

inspected and no fouling of fish or gear was found. Openers were spaced by at least a day to allow full aerial surveys of the proposed areas for commercial fishing to ensure those areas to be free of oil that would have posed appreciable likelihood to fouling of fish and gear.

- Aug. 16 - Field announcement (EO 2-F-E-38-89) issued from the R/V Pandalus at Perry Island stated that a 12 hour opener was to be conducted from 9:00 AM to 9:00 PM including the waters of the Northern District north of 60° 47.0' N. latitude, the Unakvik District, the Eastern District and the Southeastern District. The waters of Eaglek Bay remained open to the 500 yard stream markers and the waters of the Cannery Creek Special Harvest Area remained closed. The Coghill District remained closed due to the presence of oil sheen in the area, reported by ADFG, ADEC and NOAA from aerial and skiff surveys, and the possible risk of fouling fish and gear. The sunken tender north of Storey Island was producing a large oil sheen, but was not posing a risk to the areas opened.
- Aug. 18 - Field announcement (EO 2-F-E-39-89) issued from the R/V Pandalus at Perry Island stated that a 12 hour opener was to be conducted from 9:00 AM to 9:00 PM including the Whittier Subdistrict, waters of Culross Pass north of 60° 43.8' N., Culross Bay, the Coghill District, the Northern District north of a line extending from Pt. Perry to the southern most tip of Axel Lind Island to Granite Pt. to the western most tip of Glacier Island to the eastern most tip of Glacier Island to Pt. Freemantle, the Unakvik District, the Eastern District, and the Southeastern District. The Cannery Creek Special Harvest Area and Sanctuary remained closed for protection of broodstock. The Northern District boundaries were modified for this day's opener to prevent any risk of fouling of fish or gear from the oil sheen north of Storey Island resulting from the sunken tender. Aerial surveys continued to be conducted on a daily basis and the skiff responded from the R/V Pandalus to any reports of oil and took water samples.
- Aug. 21 - Field announcement (EO 2-F-E-40-89) issued from the R/V Pandalus at Perry Island stated that a 12 hour opener was to be conducted from 9:00 AM until 9:00 PM including the waters of the Whittier Subdistrict, the Coghill District, Culross Pass north of 60° 43.8' N., Culross Bay, Perry Passage north of a line extending from a shoremarker located on the eastern shore of Culross Island at approximately 60° 44.0' N. latitude, 148° 01.0' W. longitude and extending across Perry Passage to Tipping Pt. on the west side of Perry Island, the waters of W.



Twin Bay, the Northern District north of 60° 47.0' N. latitude, the Unakvik District, the Eastern District and the Southeastern District. The Cannery Creek Special Harvest Area remained closed, however, the Sanctuary opened due to a surplus of hatchery production fish there. Information from aerial surveys conducted by ADFG, ADEC and NOAA determined the areas opened to be free of oil that posed an appreciable likelihood for contamination of fish or gear.

- Aug. 22 - Field announcement (EO 2-F-E-41-89) issued from the R/V Pandalus at Perry Island stated that a 12 hour fishery opener was to be conducted from 9:00 AM until 9:00 PM including the waters of the Whittier Subdistrict, the Esther Subdistrict and the waters of Wells Passage south of a line from Esther Rocks to Pt. Pigot, Culross Pass north of 60° 43.8' N., Perry Passage north of a line described in E.O. 2-F-E-40-89, West Twin Bay, the Northern District north of 60° 47.0' N. latitude, and the Unakvik District. The Cannery Creek Special Harvest Area remained closed, however, the Sanctuary remained open. Aerial and skiff surveys results revealed no oil that would have posed appreciable likelihood of fouling fish or gear.
- Aug. 23 - Field announcement (EO 2-F-E-44-89) issued from the R/V Pandalus at Perry Island stated that a 12 hour fishery opener was to be conducted from 9:00 AM to 9:00 PM including the waters of the Whittier Subdistrict, the Esther Subdistrict and Wells Passage (described in E.O. 2-F-E-41-89), Culross Pass north of 60° 43.8' N. latitude, Perry Passage (described in E.O. 2-F-E-41-89), West Twin Bay, the Northern District north of 60° 47.0' N. latitude and the Unakvik District. The waters of Quillion Bay and Esther Bay (Bay of Isles) were closed because of sheens present that posed a threat to contamination of fish and gear. The Cannery Creek Special Harvest Area and Sanctuary remained closed to protect broodstock for the hatchery. Aerial and skiff surveys continued along with water sampling.
- Aug. 24 - Field announcement (EO 2-F-E-45-89) issued from the R/V Pandalus at Perry Island stated that a 12 hour opener was to be conducted from 9:00 AM until 9:00 PM including the waters described in E.O. 2-F-E-44-89 (August 23) and the waters of Quillion and Esther Bays. Aerial survey results indicated that no sheens were present that posed an appreciable likelihood for fouling of fish or gear.
- Aug. 26 - Field announcement (EO 2-F-E-47-89) issued from the R/V Pandalus at Perry Island stated that an 11 hour opener was to be conducted from 10:00 AM until 9:00 PM including



the waters of the Eastern District and Esther Subdistrict. The opener was delayed to allow time for an aerial survey of the Eastern District and results of that survey indicated that no oil sheens were present that would pose an appreciable likelihood for fouling fish or gear and in addition surplus wild stock fish were available for commercial harvest.

- Aug. 27 - Field announcement (EO 2-F-E-48-89) issued from the R/V Pandalus at Perry Island stated that an 11 hour opener was proposed from 10:00 AM until 9:00 PM in the Esther Subdistrict. Survey results from 7:00 AM indicated no sheens that posed appreciable likelihood for contamination of fish or gear.
- Aug. 27 - Field announcement (EO 2-F-E-49-89) issued from the R/V Pandalus at Perry Island stated that an 11 hour fishery was to be conducted, but that the area described in E.O. 2-F-E-48-89 was modified due to a significant sheen off the eastern shoreline of Perry Island, that appeared to originate in East Twin Bay and extend southeasterly 5 miles to Lone Island, with its movement being northerly and westerly. The modified area closed off a portion of the Esther Subdistrict south of a line extending from the district marker sign on the Culross Light to Egg Rocks to the marker on the west island of the Bald Headed Chris Islands. Water samples were taken of the sheen and its movement was monitored throughout the day from airplane and skiff.
- Aug. 28 - Field announcement (EO 2-F-E-50-89) issued from the R/V Pandalus at Perry Island stated that an 11 hour opener was to be conducted including the waters of the Esther Subdistrict and the Fidalgo Subdistrict. Aerial survey results indicated no sheens that posed appreciable likelihood for fouling of fish and gear and surplus wild stock salmon that could be harvested commercially.
- Aug. 29 - Field announcement (EO 2-F-E-52-89) issued from the R/V Pandalus at Perry Island stated that a daily 12 hour fishing schedule from 9:00 AM until 9:00 PM in the Esther Subdistrict was established beginning on August 30 and lasting until further notice was given. The daily schedule was imposed because of a steady decline in effort in the area (less than 12 seiners and 60 gillnetters) and daily aerial surveys over the preceding two weeks had not shown an appreciable likelihood for fouling of gear or contamination of fish. Daily aerial surveys were still planned to monitor the commercial fishing area and instructions were left with the hatchery and the hatchery boom tenders in the case that oil sheens were reported that could pose a risk. No sheens were



reported or seen from this date forward that posed an appreciable likelihood for contamination of fish and gear.

Sept. 27- New release (EO 2-F-E-55-89) issued from Cordova stated that the Esther Subdistrict was formally closed to commercial fishing on 12:00 Noon on Saturday, September 30. This emergency order officially closed the 1989 commercial salmon season in the Prince William Sound Management Area effective at 12:00 Noon, Saturday, September 30.



COMMERCIAL FISHERY CLOSURES	
TABLE B-2	
Prince William Sound	
Pacific Herring	Gillnet and purse seine sac roe fisheries and pound and wild roe-on-kelp fisheries closed April 3, 1989.
Shrimp	Pot shrimp fishery closed while in progress on April 3, 1989. Trawl shrimp fishery closed on April 9, 1989. A small pot shrimp harvest area near Knight, Eleanor and Smith Islands was closed in 1990.
Sablefish (black cod)	Closed April 1, 1989. Reopened in inside waters only, in conjunction with the halibut opening on June 12, 1989.
Dungeness Crab	Closed April 30, 1989.
King Crab	Closed on October 1, 1989.
Groundfish	Closed April 30, 1989. Reopened with the June 12 halibut opening.
Miscellaneous Shellfish	On April 24, 1989, it was announced that no miscellaneous shellfish permits would be issued.
Pink and Sockeye Salmon	Closures of commercial drift and set net fisheries in Eshamy District, Northern District (surrounding Naked and Perry Island), parts of Culross Island Subdistrict, Southwestern District, and parts of Montague Island District. In 1990, two set net areas near Eshamy Bay were closed for four days and then reopened. In addition, portions of the northern and eastern shorelines of Latouche Island, and waters around Eleanor and Ingot Islands, were closed to fishing.

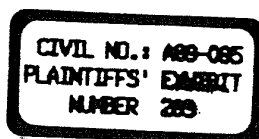


TABLE B-2 (cont.) Upper Cook Inlet	
Sockeye Salmon	With the exception of a very minor opening of a small portion of the Central District, the commercial drift gillnet season was closed because of oil. In addition, setnet fishing in the Upper Subdistrict south of the Kasilof River was closed for the 12 hour regular fishing period on July 7, 1989, due to the presence of oil on beaches.
Lower Cook Inlet	
Shrimp	Closed April 30, 1989. Reopened July 7, 1989.
Miscellaneous Shellfish	On April 24, 1989, it was announced that no miscellaneous shellfish permits would be issued to harvest these species in the Outer and Eastern Districts until the danger of oil contamination had passed.
Groundfish	The Outer and Eastern Districts were closed at noon, April 30, 1989. The fishery reopened to all species except sablefish on June 12 in conjunction with the 24-hour halibut opening.
Smelt	Smelt remained closed along with groundfish in the Outer and Eastern Districts on April 30, 1989. When groundfish reopened, smelt fishing remained closed.
Pacific Herring	The sac roe fishery in the Outer and Eastern Districts closed on April 15, 1989, prior to the anticipated opening date of April 20, 1989.
Pink Salmon	The seine fishery in the Kamishak District opened on June 1, 1989, and was closed by emergency order on June 8, 1989. Portions of Kamishak District north of Contact Point were opened after July 20 based on run strength. The Tutka Bay Subdistrict north of the HEA powerlines was closed to seining on July 10, and reopened later the same day after further assessment showed the commercial fishery would not be impacted.

TABLE B-2 (cont.) Kodiak	
Pacific Herring	Approximately 34 of 56 management units were closed for the duration of the sac roe fishing season.
Sockeye and Pink Salmon	The commercial season was scheduled to begin June 9, 1989. The fisheries were postponed until June 19, when only the setnet fishery in the Alitak District opened; there were approximately 114 days fished in this setnet fishery by 87 fishermen. The only other commercial opening to occur during the 1989 salmon season was a two day seine opening in Karluk Lagoon, on the west side of Kodiak Island, in mid-September. The entire Kodiak Management Area closed to commercial salmon fishing at the conclusion of the Lagoon fishery.
Chignik	
Sockeye Salmon	The Chignik fishery opened on June 12, 1989. However, portions of the Eastern District were closed due to the presence or close proximity of oil in the Kilokak Rocks area, and in Imuya and Wide Bays. The ADF&G announced a 24-hour fishing period on June 26 for a portion of the Chignik Bay District. The area was limited to a small portion of this district due to the presence of oil in surrounding areas, and was later closed the same day due to the presence of mousse and sheen. Additional closures occurred on July 27 and August 5, 1989.

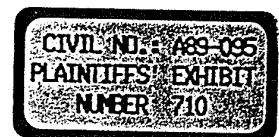
CERTIFICATION

I, Walter J. Stewart, having custody of the seal of the United States Senate, hereby certify that the attached record is a true and correct copy of an excerpt from a record of the United States Senate Committee on Commerce, Science, and Transportation.

In Witness Whereof, I have set my hand and caused to be affixed the Seal of the United States Senate at Washington, D.C., this 14th day of January, 1994.



Walter J. Stewart
Walter J. Stewart
Secretary of the Senate



EXXON OIL SPILL

HEARING
BEFORE THE
COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE
ONE HUNDRED FIRST CONGRESS
FIRST SESSION
ON
EXXON VALDEZ OIL SPILL AND ITS ENVIRONMENTAL AND MARITIME
IMPLICATIONS

APRIL 6, 1989

PART I

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CONTENTS

Opening statement by the Chairman	23
Opening statement by Senator Stevens	
Opening statement by Senator Packwood	
Opening statement by Senator Gorton	
Opening statement by Senator Inouye	

LIST OF WITNESSES

Evans, William E., Under Secretary of Commerce for Oceans and Atmosphere, NOAA; accompanied by Charles N. Ehler, Director, Office of Oceanography and Marine Assessment; and Thomas A. Campbell, Deputy General Counsel	31
Risul, L.G., chairman of the board and CEO, Exxon Corp	32
Questions of the Chairman and the answers	33
Reilly, Hon. William K., Administrator, EPA	34
Robinson, Steve, Deputy Director, Fish and Wildlife Service, Department of the Interior	35
Slinner, Hon. Samuel, Secretary, DOT; accompanied by Captain Larrabee, USCG	36
Post. Adm., Paul A., Commandant, USCG; accompanied by Capt. Ken Thompson; and Capt. Dave Spade	37
Prepared statement	38

ADDITIONAL ARTICLES, LETTERS, AND STATEMENTS

Cooper, Hon. Steve, Governor, State of Alaska, letter	39
Raymond, L.R., president, Exxon Corp., letter	40
Twiss, John R., Jr., Executive Director, Marine Mammal Commission, letter	41

The CHAIRMAN . . .

Mr. Rawl, we would appreciate hearing from you now, sir. Mr. Rawl, we have your statement. It will be included in the record in its entirety, and under the circumstances, you can deliver it in its entirety, if you wish, or summarize, either way.

STATEMENT OF L.G. RAWL, CHAIRMAN OF THE BOARD AND
CHIEF EXECUTIVE OFFICER, EXXON CORP.

Mr. RAWL. I will summarize my statement.

I am here to provide a frank response to questions regarding the Exxon Valdez oil spill and to describe our continuing efforts to deal with its consequences.

Before I do this, however, I want to express my sincere regret as to what happened on behalf of all the employees of Exxon and certainly on behalf of myself. I really cannot tell you how sorry we are this disaster occurred, and we are particularly sympathetic to the impacts on the residents of Alaska and particularly those in the Prince William Sound area. That is where the spill is creating a great deal of problems.

As has been said many times this morning and by us earlier we take full responsibility. As we have done from the beginning, we will continue doing all we can to clean up and mitigate the spill's effects and all necessary resources are being fully employed.

It has already been mentioned by Secretary Skinner that the environment in this area, its remoteness, the high tides and the associated physical problems make it a particularly difficult problem.

A few comments about the spill, just to put it into perspective. As mentioned before the spill is estimated at 240,000 barrels which occurred early on March 24.

We have other factual information. The weather was clear. The ship had no known mechanical difficulties. A course change was requested and authorized because of ice in the outgoing channel.

The captain subsequently left the bridge and tests made some time after the grounding showed the captain's alcohol level was above the limits established by the Coast Guard. That is clear.

There are still many unanswered questions as to what occurred during this period. We are conducting, of course, not one but many investigations within the company as are the National Transportation Safety Board and the Coast Guard. There are other federal and state investigations underway, and we are participating in all of those.

The CHAIRMAN. Exactly on that point has Exxon learned, Mr. Rawl, not to risk such a valuable cargo and such an immense vessel the length of three football fields which takes a couple of miles or so to even turn course, to risk that to just one pilot and not have a copilot?

I mean is that—right now if I went out on, let us say, three or four other Exxon supertankers this morning, would I find only one pilot, master pilot, licensed and capable?

Mr. RAWL. No, sir. The Prince William Sound area is unusual. Most of the three mates plus the captain are licensed to pilot the ship in many areas and on the open ocean. In Prince William Sound, as has been said many times this morning, the state pilot takes it to a certain point, and then—the sound system is not working properly can you hear me? I know it goes on and off.

The CHAIRMAN. Please try to talk a little louder.

Mr. RAWL. But in this case the pilot was also the captain. Obviously we had no knowledge that he was impaired.

I think it is possible, however, as I understand the law there, to have two mates on the bridge at the same time in a case like this so you could do what needs to be done to navigate the ship when you have ice in one channel and a great deal of concern about that. I am not trying to make any excuses but the facts are that there are ways to do that. If, in fact, as you suggested in your earlier conversation with Secretary Skinner, that a captain had a heart attack or something similar then there were other options available.

Now, the same impairment, apparently, that created the spill to begin with, created a situation where the master could have brought another officer to the bridge. There were actually four people on the bridge when the skipper was on the bridge. There was a lookout on one of the wings. There was the person in charge which then was the captain. There was a third mate. It was his shift, and there was also the man steering the vessel or the helmsman. So, that was the situation.

If the captain had sent for another mate before he went below, as I understood it, that would have been legally responsive regarding whether or not the ship would have hit the reef, I would expect it would have had a much better chance of getting through there. I have had a lot of difficulty understanding this accident myself. I can assure you.

The CHAIRMAN. Well, I think that is the first lesson we have learned this morning about the copilot. It is thoroughly equipped because the person—the second mate wasn't a qualified master as is required in those waters.

So, obviously, I am not looking for any sympathy, but we did know he came in, as I understand it, and said he had an alcohol problem a number of years ago. He was rehabilitated. That was consistent with the alcohol policy.

However, the judgment to put him back on the ship is a judgment made at an operating level. Obviously, it was a bad judgment. It could have been a bad judgment in a lot of people's eyes on a going-in basis, mine being one of them. But in any event, I just want to make that clear in case you had not heard of that. I do not want you feeling that I did not level with you when I was up here.

The CHAIRMAN: I appreciate that. The third mate, now, you find no culpability there, I take it, because while you fired the master, you now have corporate counsel representing the third mate, is that right?

Mr. RAWL: Well, you find yourself in this kind of a situation, and I am not too expert in these matters, but I have asked these same questions. In the case of the captain initially, we told him to get his own counsel for his protection. This was before we knew that the alcohol situation would show up. And, by the way, the results of those tests did not show up as you may recall until several days later.

But we knew that when the ship ran aground and he was not on the bridge, we obviously had a conflict between the corporate interest and the individual's interest, and so we said you get your own counsel. We will pay for that.

When we found out, however, there was alcohol involved and the other circumstances—we found out he violated a number of company policies—he was terminated.

Now, in the case of the third mate, he is in the early stages of the discovery process. There has been to my knowledge, no testimony taken under oath in this case yet because the National Transportation Safety Board is still developing the hearing date. So if everyone known to be involved has been interviewed by NTSB representatives, by the Coast Guard, by Exxon and so forth. We have to let this investigation get into the hearing stage. I think before we get adequate answers.

Mr. RAWL. None.

Senator STEVENS. Now I have a map here that I made when I was up there. I mean, I did not make the map but we drew these things on there that shows the four hatchery areas. That is the site of the Exxon Valdez on Bligh Reef.

It was my understanding that the obligation to have a pilot on board, basically came down to about this line, and that the third mate was qualified to handle the ship through Hinchinbrook Entrance, but he was not qualified to pilot this vessel above that line.

It is also my understanding that the captain was the only person aboard after the pilot got off. As the ship came through the Valdez Narrows, the captain was the only person on board that was qualified to run the ship.

Is that your understanding?

