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1. CHARLES W. BENDER PATRICK LYNCH 2. JOHN F. DAUM FILED O'MELVENY & MYERS 3. 400 South Hope Street Los Angeles, California 90071-2899 4. AUG 1 5 1989 (213) 669-6000 UNITED STA ES DISTRICT COURT 5. JOHN F. CLOUGH, III DISTRICT OF ALASKA RANDALL J. WEDDLE 6. FAULKNER, BANFIELD, DOOGAN & HOLMES 550 W. 7th Avenue, Suite 1000 7. Anchorage, Alaska 99501-3510 (907) 274-0666 8. Attorneys for Defendants 9. Exxon Corporation and Exxon Pipeline Company 10. 11. Honorable H. Russell Holland 12. IN THE UNITED STATES DISTRICT COURT 13. FOR THE DISTRICT OF ALASKA 14. In re 15. The EXXON VALDEZ No. A89-095 Civil 16. (Consolidated) This Document Relates to Action No. 17. 18. <u> A89-135</u> Hugh R. Wisner, et al., ANSWER OF EXXON (P-78 and P-79); 19. CORPORATION AND EXXON PIPELINE COMPANY TO Exxon Corporation, et al., 20. CLASS ACTION COMPLAINT (D-1 through D-7; D-10 FILED APRIL 13, 1989 through D-17) 21. 22.

Exxon Corporation, also erroneously sued herein as

Exxon Co., USA, and for convenience identified in this answer as

"Exxon", and Exxon Pipeline Company, for convenience, identified in this answer as "Exxon Pipeline", as their answer to the complaint herein admit, deny and allege as follows:

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As to each and every allegation denied herein for lack of information or belief, allege that they are without knowledge or information sufficient categorically to admit or deny the said allegation at this time, wherefore they deny each said allegation using the phrase "deny for lack of information or belief."

1. Answering paragraph 1, admit that plaintiffs have demanded that all issues so triable be tried by a jury in this case, but do not waive their right to contest plaintiffs' jury demand.

Defense To Count I

- 2. Admit the allegations of paragraph 2.
- Answering paragraph 3, Exxon and Exxon Pipeline 3. are not required to respond to the allegations in paragraph 3.
- Answering paragraph 4, admit that plaintiffs purport to bring claims for relief based on the grounds alleged, but deny that plaintiffs can state a claim for relief based on said grounds.

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5. Deny each and every allegation of paragraph 5, except admit that this action may be brought in this district under 28 U.S.C. §1391.

- 6. Deny for lack of information or belief the allegations in paragraph 6.
 - 7. Admit the allegations in paragraph 7.
- Deny the allegations of paragraph 8, except admit 8. that Alyeska is a Delaware corporation the stock of which is owned by the Amerada Hess Pipeline Corporation, ARCO Pipe Line Company, BP Pipelines (Alaska) Inc., Exxon Pipeline Company, Mobil Alaska Pipeline Company, Phillips Alaska Pipeline Corporation, and Unocal Pipeline Company; and that the Owners of Alyeska are permittees under the Agreement and Grant of Right-of-Way for Trans-Alaska Pipeline.
- 9. Deny the allegations of paragraph 9 except admit that Exxon Corporation is a corporation organized under the laws of the state of New Jersey, with its principal place of business in New York at 1251 Avenue of the Americas, New York, New York 10021, and that the principal business of Exxon Corporation is energy, involving exploration for the production of crude oil, natural gas and petroleum products and exploration for the mining and sale of coal.

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ANCHORAGE, ALASKA 99501-3510	TELEPHONE (907) 274-0666	

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admit that Exxon Shipping is a Delaware Corporation, that Exxon Corporation owns all of Exxon Shipping's stock, that the principal place of business of Exxon Shipping is Texas and that it is the owner and operator of the EXXON VALDEZ.

admit that Exxon Company, USA is an unincorporated division of Exxon Corporation responsible for the operation of Exxon Corporation's energy business within the United States, and that its headquarters is at 800 Bell Street, Houston, Texas.

12-17. Answering paragraphs 12 through 17, admit that plaintiffs purport to define certain terms, but deny the allegations and deny that any subsequent use of those terms in the complaint is necessarily accurate or appropriate.

- 18. Deny the allegations of paragraph 18, except admit that on Thursday evening, March 23, 1989, the EXXON VALDEZ, which is approximately 987 feet long and weighing approximately 211,000 deadweight tons, left the Port of Valdez, Alaska, the southern terminal facility of the Trans-Alaska Pipeline System, bound for Long Beach, California.
- 19. Deny the allegations in paragraph 19, except admit that the EXXON VALDEZ was loaded with approximately 1.2

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million barrels of crude oil which had been shipped from Alaska's North Slope through the Trans-Alaska Pipeline.

Deny the allegations of paragraph 20, except 20. admit that the EXXON VALDEZ passed through the Valdez Narrows under the direction of a harbor pilot, who subsequently disembarked; that Captain Joseph J. Hazelwood was on the bridge of the vessel when the harbor pilot disembarked, and that Captain Hazelwood's duties as Master of the vessel were within the scope of his employment by Exxon Shipping.

- 21. Deny the allegations of paragraph 21, except admit that Captain Hazelwood left the bridge, leaving Gregory Cousins, the third mate, and Robert Kagan, the helmsman, on the bridge, and that the duties of Cousins as third mate and Kagan as helmsman were within the scope of their employment by Exxon Shipping.
- Deny the allegations of paragraph 22, except admit that the U.S. Coast Guard gave the EXXON VALDEZ permission to leave the southbound shipping lane for reasons that include earlier reports that it contained ice that had calved from a glacier to the northwest.

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23. Deny the allegations of paragraph 23, except admit that the vessel travelled through the northbound lane and subsequently struck Bligh Reef.

24. Deny the allegations of paragraph 24, except admit that the vessel was outside the channel when it struck Bligh Reef, which punctured some of the tanks and damaged a portion of the hull.

> Deny the allegations of paragraphs 25 and 26. 25-26.

- 27. Deny the allegations of paragraph 27, except admit that the vessel was loaded with approximately 53,000,000 gallons of crude oil, that the grounding on Bligh Reef punctured eight of the vessel's oil tanks, causing the largest United States oil spill from a single vessel, and that approximately 258,000 barrels of crude oil were spilled into Prince William Sound.
 - 28. Deny the allegations of paragraph 28.
- Deny for lack of information or belief the 29-30. allegations of paragraphs 29 and 30.
- 31. Deny the allegations of paragraph 31, except admit that some of the discharged crude oil has moved to areas

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in the vicinity of the Kodiak Island Archipelago, and that islands in that archipelago are a habitat for water birds, sea and land mammals and fish and shellfish.

- 32. Deny the allegations of paragraph 32.
- 33-41. Deny for lack of information or belief the allegations of paragraphs 33 through 41, except admit that various plaintiffs purport to bring an action on behalf of classes of persons and entities described in the complaint.
- 42. Answering paragraph 42, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 41, as if set out in full.
- 43-47. Answering paragraphs 43 through 47, Exxon and Exxon Pipeline are not required to answer allegations made against Alyeska. If response were required, Exxon and Exxon Pipeline deny the allegations in paragraphs 43 through 47.

Defense to Count II

Answering paragraph 48, reallege and incorporate 48. herein by reference each and every admission, denial and

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allegation contained in paragraphs 1 through 47, as if set out in full.

- 49. Deny the allegations of paragraph 49, except admit that Exxon Shipping is the owner and operator of the EXXON VALDEZ.
- 50. Deny for lack of information or belief the allegations of paragraph 50.
 - 51. Deny the allegations of paragraph 51.
- 52. Deny for lack of information or belief the allegations of paragraph 52, except admit that the events about which plaintiffs complain caused some damages to sea otters and birds.
- Deny the allegations of Paragraph 53, except 53. admit that 43 U.S.C. Section 1653(c), to the extent applicable, may impose upon certain entities strict liability for certain damages.

Defense to Count III

Answering paragraph 54, reallege and incorporate 54. herein by reference each and every admission, denial and

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allegation contained in paragraphs 1 through 53, as if set out in full.

Deny the allegations of paragraphs 55 through 62 insofar as they pertain to Exxon and Exxon Pipeline and deny for lack of information or belief said allegations insofar as they pertain to Alyeska or other defendants.

63-64. Deny the allegations of paragraphs 63 through 64.

65. Deny the allegations of paragraph 65 insofar as they pertain to Exxon and Exxon Pipeline and deny for lack of information or belief said allegations insofar as they pertain to other defendants.

> 66-67. Deny the allegations of paragraphs 66 and 67.

Defense to Count IV

Answering paragraph 68, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 67, as if set out in full.

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| | 69. | Deny | for | lack | of | info | ormat | ion | or | belief | the | |
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| allegati | ons of | parag | graph | n 69, | exc | ept | admi | t t | hat | public | reco | rds |
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- 70. Deny the allegations of paragraph 70.
- 71-77. Deny the allegations of paragraphs 71 through 77.

Defense to Count V

- 78. Answering paragraph 78, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 77, as if set out in full.
 - 79. Deny the allegations of paragraph 79.

Defense to Count VI

80. Answering paragraph 80, reallege and incorporate herein by reference each and every denial, admission and allegation contained in paragraphs 1 through 79, as if set out in full.

81. Deny the allegations of paragraph 81.

Defense to Count VII

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- Answering paragraph 82, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 81, as if set out in full.
- 83. Deny the allegations of paragraph 83, except admit that A.S. 46.03.826(4)(B) defines oil to be a hazardous substance and that approximately 258,000 barrels of crude oil were discharged into the Prince William Sound as a result of the grounding of the EXXON VALDEZ.
 - 84. Deny the allegations of paragraph 84.
- Deny the allegations of paragraph 85, except 85. admit that Exxon owned the crude oil and that Exxon Shipping controlled the crude oil immediately prior to its release into the Prince William Sound.
- Deny for lack of information or belief the 86. allegations in paragraph 86, except admit that the oil spill was not caused solely as a result of an act of God or an act of war.

| 1. | 87. Deny the allegations of paragraph 87. |
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| 3. | 88. Denies for lack of information or belief the |
| 4. | allegations of paragraph 88, except admits that AS46.03.822, to |
| 5. | the extent applicable and not preempted, may impose strict |
| 6. | liability on certain entities for some damages. |
| 7. | |
| 8. | Defense to Count VIII |
| 9. | |
| 10. | 89. Answering paragraph 89, reallege and incorporate |
| 11. | herein by reference each and every denial, admission and |
| 12. | allegation contained in paragraphs 1 through 88, as if set out |
| 13. | in full. |
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| 15. | 90-93. Deny the allegations in paragraphs 90 through |
| 16. | 93. |
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| 18. | Defense to Count IX |
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| 20. | 94. Answering paragraph 94, reallege and incorporate |
| 21. | herein by reference each and every admission, denial and |
| 22. | allegation contained in paragraphs 1 through 93, as if set out |
| 23. | in full. |
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| 25. | 95-98. Deny the allegations in paragraphs 95 through |
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Defense to Count X

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99. Answering paragraph 99, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 98, as if set out in full.

100-102. Deny the allegations in paragraphs 100 through 102.

Defense to Count XI

103. Answering paragraph 103, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 102, as if set out in full.

104-107. Deny the allegations in paragraphs 104 through 107.

Defense to Count XII

108. Answering paragraph 108, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 107, as if set out in full.

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109-112. Deny the allegations in paragraphs 109 through 112.

General Denial

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113. Deny each and every other allegation in plaintiffs' complaint that was not specifically admitted herein.

Affirmative and Other Defenses

- 114. The complaint and each count thereof fails to state claims upon which relief can be granted.
- 115. Exxon and Exxon Pipeline are informed and believe that some plaintiffs lack standing to claim or recover for some of the damages alleged in the complaint.
- 116. Independent of any legal obligation to do so,
 Exxon Shipping and Exxon are voluntarily paying claims for
 economic loss allegedly caused by the oil spill, and are
 incurring other expenses in connection with the oil spill.
 Exxon and Exxon Shipping are entitled to a setoff in the full
 amount of all such payments in the event that plaintiffs' claim
 encompass such expenditures.
- 117. Certain persons engaged or employed in connection with activities related to containment and cleanup of the oil

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released from the EXXON VALDEZ were thereby able to avoid or mitigate damage from the interruption of fishery and other activities. Payments received by such persons are a setoff against losses, if any, resulting from the interruption of fishery and other activities.

- 118. To the extent that persons able to mitigate damages failed to do so, defendants cannot be held liable to such persons for avoidable losses.
- 119. Claims by some persons or entities who may be within the purported classes have been settled and released.
- 120. Plaintiffs' claims for punitive damages are unconstitutional under the United States Constitution, including, without limitation, Article I, Section 8; Amendment V; and Amendment XIV; and the Alaska Constitution, including, without limitation, Article I, Section 7 and Article I, Section 12.
- The damages alleged in the complaint were caused, 121. in part, by the action of others not joined as defendants herein as to whom a right of contribution or indemnity should exist as to Exxon and Exxon Pipeline. Exxon and Exxon Pipeline may seek leave of Court to join such additional persons as third party defendants on the basis of further discovery herein.

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Plaintiffs' claims sound in maritime tort and are 122. subject to applicable admiralty limits on recovery of damages for remote economic loss unaccompanied by physical injury to person or property.

- 123. Numerous persons and entities have filed lawsuits against Exxon and Exxon Pipeline relating to the oil spill, some of whom purport to represent the plaintiffs in this action. the event of any judgment or judgments in such other lawsuits against Exxon or Exxon Pipeline and in favor of persons whose claims are encompassed in this action, such judgment or judgments will be res judicata as to the claims of such persons herein.
- 124. Numerous persons and entities have filed other lawsuits against Exxon, Exxon Pipeline and various other defendants, and to the extent there is a recovery in said other lawsuits encompassing claims made by plaintiffs herein, recovery on the claims herein is barred to the extent that it would represent a multiple recovery for the same injury.
- 125. Some or all of plaintiffs' claims for damages may be barred or reduced by the doctrine of comparative negligence.

