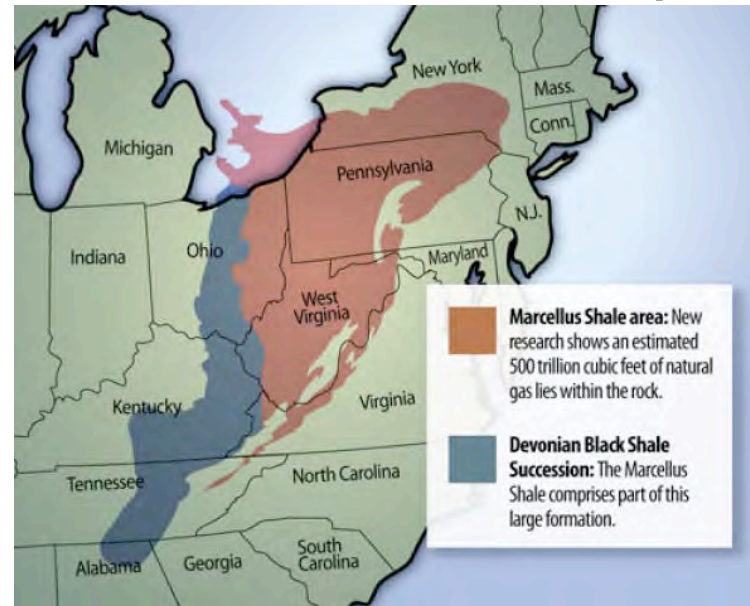


Managing Stakeholder and Community Resistance to the Marcellus Shale Gas Extraction Project

Steve Shapiro

Pennsylvania Natural Gas
Summit 2009



Get Ahead and Stay Ahead of Conflict

Why Outrage and Conflict Occurs

Outrage and conflict occur because:

- People feel rolled over
- The project comes as a surprise
- It raises fear and, for some, dread
- Little opportunity for consultation and input
- Lack of access to appropriate information
- It is an unknown risk, rather than a familiar risk
- It appears unfair or unnecessary
- The project is controlled by others and they are seen as unresponsive or untrustworthy
- The project may create visual impacts, loss to property values, or negative impacts to lifestyle

Energy Developer Needs

Developers need to:

- Acquire permits with minimal delays
- Be compliant and effective
- Gain community buy-in
- Build ongoing and long term relationships
- Manage the regulatory process and relationships
- Manage conflict and community outrage



Marcellus Shale Gas Issues

The goal is not to persuade people that they are wrong and we are right but rather to seek to understand their issues and concerns, engage them in the consultation design, and through meaningful dialogue and resolution processes, mitigate impacts that affect them and the local community.

Public Issues

- Lack of knowledge
- Drinking water/Protection of water
- Environment
- Traffic
- Water disposal
- Risks of directional drilling
- Spills and leaks



