

## A New Airport? Teaching Plan

### Introduction

Legislation has been proposed in the state of Ames to build a replacement for Curly Airport (located in urban Tidal Flats County at the eastern edge of Ames), the state's sole major airport. Plans to replace Curly, which is operating above its capacity with inadequate and outdated facilities that are difficult to upgrade, have been discussed for years, but have been stymied by the need to resolve numerous issues. Among these have been the difficulty of gaining the support of representatives from parts of the state less likely to benefit from a new airport, those who would have to host or live with a new airport nearby, and the reluctance of Tidal Flats to give up the economic benefits of Curly.

The exercise consists of a negotiation among the six members of the powerful Senate Public Works Committee (with a purview that includes most infrastructure, transportation, and health care spending in the state of Ames)\* discussing in a preliminary, informal, and private session Senate Bill 101 (S.B. 101). Introduced by the Committee Chair, the Senator from Eastport County (Eastport being the largest metropolitan area in Ames and the major user of nearby Curly Airport), S.B. 101 authorizes the Ames Transport Authority to raise money and build a new airport in rural Pancake County (to the west of Eastport) on the site of the existing county-owned Silver Dollar Airport. House and Senate leadership have let it be known that if at least five members of this Committee can reach consensus on a plan within certain budget and other constraints, the leadership will back it, and it will likely pass. The Committee members include the Senators from Eastport County (D, Chair), Tidal Flats County (D), Pancake County (R), Serenity County (R, Ranking Minority Member), Faraway County (D), and Emerald County (D) (mid-state home of Emerald City, the second largest metropolitan area in Ames and the third biggest user of the international airport).

The potential issues are clear, as are the interests of each of the parties. Priorities should be evident, but are not obvious; the need to keep priorities in mind when faced with difficult choices is a teaching point of the exercise. Agreement is entirely possible, but requires a clear understanding of the ideas of

---

\* A committee with such a broad mandate is unusual, but hardly unprecedented. Many states and the federal government have committees whose power and mandates are more a function of politics and history than logical organization.

---

*This teaching plan was written by Stephen Goldberg and Bruce Patton for the John F. Kennedy School of Government, Harvard University (HKS) as part of the "Teaching Legislative Negotiation Project." Funding for this exercise was provided by The William and Flora Hewlett Foundation. HKS exercises are developed solely as the basis for classroom use. They are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.*

Copyright © 2019 President and Fellows of Harvard College.



This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-nd/3.0/>; or, (b) send a letter to Creative Commons, 171 2nd Street, Suite 300, San Francisco, California, 94105, USA.

interest-based negotiation, as well as the importance of each party's BATNA, and some creativity in generating options within the designated constraints to meet various concerns.

Agreement also requires skillful effort to avoid polarizing differences or other coalition dynamics that could foster the creation of blocking coalitions, and generally to counter unhelpful process suggestions, which might come from any quarter at any time, but which the Senator from Serenity County might well deploy systematically in a disguised effort to sabotage consensus.

The exercise is written to be plausible and generally consistent with the "real world," but not to require or generally to benefit from outside research. The only math required is basic arithmetic.

## Materials and Mechanics

The case packet, which, in view of the complexity of the negotiation, should be distributed to the participants well in advance of the date of the planned Committee meeting, consists of the following documents:

- Introduction (for all) [This is contained in a separate document "A New Airport: Introduction and Logistics" (HKS case 2416.0).]
- General Information (for all) [This is also contained in that separate document "A New Airport: Introduction and Logistics" (HKS case 2416.0).]
- Confidential Information (by role) [These are contained in separate PDFs. The Confidential Information for each role should be provided only to the participant assigned to that role.]

The Introduction, which is for all participants, sets out the logistics for the exercise, and some basic rules to be followed in negotiating the exercise. The instructor should distribute, with the case packet, a completed version of the Assignment Matrix, which is at the last page of the Teaching Plan. The Assignment Matrix should contain the name of each student and the role to which he/she is assigned, as well as the Group Number in which he/she will be playing that role. If, for example, there are 24 students, the instructor will create an Assignment Matrix in which there are four groups, and each student is assigned to a certain role in one of those groups. *If the number of participants is not divisible by six, the instructor should assign two students to share some roles. It is crucial that all six roles be filled in each group, whether by one student or two.* The instructor should also advise the students to download the NA Analysis Spreadsheet, which the instructor will have posted on the class website, as its use will aid in dealing with the financial complexities of the exercise. (The Chair of each Committee in which agreement is reached is to e-mail the spreadsheet to the instructor immediately on completing the negotiation, in order that the instructor may use it in debriefing the exercise.)

The Introduction directs the participants to meet prior to the beginning of the class/Committee meeting with other participants playing the same role in other Groups (identified on the Assignment Matrix) in order to prepare together. They are also told that they may meet with participants playing different roles in their own Group to engage in preliminary discussions about the upcoming Committee meeting. The same-role meetings are useful to enable the participants to better understand the exercise and their roles, and the instructor should encourage/require the participants to participate in them. The

cross-role meetings (caucuses) simulate real-world legislative negotiations, in which caucuses are commonplace, and set the stage for a discussion of the value of such private meetings. The instructor can encourage caucusing by allowing one or two coffee breaks during the class negotiation, and advising the participants that they are free to talk privately with group members during those breaks. (They must, of course, remain in their roles during such talks.)

It is all too possible that participants who are real-life legislators or legislative staff will be unwilling to take the time to participate in pre-class meetings. The instructor faced with this problem must decide whether to proceed without such meetings or to provide for them in class time, which may be too brief to do so. Similarly, a shortage of class time may render coffee breaks for caucuses impossible; in that situation, the instructor may tell the class that there will be one or two brief breaks in which they may talk among themselves (remaining in role).

If the time is available, 2-3 hours for the Committee meeting (including caucus breaks) would be ideal, and 90 minutes is probably the minimum. Another 90 minutes should be allowed for debriefing. In the event that a maximum of 3 hours is available, we suggest that the students be encouraged to schedule the same-role meetings prior to the Committee meeting, allowing 90 minutes for the Committee meeting (with brief caucus breaks if the participants want them), and 90 minutes for the debrief. (If any of these must be reduced, protect the debrief time. A few extra minutes devoted to a rigorous debrief is typically more valuable than the same amount of time spent in trying to reach agreement.)

Space for the exercise should be sufficient for as many 6-person groups as will be participating. If more than one group is to meet in a single room, the distance between them should be sufficiently great that noise is not a distraction. If possible, space should also be provided for caucusing in smaller groups. Videotaping capability, if available, can be extremely helpful for the later review of negotiation dynamics, as participants typically will have a quite distorted and incomplete memory of the process. Alternatively or in addition, it helps if the instructor or a teaching assistant can observe all or part of the negotiation.

## Debriefing

This exercise offers the potential for learning about good negotiation process, both generally and in a multi-party context. Below you will find:

- Some possible topics and questions useful to explore in a debrief;
- Some possible lessons about process;
- Some thoughts on the substance;
- Some role-by-role thoughts on a good outcome and negotiation strategy options;
- An illustrative possible debriefing plan;
- An Overall Summary of Results form for use in debriefing, and;
- An illustrative possible agreement.

## Possible Topics and Questions to Explore

**Agreement vs. impasse.** While there is no one best way to debrief the exercise, it often helps to find out early on which groups reached agreement (4-, 5-, or 6-way) and which failed to do so. A follow-up question for the impasse groups is why they did not reach agreement.

**Start with substantive outcomes.** Many participants may be eager to discover and compare substantive outcomes at this point, and that is certainly one fruitful direction to explore. People can learn a lot from the surprise of discovering attractive options they failed to consider. Identifying good outcomes also leads naturally to an exploration of how a group discovered and coalesced on it, what seemed to keep other groups from doing likewise, and what process lessons we might draw from those divergent experiences.

**Or start by exploring process.** Others might want to postpone the discussion of outcomes, instead exploring generally what process approaches were used that led to agreement or impasse, and then considering any lessons that might be drawn from that comparative inquiry.

**Challenges and ways to overcome them.** Another useful inquiry is to ask for a list of “challenges” and/or “roadblocks” that groups encountered, and how they or others overcame those challenges. One might then turn specifically to the role played by the Senator from Serenity County, perhaps sharing some of the subversive process advice offered in Serenity’s confidential instructions, and exploring whether those ideas or others were attempted, by whom, with what impact, and why, as well as discussing how they could be recognized and/or defended against. A follow-up might be to brainstorm generally other ways one could use process to disrupt or prevent agreement, particularly in a multiparty context.

**Preparation.** Because preparation is an important and frequently ignored aspect of negotiation, an important inquiry is how one might best prepare for a negotiation like this. Good preparation should include thinking about the interests, priorities, and BATNA of each negotiator, and then thinking creatively about possible options for agreement that might satisfy the high-priority items of enough parties to make a comprehensive agreement possible. Time should also be devoted to designing a process to promote a collaborative stance, avoid polarization and positional lock-ins, encourage learning about interests, and facilitate thinking creatively and persistently about ways to satisfy as many parties as possible. (It may be useful to ask for examples of how participants’ preparation did affect their negotiations, and how, in retrospect it might have been improved.)

**Coalition dynamics.** The Senator from Serenity County might be actively working against agreement, however deviously, but as a single party whose vote is not required, it should be possible for other parties to counter and overcome the negative effects of any tactics used. However, more serious risks of deadlock may arise if parties start to form and negotiate as coalitions of two or more parties, since coalitions tend to foster positional bargaining and slow creativity. It is worth inquiring into what coalitions were pursued, and what coalition dynamics ensued. How much time was spent as a large group, and how much in conversations of smaller groups? How did that happen, who was involved, and with what effect? If there were such smaller group discussions, what happened to end them and bring the large group back

together; what was the transition? What lessons might be drawn from this experience for fostering more productive negotiation dynamics?

