

LEVICK

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KEYSTONE

Social Networks are Taking
on the Old-Boy Network
—and Winning





COVER IMAGE: The Keystone Pipeline System is a pipeline system to transport synthetic crude oil and diluted bitumen ("dilbit") from the Athabasca oil sands region in northeastern Alberta, Canada to multiple destinations in the United States, which include refineries in Illinois, the Cushing oil distribution hub in Oklahoma, and proposed connections to refineries along the Gulf Coast of Texas.

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Keystone

Social Networks are Taking on the Old-Boy Network—and Winning

Richard S. Levick

Originally Published on LEVICK Daily

In his second inaugural address, President Obama threw down the gauntlet in defense of core Democratic ideals. He spoke of increased economic fairness, an expansion of civil rights, and a renewed commitment to environmental concerns. Of the later, he said that a failure to address climate change “would betray our children and future generations.”

Oh gosh, and things were going so well for the Keystone Pipeline!

By any measure, the month leading up to the inauguration was a success for TransCanada’s efforts to win approval of the controversial oil and gas pipeline that would run from Canada’s Tar Sands region to the Gulf of Mexico. In late December, it was reported that EPA Administrator Lisa Jackson stepped down over her belief that the Obama Administration was poised to give Keystone the green light. And in early January, Keystone won a major victory when Nebraska regulators reported that a revised route for

the pipeline would avoid a number of environmentally sensitive areas—areas cited by the Obama Administration when it blocked the project last year.

That report cleared the way for Nebraska Governor Dave Heineman to affix his official seal of approval just this week. Now, the ball is back in the President’s court. But where there was once quiet confidence in White House support for the pipeline, the President’s inaugural remarks have raised doubts. Interests on both sides know that his decision will likely impact the direction of U.S. energy policy for years to come. Unfortunately for Keystone, the political base the President sought to appease on Monday resides on the other side of the issue—and it is transforming this debate into a referendum on whether he is willing to back his rhetoric with action.

While national political attention was dominated by the fiscal cliff and a new Congress,

environmental activists continued gearing up for what they believe to be the fight of the century. Rather than lick their wounds after the high-profile defeats of the last month, they leveraged them into outreach and engagement opportunities that are swelling their ranks.

Likes on the “Stop the Keystone Pipeline” Facebook page have grown to four times the number on the “Support the Keystone Pipeline Page.” YouTube is now teeming with videos expressing personal and emotional appeals against the pipeline. The Natural Resources Defense Council (NRDC) now owns the top result for a Google search on “Keystone Pipeline, Nebraska.” The National Wildlife Federation claims the top spot for searches on “Keystone Pipeline, Danger.” A search for “Tar Sands” returns no less than five first-page results maintained by pipeline opposition groups. All the while, activists are utilizing relationships with high-profile bloggers to further sway public opinion and demonstrate compelling third-party support.