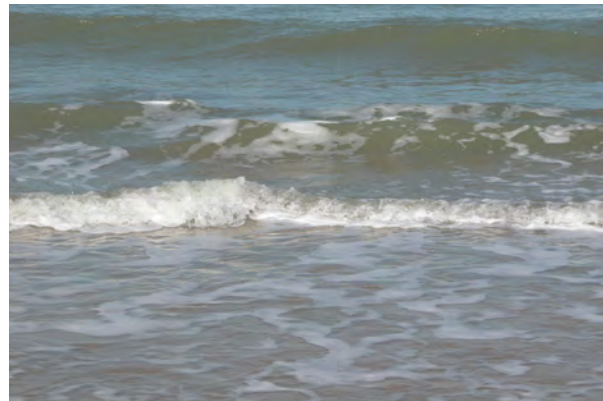
Marcellus Shale Gas Issues

Regulatory Needs

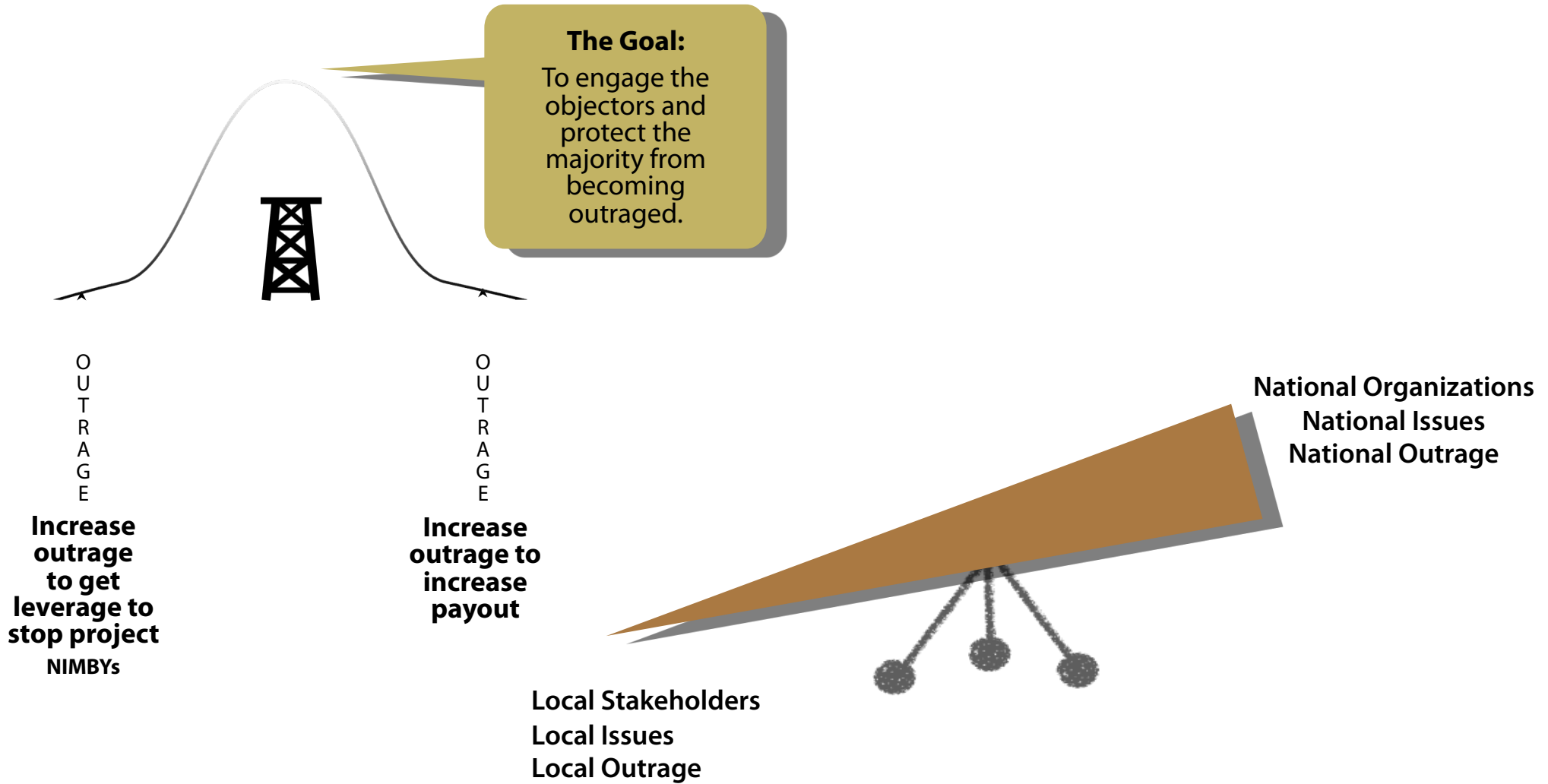
- Assurance that stakeholders' issues and concerns have been addressed prior to granting a permit
- The latest knowledge about this type of technology
- Minimizing upset and outrage

Regulatory Issues

- Large numbers of outstanding issues and community outrage
- Limits on drilling
- New knowledge about the impacts of this type of drilling
- Environmental groups
- Clean Water Act



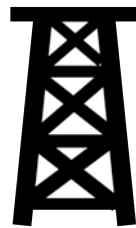
Outrage Management Planning



Risk = Hazard + Outrage*

Regardless of the degree of REAL hazard,
if outrage is high, the project is at risk

Reducing outrage and conflict in the local community gives
your project the best chance for regulatory approval



* Dr. Peter Sandman

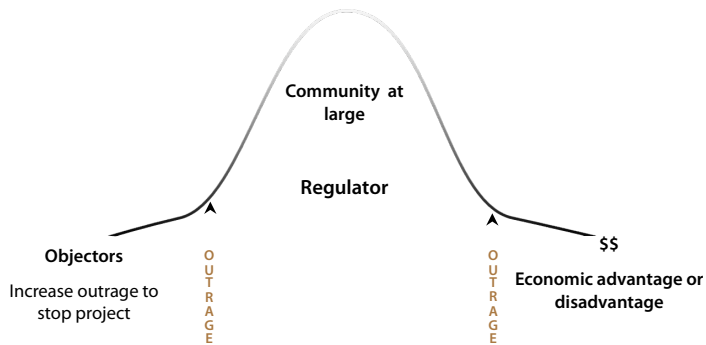
Examples of Outrage Management Strategies

