



-[P

1250 Connecticut Ave NW Suite 825
Washington, DC 20036
USA
Telephone: (+1) 866 440 7515
Website: www.densusgroup.com

SUBJECT: THE COSTS OF FAILING TO MANAGE PROTEST

MARCH 2017

Executive Summary: The capability of protest groups to organize sustained campaigns that attack companies on multiple fronts has grown significantly in recent years. Experience, practice and a greatly increased capability to gather and share information gives them the ability to affect every aspect of a company's business in a way that was not previously possible.

Recent campaigns have proven that the protest groups' ability to hinder operations on the ground has not significantly increased, but that their ability to damage the company's finances, reputation, and to bring legal challenges and political pressure has never been higher. Recently major projects have been delayed, costs escalated, and even been cancelled due to pressure from a sustained protest campaign.

Unfortunately, much of this has been made possible due to adverse publicity created by poor handling of the protest events by police and security staff. A different approach to dealing with the initial protests onsite is required to prevent future projects from experiencing the same difficulties. Our clients bring in The Densus Group to provide the expertise and experience necessary to achieve a much more effective approach.

Assessing the Problem: Protestor opposition to any such project has historically taken the form of protest marches, petitions and direct action on the work sites to cause inconvenience and delay, as well as influencing public opinion and politicians at the same time. As with any form of protest, the key aim is publicity. In the information age protest groups are no longer dependent on the commercial media to publicize their efforts, as social media has allowed them to reach a vast, international audience in real time.

Protest groups are adept at using social media to not only publicize their events, but to ensure that many people only see the narrative that the protest groups want them to see. This is primarily enabled by their ability to force poorly trained police officers and security staff into making errors in practice and in judgment that quickly go viral. The early protests against the Keystone XL and Dakota Access pipelines were only known about to a small number of people within the environmental activist community. It was the footage protestors were able to share online of unreasonable use of force against protestors by security staff and police that went viral and made these the major issues they became. In these campaigns often justified outrage over police behavior is not confined to the police, as the company concerned receives a considerable portion of the blame in the minds of the public.

This level of exposure allows protest groups to widen the campaign into other areas and other countries, to increase their fundraising (NoDAPL, the campaign against the Dakota Access

Pipeline, was able to raise tens of thousands of dollars per day online), and to make politicians become concerned about the effect it would have on their support in future elections.

Why the Current Problem Exists: Protest activity within the United States has changed considerably during the last decade, but training for Police and Security staff has not changed to keep pace with it. Police are too often trained only for 'riot control' and do not have the tactical options or mindset to deal with non-violent protestors who are using civil disobedience and/or direct action tactics. The lack of understanding of the protestor tactics and what the protestors are really trying to achieve, coupled with a lack of training in how to effectively deal with them, has led to police and security staff improvising poor solutions that have given the protest group the very publicity they were seeking. In short, law enforcement is exacerbating the problem.

The effect of the poor tactics on the public's opinion of the protests not gone unnoticed here in the US, but it has been particularly decried and denigrated in Europe, where people are not used to seeing twenty year-old tactics still being utilized. Although few Europeans will directly take part in the protests because of the coverage they have seen, they are donating money, raising awareness by sharing information, and lobbying politicians and businesses in their own country.

The Costs of Direct Action Protests: Figures for the financial cost of direct action are hard to accurately assess because there are so many factors to consider. Delays in construction, sub-contractors being onsite and unable to work, damaged equipment, missed deadlines, etc. all form part of the picture, but additional security, security equipment and changes in procedures to deal with the protest threat all have a financial impact too. The best attempt seen for putting a price on the effect of a protest campaign came in the lawsuit lodged by TransCanada against Tar Sands Blockade, who stated the protests had cost them \$5 million during the Texas section of construction alone.

There are also non-financial costs, as being the target of protests can have a significant effect on staff morale, especially as many people assume that there will a threat to their personal safety from the protestors. This can be particularly true when protestors publish staff photographs and details online. Major damage can also be caused to a company's reputation, not only in the eyes of the public who are reading and seeing the information provided by the protestors, but in the eyes of other companies and investors who may see the company as a risk to do business with. As an example multiple banks have recently stated publicly that they are concerned doing business with companies involved in Dakota Access will damage their reputation.

