

# Revolt

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The International Birders Society (IBS) is a not-for-profit organization dedicated to the preservation of avian species and their habitats. It has 30 sanctuaries in the continental US from Maine through Louisiana to California and Alaska. Outside the continental US, it has five sanctuaries in Hawaii, Guam and Puerto Rico. Overall, US holdings exceed 500,000 acres. The Society had also acquired properties in South America, South Africa, Indonesia and Borneo.

Maintaining sanctuaries and conducting studies of birds, their habitats and migration patterns are a significant drain on the organization. Its annual budget is \$100 million of which only 60 percent is covered by endowments. Fund raising from 500,000 members, many of whom are highly placed in finance and industry, is a critical annual task, and the organization is skillful at it. In recent years it had gathered up to 105 percent of annual goals, which allowed it to speed purchases of properties.

However, with a decline in the economy and stock market, cash flow from endowments had fallen 15 percent and average annual contributions had shrunk by five percent, although IBS had met its current year fundraising goal. IBS' CFO projected that the next four years would be difficult, even with cuts to headquarters staff and delay in land purchases. The CFO recommended against taking money from the endowment. Protection and improvement of properties to guard against poachers, foster nesting and control predators is a continually rising expense that requires conservators to live on or near each sanctuary. At the large sanctuaries comprising thousands of acres each, there is need for several conservators. While payroll is significant, it does not include vehicles, dwellings, utilities and other amenities for conservators living far from urban or rural centers. Moreover, 75 percent of US sanctuaries have visitor centers, which require staffing, maintenance and occasional improvement. Modest admission at visitor centers does not cover the expense of running them, and even if admission were substantially increased, it would pay for but a fraction of management costs of US sanctuaries.

IBS' CEO proposed a retrenchment program that the board adopted unanimously, and he raised a proposal that had come to the society the month before. The 10,000-acre Buffalo Prairie sanctuary in North Dakota lies in the center of the Bakken Shale formation, subsurface rock covering an estimated 200,000 square miles of North Dakota, Montana and Saskatchewan. With the rise of horizontal well drilling and hydraulic rock fracturing, the Bakken formation's recoverable oil reserves are estimated at 3+ billion barrels of light, "sweet" crude. A driller had approached the society to lease Buffalo Prairie land and complete exploratory wells. Royalties from successful wells would add tens of thousands of dollars to the society's treasury annually. The CEO had a study

team examine the driller's record and compatibility of well drilling on sanctuary land. The team had given a cautious green light to the proposal. The CEO presented the team's initial report to the board and opened the meeting for discussion.

The room was split. Eight board members supported the idea pending further study. Seven board members opposed it as doing irreversible damage to the sanctuary and wildlife, particularly nesting eagles, raptors and Western Meadowlarks. There was no room for agreement. The CEO sent the report back for further study and scheduled it to be brought up again in the next quarterly board meeting. Meanwhile, word filtered from the boardroom to five IBS state societies that drilling was under consideration. The state societies unanimously opposed the idea in letters to the CEO, who explained that no decisions had been taken.

At the next quarterly meeting, the driller presented a plan for drilling on the perimeter of sanctuary land, and the study team followed with an environmental impact analysis. The conclusion was that drilling could be done safely, and the effect on wildlife would be minimal. The study team recommended that conservators, paid for by the driller, be stationed at each well site with the power to stop all activities if there was imminent harm to environment or wildlife. The driller readily accepted this condition and revealed that he had been a member of IBS for 20 years.

The board remained split. The eight members who supported the proposal wanted to move ahead. One of the seven opposition members moved to a neutral position. Six remained vehemently opposed. The CEO recommended further study and well visitations by board members at sites across North Dakota. He tabled the proposal until the next quarter. Meanwhile, word continued to filter to IBS state societies that headquarters was considering drilling on Buffalo Prairie. Twenty-six of 50 state organizations went on record opposing the idea. The remainder suggested further study and a cautious approach.

