

Fund Source Report

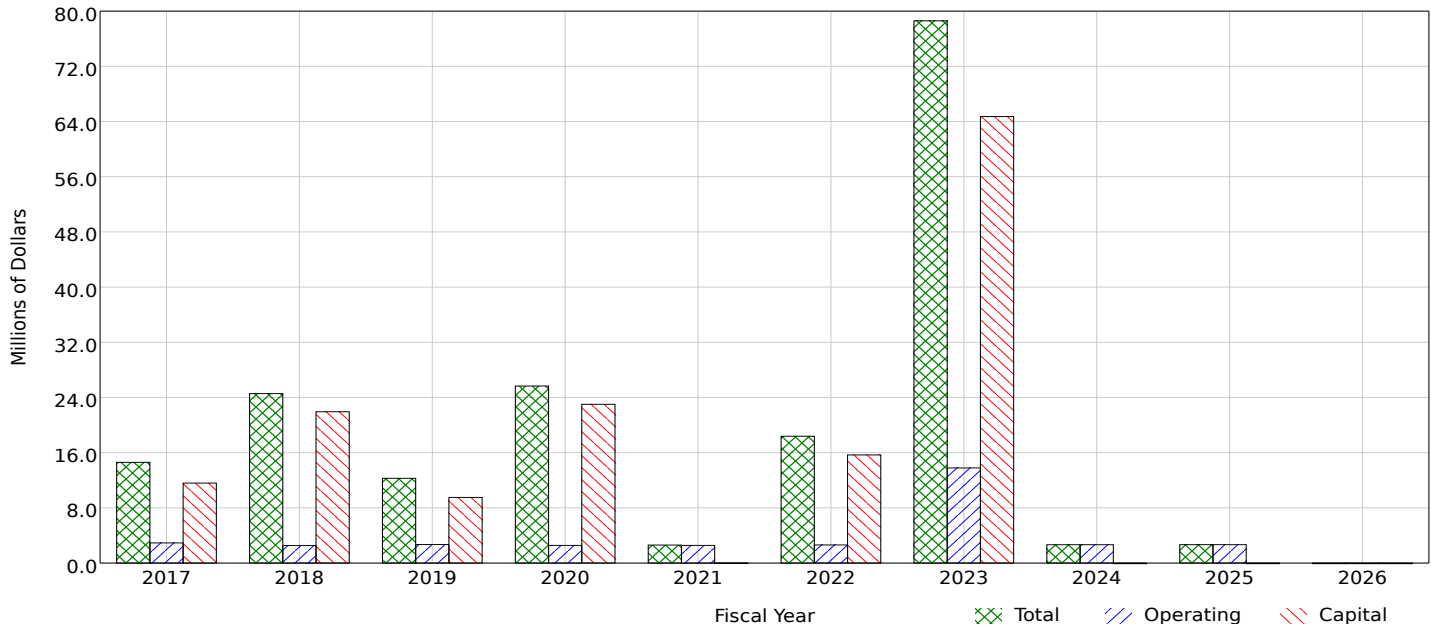
1018

EVOS Civil

Exxon Valdez Oil Spill Trust--Civil

Year Authorized 1991	Year Repealed	Active? Yes	Mental Health? No	Duplicated? No	Fund Group Trust / Fiduciary
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Operating and Capital Appropriations



Legal Authority

AS 37.14.400, CA No. A91-081-CV

Source of Revenue

Civil settlement payments from the Exxon Corporation.

Restrictions on Use

The \$900 million civil settlement shall be managed by the federal/state Trustee Council to restore, replace rehabilitate, enhance or acquire the equivalent of the natural resources injured, lost or destroyed as a result of the spill.

Description and History

The March 24, 1989 grounding of the supertanker Exxon Valdez in Alaska's Prince William Sound spilled 11 million gallons of crude oil - the largest oil spill in U.S. history. In October 1991, the U.S. District Court for the district of Alaska approved settlements between Exxon and the federal government and the State of Alaska to resolve civil claims and criminal charges for damages caused by the oil spill. In addition, there was civil action against the Alyeska Pipeline Company.

In May 1989, the federal government and the state of Alaska established a trustee council to coordinate damage assessment activities and to provide the framework to seek funds from responsible parties to restore or replace natural resources damaged by the oil spill. Under the civil settlement with Exxon, Exxon agreed to pay a total of \$900 million in 11 annual payments. The Trustee Council has paid for presettlement costs, restoration, administrative costs, and land purchases to protect habitat Settlement funds. Fund code 1018 is used for appropriations from the civil settlement with Exxon.

Under the criminal settlement with Exxon, Exxon was fined \$150 million (\$125 million of which was forgiven) and required to pay \$50 million each to the federal government and to the State of Alaska as remedial and compensatory payments to be used exclusively for restoring natural resources damaged by the oil spill. The Exxon Valdez Oil Spill Trustee Council manages the criminal trust fund. Fund code 1114 is used for appropriations from the criminal settlement with Exxon.

In November 1992, the Alyeska Pipeline Company settled civil claims against it related to the Exxon Valdez spill (United States of America v. Exxon Corporation, Civil Action No. A91-082 CIV). The settlement terms with the Alyeska Pipeline Company for civil claims related to the Exxon Valdez oil spill established an expendable trust fund. As part of the settlement, the state established a separate fund, the Alyeska Settlement Fund (1084), to receive, hold and disburse the proceeds. In total, Alyeska paid the state and federal governments \$31,700,000 (\$29,700,000 to the state and

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\$2,000,000 to the federal government).

The Civil Trust has faced questions regarding expenditures (particularly a few studies and acquisition of land), use of earnings, crediting interest (resolved October 2001) that accumulated in the general fund, and authorization of expenditures through the Legislative Budget and Audit Committee (see attached documents plus paper file).

See

1084 Alyeska Settlement Fund--Civil

1114 Exxon Valdez Oil Spill Restoration Fund--Criminal