

Testimony of

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Senate Committee on the Judiciary

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Hearing on Corporate Misconduct and Laws Governing Corporate Misconduct

Oral Statement by Osa Schultz , Plaintiff in Exxon Shipping v Baker

OSA SCHULTZ

Thank you for inviting me here today to tell my story.

Given the many critical and consuming issues that you are already faced with resolving at this time, I can barely express how much I, the people of Prince William Sound and the more than 30,000 plaintiffs appreciate your serious review of this case and the US Supreme Court's decision.

It would be easy to assume that surely after 19-1/2 years that justice has taken its course, the facts have been weighed, its time to move on. But, nothing could be further from the truth.

Exxon would have everyone believe that they cleaned up their mess and paid their dues for their wanton disregard of safe shipping practices. When you look at the true and verifiable facts, again, nothing could be further from the truth. The spill has never been fully cleaned up and its victims have not been fully compensated for their losses.

Exxon's vast power and influence has tipped the scales of justice. Now the largest corporation in the world with their inexhaustible resources has managed to draw out this case with appeal after appeal for over 15 years. For nearly a generation our community has been the David to their Goliath.

I grew up in Portland, Oregon and went to college in Eugene at the state University. In the fall of 1979, I took a quarter off to visit a friend who had recently moved to Alaska.

I was captivated by the town of Cordova and the incredible wilderness surrounding it. It was on this trip that I met my future husband Ric. Ric took me out gillnetting on his boat the HYPNOTIC, I was hooked - on fishing & the skipper! The excitement, the beauty, and the satisfaction of catching the big, bright,

lively and often elusive salmon was addicting. Ric and I fished together over the next 10 years and continued to invest in our equipment to improve our fishing operation.

In 1982, we joined a group of over 75 fisher men and women who had recently established The Copper River Fisherman's Cooperative. The Co-op encouraged improved fish handling. Vessels started to carry ice to chill the fish in advance of delivery and using the practice of 'bleeding' - cutting the gills to reduce bruising; both now standard methods in today's fishery. We invested in significant advertising strategies for our high quality product and became the vanguard for fresh salmon provided to a domestic market. By 1989, over 1/3 of the gillnet fleet was supporting the Copper River Co-op.

The Exxon Valdez spill tore that investment to shreds. With the Sound unfishable and so many fishing boats working on the clean up, the Co-op was forced into Chapter 11 and still has a substantial outstanding loan. If the current ruling stands and the interest is paid, each investor will stand to receive at most only 45% of their original investment - for money 'invested' as much as 20 years ago.

The devastation caused by the Valdez spill continues to this day. Without fish to send to the market we lost our niche, other salmon replaced it; it has taken years of marketing strategy to get back to where we were in 1988. In addition, one of the 4 local processors, Chugach, went bankrupt as well; a facility that had the capacity to process more than all of the other canneries combined. As a result in the following years when the fish were being caught in high numbers again we lacked the processing facilities to handle them and dollars that would have been generated in Cordova were taken to other ports. Our lives, the fishing community and the economy of Cordova have been devastated, and because compensatory damages were calculated based on only a few years of damages, Exxon stands to pay pennies on the dollar.

I'm not a lawyer, but I have read some of the briefs filed in the Exxon v. Baker case. I urge the Committee members to read a brief filed by four former Alaska governors, because it lays out in painful detail the promises the oil industry made in order to win approval for drilling in the Arctic and building the Trans-Alaska Pipeline and the provisions made by Congress to ensure that oil companies acted with the highest degree of care.

Well Exxon did not act with the highest degree of care. Far from it, they acted recklessly. They knowingly put a relapsed alcoholic behind the helm of a tanker navigating the treacherous waters of Prince William Sound. That recklessness ruined the economic livelihood of thousands of hard working fisher men and women. It caused the loss of traditional subsistence resources that are the cultural backbone of the Native people of Prince William Sound. It resulted in the total loss of our herring fishery, once a vital keystone species to the regions economy.

Exxon has delayed justice for nearly 20 years and it seems likely now to end up paying just a fraction of the damages they actually caused. If our highest court in America fails to hold them accountable, how will they ever be forced to take responsibility for their destructive actions?

I am just one person, but there are countless self-employed people and small business owners like myself that struggle to provide for our customers and support the infrastructure that keeps America the incredible country that it is. The influence of corporate power has become corrupt and divisive. No where is this more true than in the oil industry today. And no other corporation is more accomplished at this corruption than Exxon. The only way to get their attention is to significantly affect their bottom line - PROFIT.

In setting a 1:1 ratio between compensatory and punitive damages, the high court sends the wrong message. Punitive damages are the only means by which citizens can punish a corporation for wrong doing. In its ruling the court has said that the punishment should be equal to the losses of the victims. As great as our losses are, and they are significant, equating punishment to a multi-billion dollar corporation with the losses of self employed fishermen such as my husband and me, is in no way punishment or deterrent, much less justice.

I call upon this committee to lead the way in ensuring that no corporation can ever do again what Exxon has done to Prince William Sound. In America, bottom line corporate interests should never trump the rights of individual citizens.

Thank you for your time and attention and I would be happy to answer your questions.