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126. The amount of liability, if any, for the acts alleged is controlled by statute, including, without limitation, 43 U.S.C. § 1653(c) and AS 09.17.010, .060 and .080(d).

127. If punitive damages were to be awarded or civil or criminal penalties assessed in any other lawsuit against Exxon or Exxon Pipeline relating to the oil spill, such award bars imposition of punitive damages in this action.

128. Some of plaintiffs' claims, including claims for punitive damages, are preempted by the comprehensive scheme of federal statutes and regulations, including its system of criminal and civil penalties, sanctions and remedies relevant to the oil spill, and its scheme relevant to protection of subsistence interests.

- 129. Plaintiffs' claims for punitive damages are precluded by the Alaska statutory scheme for civil and criminal penalties.
- 130. Plaintiffs' claims for compensatory relief under state law are preempted by federal statutory and common law schemes for compensatory relief.
- Certain claims asserted by plaintiffs are not 131. ripe for adjudication.

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| 132. Those portions of AS 46.03 that were enacted |
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| after the oil spill constitute an unlawful bill of attainder |
| violative of Article I, Section 10 of the United States |
| Constitution, and if applied to Exxon or to Exxon Pipeline would |
| also violate the due process clauses of the United States and |
| Alaska Constitutions, and the contract clause of the United |
| States Constitution. |

- Certain theories of relief may not be maintained 133. because these theories are based upon the exercise by Exxon and Exxon Pipeline of federal and state constitutional rights to petition the federal and state governments with respect to the passage and enforcement of laws.
- 134. Plaintiffs fail to satisfy the requirements for the injunctive relief they seek.
- 135. Exxon and Exxon Shipping have acted pursuant to government approval and direction with regard to the containment and clean-up of the oil spill.

Prayer

WHEREFORE, Exxon and Exxon Pipeline pray for judgment as follows:

| 1. | 1. That plaintiffs take nothing and be granted no |
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| 2. | relief, legal or equitable; |
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| 4. | 2. That Exxon and Exxon Pipeline be awarded their |
| 5. | costs in this action; and |
| 6. | |
| 7. | 3. For such other and further relief as the Court |
| 8. | deems just and proper. |
| 9. | |
| 10. | DATED: August 15, 1989 Respectfully submitted, |
| 11. | CHARLES W. BENDER |
| 12. | PATRICK LYNCH JOHN F DAUM |
| 13. | O'MELVENE & MXERS |
| 14. | |
| 15. | By John Daum |
| 16. | |
| 17. | JOHN F. CLOUGH, III |
| 18. | RANDALL J. WEDDLE FAULKNER, BANFIELD, DOOGAN & HOLMES |
| 19. | |
| 20. | By Mulas Allelia |
| 21. | Randall S. Weddle |
| 22. | Attorneys for Defendants Exxon Corporation and Exxon |
| 23. | Pipeline Company |
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ANCHORAGE, ALASKA 99501-3510

complaint herein admit, deny and allege as follows:

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1. Answering paragraph 1, admit that plaintiff has demanded that all issues so triable be tried by a jury in this case, but do not waive their right to contest plaintiffs' jury demand.

Defense To Count I

- 2. Answering paragraph 2, Exxon and Exxon Pipeline are not required to respond to the allegations in paragraph 2.
 - 3. Admit the allegations of paragraph 3.
- 4. Answering paragraph 4, admit that plaintiff purports to bring claims for relief based on the grounds alleged, but deny that plaintiff can state a claim for relief based on said grounds.

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- 6. Deny for lack of information or belief the allegations in paragraph 6.
 - 7. Admit the allegations in paragraph 7.
- 8. Deny the allegations of paragraph 8, except admit that Alyeska is a Delaware corporation the stock of which is owned by the Amerada Hess Pipeline Corporation, ARCO Pipe Line Company, BP Pipelines (Alaska) Inc., Exxon Pipeline Company, Mobil Alaska Pipeline Company, Phillips Alaska Pipeline Corporation, and Unocal Pipeline Company; and that the Owners of Alyeska are permittees under the Agreement and Grant of Right-of-Way for Trans-Alaska Pipeline.
- 9. Deny the allegations of paragraph 9 except admit that Exxon Corporation is a corporation organized under the laws of the state of New Jersey, with its principal place of business in New York at 1251 Avenue of the Americas, New York, New York 10021, and that the principal business of Exxon Corporation is energy, involving exploration for the production of crude oil, natural gas and petroleum products and exploration for the mining and sale of coal.

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Deny the allegations of paragraph 10, except admit that Exxon Shipping is a Delaware Corporation, that Exxon Corporation owns all of Exxon Shipping's stock, that the principal place of business of Exxon Shipping is Texas and that it is the owner and operator of the Exxon Valdez.

11. Deny the allegations of paragraph 11, except admit that Exxon Company, USA is an unincorporated division of Exxon Corporation responsible for the operation of Exxon Corporation's energy business within the United States, and that its headquarters is at 800 Bell Street, Houston, Texas.

12-17. Answering paragraphs 12 through 17, admit that plaintiff purports to define certain terms, but deny the allegations and deny that any subsequent use of those terms in the complaint is necessarily accurate or appropriate.

- 18. Deny the allegations of paragraph 18, except admit that on Thursday evening, March 23, 1989, the EXXON VALDEZ, which is approximately 987 feet long and weighing approximately 211,000 deadweight tons, left the Port of Valdez, Alaska, the southern terminal facility of the Trans-Alaska Pipeline System, bound for Long Beach, California.
- 19. Deny the allegations in paragraph 19, except admit that the EXXON VALDEZ was loaded with approximately 1.2

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admit that the EXXON VALDEZ passed through the Valdez Narrows under the direction of a harbor pilot, who subsequently disembarked; that Captain Joseph J. Hazelwood was on the bridge of the vessel when the harbor pilot disembarked, and that Captain Hazelwood's duties as Master of the vessel were within the scope of his employment by Exxon Shipping.

- 21. Deny the allegations of paragraph 21, except admit that Captain Hazelwood left the bridge, leaving Gregory Cousins, the third mate, and Robert Kagan, the helmsman, on the bridge, and that the duties of Cousins as third mate and Kagan as helmsman were within the scope of their employment by Exxon Shipping.
- 22. Deny the allegations of paragraph 22, except admit that the U.S. Coast Guard gave the EXXON VALDEZ permission to leave the southbound shipping lane for reasons that include earlier reports that it contained ice that had calved from a glacier to the northwest.

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| | 23. | | Deny the allegations of paragraph 23, exc | | | | | | | | |
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| admit | that | the | vesse | el t | ravelled | through | the | north | bound | lane | and |
| subsec | quent] | ly st | truck | Bli | gh Reef. | | | | | | |

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- 24. Deny the allegations of paragraph 24, except admit that the vessel was outside the channel when it struck Bligh Reef, which punctured some of the tanks and damaged a portion of the hull.
 - Deny the allegations of paragraphs 25 and 26.
- Deny the allegations of paragraph 27, except admit that the vessel was loaded with approximately 53,000,000 gallons of crude oil, that the grounding on Bligh Reef punctured eight of the vessel's oil tanks, causing the largest United States oil spill from a single vessel in United States history, and that approximately 258,000 barrels of crude oil were spilled into Prince William Sound.
 - 28. Deny the allegations of paragraph 28.
- 29-30. Deny for lack of information or belief the allegations of paragraphs 29 and 30.
- Deny the allegations of paragraph 31, except 31. admit that some of the discharged crude oil has moved to areas

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in the vicinity of the Kodiak Island Archipelago, and that islands in that archipelago are a habitat for water birds, sea and land mammals and fish and shellfish.

- Deny the allegations of paragraph 32. 32.
- Deny for lack of information or belief the 33-41. allegations of paragraphs 33 through 41, except admit that plaintiff purports to bring an action on behalf of a class of persons and entities described in the complaint.
- Answering paragraph 42, reallege and incorporate 42. herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 41, as if set out in full.
- Answering paragraphs 43 through 47, Exxon and 43-47. Exxon Pipeline are not required to answer allegations made against Alyeska. If response were required, Exxon and Exxon Pipeline deny the allegations in paragraph 43 through 47.

Defense to Count II

48. Answering paragraph 48, reallege and incorporate herein by reference each and every admission, denial and

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allegation contained in paragraphs 1 through 47, as if set out in full.

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- 49. Deny the allegations of paragraph 49, except admit that Exxon Shipping is the owner and operator of the EXXON VALDEZ.
- Deny for lack of information or belief the allegations of paragraph 50.
 - 51. Deny the allegations of paragraph 51.
- 52. Deny for lack of information or belief the allegations of paragraph 52, except admit that the events about which plaintiff complains caused some damages to sea otters and birds.
- Deny the allegations of Paragraph 53, except 53. admit that 43 U.S.C. Section 1653(c), to the extent applicable, may impose upon certain entities strict liability for certain damages.

Defense to Count III

54. Answering paragraph 54, reallege and incorporate herein by reference each and every admission, denial and

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allegation contained in paragraphs 1 through 53, as if set out in full.

A THE RESIDENCE OF THE PARTY OF

- Deny the allegations of paragraphs 55 through 62 insofar as they pertain to Exxon and Exxon Pipeline and deny for lack of information or belief said allegations insofar as they pertain to Alyeska or other defendants.
 - 63-64. Deny the allegations of paragraphs 63 and 64.
- 65. Deny the allegations of paragraph 65 insofar as they pertain to Exxon and Exxon Pipeline and deny for lack of information or belief said allegations insofar as they pertain to other defendants.
 - Deny the allegations of paragraphs 66 and 67. 66-67.

Defense to Count IV

- 68. Answering paragraph 68, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 67, as if set out in full.
- 69. Deny for lack of information or belief the allegations of paragraph 69, except admit that public records

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purport to show that Captain Hazelwood has been convicted for driving while under the influence of alcohol.

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- 70. Deny the allegations of paragraph 70.
- 71-77. Deny the allegations of paragraphs 71 through 77.

Defense to Count V

- 78. Answering paragraph 78, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 77, as if set out in full.
 - 79. Deny the allegations of paragraph 79.

Defense to Count VI

- 80. Answering paragraph 80, reallege and incorporate herein by reference each and every denial, admission and allegation contained in paragraphs 1 through 79, as if set out in full.
 - 81. Deny the allegations of paragraph 81.

Defense to Count VII

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82. Answering paragraph 82, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 81, as if set out in full.

- 83. Deny the allegations of paragraph 83, except admit that A.S. 46.03.826(4)(B) defines oil to be a hazardous substance and that approximately 258,000 barrels of crude oil were discharged into the Prince William Sound as a result of the grounding of the EXXON VALDEZ.
 - 84. Deny the allegations of paragraph 84.
- 85. Deny the allegations of paragraph 85, except admit that Exxon owned the crude oil and that Exxon Shipping controlled the crude oil immediately prior to its release into the Prince William Sound.
- 86. Deny for lack of information or belief the allegations in paragraph 86, except admit that the oil spill was not caused solely as a result of an act of God or an act of war.
 - 87. Deny the allegations of paragraph 87.

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88. Deny for lack of information or belief the allegations of paragraph 88, except admit that AS 46.03.822, to the extent applicable and not preempted, may impose strict liability on certain entities for some damages.

Defense to Count VIII

- 89. Answering paragraph 89, reallege and incorporate herein by reference each and every denial, admission and allegation contained in paragraphs 1 through 88, as if set out in full.
- 90-93. Deny the allegations in paragraphs 90 through 93.

Defense to Count IX

- 94. Answering paragraph 94, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 93, as if set out in full.
- 95-98. Deny the allegations in paragraphs 95 through 98.

Defense to Count X

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99. Answering paragraph 99, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 98, as if set out in full.

100-102. Deny the allegations in paragraphs 100 through 102.

Defense to Count XI

103. Answering paragraph 103, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 102, as if set out in full.

104-107. Deny the allegations in paragraphs 104 through 107.

General Denial

108. Deny each and every other allegation in plaintiff's complaint that was not specifically admitted herein.

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Affirmative and Other Defenses

109. The complaint and each count thereof fails to state claims upon which relief can be granted.

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- 110. Exxon and Exxon Pipeline are informed and believe that some plaintiffs lack standing to claim or recover for some of the damages alleged in the complaint.
- Exxon Shipping and Exxon are voluntarily paying claims for economic loss allegedly caused by the oil spill, and are incurring other expenses in connection with the oil spill.

 Exxon, Exxon Shipping and Exxon Pipeline are entitled to a setoff in the full amount of all such payments in the event that plaintiffs' claims encompass such expenditures.
- 112. Certain persons engaged or employed in connection with activities related to containment and cleanup of the oil released from the EXXON VALDEZ were thereby able to avoid or mitigate damage from the interruption of fishery and other activities. Payments received by such persons are a setoff against losses, if any, resulting from the interruption of fishery and other activities.

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113. To the extent that persons able to mitigate damages failed to do so, defendants cannot be held liable to such persons for avoidable losses.

- 114. Claims by some persons or entities who may be within the purported classes have been settled and released.
- 115. Plaintiff's claims for punitive damages are unconstitutional under the United States Constitution, including, without limitation, Article I, Section 8; Amendment V; and Amendment XIV; and the Alaska Constitution, including, without limitation, Article I, Section 7 and Article I, Section 12.
- in part, by the action of others not joined as defendants herein as to whom a right of contribution or indemnity should exist as to Exxon and Exxon Pipeline. Exxon and Exxon Pipeline may seek leave of Court to join such additional persons as third party defendants on the basis of further discovery herein.
- 117. Plaintiff's claims sound in maritime tort and are subject to applicable admiralty limits on recovery of damages for remote economic loss unaccompanied by physical injury to person or property.

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Numerous persons and entities have filed lawsuits against Exxon and Exxon Pipeline relating to the oil spill, some of whom purport to represent the plaintiffs in this action. the event of any judgment or judgments in such other lawsuits against Exxon or Exxon Pipeline and in favor of persons whose claims are encompassed in this action, such judgment or judgments will be res judicata as to the claims of such persons herein.

