon can withdraw from the civil settlement if the criminal plea is not accepted. It was impossible (and probably inadvisable) for the parties, the public and this committee to consider them separately, without acknowledging their interrelationship. It has therefore not been possible for this committee to comment on the plea agreement alone, as if our judgment as to the public interest in that case had no relation to the civil agreement.

Page 2
April 22, 1991

At this time, we have not reached a final decision regarding either the plea agreement or the civil agreement. We intend to present our report to the House of Representatives later this week. We are therefore unable to comment on the plea agreement at this time. As we have previously stated in House Concurrent Resolution 19, copy enclosed, it is our view that, because these two matters are clearly linked, we would suggest and request that the court defer action on the plea agreement until May 3, when the legislature will have reached a final decision regarding the civil agreement.

This letter is being sent by motion of the Committee. Individual members who are so inclined may also submit separate comments.

Cordially,

Rep. Max F. Gruenberg, Jr.
Chairman

Encl.: HCR 19



U.S. Department of Justice
Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

April 9, 1991

Honorable Gerry E. Studds
Chairman
Subcommittee on Fisheries and
Wildlife Conservation and
the Environment
Committee on Merchant Marine
and Fisheries
U.S. House of Representatives
Washington, D. C. 20515

Honorable Dennis M. Hertel
Chairman
Subcommittee on Oceanography and
Great Lakes
Committee on Merchant Marine
and Fisheries
U.S. House of Representatives
Washington, D. C. 20515

Dear Chairman Studds and Hertel:

This responds to your letter to the Attorney General, dated March 26, 1991, requesting documents prepared in connection with the pending criminal and civil litigation arising from the Exxon Valdez oil spill. These are United States v. Exxon Corporation, et al. (Nos. A90-015-1CR; A90-015-2CR) and United States v. Exxon Corporation, et al. (No. A-91-082 Civ. D. Alaska).

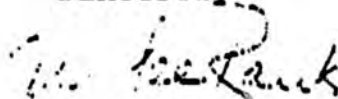
The Department has endeavored to obtain appropriate criminal penalties and civil remedies for the wrongdoing and injuries related to the oil spill. The court is scheduled to sentence the defendants who have entered pleas in the criminal case during the next month. A proposed settlement and consent decree are pending before the court in the civil case and we expect that the court will rule on them at the end of the current notice and comment period. We believe, based upon the available information, that the proposed settlement is adequate, proper and would serve the best interests of the United States. If, however, the court decides not to accept the pretrial resolution of one or both of these actions, then they could proceed to trial. In that event, the United States would be forced to litigate the criminal and civil claims against Exxon, which litigation would run for years. Also, additional litigation has recently been filed alleging that the United States bore some responsibility for the Valdez spill.

We have prepared and filed with the court a summary of our scientific studies relating to natural resource damage from the spill in order to assist the court in evaluating the civil consent decree and the criminal plea. A copy of the summary is enclosed. We also can furnish some of the raw scientific data, which will not have a material affect on our litigation position, gathered by the federal trustee agencies in connection with damage assessment and restoration planning, which will be placed in the Oil Spill Public Information Center (OSPIC) in Anchorage. We believe that these documents, and the extensive materials already on file at the OSPIC, examples of which are listed in the enclosed bibliography, will provide an ample basis for evaluating the proposed plea agreement and civil settlement.

We regret that we cannot provide additional documents which were developed during the course of the pending litigation. Some of these documents, which include information furnished by expert consultants on a confidential basis, have not been disclosed outside of the Department and its federal agency clients. They also include materials that would not be available to an opposing party in the litigation. After careful consideration and despite our appreciation of the interests of your Subcommittee, we have concluded that the production of additional documents at this time would be inappropriate and pose an unacceptable risk to the pending litigation.

We appreciate your understanding of the importance to the United States of these proposed criminal and civil resolutions relating to the Valdez spill and the litigation sensitivity of the considerations that have gone into the proposed resolutions of these matters. We also appreciate your understanding that we must protect the exercise of fiduciary responsibilities by the natural resource trustees, who are among our client agencies, in achieving the best resolution of these claims. At the same time, we appreciate the Committee's oversight role in these matters. Once the litigation is resolved, we would be pleased to discuss the possibility of providing additional information.

Sincerely,



W. Lee Rawls

Assistant Attorney General

Enclosures

Alaska State Legislature
Representative Niilo Koponen

Pouch V
Juneau, Alaska 99811
(907) 465-4992

House District 21

119 N. Cushman, Suite 207
Fairbanks, Alaska 99701
(907) 456-8172

April 2, 1991

Letters to the Editor
The New York Times
229 W. 43rd Street
New York, NY 10036

To the Editor:

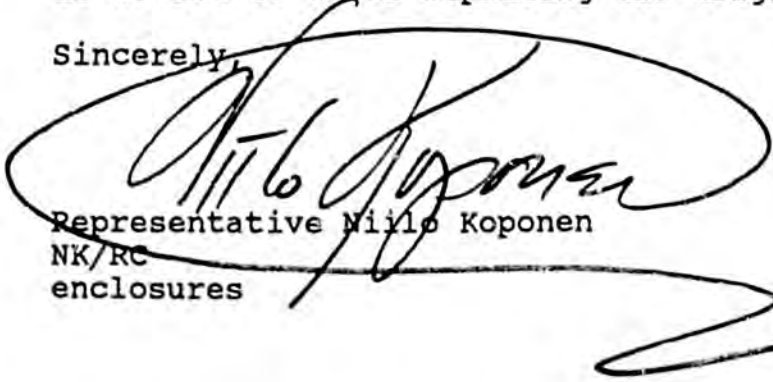
Richard Mauer's article (The New York Times National edition, Sunday, March 24, 1991) apparently concludes that the proposed settlement of Exxon Valdez oil spill litigation solves all of the State's concerns and leaves only Native Alaskans unhappy. This is erroneous. The Alaska State Legislature is examining the proposed settlement carefully. We remain skeptical.

Exxon and Governor Hickel agreed to a payment of \$1 billion. In reality, the lenient payment schedule combines with inflation to shrink a billion-dollar settlement to \$400-600 million. Is that sufficient recompense for hundreds of miles of fouled coastline, lasting damage to entire ecosystems and permanent changes to the subsistence lifestyles of rural Alaskans? Probably not, but we'll never really know. If this settlement stands, the scientific evaluations of the spill's effects remain secret. How will hiding this information benefit the people of the State of Alaska?

Exxon's chairman, Lawrence Rawl, neatly summed up the corporation's continuing contempt for us all when he stated that Exxon wasn't worried about the costs of the settlement -- the consumers would pick up the tab. They've inflicted deep, lasting injury on the people of Alaska, and they clearly don't care. They simply want to avoid an embarrassing courtroom discussion of their sins -- all the more reason to subject Exxon to a public airing of events leading to and following the spill.

To counter Hickel administration rhetoric suggesting that all of Alaska supports the proposed settlement, I am enclosing three recent newspaper clippings. I encourage you to review them and continue your investigations into both the spill and the proposed litigation settlement. An active and informed press is essential if we are to avoid repeating the tragic events of March 24, 1989.

Sincerely,



Representative Niilo Koponen
NK/RC
enclosures

Exxon beats rap

The penalties don't fit the crime

The only thing criminal about the criminal penalties leveled in the Exxon Valdez settlement is their utter ineffectiveness.

Exxon, one of the world's largest corporations, has agreed to pay \$100 million in fines for several misdemeanors committed in North America's largest oil spill. But Exxon is so big and so rich that neither its corporate executives nor its stockholders will miss \$100 million for longer than it takes to say Prince William Sound. Giant corporations like Exxon view fines — even fines of this magnitude — as a cost of doing business. As Exxon Chairman Lawrence Rawl himself said, the agreement "will not have a noticeable effect on our financial results."



Thornburgh

Attorney General Dick Thornburgh is flat out wrong when he says the \$100 million fine "represents a clear and unmistakable signal to those engaged in environmental crime" that they will be punished. On the contrary, this fine signals corporate America that if you're big enough, powerful enough, and stubborn enough you can buy your way out of trouble.

When the federal government indicted Exxon a year ago, Attorney General Thornburgh said the government would "throw the environmental book at Exxon." That never happened. Instead, Exxon threw its checkbook at the federal government.

The Exxon Valdez case proves beyond a reasonable doubt that fines are a poor weapon in the fight against multi-billion dollar environmental outlaws. Unless fines are based on a corporation's ability to pay, large corporations won't fear them. Unless fines can have a major impact on corporate finances, corporate officials won't feel any pain from them. And American lawmakers have made it plain — repeatedly — that they have no intention of crippling major corporations with earth-shaking fines that reflect the company's ability to pay.

Exxon got acres of bad press from the oil spill. Exxon got internationally embarrassed by the oil spill. But Exxon got off easy with Attorney General Thornburgh's fine, which is inconsequential given Exxon's wealth.

