

# The RedWater Group

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**To:** Mr. David Snyder  
**From:** Peter C. Young, PhD  
**Re:** Letter of Interest  
**Date:** 9 January 2006

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David, at the risk of sending you a document that falls completely outside the guidelines of the LOI process, necessity has intervened forcing me to take the chance. I am leaving for the UK on Tuesday the 10<sup>th</sup>, and since I only just received some information on Letter of Interest guidelines from Ben Sayler, I decided to draft this short document as a means of getting my project idea in the hopper. If this document proves to fall woefully short of the LOI expectations, would you just discard it and I will try to get something better organized later in the year. On the other hand, if it can at least serve as a place-holder until a larger statement can be drafted...well, that would be the best outcome I could hope for right now.

## **The Proposal, In Brief**

The proposal I put before you is the creation of a **Center for Risk, the Community, and the Environment**.

In brief, the Centre concept serves as a basis for pulling together a number of developments (discussed below) that will allow a wide range of individuals and organizations to focus on research, training and professional education, and other learning-related activities tied to the study of risk management in public settings. The field of public risk management tends to organize itself around three aspects of public risk: what is called the *managerial* facet, the *regulatory* facet and the *stewardship* facet. The managerial aspect focuses on how public entities and institutions manage their own risks (liability suits, fires, workers' compensation claims). The regulatory aspect examines government's role in overseeing and regulating private risks that have public consequences (pollution, harmful products). The stewardship aspect is broad but tends to focus on government's leadership role in addressing broader societal risks (natural disasters, communicable disease and public health, natural resource management). No organization currently in existence attempts to pull together the wide-range of public risk management issues and to pursue a coordinated research and education agenda. In brief, that is the vision of the Center.

I want to be very clear here that the Center idea has not gotten beyond the discussion phase, and at that, the discussions have not been highly coordinated. Thus, from the South Dakota Science and Technology Authority's (SDSTA) perspective, this Letter of Intent would initially seek only SDSTA's engagement in the discussions surrounding the advancement of the Center concept. It

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seems evident here that, if such a Center fits into the mine's strategy that it would be better for SDSTA to be involved in the formative stages.

From the perspective of the interested parties, the presence of SDSTA is extremely useful, because it gives the discussions a tangible possible location for a Center that would hope to connect research and education with a facility that could support both and could offer a living and breathing laboratory—especially for the study of environmental risk management issues.

### **Some Background Information**

I think it is appropriate to present a little background detail on how this idea has come into existence. Please note that background information on me is included as appendices to this document.

As I have explained to you in past conversations, I am involved with the European Institute for Risk Management, an institute based in Copenhagen, Denmark that is focused on the advancement of risk management—particularly risk management in public sector settings. One of their huge undertakings at the moment is a project called PRIMO, which is a pan-European project to work with governmental executive-level managers on a range of public sector risk management issues. We are in the process of joining forces with the Public Entity Risk Institute in Washington DC to bring this work to the US (not immediately, but over the next couple years). There is a reasonable amount of money involved and a fair bit of corporate support and sponsorship. One of the issues will be community risk management, which deals with issues like economic development, pollution, public health, disaster management and recovery and safety in local communities. One of the other issue areas will be the environment.

I also continue to be involved with my environmental risk consulting colleagues in London, and we are running a short session on environmental risk management in January. We are looking to try to connect our activities into the activities mentioned in the previous paragraph. And, as you know, my London colleagues represent a significant range of organizations committed to the environmental risk management area. Further, they have a wide-range of connections into environmental/economic development groups like the Eden Project in Cornwall, Welsh Economic Development, and Scottish Economic Development. By ultimately joining together the work of EIRM/PRIMO with my colleagues in London, we hope is to establish some kind of network or global partnership to deal with risk management issues, and especially issues pertaining to public risks, community risks and environmental risks.

Further, I am leading a global task force on risk management education, and our end product is a new global education diploma program for risk management. This work is done in collaboration with the Institute for Risk Management in London. The IRM hopes to find vehicles for delivering its programs around the world. The educational programs likely to emerge from this project are likely to fit neatly into the efforts of the other groups mentioned above.

When I think about these three activity areas, I believe there is an interesting possibility for the South Dakota Science and Technology Authority—which is to serve as the fulcrum for such a global risk management network, or at least to be an active participant in such a development. I must confess that I am not entirely sure what the exact desirable outcome could or should be, but for the moment just let me say that there is a lot of interest and momentum in the subjects of risk,

communities and the environment (think about Hurricane Katrina, the Southeast Asian tsunami, the hurricanes in Florida, and concerns about global warming as catalysts behind this interest). It is conceivable that we could move toward a kind of globally connected education and research center...and the interesting thing is that I believe with a concerted effort this could happen quite quickly. As an outsider, it seems that this could have all the ingredients for an early and impressive victory for the Authority (and, notably, outside the scope of the NSF laboratory side of things at the mine).

Additionally, one of the central ideas that has been emerging in my discussion is the intersection of science and public management. A consistent theme in many public risk management issues (and not just disasters, but in many everyday community health and safety issues), is the challenge of having public officials and managers—most with non-technical backgrounds—dealing with issues where an understanding of the science underlying the challenges is important. Thus, while the idea of such a center may not strike some as a science-based idea, to us the key objective of such a center is to help managers and elected officials understand the science behind important public policy matters of the day. For reasons specific to me and my colleagues, our focus happens to be on the framing of these matters as risk management matters, but I do not see this as being at all a restrictive view since risk management has emerged in recent years as a very broad and inclusive academic and professional field.

### **Possible Participants**

Given the hasty preparation of this note, it is difficult to list all possible participants. However, over the past two years, discussions on the concept of a center have occurred with:

Aon Environmental Risk Consulting (London)  
The Institute of Risk Management (London)  
Lloyd's of London  
The Combined Universities of Cornwall (UK)  
The Eden Project (UK)  
The Millennium Project (UK)  
Welsh Economic Development  
Scottish Economic Development  
The European Institute for Risk Management (Denmark)  
Copenhagen Business School (Denmark)  
UDITE (the pan-European association of public sector chief executives)  
The International City Management Association (Washington, DC)  
The Public Entity Risk Institute (Washington, DC)  
St. Paul Travelers Insurance Company (US)  
State Farm Insurance Companies (US)  
Standards Australia  
Marsh Public Sector Consulting (France)  
Irish Public Bodies (Ireland)  
KommuneForsikring (Denmark)  
Sampo (Finland)  
Ernst & Young (Scandinavian offices)  
Charles Taylor Consulting (London)  
Glasgow Caledonian University (Scotland)

National Association of Corporate Directors (Washington, DC)  
World Bank (Washington, DC)  
European Union

### **Probable Next Steps**

At this point in time, I believe an expression of interest from SDSTA would serve as a catalyst for an organizing meeting. The barrier to advancement thus far has been the absence of a tangible site where a center might be located. I believe for reasons obvious to everyone, the Homestake Mine can make a strong case to participate in the development of such a center. The mine aspires to be the home of advanced research activity, educational programs for all ages, a tourist destination and possible recreational facility, and a leading player in the economic development of the region. In one way or another, the Center idea presented here touches on or addresses each of those aspirations.

I fully acknowledge the sketchiness of this note, and can only plead that I am a victim of timing. Timing in the sense that I am out of the country all of January, and timing in the sense that the more tangible aspects of the center idea are yet to be developed. Frankly, it is early days in the discussions. However, this may be an appropriate moment for SDSTA to offer an expression of general interest, as it would allow the Authority to participate in the actual development of the Center idea.

