CHARLES P. FLYNN BURR, PEASE & KURTZ 810 N Street FILED Anchorage, Alaska 99501 Telephone: 907/276-6100 AUG 1 5 1989 ROBERT S. WARREN UNITED STATES DISTRICT COURT GIBSON, DUNN & CRUTCHER 601 West Fifth Avenue DISTRICT OF ALASKA Suite 300 Denuly Anchorage, Alaska 99501 Telephone: 907/274-2234 Attorneys for Defendant ALYESKA PIPELINE SERVICE COMPANY (D-3) IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ALASKA In Re THE EXXON VALDEZ No. A89-095 Civil (Consolidated) h This Document Relates to ANSWER OF DEFENDANT D-3 TO CLASS ACTION FOR DAMAGES AND Action Nos.: OTHER RELIEF A89-147 (P-114 and P-115) Defendant Alyeska Pipeline Service Company (D-3) ("Alyeska") responds to the Class Action Complaint ("Complaint") as follows:

BURR, PEASE & KURTZ A PROFESSIONAL CORPORATION B10 N STREET ANCHORAGE, AK 99501 (907) 276-6100

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JURISDICTION AND VENUE

1. Answering paragraph 1, Alyeska admits that the action purports to be a class action for injunctive relief and monetary damages. Except as so expressly admitted, Alyeska denies the allegations therein as they pertain to Alyeska and further denies that Alyeska is liable to plaintiffs, or any of them, in any manner or sum. Except as so expressly admitted and denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

2. Answering paragraph 2, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

3. Answering paragraph 3, Alyeska alleges that its principal place of business is in the State of Alaska. Except as so expressly alleged, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

4. Answering paragraph 4, Alyeska denies that there are any grounds for relief against it. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

5. Answering paragraph 5, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

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THE PARTIES

6. Answering paragraphs 6 through 9, inclusive, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

7. Answering paragraph 10, Alyeska admits that the Trans-Alaska Pipeline Liability Fund is a non-profit corporate entity established pursuant to the Trans-Alaska Pipeline Authorization Act, 43 U.S.C. Section 1653(c)(4). Except as so expressly admitted, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

8. Answering paragraph 11, Alyeska alleges that Alyeska Pipeline Service Company ("Alyeska") is a Delaware corporation owned by seven companies ("Owner Companies") -- Amerada Hess Pipeline Corporation, ARCO Pipe Line Company, BP Pipelines (Alaska) Inc., Exxon Pipeline Company, Mobil Alaska Pipeline Company, Phillips Alaska Ripeline Corporation, and Unocal Pipeline Company -- and that these Owner Companies are permittees under the Rights-of-Way for the Trans-Alaska Pipeline System ("TAPS"). Except as so expressly alleged, Alyeska denies the allegations therein.

9. Answering paragraphs 12 through 14, inclusive, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

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DEFINITIONS

10. Answering paragraphs 15 through 20, inclusive, Alyeska admits that the Complaint purports to define various specified terms. Except as so admitted, Alyeska lacks knowledge information sufficient to form a belief as to the truth or accura of the purported definitions or the use of those terms here or elsewhere in the Complaint and, on that basis, denies the allegations and further denies that any subsequent uses of the terms in the Complaint are necessarily accurage or appropriate.

OPERATIVE FACTS

11. Answering paragraph 21, Alyeska alleges that the EXXON VALDEZ left the Port of Valdez, Alaska, the southern termina facility of TAPS, on the evening of March 23, 1989. Except as so expressly alleged, Alyeska lacks information or knowledge sufficient to enable it to form a belief as to the truth of the allegations therein and, based thereon, denies the same.

12. Answering paragraph 22, Alyeska alleges that the EXXON VALDEZ had been loaded with approximately 53 million gallons of North Slope crude oil which had been transported through the TAPS. Except as so expressly alleged, Alyeska denies the allegations therein.

13. Answering paragraphs 23 through 37, inclusive, Alyeska alleges that, on March 26, 1989, Governor Cowper declared a disaster emergency. Except as so expressly alleged, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

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CLASS ALLEGATIONS

14. Answering paragraphs 38 through 43, inclusive, Alyeska admits that the Complaint purports to define a class pursuant to Rule 23 of the Federal Rules of Civil Procedure. Except as so expressly admitted, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

15. Answering paragraph 44, Alyeska denies that there are any grounds for the award of punitive damages or any other sum or manner of relief as against Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

16. Answering paragraph 45, Alyeska denies that there are any grounds for the award of punitive damages or any other sum or manner of relief as against Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

17. Answering paragraph 46, Alyeska denies that there are any grounds for the award of punitive damages or any other sum or manner of relief as against Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

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COUNT I

18. Answering paragraph 47, Alyeska adopts and incorporates by this reference the responses to paragraphs 1 through 46, inclusive, of the Complaint.

19. Answering paragraph 48, Alyeska denies the allegations therein.

20. Answering paragraph 49, Alyeska denies the allegations therein.

21. Answering paragraph 50, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

22. Answering paragraph 51, Alyeska denies the allegations therein.

23. Answering paragraph 52, Alyeska denies the allegations therein and further denies that Alyeska is liable to plaintiff or the plaintiff Class in any amount or manner.

COUNT II

24. Answering paragraphs 53 through 58, Alyeska adopts and incorporates by this reference the responses to paragraphs 1 thorugh 52, inclusive, of the Complaint as though set forth in full. Alyeska further states that this purported Claim for Relief is not alleged against Defendants and, accordingly, Alyeska is not required to respond to the allegations of this Claim.

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COUNT III

25. Answering paragraph 59, Alyeska adopts and incorporates by this reference the responses to paragraphs 1 through 58, inclusive, of the Complaint as though set forth in full.

26. Answering paragraph 60, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

27. Answering paragraph 61, Alyeska is informed and believes, and thereon alleges, that in excess of 100,000 barrels of oil was discharged from the vessel virtually instantaneously and such oil was, from the beginning, incapable of containment. Except as so expressly alleged, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the 'allegations and, on that basis, denies them.

28. Answering paragraph 62, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

29. Answering paragraph 63, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient

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to form a belief as to the truth of the allegations and, on that basis, denies them.

30. Answering paragraph 64, Alyeska alleges that it had substantially all of the equipment specified in its contingency plan as submitted to and approved by the State of Alaska. Except as so expressly alleged, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

31. Answering paragraph 65, Alyeska alleges that by early morning on March 24, 1989, it had sought approval from the United States Coast Guard and the State of Alaska for the use of chemical dispersants, as required by the applicable laws. Except as so alleged, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and,^hon that basis, denies them.

32. Answering paragraph 66, Alyeska lacks information or knowledge sufficient to enable it to form a belief as to the truth of the allegations therein and, based thereon, denies the same.

33. Answering paragraph 67, Alyeska alleges that on March 24, 1989, it sought approval from the United States Coast Guard and the State of Alaska for a plan to burn the surface oil. Except as so alleged, Alyeska denies the allegations as they pertain to Alyeska. Except as so expressly alleged and denied, Alyeska lacks information or knowledge sufficient to enable it to form a belief

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as to the truth of the allegations therein and, based thereon, denies the same.

34. Answering paragraph 68, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

35. Answering paragraph 69, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

36. Answering paragraph 70, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

37. Answering paragraph 71, Alyeska denies the allegations therein as they pertain to Alyeska and further denies that Alyeska is liable to plaintiff or the plaintiff Class in any amount or manner. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

BURR, PEASE & KURTZ A PROFESSIONAL CORPORATION 610 N STREET ANCHORAGE, AK 99501 (907) 276-6100 38. Answering paragraph 72, Alyeska denies the allegations therein as they pertain to Alyeska and further denies that there are any grounds for the award of punitive damages or any

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other sum or manner of relief as against Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficie to form a belief as to the truth of the allegations and, on that basis, denies them.

COUNT IV

39. Answering paragraphs 73 through 82, inclusive, Alyeska adopts and incorporates by this reference the responses to paragraphs 1 through 72, inclusive, of the Complaint as though set forth in full. Alyeska further states that this purported Claim for Relief is not alleged against Alyeska and, accordingly, Alyesk is not required to respond to the allegations of this Claim.

COUNT V

40. Answering paragraph 83, Alyeska adopts and incorporates by this reference the responses to paragraphs 1 through 82, inclusive, of the Complaint as though set forth in ful

41. Answering paragraph 84, Alyeska denies the allegations therein as they pertain to Alyeska and further denies that Alyeska is liable to plaintiff or the plaintiff Class in any amount or manner. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

COUNT VI

42. Answering paragraph 85, Alyeska adopts and incorporates by this reference the responses to paragraphs 1 through 84, inclusive, of the Complaint as though set forth in full

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43. Answering paragraph 86, Alyeska denies the allegations therein as they pertain to Alyeska and further denies that Alyeska is liable to plaintiff or the plaintiff Class in any amount or manner. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

COUNT VII

44. Answering paragraph 87, Alyeska adopts and incorporates by this reference the responses to paragraphs 1 through 86, inclusive, of the Complaint as though set forth in full.

45. Answering paragraph 88, Alyeska admits that crude oil is defined as a hazardous substance in Section 46.03.826(4)(B) of the Alaska Environmental Conservation Act. Except as so expressly admitted, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

46. Answering paragraph 89, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

47. Answering paragraph 90, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

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48. Answering paragraph 91, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so

expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

49. Answering paragraph 92, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

50. Answering paragraph 93, Alyeska denies the allegations therein as they pertain to Alyeska and further denies that Alyeska is liable to plaintiff or the plaintiff Class in any amount or manner. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

COUNT VIII

51. Answering paragraph 94, Alyeska adopts and incorporates by this reference the responses to paragraphs 1 through 93, inclusive, of the Complaint as though set forth in full.

52. Answering paragraph 94, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

BURR. PEASE & KURTZ PROFESSIONAL CORPORATION 810 N STREET NCHORAGE, AK 99501 (907) 276-6100 53. Answering paragraph 96, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient

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to form a belief as to the truth of the allegations and, on that basis, denies them.