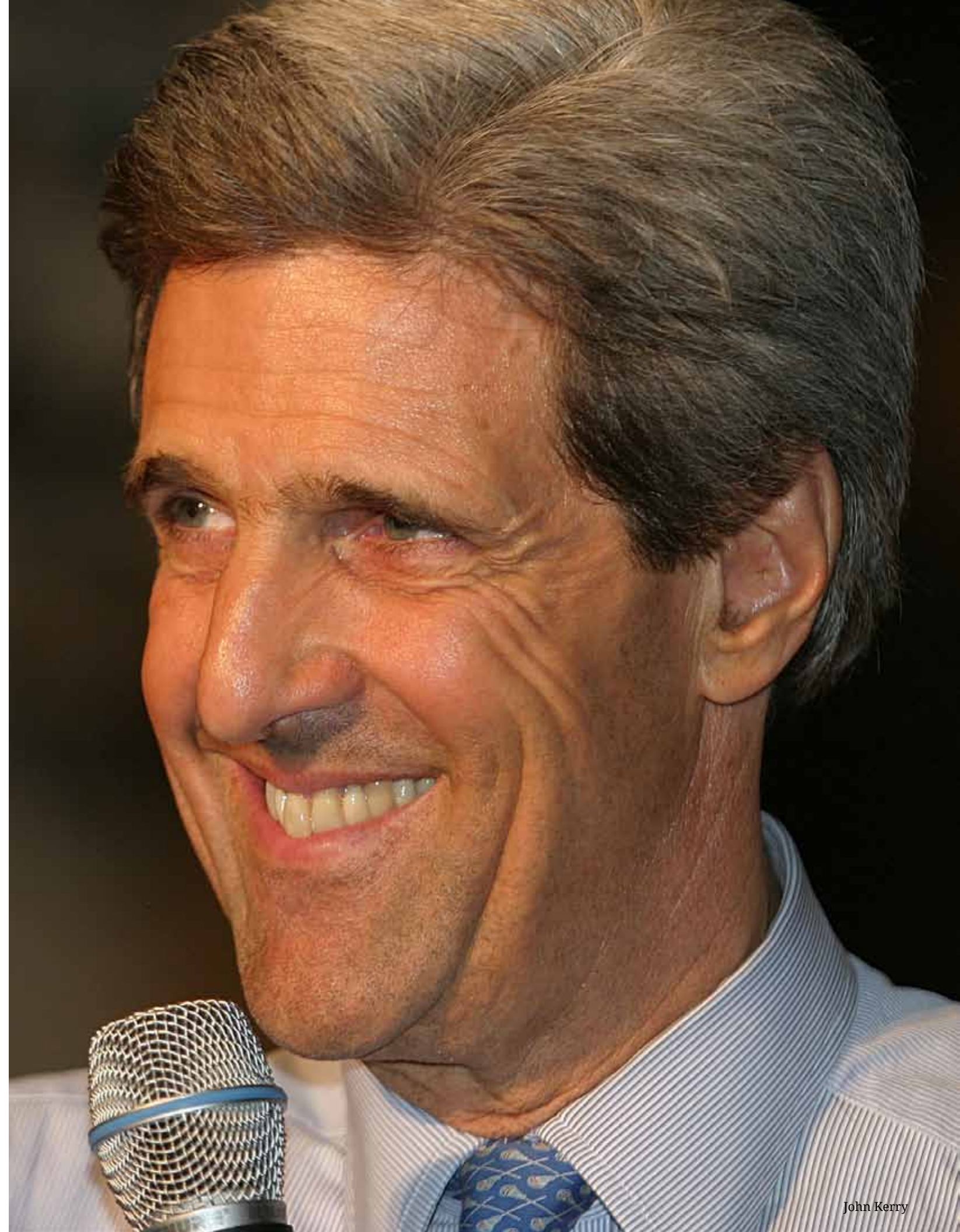
As it has so many times in the past, the activist community is asserting its digital dominance. All of that online activity is translating into grassroots action. Protests are being carried out across the country. Petitions are being delivered to the White House in droves. And to keep the momentum building, 18 top climate scientists recently penned a letter to the President in strong opposition to the pipeline, writing that “the administration would be actively supporting and encouraging the growth of an industry which has demonstrably serious effects on climate.”

One can't help but conclude that the recent activist blitz is at least partly responsible for the apparent policy reversal articulated in the President's inaugural remarks. But at the same time, importantly, it is also driving a shift in strategy on the other side.

Traditionally, the energy industry has relied heavily on lobbying and inside-the-beltway advocacy to achieve its public policy goals. To date, the Keystone debate has largely been no different. But with grassroots social networks giving the old-boy network a real run for its money, TransCanada and the other companies banking on the pipeline's approval are starting to recognize the digital space as the primary theatre of battle. As such, they are taking steps to level the playing field.

On Twitter, for instance, the pipeline's supporters are dominating conversations on the hashtag #Keystone. The industry has taken to YouTube to disseminate powerful messages about safety, jobs, and the need to reduce American reliance on foreign oil. It is even catching up in the area of Search Engine Optimization (SEO), with TransCanada controlling key positions for searches such as “Keystone Pipeline Safety.”

These digital inroads represent a good start and a great deal of progress when one considers industry's longstanding inability to keep up with digital activism. But as the President weighs his decision in the coming months, these efforts will surely be drowned out by a flood of viral activist commentary unless they are taken to the next level.



John Kerry

Keystone

Social Networks are Taking on the Old-Boy Network—and Winning

Richard S. Levick

Originally Published on Fastcompany.com

In his second inaugural address, President Obama threw down the gauntlet in defense of core Democratic ideals. He spoke of increased economic fairness, an expansion of civil rights, and a renewed commitment to environmental concerns. Of the later, he said that a failure to address climate change “would betray our children and future generations.”