**Role-by-role review.** If there is time to do so, the instructor may want to consider the exercise from the point of view of each of the negotiators in turn. (See “Some role by role thoughts on a good outcome and negotiation strategy options” below.) What are their key interests? What can they reasonably expect from an outcome? What might be the best strategies for optimizing their result, and why? And how does that compare with participants’ expectations for this exercise, and with what happened in the actual negotiations participants have just completed? For example, was it productive for any party to feign opposition to a new airport, or to play “hard to get,” and — whether the answer is yes or no — why?

**What should a facilitator do?** One could explore how it might make sense for a third party facilitator to proceed, if the goal was to find and optimize an agreement if one is possible. For example, might a facilitator want to use the “one-text” or “single negotiating text” procedure (asking only for criticism — never acceptance — of an evolving draft created by the facilitator)? Might the Chair do this in the absence of a third-party facilitator?

**Commitment.** It may be interesting to touch briefly on the nature of the commitments that constitute an agreement. One piece of that would be the terms of legislation to be proposed, which may involve more than one bill (see below), and which of those terms can easily be memorialized on paper in clear operational terms. Another aspect of agreement, however, will typically involve the unwritten commitments Senators are making to each other. “I will vote for this bill.” “I will not only vote for it, but actively support it and persuade others to vote for it.” “I will vote for these two bills as a package, even though they will be moved independently.” And so on. What is it that makes a commitment sufficient, especially in the absence of clear enforcement mechanisms? Are there limits to such commitments? When might they fail, and with what consequences?

One area in which the issue of commitments is particularly relevant in this scenario has to do with funding. Any agreement will involve commitments about funding in future years. Yet by the nature of the legislative process, future funding can only be authorized in the current year. Actual appropriations need to occur each year. And that can become a problem if revenue is less than expected or other funding priorities arise and compete for the existing pie. It is worth some discussion about how many parties fully understood this, how if at all they discussed it, and how they handled it in reaching agreement.

## Some Possible Lessons about Process

**Creativity has to be cultivated; avoid positional bargaining.** This exercise illustrates that integrative, value-creating trades are possible where items are of different importance to different parties. For example, the legislative leadership has said that it will not support a bill that relies upon deficit spending. Thus, it is important to the Chair to allocate spending over the 5-year life of the bill in a way that avoids deficit spending in any given year. When spending occurs, however, is of relatively little importance to the counties, at least with respect to their demands for highway and rail access to the new airport. They want access when the airport opens, but have no particular concern about how much construction occurs in

what year (with its corresponding appropriation). The Chairman can thus grant most of their construction demands by adjusting the timing of the appropriations. Many negotiators fail to discover and exploit such opportunities, and may not realize how important they can be to the likelihood of reaching agreement. To encourage such creative trade-offs and demonstrate a problem-solving approach to the negotiations, participants should seek to clarify parties' interests rather than elicit demands or positions, and explicitly focus time and effort on looking for creative trades and solutions to challenges.

**Avoid piecemeal commitments.** Since no party can actually evaluate a potential agreement and compare it to the value of their walkaway or BATNA until that possible agreement is fully elaborated, good process advice is not to make firm agreements on issues piecemeal. Rather adopt the explicit principle that "nothing is final until everything is final." Of course tentative commitments on less difficult issues may well be helpful along the way, but they should be subject to reopening if other, related issues end up moving in an unexpected way that impinges on the value previously assumed. Then you can cycle through issues looking for ones that can be resolved before taking another crack at those proving difficult, and perhaps beginning to explore package deals as the number of remaining conflictual issues becomes relatively manageable.

**Be careful of coalitions.** Banding together to enhance the legitimacy and importance of shared interests in others' eyes can be quite useful, but if coalitions implicitly or explicitly start to stake out positions or ultimatums, the risks of impasse rise dramatically. (If a negotiator's goal is to avoid agreement, encouraging the development of coalitions may be a useful tactic, as the Senator from Serenity realizes.)

**Use legitimacy to resolve conflicts and to maintain the relationship even as parties disagree.** One critical insight is the importance of focusing on principles of fairness and legitimacy to maintain a collaborative atmosphere when interests seem to conflict. A coercive battle of wills over who can extract a better deal tends to polarize and escalate conflict, as well as eat up a lot of time, making it more difficult to find creative solutions. In contrast, acknowledging the interest while inquiring into legitimacy — why someone believes they *deserve* what they want, what fair standards and precedents exist for how to divide or settle such issues — maintains the sense of *joint* inquiry even in the face of serious disagreement. "We may not agree on what's fair, but we both want a solution that *is* fair." This approach might be used by the Committee Chair in dealing with the demands of the rural counties for substantial financial assistance in building and maintaining additional medical facilities in each of those counties, in part to cope with the consequences of the opioid crisis. "How can the Committee say it will fund your counties and ignore the many other counties with similar needs? It would look like a payoff, and I don't think it would pass. What can we do that will help both you and all the other counties that need help dealing with opioids?" (Principle of equal treatment.)

**Be persistent in looking for better options.** Another lesson is the importance of persistence in searching for better or creative solutions. Options often develop through iteration as participants come to understand the interests and challenges more deeply. As in solving any puzzle, one cannot take in the whole immediately; insight deepens with multiple passes at the problem, as sub-patterns and piece parts

and narratives become clearer. Open and self-challenging questions can foster such an atmosphere: “How could we do both?” “That’s good, but how can we make it better?” “Would it help if we ...?”

**Moving from discussion of interests and options to the search for an overall agreement.** In a multi-party, multi-issue negotiation such as that involved here, the transition from discussing individual issues to searching for an overall agreement may be difficult. Making this transition in a timely fashion may, however, be crucial, particularly when, as here, the available negotiation time is limited. The logical person to manage the transition to a search for an overall agreement is the Committee Chair, and he/she should do so as soon as possible (but not so soon that Committee members feel they have not been fully heard).

The Chair might switch the focus of the discussion by explicitly putting forth and supporting a proposed overall agreement that he/she thinks might obtain the necessary 5-member majority. Alternatively, the Chair might put forth a proposal in a more tentative fashion, asking not for approval, but for criticism, using the “one-text” procedure.

**Avoid asking for commitments or acceptance; ask for criticism.** The “one-text procedure” is a process which many facilitators (and negotiators) use to move a negotiation very slowly and gently towards multiparty consensus. The idea is that the facilitator elicits interests and then explores options by iteratively presenting various approaches and improvements, asking, “What would be *wrong* with something like this?” and never, “Would you accept this, or something like this?” Asking for acceptance feels risky and premature until the terrain of options feels well mapped, and as a matter of competitive negotiation strategy it is best to say “no” to any such inquiry. In contrast, criticizing an option feels relatively safe, because saying “no” to a proposal offers valuable hints about the underlying interests and reasons for saying “no,” on which the facilitator can then follow up. Even in the absence of a facilitator, a negotiator (such as the Chair in this exercise) can use the one-text procedure to focus attention productively by tabling a concrete draft, explicitly asking for criticism rather than acceptance, and then trying to iterate and improve the draft in light of the feedback received.

**Bad process is a good way to block agreement.** One way to underscore the vital importance of process to outcomes is to recognize that manipulating the process is one of the easiest ways to reduce the chances of a deal. In this case, for example, a sabotage-minded Senator from Serenity County might try to suggest early on the value of going around the table to have each party explain its “key needs and minimum requirements,” which may well lock parties into opening positions that will then impede agreement. Alternatively, a sabotage-minded Senator might attempt to create a distraction whenever the group is becoming productive.

**Ethical considerations.** The Tidal Flats confidential information suggests that the Senator from Tidal Flats is considering telling the Senators from Serenity, Pancake, and Faraway Counties that Tidal Flats will vote for their proposals on road repair, public transportation, and health care if they will support the Tidal Flats proposals for assistance in redeveloping Curly. In fact, the Senator from Tidal Flats will vote against the Serenity/Pancake/Faraway proposals if the Chair asks him/her to do so in exchange for the Chair’s

support of the Tidal Flats proposals. Similarly, the confidential information for the Senator from Serenity advise the Senator that he/she might suggest that Pancake and Faraway join Serenity in advising the Chair that they will vote for the new airport if their demands for road repair, public transportation, and health care are met. In fact, the Senator from Serenity will not vote for the new airport even if these demands are met. (The Senator from Serenity may hope that if the Chair agrees to this trade, the Chair will not subsequently deny the agreed-to benefits to Serenity even if Serenity votes “no” on the airport.)

These options are included to stimulate a discussion of the risks, in an ongoing legislative body, of misleading/lying to colleagues in order to obtain short-term gain. There is also the related issue of misleading vs. outright lying, and how far one can go in misleading without being viewed as an unprincipled liar. All of these issues are certainly deserving of discussion, and they may be raised also by choices any of the participants may make.

### **Some Thoughts on the Substance**

**Expand the timeline for payments.** A key insight in this negotiation is that many of the expensive infrastructure projects parties want will take time to build and do not need to be paid for up front. The airport itself is expected to take 4 years to build. Access highways don’t need to be finished before the airport is operational, and might even be scheduled to finish after that. So payments can be spread over multiple years and might not need to start until years 2 or 3. Spreading payments over multiple years increases the available funding and thereby makes it possible to meet more needs, while still keeping the annual cost within the available \$500 million surplus. Thus, as previously noted, this is a trade-off that benefits both/all parties.