54. Answering paragraph 97, Alyeska denies the allegations therein as they pertain to Alyeska and further deny that Alyeska is liable to plaintiff or the plaintiff Class in any amount or manner. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

55. Answering paragraph 98, Alyeska denies the allegations therein as they pertain to Alyeska and further denies that Alyeska is liable to plaintiff or the plaintiff Class in any amount or manner. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

COUNT IX

56. Answering paragraph 99, Alyeska adopts and incorporates by this reference the responses to paragraphs 1 through 98, inclusive, of the Complaint as though set forth in full.

57. Answering paragraph 100, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

BURR, PEASE & KURTZ A PROFESSIONAL CORPORTION 810 N STREET ANCHORAGE, AK 99501 (907) 276-6100 58. Answering paragraph 101, Alyeska denies the allegations therein as they pertain to Alyeska. Except as so expressly denied, Alyeska lacks knowledge or information sufficient

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to form a belief as to the truth of the allegations and, on that basis, denies them.

59. Answering paragraph 102, Alyeska denies the allegations therein as they pertain to Alyeska and further denies that Alyeska is liable to plaintiff or the plaintiff Class in any amount or manner. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

60. Answering paragraph 103, Alyeska denies the allegations therein as they pertain to Alyeska and further denies that Alyeska is liable to plaintiff or the plaintiff Class in any amount or manner. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

COUNT X

61. Answering paragraph 104, Alyeska adopts and incorporates by this reference the responses to paragraphs 1 though 103, inclusive, of the Complaint as though set forth in full.

62. Answering paragraph 105 through 107, inclusive, Alyeska denies the allegations therein as they pertain to Alyeska and further denies that Alyeska is liable to plaintiff or the plaintiff Class in any amount or manner. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

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COUNT XI

63. Answering paragraph 108, Alyeska adopts and incorporates by this reference the responses to paragraphs 1 through 107, inclusive, of the Complaint as though set forth in full.

64. Answering paragraph 109 through 112, inclusive, Alyeska denies the allegations therein as they pertain to Alyeska and further denies that Alyeska is liable to plaintiff or the plaintiff Class in any amount or manner. Except as so expressly denied, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

FIRST SEPARATE AND ADDITIONAL DEFENSE

(Failure to State a Claim)

The Complaint and each purported Claim thereof fail to state a claim against Alyeska upon which relief can be granted.

SECOND SEPARATE AND ADDITIONAL DEFENSE

(No violation of Alaska law or federal law)

Alyeska did not violate any provision of Title 46, Chapters 3, 4 or 9 of the Alaska Statutes, or any other provision of Alaska statutes, regulations, or law or federal statutes, regulations, or law, with respect to Alyeska's preparation, planning, implementation, or execution of its Oil Spill Contingency Plan - Prince William Sound ("Contingency Plan") or with respect to its response to the grounding of the T/V EXXON VALDEZ and any discharge of oil as alleged in the Complaint.

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THIRD SEPARATE AND ADDITIONAL DEFENSE

Alyeska did not violate any provision of Alaska statutes, regulations, or law, or of federal statutes, regulations, or law, as they neither owned, operated, nor had control over the vessel from which any cil was discharged or any oil that was discharged as alleged in the Complaint. Further, Alyeska neither caused nor permitted the discharge of any oil as alleged in the Complaint.

FOURTH SEPARATE AND ADDITIONAL DEFENSE

(No violation of administrative order)

Alyeska did not violate nor disregard any order, permit, or other determination of the Alaska Department of Environmental Conservation, or of any other Alaska State agency, or of any federal agency, with respect to the preparation, planning, implementation, or execution of Alyeska's contingency plan or with respect to Alyeska's response to the grounding of the T/V EXXON VALDEZ and any subsequent discharge of oil as alleged in the Complaint.

FIFTH SEPARATE AND ADDITIONAL DEFENSE

(No standing re statutory or regulatory violations)

Plaintiffs have no standing to assert any claim against Alyeska predicated on an alleged violation of any Alaska or federal statute, regulation, order, permit, or other governmental determination.

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SIXTH SEPARATE AND ADDITIONAL DEFENSE

(Contingency Plan not statutory) Alyeska's obligation, if any, to maintain a contingency plan for Prince William Sound is not statutory in nature.

SEVENTH SEPARATE AND ADDITIONAL DEFENSE

(No breach of Right-of-Way lease)

Alyeska did not breach any provision of the State and Federal Right-Of-Way Leases with respect to the preparation, planning, implementation or execution of Alyeska's Contingency Plan or with respect to Alyeska's response to the grounding of the T/V EXXON VALDEZ and subsequent discharge of oil into Prince William Sound.

EIGHTH SEPARATE AND ADDITIONAL DEFENSE

(No standing re Right-Of-Way Lease)

Plaintiffs have no standing to assert any claim predicated on an alleged breach of the State and Federal Right-Of-Way Leases by Alyeska as plaintiffs are not in privity with any party to the Lease.

NINTH SEPARATE AND ADDITIONAL DEFENSE

(No liability for state-approved contingency plan)

Alyeska is not liable for any alleged negligence or defect in the formulation or terms of the Alyeska Contingency Plan as this plan was fully reviewed and approved by the responsible State and Federal governmental agencies.

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TENTH SEPARATE AND ADDITIONAL DEFENSE

(Compliance with contingency plan) At the time of the grounding of the T/V EXXON VALDEZ, Alyeska's emergency response capabilities were in compliance with Alyeska's Contingency Plan in every material respect. Further, Alyeska's response to the grounding of the T/V EXXON VALDEZ and any discharge of oil as alleged in the Complaint was in accordance with the provisions of the contingency plan.

ELEVENTH SEPARATE AND ADDITIONAL DEFENSE

(No standing re contingency plan) Plaintiffs have no standing to assert any claim predicated upon an alleged defect in the preparation, planning, implementation, or execution of Alyeska's Contingency Plan.

TWELFTH SEPARATE AND ADDITIONAL DEFENSE

(No strict liability for contingency plan) Alyeska is not strictly liable for the preparation, planning, implementation, or execution of the Contingency Plan.

THIRTEENTH SEPARATE AND ADDITIONAL DEFENSE

(No strict liability for cleanup)

Alyeska is not strictly liable for damages resulting from an oil spill nor for insuring the success of an oil spill cleanup pursuant to the Contingency Plan.

FOURTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Setoff)

Alyeska is informed and believes, and thereon alleges, that plaintiffs, or some of them, have received payments in full

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or partial satisfaction of the claims described in these actions. In the event of any recovery against Alyeska herein, Alyeska is entitled to setoff in the full amount of such payments.

FIFTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Release, Accord and Satisfaction) Alyeska is informed and believes, and thereon alleges, that plaintiffs, or some of them, have received payments in full satisfaction of the claims described in these actions and have executed releases of such claims. Accordingly, any such payments operate as an accord, satisfaction, and release of all claims against Alyeska and any such releases should bar claims against Alyeska.

SIXTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Other Actions Pending)

Alyeska is informed and believes, and thereon alleges, that some or all of the plaintiffs have filed, or are putative members of purported classes in some or all of the plaintiffs' other actions in this Court and in other courts alleging claims for recovery for the damages or injuries alleged herein. Accordingly, Alyeska is entitled to an abatement of this action, or, in the event of any recovery by plaintiffs in such other actions as compensation for the damages or injuries alleged herein, to a setoff in the full amount of such recovery.

SEVENTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Failure to Mitigate)

Alyeska is entitled to a reduction in any damages that may be awarded against them by virtue of, and to the full extent

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BURR, PEASE & KURTZ A PROFESSIONAL CORPORATION B10 N STREET ANCHORAGE, AK 99501 (907) 276-6100 of, any failure by plaintiffs, or any of them, to mitigate damages.

EIGHTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Due Care)

At all relevant times, Alyeska acted with due care with respect to the preparation, planning, implementation, and execution of the Alyeska Oil Spill Contingency Plan and with respect to Alyeska's response to the grounding of the T/V EXXON VALDEZ and any discharge of oil as alleged in the Complaint. Further, Alyeska complied with all statutory and regulatory requirements concerning the contingency plan applicable at the time of any discharge of oil as alleged, and otherwise acted as a reasonable person under the circumstances.

NINETEENTH SEPARATE AND ADDITIONAL DEFENSE

(No negligence per se)

Alyeska has no liability to plaintiffs on a theory of negligence <u>per se</u> as it did not violate any statutory or regulatory provision with respect to the preparation, planning, implementation, or execution of the Alyeska contingency plan for Prince William Sound or with respect to Alyeska's response to the grounding of the T/V EXXON VALDEZ and any release of oil as alleged in the Complaint, and plaintiffs are not in the class of persons that the statutes or regulations were intended to protect.

TWENTIETH SEPARATE AND ADDITIONAL DEFENSE

(Acts or omissions of third-parties) Any discharge of oil as alleged in the Complaint was caused solely by the acts or omissions of parties other than

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Alyeska who were not employees, agents, or otherwise under the control of Alyeska.

TWENTY-FIRST SEPARATE AND ADDITIONAL DEFENSE

(Acts at direction of the government)

Alyeska has no liability to plaintiffs for any acts or omissions undertaken at the direction of governmental authorities including, but not limited to, the United States Coast Guard and the Alaska Department of Environmental Conservation.

TWENTY-SECOND SEPARATE AND ADDITIONAL DEFENSE

(Act of God)

In the days following the discharges of oil alleged in the Complaint, the region of the discharge experienced gale force winds, heavy seas and other conditions constituting acts of God. Alyeska is not liable or otherwise responsible for any injury or damages resulting from any discharge of oil as alleged in the Complaint to the extent that such injury or damage resulted from the environmental conditions hindering, rendering ineffective, or preventing response efforts by Alyeska.

TWENTY-THIRD SEPARATE AND ADDITIONAL DEFENSE

(Combinations of third-parties and acts of God)

Some or all of any alleged injury or harm resulting from any discharge of oil as alleged in the Complaint were caused solely by a combination of the acts of third-parties (including governmental authorities) and acts of God referred to above.

