

**DEVON NEARY:** My name is Devon Neary, I'm the Community Outreach Manager here at the CMA. As you all know our members across the country face constant opposition from environmental groups. I'm here today to propose some solutions for working with these groups [AUDIO OUT] against them.

Our most recent conflict involved an environmental group trying to block the expansion of our southwest computer chip factory on the grounds that pollution is causing a spike in local cancer rates.

So what should our goal be in designing a working plan with this environmental group? I propose a strategy that is different from how the CMA usually conducts business. I propose we sit down in mediated negotiations with the environmental groups and explain our side of the issue, allow them to explain their side of the issue, and find a consensus for moving forward that enables both sides to achieve their long-term aims given the constraints of reality.

We want to open up a space to collaborate and brainstorm nonbinding options as a means of moving towards a binding agreement. Why should this be our goal? Environmental groups pressure us and attempt to block us at our sites throughout the country. These disputes have not improved over the last few decades, and it's time for a new approach to make sure our projects progress according to time and financial constraints.

My research on this issue supports the idea that a consensus-building approach can improve outcomes for all parties. Just for a little bit of context, in reality, our partners in the environmental organization do not have a lot of legal ground to stand on. Proving the cause of a specific cancer in a specific individual and tying it to a specific chemical that came out of our chip plant on a specific day is very challenging and costly in a courtroom.

We can gently remind environmentalists that court is expensive, adversarial, and often drawn out. Ultimately, our funding and legal capabilities will defeat theirs. In addition, in times of economic duress and uncertainty, local authorities are going to make way for our great industry to create jobs and capital.

So in some sense, there's no need for us to engage with the environmentalists. Without the negotiation, we'll probably still get our expansion. However, what I want to point out is that we can do better than that through the negotiation. We can prove our relationships with

environmentalists, and we can make it easier and less costly to do business in the future.

I know many of you probably have some hesitations about this. Perhaps you feel a fear of the unknown, a fear that the process will fail or a fear that the negotiation will be slow and costly. But remember we're investing for long-term gains in our relationships with surrounding communities.

I understand this is atypical for our powerful industry and there will be challenges. As the views of the CMA and the views of the environmental groups differ radically. The environmentalists may not be ready or willing to negotiate. They may be intent on filing a lawsuit, or they could draw out the negotiations in a disruptive manner.

Their ultimate goal would probably be to eliminate our plant, but this is not a realistic demand. Our plant is already there and operating well, so eliminating the potential carcinogens is not a feasible option for them.

So what is the next best option for the community? Our strategy is to think in terms of what we can offer them to appease some of their concerns without giving up anything precious to us. Do they need health clinics in their community? Do they want a community buyout so they can relocate? Would they like a new nature preserve or funding for education?

For our part our members have to decide away from the table, how much we are willing to give to smooth out these relationships and leverage these concessions in negotiations. We need to find out what people on both sides are really willing to live with.

We can begin by addressing their environmental concerns, talking about issues of leaks, accidents, the increased rates of cancer that they're observing. How can we prove to them that we are in compliance with regulations and protecting the abutting communities?

We can also leverage what we do well for the community. We create jobs, we spur economic development, we make philanthropic donations, provide job training. My job is to get people excited about chemical manufacturing and all the wonderful things we do for the country and for the world. The chips manufacturing plant in question, while maybe causing some pollution, is manufacturing computer chips used in a wide range of industries including defense, medical research, education, and so on.

We believe that if residents realize the contribution we have in their community and for the

country, they'll be more amenable to negotiating with us. So you want to focus on two principles. You want to focus on maintaining relationships throughout. And We want to focus on mutual gains. So we'll follow a process based on a research consensus-building approach.

When we are ready to negotiate and the environmentalist express that they are ready, first we will convene and assign roles. For example, we need to identify a mediator. The mediator will schedule and facilitate the meetings, consult privately with groups and push us to build consensus.

We also want to focus on group problem solving. How can we create value as a group? By brainstorming different options together based on our interests and being creative, we can present alternative designs. We can expand the means of dealing with externalities and try to create different packages of benefits we can offer the community. Once we have created value, we can talk about ways to distribute value to implement these goals and to hold parties accountable for their commitments.

So just to review the benefits of engaging in a successful negotiation for our company. It's an opportunity to educate the community about our work and our constraints to gain some flexibility in when and how requirements are met and to smooth out these longstanding and disruptive and conflicts with environmentalists. With the environmentalists, they can achieve better environmental gains, reap added value, and enforce stronger business practices in their community all at a lower cost.

Thank you.