

Community relations and social license: How the mining industry creates better outcomes

Eric Mears, R.G.

Mining Market Segment Leader



HALEY
ALDRICH

Cerro Grande Wildland Fire

- Prescribed burn planned on 300 acres in Bandelier National Monument
- Included detailed FS execution and contingency planning
- Started burn at 7:00 PM on Thursday May 4, 2000



Cerro Grande Wildland Fire

- 1-acre test burn proved difficult to manage
- Numerous unfulfilled requests for assistance and additional manpower
- Additional crews finally arrived at 11:00 am Friday morning
- By 1:00 PM Friday, fire jumped containment and declared a wildland fire



Cerro Grande Wildland Fire

- On Sunday afternoon, winds drove flames into adjacent canyons and towards City and laboratories of Los Alamos
- Ultimately, fire destroyed 235 homes and 39 laboratory buildings, burned over 48,000 acres and caused \$1 billion in damage



Cerro Grande Wildland Fire

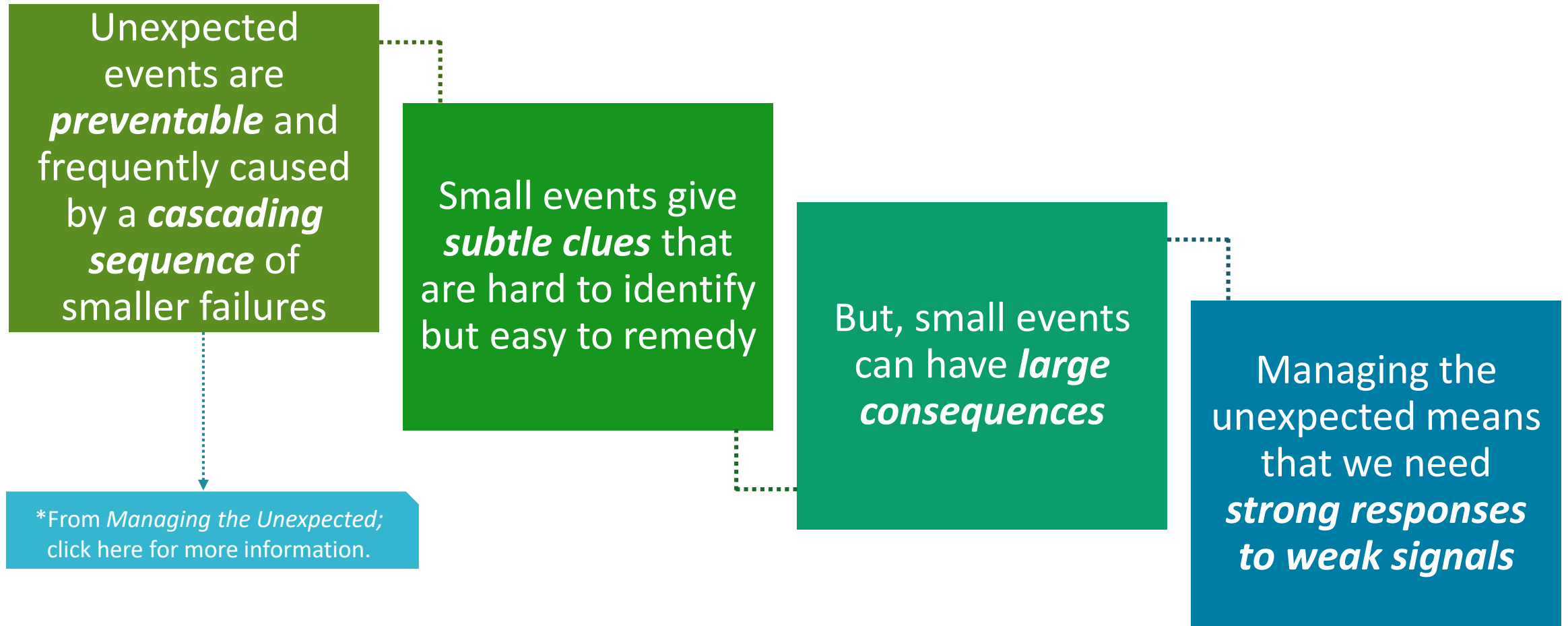
EXPECTED OUTCOMES

- Burn plan was simple and easily implementable
- Fire rated as low to moderate complexity
- Capable crew and resources
- Reliable response systems
- Available contingency resources
- Favorable weather conditions

ACTUAL OUTCOMES

- Outside agencies were nervous because prior prescribed burns escaped fire lines
- Complexity rating was incorrect
- Failed to stop initial burn when conditions changed
- Inadequate staffing on fire to respond to changing conditions
- Temporary staffing and confusing protocols at dispatch delayed additional resources

What does the Cerro Grande Fire teach us about community relations?



