Chapter 9

Improving the Siting Process*

The descriptive material presented on the four case studies illustrates how different interested parties form strategies and present arguments to defend their positions regarding the siting of technological facilities. This chapter has a prescriptive flavor by focusing on ways to improve both the decision process and the resulting outcomes.

In Chapter 1 we noted that there are two broad objectives that guide final choices: the welfare and distributional objectives. Each party will have a different view of the relative importance of these two objectives because each sees the problem from its own special vantage point. Potential conflicts emerge for this reason; the institutional procedures in each country determine if and how these differences are settled for any given problem.

To illustrate why these conflicts are likely to emerge, first consider the welfare objective. The applicant may argue that a new LEG facility can be justified from the point of view of societal well-being, in that it promises to spur regional development in an area, and will increase the security of future energy supplies in a cost-effective manner when compared to other options. The applicant’s criteria for justifying the final decision are likely to be primarily economic, with the provision that the facility meets specified environmental and safety standards. On the other hand, public interest groups like the Sierra Club may argue that net benefits to society are primarily based on the impact that the facility is likely to have on the quality of the environment for future generations, and so they may reach the opposite conclusion regarding the desirability of the facility.

The distributional objective is likely to cause similar problems. Some local residents may oppose a project because they fear the consequences of an accident even if they agree that society will be better off having the terminal. They might favor the project as long as it is “not in my backyard”. On the other hand, local government may want the facility because

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they believe that it will have a positive effect on economic activity in their area. Whether in fact it will achieve this objective is an open question, as was illustrated in Chapter 8.

Reconciling these differences may not be an easy matter. Louis Clarenburg, from the Rijnmond Public Authority in the Netherlands, pointed out the difficulties policy makers face in drawing up explicit rules for dealing with welfare and distributional concerns:

How can you make up your equity equation? How can you compare apples and guns in a final analysis, and come up with a computer solution? For political decisions, I cannot use the computer at all because it is really weighing values, benefits, costs, who is suffering, who is gaining. I feel no computer can give this answer, and if it can it is gambling with our democracy. (KLS 1982, p370)

Although a computer cannot solve the equity problem, nonetheless decision makers can be assisted in dealing with the conflicts inherent in siting hazardous facilities by the use of policy analysis, which encompasses both risk analysis and other approaches for improving the siting process and the final outcomes. Its actual use will be determined in part by the nature of the existing decision process. Because of differences in the entitlements, standing, and responsibilities of interested parties within each country there is no one right way to do business in the world. National styles are important when proposing policy remedies.²

A COMPARISON OF INSTITUTIONS

The institutional arrangements governing siting decision processes affect the types of analysis that will be used. Two types of process models can be contrasted:

- A judicial model involves a single decision maker in the form of a judge, commission, or government body who decides on the outcome after hearing statements and evidence from the various parties that have been given standing.
- A compromise model involves direct interaction between the different stakeholders involved in bargaining, and negotiation. The implicit rule for reaching a final decision is unanimity. In practice this is rarely obtained, although tools such as compensation can transfer some of the gains from potential “winners” to “losers”. The four case studies reflect different variations on these two broad approaches to resolving siting conflicts.³

The FRG. In the FRG a proposed LNG terminal is licensed like any other major industrial project. The applicant must develop a plan for a particular site, which is then presented to the relevant authority (usually