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PUBLIC PARTICIPATION WORK GROUP  
JUNE 23, 1992  
8:30 a.m.

**Attendees:**

Marty Rutherford  
Ken Rice  
Barbara Iseah  
Tim Steele  
Peg Kehrer  
Sandy Rabinowitch  
Ron Bruyere  
LJ Evans

**PUBLIC ADVISORY GROUP OPERATING PROCEDURES:**

Marty stated that the operating procedures should tier off from the charter.

The following revisions were made to the operating procedures:

1. **Membership** - no revisions
2. **Nomination and Selection** - the sentence regarding nominations merely explains what is in the charter and is okay; the sentence regarding unanimous agreement of the Trustee Council does not appear to be inconsistent with the charter but refines it; Sandy suggested adding "the" to Department of Interior for accuracy; the sentence regarding filling unexpired terms means the entire selection process will have to be performed to replace members; the implications of this need to be discussed; the Trustee Council will recommend appointment of individuals to fill unexpired terms through an open public process; nomination and selection of individuals to fill unexpired terms will be by the same process used to establish original membership; selection of individuals to fill unexpired terms will be recommended by the Trustee Council from a list of names generated through an open public process; Tim will wordsmith the above to catch the essence.
3. **Term** - the sentence stating "members whose terms are expiring will continue to serve until a replacement is named" was previously removed as requested by Curt McVee; Ken suggested replacing the previous sentence with "members will continue to serve until reappointed or replaced at the discretion of the Trustee Council;" it was decided to replace the sentence with Ken's suggestion; the sentence referring to staggering of terms builds upon the charter and is not inconsistent and provides for continuity; the sentence regarding renomination and reappointment is important; the sentence on removal of

members for malfeasance or incompetence is consistent; the date of January 1, 2002 will be left in as the termination date of the Public Advisory Group.

4. **Duties and Work Assignments** - Mcvee stated that the operating procedures should quote the language in the charter; the PAG's duty is to advise the Trustee Council in the restoration of resources and services injured in the EVOS; the following statement from the old language will be added: "the PAG will among other things comment on proposed policies, procedures, budgets, plans, projects and actions of the restoration process and through discussion provide ideas;" the PAG will report to and be tasked by the Trustee Council and will coordinate with the Restoration Team; Marty recommended tabling the operating procedures until the next meeting and also keeping the procedures as a draft until the PAG is seated and has reviewed and signed the procedures.
5. **Quorum** - "officio" members should be replaced with voting members.
6. **Presiding Officer** - the sentence regarding the chair and vice-chair's approval by the Trustee Council is consistent and will be left as is; one year term will be added as requested.
7. **Action/Rules of Voting** - capitalization of "ex-officio" will be changed.
8. **Reporting to the Trustee Council** - the first section is okay; the sentence regarding reporting activities is appropriate; this is a stand-alone document; therefore, the above sentence should be included; Sandy suggested changing the name of this section to "Reporting Requirements" and adding another paragraph for reporting to Department of the Interior; Tim suggested adding the following second paragraph: "to ensure compliance with FACA, the PAG will provide an annual report to the Department of the Interior through the designated official."
9. **Meetings** - the issue of executive session capability was discussed; executive sessions shall be kept to a minimum and shall be used only for discussion of personnel issues and litigation or legal advice; Ken stated that in order to represent a group of people, the PAG needs to be able to go back and present information to the public; because this is a stand-alone document, the sentences regarding the public speaking at meetings is not redundant.
10. **Minutes** - the minutes shall include discussion of matters and the resolution; the last sentence should include "entered in the restoration program's administrative record;" minutes need to include copies of all meeting materials.

11. **Public Notification** - no changes
12. **Federal Designated Officer** - should add: "the Federal Designated Officer in coordination with and supported by the Administrative Director...." the second "his/her designee" should be deleted.
13. **Administrative Support** - the first sentence will be removed; the second sentence is necessary because this is a stand-alone document.
14. **Financial Procedures** - this section will be continued on Thursday.

**MEETING:**

The next Public Participation Work Group meeting is Thursday, June 25, at 8:30 to discuss the following agenda items:

Conclusion of Operating Procedures  
Federal and State Ethics Laws  
LJ's Letters

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## LJ and Peg's ideas about public participation:

### TRAIN WRECK COMING!

If we continue dealing with public participation in the same way we are right now, we're going to end up being sued or possibly with the whole restoration process derailed because of public dissent and protest.

We need to implement different strategies and a different overall approach for informing and involving the public.

This is what our public involvement/information process looks like from the outside NOW:

- Formal Trustee Council meetings, big guys at the front, little folks in the audience, discussion which is difficult to follow, nobody can ask questions, very defined time when public can talk, or else no time, Intimidating, distant, rigid.
- Public meeting series run twice, very formal, information too complicated, rush in/rush out, not much personal engagement, very little effort to be involved in the community, distant, cold, too much information, confusing materials, asking opinion on process, not on restoration, not clearly defining what we wanted from them.
- Public documents, dry, full of jargon, complicated, difficult to understand, particularly flow charts, virtually no graphics which would help make them visually interesting, big fat books, too much technical information in too many big chunks for the generally busy mom, dad, worker, etc. to read, understand, and respond to.

This process actually works like this:

This is not a give and take discussion, instead is a set rigid series of "put out draft proposal," "take written comments," "respond to written comments," "put out final document," "do what you were going to do all along anyway."

Where this has all left us is that we are only talking to the "professional citizens" and the activists. Isn't this just a small percentage of the public we need/want to reach?

## What could we do differently that would work better?

### Short term (up to publication of final restoration plan):

- Focus group: convene a small group of people you know are interested and that you expect might have good ideas, even if they're critical. Ask them for ideas, feedback and discussion on the public participation process. For example: what kinds of publications are most effective, how do we advertise in the communities, who should we talk to, etc.
- Working groups: start up several public working groups (which might parallel some of the RT working groups?) to involve the public directly in planning for the issues they're most concerned about. Set them up very informally, no set membership, no products, just advertise a meeting and conduct open discussion. Have experts participate in the meeting. By doing this you find out what's going to fly, what's going to be acceptable, and people will help you identify problems and issues before they're hot.
- Plan Trustee Council meetings so there is an hour or two of "open house" -type drop-in question/answer informational session before each meeting. RT and TC members and staff are present, available to the public one on one, face to face. Potential benefits: Many people are very put off, intimidated and frustrated by a formal meeting format. Some people may just have questions to be answered. May gain trust because these "big guys" are willing to interact directly and try to answer questions.
- Use wide variety of media to convey restoration plan - also, this needs to be done to comply with the Americans with Disabilities Act. Examples:
  - Standard book, only done with graphics. and with "jargon" eliminated. (Using a more graphic, more accessible format will be a clear signal that the whole public participation process intends to do better! )
  - Community newspaper insert, brochures, public service announcements, presentations to community and special interest organizations, newsletters or their mailers, local radio talk shows
- Other ideas:

## Long Term:

- Turn the public information responsibility over to the relevant agency actually conducting the restoration project near that community. For example: U.S. Fish and Wildlife conducts their own public information program about murrelets, otters, "their" critters in the communities that are affected by that work. This is a process of decentralizing the public information process, being more responsive to actual community concerns, uses public info expertise already existing in the agencies people actually involved in restoration projects will be part of the process of public information.
- When running public meetings, stay around awhile, make it a longer process. While you're there, go where the people are, make it easy for them, for example, take a card table to the grocery store in Homer, set it up with books, documents, handouts, and sit there and answer questions and TALK to the people!! Make presentations in the schools, one for younger kids, one for high school pretty much identical to the one you're planning that evening for adults. Get on the local talk radio show, make appointments to talk to the local press. Talk to the local people, let them know their opinions are important, by valuing them you get them involved. In native communities a "public meeting" format may not be the way to do things at all! Need to do a series of one on one conversations with community leaders, elders, officials.
- Other ideas:

## **A couple other thoughts:**

The public participation to information ratio will change over time. Right now the public participation needs to be a very high priority, as the draft restoration plan and EIS is written, distributed and evolves into the restoration plan. After the restoration plan is complete, there will be some need for public involvement with each year's work plan. However, a greater emphasis needs to be placed at that time on information and education about ongoing restoration projects, restoration goals and progress/successes/failures.

We would like to see an agreement that the overall public involvement strategy needs to change and for the public participation working group to identify some tactics which could be helpful, (especially some tactics which could be implemented right away). We really can't separate short term from long term, we don't have the time or the luxury to think in those kinds of terms. We have to deal with both of these right away, because the chapter for the restoration plan has to be written right away.

# HOW I LEARNED TO HARNESS PUBLIC CONTROVERSY TO MAKE BETTER DECISIONS

by Peter T. Johnson

From 1981 to 1986, Peter T. Johnson was Administrator of the Bonneville Power Administration. Before that, he spent ten years at Trus Joist Corporation of Boise, Idaho, where he was President and then CEO.

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## How I Learned to Harness Public Controversy to Make Better Decisions by Peter T. Johnson

As a successful executive in the private sector, I came to government service believing that I could improve the effectiveness and efficiency of government operations by using the management skills of the private sector. In fact, when I took the job, I viewed the Bonneville Power Administration, the Federal agency of which I was named Administrator, as having a superb reputation. Established in 1937 to transmit and market power from federal hydroelectric dams in the Pacific Northwest, BPA was staffed with proud, competent people. The added value I would bring to the agency, I thought, would be fine tuning, making it more efficient. I didn't think fundamental changes were needed or likely. A lot I knew.

Two weeks after I took office, I received a call from the head of the Washington Public Power Supply System (WPPSS--pronounced "Whoops" by Wall Street wags after the organization eventually became responsible for the largest public bond default in U.S. history), who warned that they were out of money on two of the five nuclear plants they had under construction, unable even to meet their payroll. In the early 1970s, Bonneville had agreed to purchase the output of the other three nuclear power plants to be built by WPPSS. Based on its projections of future demand for electricity in the Northwest, BPA had also guaranteed payment of the indebtedness of these three plants, Washington Nuclear Plants 1, 2, and 3. Now, the man who headed the organization to which BPA had virtually written a blank check was telling me they were on the verge of insolvency on Washington Nuclear Plants 4 and 5. Further, he informed me, he was being followed by reporters wherever he went, so we would have to hold a clandestine meeting--we actually met in the basement of our hotel in Seattle. While we patched together a solution to the immediate crisis, this incident was merely the opening bell for a debacle that was to occupy nearly 75% of my time for the next two years.

But WPPSS was not the only problem. When BPA set out to build high-voltage transmission lines linking electricity-generating plants in eastern Montana to distribution points in the Pacific Northwest, many veteran employees of the agency talked fondly about the warm welcome BPA had received in the past when its construction projects brought jobs and reliable power to communities. But by the time I arrived on the scene, something had gone awry. Project surveyors examining the proposed right-of-way were driven off by a farmer at gun point. There were rumors that BPA vehicles were being fired on from a distance. We had to rush a consignment of unmarked vehicles to Montana to protect our staff, who no longer dared identify themselves as BPA employees when they ate in local restaurants or checked into motels, fearing for their personal safety. And then there were the underground groups called "bolt weevils," after their method of surreptitiously unbolting transmission towers to collapse them.

To top it off, because of BPA's ill-fated nuclear program, in 1980 the U.S. Congress passed legislation establishing the Northwest Power Planning Council, a unique deliberative body with representatives appointed by the governors of Washington, Oregon, Idaho, and Montana, whose mandate seemed to be a direct challenge to the authority of the BPA Administrator. By 1981, as I came into office, the Council was finally up and running. It wasn't clear whether I had an advisor, a new boss, a competitor, or what. Whatever it was, it was a clear message that BPA had better reform, and fast, or more dire remedies might be in store.

Clearly I was in for a tough ride. My friends began to ask me, "Peter, why did you ever want this job?" The Ivy-League professor who had convinced me back in college days of the importance of doing public service had left out a few details. Nothing in the private sector had quite prepared me for this.

Yet, just a few years later, Senator Mark Hatfield (R-Oregon) formally praised BPA in the Congressional Record for the successful manner in which BPA was working with the public to solve Northwest energy problems. And about two years after that, BPA received a prize from the Natural Resources Defense Council (NRDC)--once, and occasionally still, an outspoken critic of BPA--as "the outstanding utility in the United States." In a few short years, BPA had learned to harness public controversy and use it to make better decisions--decisions which enjoyed the support of the Region.

The key lesson that I, and other senior BPA managers, learned during this period was to include everybody who saw themselves as having a stake in our decisions in the decision-making process itself. This isn't the process often described as DAD--Decide, Announce, Defend--engaged in by most agencies and companies. The acronym DAD is appropriate, because it carries with it connotations of "father knows best." Instead, this was real involvement, with real change in decisions based on that involvement, which occurred early and throughout the entire decision-making process.

Rather than giving up authority, we discovered that involving the public in decision making is a powerful tool for increasing the authority and legitimacy of the decision maker; for getting staff to question unwarranted assumptions and to generate creative solutions to seemingly intractable problems; and for improving the effectiveness of policy- and decision-making processes. In fact, public involvement is such a valuable tool that I now believe corporate and governmental managers who become proficient in working directly with stakeholders and affected third parties will have a distinct competitive advantage in meeting their mission, whether it is public service or improved profits.

Here's how we learned that lesson.

## BEGINNING THE CHANGE

When I arrived at BPA, the people in the agency felt confused. BPA had a proud tradition as the builder of a premiere 15,000-mile electric transmission grid connecting Canada with the four northwest states and California. The people who worked for me at BPA were just as bright and diligent as those who preceded them. In fact, they were well trained, highly intelligent, and dedicated people. They put in endless hours, regularly giving up their weekends. I would have considered myself lucky to have many of BPA's employees work for me in the private sector. But despite all this hard work, despite the fact that they were at least as intelligent as their predecessors, instead of being loved they were reviled. A senior executive told me, "I used to be proud to be a public servant. It was really an honor to be a Bonneville employee because we did so many good things. I think we're still doing those good things, but nobody appreciates them."

