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Peter Sandman Plots to Make You a Winner Advice on Making Nice

by Bob Burton

Peter Sandman, an affable “risk communication” consultant from Massachusetts, is evangelical about his medicine for unpopular companies and industries—deal directly with your harshest critics, make concessions, and maybe even let them “win.”

This may seem like unusual advice, but some of the largest companies in the world view Sandman as a crisis management expert and pay big bucks—between \$650 and \$1,200 per hour—for his analysis.

Sandman has been called in to rescue battered corporate reputations in cases ranging from Shell’s bloody debacle in Nigeria to the dumping of the Brent Spar oil platform in Europe. His advice has helped companies combat public opposition to genetically engineered food, and has been used by the chemical industry to clean up its image following the disaster at Union Carbide’s plant in Bhopal, India, which killed thousands of people and injured tens of thousands more.

In style and perhaps even in substance, Sandman defies many PR industry stereotypes. Formerly a Professor of Human Ecology at Rutgers University, he works from a small office in Newton, Massachusetts. In an industry dominated by big companies, he adamantly refuses

Flack Attack

There is something very seductive about the idea of “win-win” solutions, as Peter Sandman well knows. But sometimes seduction is just a nice word for getting screwed.

One of Sandman’s protégés, Fred Krupp of the Environmental Defense Fund (EDF), has carved out a niche for his organization as a “pragmatic” dealmaker willing to sit down with corporations and negotiate environmental “solutions.” Our article on page seven of this issue tells the disturbing story of how one of these deals came close to introducing an insidious new source of greenhouse gases into the environment.

Krupp and Sandman appear to believe sincerely that reform is best achieved through cooperation with corporations. But careful examination of this approach reveals deep flaws. It is an approach based on studying conflicts over chemical plants in densely populated

areas of the U.S. It assumes, moreover, that activism is undertaken without fear of reprisal in a democratic country where activists can access support networks, information and the media. These assumptions are tenuous enough in the U.S. but can only be considered fanciful in parts of the world dominated by military and economic dictatorships.

Once committed to “engagement,” many environmental and activist groups are inclined to believe the best of a company, no matter how often the company plays the dual game of speaking nicely while lobbying behind the scenes to weaken existing regulations.

Eternal forgiveness of corporate misbehavior is likely to result in “battered activist” syndrome. Fear, lack of perceived alternatives, unwillingness to admit a mistake and financial dependency keep “engaged” citizen groups imprisoned in a dependent and unhealthy relationship where powerful corporations are the real winners.

to let his one-person company get any bigger. He is scathingly critical of manipulative PR techniques and, unlike typical PR people, talks candidly about his strategies and tactics.

Sandman is a prolific writer and describes himself as a “moderate” environmentalist who is on retainer to the Environmental Defense Fund (see article on page 7 of this issue). His writings on risk communication have been used to develop software designed to assist companies dealing with activist groups. He lobbies non-government organizations (NGOs) to “engage” with his corporate clients, gently wooing “moderate” groups and isolating those that eschew “engagement.”

Scratch the surface of his “moderate” approach, however, and you can find attitudes that are surprisingly similar to the rationalizations of conventional spin doctors.

Take, for example, the case of Shell’s collaboration with the military dictatorship in Nigeria. Military repression aimed at the Ogoni people has helped facilitate Shell’s extraction of natural gas from Ogoni lands. When playwright Ken Saro-Wiwa became a leader for the Ogoni people, the dictatorship arrested him. Following a “trial” before a military tribunal, Saro-Wiwa and seven other Ogoni activists were executed by hanging in 1995.

Sandman sighs, however, when asked if Shell deserved the international condemnation which it received followed the killings. “Oh boy, is that hard,” he says. “I think the outrage was absolutely legitimate. I also think that Shell had nothing it could have done.”

DEATH TO COMMON SENSE

While acknowledging the Ogoni grievances as “largely justified,” Sandman characterizes Saro-Wiwa as the “Tom Paine” of the Ogoni and describes their campaign as an armed rebellion. “Though Saro-Wiwa was not armed, . . . he was their pamphleteer,” he says. “Some of the people whom he was executed with were soldiers in this rebellion.”

Setting aside the question of whether people like Thomas Paine deserve to be murdered, the facts themselves in Sandman’s rationalization are strongly disputed by Andy Rowell, a British-based freelance writer who has monitored Shell’s activities since 1992.

“Sandman’s views are typical of a corporate spin doctor relying on information from a client. They bear no relation to the truth about the events which actually occurred in Nigeria,” says Rowell, who is the author of numerous reports and articles on Shell in Nigeria as well as the book *Green Backlash* (Routledge, 1996).

“Sandman’s story is not what happened, but what Shell wants us to believe happened,” Rowell says. “It is



In October 1998, Peter Sandman was the keynote speaker at an environmental workshop sponsored by the Australian mining industry. With characteristic candor, he told industry representatives that they will be lucky to get the public to think of them as a “caged beast.” For details, see page 12 of this issue. (photo by Bob Burton)

a virtual reality, which has been worked out in PR offices in Europe. Fiction has become fact, with Sandman trying to rebuild Shell’s tarnished reputation using Shell’s hollow lies.”