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In the context of SEO, the industry can't just control results for searches on positive terms such as "pipeline safety" or "Keystone jobs." It needs to identify the negative terms associated with the pipeline, such as "Keystone Pipeline danger" and "environmental impact," to ensure that adversaries' messages don't run unopposed.

It needs to leverage upcoming events, such as

the battle to confirm John Kerry as the next Secretary of State (and thus, an authority on Keystone's fate), to drive home its messages and build a social media following that can spring into action and demonstrate a tangible show of force. It needs to identify allies among the influential bloggers and online journalists who now overwhelmingly support the activist position and feed its ranks with every post published.

Supporters of the Keystone Pipeline might have seen their lobbying prowess neutralized in the online space, but a more valuable advantage is still up for grabs if the oil and gas industry embraces the ways that technology has now fundamentally altered the art of public affairs. In the age of social and digital media, political battles aren't won behind closed doors in Washington D.C. They are decided on an open public stage—

one Facebook friend, Twitter follower, and YouTube subscriber at a time. **L**

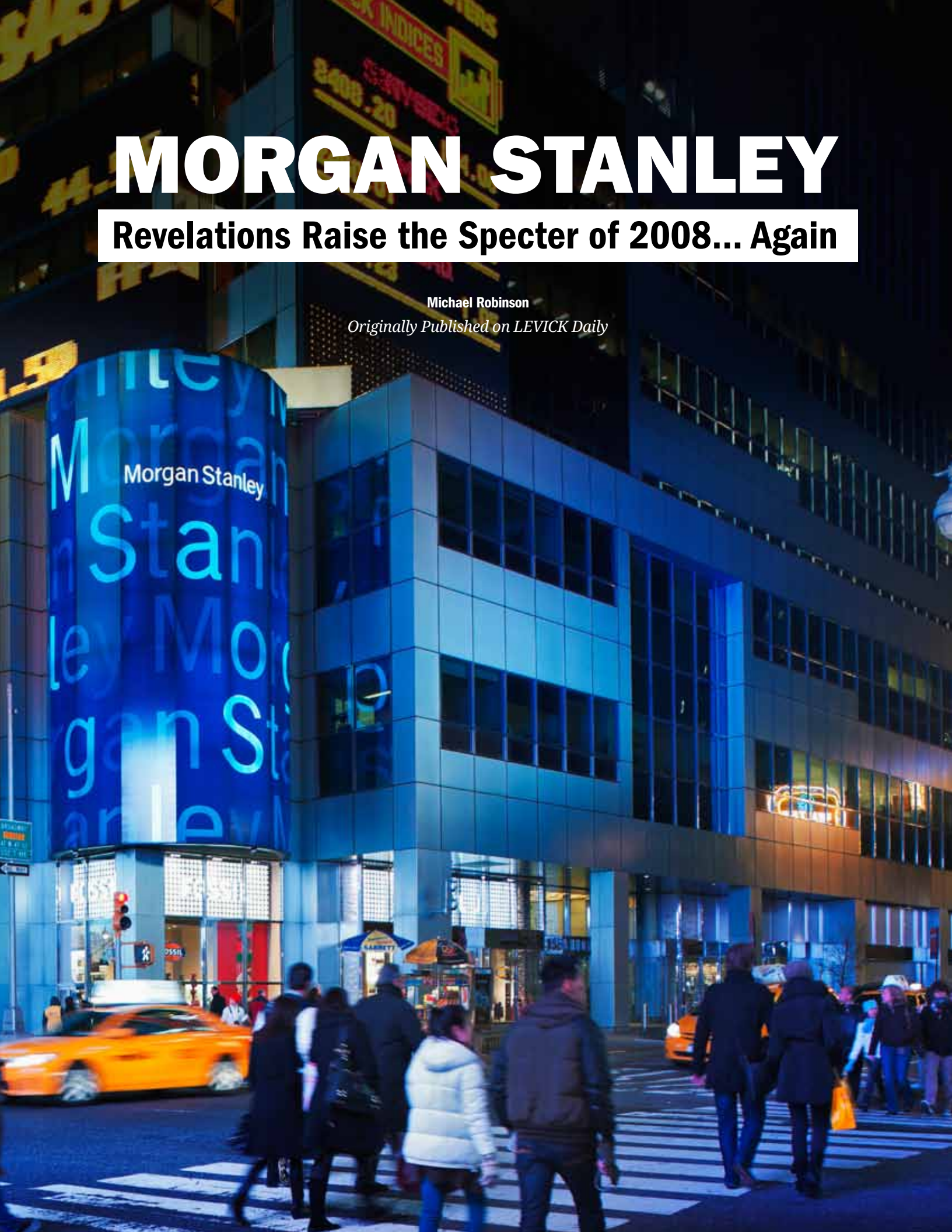
Richard S. Levick, Esq., President and CEO of LEVICK, represents countries and companies in the highest-stakes global communications matters—from the Wall Street crisis and the Gulf oil spill to Guantanamo Bay and the Catholic Church.

