

case 1-430-511
April 20, 2017

Andrew Hoffman

The Challenges of Transparency: Communicating the Pebble Mine Project to the Public

Sebastian Seabrookⁱ flipped to the last page of Northern Dynasty's environmental assessment study and smiled. He looked up and admired the beautiful Alaskan sunrise from his office window. As the Chief Operating Officer of Northern Dynasty Ltd. and the Pebble Partnership, Seabrook thought highly of his company's efforts to objectively study all possible impacts that the mining activity would have on the surrounding ecosystem in Bristol Bay. He was proud of the scientific rigor with which his scientists had undertaken their work. Their report would ensure a smoother transition from mining exploration to extraction in the next few years. Seabrook was further encouraged by many in the state who saw his company's efforts as necessary to revitalize Alaska's economy.

Seabrook also knew that opposition from environmentalists was likely, regardless of mining's purported impacts on the ecosystem. People could question Northern Dynasty's science, but he saw more powerful forces gathering to question the social and environmental perceptions of his company's actions. Even if the science was accurate, he knew that many would oppose mining because they saw corporations as irresponsible environmental stewards. In addition, many would see the deep power imbalance of his company working in struggling Native Alaskan communities. Seabrook understood the controversy his company's proposal generated, as many residents would remain skeptical regardless of the information and data his company released. He had noticed this trend as other companies around the world tried to use transparency to mitigate negative perceptions about corporate environmental and social responsibility. He hoped to learn from effective strategies to increase transparency, while avoiding strategies that had stoked controversy.

As he finished reading the report, he thought about what his company should do to avoid further controversy and preempt any intervention from regulators. Would his scientists' data and findings assuage public fears or incite them? He needed to decide quickly on a course of action in the face of EPA uncertainty.

Bristol Bay

Bristol Bay, located in southwestern Alaska, had abundant coastal and inland waters, including nine major river streams that were home to the largest sockeye salmon fishery in the world.¹ The area's pristine

ⁱ This is a fictional character and does not represent the experiences or actions of any living person.

Published by WDI Publishing, a division of the William Davidson Institute (WDI) at the University of Michigan.

©2017 Oliver Harfield, Tara Mahon, Tom Van Heeke, and Harry Wolberg. This case was written by Oliver Harfield, Tara Mahon, Tom Van Heeke, and Harry Wolberg under the supervision of Professor Andrew Hoffman at the University of Michigan's Ross School of Business. This case was prepared exclusively as the basis for class discussion and is not intended to illustrate either effective or ineffective handling of a situation. The case should not be considered criticism or endorsement and should not be used as a source of primary data.

Unauthorized reproduction and distribution is an infringement of copyright. Contact us for permissions: Permissions@WDIpublishing.com or 734-615-9553