According to Rowell, “The Ogoni struggle was a non-violent struggle for ecological and social justice. It was not an armed rebellion. All they were demanding was an end to the double standards of the oil industry that had devastated their environment and a greater share of the oil wealth that was drilled from under their land. The Ogoni suffered a brutal backlash. Over 2,000 were killed, 30,000 made homeless, and countless others were raped and tortured by the Nigerian military, which received logistical and financial support from Shell,” he said.

TWO WRONGS MAKE A RISK

As the Nigeria example suggests, Sandman tends to take at face value what he is told by his clients, but he is not totally uncritical. He is a complex individual who doesn’t fit neatly into any slot. Most PR people are guarded in their words, but Sandman is expansive. Ask a straight question, and more often than not you’ll get a frank answer rather than the usual PR spin.

Sandman has invented a formula for risk communications that is now widely quoted within the PR industry. “Risk,” he says, “equals hazard plus outrage.”

For most people, of course, “risk” and “hazard” are virtually synonyms, but Sandman’s formula is concerned with *corporate* risk. It recognizes that beyond liabilities associated with a hazard itself, a company’s bottom line and its reputation are affected by the way the public *reacts* to that risk.

Underpinning this analysis is Sandman's opinion that, on many issues, the public inaccurately perceives the level of risk. Where the public and the "experts" disagree, he thinks the experts are usually right.

"The most usual situation," he says, is that "the company isn't doing a lot of damage, but is acting like a jerk: unresponsive, contemptuous, even dishonest. The company thinks that because it isn't doing a lot of damage, it is entitled to act like a jerk. The public thinks that because the company is acting like a jerk, it must be doing a lot of damage."

This analysis suggests that companies, rather than focusing on real hazards or harm to public, should focus their public relations attention on *perceptions of process*. Does the public think the company is "responsive" or "unresponsive"? Is it "honest" or "lying"? Do decisions that affect the community seem "voluntary" or "coerced"? Is the company seen as doing something "natural" or "industrial"? "Familiar" vs. "exotic"? "Fair" vs. "unfair"?

Answer these questions, Sandman says, and you are well on your way to managing public outrage. In order to stop seeming like jerks, companies should adopt a posture of apologetic humility in its public communications. "Acknowledge your prior misbehavior," he advises.

Honesty has certain practical limitations, however. "I don't chiefly mean things you have done that nobody knows you have done and when we find out you will go to jail," he adds. "If there are any of these, I urge you to seek legal counsel before you seek communication coun-

sel. I'm talking about negative things on the public record. . . . Should you keep talking about them or is it enough that you have revealed them once? The argument I want to make is that you should keep talking about them incessantly. You should wallow in them."

Similar reasoning explains Sandman's opposition to other traditional PR techniques. "Omissions, distortions, and spin control damage credibility nearly as much as outright lies" he says. "I think there is a very good case to be made that PR, as it is normally practiced, is a regressive force, because it's people going out there telling various publics why the company is right," he says.

Sandman also dismisses some "third party techniques" used by many PR firms of countering community groups by covertly funding or cultivating arms-length scientists and front groups who mouth their client's position. "Funding front groups and hiding the funding is both dishonorable and stupid," he says, although "I see little unethical about funding such groups openly—though it is only occasionally useful."

MY WAY OR THE MIDDLE WAY

Sandman's niche in the PR world is persuading corporations and their critics to "engage" with each other. Through humility and concessions, he argues, companies can "open communications channels," forcing stubborn activists to moderate their position or be marginalized. This strategy aims at what he refers to as "outsourcing trust"—rebuilding tarnished corporate credibility by involving activist groups in corporate decision making.

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“If you have control, share it—with community advisory panels, third party audits and through negotiation with activists,” he advises. Where industries such as chemical plants pose a significant risk to communities, he argues that opposition to the plant can be defused if companies “ask for permission; make the risk more voluntary, even if you can’t make it completely voluntary.”

For an example of what this might mean in practice, Sandman recalls the advice he gave to Shell in 1995 when it faced widespread protest, spearheaded by Greenpeace, against the sea dumping of the disused Brent Spar oil

rig. He argues that Shell should have said something along these lines:

“We think the platform can be safely disposed of at sea, but since that is by far the least expensive option, our judgment that it is sufficiently safe is obviously suspect. . . . We therefore propose to dedicate the cost of land disposal to environmental protection, and leave it in the hands of environmental NGOs whether the entire sum must be spent disposing of the Brent Spar, or some can safely be reallocated to other environmental priorities of their choosing.”

Some Clients of Peter Sandman

Peter Sandman declined to provide a complete client list, but some of his past and present clients include:

In the US: ARCO, Chemical Manufacturers Association, Ciba Geigy, Du Pont, Exxon, Intel, Union Carbide, the U.S. Department of Energy (on the Nevada nuclear waste dump), and the U.S. Environment Protection Agency (on radon testing in houses and home testing for lead).

Global: Shell International.

Australia: Western Mining Corporation, Rio Tinto, Placer Pacific, BHP Petroleum, Pasminco, North Ltd, CSR, Energy Resources of Australia, Minerals Council of Australia, Australian Nuclear Science and Technology Organization.

NGO’S: Environmental Defense Fund.

He has also worked on a range of issues including an E. coli crisis, a labor battle, forestry issues and genetic engineering, but has declined to specify the identities of specific clients on these issues.