I am convinced BPA staff sincerely believed they were doing what was right for their customers, BPA's public constituents, and the agency. The agency felt it understood the interests of its customers and constituents. In fact, it often felt it understood their interests better than they did. Thus, "DAD" was appropriate for describing both the attitude of the agency and its decision-making process.

In the early 1980s, like all Federal agencies, BPA had some processes in place to hear the public's views. Our attorneys had advised us, based on a landmark California court decision, that we would be wise to create a process for public involvement on decisions involving resource allocation. Also, under the National Environmental Policy Act (NEPA), BPA was required to consult formally with other governmental entities, as well as to conduct public meetings before making final decisions. Like many a manager before me, I came into my position assuming these procedures were probably enough.

How wrong I was. Just to illustrate: About the time I came on board, BPA was finishing up something called the "Role Environmental Impact Statement." This document was an evaluation, required by law, of the environmental and social impacts of BPA's total operations, its "role" in the region. BPA had engaged a number of outstanding consultants to prepare the document, to insure that it was "objective" and "independent." When it was done, the Role EIS stood 7 feet tall. We couldn't even fit it in a wheelbarrow! It was as complex and comprehensive as it could be. It was full of good facts and good analysis.

It also proved worthless. Everybody challenged it. Predictably, it ended up in the Ninth Circuit Court of Appeals, and the Court slapped our hands hard.

I concluded that the real problem was that we hadn't effectively involved the people who were affected by what we were going to do. We left them no recourse but political protest and legal challenges, and we got both. We were making the same mistake over and over. It took awhile before we understood that public

involvement is not the same as the formal consultation process under NEPA. NEPA opens the door to meaningful public involvement, but it doesn't ensure it.

It took BPA several years to get serious about public involvement. Within the agency, the "father knows best" culture was pervasive. Our attorneys, in particular, expressed fear that public involvement would force the release of important documents prematurely and would jeopardize the attorney-client privilege. Many staff argued that if the agency opened up its decision making to the public, it would forfeit its flexibility, become hostage to its own policies and guidelines, give outside parties leverage to make unreasonable demands, and "lay BPA open to lawsuits right and left," as one high official warned me. By being open and candid, they felt, we were exposing ourselves to unnecessary risks. Even as our experience with public involvement grew, these people continued their prophecies of doom, providing a counterpoint to our multiplying successes.

Initially these warnings seemed logical to me and influenced me to approach public participation with caution. Yet I knew that the agency had to change from the independent ways of its first 40 years. In fact, in two areas--activities that affected the environment and initiatives to acquire new supplies of energy--we were required by NEPA and the Northwest Power Act of 1980 to develop a public process and to seek public participation. But because these laws did not cover all of BPA's operations, many argued that in these other areas, we shouldn't do it if we didn't have to.

But due to the influence of two BPA staffers who had considerable public policy background, I began to move in the direction of supporting a strengthened public involvement program. Donna Geiger, a former aide to Senator Henry "Scoop" Jackson, handled public involvement for one part of the organization. But she was several organizational layers away from me, and not all public involvement activities within BPA were coordinated through her. At times her staff was relegated to the formalities of maintaining the public record required by NEPA. Then Jack Robertson came on the scene as my Assistant for External Affairs. Robertson, a former staffer to Senator Mark Hatfield, and currently the Deputy Administrator of Bonneville, was able to articulate to me and other senior BPA managers, in a way that nobody else had, why involving the public was in our own best interests. Critics on my staff told me that involving the public undercut the Administrator's legal authority to prevail over local interests. But Robertson was able to convince me that, as the public outcry for BPA accountability grew, the attempt to exercise arbitrary authority would get us into political trouble. Public involvement, Robertson argued, was the way out of the trouble. But it wouldn't work if we thought it was just something we did when we had political problems. It had to start with a rock-solid ethical commitment to be open and honest, whether or not it was in our advantage. We had to begin with the fundamentals: We would always be willing to talk and we would also be willing to change, based on what we heard. I, for one, was convinced he was right. But Jack made it very clear that there were times it was going to be a battle. He insisted that "I've got to have your credit card. You cannot back down once you've started down this path."

I pulled Donna Geiger and her staff into my own office, centralizing public involvement activities in the Office of the Administrator. Not only was it more efficient, but it sent a message to the whole organization about the importance of public involvement.

Some of our people were beginning to be effective in consulting with the public. In fact, we had a real success in resolving the transmission line problems in Montana. We vowed to talk to anyone concerned about the project. There were hundreds of meetings with individuals and groups to identify problems, and if possible, respond to them. I particularly remember a meeting with environmentalists who were bitter about the way we'd selected our right-of-way, but were also upset because they felt no one would listen to them. They came into my cramped motel room, about ten of them, and sat on the bed and the floor. One young one nursed her infant as she sat on the floor and upbraided me for my lack of sensitivity to the people of the state and its pristine environment.

We not only listened, we demonstrated our ability to respond to concerns. We relocated transmission lines off scenic agricultural lowlands and behind forested ridges, and we reduced the visibility of towers and conductors with a special treatment that made the lines less prominent. We even found that had we not already made some investments in our original route, the new routing was actually less expensive. We developed a plan to compensate local communities for impacts, and also helped fund the state's oversight of our activities.

Gradually the barriers of mistrust broke, and ultimately the Governor endorsed the project. As political opposition evaporated I remember our Chief Engineer saying: "I used to think only engineers could build transmission lines. I looked at employees trained in public consulting skills as lightweights, not to be taken seriously. They were merely cosmetic. I was dead wrong."

But despite these successes, Donna Geiger, our Public Involvement Manager, and her staff still had an uphill battle, because others in the organization were resisting. Those who resisted undercut the credibility of those who wanted to consult in an open and honest way.

Finally, Geiger convinced me to retain a consultant she described as "The Guru" of public involvement, to conduct an assessment of our entire public involvement program. At the heart of this assessment would be an extensive series of interviews with representatives of all the many interests concerned with BPA decision making, as well as most key BPA staff.

The results of these interviews were very disturbing. The consultant's first conclusion was that the public saw BPA as "arrogant, insensitive, and uncaring," and he went on to recommend numerous organizational changes.<sup>1</sup> This shocked

many people at BPA. I can still remember the long silence when these conclusions were first presented. Then someone piped up, "You know, he just may be right."

For others, though, the public's perception of us was hard to accept. Even some of those who supported the proposed changes got caught up in the instinctive urge to protect the agency from perceived attack. Years later the consultant asked, "You know, those three words came up so often in the interviews, that I assumed you must have known that's how the public saw BPA. How could there be such a consistent perception of the organization, and BPA not know of it?" I could only respond that until then, whenever we'd get a negative reaction, we'd brush it off as a negotiating ploy, or as a comment from a particularly insensitive, uninformed member of the public, who, if he just took the time to be better informed, would understand what BPA was doing and support it. I shuddered to think how many times in the corporate world I'd seen people dismiss negative feedback from public interests or even customers just as quickly and easily. While the challenge BPA faced in restoring credibility was certainly daunting, it was not unlike that faced by many organizations who've found that they've lost the edge that keeps them competitive. Some enter a period of decline until finally they are put out of their misery by acquisition, bankruptcy, or radical reform forced by changes in the law. Others find a way to rejuvenate themselves.