Why do you need to worry about community relations?

- Community opposition matters and impacts present and future operations (social license)
- Community dissatisfaction **will** create other undesirable consequences:

Unnecessary
regulatory
oversight

Unpleasant
political
interactions

Increased costs

Why are mining operations facing greater opposition?

- Easier (faster) for opponents to organize and communicate
- Aggregate operations are often encroached by development
- Enhanced awareness of potential health issues
- Communities don't understand local benefits of your operations



Tip #1: Every interaction counts

- Mines operate because we can obtain permits by effectively managing social license
- Disregarding the community through words or actions puts regulatory and political relationships at risk
- The actions of an individual operator can impact the entire industry



Social license reflects the effectiveness of your community interactions

LEVEL OF SOCIAL LICENSE

SYMPTOMS/INDICATORS

Withheld/ Withdrawn

Shutdowns, blockades, boycotts, violence/ sabotage, legal challenges

Acceptance/ tolerance

Lingering/recurring issues & threats, presence of outside NGOs, watchful monitoring

Approval/ support

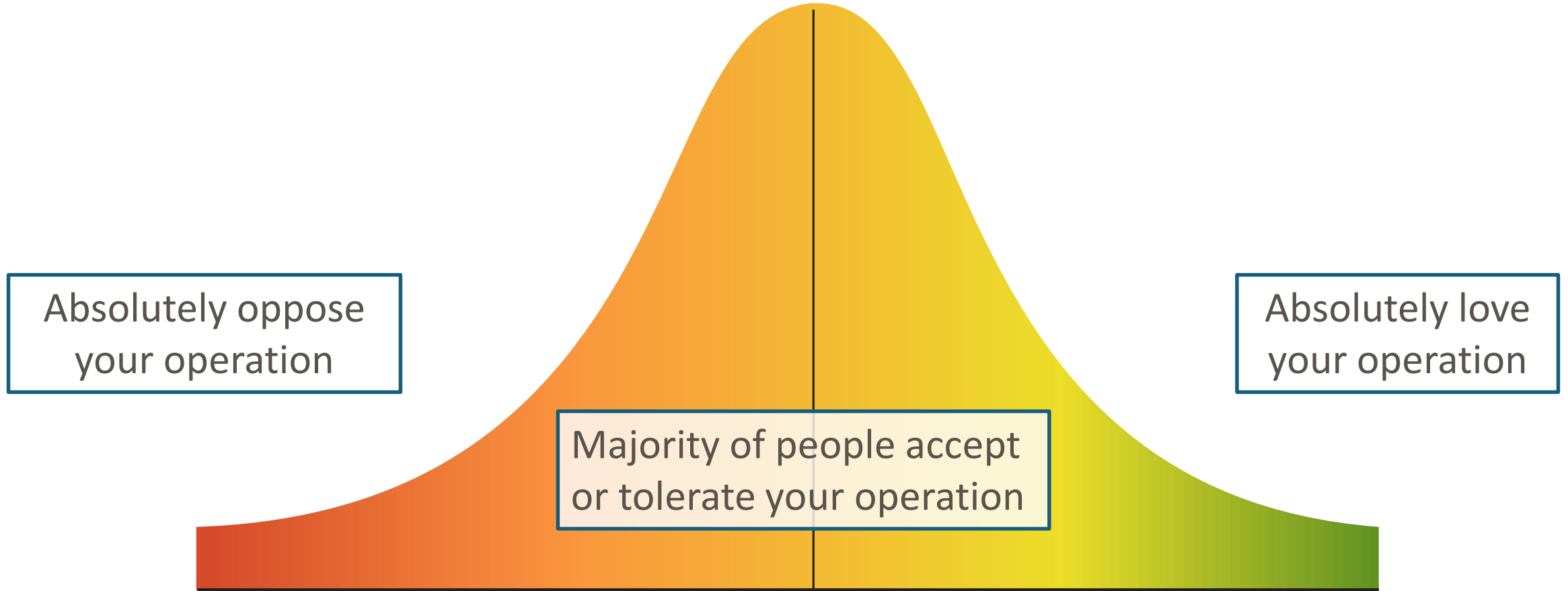
Company seen as a good neighbor, pride in collaborative achievements