**Seek categories and principles to construct a coherent narrative.** The three rural counties have an interest in improved public transit. Help in these areas could be framed as “linkage” or quid pro quo payments in exchange for a favorable vote on building a new airport. Alternatively, the entire enterprise can be reframed from “airport improvement” to “public transportation improvement.” This not only provides more legitimacy for the package, it overcomes the argument that a new airport primarily benefits the east of the state. By broadening the scope of the enterprise, various needy parts of the state can legitimately all benefit from improved “public transportation” in the ways most meaningful to them. However, this approach could break the budget, if the same benefits have to be provided to all similarly needy counties not on the Committee. And, if the same benefits are not provided to all similarly needy counties, labelling the bill as one addressed to public transportation could be viewed as a thinly-disguised vote-buying scheme addressed to Committee members only.

The public health options that are sought by three counties do not fit in a “public transit” narrative. But they certainly fit within a “public health improvement” rubric. Rather than including such agreements as part of S.B. 101, where they might seem out of place and less legitimate, they might be aggregated into a second bill with a public health narrative. And there is nothing at all uncommon or illegitimate about one Senator saying to another that I will support one bill if you will support another. And that agreement



does not need to be in writing. (Here too, however, the principle of equal treatment for counties not on the Committee comes into play. See below.)

**Use other principles to limit spending and “equal treatment.”** When there is a need to provide a benefit to one county to ensure its support of a new airport, but not enough budget exists to provide a similar benefit to other counties that are arguably similar, one needs to find a different kind of principle or narrative to justify the different treatment. The failure to provide such a difference could be considered a serious mistake, if it is likely to lead to other counties not represented on the Committee demanding “equal treatment” for which budget is not available. This is one way a deal might fail despite consensus on the Committee and the support of the legislative leadership. One way to justify differential treatment, at least in the short term, is to frame the new activity as an “experimental” or “pilot” program. In this exercise, for example, Faraway’s request for funding to support its innovative public transit proposal by using minivans might be granted on a pilot basis, perhaps extended to Pancake and Serenity in a year or two, and accompanied by a commitment to propose it state-wide if it appears successful. Framing the funding in this fashion would disarm the attack that Faraway funding would be inappropriate because the same funding was not available to other counties.

**Allow for learning.** As well prepared as a negotiator may be, it is inevitable that some new information will emerge in the course of the negotiation that might call for on-the-fly reassessment of what constitutes a good target option. But many negotiators have a hard time going beyond their pre-conceived options or giving new ideas a fair review, especially when they come from an unexpected or less powerful or respected source. This is seldom optimal.

One potential example of taking advantage of a new idea in the course of a negotiation might develop from the idea of the Senator from Faraway County to use a fleet of minivans to provide public transit in rural areas. This is an “out of the box” idea that would be familiar to residents of South Africa and many other less developed countries, but might seem at first a little bizarre to an American legislator. Yet on reflection it may be a great idea with significant potential application in Pancake and Serenity Counties, both of which are demanding traditional public transit that would be more expensive than the Faraway approach. Hence, they may be well advised to latch onto the Faraway idea instead of pushing their planned approach to public transport.

Another idea that may emerge is to expand the notion of bond funding to the tunnel under the Ames River that Emerald City would like. The tunnel presses the economics of a new airport deal, but thoughtful and creative negotiators may realize that the same mechanism that allows the airport to be built with investor funding could apply to the tunnel. It would just need a source of revenue to repay the bonds, and the existing Ames policy on tolls seems to be sufficient to allow the tunnel debt (and its ongoing maintenance) to be paid by a toll on the tunnel. A little research on debt service and a few assumptions on usage based on similar tunnels would indicate that this might be possible with a toll in the range of \$5-10/trip, assuming the entire cost were financed, which is in the ballpark of urban tunnel tolls. And this could be reduced by partial state funding, which might be easier for the Senator from Emerald County to negotiate.

A negotiator who has a clear understanding of his/her interests, priorities, and BATNA is well-situated to deal with unexpected proposals or other developments in the negotiation. Examining these in light of the negotiator's interests, priorities, and BATNA should permit a sound response. (Consider, for example, what Emerald's response should be if told that the airport bill will fail unless Emerald accepts getting neither the tunnel nor the biotech research center).

## **Role-By-Role Thoughts on a Good Outcome and Strategy**

### ***Senator from Emerald County***

- **Key needs and interests**
  - New airport in Pancake County (closer to Emerald City than Curly)
  - Upgraded direct highway access to new airport (\$200M); also rail access (\$200M)
  - New east-west tunnel under the Ames River in Emerald City connecting to new highway (\$500M)
  - Site biotech research center in Emerald City (funds already allocated, so no additional cost to state)
- **Good outcome**
  - Get all key interests met
- **Possible barriers to success and how they might be overcome**
  - Fully satisfying Emerald's transportation interests will cost \$900M. Even if these expenses are spread over the next four years, at \$225M per year, they are likely to be budget breakers. Thus, Emerald will have to think hard about its priorities, and which of the benefits it seeks can be traded away to satisfy a higher priority interest.
  - Tidal Flats is also a candidate for the biotech research center
    - Emerald could sound out other participants to see if they already have a strong preference on this issue, and if not, offer to support them in getting their key interests met (to the extent they are not inconsistent with those of Emerald) in return for support for Emerald on this issue. Emerald could also negotiate directly with Tidal Flats to see if Tidal Flats would withdraw its claim to the center in return for something from Emerald.

### ***Senator from Pancake County***

- **Key needs and interests**
  - Pancake's primary interest is in getting the new airport.
  - Would also like assistance with road repair, public transportation, and health care needs
    - Road repairs (\$50M); public transit bus service (\$50M up front, then \$20M per year)
  - Health care: Wants 2 additional clinics (\$50M up front, then \$25M annually), an expansion of the hospital (\$25M up front, then \$15M per year)
- **Good outcome**
  - A good Pancake County negotiator may be able to get some/all of the support (if any) that Faraway gets for its public transport plan. He/she should also be able to get funding for the repair/upgrading of local roads near the airport on the grounds that this is an expense directly tied to the airport. The amount is also small enough that providing it should not cause budgetary

problems.

- **Negotiation strategy and tactics**

- In theory, since a new airport should be a major benefit to the state and other counties actively prefer not to host it, Pancake should have considerable bargaining power. But this could backfire, if it is assumed that Pancake wants the airport and there is no credible risk of Pancake opposing it or some other county being forced to take it. So Pancake should probably not frame building the airport as something it is necessarily committed to or actively desires.
- As noted above, Pancake should be able to get assistance in financing local road repair/upgrade. As to other items (transit/health care) Pancake should argue for equal treatment for benefits received by other counties.
- Pancake should also listen carefully to the creative ideas of others, and adopt those that make sense for it. So, for example, Pancake should recognize that Faraway's minivan idea for rural public transit would be a great fit for Pancake as well and ask for the same kind of support.
- Pancake may also promote a rural county alliance (implicit blocking coalition) once similar interests are identified, since rural counties may receive greater benefits if they all have similar, legitimate needs. It is easier for the Chair to say no to one county than to a group of two or more counties representing critically needed votes. In contrast, if the Chair were negotiating only with Pancake and believed Pancake would not vote "no" on a new Pancake County airport just because it did not get all it wanted on subsidiary issues, the Chair might take a harder line.

### ***Senator from Tidal Flats County***

- **Key needs and interests**

- Central interest is to obtain an outcome that will satisfy constituents, who are divided on new airport.
  - Some oppose a new airport for fear of losing Curly Airport revenues.
  - Some favor a new airport because they think there will be greater economic value from reconfiguring Curly as a smaller airport and redeveloping the rest of the site, and because they do not believe Curly has much of a future in any event.
- Senator agrees with the latter group, and believes that if he/she can obtain new airport, together with all his/her demands met, outcome will satisfy constituents. If all demands are not met, Senator has a more difficult choice to make. Will constituents support their Senator casting a critical vote in favor of closing Curly if some demands that appear important in assuring a profitable post-Curly life are not met? Demands are:
  - State aid for downsizing Curly to service business and private traffic (\$125M)
  - State aid for developing a business park, around a redeveloped Curly (\$75M)
  - Siting of the new state-funded biotech research center as anchor tenant in business park
  - An environmental grant (\$50M +\$12.5M per year for 4 years) to repair wetlands damage done by Curly and to develop the restored wetlands as a tourist attraction (\$75M total)

- **Other issues**

- Opposes Emerald County tunnel, as too expensive, making it impossible to fund all Tidal Flats demands. Will support only if all Tidal Flats demands met.

- **Good outcome**

- Since the Chair is at risk of "no" votes from Serenity County (because it is a well-to-do county with a primary interest in preserving its bucolic environment), and/or Faraway County (because of its distance from the proposed new airport and lack of obvious benefits flowing to it from a new airport in Pancake County), the Chair should see Tidal Flats as an important and attainable

“yes” vote, Tidal Flats has a strong bargaining position vis-à-vis the Chair, and should be able to get the Chair to agree to its demands. Still, support of Pancake and Emerald is crucial to agreement for the airport. A somewhat difficult issue for Tidal Flats is what to do if most, but not all, its demands are met. Suppose, for example, that all Tidal Flats financial demands are satisfied, but the biotech research center is awarded to Emerald. Should Tidal Flats vote for the new airport? Answering this question requires that the Senator from Tidal Flats focus on the core interests of his/her constituents. This is not easy, because they are divided on whether they would prefer to guard Curly or support a new airport in exchange for appropriate benefits. Thus, the Senator from Tidal Flats must ultimately decide, in common with all other Committee members, whether the best agreement he/she can negotiate, considered as a whole, contains provisions which would satisfy his/her constituents’ interests more than would the “no deal” alternative. Answering this question will not be easy, but it is the correct question to ask.