TWENTY-FOURTH SEPARATE AND ADDITIONAL DEFENSE

(No liability for nuisance)

Alyeska never owned nor operated the T/V EXXON VALDEZ,

never owned the oil discharged from the T/V EXXON VALDEZ, and ANSWER OF D-3 TO COMPLAINT OF P-114 and P-115 21

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never discharged, caused to be discharged, or permitted any discharge of oil as alleged in the Complaint. By reason of the foregoing, Alyeska cannot be held liable for any claims of nuisance, whether arising under common law or statute.

TWENTY-FIFTH SEPARATE AND ADDITIONAL DEFENSE (No standing to assert claim for injury to environment)

Plaintiffs have no standing to assert any claim for damages predicated on general allegations of injury to the environment or, without limitation, to lands, structures, fish, wildlife, aquatic life, biotic and other natural resources.

TWENTY-SIXTH SEPARATE AND ADDITIONAL DEFENSE

(Adequacy of legal remedy)

To the extent that the Complaint may be construed to seek injunctive relief to create any fund or abate disruption of plaintiffs' business interests by any oil discharged as alleged in the Complaint, or in the event that plaintiffs seek such relief in the future, plaintiffs have not and could not allege the absence of adequate legal remedy to accomplish and compensate for such abatement. Injunctive relief is therefore unavailable and inappropriate.

TWENTY-SEVENTH SEPARATE AND ADDITIONAL DEFENSE

(Inappropriateness of injunctive relief) The injunctive relief requested by plaintiffs is impracticable, uncertain, unworkable, and intrudes upon an area under the direct monitoring and control of State and federal authorities. Injunctive relief cannot be afforded plaintiffs

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without intruding upon the governmental exercise of its police power and without intruding upon the interests of persons not party to this lawsuit.

TWENTY-EIGHTH SEPARATE AND ADDITIONAL DEFENSE

(Injunction contrary to public interests)

Given the comprehensive regulation and control of the cleanup efforts by both the State and federal authorities, being coordinated by the Coast Guard "On-Scene Coordinator" pursuant to the National Contingency Plan, an injunction requiring the Court to interpose itself in the cleanup process without the benefit of the coordinated overview enjoyed by the On-Scene Coordinator would be contrary to the public interest.

TWENTY-NINTH SEPARATE AND ADDITIONAL DEFENSE

(Statutory Limitations)

The amount of recovery against Alyeska, if any, for the acts alleged herein is limited by, <u>inter alia</u>, state statutes, federal statutes, and principles of maritime and admiralty law, including, but not limited to, AS 09.17.010.

THIRTIETH SEPARATE AND ADDITIONAL DEFENSE

(Punitive Damages Unconstitutional)

The claims herein for punitive or exemplary damages should be dismissed because the award of such damages herein would be unconstitutional under various provisions of the United States Constitution and under various provisions of the Alaska Constitution including, without limitation, Article 1, Section 7, and Article 1, Section 12.

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> ANSWER OF D-3 TO COMPLAINT OF P-114 and P-115

THIRTY-FIRST SEPARATE AND ADDITIONAL DEFENSE

(Punitive Damages Not Supportable)

The Complaint and each and every count therein fail to allege facts sufficient to support a claim for punitive or exemplary damages.

THIRTY-SECOND SEPARATE AND ADDITIONAL DEFENSE (Preemption)

Certain claims of plaintiffs herein are preempted by the comprehensive system of federal statutes and regulations and maritime and admiralty provisions relevant to the subject matter of the Complaint.

THIRTY-THIRD SEPARATE AND ADDITIONAL DEFENSE

(No Proximate Cause)

Some or all of the injuries or damages alleged by plaintiffs herein were not proximately caused by any acts or failures to act by Alyeska and, accordingly, plaintiffs may not recover from Alyeska for any such injuries or damages.

THIRTY-FOURTH SEPARATE AND ADDITIONAL DEFENSE

(Comparative Negligence)

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

THIRTY-FIFTH SEPARATE AND ADDITIONAL DEFENSE

(Maritime Limitations)

Plaintiffs' claims are based on an alleged maritime tort and therefore are subject to applicable federal admiralty barring of, or limits to, recovery for remote economic loss.

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THIRTY-SIXTH SEPARATE AND ADDITIONAL DEFENSE

(Admiralty Bar of Claims)

Certain of plaintiffs' purported claims for relief under state and common law sound exclusively in admiralty law and are therefore barred.

THIRTY-SEVENTH SEPARATE AND ADDITIONAL DEFENSE

(Right to Petition)

Certain theories of relief may not be maintained because those theories are based upon the exercise of the state and federal right to petition the state and federal governments with respect to the passage and enforcement of laws. Any representations made during the exercise of said rights are privileged under the State and Federal Constitutions.

THIRTY-EIGHTH SEPARATE AND ADDITIONAL DEFENSE

(Lack of Standing)

Plaintiffs lack standing to seek any relief based upon alleged representations to federal or state legislative bodies or agencies regarding the matters alleged in the Complaint.

THIRTY-NINTH SEPARATE AND ADDITIONAL DEFENSE

(Bill of Attainder)

Those portions of AS 46.03 that were enacted after the oil spill constitute an unlawful bill of attainder violative of Article 1, Section 10 of the United States Constitution, and if applied to Alyeska would also violate the due process clauses of the state and federal constitutions and the contract clause of the United States Constitution.

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PRAYER FOR RELIEF

WHEREFORE, Alyeska prays judgment against plaintiffs as follows:

 That plaintiffs take nothing by way of their Complaint;

2. That the Complaint be dismissed with prejudice as to Alyeska;

3. For costs of suit herein, including attorneys' fees as available under all applicable statutes and principles of law; and,

4. For such other and further relief as the Court may deem just and proper.

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By: Charles P.

Attorneys for Defendant ALYESKA PIPELINE SERVICE COMPANY

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ANSWER OF D-3 TO COMPLAINT OF P-114 and P-115

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Attorneys for Defendant ALYESKA PIPELINE SERVICE COMPANY

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

In Re

THE EXXON VALDEZ

No. A89-095 Civil (Consolidated)

This Document Relates to Action Nos.:

A89-200 (P-165 and 166)

ANSWER OF DEFENDANT D-3 TO CORRECTED FIRST AMENDED COMPLAINT FOR COMPENSATORY AND PUNITIVE DAMAGES

Defendant Alyeska Pipeline Service Company (D-3) ("Alyeska"), for itself alone, responds to plaintiffs' Corrected First Amended Complaint for Compensatory and Punitive Damages ("Complaint") herein as follows:

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> ANSWER OF D-3 TO COMPLAINT OF P-165 AND 166 1

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1. Answering paragraph 1, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

2. Answering paragraph 2, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

3. Answering paragraph 3, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

4. Answering paragraph 4, Alyeska alleges that it is a Delaware corporation owned by seven companies, consisting of the Amerada Hess Pipeline Corporation, the ARCO Pipe Line Company, BP Pipelines (Alaska) Inc., Exxon Pipeline Company, Mobil Alaska Pipeline Company, Phillips Alaska Pipeline Corporation, and Unocal Pipeline Company. Except as so expressly alleged, Alyeska denies the allegations therein.

5. Answering paragraph 5, Alyeska alleges the State of Alaska is responsible for approval, monitoring, and compliance with its laws regarding transportaion of oil, that Alyeska operates the terminal at Valdez, Alaska, and that it loaded the EXXON VALDEZ with approximately 53 million gallons of North Slope crude oil at the Valdez Terminal. Except as so expressly alleged, Alyeska denies the allegations therein.

SUMMARY OF FACTS

6. Answering paragraph 6, Alyeska admits that, on or BURR.PEASE about March 23, 1989, the T/V EXXON VALDEZ was loaded at Valdez,

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> NSWER OF D-3 TO COMPLAINT OF P-165 AND 166

Alaska, with approximately 53 million gallons of crude oil that had been transported through the Trans-Alaska Pipeline. Except as so expressly admitted, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

7. Answering paragraph 7, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

8. Answering paragraph 8, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

9. Answering paragraph 9, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

10. Answering paragraph 10, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

11. Answering paragraph 11, Alyeska admits that, on or about March 26, 1989, Alaska Governor Steve Cowper declared a disaster emergency. Except as so expressly admitted, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

12. Answering paragraph 12, Alyeska denies the allegations therein to the extent they pertain to Alyeska. Alyeska lacks knowledge or information sufficient to enable it to form a

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> ANSWER OF D-3 TO COMPLAINT OF P-165 AND 166

belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

13. Answering paragraph 13, Alyeska denies the allegations therein to the extent they pertain to Alyeska. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

FIRST CAUSE OF ACTION (Negligence)

14. Answering paragraph 14, Alyeska denies the allegations therein to the extent they pertain to Alyeska. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

15. Answering paragraph 15, Alyeska is informed and believes, and thereon alleges, that in excess of 100,000 barrels of oil was discharged from the T/V EXXON VALDEZ virtually instantaneously and such oil was, from the beginning, incapable of containment. Except as so expressly alleged, Alyeska denies the allegations.

16. Answering paragraph 16, Alyeska alleges that it had substantially all of the equipment specified in its contingency plan and further alleges that by early morning on March 24, 1989, it had sought approval from the United States Coast Guard and the State of Alaska for the use of chemical dispersants, as required by the applicable laws. Except as so expressly alleged, Alyeska

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> ANSWER OF D-3 TO COMPLAINT OF P-165 AND 166 4

denies the allegations therein to the extent they pertain to Alyeska. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same

17. Answering paragraph 17, Alyeska alleges that its actions in response to the grounding of the T/V EXXON VALDEZ in the Prince William Sound were in compliance with Alyeska's contingency plan as submitted to and approved by the State of Alaska. Except as so expressly alleged Alyeska denies the allegations therein to the extent they pertain to Alyeska. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

18. Answering paragraph 18, Alyeska denies the allegations therein to the extent they pertain to Alyeska. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

19. Answering paragraph 19, Alyeska denies the allegations therein as they pertain to Alyeska and further denies that Alyeska is liable to plaintiffs in any manner or amount. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

20. Answering paragraph 20, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

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> ANSWER OF D-3 TO COMPLAINT OF P-165 AND 166 5

SECOND CAUSE OF ACTION

21. Answering paragraphs 21 through 28, Alyeska states that said paragraphs do not purport to contain allegations relating to any cause of action against Alyeska, and Alyeska, therefore, is not required to respond thereto.