Mr. RAWL. My understanding is that the captain was the only man on board licensed as a pilot to run his ship. Now that is different from my view as to who was qualified or unqualified—

Senator STEVENS. It is my understanding that the third mate was not qualified to run that ship past Bligh Reef.

Mr. RAWL. Senator, frankly I just kind of lost the thread here. You know, frankly, I am having a little trouble even seeing the map, but I know where Bligh Reef is and so forth, and where the channel goes.

Senator GORTON. I take it that the parent Exxon Corporation sometime ago made a decision that it was wise corporate policy for it to own its own shipping line and to ship Alaskan oil in vessels owned by a company or by a subsidiary?

Mr. RAWL. Well, we also use many chartered ships. I do not know how many we are using in Alaskan trade, but in international trade Exxon has 71 ships worldwide, roughly. I may be off a ship or two, 19 of them in this country. So we do use chartered ships—

Senator GORTON. But, in any event, this ship is owned by a wholly owned subsidiary of the company of which you are CEO. Is that correct?

Mr. RAWL. That is correct.

Senator GORTON. Can you give me the chain of command that would go from you, as chairman of the parent corporation, down through that subsidiary corporation, to this captain? Or maybe work it back up, who is the captain's supervisor, and who is his supervisor, and so on, up to you?

Mr. RAWL. Well, when it gets to the lower levels, I lose the track. But the captain has a supervisor. And then that supervisor and there may be another supervisor in between, reports to a manager on the West Coast of the U.S.

There are also other people who tell this captain what to do in terms of scheduling. As you know these captains work a few weeks on and a few weeks off. I am not precise on the time.

But then that individual on the West Coast, who is in Berkeley, California in the San Francisco area, would report in to Houston where we have someone we might call an operations manager

And then there is a president of the Exxon Shipping Company who reports to a senior vice president of Exxon U.S.A., who reports to the president of that company.

We have management committees at the level of Exxon U.S.A. We have management committees in New York, and then the president of that company would report to me.

Now I do not know how many levels that is.

Senator KERRY. Have you personally spoken to Mr. Cousins to determine what took place?

Mr. RAWL. No, I have not.

Senator KERRY. Are you aware of what he says took place?

Mr. RAWL. Yes, I am.

Senator KERRY. What is—

Mr. RAWL. Now Cousins is the third mate.

Senator KERRY. That is correct.

What is Exxon's policy when the captain is incapacitated and no other licensed or authorized personnel are on board?

Mr. RAWL. I frankly do not know precisely what that policy is.

Senator KERRY. Is there a policy?

Mr. RAWL. I am sure there is.

Senator KERRY. But you are not aware of it?

Mr. RAWL. I have asked a lot of questions. I have not asked that one.

Senator KERRY. Did, to your knowledge, Mr. Cousins act in conformance with the company policy by assuming command of the ship under that situation?

Mr. RAWL. I do not know the policy, but I doubt it, but I really do not know the policy.

Senator KERRY. And notwithstanding that, you are currently representing him, your lawyers are representing him?

Mr. RAWL. We are representing him until—as I thought you said you are a lawyer—obviously everybody has a right to representation, and if he is not really at fault here. Temporarily we are representing him.

Senator KERRY. But you made no determination based upon this conversation with him as to what happened?

Mr. RAWL. I did not have a conversation. One of our lawyers had the conversation.

Senator KERRY. I understand. But, from what has been reported to you, you have made no determination as to whether or not he acted in conformance with company policy?

Mr. RAWL. I do not know.

Senator KERRY. Is the *Valdez* equipped to maintain communication with Exxon headquarters during transit?

Mr. RAWL. We do not. You are talking about Exxon headquarters, we are talking about an office in New York where I work.

Senator KERRY. No, I am talking about up in the area—

Mr. RAWL. They presumably have radio equipment that can communicate with various points where we have people who stay in touch with the ships. But I do not know precisely what radio equipment we have on board. But they have had no trouble communicating to my knowledge.

Senator KERRY. Are there situations in the past that you are aware of where an unlicensed person has taken control of one of your ships?

Mr. RAWL. Not that I am aware of.

Senator KERRY. So what you are saying is that there is a higher expectancy that you are going to get into a large spill.

Mr. RAWL. No, there is not a higher expectancy. This one should not have happened. I have said that. The equipment is state-of-the-art. This is not an old tramp steamer we are talking about, this is an \$125 million-ship.

Mr. RAWL. I do not really know that, Senator. I just do not know how that works, frankly. I assume not because I have not heard that, but I really do not know that.

The CHAIRMAN. Do you know whether or not they do have radio contact?

Mr. RAWL. I do not know whether at that particular point in time. I know they had radio contact with the Coast Guard. And I know if he had said to the Coast Guard, I want to take over, or the captain wants me to take over, they would say you are not the licensed pilot. And so I presume he would not have asked. But I am just presuming, I really do not know.

The CHAIRMAN. Well, then that is a good answer, because the requirements for the master licensed, for a master pilot is very precise, very stringent. And the testimony has been crystal clear that there was only one licensed.

Mr. RAWL. Correct.

The CHAIRMAN. And I am certain that Exxon is not contending that you can countermand the license requirements.

Mr. RAWL. No. Absolutely not.

The CHAIRMAN. So when asked about the policy, you do not have to say you do not know, you do know the policy that you do not countermand.

Mr. RAWL. Okay.

The CHAIRMAN. Okay.

Mr. RAWL. But, of course, there could be a circumstance, as you said earlier, where someone has a heart attack or something, and somebody says, can I pilot the ship or whatever.

The CHAIRMAN. They still would not be licensed.

Mr. RAWL. No, but you cannot just tell them to let it run itself. Obviously if the captain just fell dead, I mean.

The CHAIRMAN. Well, that is the policy of Exxon right now, you do not have a policy for a co-pilot.

Mr. RAWL. No, but we have a circumstance that I mentioned earlier, that, it is my understanding the Coast Guard permits two officers to take over in those kind of circumstances. We have a number of officers that could have been on the bridge in that drop-dead circumstance.

But, you know, you are getting me into—

The CHAIRMAN. I am only getting you into what I know, and I am very inexperienced on the whole question. But, right to the point, if that master had had a heart attack, it was a policy of Exxon that the vessel should just run itself. Because you did not have anybody licensed to take over from him. That is your policy.

Mr. RAWL. But we had people that could run the ship. We had people that could take that—

The CHAIRMAN. Well, let us not equate run the ship with a licensed pilot. I mean we know this fellow could not run the ship, he is the one who ran it into the rocks.

Mr. RAWL. Well, as I understand it, and I have a lawyer over here who can tell me again if I am not stating it properly, that you could have two officers on the deck, along with the helmsman in addition, without the captain there, I guess, or without the licensed pilot.

But, you know, if you want to quiz me on the rules of the road of the Coast Guard, you have got the wrong witness. I will get somebody up here who can spend all day talking about such stuff. You will not find out a whole heck of a lot from me.

The CHAIRMAN. Well, we all know the rules of the road of the Coast Guard with respect to the license of someone who is a master, and you had one.

Mr. RAWL. Yes, sir.

The CHAIRMAN. And no more than one.

Mr. RAWL. On that ship at that time. And if it is appropriate, we will have more than one in the future.

The CHAIRMAN. If it is appropriate. When asked by Senator Kerry if you had learned anything—

Mr. RAWL. All right. I misused the word.

The CHAIRMAN [continuing]. Have you at least learned that, that it was not adequate and we ought to have a valuable ship of \$125 million—

Mr. RAWL. Well, I am not sure, Senator, since this master has had it indicated that he was under the influence of alcohol sometime after this wreck. Had he, as a licensed pilot, been piloting the ship himself, it is very possible we would have the same circumstance. I do not know that. We are speculating what might have happened. But, a license does not necessarily make anybody effective, whether they are piloting an airplane or a ship or something.

You have brought up a good question which I have raised with our people, and we are chasing it.

The CHAIRMAN. It is not your contention that the vessel should have been controlled by Coast Guard radar at the time of the collision, when it collided with the rocks or went aground?

Mr. RAWL. My contention is, all I know about it is the weather was clear, there was ice out there, which they were trying to avoid—

The CHAIRMAN. I am not asking about the weather conditions. I am asking about the Coast Guard radar.

Mr. RAWL. I understand that. I am answering the question. It is pretty obvious that this should not have happened whether the Coast Guard had the radar on or did not, or controlled it or did not.

The CHAIRMAN. Excuse me. I am asking whether you think the Coast Guard should have had radar control under any circumstances?

Mr. RAWL. I think, obviously, we would be pleased if the Coast Guard had called early in the morning on the 24th and said take a right turn, get back in the channel, or something like that. I mean that would have saved us a heck of a lot of money and saved the government money too.

The CHAIRMAN. That is a hypothetical. What is the actual responsibility? Do you think it was the Coast Guard's responsibility to continue with radar coverage of that vessel?

Mr. RAWL. I cannot comment on that, Senator. I have not studied that. I do not know what their obligations are in that regard. In other ports—

- o Can you tell us why Captain Hazelwood was enrolled in the Company rehabilitation program? Was it due to a previous incident while in command, or did he voluntarily participate?

Captain Hazelwood voluntarily enrolled in an alcohol rehabilitation program in 1985. Captain Hazelwood's enrollment in an alcohol rehabilitation program was not initiated by Exxon Shipping Company as a result of a previous incident while in command.

- o Was there any followup to Captain Hazelwood by the Company after he completed the rehabilitation program?

Yes. From the time Captain Hazelwood returned from rehabilitation, he was the most closely scrutinized individual in the company. The Fleet Operations Manager, who reports directly to the President of Exxon Shipping Company, and the Ship Group Coordinator, who was the direct supervisor for Captain Hazelwood, visited Captain Hazelwood on the average of twice a month when on duty during the first two years following rehabilitation. They watched Captain Hazelwood and made themselves available to other members of the crew so that, if there were any signs of regression that we could learn from other people, we would be alerted to it.

After the first two years, Captain Hazelwood was transferred to the West Coast, and his supervisors there maintained surveillance by visiting his ship every time it was in port, visiting with him, and observing his behavior. In addition, in each of the three years after rehabilitation there were meetings, the last being in March, 1988, of about five days each when other managers, as well as the President, had an opportunity to observe

Captain Hazelwood, observe how he interacted and to determine whether he was drinking alcoholic beverages. Following the March 1988 meeting the President, the Fleet Operations Manager, and the Human Resources Manager met for the sole purpose of comparing observations on what they had seen, what their impressions were and to confirm that Captain Hazelwood was not observed drinking. Clearly there was careful follow-up and monitoring of Captain Hazelwood following rehabilitation.

- o What is Exxon's policy when the Captain is incapacitated and no other licensed or authorized personnel are on board?

It is not clear from the evidence presented to date that the Captain of the EXXON VALDEZ was incapacitated at the time of the accident. A number of individuals have made statements that he was not incapacitated. None, to our knowledge, has indicated he was incapacitated.

The Chief Mate aboard the EXXON VALDEZ did hold a Master's license but did not have the pilotage endorsement required to command the bridge during the passage through Prince William Sound to Hinchinbrook. In the event the Captain was incapacitated or believed to be incapacitated, the Chief Mate would notify the Coast Guard and proceed as directed by the Coast Guard. The Ship Group Coordinator or Fleet Operations Manager would also be notified to provide relief personnel as required.

- o Did Mr. Cousins act in compliance with Company policy by assuming command of the ship in this situation? Did he violate federal regulations?

Captain Hazelwood apparently left the bridge in command of an officer who was legally licensed as Second Mate by the U.S. Coast Guard but who did not possess the pilotage endorsement required to command the bridge during the passage through Prince William Sound to Hinchinbrook.

Under federal regulations, the ship should not have proceeded without a person with a pilotage endorsement on the bridge. Mr. Cousins should have asked the Captain to remain on the bridge, and, failing that, notified the Chief Mate of the situation.

- o Is the EXXON VALDEZ equipped to maintain communications with Exxon Headquarters during its shipping operations?

Yes, the EXXON VALDEZ is equipped with a number of ship-to-shore communications to enable the vessel to communicate with any shore location. These systems include Marisat voice and telex systems, single sideband radio, VHF Marine radio, HF Radio, cellular telephone, Satcom telex, and facsimile.

- o Did Mr. Cousins contact Exxon for advice or orders once Captain H. left the bridge?

No.

- o Why didn't Mr. Cousins awaken either the Chief or Second Mate for advice assistance?

According to testimony at the National Transportation Safety Board hearing Mr. Cousins chose to communicate with the Master, whom he knew to be awake.

- o If Mr. Cousins acted in contradiction with Company policy, has he been reprimanded or discharged by Exxon?

Mr. Cousins has been relieved from duty pending completion of the Company's investigation of his actions.

- o Has an officer not properly licensed for the trip taken control of one of your ships in the past?

Not to the knowledge of Exxon Shipping Company management.

Steven R. Ross
General Counsel

Charles Tiefer
Deputy General Counsel

Office of General Counsel
H-112, The Capitol
U.S. House of Representatives
Washington, DC 20515

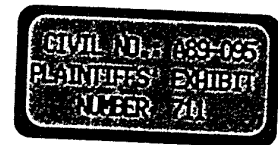
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IN WITNESS WHEREOF I hereunto affix my hand and seal of the House of Representatives in the City of Washington, District of Columbia, this twenty-seventh day of November, Anno Domini, one thousand nine hundred ninety three.

Donald K. Anderson

DONNALD K. ANDERSON, Clerk
U.S. House of Representatives



EXXON VALDEZ OIL SPILL

HEARING
BEFORE THE
SUBCOMMITTEE ON COAST GUARD AND NAVIGATION
OF THE
COMMITTEE ON
MERCHANT MARINE AND FISHERIES
HOUSE OF REPRESENTATIVES
ONE HUNDRED FIRST CONGRESS
FIRST SESSION
ON
TOPICS CONCERNING THE EXXON VALDEZ OIL SPILL
INTO THE PRINCE WILLIAM SOUND OF ALASKA

APRIL 6, 1989

Serial No. 101-9

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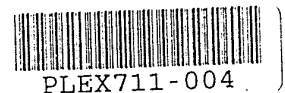
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CONTENTS

	Page
Hearing held April 6, 1989.....	1
Statement of:	
Bentley, Hon. Helen Delich, a U.S. Representative from Maryland.....	3
Brennan, Hon. Joseph E., a U.S. Representative from Maine	17
Burton, Kent, Assistant Secretary of Commerce, and Deputy Administra- tor, NOAA.....	97
Prepared statement.....	151
Carper, Hon. Thomas R., a U.S. Representative from Delaware.....	18
Clement, Hon. Bob, a U.S. Representative from Tennessee	11
Coble, Hon. Howard, a U.S. Representative from North Carolina.....	12
Curtis, Clifton E., executive director, The Oceanic Society (prepared state- ment).....	200
Davis, Hon. Robert W., a U.S. Representative from Michigan	2
Devens, John, Mayor, City of Valdez, Valdez, Alaska	48
Herger, Hon. Wally, a U.S. Representative from California	14
Hughes, Hon. William J., a U.S. Representative from New Jersey	8
Prepared statement.....	8
Inhofe, Hon. James M., a U.S. Representative from Oklahoma	17
Isleib, Pete, Prince William Sound Aquaculture Association.....	108
Prepared statement.....	196
Jones, Hon. Walter B., a U.S. Representative from North Carolina, and Chairman, Committee on Merchant Marine and Fisheries	1
Laughlin, Hon. Greg, a U.S. Representative from Texas	12
Lent, Hon. Norman F., a U.S. Representative from New York	13
Lowey, Hon. Nita M., a U.S. Representative from New York.....	14
Makris, James L., director, Chemical Preparedness and Prevention Office, EPA	100
Prepared statement.....	220
Manton, Hon. Thomas J., a U.S. Representative from New York.....	16
McAlpine, Steve McAlpine, Lieutenant Governor, State of Alaska.....	45
Miller, Hon. John R., a U.S. Representative from Washington.....	15
Moore, Donald L., City Manager, Cordova, Alaska (prepared statement)....	217
O'Connell, Quinn, Trans-Alaskan Pipeline Liability Fund	108
Olsen, David, Acting Assistant Director for Wildlife Resources, U.S. Fish and Wildlife Service.....	101
Prepared statement.....	158
Pickett, Hon. Owen B., a U.S. Representative from Virginia	18
Rawl, chairman of the board, Exxon Corporation	67
Prepared statement.....	147
Schneider, Hon. Claudine, a U.S. Representative from Rhode Island.....	6
Shumway, Hon. Norman D., a U.S. Representative from California.....	4
Skinner, Samuel K., Secretary, U.S. Department of Transportation.....	50
Stone, Ron, director, Government Relations, National Marine Manufac- turers Association (prepared statement).....	215
Tausin, Hon. Billy, a U.S. Representative from Louisiana, and Chairman, Subcommittee on Coast Guard and Navigation	5
Weldon, Hon. Curt, a U.S. Representative from Pennsylvania.....	15
Yost, Admiral Paul A., Jr., Commandant, U.S. Coast Guard; accompanied by Vice Commandant Clyde Lusk; Captain Ken Thompson, chief, Pro- grams Division; Captain Dave Spade, chief, Budget Division.....	19
Prepared statement.....	142
Young, Hon. Don, a U.S. Representative from Alaska	9
Prepared statement.....	10



IV

	Page
Additional material supplied:	
Chronology of Exxon's Response to the <i>Exxon Valdez</i> Incident	232
Facts on Alaska Oil Spill, prepared by Hon. Don Young.....	138
Federal Register, 43 CFR Part 29, excerpt, "Final Rule on Trans-Alaska Pipeline Liability Fund"	187
Liability Section of Public Law 93-153	193
Subcommittee on Coast Guard and Navigation: Memorandum of 5 April 1989, to Members of the Subcommittee	120
Trans-Alaska Pipeline Liability Fund, Procedures for Settling Claims	162
Communications submitted:	
Rawl, L.G., (Exxon Corporation): Letter of 12 May 1989, to Hon. Dennis M. Hertel.....	219
Skinner, Samuel K., and William P. Reilly, (Department of Transportation): Letter of 4 April 1989, to Jim Makris, National Response Team, EPA	229
Stevens, W.D., (Exxon Company, U.S.A.): Letter of 12 May 1989, to Hon. Billy Tauzin	231



PLEX711-005

We welcome you, and we welcome your testimony, Mr. Rawl.

STATEMENT OF L.G. RAWL, CHAIRMAN OF THE BOARD, EXXON
CORPORATION

Mr. RAWL. Mr. Chairman, thank you for inviting me to come. I will just make a short statement. I am principally here to take your questions.

Mr. TAUZIN. We do appreciate that. Your full written statement will be a part of the record.

Mr. RAWL. Thank you. I am here today to provide a frank response to questions regarding the *Exxon Valdez* oil spill, and describe our efforts to deal with its consequences.

Before this, however, I want to repeat some feelings I have, and I speak not only for myself but also for the thousands of Exxon employees who share my distress as to how sorry we are about this disaster in Alaska.

We are especially sympathetic to the impacts on the residents of the Prince William Sound area, and the people of the State of Alaska. Exxon takes full responsibility and it has done so from the very beginning, and Exxon will continue to do all we can to clean up and mitigate the spill's effects. All necessary resources are being employed.



The spill of an estimated 240,000 barrels occurred early on March 24. We have certain other factual information. The weather was clear. The ship had no known mechanical problems. A course change had been requested and authorized because of ice in the outbound shipping lane.

The captain subsequently left the bridge, and tests made some time after the grounding showed the captain's alcohol level was above limits established by the Coast Guard.

Mr. TAUZIN. Thank you, Mr. Rawl.

I suppose the most obvious question that arises is one that is at first complimentary of your corporation, and, at the same time, extraordinarily difficult to understand. And that is that everyone in the industry, that I speak to, tells me that Exxon, among all the corporations that transport major quantities of crude oil, has one of the best programs to ensure against this type of an accident, and yet it happened. Why?

