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UNITED STATES DISTRICT COURT DISTRICT OF ALASKA

UNITED STATES OF AMERICA,)
Plaintiff,) No. 3:91–CV-0082 Civil (HRF
V.)
EXXON CORPORATION, EXXON SHIP COMPANY, and EXXON PIPELINE COMPANY	,
et al., in personam, and the T/V EXXON V in rem,	ALDEZ,) STATE OF ALASKA
Defendants.)
)

Status Report by the United States and the State of Alaska (Case 3:91-CV-0082 (HRH))

The State of Alaska ("State") and the United States (collectively, "the Governments") jointly file this Status Report regarding their Reopener claim made pursuant to Sections 17-19 of the Agreement and Consent Decree entered by this Court in *United States v. Exxon Corporation, et al.*, No. A91-082-CV and *State of Alaska v. Exxon Corporation, et al.*, No. A91-083-CV (D. Alaska), on October 8, 1991 ("Reopener").

The Governments are mindful of the Court's desire to conclude all judicial matters pertaining to the Exxon Valdez Oil Spill, and they are substantially closer to deciding among their options for resolving the Reopener claim than when the last Status Report was submitted in October of 2014. The State's decision making process has been slowed, however, by the recent change of administration following the election of a new Governor and subsequent appointment of a new Attorney General and a new Commissioner of the Alaska Department of Fish and Game, who will also serve as new State Trustees. Among the challenges facing the State, the unexpectedly large state revenue shortfall that has developed over the past months will require the Governor's new appointees to make difficult decisions in a very compressed time frame regarding their agency budgets that, in some cases, may require reengineering of departments in order to preserve core missions. At the same time, these new department heads must be attentive to the Alaska Legislature which is presently in session so as to provide it with the administration's policy positions, answers to questions and testimony related to their agencies' operations

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A corresponding Status Report is being filed today in the State of Alaska's case against Exxon (3:91-CV-0083 (HRH)).

and potential budget impacts, as well as in connection with the constitutionally prescribed confirmation process. The State's new decision-makers have begun their review of the Reopener matter but have expressed their need for additional time to: 1) complete their review of the significant amount of material that has been generated by the scientific studies relevant to the Reopener claim; and 2) to engage in additional consultations and internal discussions among themselves and then with the United States. The United States, for its part, is committed to coordination with the new State decision-makers concerning the Governments' shared interests in the Reopener and understands the impacts of a transition between administrations. Moreover, after the Governments' decisions are made, some additional time will be consumed by discussion with ExxonMobil before apprising the Court of the need *vel non* for further judicial proceedings.

Accordingly, the Governments propose that their next report to the Court be due on September 15, 2015. The Governments will make every effort to agree on and, if possible, initiate a course of action by that date.

Given the interest of the Court and the public in matters pertaining to the Reopener, we provide the following update on the progress of the studies contemplated by the "Comprehensive Plan For Habitat Restoration Projects Pursuant To Reopener For Unknown Injury" that were discussed in our last Status Report but had not been completed. First, the final report regarding the pilot testing of a bioremediation technique at four sites in Prince William Sound and evaluation of the feasibility of utilizing that

Status Report by the United States and the State of Alaska (Case 3:91-CV-0082 (HRH))

technique at a limited number of additional sites known or predicted to harbor lingering *Exxon Valdez* oil has undergone peer review and is now available on the *Exxon Valdez*Oil Spill Trustee Council website:

http://evostc.state.ak.us/index.cfm?FA=searchResults.projectInfo&Project_ID=2189. Second, a paper that provides further information regarding the previous lingering oil modeling efforts and the distribution of remaining subsurface Exxon Valdez oil has just been published in the journal Environmental Science & Technology and may be viewed at http://pubs.acs.org/doi/abs/10.1021/es502579u. Finally, the Exxon Valdez Oil Spill Trustee Council approved funding at its November 2014 meeting for an analysis of the best treatment method options and associated estimated costs for restoring certain beaches, to be selected on the basis of previously obtained site field data, statistical modeling studies, and the pilot bioremediation studies. That work is currently underway with an initial draft report due to the Trustee Council at the end of May 2015. That project also will update, with sea otter data through 2013, previous work regarding spatial linkages between the distribution of lingering oil within Prince William Sound and the distribution of species believed to have been affected by the presence of lingering oil, including sea otters and harlequin ducks, taking into account the suitability of habitat for the affected species. That analysis is expected to be complete by the end of this month. It will then be submitted to a scientific journal for publication.

For the reasons set forth above, the Governments request the Court's forbearance and propose to file a further report with the Court by September 15, 2015.

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RESPECTFULLY SUBMITTED this 16th day of March, 2015.

FOR THE UNITED STATES

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on March 16, 2015, a copy of the foregoing Status

Report by the United States and the State of Alaska was served by the Court's Electronic

Case Management system upon all persons registered to receive filings in this matter.

/s/ Erika M. Zimmerman