No, if Attorney General Thornburgh wants to throw the book at environmental polluters, he better get Congress to write some new laws and build some new jails. Exxon would behave entirely differently if Chairman Rawl thought he might spend some time behind bars for his company's irresponsible behavior.

If Exxon spill fine is 'clear and unmistakable symbol,' watch out

If you think we got a good deal when the state and federal governments settled their lawsuits against Exxon for the oil spill, sit right down. Let's talk about it.

You and I could have gotten two things out of the federal criminal and state civil cases: protection for our land, air and water by making an example of Exxon, and a bunch of money. We got neither.

To get federal criminal charges dismissed, Exxon agreed to pay a \$100 million fine. In return, the feds agreed not to prosecute anyone associated with Exxon or Alyeska for anything associated with the wreck of the Exxon Valdez, the oil spill, the cleanup or the oil spill contingency plans.

Attorney General Dick Thornburgh said the fine "represents a clear and unmistakable signal to those engaged in environmental crime" that they will be punished.



MIKE DOOGAN

Either Thornburgh's got a terrific sense of humor or he flunked math. Exxon's revenue last year was \$117 billion. Fining them \$100 million is like punishing somebody who makes \$40,000 a year by fining him \$34.19. Doesn't sound like much of a deterrent to me.

Especially when you stop to consider that the oil spill was not an accident, but the logical outcome of a set of cost-cutting moves by officials of Exxon. Those officials could have been put on trial, which might actually have been a lesson for the next corporate biggie weighing profit against environmental hazard. Instead, the feds let them skate and nicked their company for chump change. What do you think the real message is?

Then there's the civil settlement. In it, the feds and the state drop their natural resource damage claims — the only big-money claims they've got — in return for \$900 million paid over 10 years or more. That's the same as our \$40,000-a-year guy shelling out about \$30 a year, most of which he gets to write right off his taxes. (I know, there's the chance of another \$100 million much,

much later, but that's like saying the check might be in the mail.)

No wonder Exxon Chairman Lawrence Rawl said the settlement "looks pretty good to us." They're probably still partying over at Exxon.

What happens to that money? It goes into a fund run by state and federal bureaucrats to be used to pay for spill cleanup, restoration and scientific studies. Part of the cleanup cost to be paid is money Exxon's already spent.

I'll bet they're having champagne and caviar at that party.

Aside from keeping scientists and bureaucrats busy, what do we get for the money? We know the man-made cleanup was a joke, that the real cleanup is still being done by Nature. Won't the same thing be true of restoration? What can we do to restore the Sound, buy kelp and nail it to the seabed? Paint the rocks white again?

This seems to be a very iffy set of benefits to be letting Exxon off the hook. To get them we traded an unknown amount of money that we would have gotten sometime

in the future and used to pay for education, bridges and the like.

Is this a good deal? Well, we'd have a better idea if the state wasn't keeping secret the economic studies that would tell us what the damage to the Sound was really worth. But it's hard to see how a wrist-slap for Exxon and a small trust fund run by 'crats amounts to a very good deal for Alaska or the people who live here.

Oh, you can see what's in it for Exxon. And what's in it for George Bush, who wants to clear the decks for putting pipe in the ground of the Arctic National Wildlife Refuge. And even what's in it for Wally Hickel: He needed something he could call an accomplishment after 100 days of fumbling around in office. He wants development — ANWR, his very deserving gas pipeline, anydamning. And he got to climb back into the national spotlight.

You just can't see what's in it for us.

□ Mike Doogan's opinion column appears Sundays, Tuesdays and Fridays.

Anchorage Daily News 3/15/91

Settlement helps Hickel woo support

Democrats wary; governor
claims victory over Exxon

By DAVID POSTMAN
Daily News reporter

Anchorage Daily News
3/15/91

JUNEAU — Gov. Wally Hickel Thursday tried to turn his success in getting a proposed settlement of the Exxon Valdez lawsuits into legislative and popular support for his other programs.

In a rare midsession speech to a joint session of the legislature, Hickel reported on the Exxon settlement announced Wednesday and said he was now ready to "resolve many other of Alaska's great challenges."

He said nothing new about the settlement in the 15-minute televised speech. He used the forum to ask the legislature to support his proposed solution to the subsistence crisis and the mental-health trust lands controversy. Recapping his State of the State Address, he also talked about opening the Arctic National Wildlife Refuge to oil drilling, said the operating budget needs to be cut and asked for support for his public works bill.

"Let's face it, the governor was not addressing the legislative body tonight," said House Speaker Ben Grussendorf, D-Sitka. "The governor was using it as a forum to talk to the Alaska public ... and trying to pull the public to support other issues."

When asked if he thought he was on a roll from the Exxon settlement, Hickel said, "I've been on a roll since I was born."

Grussendorf and other lawmakers praised Hickel and Attorney General Charlie Cole

Please see Page E-3, **HICKEL**

HICKEL: Governor claims victory on spill

Continued from Page E-1

for their hard work in getting a settlement. But some questioned whether it was a good deal and they were split on whether the accomplishment would do Hickel any good on his legislative agenda.

"I think it will help," Sen. President Dick Eliason, R-Sitka, said. "There's no question about it, he is a leader. He is the most optimistic man in Juneau. As Ronald Reagan used to say, he can dig through a pile of manure and find a pony in there somewhere."

Senate Majority Leader Rick Halford agreed, saying, "Governor Hickel is a big-picture governor. This is exactly the kind of issue he can shine in, and if he can do that with some of these other big issues, he will be doing very well."

Rep. Terry Martin, R-Anchorage, one of the governor's biggest boosters, said Hickel has set an example.

"It puts a good, positive picture on everything," he said. "People realize we can get things done."

Democrats were less sure.

"I don't think there is linkage with any of those things," Rep. Johnny Ellis, D-Anchorage, said. "His perceived victory with Exxon is somewhat mixed, and I don't think he should expect it to help him on other issues."

Rep. Mike Navarre, D-Kenai, said the public may now perceive Hickel as a "can-do governor" but that won't help in the legislature.

"The easy thing to do right now is jump on the bandwagon and say, 'Rah rah, we settled the Exxon Valdez case.' But it's incumbent on this legislature to fully examine this settlement to make sure it is in

Natives' battle against Exxon will continue, leaders assert

By T.A. BADGER

The Associated Press

Alaska Native groups whose lands and livelihoods were affected by the Exxon Valdez oil spill said Thursday they will find a way to make the oil giant pay for the damage.

Chugach Native leaders meeting in Anchorage said they have not given up on their efforts to compel Exxon Corp. to pay off claims from the spill that dumped 11 million gallons of oil into Prince William Sound in 1989.

"We were impacted economically and socially, as well as the effect on our subsistence lifestyle," said Karen Schwartz of the Mount Marathon Native Corp. "(The spill) ruined something so beautiful, so much a part of our lives."

They also said they feel betrayed by the state and federal governments because they were left out of negotiations with Exxon that resulted in a proposed \$1 billion settlement of criminal and civil claims reached this week.

"They had an opportunity to include us and get our claims taken care of, but this

wasn't done," said Pat Norman, president of the Port Graham Village Corp. "Regardless of what has happened, Exxon has to pay for what they have done."

Exxon spokesman Karsten Rodvik said Thursday the company would not comment on the Native claims.

Five Native villages and three Native corporations sought to block the settlement in federal court in Washington last week, contending their rights could be negotiated away without their participation.

U.S. District Judge Stanley Sporkin allowed the settlement as long as Native rights were protected.

Natives have a variety of state and federal lawsuits pending against Exxon and the Alyeska Pipeline Service Co., which operates the trans-Alaska pipeline.

Lloyd Miller, a lawyer representing Alaska Natives in class-action lawsuits, said that, because the settlement won't take effect until it is signed by a federal judge, it is not too late to take into consideration the right of Natives to participate.

the best interest of this state."

In the first critical comments about the settlement from a legislative leader, Grussendorf said it does not appear to be a good deal for the state. He said while the settlement was announced as a \$1 billion deal, it is really much less because Exxon has 10 years to pay it.

"From a dollars and cents point of view, it doesn't make sense," he said. "I feel the Exxon negotiators probably put themselves in a better position than the state of Alaska."

But Grussendorf said there are other considerations than just how much money Exxon has to pay. He

said there is a value to "putting this behind us" as long as the hundreds of private plaintiffs suing Exxon are not hurt by the deal.

Rep. Tom Moyer, D-Fairbanks, a member of the House Resources Committee, said he thinks the settlement will probably be approved, but he was disturbed to hear Exxon Chairman Lawrence Rawl say the settlement payment would be of little consequence to the oil giant.

"It's just another day at the office for Exxon," he said. "If it doesn't hurt the polluter, what does it do to send a signal? They are on the easy-payment plan here."

The settlement does not

become final until after a 30-day public comment period and a 15-day period during which either the state or federal governments could pull out of the deal. Eliason and Grussendorf said they will create committees to hold joint hearings on the proposal.

