

# Exxon oil spill



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In March of 1989 one of the worst environmental disasters took place in Alaska's northeastern part of the Prince William Sound. The Exxon Valdez oil tanker collided into the Bligh Reef in Prince William Sound. " An eighteen foot wide hole was ripped into the hull, spilling about 11 million gallons crude oil into the ocean" and along the Alaskan coast.

The size of the spill is estimated at " The oil spread to about 1 , 300 miles of coastline, up to 470 miles away from the site of the accident. No human lives were lost, but 20 communities and a rich natural environment were affected. Thousands of birds, marine mammals and fish were killed or injured and the ecosystem was all but devastated. Several cleanup efforts were implemented, most of which proved to caused more harm than good. The Valdez employees, Native Americans, fisheries, marine and animal life were adversely affected.

In the Exxon Valdez Oil Spill Case some of the contributing factors to the spill mentioned are fatigue of crew workers, Inadequate ship equipment, Impairment of ship's Captain and Coast Guard ship inspections not done. Exxon was knowledgeable of the conditions on the Valdez that were in need of rectification. By choosing not to take necessary steps to make their ship safe. Exxon created a high risk for harm to the environment and people in the surrounding areas.

Exxon's primary concern was to maximize profits for the stockholders without considering all the stakeholders. Exxon has a duty and ethical responsibility to the environment and people to maintain safety standards for transporting oil. In the ensuing discussion it will be evident that Exxon's

business practices and behavior were unethical and caused catastrophic environmental harm. The Exxon Valdez oil spill is considered to be one of the most devastating human-caused environmental disasters. The Valdez spill was the largest ever in U. S.

waters until the 2010 Deepwater Horizon oil spill. Prince William Sound's remote location, accessible only by helicopter, plane, and boat, made government and industry response efforts difficult. The region is a habitat for salmon, sea otters, seals and seabirds. The oil spill covered 1,300 miles of coastline and 11,000 square miles of ocean including the ocean floor. The ship was carrying about 55 million gallons of oil, of which about 11 million gallons were spilled.

Alternative calculations estimate the total to have been 25 to 32 million US gallons. " Other mitigating factors, according to NTSB investigation are " 1) Exxon Shipping company failed to supervise the master and provide a rested and sufficient crew for Exxon Valdez. 2) The third mate failed to properly maneuver the vessel, possibly due to fatigue or excessive workload. 3) Exxon failed to properly maintain the Raytheon Collision Avoidance System (RAYCAS) radar which if functional, would have indicated to the third mate an impending collision with the Bligh Reef .

4) " Coast Guard tanker inspections on the Valdez were not done. 5) Exxon Valdez was sailing outside the normal sea lane to avoid small icebergs thought to be in the area " " Hazelwood, the ship's captain had a history of drinking problems. A clean-up crew of 12,000 was sent in with hot water and oil-eating microbes. Workers found more than 1,000 dead otters, 34,400

dead sea birds and 151 bald eagles. Exxon abandoned cleaning efforts when their costs reached \$2 billion after only recovering 5-9 percent of oil spilled.

Exxon laimed that the personnel cutbacks affected the ship's safety and maintenance levels. Later hearings revealed otherwise. The crew was overburdened with demands of efficiency. Lookouts were not properly posted and inexperienced officer were allowed to control the bridge. Exxon's CEO Lawrence Rawl responded by saying " We're sorry, and we're doing all we can".

Of 30 million birds going through the sound, only 30, 000 carcasses have been recovered. Exxon was responsible for the January 1, 1990 oil spill in Staten Island/New Jersey which reported a spill of 567, 000 gallons of heating oil. Exxon was found liable for multiple damages, they spent \$2 billion in cleanup; a total of \$3. 4 billion of its \$5.

7 billion in profits for payouts to include: \$20 million to 3, 500 native Alaskans for damaged villages; \$287 million to 10, 000 fishers; \$1. 2 billion for damages to wildlife; and \$9. 7 million for land damages. Hazelwood was indicted by the state of Alaska for criminal mischief, operating a watercraft while intoxicated and reckless endangerment and negligent discharge of oil. In Sept 1994 a federal Jury awarded \$5 billion in punitive damages against Exxon suits filed since 1991.