- **Negotiation dynamics**

- Tidal Flats (TF) Confidential Information says that TF is considering telling the Senators from Serenity, Pancake, and Faraway that he/she will support their health and transportation proposals if they will support his/her proposals for Tidal Flats. (In fact, the Senator from TF will vote against the Serenity-Pancake-Faraway proposals if the Committee Chair asks him/her to do so in exchange for the Chair’s support of the TF demands.). What should TF do?

### ***Senator from Faraway County***

- **Key needs and interests**

- A new airport in Pancake County would be an economic boon to Faraway County provided there is adequate access between the airport and Faraway County (currently there is no rail link and only secondary roads); needs are therefore:
  - New high-speed highway connecting Faraway County with the new airport (\$400M)
  - New rail link to the airport (\$200M)
- Public transit assistance to stimulate economic development
- Innovative idea for buying 100 minivans which, with newly hired drivers, could offer transit coverage for the entire county (\$20M + an annual subsidy of \$10M Health care assistance)
  - Build 3 additional community clinics (\$50M to build, plus \$25M annually) Prevention/treatment of opioid addiction (\$10M annually = \$50M over 5 years)

- **Good outcome**

- Faraway’s highest priority is high-speed road and rail access from Faraway to the new airport, followed by funding for its innovative public transit proposal. Should be able to get first, latter less clear. But since BATNA is no airport, no benefits, almost any agreement would be a good outcome for Faraway.

- **Possible barriers to success and how they might be overcome**

- Cost of highway and rail access:
  - Building either or both of these would take at least 4 years, so the needed state funding can be spread over 4-5 years; funding would also not have to begin immediately, just authorization
- Cost of public transit assistance:
  - Point out that LRS found this program would pay for itself 3 times over within 5 years

- To avoid having to provide this funding to every county that wanted it, frame this as an experiment/demonstration of a new approach that, *if successful*, could then be implemented elsewhere; this postpones the need for commitment.
- Health care assistance:
  - The cost issue will depend on available budget and how important this item is to one or more parties whose “yes” vote is needed; funding can also be spread out somewhat and/or postponed a year or two.
  - Another challenge, however, is the argument that health care funding has nothing to do with the need for a new airport.
    - This might be dealt with by separating health care spending into a separate bill that would nevertheless be linked for passage (but not necessarily recorded on paper anywhere).
  - Also have to be concerned about the political risk of offering health care funding only to 3 rural counties who happen to be represented on the Committee.
- **Other thoughts on negotiation tactics and dynamics**
  - Because of the distance between Faraway County and a new airport, Chair may view Faraway County as a potential “no” vote that will have to be strongly encouraged to support a deal; this is likely to encourage the Chair to be favorable to generate maximum benefits for Faraway County in exchange for Faraway’s support.
  - It may be useful to explore potential common interests in transportation and health care assistance with other rural counties (Serenity, Pancake). These demands are likely to have more impact on the Committee Chair if they are made by three counties, rather together than separately. Doing so both enhances the legitimacy of the proposals and implicitly makes the feared blocking coalition more credible.

### ***Senator from Serenity County***

- **Key needs and interests**
  - Central Serenity interest is blocking construction of a new airport in Pancake County, primarily because such an airport will have a negative impact on the quality of life (noise, environmental pollution, increased traffic) in Serenity County.
  - If Serenity cannot block a new airport, it would like to maximize the benefits it receives in compensation. (This is a distinctly inferior outcome to blocking the new airport.)
    - Potential benefits in exchange for supporting new airport:
      - Fund improved health care for Serenity County citizens
      - Build 3 new clinics (\$50M), and provide \$25M annual operating support for them
      - Institute opioid addiction/treatment program (\$10M per year) Fund road and bridge repairs (\$50M) and a public bus system (\$40-60M, plus an additional \$20-30M per year)
- **Good outcomes**
  - Succeeding in blocking a new Pancake County airport would be a real coup for the Senator from Serenity.
  - Short of blocking agreement, the best outcome for the Senator is probably to receive some medical and transportation funding assistance for Serenity County, while not having to officially vote for the new airport.

- Third best is to receive health care and transportation funding in exchange for an official “yes” vote, which the Senator would have to justify as acknowledging the inevitable, and salvaging what was possible (most easily done if “yes” vote is the result of using the post-negotiation negotiation tactic described below).

- **Negotiation strategy and tactics**

- To achieve an optimal outcome Serenity needs either to:
  - Construct a durable blocking coalition with at least one other party;
  - Get at least one other county to vote “no”;
  - Have the process be sufficiently inefficient or unproductive that the parties run out of time.
- To explore the possibility of a blocking coalition, Serenity should talk privately with the Senators from Faraway, Tidal Flats, and perhaps also Pancake as soon as possible. The purpose of such talks does not need to be framed as outright opposition to a new airport, but merely understanding interests and standing together to ensure legitimate interests are fairly met (one for all, and all for one), in other words, working together as a negotiation strategy. (See below.)
  - Tidal Flats may view a new airport as harmful to Tidal Flats’ economic best interests.
  - Faraway is literally too far away to benefit from a new airport; Faraway, as a rural county, may also have similar health care and transportation needs as Serenity.
  - Many Pancake County residents are certain to see mostly downside to their quality of life in gaining a major airport as a neighbor.
- To encourage deadlock and/or running out of time, Serenity should focus on process and how to make (or encourage others to make) unhelpful process moves that have a surface plausibility and legitimacy, such as:
  - “Should we go around the room and just understand our legitimate needs and minimum requirements for making a deal on a new airport?”
  - “Those requirements sound like they might be in conflict; we should note that and plan to come back and figure out how to choose between them.”
  - “That sounds like it might be difficult. What would you need in return to be able to give that up?”
  - “Is that something you could do without, if you had to?”
  - “Just to be creative and fair, if you had to give that up, what do you think, in fairness, others should also have to give up?”
- One of the easiest ways to manipulate process for unproductive ends is to take on a facilitative role, perhaps by volunteering: “Would anyone mind if I tried to capture some of this on a flip chart, so we don’t forget it?”
- Visual media in particular tend to focus people’s attention, and so can be used to focus them on unhelpful, confusing, or irrelevant issues.
- Publicly at least, Serenity will want to maintain a posture of potentially supporting a new airport. Otherwise there is a danger that Serenity will be cut out from the discussions as undeserving of any compensation because of “not acting in the best interests of the state.”
- Serenity can also look for other issues on which to take a position that are more likely to encourage “no” votes on the airport. For example:
  - Support Emerald as a better location for the biotech center, if Tidal Flats is the more likely to vote “no” if it is not selected; do the opposite if Emerald is the more likely to vote “no.”
  - A last-gasp tactic that might be used by Serenity to obtain benefits for his/her constituents, while still not aiding the Chair to obtain a pro-airport agreement, would be what is known as “post-negotiation negotiation”. After an agreement to build a new airport has been

reached, but without its vote, Serenity could tell the Chair that he/she would change his/her vote from “no” to “yes” if the Chair will provide Serenity with whatever benefits Faraway or Pancake received in exchange for their “yes” votes. If the budget permits, the Chair might well agree, since the Chair could then go to the legislature with unanimous Committee support, and Serenity would have negotiated the best arrangement possible for his/her constituents.

### ***Senator from Eastport County (Committee Chair)***

- **Key needs and interests**

- Primary interest is in getting agreement to build a new airport as soon as possible.
  - Requires getting the support of 5 out of the 6 Senators on the Committee.
  - Also requires that the cost of any agreement not create a budget deficit (which would lose leadership support).

- **Good outcome**

- A 5-member agreement should be achievable, given the interests and instructions provided to the negotiators in this exercise, although individual negotiators do have some leeway in interpreting their instructions. The possibility of a 6-member agreement is unlikely, unless the Senator from Serenity County misunderstands his/her instruction (or succeeds in a post-negotiation negotiation).
- A failure to reach agreement would be viewed as a failure for the Senator from Eastport, possibly even a career ender.

- **Possible barriers to success and how they might be overcome**

- A major challenge for the Chair is that if Serenity votes “no”, as it should, the Chair cannot lose any other Committee members, and still have the 5 votes necessary for Democratic leadership support in the legislature. The two counties most likely to vote “no” are Emerald and Tidal Flats.
  - Emerald could be a problem if it receives neither a new tunnel under the Ames River or the biotech research center. Ultimately, however, if Emerald focuses on its BATNA, it should conclude that a new airport with high-speed road and rail access to Emerald, even without a tunnel or the biotech research center, is a better outcome for Emerald than would be no airport, with Emerald citizens limited to the existing Curly with no high-speed road or rail access.
  - The budget is sufficient to meet all Tidal Flats’ economic demands. Tidal Flats could, however, be a problem if it does not receive the research center, since Tidal Flats could reasonably conclude that unless all its demands are met, the constituency would support the Senator’s voting “no” on the new airport proposal, retaining Curly as the major airport in the state of Ames.