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- 119. Numerous persons and entities have filed other lawsuits against Exxon, Exxon Pipeline and various other defendants, and to the extent there is a recovery in said other lawsuits encompassing claims made by plaintiff herein, recovery on the claims herein is barred to the extent that it would represent a multiple recovery for the same injury.
- Some or all of plaintiff's claims for damages may 120. be barred or reduced by the doctrine of comparative negligence.
- The amount of liability, if any, for the acts 121. alleged is controlled by statute, including, without limitation, 43 U.S.C. § 1653(c) and AS 09.17.010, .060 and .080(d).
- If punitive damages were to be awarded or civil 122. or criminal penalties assessed in any other lawsuit against

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Exxon or Exxon Pipeline relating to the oil spill, such award bars imposition of punitive damages in this action.

123. Some or all of plaintiff's claims, including claims for punitive damages, are preempted by the comprehensive scheme of federal statutes and regulations, including its system of criminal and civil penalties, sanctions and remedies relevant to the oil spill, and its scheme relevant to protection of subsistence interests.

- 124. Plaintiff's claims for punitive damages are precluded by the Alaska statutory scheme for civil and criminal penalties.
- 125. Plaintiff's claims for compensatory relief under state law are preempted by federal statutory and common law schemes for compensatory relief.
- 126. Certain claims asserted by plaintiff are not ripe for adjudication.
- after the oil spill constitute an unlawful bill of attainder violative of Article I, Section 10 of the United States

 Constitution, and if applied to Exxon or to Exxon Pipeline would also violate the due process clauses of the United States and

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Alaska Constitutions, and the contract clause of the United States Constitution.

Certain theories of relief may not be maintained because these theories are based upon the exercise by Exxon and Exxon Pipeline of federal and state constitutional rights to petition the federal and state governments with respect to the passage and enforcement of laws.

- Plaintiffs fail to satisfy the requirements for 129. the injunctive relief they seek.
- Exxon and Exxon Shipping have acted pursuant to 130. government approval and direction with respect to the containment and clean-up of the oil spill.

Prayer

WHEREFORE, Exxon and Exxon Pipeline pray for judgment as follows:

- 1. That plaintiffs take nothing and be granted no relief, legal or equitable;
- 2. That Exxon and Exxon Pipeline be awarded their costs in this action; and

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3. For such other and further relief as the Court deems just and proper.

DATED: August 15, 1989

Respectfully submitted,

CHARLES W. BENDER PATRICK LYNCH
JOHN F. DAUM
O'MELYERY MERS

Ву

John F. Daum

JOHN F. CLOUGH, III
RANDALL J. WEDDLE
FAULKNER, BANFIELD, DOOGAN &
HOLMES

By Randall J. Weddle

Attorneys for Defendants Exxon Corporation and Exxon Pipeline Company

1. CHARLES W. BENDER PATRICK LYNCH 2. JOHN F. DAUM O'MELVENY & MYERS FILED 3. 400 South Hope Street Los Angeles, California 90071-2899 4. (213) 669-6000 AUG 1 5 1989 UNITED S... (S) DISTRICT COURT 5. JOHN F. CLOUGH, III RANDALL J. WEDDLE DISTRICT OF ALASKA 6. FAULKNER, BANFIELD, DOOGAN & HOLMES 550 W. 7th Avenue, Suite 1000 - Deputy 7. Anchorage, Alaska 99501-3510 (907) 274-0666 8. Attorneys for Defendants 9. Exxon Corporation and Exxon Pipeline Company 10. 11. Honorable H. Russell Holland 12. IN THE UNITED STATES DISTRICT COURT 13. FOR THE DISTRICT OF ALASKA 14. In re 15. No. A89-095 Civil The EXXON VALDEZ 16. (Consolidated) This Document Relates 17. to Action No. 18. A89-144 ANSWER OF EXXON Ed Clarke, <u>et al</u>., CORPORATION AND EXXON 19. (P-113);PIPELINE COMPANY TO 20. Exxon Corporation, et al., CLASS ACTION COMPLAINT (D-1 through D-5; D-7; D-10 FILED APRIL 18, 1989 through D-12; D-14; D-19 through D-21) 21. 22. Exxon Corporation, also erroneously sued herein as 23. Exxon Co., USA, and for convenience identified in this answer as 24. "Exxon", and Exxon Pipeline Company, for convenience, identified 25. in this answer as "Exxon Pipeline", as their answer to the 26.

complaint herein admit, deny and allege as follows:

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As to each and every allegation denied herein for lack of information or belief, allege that they are without knowledge or information sufficient categorically to admit or deny the said allegation at this time, wherefore they deny each said allegation using the phrase "deny for lack of information or belief."

with the transfer that the transfer to the same of the

1. Answering paragraph 1, admit that plaintiff has demanded that all issues so triable be tried by a jury in this case, but do not waive their right to contest plaintiff's jury demand.

Defense To Count I

- 2. Answering paragraph 2, Exxon and Exxon Pipeline are not required to respond to the allegations in paragraph 2.
 - 3. Admit the allegations of paragraph 3.
- Answering paragraph 4, admit that plaintiff purports to bring claims for relief based on the grounds alleged, but deny that plaintiff can state a claim for relief based on said grounds.

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5. Deny each and every allegation of paragraph 5, except admit that this action may be brought in this district under 28 U.S.C. §1391.

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- Deny for lack of information or belief the 6. allegations in paragraph 6.
 - 7. Admit the allegations in paragraph 7.
- 8. Deny the allegations of paragraph 8, except admit that Alyeska is a Delaware corporation the stock of which is owned by the Amerada Hess Pipeline Corporation, ARCO Pipe Line Company, BP Pipelines (Alaska) Inc., Exxon Pipeline Company, Mobil Alaska Pipeline Company, Phillips Alaska Pipeline Corporation, and Unocal Pipeline Company; and that the Owners of Alyeska are permittees under the Agreement and Grant of Right-of-Way for Trans-Alaska Pipeline.
- 9. Deny the allegations of paragraph 9 except admit that Exxon Corporation is a corporation organized under the laws of the state of New Jersey, with its principal place of business in New York at 1251 Avenue of the Americas, New York, New York 10021, and that the principal business of Exxon Corporation is energy, involving exploration for the production of crude oil, natural gas and petroleum products and exploration for the mining and sale of coal.

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Deny the allegations of paragraph 10, except admit that Exxon Shipping is a Delaware Corporation, that Exxon Corporation owns all of Exxon Shipping's stock, that the principal place of business of Exxon Shipping is Texas and that it is the owner and operator of the Exxon Valdez.

Deny the allegations of paragraph 11, except 11. admit that Exxon Company, USA is an unincorporated division of Exxon Corporation responsible for the operation of Exxon Corporation's energy business within the United States, and that its headquarters is at 800 Bell Street, Houston, Texas.

Answering paragraphs 12 through 17, admit that 12-17. plaintiff purports to define certain terms, but deny the allegations and deny that any subsequent use of those terms in the complaint is necessarily accurate or appropriate.

- Deny the allegations of paragraph 18, except 18. admit that on Thursday evening, March 23, 1989, the EXXON VALDEZ, which is approximately 987 feet long and approximately 211,000 deadweight tons, left the Port of Valdez, Alaska, the southern terminal facility of the Trans-Alaska Pipeline System, bound for Long Beach, California.
- Deny the allegations in paragraph 19, except 19. admit that the EXXON VALDEZ was loaded with approximately 1.2

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- admit that the EXXON VALDEZ passed through the Valdez Narrows under the direction of a harbor pilot, who subsequently disembarked; that Captain Joseph J. Hazelwood was on the bridge of the vessel when the harbor pilot disembarked, and that Captain Hazelwood's duties as Master of the vessel were within the scope of his employment by Exxon Shipping.
- 21. Deny the allegations of paragraph 21, except admit that Captain Hazelwood left the bridge, leaving Gregory Cousins, the third mate, and Robert Kagan, the helmsman, on the bridge, and that the duties of Cousins as third mate and Kagan as helmsman were within the scope of their employment by Exxon Shipping.
- 22. Deny the allegations of paragraph 22, except admit that the U.S. Coast Guard gave the EXXON VALDEZ permission to leave the southbound shipping lane for reasons that include earlier reports that it contained ice that had calved from a glacier to the northwest.

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| subsequently struck Bligh Reef. | | | | | | | | | | | |

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- 24. Deny the allegations of paragraph 24, except admit that the vessel was outside the channel when it struck Bligh Reef, which punctured some of the tanks and damaged a portion of the hull.
 - 25-26. Deny the allegations of paragraphs 25 and 26.
- 27. Deny the allegations of paragraph 27, except admit that the vessel was loaded with approximately 53,000,000 gallons of crude oil, that the grounding on Bligh Reef punctured eight of the vessel's oil tanks, causing the largest United States oil spill from a single vessel, and that approximately 258,000 barrels of crude oil were spilled into Prince William Sound.
 - Deny the allegations of paragraph 28. 28.
- 29-30. Deny for lack of information or belief the allegations of paragraphs 29 and 30.
- 31. Deny the allegations of paragraph 31, except admit that some of the discharged crude oil has moved to areas

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in the vicinity of the Kodiak Island Archipelago, and that islands in that archipelago are a habitat for water birds, sea and land mammals and fish and shellfish.

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32. Deny the allegations of paragraph 32.

33-41. Deny for lack of information or belief the allegations of paragraphs 33 through 41, except admit that plaintiff purports to bring an action on behalf of a class of persons and entities described in the complaint.

42. Answering paragraph 42, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 41, as if set out in full.

Answering paragraphs 43 through 47, Exxon and 43-47. Exxon Pipeline are not required to answer allegations made If response were required, Exxon and Exxon against Alyeska. Pipeline deny the allegations in paragraph 43 through 47.

Defense to Count II

48. Answering paragraph 48, reallege and incorporate herein by reference each and every admission, denial and

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allegation contained in paragraphs 1 through 47, as if set out in full.

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- Deny the allegations of paragraph 49, except 49. admit that Exxon Shipping is the owner and operator of the EXXON VALDEZ.
- 50. Deny for lack of information or belief the allegations of paragraph 50.
 - 51. Deny the allegations of paragraph 51.
- Deny for lack of information or belief the 52. allegations of paragraph 52, except admit that the events about which plaintiff complains caused some damages to sea otters and birds.
- Deny the allegations of Paragraph 53, except 53. admit that 43 U.S.C. Section 1653(c), to the extent applicable, may impose upon certain entities strict liability for certain damages.

Defense to Count III

54. Answering paragraph 54, reallege and incorporate herein by reference each and every admission, denial and

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allegation contained in paragraphs 1 through 53, as if set out in full.

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Deny the allegations of paragraphs 55 through 62 insofar as they pertain to Exxon and Exxon Pipeline and deny for lack of information or belief said allegations insofar as they pertain to Alyeska or other defendants.

- Deny the allegations of paragraphs 63 and 64. 63-64.
- Deny the allegations of paragraph 65 insofar as 65. they pertain to Exxon and Exxon Pipeline and deny for lack of information or belief said allegations insofar as they pertain to other defendants.
 - 66-67. Deny the allegations of paragraphs 66 and 67.

Defense to Count IV

- Answering paragraph 68, reallege and incorporate 68. herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 67, as if set out in full.
- Deny for lack of information or belief the 69. allegations of paragraph 69, except admit that public records

purport to show indicate that Captain Hazelwood has been convicted for driving while under the influence of alcohol.

70. Deny the allegations of paragraph 70.

71-77. Deny the allegations of paragraphs 71 through 77.

Defense to Count V

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78. Answering paragraph 78, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 77, as if set out in full.

79. Deny the allegations of paragraph 79.

Defense to Count VI

80. Answering paragraph 80, reallege and incorporate herein by reference each and every denial, admission and allegation contained in paragraphs 1 through 79, as if set out in full.

81. Deny the allegations of paragraph 81.

Defense to Count VII

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Answering paragraph 82, reallege and incorporate 82. herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 81, as if set out in full.

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- Deny the allegations of paragraph 83, except 83. admit that A.S. 46.03.826(4)(B) defines oil to be a hazardous substance and that approximately 258,000 barrels of crude oil were discharged into the Prince William Sound as a result of the grounding of the EXXON VALDEZ.
 - Deny the allegations of paragraph 84. 84.
- 85. Deny the allegations of paragraph 85, except admit that Exxon owned the crude oil and that Exxon Shipping controlled the crude oil immediately prior to its release into the Prince William Sound.
- 86. Deny for lack of information or belief the allegations in paragraph 86, except admit that the oil spill was not caused solely as a result of an act of God or an act of war.
 - Deny the allegations of paragraph 87. 87.

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Deny for lack of information or belief the 88. allegations of paragraph 88, except admit that AS 46.03.822, to the extent applicable and not preempted, may impose strict liability on certain entities for some damages.

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Defense to Count VIII

- 89. Answering paragraph 89, reallege and incorporate herein by reference each and every denial, admission and allegation contained in paragraphs 1 through 88, as if set out in full.
- 90-93. Deny the allegations in paragraphs 90 through 93.

Defense to Count IX

- 94. Answering paragraph 94, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 93, as if set out in full.
- Deny the allegations in paragraphs 95 through 95-98. 98.

Defense to Count X

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99. Answering paragraph 99, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 98, as if set out in full.

100-102. Deny the allegations in paragraphs 100 through 102.

Defense to Count XI

103. Answering paragraph 103, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 102, as if set out in full.

104-107. Deny the allegations in paragraphs 104 through 107.

General Denial

108. Deny each and every other allegation in plaintiff's complaint that was not specifically admitted herein.

Affirmative and Other Defenses

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109. The complaint and each count thereof fails to state claims upon which relief can be granted.