> THIRD CAUSE OF ACTION (Alaska Environmental Conservation Act)

22. Answering paragraph 29, Alyeska admits that "hazardous substance" is defined in Section 46.03.826(4)(B) of the Alaska Environmental Conservation Act to include oil. Except as so expressly admitted, Alyeska denies the allegations therein.

23. Answering paragraph 30, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

24. Answering paragraph 31, Alyeska denies the allegations therein to the extent they pertain to Alyeska. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

25. Answering paragraph 32, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

26. Answering paragraph 33, Alyeska denies the allegations therein to the extent they pertain to Alyeska. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

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> ANSWER OF D-3 TO COMPLAINT OF P-165 AND 166

27. Answering paragraph 34, Alyeska denies the allegations therein to the extent they pertain to Alyeska and further denies it is liable to plaintiffs in any amount or manner. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

FIRST SEPARATE AND ADDITIONAL DEFENSE

(Failure to State a Claim)

The Complaint and each purported Claim thereof fail to state a claim against Alyeska upon which relief can be granted.

SECOND SEPARATE AND ADDITIONAL DEFENSE

(No violation of Alaska law or federal law)

Alyeska did not violate any provision of Title 46, Chapters 3, 4 or 9 of the Alaska Statutes, or any other provision of Alaska statutes, regulations, or law or federal statutes, regulations, or law, with respect to Alyeska's preparation, planning, implementation, or execution of its Oil Spill Contingency Plan - Prince William Sound ("Contingency Plan") or with respect to its response to the grounding of the T/V EXXON VALDEZ and any discharge of oil as alleged in the Complaint.

THIRD SEPARATE AND ADDITIONAL DEFENSE

Alyeska did not violate any provision of Alaska statutes, regulations, or law, or of federal statutes, regulations, or law, as they neither owned, operated, nor had BURR. PEASE control over the vessel from which any oil was discharged or any

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> ANSWER OF D-3 TO COMPLAINT OF P-165 AND 166 7

oil that was discharged as alleged in the Complaint. Further, Alyeska neither caused nor permitted the discharge of any oil as alleged in the Complaint.

FOURTH SEPARATE AND ADDITIONAL DEFENSE

(No violation of administrative order) Alyeska did not violate nor disregard any order, permit, or other determination of the Alaska Department of Environmental Conservation, or of any other Alaska State agency, or of any federal agency, with respect to the preparation, planning, implementation, or execution of Alyeska's contingency plan or with respect to Alyeska's response to the grounding of the T/V EXXON VALDEZ and any subsequent discharge of oil as alleged in the Complaint.

FIFTH SEPARATE AND ADDITIONAL DEFENSE

(No standing re statutory or regulatory violations)

Plaintiffs have no standing to assert any claim against Alyeska predicated on an alleged violation of any Alaska or federal statute, regulation, order, permit, or other governmental determination.

SIXTH SEPARATE AND ADDITIONAL DEFENSE

(No breach of Right-of-Way lease)

Alyeska did not breach any provision of the State and Federal Right-Of-Way Leases with respect to the preparation, planning, implementation or execution of Alyeska's Contingency Plan or with respect to Alyeska's response to the grounding of the T/V EXXON VALDEZ and subsequent discharge of oil into Prince & KURTZ FESSIONAL COMPORATION William Sound.

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> ANSWER OF D-3 TO COMPLAINT OF P-165 AND 166 8

SEVENTH SEPARATE AND ADDITIONAL DEFENSE

(No standing re Right-Of-Way Lease) Plaintiffs have no standing to assert any claim predicated on an alleged breach of the State and Federal Right-Of-Way Leases by Alyeska as plaintiffs are not in privity with any party to the Lease.

EIGHTH SEPARATE AND ADDITIONAL DEFENSE

(No liability for state-approved contingency plan)

Alyeska is not liable for any alleged negligence or defect in the formulation or terms of the Alyeska Contingency Plan as this plan was fully reviewed and approved by the responsible State and Federal governmental agencies.

NINTH SEPARATE AND ADDITIONAL DEFENSE

(Compliance with contingency plan)

At the time of the grounding of the T/V EXXON VALDEZ, Alyeska's emergency response capabilities were in compliance with Alyeska's Contingency Plan in every material respect. Further, Alyeska's response to the grounding of the T/V EXXON VALDEZ and any discharge of oil as alleged in the Complaint was in accordance with the provisions of the contingency plan.

TENTH SEPARATE AND ADDITIONAL DEFENSE

(No standing re contingency plan)

Plaintiffs have no standing to assert any claim predicated upon an alleged defect in the preparation, planning, implementation, or execution of Alyeska's Contingency Plan.

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ELEVENTH SEPARATE AND ADDITIONAL DEFENSE

(No strict liability for contingency plan)

Alyeska is not strictly liable for the preparation,

planning, implementation, or execution of the Contingency Plan.

TWELFTH SEPARATE AND ADDITIONAL DEFENSE

(No strict liability for cleanup)

Alyeska is not strictly liable for damages resulting from an oil spill nor for insuring the success of an oil spill cleanup pursuant to the Contingency Plan.

THIRTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Setoff)

Alyeska is informed and believes, and thereon alleges, that plaintiffs, or some of them, have received payments in full or partial satisfaction of the claims described in these actions. In the event of any recovery against Alyeska herein, Alyeska is entitled to setoff in the full amount of such payments.

FOURTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Release, Accord and Satisfaction)

Alyeska is informed and believes, and thereon alleges, that plaintiffs, or some of them, have received payments in full satisfaction of the claims described in these actions and have executed releases of such claims. Accordingly, any such payments operate as an accord, satisfaction, and release of all claims against Alyeska and any such releases should bar claims against Alyeska.

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ANSWER OF D-3 TO COMPLAINT OF P-165 AND 166 10

FIFTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Other Actions Pending)

Alyeska is informed and believes, and thereon alleges, that some or all of the plaintiffs have filed, or are putative members of purported classes in some or all of the plaintiffs' other actions in this Court and in other courts alleging claims for recovery for the damages or injuries alleged herein. Accordingly, Alyeska is entitled to an abatement of this action, or, in the event of any recovery by plaintiffs in such other actions as compensation for the damages or injuries alleged herein, to a setoff in the full amount of such recovery.

SIXTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Failure to Mitigate)

Alyeska is entitled to a reduction in any damages that may be awarded against them by virtue of, and to the full extent of, any failure by plaintiffs, or any of them, to mitigate damages.

SEVENTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Due Care)

At all relevant times, Alyeska acted with due care with respect to the preparation, planning, implementation, and execution of the Alyeska Oil Spill Contingency Plan and with respect to Alyeska's response to the grounding of the T/V EXXON VALDEZ and any discharge of oil as alleged in the Complaint. Further, Alyeska complied with all statutory and regulatory requirements concerning the contingency plan applicable at the time of any discharge of oil as alleged, and otherwise acted as a reasonable person under the circumstances.

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> ANSWER OF D-3 TO COMPLAINT OF P-165 AND 166 11

EIGHTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Acts or omissions of third-parties)

Any discharge of oil as alleged in the Complaint was caused solely by the acts or omissions of parties other than Alyeska who were not employees, agents, or otherwise under the control of Alyeska.

NINETEENTH SEPARATE AND ADDITIONAL DEFENSE

(Acts at direction of the government)

Alyeska has no liability to plaintiffs for any acts or omissions undertaken at the direction of governmental authorities including, but not limited to, the United States Coast Guard and the Alaska Department of Environmental Conservation.

TWENTIETH SEPARATE AND ADDITIONAL DEFENSE

(Act of God)

In the days following the discharges of oil alleged in the Complaint, the region of the discharge experienced gale force winds, heavy seas and other conditions constituting acts of God. Alyeska is not liable or otherwise responsible for any injury or damages resulting from any discharge of oil as alleged in the Complaint to the extent that such injury or damage resulted from the environmental conditions hindering, rendering ineffective, or preventing response efforts by Alyeska.

TWENTY-FIRST SEPARATE AND ADDITIONAL DEFENSE

(Combinations of third-parties and acts of God) Some or all of any alleged injury or harm resulting from any discharge of oil as alleged in the Complaint were caused

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> ANSWER OF D-3 TO COMPLAINT OF P-165 AND 166 12

solely by a combination of the acts of third-parties (including governmental authorities) and acts of God referred to above.

TWENTY-SECOND SEPARATE AND ADDITIONAL DEFENSE

(No standing to assert claim for injury to environment)

Plaintiffs have no standing to assert any claim for damages predicated on general allegations of injury to the environment or, without limitation, to lands, structures, fish, wildlife, aquatic life, biotic and other natural resources.

TWENTY-THIRD SEPARATE AND ADDITIONAL DEFENSE

(Statutory Limitations)

The amount of recovery against Alyeska, if any, for the acts alleged herein is limited by, <u>inter alia</u>, state statutes, federal statutes, and principles of maritime and admiralty law, including, but not limited to, AS 09.17.010.

TWENTY-FOURTH SEPARATE AND ADDITIONAL DEFENSE

(Punitive Damages Unconstitutional)

The claims herein for punitive or exemplary damages should be dismissed because the award of such damages herein would be unconstitutional under various provisions of the United States Constitution and under various provisions of the Alaska Constitution including, without limitation, Article 1, Section 7, and Article 1, Section 12.

TWENTY-FIFTH SEPARATE AND ADDITIONAL DEFENSE

(Punitive Damages Not Supportable)

The Complaint and each and every count therein fail to allege facts sufficient to support a claim for punitive or a KURTZ exemplary damages.

