



THE PROMISE AND PERIL OF CORRIDOR EXPANSION

A proven method for avoiding self-inflicted project opposition

BY JAMES A. KENT

In the coming decade, we will see corridor right of way issues expand at an exponential rate. This will be driven by the alternative energy movement to supplement fossil fuels with renewable energy, and the need to improve reliability and upgrade aging infrastructure. To say that new corridors are needed would be an understatement.

On October 6, 2011, the Obama administration announced it would accelerate the permitting and construction of seven proposed electric transmission lines on federal lands. This move, according to the press release, is specifically focused on “transforming the nation’s electric system into a modern 21st century grid that is safer and more secure, and gives consumers more energy choices.” In a separate action on October 31st,

the administration identified 17 sites within six western states as ideal candidates for solar energy projects on public lands, all of which will need transmission corridors in this decade to distribute the power.

OLD STRATEGIES NO LONGER WORK

The means through which transmission corridor development occurs is often a contentious one. That’s because it’s based on the old top-down approach, where decisions are made at the upper management level without any input from those in the field who will be tasked with executing the plan. Unfortunately, this corridor management approach has proven to be very costly in terms of lost time, dollars and goodwill.

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This top-down approach no longer works because it's a linear process that starts with the design phase and ignores any potential impact to the local community. This means that during the design and selection phase, the seemingly best options for a transmission corridor are finalized hundreds of miles away from where the corridor is located—sometimes without any site visits at all. The design is then proposed to those in the field, specifically the right of way agents who will be informing the local community that a corridor is planned. The timeline and budget have long been established, and although the field professionals have had little input, they are expected to meet the schedule and budget anyway.

While all this is happening, the people in the community are kept in the dark until someone shows up at their door or they read in the newspaper that a new transmission line or pipeline is going to be built. Their typical reaction is to organize against the corridor, which in turn, forces the project proponents to defend their original plan. All in all, not a smart strategy, especially with the public's overwhelming access to information and group activism via the internet, 24-hour TV news, Facebook, tweeting and other social media.

COMPANIES REALLY DO HAVE A CHOICE

It's no surprise that this outdated top-down approach needs an overhaul. Think about it. While the developer is focused on budgets, timelines and return on investment, the community becomes obsessed with how the new project will impact their day-to-day lifestyle. The developer, eager to expedite the process, often doesn't realize how their independent actions are being perceived by the local community. The result is that affected residents feel powerless, subordinated and indignant. Those highly recognized and respected companies that were once trusted are seen as the enemy, inspiring antagonism and encouraging local unity to rise up against their development. Although both the developer and the community perspectives are understandable and have their merit, both parties will suffer if there isn't some form of collaboration.

Just look at the grass roots movement that has been taking place with active, widespread citizen involvement. The most recent example is the "Occupy Wall Street" demonstrations taking place across the United States and around the world. People are demanding they have input on decisions that are directly impacting their way of life. Given these shifts at the local level, are we ready to refocus our approach to corridor development and address the changing demands taking place in our communities?

A STRATEGY THAT DOES WORK

There is an alternative approach, and it has proven effective time and time again on a variety of corridor projects. Instead of managing from the top down, the process is reversed so that those in the field—living and working in and around the impacted area—are invited to participate in the planning process.

This bottom-up strategy is not particularly difficult to implement. It merely adds some time to the front end of the project so that research can be done to avoid any major social or cultural concerns within the potentially impacted area. The extra time is well worth it, as when the public knows their issues and concerns are being heard in the planning stage, there is much less fear and anxiety.

It is essential that developers engage local residents and right of way professionals in a conversation, asking for feedback on the proposed route and if necessary, for potential alternative routes. This is not a public meeting where the company simply presents the project. This is a two-way dialogue that shows the company is willing to listen and take any idea under consideration well before the project is set in stone. Rather than generating frustration and chaos, the local residents are valued and involved, and a sense of camaraderie around the proposed development will follow.

When local residents are engaged in the decision-making process, cooperation is inherent. Clearly, it is worth the time and effort if it means we will achieve success for our transmission projects.