Psychological identification

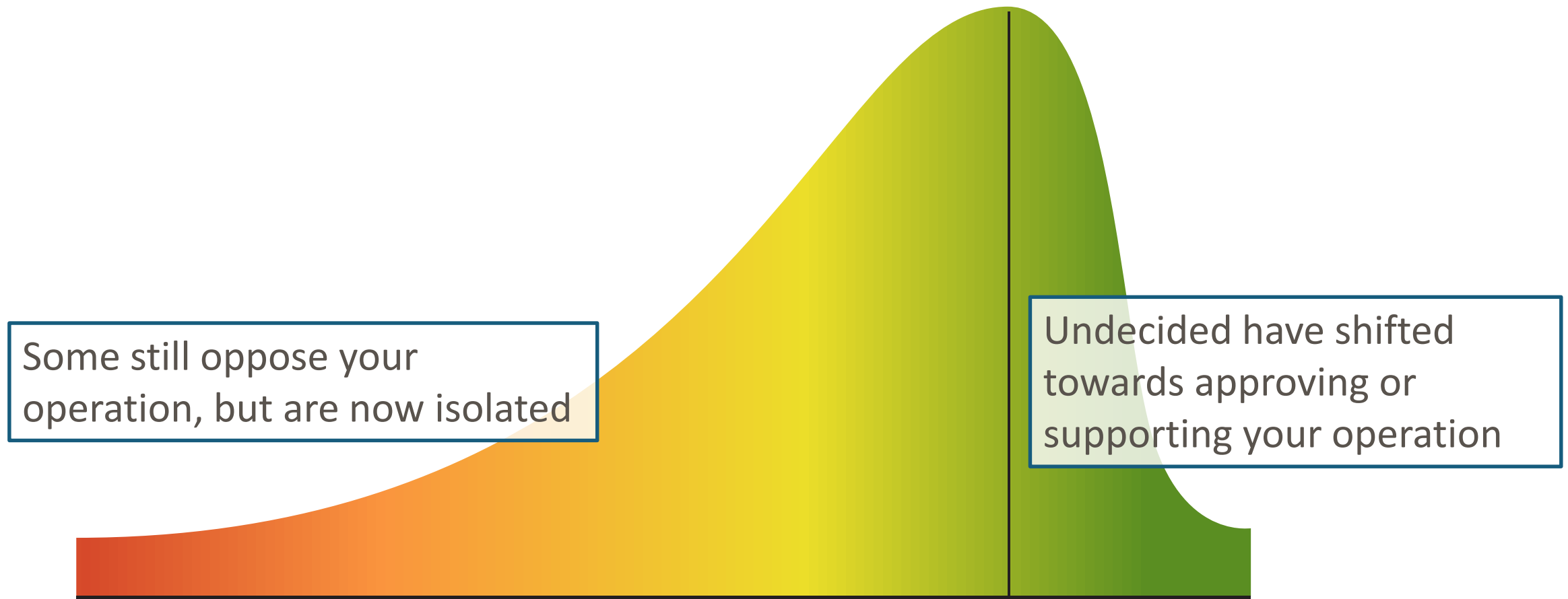
Political support, co-management of projects united front against critics