Exxon's stock fell two and five-eighths points following the verdict. " There are some concerns about Exxon's harmful business behavior that will be addressed in this discussion. According to Mill's harm principle the idea that " the only purpose for which power can be rightfully exercised over any

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member of a civilized community, against his will, is to prevent harm to others. ” This means a person can do what they want as long as others are not harmed by their actions.

“ A behavior is harmful when it wrongfully sets back the interest of others” and has risk (probability or magnitude) of harm. Since the gravity of harm in this case is severe, the low probability of having an oil spill does not discount Exxon’s unethical behavior. Indeed, an oil spill of any degree would place the well being of many at risk, as well as the environment. According to Friedman’s’ Stakeholder Theory, “ interested parties other than stockholders – interested because they affect, or may be affected by company actions – are seen as having a “ stake” in that company.

Non-stockholding individuals and groups whose lives may be impacted by management decisions deserve to be taken into account. I agree with Edward Freeman a known philosopher, in that businesspeople should create as much value as possible for all stakeholders. According to the Utilitarian principle, an act/conduct should be made to maximize the overall “ happiness” of stakeholders. It is obvious in this case; Exxon’s sole intent was to maximize the happiness of stockholders without considering all stakeholders. According to Kantian theory, businesses should act in a manner that does not take advantage or exploit another rational being solely as a means to one’s own gain.

Exxon’s wrongful behavior was inexcusable. The excuse given by the CEO Lawrence Rawl was the Captain was impaired due to intoxication which caused the accident. Exxon was denying responsibility for this catastrophe.

Exxon did not inadvertently leave the ship's radar equipment broken for more than a year. The personnel cutbacks made by Exxon were based on cost and nothing more.

Exxon should have known better, the personnel cuts would negatively affect the ship's safety and maintenance levels. The poor working conditions and exhaustion due to crew cut-backs led to two disastrous oil spills. To say that someone's behavior was justified is to say that even if the behavior is wrong or impermissible, it was not wrongful. No so in this particular situation, Exxon could not provide adequate justification for all of their wrongdoing. That being said, the interests of many stakeholders (Exxon employees, fishermen, Alaskan natives, Marine life, animals and stockholders) in this case were wrongfully setback.

The native Alaskan's suffered losses to their villages; they have an interest in happy healthy living and a right to minimal health. Their overall quality of life was diminished. The physical and emotional effects were devastating to say the least. Since animals are sentient beings, they have the ability to feel and perceive, or have subjective experiences.

The ability to feel pleasure or pain is what must be used when determining whether an animal has moral status. Thousands of animals were either killed or their habitats destroyed. Animals have an interest in not feeling pain or being killed, they have a right to life. Many of these Alaskans were fishermen with an interest to make money selling fish.

The loss of fish and much marine life gravely affected their right to economic sufficiency. Lastly, the crew of the Valdez was over-worked and exhausted.

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They have a stake in keeping their jobs. Clearly their rights to minimal health were violated here. In this case we must consider the principle of law “*Volenti non fit injuria*”, which means “to one who has consented no wrong is done”.

The native Alaskans did not consent to their villages and food sources to be harmed. Valid consent is not present in this case. An example of non-consent would be cases of lung cancer are extremely high in a community where chemicals are released from a new nearby rubber factory. Did the cancer victims consent to having their right to minimal health taken away? I think not. Therefore, when it comes to environmental issues, all beings affected are not always given the opportunity or have capacity to give valid consent. In this case we must also rely heavily on Aristotle’s moral theory of Virtue Ethics which says everything has a purpose, and the purpose of being human (our final goal) is to live a happy life.

Environmental virtues are the dispositions or behaviors Exxon should have demonstrated with their interactions and relationships with the environment. Instead Exxon tried to Exxon has a duty to practice virtuous ethics in order to avoid probable risks of harm to the environment and the people in it. This case has grave ethical concerns ranging from the companies noncompliance with maintaining the ship’s guidance systems, to how they chose not to own their responsibility for the accident. Even though Exxon argued that they handled the matter responsibly by acting in a timely manner and paying all claims, the evidence in this case clearly demonstrates Exxon wrongfully setback the interests of all affected by the environmental harms caused by the oil spill. Exxon’s disregard for the safety of its crew, the natives as well

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as the environment is a prime example of unethical business behavior.

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