- 110. Exxon and Exxon Pipeline are informed and believe that plaintiff lacks standing to claim or recover for some damages based on the allegations of the complaint.
- 111. Independent of any legal obligation to do so, Exxon Shipping and Exxon are voluntarily paying claims for economic loss allegedly caused by the oil spill, and are incurring other expenses in connection with the oil spill. Exxon, Exxon Shipping and Exxon Pipeline are entitled to a setoff in the full amount of all such payments in the event that plaintiffs' claims encompass such expenditures.
- 112. Certain persons engaged or employed in connection with activities related to containment and cleanup of the oil released from the EXXON VALDEZ were thereby able to avoid or mitigate damage from the interruption of fishery and other Payments received by such persons are a setoff activities. against losses, if any, resulting from the interruption of fishery and other activities.

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FAULKNER, BANFIELD, DOOGAN & HOLMES 550 WEST SEVENTH AVE., SUITE 1000

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113. To the extent that persons able to mitigate damages failed to do so, defendants cannot be held liable to such persons for avoidable losses.

- 114. Claims by some persons or entities who may be within the purported classes have been settled and released.
- 115. Plaintiff's claims for punitive damages are unconstitutional under the United States Constitution, including, without limitation, Article I, Section 8; Amendment V; and Amendment XIV; and the Alaska Constitution, including, without limitation, Article I, Section 7 and Article I, Section 12.
- The damages alleged in the complaint were caused, 116. in part, by the action of others not joined as defendants herein as to whom a right of contribution or indemnity should exist as to Exxon and Exxon Pipeline. Exxon and Exxon Pipeline may seek leave of Court to join such additional persons as third party defendants on the basis of further discovery herein.
- Plaintiff's claims sound in maritime tort and are 117. subject to applicable admiralty limits on recovery of damages for remote economic loss unaccompanied by physical injury to person or property.

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against Exxon and Exxon Pipeline relating to the oil spill, some of whom purport to represent the plaintiffs in this action. In the event of any judgment or judgments in such other lawsuits against Exxon or Exxon Pipeline and in favor of persons whose claims are encompassed in this action, such judgment or judgments will be <u>res judicata</u> as to the claims of such persons herein.

AND COLOR OF A CHARLEST CONTRACT OF CHEST OF A CHARLEST AND A CHAR

- lawsuits against Exxon, Exxon Pipeline and various other defendants, and to the extent there is a recovery in said other lawsuits encompassing claims made by plaintiffs herein, recovery on the claims herein is barred to the extent that it would represent a multiple recovery for the same injury.
- 120. Some or all of plaintiff's claims for damages may be barred or reduced by the doctrine of comparative negligence.
- 121. The amount of liability, if any, for the acts alleged is controlled by statute, including, without limitation, 43 U.S.C. § 1653(c) and AS 09.17.010, .060 and .080(d).
- 122. If punitive damages were to be awarded or civil or criminal penalties assessed in any other lawsuit against

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Exxon or Exxon Pipeline relating to the oil spill, such award bars imposition of punitive damages in this action.

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123. Some or all of plaintiff's claims, including claims for punitive damages, are preempted by the comprehensive scheme of federal statutes and regulations, including its system of criminal and civil penalties, sanctions and remedies relevant to the oil spill, and its scheme relevant to the protection of subsistence interests.

- 124. Plaintiff's claims for punitive damages are precluded by the Alaska statutory scheme for civil and criminal penalties.
- 125. Plaintiff's claims for compensatory relief under state law are preempted by federal statutory and common law schemes for compensatory relief.
- 126. Certain claims asserted by plaintiff are not ripe for adjudication.
- after the oil spill constitute an unlawful bill of attainder violative of Article I, Section 10 of the United States

 Constitution, and if applied to Exxon or to Exxon Pipeline would also violate the due process clauses of the United States and

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Alaska Constitutions, and the contract clause of the United States Constitution.

- 128. Certain theories of relief may not be maintained because these theories are based upon the exercise by Exxon and Exxon Pipeline of federal and state constitutional rights to petition the federal and state governments with respect to the passage and enforcement of laws.
- 129. Plaintiffs fail to satisfy the requirements for the injunctive relief they seek.
- 130. Exxon and Exxon Shipping have acted pursuant to government approval and direction with regard to the containment and clean-up of the oil spill.

WHEREFORE, Exxon and Exxon Pipeline pray for judgment as follows:

- That plaintiff take nothing and be granted no relief, legal or equitable;
- That Exxon and Exxon Pipeline be awarded their costs in this action; and

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For such other and further relief as the Court deems just and proper.

DATED: August 15, 1989

Respectfully submitted,

CHARLES W. BENDER PATRICK LYNCH JOHN F. DAUM O'MELVENY & MYERS

Ву

F. Daum

JOHN F. CLOUGH, III
RANDALL J WEDDLE
FAILKNER BANFIELD

FAULKNER BANFIELD, DOOGAN & HOLMES

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Attorneys for Defendants Exxon Corporation and Exxon Pipeline Company

1. CHARLES W. BENDER PATRICK LYNCH 2. JOHN F. DAUM O'MELVENY & MYERS 3. 400 South Hope Street FILED Los Angeles, California 90071-2899 4. (213) 669-6000 5. AUG 1 5 1989 JOHN F. CLOUGH, III RANDALL J. WEDDLE UNITED STATES DISTRICT COURT 6. FAULKNER, BANFIELD, DOOGAN & HOLMES DISTRICT OF ALASKA 550 W. 7th Avenue, Suite 1000 7. Anchorage, Alaska 99501-3510 Deputy (907) 274-0666 8. Attorneys for Defendants 9. Exxon Corporation and Exxon Pipeline Company 10. 11. Honorable H. Russell Holland 12. IN THE UNITED STATES DISTRICT COURT 13. FOR THE DISTRICT OF ALASKA 14. In re 15. The EXXON VALDEZ No. A89-095 Civil (Consolidated) 16. This Document Relates to Action No. 17. A89-139 18. Old Harbor Native Corporation, ANSWER OF EXXON et al., (P-95 and P-96); CORPORATION AND EXXON 19. PIPELINE COMPANY TO Exxon Corporation, et al., CLASS ACTION COMPLAINT 20. (D-1 through D-5; D-7; D-10 FILED APRIL 19, 1989 through D-12; D-14; D-19 through D-21) 21. 22. Exxon Corporation, also erroneously sued herein as 23. Exxon Co., USA, and for convenience identified in this answer as 24. "Exxon", and Exxon Pipeline Company, for convenience, identified 25. in this answer as "Exxon Pipeline", as their answer to the 26. complaint herein admit, deny and allege as follows:



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As to each and every allegation denied herein for lack of information or belief, allege that they are without knowledge or information sufficient categorically to admit or deny the said allegation at this time, wherefore they deny each said allegation using the phrase "deny for lack of information or belief."

Answering paragraph 1, admit that plaintiffs have 1. demanded that all issues so triable be tried by a jury in this case, but do not waive their right to contest plaintiffs' jury demand.

Defense To Count I

- Answering paragraph 2, Exxon and Exxon Pipeline are not required to respond to the allegations in paragraph 2.
 - Admit the allegations of paragraph 3. 3.
- Answering paragraph 4, admit that plaintiffs 4. purport to bring claims for relief based on the grounds alleged, but deny that plaintiffs can state a claim for relief based on said grounds.

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5. Deny each and every allegation of paragraph 5, except admit that this action may be brought in this district under 28 U.S.C. §1391.

- 6. Deny for lack of information or belief the allegations in paragraph 6.
 - 7. Admit the allegations in paragraph 7.
- Deny the allegations of paragraph 8, except admit 8. that Alyeska is a Delaware corporation the stock of which is owned by the Amerada Hess Pipeline Corporation, ARCO Pipe Line Company, BP Pipelines (Alaska) Inc., Exxon Pipeline Company, Mobil Alaska Pipeline Company, Phillips Alaska Pipeline Corporation, and Unocal Pipeline Company; and that the Owners of Alyeska are permittees under the Agreement and Grant of Right-of-Way for Trans-Alaska Pipeline.
- 9. Deny the allegations of paragraph 9 except admit that Exxon Corporation is a corporation organized under the laws of the state of New Jersey, with its principal place of business in New York at 1251 Avenue of the Americas, New York, New York 10021, and that the principal business of Exxon Corporation is energy, involving exploration for the production of crude oil, natural gas and petroleum products and exploration for the mining and sale of coal.

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admit that Exxon Shipping is a Delaware Corporation, that Exxon Corporation owns all of Exxon Shipping's stock, that the principal place of business of Exxon Shipping is Texas and that it is the owner and operator of the Exxon Valdez.

admit that Exxon Company, USA is an unincorporated division of Exxon Corporation responsible for the operation of Exxon Corporation's energy business within the United States, and that its headquarters is at 800 Bell Street, Houston, Texas.

12-17. Answering paragraphs 12 through 17, admit that plaintiffs purport to define certain terms, but deny the allegations and deny that any subsequent use of those terms in the complaint is necessarily accurate or appropriate.

- 18. Deny the allegations of paragraph 18, except admit that on Thursday evening, March 23, 1989, the EXXON VALDEZ, which is approximately 987 feet long and weighing approximately 211,000 deadweight tons, left the Port of Valdez, Alaska, the southern terminal facility of the Trans-Alaska Pipeline System, bound for Long Beach, California.
- 19. Deny the allegations in paragraph 19, except admit that the EXXON VALDEZ was loaded with approximately 1.2

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million barrels of crude oil which had been shipped from Alaska's North Slope through the Trans-Alaska Pipeline.

admit that the EXXON VALDEZ passed through the Valdez Narrows under the direction of a harbor pilot, who subsequently disembarked; that Captain Joseph J. Hazelwood was on the bridge of the vessel when the harbor pilot disembarked, and that Captain Hazelwood's duties as Master of the vessel were within the scope of his employment by Exxon Shipping.

- 21. Deny the allegations of paragraph 21, except admit that Captain Hazelwood left the bridge, leaving Gregory Cousins, the third mate, and Robert Kagan, the helmsman, on the bridge, and that the duties of Cousins as third mate and Kagan as helmsman were within the scope of their employment by Exxon Shipping.
- 22. Deny the allegations of paragraph 22, except admit that the U.S. Coast Guard gave the EXXON VALDEZ permission to leave the southbound shipping lane for reasons that include earlier reports that it contained ice that had calved from a glacier to the northwest.

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| admit | that | the | vesse | el t | ravelled | through | h the | northbou | ind | lane | and |
| subsequently struck Bligh Reef. | | | | | | | | | | | |

- 24. Deny the allegations of paragraph 24, except admit that the vessel was outside the channel when it struck Bligh Reef, which punctured some of the tanks and damaged a portion of the hull.
 - 25-26. Deny the allegations of paragraphs 25 and 26.
- 27. Deny the allegations of paragraph 27, except admit that the vessel was loaded with approximately 53,000,000 gallons of crude oil, that the grounding on Bligh Reef punctured eight of the vessel's oil tanks, causing the largest United States oil spill from a single vessel, and that approximately 258,000 barrels of crude oil were spilled into Prince William Sound.
 - 28. Deny the allegations of paragraph 28.
- Deny for lack of information or belief the 29-30. allegations of paragraphs 29 and 30.
- 31. Deny the allegations of paragraph 31, except admit that some of the discharged crude oil has moved to areas

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in the vicinity of the Kodiak Island Archipelago, and that islands in that archipelago are a habitat for water birds, sea and land mammals and fish and shellfish.

- 32. Deny the allegations of paragraph 32.
- 33-41. Deny for lack of information or belief the allegations of paragraphs 33 through 41, except admit that various plaintiffs purport to bring an action on behalf of classes of persons and entities described in the complaint.
- 42. Answering paragraph 42, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 41, as if set out in full.
- Answering paragraphs 43 through 47, Exxon and Exxon Pipeline are not required to answer allegations made against Alyeska. If response were required, Exxon and Exxon Pipeline deny the allegations in paragraph 43 through 47.

Defense to Count II

Answering paragraph 48, reallege and incorporate . 48. herein by reference each and every admission, denial and

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allegation contained in paragraphs 1 through 47, as if set out in full.

- 49. Deny the allegations of paragraph 49, except admit that Exxon Shipping is the owner and operator of the EXXON VALDEZ.
- 50. Deny for lack of information or belief the allegations of paragraph 50.
 - 51. Deny the allegations of paragraph 51.
- 52. Deny for lack of information or belief the allegations of paragraph 52, except admit that the events about which plaintiffs complain caused some damages to sea otters and birds.
- 53. Deny the allegations of Paragraph 53, except admit that 43 U.S.C. Section 1653(c), to the extent applicable, may impose upon certain entities strict liability for certain damages.

Defense to Count III

Answering paragraph 54, reallege and incorporate 54. herein by reference each and every admission, denial and

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allegation contained in paragraphs 1 through 53, as if set out in full.

55-62. Deny the allegations of paragraphs 55 through 62 insofar as they pertain to Exxon and Exxon Pipeline and deny for lack of information or belief said allegations insofar as they pertain to Alyeska or other defendants.

> Deny the allegations of paragraphs 63 and 64. 63-64.

65. Deny the allegations of paragraph 65 insofar as they pertain to Exxon and Exxon Pipeline and deny for lack of information or belief said allegations insofar as they pertain to other defendants.

> 66-67. Deny the allegations of paragraphs 66 and 67.

Defense to Count IV

68. Answering paragraph 68, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 67, as if set out in full.

Deny for lack of information or belief the allegations of paragraph 69, except admit that public records ANCHORAGE, ALASKA 99501-3510 TELEPHONE (907) 274-0666 purport to show that Captain Hazelwood has been convicted for driving while under the influence of alcohol.

70. Deny the allegations of paragraph 70.

71-77. Deny the allegations of paragraphs 71 through 77.

Defense to Count V

- 78. Answering paragraph 78, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 77, as if set out in full.
 - 79. Deny the allegations of paragraph 79.

Defense to Count VI

- 80. Answering paragraph 80, reallege and incorporate herein by reference each and every denial, admission and allegation contained in paragraphs 1 through 79, as if set out in full.
 - 81. Deny the allegations of paragraph 81.

