

## HOW FIVE JUSTICES HAVE IMPACTED THE LIVES OF COUNTLESS HARDWORKING AMERICANS

*A look at Exxon Shipping Co. v. Baker (2008)*

### Roberts' Court Shields Corporations From Paying Damages

**BACKGROUND:** Just five Justices ruled in 2008 to reduce the punitive damages awarded by a jury to victims of the Exxon Valdez oil spill, giving Exxon a \$2 billion windfall. At question in the case was the permissible ratio of punitive damages to actual damages under maritime law. The Supreme Court's opinion placed a limit on punitive damages that must be paid by corporations, effectively creating a new protection for corporations that simply did not exist. If Congress had wanted to cap punitive damages for disasters which impact thousands of Americans who depend on natural resources for their livelihood, it could have. Congress did not.

**COURT'S DISSENTING OPINION:** Justice Stevens' wrote of the Court's five-Justice majority opinion, "Evidence that Congress has affirmatively chosen *not* to restrict the availability of a particular remedy favors adherence to a policy of judicial restraint in the absence of some special justification. The Court not only fails to offer any such justification, but also ignores the particular features of maritime law that may counsel against imposing the sort of limitation the Court announces today."

Justice Stevens further wrote that he believed "that Congress, rather than this Court, should make the empirical judgments." Justice Stevens wrote, "when we are faced with a choice between performing the traditional task of appellate judges reviewing the acceptability of an award of punitive damages, on the one hand, and embarking on a new lawmaking venture, on the other, we "should carefully consider whether [we], or a legislative body, are better equipped to perform the task at hand." *Boyle v. United Technologies Corp.*, 487 U. S. 500, 531 (1988) (STEVENS, J., dissenting).

**DEMOCRATIC REACTION:** "For more than a decade, Exxon Mobil has appealed to the courts, stalling and fighting with an army of lawyers to insulate itself from having to pay for the injuries it caused when 11 million gallons of oil were dumped into Prince William Sound. Today the Supreme Court has given Exxon Mobil Company a \$2 billion windfall...This is activism, pure and simple." (Senator Patrick Leahy, Press Statement, June 25, 2008)

**REPUBLICAN REACTION:** "Today's ruling adds insult to injury to the fishermen, communities and Alaska natives who have been waiting nearly 20 years for proper compensation following the worst environmental disaster in our nation's history," (Joint statement of Senators Ted Stevens and Lisa Murkowski, Representative Don Young, *The Washington Post*, June 25, 2008)

**OUTCOME:** On May 11, Senators Sheldon Whitehouse, Patrick Leahy and Robert Menendez introduced legislation to overturn the Court's opinion in *Exxon Shipping Co. v. Baker*. The legislation, the Big Oil Polluters Pay Act, would allow judges and juries to assess punitive damages based on all the facts of a case, without regard to the amount of other damages owed.