Before we could start the rejuvenation process, though, we had the immediate problem of what to do with the consultant's report. Even its existence posed a public relations problem, because the press was interested in getting copies of the report. Some people, including our own press organization, argued that we should claim it was an "internal" document and not make it available, even though many members of the public had been interviewed. But Jack Robertson, Donna Geiger, and some of her key staff argued that now was the time to find out whether our supposed ethical commitment to openness and honesty was for real. They were convinced that we had to prove that we had the ethic right down to our toes. They also believed we had to trust the media, when it was given full information, to be responsible. We gulped, but I remembered my commitment to "loan Jack my credit card," and we released the report, making it available to anyone who requested it, along with a letter announcing the steps we were taking to address the findings of the report.

It was the right move and immediately won us kudos from the press. The Seattle Post-Intelligencer, which had been writing critical editorials for months, said:<sup>2</sup>

"The consultant, hired by the Bonneville Power Administration to assess its relationship with the public it serves, didn't pull any punches. The BPA, said consultant James Creighton, has been "arrogant, insensitive, and uncaring" and "paternalistic" towards its customers.



"BPA leadership deserves double credit, despite the scathing report, for commissioning the study of its operations and for accepting the findings unflinchingly.

"The agency already is responding to the sharp criticism by improving its dealings with the public. A new public policy group has been established and one of its first tasks will be to create a process by which suggestions will be sought from the public and BPA's energy customers at the discussion stage of proposed policy changes, rather than after such changes have been formulated.

"BPA has set a commendable example for other public agencies to follow in examining the need for self-improvement."

The decision to release the report was a bellwether decision. We became convinced that if it worked in these threatening circumstances, it would work again. In fact, with only very rare exceptions, we continued to find that the media was very responsible, so long as we were honest with them and ourselves in giving out information.

## SETTING THE CHANGE IN MOTION

With the potential crisis behind us, we began the hard work of restoring public confidence. We needed both an attitude change, and practical skills in working with the public.

At my insistence, top management of BPA wrote a public involvement component into the performance requirements of every management position, so there could be no misunderstanding of what was expected. At regular review sessions between manager and superior, performance in this area came under discussion. Extraordinary performance was recognized in the agency's newsletter, and I made it a point to distribute cash awards to employees who had demonstrated a commitment to developing and applying public consultation skills.

While we had learned that public information alone would not turn the tide --just because people knew more about what we were doing didn't mean they would love us--we also knew that for people to participate effectively they had to be well informed. So we began preparing publications that would hold their own with the best in the private sector, instead of the stuffy, bureaucratic, and inaccessible documents that had been the norm previously. We made sure each document was written as objectively as we could. These were documents being prepared for participants in decision making. It was no longer appropriate to try to put the best spin on everything BPA did. The job now was to be open and honest, and trust the public to respond intelligently. Over the next few years we prepared dozens of "backgrounders," summaries of the important information about a controversial issue, and "issue alerts," shorter documents telling people about an upcoming

decision making process and their opportunities to participate. Again and again our experience proved that good, balanced public information – even to issuing publications that included the critics' side of the story – was a prerequisite for effective public involvement.

We also established a requirement that, for major decisions, a public involvement plan would be prepared outlining the public involvement activities that would be carried out to help us reach our decision. Each decision was to have its own program, appropriate to the decision, and the number and kind of people interested in the decision. We left our managers some discretion as to which decisions justified a public involvement program. A full-blown public involvement program cannot be undertaken for every decision an organization must make. There are many routine day-to-day decisions where it would be impractical and unnecessary to seek public participation. Managers were charged with assessing the probable interest in the issue, and the possible consequences if people felt left out of the decisions. Many learned to make a few phone calls to a cross-section of key stakeholders before making this judgment call. Also, as public involvement became more embedded in BPA culture, decision makers began factoring public concerns into their decisions, both consciously and unconsciously, to lessen adverse impacts. This increased the public's willingness to trust BPA on the smaller decisions.

One feature of the requirement that a public involvement plan be prepared for every major decisions was that the External Affairs Office had to sign off on the plan, as did every other part of the organization playing a key role in implementing the plan, although responsibility for preparing the plan belonged to the line manager ultimately responsible for the decision. This outraged one new manager, who argued no one in External Affairs should have the right to tell him how to do his public involvement. I listened closely, understanding his concern for not tying the hands of line managers, but ultimately all I could offer was: "If you can't reach agreement, you can bring it to me for resolution. But I have to tell you that, just as I would rely on your advice on an engineering issue, when it comes to public involvement, I'm going to turn to Jack Robertson and his people." Only a couple of disputes ever reached my desk, although I occasionally heard rumblings that battles were going on. This turned out to be a positive thing, as some longstanding turf battles got addressed. This was the beginnings of BPA's current emphasis on teamwork, and its successful use of task forces consisting of representatives from many parts of the organization.

We set up a mandatory training program for employees ranging from top management to first-line supervisors, including project managers. We hired consultants who taught our people how to plan public involvement programs, how to organize and conduct public meetings, how to listen when people are upset--they even taught everyday skills such as public speaking, writing, and media relations. Most important, staff learned how to avoid setting up situations that were adversarial and hostile. Before this training, many employees had been terrified



over the prospect of dealing face-to-face with adversaries in hostile settings. With training, their fears subsided and confidence rose.

BPA published a public involvement guide, authored by the public involvement consultant who'd given us the bad news about public perceptions of BPA. It is now in use by many other federal agencies.<sup>3</sup>

We also began systematic communication with those groups that were often most critical of our performance. This began because we were still being hammered constantly by ratepayer advocates and environment groups opposed to nuclear power. It seemed like everything we did just brought on a fresh torrent of criticism. Finally, Jack Robertson made up a list of "people who hate and dislike us the most," and invited them to a meeting. Basically he asked them: "What do you need?" They replied that they wanted to meet with top management, they wanted the right to set the agenda for these meetings, and it had to be set up so it would not be costly for them to participate.

The idea of going eyeball to eyeball with some of our toughest critics was scary. Some of our managers thought it was akin to "talking with the crazies." To them, it almost seemed un-American. But I agreed to talk, and agreed to produce the Assistant Administrators as well, although I was well aware that some BPA managers entered the room with me only because I walked in first and would be well aware if they were not there behind me. We set up an elaborate conference call system, with nearly half the participants attending by phone, so their costs were kept down. We didn't try to resolve the major issues, we just told each other how we felt about them.

Some of the first meetings were tough, but we soon found these meetings were invaluable as an "early warning system." We could spot concerns as they began to emerge, before they became full-blown issues. This allowed us to get started with the needed technical analysis and public involvement so our decisions seemed proactive rather than reactive. It gave us a chance to resolve things before they became adversarial. Fewer disagreements were based on misperceptions, or not having the facts.

