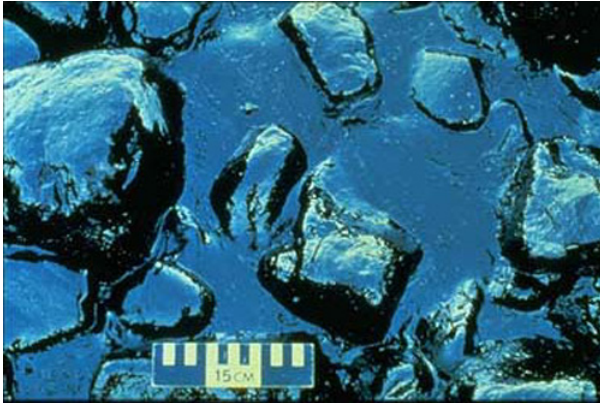




Pooled oil from the Exxon Valdez oil spill
(NOAA)

Rick earlier [posted about the 20th anniversary](#) of the *Exxon Valdez* oil spill. This week, the Ninth Circuit may finally have brought the litigation that followed that spill to a close. You may recall that last year the U.S. Supreme Court heard Exxon's challenge to the punitive damages award against it, which had been set by the Ninth Circuit (after two remands to the trial court) at \$2.5 billion. An equally divided [Court upheld](#) the Ninth Circuit's view that punitive damages could be awarded in a maritime case, but ruled by 5-3 that, in the circumstances of this case, punitive damages should not be awarded in an amount exceeding a 1:1 ratio with the compensatory damages.

On remand to the Ninth Circuit, the parties agreed to a punitive damages award of \$507.5 million, precisely equalling the amount of the compensatory damages award. That didn't entirely resolve the dispute, however. Exxon contended that interest on the punitive damages judgment should run only from 2008, when the judgment on the agreed amount of punitive damages was finally entered after the Supreme Court's decision, while the plaintiffs thought it should run from 1996, when the original judgment awarding punitive damages was entered. Exxon also contended that it was entitled to recover \$70 million in costs for pursuing its appeal of the punitive damages award because, although it eventually agreed it was liable for some punitive damages, the circuitous appeal reduced the initial award by 90% (from \$5 billion to roughly \$500 million).

In this [latest decision](#), the Ninth Circuit agreed with plaintiffs on both counts. The court agreed unanimously that interest should run from the initial judgment date. Judge Kleinfeld dissented on the question of whether Exxon should be able to recover the costs of its appeal.