Environmental Case Study
Southeastern
Paying for Polluting: An Incentive or a Slap on the Wrist

Introduction

Federal and state governments have strict guidelines controlling the types and amounts of pollutants that can be legally released into the environment. In the past 10 years the federal government has been recommending that each state reduce the amounts of potentially dangerous air pollution. Some pollutants contribute to global climate change that will result in gradual destruction of the environment. Other pollutants produce immediate health problems for people and wildlife.

Pollution laws vary drastically from one country to another. People would think that the law at least would be consistent within one country. But, in the United States the converse is true. Each state is permitted to set pollution regulations that differ from federal government’s recommendations. However, there must be a justification to this difference. Plus, the state guidelines must ensure the same environmental and public safety considerations mandated by federal laws and recommendations.

In spite of their variation, environmental guidelines are usually developed from rational models that evaluate the environmental and health impacts of particular human activities. Punishment for not following the guidelines is not as cut and dry. People do not currently have a rationale for formulating punishments that “fit the crime.” There is a great variety of opinions about the severity of punishment for environmental crimes. Plus, there are many disagreements about the value of certain punishments as disincentives for further infractions.

Background

ConocoPhilips Company, like many other petrochemical industries, releases air pollution as a result of their manufacturing operations. It is not nearly that composition and quantity of pollution produced by manufacturers operating before the formation of the U.S. Environmental Protection Agency. Companies must restrict the types of procedures they carry out as one attempt to reduce air pollution. Many manufacturing practices were replaced by cleaner techniques. Expensive technology goes into reducing the pollution produced by the “dirty procedures” that cannot be replaced with other techniques.

Sometimes pollution control does not always go as planned. The ConocoPhilips Alliance Refinery facility in Belle Chase Louisiana polluted the air beyond state regulations. They fell below the state mandate to reduce sulfur oxide emissions by 3,000 tons per year and nitrogen oxides by 2,800 tons per year. Unfortunately for the company operations in California, Illinois, New Jersey, Pennsylvania, and Washington were under scrutiny for similar infractions. It was claimed that the excessive emissions were not produce intentionally. A lack of repairs to a volatile organic leak detection system was blamed for the problem.

ConocoPhilips was fined by the Louisiana Department of Environmental Quality for the infraction. This led to a $650,000 civil penalty paid to the state. The company also agreed to donate $400,000 to the agency to support local household hazardous waste recycling programs. In Houston, the ConocoPhilips corporate headquarters had to pay additional fines for violating air pollution laws. The company expects to pay over $500,000 to correct the problems causing the pollution violations.

Environmental activists in several states were relieved about the company being penalized for its air pollution infractions. Many people claimed that they were petitioning the government for years to improve air quality around the refineries and manufacturing facilities. Other environmental activists were not satisfied with the money paid out by ConocoPhilips. They saw it as a slap on wrist considering the
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long term environmental damage created by the pollution. Plus, they see any corrections to the facilities as meeting only the minimum pollution standards.

The Issues

Few people, including the industry owners, argue the need for air quality regulations. However, there is much disagreement about the penalties for polluting. Companies find many of the fines too steep and unfair. They feel the money is better spent within the company on improving the facilities so that it meets environmental standards. They also argue that it is unfair to penalize companies for regulations that keep changing every year. The companies want some recognition for trying to keep up. Many companies see the penalties as a way for states to generate revenues from overly aggressive environmental policies.

Environmental groups and activists have various views about penalties. Many see the penalties as being too little and too late. They find that the companies are penalized long after the pollutants are detected. Plus, they feel the fines are very small compared to the costs of correcting the infraction and the income brought in by operating in violation of the law. Other critics see the “voluntary payments” by companies as “public relations payoffs” to the government and community. It is known that companies with good public relations images are less likely to be pursued aggressively by the government and the public. Some activists want to see payments made to the environments and people affected by the pollution. They feel the money collected by the government is not used to correct damage produced by the pollution.

References

Literature

Web Sites
1. Centers for Disease Control
   http://www.cdc.gov/nceh/airpollution/default.htm
2. Environmental Protection Agency
   http://www.epa.gov/airnow/
3. Louisiana Department of Environmental Quality
   http://www.deq.state.la.us/

Key Principles
1. Air pollution
2. Air quality
3. Pollution regulation
4. Environmental policy
Ethical Considerations

1. What are the consequences of pollution penalties that are too relaxed or are too severe?
2. What policies should be developed regarding the projects funded by voluntary donations given by companies following an environmental law infraction?
3. Who should determine the severity of penalties for environmental law infractions?
4. What should be the guidelines for air quality law infractions that were:
   a. Due to negligence by the company?
   b. Due to negligence by an employee?
   c. Due to an unforeseen accident?
   d. Due to delays in complying with new guidelines?

Civic Engagement & Service Opportunities

1. Volunteer for a local community group involved in monitoring air quality in your area.
2. Write or e-mail your local politicians about air quality policies in your area.
3. Form a student group having an environmental preservation mission.
4. Set up a public forum at your school discussing air pollution issues in your area.

Learn more about community service as part of your educational enrichment by visiting the following websites: http://www.learnandserve.org/, http://www.servicelearning.org/.

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