In his speech, Hickel said the settlement "is a victory for Alaska, environmentally, financially and psychologically." He asked the legislature to quickly approve it.

"Together, let's send a signal to the federal government and to the nation, that we as a people are ready to put this tragedy behind us," he said.

Spill Pact Deepens Natives' Isolation

By RICHARD MAUER

Special to The New York Times

PORT GRAHAM, Alaska — Here and in other small isolated native villages, the Exxon Corporation's \$1 billion settlement of government suits over the Exxon Valdez oil spill has not brought relief, only a further sense of being left out.

The Aleuts and Eskimos living in these villages had sued to prevent settlement of the government criminal and civil cases. After the settlement announced March 13, they find themselves virtually alone as they continue pressing Exxon to pay for damages they suffered from North America's worst oil spill.

"We felt extremely abandoned by the state and Federal Government," said Port Graham's village chief, Elenore McMullen, explaining that the residents would have no voice in how the \$1 billion would be spent. Two years after the spill, their fishing remains disrupted and their ancient

burial sites and settlements disturbed.

The settlement can still be rejected by Alaska's Legislature. Judge Stanley Sporkin of Federal District Court, who heard the suit by the Alaskan natives said he would block the settlement only if he was persuaded that native rights were jeopardized.

Terms of Settlement

In the settlement, Exxon agreed to plead guilty to four misdemeanor charges and pay \$1 billion over 10 years in fines, restitution and civil claims. The money will reimburse the state and Federal governments for their costs in the cleanup, the loss of resources, and scientific and economic studies. It will also be used to restore the area damaged by the spill in Prince William Sound.

In Port Graham, the agreement has only fueled mistrust.

"It didn't involve us as a native people," Mrs. McMullen said.

Eskimos and Aleuts fear for the little they have left.

Pat Norman, president of the local village corporation, expressed suspicion about Gov. Walter J. Hickel's motives in the settlement.

"He's got his own agenda regarding oil," Mr. Norman said, citing Mr. Hickel's personal project to build a gas pipeline from the North Slope to the port of Valdez, and his efforts on behalf of the state to open the Arctic National Wildlife Refuge to drilling. "If A.N.W.R. is going to be opened up, they can't be reminded about Prince William Sound."

Port Graham, with a population of about 170, sits among the spruce trees beside a bay on the sheltered side of the stormy Gulf of Alaska, 150 miles southwest of Anchorage. It is accessible only by air or water, and its people have used that isolation to preserve the village's Eskimo character. But distance did not protect it from the oil spill.

The village is over 200 miles west by sea from Bligh Reef, where the Exxon Valdez ran aground on March 24, 1989.

Oil Spreads to Port Graham

But then the oil rounded out of Prince William Sound, spread into the Gulf of Alaska, passed Kennedy Entrance to Cook Inlet and lapped up on the shores of Port Graham.

"It was like slow torture every morning," Mrs. McMullen said. "At first it was pain and tears for my friends in the sound, and then it was for us."

The oil is mostly gone now, but the damage remains. The other day, Mrs. McMullen said, she went to the beach for mussels, but there were none.

"I don't know what caused them to die and not be there," she said.

Studies done by the state might have some answers. But the Attorney General, Charles Cole, said he would not disclose the results because it could hurt the state in other litigation.

With the loss of most other facets of their culture, Alaska's natives view the hunting and gathering of traditional foods as one of their last links to their past and the tie that binds them together. In places like Port Graham, where jobs are scarce, subsistence is also a means for survival.

Salmon fishing was mostly abandoned the year of the spill when fish showed up with oil on their scales and in their gills. Though fishing returned last year, the company that operated the Port Graham cannery, uncertain about the quality of the fish, kept it closed. Mr. Norman said it will be



"Governor Hickel said we're behalf of all Alaska," said I the local village corporation ka, "but all Alaska didn't



Native villages like Port Graham are still seeking oil spill dam-

closed again this year, cost community 70 seasonal jobs, most important source of cash economy.

More infuriating to Mr. Norman, though, was the public disclosure of the 50,000 acres of land now claimed by the village corporation.

The sites, burial grounds and monuments dating back before the



Elenore McMullen, the village chief. "We felt extremely abandoned by the state and Federal government," she said, referring to the \$1 billion settlement, which was announced March 13 in Washington.

Isolation

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Norman, president of the local corporation, expressed suspicion about Gov. Walter J. Hickel's motives in the settlement.

got his own agenda regarding Mr. Norman said, citing Mr. Norman's personal project to build a pipeline from the North Slope to the Gulf of Valdez, and his efforts on the state to open the Arctic Wildlife Refuge to drilling. "W.R. is going to be opened up, but it's not be reminded about Prince William Sound."

Graham, with a population of 70, sits among the spruce trees in a bay on the sheltered side of the Gulf of Alaska, 150 miles west of Anchorage. It is accessible by air or water, and its people used that isolation to preserve the village's Eskimo character. Isolation did not protect it from the spill.

The village is over 200 miles west from Bligh Reef, where the Valdez ran aground on March



Photographs by Richard Mauer for The New York Times

"Governor Hickel said we're getting a settlement on behalf of all Alaska," said Pat Norman, president of the local village corporation in Port Graham, Alaska, "but all Alaska didn't have an impact like our

people and our corporation did." Mr. Norman expressed suspicion about Gov. Walter J. Hickel's motives for settling with the Exxon Corporation for damages from the Exxon Valdez oil spill.

Spreads to Port Graham

When the oil rounded out of William Sound, spread into the Gulf of Alaska, passed Kennedy Entrance and Cook Inlet and lapped up on the shores of Port Graham.

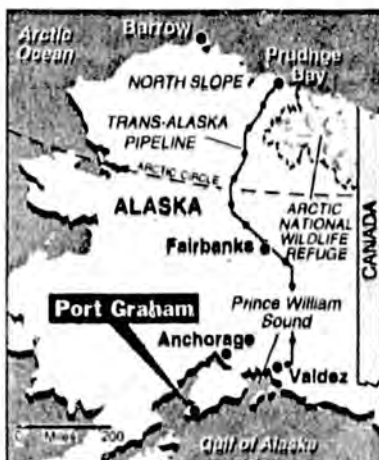
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The oil is mostly gone now, but the damage remains. The other day, Mrs. McMullen said, she went to the beach to collect shells, but there were none.

She doesn't know what caused them to not be there," she said.

What is done by the state might give me answers. But the Attorney General, Charles Cole, said he would close the results because it might hurt the state in other litigation. The loss of most other facets of culture, Alaska's natives view fishing and gathering of traditional foods as one of their last links to the past and the tie that binds them together. In places like Port Graham, where jobs are scarce, subsistence is also a means for survival.

After a year of the spill when fish were up with oil on their scales and gills. Though fishing returned, the company that operated the Graham cannery, uncertain of the quality of the fish, kept it. Mr. Norman said it will be



The New York Times

Native villages like Port Graham are still seeking oil spill damages.

closed again this year, costing the community 70 seasonal jobs and the most important source of cash for its economy.

More infuriating to Mr. Norman, though, was the public disclosure of previously unknown antiquity sites on the 50,000 acres of land owned or claimed by the village corporation.

The sites, burial grounds and settlements dating back before the can-

Will Exxon, having placated Alaska, stop there?

neries came and people left their scattered homes along the coast, were discovered by archeologists sent out before cleanup crews and were put on maps used by officials assessing spill damage. Mr. Norman and others fear that the antiquities will be looted.

"They're our people's sites," he said. "They need to be protected."

He is also angry that Exxon's chairman, Lawrence Rawl, has shrugged off the settlement cost. Exxon has hurt his people, Mr. Norman argued, and now the settlement should hurt the company.

Pleas by Native Groups

In December, when Governor Hickel, an independent, began talking about settling the state's lawsuit, the native groups wrote to him, seeking to wrap their claims in with the state's. They also wrote to the Federal Justice Department.

The letters were never answered, Mr. Norman said, adding that state officials promised them meetings

and then canceled at the last minute.

Attorney General Cole said there was no reason to involve the natives in the agreement because their claims were not being discussed in it.

But Mr. Norman said the state had more obligation than that.

"Governor Hickel said we're getting a settlement on behalf of all Alaska," he said. "But all Alaska didn't have an impact like our people and our corporation did. We didn't want Exxon to come in and say we paid that money to the state and Federal Government, so why the heck are you coming to us now?"

Though a decision has not yet been made on whether the natives will try to block the settlement, one of their lawyers, Lloyd Miller, of Anchorage, said the agreement falls far short of protecting their interests.

"They could have fashioned a remedy in that consent decree that would have provided for native participation in directing restoration efforts," Mr. Miller said.

With limited money, he said, what would happen if a proposal to restore clams and mollusks near Port Graham had to compete against a plan to rebuild the population of bald eagles in Prince William Sound? With no one standing up for the villages, he suggested, the natives would lose out.