Mr. RAWL. Well, we are talking about the human error, Mr. Chairman, that occurred. I cannot explain why. We have had, for some time, an alcohol policy that permitted rehabilitation of people who would volunteer that they had a problem. It is obviously good to encourage people to do that.

Our medical program, would pay for the rehabilitation, and then subsequently we would keep them on the payroll. Now, unfortunately, it appears that it was not clear enough that when someone had a job, a high-risk job, such as an officer on a ship, or, for example, in your State, a control man in a large refinery, or other very sensitive jobs—airplane pilot or helicopter pilot—judgment had to be made at the operating level, as to whether return to those jobs would be appropriate. If in fact they had indicated an alcohol problem, or in more recent times a drug problem, and they were rehabilitated, someone had to make the judgment that they should not be put back in that kind of job.

So it was a slip-up in this regard.

Mr. TAUZIN. Are you saying that the company was aware that he had an alcohol problem at one time, and that he had been rehabilitated in your eyes?

Mr. RAWL. Well, we were aware he had an alcohol problem. I personally never heard of the man until Good Friday. But he had an alcohol problem. He had turned himself in, as I understand it, Mr. Chairman, and consistent with that policy had arranged for rehabilitation.

He entered a program. He was followed up, watched, and so forth. As we all know, the statistics prove, if you have a problem like that you have to be helped for humane and human reasons, and you need close follow-up.

But even with close follow-up there are certain things you cannot have people do, in my view.

Mr. TAUZIN. Would it have helped, had you had a policy on board the ship for some sort of a reporting of alcohol abuse by other members of the crew?

Mr. RAWL. Well, we operate a fleet worldwide. We also charter a lot of ships. But we have 71 tankers hauling a variety of cargoes, and from time to time someone will say that—not necessarily the master—but someone has a drinking problem.



Mr. TAUZIN. Yes.

Mr. RAWL. And you follow up on it, and sometimes there is some fire under that smoke. In this case we did not have——

Mr. TAUZIN. You had no reports?

Mr. RAWL. We had no reports on this, to my knowledge.

Mr. CARPER. I think you did; yes, sir. Second question. If you could, try to recreate for us the scene on the bridge of the ship on the day of the grounding.

I understand the captain of the ship is not at the bridge; he is in his quarters. I understand—

Mr. RAWL. I am sorry. I am having a little trouble hearing you here.

Mr. CARPER. I understand the captain of the ship is not on the deck; he is in his quarters. Who is at the bridge? Who is—and I am not asking for names—but just recreate, if you will, the scene on the bridge, and the responsibilities of the players who were there.

Mr. RAWL. Well, the captain was on the bridge when the vessel left port, with a pilot, I guess a State pilot. The captain had communicated regarding the level of the tanks, and the stores, and so forth.

And then the pilot was dropped off, and the captain was still on the bridge. The third mate was on the bridge. There was a helmsman, and there was a lookout on one of the wings of the bridge.

The captain called the Coast Guard and indicated there was some ice coming off of the Columbia Glacier into the outbound channel. So he called and he wanted to move over into the northbound channel although he was going southbound.

He got authority to do that. He used the radio. The Coast Guard reported that approval was based on the fact they saw the ice on the radar, plus a prior ship, two or three hours before that had seen ice also. He then apparently set the course and asked—and this is—

Mr. CARPER. The captain set the course?

Mr. RAWL. Yes. The captain—whatever the course was. They were heading basically south. And he asked the third mate if he understood the instructions and said he was going below. For a part of that time the ship was on automatic pilot.

It is my understanding, however, in reported interviews with the mate, that after the captain left the deck he took it off automatic pilot.

Now the story becomes very unclear to me, and unclear to the interviewers. There have been interviews by both the Transportation Safety Board and some of our people who have talked to these individuals. Why they then proceeded across the channel to the reef is unclear. The captain said he asked if the mate understood the instructions—you get in this other lane, and you take a right into the channel and head south.

I know I am not using the right nautical language here, of course. But they kept moving in a southerly direction, too far, and they realized too late to maneuver to miss the reef. That is where—as I understand it, the collision occurred. But who was on the bridge? It was the helmsman, the third mate, and a lookout. They had the radar on close range looking for ice, and presumably the course change started for evasive maneuver reasons.

Mr. CARPER. I spent a little time in the Navy, as a naval flight officer, but also as a midshipman, and I recall, when we would leave port, our quartermaster would be using our radar, or whatever other fixing devices we would have to fix our position, not every minute but every several minutes, as we departed from a hazardous area.



To a guy who is not exactly a layman on this subject, it is hard to understand, with the radar up and operating, looking for the ice flows, how it would be possible to miss the land mass.

Mr. RAWL. Well, we did not hit a land mass. We hit a reef which was 36 feet deep.

Mr. CARPER. I understand.

Mr. RAWL. A lot of tankers would go over that. This tanker happened to draw 50-plus feet, so that is the problem. So the radar would not have showed that. The sonar, or whatever—

Mr. CARPER. But the radar would show the position of the ship relative to that known reef?

Mr. RAWL. Oh, there is no question. Not only the radar. This thing has the latest in celestial navigation equipment. I do not understand. You might—I thought someone who knows something about ships would understand it better than I do. I do not understand at all, frankly, why this happened.

Mr. COBLE. Mr. Rawl, I was a little late getting here and you may have already covered this. If so, I apologize for repeating it. But I want to shift gears to the captain. We were told this morning—and I do not recall from whom—but that the captain had completed a rehabilitation course for people who are severely troubled by or addicted to alcohol.

Now, hypothetically, if I have someone in my employ who is severely addicted and who enrolls in a rehabilitation course, and who successfully completes it, and comes back to my employ—if he occupies a position of trust and responsibility, I would have some sort of time frame whereby he is observed, so that I know he in fact has overcome his problem.

Do you all have such a time frame, and, if so, walk me through some of the details on that.

Mr. RAWL. Congressman, I will be glad to do this again. I have responded to this question a little earlier in the meeting. But I will be glad to just tell you that we have a policy—as you heard this morning, I am sure—that helps people get back in shape. It is a policy that probably was too general in terms of what you are talking about.

The facts are, though, that in terms of an alcoholic, it is a disease that you never do get over, as I understand it. They have to be watched closely on follow-up. A better plan—and it can be done within the same policy—is to not give the person that job back, but give them a less stressful job back. Give them a way to recover, and continue to work, but certainly not as a captain of a ship, or an airplane pilot, or someone in the control room of a refinery, or a chemical plant, or jobs of that nature.

I agree, wholeheartedly, this should not have happened, but unfortunately it did. We never used to be explicit on these sensitive



jobs—local management would look at the situation and make a decision, and would do the follow-up.

But what I really want to focus on—this is a major responsibility, to drive this 60-million gallon tanker—who makes that decision, and is it so caught up in the bureaucracy that it really does not get all the way up there? How is that decision made as to who has that responsibility?

Mr. RAWL. First, to the bureaucracy. We do not have very much bureaucracy, Congresswoman, but I do not want to leave the impression we have none. We have 100,000 employees worldwide. We operate in 80 countries. I have mentioned we have 71 ships. We produce 1.8 million barrels of oil and 5 billion cubic feet of gas a day, and we sell 4 million barrels of products, and we refine 3 million barrels of products.

So, obviously, I do not make every decision. But policies such as this, particularly since we are a U.S. corporation in this country, are the same in New York as they are elsewhere.

Now we have 300 people in your State, whereas in Alaska we have a small number. In other States, we have quite a bit more. With this diverse operation the policy is clear, but who decides whether a ship captain is qualified are the people who run the marine company, which is a shipping company in Houston. Now, we have a number of other marine companies around the world, and that is where the operating decisions have to be made. Because



those are the people that run the show. We give them a policy, and it is pretty clear as to how, in a good social-conscience way, we try to rehabilitate people. The other point in that argument is, if as an employee you do not tell your supervisor that you have a drinking or a drug problem and do not come in for rehabilitation, then when we find it out we are going to fire you. This is a pretty serious thing.

So you try to use that bait to find out who has a problem. Now, what said earlier today—and I am not sure you were here at the time—is that we did not say that after you give this man rehabilitation he should not go back to a sensitive job.

We put him into this program, and paid for it through our insurance, hospitalization, and then gave him his job back. What we should have done in this case, in this kind of a job, is have given him a job back but not the same one. This then would get people like this back to work—but not back in the same job, or not the job of running the Baton Rouge refinery, or driving a gasoline tanker truck in the State of Maryland.

I mean, you cannot make those kind of judgments remote from the operation. You talk about bureaucracy. If we had to make those kinds of judgments in New York you could never get a decision. We are talking about, worldwide, probably 300 masters on ships, or 250. If management, at that level, cannot make those decisions, then you have to get some different people at that level who can make those decisions.

Mr. STUDDS. I just want to be sure—and I do not know that one can get that assurance in a reasonable fashion in this setting at this time—that we are not going to find, a week, or a month, or six months, or a year down the road, when the immediate glare of headlights and cameras, and the inevitable short attention span of the American people and their media, has relegated this somewhere to the background. That somewhere, in some court, a lawyer representing Exxon is going to suggest that the Coast Guard did not do all that it should or could have done; that therefore, at least some of the legal liability should fall on the Government and the taxpayers of the United States, rather than on the corporation.

Mr. RAWL. Now let me just put it this way, in operational terms. There were something like 8800 voyages with tankers in and out of that harbor. We had a large percentage of them. Twenty percent, or less I guess, because we probably had bigger ships.

A large number of those times we did not expect any radar help, and we did not get any radar help, if that is what you are getting to right now. And therefore, when we put that ship in there the last time, and unfortunately, did not get it out of there, as far as the people that were running that company, Exxon Shipping Company—they did not expect to have to rely on the Coast Guard to get them out of that harbor.

I said earlier, I think before you came in, that the weather was good, and so forth. So if you are talking about that particular part of it. But you know, I feel a little uncomfortable, just generalizing on this kind of thinking. But I am trying to get across my intention, our corporate intention, and the intention of the company in Houston that is dealing with these ships.

Mr. STUDDS. I am partly reassured. I understand that you really could not go further than that without being attacked from behind there by whichever your attorneys are, but—



PLEX711-027

Mr: RAWL. No, I do not even worry about that. I just do not want to walk off into a ditch and find out that I misunderstood your question, or something.

Statement of
L. G. Rawl
Chairman of the Board
and Chief Executive Officer
Exxon Corporation

before the

Subcommittee on Coast Guard and Navigation
of the
United States House of Representatives
Merchant Marine and Fisheries Committee

Washington, D.C.

April 6, 1989



148

I am L. G. Rawl, Chairman of Exxon Corporation. I am here today to provide a frank response to questions regarding the Exxon Valdez oil spill and describe our comprehensive efforts to deal with its consequences.

But before I do this I want to repeat what I've said in print and on television a number of times; how sincerely and profoundly sorry I am that this accident happened. I speak not only for myself, but also for the thousands of Exxon employees who, because of their loyalty and commitment to Exxon, share my distress. We are especially sympathetic to the impacts on the residents of the Prince William Sound area and the people of the State of Alaska. Exxon takes full responsibility, and has done so from the beginning. And Exxon will continue doing all we can to clean up and mitigate the spill's effects; all necessary resources are being employed.

Before proceeding further, I would like to point out that the statement I am submitting today reflects the situation as it existed as of noon, Eastern Daylight Time, April 5, 1989. The spill of an estimated 240,000 barrels occurred early on March 24. We have certain other factual information: the weather was clear; the ship had no known mechanical problems; a course change was requested and authorized; the captain subsequently left the bridge; and tests made some time after the grounding showed the captain's alcohol level was above limits established by the Coast Guard. Obviously, this leaves many unanswered questions. Exxon is conducting an investigation of the accident, as are the National Transportation Safety Board and the Coast Guard. Other Federal and State investigations are also underway.



PLEX711-039

Certified Copy
of August 4, 1989
Correspondence from Dan
Paul to Dr. Berkley, NTSB

CIVIL NO.: A89-095
PLAINTIFFS' EXHIBIT
NUMBER 745

UNITED STATES OF AMERICA
NATIONAL TRANSPORTATION SAFETY BOARD
WASHINGTON, D.C.

CERTIFICATE OF TRUE COPY

I HEREBY CERTIFY that the attached is a true copy of the original on file in the Analysis and Data Division, National Transportation Safety Board, which original comprises the material available from the NTSB public reference file concerning the marine accident in Valdez, Alaska on March 24, 1989 involving the Exxon Valdez, letter dated August 4, 1989 with attachments and that I have legal custody of the record involved.

Signed and dated at Washington, DC

this 14th day of April 1994

by Susan Stevenson
(Signature)

Archives Technician
(Title)

I HEREBY CERTIFY that Susan Stevenson who signed the foregoing certificate is now, and was, at the time of signing the Archives Technician, Public Inquiries Branch, Analysis and Data Division, National Transportation Safety Board, that she has legal custody of the record involved, and that full faith and credit should be given her certificate as such.

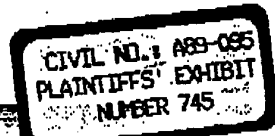
IN WITNESS WHEREOF, I have hereunto subscribed my name and caused the seal of the National Transportation Safety Board to be affixed this 14th day of April 19 94

M. C. ...
(Signature)

Records Management Officer/Analysis and Data Division
(Title)

National Transportation Safety Board

NTSB Form 1320.17 (Rev. 6/80)



19 May 1994 11:35AM

--- AT&T Surety CLEAR Page ---

From:

907 276 7317

Page 0003

05/19/94 10:42

907 276 7317

FAEGRE & BENSON

003

EXXON SHIPPING COMPANY

JT OFFICE BOX 1512 - HOUSTON, TEXAS 77251-1512 "EXXSHIP HOUSTON"

D.J. PAUL
HUMAN RESOURCES MANAGER

August 4, 1989

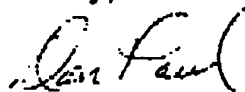
Dr. Birky
National Transportation Safety Bureau
Bureau of Technology and Rehabilitation Records Research
TE-3
800 Independence Ave. S.W.
Washington, DC 20594

Dear Dr. Birky

As discussed in our telephone conversation of July 26, 1989, I am forwarding a Benefit Record - Sickness report on Joseph Hazelwood which I am told was submitted to the NTSB as part of Exxon's June 23, 1989 submission responding to the June 9, 1989 subpoena. I trust this report will provide insight regarding the purpose of the leave of absence and the compliance with Captain Hazelwood's doctor's recommendations for after care.

I have also enclosed a copy of Exxon Shipping Company's Alcoholism Policy in effect at the time Hazelwood entered the treatment program. You will note that the State of Alaska's Proposed Findings of Fact, Conclusions and Recommendations refer to the 1987 policy.

Sincerely,


DJP: JB
63081

Attachments

C: Mr. D.M. Bates
Mr. L.A. Colucciello
Mr. W.J. Deppe
Mr. T.H. Gillette
Mr. R.H. Wood



SICKNESS CASE SICKNESS CASE: alc treatment Diagnosis: alc treatment			SOCIAL SECURITY NO. 071-38-8376		
NAME & CODE HAZELWOOD, JOSEPH M 100		BIRTH DATE	VERCEL OR STATUS P L		CLASSIC STATUS 25
U.P. service - Years _____ Months _____ Days _____			Hospitalized		
Did empl. work 26 wks. cumulatively since last full benefits? <input type="checkbox"/> Yes <input type="checkbox"/> No			From _____ Thru _____ At _____		
If "No", last S/L period from _____; Week _____			From _____ Thru _____ At _____		
Date benefits began 4/1 Ended 5/15/85 Total Days _____			PCN issued 505 4/9 By BMV		
TEMPORARY TOTAL DISABILITY UNDER PLAN:			Paid leave credit _____		
Full benefits _____ Days from _____ Thru _____			M.J.B. notified _____ Packet sent _____		
Half benefits _____ Days from _____ Thru _____			D.T.R. issued 5/20/85		
Unearned wages payable to _____ date _____ At daily-rate _____			LAST MED. REPORT - BY _____ DOCTOR 4/16/85 - Hosp thru 4/29 --- then LTA for surgery and medly things like x-rays etc ---		
Address _____			Phone Number (516) 427-6486		
Remarks: per M.P. record - left on 5/15. This check on SA or LTA - check w/ B. on 5/15. Come on not around 5/15/85 - come back time - send med report to Dr. Chen (7/31) Ben Grove to call Hazelwood for tomorrow 8/1/85					

BEN --- SICKNESS 720-0010-30

E7200001205-3

MEDICAL AND MISCELLANEOUS			BENEFIT PAYMENTS			REMARKS
DATE OF PAYMENT	AMOUNT	DESCRIPTION	PERIOD FROM	PERIOD TO	AMOUNT	

PLEX745-003

J.H.S. 12

19 May 1994 11:37AM
05/19/94 10:44

--- AT&T Surety CLEAR Page ---
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From:
FAEGRE & BENSON

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Page 0005
005

EXXON SHIPPING COMPANY
POST OFFICE BOX 1812 • HOUSTON, TEXAS 77001 "EXXONIP HOUSTON"

W M SNOW, JR
SECRETARY

September 28, 1984

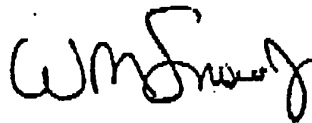
Exxon Shipping Company
Policy Manual

Mr. F. J. Iarossi
Mr. S. P. Revere, Jr.
Mr. R. M. Weatherford

Attached is a resolution adopting an Exxon Shipping Company policy manual which requires approval by the Board of Directors.

The policy manual has been reviewed by our primary shareholder contact, who took no exception to the proposed action.

Please indicate your respective approval of the resolution by signature, then return the completed document to the Company secretary's office in Room 3409-A.



WMS:dh
Attachment



PLEX745-004

19 May 1994 11:38AM
05/19/94 10:45

— AT&T Surety CLEAR Page — From:
907 276 7317 FAEGRE & BENSON

907 276 7317 Page 0006
008

TO: Mr. U. J. LeGrange
FROM: F. J. Iarossi
SUBJECT: Exxon Shipping Company Policy Manual

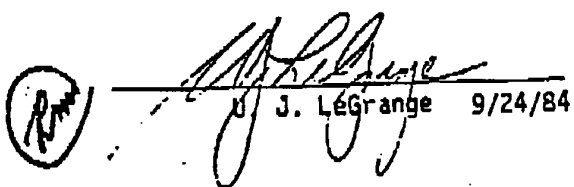
Exxon Shipping Company has satisfied EUSA Audit staff that activities and situations not specifically addressed in its proposed policy will be governed according to EUSA and/or Exxon Corporation policies.

The Law Department has reaffirmed concurrence with the proposed manual, a draft of which was sent to you earlier.

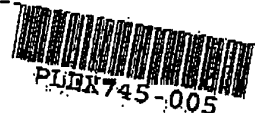
If you take no exception, the manual will be circulated to the Exxon Shipping Company board members for adoption.

FJI:jk

Reviewed and no exception taken


J. LeGrange 9/24/84

PLEASE	SEP	SEP	SEP	J	J
MAILING					
NOTE					
SEP 25 1984					
RECEIVED					
F. J. IAROSSI					



19 May 1994 11:38AM
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— AT&T Surety CLEAR Page — From:
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007

EXXON SHIPPING COMPANY
CONSENT TO ACTION IN LIEU OF MEETING

We, the undersigned, being all of the Directors of Exxon Shipping Company, do hereby consent to the Board's acting without a meeting and do hereby adopt the following resolution; it being understood that the Secretary of the Company will record this Consent and the actions taken in the record of Director Proceedings:

WHEREAS, The predecessor marine transportation entity to Exxon Shipping Company was the Marine Department of Exxon Company, U.S.A.;

AND WHEREAS, Said Marine Department was subject to the policies manual promulgated by Exxon Company, U.S.A.;

AND WHEREAS, Exxon Shipping Company became successor to the Marine Department on July 1, 1982, as a separate affiliate and has developed a manual for reference of established policy guidelines which will be made a part of and preserved with the Company records;

BE IT RESOLVED, That the Exxon Shipping Company policy manual in its entirety be, and it hereby is, approved.