- **Other thoughts on negotiation tactics and dynamics**

- Organizing and managing the negotiation process within the available time may be the Chair’s greatest challenge.
  - One good approach to doing so would be to start off with a full Committee meeting to give members a chance to briefly share views, and to learn how the Chair intends to manage the Committee process, but then, if there is time, to conduct smaller group meetings or even individual meetings so that each member has a full opportunity to explore their individual views and interests within the limited time available. Thereafter discussions can

proceed in whatever manner the Chair deems most efficient, culminating in a full Committee meeting for general discussion and voting.

- As the discussion develops, the Chair must manage the discussion to move from individual items to a consideration of an overall airport agreement. The single-text approach, initiated by a proposal from the Chair, which he/she views as potentially satisfying the core concerns of each Member, as well as superior to the BATNA of each (except Serenity) may be the most efficient means of doing so.
- At this time, the Chair may need to slice and dice, rejecting some demands and spreading others over time to keep within the available budget. (In the real world, some demands could be granted, with the funds allotted to them reduced, but the participants are not given that option here because of the difficulties it would create in evaluating the quality of the agreements.) Other demands may be satisfied, at least in part, by focusing on the interests underlying them. For example, the Chair may respond to the demands of Serenity and Pancake for bus service by pointing out that Faraway has an idea that might provide the needed transportation at a far lower cost. The Chair could offer the funds to experiment with the Faraway approach for 1-2 years, and if it is successful, appropriate similar funds for Serenity and Pancake, also on an experimental basis. If the Faraway approach is successful, the Chair will recommend a state-wide adoption of that approach. Similarly, the Chair may respond to the demands of Faraway, Pancake, and Serenity for costly new medical facilities in each of their counties by pointing out that the funds available for S.B. 101 are insufficient to satisfy their demands. Furthermore, the reason put forward for building these facilities is to deal with the opioid epidemic. There is, however, no consensus on the best means of doing so. The Chair is more than willing, in a separate health-related bill, to provide for research into these issues at state research facilities, and will support such a bill in recognition of the legitimate concerns expressed by the Senators. The funds are not available, however, to satisfy the Senators' demands for brick and mortar additions.
- Depending on time constraints, it may be necessary to conduct this last step in a full Committee session; but that also may be independently desirable, since it will enable all Committee members to see that each of them is taking cuts in its initial demands and allow for group discussion and awareness of the principles guiding the emerging agreement.

### **Notes for a possible post-negotiation debrief of *A New Airport*?**

*(The debrief outlined here may well be more extensive than time will allow. Accordingly, the instructor must choose which issues he/she views as most important for the debrief, and focus on those.)*

- **Which groups did not get a deal?** [SHOW RESULTS SPREADSHEET]
  - **Why not?** [JUST FOR INFO, NOT COMMENT]
- **Which groups did get a deal?** [EXAMINE]
  - If any, within budget?
  - How did you get there? How did you get yes votes of key “no” voters?
- **Any Senators think their counties better off w/o an airport agreement?** [FOR INFO, NOT DISCUSSION]



- Committee Chair clearly wants an agreement. **What did/should Chair do to maximize chances of such an agreement? [ALLOW SOME DISCUSSION]**
  - Work begins before meeting. Learn as much as possible about positions/interests/priorities/BATNAS – think very preliminarily about possible agreements.
- **How would you suggest Chair begin first Committee meeting to discuss proposed bill? [ALLOW SOME DISCUSSION]**
  - GO AROUND TABLE – **What should Chair ask?**
    - **What are your must haves? bottom line?**
      - No – **Why not?** People dig in
    - **What are your concerns/needs/interests?**
      - Softer – may learn something not disclosed in their position papers
- **Now what?**
  - Ideally, might have a series of 1-on-1 or small group meetings among Senators with similar interests, trying to get a sense of their priorities that Chair could use to advance search for an agreement acceptable to 5 Senators.
    - 1-on-1 because people talk more honestly when the “enemy” isn’t there.
  - **If don’t have the time here for lots of 1-on-1 or small group meetings, what should Chair do instead?**
    - **Hopefully, will have figured out by now which Senators will be key in efforts to get a 5-person majority. How to do this?**
      - Mostly by considering core interests of each – and their BATNAS. To what extent will their core interests be furthered by an agreement compared to no agreement.
      - To the extent, their BATNA (the no agreement alternative) is less favorable than an agreement, even w/o some/all of what they want, they should be comparatively easy to bring into the deal. . . to the extent any county has a no agreement alternative as good or better than an agreement, they will be difficult to bring into the deal.
- **Which Senators/counties do you think have weak alternatives to a deal, so the Chair can count on them to vote for the agreement, even if they don’t get the goodies they are seeking?**
  - Faraway/Pancake/Emerald (that’s 3 votes, plus the Chair makes 4). Need 1 more
    - **Will Serenity vote for airport bill?**
      - No, because the “no deal” alternative is better for Serenity.
  - So Chair needs to get 1 more vote. . . Tidal Flats. **How to do so?**
    - There is one problem with getting Tidal Flats – Tidal Flats say they must have biochem lab, Emerald wants it too. **What to do?**
      - Determine for which is the no deal alternative more acceptable? Once Chair knows that, push on the other to accept a deal w/o the biochem lab?
- **Now what?**
  - This is a crucial moment in the negotiation. How is the Chair to move from a discussion of individual issues to focusing on an overall airport agreement?

- One means of doing so is the “single text” approach. Chair proposes an agreement that he/she thinks meets everyone’s core interests, but does not seek their approval. Not ask who will vote for it, instead, **ask for criticisms. Why do this?**
  - Accepting is risky; gives up your power to seek a better agreement. Risk of hard balling.
  - Asking for amendments risks interminable discussion.
- Next, based on criticisms, put forward my proposed final agreement.
  - **What agreement might Chair propose here as potentially acceptable to all?**
    - All counties get access they want to airport
    - No health care assistance
    - No road repair, limited transit assistance
    - No emerald tunnel
    - Biochem lab to Tidal Flats
  - **Why should/did that work?**
  - Consider other agreements reached (if any). . . would they work?
- **What do you learn from this exercise? (Or what do I hope you will learn?)**
  - **Importance of focus on interests/priorities/BATNA.** Doing so increases likelihood of agreement. **Key to forging a deal here is to focus on core interests and BATNAS . . . who has a BATNA that, in light of its core interests, may be as good as or better than an airport agreement?**
    - Serenity and Tidal Flats – so if you want an agreement, must get at least one of them on board.
      - **I focused on Chair’s role in doing so; Is there a role for other Senators?**
        - Sure . . . they can also seek to bring Serenity/Tidal Flats on board. In their interest also.
  - **Difficulty of reaching agreement in a multi-party negotiation.**
    - Particularly when there are dozens of parties, **logistical difficulties of setting up efficient negotiation framework can appear daunting. Sometimes organizer of negotiation will attempt to develop framework .**
    - **At other times, the negotiation framework will come from the parties. May form groups of parties with common positions or interests that will bargain as a group (coalition bargaining).**
      - Doing so typically intended to serve both logistical goals (fewer parties easier to organize negotiation) and results-oriented goals (joining together with other parties who have similar goals may increase bargaining power and likelihood of achieving goals). (May not actually do so, but that’s another issue for another day.)
  - **Any efforts to form coalition here?**
    - Rural counties (Faraway, Pancake, Serenity) have similar interests in road repair, public transit, and health care, so might form a rural coalition in hope of obtaining concessions on these issues.
      - **Did any succeed in obtaining these by forming a coalition?**
        - Unlikely – their interests in new airport so much more powerful that they will not push other interests at risk of losing airport.

- Another type of coalition might be composed of those who seek to block any deal. **Did any Serenity attempt to put together such a coalition? Did any Serenity succeed in blocking airport by getting other counties to join?**
  - Unlikely, since interests of all are better advanced by airport.
- Speaking of coalitions, **Tidal Flats’ confidential information told Tidal Flats that he/she was thinking of telling Pancake/Serenity/Faraway that he/she would vote for their proposals on road repair/ health care if they would support Tidal Flats’ demands.**
  - **Did any Tidal Flats do so? Why not?**
    - Risk to reputation for trustworthiness among people with whom you will have several negotiations in future.
- Finally, speaking of Serenity, **did any Serenity who was left out of an airport deal, and did not get benefits that other rural counties did as a result of that deal, approach the Chair after the negotiations and offer to change his/her vote in exchange for benefits?**
  - **Why might Chair say yes?**
    - Mutual gain. Serenity gets added benefits, Chair gets advantage of unanimous vote.
      - This tactic is called post-negotiation negotiation. First written about by Professor Howard Raiffa, it is based on the recognition that many agreements are sub-optimal, in the sense that both parties could do better. The search for a “better” agreement, better for one or both, with no party being worse off, is called post – negotiation.

[IF TIME, RAISE AT APPROPRIATE POINT IN DISCUSSION]

Chair is concerned that Senators representing counties not on Committee will block agreement on bill because Senators on Committee get benefits for their counties that have nothing to do with improving airport, but are simply payoffs for their votes. Wise Chair will deal with this either by providing benefits in such a fashion that doing so only to Committee members is legitimate (Faraway transit program as a limited-time experiment) or by refusing to provide such benefits (road repair/medical care).

The concern for the impact of an agreement on parties not involved in the negotiations is not limited to legislative negotiations. A wise negotiator will always be on the lookout for this. If any party not at the bargaining table has the ability to block or otherwise interfere with any agreement reached, either bring that party to the table (as painful as that may be), try to meet its interests, or search for a means of minimizing its power to upset the deal. Whatever you do, be alert for this problem!