WALTER S. JONES, NORTH CAROLINA, CHAIRMAN

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 CARROLL HUBBARD, JR., KENTUCKY
 WILLIAM J. HUTCHES, NEW JERSEY
 EARL HUTTO, FLORIDA
 BILLY TALLON, LOUISIANA
 THOMAS M. POJUTTA, PENNSYLVANIA
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CHIEF COUNSEL
EDMUND S. WELSHCHIEF CLERK
BARBARA L. CAVASMINORITY STAFF
DIRECTOR/CHIEF COUNSEL
GEORGE D. PENCE

U.S. House of Representatives Committee on

Merchant Marine and Fisheries

Room 1334, Longworth House Office Building

Washington, DC 20515-6230

April 12, 1991

Dear Judge Holland:

We are writing to express our views regarding certain aspects of the proposed settlement of Federal and state civil claims arising from the EXXON VALDEZ oil spill.

These views are based on the ongoing effort of our Subcommittees to monitor the response to the oil spill, particularly by Federal agencies, including the assessment of injury to natural resources and plans for restoring the environment of Prince William Sound. In this capacity, our Subcommittees conducted an oversight hearing on the proposed settlement on March 20, 1991. Prior to that hearing, we asked the Department of Justice to prepare and make public a summary describing and quantifying the scope and severity of injuries caused by the EXXON VALDEZ spill to natural resources. That summary was prepared and submitted to Congress and the Court on April 8th.

Following the hearing, we asked the Justice Department to provide "all documents summarizing or estimating the dollar value of injuries done to natural resources by the spill and the costs of restoring those damages", while offering, if requested, to maintain the confidentiality of those documents. That request was denied in a letter to us on April 9th. A copy of the correspondence is enclosed.

We believe there is a strong general argument to be made in favor of settling the pending Federal and state claims now, thereby avoiding prolonged litigation and making funds immediately available for restoration purposes. But we also believe that no settlement should be accepted unless it serves the public interest and meets the requirements of Federal law. We are unable at this time to determine if the proposed settlement satisfies these criteria. We therefore respectfully recommend that you not approve the proposal unless and until certain fundamental issues are clarified.

April 12, 1991
Page Two

Specifically, we believe that the following three actions should be taken prior to approval of the settlement: 1) disclosure to the court of enough information to permit a fully informed judgment about the monetary sufficiency of the proposed settlement; 2) a commitment by the trustees to release all damage assessment and restoration studies and related documents to the public after the settlement is approved; and 3) clarifications by the trustees concerning the manner in which the recovered funds will be spent and the extent of public participation in the restoration planning and decisionmaking process. Each point is discussed below.

1. THE TRUSTEES HAVE FAILED TO PROVIDE THE INFORMATION NEEDED TO ASSESS THE MERITS OF THE PROPOSED SETTLEMENT.

a. How much will restoration cost?

Section 311 of the Clean Water Act requires the United States to recover from Exxon sufficient funds to cover the costs of replacing or restoring the natural resources under its trusteeship that were damaged or destroyed by the oil spill. At this point, only the trustees--and perhaps not even they--are in a position to judge whether or not the amount of the settlement is sufficient to meet this statutory obligation. This is true because the trustees have not disclosed to the court, and have refused to disclose to Congress and the public, the detailed information necessary to assess the severity of damage and the anticipated costs of restoration or replacement.

Although we do not know how large the settlement should be, we do know that it is not as large as some of its proponents have encouraged the public to believe. Last month, we asked the Congressional Research Service to review the proposed agreement to determine its net value to the Federal and state governments in real terms, taking into account the effects of inflation and Exxon's ability to deduct civil payments from its taxes. That study, a copy of which is enclosed, placed the estimated net value of the settlement at between \$421 million and \$524 million.

The difficulty of judging the adequacy of the settlement is further complicated by the facts that the damage assessment process is, according to the Administration's April 3th summary, still in a "preliminary" stage; the degree of injury to some important species, including salmon, will not be known for years; injuries to several other species are continuing; and specific restoration plans have not been made, nor costs estimated.

April 12, 1991
Page Three

b. Should restoration funds be used to pay cleanup costs?

Today, more than two years after the spill, oil remains trapped in sediments and gravel. More cleanup may occur this summer. Under the proposed agreement, any future cleanup activities (and certain past cleanup costs) will be paid for by the Fund established to finance restoration activities. This will create a direct tension between cleanup funding and restoration funding -- an "either-or" scenario even though the Clean Water Act requires both.

The adequacy of this arrangement depends upon the sufficiency of funds to cover both obligations. Once again, no good conclusion can be made about this aspect of the agreement without better information on projected cleanup costs and restoration costs.

We, like the public, are not able to make a good judgment about the monetary adequacy of the proposed settlement. That is important, but it is far more important that the court have access to all the documents it needs to make that judgment. Those documents must include more than a summary of the injuries to natural resources that have occurred, but also an expert evaluation of the cost of restoring those injuries, acquiring equivalent resources, if necessary, and providing compensation for lost use and other values pending restoration. We urge you to withhold approval of the settlement unless and until that information has been provided to the court.

2. THE PUBLIC'S NEED TO KNOW.

As mentioned above, the trustees have refused to release their evaluations of the scope and severity of the injury to natural resources resulting from the spill. This refusal is based on the claim that disclosure would jeopardize the proposed settlement and is covered by a loosely construed attorney-client privilege.

We agree that the trustees are entitled to maintain the confidentiality of a limited amount of detailed information gathered or prepared specifically to assist the prosecution of a pending case and that would, if publicly revealed, seriously undermine their legal position. That entitlement is an extremely narrow one in our judgment, however, and should never again be interpreted as broadly as it has been by the trustees in the present case.

April 12, 1991

Page Four

The fact is that the trustees in this instance developed a virtual obsession about secrecy. That obsession undermined the effectiveness and coordination of oil spill response and damage assessment efforts and unnecessarily limited public access to information on matters as important as public health. The sharing of scientific data and the dissemination of expert opinions is vital to maintain public confidence and ensure the effectiveness of response actions. In this case, the trustees operated with a degree of secrecy for which there was no practical or legal justification.

It is important to remember that the information available to the Executive branch concerning natural resource injuries in the EXXON VALDEZ case was gathered pursuant to public law, by public personnel and at public expense. The information pertains to resources that are publicly managed, publicly owned and subject to public trusteeship under federal law. Accordingly, we believe that citizens deserve access to the information whether they desire simply to assess the merits of the deal worked out by the trustees or to make a more informed judgment about their own legal options.

Consequently, we urge you to solicit an enforceable commitment from the Federal Government that all information available to it concerning the scope and nature of injuries done to natural resources as a result of the oil spill, including documents that place an estimated dollar value on those injuries and the costs of restoration, will be made public promptly subsequent to approval of any proposed settlement.

3. THE TRUSTEES MUST CLARIFY VAGUE COMMITMENTS ABOUT HOW THE FUNDS WILL BE SPENT.

The proposed settlement and Memorandum of Agreement between the Federal and state trustees provide only a vague and inadequate description of the purposes for which the recovered monies will be spent and the manner in which decisions about spending priorities will be made. We therefore recommend to the court that it seek substantial further clarifications from the trustees on these matters.

The effect of the consensus decisionmaking approach proposed for the Trustee Council will be to allow each Federal and state representative to veto any proposal by any participant. In the event that the obligations of the Federal and state trustees under Federal and state law are not identical, the Trustee Council may be operating under a set of dual and potentially conflicting obligations. Under section 311 of the Clean Water Act, recovered funds must be used to solely to restore,

April 12, 1991
Page Five

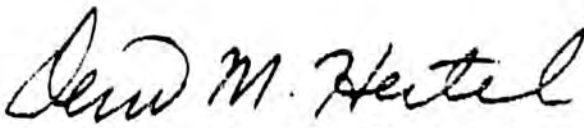
rehabilitate or acquire the equivalent of the damaged natural resources. We encourage the Court to make it clear that this limitation must be strictly adhered to by the trustees. The restoration fund is not to be viewed as a general fund to finance favorite projects or to conduct assessments in perpetuity.

We also urge you to solicit a clearer commitment from the Federal and state trustees for public participation in the natural resource damage restoration process. As you know, the proposed Memorandum of Agreement and Consent Decree provides that the Trustees shall ensure "meaningful public participation", including the "possible" establishment of a public advisory group. We believe a more detailed commitment should be made before the agreement becomes final.

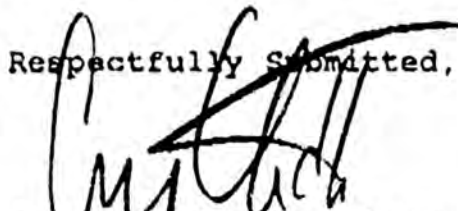
CONCLUSION

We appreciate the opportunity to provide the court with our recommendations on the proposed settlement. While we value and applaud the attempt by the litigants to settle their differences, we believe that certain clarifications are necessary before the proposed settlement is approved. We respectfully urge the court to seek those clarifications prior to taking final action on the agreement.