J. H. H. H.

[Signature]

R. M. H. H.



EMPLOYEES

SECTION
II
SUBJECT
8

ALCOHOLISM (Page 1 of 2)

Source: Board of Directors Meeting of 9/28/84.COMPLETE POLICYI. Policy

The Company recognizes alcoholism is a treatable illness, characterized by an inability to control the repeated consumption of alcohol causing impairment of job performance. This policy is to assure that any regular employee with this illness receives consideration appropriate to this medical problem.

The principal provisions of the policy are as follows:

- A. The Company believes that a realistic approach to alcoholism will encourage employees to take advantage of available rehabilitative treatment whenever needed. The Company's medical advisor is available to advise and assist employees to secure medical treatment. Employees with alcoholism who follow prescribed medical treatment will receive sickness benefits under established employee benefit plans and insurance coverage consistent with local insurance plans.
- B. Recognition and acknowledgement on the part of alcoholic employees that they suffer from this illness, desire rehabilitation, and are willing to cooperate in an appropriate program of treatment are essential to a successful rehabilitative effort. Employees who suspect they may have an alcoholism problem are encouraged to seek diagnosis and follow through with prescribed treatment. No employees with alcoholism will have their job security or future opportunities jeopardized due to a request for help or involvement in a rehabilitation effort.
- C. If, after reasonable efforts on the part of the Company to encourage rehabilitation, an employee suffering from alcoholism refuses rehabilitation, or is uncooperative, and as a consequence is consistently unable to meet normal standards of effective work performance, the Company will take disciplinary action, including termination, if necessary. This policy does not require and should not result in any special regulations, privileges, or exemptions from the normal job performance requirements.
- D. Alcoholism, per se, does not represent grounds for dismissal; nevertheless, failure to maintain satisfactory attendance and job performance as a result of alcoholism, or for any other reason, is sufficient cause for termination.

ISSUED 9/28/84

EMPLOYEES

SECTION

II

ALCOHOLISM (Page 2 of 2)

SUBJECT

8

Source: Board of Directors Meeting of 9/28/84.

II. Administration

- A. All supervisors will be responsible for referring employees to the medical advisor. Referral should be based on unsatisfactory job performance where the use of alcohol appears to be a contributing factor. Supervisors will be furnished with guidelines and instructions to assist in proper administration of this policy.
- B. The confidential nature of medical records of employees with alcoholism will be preserved as any other confidential medical records.
- C. Policy is to be administered to fleet personnel in accordance with the list of rules posted on the bulletin boards of each ship.

ISSUED 9/28/84



OILSPILL IMPACTS

This report lists commercial and subsistence fisheries impacted through August 22, 1990.

While thought to be comprehensive, it is not intended to represent a complete or final listing of all adjustments to commercial fisheries to date.

There have been several closures, cancellations, and postponements to commercial and subsistence fisheries in Alaska as a result of oil spilled from the "Exxon Valdez" on March 24, 1989. These include:

COMMERCIAL

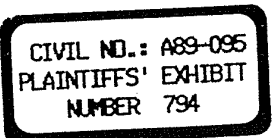
Price William Sound

Herring. The gillnet and purse seine sac roe and pound and wild roe-on-kelp fisheries were canceled April 3, 1989 prior to opening. The food and bait fishery began November 1, 1989 in the General Herring District. The harvest quota for this fishery was revised to conform with the 1990 spawning biomass estimate and was set at 1,760 short tons. However, because of existing market conditions, only 646.1 tons were harvested and the fishery was closed on November 12, 1989.

Pot Shrimp. This fishery was closed while in progress because of the high potential for direct contact of gear and catch with oil on noon, April 3, 1989. This closure was anticipated to run until the fishery was scheduled to reopen by regulation, August 15, 1989. However, aerial surveys from August 3 through 8 indicated the presence of oil in waters of the Traditional Harvest Area. The fishery remained closed until March 15, 1990 when the season opened by regulation. However, a small portion of the Traditional Harvest Area was closed on March 15 because of the presence of oil. The area included waters near Knight, Eleanor, and Smith Islands.

Trawl Shrimp. Closed 12:00 noon, April 9, 1989. This fishery was scheduled to reopen August 15, but aerial surveys indicated the presence of oil in the areas where the fishery was scheduled to occur. The Port Wells area reopened March 1, 1990 and the remainder of the Sound will probably remain closed until weather improves in the spring and aerial surveys are possible.

Sablefish (black cod). Did not open as scheduled April 1, 1989 because of the oil spill. This fishery reopened in inside waters only, in conjunction with the halibut opening at noon on June 12. This fishery closed on December 31, 1989. Sablefish was not reopened during the remainder of 1989 in outside waters because the Gulf of Alaska sablefish quota had been filled. The 1990 season did open as scheduled April 1.



Northern Area Dungeness crab. Was closed April 30, 12:00 noon. It reopened on January 1, 1990.

King crab

The entire Prince William Sound Registration Area was closed to the commercial harvest of all species of king crab during the 1989-1990 fishing season on October 1, 1989. Aerial surveys located oil in Knight Island Passage and adjacent bays. Knight Island Passage is the primary harvest area for brown king crab in the Sound. The brown king crab fishery, like other crab fisheries, depends upon the capture by pots and subsequent live holding of legal size males before they are sold to processors. The live holding of male crabs requires a fresh supply of sea water to be supplied to the crabs until the fishing vessel reaches port. Due to the fact that winter storms can move oil into the fishing areas, monitoring the area on a timely basis is impractical. Due to oil, which persists in the area of known fishing for brown king crab, there is an appreciable likelihood that the adulteration of crab or fouling of gear and vessels will occur. The red and blue king crab fisheries will not occur due to low abundance.

Groundfish. This fishery was closed at noon on April 30, 1989. It reopened with the June 12 halibut opener. Incidental catches indicated no contamination, and this fishery remains open (except for bottom trawl gear) at this time.

Miscellaneous shellfish. On April 24, 1989, it was announced that no miscellaneous shellfish permits would be issued to harvest these species in Prince William Sound until the danger of oil contamination had passed. To date no requests have been received for permits to harvest miscellaneous shellfish in the Sound, and none are expected to be issued prior to mid-April 1990.

Salmon

Eshamy District commercial drift and set net salmon fishery (100,000 chum surplus to hatchery needs, plus harvests of other species) did not open for the 1989 season, as was announced May 19, 1989. This District did not open for the 1989 season.

Most waters of the Northern District surrounding Naked and Perry Islands remained closed due to beach oiling.

Most waters of the Culross Island Subdistrict (224-30 & 40) remained closed to salmon fishing during the 1989 season because of exposure to frequent oil sheen.

The Southwestern District did not open for the 1989 season due to oil.



The Montague District (227) remained closed for the 1989 season. This area includes the inside shoreline of the Montague District, 227-10 and 227-20.

All of the commercial salmon fisheries in the Prince William Sound Management Area closed at noon, September 30, 1989.

In 1990, it was announced that two small beaches in the Eshamy District would remain closed because of the presence of oil. After re-evaluation on July 5, the two areas were determined not to pose an appreciable likelihood of fouling commercial fishing gear or adulterating product. They were therefore re-opened July 9, and remained open during regular fishing periods in the Crafton Island Subdistrict. These areas were:

- 1) Eshamy Bay: approximately 700 yards at the southern entrance into the bay between shore markers located at approximately 60'27.85' N. lat., 147'57.80' W. long. and 60'27.90' N. lat., 147'57.40 W. long. and extending 300 yards seaward.
- 2) Foul Bay: the shoreline surrounding the rock island in the middle portion of the Bay located at approximately 60'34.95' N. lat., 148'03.60' W. long. and extending 300 yards seaward.

On July 27 it was announced that several areas would be closed to commercial fishing because of the appreciable likelihood of fouling fishing gear or adulterating product. Those areas closed effective at 8:00 a.m. Monday, July 30 until further notice were:

- 1) Latouche Island: approximately 3.5 miles of the northern shoreline between markers located at approx. 60'03.83' N. Lat., 147'53.08' W. long. on the west shore and 60'03.05' N. lat., 147'48.93' W. long. on the east shore and extending 300 yards seaward;
- 2) Eleanor, Ingot, and Knight Island: all waters extending 300 yards seaward of the Eleanor, Ingot and Knight Island coastlines north of 60'25.0' N. lat.

Upper Cook Inlet

Salmon

With the exception of a very minor opening of a small portion of the Central District, the commercial drift gillnet season was canceled because of oil. In addition, the Department closed setnets in that portion of the Upper Subdistrict south of the Kasilof River for the 12-hour regular fishing period on Friday, July 7, 1989, because of presence of oil on the beaches. All other setnet fisheries and fishing periods were managed according to run strength.



The commercial salmon fisheries in Upper Cook Inlet closed in early September 1989.

Lower Cook Inlet

Pot shrimp. (Outer District). This fishery was closed at noon April 30 because of the presence of oil. It reopened at noon on July 7, 1989.

Miscellaneous shellfish. On April 24, 1989, it was announced that no miscellaneous shellfish permits would be issued to harvest these species in the Outer and Eastern Districts until the danger of oil contamination had passed. To date no requests have been received for permits to harvest miscellaneous shellfish from these two districts. All shellfish fisheries in the remaining districts of Cook Inlet are managed according to abundance, effort, and existing regulations.

Groundfish. (Outer and Eastern Districts). This fishery was closed at noon on April 30, 1989 because of oil. It reopened to all species except sablefish, June 12 in conjunction with the 24-hour halibut period. Sablefish was not reopened in 1989 because the Gulf of Alaska sablefish quota had been filled.

Smelt. Smelt was closed along with groundfish in the Outer and Eastern Districts at noon on April 30, 1989. When groundfish reopened, smelt fishing remained closed.

Herring Sac Roe. (Outer and Eastern Districts). These fisheries did not open for the 1989 season because of the presence of oil. This was announced April 15, 1989, prior to the anticipated opening date of April 20.

Salmon. Kamishak District commercial salmon fishery. This seine fishery opened by regulation June 1, 1989 and was closed by emergency order on June 9 because of oil. Portions of the Kamishak District north of Contact Point were opened after July 20 based on run strength. The Tutka Bay Subdistrict north of the HEA powerlines was closed to seining at 6 a.m., July 10. It was reopened at noon the same day after further assessment showed the commercial fishery would not be impacted. The commercial salmon season in Lower Cook Inlet closed August 26, 1989.

Kodiak

Herring Sac Roe. Approximately 34 of 56 management units closed during the duration of the fishing season, because of oil impacts. The 1989 Kodiak sac roe GHL was approximately 2,415 short tons.

Salmon. The commercial season was scheduled to get underway June 9, 1989. The fisheries were postponed until June 19, when only the setnet fishery in the Alitak District opened; there were



PLEX794-004

approximately 114 days fished in this setnet fishery by 87 fishermen. The only other commercial opening to occur during the 1989 salmon season was a two day seine opening in Karluk Lagoon, or the westside of Kodiak Island, in mid-September. About five seiners took part in that fishery, netting fewer than 5,000 salmon. The entire Kodiak Management Area closed to commercial salmon fishing at the conclusion of the Lagoon fishery.

Chignik

Salmon. The Chignik fishery opened on Monday June 12, 1989 at 11:00 a.m. However, portions of the Eastern District were closed due to the presence or close proximity of oil in the Kilokak Rocks area, and in Imuya and Wide Bays. The Department announced a 24-hour fishing period beginning at 9:00 a.m. June 26 for a portion of the Chignik Bay District. The area was limited to a small portion of this district due to the presence of oil in surrounding areas. The documented presence of mousse and sheen in Chignik Bay near Anguvik Island, coupled with a minimal monitoring effort, justified the closure of the commercial salmon fishery effective 10:00 p.m., Monday, June 26 for the remainder of the announced period. Because of the presence of oil contaminants within Chignik Lagoon in sufficient quantities to pose a risk of contaminating gear and/or product, the commercial salmon fishing periods scheduled for Thursday, July 27 and Sunday, August 5 were canceled. Commercial fishing opportunities remained restricted to Chignik Lagoon of the Chignik Bay District. Fisheries were held when sockeye escapements into the system justified them.

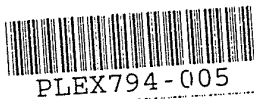
SUBSISTENCE/PERSONAL USE

Prince William Sound

Much of the Southwestern District and the western shoreline of Green Island was closed to subsistence fishing June 6, 1989. The only areas remaining open to subsistence fishing for those residents domiciled in the Southwest District are Eshamay Lagoon, Jackpot Bay, and inside Sawmill and Crab Bays.

Cook, Inlet, Kodiak, and Chignik

There have been no closures to subsistence fisheries because of oil. Subsistence fishermen have been cautioned to select fishing areas that show no signs of oil impact.





SURRENDERING THE MEMORIES

Frank J. Tarossi
Exxon Shipping Company

57303710448-0

CDX 2600 DATE 8-6-12
WITNESS Tarossi
LTM M. WEBER

CIVIL NO: A89095
PLAINTIFFS
EXHIBIT NUMBER
2795A

SIX YEARS AGO, EXXON SHIPPING COMPANY (ESC) SET ABOUT TO ENLARGE THE RESPONSIBILITIES AND AUTHORITY OF ITS SENIOR FLEET OFFICERS BY MOVING AWAY FROM THE "SHIP DRIVER" CONCEPT TOWARD A "BUSINESS UNIT MANAGEMENT" CONCEPT. THE EXISTING YEARS HAVE BEEN MARKED BY MEASURED BUT CONTINUOUS CHANGE IMPACTING NOT ONLY THE ROLE OF THE FLEET OFFICER BUT ALSO THAT OF THE UNLICENSED SEAFARER AND THE SUPPORTING SHORESIDE ORGANIZATION. THE PURPOSE OF THIS PAPER IS TO HIGHLIGHT THESE CHANGES AND TO PROVIDE SOME OBSERVATIONS REGARDING THE PROCESS AND THE RESULTS.

THE NEW FLEET OFFICER

IN RETROSPECT, THE CHANGING ROLE OF ESC'S FLEET OFFICERS CAN BE TRACED BACK TO 1973 WHEN ESC CEASED RECOGNITION OF A BARGAINING UNIT FOR ITS CAPTAINS. PERFORMANCE AND COMPETENCE RATHER THAN SENIORITY BECAME THE KEY FACTORS DETERMINING PROMOTION TO THE RANK OF CAPTAIN. IN 1976, ALL CAPTAINS WERE PLACED ON A MERIT BASED SALARY SYSTEM. THE OBJECTIVE OF BOTH CHANGES WAS TO STRENGTHEN THE SUPERVISOR ROLE AND MANAGEMENT

- 2 -

57303730649-8

PERSPECTIVE OF THESE SENIOR FLEET OFFICERS. AT THE TIME, THOSE CHANGES WERE VIEWED AS ISOLATED STEPS. HOWEVER, IN RETROSPECT, THEY WERE THE HARBRINGER OF A SEASON OF CHANGE.

IN 1981 EXXON SHIPPING CEASED RECOGNITION OF ITS FLEET OFFICER BARGAINING UNIT, THUS ENHANCING THE SUPERVISOR ROLE OF ALL ITS FLEET OFFICERS. BY 1983 ALL OFFICERS WERE ON A MERIT BASED SALARY SYSTEM SIMILAR TO EXXON'S MANAGEMENT AND PROFESSIONAL SALARY SYSTEM. A MORE EXTENSIVE PERFORMANCE APPRAISAL AND COUNSELING PROGRAM WAS INITIATED WITH THE FLEET OFFICERS IN THE KEY ROLE OF THE APPRAISERS. THIS PROGRAM SET THE BASIS FOR PROMOTIONS AS WELL AS SALARY TREATMENT.

SINCE 1981 A NUMBER OF PROGRAMS HAVE BEEN INITIATED TO ENHANCE THE MANAGEMENT SKILLS OF THE FLEET OFFICER. THE OBJECTIVE WAS TO MOVE THE OFFICER BEYOND THE TRADITIONAL PROFESSIONAL ROLE INTO A MUCH BROADER ONE THAT INCLUDED RESPONSIBILITY FOR THE OVERALL PERFORMANCE OF HIS BUSINESS UNIT; I.E., HIS VESSEL. THESE PROGRAMS INCLUDED SUCH TOPICS AS EFFECTIVE SUPERVISION, PERFORMANCE STANDARDS, APPRAISALS AND COUNSELING, INDUSTRIAL HYGIENE, EEO AWARENESS, EXPENSE FORECASTING AND MONITORING, BUSINESS PRACTICES, AND SAFETY SUPERVISION.

PARTICIPATION, LEADERSHIP, AND TEAMBUILDING

THE MOST AMBITIOUS OF THESE PROGRAMS WAS CREATED IN 1985 TO ENHANCE THE LEADERSHIP CAPABILITIES OF THE FLEET OFFICERS. DURING THE DEVELOPMENT OF THIS PROGRAM, IT WAS RECOGNIZED THAT MOTIVATING THE COMPANY TO HIGHER LEVELS OF PERFORMANCE REQUIRED MORE THAN ENHANCED LEADERSHIP OF ITS FLEET OFFICERS. IT REQUIRED THE WILLINGNESS OF ALL EMPLOYEES TO PARTICIPATE IN THE SEARCH FOR IMPROVED PERFORMANCE. IT REQUIRED THE LEADERSHIP SKILLS TO MOTIVATE THIS PARTICIPATION, TO DEVELOP CONSENSUS, AND TO IMPLEMENT CHANGE. IT REQUIRED THE ABILITY TO CREATE TEAMWORK WITHIN A HIGHLY SEGMENTED ORGANIZATION. THIS MEANT BRIDGING THE DIVISIONS BETWEEN DECK AND ENGINE DEPARTMENTS, SENIOR AND JUNIOR OFFICERS, LICENSED AND UNLICENSED SEAFARERS, AND, OF COURSE, BETWEEN SEAGOING PERSONNEL AND THE SHORESIDE STAFF. THIS WAS NO MODEST UNDERTAKING!

THE PROGRAM WAS APPROPRIATELY LABELED "EXCELLENCE THROUGH TEAMWORK" OR "EXCEL" FOR SHORT. BY THE TIME THE FIRST CLASS WAS UNDERWAY IN EARLY 1986, THE PROGRAM HAD BEEN EXPANDED TO INCLUDE ALL 900 EMPLOYEES IN THE OCEAN FLEET PLUS MOST OF THE SHORESIDE ORGANIZATION. PARTICIPATION WAS MANDATORY FOR CAPTAINS, CHIEF ENGINEERS, AND SHORESIDE SUPERVISORS, AND VOLUNTARY FOR ALL OTHER FLEET OFFICERS AND UNLICENSED SEAFARERS. A TOTAL OF 800 EMPLOYEES ATTENDED THE 26 ONE-WEEK TRAINING SESSIONS COMPLETED BETWEEN FEBRUARY 1986 AND DECEMBER 1987. ATTENDEES INCLUDED 84% OF FLEET OFFICERS, 65% OF UNLICENSED EMPLOYEES, AND 95% OF SHORESIDE EMPLOYEES. EACH SESSION COMBINED A NUMBER OF FLEET OFFICERS, UNLICENSED SEAFARERS, SHORESIDE MANAGERS, SUPERVISORS, AND STAFF PARTICIPATING TOGETHER AS EQUALS IN A PROGRAM THAT STRESSED INTERPERSONAL SKILLS AND TEAMBUILDING.