Board members toured North Dakota well sites and received an expanded environmental impact analysis before the next quarterly meeting. Nine members agreed that the environmental impact was acceptable. Six did not. The board put the issue to a vote and the measure passed. Two of the six in opposition resigned and said they could not continue in the society because of its lack of stewardship. They were large annual contributors, but the CEO and board could not dissuade them. The former board members predicted they would stop drilling on Buffalo Prairie before it started. The CEO and chairman thanked the members for their service and contributions and expressed hope that the members would not publicly oppose the drilling plan.

The next day at 10 am, the IBS communications director handed the CEO a copy of a release that had just crossed on PR Newswire. It was headlined, "Save

Buffalo Prairie.” The body of the release condemned the board’s action and announced the launch of a web site, [savebuffaloprairie.org](http://savebuffaloprairie.org), a Facebook page and a twitter handle, @bprairie. Dissidents promised to keep IBS members abreast of every step to stop IBS headquarters from “desecrating Buffalo Prairie.”

The CEO wasn’t ready for the onslaught. Final edits were being done on a PowerPoint presentation that was to go to state societies to explain the Buffalo Prairie decision. A new interactive page was about to be launched on [intlbirdsociety.org](http://intlbirdsociety.org) but needed another day. A magazine article in the society’s award-winning publication, *Migration*, was a month away. The CEO’s speaking schedule to state societies was still being coordinated. A letter and e-mail announcing the board’s decision would not go out until later in the day.

IBS was inundated with phone calls and e-mails from outraged members and environmentalists. E-mails were running at several hundred an hour. IBS’ phone banks overloaded and collapsed. A reporter from *The New York Times* reached the CEO’s office directly and asked to speak to him about the decision. The CEO declined. By noon, there were 50,000 “likes” on the “Save Buffalo Prairie” Facebook page, thousands of retweets of the first messages from the dissidents and hundreds of blog entries condemning the board’s decision. Volunteers signing up on [savebuffaloprairie.org](http://savebuffaloprairie.org) were in the thousands. Pickets appeared outside the IBS headquarters in downtown Manhattan.

That evening, the CEO called an emergency board meeting and asked the members whether they should reconsider the decision. The board chairman was opposed.

“We’ve studied the issue. It’s time to go ahead. We need revenue,” the chairman said.

“We don’t need to destroy sanctuaries to save them,” rejoined an opposition board member. “There are other sources of revenue that respect the land.”

“Nothing will provide the secure cash flow of royalties,” said the chairman. “Remember. We ARE protecting wildlife. We aren’t destroying land.”

“We haven’t considered such things as eco-tourism,” said the opposition member.

“That will take years to develop. We need cash now,” said the chairman.

A poll of board members showed a change in opinion. Six board members were leaning toward the opposition. Six including the chairman were in favor of staying the course. One was undecided.

The chairman was adamant. "I will reconsider my affiliation with IBS if this decision is overturned."

The CEO was frightened. The chairman was the single largest contributor to IBS, and he had made arrangements for a \$50 million general purpose endowment upon his death. The other board members, including the opposition, were well aware of the chairman's importance, but they also felt the pressure. They cajoled him, asking him not to act precipitously as two other board members had done. They pointed out that a public split had already damaged the board and another would harm it irreparably. They argued that membership needed to be heard and their message was loudly opposed.

The chairman argued that the CEO and board had not made the case yet. Members were acting out of ignorance and fear, but once they understood the issue, the majority would support it. Contrary to the opposition's suggestion, it was they who were acting precipitously without giving IBS a chance to explain itself.

The leading opposition member partially agreed with the chairman but did not yield in her stance. "We haven't explained the reason for the decision but when we do, members will be all the more opposed," she said. "There is no good reason to drill on sanctuary land, even on the perimeter. It is too dangerous."

The chairman addressed the CEO. "What is your recommendation?"

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Questions to consider:

1. Given the intensity of opposition, what should the CEO say?
2. What is your estimate of the opposition dying down once IBS explains its decision?
3. What should IBS have done before making the board decision?
4. What would you do given that changing the decision would cost IBS tens of millions of dollars from the chairman while supporting it might cost tens of millions of lost revenue from members?