Sandman is also an advisor to SustainAbility, a British organization led by John Elkington which encourages NGOs to engage with companies embroiled in environmental and human rights controversies. SustainAbility lists among its past and present clients BHP, BP, Ciba-Geigy, Dow Europe, International Paper, Noranda Forest, Procter and Gamble, Rohm and Haas, Weyerhaeuser and NGO groups World Wide Fund for Nature and the World Resource Institute.

In Australia, SustainAbility is a business partner of Ecos Corporation, the company of Paul Gilding, former Executive Director of Greenpeace International. Gilding has worked alongside Sandman for

clients such as Western Mining Corporation. Past and present clients of Ecos also include chemical companies Dow and Monsanto, and mining companies Suncor and Placer Pacific.

“I’m a fan of Sandman because he opens up companies to the influence of the community,” Gilding says. “That can either be seen as . . . equipping them to fight community groups more effectively, which it is often is, or it can be seen as opening up the company and making it more transparent and accountable and engaged with the community in which it operates.”

Who *wouldn’t* Sandman work for? “I wouldn’t work to develop risk communication strategies to keep tobacco sales high,” he said. “I have never been asked to work for the handgun industry, but if asked I suspect I’d say no. Now that I think about it, I might even work for the tobacco industry if they were prepared to come clean. There are a few specific companies that I believe have behaved so dishonorably—killing Karen Silkwood comes to mind—that I doubt I would work for them unless they were prepared to come clean.”

The most detailed outline of Peter Sandman’s views on how companies should manage outrage is “Responding to Community Outrage: Strategies for Effective Risk Communication,” which is available for \$30 from the American Industrial Hygiene Association, 2700 Prosperity Avenue, Suite 250, Fairfax VA 22031, phone (703) 849-8888 or fax (703) 207-3561. Some of his other reports and articles are available at low cost, along with other “risk communication” materials, from the Center for Environmental Communication at Rutgers University by phoning (908) 932-8795. The publications list is available via internet at <<http://aesop.rutgers.edu/~cec>>.

In this case, Shell decided not to accept Sandman's advice. In the short run, it would have cost more money, but he argues that it would have paid off in the long run by buying credibility for whatever disposal method the NGOs selected. "This is indeed a way of getting external groups to face hard choices, and of out-sourcing controversial decisions that would have little credibility if made within the company," Sandman says.

The payoff would have come in the future, Sandman argues. When Shell wanted to dispose of other disused oil platforms, it would be able to use the activists' preferred disposal method, avoiding future debates.

STRANGE BEDFELLOWS

As this example illustrates, Sandman's approach does not fit easily within stereotypical notions about what corporations and PR people do. In fact, he sees himself an agent of progressive change through opening companies up to moderate community input. With liberal credentials and disarming frankness, he has become an important lobbyist for persuading some groups that they can achieve more by working with corporations than against them.

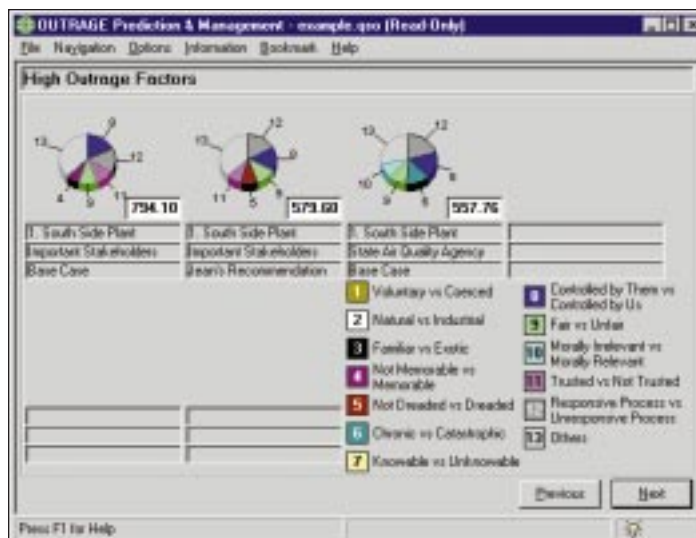
"Activists and others must notice that companies have changed and reward them for changing," he argues. "Activists who want progress have to reward progress."

"Activists who want progress have to reward progress. . . . I certainly remember that I became a feminist in order to get laid. The women I found attractive liked feminist men. So I thought, 'Well, I know I can do that,' and you know, it worked on them and it worked on me."

—Peter Sandman

This can be a seductive appeal, and in fact Sandman explicitly uses the idea of seduction in defending its merits. "Greenwashing is real and common," he concedes, but argues that activists should give companies the benefit of the doubt anyway, citing one of the mottoes of Alcoholics Anonymous: "Fake it till you make it."

"I certainly remember," he says, "that I became a feminist in order to get laid. The women I found attractive liked feminist men. So I thought, 'Well, I know I can do that,' and you know, it worked on them and it worked on me. It changed who I was and what my values were."



"Outrage," a computer program based on Sandman's theories, is designed to help companies predict and counteract community anger over corporate practices. For a description of the "Outrage" software and how it works, see page 11 of this issue.