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Defense to Count VII

82. Answering paragraph 82, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 81, as if set out in full.

- admit that AS 46.03.826(4)(B) defines oil to be a hazardous substance and that approximately 258,000 barrels of crude oil were discharged into the Prince William Sound as a result of the grounding of the EXXON VALDEZ.
 - 84. Deny the allegations of paragraph 84.
- 85. Deny the allegations of paragraph 85, except admit that Exxon owned the crude oil and that Exxon Shipping controlled the crude oil immediately prior to its release into the Prince William Sound.
- 86. Deny for lack of information or belief the allegations in paragraph 86, except admit that the oil spill was not caused solely as a result of an act of God or an act of war.
 - 87. Deny the allegations of paragraph 87.

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88. Deny for lack of information or belief the allegations of paragraph 88, except admit that A.S. 46.03.822, to the extent applicable and not preempted, may impose strict liability on certain entities for some damages.

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Defense to Count VIII

89. Answering paragraph 89, reallege and incorporate herein by reference each and every denial, admission and allegation contained in paragraphs 1 through 88, as if set out in full.

90-93. Deny the allegations in paragraphs 90 through 93.

Defense to Count IX

Answering paragraph 94, reallege and incorporate 94. herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 93, as if set out in full.

95-98. Deny the allegations in paragraphs 95 through 98.

Defense to Count X

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99. Answering paragraph 99, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 98, as if set out in full.

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100-102. Deny the allegations in paragraphs 100 through 102.

Defense to Count XI

103. Answering paragraph 103, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 102, as if set out in full.

Deny the allegations in paragraphs 104 through 107.

General Denial

108. Deny each and every other allegation in plaintiffs' complaint that was not specifically admitted herein.

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Affirmative and Other Defenses

109. The complaint and each count thereof fails to state claims upon which relief can be granted.

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- 110. Exxon and Exxon Pipeline are informed and believe that some plaintiffs lack standing to claim or recover for some of the damages alleged in the complaint.
- Exxon Shipping and Exxon are voluntarily paying claims for loss allegedly caused by the oil spill, and are incurring other expenses in connection with the oil spill. Exxon, Exxon Shipping and Exxon Pipeline are entitled to a setoff in the full amount of all such payments in the event that plaintiffs' claims encompass such expenditures.
- 112. Certain persons engaged or employed in connection with activities related to containment and cleanup of the oil released from the EXXON VALDEZ were thereby able to avoid or mitigate damage from the interruption of fishery and other activities. Payments received by such persons are a setoff against losses, if any, resulting from the interruption of fishery and other activities.

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113. To the extent that persons able to mitigate damages failed to do so, defendants cannot be held liable to such persons for avoidable losses.

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- 114. Claims by some persons or entities who may be within the purported classes have been settled and released.
- 115. Plaintiffs' claims for punitive damages are unconstitutional under the United States Constitution, including, without limitation, Article I, Section 8; Amendment V; and Amendment XIV; and the Alaska Constitution, including, without limitation, Article I, Section 7 and Article I, Section 12.
- The damages alleged in the complaint were caused, in part, by the action of others not joined as defendants herein as to whom a right of contribution or indemnity should exist as to Exxon and Exxon Pipeline. Exxon and Exxon Pipeline may seek leave of Court to join such additional persons as third party defendants on the basis of further discovery herein.
- Plaintiffs' claims sound in maritime tort and are subject to applicable admiralty limits on recovery of damages for remote economic loss unaccompanied by physical injury to person or property.

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against Exxon and Exxon Pipeline relating to the oil spill, some of whom purport to represent the plaintiffs in this action. In the event of any judgment or judgments in such other lawsuits against Exxon or Exxon Pipeline and in favor of persons whose claims are encompassed in this action, such judgment or judgments will be res judicata as to the claims of such persons herein.

- lawsuits against Exxon, Exxon Pipeline and various other defendants, and to the extent there is a recovery in said other lawsuits encompassing claims made by plaintiffs herein, recovery on the claims herein is barred to the extent that it would represent a multiple recovery for the same injury.
- 120. Some or all of plaintiffs' claims for damages may be barred or reduced by the doctrine of comparative negligence.
- 121. The amount of liability, if any, for the acts alleged is controlled by statute, including, without limitation, 43 U.S.C. § 1653(c) and AS 09.17.010, .060 and .080(d).
- 122. If punitive damages were to be awarded or civil or criminal penalties assessed in any other lawsuit against

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123. Some or all of plaintiffs' claims, including claims for punitive damages, are preempted by the comprehensive scheme of statutes and federal regulations, including its system of criminal and civil penalties, sanctions and remedies relevant to the oil spill, and its scheme relevant to protection of subsistence interests.

- 124. Plaintiffs' claims for punitive damages are precluded by the Alaska statutory scheme for civil and criminal penalties.
- 125. Plaintiffs' claims for compensatory relief under state law are preempted by federal statutory and common law schemes for compensatory relief.
- 126. Certain claims asserted by plaintiffs are not ripe for adjudication.
- after the oil spill constitute an unlawful bill of attainder violative of Article I, Section 10 of the United States

 Constitution, and if applied to Exxon or to Exxon Pipeline would also violate the due process clauses of the United States and

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Alaska Constitutions, and the contract clause of the United States Constitution.

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- Certain theories of relief may not be maintained 128. because these theories are based upon the exercise by Exxon and Exxon Pipeline of federal and state constitutional rights to petition the federal and state governments with respect to the passage and enforcement of laws.
- 129. Plaintiffs fail to satisfy the requirements for the injunctive relief they seek.
- Exxon and Exxon Shipping have acted pursuant to 130. government approval and direction with respect to the containment and clean-up of the oil spill.
- 131. ANILCA, 16 U.S.C. § 3111, et seq. provides the exclusive federal vehicle for Alaskan natives and rural Alaskans to seek protection from harm, attributable to this oil spill, to federally recognized subsistence interests.
- 132. The corporate plaintiffs herein lack the capacity to commence and maintain this action insofar as they have failed to allege and prove that they have paid their Alaska biennial corporate taxes last due and have filed biennial reports for the last reporting period.

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WHEREFORE, Exxon and Exxon Pipeline pray for judgment as follows:

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- That plaintiffs take nothing and be granted no 1. relief, legal or equitable;
- That Exxon and Exxon Pipeline be awarded their 2. costs in this action; and

1. 3. For such other and further relief as the Court 2. deems just and proper. 3. 4. DATED: August 15, 1989 5. PATRICK LYNCH 6. JOHN F. DAUM O'MELVENX 7. 8. By 9. 10. 11. 12. HOLMES 13. 14. 15. Attorneys for Defendants 16. Exxon Corporation and Exxon 17. 18. 19. 20. 21. 22. 23. 24. 25. 26.

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Respectfully submitted, CHARLES W. BENDER MYERS John 4. Daum JOHN F. CLOUGH, III RANDALL J.) WEDDLE FAULKNER, BANFIELD, DOOGAN & TELEPHONE (907) 274-0666

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| 2. 3. 4. | CHARLES W. BENDER PATRICK LYNCH JOHN F. DAUM O'MELVENY & MYERS 400 South Hope Street, 15th Floor Los Angeles, California 90071-2899 (213) 669-6000 AUG 1 5 1989 |
| 5. | JOHN F. CLOUGH, ITI |
| 6. | JOHN F. CLOUGH, ITI RANDALL J. WEDDLE FAULKNER, BANFIELD, DOOGAN & HOLMES 550 W. 7th Avenue, Suite 1000 |
| 7. | 550 W. 7th Avenue, Suite 1000
Anchorage, Alaska 99501-8510 |
| 8. | (907) 274-0666 |
| 9. | Attorneys for Defendant
Exxon Corporation |
| 10. | |
| 11. | Honorable H. Russell Holland |
| 12. | IN THE UNITED STATES DISTRICT COURT FOR THE |
| 13. | DISTRICT OF ALASKA |
| 14. | |
| | T |
| 15. | In re) No. A89-095) (Consolidated) |
| 16. | The EXXON VALDEZ) ANSWER OF EXXON CORPORATION |
| 17. | This Document Relates) TO FIRST AMENDED COMPLAINT TO Action No.:) FILED MAY 8, 1989 AND |
| 18. |) REMOVED TO FEDERAL COURT ON
A89-200) MAY 23, 1989 |
| 19. | ROBERT A. MAXWELL, et al.) |
| 20. | (P-165 and P-166); |
| 21. | v.) |
| 22. | EXXON CORPORATION, et al.,) (D-1 through D-4).) |

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Exxon Corporation, for convenience identified in this answer as "Exxon", as its answer to the complaint herein admits, denies and alleges as follows:

As to each and every allegation denied herein for lack of information or belief, Exxon alleges that it is without knowledge or information sufficient categorically to admit or deny the said allegation at this time, wherefore it denies each said allegation using the phrase "denies for lack of information or belief."

Defense To First Cause of Action

- Denies for lack of information or belief each and 1. every allegation of paragraph 1.
- 2. Denies each and every allegation of paragraph 2, except admits that Exxon is a corporation organized under the laws of the State of New Jersey with its principal place of business at 1251 Avenue of the Americas, New York, New York 10020, and, that the principal business of Exxon is energy, involving exploration for and production of crude oil, natural gas and petroleum products, and exploration for and mining and sale of coal.

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Denies each and every allegation of paragraph 3, except admits that Exxon Shipping Company ("Exxon Shipping") is a Delaware Corporation with its principal place of business in the State of Texas, that Exxon Shipping is the owner and operator of the vessel known as the EXXON VALDEZ, that Exxon Shipping does business in the State of Alaska and that Exxon owns all of Exxon Shipping's stock.

Admits the allegations of paragraph 4.

5. Denies each and every allegation of paragraph 5, except admits that Alyeska Pipeline Service Co. ("Alyeska") is a Delaware Corporation, that Alyeska is owned by Amerada Hess Pipeline Corporation, ARCO Pipe Line Company, B.P. Pipelines (Alaska), Inc., Exxon Pipeline Company ("Exxon Pipeline"), Mobil Alaska Pipeline Company, Phillips Alaska Pipeline Corporation and Unocal Pipeline Company, that the owners of Alyeska are permittees under the Agreement and Grant of Right-of-Way for Trans-Alaska Pipeline and that Alyeska operates the Trans-Alaska Pipeline System, including the terminal facility at the Port of Valdez where the EXXON VALDEZ was loaded with North Slope crude oil on or about March 23, 1989.

> Admits the allegations of paragraph 6. 6.

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7. Denies for lack of information or belief each and every allegation of paragraph 7, except admits that on March 23 and March 24, 1989 the EXXON VALDEZ was under the command of Joseph J. Hazelwood ("Hazelwood"), that the EXXON VALDEZ departed the Port of Valdez on March 23, 1989 under the direction of a licensed harbor pilot, that, after navigating the Valdez narrows the pilot disembarked, that thereafter Hazelwood departed the bridge leaving Gregory Cousins ("Cousins"), the third mate, and Robert Kagan, the helmsman, on the bridge, that Hazelwood Cousins and Kagan were employees of Exxon Shipping, and that their duties on the vessel were within the scope of their employment.

- Denies for lack of information or belief each and 8. every allegation of paragraph 8, except admits that the vessel received Coast Guard permission to leave the normal southbound shipping lane due in part to the reported presence of ice, that the EXXON VALDEZ went beyond the northbound shipping lane into the area of Bligh Reef, which reef is depicted on charts, and that the vessel was bound for Long Beach, California.
- 9. Denies each and every allegation of paragraph 9, except admits that the EXXON VALDEZ went aground on Bligh Reef causing the rupture of certain of its cargo tanks.

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| 10. Denies each and every allegation of paragraph 10, |
|--|
| except admits that the vessel was transporting approximately 53 |
| million gallons of crude oil, that the grounding of the EXXON |
| VALDEZ resulted in the discharge into Prince William Sound of |
| approximately 258,000 barrels of crude oil, the largest spill in |
| the United States from a single vessel, that the grounding |
| punctured eight of the vessel's cargo tanks and that the spill |
| has spread to areas in the vicinity of Kodiak Island. |

- 11. Denies each and every allegation of paragraph 11, except admits that Governor Cowper declared a disaster emergency on or about Sunday, March 26, 1989.
 - Denies each and every allegation of paragraph 12. 12.
- Denies for lack of information or belief each and 13. every allegation of paragraph 13.
- Denies each and every allegation of paragraph 14, 14. except admits that Exxon Shipping was and is owner of the EXXON VALDEZ and employed Hazelwood, Cousins and the crew of the vessel at the time of the grounding.
 - Denies each and every allegation of paragraph 15. 15.

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| | 16. Denies each and every allegation of paragraph 16, |
| | except admits that the oil discharged from the EXXON VALDEZ was |
| | transported through the Trans-Alaska Pipeline and loaded on the |
| | vessel at the terminal facilities at the Port of Valdez, Alaska |
| | |
| | 17. Denies for lack of information or belief each an |
| | 17. Denies for lack of information or belief each an |

- 17. Denies for lack of information or belief each and every allegation of paragraph 17, except admits that the discharge of oil from the EXXON VALDEZ was not caused by an act of war.
- 18. Denies for lack of information on belief each and every allegation of paragraph 18.
- 19. Denies each and every allegation of paragraph 19, except admits that 43 U.S.C. § 1653(c), to the extent applicable, may impose strict liability on certain persons for certain damages.

Defense To Second Cause of Action

20-26. Denies each and every allegation of paragraphs
20 through 26 insofar as they pertain to Exxon and Exxon
Shipping Company and deny for lack of information or belief said
allegations insofar as they pertain to other defendants.

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Defense To Third Cause of Action

27. Denies for lack of information or belief each and every allegation of paragraph 27, except admits that public records purport to show that Hazelwood has been convicted for driving while under the influence of alcohol.

28-33. Denies each and every allegation of paragraphs 28 through 33.