BURR, PEASE & KURTZ A PROFESSIONAL CORPORATION 810 N STREET ANCHORAGE, AK 99501 (907) 276-6100

TWENTY-SIXTH SEPARATE AND ADDITIONAL DEFENSE

(Preemption)

Certain claims of plaintiffs herein are preempted by the comprehensive system of federal statutes and regulations and maritime and admiralty provisions relevant to the subject matter of the Complaint.

TWENTY-SEVENTH SEPARATE AND ADDITIONAL DEFENSE

(No Proximate Cause)

Some or all of the injuries or damages alleged by plaintiffs herein were not proximately caused by any acts or failures to act by Alyeska and, accordingly, plaintiffs may not recover from Alyeska for any such injuries or damages.

TWENTY-EIGHTH SEPARATE AND ADDITIONAL DEFENSE

(Comparative Negligence)

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

TWENTY-NINTH SEPARATE AND ADDITIONAL DEFENSE

(Maritime Limitations)

Plaintiffs' claims are based on an alleged maritime tort and therefore are subject to applicable federal admiralty barring of, or limits to, recovery for remote economic loss.

THIRTIETH SEPARATE AND ADDITIONAL DEFENSE

(Admiralty Bar of Claims)

Certain of plaintiffs' purported claims for relief under state and common law sound exclusively in admiralty law and are therefore barred.

BURR, PEASE & KURTZ A PROFESSIONAL CORPORATION 810 N STREET ANCHORAGE, AK 99501 (907) 276-6100 H.

THIRTY-FIRST SEPARATE AND ADDITIONAL DEFENSE

(Bill of Attainder)

Those portions of AS 46.03 that were enacted after the oil spill constitute an unlawful bill of attainder violative of Article 1, Section 10 of the United States Constitution, and if applied to Alyeska would also violate the due process clauses of the state and federal constitutions and the contract clause of the United States Constitution.

THIRTY-SECOND SEPARATE AND ADDITIONAL DEFENSE

(TAPA Fund Liability)

The Fund, established under the Trans-Alaska Pipeline Authorization Act, 43 U.S.C. Sec. 1653(c), may be strictly liable for some or all of the damages alleged by plaintiffs. This action should not proceed in the absence of joinder of the Fund as a defendant.

PRAYER FOR RELIEF

WHEREFORE, Alyeska prays judgment against plaintiffs as follows:

 That plaintiffs take nothing by way of their Complaint;

2. That the Complaint be dismissed with prejudice as to Alyeska;

3. For costs of suit herein, including attorneys' fees as available under all applicable statutes and principles of law; and,

BURR, PEASE & KURTZ A PROFESSIONAL CORPORATION 810 N STREET ANCHORAGE, AK 99501 (907) 276-6100

> ANSWER OF D-3 TO COMPLAINT OF P-165 AND 166 15

4. For such other and further relief as the Court may

deem just and proper.

BURR, PEASE & KURTZ CHARLES P. FLYNN NELSON PAGE 810 N Street Anchorage, AK 99501

GIBSON, DUNN & CRUTCHER ROBERT S. WARREN CHARLES C. IVIE ROBERT W. LOEWEN WILLIAM D. CONNELL 601 W. Fifth Avenue, Suite 300 Anchorage, AK 99501

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> ANSWER OF D-3 TO COMPLAINT OF P-165 AND 166

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Attorneys for Defendant ALYESKA PIPELINE SERVICE COMPANY (D-3)

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

In Re

THE EXXON VALDEZ

No. A89-095 Civil (Consolidated)

This Document^hRelates to Action Nos.:

A89-106 (P-30 through P-39, inclusive) ANSWER OF DEFENDANT D-3 TO FIRST AMENDED COMPLAINT FOR DAMAGES

Defendant Alyeska Pipeline Service Company (D-3) ("Alyeska"), for itself alone, responds to plaintiffs' First Amended Complaint ("Complaint") herein as follows:

BURR, PEASE & KURTZ A PROFESSIONAL CORPORATION B10 N STREET ANCHORAGE, AK 99501 (907) 276-6100

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JURISDICTION AND PARTIES

 Answering paragraph 1, Alyeska admits that the Complaint purports to set forth claims within the maritime and admiralty jurisdiction of the Court within the meaning of Rule 9(h), F.R.C.P.

2. Answering paragraph 2, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

3. Answering paragraphs 3 through 8, inclusive, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

4. Answering paragraph 9, Alyeska admits the allegations thereon.

5. Answering paragraph 10, Alyeska alleges that the Trans-Alaska Pipeline Liability Fund is a non-profit corporate entity established pursuant to the Trans-Alaska Pipeline Authorization Act, 43 U.S.C. Section 1653(c)(4). Except as so expressly alleged, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations therein and, based thereon, denies said allegations.

FACTS

6. Answering paragraph 11, Alyeska adopts and incorporates by this reference its responses to paragraphs 1 through 10, inclusive, of the Complaint as if set forth in full herein.

BURR. PEASE & KURTZ A PROFESSIONAL CORPORATION 610 N STREET ANCHORAGE. AK 99501 (907) 276-6100 7. Answering paragraph 12, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

8. Answering paragraph 13, Alyeska alleges that, on the evening of March 23, 1989, the EXXON VALDEZ left the southern terminal facility of the TAPS, located at the Port of Valdez, Alaska. Except as so expressly alleged, Alyeska lacks information or knowledge sufficient to enable it to form a belief as to the truth of the allegations therein and, based thereon, denies the same.

9. Answering paragraph 14, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

10. Answering paragraphs 15 and 16, Alyeska alleges that it supervises the loading of oil at the TAPS terminal facilities in Valdez, Alaska, and that, when it left the terminal facilities, the EXXON VALDEZ was Laden with approximately 53 million gallons of North Slope crude oil which had been transported through the TAPS. Except as so expressly alleged, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

11. Answering paragraph 17, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

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12. Answering paragraph 18, Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and, on that basis, denies the same.

NSWER OF D-3 TO COMPLAINT OF P-30 - P-39

13. Answering paragraph 19, Alyeska denies the allegations therein to the extent they pertain to Alyeska and further denies that it is liable to plaintiffs in any manner or amount. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

> FIRST CAUSE OF ACTION (Negligence - Hazelwood)

14. Answering paragraphs 20 through 22, inclusive, Alyeska adopts and incorporates by this reference its responses to paragraphs 1 through 19, inclusive, of the Complaint as if set forth in full herein. Alyeska further states that said paragraphs do not purport to contain allegations relating to any cause of action against Alyeska, and Alyeska, therefore, is not required to respond thereto.

> SECOND CAUSE OF ACTION (Negligence - Exxon Shipping Company)

15. Answering paragraphs 23 through 26, inclusive, Alyeska adopts and incorporates by this reference its responses to paragraphs 1 through 22, inclusive, of the Complaint as if set forth in full herein. Alyeska further states that said paragraphs do not purport to contain allegations relating to any cause of action against Alyeska, and Alyeska, therefore, is not required to respond thereto.

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ANSWER OF D-3 TO COMPLAINT OF P-30 - P-39

THIRD CAUSE OF ACTION (Negligence - All Defendants)

16. Answering paragraph 27, Alyeska adopts and incorporates by this reference its responses to paragraphs 1 through 26, inclusive, of the Complaint as if set forth in full herein.

17. Answering paragraph 28, Alyeska alleges that it has prepared an Oil Spill Contingency Plan for various areas, including Prince William Sound, and that its actions complied therewith. Except as so expressly alleged, Alyeska denies the allegations therein to the extent they pertain to Alyeska. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

18. Answering paragraph 29, Alyeska denies the allegations therein to the extent they pertain to Alyeska. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

19. Answering paragraph 30, Alyeska denies the allegations therein to the extent they pertain to Alyeska and further denies that it is liable to plaintiffs in any amount or manner. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

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FOURTH CAUSE OF ACTION (Strict Liability)

20. Answering paragraph 31, Alyeska adopts and incorporates by this reference its responses to paragraphs 1 through 30, inclusive, of the Complaint as if set forth in full herein.

21. Answering paragraph 32, Alyeska denies the allegations therein to the extent they pertain to Alyeska and further denies that it is liable to plaintiffs in any manner or amount. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the sam

22. Answering paragraph 33, Alyeska denies the allegations therein to the extent they pertain to Alyeska and further denies that it is liable to plaintiffs in any amount or manner. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate towother defendants and, on that basis, denies the same

FIFTH CAUSE OF ACTION (43 U.S.C. Sec. 1653(a))

23. Answering paragraph 34, Alyeska adopts and incorporates by this reference its responses to paragraphs 1 through 33, inclusive, of the Complaint as if set forth in full herein.

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24. Answering paragraph 35, Alyeska states that said paragraph does not purport to contain allegations relating to any cause of action against Alyeska, and Alyeska, therefore, is not required to respond thereto.

SIXTH CAUSE OF ACTION (43 U.S.C. Sec. 1652(a))

25. Answering paragraph 36, Alyeska adopts and incorporates by this reference its responses to paragraphs 1 through 35, inclusive, of the Complaint as if set forth in full herein.

26. Answering paragraph 37, Alyeska denies the allegations and further denies that it is liable to plaintiffs in any amount or manner.

SEVENTH CAUSE OF ACTION (43 U.S.C. Sec. 1653(c))

27. Answering paragraph 38, Alyeska adopts and incorporates by this reference its responses to paragraphs 1 h through 37, inclusive, of the Complaint, as if set forth in full herein.

28. Answering paragraph 39, Alyeska states that said paragraph does not purport to contain allegations relating to any cause of action against Alyeska, and Alyeska, therefore, is not required to respond thereto.

> EIGHTH CAUSE OF ACTION (Gross Negligence and Recklessness)

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> ANSWER OF D-3 TO COMPLAINT OF P-30 - P-39

29. Answering paragraph 40, Alyeska adopts and incorporates by this reference its responses to paragraphs 1 through 39, inclusive, of the Complaint as if set forth in full herein.