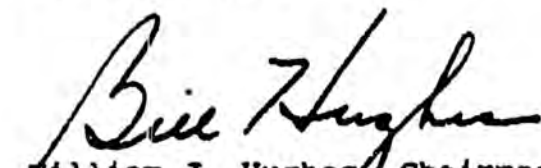
Respectfully Submitted,



Dennis M. Hertel, Chairman
Subcommittee on Oceanography,
Great Lakes and the Outer
Continental Shelf
Committee on Merchant Marine
and Fisheries



Gerry E. Studds, Chairman
Subcommittee on Fisheries and
Wildlife Conservation and the
Environment
Committee on Merchant Marine
and Fisheries



William J. Hughes, Chairman
Subcommittee on Intellectual Property
and Judicial Administration
Committee on the Judiciary

The Honorable H. Russel Holland
U.S. District Judge
U.S. District Court
222 West 7th Avenue
Anchorage, Alaska 99513

Enclosures

Alaska State Legislature

House of Representatives



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 15, 1991

Attorney General Charles Cole
Capitol Building Room 412
Juneau, Alaska

Dear Mr. Cole:

The Special Committee has several specific matters that it would like to discuss in a public session with representatives of the Exxon Corporation.

We would appreciate your assistance in making a formal request for their appearance this week before the Special Committee.

Cordially,

A handwritten signature in dark ink, appearing to read "Max Gruenberg".
Rep. Max F. Gruenberg, Jr.
Chairman



U.S. Department of Justice

Environment and Natural Resources Division

100 of the Assistant Attorney General

Washington, D.C. 20530

April 9, 1991

Honorable Max F. Gruenberg, Jr.
Chair, House Special Committee on the
Exxon Valdez Oil Spill Claims Settlement
P.O. Box V
State Capitol, Room 216
Juneau, Alaska 99811

Dear Mr. Gruenberg:

We appreciate your courtesy in inviting representatives of the Departments of Justice, Interior, and Agriculture, the National Oceanic and Atmospheric Administration (NOAA), and the Environmental Protection Agency (EPA) to testify before your Special Committee concerning the settlement agreements entered into by the United States, the State of Alaska, and Exxon Corporation and related entities (Exxon) with respect to the EXXON VALDEZ oil spill. For the reasons outlined below, we respectfully decline to provide testimony at this time. However, I am enclosing for your consideration a copy of the statement that I submitted to three subcommittees of the Committee on Merchant Marine and Fisheries of the United States House of Representatives for a hearing on March 22, 1991. I understand that NOAA, EPA, and the Departments of Interior and Agriculture will also send the Select Committee the statements that they submitted for that hearing.

We understand that the primary object of your invitation to this Department and the other Federal agencies was to obtain answers on behalf of the Federal government to three extensive lists of detailed questions attached to your letter of April 4, 1991 to Alan Raul. Most of these questions concern the legal interpretation of the civil consent decree among the United States, the State, and Exxon, the criminal plea agreement between the United States and Exxon, or the Memorandum of Agreement (MOA) between the United States and the State. It would be practically impossible for the Department or any of the other agencies to prepare responses to these questions by April 11 or 12, as you have requested. More fundamentally, a substantial number of these questions relate to issues that will need to be resolved (potentially in litigation) on the basis of specific factual

circumstances as the agreements are implemented, and attempting to address them now in the abstract is likely only to lead to confusion or unnecessary hypothetical disagreement. Thus, we do not think it would be appropriate for the United States to take formal positions on many of the Committee's questions of interpretation, particularly at this sensitive stage when the agreements are still awaiting approval. A number of other questions relate to matters of Alaska state law, on which we would not wish to hazard an opinion.

Indeed, we think it most appropriate in these circumstances to defer to the Alaska Attorney General and the Governor of Alaska for responses to the Select Committee's specific questions. We understand the Select Committee previously propounded a very similar set of questions to Attorney General Charles Cole, and that General Cole provided responses at a hearing or hearings of the Committee. While we have not seen Mr. Cole's specific answers, he has advised us generally of their substance, and we concur generally in his views. We are not aware of anything in General Cole's responses that we would materially disagree with or that requires supplementation at this stage.

The enclosed statement from the federal congressional hearing last month gives the Select Committee my perspective on these proposed settlements. As you know, a summary of the government's current understanding of the injuries resulting from the EXXON VALDEZ oil spill has been filed in the federal criminal case and is available to the public. I am enclosing a copy of that summary for your convenience.

Sincerely yours,



Richard B. Stewart
Assistant Attorney General
Environment & Natural Resources
Division

Enclosure

cc: Thomas A. Campbell
Vern Wiggins
Martin Suuberg
Alan Raul
LaJuana Wilcher
Charles E. Cole

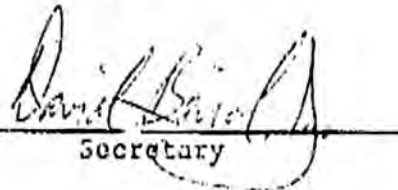
At a meeting of the Executive Committee of the Board of Directors of Exxon Corporation, duly called and held at 225 East John W. Carpenter Freeway, Irving, Texas, on March 8, 1991, at which a quorum was present and voting, the following resolutions were presented and, on motion made and seconded, duly adopted:

"RESOLVED, That each of the proper officers of and Patrick Lynch, John Clough, III and Edward J. Lynch, counsel for the Corporation, be, and each of them hereby is authorized, in the name and on behalf of the Corporation, to enter into plea agreements, settlement agreements, consent judgments and other related agreements to terminate the pending United States criminal action and present and anticipated United States and State of Alaska civil actions against the Corporation arising out of the 1989 EXXON VALDEZ accident, as well as in representing the Corporation in all matters relating to the change of plea and sentencing process and related pending and potential suits and counterclaims by the Corporation against the United States and the State of Alaska, all of the foregoing agreements and judgments to be upon such terms and conditions and in such form as such officer or counsel shall determine to be in the best interests of the Corporation, such determination to be conclusively evidenced by execution and delivery thereof.

RESOLVED, That, subject to appropriate action by subsidiaries of the Corporation to authorize agreements and consent judgments substantially similar to the agreements and judgments to which the preceding resolution refers, the Corporation takes no exception to such subsidiaries entering into such agreements or judgments, and that each proper officer of and the aforesaid counsel for the Corporation be, and each of them hereby is, authorized, in the name and on behalf of the Corporation, to guarantee any payments to be made by such subsidiaries under agreements and judgments into which they enter."

I HEREBY CERTIFY, That the foregoing is a true record from the minutes of the meeting of the Executive Committee of the Board of Directors of Exxon Corporation.

WITNESS my hand and the seal of the Corporation at
Irving, Texas, this 5th day of March, 1991


Secretary

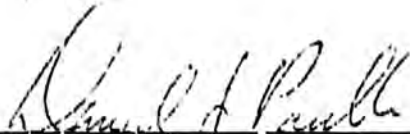
At a meeting of the Board of Directors of Exxon Shipping Company, duly called and held at 800 Bell, Houston, Texas, on March 8, 1991, at which a quorum was present and voting, the following resolution was presented and, on motion made and seconded, duly adopted:

RESOLVED, That each of the proper officers of and counsel for Exxon Shipping Company be, and each of them hereby is authorized, in the name and on behalf of the Company, to enter into plea agreements, settlement agreements, consent judgments and other related agreements to terminate the pending United States criminal action and present and anticipated United States and State of Alaska civil actions against the Company arising out of the 1989 Exxon Valdez accident, as well as related pending and potential suits and counterclaims by the Company against the United State and the State of Alaska, all of the foregoing agreements and judgments to be upon such terms and conditions and in such form as such officer or counsel shall determine to be in the best interests of the Company, such determination to be conclusively evidenced by execution and delivery thereof.

I HEREBY CERTIFY, That the foregoing is a true record from the minutes of the meeting of the Board of Directors of Exxon Shipping Company.

WITNESS my hand and the seal of Exxon Shipping Company at Houston, Texas, this 14th day of March, 1991.

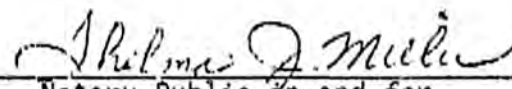
(Corporate Seal)


Secretary

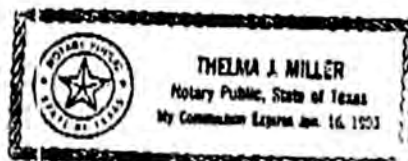
STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on March 14, 1991, by D. J. Paul, Secretary of Exxon Shipping Company, a Delaware corporation, on behalf of said corporation.