## A New Airport? Illustrative Possible Agreement

<b>Number of Members in Favor of New Airport: 5</b>					
<b>DETAILED BUDGET (State Funding):</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Airport Construction</b>	\$250	\$	\$	\$	\$
<b>Eastport Road</b>		\$50	\$50	\$50	\$50
<b>Rail</b>		\$50	\$50	\$50	\$50
<b>Emerald City</b>					
• Road		\$50	\$50	\$50	\$50
• Rail		\$50	\$50	\$50	\$50
• Tunnel					
<b>Faraway</b>					
• Road		\$125	\$125	\$75	\$75
• Rail		\$100	\$50	\$50	
<b>Curly</b>				\$100	\$100
• Redevelopment					
• Wetlands	\$50	\$12.5	\$12.5	\$12.5	\$12.5
<b>Public Transit</b>	\$20	\$10	\$10	\$10	\$10
• Faraway					
• Pancake			\$20	\$10	\$10
• Serenity				\$20	\$10
<b>Road Repairs</b>					
• Faraway					
• Pancake		\$12.5	\$12.5	\$12.5	\$12.5
• Serenity					
<b>Health Care</b>					
• Faraway					
• Pancake					
• Serenity					
<b>TOTAL ANNUAL STATE FUNDING:</b>	\$370	\$455	\$455	\$490	\$425
<b>Biotech Center:</b>	Tidal Flats				

## A New Airport? Introduction and Logistics

This exercise is a negotiation among the six members of the Ames Senate Public Works Committee, each of whom represents one of the 20 counties in the state of Ames. The issue to be negotiated is whether the Committee should approve a bill to authorize and pay for the construction of a new airport. Each senator on the Committee must decide whether the proposed bill, which contains provisions dealing with such issues as rail and road access to the proposed new airport, meets the interests and needs of that senator's constituency sufficiently that the senator should vote for the bill, or whether he/she should vote against the bill because, in light of the bill's provisions, the interests and needs of the senator's constituents are better served by rejecting the proposed new airport.

The class will be divided into separate six-person Committees to carry on simultaneous separate negotiations. Each participant will be assigned to play the role of one of the senators on the Committee. (If the number of participants is not divisible by six, some participants will be assigned to share a single role.) In this case packet, you will find an introduction and discussion of the simulation logistics and then the general information for the simulation. You will also separately receive a Confidential Information document for your Senatorial role in the exercise and an Assignment Matrix, which will inform you of your group and role, and the time and locations where your group's formal negotiation will begin.

Because this is a complex exercise, we encourage you to read both the General Information and your Confidential Information with care. You should then meet, prior to the beginning of the Committee meeting, with one or more of the participants assigned the same role as you in a *different* negotiation group to prepare together for the negotiation. Preparing together should assist you in thinking through more fully the interests and priorities of your role, anticipating the interests and priorities of other parties, and brainstorming process options and strategy for effectively managing the negotiation dynamics to satisfy your interests.

Another means of preparing is to download the exercise spreadsheet (NA Analysis Spreadsheet) that you will find on the Class website. Running a few agreement scenarios should assist you in finding potential agreement. You will also need to use the spreadsheet during the Committee's negotiation, so be sure to bring your computer to class.

---

*This exercise was written by Stephen Goldberg and Bruce Patton for the John F. Kennedy School of Government, Harvard University (HKS) as part of the "Teaching Legislative Negotiation Project." Funding for this exercise was provided by The William and Flora Hewlett Foundation. HKS exercises are developed solely as the basis for classroom use. They are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.*

Copyright © 2019 President and Fellows of Harvard College.



This work is licensed under the Creative Commons Attribution-NonCommercial License. To view a copy of this license, visit <https://creativecommons.org/licenses/by-nc/4.0/>; or, (b) send a letter to Creative Commons, 171 2nd Street, Suite 300, San Francisco, California, 94105, USA.

You may also, prior to the start of the formal negotiation, seek out senators in different roles (representing other counties) in your *own* negotiation group to engage in preliminary and informal discussions about the forthcoming Committee meeting. Doing so may help you to understand and convey your respective interests and priorities, to think about how that information may contribute to a Committee decision that you would support, and to consider which, if any, other senators you want to try to work with in achieving your goals in the negotiations.

## Negotiation Rules

1. With the exception of your pre-negotiation meeting with persons playing the same role as you in other groups, you may not show your Confidential Information to anyone else in these negotiations. You may, to the extent it serves your interests, disclose information in your Confidential Information to others, but you may not show them your Confidential Information sheet.
2. You may not assume facts contrary or in addition to those contained in either the General Information or your Confidential Information if doing so would give you an added advantage in the negotiation. If you are asked a question to which neither the General nor the Confidential Information provides an answer, you should answer that you do not know the answer to that question. Any statements you make that are inconsistent with these rules will be construed as a lie in the debrief.
3. At the conclusion of the time allotted for the negotiation, if an agreement has been reached in your group (Committee), the Committee Chair should immediately e-mail the NA Analysis Spreadsheet which sets out the terms of that agreement to *[INSERT NAME AND E-MAIL ADDRESS OF PERSON IN CHARGE OF DEBRIEFING EXERCISE HERE.]*
4. At the end of class, please fill out and submit the attached Feedback Form.

# A New Airport? Feedback Form

**Your Role, the Senator from \_\_\_\_\_**

1. What did you find challenging in this negotiation? Why?
2. What approaches or tactics did you observe or deploy that seemed effective? Why?
3. What did you learn from the experience that could help you in future negotiations?
4. Any other comments or feedback?

## **A New Airport? General Information**

The state of Ames, which is predominantly rural, has twenty counties, but only two major municipal areas. The largest municipal area is Eastport, a port city on the eastern edge of the state. Eastport comprises almost all of Eastport County; it has a population of approximately 750,000, with about 5 million in the greater metropolitan area. Emerald City, with a population just over 200,000 (metropolitan area 1.25 million) is in the south-central part of the state in Emerald City County, approximately 70 miles west of Eastport. (See attached map of Ames.)

Eastport (and most of the state) is currently served for commercial domestic and international flights by Curly Airport in Tidal Flats, which is adjacent to Eastport, and which, together with several smaller communities, make up Tidal Flats County. There is also a small commercial airport in Emerald City that hosts a few commuter flights, and a small, nominally international airport about 40 miles south (in the next state), but Curly is the nearest major airport for more than 90% of Ames residents.

In recent years, Curly has consistently been operating at or above capacity. Curly needs both runway extensions and an additional runway or two to accommodate demand and new, larger planes. Building these new runways would require expanding into environmentally sensitive and protected wetland areas or razing middle and high-income housing in Tidal Flats, both of which are likely to be expensive and fiercely opposed.

There is general agreement that if a new airport is to be built to replace Curly, the appropriate location is Pancake County, a primarily rural county located 20 miles west of Eastport. Within Pancake County, there is a county-owned and operated airport (Silver Dollar Airport) in the flat eastern part of the county, about five miles from the county line nearest Serenity County. This airport is surrounded by farms and undeveloped land on all sides for many miles.

The cost of expanding Silver Dollar to serve as a major international airport, and the benefits to Ames of doing so, were the subjects of a recent report by the Ames Legislative Research Service (LRS), a non-partisan state agency, whose conclusions are typically accepted by all parties. According to the LRS report, the construction costs (including land acquisition) of the necessary Silver Dollar expansion and upgrading would be \$3.5 billion, access roads and rail from around the state to Silver Dollar could be as much as \$2.0 billion, and the overall expected increase to the Ames GDP would be in excess of \$1.0 billion per year. In contrast, the costs of the necessary improvements to Curly are estimated at \$7-8.0 billion, and the expected increase to the Ames GDP would be \$300 - \$500 million annually.

Despite the potential financial benefits to the state that would result from the construction of a new airport in Pancake County, obtaining legislative approval to replace Curly with a Pancake County airport is not likely to be easy. Agreement on a plan to build a new airport has eluded all efforts for more than ten



years, primarily because any such plan requires resolving numerous issues and gaining the support of representatives from many different parts of the state.

The Senator from Eastport County, fortified by polls showing that public opinion is 70% in favor of a new airport, has decided that the time is appropriate to make a major push to replace Curly. Accordingly, the Senator, who is the Chair of the powerful Senate Public Works Committee and a strong supporter of a new airport, has introduced Senate Bill 101 (S.B. 101) to authorize and appropriate funds for construction of a new airport in Pancake County, including such other related construction as may be necessary to support the airport. The key terms of S.B. 101 are:

1. Authorizes the Ames Transport Authority (ATA) to proceed with planning and construction of a new airport in Pancake County by expanding Silver Dollar Airport, to be completed within five years, followed immediately by redeveloping Curly Airport. The ATA is given unlimited power to exercise eminent domain over private and public land as needed to effectuate this purpose.
2. Authorizes and appropriates \$250 million in state funding immediately for airport construction.<sup>b</sup>
3. Authorizes the ATA to raise the additional funds for construction of the airport by issuing of up to \$3.0 billion in bonds to the public in such amounts and at such times as the ATA determines. These bonds would not carry a state guaranty.
4. Directs the ATA to build adequate highway and high-speed rail access to the new airport from Eastport in the most economically feasible way and authorizes \$400 million of state funds for that purpose (\$200 million for highway access; \$200 million for rail access) to be appropriated no sooner than next year (Year 2 of the new airport project).<sup>c</sup>
5. Directs the ATA to provide upgraded direct highway access to the new airport from Emerald City, and authorizes \$200 million in state funding for that purpose, to be appropriated no sooner than next year (Year 2 of the new airport project). Authorizes the ATA to recommend whether to build rail access from Emerald City and to implement its decision, provided the necessary funding is allocated by the Legislature.
6. Authorizes the ATA to study options for upgraded highway and rail access to the new airport from Faraway County, and to recommend and implement access that it decides would improve the overall financial viability of the new airport, provided the necessary funding is allocated by the Legislature.
7. Authorizes the ATA to provide \$200 million for redevelopment of the Curly Airport property, beginning no sooner than the year before the new airport comes online (Year 4 of the new airport project) plus such additional funds as are necessary to restore the wetlands bordering the airport property, providing funding for the latter is allocated by the Legislature (this can be done at any time).