ONE OF THE NOTEWORTHY CHANGES COMING OUT OF THIS EFFORT WAS THE INITIATION OF "WORXTEAMS" ON BOARD MANY OF THE COMPANY'S VESSELS. LICENSED SUPERVISORS AND UNLICENSED SEAFARERS JOIN IN IDENTIFYING WORK TASKS, SETTING PRIORITIES, AND IN PLANNING AND ASSIGNING PERSONNEL TO SPECIFIC TASKS. IN MOST CASES, THE WORXTEAM CONCEPT HAS LED TO A MORE PARTICIPATIVE, MORE PRODUCTIVE ENVIRONMENT FOR BOTH LICENSED AND UNLICENSED TEAM MEMBERS. ANOTHER CHANGE INVOLVED THE FORMATION OF PERMANENT COMMITTEES IN EACH SHORESIDE OFFICE DEDICATED TO ENCOURAGING PRODUCTIVE CHANGE WITHIN THE ORGANIZATION. THIS INFORMAL ORGANIZATION HAS BEEN LARGELY RESPONSIBLE FOR ENCOURAGING INNOVATION AND KEEPING THE EXCEL SPIRIT ALIVE WITHIN ESC.

THE EXCEL PROGRAM HIGHLIGHTED THE IMPORTANCE OF EFFECTIVE COMMUNICATION AS A PREREQUISITE TO EFFECTIVE TEAMWORK. THIS CAN BE A PARTICULARLY DIFFICULT CHALLENGE IN A HIGHLY SEGMENTED ORGANIZATION SUCH AS A SHIPPING COMPANY WHICH MUST DEAL WITH A NUMBER OF MOBILE UNITS CONTINUALLY CHANGING GEOGRAPHIC POSITION, WITH CLEAR DISTINCTIONS AMONG GROUPS OF EMPLOYEES, AND WITH THE TRADITIONAL SHIP/SHORE INTERFACE PROBLEMS. UNDOUBTEDLY, THE MOST IMPORTANT CHANGE RECOGNIZED WITHIN ESC SINCE THE EXCEL INITIATIVE HAS BEEN IMPROVED PARTICIPATION AND COMMUNICATION AT ALL LEVELS OF THE ORGANIZATION. MUCH OF ESC'S PLANNING AND DEVELOPMENT ACTIVITIES ARE NOW BEING ACCOMPLISHED THROUGH TASK FORCES OR PROJECT TEAMS COMPRISED OF A MIX OF SHORESIDE STAFF AND FLEET OFFICERS REPORTING THEIR PROGRESS PERIODICALLY THROUGHOUT THE ORGANIZATION.

THE SHIPBOARD MANAGEMENT TEAM

THE LATEST AND PERHAPS MOST SIGNIFICANT STEP IN THE EVOLUTION TO THE NEW FLEET OFFICER INVOLVED THE DEVELOPMENT OF THE SHIPBOARD MANAGEMENT TEAM AND THE CONCEPT OF BUSINESS UNIT STEWARDSHIP. BY LATE 1986, THREE INITIATIVES UNDERTAKEN BY ESC HAD CONVERGED LEADING TO THE FORMATION OF A SHIPBOARD MANAGEMENT TEAM FOR EACH OF THE COMPANY'S 20 OCEAN TANKERS. THESE FACTORS WERE THE INCREASING DEMONSTRATION OF MANAGEMENT AND LEADERSHIP SKILLS BY THE FLEET OFFICERS, THE SHIFT TO CONTINUITY OF VESSEL ASSIGNMENT FOR ALL OFFICERS ABOVE THE ENTRY LEVEL, AND THE SIGNIFICANT REDUCTION IN SHORESIDE STAFFING RESULTING FROM CORPORATE-WIDE RESTRUCTURING. DEVELOPMENTS DURING THE PREVIOUS FOUR YEARS MADE IT POSSIBLE TO INITIATE A MAJOR SHIFT OF RESPONSIBILITY AND AUTHORITY FROM THE SHORESIDE STAFF TO THE SHIPBOARD TEAMS.

THE SHIPBOARD MANAGEMENT TEAM INCLUDES THE 12 OFFICERS ASSIGNED TO THE SIX MOST SENIOR POSITIONS ABOARD THE VESSEL: I.E., MASTER, CHIEF ENGINEER, CHIEF MATE, FIRST ENGINEER, SECOND MATE, AND SECOND ENGINEER. ONE OF THE CHALLENGES UNIQUE TO THIS TEAM CONCEPT RELATES TO THE PERIODIC CHANGE IN TEAM MEMBERSHIP AS EACH OFFICER ROTATES BETWEEN SEA TOUR AND PAID LEAVE. WHILE WE HAD SOME CONCERN WHEN THE PROGRAM WAS INITIATED, THE SHIPBOARD TEAMS HAVE MANAGED TO MAINTAIN CONTINUITY IN BOTH OBJECTIVES AND IMPLEMENTATION EVEN THOUGH EACH TEAM MEMBER IS ON BOARD ONLY HALF THE TIME.

(AS BACKGROUND, IT SHOULD BE NOTED THAT ESC'S 20 OCEAN TANKERS ARE UNDER THE OPERATIONAL CONTROL OF TWO FIELD OFFICES — ONE LOCATED AT ESCOM'S REFINERY AT BAYTOWN, TEXAS, AND THE OTHER LOCATED AT ESCOM'S REFINERY AT BENICIA, CALIFORNIA. THE PRINCIPAL STAFF OF EACH OFFICE INCLUDE A FLEET MANAGER WITH OVERALL OPERATING AND STEWARDSHIP RESPONSIBILITIES AND THREE SHIP GROUP COORDINATORS, EACH WITH DIRECT RESPONSIBILITY FOR THREE OR FOUR SPECIFIC VESSELS. THE TERM STEWARDSHIP MAY ALSO NEED SOME EXPLANATION. AS USED WITHIN ESCOM, IT REFERS TO A MANAGER'S RESPONSIBILITY TO FORMALLY AND PERIODICALLY ACCOUNT FOR THE OVERALL PERFORMANCE OF THE UNITS UNDER HIS CONTROL. THIS STEWARDSHIP RESPONSIBILITY COVERS ALL ASPECTS: EXPENSE CONTROL, OPERATING PERFORMANCE, SAFETY, EMPLOYEE RELATIONS, ENVIRONMENTAL IMPACT, ETC.)

THE CORE OF THE SHIPBOARD MANAGEMENT TEAM CONCEPT IS A FORMALIZED FORECASTING AND STEWARDSHIP PROGRAM WHICH PROVIDES THE FRAMEWORK FOR THE TEAM'S PERFORMANCE. EACH YEAR THE TEAM IS PROVIDED WITH HISTORICAL DATA FOR THEIR VESSEL AS WELL AS FOR SIMILAR VESSELS. ALSO PROVIDED IS A PROJECTION OF THEIR VESSEL'S UTILIZATION IN THE COMING YEAR. FROM THIS, THE TEAM DEVELOPS A FORECAST OF PERFORMANCE PARAMETERS AND OPERATING EXPENSES. ONCE THIS FORECAST HAS BEEN PRESENTED AND REVIEWED BY THE RESPECTIVE FLEET MANAGER, IT BECOMES THE STEWARDSHIP BASE FOR THE COMING YEAR. IT IS THEN UP TO THE SHIPBOARD TEAM TO MEET THE GOALS, OPERATING PARAMETERS, AND EXPENSE PROJECTIONS SET OUT IN THEIR FORECAST. TWICE EACH YEAR THE SHIPBOARD TEAM MEETS WITH THEIR FLEET MANAGER AND SHIP GROUP COORDINATOR TO REVIEW PROGRESS AND TO MAKE ADJUSTMENTS WHERE NECESSARY.

ESC IS NOW IN THE SECOND YEAR OF THIS PROGRAM. THE COMMITMENT AND PROFESSIONALISM DEMONSTRATED BY ITS FLEET OFFICERS IN THE FIRST YEAR OF THE SHIPBOARD TEAM CONCEPT EXCEEDED ALL EXPECTATIONS AND PROMPTED THE STUDY OF FURTHER ENHANCEMENTS TO THE STEWARDSHIP PROGRAM.

ASSIGNMENT CONTINUITY

PRIOR TO 1986, ESC HAD ENDEAVORED TO MAINTAIN ASSIGNMENT CONTINUITY FOR MASTERS AND CHIEF ENGINEERS AND TO EXTEND THIS FOR OTHER SENIOR OFFICERS WHENEVER POSSIBLE. IN PRACTICE, IT WAS DIFFICULT TO MAINTAIN MORE THAN A 60% TO 70% CONTINUITY RATE DUE PRIMARILY TO PERSONNEL RETIREMENTS PLUS THE STARTUP OF NEW VESSELS AND THE RETIREMENT OF OLDER VESSELS. HOWEVER, EVEN WITH THIS MODEST LEVEL OF CONTINUITY, THE BENEFITS OF RETURNING SENIOR OFFICERS TO THE SAME VESSEL WERE READILY APPARENT.

THE SHIPBOARD MANAGEMENT TEAM CONCEPT REQUIRED THAT OFFICER CONTINUITY BE EXPANDED; AND BY LATE 1986, ESC HAD SHIFTED TO PERMANENT VESSEL ASSIGNMENTS FOR ALL ITS FLEET OFFICERS THROUGH SECOND MATES AND SECOND ENGINEERS. IN 1987 ESC WAS ABLE TO MAINTAIN A CONTINUITY RATIO OF NEARLY 90%. IN ESSENCE, TWO FLEET OFFICERS ARE ASSIGNED TO EACH BILLET. FLEET OFFICERS HAVE BEEN GIVEN THE FLEXIBILITY WITHIN BROAD GUIDELINES TO WORK OUT ROTATIONS WITH THEIR COUNTERPARTS TO SUIT BOTH VESSEL AND PERSONAL

PREFERENCES. THE RESPONSE BOTH FROM THE FLEET OFFICERS AND FROM THE SHORESIDE SUPERVISORS HAS BEEN VERY POSITIVE. IN 1988 ESC WILL ENDEAVOR TO INCREASE THE CONTINUITY RATIO AND TO EXPAND ASSIGNMENT CONTINUITY TO INCLUDE SELECTED THIRD MATES AND THIRD ENGINEERS WITH AT LEAST TWO YEARS EXPERIENCE. ESC HAS ALSO RECOGNIZED THE VALUE OF ASSIGNMENT CONTINUITY FOR UNLICENSED PERSONNEL AND PLANS TO EXPAND THE USE OF PERMANENT ASSIGNMENTS FOR SELECTED UNLICENSED CREW MEMBERS.

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STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 89-20572

ADDRESS _____

CAPTAIN JOSEPH J. HAZELWOOD

of Valdez

time 13:05 approx. date 3/24/89

make the following voluntary sign-

I was born on _____

I have completed _____ year

MD= Chief Mark Delozier, U.S.C.G.

MF= Trooper Mike Fox

JH= Joseph J. Hazelwood

UM= Unidentified Male

MD: Well, why don't you describe to me in your own words what, what took place from the time we untied the, the vessel at the pier and if you can remember...

JH: Yeah.

MD: The times, to the best of your ability, that would be helpful?

JH: Well, I...at approximately 2100, we started to single up.

MD: Okay.

JH: INAUDIBLE orassy routine, let...let go.

MD: As...as...as you, as you're doing it, you've got to place me in a location where you are and try to designate which persons are also with you at that time. In other words, you're up in the wheel house getting ready to...

JH: Oh.

MD: Get under way, the Chief Mate is there, etc.

JH: Yeah.

MD: Okay.

JH: It was myself, the Pilot, the Helmsman, and the Chief Officer, Bridge

I have read the above and foregoing statement consisting of _____ pages. I have been given an opportunity to make any changes that I might want to make. The changes which I have made are initialed by me in my own handwriting.

I now sign this statement in the presence of _____ and _____ to certify that the same is true and voluntarily made.

CIVIL NO. 89-095
PLAINTIFFS' EXHIBIT
NUMBER 826

PLEX826-001

DEPOSITION EXHIBIT
76641
Allison Ash-Hoyman
Date _____

DATE 3-25-89
WITNESS Delozier
STATE OF ALASKA
JUDICIAL BRANCH
JANUARY 1988

STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 89-20572

Watch Team.

MD: Alright.

JH: We let go normally, let go Valdez, just let the ends go, work down to the spring lines and let them go. The tug was inside, pushed us off the dock, we proceeded towards the Narrows.

MD: Did you say the First Officer was there too?

JH: Yeah, he's...that's his station.

MD: That's his station?

JH: INAUDIBLE...dock.

MD: Chief Mate?

JH: Chief Mate, First Officer, are the same...

MD: First, Pilot, and the Pilot was Mr. MURRAY?

JH: MURPHY.

MD: MURPHY. Okay, okay, go ahead...INAUDIBLE...

JH: And we disembarked him at Rocky Point, approximately 2330, 2325 exact time. He got on the pilot boat, I assumed the con of the vessel at that time.

MD: At Rocky Point?

JH: At Rocky Point, the pilot station.

MD: Okay, now when you say you assumed the con...you're ^{A/H} referring to, from the Pilot?

JH: Yeah, he got off and I...

MD: Okay.

JH: I piloted through the waters.

MD: Okay.

JH: And then we came down here, I had to alter course somewhat to port, some ice was here.

MD: Um, huh.

JH: And then I noticed on the radar, you could kind of see it in the darkness, you could see some big chunks, there was a big, almost a flight of ice bergie bits and brash ice hanging across the entire separation zone into the northbound lane.

MD: Um, huh.

JH: At that point, I altered course to 200, which is about 17° to the left of the track line, because 217 is the median of the traffic lane.

MD: Okay.

JH: And I saw that wasn't going to be enough to avoid all the ice on the radar, so I altered course to 120 and...
 → INAUDIBLE

WITNESS

SIGNATURE



PLEX826-002

00522

STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 89-20572

MD: At any point ^{Ah Ah.} during this determination of the ice and altering the course, did you communicate with the traffic?

JH: Yes, I notified traffic on Channel 13 and let them know my intentions. what I was doing, and that I would probably cross the inbound lane and they said there was, I think, two Arco ships that were outside of Hinchbrook, so there would be no conflicting traffic.

MD: Okay, inbound, we're talking...

JH: Northbound.

MD: This one here, right? So, you're...

JH: Coming out here.

MD: You're supposed to be on this one here...

JH: Yeah.

MD: Normally, right?

JH: Yeah.

MD: So, you took...

JH: Well, this dotted line is the median or the...the solid line is the middle.

MD: This, this one here?

JH: Yeah.

MD: This is the one that you're supposed to be on?

JH: Yeah.

MD: For prime lane, okay, so you altered and you're about 17 off of that?

JH: Yeah.

MD: Which would put you...?

JH: INAUDIBLE position.

MD: Okay, right here.

JH: INAUDIBLE...that's 15 minutes after the pilot's got off.

MD: Okay, and then...

JH: And then I had to haul some more just about to due south, which would be this...

MD: Okay.

JH: That's a longitude line.

MD: Um, huh. (AND ABOUT HERE)

JH: (It's...and it was about here) I had some paperwork to attend to down here for a few minutes and I asked the Third Mate...he had, was comfortable with the situation...the course we were steering...we got down to Busby Island, we clear the ice on the radar, haul it back to the right, and rejoin the traffic system.

WITNESS

SIGNATURE



PLEX826-003

0052

STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 89-20572

MD: Okay, so the intention was to come on down to this vicinity?
 JH: Yeah, Busby Island, get a new fix, and the light was visible.

MD: And then swing her back up?
 JH: And swing her to westward again.

MD: Okay, and that was about... that was 180?
 JH: That's a 180. Well, this isn't a course line, it's the meridians.

MD: Yeah.
 JH: Due north and south, so basically that's a...

MD: Alright. So, you asked the Third, if he felt comfortable?
 JH: Yeah.

MD: And... Ah
 JH: And he was aware of, apprised of the situation, what... how I had conned the ship, that it was steering 180.

MD: Um, huh. Did you leave any explicit instructions as far as when you get through such and such a point, you will turn to...
 JH: No, I didn't...

MD: Any particular course?
 JH: Ah, say at Busby Island, turn back, but I showed him on the radar where the ice was...

MD: Um, huh.
 JH: And we'd be abeam of it and we'd be approximately here.

MD: Okay.
 JH: And once we're abeam of the, the apex of the ice... Ah?

MD: Um, huh.
 JH: Come back to the right and rejoin the traffic lane.

MD: Alright.
 JH: And I went down to here, I was at my desk, starting to do some papers and I felt a shudder. The vessel shuddered and I was just about to go up to the bridge when the phone rang and he said, "I believe we're aground."

MD: Okay. Ah... you, you felt a shudder?
 JH: Yeah.

MD: And you were preparing to, to get up and go?
 JH: Get up to the bridge and find out what was... Ah?

MD: And, at that time then, you received a phone call?
 JH: Yeah, the phone rang.

MD: Okay. Alright, and... alright, then what? I mean, once you got there?

 WITNESS

 SIGNATURE

0052



STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 89-20572

JH: Well, I...I went over to the side and the...you could tell she was aground. I looked at the...INAUDIBLE...the depth sounder.

MD: Were you, were you dead in the water then? I mean...
 JH: Yeah, she stopped.

MD: You were stopped?

JH: The engines were still running, but the, there...was making no way.

MD: Okay.

JH: Put some deck lights on and we saw the oil around the vessel
 AND I CALLED TRAFFIC.

MD:

JH:

MD: As far as ^{Ah} when you, when you actually hit aground, you say, it ^{Ah}
 shuddered?

JH: Yeah.

MD: Was...was that, was there a jolt...?
 JH: No, it was just a...

MD: Rocked the boat, I mean?

JH: Well, there's a normal vibration of the engines. It's...but this was a, you know, significant shudder that's not, you know, didn't feel right.

MD: Okay. Alright...^{Ah} alright, when you arrived on the bridge, did you, did you do anything at that time?

JH: Oh, I was...I tried the rudder and the engines for a few minutes, to see if we could extract it from the situation, but then, I got my faculties about me...I was a little upset, of course, but then I thought about it and driving her off might not be the best way to go, ^{INAUDIBLE} because it just... exacerbate the damage, so I just stopped the engines.

MD: Did...did the Third ^{Ah} say anything to you then or...?
 JH: No, he ^{Ah} didn't communicate anything. He...the only mention he made, he said, "he started the turn too late." He said, "she was sitting down on this area," and then he said, "he put more wheel on it." That's when she shuddered and stopped. He was in the process of making the turn when she...

MD: Alright, did...^{Ah} did you have any conversation with him once you got up there? I mean, as far as...? ^{Ah Ah}

JH: No, I haven't really spoken to him concerning this situation...INAUDIBLE...

MD: Okay.

JH: He's probably as upset as I am, so...

MD: INAUDIBLE...okay.