Defense To Fourth Cause of Action

- 34. Denies each and every allegation of paragraph 34, except admits that approximately 258,000 barrels of crude oil were released into Prince William Sound as a result of the grounding of the EXXON VALDEZ and that A.S. 46.03.826(4) defines the term hazardous substance as including oil.
 - 35. Denies each and every allegation of paragraph 35.
- 36. Denies each and allegation of paragraph 36, except admits that Exxon owned the crude oil cargo of the EXXON VALDEZ and that Exxon Shipping had control of the crude oil immediately prior to its discharge into Prince William Sound.

FAULKNER, BANFIELD, DOOGAN & HOLMES 550 WEST SEVENTH AVE, SUITE 1000 ANCHORAGE, ALASKA 99501-3510 TELEPHONE (907) 274-0666

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| 37. Denies for lack of information or belief the |
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| allegations of paragraph 37, except admits that the spill was |
| not caused solely as a result of an act of war. |
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| 38. Denies each and every allegation of paragraph 38 |
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| 39. Denies for lack of information or belief each ar. |
| every allegation of paragraph 39. |
| |
| <u>General Denial</u> |
| |
| 40. Denies each and every other allegation in plain- |
| tiffs' complaint that was not specifically admitted herein. |
| Affirmative and Other Defenses |
| AITITMACTVE and Other Detenses |
| 41. The complaint and each count thereof fails to |
| state claims upon which relief can be granted. |
| |
| 42. Exxon is informed and believes that plaintiffs |
| lack standing to claim or recover damages based on the |
| allegations of the complaint. |
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| 43. Independent of any legal obligation to do so, |

Exxon Shipping and Exxon are voluntarily paying claims for

economic loss allegedly caused by the oil spill, and are

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incurring other expenses in connection with the oil spill.

Exxon and Exxon Shipping are entitled to a setoff in the full amount of all such payments in the event that plaintiffs' claims encompass such expenditures.

- 44. Certain persons engaged or employed in connection with activities related to containment and clean up of the oil released from the EXXON VALDEZ were thereby able to avoid or mitigate damage from the interruption of fishery and other activities. Payments received by such persons are a set off against losses, if any, resulting from the interruption of fishery and other activities.
- 45. To the extent that persons able to mitigate damages failed to do so, defendants cannot be held liable to such persons for avoidable losses.
- 46. Plaintiffs' claims for punitive damages are unconstitutional under the United States Constitution, including, without limitation, Article I, Section 8; Amendment V; and Amendment XIV; and the Alaska Constitution, including, without limitation, Article I, Section 7 and Article I, Section 12.
- 47. The damages alleged in the complaint were caused, in part, by the action of others not joined as defendants herein as to whom a right of contribution or indemnity should exist as

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to Exxon. Exxon may seek leave of Court to join such additional persons as third party defendants on the basis of further discovery herein.

- Plaintiffs' claims sound in maritime tort and are 48. subject to applicable admiralty limits on recovery of damages for remote economic loss unaccompanied by physical injury to person or property.
- 49. Numerous persons and entities have filed class action lawsuits against Exxon relating to the oil spill, some of whom purport to represent the plaintiffs in this action. In the event of any judgment in such other lawsuits against Exxon and in favor of plaintiffs herein, such judgment will be res judicata as to the claims of plaintiff herein.
- Numerous persons and entities have filed other 50. lawsuits against Exxon, and various other defendants, and to the extent there is a recovery in said other lawsuits encompassing claims made by plaintiffs herein, recovery on the claims herein is barred to the extent that it would represent a multiple recovery for the same injury.
- Some or all of plaintiffs' claims for damages may 51. be barred or reduced by the doctrine of comparative negligence.

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| | 52. | The am | ount of | liabilit | y, if a | ny, for | the acts |
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| alleged | is con | trolled | by sta | tute, ind | luding, | without | limitation, |
| 43 U.S.C | c. § 16 | 53(c) a | nd AS 0 | 9.17.010 | .060 a | nd .080(| d). |

- 53. If punitive damages were to be awarded or civil or criminal penalties assessed in any other lawsuit against Exxon relating to the oil spill, such award bars imposition of punitive damages in this action.
- 54. Some or all of plaintiffs' claims, including claims for punitive damages, are preempted by the comprehensive scheme of federal statutes and regulations, including its system of criminal and civil penalties, sanctions and remedies relevant to the oil spill, and its scheme relevant to protection of subsistence interests.
- 55. Plaintiffs' claims for punitive damages are precluded by the Alaska statutory scheme for civil and criminal penalties.
- Plaintiffs' claims for compensatory relief under state law are preempted by federal statutory and common law schemes for compensatory relief.
- 57. Certain claims asserted by plaintiffs are not ripe for adjudication.

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| 58. Those portions of AS 46.03 that were enacted |
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| after the oil spill constitute an unlawful bill of attainder |
| violative of Article I, Section 10, and if applied to Exxon |
| would also violate the due process clauses of the United State |
| and Alaska Constitutions, and the contract clause of the Unite |
| States Constitution. |

59. Plaintiffs fail to satisfy the requirements for the injunctive relief they seek.

Prayer

WHEREFORE, Exxon prays for judgment as follows:

- 1. That plaintiffs take nothing and be granted no relief, legal or equitable;
- 2. That Exxon be awarded its costs in this action; and

| | 1. | | 3. | For | such | other | and | further relief as the Court |
|--------------------------|-----|---------|---------|------|------|-------|-----|---|
| | 2. | deems j | ust and | prop | per. | | | |
| | 3. | | | | | | | |
| | 4. | DATED: | August | 15, | 1989 | | | Respectfully submitted, |
| | 5. | | | | | | | CHARLES W. BENDER |
| | 6. | | | | | | | PATRICK LYNCH
JOHN F. DAUM |
| | 7. | | | | | | | O'MELVERY MERS |
| | 8. | | | | | | | XIMXI |
| | 9. | | | | | | | John F. Daum |
| | 10. | | | | | | | |
| | 11. | | | | | | | John F. chough, III |
| 9990 | 12. | | | | | | | RANDALL J WEDDLE FACLKNER, BANFIELD, DOOGAN |
| 472 (70 | 13. | | | | | | | HOLMES |
| ONE (9 | 14. | | | | | | | Dis for Man Will 1 |
| TELEPHONE (907) 274-0666 | 15. | | | | | | | Randall J. Weddle |
| | 16. | | | | | | | Attorneys for Defendant Ex |
| | 17. | | | | | | | Corporation |
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1. CHARLES W. BENDER PATRICK LYNCH 2. FILED JOHN F. DAUM O'MELVENY & MYERS 3. 400 South Hope Street Los Angeles, California 90071-2899 4. (213) 669-6000 5. JOHN F. CLOUGH, III RANDALL J. WEDDLE 6. FAULKNER, BANFIELD, DOOGAN & HOLMES 550 W. 7th Avenue, Suite 1000 7. Anchorage, Alaska 99501-3510 (907)274-06668. Attorneys for Defendant 9. Exxon Corporation 10. Honorable H. Russell Holland 11. IN THE UNITED STATES DISTRICT COURT 12. FOR THE DISTRICT OF ALASKA 13. In re 14. The EXXON VALDEZ No. A89-095 Civil 15. (Consolidated) This Document Relates to Action No. 16. 17. A89-239 ANSWER OF EXXON Kodiak Island Borough, et al., CORPORATION TO CLASS ACTION COMPLAINT FILED (P-80);18. MAY 30, 1989 AND Exxon Corporation, et al., 19. REMOVED TO FEDERAL (D-1 through D-5; D-7 and D-18) COURT ON JUNE 12, 1989 20. 21. Exxon Corporation, also erroneously sued herein as 22. Exxon Co., USA, and for convenience identified in this answer as 23. "Exxon", as its answer to the complaint herein admits, denies 24. and alleges as follows:



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As to each and every allegation denied herein for lack of information or belief, alleges that it is without knowledge or information sufficient categorically to admit or deny the said allegation at this time, wherefore it denies each said allegation using the phrase "denies for lack of information or belief."

Defense To Count I

- 1. Answering paragraph 1, Exxon is not required to respond to the allegations in paragraph 1.
- Answering paragraph 2, admits that plaintiff 2. purports to bring claims for relief based on the grounds alleged, but denies that plaintiff can state a claim for relief based on said grounds.
- Denies for lack of information or belief the 3. allegations in paragraph 3.
 - 4. Admits the allegations in paragraph 4.
- 5. Denies the allegations of paragraph 5, except admits that Alyeska is a Delaware corporation the stock of which is owned by the Amerada Hess Pipeline Corporation, ARCO Pipe Line Company, BP Pipelines (Alaska) Inc., Exxon Pipeline

Company, Mobil Alaska Pipeline Company, Phillips Alaska Pipeline Corporation, and Unocal Pipeline Company; and that the Owners of Alyeska are permittees under the Agreement and Grant of Right-of-Way for Trans-Alaska Pipeline.

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- 6. Denies the allegations of paragraph 6 except admits that Exxon Corporation is a corporation organized under the laws of the state of New Jersey, with its principal place of business in New York at 1251 Avenue of the Americas, New York, New York 10021, and that the principal business of Exxon Corporation is energy, involving exploration for the production of crude oil, natural gas and petroleum products and exploration for the mining and sale of coal.
- 7. Denies the allegations of paragraph 7, except admits that Exxon Shipping is a Delaware Corporation, that Exxon Corporation owns all of Exxon Shipping's stock, that the principal place of business of Exxon Shipping is Texas and that it is the owner and operator of the Exxon Valdez.
- 8. Denies the allegations of paragraph 8, except admits that Exxon Company, USA is an unincorporated division of Exxon Corporation responsible for the operation of Exxon Corporation's energy business within the United States, and that its headquarters is at 800 Bell Street, Houston, Texas.

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9. Denies the allegations of paragraph 9, except admits that Joseph Hazelwood was Master of the EXXON VALDEZ and that his duties as Master were within the scope of his employment by Exxon Shipping.

10. Admits the allegations of paragraph 10, except denies for lack of information or belief that defendant Murphy is a resident of the State of Alaska.

11-16. Answering paragraphs 11 through 16, admits that plaintiff purports to define certain terms, but denies the allegations and denies that any subsequent use of those terms in the complaint is necessarily accurate or appropriate.

- 17. Denies the allegations of paragraph 17, except admits that on Thursday evening, March 23, 1989, the EXXON VALDEZ, which is approximately 987 feet long and weighing approximately 211,000 deadweight tons, left the Port of Valdez, Alaska, the southern terminal facility of the Trans-Alaska Pipeline System, bound for Long Beach, California.
- 18. Denies the allegations in paragraph 18, except admits that the EXXON VALDEZ was loaded with approximately 1.2 million barrels of crude oil which had been shipped from Alaska's North Slope through the Trans-Alaska Pipeline.

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19. Denies the allegations of paragraph 19 except admits that the EXXON VALDEZ passed through the Valdez Narrows under the direction of a harbor pilot, who subsequently disembarked; that Captain Joseph J. Hazelwood was on the bridge of the vessel when the harbor pilot disembarked, and that Captain Hazelwood's duties as Master of the vessel were within the scope of his employment by Exxon Shipping.

20. Denies the allegations of paragraph 20, except admits that Captain Hazelwood left the bridge, leaving Gregory Cousins, the third mate, and Robert Kagan, the helmsman, on the bridge, and that the duties of Cousins as third mate and Kagan as helmsman were within the scope of their employment by Exxon Shipping.

- Denies the allegations of paragraph 21, except 21. admits that the U.S. Coast Guard gave the EXXON VALDEZ permission to leave the southbound shipping lane for reasons that include earlier reports that it contained ice that had calved from a glacier to the northwest.
- 22. Denies the allegations of paragraph 22, except admits that the vessel travelled through the northbound lane and subsequently struck Bligh Reef.

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23. Denies the allegations of paragraph 23, except admits that the vessel was outside the channel when it struck Bligh Reef, which punctured some of the tanks and damaged a portion of the hull.

> 24-25. Denies the allegations of paragraphs 24 and 25.

- 26. Denies the allegations of paragraph 26, except admits the grounding on Bligh Reef punctured eight of the vessel's oil tanks, causing the largest United States oil spill from a single vessel, and that approximately 258,000 barrels of crude oil were spilled into Prince William Sound.
 - 27. Denies the allegations of paragraph 27.
- Denies for lack of information or belief the 28-29. allegations of paragraphs 28 and 29.
- 30. Denies the allegations of paragraph 30, except admits that some of the discharged crude oil has moved to areas in the vicinity of the Kodiak Island Archipelago, and that islands in that archipelago are a habitat for water birds, sea and land mammals and fish and shellfish.
 - 31. Denies the allegations of paragraph 31.

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| 32-40. | Denies for lack of information or belief th | . € |
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| allegations of p | aragraphs 32 through 40, except admits that | |
| various plainti | fs purport to bring an action on behalf of | |
| classes of perso | ons and entities described in the complaint. | |

- 41. Answering paragraph 41, realleges and incorporates herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 40, as if set out in full.
- Answering paragraphs 42 through 46, Exxon is not required to answer allegations made against Alyeska. response were required, Exxon denies the allegations in paragraph 42 through 46.

Defense to Count II

- Answering paragraph 47, realleges and 47. incorporates herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 46, as if set out in full.
- Denies the allegations of paragraph 48, except 48. admits that Exxon Shipping is the owner and operator of the EXXON VALDEZ.

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- Denies for lack of information or belief the allegations of paragraph 49.
 - 50. Denies the allegations of paragraph 50.
- Denies for lack of information or belief the 51. allegations of paragraph 51, except admits that the events about which plaintiffs complain caused some damages to sea otters and birds.
- 52. Denies the allegations of Paragraph 52, except admits that 43 U.S.C. Section 1653(c), to the extent applicable, may impose upon certain entities strict liability for certain damages.

Defense to Count III

- 53. Answering paragraph 53, realleges and incorporates herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 52, as if set out in full.
- Denies the allegations of paragraphs 54 through 61 insofar as they pertain to Exxon and denies for lack of information or belief said allegations insofar as they pertain to Alyeska or other defendants.

