Supreme Court Reduces Exxon Valdez Damages

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Casey Kelly/KMXT

The United States Supreme Court this morning reduced the amount of punitive damages Exxon Mobil must pay for the 1989 Exxon Valdez oil spill. Instead of the 2.5 billion dollars that the 9th U.S. Circuit Court of Appeals ruled the company should pay in 2006, the high court set the amount at 507.5 million dollars--equal to the compensatory damages victims of the spill have already received.

The court was divided 5-3 on the decision. Justice David Souter wrote in the majority opinion that the court believed, “the punitive damages award against Exxon was excessive as a matter of maritime common law.” Justice Samuel Alito didn’t take part in the decision, because he owns stock in Exxon Mobil.

Kodiak attorney Matt Jamin, who represents plaintiffs in the case, called the decision “A terrible blow to the people of Alaska.” He said he expects the award to include interest and believes it will be three months before any money will be available to the victims.

Mary Jacobs, a Kodiak salmon fisherman at the time of the oil spill and one of the many local plaintiffs, called the decision “disappointing” and said she had hoped the court would at least keep the damages above a billion dollars.

More than 32-thousand victims of the spill have been waiting nearly 20 years for the case to resolve. The original punitive damages amount was 5-billion dollars set by an Anchorage jury in 1994.

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