

Fund Source Report

1084 Alyeska Alyeska Settlement Fund--Civil

Year Authorized	Year Repealed	Active?	Mental Health?	Duplicated?	Fund Group
1992		No	No	No	Trust / Fiduciary

No Appropriations during last 10 years

Legal Authority

Civil Action No. A91-082 CIV

Source of Revenue

Settlement payments from Alyeska Pipeline, plus interest.

Restrictions on Use

Use of the fund is limited to the specific projects described in the consent decree. Any surplus is to be paid into the Exxon Valdez Tust Fund.

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

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The settlement set out how the Alyeska settlement proceeds were to be used; as follows.

\$14.5-Construction of response storage facilities and docks at Tatitlek and Chenega and the prepositioning of oil spill response equipment at both locations.

\$6,000,000-Construction of a road from Cordova to Shepard Point and, when appropriate, for work related to the construction of a response storage facility and the prepositioning of oil spill response equipment at that location.

\$7,500,000-For the acquisition of land to be included in and made part of the Kachemak Bay State Park.

\$200,000-For the acquisition and installation by the state of communications equipment to be owned by the state, and to be used by the United States Coast Guard and the state and to be installed at the Valdez Emergency Operations Center when it is constructed.

\$1,500,000-For 1989 tax revenues under AS 43.75 (Fisheries Business Tax), which would be refunded to local governments under As 43.75.130.

\$2,000,000-To the United States, for expenses incurred by the United States in response to the oil spill which would have been subject to reimbursement from the Joint Trust Fund.

See

1018 Exxon Valdez Oil Spill Trust

1114 Exxon Valdez Oil Spill Restoration Fund

July 2014

Deactivated--No expenditures since FY02.