THE HUMAN ELEMENT

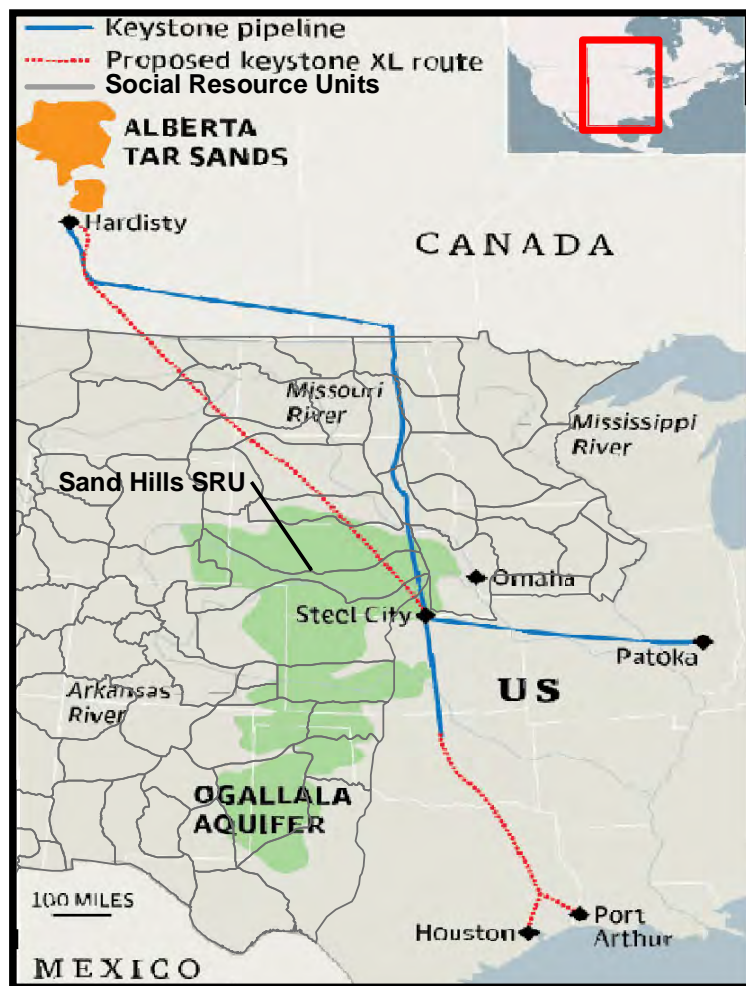
Understanding human geography may soon become recognized as one of the most significant ways to avoid major project delays, cost overruns and loss of public goodwill.

A recent case illustrates the pitfalls of using the old top-down approach in project management. The new TransCanada Keystone XL pipeline is anticipated to carry crude oil from the tar sands of northern Alberta to Steele City, Nebraska, and then south to Houston, Texas, a distance of roughly 1,700 miles. In the project design, a nearly straight-line corridor was proposed from where the pipeline crosses the Canadian border in Montana to Steele City, a distance of approximately 850 miles.

The map shows where the pipeline was proposed before TransCanada withdrew this corridor from consideration. This action was taken in response to the U.S. State Department's announcement on November 10th that a "12 to 18 month delay was needed for further study of the impacts." It also shows where Keystone 1 is located (originally a gas pipeline which was converted to carrying tar sand crude two years ago). This Keystone 1 pipeline comes almost straight down the 100th meridian from the North Dakota border to Steele City and terminates at Cushing, Oklahoma, where many pipelines converge. Between the 98th and 100th meridians is where the low moist lands of the prairie end and the high dry lands of the Great Plains begin. It is a natural geographic dividing line of the United States not only in biological and physical terms, but in terms of social and cultural settlement.