WITNESS

SIGNATURE



PLEX826-005

005

STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 89-20572

- JH: Constructive at this point.
- MD: Alright, so there you sat, high...high aground and was there any other ^{Ah} any other attempts to, to do anything or... Ah, I mean, Ah notification.
- JH: ^{Ah notification} I had the Mate to sound the tanks and the engineers sound the engine room...
- MD: Um, huh.
- JH: Void spaces, double bottoms, pump room, to ascertain any damage that we could ascertain.
- MD: Okay. ^{Ah} Alright, ^{Ah} again on, on the... ^{Ah} who was where, when. You departed with the Chief Mate, yourself, First, and the Pilot, and the Helmsman in the wheel house. Alright, the Helmsman at departure was RED...REDDICK? Is that his name?
- JH: RADTKE.
- MD: RADTKE?
- JH: PAUL RADTKE.
- MD: PAUL RADTKE?
- JH: Yeah.
- MD: Okay, and ah...do you know how far he took the vessel? ^{Ah}
- JH: He had the wheel, so he would have taken it through the Narrows, almost to ^{Ah} where the pilots disembarking and shortly thereafter, he was relieved by KAGAN. ^{Inaudible}
- MD: Do you remember that for a fact? I mean... ^{Ah}
- JH: Yeah....
- MD: As far as the pilot. ^{Ah}
- JH: I remember the pilot...
- MD: Departing and RADTKE's still at the helm? ^{Ah}
- JH: I couldn't say for sure if he was on the wheel.
- MD: Alright, and ah, alright, how about the Chief Mate, how far did he take it?
- JH: He took it until we were clear of the dock and the deck was reasonably secured, and the Third Mate came up from his docking station to relieve him on the bridge. The Third Mate INAUDIBLE... ^{Inaudible}
- MD: Do you know what your, what the ship's location was about that time? ^{Inaudible}
- JH: It's usually about halfway between the, the berths and Middle Rock by the time all the lines are stowed...kind of a rule of thumb, to have everything buttoned up pretty well on deck.
- MD: Alright, then the Third took over, right?

WITNESS

SIGNATURE



PLEX826-006

0059

STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 89-20572

JH: Yes, he, that's his regular watch.

MD: Okay, and how about the First, he was on, on the bridge when you departed. When did he...when you left the dock...

JH: Yeah.

MD: When did he leave or do whatever he did, did he stay there the whole time or...?

JH: No, he turned in as soon as he was relieved, went down below decks, well...

MD: In about what location did he INAUDIBLE...

JH: At about the halfway point...

MD: INAUDIBLE I believe.

JH: INAUDIBLE...Third Mate relieved him.

MD: ^{oh} Okay, so the Third relieved the First?

JH: Yeah.

MD: The Chief's position is to take the ship out?

JH: No, the Chief Mate is the same as the First Mate.

MD: Oh, I'm sorry.

JH: INAUDIBLE...

MD: Maybe I should just INAUDIBLE...catcha...sorry about that...First, Chief Mate...Okay, did you notice anything unusual about this, about any of the, the operators or the persons in the wheel house?

JH: No.

MD: During this ^{oh} INAUDIBLE...did you observe them to be in a fairly routine manner or? ^{ah, ah} ^{ah}

JH: Yeah, it was...pretty routine INAUDIBLE. *EVOLUTION*

MD: How about the Helmsman or did you get an opportunity to take a look INAUDIBLE? ^{ah}

JH: Well, it was dark ~~and~~ he did fine coming out through the Narrows, you know. Tight spot, so he responded per the pilot's orders.

MD: Have you sailed with him before?

JH: No, I haven't.

MD: How about the ^{ah} the Third, have you sailed with him before?

JH: Yeah, he's a regular on this vessel.

MD: And you feel pretty comfortable with him?

JH: Yeah, competent man.

MD: ^{ah} There have been some ^{ah} suggestions and statements concerning the fact that ^{ah} ^{ah} ah, that you had some alcohol or an odor of alcohol on you, do you? ^{ah}

WITNESS

SIGNATURE



PLEX826-007

0059

STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 89-20572

JH: Well, I had one of these ohony beers, "Moussy," and I'd been ashore. I had lunch with ^A Captain MURPHY, drank iced tea.

MD: That's the pilot?

JH: Yeah, he's an old friend of mine. [I went to see him,] had lunch over in the town.

MD: Where was that at?

JH: Ah, the pizza joint there. ^{↳ An} *↳ Inhabited*

MD: Pizza Palace?

JH: Yeah.

MD: What time was that, do you remember?

JH: Right around noon time. I conducted some business in the agency office and he picked me up. We saw the Chief Engineer, Radio Operator... lunch.

MD: What time were you done there?

JH: Oh, I'd say roughly 2:00. I did a little shopping, got some cost cards, and sent some flowers to my wife for Easter and picked up some pizza to bring back to the ship with us. The Chief got a cab and we come back to the ship...

MD: Alright, what time did you grab the cab?

JH: Oh, I'd say about 7:00 o'clock. We were just walking around the town, hadn't been ashore in awhile, stretch my legs. We were diddling around for a while with the cab, because he had to pick up another fare that was coming back to the docks. Arco ship, crew member... he was trying to track him down in town.

MD: Alright, ^{Ah} did you have anything to drink at the Pizza Palace?

JH: Ah, I had a beer with a piece of pizza, picked up before we came back.

MD: One beer?

JH: Yeah.

MD: A real beer?

JH: A real beer, nothing with lunch, just iced tea.

MD: Anything af... any other alcohol consumption after the pizza? ^{Ah}

JH: Well, these "Moussy's," I had one of them prior to sailing. It's... I guess it's not alcohol and it's an alcohol free beer.

MD: It's ^{Ah} what's it called, a Moose?

JH: "Moussy."

MD: Non-alcoholic... and you had one of these when you came back?

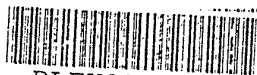
JH: One or two. I was just sorting out some papers before we sailed.

MD: Prior to sailing?

JH: Yeah.

WITNESS

SIGNATURE



PLEX826-008

205

STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 89-20572

MD: One or two "Moussy's" ...^{ah}... alright, any indication that anyone else on watch was^h had been drinking or had been ashore or had the indication to you that maybe they had been drinking?

JH: No, nothing was evident.

MD: Okay.

JH: No erratic behavior INAUDIBLE...

MD: Do you know if any of those people were ashore?

JH: That I, I really couldn't tell you. I, I don't believe so anyway.

MD: Alright.

JH: The Mates didn't go ashore.

MD: Alright, let's start with the Chief Mate. Do you know if he was or wasn't ashore?

JH: No, he wasn't.

MD: That's a definite no?

JH: Yeah.

MD: Ah, how about the Third?

JH: I...couldn't swear to it, but I, I, I don't think he was ashore. I don't believe he went, the Second Mate as well... INAUDIBLE...

MD: Alright, and how about either of the helmsmen, either?

JH: That I...^{ah}... CLARR or RAOTKE.

MD: CLARR or RAOTKE? No, KAGAN?

JH: Oh, KAGAN relieved the wheel. I couldn't say.

MD: INAUDIBLE...

JH: INAUDIBLE... You'd have to ask him that...

MD: Okay, and^{ah} and RAOTKE?

JH: No, I, I don't know.

MD: Yeah, okay.

JH: I didn't see him in town.

MD: Did you^{ah} did you stop at any other^{ah, ah}... establishments in town, liquor places or bars?

JH: Well, we went by the Pipeline to see if anybody off the ship was in there, if we knew anybody.

MD: Okay. ~~There~~

JH: That was...nobody there, so we left and picked up the pizza over at the^{ah} Harbour Club.

MD: Um, huh. Did you go by cab to the Pipeline or were you just walking...

JH: Walking... ~~Yeah~~.

WITNESS

SIGNATURE



PLEX826-009

00

STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 89-20572

- MO: Around?
- JH: We were just walking around.
- MO: Okay. Do you have any idea what time you stopped in at the Pipeline?
- JH: Oh, I'd say 3:30 or so, it was after lunch, and I did some shopping.
- MO: Okay. Alright! Okay, well, do you have any suggestions or thoughts on the cause or reason why this, this happened? Why we are where we are?
- JH: The only... I've, I've got to accept the responsibility for not, possibly overestimated the Third Mate's abilities as a ship handler, perfectly reliable before... that's a pretty simple maneuver... wasn't you know, I wouldn't have left the bridge if I didn't feel comfortable with his abilities to bring her back on course.
- MO: Ah, when I talked to the Third, he said that... okay, between Busby, the fix at Busby...
- JH: Um, huh.
- MO: And the grounding, ah, he gave her ten degrees rudder at ten degrees right...
- JH: Um, huh.
- MO: About in this position...
- JH: Yeah.
- MO: And then he felt the ship sliding, in his words, and then he gave her twenty degrees right.
- JH: Okay.
- MO: And then, just prior to the grounding, it was hard right. Um, what does he mean by sliding down? Do you have any idea?
- JH: The only thing I can think of is he must have felt some motion that would indicate she's sliding over the bottom, touched the bottom around, actually touched.
- MO: With the bottom... okay, how about the... let's get back to the traffic service here. What's your thoughts on that? I mean, any, if any?
- JH: No, I've done the same maneuver before with ice...
- MO: Okay.
- JH: In the lanes. Check with them and let them know what I was doing.
- MO: Um, huh.
- JH: I had to do the same thing inbound... avoid some ice... came over...
- MO: Were you aware of this, this section here?
- JH: Yeah, I, like I said, I felt comfortable leaving him there, because it... the way the ice was situated, the turn.
- UN: INAUDIBLE... The fenders are on.

WITNESS

SIGNATURE



PLEX826-010

205

STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 89-26572

JH: Okay, 'cause BARRY'S going to hang them on himself, I think.

UM: Yeah, they're sending one to us.

JH: One?

UM: Yeah, and they're rolling up another one.

JH: Oh, okay. Yeah, just ah...

MO: Okay, do you feel like ^{uh} like the Third was aware of this, you know, the...?

JH: Yeah, he's competent and it's on...it's well charted and...

MO: Um, huh.

JH: You know, he's looking right at it.

MO: Alright, um, how about drugs? Do you use any drugs, any medication?

JH: No, uh, uh.

MO: Neither?

JH: Neither.

MO: How about your health?

JH: Ah, fine.

MO: I'm not talking about at the moment. I'm talking about yesterday.

JH: Well, yesterday morning, I worked out and I felt fine, so...

MO: Good health?

JH: Good health...INAUDIBLE.

MO: Okay, alright, how about ^{ah} a home address?

JH: My home?

MO: Do you have a permanent home?

JH: Yeah, 48 Crescent Beach Drive, Huntington, New York, 11743.

MO: Four what?

JH: 11743.-

MO: 11743, and an area code and phone number?

JH: 516 area code, 427-6425.

MO: Do you have family there?

JH: Yes, my wife.

MO: And... ^{ah}

JH: ~~my~~ daughter.

MO: Okay, let's see, how long have you been on board here?

JH: Six... five weeks.

at

WITNESS

SIGNATURE



PLEX826-011

2052

STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 89-20572

- MO: And how much longer would you...?
- JH: I was looking at, approximately four to five more weeks [INAUDIBLE].
- MO: And then you're scheduled off after that four to five weeks?
- JH: Yeah.
- MO: Four to five more weeks and then you're off for?
- JH: Well it's two month, two month. Approximately two months off, two months on.
- MO: Okay, so, if you ~~do~~ ^{did} go as scheduled, then you should be off for two months?
- JH: Yes.
- MO: And if you go on that two months off, you go to ^{ah} your home?
- JH: Yes.
- MO: (Okay) ..got anything?
- MF: I'm not quite clear on the sequence in town. I, I lost a...you were from town from what, noon till 9:00, is that?
- JH: Oh, no, to about 7:00, 1900.
- MF: Oh. ^{ah}
- JH: When we came back. We were...had been conducting some business at the agency office. ship's business, we made some phone calls and then went to lunch. We just walked around...
- MF: With, with Mr. MURPHY?
- JH: With...no, had lunch with Captain MURPHY. Then he went back to take a nap. The pilot's have their own apartment. He was going to lay down before he...
- MF: Right.
- JH: Drove us out and ah...went and picked up a pizza, got a cab, did a little shopping.
- MF: And you walked by the Pipeline at about 3:00, you said?
- JH: Yeah, looked in there to see if anybody was off the ship [INAUDIBLE]...
- MO: You didn't have anything in there?
- JH: No.
- MF: And then when did you have the beer, you said that was?
- JH: About an hour later at the Harbour Club.
- MF: When you picked the pizza up?
- JH: Picked the pizza up, yeah, just waiting for the pizza, cab was coming.
- MO: Sir, you did stop at the Harbour ^{ah}
- JH: Club or the...
- MO: Or the Club?

WITNESS

SIGNATURE



PLEX826-012

005

STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 29-20572

JH: Yeah, that's where I picked up the pizza.

MF: The Pizza Palace?

MD: Yeah, what's the one next door, Club Valdez?

MF: No, it's called the Harbour Club INAUDIBLE...

JH: Harbour Club, I believe.

MF: I think... INAUDIBLE...

MD: You stopped there? You went to the pizza...

JH: Had lunch and then we were going to pick up two pizzas...

MD: INAUDIBLE...

JH: To bring back to the ship.

MD: From the Pipeline, you went to get your pizza that you'd ordered?

JH: Yeah.

MD: While you were waiting for the pizza, you went in the club?

JH: Yeah, we were in there waiting. I'd called a cab and INAUDIBLE...

MD: And you got picked up...

JH: INAUDIBLE...

MD: By the cab at the Club?

JH: Yeah, and then we had to go find somebody else, I believe he was off an Arco ship.

MD: Okay, well...

JH: The cab had another fare.

MD: This, this time limit, this time frame right here, okay, you said that somewhere around 1900, is when you caught the cab to come back to the ship.

JH: Um, huh.

MD: Okay, was that pretty accurate?

JH: Pretty close to it.

MD: Pretty close?

JH: Yeah.

MD: Alright, so somewhere around 1500 to 1530, you were at the Pipeline?

JH: Yeah.

MD: Right, for a few minutes?

JH: Yeah.

MD: Alright, then to...

JH: INAUDIBLE...

WITNESS

SIGNATURE



PLEX826-013

11/11/82

STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 89-20572

MD: Then to Pizza Palace to pick up a pizza?
 JH: Yeah.

MD: Waiting for it to get ready?
 JH: And the cab.

MD: Stopped in the Club?
 JH: Yeah.

MD: Then the cab and then to go look for someone else?
 JH: Yeah, that's...we got in the cab and then we went, he had another fare. I've forgotten where he picked him up, fellow off another ship.

MD: That wasn't your fare?
 JH: No.

MD: That was another fare that was going to where?
 JH: To the Terminal.

MD: Okay, so you weren't looking for someone else for you?
 JH: No, no, it was...

MD: It was, the cabbie was looking for?
 JH: Yeah, the cabbie was looking for him.

MD: Do you recall who the cabbie was?
 JH: No.

MD: Do you recall what he looks like?
 JH: Big fellow, black hair.

MD: Ugly?
 JH: Well, I really didn't...it was dark.

MD: A beard?
 JH: Yeah, I'm pretty sure he had a beard. I was in the back seat. The Chief was in the front seat.

MD: Alright. Okay, ^{from} from the club, you got the cab, the cabbie went and picked up another fare and then to...
 JH: The Terminal.

MD: To the Terminal, okay, and to the best of your recollection, you arrived back at the ship at approximately what time?
 JH: About 2000, eightish.

MD: Okay.
 JH: And Captain MURPHY was already on board, ready to go.

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WITNESS

SIGNATURE



PLEX826-014

002

STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 69-20572

MO: Okay. Ah, not to complicate anything, but while you're at the Pizza Palace with Captain MURPHY having lunch with Captain MURPHY and the Chief Engineer and the Radio Officer...

JH: Um, huh.

MO: Ah, he...did Captain MURPHY have anything to drink?

JH: No, iced tea, ~~same as me~~.

MO: Okay, okay, I think that about summed it up for me? Mike?

MF: I just made, for you, a list of the guys will be wanting to talk to you later INAUDIBLE...

JH: Sure.

MF: And I doubt if it will be me, but it will be somebody representing the State Troopers or the Attorney General's Office or whoever...

JH: Shows up.

MF: They decide to send to town, yeh.

JH: Would that be from local, or you don't know?

MF: No, it's not local.

JH: Oh, okay.

MF: I'm the only one, me and one other guy, who's on vacation.

JH: I see.

MF: So, they'd send somebody who would be ^{Ah} have a particular duty...

JH: Okay.

MF: Interest...

JH: INAUDIBLE...

MF: Do you have any idea, I don't suppose there's anyway you could even guess a time frame or anything though, I suppose, what's going to happen here?

JH: Well, I, I just spoke to our office down in California and they ^{At} this ship, there's another one coming in at midnight...the same, the Exxon San Francisco, same class as...let's see how this first lightering goes...

MF: Um, huh.

JH: She's available for another lightering, you know, if it comes to that.

MF: Okay, the two together can, can equal what you've...

JH: Well...

MF: Got on board?

JH: Pretty close to it, yeah, but we'll have to see how this goes once she...

MF: Uh, huh.

JH: Starts getting up out of the water...

MF: Yeah.

WITNESS

SIGNATURE



PLEX826-015

005

STATEMENT OF CAPTAIN JOSEPH J. HAZELWOOD OF THE EXXON VALDEZ 89-20572

JH: And see which way she's going to flop, you know, stability-wise INAUDIBLE a few days.

MF: Um, huh, is there any speculation as, as of this point from your office as to if we do get you afloat, which we will, which direction you'll want to be heading, ah... (SIDE 1 OF THE TAPE ENDS)...

END OF INTERVIEW

WITNESS

SIGNATURE

0052



PLEX826-016

Jan/na 15



COMPUCHEM
LABORATORIES

March 29, 1989

REPORT # 1

Requesting Agency: U.S. Coast Guard
222 E. 7th Street, Room D-148
Anchorage, Alaska 99501
Attn: Lt. Gary Stock

Reference Information: HAZELWOOD Joseph
071-38-8376

Our Reference No: CW78-88

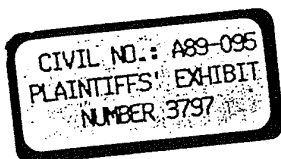
Sample: Blood received on March 28, 1989.

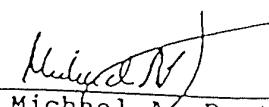
Request: Ethanol by gas chromatography. Cocaine and its metabolites, cannabinoids, amphetamine, morphine and codeine, barbiturates, benzodiazepines, phencyclidine and methaqualone by radioimmunoassay.

Results:

<u>Drug</u>	<u>Blood</u>
Ethanol (w/v)	0.061%
Cocaine & metabolites	
Methaqualone	
Amphetamine	
Phencyclidine	
Morphine & Codeine	
Barbiturates	
Benzodiazepines	
Cannabinoids	

Disposition: Further assays are being done.




Michael A. Peat, Ph.D.
Director



COMPUCHEM
LABORATORIES

April 14, 1989

Requesting Agency: National Transportation Safety Board
TE-50 800 Independence Ave., S.W.
Washington, D.C. 20594
Attn: Dr. M. Birky

Reference Information: HAZELWOOD Joseph
071-38-8376

Our Reference No: CW78-88

Sample: Blood received on March 28, 1989.

Request: Ethanol by gas chromatography. Cocaine and its metabolites, cannabinoids, amphetamine, morphine and codeine, barbiturates, benzodiazepines, phencyclidine and methaqualone by radioimmunoassay.

Sympathomimetics (e.g. pseudoephedrine, phenylpropanolamine, phentermine, MDA, MDMA) by gas chromatography. Basic drugs (e.g. antihistamines, antidepressants, methadone, methaqualone) by gas chromatography.

Results:

<u>Drug</u>	<u>Blood</u>
Ethanol	0.061%
Cocaine & metabolites	
Methaqualone	
Amphetamine	
Phencyclidine	
Morphine & Codeine	
Barbiturates	
Benzodiazepines	
Cannabinoids	

Michael At
4-14-89



Page 2
CW78-89

Results:

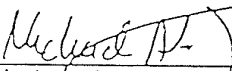
Drug

Blood

Sympathomimetics

Basic Drugs

Disposition: Retained for one year.