These meetings also built relationships. We knew each other. We began to trust and respect each other. People would feel comfortable to pick up the phone and call me, where before they'd have gone to the media or begun to form a coalition to take us on.

In fact, these meetings were so useful that soon we set up similar meetings, on a regular basis, with some of our other critics, the public utility commissions of the four Northwest states, and representatives of state and local governments. This proved equally invaluable, although once they found out we were not such ogres, the public utility commissioners proposed we meet less frequently.

Meeting with these three groups of "critics" convinced me that this kind of regular, unstructured communication was just as important and a crucial adjunct to our issue-by-issue public involvement programs. You're better off knowing your critics well, understanding them as best you can, rather than meeting them the first time in the midst of a major controversy.

Finally, I decided that one of the ways to get the organization to change its attitude permanently was to involve the agency in generating a public involvement policy that would cover all significant BPA decisions. Since I wanted to bring about a cultural shift in the organization, I realized that no policy handed down by me would have any effect. To institutionalize an attitude favoring openness, to make it survive individual managers and endure, it had to be codified by the organization itself. By promulgating and shaping a policy themselves, the employees would take ownership of it.

But in opening up the policy's development to the whole organization, I also gave people who still didn't buy into public involvement the opportunity to fight back--which they did. From the beginning, there was strong resistance, most of it behind the scenes. Because each office in the agency had to sign off on the policy, opponents stymied the process simply by stalling. Developing the policy also brought other problems to the fore. BPA was divided into separate offices that at times more nearly resembled fiefdoms. Public involvement by its very nature cut across organizational lines. But the engineers didn't want the power management people meddling in their business, the central office didn't work closely with the field offices, and so on. We weren't just working on a policy, we were confronting old rivalries and tearing down the barriers. The process would take two years. Meantime, other changes were taking place that would do more to convert BPA's managers than any policy.

## HARD TIMES, HARD CHOICES

As mentioned earlier, the period of the early 1980s was a period of tremendous turmoil in the energy business in the Northwest. The WPPSS debacle was the major contributor to a 304% rate increase in firm industrial rates from 1980 - 1984. After decades of cheap power--the hydropower produced by federal dams provides one of the cheapest sources of electricity in the nation--the Northwest was taking a big gulp as it absorbed the cost of nuclear facilities. That alone would have caused

outcries, but since the rate increase was, at least in part, for nuclear facilities that were sitting uncompleted and unused, many felt bitter and resentful.

The rate increases also caused changes in the way the Northwest used energy. The original impetus for construction of the WPPSS nuclear plants was the 6-7% compound growth rate in energy demand that was projected for the foreseeable future. But with sharp increases in price, we got our first inkling of change. It took us a while to recognize the change, partly because all the utilities in the region assumed that electrical use was not sensitive to price, and partly because BPA's way of forecasting energy use was to rely upon a forecast developed by a committee from the utility trade association in the Northwest. The committee's approach was to aggregate all the estimates of the individual utilities, essentially the "retailers" of power in the region. Based on these aggregate projections, the region would soon be in a 2,000 megawatt annual shortfall. (2,000 megawatts is enough electricity to supply a city the size of Seattle.)

The problem with merely adding up all the utility's projections was that each utility built in a little fudge factor, even if unconsciously. They always assumed that growth, if it were to occur in the region, would probably be in their service area. They also had learned to err on the side of over-estimating growth, since for years the only real concern had been that demand would exceed supply. If they were wrong, they only had to absorb a few more months of growth and things would balance out. While the fudge factor wasn't a problem for an individual utility, it added up to a lot of electricity across an entire region.

With dramatic increases in rates, people began to change the way they used energy. The first hint that all was not well came in September 1981 when I held my first strategic planning session at BPA. As we discussed future demand everyone referred to available studies which showed growth had slowed, but would still compound at a rate just under 4%. I began to get that little intuitive tingle that warns that everybody has bought the company line, and the studies would all make perfect sense so long as you accepted all the tired old assumptions from the past. So I said, "Forget all the studies. If you had to go strictly on 'gut feel,' what do you predict the growth rate will be?" The consensus was a growth rate of about 1.5%. Somehow we all sensed the change was coming, but our dependence on studies blinded us to our own intuition about what was going on.

Soon we launched our first independent regional analysis of electrical demand that did not use the projections of each individual utility. We found that, with a fresh examination of assumptions, future demand was much closer to the 1.5% "guess" we'd made in our strategic planning session. In fact, for the next few years we were facing a 2,000 megawatt surplus, a swing of nearly 4,000 megawatts in our projections--enough for two Seattles.

The surplus caused us to begin talking seriously for the first time of something that in the utility business is called the "rate death spiral." That frightening term means

that when utilities make sharp increases in rates, people begin to use less electricity. Since the bulk of the costs of producing and delivering electricity are fixed costs, but now sales are lower, the utility is eventually forced to raise costs again. Conceivably, the utility just keeps spiraling into deeper and deeper trouble. For the first time, BPA needed to look hard at protecting itself from this possibility.

Not only were we facing problems with rates, the passage of the Northwest Power Act of 1980 produced significant changes in our relationship to utilities within the region. There was plenty of ambiguity in the language of the Act. This set off a period of tremendous jousting among our customers, with each customer class trying to secure a preferred position in relationship to the others. What's more, questions remained about the role and authority of the Power Planning Council created by the Act. Anyone who wasn't satisfied with what they got from BPA could go to the Planning Council and plead their case, playing the agencies off against each other.

The Act also gave both the Power Planning Council and BPA major new responsibilities to protect fish and wildlife in the Columbia River system. This gave new standing to Indian tribes, state and federal fish and wildlife agencies, and environmental groups to be at the table with utilities and other users of the river. There was considerable turmoil as new stakeholders demanded their seat at the negotiating table.

The outcome, quite simply, was that for a period of time few decisions in the region counted until they had been passed upon by the 9th Circuit Court of Appeals, the court which the Northwest Power Act specified for resolution of all litigation under the Act. Every significant decision was subject to almost inevitable lawsuits. Each decision became a battleground for the interests who wanted to establish their claim to BPA's resources.

BPA was faced with the fundamental problem of how to make decisions that "count" in such a chaotic and litigious climate. Fortunately, we found the answers as we grappled with several major decisions that could not be postponed. The first decision involved the very survival of the aluminum industry in the Northwest.

### The Aluminum Rate Decision

The production of aluminum is very energy-intensive. About one-third of the cost of producing aluminum is the cost of electricity. In the 1940s, the aluminum industry was started up in the Northwest to take advantage of the cheap electrical power from the federal dams, so that the aluminum plants could make products desperately needed for the war effort. Locating the aluminum companies in the Northwest proved to be advantageous to the region not only in terms of dollars and jobs, but also because of a unique synergy between the way the aluminum industry uses electricity and the way the region uses it. Aluminum plants operate around the clock and schedule production to coincide with releases of vast quantities of

water that can't be stored in reservoirs during spring runoff. Rather than being spilled over the dams and wasted, this water is run through the turbines to generate large amounts of electricity that can be used by the aluminum smelters at a time when few other customers need the power. Additionally, aluminum companies were willing to have their production interrupted occasionally, at times of peak power use by the rest of the region.