30. Answering paragraph 41, Alyeska denies the allegations therein to the extent they pertain to Alyeska. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

31. Answering paragraph 42, Alyeska denies the allegations therein to the extent they pertain to Alyeska and further denies that it is liable to plaintiffs in any amount or manner. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same

NINTH CAUSE OF ACTION (Punitive Damages)

32. Answering paragraph 43, Alyeska adopts and incorporates by this reference its responses to paragraphs 1 through 42, inclusive, of the Complaint as if set forth in full herein.

33. Answering paragraph 44, Alyeska denies the allegations therein to the extent they pertain to Alyeska. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

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34. Answering paragraph 45, Alyeska denies the allegations therein to the extent they pertain to Alyeska and further denies that there are any grounds for an award of punitive amages as against Alyeska and that it is liable to plaintiffs in any amount or manner. Alyeska lacks knowledge or information sufficient to enable it to form a belief as to the truth of the allegations as they relate to other defendants and, on that basis, denies the same.

Paragraph 46 is a demand for trial by jury, not in 35. accordance with Rule 4(G) of the Local Rules, which does not require a response.

FIRST SEPARATE AND ADDITIONAL DEFENSE

(Failure to State a Claim)

The Complaint and each purported Claim thereof fail to state a claim against Alyeska upon which relief can be granted.

SECOND^N SEPARATE AND ADDITIONAL DEFENSE

(No violation of Alaska law or federal law)

Alyeska did not violate any provision of Title 46, Chapters 3, 4 or 9 of the Alaska Statutes, or any other provision of Alaska statutes, regulations, or law or federal statutes, regulations, or law, with respect to Alyeska's preparation, planning, implementation, or execution of its Oil Spill Contingency Plan - Prince ressional Corporation William Sound ("Contingency Plan") or with respect to its response to the grounding of the T/V EXXON VALDEZ and any

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> discharge of oil as alleged in the Complaint. ANSWER OF D-3 TO COMPLAINT OF P-30 - P-39 9

THIRD SEPARATE AND ADDITIONAL DEFENSE

Alyeska did not violate any provision of Alaska statutes, regulations, or law, or of federal statutes, regulations, or law, as they neither owned, operated, nor had control over the vessel from which any oil was discharged or any oil that was discharged as alleged in the Complaint. Further, Alyeska neither caused nor permitted the discharge of any oil as alleged in the Complaint.

FOURTH SEPARATE AND ADDITIONAL DEFENSE

(No violation of administrative order)

Alyeska did not violate nor disregard any order, permit, or other determination of the Alaska Department of Environmental Conservation, or of any other Alaska State agency, or of any federal agency, with respect to the preparation, planning, implementation, or execution of Alyeska's contingency plan or with respect to Alyeska's response to the grounding of the T/V EXXON VALDEZ and any subsequent discharge of oil as alleged in the Complaint.

FIFTH SEPARATE AND ADDITIONAL DEFENSE

(No standing re statutory or regulatory violations)

Plaintiffs have no standing to assert any claim against Alyeska predicated on an alleged violation of any Alaska or federal statute, regulation, order, permit, or other governmental determination.

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SIXTH SEPARATE AND ADDITIONAL DEFENSE

(No liability for state-approved contingency plan)

Alyeska is not liable for any alleged negligence or defect in the formulation or terms of the Alyeska Contingency Plan as this plan was fully reviewed and approved by the responsible State and Federal governmental agencies.

SEVENTH SEPARATE AND ADDITIONAL DEFENSE

(Compliance with contingency plan)

At the time of the grounding of the T/V EXXON VALDEZ, Alyeska's emergency response capabilities were in compliance with Alyeska's Contingency Plan in every material respect. Further, Alyeska's response to the grounding of the T/V EXXON VALDEZ and any discharge of oil as alleged in the Complaint was in accordance with the provisions of the contingency plan.

EIGHTH SEPARATE AND ADDITIONAL DEFENSE

(No standing re contingency plan)

Plaintiffs have no standing to assert any claim predicated upon an alleged defect in the preparation, planning, implementation, or execution of Alyeska's Contingency Plan.

NINTH SEPARATE AND ADDITIONAL DEFENSE

(No strict liability for contingency plan) Alyeska is not strictly liable for the preparation, planning, implementation, or execution of the Contingency Plan.

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TENTH SEPARATE AND ADDITIONAL DEFENSE

(No strict liability for cleanup)

Alyeska is not strictly liable for damages resulting from an oil spill nor for insuring the success of an oil spill cleanup pursuant to the Contingency Plan.

ELEVENTH SEPARATE AND ADDITIONAL DEFENSE

(No strict liability for ultra-hazardous activity)

Alyeska has no liability under a theory of ultra-hazardous activity as the preparation, planning, implementation, and execution of the Contingency Plan is not an ultra-hazardous activity.

TWELFTH SEPARATE AND ADDITIONAL DEFENSE

(Setoff)

Alyeska is informed and believes, and thereon alleges, that plaintiffs, or some of them, have received payments in full or partial satisfaction of the claims described in these actions. In the event of any recovery against Alyeska herein, Alyeska is entitled to setoff in the full amount of such payments.

THIRTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Release, Accord and Satisfaction)

Alyeska is informed and believes, and thereon alleges, that plaintiffs, or some of them, have received payments in full satisfaction of the claims described in these actions and have executed releases of such claims. Accordingly, any such payments pperate as an accord, satisfaction, and release of all claims estional conformation against Alyeska and any such releases should bar claims against Alyeska.

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FOURTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Other Actions Pending)

Alyeska is informed and believes, and thereon alleges, that some or all of the plaintiffs have filed, or are putative members of purported classes in some or all of the plaintiffs' other actions in this Court and in other courts alleging claims for recovery for the damages or injuries alleged herein. Accordingly, Alyeska is entitled to an abatement of this action, or, in the event of any recovery by plaintiffs in such other actions as compensation for the damages or injuries alleged herein, to a setoff in the full amount of such recovery.

FIFTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Failure to Mitigate)

Alyeska is entitled to a reduction in any damages that may be awarded against them by virtue of, and to the full extent of, any failure by plaintiffs, or any of them, to mitigate damages.

SIXTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Due Care)

At all relevant times, Alyeska acted with due care with respect to the preparation, planning, implementation, and execution of the Alyeska Oil Spill Contingency Plan and with respect to Alyeska's response to the grounding of the T/V EXXON VALDEZ and any discharge of oil as alleged in the Complaint. Further, Alyeska complied with all statutory and regulatory requirements concerning the contingency plan applicable at the time of any discharge of oil as alleged, and otherwise acted as a reasonable person under the circumstances.

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SEVENTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Acts or omissions of third-parties)

Any discharge of oil as alleged in the Complaint was caused solely by the acts or omissions of parties other than Alyeska who were not employees, agents, or otherwise under the control of Alyeska.

EIGHTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Acts at direction of the government)

Alyeska has no liability to plaintiffs for any acts or omissions undertaken at the direction of governmental authorities including, but not limited to, the United States Coast Guard and the Alaska Department of Environmental Conservation.

NINETEENTH SEPARATE AND ADDITIONAL DEFENSE

(Act of God)

In the days following the discharges of oil alleged in the Complaint, the region of the discharge experienced gale force winds, heavy seas and other conditions constituting acts of God. Alyeska is not liable or otherwise responsible for any injury or damages resulting from any discharge of oil as alleged in the Complaint to the extent that such injury or damage resulted from the environmental conditions hindering, rendering ineffective, or preventing response efforts by Alyeska.

TWENTIETH SEPARATE AND ADDITIONAL DEFENSE

(Combinations of third-parties and acts of God)

Some or all of any alleged injury or harm resulting from URR. PEASE & KURTZ DEFESSIONAL COMPORTION any discharge of oil as alleged in the Complaint were caused 810 N STREET

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solely by a combination of the acts of third-parties (including governmental authorities) and acts of God referred to above.

TWENTY-FIRST SEPARATE AND ADDITIONAL DEFENSE

(No standing to assert claim for injury to environment)

Plaintiffs have no standing to assert any claim for damages predicated on general allegations of injury to the environment or, without limitation, to lands, structures, fish, wildlife, aquatic life, biotic and other natural resources.

TWENTY-SECOND SEPARATE AND ADDITIONAL DEFENSE

(Statutory Limitations)

The amount of recovery against Alyeska, if any, for the acts alleged herein is limited by, <u>inter alia</u>, state statutes, federal statutes, and principles of maritime and admiralty law, including, but not limited to, AS 09.17.010.

TWENTY-THIRD SEPARATE AND ADDITIONAL DEFENSE

(Punitive Damages Unconstitutional)

The claims herein for punitive or exemplary damages should be dismissed because the award of such damages herein would be unconstitutional under various provisions of the United States Constitution and under various provisions of the Alaska Constitution including, without limitation, Article 1, Section 7, and Article 1, Section 12.

TWENTY-FOURTH SEPARATE AND ADDITIONAL DEFENSE

(Punitive Damages Not Supportable)

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TWENTY-FIFTH SEPARATE AND ADDITIONAL DEFENSE

(Preemption)

Certain claims of plaintiffs herein are preempted by the comprehensive system of federal statutes and regulations and maritime and admiralty provisions relevant to the subject matter of the Complaint.

TWENTY-SIXTH SEPARATE AND ADDITIONAL DEFENSE

(No Proximate Cause)

Some or all of the injuries or damages alleged by plaintiffs herein were not proximately caused by any acts or failures to act by Alyeska and, accordingly, plaintiffs may not recover from Alyeska for any such injuries or damages.

TWENTY-SEVENTH SEPARATE AND ADDITIONAL DEFENSE

(Comparative Negligence)

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

TWENTY-EIGHTH SEPARATE AND ADDITIONAL DEFENSE

(Maritime Limitations)

Plaintiffs' claims are based on an alleged maritime tort and therefore are subject to applicable federal admiralty barring of, or limits to, recovery for remote economic loss.