Michael A. Peat, Ph.D.
Director

PEAT 0279



COMPUCHEM
LABORATORIES

March 29, 1989

REPORT # 1

Requesting Agency: U.S. Coast Guard
222 E. 7th Street, Room D-148
Anchorage, Alaska 99501
Attn: Lt. Gary Stock

Reference Information: KAGAN Robert
438-64-5051

Our Reference No: CW79-88

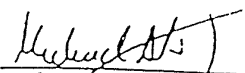
Sample: Blood received on March 28, 1989.

Request: Ethanol by gas chromatography. Cocaine and its metabolites, cannabinoids, amphetamine, morphine and codeine, barbiturates, benzodiazepines, phencyclidine and methaqualone by radioimmunoassay.

Results:

<u>Drug</u>	<u>Blood</u>
Ethanol	None Detected
Cocaine & metabolites	
Methaqualone	
Amphetamine	
Phencyclidine	
Morphine & Codeine	
Barbiturates	
Benzodiazepines	
Cannabinoids	

Disposition: Further assays are being done.



Michael A. Peat, Ph.D.
Director



COMPUCHEM
LABORATORIES

April 14, 1989

Requesting Agency: National Transportation Safety Board
TE-50 800 Independence Ave., S.W.
Washington, D.C. 20594
Attn: Dr. M. Birky

Reference Information: KAGAN Robert
438-64-5051

Our Reference No: CW79-88

Sample: Blood received on March 28, 1989.

Request: Ethanol by gas chromatography. Cocaine and its metabolites, cannabinoids, amphetamine, morphine and codeine, barbiturates, benzodiazepines, phencyclidine and methaqualone by radioimmunoassay.

Sympathomimetics (e.g. pseudoephedrine, phenylpropanolamine, phentermine, MDA, MDMA) by gas chromatography. Basic drugs (e.g. antihistamines, antidepressants, methadone, methaqualone) by gas chromatography.

Results:

<u>Drug</u>	<u>Blood</u>
Ethanol	None Detected
Cocaine & metabolites	
Methaqualone	
Amphetamine	
Phencyclidine	
Morphine & Codeine	
Barbiturates	
Benzodiazepines	
Cannabinoids	

Michael M.
4-14-89



Page 2
CW79-89

Results:

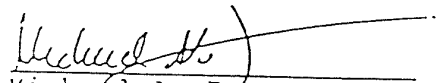
Drug

Blood

Sympathomimetics

Basic Drugs

Disposition: Retained for one year.



Michael A. Peat, Ph.D.
Director

PEAT 0282



COMPUCHEM
LABORATORIES

March 29, 1989

REPORT # 1

Requesting Agency: U.S. Coast Guard
222 E. 7th Street, Room D-148
Anchorage, Alaska 99501
Attn: Lt. Gary Stock

Reference Information: COUSINS Gregory
005-52-2008

Our Reference No: CW80-88


Sample: Blood received on March 28, 1989.

Request: Ethanol by gas chromatography. Cocaine and its metabolites, cannabinoids, amphetamine, morphine and codeine, barbiturates, benzodiazepines, phencyclidine and methaqualone by radioimmunoassay.

Results:

<u>Drug</u>	<u>Blood</u>
Ethanol	None Detected
Cocaine & metabolites	
Methaqualone	
Amphetamine	
Phencyclidine	
Morphine & Codeine	
Barbiturates	
Benzodiazepines	
Cannabinoids	

Disposition: Further assays are being done.



Michael A. Peat, Ph.D.
Director



COMPUCHEM
LABORATORIES

April 14, 1989

Requesting Agency: National Transportation Safety Board
TE-50 800 Independence Ave., S.W.
Washington, D.C. 20594
Attn: Dr. M. Birky

Reference Information: COUSINS Gregory
005-52-2008

Our Reference No: CW80-88

Sample: Blood received on March 28, 1989.

Request: Ethanol by gas chromatography. Cocaine and its metabolites, cannabinoids, amphetamine, morphine and codeine, barbiturates, benzodiazepines, phencyclidine and methaqualone by radioimmunoassay.

Sympathomimetics (e.g. pseudoephedrine, phenylpropanolamine, phentermine, MDA, MDMA) by gas chromatography. Basic drugs (e.g. antihistamines, antidepressants, methadone, methaqualone) by gas chromatography.

Results:

<u>Drug</u>	<u>Blood</u>
Ethanol	None Detected
Cocaine & metabolites	
Methaqualone	
Amphetamine	
Phencyclidine	
Morphine & Codeine	
Barbiturates	
Benzodiazepines	
Cannabinoids	

Michael M. J.
4/14/89



Page 2
CW80-89

Results:

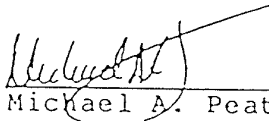
Drug

Blood

Sympathomimetics

Basic Drugs

Disposition: Retained for one year.



Michael A. Peat, Ph.D.
Director

| PEAT 0285



COMPUCHEM
LABORATORIES

March 29, 1989

REPORT # 1

Requesting Agency: U.S. Coast Guard
222 E. 7th Street, Room D-148
Anchorage, Alaska 99501
Attn: Lt. Gary Stock

Reference Information: JONES Maureen
385-88-6116

Our Reference No: CW81-88

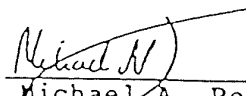
Sample: Blood received on March 28, 1989.

Request: Ethanol by gas chromatography. Cocaine and its metabolites, cannabinoids, amphetamine, morphine and codeine, barbiturates, benzodiazepines, phencyclidine and methaqualone by radioimmunoassay.

Results:

<u>Drug</u>	<u>Blood</u>
Ethanol	None Detected
Cocaine & metabolites	
Methaqualone	
Amphetamine	
Phencyclidine	
Morphine & Codeine	
Barbiturates	
Benzodiazepines	
Cannabinoids	

Disposition: Further assays are being done.



Michael A. Peat, Ph.D.
Director



COMPUCHEM
LABORATORIES

April 14, 1989

Requesting Agency: National Transportation Safety Board
TE-50 800 Independence Ave., S.W.
Washington, D.C. 20594
Attn: Dr. M. Birky

Reference Information: JONES Maureen
385-88-6116

Our Reference No: CW81-88

Sample: Blood received on March 28, 1989.

Request: Ethanol by gas chromatography. Cocaine and its metabolites, cannabinoids, amphetamine, morphine and codeine, barbiturates, benzodiazepines, phencyclidine and methaqualone by radioimmunoassay.

Sympathomimetics (e.g. pseudoephedrine, phenylpropanolamine, phentermine, MDA, MDMA) by gas chromatography. Basic drugs (e.g. antihistamines, antidepressants, methadone, methaqualone) by gas chromatography.

Results:

<u>Drug</u>	<u>Blood</u>
Ethanol	None Detected
Cocaine & metabolites	
Methaqualone	
Amphetamine	
Phencyclidine	
Morphine & Codeine	
Barbiturates	
Benzodiazepines	
Cannabinoids	

Richard A. ...
6-14-89

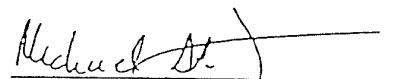


Page 2
CW81-89

Results:

<u>Drug</u>	<u>Blood</u>
Basic Drugs	
Pseudoephedrine (ng/mL)	207.0
Phenylpropanolamine (ng/mL)	less than 10

Disposition: Retained for one year.



Michael A. Peat, Ph.D.
Director

PEAT 0288

EXXON PRODUCTIONS RESEARCH COMPANY

Field Manual For Oil Spill Response

57302790390-2

CIVIL NO.: A89-095
PLAINTIFFS' EXHIBIT
NUMBER 6468

FIELD MANUAL OBJECTIVES

This manual has been prepared to assist the Exxon on-scene coordinator at the site of an oil spill who has inadequate technical or scientific assistance immediately available to consult. It is not to be used as a substitute for good judgement or in place of qualified assistance if it can be obtained, however it does provide a source of potentially helpful information based on studies and experience gained elsewhere.

This manual has been written for world-wide application to proved data showing the most effective technical means of minimizing oil spill impacts and does not consider various local laws or environmental policies that might exist.

The report has been organized according to the sequence of events that must be considered during a spill. The manual is not intended as a primer or text. The flow charts, charts, and end point analysis are designed to provide potential solutions or approaches for a qualified generalist already familiar with the overall technical approaches, but is currently stressed and requires either a check list or specific information as quickly as possible.

The information and opinions contained in this manual are considered to be accurate as of January, 1984. Neither Exxon Corporation, it affiliates, subsidiaries, employees, officers or directors shall be liable for injury, loss or damage of any kind resulting directly or indirectly from the use of the information contained in this manual whether or not such loss or damage was caused directly or indirectly by their negligence.

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TABLE OF CONTENTS

Figures

Tables

1. Introduction
2. Overall Management
3. Shoreline Protection
4. Chemical Dispersion
5. Shoreline Cleanup
6. Boom Selection
7. Skimmer Selection
8. Transfer Equipment
9. Storage Equipment
10. Disposal Alternatives

57302790392-8

EXXON SHIPPING COMPANY

POST OFFICE BOX 1512 • HOUSTON, TEXAS 77251-1512 "EXXSHIP HOUSTON"
 D. J. PAUL
 HUMAN RESOURCES MANAGER

WJD	RECEIVED	PBN
JCE	KUN T.J. CORSEY SRM	FGT
RBP		HR
REC	SEP 29 1988	KJC
CPL		GTS
MSI	EXXON SHIPPING COMPANY	SP
SWM	WEST COAST FLEET OFFICE	RJK
CIRC	PLS RTN [LAST] COPY	SMD

September 27, 1988

TO ALL OCEANGOING EMPLOYEES OF
 EXXON SHIPPING COMPANY

Recent developments by Exxon Shipping Company, the United States Coast Guard, the United States Customs Service, and Labor Arbitrators have focused a renewed emphasis on our commitment to providing a safe, healthy and productive work place by ensuring that drug, alcohol or other substance abuse is eliminated. The purpose of this communication is to ensure that all employees are aware of the various rules, regulations and company policies regarding substance abuse in the work place and to give notice that enforcement will be more stringent in the future.

Exxon Shipping Company Employee Alcohol and Drug Use Policy

On March 11, 1987, the Exxon Shipping Company Policy on Alcohol and Drug use became effective for all non-represented employees and was mailed to all employees. The Exxon Radio Officers Association accepted the policy during our 1987 contract negotiations. On April 1, 1988, we implemented the Alcohol and Drug Use Policy for all unlicensed Oceangoing employees. A copy of this policy was again mailed to all unlicensed employees as a part of the total implementation package at the conclusion of bargaining with the Exxon Seamen's Union.

The Company Policy specifically prohibits the misuse of legitimate drugs or the use, possession, distribution, or sale of illicit or unprescribed controlled drugs on Company business or premises. Possession, use, distribution, or sale of alcoholic beverages on Company premises is prohibited. Being unfit for work because of use of drugs, or alcohol is strictly prohibited and is grounds for termination of employment. Exxon Shipping Company may from time-to-time conduct unannounced searches for drugs and alcohol on owned or controlled property. The Company also has the right to require employees to submit to medical evaluation or alcohol and drug testing where cause exists to suspect alcohol or drug misuse. A positive test result or refusal to submit to a drug test is grounds for disciplinary action, including dismissal. The guidelines for Supervisors, which were bargained with the Exxon Seamen's Union, are essential to the administration of this policy and should be familiar to every employee.

1. At the discretion of the President or Fleet Manager, the Company may conduct unannounced alcohol and drug searches on owned or controlled property where there is reasonable cause to suspect that these

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**DEFENDANT'S
 EXHIBIT**
 DX-3618

A89-095-CV

-2-

substances may be present. Reasonable cause may include searches in operations where use of these substances could create an unsafe situation.

2. The decision to require an employee to submit to testing for drugs and alcohol requires the advance endorsement of the Human Resources Manager. Prior to any testing, the employee must sign an Informed Consent form. In cases where a medical evaluation is deemed appropriate, medical personnel should be asked to collect a urine and/or blood sample for testing to determine the presence of alcohol and/or drugs. Blood tests will not be taken on board ship by vessel personnel. If circumstances prevent medical evaluation from being conducted soon after the "for cause" incident, Management may collect and properly process the urine sample.
3. Employees who acknowledge they have either an alcohol or drug dependency and who desire rehabilitation and are willing to cooperate by participating in a treatment program are encouraged to seek assistance through the Employee Health Advisory Program (EHAP) or the Medical Department.

No employee with an alcohol or drug dependency will be terminated or; otherwise, disciplined due solely to a request for help in overcoming that dependency or involvement in a rehabilitation effort.

However, if an employee's request for rehabilitation is made after the Company's discovery of a violation of the policy, the Company will take disciplinary action which may include termination. Such disciplinary action cannot be avoided by a request for treatment or rehabilitation at that time.

DEPARTMENT OF TRANSPORTATION, U.S.C.G., 33 CFR Operating a Vessel While Intoxicated

Effective January 13, 1988, the U.S.C.G. Regulations governing operation of a vessel while intoxicated became final. These regulations are far more explicit and stringent than previous rules. For commercial vessels, a blood alcohol content (BAC) of .04% is considered intoxicated. When an intoxicant, either alcohol or drugs, affects a person's manner, disposition, speech, muscular movement, general appearance or behavior, the employee is considered intoxicated and in violation of the regulations. The regulations also require that while on a commercial vessel, a crew member shall not be intoxicated at any time and shall not perform or attempt to perform any scheduled duties within four hours of having consumed alcohol. The penalty for being intoxicated while on board a vessel is a fine of up to \$5000, imprisonment for up to one year, or both.

Copies of these regulations are on board all vessels for your review and information. These rules place the primary burden for detecting, reporting, and reducing the incidence of intoxicated behavior on marine employers.

57303786939-0

United States Customs Service "Sea Carrier Initiative Agreement"

The United States Customs Service has recently adopted a "zero tolerance" policy with respect to illegal drugs found on board vessels. A vessel on which nominal amounts of illegal drugs are found may be subject to seizure and forfeiture, even if the drugs are in the possession of a crew member for personal use. As a result, the management of Exxon Shipping Company has a responsibility to take appropriate action. Toward that end, we have entered into a voluntary agreement of cooperation with the United States Customs Service to reduce our liability in the event illegal drugs are found on one of our vessels. This 15 point agreement is called the "Sea Carrier Initiative Agreement." A complete copy of the Agreement has been sent to the Master of each vessel, the elected union officials of all represented employees and to each shore based manager.

Labor Arbitrators Awards

Over the last several years, licensed and unlicensed employees have been terminated for use and possession of alcohol or drugs while on board a vessel. Several employees have been suspended for alcohol "possession only." Four unlicensed employees terminated for use or possession of alcohol or illegal drugs were reinstated by arbitrators for various reasons.

With respect to violation of the Company's Policy on the prohibition of use or possession of alcohol and illegal drugs, arbitrators have been critical of management when the discipline is inconsistent. For example, in the matter of arbitration between the Exxon Seamen's Union and Exxon Shipping Company, case no. 18 30 0062 85N, Arbitrator, Daniel F. Brent, stated in part:

"...It must be emphasized that the Company is entitled to prohibit alcohol and drugs and to police its work force in order that it may insure the safety of its workers and protect the general public from harm by the Company's vessels or product. To this end, the Company may promulgate rules reasonably designed to insure that no alcohol or habit forming drugs enter its premises. If in the past the Company has permitted a variety of penalties to be imposed for similar infractions, the Company is entitled to give notice to the bargaining unit and to the Association that it will impose stronger penalties in the future (emphasis added) than it has in the past in order to guarantee that its prohibition against alcohol and habit forming drugs is universally observed..."

This letter will serve as the notice stated in the arbitrator's award.

Conclusion

In view of Management's responsibility to enforce the Company Policy, the USCG regulations on "Operating a Vessel While Intoxicated," our liability under the "zero tolerance" policy of the U. S. Customs and the USCG as well as clear direction from Labor Arbitrators, we must aggressively ensure that our employees are not using or in possession of alcohol or illegal drugs while on board a vessel. This document serves as another official notice that violation of the Company Alcohol and Drug Use Policy, or regulations governing

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alcohol or drug use in the work place will result in immediate termination from the vessel. While we must continue to thoroughly investigate the facts of each individual case and make a final determination on a case-by-case basis, termination of employment is the penalty for violation of these standards. We will continue unannounced alcohol and drug searches on owned or controlled property where there is reasonable cause to suspect that these substances may be present or in operations where use of the substances could create an unsafe situation. The tradition of providing wine at holiday meals will reluctantly be discontinued hereafter in order to ensure compliance with the new USCG regulations.

These actions will assist in providing a safe work environment free of alcohol and drug use and help assure uniform Company actions. If you have any questions or concerns regarding Management's position on alcohol or drug use while on Company property, please consult with the Master. You are urged to become familiar with all provisions to avoid placing your job in jeopardy.



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The situation with one of the groups or pods of killer whales was much more serious. In 1989 seven animals from the AB pod were missing for an unprecedented mortality rate of 19.4 percent. In 1990, an additional six individuals were missing, which indicated an annual mortality rate of 20.7 percent. Typical pre-spill mortality for this pod ranged from 3.1 - 9.1 percent. In addition, no births were recorded in 1989 or 1990.

Due to the fidelity of killer whales to the pod and the strong bonds observed between mothers and calves, the missing whales are presumed to have died, though no killer whale carcasses were ever recovered.

The cause of death of the killer whales is uncertain. Based on current knowledge of whale biology, the circumstances of the spill and the toxicity of crude oil, these deaths might not be due to contact with oil spilled by the *Exxon Valdez*. Regardless of the cause of the decline in numbers, Trustee Council surveys have observed that several calves were born in the last 3 years. It appears that the AB pod will probably recover to pre-spill condition around the turn of the century.

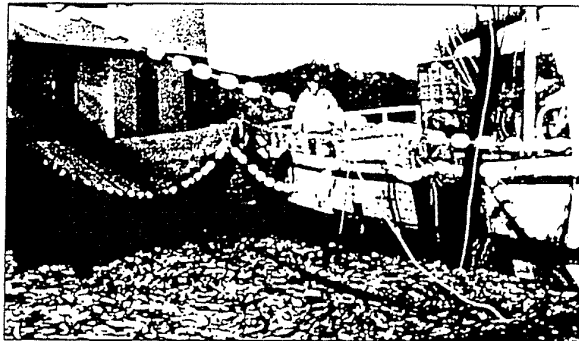


Photo by John Hyde, ADF 4/3

Trustee studies have documented injuries to several commercially important fish species, such as herring, pictured here, and pink and sockeye salmon. Projects planned and underway will continue to assess the nature of the injuries and take action to restore damaged fish stocks.

FISH

□ Pink Salmon

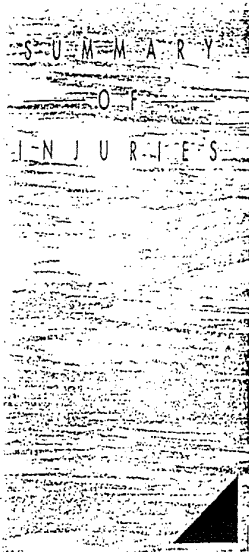
As the oil moved through Prince William Sound and out into the Gulf of Alaska, the slicks were also swept into the mouths of streams where salmon breed and where the salmon fry were soon to emerge from the gravel and find their way to

saltwater. Seventy-five percent of the wild pink salmon in the sound spawn at the mouth of streams. There was no apparent change in the use of this habitat by fish in the summer of 1989, and many salmon deposited their eggs in the intertidal portion of oiled streams.

In the autumn of 1989, egg mortality in oiled streams averaged about 15 percent, compared to about 9 percent in unoiled streams. Since 1989, egg mortality in the oiled areas has generally increased. In 1991 and 1992 approximately 40 to 50 percent of the salmon eggs in oiled streams did not survive, as compared



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to an 18 to 30 percent mortality in unoiled streams. In 1993, though the rates of egg mortality had dropped to an average of less than 25 percent in oiled streams and less than 15 percent in unoiled streams, the differences still persisted.