Because aluminum companies were willing to use power that could be interrupted if needed, and at a time when others didn't need it, they received a special rate reserved for users of "non-firm" power--users who don't have to be accounted for when computing the firm peak demand that must be met by the utility. But, due to the high cost of nuclear power plants under construction, these special rates were eight times higher than they had been five years earlier.

To make things worse, the price of aluminum on the world market was in free-fall. Northwest aluminum companies were facing challenges from other countries, where newer, more efficient smelters were in operation. The Northwest companies, some of which operated smelters built in the 1940s, were having trouble competing. Already, Northwest aluminum smelters that had been among the world's most constant producers of aluminum were being used as "swing" plants--those plants that are the first to slow or shut down when world prices drop. By late 1984, one large aluminum plant had been shut down completely, two plants were offered for sale, and practically all smelters had reduced production.

The aluminum industry bought 30% of BPA's total output of electricity, producing revenues for BPA of \$640 million a year. The aluminum industry also employed 9,000 workers in the Northwest, and was indirectly responsible for 22,000 more jobs. It also produced substantial tax revenues, typically in smaller communities that had few other sources of revenue. Obviously BPA had an incentive to come up with some form of rate relief, if we could.

At the same time, our own studies suggested that the Northwest aluminum industry might be permanently non-competitive. I remember meeting with Senator McClure of Idaho, who more than anyone was responsible for my appointment as Administrator, to show him what seemed to us to be a brilliant mathematical analysis demonstrating that these plants could not make it at prevailing prices. We estimated that three or four of the ten aluminum plants in the region would fail in the next decade. McClure listened patiently to my explanation, but as I was about to depart he said, "That's not the reason you were put there. Your job is to see that they don't leave."

McClure's voice was not alone. I remember meeting with a contingent of residents from The Dalles, Oregon, whose economy had been devastated by the closing of the smelter. The leader of the group was an auto dealer, who was stuck with a lot full of unsold cars. The group wanted me to lower electrical rates to the plant so that local interests could afford to buy it and reopen it. I tried to explain that our rates had to

be uniform and to make economic sense. I remember particularly one quiet woman who described the impact of the smelter's closing on the local schools, and then turned to me in appeal and said simply, "There has to be something you can do."

But while BPA wanted to do something, BPA's other customers were unlikely to have much sympathy for aluminum's predicament, for they too had recently absorbed heavy rate increases. They were sure to oppose any arrangement that would push their rates still higher, and any rate adjustment for one class of customers had to be submitted to all parties under the agency's rate-making system. The only appeal we could make to BPA's other customers was to remind them that if BPA lost the revenues from the smelters, it would mean higher rates for everyone. In the long run they would be better off if BPA could come up with a survival mechanism for the aluminum companies.

To top it off, BPA was not popular with the aluminum companies themselves. I particularly recall a meeting in San Francisco with one company's CEO and the company lawyer, in which they berated me for several hours for failing to protect the company from financial distress.

In continued meetings with sometimes hostile aluminum company executives the key words I kept hearing were "predictability" and "stability." If they were going to hire people, improve their energy-intensive smelters, and penetrate world markets with their products, they had to have stability in electrical energy costs.

Originally we had assumed that new rates would be considered in BPA's formal rate-setting process, prescribed by law. But this restrictive, quasi-judicial process held the potential to be simply a battleground for attorneys. We needed a venue for discussing the issue that at least had the possibility for generating creative alternatives. So instead of focusing on the formal rate-setting process, we concentrated on less formal public involvement, tailored specifically to this issue.

Our first step was to see if we could get local communities, as well as labor unions, to join BPA in taking responsibility for solving the problem. We called meetings in communities where smelters were located and asked, "What can you do to complement any action we might take? Could you grant tax incentives or make economic development investments, for example, to spur employment?" But the resources of the local communities were so strained that they were less able than we to take action. We got some interest from the unions, but that was all.

We decided that we had to get those people who had an interest to be directly involved in developing the study itself. We talked to dozens of people who were likely to want a role in the study and invited them to be part of a technical review committee. Numbering about 75 members, this committee included all the important interests--utilities, local governments, state agencies, public interest groups, labor unions, aluminum companies, and private citizens. The committee's balanced make-up and open membership gave it great credibility.



Early committee meetings were devoted to explanations of BPA's motives. Skeptical members suspected that the agency was trying to save the aluminum industry at the expense of its other customers. Eventually the committee got down to the business of considering study and model design. It developed a computer model to analyze the economic effects of various approaches.

In the meantime, BPA launched a campaign to educate the public about the problem. We prepared two brochures and sent both of them to about 15,000 people. One outlined the problem and the study process; the other explained the role of the aluminum industry in the Pacific Northwest economy and in BPA's energy system. Then, in a single month, the agency's field staff held more than 50 meetings throughout the region, featuring a 15-minute slide show, a brief address, and a question-and-answer exchange.

We also held open forums in The Dalles and other communities where smelters were located. These meetings were a stimulant to the staff and to me, as we were exposed to the plight of the people affected by the smelters' problem. We also got a much clearer picture of what it took for an aluminum company to operate successfully.

We reached a turning point during a one-day symposium in April 1985, sponsored jointly by BPA and the League of Women Voters. The topic was the options available for addressing the aluminum companies' needs. The hall was packed with representatives of all the utilities in the region, public interest groups, and key elected officials. On the platform were experts on the utility industry and utility economists. The day ended with an unspoken consensus that helping the aluminum industry would help everyone in the room. We were finally past arguing about whether there was a problem. We were ready to talk solutions.

BPA staff identified a number of options in a draft study and scheduled 13 public meetings to take comments. Some 4,600 people attended, from 10 in Burley, Idaho to 3,200 in Columbia Falls, Montana. We also received, and answered, more than 1,100 letters on the study. They included hundreds of notes from school children in towns where smelters were located, begging me in the name of the Almighty not to take away their parents' jobs. We also invited Technical Review Committee members to submit written comments. Many organizations and individuals on the committee worked together to produce comments.

One option had broad support. This was the idea of pegging the price of electricity to the world price of aluminum ingot--in other words, a variable rate. People liked the idea, although they suggested ways to put limits on how high or low it could go.

The idea of a variable rate was one I had previously dismissed as unlikely to be acceptable to our non-aluminum industry customers. But after the intense scrutiny and broad support generated by the public involvement program, BPA was able to

announce the decision to support the variable rate, and the formal rate hearing moved expeditiously to a decision.

Moreover, when the variable rate went into effect, there were no lawsuits. Some parties were disappointed with the choice but had sufficient respect for the openness, thoroughness, and objectivity of the public involvement process that they did not challenge the decision.

From an economic standpoint, the decision has proven wise for both the aluminum companies and BPA. No smelters closed permanently. Soon all were operating, due to a rise in the world price of aluminum, and through 1991 the agency has reaped more than \$200 million in revenues it would otherwise not have received. In 1991 aluminum prices again dropped and the variable rate kicked in to encourage continued smelter operations.