TWENTY-NINTH SEPARATE AND ADDITIONAL DEFENSE

(Admiralty Bar of Claims)

Certain of plaintiffs' purported claims for relief under state and common law sound exclusively in admiralty law and are RTZ COMPORTION therefore barred.

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> ANSWER OF D-3 TO COMPLAINT OF P-30 - P-39

PRAYER FOR RELIEF

WHEREFORE, Alyeska prays judgment against plaintiffs as follows:

That plaintiffs take nothing by way of their Complaint;

That the Complaint be dismissed with prejudice as to Alyeska;

3. For costs of suit herein, including attorneys' fees as available under all applicable statutes and principles of law; and,

4. For such other and further relief as the Court may deem just and proper.

BURR, PEASE & KURTZ CHARLES P. FLYNN NELSON PAGE 810 N Street Anchorage, AK 99501

GIBSON, DUNN & CRUTCHER ROBERT S. WARREN CHARLES C. IVIE ROBERT W. LOEWEN WILLIAM D. CONNELL 601 W. Fifth Avenue, Suite 300 Anchorage, AK 99501

By: Charles P. Flynn

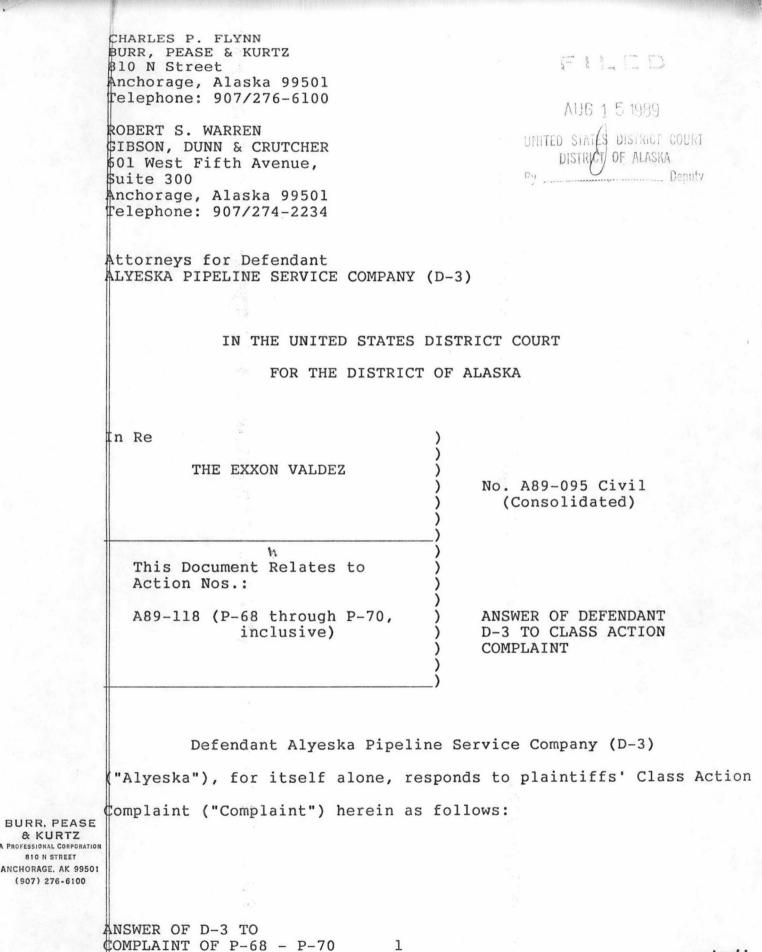
Attorneys for Defendant, ALYESKA PIPELINE SERVICE COMPANY

RR. PEASE : KURTZ BSIONAL CORPORATION 10 N STREET RAGE, AK 99501 7) 276-6100

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ANSWER OF D-3 TO COMPLAINT OF P-30 - P-39

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NATURE OF CASE

1. Answering paragraph 1, Alyeska admits that this purports to be a class action arising from the oil spill in Prince William Sound on March 24, 1989. Except as so expressly admitted, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

JURISDICTION AND VENUE

Answering paragraph 2, Alyeska lacks knowledge or 2. information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

3. Answering paragraph 3, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

4. Answering paragraph 4, Alyeska admits that it does business in, and its principal place of business is in, this district and that this district is the site of the spill. Except as so expressly admitted, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

PARTIES

5. Answering paragraphs 5 through 9, inclusive, Alyeska acks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

Answering paragraph 10, Alyeska alleges that it is a 6. elaware corporation with its principal place of business in SSIONAL CORPORATION Alaska; that it is owned by seven companies ("Owner Companies"),

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> ANSWER OF D-3 TO COMPLAINT OF P-68 - P-70

which are 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; that these Owner Companies are permittees ander the Right-of-Way for the Trans-Alaska Pipeline System ("TAPS"); that Alyeska operates the TAPS, including the terminal facilities at the Port of Valdez, Alaska; that Alyeska acts as an agent of the Owner Companies in operating TAPS; and, that Alyeska has prepared and maintained an Oil Spill Contingency Plan for various geographical areas, including Prince William Sound. Except as so expressly alleged, Alyeska denies the allegations therein.

7. Answering paragraphs 11 through 13, inclusive, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

CLASS ALLEGATIONS

8. Answering paragraphs 14 through 19, inclusive, Alyeska admits that the Complaint purports to define a class pursuant to Rule 23 of the Alaska Rules of Civil Procedure. Except as so expressly admitted, Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

FACTS COMMON TO ALL CLAIMS

9. Answering paragraph 20, Alyeska alleges that, on March 23, 1989, approximately 53 million gallons of North Slope crude oil were loaded aboard the EXXON VALDEZ at the TAPS terminal & KURTZ ESSIGNAL CORPORATION Facility in Valdez, Alaska.

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NSWER OF D-3 TO COMPLAINT OF P-68 - P-70

Answering paragraph 21 through 26, Alyeska lacks 10. nowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, denies them.

11. Answering paragraph 27, Alyeska alleges that it has prepared an Oil Spill Contingency Plan for various areas, including Prince William Sound, and that its actions complied therewith. Except as so expressly alleged, Alyeska denies the allegations therein.

Answering paragraph 28, Alyeska denies the 12. llegations therein as they relate to Alyeska. Alyeska lacks nowledge or information sufficient to form a belief as to the ruth of the allegations relating to the other defendants and, on that basis, denies them.

13. Answering paragraph 29, Alyeska denies the allegations therein.

14. Answering paragraph 30, Alyeska denies the llegations therein.

DAMAGES

Answering paragraphs 31 and 32, Alyeska lacks 15. nowledge or information sufficient to form a belief as to the ruth of the allegations and, on that basis, denies them.

Answering paragraph 33, Alyeska denies the 16. Ilegations therein as they relate to Alyeska and further denies that there are any grounds for an award of punitive and/or exemplary damages or relief in any manner or amount as against ESSIONAL CORPORATION Alyeska. Alyeska lacks knowledge or information sufficient to form

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a belief as to the truth of the allegations relating to the other defendants and, on that basis, denies them.

CAUSES OF ACTION

17. Answering paragraph 34 and all subparts thereof, Alyeska denies the allegations therein as they relate to Alyeska and further denies that it is liable to plaintiffs or the purported plaintiff class in any manner or amount. Alyeska lacks knowledge or information sufficient to form a belief as to the truth of the allegations relating to the other defendants and, on that basis, denies them.

FIRST SEPARATE AND ADDITIONAL DEFENSE

(Failure to State a Claim)

The Complaint and each purported Claim thereof fail to state a claim against Alyeska upon which relief can be granted.

SECOND SEPARATE AND ADDITIONAL DEFENSE

(No viglation of Alaska law or federal law) Alyeska did not violate any provision of Title 46, Chapters 3, 4 or 9 of the Alaska Statutes, or any other provision of Alaska statutes, regulations, or law or federal statutes, regulations, or law, with respect to Alyeska's preparation, planning, implementation, or execution of its Oil Spill Contingency Plan - Prince William Sound ("Contingency Plan") or with respect to its response to the grounding of the T/V EXXON VALDEZ and any discharge of oil as alleged in the Complaint.

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THIRD SEPARATE AND ADDITIONAL DEFENSE

Alyeska did not violate any provision of Alaska statutes, regulations, or law, or of federal statutes, regulations, or law, as they neither owned, operated, nor had control over the vessel from which any oil was discharged or any oil that was discharged as alleged in the Complaint. Further, Alyeska neither caused nor permitted the discharge of any oil as alleged in the Complaint.

FOURTH SEPARATE AND ADDITIONAL DEFENSE

(No violation of administrative order)

Alyeska did not violate nor disregard any order, permit, or other determination of the Alaska Department of Environmental Conservation, or of any other Alaska State agency, or of any federal agency, with respect to the preparation, planning, implementation, or execution of Alyeska's contingency plan or with respect to Alyeska's response to the grounding of the T/V EXXON VALDEZ and any subsequent discharge of oil as alleged in the Complaint.

FIFTH SEPARATE AND ADDITIONAL DEFENSE

(No standing re statutory or regulatory violations)

Plaintiffs have no standing to assert any claim against Alyeska predicated on an alleged violation of any Alaska or federal statute, regulation, order, permit, or other governmental determination.

SIXTH SEPARATE AND ADDITIONAL DEFENSE

(Claim re contingency plan)

Alyeska's obligation, if any, to maintain a contingency plan for Prince William Sound is not statutory in nature.

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SEVENTH SEPARATE AND ADDITIONAL DEFENSE

(No breach of Right-of-Way lease)

Alyeska did not breach any provision of the State and Federal Right-Of-Way Leases with respect to the preparation, planning, implementation or execution of Alyeska's Contingency Plan or with respect to Alyeska's response to the grounding of the T/V EXXON VALDEZ and subsequent discharge of oil into Prince William Sound.

EIGHTH SEPARATE AND ADDITIONAL DEFENSE

(No standing re Right-Of-Way Lease)

Plaintiffs have no standing to assert any claim predicated on an alleged breach of the State and Federal Right-Of-Way Leases by Alyeska as plaintiffs are not in privity with any party to the Lease.