MORGAN STANLEY

Revelations Raise the Specter of 2008... Again

Michael Robinson

Originally Published on LEVICK Daily



This week, The New York Times' Dealbook dragged the specter of 2008 back into the spotlight.

A piece authored by ProPublica's Jesse Eisinger shared "explosive" revelations about what some Morgan Stanley traders knew about the mortgage backed securities it sold, and then bet against, during the lead-up to the financial crisis that had its crescendo in 2008. If you think you've heard this song before, you're not crazy. It's been playing on repeat for four-and-a-half years. As such, this "explosion" isn't of the lethal variety. It's little more than a firecracker, and likely a dud at that.

In internal emails made public during the discovery phase of a lawsuit against Morgan Stanley, there exist indications that the firm's employees knew collateralized debt obligations (CDOs) being packed for sale were worth far less than potential buyers believed. As has been the case every time such a story has made headlines (rewind to the Goldman Sachs' congressional hearings in 2010), the bank's response was straightforward. The buyers were sophisticated investors who knew—or should have known—what they were buying.

While some Wall Street critics might construe that as a callous defense, it has worked in the past. And, as they say, it has the added benefit of being true. After all, such are the competitive ways of Wall Street. Still, others might contend that a more comprehensive response is needed from Morgan Stanley and the banking industry as a whole as it seeks to close the trust deficit

created by the financial crisis. Here again, the critics are mistaken.

The real problem that accompanies these financial crisis postmortems is that they resuscitate the narratives that "banks are the bad guys" and "someone needs to be punished." The chances of that the Department of Justice (DOJ) or Securities and Exchange Commission (SEC) would initiate new investigations are somewhat remote. Those carried out in the past failed to bear fruit and the regulators have seemingly moved on to new business. There is a chance the story could embolden plaintiffs and spark new civil litigation, however most of those who would have filed suit have likely done so already.

Given those realities, the best the banks can do is to continue doing what they are doing, absent potholes such as these. With every responsible mortgage they write, every small business they support, and every dollar they make for clients and investors, they distance themselves from past mistakes and remind the public of the fundamentally important role they play for every American.

In every crisis, there comes a point when it's best for those held responsible to turn the page and let the good works that comprise the next chapter speak for themselves. If there's anything we've learned from this week's revelations about Morgan Stanley, it's that we reached that point in the financial crisis some time ago. **L**

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No Budget, NO PAY

Another Sign of New Budget Scrutiny

Dan Rene

Originally Published on LEVICK Daily



In 56 of the last 60 years, the U.S. Congress has failed to pass all of its authorization and appropriations bills on time. If a growing chorus of media pundits and good-government advocacy groups has its way, that won't be the case in 2013.

That's because critics of congressional futility and gridlock are transforming the budget process into a rallying cry. To them—and an increasing number of Americans who hold their legislature in historically low esteem—Congress' continued failure to exercise its “power of the purse” is a symbol of all that is wrong with politics today. And they are leveraging it to force House and Senate leaders to prove Speaker Boehner's declaration that Members are in Washington D.C. “not to be something; but to do something.”

In a symbolic gesture toward that sentiment, the House will vote this week on a measure widely known as No Budget, No Pay. The bill is simple and straightforward. If the House fails to pass a budget, members don't get paid. Senate Majority Leader Harry Reid has also indicated that his chamber is committed to passing a budget this year—and he seems to have support for the notion on both sides of the aisle.

While none of the above guarantee passage of a budget this year, there is a sense of urgency building around the issue. Add the debt ceiling and impending sequestration to the mix, and there are even greater indications that the 113th Congress cannot afford to kick the fiscal

can down the road with continuing resolution after continuing resolution.