Before activists start climbing into bed with corporations, however, they should recognize that there are serious risks involved. If Shell had heeded Sandman's advice over the Brent Spar oil rig, for example, the result might have produced a divisive controversy within the environmental movement. Sandman's approach is in fact specifically aimed at splitting moderates off from radicals—the age-old strategy of "divide and conquer."

An example where Shell actually drew on Sandman's approach came when activists opposed the company's plan to develop the Camisea gas project in the Peruvian rainforest.

Shell knew Camisea was going to be controversial. A decade earlier, Shell's operations in the region had brought western diseases that killed half of the members of a local tribe, the Nahua, which had no previous contact with outsiders and therefore no immune-system resistance to outside diseases.

Before pushing ahead with Camisea, therefore, Shell opted for dialogue with NGOs, inviting some 90 interested groups or "stakeholders" to a series of workshops in Lima, Washington and London.

"Leopards do not suddenly change their spots" argues Andy Rowell, "Here was a company that had an appalling environmental reputation in Nigeria. It wanted to justify to the world that it could operate in one of the world's most culturally and ecologically sensitive rainforests. They just had to think of an acceptable way to do it."

The agenda of the workshops was directed not to *whether* the project should go ahead, but *how* it should go ahead. “The whole process divided different groups on whether to take part in the Shell- initiative. It was a classic divide and rule tactic, and it worked,” Rowell says.

“Time was very limited, the processes inadequate and at no point was the company willing seriously to consider the view that it should not be there at all,” observed Nick Mayhew, the director of a British research organisation called Oikos.

Despite Shell’s use of progressive language to describe its plans, the project also drew criticism from the Rainforest Action Network and Project Underground, which published a joint report concluding that the Camisea project would disrupt a “a remote, pristine rainforest region inhabited by vulnerable indigenous populations. As such, it is one of the largest environmental and cultural threats facing the Peruvian Amazon today.”

After the initial appraisal phase, Shell pulled out of the project, citing disagreements with the Peruvian Government over infrastructure and arguing that full-scale development was uneconomic.

According to Sandman, however, the moral of the story is that Shell’s engagement with activists actually recruited some groups into lobbying the Peruvian government on behalf of Shell.

“NGOs protested and went to the government,” he recalled approvingly. “They said, ‘Shell looks like it’s going to do the right thing and do it in a way that both the environment and indigenous people wind up better, not worse off. We are terribly afraid that ten years later somebody else will do it terribly. Can’t you reconsider not doing it?’ ”

“Engagement” had succeeded in persuading some groups to buy into a plan that would have further eroded the forests and people of the Amazon. ■

Cures for that Spinning Sensation

BOOKS BY JOHN STAUBER AND SHELDON RAMPTON

PR Watch editors John Stauber and Sheldon Rampton are the authors of two critically-acclaimed books:

- ***Toxic Sludge Is Good for You: Lies, Damn Lies and the Public Relations Industry*** blows the lid off today’s multi-billion-dollar propaganda-for-hire industry, revealing how public relations wizards concoct and spin the news, organize phony “grassroots” front groups, spy on citizens, and conspire with lobbyists and politicians to thwart democracy. *Publishers Weekly* calls it a “chilling analysis of the PR business.” *Public Relations Quarterly* says, “*Toxic Sludge* should appear on the short list of anyone serious about the study of public relations in the United States.”
- ***Mad Cow USA: Could the Nightmare Happen Here?*** offers a case study of the interaction between PR and public health concerns in dealing with the crisis of “mad cow disease”—a baffling, bizarre fatal dementia that has emerged as a result of modern, intensive farming practices and whose true risks have been kept hidden by government and industry denials. The *Library Journal* calls it “gripping . . . important . . . highly recommended.” *Chemical & Engineering News* calls it “the kind of book you can’t put down.” The *Journal of the American Medical Association* says *Mad Cow USA* “will be received with interest by a large number of readers of different backgrounds and perspectives.”

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Chilling and Gassing with the Environmental Defense Fund

by Bob Burton

Fred Krupp, executive director of the Environmental Defense Fund (EDF), has maintained a relationship with Peter Sandman since his days as a student at the University of Michigan, where Sandman used to teach. With a budget of \$27 million and 170 staff people, EDF is one of the “big ten” environmental organizations in the United States, and in the forefront of promoting big-business policies. Krupp himself receives a salary of well over a quarter million dollars per year.

Sandman has been on retainer as a consultant to EDF since the early 1980s. His role shows the potential and the pitfalls that come when activists “engage” with corporations.

“Fred Krupp calls when he thinks I might be helpful, as do his communications and project staff people,” Sandman says. “It isn’t unusual for me to have just one or two telephone conversations about a particular project. There are relatively few projects over the years that I worked on as a major day-in-and-day-out player.”

EDF prides itself on “devising solutions that work—both environmentally and economically” and its willingness to “seek out industry leaders to help solve problems. We must enter into new alliances with new partners,” it says. “Environmentalists must cooperate as well as oppose, listen as well as preach.” This philosophy, which resembles the ideology of right-wing anti-environmental groups such as the Competitive Enterprise Institute, helps explain why EDF has received funding from the far-right Lynde & Harry Bradley Foundation.

“You don’t make change with people who are already doing everything right. There is a presumption that if you are trying to change somebody’s behaviour, that you are dealing with someone who has got a problem.”