(Notary Seal)


Notary Public in and for
the State of Texas

MH03013



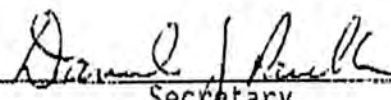
At a meeting of the Board of Directors of Exxon Shipping Company, duly called and held at 800 Bell, Houston, Texas, on March 14, 1991, at which a quorum was present and voting, the following resolution was presented and, on motion made and seconded, duly adopted:

RESOLVED, That each counsel for Exxon Shipping Company, James F. Neal, James F. Sanders, Robert C. Bundy, and E. Edward Bruce, be, and each of them hereby is authorized, in the name and on behalf of the Company to represent the Company in all matters concerning the change of plea and the sentencing process, as provided for in the Plea Agreement dated March 13, 1991, in full settlement of cause number A90-015 CR., United States of America v. Exxon Shipping Company and Exxon Corporation, U.S. District Court, District of Alaska.

I HEREBY CERTIFY, That the foregoing is a true record from the minutes of the meeting of the Board of Directors of Exxon Shipping Company.

WITNESS my hand and the seal of Exxon Shipping Company at Houston, Texas, this 14th day of March, 1991.

(Corporate Seal)


Secretary

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on March 14, 1991, by D. J. Paul, Secretary of Exxon Shipping Company, a Delaware corporation, on behalf of said corporation.

(Notary Seal)


Notary Public in and for
the State of Texas
 THELMA J. MILLER
Notary Public, State of Texas
My Commission Expires Jan. 12

Alaska State Legislature

House of Representatives



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement April 2, 1991

Senator Richard I. Eliason
Capitol Room 111
Juneau, Alaska

Dear Dick:

In order to eliminate as much as possible any duplication in the ongoing House and Senate reviews of the Exxon Valdez settlement, I hope we can arrange joint sessions for public comment, and coordinate the testimony of any representatives of the federal government or Exxon who we may both wish to hear from.

I've attached a copy of a tentative schedule for the House Committee, and I'd appreciate your advice as to how we can adjust it to meet your timetable.

If you'd like to meet jointly on the meetings you have scheduled for the 6th and the 13th, or for the meetings we have tentatively planned for the 14th and 15th, I would like to issue a joint press release as soon as possible in order to ensure maximum public participation.

Please let me know how you'd like to proceed.

Cordially

A handwritten signature in dark ink, appearing to read "Max F. Gruenberg, Jr.".

Max F. Gruenberg, Jr.

Alaska State Legislature

House of Representatives



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 463-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 3, 1991

Charles A. DeMonaco, Esq.
Assistant Chief, Environmental Crimes Section
United States Department of Justice
PO Box 23985
Washington, D.C. 20026-3985

Dear Mr. DeMonaco:

The Alaska House of Representatives has established the Special Committee on the Exxon Valdez Oil Spill Claims Settlement to review the agreements entered into by representatives of the State, the United States and Exxon Corporation.

The Special Committee has heard testimony from the Alaska Attorney General and has scheduled appearances by representatives of the state agencies affected by the settlement agreement. We would very much like to hear testimony from representatives of the federal agencies involved (EPA, NOAA, Interior and Agriculture), as well as from representatives of the Justice Department.

I have tentatively scheduled the federal representatives to appear before the Special Committee on Thursday, April 10, from 8-10 a.m., and on Friday, April 11, from 12-2 p.m.

I have asked the Special Committee staff to prepare a list of questions to focus the representatives' discussion. Committee members may have additional questions at the time of the hearing.

In order to coordinate appearances, please contact Andy Hemenway at (907) 465-4945; his Fax number is (907) 465-2444. We very much appreciate your cooperation in facilitating our review of the settlement agreement.

Cordially,

Rep. Max F. Gruenberg, Jr.

WALTER B. JONES, NORTH CAROLINA, CHAIRMAN

JERRY E. STUDS, MASSACHUSETTS
 CARROLL HUSKINS, KY, KENTUCKY
 WILLIAM J. HUGHES, NEW JERSEY
 EARL HUTTE, FLORIDA
 BRAY TAYLOR, LOUISIANA
 THOMAS M. FOSLUETTA, PENNSYLVANIA
 DENNIS M. HERTZ, MICHIGAN
 WILLIAM O. LIPINSKI, ILLINOIS
 ROBERT A. BORSKI, PENNSYLVANIA
 THOMAS A. CARPER, DELAWARE
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 CHARLES E. BENNETT, FLORIDA
 THOMAS J. MANTON, NEW YORK
 OWEN S. ROCKETT, VIRGINIA
 GEORGE J. HOCHSTETTER, NEW YORK
 BOB CLEMENT, TENNESSEE
 STEPHEN J. SOLAR, NEW YORK
 FRANK PALLONE, JR., NEW JERSEY
 BRAD LAUGHLIN, TEXAS
 RITA M. LOWEY, NEW YORK
 JOSEPH W. ROBERTS, WASHINGTON
 GENE TAYLOR, MISSISSIPPI
 GLENN M. ANDERSON, CALIFORNIA
 HERB ASHROBORN, HAWAII
 JOHN F. REED, PUERTO RICO
 WILLIAM J. JEFFERSON, LOUISIANA
 EMI F.H. FALCONARI/ASSA, AMERICAN
 SAMOA

ROBERT W. DAVIS, MICHIGAN
 DEN YOUNG, ALASKA
 NORMAN F. LENT, NEW YORK
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 HERBERT M. BATESMAN, VIRGINIA
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 HIRSHAD COBLE, NORTH CAROLINA
 CURT WELSH, PENNSYLVANIA
 WALLY HERBER, CALIFORNIA
 JAMES M. UNKOFF, OKLAHOMA
 PORTER J. GREGG, FLORIDA
 ARTHUR RAYBURN, JR., SOUTH CAROLINA
 BERRY GALLAGHER, ALABAMA
 WAYNE T. BILCHES, MARYLAND
 JOHN T. BOGUTTE, CALIFORNIA
 RANBY "BUD" CUNNINGHAM, CALIFORNIA

U.S. House of Representatives Committee on

Merchant Marine and Fisheries

Room 1334, Longworth House Office Building
 Washington, DC 20515-6230

CHIEF COUNSEL
 EDWARD E. WELCH

CHIEF CLERK
 BARBARA L. CAYAS

MINORITY STAFF
 DIRECTOR/CHIEF COUNSEL
 GEORGE D. FENCI

March 26, 1991

Mr. Dick Thornburgh
 Attorney General of the United States
 Department of Justice
 Constitution Avenue and Tenth Street, N.W.
 Washington, D.C. 20520

Dear Mr. Thornburgh:

We are writing to re-state our interest in obtaining information concerning the recently negotiated proposed settlement of certain civil and criminal liabilities resulting from the EXXON VALDEZ oil spill.

We understand that your Department is currently preparing a summary of information describing and quantifying the scope and severity of injuries to natural resources caused by the spill and that this summary will soon be available to the Committee and the public.

We also request that documents, studies and memoranda be made available to us for the purpose of allowing us to make an informed judgment about the reasonableness of the settlement that has been reached. These materials need not include raw scientific data, but they should include all documents summarizing or estimating the dollar value of injuries done to natural resources by the spill and the costs of restoring those damages. If requested, we will agree to maintain the confidentiality of these materials. We ask that the materials be provided no later than the close of business on Thursday, March 28.

DATE: April 10, 1991

ATTN: The Honorable Max F. Gruenberg, Jr.
Chair, House Special Committee on
the Exxon Valdez Oil Spill Claims Settlement

FAX NO: (907) 465-2444

FROM: Alan Charles Raul
General Counsel
U.S. Department of Agriculture

FAX NO: 447-8666
TELEPHONE NO: 447-3351

There are four (4) pages to this letter, including this cover sheet. Please call the above telephone number if any of these pages is not received or is illegible.

The original of this fax will be sent by U.S. mail.

Thank you.



United States
Department of
Agriculture

Office of the
General
Counsel

Washington,
D.C.
20250-1400

Representative Max F. Gruenberg, Jr.
Chair, House Special Committee on the
Exxon Valdez Oil Spill Claims Settlement
P.O. Box V
State Capitol, Room 216
Juneau, Alaska 99811

April 10, 1991

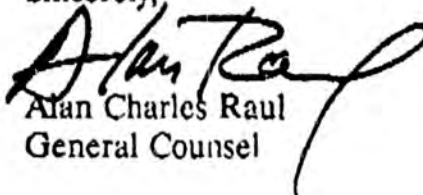
Dear Representative Gruenberg:

Thank you for your invitation to testify before the Special Committee of the Alaska House of Representatives on the Exxon Valdez Oil Spill Claims Settlement. Unfortunately, I must decline your request at this time. Because many of your questions concern matters of legal interpretation and because this matter is currently in litigation, the United States Department of Justice will prepare a more detailed response to your inquiry on behalf of the federal administration and this department.

In lieu of testimony, I am enclosing a copy of my statement before Congressman Gerry Studds' Subcommittee on Fisheries and Wildlife Conservation and the Environment on March 20, 1991.

Again, thank you for your invitation to us to participate in your hearings on this important subject.