The Costs of Secondary Targeting and Divestment: Targeting the companies that do business with the company being opposed has been a strategy for many years. The aim is to make it more difficult for the company to do business overall, and therefore to make the opposed project unworkable. Putting pressure on those financing the project to withdraw that financing has also existed as a tactic for many years, but the NoDAPL campaign has seen more success with this tactic than any previous protest campaign. So far the cities of Seattle, WA, Davis, CA, Alameda, CA and Portland, OR have all confirmed that they will remove their city's accounts from Wells Fargo due to their involvement in financing the project, with a number of other cities (including New York and San Francisco) currently considering similar removal. There are claims on the Defund DAPL website that individuals have closed accounts worth over \$73 million with banks linked to the project, but this figure is comprised of claims by the individuals, and therefore may be exaggerated. Norwegian Bank DNB sold off \$3 million worth of stock in companies involved in DAPL last year and is 'reconsidering' the \$342 million in loans they provided for the project. Norway's Odin Fund Management and Storebrand sold off \$23.8 million and \$34.8 million respectively in stock connected to the project, and Danish Bank and Sparinvest in Denmark have

also sold all of their stock. Nordea Bank in Sweden has banned any of its fund managers from investing in the three main companies behind Dakota Access, citing 'environmental and reputational risks.'

The Costs of Political Pressure: When a campaign manages to exert enough pressure on politicians the repercussions can be serious enough to see complete projects cancelled. As the protests against Keystone XL grew ever larger, specifically in Washington DC, the project became enough of a political issue for the President to intervene and cancel the remaining section of the pipeline, a decision that TransCanada have stated cost them \$15 billion US dollars. At Dakota Access the involvement of politicians, under pressure from constituents supporting the protestors, caused a two month halt in construction and might have caused the pipeline to be re-routed.

Our Solution: We at Densus advocate a different path. Our approach and terminology is that of crowd management, not riot control. We deliver a system of graduated response to protest activity that gives officers and security staff a set of tactics suitable for different levels of protestor behavior and violence. We also give them a practical understanding of how groups of people behave and how modern protestor tactics work. The combination of these two elements allows commanders and individuals to apply the right tactics to the situation on the ground to the right specific environment, preventing the conditions for violence from occurring, deescalating the situation where possible, and dealing effectively with criminal elements when required. It has been our extensive experience that this degree of judgment and flexibility is absolutely essential in the modern world, where different protest groups can use very different tactics, encompassing very different levels of threat, in close proximity to each other.

By handling the protests onsite effectively with a proportionate, justifiable response, the protest groups are denied the publicity that police and security overreaction gives them. This prevents the protestors from gaining the sympathy of large numbers of the viewing public, and creates a space where the company can deliver its message without being drowned out in the outrage over misuse of force.

The proven capabilities that we deliver are far more operationally effective and far more human rights compliant than the previously mentioned US methods. We are the leading providers of crowd management training to the Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL). We recruit our instructors internationally and teach a combination of tactics taken from the countries that are world leaders in this field. All of our crowd management instructors have many years of experience using the tactics they teach while on operations in their own countries, as well as their considerable experience of teaching internationally. The lead trainers also have experience in protest events in the US and in providing training to US Police Officers and the US Military. All of our training is based on the latest academic research in this field, combined with the practical experience of our staff. Our protest intelligence staff have years of experience specializing in this field, and have a deep understanding and knowledge of how protest groups think and operate.

Densus provides:

- Protest intelligence
- Protest awareness training for staff
- Training for security personnel
- Training for Police Departments

- Specialist Protestor Removal Teams for dealing with complex direct action protests
- Specialist public relations advice

Everything we teach is proven operationally and supported by past performance, including evidence of our successful implementation both in the countries where our tactics and concepts were first devised, and in the countries where we have taught them for INL. We can provide extensive past performance and referenceability upon request. We are currently in the second year of an extremely successful five-year engagement in Crowd Management and Antiterrorism Training in North Africa for the Department of State, and have over 1700 individuals and counting trained to an extremely high standard. This is exactly what we do best.

Yours Very Sincerely and Respectfully,



John R. Poncy
Chief Executive and Chief Quality Officer
The Densus Group
www.DensusGroup.com
305.338.2263