—EDF Deputy Director Marcia Aranoff

A famous—and infamous—example of EDF’s pro-business approach occurred in 1990, when McDonald’s corporation faced a growing campaign, coordinated by the Citizens Clearinghouse on Hazardous Wastes, against its of ozone-destroying styrofoam clamshell packaging.

Where other environmental organizations saw a corporate polluter, EDF saw an opportunity. It approached McDonald’s with a proposal to devise a joint “waste reduction plan,” and Sandman was one of the people who helped with the details. The result was a highly

touted deal that gave McDonald’s a reputation as a “socially responsible” business and effectively cut the heart out of CCHW’s campaign.

Sandman says he advised EDF on “the communication aspects” of its several agreements with McDonalds, “but it wouldn’t be accurate to suggest that I initiated the contact or masterminded the agreement.”

EDF Deputy Director Marcia Aranoff said part of Sandman’s involvement in the McDonalds project was based on concern about how “our environmental supporters would deal with the notion of EDF partnering with the poster child of waste and wasteful corporate behaviour.”

Aranoff said that Sandman had also advised EDF on “risk communication” aspects of their work such as the searchable toxics database on the EDF website. “He mostly does consulting in the sense of helping us to refine our own communication strategy,” she said. Aranoff says that EDF is aware of Sandman’s other clients and does not use him “in any cases where there may be a conflict.”

EDF is unrepentant about its role in undercutting the campaign of CCHW. “Their campaign on the clamshell was an effective campaign, but it didn’t produce change,” Aranoff said. Sitting down with McDonalds “to make something happen was something that no one else was willing to do.”

EDF Media Director Allan Margolin declined to elaborate on what EDF had learned from the McDonalds campaign and what, if anything, the organization would do differently.

DEALING WITH DIVERSITY

EDF’s current strategic plan, which appears on their website, acknowledges that there is “sometimes considerable divergence regarding methods” within the environment movement. It also decries the impact of the “wise use” movement and the campaigns of “special interests that seek to weaken environmental legislation” which are also “big funders of politicians and political parties.”

Yet EDF has fostered a “partnership” with companies that have funded wise use groups and participated in campaigns against environmental regulations.

Aranoff explained this seeming contradiction by saying, “You don’t make change with people who are already doing everything right. There is a presumption that if you are trying to change somebody’s behaviour, that you are dealing with someone who has got a problem. We wouldn’t work with somebody unless we thought there was the opportunity to make some significant progress in an important area.”

CHILLING OUT

Apparently, “significant progress” even includes assisting with the launch of a new product that has significant potential to worsen the greenhouse effect. The Alice-in-Wonderland-like tale of how this happened surfaced in a leaked memo obtained by Bernado Issel, author of The PIG Report for Non-Profit Accountability Project.

The product in question was the “chill can,” developed by The Joseph Company (TJC). It was designed to hold a product such as a soft drink, along with refrigerating aerosol gas that would chill the can’s contents with the press of a button. A major hitch was that the can used HFC 134a, a hydrofluorocarbon gas that is considered a far more serious contributor to global warming than carbon dioxide.

“While this might seem a marvelous invention, the problem is that the cooling gas is HFC 134a, a chemical that is 3,400 times more powerful than carbon dioxide as a greenhouse gas,” said Dr. Robin Pellew, director of the British office of the World Wild Fund for Nature. “This is potentially a very serious threat to the environment,” Pellew said. “If millions of people start popping these cans, it will make a mockery of the international drive to reverse climate change.”

Anxious to head off this sort of criticism, TJC approached EDF in 1996 about the possibility of developing a greenhouse gas “offsets” strategy. In exchange for support of the can itself, TJC would promise to support some activity that, in theory at least, would offset “110 percent” of the global warming impact caused by the cans.

According to EDF’s Washington-based senior attorney, Joe Goffman, EDF decided that the traditional advocacy approach of trying to stop the can’s development would take too long and might fail. Goffman concedes that they saw their involvement with the chill can as a damage limitation exercise given the product’s “significant global warming potential.”

“If millions of people start popping these cans, it will make a mockery of the international drive to reverse climate change.”

—Robin Pellew, World Wide Fund for Nature

Exploration of the chill can “offsets” strategy was delegated to the Environmental Resources Trust (ERT), a nonprofit group established by EDF that “seeks to use traditional financial tools to benefit environmental



Developed by The Joseph Company, the “chill can” would have cooled your beverages and warmed your planet.

resources.” ERT’s mission is to protect the environment through “free market mechanisms.” Its board of directors includes three EDF staff members, a philanthropist and representatives from the Audubon Society and the National Fish and Wildlife Foundation. The chairman of its Board is C. Boyden Gray, a major financial supporter of conservative politicians who is also chairman of the Washington-based Citizens for a Sound Economy, a very powerful industry-funded right-wing group that promotes deregulation of industry. In 1997, Gray led the lobbying effort against moves by the U.S. Environmental Protection Agency to improve air standards.

According to EDF’s Goffman, Gray’s involvement was part of a deliberate strategy. “We thought, here was a guy with a lot of credibility with business and with the Republican Party as well as who was an advocate of market based mechanisms,” he said. His involvement would signal to business and conservative politicians that ERT was serious about using market-based mechanisms for environmental outcomes.