NINTH SEPARATE AND ADDITIONAL DEFENSE

(No liability for state-approved contingency plan)

Alyeska is not liable for any alleged negligence or defect in the formulation or terms of the Alyeska Contingency Plan as this plan was fully reviewed and approved by the responsible State and Federal governmental agencies.

TENTH SEPARATE AND ADDITIONAL DEFENSE

(Compliance with contingency plan)

At the time of the grounding of the T/V EXXON VALDEZ, Alyeska's emergency response capabilities were in compliance with Alyeska's Contingency Plan in every material respect. Further, FESSIONAL CORPORATION Alyeska's response to the grounding of the T/V EXXON VALDEZ and any

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discharge of oil as alleged in the Complaint was in accordance with the provisions of the contingency plan.

ELEVENTH SEPARATE AND ADDITIONAL DEFENSE

(No standing re contingency plan)

Plaintiffs have no standing to assert any claim predicated upon an alleged defect in the preparation, planning, implementation, or execution of Alyeska's Contingency Plan.

TWELFTH SEPARATE AND ADDITIONAL DEFENSE

(No strict liability for contingency plan)

Alyeska is not strictly liable for the preparation, planning, implementation, or execution of the Contingency Plan.

THIRTEENTH SEPARATE AND ADDITIONAL DEFENSE

(No strict liability for cleanup)

Alyeska is not strictly liable for damages resulting from an oil spill nor for insuring the success of an oil spill cleanup pursuant to the Contingency Plan.

FOURTEENTH SEPARATE AND ADDITIONAL DEFENSE

(No strict liability for ultra-hazardous activity)

Alyeska has no liability under a theory of ultra-hazardous activity as the preparation, planning, implementation, and execution of the Contingency Plan is not an ultra-hazardous activity.

FIFTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Setoff)

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partial satisfaction of the claims described in these actions. In the event of any recovery against Alyeska herein, Alyeska is entitled to setoff in the full amount of such payments.

SIXTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Release, Accord and Satisfaction) Alyeska is informed and believes, and thereon alleges, that plaintiffs, or some of them, have received payments in full satisfaction of the claims described in these actions and have executed releases of such claims. Accordingly, any such payments operate as an accord, satisfaction, and release of all claims against Alyeska and any such releases should bar claims against Alyeska.

SEVENTEENTH SEPARATE AND ADDITIONAL DEFENSE

(Other Actions Pending)

Alyeska is informed and believes, and thereon alleges, that some or all of the plaintiffs have filed, or are putative members of purported classes in some or all of the plaintiffs' other hactions in this Court and in other courts alleging claims for recovery for the damages or injuries alleged herein. Accordingly, Alyeska is entitled to an abatement of this action, or, in the event of any recovery by plaintiffs in such other actions as compensation for the damages or injuries alleged herein, to a setoff in the full amount of such recovery.

EIGHTEENTH SEPARATE AND ADDITIONAL DEFENSE

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(Failure to Mitigate)

Alyeska is entitled to a reduction in any damages that may be awarded against them by virtue of, and to the full extent of, any

ailure by plaintiffs, or any of them, to mitigate damages. ANSWER OF D-3 TO COMPLAINT OF P-68 - P-70 9

NINETEENTH SEPARATE AND ADDITIONAL DEFENSE

(Due Care)

At all relevant times, Alyeska acted with due care with respect to the preparation, planning, implementation, and execution of the Alyeska Oil Spill Contingency Plan and with respect to Alyeska's response to the grounding of the T/V EXXON VALDEZ and any discharge of oil as alleged in the Complaint. Further, Alyeska complied with all statutory and regulatory requirements concerning the contingency plan applicable at the time of any discharge of oil as alleged, and otherwise acted as a reasonable person under the circumstances.

TWENTIETH SEPARATE AND ADDITIONAL DEFENSE

(Acts or omissions of third-parties)

Any discharge of oil as alleged in the Complaint was caused solely by the acts or omissions of parties other than Alyeska who were not employees, agents, or otherwise under the control of Alyeska.

TWENTY-FIRST SEPARATE AND ADDITIONAL DEFENSE

(Acts at direction of the government)

Alyeska has no liability to plaintiffs for any acts or omissions undertaken at the direction of governmental authorities including, but not limited to, the United States Coast Guard and the Alaska Department of Environmental Conservation.

TWENTY-SECOND SEPARATE AND ADDITIONAL DEFENSE

(Act of God)

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In the days following the discharges of oil alleged in the Complaint, the region of the discharge experienced gale force

winds, heavy seas and other conditions constituting acts of God. Alyeska is not liable or otherwise responsible for any injury or amages resulting from any discharge of oil as alleged in the complaint to the extent that such injury or damage resulted from the environmental conditions hindering, rendering ineffective, or preventing response efforts by Alyeska.

TWENTY-THIRD SEPARATE AND ADDITIONAL DEFENSE

(Combinations of third-parties and acts of God)

Some or all of any alleged injury or harm resulting from any discharge of oil as alleged in the Complaint were caused solely by a combination of the acts of third-parties (including governmental authorities) and acts of God referred to above.

TWENTY-FOURTH SEPARATE AND ADDITIONAL DEFENSE

(No liability for nuisance)

Alyeska never owned nor operated the T/V EXXON VALDEZ, never owned the oil discharged from the T/V EXXON VALDEZ, and never discharged, caused to be discharged, or permitted any discharge of bil as alleged in the Complaint. By reason of the foregoing, Alyeska cannot be held liable for any claims of nuisance, whether arising under common law or statute.

TWENTY-FIFTH SEPARATE AND ADDITIONAL DEFENSE

(No standing to assert claim for injury to environment)

Plaintiffs have no standing to assert any claim for damages predicated on general allegations of injury to the environment or, without limitation, to lands, structures, fish, wildlife, aquatic ESSIONAL CORPORATION life, biotic and other natural resources.

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TWENTY-SIXTH SEPARATE AND ADDITIONAL DEFENSE

(Statutory Limitations)

The amount of recovery against Alyeska, if any, for the acts alleged herein is limited by, <u>inter alia</u>, state statutes, federal statutes, and principles of maritime and admiralty law, including, but not limited to, AS 09.17.010.

TWENTY-SEVENTH SEPARATE AND ADDITIONAL DEFENSE

(Punitive Damages Unconstitutional)

The claims herein for punitive or exemplary damages should be dismissed because the award of such damages herein would be unconstitutional under various provisions of the United States Constitution and under various provisions of the Alaska Constitution including, without limitation, Article 1, Section 7, and Article 1, Section 12.

TWENTY-EIGHTH SEPARATE AND ADDITIONAL DEFENSE

(Punitive Damages Not Supportable) The Complaint and each and every count therein fail to allege facts sufficient to support a claim for punitive or exemplary damages.

TWENTY-NINTH SEPARATE AND ADDITIONAL DEFENSE

(Preemption)

Certain claims of plaintiffs herein are preempted by the comprehensive system of federal statutes and regulations and maritime and admiralty provisions relevant to the subject matter of the Complaint.

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THIRTIETH SEPARATE AND ADDITIONAL DEFENSE

(No Proximate Cause)

Some or all of the injuries or damages alleged by plaintiffs herein were not proximately caused by any acts or failures to act by Alyeska and, accordingly, plaintiffs may not recover from Alyeska for any such injuries or damages.

THIRTY-FIRST SEPARATE AND ADDITIONAL DEFENSE

(Comparative Negligence)

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

THIRTY-SECOND SEPARATE AND ADDITIONAL DEFENSE

(Maritime Limitations)

Plaintiffs' claims are based on an alleged maritime tort and therefore are subject to applicable federal admiralty barring of, or limits to, recovery for remote economic loss.

THIRTY-THIRD SEPARATE AND ADDITIONAL DEFENSE

Admiralty Bar of Claims)

Certain of plaintiffs' purported claims for relief under state and common law sound exclusively in admiralty law and are therefore barred.

THIRTY-FOURTH SEPARATE AND ADDITIONAL DEFENSE

(Right to Petition)

Certain theories of relief may not be maintained because those theories are based upon the exercise of the state and federal tight to petition the state and federal governments with respect FESSIONAL CORPORATION to the passage and enforcement of laws. Any representations made

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during the exercise of said rights are privileged under the State and Federal Constitutions.

THIRTY-FIFTH SEPARATE AND ADDITIONAL DEFENSE

(Lack of Standing)

Plaintiffs lack standing to seek any relief based upon alleged representations to federal or state legislative bodies or agencies regarding the matters alleged in the Complaint.

THIRTY-SIXTH SEPARATE AND ADDITIONAL DEFENSE

(Bill of Attainder)

Those portions of AS 46.03 that were enacted after the oil spill constitute an unlawful bill of attainder violative of Article 1, Section 10 of the United States Constitution, and if applied to Alyeska would also violate the due process clauses of the state and federal constitutions and the contract clause of the United States Constitution.

THIRTY-SEVENTH SEPARATE AND ADDITIONAL DEFENSE

h (TAPA Fund Liability)

The Fund, established under the Trans-Alaska Pipeline Authorization Act, 43 U.S.C. Sec. 1653(c), may be strictly liable for some or all of the damages alleged by plaintiffs. This action should not proceed in the absence of joinder of the Fund as a defendant.

PRAYER FOR RELIEF

WHEREFORE, Alyeska prays judgment against plaintiffs as follows:

A PROFESSIONAL CORPORATION BIO N STREET ANCHORAGE. AK 99501 (907) 276-6100 Complaint;

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 That the Complaint be dismissed with prejudice as to Alyeska;

 For costs of suit herein, including attorneys' fees as available under all applicable statutes and principles of law; and,

4. For such other and further relief as the Court may deem just and proper.

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GIBSON, DUNN & CRUTCHER ROBERT S. WARREN CHARLES C. IVIE ROBERT W. LOEWEN WILLIAM D. CONNELL 601 W. Fifth Avenue, Suite 300 Anchorage, AK 99501

By: Charles P. Flynn

Attorneys for Defendant, ALYESKA PIPELINE SERVICE COMPANY

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