

Securing your Social License to Operate

AAPA Cargo Optimization Seminar
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Port of Baltimore's Factors of Success

- *Initiate stakeholder engagement first by listening.*
- *For projects, engage stakeholders while developing options.*
- *Build trust through transparency, honesty and hard work.*
- *Develop permanent relationships.*
- *Share long term plans.*
- *Communicate goals, challenges and accomplishments .*
- *Create partnership opportunities.*
- *Maintain the level of effort or start over.*

So, how'd that work out for you?

3 Examples:

- LNG import terminal with local opposition
- LNG export terminal with non-local opposition
- Urban DMCF with local support

Similar environmental challenges

Subtly different approaches

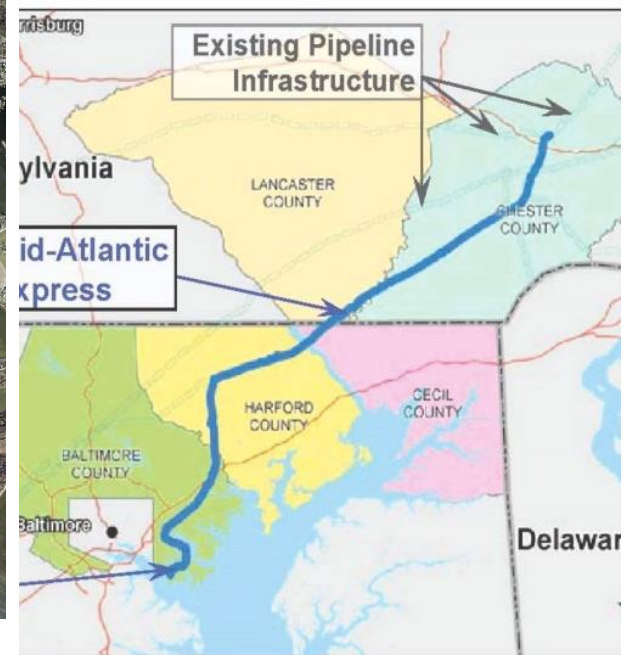
Vastly different outcomes

Example 1 – LNG

AES Corp's Proposed LNG Import Terminal



Proposed AES Natural Gas



Local Opposition

IN THE CIRCUIT COURT
FOR ANNE ARUNDEL COUNTY

AES SPARROWS POINT LNG, LLC
and
MID-ATLANTIC EXPRESS L.L.C.
Plaintiffs

Case No. _____

v.

CRITICAL AREA COMMISSION FOR
THE CHESAPEAKE AND ATLANTIC
COASTAL BAYS, A UNIT OF THE
MARYLAND DEPARTMENT OF
NATURAL RESOURCES,
MARGARET MCHALE, CHAIRMAN
and
BALTIMORE COUNTY, MARYLAND,
JAMES T. SMITH, JR., COUNTY
EXECUTIVE
Defendants

**VERIFIED COMPLAINT FOR DECLARATORY
JUDGMENT, INJUNCTIVE RELIEF AND WRIT OF
MANDAMUS**

Plaintiffs, AES Sparrows Point LNG, LLC and Mid-Atlantic Express L.L.
“AES”), pursuant to §§ 3-401 *et seq.* of the Courts and Judicial Proceedings
Annotated Code of Maryland and Maryland Rules 2-302, 7-402, 15-502, 15-5
make this Complaint for Declaratory Judgment, Injunctive Relief and Writ of
against the Critical Area Commission for the Chesapeake and Atlantic Coastal E

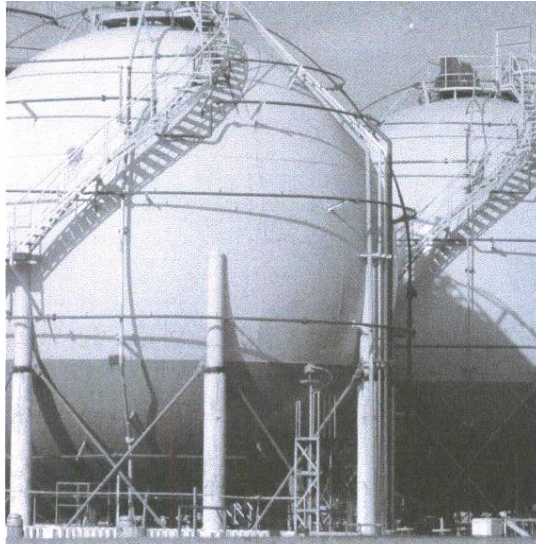
BALTI14356653.7

CITIZEN'S PETITION AGAINST
AES CORP. PROPOSED
LNG TERMINAL AT SPARROWS POINT, MARYLAND

By signing this petition you are asking our government officials to do everything in their power to
prevent the proposed LNG Terminal from being approved for our community

Name: _____
Address: _____

Name: _____
Address: _____



Congressman Ruppertsberger is
Leading the Effort to Prevent an
LNG Facility from Coming
to Eastern Baltimore County.

Congress of the United States
House of Representatives
Washington, D.C. 20515

*****ECRL0T**R012

C.A. Dutch Ruppertsberger
M.C.

Address: _____

You're right! But so what...

...if you can't influence the message !

The Risks and Danger of LNG

This documentary film informs the public about the imminent perils of LNG by demonstrating its vulnerability to accidental disaster and terrorism.



Example 2 – LNG

Dominion Energy's Cove Point Export Facility



Non-Local Opposition



Dominion maintained local trust...