This process also was a moment of enlightenment for BPA managers. Not only had an issue that looked like a sure loser turned into a success, it became clear that with adequate public involvement it was possible to make decisions that would "count," despite the chaos and litigious atmosphere in which we were operating. Public involvement gave us a new-found legitimacy to act.

#### Resolving the Nuclear Power Plant Lawsuit

The public involvement process withstood another test during this same period, and once again proved to BPA managers that it was an effective tool for resolving apparently irreconcilable differences. This time, the presence of the public put pressure on two formidable opponents to settle a nasty \$2.5 billion lawsuit that threatened to destabilize power prices in the Pacific Northwest. Just the costs of litigation would have been enormous. Industry and commerce were talking of leaving the region, and energy uncertainties were discouraging new employers from coming into the region.

The case centered around a 60%-complete nuclear power plant, Washington Nuclear Power 3 (WNP-3), that the agency mothballed in 1983 after \$1.5 billion had been sunk into it. BPA had guaranteed 70% of the indebtedness for this plant and all of the indebtedness of two other nuclear facilities owned by the Washington Public Power Supply System. WNP-3 was different because there were four minority owners, all investor-owned utilities (IOUs), who claimed that in mothballing the project, BPA had breached project agreements. They claimed \$2.5 billion in damages. These IOUs were in serious financial straits, and their stability was in doubt if the issue couldn't be resolved. But litigation would have extended the uncertainty for years. BPA's credit also stood to suffer from extended uncertainty.

One of the constraints on my freedom of action was that, because I came from the private sector to head BPA, some people in public power feared I would sell out to



the IOUs. Under the law, BPA had to serve the publicly-owned utilities first. But because of people's perceptions of me, there was considerable danger that any deal with the IOUs would be viewed as selling out the public, no matter what the terms of the deal were.

Donald Hodel, then Secretary of Energy, brought the issue to a head. He called a meeting in a Portland hotel after getting several phone calls from CEOs of some of the region's largest IOUs, who demanded my resignation for closing the nuclear power plant. At the meeting, I had to defend my action against their claim that I had lost control of the situation. Hodel said he wasn't taking sides, but obviously I hadn't persuaded the gentlemen in the room that I had acted wisely. Hodel made a point of telling me, in front of these men, to find a way to reduce the tensions created over halting construction of the power plant.

To discourage legal and political challenges, any settlement not only had to be fair, but also had to be generally perceived as fair. We couldn't assemble hundreds of antagonists around a negotiating table, so we chose to submit the settlement and all issues under negotiation to a public involvement process. This strategy didn't please anybody in the beginning, particularly those in the IOU community. The chief executive of a California utility phoned me to inquire whether I had gone mad, trying to settle a giant and bitter lawsuit in a glass house.

On the other hand, I was worried about the ability of public power organizations to block any agreement they perceived as unfair. Their first impulse, we were sure, would be to suspect any agreement as a giveaway to the IOUs. We had to gain authority to bring them together, to defuse the animosity between the two camps. I needed more than legal authority to do this; I needed political authority and credibility as well. Of equal concern were the senators, governors, industrial groups, and public-interest groups. Without their acceptance that the agreement was fair, it wasn't going to happen. By now I'd had enough experience with public involvement that I was convinced it was the only way to gain the authority, the consent, to enforce a settlement.

This became a source of controversy at our first meeting with the IOUs. They came to the meeting willing to settle the lawsuit, and were nonplussed when I told them it was essential to launch a public consultation process. Their lawyers argued that the litigation was between the four plaintiffs and the agency, and meaningful negotiations could not be carried on if everyone who wanted to had a seat at the table. I explained why BPA was proceeding with public involvement, and told them that agency staff and I were meeting the very next day with representatives of more than 100 public utility customers to inform them that we were seeking their input in our efforts to settle the lawsuit.

At this point the most intransigent fellow in the group blew up. "I knew it!" he exclaimed. "You have no intention of settling. It'll never happen with that bunch

sitting at the same table in a public forum. They'll just posture and bluster and kill the deal before it comes out of the womb."

We all argued heatedly. I even got so mad that I pointed out they had largely brought this mess upon themselves when they became part of a grandiose nuclear plant construction program without an objective, critical review of technology, management, and need. I challenged them further by claiming they had allowed ambition and territorial greed to rule in their competition with public power.

After awhile we cooled down. I repeated my argument that a settlement would be effective only if it could stand the test of a public process. The utility executives and their lawyers wouldn't buy that, but in the end they did agree to see the negotiations through a few more steps.

The next day, it was standing room only in BPA's largest conference room. Hoots and hollers greeted me as I opened the meeting. The atmosphere was charged as decades-old antagonisms between factions within public power came out into the open. BPA's Deputy Administrator, Bob Ratcliffe, who was widely respected as a long-time public power supporter, presented an idea that we thought could be the basis for a settlement. But the participants in the meeting were so noisy and he was interrupted so often with questions that in the end few understood the plan and even fewer were convinced that it would work.

The next day we met again with the IOU people to brief them on the previous day's meeting. One CEO, justifiably frustrated at the backbiting, said that he was sure it would be impossible now to reach a fair settlement acceptable to everyone. It took a real act of faith to argue with his conclusion.

These gatherings began a shuttle effort by myself and BPA staff, back and forth from one group to the other over a period of months. Soon, however, we detected a change in tone in the meetings. No longer was everyone merely airing grievances and deploring the faults of others in the process. Many participants began to define their real interests in the situation. Moreover, as people began to talk, they also began to understand. The principal players discovered that there were a lot of intelligent people with good ideas on both sides of the public power/private power divide. Confidence began to grow that a solution could be found. Part of the impetus to reach a resolution, admittedly, was their knowledge that if they could not reach agreement, I was going to take a proposal to the public anyway. Then the public would begin to drive the process. If they wanted the public to review a settlement that was acceptable to them, they had to reach at least tentative agreement on the concept.

By early 1985, after about a dozen meetings with private and public power representatives, a settlement package looked feasible. It was time to initiate our public involvement program. We started out with a press release that explained the lawsuit, the settlement principles and status, and the public consultation process

itself. Informed BPA staff members were assigned to make contacts with the hundreds of interested parties that had been identified, ranging from the region's congressional delegation and four governors to prior participants in BPA's rate cases. To be sure that all the ideas from these interviews fed back into the process, we made a written record of each contact. These comments were given to the negotiating teams and were made available in our public involvement office to anyone. Throughout the nine months of public consultation, BPA conducted a monthly teleconference with interest group representatives. During these conferences, which became progressively more congenial, the participants discussed settlement issues and exchanged ideas with my staff and me. Some 450 different individuals participated through this forum.

BPA staff began hearing criticism that we had failed to include representatives of public power in the face-to-face negotiations. While it is true that public power representatives were not included in direct negotiations, it wasn't true that public power hadn't influenced the settlement: one of the key provisions of the proposed settlement -- a plan to link the rate for power supplied to IOUs to the average price of three comparable nuclear plants elsewhere in the country--had come right out of the meetings with the publicly-owned utilities.