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| 62-63. Denies the allegations of paragraphs 62 a | 62-63. | Denies th | e allegations | of | paragraphs | 62 | and | 63 |
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- Denies the allegations of paragraph 64 insofar as 64. they pertain to Exxon and denies for lack of information or belief said allegations insofar as they pertain to other defendants.
 - Denies the allegations of paragraphs 65 and 66. 65-66.

Defense to Count IV

- 67. Answering paragraph 67, realleges and incorporates herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 66, as if set out in full.
- Denies for lack of information or belief the 68. allegations of paragraph 68, except admits that public records purport to show that Captain Hazelwood has been convicted for driving while under the influence of alcohol.
 - 69. Denies the allegations of paragraph 69.
 - 70. Denies the allegations of paragraph 70.

| | 1. | 71-77. Denies the allegations of paragraphs 71 through | | | | | | | | | |
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| | 2. | 77. | | | | | | | | | |
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| | 4. | Defense to Count V | | | | | | | | | |
| | 5. | | | | | | | | | | |
| | 6. | 78. Answering paragraph 78, realleges and | | | | | | | | | |
| | 7. | incorporates herein by reference each and every admission, | | | | | | | | | |
| | 8. | denial and allegation contained in paragraphs 1 through 77, as | | | | | | | | | |
| | 9. | if set out in full. | | | | | | | | | |
| | 10. | | | | | | | | | | |
| | 11. | 79. Denies the allegations of paragraph 79. | | | | | | | | | |
| 9990-1 | 12. | | | | | | | | | | |
| 72 (LOC | 13. | Defense to Count VI | | | | | | | | | |
| TELEPHONE (907) 274-0666 | 14. | | | | | | | | | | |
| TELEPH | 15. | 80. Answering paragraph 80, realleges and | | | | | | | | | |
| | 16. | incorporates herein by reference each and every denial, | | | | | | | | | |
| | 17. | admission and allegation contained in paragraphs 1 through 79, | | | | | | | | | |
| | 18. | as if set out in full. | | | | | | | | | |
| | 19. | | | | | | | | | | |
| | 20. | 81. Denies the allegations of paragraph 81. | | | | | | | | | |
| | 21. | | | | | | | | | | |
| | 22. | Defense to Count VII | | | | | | | | | |
| | 23. | · | | | | | | | | | |
| | 24. | 82. Answering paragraph 82, realleges and | | | | | | | | | |
| | 25. | incorporates herein by reference each and every admission, | | | | | | | | | |
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denial and allegation contained in paragraphs 1 through 81, as if set out in full.

- 83. Denies the allegations of paragraph 83, except admits that A.S. 46.03.826(4)(B) defines oil to be a hazardous substance and that approximately 258,000 barrels of crude oil were discharged into the Prince William Sound as a result of the grounding of the EXXON VALDEZ.
 - Denies the allegations of paragraph 84. 84.
- Denies the allegations of paragraph 85, except 85. admits that Exxon owned the crude oil and that Exxon Shipping controlled the crude oil immediately prior to its release into the Prince William Sound.
- 86. Denies for lack of information or belief the allegations in paragraph 86, except admits that the oil spill was not caused solely as a result of an act of war.
 - 87. Denies the allegations of paragraph 87.
- Denies for lack of information or belief the 88. allegations of paragraph 88, except admits that AS 46.03.822, to the extent applicable and not preempted, may impose strict liability on certain entities for some damages.

| JENNER, BAINFIELD, DOCUMIN & INCEMIES | 550 WEST SEVENTH AVE., SUITE 1000 | ANCHORAGE, ALASKA 99501-3510 | TELEPHONE (907) 274-0666 |
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| Defense : | to (| Count | VIII |
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89. Answering paragraph 89, realleges and incorporates herein by reference each and every denial, admission and allegation contained in paragraphs 1 through 88, as if set out in full.

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Denies the allegations in paragraphs 90 through 93.

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Defense to Count IX

94. Answering paragraph 94, realleges and incorporates herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 93, as if set out in full.

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Denies the allegations in paragraphs 95 through 95-98. 98.

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Defense to Count X

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Answering paragraph 99, realleges and incorporates herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 98, as if set out in full.

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100-102. Denies the allegations in paragraphs 100 through 102.

Defense to Count XI

103. Answering paragraph 103, realleges and incorporates herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 102, as if set out in full.

Denies the allegations in paragraphs 104 104-107. through 107.

General Denial

108. Denies each and every other allegation in plaintiff's complaint that was not specifically admitted herein.

Affirmative and Other Defenses

- 109. The complaint and each count thereof fails to state claims upon which relief can be granted.
- 110. Exxon is informed and believes that plaintiff lacks standing to claim or recover for some of the damages alleged in the complaint.

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Independent of any legal obligation to do so, 111. Exxon Shipping and Exxon are voluntarily paying claims for economic loss allegedly caused by the oil spill, and are incurring other expenses in connection with the oil spill. Exxon and Exxon Shipping are entitled to a setoff in the full amount of all such payments in the event that plaintiff's claims encompass such expenditures.

Certain persons engaged or employed in connection 112. with activities related to containment and cleanup of the oil released from the EXXON VALDEZ were thereby able to avoid or mitigate damage from the interruption of fishery and other activities. Payments received by such persons are a setoff against losses, if any, resulting from the interruption of fishery and other activities.

- To the extent that persons able to mitigate 113. damages failed to do so, defendants cannot be held liable to such persons for avoidable losses.
- 114. Claims by some persons or entities who may be within the purported classes have been settled and released.
- 115. Plaintiff's claims for punitive damages are unconstitutional under the United States Constitution, including, without limitation, Article I, Section 8; Amendment V; and

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Amendment XIV; and the Alaska Constitution, including, without limitation, Article I, Section 7 and Article I, Section 12.

- 116. The damages alleged in the complaint were caused, in part, by the action of others not joined as defendants herein as to whom a right of contribution or indemnity should exist as Exxon may seek leave of Court to join such additional persons as third party defendants on the basis of further discovery herein.
- 117. Plaintiff's claims sound in maritime tort and are subject to applicable admiralty limits on recovery of damages for remote economic loss unaccompanied by physical injury to person or property.
- 118. Numerous persons and entities have filed lawsuits against Exxon relating to the oil spill, some of whom purport to represent the plaintiffs in this action. In the event of any judgment or judgments in such other lawsuits against Exxon and in favor of persons whose claims are encompassed in this action, such judgment or judgments will be res judicata as to the claims of such persons herein.
- 119. Numerous persons and entities have filed other lawsuits against Exxon and various other defendants, and to the extent there is a recovery in said other lawsuits encompassing

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claims made by plaintiffs herein, recovery on the claims herein is barred to the extent that it would represent a multiple recovery for the same injury.

- 120. Some or all of plaintiff's claims for damages may be barred or reduced by the doctrine of comparative negligence.
- 121. The amount of liability, if any, for the acts alleged is controlled by statute, including, without limitation, 43 U.S.C. § 1653(c) and AS 09.17.010, .060 and .080(d).
- 122. If punitive damages were to be awarded or civil or criminal penalties assessed in any other lawsuit against Exxon relating to the oil spill, such award bars imposition of punitive damages in this action.
- 123. Some of plaintiff's claims, including claims for punitive damages, are preempted by the comprehensive scheme of federal statutes and regulations, including its system of criminal and civil penalties, sanctions and remedies relevant to the oil spill, and its scheme relevant to protection of subsistence interests.
- 124. Plaintiff's claims for punitive damages are precluded by the Alaska statutory scheme for civil and criminal penalties.

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| | 125. | Plaintiff's | claims | for compens | satory | , relie | ef under | |
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| state | law are | preempted by | federal | statutory | and d | common | law | |
| schemes for compensatory relief. | | | | | | | | |

- Certain claims asserted by plaintiff are not ripe 126. for adjudication.
- Those portions of AS 46.03 that were enacted 127. after the oil spill constitute an unlawful bill of attainder violative of Article I, Section 10 of the United States Constitution, and if applied to Exxon would also violate the due process clauses of the United States and Alaska Constitutions, and the contract clause of the United States Constitution.
- 128. Certain theories of relief may not be maintained because these theories are based upon the exercise by Exxon of federal and state constitutional rights to petition the federal and state governments with respect to the passage and enforcement of laws.
- 129. Plaintiff has previously filed an action against Exxon, which action was filed April 16, 1989, and is now pending in this Court as Action A89-136. Exxon is entitled to an abatement of this action, or, in the event of any recovery by plaintiff in such other action as compensation for the damages

| alleged | herein, | Exxon | is | entitled | to | a | setoff | in | the | full | amount |
|---------|----------|-------|----|----------|----|---|--------|----|-----|------|--------|
| of such | recovery | 7• | | | | | | | | | |

- 130. Exxon and Exxon Shipping have acted pursuant to government approval and direction with regard to the containment and clean-up of the oil spill.
- 131. Plaintiffs fail to satisfy the requirements of the injunctive relief they seek.

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WHEREFORE, Exxon prays for judgment as follows:

- 1. That plaintiff take nothing and be granted no relief, legal or equitable;
- 2. That Exxon be awarded its costs in this action; and

| | 1. | | 3. | For | such | other | and | further relief as the Court |
|--|-------|----------|---------|------|------|-------|-----|--|
| | 2. | deems j | ust and | prop | per. | | | |
| | 3. | | | | | | | |
| | 4. | DATED: | August | 15, | 1989 | | | Respectfully submitted, |
| | 5. | | | | | | | CHARLES W. BENDER |
| | 6. | | | | | | | PATRICK LYNCH
JOHN F. DAUM |
| | 7. | | | | | | | O'MELVENY MYERS |
| | 8. | | | | | | | By X The Constitution |
| MES | 9. | | | | | | | John F. Daum |
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RANDALL J. WEDDLE |
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| FAULKNER, BANFIELD, DOOGAN & HOLMES 550 WEST SEVENTH AVE., SUITE 1000 ANCHORAGE ALASKA 99501-3510 TELEPHONE (907) 274-0666 | 14. | | | | | | | By May Mille All |
| ANF
TEST SE
THORA | 15. | | | | | | | Randall J. Weddle |
| ER, B
550 W
ANC | 16. | | | | | | • | Attorneys for Defendant Exxon
Corporation |
| LKN | 17. | <u> </u> | | | | | | Corporation |
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and alleges as follows:

1. CHARLES W. BENDER PATRICK LYNCH 2. JOHN F. DAUM FILED O'MELVENY & MYERS 3. 400 South Hope Street Los Angeles, California 90071-2899 AUG 1 5 1989 4. (213) 669-6000 DISTRICT OF ALASKA 5. JOHN F. CLOUGH, III RANDALL J. WEDDLE 6. FAULKNER, BANFIELD, DOOGAN & HOLMES 550 W. 7th Avenue, Suite 1000 7. Anchorage, Alaska 99501-3510 (907) 274-0666 8. Attorneys for Defendant 9. Exxon Corporation 10. 11. Honorable H. Russell Holland 12. IN THE UNITED STATES DISTRICT COURT 13. FOR THE DISTRICT OF ALASKA 14. In re 15. The EXXON VALDEZ No. A89-095 Civil (Consolidated) 16. This Document Relates to Action No. 17. A89-238 Hugh R. Wisner, et al., 18. ANSWER OF EXXON CORPORATION TO CLASS (P-78 and P-79; P-95 and P-96; P167 and P 168) 19. ACTION COMPLAINT FILED MAY 30, 1989 Exxon Corporation, et al., 20. AND REMOVED TO (D-1 through D-5; D-7 and D-18 FEDERAL COURT ON 21. JUNE 12, 1989 22. Exxon Corporation, also erroneously sued herein as 23. Exxon Co., USA, and for convenience identified in this answer as 24.

"Exxon", as its answer to the complaint herein admits, denies

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FAULKNER, BANFIELD, DOOGAN & HOLMES 550 WEST SEVENTH AVE., SUITE 1000 ANCHORAGE, ALASKA 99501-3510 TELEPHONE (907) 274-0666 1.

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As to each and every allegation denied herein for lack of information or belief, alleges that it is without knowledge or information sufficient categorically to admit or deny the said allegation at this time, wherefore it denies each said allegation using the phrase "denies for lack of information or belief."

Defense To Count I

Answering paragraph 1, Exxon is not required to 1. respond to the allegations in paragraph 1.

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- Answering paragraph 2, admits that plaintiffs 2. purport to bring claims for relief based on the grounds alleged, but denies that plaintiffs can state a claim for relief based on said grounds.
- Denies for lack of information or belief the 3. allegations in paragraph 3.
 - 4. Admits the allegations in paragraph 4.
- 5. Denies the allegations of paragraph 5, except admits that Alyeska is a Delaware corporation the stock of which is owned by the Amerada Hess Pipeline Corporation, ARCO Pipe Line Company, BP Pipelines (Alaska) Inc., Exxon Pipeline

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Company, Mobil Alaska Pipeline Company, Phillips Alaska Pipeline Corporation, and Unocal Pipeline Company; and that the Owners of Alyeska are permittees under the Agreement and Grant of Right-of-Way for Trans-Alaska Pipeline.

- admits that Exxon Corporation is a corporation organized under the laws of the state of New Jersey, with its principal place of business in New York at 1251 Avenue of the Americas, New York, New York 10021, and that the principal business of Exxon Corporation is energy, involving exploration for the production of crude oil, natural gas and petroleum products and exploration for the mining and sale of coal.
- 7. Denies the allegations of paragraph 7, except admits that Exxon Shipping is a Delaware Corporation, that Exxon Corporation owns all of Exxon Shipping's stock, that the principal place of business of Exxon Shipping is Texas and that it is the owner and operator of the Exxon Valdez.
- 8. Denies the allegations of paragraph 8, except admits that Exxon Company, USA is an unincorporated division of Exxon Corporation responsible for the operation of Exxon Corporation's energy business within the United States, and that its headquarters is at 800 Bell Street, Houston, Texas.