CULTURAL VIOLATION

The company Natural Borders, LLC has mapped the pipeline areas into human geographic units that can also be observed on the map. Keystone 1 follows the 100th meridian south on this boundary line. There was little opposition to this pipeline when it was originally built for natural gas or when it converted to moving tar sand crude. However, as Natural Border's research and experience shows, when a company bifurcates geographic social units, as the straight line in Keystone XL does, and drives a pipeline right through the geographic middle of the community's cultural connectivity, the people will fight fiercely to protect against this intrusion into their living environment. Move to a border area which are zones of



transition from one social system to another, and there will be less resistance, as was seen with the original Keystone pipeline project.

A major cultural violation of the Keystone XL project was in not recognizing that the Ogallala Aquifer, over which a substantial part of the pipeline would have run, is held sacred to the people of Nebraska. After all, it provides 80% of the water used in the state and supports the production of 30% of our nation's foodstuffs.

The mere thought of polluting the aquifer from a potential pipeline leak, a fear expressed often by the local people, is an unthinkable outcome for something so critical to maintaining the resident's quality of life. Had the local citizens only been asked, they could have explained why a straight line across the Ogallala Aquifer and through the fragile Sand Hills area in Nebraska was not the best option in this sensitive social and cultural environment.

There are other local issues along the pipeline route, including opposition by the National Congress of American Indians. However, it was the crossing of the aquifer without involving the citizens that was the flash point for the formal

opposition to mobilize. As noted by Gary Severson, Amoco Waste Incinerator project, "It is said that the people have a sacred obligation to this water."

The public's response to this project, which didn't consider the social, cultural, economic and biological issues up front, has led to something akin to an emotional tsunami. An emotional tsunami begins quietly enough with no hint of what's building, and seemingly out of nowhere, the project is left struggling or damaged beyond repair.

AWARENESS NEEDED

For us to ensure a project's success, each company and developer must recognize that it's how these projects are managed that will determine whether or not the project will face opposition. Whether for electric lines, pipelines or any other project, these management decisions can have serious repercussions on the right of way business in general. In the case of the Keystone XL Pipeline project, the result will be felt in terms of production restrictions in oil markets.

A Reuter's news article titled, TransCanada Says Keystone XL Pipeline Route Unlikely to Change, quoted Alex Pourbix, TransCanada President of Energy and Oil Pipeline as saying, "TransCanada did not realize that the project would become such a heated political and environmental issue in Nebraska. If the company had had any clue, we would have undertaken more efforts to communicate with the public," he said. "I hope it's not too late for that because what has been lost in all of this is the science and the facts."

We all have a responsibility to each other in avoiding disruption and conflict that can have trans-corporate impacts. Because local issues were not identified and addressed early on, the pipeline itself became the issue, thereby attracting outsiders and their political agendas. This case became so contentious that eight Nobel Peace Laureates came out publically in opposition to the project.

No matter how this conflict turns out (and it will carry over to other corridor alternatives), the damage has already been done to halt the goodwill needed for this new decade of corridor development. Before the eruption surrounding Keystone XL, there were no organized opposition groups that could be mobilized to fight these types of projects and their outcomes. There are now.

A PARALLEL COMMITMENT NEEDED

It is in our best interest to help create a paradigm shift. It will take a different approach, one that is not necessarily intuitive or comfortable for managers who are unaccustomed to being open to outsiders' input early in the development process.

Having a trusted individual on the ground, early in the process, allows for the synchrony of local concerns, corridor location and company-landowner relations. The company can become a trusted partner in an effort that the public will benefit from, whether directly or indirectly. This type of bottom-up management can lead to a productive future in the United States and other countries, whereby it is recognized that people hold the ability and power to infuse their economy with jobs and money in a dignified manner.

Imperative for the successful alteration and expansion of the nation's trans-regional transmission infrastructure will be citizens' increased influence over, participation in, and control of what happens in their specific geographic environment. In fact, citizens can have ownership, camaraderie, and union with a developer who engages them from the start. When citizens are empowered to aid in the production of renewable, local sources of energy and the creation of electrical veins to carry that power from source to load, doors open for the developer.

The increased need for transmission corridors will hopefully inspire a parallel commitment to rebuild the public/private partnership that has been lost. To rebuild this partnership, it's essential that we, as companies, learn more about the individuals and communities who will face the greatest impact from our projects.



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