Although the differences between salmon egg mortality in oiled and unoiled streams over the first two years were likely attributable to the effects of oil, scientists did not expect these differences to persist as long as four years after the spill. At first they thought oil was directly affecting survival of the pink salmon eggs, but as the amount of oil on the shorelines decreased, other explanations began to seem more plausible. Perhaps there was a genetic effect in the young which carried over to adulthood, and was even inherited by the next generation.

Researchers also suspected that the characteristics of the stream might play a role in egg mortality independent of effects of the oil. For example, most oiled streams were on rocky points, whereas unoiled streams were found in the backs of bays and inlets. Perhaps differences in the severity of natural conditions were contributing to mortality.

Then in 1993 this story took another turn. Returning adult pink salmon were captured as they entered oiled and unoiled streams, their eggs spawned in the laboratory and raised under controlled conditions. This experiment showed that the differences in egg mortality between pink salmon from the oiled and unoiled streams when

both were raised in the laboratory were as great as the differences seen in the wild, essentially eliminating environmental factors from consideration. It now appears there is an inheritable difference in egg mortality for fish from oiled versus unoiled streams. The interpretation of these results is further complicated by the recently discovered fact that some fish sampled might not have originated at the stream where they returned to spawn. This egg mortality might translate into a decline of as much as 10 percent in the entire adult pink salmon run in Prince William Sound if all the other factors which contribute to salmon mortality are added together with the oiled stream effects.

Besides the fate of eggs laid in oiled gravel, the juvenile fish emerging into Prince William Sound in the spring of 1989 encountered oil in the water as slicks and small droplets, which were consumed along with food. Circumstantial evidence from tagged juvenile salmon points to growth retardation as an effect of the spill, which may have in turn affected the strength of the 1990 run. This indicates that despite the large size of the 1990 run of pink salmon, it might have been even larger, perhaps by as much as 1.9 million fish, if the spill had not occurred.

In 1992 and 1993, extremely low returns of pink salmon to Prince William Sound resulted in dire effects on the commercial fishery. The exact causes of these poor returns are not known. The

effect of the oil spill on early salmon life, changes in climate affecting conditions in the Gulf of Alaska, decreases in food sources for juvenile fish growth in the last several years, and hatchery-wild stock interactions have all been proposed as contributing to the current poor state of the fishery. Trustee-sponsored programs for salmon are now shifting from injury determination to studying this species within the context of the ecosystem. Restoration and enhancement of pink salmon will depend on better knowledge of the ecological interactions of this species, namely sources of food and predation by large fish, particularly during its early life history.

The Trustee Council has embarked on a multi-million dollar research and monitoring program to attempt to understand these fishery declines and to identify effective restoration actions. A significant segment of the 1994 work plan is devoted to fishery research with these goals in mind.

Herring

Shorelines in the spill region also included about 5-10 percent of the spawning habitat of Pacific herring. In 1989 and 1990 there were greater rates of abnormal development of herring larvae in oiled areas than in unoiled areas. There was also evidence gathered in 1992 that oil may have had an effect on herring reproduction. Like pink salmon, strong runs of herring right after the spill were fol-

lowed in 1992 and 1993 by poor returns.

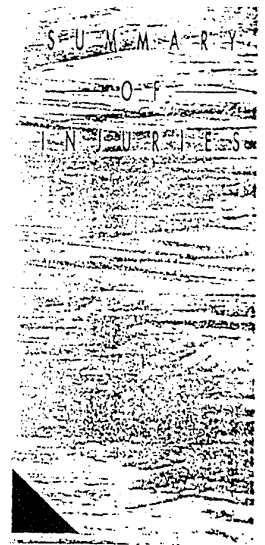
Fisheries biologists also observed the appearance of a high rate of infection by a virus in the Prince William Sound herring population. The fishery has seen a very poor return of the 1989 brood year.

It should be noted that it is not possible to blame the poor return of herring solely on the oil spill. The decline may be due to natural causes, or to some combination of oil spill effects with natural causes. Although there is not enough data to be certain, the Trustee Council is supporting studies to learn more about the factors which affect herring production.

Sockeye Salmon

In 1989 the oil that left Prince William Sound traveled along the Kenai Coast and entered the southern part of Cook Inlet, a rich commercial fishery area. The prospect of oil-fouled gear and fish prompted the Alaska Department of Fish and Game to close the sockeye salmon mixed stock fishery in Cook Inlet.

As a result of this closure, there were higher than usual returns (overescapement) of spawning fish to the Kenai and Red Lake systems in 1989. This was the third consecutive year of salmon overescapement in the Kenai River system, due to a previous oil spill in 1987 and naturally high overescapement in 1988.





The apparent cumulative effect of too many spawning adults in the Kenai River system has been a decline in salmon smolt production. Although the exact mechanism by which this occurs is not clear, fisheries scientists believe that the availability of food is insufficient to meet the needs of the large number of fry produced. Fewer fry surviving their first winter in rearing lakes result in fewer smolt migrating to the ocean in the spring. Smolt production in the Kenai River system has declined as follows: 1989 — 30 million; 1990 — 6 million; 1991 — 2.5 million; and in 1992 and 1993, less than 1 million. The forecast is for returns in 1994 and 1995 to be below escapement goals.

ARCHAEOLOGICAL RESOURCES

The areas of Alaska affected by the *Exxon Valdez* oil spill have been occupied by Native peoples for at least 11,000 years. It is estimated that the spill area contains over 3,000 sites of archaeological and historic significance.

Currently, 24 sites are known to have been adversely affected by clean-up activities, looting or vandalism related to the oil spill. It is estimated that over 100 total sites were similarly affected, and injuries attributed to looting or vandalism linked to the oil spill are still occurring and on the rise because of on-going human intrusion into previously pristine areas.

Restoration cannot regenerate what has been

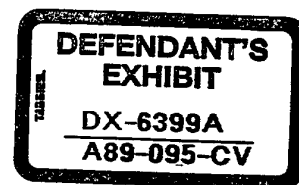
destroyed, but it can successfully prevent further degradation of sites and preserve the scientific data. During the 1994 field season archeologists will continue work begun in 1993 to conduct site-specific restoration actions at thirteen sites within the oil spill pathway. The Trustee Council will continue to support projects to document injured locations and preserve the artifacts and scientific data which remain in the vandalized sites.

SUBSISTENCE RESOURCES

Native communities in the spill region have relied heavily on subsistence resources for many generations. Resources used include salmon, halibut, cod, and other fish; marine invertebrates such as clams, shrimp and crabs; marine mammals such as seals; land mammals such as deer; birds and bird eggs; and wild plants. Many families felt they could no longer trust the safety of their traditional foods after the oil spill, and use of these subsistence resources declined significantly in some communities.

Representatives of a number of organizations formed an Oil Spill Health Task Force to conduct subsistence foods testing and to inform community members of their findings. Since 1990, the Task Force has advised that all the fish, deer, ducks, seals and sea lions tested as part of the subsistence program were found to be safe to eat, but recommended against using shellfish from beaches where oil is still present.

Total Actual and Potential Cost of the Exxon Valdez Spill



Expenditures: Incurred and Fixed

Claims Payments	\$304,000,000
Federal Fine	25,000,000
State and Federal Restitution	100,000,000
State and Federal Settlement	900,000,000
Clean Up Costs	2,097,000,000
Casualty Loss: Vessel, Cargo	46,000,000
Phase IIA Award	287,000,000
Phase IIB Award	20,000,000
Less:	
Tax Reduction	-1,115,000,000
Adjustment	-218,000,000
Subtotal	\$2,446,000,000

Expenditures: Potential and Contingent

Plaintiffs' State Court Claims	165,000,000
Recoverable Costs	17,000,000
Interest	103,000,000
Plaintiffs' Phase IV Claims	174,000,000
Contingent State/Federal Settlement	100,000,000
Less:	
Tax Reduction	-207,000,000
Subtotal	352,000,000
Total Net Actual and Potential Cost	\$2,798,000,000

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA

In re)	
)	Case No. A89-095-CV (HRH)
THE EXXON VALDEZ)	(Consolidated)
_____)	

RE: ALL CASES

DECLARATION OF EDGAR A. ROBINSON IN SUPPORT OF
PROPOSALS OF EXXON DEFENDANTS TO SECURE PAYMENT OF
THE JUDGMENT

I, Edgar A. Robinson, declare under penalty of perjury,
pursuant to 28 U.S.C. §1746, as follows:

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3 It also would be above that of Citicorp (\$19.6 billion) and Mobil
4 (\$18.0 billion), and well above that of Amoco (\$14.8 billion) and
5 Chevron (\$14.4 billion). The Debt-to-Capital Ratio, a measure of
6 a company's capacity to take on additional debt, provides
7 assurance of liquidity. At a 50% Debt-to-Capital Ratio, the
8 financial strength of Exxon would be on a par with such well
9 known and highly liquid corporations as DuPont, Atlantic
10 Richfield and PepsiCo and stronger than AT&T, Xerox and Ford
11 Motor. Taken together, these triggers are set at levels which
12 would almost certainly be breached long before there would be any
13 reasonable threat to or doubt regarding Exxon's solvency or
14 liquidity. As a result, Exxon's commercial paper would be
15 readily marketable even in the extremely unlikely event a breach
16 were to occur, thereby readily allowing for the substitution of
17 U.S. Treasury bills for Exxon commercial paper in the escrow.

18 29 Comments have been made regarding possible
19 parallels between Exxon's current situation and that of Texaco
20 Inc. in the period 1985 through 1987 as a result of the Pennzoil
21 litigation. Beyond the obvious facts that both are large oil
22 companies and both faced the prospects of multi-billion dollar
23 judgments, the potential impacts of the judgments on each company
24 could not be more different. The initial award in the Texaco
25 case was \$11.1 billion, which represented about eighty-one
26 percent (81%) of its \$13.7 billion 1986 Total Shareholders'

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3 Equity, and interest on the judgment was accruing at a rate of
4 ten percent (10%) per year. Even after a \$2 billion reduction,
5 the judgment was still in excess of \$9 billion or about sixty-six
6 percent (66%) of its \$13.7 billion 1986 Total Shareholders'
7 Equity. This situation left the company without the liquidity to
8 pay the judgment. As a result, Texaco's own disclosure indicated
9 that if the judgment were to be affirmed in whole or significant
10 part, it would face the prospects of being subject to liquidation
11 of significant assets and of having to seek protection in a
12 Chapter 11 bankruptcy proceeding.

13 30 In the case of Exxon, beyond the fact that the
14 Judgment is expected to represent only a small fraction (about
15 12%) of its Total Shareholders' Equity, both Moody's Investors
16 Service, Inc. and Standard & Poor's Corporation have issued
17 opinions stating that payment of the full amount of the Judgment
18 would not have a material impact on the corporation or its credit
19 quality. In the unlikely event that the credit trigger set at
20 \$20 billion of Total Shareholders' Equity were to be breached,
21 the Judgment would still be expected to represent a small
22 fraction (about 25%) of Exxon's Total Shareholders' Equity as
23 compared to the 81% level initially faced by Texaco. In
24 addition, the Debt-to-Capital Ratio trigger provides further
25 assurance of liquidity. As a result, there can be no inference
26 drawn from Texaco's situation that these credit triggers will not
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3 provide real and valuable protection for plaintiffs and no
4 credible parallel exists between the circumstances which Texaco
5 faced in the Pennzoil litigation and those with which Exxon is
6 now dealing in the Valdez proceedings.

7 31 The proposed escrow deposit would be subject to
8 the Court's immediate direction and control to the same extent as
9 any letter of credit approved by and filed with the Court.

10 **G. Advantages Versus a Letter of Credit.**

11 32 In addition to providing very secure and highly
12 liquid mechanisms to collateralize the Judgment, the proposed
13 irrevocable covenant to pay would be cost-free and the proposed
14 escrow is estimated to cost approximately \$700,000 per year in
15 administrative costs on an ongoing basis. Although we believe
16 that Exxon could obtain an irrevocable standby letter of credit
17 for the full amount of the Judgment, this alternative would have
18 a cost which we estimate to be in the range of \$7 to \$10 million
19 per year during the pendency of Exxon's appeal, with the actual
20 cost depending upon prevailing market conditions.

21 33 Choosing either the irrevocable covenant to pay or
22 the escrow of Exxon commercial paper in lieu of an irrevocable
23 standby letter of credit would therefore result in substantial
24 savings of tens of millions of dollars while still providing
25 plaintiffs with very secure and highly liquid collateral to
26 secure the Judgment.

EXXON CORPORATION

1995 ANNUAL REPORT



ROBINSON EXH. 1 - 4

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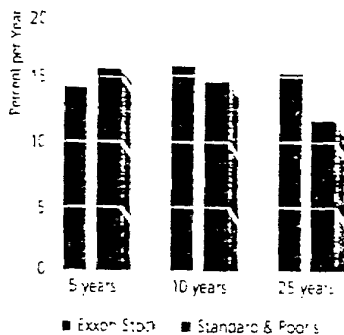
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FINANCIAL/OPERATING HIGHLIGHTS

Financial	1995	1994
Net income, <i>billions of dollars</i>	6.5	5.1
Net income, <i>dollars per common share</i>	5.18	4.07
Dividends, <i>dollars per common share</i>	3.00	2.91
Shareholders' equity, <i>dollars per common share</i>	32.56	30.13
Revenue, <i>billions of dollars</i>	123.9	113.9
Capital and exploration expenditures, <i>billions of dollars</i>	9.0	7.8
Research and development costs, <i>millions of dollars</i>	525	558
Return on average shareholders' equity, <i>percent</i>	16.6	14.1
Return on average capital employed, <i>percent</i>	13.8	11.2

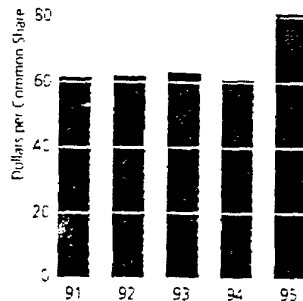
Operating	1995	1994
Net liquids production, <i>thousands of barrels daily</i>	1,726	1,709
Natural gas production available for sale, <i>millions of cubic feet daily</i>	6,013	5,978
Petroleum product sales, <i>thousands of barrels daily</i>	5,076	5,028
Refinery crude oil runs, <i>thousands of barrels daily</i>	3,422	3,412
Chemical prime product sales, <i>thousands of metric tons</i>	13,481	13,192

Shareholder Returns



Returns are shown in comparison to average return for the Standard & Poor's 500 stock index.

Year-End Stock Price



Creating Shareholder Value

\$1,000 invested January 1, 1986



A 10-year investment of \$1,000 in Exxon Stock would have outperformed the average return for the Standard & Poor's 500 stock index. Assumes dividends are reinvested.

Contents

Letter to Shareholders	3
Technology	6
Exploration and Production	8
Refining and Marketing	14
Chemicals	18
Coa. Minerals and Power	21
Environment, Health and Safety	22
Financial Section	F1

Save the Tiger and Launched

Exxon and the National Fish and Wildlife Foundation have established the Save the Tiger Fund, an effort to protect tigers from extinction. Exxon has pledged \$1 million over five years to tiger conservation projects around the world.

The survival of one of the world's most majestic animals depends on everyone. You can help by sending a tax-deductible donation to:

THE NATIONAL FISH AND WILDLIFE FOUNDATION
 120 Connecticut Avenue, N.W., Suite 900
 Washington, D.C. 20007-9584
 Phone (202) 357-0165

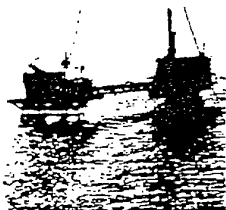
The terms *corporation, company, Exxon, Esso, our, we and its*, as used in this report, sometimes refer not only to Exxon Corporation or to one of its divisions, but collectively to all of the companies affiliated with Exxon Corporation or to any one or more of them. The shorter terms are used merely for convenience and brevity. The following third-party trademarks or service marks are owned by the entities indicated: *Amuntis* (Amuntis Food Corporation), *MasterCard* (MasterCard International Incorporated), *Subway* (Doctor's Associates, Inc.) and *Taco Bell Express* (Taco Bell Corporation).

Letter to Shareholders

Exxon had an excellent year in 1995. We achieved record earnings of \$6.5 billion, or \$5.18 per share – a 27 percent increase over the prior year. Our strong performance represents the cumulative effect of many steps taken over time. We also made substantial progress to position the company for long-term earnings growth beyond the turn of the century.

Strong 1995 Performance

Earnings in 1995 reflected our strong operating performance – with record volumes in a number of areas – as well as improved market conditions for several of our businesses.



Exploration and production earnings of \$3.4 billion improved by 23 percent, as higher volumes and crude realizations more than offset low

natural gas prices in the United States.

Chemicals earnings reached a record \$2 billion, more than double 1994 results. Our coal, electric power and minerals segments also contributed higher earnings. Overall, refining and marketing earnings were lower due to very weak industry refining margins. Within this business, however, our fuel products, marketing and lubricating oil businesses continued to perform well.

Exxon's return on capital employed in 1995 was nearly 14 percent, the highest level since 1988. Return on equity was about 17 percent, up from 14 percent last year. These returns have continued to lead the industry.

Cash flow, including asset sales, totaled a record \$14.5 billion. Exxon's financial position strengthened further, with debt as a percentage of total capital reduced to 19 percent, an eight-year low. Our financial strength provides the flexibility to respond to attractive, high-quality investment opportunities.

Exxon's 1995 return to shareholders was one of the best in three decades. Total return

Profile of the Year

Record net income of \$6.5 billion, up 27 percent from 1994

Record cash flow of \$14.5 billion, further improving financial strength

Return on average capital employed of nearly 14 percent

Total shareholder return of 38 percent; dividend payments increased for 13th consecutive year

Exploration and production earnings of \$3.4 billion, up 23 percent

Record chemical earnings of \$2 billion

Additions to proved oil and gas reserves of 1.1 billion oil-equivalent barrels, replacing 110 percent of production, excluding property sales

Broad-based business growth, including:

- Oil and gas production of about 1 billion oil-equivalent barrels – best since 1988
- Highest petroleum product sales since 1979
- Record petrochemical sales of 13.5 million tons
- Record copper production

exceeded 38 percent – higher than any of our major international competitors – benefiting in part from dividend payments that increased for the 13th consecutive year. Exxon has a history of providing attractive long-term returns – averaging almost 17 percent per year for the last 10 years.

Keys to Success

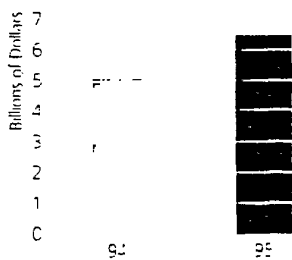
Exxon's businesses are capital intensive, long term in nature and geographically diverse. They can, from time to time, be impacted by changing world economic conditions, volatility in product markets and developments

in individual countries. Thus, the nature of our businesses requires that we have focused, long-term strategies with the flexibility to adapt to changing conditions.

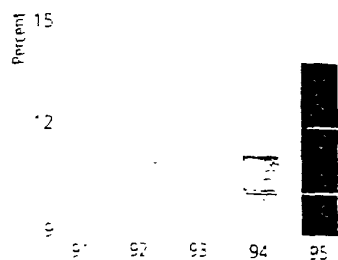
Exxon's future success requires continued commitment to all of our key strategies:

- Identifying quality investment opportunities, implementing the best on a timely and appropriate pace, while maintaining our selective and disciplined approach
- Being the most efficient competitor in all aspects of our businesses
- Developing and employing the best technology

Earnings Up 27%



Return on Capital Employed Increases to 14%



SER 1513

376