**From [Managing the Unexpected](#);
click here for more information.*

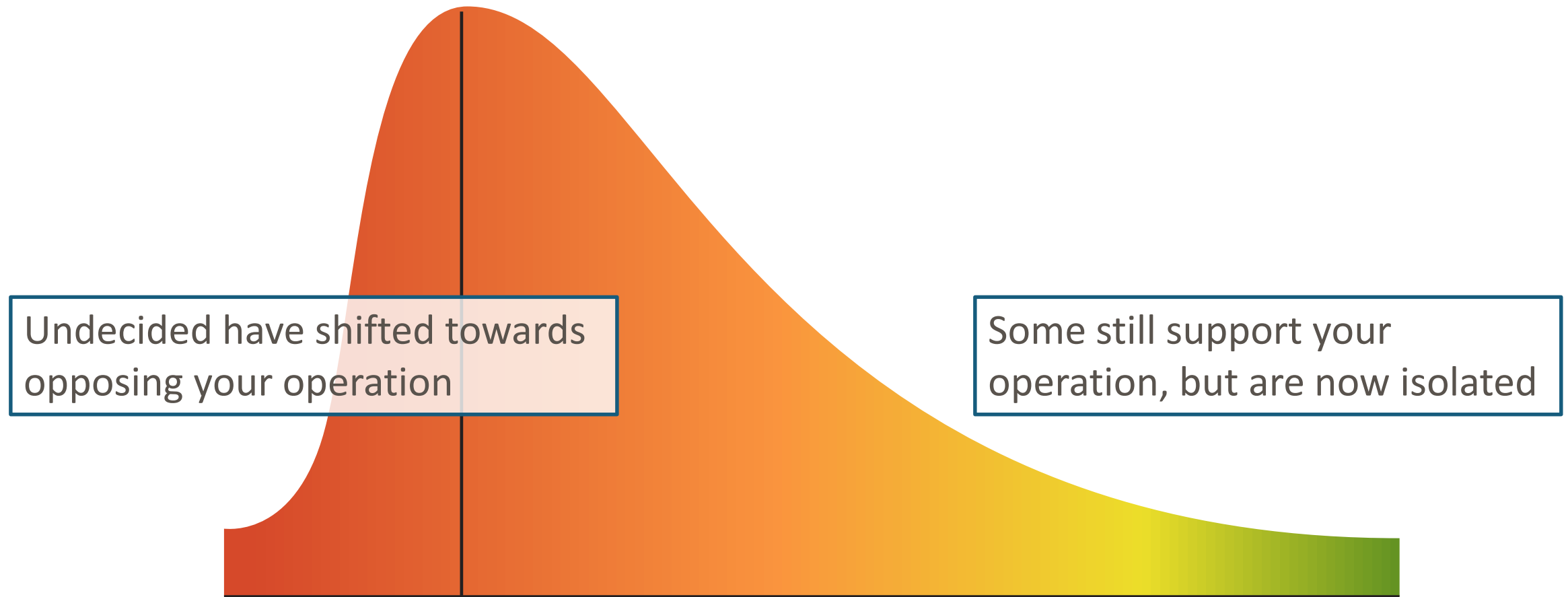
Normally, this is how people should feel about your operation



Community opinion with exceptional experiences and stakeholder engagement



Lacking meaningful engagement or negative experiences, support will quickly erode



Tip #2: Community issues impact political and regulatory relationships

- Agency complaints generate unplanned regulatory inspections
- Governmental complaints put elected officials in lose-lose position
- Complaints shift focus from collaborative compliance to enforcement



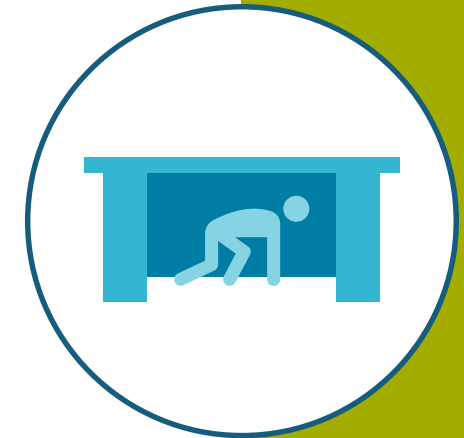
Relevant case study: Johnson Utilities

- ADEQ recently filed a 57-count civil complaint against Johnson Utilities worth over \$100 million
- The most cited private utility in Arizona (now operated by interim manager)
- Since 2017, ADEQ received nearly 300 complaints from community members, or 68 percent of the total complaints received by the Water Quality Division

“Johnson Utilities continuously failed to follow through in the *normal collaborative process* to remedy non-compliance issues...”