Sincerely,


Alan Charles Raul
General Counsel

Attachment

**Statement of Alan Charles Raul
General Counsel
U.S. Department of Agriculture**

**Subcommittees on Fisheries and Wildlife Conservation
and the Environment; Coast Guard and Navigation; and
Oceanography, Great Lakes and the Outer Continental Shelf
of the Committee on Merchant Marine and Fisheries
U.S. House of Representatives**

March 20, 1991

Chairman Studds, Chairman Tauzin, Chairman Hertel, and committee members, thank you for this opportunity to appear before your subcommittees to discuss the recent settlement agreement with the Exxon Corporation regarding the March 24, 1989 tanker accident. My name is Alan Charles Raul, and I am the General Counsel of the Department of Agriculture. The Secretary of Agriculture is a Trustee for natural resources injured in the Exxon Valdez oil spill by virtue of the U.S. Forest Service's management of the Chugach National Forest.

This settlement is an important milestone in the history of the Exxon Valdez disaster. It has been nearly two years since the fateful grounding of the tanker resulted in nearly 11 million gallons of oil spilling into Prince William Sound. Much of the oil washed up on the shoreline of the Chugach National Forest. Approximately 350 miles of the Forest's shoreline were fouled with oil that continues to disrupt the environment despite considerable response mitigation. The Department of Agriculture, through the Forest Service, has spent almost two years preparing to prosecute our claims for damages to natural resources against Exxon. The State of Alaska and federal agencies including the Department of the Interior, NOAA and USDA have spent well over \$100 million to assess the spill's damages with an

eye towards restoration as well as litigation. State and federal agencies plan to spend another \$35 million in this year alone. This unprecedented scientific effort has resulted in over 70 integrated scientific studies, each concentrating on a different aspect of injury to the Sound. All of these studies have produced preliminary results, and it is these results that have formed the basis for the trustees' decision making.

Most of the lands and natural resources in Prince William Sound are managed by either the federal government or the state of Alaska. Many of those lands are the trustee responsibility of the U.S. Forest Service. In fact, more than 80% of the land in Prince William Sound is managed by the Forest Service. The Forest Service is actively engaged in managing the water, soil, air, mineral and timber resources of the entire area. In addition to its stewardship of natural resources, the Forest Service is committed to protecting the rich cultural heritage of these lands for Alaska natives and preserving their benefits for local residents and tourists.

I would stress, again, that the settlement does not mark the end of our commitment to restoring Prince William Sound's environment. Most of our work is still ahead. It will take the dedication and years of hard work of scientists and Forest Service managers working together to develop restoration options that are ecologically viable and beneficial to the Sound. By ending the significant uncertainty and delays of litigation, this settlement allows us to redouble our efforts towards restoring the environment. It ensures our ability to maintain a long term commitment to the ecology of the Sound. The Forest Service takes its stewardship seriously, and, as mandated by President Bush nearly two years ago, we intend to spare no efforts to restore the Sound fully to its pre-spill condition.

Alaska State Legislature

House of Representatives



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 463-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 10, 1991

Honorable H. Russel Holland
United States District Judge
District of Alaska
222 West 7th Avenue #4
Anchorage, Alaska 99513

Dear Judge Holland:

The House Special Committee on the Exxon Valdez Oil Spill Settlement has received and reviewed a copy of Congressman George Miller's letter to you dated April 8.

The matters raised in the letter present significant new issues regarding the propriety of the Plea Agreement pending in your court. The allegation by Congressman Miller that Alyeska knowingly disregarded the requirements of its own contingency plan indicates a level of culpability on the part of both Exxon and Alyeska that could go well beyond the criminally negligent conduct previously alleged against Exxon.

The Committee believes that the Plea Agreement must be considered, not solely in light of its impact on Exxon and Alyeska, but also with respect to its impact on the State of Alaska. Our report to the House, scheduled to be issued prior to April 24, will reflect that aspect of the case.

We respectfully renew our request, embodied in HCR 19, that you delay final action on the Plea Agreement until after May 3, when the legislature will have considered this issue and the remainder of this committee's report.

Sincerely,

Rep. Max F. Gruenberg, Jr.
Chairman

cc: John F. Clough III, Counsel for Exxon Corporation
Charles A. DeMonaco, United States Department of Justice

STATE OF ALASKA
House of Representatives
District 27

Representative Cliff Davidson
Chairman
House Resources Committee



Box V, Juneau, AK 99811
(907) 465-2487
Box 746, Kodiak, AK 99615
(907) 486-8250

TO: Representative Max Gruenberg, Chair
House Special Committee on the Exxon Valdez Settlement

FROM: Representative Cliff Davidson

DATE: 23 April 1991

SUBJECT: Disapproval of Settlement Unless Modified

Below are some conditions that I believe the Committee should support as we take up consideration of disapproval without these conditions in the settlement:

1) All factual information accumulated during the course of the Exxon Valdez oil spill scientific studies, whether done by Exxon or the governments of Alaska or the United States must be made available immediately upon the final approval of this settlement.

This may be the most important element in the restoration of the faith of our citizens in government. That should be one of the primary public policy goals in resolving this tragedy. It is clear that the current settlement does just the opposite and this provision is essential to the restoration of a measure of justice and openness in this process.

2) The payment of the full amount of the settlement should occur over 3 years, not 10 years.

If Exxon wants to resolve this situation as soon as possible, this will do it quicker. As a sweetener, I propose that we eliminate the reopener clause. Its effectiveness was limited and it only served to artificially inflate the apparent value of the settlement.

3) Delete those provisions which provide that Exxon can set off cleanup expenses against the settlement.

Settlement for the damages caused by Exxon's mistakes should not relieve Exxon of the responsibility of continuing the cleanup to the satisfaction of both the state and federal governments.

4) Prior to final agreement, there should be a better definition of how the Trustees will be selected, under what rules of procedure

they will operate, how the public process will operate and what kinds of projects will qualify for funding.

These are very important provisions that should not matter to Exxon, thus they will not affect the overall settlement. I am unclear as to how they should be worked into our disapproval of the settlement, but feel strongly that they should be.

5) Alyeska should not be mentioned in the settlement.

Alyeska was not a party to the negotiations and they should not be absolved from culpability.

*Andy
copies*

Alaska State Legislature

House of Representatives PH (202) 382-5700
FAX (202) 382-5711



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 4, 1991

Ms. LaJuana Wilcher
Assistant Administrator for Water
Environmental Protection Agency
Waterside East Building
401 M Street SW
Washington, D.C. 20460

Dear Ms. Wilcher:

The Alaska House of Representatives has established the Special Committee on the Exxon Valdez Oil Spill Claims Settlement to review the agreements entered into by representatives of the State, the United States and Exxon Corporation.

The Special Committee has heard testimony from the Alaska Attorney General and has scheduled appearances by representatives of the state agencies affected by the settlement agreement. We would very much like to hear testimony from a representative of the EPA as well.

I have tentatively scheduled representatives of the federal agencies involved in the settlement to appear before the Special Committee on Thursday, April 11, from 8-10 a.m., and on Friday, April 12, from 12-2 p.m.

I have asked the Special Committee staff to prepare a list of questions to focus the representatives' discussion. Committee members may have additional questions at the time of the hearing.

In order to coordinate appearances, please contact Andy Hemenway at (907) 465-4945; his Fax number is (907) 465-2444. Charles DeMonaco ((202) 447-3351) will be acting as liason for the Department of Justice.

Cordially,

A handwritten signature in dark ink, appearing to read "Max F. Gruenberg, Jr.".
Rep. Max F. Gruenberg, Jr., Chair

Alaska State Legislature

House of Representatives

Ph (202) 208-4813
Fax (202) 208-5584



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 4, 1991

Marty Suuberg, Esq.
Deputy Solicitor, Department of Interior
1849 C Street
Washington, D.C. 20240

Dear Mr. Suuberg:

The Alaska House of Representatives has established the Special Committee on the Exxon Valdez Oil Spill Claims Settlement to review the agreements entered into by representatives of the State, the United States and Exxon Corporation.

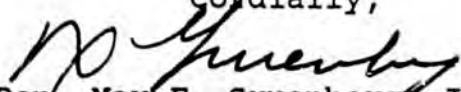
The Special Committee has heard testimony from the Alaska Attorney General and has scheduled appearances by representatives of the state agencies affected by the settlement agreement. We would very much like to hear testimony from a representative of the Department of Interior as well.

I have tentatively scheduled representatives of agencies involved in the settlement to appear before the Special Committee on Thursday, April 11, from 8-11 a.m. on Friday, April 12, from 12-2 p.m.

I have asked the Special Committee staff to prepare a list of questions to focus the representatives' discussion. Committee members may have additional questions at the time of the hearing.

In order to coordinate appearances, please contact Andy Hemenway at (907) 465-4945; his Fax number is (907) 465-2444. Charles DeMonaco ((202) 447-3351) will be acting as liason for the Department of Justice.

