



5-1 Discussion: Oil Spills

On April 20, 2010, there was an explosion on the Deepwater Horizon oil rig in the Gulf of Mexico. Review a history of those events from the following sources:

- Deepwater Horizon Accident and Response
- [Gulf Oil Spill](#) (the captioned version of this video can be found [here](#))
- [100 Days of the BP Spill: A Timeline](#)

In your initial post, respond to the following questions:

- Did BP respond in a manner that was appropriate to stockholders or did they take a stakeholder view? In making your determination, what were the primary factors that you considered? Provide specific examples, where applicable.
- If you were the CEO of BP at that time, what would you have done in the hours, days, and weeks after the explosion?

In responding to your peers, think about how their arguments compare and contrast with your arguments and identify any new information learned from reading their posts.

To complete this assignment, review the [Discussion Rubric](#) document.

Rubrics

 [Discussion Rubric: Undergraduate](#)

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Kirstin Jamerson posted Jul 29, 2020 7:32 PM

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I feel that proactively, prior to their response, the argument could be made that BP did respond from a stakeholder view "...eyewitness evidence from rig workers claim that BP knew weeks before the blowout that equipment was malfunctioning. Despite BP being unaware of the technological malfunction, according to stakeholder theory, they would have still had to weigh potential equipment failure and environmental harm against cost and profit." (Ohreen, 2017) So, if they were aware and they made the decision to keep operating despite the malfunction, they clearly chose profit over environment. This doesn't mean that they weren't taking a stakeholder view, but rather that they just chose what would be considered the less moral decision. In terms of their response after the event, I do not feel like they were taking a stakeholder view. While they did end up paying some of the victims like fisherman for some loss of income and they helped in the cleanup of the environment, their actions were delayed by a failure to take responsibility for the spill. (Walsh, 2010) "BP's response has made the situation worse. In an interview with the BBC a month ago, chief executive Tony Hayward attempted to shift the blame for the accident to the US owner of the sunken rig, Transocean. "This was not our accident ... This was not our drilling rig ... This was Transocean's rig. Their systems. Their people. Their equipment." BP press officers briefing journalists that week repeated the line that "this was not our accident" (Webb, 2017) BP repeatedly tried to shift blame and downplay the size and impacts of the spill. "Last month, Hayward also made some ill-advised comments in an interview with The Guardian which received widespread coverage around the world. Asked about the amount of oil and dispersant flowing into the gulf, he responded: "The Gulf of Mexico is a very big ocean. The amount of volume of oil and dispersant we are putting into it is tiny in relation to the total water volume." While technically correct, the comments made the company appear aloof and unconcerned about the environmental damage being done." (Webb, 2017) The way that BP responded was detrimental to the trust that the public and their customers had in their company. It caused lasting damage.

If I were the CEO of BP, my response first and foremost would have been to take responsibility for the catastrophe and be transparent. Outside of that, I would have been hands on in ensuring that our management of the impacts were handled swiftly and appropriately. Even if our company had a plan in place for instances like this, there would undoubtedly be unprecedented impacts that decisions on how to remedy would need to be made on quickly. I would ensure that I had the right team in place to help me execute these plans and continue to be transparent and communicative with all stakeholders and the media around the action we were taking to make our mistake.

References

Ohreen, D. (2017, November 14). *Opinion: BP puts costs ahead of environment. Are we surprised?* Business Ethics. <https://business-ethics.com/2010/07/05/1432-opinion-bp-puts-well-costs-ahead-of-environment-are-we-really-surprised/>

Walsh, B. (2010, June 10). *The Gulf disaster: Whose asses need kicking?* TIME.com. <https://content.time.com/time/magazine/article/0,9171,1995843,00.html>

Webb, T. (2017, November 26). *BP's clumsy response to oil spill threatens to make a bad situation worse.* the Guardian. <https://www.theguardian.com/business/2010/jun/01/bp-response-oil-spill-tony-hayward>

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5-1 Discussion: Oil Spills

Amy Bilsland posted Jul 29, 2020 7:48 PM  [Subscribe](#)

Hello Class,

The April 20th BP Gulf of Mexico Oil Spill is reported to be the largest spill in U.S. History. For a total of 87 days, there was more than 3.19 million barrels of oil spilled with over 16,000 miles of coastline that was affected. In addition, the explosion injured 17 individuals and 11 people lost their lives. The crude oil killed over 8,000 animals within 6 months of the spill. It wasn't until May 2nd when BP began working on a relief well to help halt the leak. On May 27th, President Obama announced that he would put a halt on all offshore drilling to help address some of the issues of safety. It wasn't until July 15th, and after several attempts was the oil flow stopped.

