

Environment

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Transpipe is an 80-year-old international construction company that specializes in building and maintaining gas and petrochemical pipelines. When Transpipe was founded in Houston in 1932, its work was limited to Texas. The company expanded over the years with pipelines to support delivery of natural gas to the Upper Midwest and East Coast. It subsequently built lines from East to West to service California, Arizona, Nevada and New Mexico, and it was a contractor on the Trans-Alaska Pipeline System (TAPS). From there it branched into pipeline building around the world. Transpipe developed many of the installation and maintenance techniques used today in arctic, subarctic and tropical environments.

Transpipe is an expert in environmental law because pipelines cut across marshlands, agricultural fields, forests and other sensitive ecologies. The company has a 30-year history in handling environmental impact statements and pipeline routing. It was no stranger to controversy when it surveyed the 2,000-mile TransCan pipeline route from Alberta's Athabasca oil sands region to Illinois refineries where synthetic crude would be turned into gasoline. The pipeline was projected to ship 400,000 barrels of crude a day at the start of its life that would rise to 600,000 barrels a day when it was fully functioning. This time, however, Transpipe wasn't prepared the level of protest.

Objections came from every side and not all were environmental. Canadian unions opposed TransCan because they said it provided no benefit to the country. Nebraskan farmers opposed it because it could cut across the Ogallala aquifer on which they depended for water. Environmentalists descried it because it could trench through the Sandhills region where cranes migrated. Major newspapers like *The New York Times* questioned the proposed construction of the pipeline as being inadequate. Democratic US Senators and Congressmen were against it because it would transport "dirty fuel" to the US that would exacerbate global warming. The President of the United States, taking a cue from his party, put the pipeline on hold because he said the Federal government hadn't it studied thoroughly enough.

For all that, the pipeline wasn't dead. Transpipe hired a dozen lobbyists in Washington to point out the jobs the pipeline would create and the reduction in oil imports from the volatile Middle East. The Canadian government spotlighted the toll taxes the pipeline would reap for the nation. Transpipe also surveyed 14 alternate routes it could take from the Canadian border to Illinois and felt sure one or more would be acceptable to environmental protestors. But, for every month that a decision wasn't made to dig, the cost of TransCan rose and the

transportation headache for syn-crude producers in northern Alberta grew more acute.

The question before Transpipe's CEO and executive staff was what to do to get TransCan under construction. They felt that once started there would be less impetus to stop it. They reviewed criticisms and concluded they would choose a routing option that was the least environmentally objectionable even if it should add 20 percent to the cost of the multi-billion project. This meant taking an eastward loop around Nebraska along the edge of Iowa and cutting across northern Missouri. Protests against the pipeline weren't as high in those states and Transpipe had union support, particularly in Missouri, for the jobs that it would create. They also agreed they would get a second independent opinion on the environmental impact of the pipeline through the "loop" route. The first consulting company to render an opinion had worked for Transpipe before, and this had sparked charges of bias. They would address job creation by appealing to Republicans in the House and Senate who were in favor of major capital projects. It would become a campaign issue for Democrats who opposed.

The President was another matter. There were signs that he didn't oppose the pipeline but he was sensitive to the feelings of his constituency, which included a substantial number of environmental activists. The President couldn't afford to alienate his party in an election year. Transpipe needed a way to provide the President with political cover in order for him to change his mind. The head of public affairs, Mark Cunningham, said he had the support of the Senators of North and South Dakota through which the Transpipe would travel and of Missouri. He wasn't sure about Iowa. The Democratic senator in Iowa leaned against the pipeline and the Republican Senator favored it. As for House members, the Cunningham had the written support from Congressmen in the Dakotas and majority support from Congressmen in Iowa and Missouri. This wasn't enough to offset opposition from Senators from Nevada, Michigan, California and New York as well as a group of 60 Democratic Congressmen and women who had signed an environmental pledge to oppose approval of TransCan.

The CEO asked what the possibility of a grassroots campaign might be to build support. He directed the question to Cunningham and the head of corporate communication, Emily Struthers. Struthers said it would be possible but difficult. Support for the pipeline was more of a local issue in states with smaller populations. However, there was a chance Transpipe could motivate Republican activists to back it. "Don't underestimate the power of the Tea Party to make noise," she said. Cunningham talked of agencies in New York and Washington DC area that specialized in creating and implementing grassroots campaigns. "We're talking several months to reach an effective level, and \$5 million or more," Cunningham said.

"How fast can we rally the construction trades?" the CEO asked.

“Quickly,” Cunningham said.

“We won’t have any problem mobilizing the heavy equipment manufacturers,” Struthers said. Caterpillar and Deere have already come out in favor of it. CNH should fall in line.”

“How soon can we get a coordinated plan to put pressure on the White House?”

“Give us a month for the plan and two months to implementation,” Cunningham said.

“We’re going to need outside help to get it planned and launched,” Struthers said.

“So, get it.”

The CEO set a meeting on his calendar for 30 days hence.

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Questions for consideration:

1. What are the audiences that Transpipe needs to reach? (Hint: They are larger than you might think.)
2. What are the key messages Transpipe needs to communicate?
3. What are the action-items that Transpipe wants from grass-roots lobbying?
4. How do you engage citizens in states the pipeline will not cross?
5. What might be the fall-back plans if the grassroots campaign fails?