

Viewpoints

Exxon Gas Dump

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The recent announcement by ExxonMobil of its intention to dispose of owned and leased service stations



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may seem innocuous at first, but it will in fact present real challenges for our region. With over 135 locations estimated to be in Nassau and Suffolk Counties alone, it is one of the higher concentrations of gas stations in the United States.

As the owner and/or landlord of these stations, ExxonMobil presently maintains supervisory control of whatever happens on these sites. In assessing the reasons behind such a momentous decision, one cannot disregard the obvious fallout that will come as ExxonMobil seeks to shift risks to avoid future liability from ownership.

Among the most significant of the business risks faced by owners of gas stations is the storage and handling of the hazardous materials sold on their premises. For Long Island, the need to assure the utmost care in discharging responsibility in this area is higher than most, given the critical need to protect our most vital resource – the aquifer. Vigilance and prompt response are vital to protecting the aquifer from damage that is caused by routine and non-routine gasoline spills.

One can only assume that in disposing of its ownership interests, there will be

transfers to multiple buyers. Indeed, it may well be that each existing station will be transferred to individual ownership. The immediate effect of these transfers will be to dilute responsibility among those new owners. The economic wherewithal of an owner of an individual station compared with the economic strength of ExxonMobil needs little explanation. Any inability of an individual owner to meet the costs associated with a discharge of hazardous materials would shift the burden to local, regional and state agencies that supervise and have the power to protect the environment. If this were to occur, the cost would eventually be borne by the taxpayers.

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One can only wonder whether such a drastic change should be countenanced without some effort at protecting not only the individual purchasers but the public from this very significant potential harm. Individual purchasers must be alerted to the risks that they assume if they do choose to purchase one or more locations, not the least of which is the long-term cost to protect against the environmental risk assumed, whether through insurance, which could be costly, or other means. Local, county and state agencies having jurisdiction should also carefully examine the implications and consequences of the announced action, taking into consideration their jurisdiction to influence any transactions. ☞