In August 1996, the ERT board of directors approved “the development of a greenhouse gas offset” project with TJC, with the can being “bundled with greenhouse gas offsets to produce ‘no net environmental impact.’ ”

One of the “upsides” of the chill can project, from ERT’s point of view, was that it could demonstrate the viability of the “emissions trading” approach to environmental protection that was being touted by market-oriented environmentalists. According to Goffman, ERT was excited at the possibility that by developing an early emissions trading project “we would be actually able to put into play new finances to support innovative technology.”

Unfortunately for these free-market schemers, their plan fell afoul of controversy created by the “traditional” advocacy approach that EDF thought would be ineffective in stopping the chill can. The World Wide Fund for

Nature in Britain and a bevy of US environmental groups joined in mounting opposition to the can. Faced with this growing pressure, the European Environment ministers began considering a ban on its use.

In response, TJC promised to substitute less damaging gases for the HFC 134a. Ironically, this promise to reduce the can's potential damage dramatically changed the equation for ERT, which was expecting to receive funding from TJC to support the greenhouse "offsets" program.

If the can produced less harm, TJC's contribution for offsets would also shrink, reducing the funding for ERT. "What looked like a high benefit contribution in 1996 was a fairly modest contribution in 1997," Goffman told *PR Watch*.

The public controversy also raised concerns at the level of the ERT board of directors about the potential bad publicity that the project could bring for ERT. EDF and ERT obtained pro bono services of the Sawyer-Miller media consulting firm to develop a "strategic communication plan." Their market research and opinion

polling of the general public and EDF's own membership "indicated scepticism about offsets and a lack of enthusiasm for the product," according to an internal ERT memo from October 1997 that was leaked to Issel.

Before the project could proceed further, the British government announced a ban on the use of refrigerants for applications such as the self-chilling can. "The combination of these circumstances made the project environmentally untenable to pursue," the ERT memo concluded.

While the initial chill can proposal flopped, a revised chill can which uses recycled industrial carbon dioxide gases has been developed and apparently approved by the US Environmental Protection Agency and the British government.

The Environmental Defense Fund's strategic plan and other information can be found on their website at <www.edf.org>. The full story on the self chilling can and C Boyden Gray is available on the NPAP website at <<http://www.erols.com/npap/pigreport.html>>. ■

Community Advisory Panels: Corporate Cat Herding

by Bob Burton

Following the disaster at Union Carbide's Bhopal plant in India, the credibility of the chemical industry in the US was in tatters. Peter Sandman suggested to Ben Woodhouse, then Vice President and Director of Global Issues for Dow Chemical, that the industry needed to create mechanisms to rebuild trust.

In Canada the chemical industry had developed a Responsible Care code in 1985. The CEOs of Dow Chemical and Union Carbide encouraged the adoption in the US of a similar code. A committee of three industry executives, including Woodhouse, was established to develop the Responsible Care code including the expansion of Community Advisory Panels (CAP's) beyond the two in existence in the chemical industry at the time.

Sandman played a critical role in persuading the Chemical Manufacturers Association (CMA) to adopt the code. Responsible Care, he says candidly, "aims to build credibility for the beleaguered chemical industry in part by sharing control with critics and neighbours." A central part of this strategy has been the establishment of some 375 CAPs in the United States.

For Woodhouse, who resigned from Dow in 1997 and is now a PR consultant based in Australia, CAPs are a

way of "handing over some control or feeling of power to the community because if you do that the community gives it back to you in spades." More importantly for the company, effective CAPs help protect a company's "license to operate."

Although companies sometimes fear letting outsiders get involved in making decisions that affect their business, Sandman says, "The usual problem with these committees isn't orchestrating the chaos. It is sustaining interest and attendance. Erstwhile troublemakers let onto the panel start learning about the industry's problems and limitations, acquire a sense of responsibility to give good advice, and pretty soon they are sounding a lot like industry apologists. This is not hypocrisy or co-optation: it is outrage reduction."

According to Woodhouse, a critical step in developing a CAP is selecting the "core members for your team."

"Find three to four people from the community who want to work with you to make you successful," Woodhouse says. "Use that core of members to draft the terms of agreement and to recruit the members. . . . In every panel we put together we'd select the first three people and we'd let them tell us who the rest of the member-

ship should be and then we said fine, go out and sell your idea and it became their panel, not our panel," he says.

Woodhouse insists that CAPs are not greenwash. "This is nothing about public relations, no greenwash here, you've got to walk the talk. You have to listen, discuss and then act," he told the Minerals Council of Australia's Annual Environmental Workshop.

"How should companies deal with 'tricky' people on the panel?" asked one workshop participant.

"That is why the selection of your core members is so important," Woodhouse said. "You pick three or four people that on a bell shaped curve tend to be right here in the middle. Then you ask them to help you find people that not only fit with the middle of that bell curve but represent both ends. What happens is that that middle part kind of keeps the two end parts from getting too radical on you. About the time they start going off in some direction that seems too weird or unbelievable, you'll find the rest of the panel will bring them back in. It's not quite as bad as trying to herd cats. It's a little bit easier than that" he told the audience.