Tip #3: Essential elements of an effective community relations plan

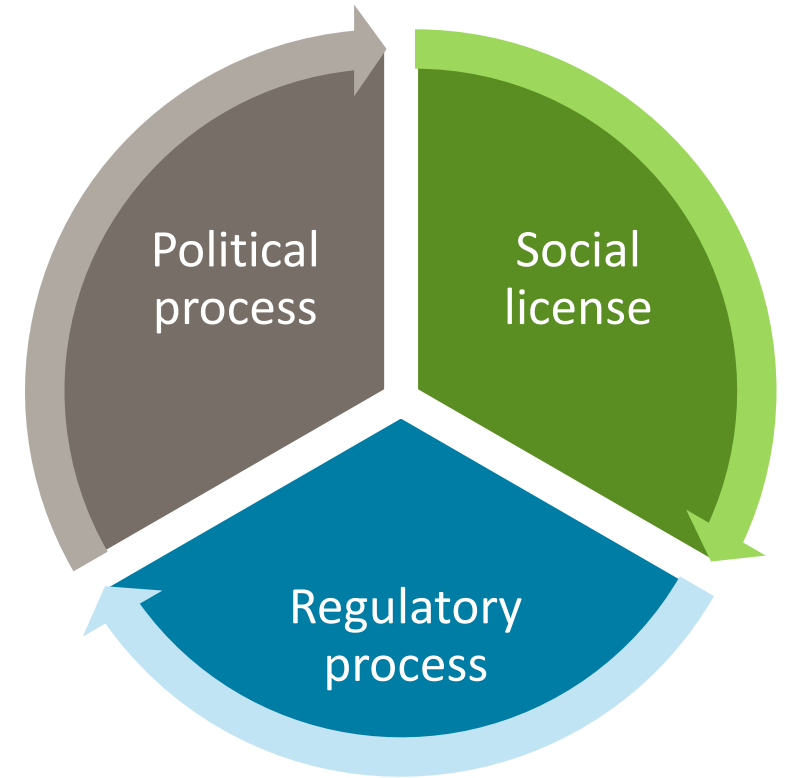
- The plan is written
- Clearly defines corporate objectives
- Provides guidance for stakeholder engagement
- Encourages employee and community involvement
- Defines behavior and communication strategies
- Tracks progress and benchmarks results



Does your CR plan involve hiding under your desk?

Effective community relations relieves stresses in three important areas

- Regulatory process by reducing inspections and improving permitting processes
- Public process by reducing community opposition and associated pressures on agencies and government
- Political process by gaining project entitlements and reducing unnecessary regulation



Tip #4: Identify and organize those who support your operation

- Focus on building a vocal and diverse group of supporters:
 - Vendors and suppliers
 - Chamber of Commerce
 - Friendly community organizations
 - Contractors
 - Current and future employees
 - Unions and trade organizations



Tip #5: Defining the benefits of your operation also ID's stakeholders

- Employment and jobs
 - Base employment plus growth
 - Family-wage jobs
 - Technology and Innovation
- Financial Impacts
 - Sales and income taxes
 - Royalties
 - Spend on subcontractors and suppliers
 - State trust-education
- Intangibles
 - Secondary benefits
 - Community programs
 - Impacts from loss of operations



Tip #6: Use a contact log to track issues and benchmark complaints and responses

Community Contact	Date, Place and Time	Description of Complaint or Issue	Follow Up
Who and when was a community member contacted. Be sure to obtain email or phone number.		Record nature of complaint and get specific details regarding location, cause or impact to community member.	Contact community member to thank them for contacting you and discuss specific and measurable response to their complaint.

Some final thoughts on building community support...

- Listen to your neighbors

- Are lines of communication open?
- Have you listened, addressed and responded to past community concerns?
- Do you know how the community feels about you?
- Do you have a Community Engagement Plan?

- Build capital with the community

- Do you have a budget for community spending?
- Are you sponsoring community events?
- Are your employees engaged?
- Has the public ever been on your site?

- Respect valuable political or regulatory relationships

For more information, contact:



Eric J. Mears, R.G.

Mining Market Segment Leader

EMears@haleyaldrich.com

Haley & Aldrich, Inc.

- Over 25 years of mine permitting and entitlement experience
- Served on City of Phoenix Village Planning Commission for 7 years
- Certified mediator
- Advanced education and training in community relations, media training and social license