- Engage and involve local stakeholders early
- Promise and demonstrate transparency, inclusiveness, fairness, accessibility, consistency, responsiveness, and trustworthiness with stakeholders
- Tell your story widely
- Ensure that all can understand your project's need, necessity, benefits and technical details as well as the risks and how they will be mitigated
- Ensure the entire team is telling the same story
- Be responsive
- Design together conflict resolution processes

Outreach Planning

Plan

- Start early
- Know your risks
- Commit to meaningful, open and transparent consultation



Implement

- Execute your risk mitigation strategies
- Engage the community
- Avoid Decide, Announce, Defend Cycle
- Make the best available information accessible to stakeholders



Track and Document

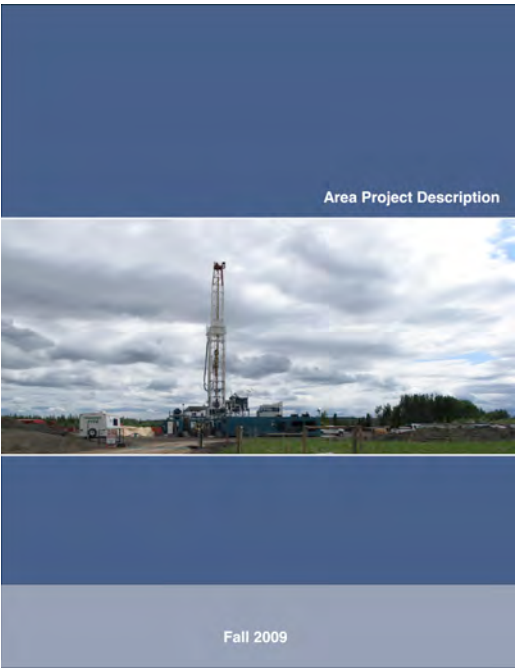
- Track and document the story to demonstrate compliance and effectiveness to regulators

Record of Contact	
Project Info	
Project*	Client Name
Subproject*	Location*
Contact Info	
Communication Type	Inputted By
Company	Date
Last Name *	First Name*
Address Street	Phone#
City	Email
Province/State	
Postal Code	Country
Discussion Info	
Summary of Discussion*	
<input type="text"/>	
Issue / Concern	
<input type="text"/>	

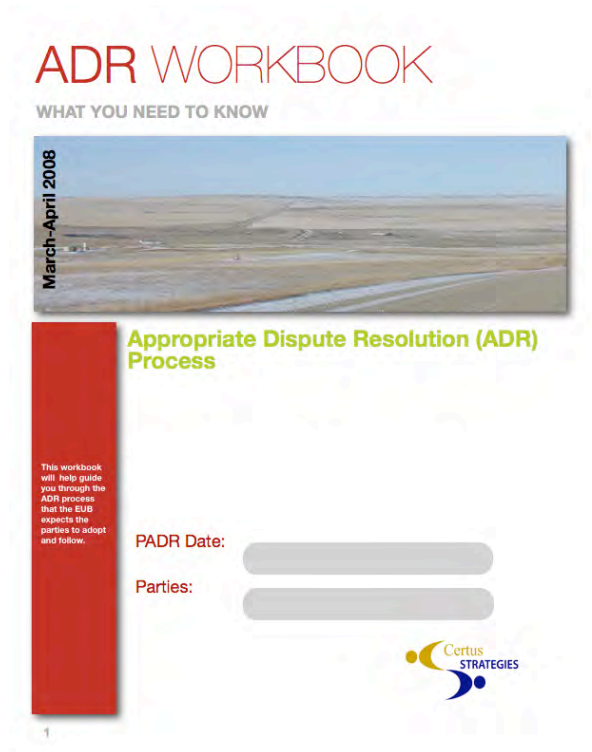
Please Fax to Certus Strategies at: 1-403-233-7448

Outrage Management Tools & Processes

Area Project Description



Workbook Process



Risk Assessment

Matrix Risk Matrix Date:

Risk	Probability	Impact	Mitigation

Certus Strategies

United States Office

6101 Executive Blvd.

Suite 385

Rockville, Maryland 20852

Toll Free: 1.866.326.3517



Canadian Office

1122 4th Street SW

Suite 1100

Calgary, Alberta T2R 1M1

Toll Free: 1.866.233.2209

www.certus-strategies.com



Pennsylvania Natural Gas Summit 2009