Stephen Lester, Science Director for the Center for Health, Environment and Justice (formerly the Citizens Clearinghouse on Hazardous Waste), says experience with the usefulness of CAPs is mixed. CAPs formed to deal with cleanups such as Superfund sites have "sometimes worked out quite well, but other times they are a disaster from the community's perspective," he says. "When they don't work well, there is co-optation, distraction and diffusion of community efforts. From the government/industry perspective, the idea is to bottle up the activists with meetings and issues that are secondary, at best, to the community's interests and objectives."

Often the composition of the panel—the "bell curve" that Woodhouse seeks to establish—is central to its failure to deal with activist concerns. "The problem is that the industry/business/public officials perspective is "balanced" against one or two community people who are overwhelmed, out-voiced and out-voted," Lester says. "When it comes to CAPs covering operating plants, the company really does not want to share the information with the community and is scared of what they will do with information they give them."

"CAP members," Sandman says, "tend to learn more about company perspective's and problems than about critics' views." Participation in CAPs also generates a social pressure on all participants to conform. "The experience of breaking bread with company representatives, chatting with them before and after meetings . . . encourages many CAP members to feel that harsh criticism would be somehow rude. CAP members who don't



Former Dow Chemical vice president Peter Woodhouse explained how Community Action Panels can be used to win community support at the Australian mining industry's environmental conference in October 1998.

respond this way are likely to feel some social pressure from their fellow members to conform or quit."

However, participation in Responsible Care has not imposed similar inhibitions on the chemical industry, which continues to sponsor anti-environmental advocacy programs. "Just because we have Responsible Care doesn't mean that we are going to roll over. If we think that there is inappropriate legislation or regulation coming down, we have got an obligation as an industry to tell the policy makers about that," Woodhouse says.

Woodhouse rejects criticisms of the chemical industry's opposition to the Clean Air Act of 1990 as proof the industry "doesn't walk the talk." "Nobody said just because we are trying to do the right thing we have to be stupid," he says. ■

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Mad as Hell? This Program May Have Your Number

by Bob Burton

Is ToxicSludgeCo trying to build in your neighborhood? Are you and your neighbors swarming like angry bees to attack and drive away the intruder? If so, you may be have become a blip on someone's "Outrage" meter.

"Outrage" is a software package based on Peter Sandman's risk communications theories. As the name suggests, it is designed to assist companies in "predicting and managing" the anger of "stakeholders" affected by corporate actions.

Like many PR consultants, Sandman says he is working to make corporations more open and accountable. His theories about "outrage" can be used, he says, both to help companies reduce community anger and to mobilize activism for improvements in public health.

A glance at the software, however, suggests where its loyalties lie. A demo version for Windows is downloadable at <www.qest.com.au>. If you want the real thing, though, it sells for \$3,000 a copy (\$36,000 for a national corporate license, or \$48,000 for a worldwide license).

Obviously, these prices were not set with grassroots community groups in mind. Corporations with deep pockets are Sandman's primary market, and the demo package is tailored to appeal to that audience.

The demo offers a hypothetical sample "situation definition" which lays out the following scenario: "Our factory in the South Side neighborhood has long had visible air emissions, sometimes very thick. The poor, minority residents, with whom we have very little relationship, recently began organizing to do something about the problem, maybe even shut us down."

The demo then leads users through the steps needed to track and categorize people as allies, neutrals, or opponents. Among the sample "opponents," it lists names including "S.S. Latino Assn.," "Mrs. Charles," "City Air Quality Board," "Sierra Club," "Greenpeace," "South Side Elementary School" and "nearest neighbors."

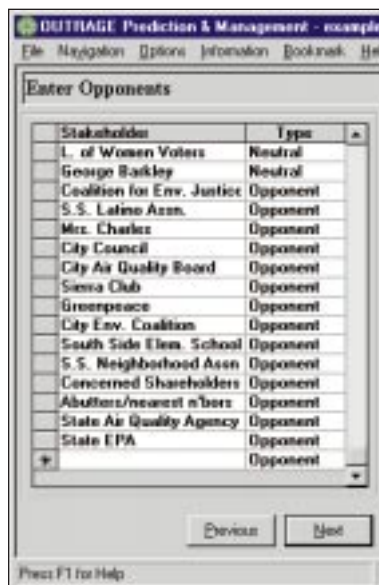
COMPUTING POWER

"For obvious reasons, we are also interested in how much power each important stakeholder can bring to bear," the software explains.

Sandman's strategy relies on a fairly crude but undoubtedly effective formula which invites PR managers to map the overlap between "passion" and "power" among stakeholders. Depending on how they rank in these two areas, the company can choose one of four strategies: "deflect, defer, dismiss, or defeat."

Stakeholders with power but no passion should be "deflected." Distract them, change the subject, or just wait them out until their attention wanders elsewhere.

People with passion but no power, on the other hand, can be "defeated." Sure they *care*, but can they do any-



Peter Sandman's "Outrage" software invites users to "list your opponents—declared opponents and potential opponents. This is the group we're going to analyze further, so don't stint on your list."

thing about it? And people with neither passion *nor* power are easier still. Just "dismiss" them.

The one occasion when Sandman says real reform is necessary is when dealing with people who have both high passion *and* high power. Those people he says, are "a force to reckon with," and the company will eventually have to "defer" to their demands—"one way or another, to one extent or another."