In the meantime, BP did respond in a manner that was more geared to the stakeholder view. The oil was not only washing up on the shores and causing long-term affects to the wildlife, but also the people living in those areas. There were some immediate impacts to the animals of the Gulf of Mexico that could be seen with the naked eye: pelicans black with oil, fish belly-up in brown sludge, smothered turtles washed up on beaches. (Ocean Portal Team, 2018). In addition, at least 20% ended up on the seafloor. This contributed to damaging ecosystems and deep sea corals. BP immediately began focusing on the individuals and wildlife affected. Over 30,000 people responded to helping clean up the Gulf Coast. They began cleaning up the beaches, helping animals affected as well as other miscellaneous jobs to collect all the oil. BP also provided \$500 million to fund a program to look further into and study the environment and public health issues as a result of the spill. They were very concerned with stopping the oil from continuing to pour into the ocean and how to help clean up and save the animals and areas affected.

If I were the CEO of BP at that time, in the hours, days, and weeks after the explosion, I would have been more up front immediately about what happened and taken responsibility. The current CEO Tony Hayward blamed what had occurred on the owner of the drilling platform, which BP actually was responsible for. I feel that no matter how difficult the repercussions would be, it would have been my responsibility to be completely up front and honest especially to the families of those who lost their lives. In addition, I would have immediately contacted the wildlife organizations to try and get a jumpstart on how to help the wildlife that would soon be greatly affected. I am not sure how much it would have helped to change the outcome of what was to come, but morally and ethically the CEO has a responsibility to protect not only the business, but those employees and customers it serves.

Amy Bilsland

References:

Winerman, Lea. (2010, July 29). PBS Newshour. Timeline: The Oil Spill at 100 Days. Retrieved from: <https://www.pbs.org/newshour/science/timeline-the-oil-spill-at-100-days>

Ocean Portal Team. (2018, April). Ocean find your blue. Gulf Oil Spill. Retrieved from: <https://ocean.si.edu/conservation/pollution/gulf-oil-spill>

DoSomething.org. 11 Facts About The BP Oil Spill. Retrieved from: <https://www.dosomething.org/us/facts/11-facts-about-bp-oil-spill>

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5-1 Discussion: Oil Spills

Cherry Killingsworth posted Jul 29, 2020 8:03 PM [☆ Subscribe](#)

Good evening,

BP is a worldwide oil and gas company based out of London, England. It is considered one of the world's "Supermajors" and the sixth-largest oil company in the world. On April 20, 2010, a BP oil platform in the Gulf of Mexico caught fire, killing 11 people and spilling 3.19 Million Barrels of crude oil. That accident Wreaked havoc on the environment, including killing and deforming wildlife and ocean life, killing coral reefs, and threatening the livelihoods of many of the fishermen who worked in the Gulf.

BP kept its stockholders in mind when this accident happened. According to the incident report, dated September 8, 2010, the cause of the accident was a multitude of series of events including but limited to mechanical failure, bad judgments by workers, engineering design, and operational implementation (Deepwater Horizon accident investigation report). Soe of those events was due to shortcuts taken by BP.

If I had been CEO of BP at the time of the accident, I would hope that I would have taken steps to prevent the accident from occurring. Implementing weekly maintenance checks on equipment, having divers go down to check pipes, making sure any tests were run more than once to be sure that those tests were indeed successful.