COVE POINT NATURAL HERITAGE TRUST



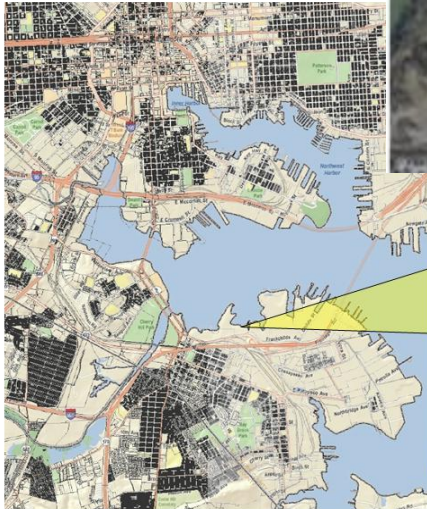
Dominion Cove Point
LNG, LP

Maryland Conservation
Council, Inc.

Sierra Club – Maryland
Chapter

Example 3 – DMCF

Port of Baltimore Masonville Project



Stakeholders brought solutions



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Each organization had a different approach to engaging stakeholders

- #1 “The regulatory review process will protect our project.”
- #2 “We want this project, but we will listen to concerns.”
- #3 “We have a blank sheet of paper and need your help filling it in.”

Which does your organization embrace?

Different approaches = Different outcomes

- #1 The regulatory review process will protect our project. ***Unsuccessful***

- #2 We want this project, but we will listen to concerns. ***Successful***

- #3 We have a blank sheet of paper and need your help filling it in. ***Highly Successful***

Higher degree of local trust = higher probability of success

Different approaches = Different outcomes

#1 AES: The regulatory review process will protect our project. ***Unsuccessful***

OUTCOMES

Absence of local trust led to:

- Highly conditioned Certificate-To-Construct.*
- Continued delays by litigation.*
- Ultimate market shift; project abandoned.*
- LNG division eliminated.*

Port of Baltimore's Factors of Success

- ~~• Initiate stakeholder engagement first by listening.~~
- ~~• For projects, engage stakeholders while developing options.~~
- Build trust through transparency, honesty and hard work.
- ~~• Develop permanent relationships.~~
- ~~• Share long term plans.~~
- ~~• Communicate goals, challenges and accomplishments.~~
- ~~• Create partnership opportunities.~~
- Maintain the level of effort or start over.

Different approaches = Different outcomes

#2 Dominion: We want this project, but we will listen to concerns. **Successful**

OUTCOMES

Some degree of local trust led to:

- Conditioned Certificate-To-Construct.*
- Project moving forward.*
- Stakeholder relationships strained but intact.*

Port of Baltimore's Factors of Success

- *Initiate stakeholder engagement first by listening.*
- ~~*For projects, engage stakeholders while developing options.*~~
- *Build trust through transparency, honesty and hard work.*
- *Develop permanent relationships.*
- ~~*Share long term plans.*~~
- *Communicate goals, challenges and accomplishments .*
- *Create partnership opportunities.*
- *Maintain the level of effort or start over.*

Different approaches = Different outcomes

#3 MPA: We have a blank sheet of paper and need your help filling it in. **Highly Successful**

OUTCOMES:

High degree of local trust led to:

- Huge savings in time and money.*
- Collaboration produced easy Mitigation.*
- Cost of lost business opportunity avoided.*
- Enduring relationships with port stakeholders.*

Port of Baltimore's Factors of Success

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The People behind a project...

...always intend to do the right thing by stakeholders.

- In our examples, differences in
 - Timing?
 - Style of approach?
 - Attitude about stakeholders role?
- The **nuance** of the execution **matters** greatly.

Slightly different approaches *Vastly different outcomes*

- #1 The regulatory review process will protect our project. ***Unsuccessful***
- #2 We want this project, but we will listen to concerns. ***Successful***
- #3 We have a blank sheet of paper and need your help filling it in. ***Highly Successful***

***Higher degree of local trust = higher probability
of success***

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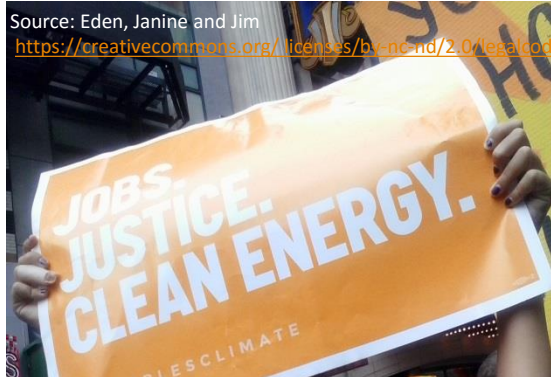
So how are we viewed by our Stakeholders?

- At the table as a partner?
- Or as the Bull in the China Shop?



Not just jobs, but Quality of Jobs

Source: Eden, Janine and Jim
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Source: Carrie Sloan
<https://creativecommons.org/licenses/by-nc-nd/2.0/legalcode>



Source: Green Jobs Now, <https://creativecommons.org/licenses/by-nc-nd/2.0/legalcode>

Securing the License

Does the Organizational Culture allow this?

- Transparency is paramount.
- Be consistent in your message.
- Build trust before introducing problems or projects.



Securing the License

Anticipate and Prepare

- Know local stakeholders / local conditions.
- Pick an approach that responds to local conditions.
- The messenger can be as important as the message
 - choose wisely.
- People have an inclination to believe the rhetoric.
 - Be prepared with solid facts.
 - Make use of independent verifiers.
 - Shape the dialogue.

Have you heard the one about...

*An outreach
coordinator walks
into a bar...*



The lesson...

*Don't confuse "counting
things"*

...with Making Progress.