The "Outrage" software is marketed by the Qest Consulting Group, an Australia-based joint venture between Sandman and the global environmental consulting firm Dames and Moore. The Australian launch of the software included a panel discussion at which community activist Colleen Heartland was invited to participate as a representative of the Hazardous Materials Action Group (HAZMAG).

HAZMAG, a local activist group in Melbourne, Australia, was formed after a series of chemical plant fires in the area. More recently, it has worked to organize area residents affected by a massive explosion that destroyed much of the Coode Island chemical plant and sent a toxic plume across Melbourne.

"The more I sat through the presentation, the more worried I became," Heartland said after the demonstration of Sandman's software. "The program is very, very sophisticated and based on the assumption that working with the company can be effective and the company can be trusted," she said. "From my practical experience neither assumption is true."

Heartland said she "found the concept behind the software frightening. No longer are we up against PR people just trying to be nice to us, but they are being quite systematic in analysing activists to make sure they get their way." ■

Packaging the Beast: A Public Relations Lesson in Type Casting

by Bob Burton

"You are widely seen as being a bad actor. . . . How do you move from being a bad actor to being seen as a good actor, as a good guy?" Peter Sandman asked rhetorically, pacing as he addressed the 400-strong audience of PR and mine managers from Australia, the Philippines, South Africa, Papua New Guinea and the U.S.

It is a question that the Australian mining industry has been asking itself, with increasing desperation. The industry has spent millions of dollars on advertising campaigns to improve its image, with little success.

Sandman was billed as the star attraction for the Minerals Council of Australia's 1998 Annual Environmental Workshop in Melbourne, Australia. In a speech that Sandman could have delivered to many beleaguered companies, he candidly outlined the reasons for the industry's declining reputation.

The downward trend, he told the audience, corresponded with debate over the role that the Rio Tinto mine played in sparking civil war on Bougainville Island in Papua New Guinea, the dumping of tailings in the Ok Tedi River (also in Papua New Guinea), the collapse of a tailings dam at another mine, and the push by one company to build a uranium mine in a national park against the wishes of the traditional Aboriginal owners.

"There is a growing sense that you screw up a lot, and as a net result it becomes harder to get permission to mine," Sandman said. The solution, he advised, lay in finding an appropriate "persona" for the industry.

The first option, he said, was to present the industry as a "romantic hero . . . which basically says, 'Well, the critics are wrong. I am not a bad actor. I'm terrific. the mining and minerals industry is what made the world the wonderful place that it is.'" He noted, however, that this approach had already failed when it was used as a basis for the mining industry's TV advertisements.

The next option, he suggested, would be to portray industry as a "misunderstood victim. . . . You feel you are David and [environmentalists] are Goliath." But this approach was equally unlikely to succeed. "No one thinks you are David," he said bluntly. "You look like Goliath, especially in Australia. 'Misunderstood victim' doesn't play very well."

A third option would be to present the industry as a "team player," but Sandman told the miners that "you can't get from 'bad actor' to 'team player' without pausing at some other image. As a characteristic of human nature, I don't think people can go from thinking you are bad guys to thinking you are good guys, without pausing somewhere in the middle."

One intermediate position, he suggested, is the role of "reformed sinner," which "works quite well if you can

sell it. . . . 'Reformed sinner,' by the way, is what John Brown of BP has successfully done for his organization. It is arguably what Shell has done with respect to Brent Spar. Those are two huge oil companies that have done a very good job of saying to themselves, 'Everyone thinks we are bad guys. . . . We can't just start out announcing we are good guys, so what we have to announce is we have finally realised we were bad guys and we are going to be better.' . . . It makes it much easier for critics and the public to buy into the image of the industry as good guys after you have spent awhile in purgatory."

For the Australian mining industry, however, Sandman thought that even "reformed sinner" would be a bit of a stretch. It would be a "tough sell," he explained, because "the public is rather sceptical when companies say they have reformed."

Fortunately, Sandman had another "middle" role that the industry could adopt on its path to salvation. "There is a fifth image that I think works by far the best," he said, "and that is the 'caged beast.' What is the persona of this 'caged beast'? 'Useful, perhaps even indispensable, but dangerous.' This is the image I would recommend to you. If you want to come back from 'bad actor' to 'team player,' the easiest path back is to make a case that you would continue to be bad actor if you could, but you can't, because the cage works."

Why should the industry portray itself so negatively? Because, Sandman said, it was a "saleable image" that at least would convey the idea that the industry was no longer harmful. "You are behaving much better, not because you want to, not because you have become the Mother Theresa of the mining companies, but because NGOs have been successful, regulators have been successful, your neighbors have been successful, the entire society has been successful in persuading you at least that you will make more dollars if you reform."

Ironically, therefore, the secret to victory for industry is to persuade its critics they can "win the fight instead of trying to beat them."

"You have two basic postures" Sandman advised. "Either you are free to rape and pillage as you want to, but fortunately you don't have the taste for it. *Or*, you have a taste for it and you might continue to rape and pillage if you could, but fortunately you can't get away with it any more." he said.

"I believe the second is true, and I am certain the second is saleable," Sandman concluded. "I can't imagine why you keep claiming the first except that it nurtures your self-esteem, it reduces your outrage. Once again, whose outrage do you want to mitigate? The critics or yours? Do you want to get even or get rich?" ■