---

<sup>b</sup> An additional \$250 million for airport construction will be provided by the Federal Aviation Administration. (See p. 9.)

<sup>c</sup> Legislation that involves multiyear projects typically contains spending authorization for the length of the project and spending appropriations for the current year. Funds for future years need to be appropriated each year, but authorized funding is automatically added to the annual appropriation bill, and is not normally the subject of further debate. Exceptions occur when there is a shortfall in expected revenue or when more funding is authorized than revenue is available. The Ames Legislature has a good record of avoiding the second of these, and revenue shortfalls have also been rare and typically the result of unexpected events in the economy.

8. Provides that no funding for highway or rail access projects will be authorized for this year (Year 1 of the new airport project). All such authorization is to begin in Year 2 or thereafter to assure adequate planning and efficient expenditure of state funds.
9. Directs the ATA to work with the Federal Aviation Administration and local authorities to determine operating guidelines for a new airport that manage the impact of noise on neighboring areas with the minimum possible impact on the airport's economic contribution to the State of Ames. The role of local authorities shall be consultative only; all decisional power shall rest with the Federal Aviation Administration.
10. Authorizes the ATA to establish and adjust tolls on access highways for a new airport to be consistent with the State of Ames' existing or future highway toll policies. Existing policy is to set tolls at a level just sufficient to pay back any initial debt financing and to pay for ongoing maintenance.

The Senate Public Works Committee, which oversees most state infrastructure spending, including the Ames Transport Authority, and most state health care spending,<sup>d</sup> and which has jurisdiction over S.B. 101, is composed of the following Senators:

- Chair – (Democrat) from Eastport County, which comprises the City of Eastport and a few contiguous areas;
- Member – (Democrat) from Emerald County, comprising Emerald City and surrounding towns; located 70 miles to the west of Eastport;
- Member – (Republican) from Serenity County, which adjoins Pancake County to the south and east (Ranking Minority Member);
- Member – (Republican) from Pancake County, located approximately 20 miles west of Eastport;
- Member – (Democrat) from Faraway County, a large rural county in the northwestern corner of the state, approximately 100 miles from Eastport;
- Member – (Democrat) from Tidal Flats County, which consists of the city of Tidal Flats and other small communities.

If the bill clears the Committee with the support of at least 5 members, there is a good chance the Senate will pass the bill, and the House will follow suit. The Governor, a proponent of a new airport, would presumably sign the bill into law. A 4-vote majority could get the bill reported out of Committee, but its chances of passage would be substantially less than if the bill were supported by at least 5 members. If the bill is not reported out of Committee with strong backing this year, the issue of a new airport is unlikely to be revisited for at least another year or two.

The public statements of Committee members suggest that whether there is a majority for S.B. 101 is uncertain, and will depend on the extent to which the Bill satisfies the concerns of Committee members. Most of those concerns revolve about the availability of funding to meet the costs of transportation facilities to and from the new airport.

---

<sup>d</sup> A committee with such a broad mandate is unusual, but hardly unprecedented. Many states and the federal government have committees whose power and mandates are more a function of politics and history than logical organization.

Anticipated costs have been the subject of intensive research by LRS. The following cost estimates include both those expenditures authorized by S.B. 101 and those expenditures which S.B. 101 makes dependent upon allocation of funds by the Legislature. The assumption in each case is that the item could not be completed for less than the amount listed.

Airport construction (including land purchase)	\$3.5 billion
Redevelopment of Curly property	\$200 million
Restoration of Curly wetlands	\$100 million
Eastport direct highway access to airport	\$200 million
Eastport high-speed rail access to airport	\$200 million
Emerald City upgraded direct highway access to airport	\$200 million
Emerald City high-speed rail access (if Legislature allocates funds)	\$200 million
Emerald City tunnel under Ames River (if Leg. allocates)	\$500 million
Faraway County upgraded access to airport (if Leg. allocates)	
• New/upgraded highway access	\$400 million
• High-speed rail access	\$200 million

*Total expenditures other than airport construction (if all authorized by Leg.): \$2.20 billion<sup>e</sup>*

The LRS also estimated that airport construction would require at least 4 years from breaking ground to completion, and that the completion of highway construction would take 2-3 years minimum, as would the completion of rail access.

## Proposed Amendments to S.B. 101

In an effort to streamline the Committee's deliberations, the Chair requested that any Committee member intending to submit an amendment to S.B. 101 provide the Chair with a pre-meeting summary of that amendment and its estimated cost. The proposed amendments and their cost are as follows:

### Improved Transportation Systems: Roads and Public Transit

- According to the Senator from Faraway County, that county desperately needs some kind of public transit system, which does not presently exist. To remedy this lack, the Senator from Faraway County proposes a novel public transit service, using minivans rather than conventional

---

<sup>e</sup> In many legislative negotiations, one path to resolution of budgetary difficulties is to approve a project, but reduce the amount authorized for that project. Legislative leadership has made clear, however, that the estimated budget amount for any expenditure authorized in S.B. 101, either as introduced or as amended, must be approved or rejected in its entirety.

buses. The Legislative Research Service, at the Senator's request, did an analysis which found that the cost of implementing this proposal for its first 5 years would be \$20 million for the first year, followed by four additional years at \$10 million per year. With these amounts Faraway County could buy 100 minivans, hire drivers, and set up a system that offered basic transit coverage for the whole County.

- The Senator from Serenity Country states that Serenity County needs assistance with both road repair and public transit. At least \$50+ million for road and bridge repair is much needed, as is a public transit system, which could be financed by an initial expenditure of \$40-60 million to purchase buses, and a subsequent annual subsidy of \$20-30 million.
- The Senator from Pancake County seeks funding for both road repair and public transit. Road repairs and upgrades would require a minimum of \$50 million. An adequate public transit system would require \$30 million up front and \$15 million per year thereafter to purchase and operate enough buses for such a system.

## **Health Care**

- The Senator from Pancake County also asserts that a critical issue for Pancake County, like many rural areas in the state, is health care that is inadequate and overwhelmed by almost any measure. While Pancake County health care has been insufficient for decades, the opioid epidemic has tipped it into crisis mode, with doctors and facilities completely overwhelmed. The Senator will request the state to fund the construction and operation of two additional clinics (\$50 million up front, and \$25 million annually thereafter), as well as increased staff for the hospital to expand the emergency department and add needed specialties (\$25 million up front, plus \$15 million per year thereafter).
- The Senator from Serenity also views improved health care as a critical need. The Senator will request the state to fund the construction of 3 community clinics to expand the county's ability to provide health care without increasing the burden on the hospital's emergency room, the landing place for most opioid addicts. Building and operating these three new clinics would require a one-time investment of \$50 million, plus ongoing annual operating support of \$25 million.
- The Senator from Faraway also asserts that a top priority for Faraway County residents is better health care. A minimum of three additional clinics are needed. Building and maintaining such clinics would require a one-time capital infusion of \$50 million, plus an additional \$25 million in annual support. In an effort to bring the opioid epidemic under control, the Senator will request an additional \$10 million annually to implement in Faraway County a program of opioid addiction prevention and treatment along lines recommended in a recent LRS report.

## **Biotech Research Center Siting**

One issue that has not been proposed as an amendment to S.B. 101, but that is pending before the Committee, and is almost certain to be raised by one or more members during the discussions on S.B. 101, is the siting of the new state-sponsored biotech research center. Funds for construction of the center and for its first three years of operation have been authorized by the Legislature, with its location to be determined by the Public Works Committee.

Construction of the center will be a major undertaking, likely involving over 1,000 construction workers. Fewer employees will be on the center staff once it is fully functioning, but that number is

expected to be in the 500 – 600 range. Additionally, the center is likely to grow if successful. It is also certain to be a magnet for potential suppliers and providers of services to center staff.

Although several counties expressed interest in hosting the center, most were found to be unqualified. The two remaining candidates are Tidal Flats County and Emerald County. Representatives of one or both counties may seek to advance the claims of their county in the course of the new airport discussion, and the Committee may decide to award the center at the same time it resolves the question of whether there is to be a new airport.

## Funding

The available funding to meet the costs of S.B. 101 consist of bonds, federal money, and state money. The Legislative Research Bureau, on the basis of extensive research, concluded that up to \$3.0 billion for airport construction could be raised through unsecured bonds (that is, the bondholders would take the risk that the new airport would have sufficient revenue to pay the bond obligations and not default). Bond funds would be restricted to covering core airport construction costs, not ancillary highway upgrades or other spending.<sup>f</sup>

The Federal Aviation Administration has committed up to \$250 million in guaranteed funding for the construction costs of a new airport, provided that federal funding is matched dollar for dollar by state funding for construction costs, and construction begins within 18 months. Federal funds can be drawn at any time over the first two years of construction, provided that an equal or greater amount of state funds have been made available.