But it was clear that BPA's public customers wanted to extract a promise not to settle unless they were involved directly in the negotiations. The four private utilities, while unenthusiastic about the prospect, nevertheless joined the agency in an effort to accommodate the demand. In July, representatives of three major public utilities joined those from BPA and the four private utilities in negotiations. After three weeks, the group emerged with a revised proposal. Opposition from some publicly-owned utilities continued. But it was time to make a decision. Public involvement informs the decision, and often leads to changes in the decision, but there comes a time when the decision maker must make a commitment. I was convinced that the proposal hammered out in the negotiations was as good as settlement as we were going to get, and was in everybody's interest. Two small hold-out groups challenged the settlement in federal court, but lost.

By the time the settlement documents were signed, in September 1985, BPA's investment in public involvement had paid off handsomely. All the main concerns of the agency's constituents had been resolved or at least neutralized. The utilities, public and private, were satisfied. The quiet support of the Pacific Northwest senators, congressmen, and governors attested to their satisfaction and their constituents' satisfaction.

#### BPA MANAGERS BEGIN TO BUY IN

These two crucial successes in using public involvement were probably decisive in convincing BPA managers that public involvement wasn't a public relations gimmick, but an important management tool they could use to hammer out a consensus that resolved seemingly intractable problems. Public involvement was

not an excuse to avoid making decisions, nor would the process make all the manager's tough calls. But BPA managers could see that public involvement had a powerful way of putting the spotlight on questionable assumptions, something that's hard for any agency or company to do. They could also see that many of the innovative solutions we had finally come up with might not have been thought of within the agency, or might not have been taken seriously, without the process.

These two successes were not the end of the story. BPA was to have many more successes with public involvement. Not only was the agency successful in the public arena, it also won a string of lawsuits in the 9th Circuit Court of Appeals, laying to rest many of the controversies of the early 1980s. In fact, our string of successes was so impressive that attorneys for the other parties couldn't help but wonder how we kept winning, and began to wonder if we had some sort of magic formula. Actually we did. The reason for our success, as much as anything else, was our commitment to public involvement. Once we made a sincere effort to consult with the affected parties and demonstrated change in our decisions as a result of that consultation, and so long as we didn't violate BPA's authorities and obligations under the law, the courts were predisposed to rule in our favor. The courts would always check our decisions against the law, but the fact that we had made every effort to address the concerns of the affected parties before the issue was decided created a legitimacy for our decisions that the court could not ignore.

Despite the victories, my tenure was coming to an end. I had paid my dues. But before I left the organization I had one tag end to clear up. I still wanted to see a public involvement policy signed before I left office. I had now worked on completion of that policy off and on for two years, often taking a key manager to lunch to nudge the policy out of his or her office and on to the next for signature. By now I had discovered that the chief remaining pocket of resistance was actually a close assistant, who never openly opposed the policy but kept it bottled up in different parts of the organization, until I would notice it was missing and jog it loose again. Finally I marched into his office and announced, "Look, I want to sign a public involvement policy before I go, and I'm not leaving until it's signed." That was apparently enough of a threat, and within a few weeks I was able to sign the final public involvement policy.

As I left BPA, *The Portland Oregonian*, once a critic, commented on my retirement this way:<sup>4</sup>

"As he leaves public service to return to private life in Idaho, Johnson deserves high marks for his performance, especially in the area of developing and encouraging the agency's commitment to involving the public in the federal decision-making process. . . . During his tenure, which ended with voluntary retirement earlier this month, Johnson approved a comprehensive program in the BPA public involvement office to solicit ideas and opinions from the public and bring them into BPA decisions. . . . Johnson's legacy is that his presence probably will not be missed when it comes to maintaining

the agency's commitment to public participation in decision making. This is because Johnson reserved as one of his last official acts the signing of a formal policy statement that affirmed Bonneville's commitment to public involvement in major decisions, as well as in the agency's program development. Bravo."

I was blessed that my successor continued the "revolution," creating new forums for consulting with the public, including a means by which the public can review BPA's entire program. BPA continues to face many challenges. For example, one species of salmon in the Columbia River has been listed as endangered, and three others are listed as threatened. This holds the potential for dramatic changes in river operations. Emotions among BPA's many constituents are once again high.

BPA's chances of harnessing this controversy are much higher than they were a decade earlier. BPA's culture has been sufficiently transformed that when the same consultant who reported that the public saw BPA as "arrogant, insensitive and uncaring" did another appraisal in 1991, his findings were: "BPA is now perceived as an 'open' agency, a leader in public involvement. This represents a significant transformation in a period of one decade."<sup>5</sup> He also reported, "Within the agency there is the perception that BPA now fully buys into the idea of public involvement and sees it as a normal way of doing business." And, "Most BPA managers see public involvement as an important management tool for getting their job done and understand that it will be a part of their performance evaluation."

## PUBLIC INVOLVEMENT IN THE PRIVATE SECTOR

While I was able to bring many of the management tools of the private sector into BPA, as reported in earlier articles,<sup>6</sup> I also learned much from my experience at BPA that I believe could be crucial in the private sector. I now believe that public involvement is a high-yield investment for any manager. Managers should use public involvement for that good old-fashioned reason that drives the capitalist system: public involvement will give them a competitive edge. While others are mired in political controversy and litigation, the astute practitioner of public involvement will have hammered out an agreement, and gotten on with the project. Public involvement will lead to better decisions. Instead of getting the thinking of just one, two, or three people, you get the best thinking of many, who will feel inspired by the opportunity to make a contribution. Old assumptions will be questioned. New possibilities will be considered. Ideas will be tested in the heat of dialogue. Managers will see improved profits because they will be freed up to look at products and possibilities that couldn't otherwise even be considered because of potential public controversy.

Most executives would prefer no conflict with outside groups. We've all got enough on our plate as it is. But for many, that's no longer the choice. External stakeholders now exert substantial influence on the operations of many companies and whole industries. The only choice is to learn to harness -- to manage -- the

controversy, and use it to get better decisions. When social change is resisted, as it was when labor first made its demands, society reacts too far in the opposite direction. The challenge is to find ways of responding to the fundamental interests these groups represent, without the extremes that result from pitched battles.

I can certainly see opportunities for public involvement in my old field, the timber products industry, where many issues are just mired in divisiveness. I can see public involvement in siting of all kinds of facilities. I'd love to see the automobile industry actively engage those groups it thinks of as adversaries to find creative ways to solve our energy and pollution problems, such as improving the fuel efficiency of cars. Solving our health care problems is ripe for some kind of collaborative problem solving. Biotechnology is a field where public controversy may be the limiting factor in development of new products, and new forums are needed for resolving tricky ethical dilemmas. Who knows what the resolution of other controversial issues might be if companies would work with the groups expressing concerns.

I don't know how many times I've heard business people say, "If we could just inform them of what we're doing, they'd support us." Hogwash. Public relations alone won't make it in the new era. Society has become so complex that hardly any of us does anything that doesn't affect the other guy. Everything is too interrelated. Instead of pretending those third parties are not there, instead of hoping to vanquish them, start including them. That way, there are almost no limits to what can be accomplished.

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