Cordially,


Rep. Max F. Gruenberg, Jr., Chair

Alaska State Legislature

House of Representatives

PH (202) 447-3351
FAX (202) 447-8666



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 4, 1991

Alan C. Raul, Esq.
General Counsel, Department of Agriculture
12th Street & Jefferson Drive SW
Room 243W
Washington, D.C. 20250

Dear Mr. Raul:

The Alaska House of Representatives has established the Special Committee on the Exxon Valdez Oil Spill Claims Settlement to review the agreements entered into by representatives of the State, the United States and Exxon Corporation.

The Special Committee has heard testimony from the Alaska Attorney General and has scheduled appearances by representatives of the state agencies affected by the settlement agreement. We would very much like to hear testimony from a representative of the Department of Agriculture as well.

I have tentatively scheduled representatives of the federal agencies involved in the settlement to appear before the Special Committee on Thursday, April 11, from 8-10 a.m., and on Friday, April 12, from 12-2 p.m.

I have asked the Special Committee staff to prepare a list of questions to focus the representatives' discussion. Committee members may have additional questions at the time of the hearing.

In order to coordinate appearances, please contact Andy Hemenway at (907) 465-4945; his Fax number is (907) 465-2444. Charles DeMonaco ((202) 447-3351) will be acting as liason for the Department of Justice.

Cordially,

A handwritten signature in dark ink, appearing to read "Max Gruenberg".
Rep. Max F. Gruenberg, Jr., Chair

Alaska State Legislature

House of Representatives

(202)
PH 377-4080
FAX (202) 377-8893



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 465-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 4, 1991

Thomas Campbell, Esq.
General Counsel
National Oceanic and Atmospheric Administration
Herbert Hoover Building
14th Street and Constitution Avenue NW
Washington, D.C. 20230

Dear Mr. Campbell:

The Alaska House of Representatives has established the Special Committee on the Exxon Valdez Oil Spill Claims Settlement to review the agreements entered into by representatives of the State, the United States and Exxon Corporation.

The Special Committee has heard testimony from the Alaska Attorney General and has scheduled appearances by representatives of the state agencies affected by the settlement agreement. We would very much like to hear testimony from a representative of NOAA as well.

I have tentatively scheduled representatives of the federal agencies involved in the settlement to appear before the Special Committee on Thursday, April 11, from 8-10 a.m., and on Friday, April 12, from 12-2 p.m.

I have asked the Special Committee staff to prepare a list of questions to focus the representatives' discussion. Committee members may have additional questions at the time of the hearing.

In order to coordinate appearances, please contact Andy Hemenway at (907) 465-4945; his Fax number is (907) 465-2444. Charles DeMonaco ((202) 447-3351) will be acting as liason for the Department of Justice.

Cordially,

A handwritten signature in dark ink, appearing to read "Max Gruenberg".
Rep. Max F. Gruenberg, Jr., Chair

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

WALTER J. HICKEL, GOVERNOR

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600
FAX: (907) 463-5295

April 25, 1991

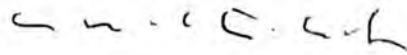
Hon. Max Gruenberg, Chairman
House Special Committee on the
Exxon Valdez Oil Spill Claims Settlement
House of Representatives
P. O. Box V
Juneau, AK 99811

Dear Mr. Chairman:

This will confirm my remarks to you earlier this afternoon that Governor Hickel's position continues to be that the State will terminate the Agreement among the United States, the State of Alaska and Exxon Corporation, et al. if the Alaska Legislature does not approve the Agreement as written.

It will also confirm my view that action by the Legislature to approve the Agreement is inappropriate until Exxon decides whether to terminate it because of Judge Holland's rejection yesterday of the criminal plea agreement.

Very truly yours,



Charles E. Cole
Attorney General

CEC:pml

cc: Hon. Richard I. Eliason, President, Alaska State Senate
Assistant Attorney General Richard Stewart, U.S.
Department of Justice
J. G. Clarke, Senior Vice President, Exxon Corporation



Official Business

Alaska State Legislature

P.O. Box V
State Capitol
Juneau, Alaska 99811

April 23, 1991

The Honorable H. Russell Holland
United States District Court
222 West 7th Avenue, #54
Anchorage, Alaska 99513-7545

RE: United States vs. Exxon Corporation
Case # A90-015 Criminal

Dear Judge Holland:

We, the undersigned members of the 17th Alaska State Legislature, do not support the April 22, 1991 letter sent to you by the Chairman of the House Special Committee on the Exxon Valdez Spill Claims Settlement.

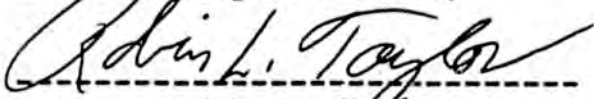
Additionally, we note that considerable disagreement existed among the members of the Committee regarding the appropriateness of the wording of the letter and its implied interference with the Court. Several members of the nine person committee were either not present or left the meeting in protest over the letter.

This Special Committee was to bring its recommendations before the Legislature for consideration by all members. It chose not to do so.

We are concerned that the tone of the Committee letter may be an attempt to use the extension of criminal proceedings as leverage to enhance a position regarding the civil litigation still pending. To that extent, we believe their communication is inappropriate.

We have no statement to make at this time regarding the Plea Agreement.

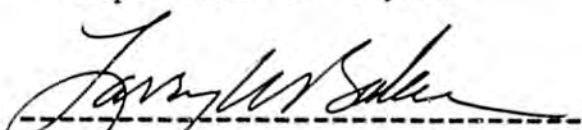
Respectfully submitted,



Rep. Robin L. Taylor



Rep. Ramona L. Barnes



Rep. Larry L. Baker



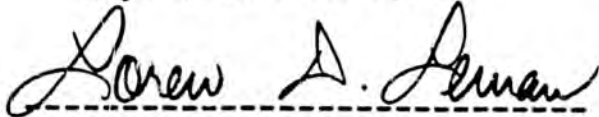
Rep. Bert M. Sharp



Rep. Gail Phillips



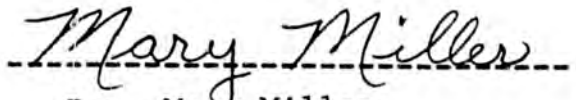
Rep. James E. Zawacki



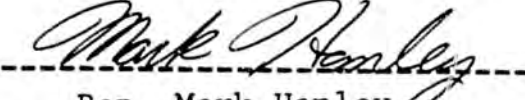
Rep. Loren D. Leman



Rep. Terry Martin



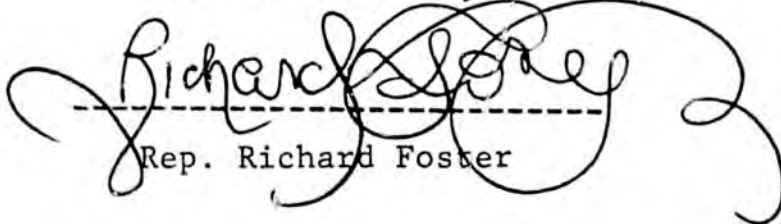
Rep. Mary Miller



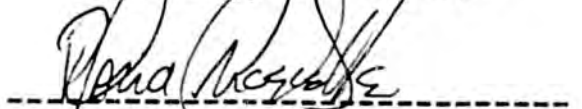
Rep. Mark Hanley



Rep. Randy E. Phillips



Rep. Richard Foster



Rep. David Choquette

Alaska State Legislature

House of Representatives



Official Business

P.O. Box V
State Capitol, Rm. 216
Juneau, Alaska 99811
(907) 463-3718

House Special Committee on the Exxon Valdez Oil Spill Claims Settlement

April 10, 1991

Honorable H. Russel Holland
United States District Judge
District of Alaska
222 West 7th Avenue #4
Anchorage, Alaska 99513

Dear Judge Holland:

The House Special Committee on the Exxon Valdez Oil Spill Settlement has received and reviewed a copy of Congressman George Miller's letter to you dated April 8.

The matters raised in the letter present significant new issues regarding the propriety of the Plea Agreement pending in your court. The allegation by Congressman Miller that Alyeska knowingly disregarded the requirements of its own contingency plan indicates a level of culpability on the part of both Exxon and Alyeska that could go well beyond the criminally negligent conduct previously alleged against Exxon.

The Committee believes that the Plea Agreement must be considered, not solely in light of its impact on Exxon and Alyeska, but also with respect to its impact on the State of Alaska. Our report to the House, scheduled to be issued prior to April 24, will reflect that aspect of the case.

We respectfully renew our request, embodied in HCR 19, that you delay final action on the Plea Agreement until after May 3, when the legislature will have considered this issue and the remainder of this committee's report.

Sincerely,

A handwritten signature in dark ink, appearing to read "Max F. Gruenberg, Jr.".
Rep. Max F. Gruenberg, Jr.
Chairman

cc: John F. Clough III, Counsel for Exxon Corporation
Charles A. DeMonaco, United States Department of Justice