What all of this means, at the very least, is that the FY2014 federal budget is in for far more scrutiny than in recent years—both in the press and the halls of power. Every line item will fall under the magnifying glass. Every grant, subsidy, and expenditure will be examined. Most important, there is the potential for every recipient of federal funding to be tossed around like a political football as Democrats and Republicans haggle over the specifics.

As such, there is a growing need for the businesses and interests that depend upon federal dollars and tax exemptions—from small farms to global energy giants—to prepare to defend themselves in the Court of Public Opinion. At a time when any one of them can become the next poster child for out-of-control spending or shady back-room dealing, they need to be ready to respond.

That means communicating the organization's value to local communities and furtherance of national priorities—and doing so now as a means to condition any possible debate before it begins.

It means building and engaging armies of support (both on the ground and in social media) before an issue arises, so they can instantly come to the organization's defense should it come under fire.

And, among a number of other strategic objectives, it means building relationships with the



BLOGS *worth following*



THOUGHT LEADERS

Amber Naslund

brasstackthinking.com

Amber Naslund is a coauthor of *The Now Revolution*. The book discusses the impact of the social web and how businesses need to “adapt to the new era of instantaneous business.”

Brian Halligan

hubspot.com/company/management/brian-halligan
HubSpot CEO and Founder.

Chris Brogan

chrisbrogan.com

Chris Brogan is an American author, journalist, marketing consultant, and frequent speaker about social media marketing.

David Meerman Scott

davidmeermanscott.com

David Meerman Scott is an American online marketing strategist, and author of several books on marketing, most notably *The New Rules of Marketing and PR* with over 250,000 copies in print in more than 25 languages.

Guy Kawasaki

guykawasaki.com

Guy Kawasaki is a Silicon Valley venture capitalist, bestselling author, and Apple Fellow. He was one of the Apple employees originally responsible for marketing the Macintosh in 1984.

Jay Baer

jaybaer.com

Jay Baer is coauthor of, “*The Now Revolution: 7 Shifts to Make Your Business Faster, Smarter and More Social.*”

Rachel Botsman

rachelbotsman.com

Rachel Botsman is a social innovator who writes, consults and speaks on the power of collaboration and sharing through network technologies.

Seth Godin

sethgodin.typepad.com

Seth Godin is an American entrepreneur, author and public speaker. Godin popularized the topic of permission marketing.

INDUSTRY BLOGS

Holmes Report

holmesreport.com

A source of news, knowledge, and career information for public relations professionals.

NACD Blog

blog.nacdonline.org

The National Association of Corporate Directors (NACD) blog provides insight on corporate governance and leading board practices.

PR Week

prweekus.com

PRWeek is a vital part of the PR and communications industries in the US, providing timely news, reviews, profiles, techniques, and ground-breaking research.

PR Daily News

prdaily.com

PR Daily provides public relations professionals, social media specialists and marketing communicators with a daily news feed.

BUSINESS RELATED

FastCompany

fastcompany.com

Fast Company is the world’s leading progressive business media brand, with a unique editorial focus on business, design, and technology.

Forbes

forbes.com

Forbes is a leading source for reliable business news and financial information for the World’s business leaders.

Mashable

mashable.com

Social Media news blog covering cool new websites and social networks.

influential journalists and bloggers that will shape the conversation. Here again, that Washington D.C. wisdom “know em’ before you need em’” is the rule of thumb.

Lobbying and behind the scenes negotiations may get your line item in the budget; but when high-profile criticism arises, they often aren’t enough to keep it intact. Your champions in

Congress may need political cover to justify their actions. At a time when that’s as likely a scenario as ever, make sure you are ready to provide it. ■

Dan Rene is a Senior Vice President at LEVICK and a contributing author to LEVICK Daily.

LEVICK IN THE NEWS

■ ARTICLES

PR Daily | JANUARY 24, 2013

LEVICK won the 2012 Digital PR and Social Media Awards for Best New Website

The Guardian | JANUARY 24, 2013

SEC Nomination Signals Obama's Tougher Approach to Wall Street

Holmes Report | JANUARY 22, 2013

Will You Forgive Lance Armstrong?

Calgary Herald | JANUARY 20, 2013

2013 PR Trend Forecast: Financial

**THE URGENCY
OF NOW.**