Resources

Broder, John M., (2011, September 14), BP Shortcuts Led To Gulf Oil Spill Report Says. NY Times. Retrieved from <https://www.nytimes.com/2011/09/15/science/earth/15spill.html#:~:text=The%20central%20cause%20of%20the,gas%20within%20the%20well%20bore.>

Deepwater Horizon Accident Investigation Report (2010, September 8), Retrieved from <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/sustainability/issue-briefings/deepwater-horizon-accident-investigation-report.pdf>

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Discussion 5

Jenna Melo posted Jul 29, 2020 4:16 PM  [Subscribe](#)

The BP oil spill caused a severe amount of destruction to the neighboring locations, both economically and environmentally. The gas release which was followed by an explosion on the Deepwater Horizon led to the loss of lives and severe injuries. Submerged cameras showed that an estimated 3.19 million barrels of oil had seeped and spread about forty-two miles off the shore of Louisiana (Collins, 2020). According to "100 Days of the BP Spill"(2020), within thirty-six hours of intense fire, the rig sank, leading to a release of hydrocarbons in the gulf before its closure. BP took a stakeholder view by focusing on the effects the oil spillage had on the people, the environment, and those individuals who could have potentially been affected by the disaster.

Numerous primary factors illustrate the direction of stakeholders. For instance, the company compensated those who volunteered in responding to the accidents and the victims of the oil spill. The compensation happened under the supervision and direction of the federal government. The company also funded the tourism sector to aid in the economic recovery of the Gulf Coast(Collins, 2020). More importantly, BP partnered with the state and federal government through the application of approaches that include eliminating, dissolving, and containing the oil offshore. Additionally, the company spent a

significant amount of money on tidying the environment as well as compensating affected victims. To reduce future re-occurrence, BP dedicated indelible patronage for research activities which focusses on expanding its understanding of the ecosystem at the Gulf of Mexico ("BP United States," 2020). In that case, their response plan was appropriate for stakeholders who were affected by the incident.

If I were the CEO of BP, in the hours, days, and weeks after the explosion, I would have paid hospital bills for those who were severely injured and directly compensated the families of those who lost their lives. I would have executed strategies to reduce the effects of the oil spillage on the individuals and the environment. Also, I would have worked closely with the government in doing maintenance and assessment of oil pipelines as well as working together with the communities to restore a healthy and balanced ecosystem.

References

- 100 Days of the BP Spill: A Timeline - TIME*. Content.time.com. (2020). Retrieved 28 July 2020, from <http://content.time.com/time/interactive/0,31813,2006455,00.html>.
- Home*. United States. (2020). Retrieved 28 July 2020, from https://www.bp.com/en_us/united-states/home.html.
- Gulf Oil Spill*. Smithsonian Ocean. (2020). Retrieved 28 July 2020, from <https://ocean.si.edu/conservation/pollution/gulf-oil-spill>.

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Bilsland

5-1 Discussion: Oil Spills

Warren Smith posted Jul 29, 2020 8:02 PM

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Hello Classmates and Professor Williams,

The explosion of the Deepwater oil rig was a horrific event. There were lives loss and animals becoming sick or died because of the explosion or oil spill. I believe that BP was acting in the interest of the Stakeholder. According to experts PR department was not quite honest about the amount of oil that spilled in the ocean. It was said, that about 1000 barrels a day was leaking; new information stated differently it was said, that 5000 barrels of oil was disbursing in the ocean a day (Beam C, 2010). Even when it was approached there was still some lack of being honest and this caused some distrust. BP did not try to own up to any blame for the accident (Slate, 2010). I am firm believer that if you are part an organization or company and a negative issue has negativity impacted them, regardless if you are a leader, partner or an associate you are part of the team and everyone is involved. There should always be communication and working together to make any situation better and not place a blame. Everyone should do their part to make it better. Although, BP did donate 5 million on research for the environment and public wealth a month later (Ocean, N.P.). I wonder if it was because of the bad PR they received during that time. As a CEO during that time frame. That day I would have immediately communicated to the public to express my sympathy for the lives that were lost that day and then ensure that the PR team and other hierarchy team members are being honest about the situation and start a plan of what BP can do to help the families as well as the cleanup of the oil spill. There would be constant communication until the oil spill is corrected.

Ocean. (2018). Article. Gulf Oil Spill. Reference from

<https://ocean.si.edu/conservation/pollution/gulf-oil-spill>

Slate. Beam, C. (2010). Article. How is PR is handling it disaster. Reference from

<https://slate.com/news-and-politics/2010/05/what-p-r-experts-think-of-bp-s-response-to-the-oil-spill.html>

Best,

Warren


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Bilsland

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