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| Denies the allegations of paragraph 9, except | | | | | | | |
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| admits that Joseph Hazelwood was Master of the EXXON VALDEZ and | | | | | | | |
| that his duties as Master were within the scope of his | | | | | | | |
| employment by Exxon Shipping. | | | | | | | |

- 10. Admits the allegations of paragraph 10, except denies for lack of information or belief that Murphy is a resident of the State of Alaska.
- 11-16. Answering paragraphs 11 through 16, admits that plaintiffs purport to define certain terms, but denies the allegations and denies that any subsequent use of those terms in the complaint is necessarily accurate or appropriate.
- 17. Denies the allegations of paragraph 17, except admits that on Thursday evening, March 23, 1989, the EXXON VALDEZ, which is approximately 987 feet long and weighing approximately 211,000 deadweight tons, left the Port of Valdez, Alaska, the southern terminal facility of the Trans-Alaska Pipeline System, bound for Long Beach, California.
- Denies the allegations in paragraph 18, except 18. admits that the EXXON VALDEZ was loaded with approximately 1.2 million barrels of crude oil which had been shipped from Alaska's North Slope through the Trans-Alaska Pipeline.

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Denies the allegations of paragraph 19, except 19. admits that the EXXON VALDEZ passed through the Valdez Narrows under the direction of a harbor pilot, who subsequently disembarked; that Captain Joseph J. Hazelwood was on the bridge of the vessel when the harbor pilot disembarked, and that Captain Hazelwood's duties as Master of the vessel were within the scope of his employment by Exxon Shipping.

20. Denies the allegations of paragraph 20, except admits that Captain Hazelwood left the bridge, leaving Gregory Cousins, the third mate, and Robert Kagan, the helmsman, on the bridge, and that the duties of Cousins as third mate and Kagan as helmsman were within the scope of their employment by Exxon Shipping.

- 21. Denies the allegations of paragraph 21, except admits that the U.S. Coast Guard gave the EXXON VALDEZ permission to leave the southbound shipping lane for reasons that include earlier reports that it contained ice that had calved from a glacier to the northwest.
- Denies the allegations of paragraph 22, except 22. admits that the vessel travelled through the northbound lane and subsequently struck Bligh Reef.

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Denies the allegations of paragraph 23, except 23. admits that the vessel was outside the channel when it struck Bligh Reef, which punctured some of the tanks and damaged a portion of the hull.

Denies the allegations of paragraphs 24 and 25.

- 26. Denies the allegations of paragraph 26, except admits that the grounding on Bligh Reef punctured eight of the vessel's oil tanks, causing the largest United States oil spill from a single vessel, and that approximately 258,000 barrels of crude oil were spilled into Prince William Sound.
 - 27. Denies the allegations of paragraph 27.
- Denies for lack of information or belief the 28-29. allegations of paragraphs 28 and 29.
- 30. Denies the allegations of paragraph 30, except admits that some of the discharged crude oil has moved to areas in the vicinity of the Kodiak Island Archipelago, and that islands in that archipelago are a habitat for water birds, sea and land mammals and fish and shellfish.
 - 31. Denies the allegations of paragraph 31.

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32-40. Denies for lack of information or belief the allegations of paragraphs 32 through 40, except admits that various plaintiffs purport to bring an action on behalf of classes of persons and entities described in the complaint.

41. Answering paragraph 41, realleges and incorporates herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 40, as if set out in full.

42-46. Answering paragraphs 42 through 46, Exxon is not required to answer allegations made against Alyeska. Ιf response were required, Exxon denies the allegations in paragraph 42 through 46.

Defense to Count II

- 47. Answering paragraph 47, realleges and incorporates herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 47, as if set out in full.
- Denies the allegations of paragraph 48, except 48. admits that Exxon Shipping is the owner and operator of the EXXON VALDEZ.

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| 49. | Denies : | for | lack | of | ${\tt information}$ | or | belief | the |
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| allegations of | paragrap | ph 4 | 19. | | | | | |

50. Denies the allegations of paragraph 50.

- Denies for lack of information or belief the 51. allegations of paragraph 51, except admits that the events about which plaintiffs complain caused some damages to sea otters and birds.
- Denies the allegations of Paragraph 52, except 52. admits that 43 U.S.C. Section 1653(c), to the extent applicable, may impose upon certain entities strict liability for certain damages.

Defense to Count III

- 53. Answering paragraph 53, realleges and incorporates herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 52, as if set out in full.
- 54-61. Denies the allegations of paragraphs 54 through 61 insofar as they pertain to Exxon and denies for lack of information or belief said allegations insofar as they pertain to Alyeska or other defendants.

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| 62-63. | Denies | the | allegations | of | paragraphs | 62 | and | 63 |
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- Denies the allegations of paragraph 64 insofar a: 64. they pertain to Exxon and denies for lack of information or belief said allegations insofar as they pertain to other defendants.
 - Denies the allegations of paragraphs 65 and 66.

Defense to Count IV

- 67. Answering paragraph 67, realleges and incorporates herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 66, as if set out in full.
- 68. Denies for lack of information or belief the allegations of paragraph 68, except admits that public records purport to show that Captain Hazelwood has been convicted for driving while under the influence of alcohol.
 - 69. Denies the allegations of paragraph 69.
 - 70. Denies the allegations of paragraph 70.

| | 71-77. | Denies | the | allegations | of | paragraphs | 71 | through |
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Defense to Count V

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- 78. Answering paragraph 78, realleges and incorporates herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 77, as if set out in full.
 - 79. Denies the allegations of paragraph 79.

Defense to Count VI

- 80. Answering paragraph 80, realleges and incorporates herein by reference each and every denial, admission and allegation contained in paragraphs 1 through 79, as if set out in full.
 - 81. Denies the allegations of paragraph 81.

Defense to Count VII

82. Answering paragraph 82, realleges and incorporates herein by reference each and every admission,

550 WEST SEVENTH AVE, SUITE 1000

denial and allegation contained in paragraphs 1 through 81, as if set out in full.

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Denies the allegations of paragraph 83, except 83. admits that A.S. 46.03.826(4)(B) defines oil to be a hazardous substance and that approximately 258,000 barrels of crude oil were discharged into the Prince William Sound as a result of the grounding of the EXXON VALDEZ.

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Denies the allegations of paragraph 84. 84.

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Denies the allegations of paragraph 85, except 85. admits that Exxon owned the crude oil and that Exxon Shipping controlled the crude oil immediately prior to its release into the Prince William Sound.

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86. Denies for lack of information or belief the allegations in paragraph 86, except admits that the oil spill was not caused solely as a result of an act of war.

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Denies the allegations of paragraph 87. 87.

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Denies for lack of information or belief the 88. allegations of paragraph 88, except admits that AS46.03.822, to the extent applicable and not preempted, may impose strict liability on certain entities for some damages.

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Defense to Count VIII

89. Answering paragraph 89, realleges and incorporates herein by reference each and every denial, admission and allegation contained in paragraphs 1 through 88, as if set out in full.

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Denies the allegations in paragraphs 90 through 93.

Defense to Count IX

94. Answering paragraph 94, realleges and incorporates herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 93, as if set out in full.

Denies the allegations in paragraphs 95 through 95-98. 98.

Defense to Count X

99. Answering paragraph 99, realleges and incorporates herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 98, as if set out in full.

| FAULKNER, BANFIELD, DOOGAN & HOLMES | 550 WEST SEVENTH AVE., SUITE 1000 | ANCHORAGE, ALASKA 99501-3510 | TEI EDHONE (Q(7)) 7/4-06/66 |
|-------------------------------------|-----------------------------------|------------------------------|------------------------------|
| FAULKNER | 550 | • | |

| | 100-102. | Denies | the | allegations | in | paragraphs | 100 |
|---------|----------|--------|-----|-------------|----|------------|-----|
| through | 102. | | | | | | |

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Defense to Count XI

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Answering paragraph 103, reallege and incorporate herein by reference each and every admission, denial and allegation contained in paragraphs 1 through 102, as if set out in full.

104-107. Denies the allegations in paragraphs 104 through 107.

General Denial

108. Denies each and every other allegation in plaintiffs' complaint that was not specifically admitted herein.

Affirmative and Other Defenses

- The complaint and each count thereof fails to 109. state claims upon which relief can be granted.
- 110. Exxon is informed and believes that some plaintiffs lack standing to claim or recover for some of the damages alleged in the complaint.

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111. Independent of any legal obligation to do so, Exxon Shipping and Exxon are voluntarily paying claims for economic loss allegedly caused by the oil spill, and are incurring other expenses in connection with the oil spill. Exxon and Exxon Shipping are entitled to a setoff in the full amount of all such payments in the event that plaintiffs' claim encompass such expenditures.

STATE OF THE STATE

112. Certain persons engaged or employed in connection with activities related to containment and cleanup of the oil released from the EXXON VALDEZ were thereby able to avoid or mitigate damage from the interruption of fishery and other Payments received by such persons are a setoff against losses, if any, resulting from the interruption of fishery and other activities.

- To the extent that persons able to mitigate damages failed to do so, defendants cannot be held liable to such persons for avoidable losses.
- Claims by some persons or entities who may be 114. within the purported classes have been settled and released.
- Plaintiffs' claims for punitive damages are un-115. constitutional under the United States Constitution, including, without limitation, Article I, Section 8; Amendment V; and

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Amendment XIV; and the Alaska Constitution, including, without limitation, Article I, Section 7 and Article I, Section 12.

Leave the Market

116. The damages alleged in the complaint were caused, in part, by the action of others not joined as defendants herein as to whom a right of contribution or indemnity should exist as Exxon may seek leave of Court to join such additional persons as third party defendants on the basis of further discovery herein.

117. Plaintiffs' claims sound in maritime tort and are subject to applicable admiralty limits on recovery of damages for remote economic loss unaccompanied by physical injury to person or property.

Numerous persons and entities have filed lawsuits 118. against Exxon relating to the oil spill, some of whom purport to represent the plaintiffs in this action. In the event of any judgment or judgments in such other lawsuits against Exxon and in favor of persons whose claims are encompassed in this action, such judgment or judgments will be res judicata as to the claims of such persons herein.

119. Numerous persons and entities have filed other lawsuits against Exxon, and various other defendants, and to the extent there is a recovery in said other lawsuits encompassing

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claims made by plaintiffs herein, recovery on the claims herein is barred to the extent that it would represent a multiple recovery for the same injury.

120. Some or all of plaintiffs' claims for damages may be barred or reduced by the doctrine of comparative negligence.

- 121. The amount of liability, if any, for the acts alleged is controlled by statute, including, without limitation, 43 U.S.C. § 1653(c) and AS 09.17.010, .060 and .080(d).
- 122. If punitive damages were to be awarded or civil or criminal penalties assessed in any other lawsuit against Exxon relating to the oil spill, such award bars imposition of punitive damages in this action.
- 123. Some of plaintiffs' claims, including claims for punitive damages, are preempted by the comprehensive scheme of federal statutes and regulations, including its system of criminal and civil penalties, sanctions and remedies relevant to the oil spill, and its scheme relevant to protection of subsistence interests.
- 124. Plaintiffs' claims for punitive damages are precluded by the Alaska statutory scheme for civil and criminal penalties.

TELEPHONE (907) 274-0666

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125. Plaintiffs' claims for compensatory relief under state law are preempted by federal statutory and common law schemes for compensatory relief.

- 126. Certain claims asserted by plaintiffs are not ripe for adjudication.
- after the oil spill constitute an unlawful bill of attainder violative of Article I, Section 10 of the United States
 Constitution, and if applied to Exxon would also violate the due process clauses of the United States and Alaska Constitutions, and the contract clause of the United States Constitution.
- 128. Certain theories of relief may not be maintained because these theories are based upon the exercise by Exxon of federal and state constitutional rights to petition the federal and state governments with respect to the passage and enforcement of laws.
- have previously filed an action against Exxon, which action was filed on April 13, 1989, and is now pending in this Court as Action A89-135. Plaintiffs Old Harbor Native Corporation and Lenhart J. Grothe have previously filed an action against Exxon, which action was filed on April 19, 1989, and is now pending in

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this Court as Action A89-139. Exxon is entitled to an abatement of this action as to said plaintiffs, or, in the event of any recovery by said plaintiffs in such other actions as compensation for the damages alleged herein, Exxon is entitled to a setoff in the full amount of such recovery.

- Plaintiffs fail to satisfy the requirements for 130. the injunctive relief they seek.
- Exxon and Exxon Shipping have acted pursuant to 131. government approval and direction with regard to the containment and clean-up of the oil spill.
- The corporate plaintiffs herein lack the capacity 132. to commence and maintain this action insofar as they have failed to allege and prove that they have paid their Alaska biennial corporate taxes last due and have filed biennial reports for the last reporting period.

Prayer

WHEREFORE, Exxon prays for judgment as follows:

1. That plaintiffs take nothing and be granted no relief, legal or equitable;

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|--------------------------|-----|----------|---------|-------|------|------------|---|
| | 1. | | 2. | That | Exxo | n be award | led its costs in this action; |
| | 2. | and | • | | | | |
| | 3. | | | | | | |
| | 4. | | 3. | For s | such | other and | further relief as the Court |
| | 5. | deems ju | ıst and | prop | er. | | |
| | 6. | | | | | | |
| | 7. | DATED: | August | 15, 3 | 1989 | | Respectfully submitted, |
| | 8. | | | | | | CHARLES W. BENDER |
| | 9. | | | | | | PATRICK LYNCH JOHN F DAUM |
| | 10. | | | | | | O'MELVENT & MERS |
| | 11. | | | | | | XIXIX |
| 9990 | 12. | | | | | | John P. Daum |
| J7) 274. | 13. | | | | | | |
| ONE (9 | 14. | | | | | | JOHN F. CLOUGH, III
RANDALL J. WEDDLE |
| TELEPHONE (907) 274-0666 | 15. | | | | | | FAULKNER, BANFIELD, DOOGAN & HOLMES |
| • | 16. | | | | | | |
| | 17. | | | | | | By Mulliffelle |
| | 18. | | | | | | Randall Weddle |
| | 19. | | | | | | Attorneys for Defendant Exxon Corporation |
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