As for state funding, the Democratic legislative leadership has assured the Chair, who in turn has advised all committee members, that if there is a 5-member majority in support of a bill for a new airport, leadership will be willing and able to support the allocation and spending of the state's current \$500 million annual budget surplus for the next five years for expenses associated with a deal for S.B. 101, but the leadership will not agree to a planned budget deficit in any of those years.

(The leadership has also made clear that \$250 million of state funding must be appropriated for airport construction in Year 1 to secure the support of the Senate. This appropriation would guarantee receipt of the \$250 million in federal matching grants, and would be part of the \$500 million that the leadership is willing to allocate to the airport project in Year 1.)

In sum, adequate funding for the \$3.5 billion in airport construction costs is assured (\$3.0 billion in bond funding, \$250 million in federal funding, and \$250 million in state funding). Also assured is the availability of \$250 million in state funding for other costs associated with the airport project in Year 1 of

---

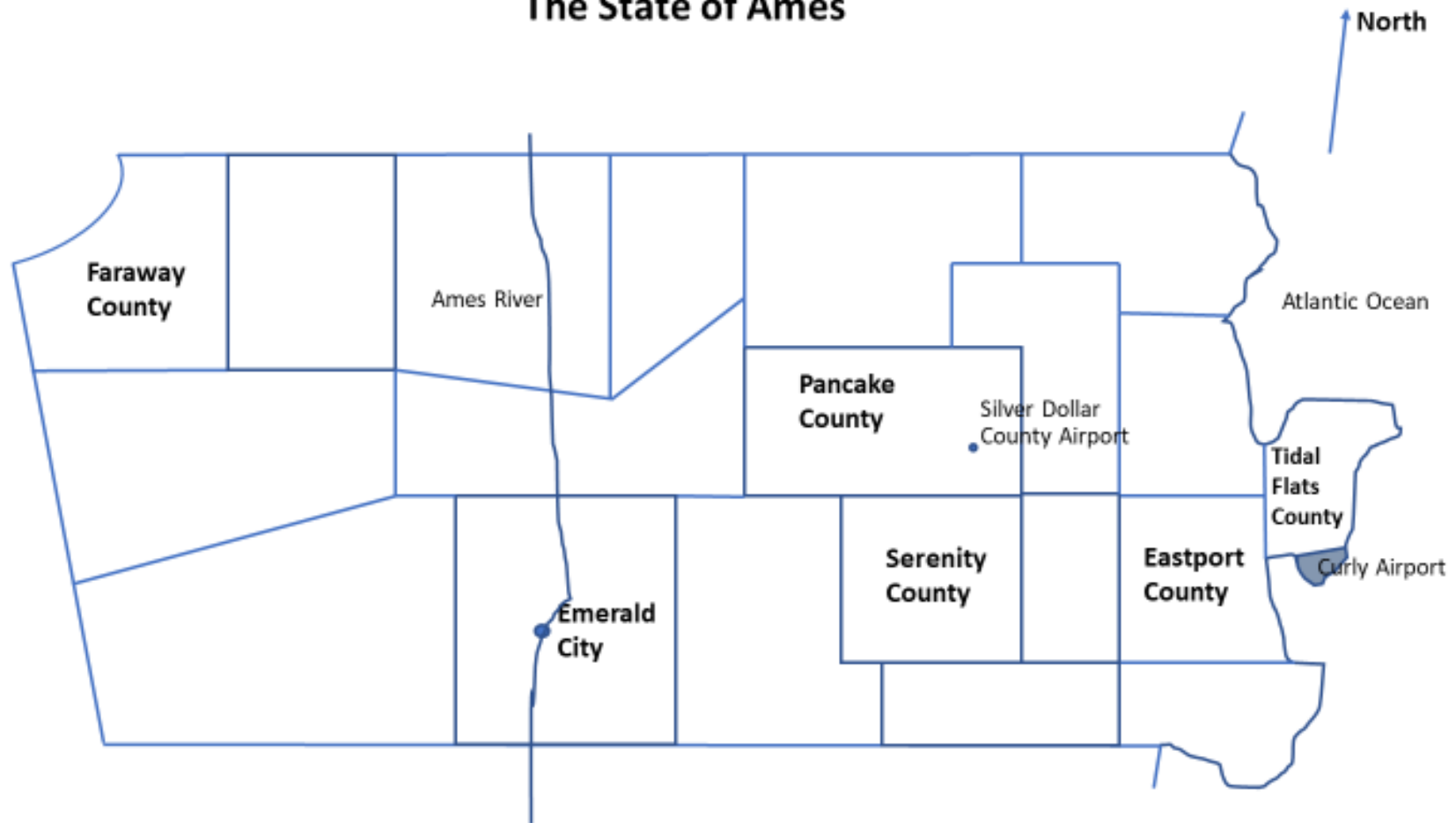
<sup>f</sup> In a brief organizational meeting two weeks ago, the Committee voted unanimously to authorize the issuance of \$3.0 billion in unsecured airport construction bonds contingent on approval of S.B. 101. Accordingly, that issue is not before the Committee at its forthcoming meeting.

S.B. 101, and \$500 million in state funding for Years 2-5. The question before the Committee is whether at least five members can agree on an airport plan that costs no more than the available state funding.

## **Next Steps**

You will be taking the role of the Senator from one of the six counties represented on the Public Works Committee, and will receive further Confidential Information related to your position on the new airport bill. You are to prepare for a private meeting in which the Committee will discuss the Chair's proposed Senate Bill No. 101. (The Senate typically discusses bills in private before scheduling formal hearings, which is allowed under the Ames' open meeting law as long as lobbyists or members of the public are not present.)

## The State of Ames



## A New Airport?

### Confidential Instructions for the Senator from Eastport County (Democrat), Committee Chair

Your goal in this negotiation is to get an agreement for a new airport in Pancake County. You are the senior politician representing Eastport, you have championed this issue since your first election as mayor of Eastport 20 years ago, and an agreement is long overdue. The delay is now holding back the economic development of the entire state. Moreover, failure might jeopardize your reelection, as you may be facing a challenge from a popular state representative likely to argue that it's time for "new energy and new blood."

Because you strongly believe in the importance of a new airport, you will tend to support any proposed amendment to SB 101 that increases the likelihood of the Committee reporting out a new airport bill that will be accepted by the legislature. The major constraint on your support is budgetary. The legislative leadership has made it clear that it will not approve a bill providing for deficit spending, and as a practical matter, you are bound by that limitation.

Additionally, you will not, as a general rule, support amendments that are unrelated to the airport. Whatever the merit of such proposals, Committee approval of them is likely to lead to challenges in the legislature that they are in the bill primarily to obtain the vote of Committee member(s) supporting them, and that there is no legitimate reason to grant benefits to counties represented on the Committee that are not made available to all counties. Such challenges could both threaten legislative passage of SB 101 and tarnish your reputation for integrity, a reputation that you prize.

As far as the proposals contained in SB 101, including those that direct the ATA to study various options, you support all of them to the extent they can all be funded within the annual \$500 million budget surplus. Most deal with increasing access to the new airport, and maximum access is consistent with serving the citizens of Ames and insuring a profitable airport. The access proposal that is most likely to be subject to attack on budgetary grounds is Emerald's request for a tunnel under the Ames River. The \$500 million cost of such a tunnel is higher than any other transportation expenditure, and even without the

---

*This set of confidential instructions was written by Stephen Goldberg and Bruce Patton for the John F. Kennedy School of Government, Harvard University (HKS) as part of the "Teaching Legislative Negotiation Project." Funding for this exercise was provided by The William and Flora Hewlett Foundation. HKS exercises are developed solely as the basis for classroom use. They are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.*

Copyright © 2019 President and Fellows of Harvard College.



This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-nd/3.0/>; or, (b) send a letter to Creative Commons, 171 2nd Street, Suite 300, San Francisco, California, 94105, USA.



tunnel, the residents of Emerald County will have high-speed road and rail access to the new airport. You will support the tunnel proposal if it does not create a budget deficit; otherwise you will have to oppose it, hoping that you can persuade the Senator from Emerald County, a long-time friend and supporter, that even without the tunnel, Emerald's interests will be better served by having a new airport with easy access from Emerald County than by continuing to rely on Curly.

The only financial proposal in the bill that is not for airport access relates to redeveloping Curly, and doing so is entirely appropriate, as the citizens of Tidal Flats should not be subject to the costs of restoring land that the state took to build an airport serving the citizens of all counties.

As for the proposed amendments to S.B. 101, your views are these:

### **Roads and Public Transit for Faraway, Pancake, and Serenity Counties**

You are opposed to all these proposals. They may be worthwhile, but they have nothing to do with the airport, and would lead to the types of attack discussed above. There is little to be gained in getting a bill approved by the Committee if it is rejected by the legislature on the grounds that it serves primarily the interests of the counties represented on the Committee, not the citizens of all counties.

The sole exception to your opposition to the road and transit amendments relates to the Faraway County proposal for a low-cost transit system based on the use of minivans, rather than conventional buses. The costs of experimenting with such a system for a few years are slight, and if it is successful, it could be rolled out more generally for the benefit of all counties not served or underserved by public transit. Indeed, you could state that if a pilot program test of such a system is promising, you will introduce a bill to provide state financing of the system wherever in the state it could be a cost-effective means of serving the transit needs of Ames citizens.

### **Health Care for Faraway, Pancake, and Serenity Counties**

Your reaction to the various health care proposals is similar to your reaction to most of the road and transit proposals. You realize that the opioid epidemic, which is the concern underlying those proposals, is a major problem, both in human and financial terms, but you are unwilling to respond to that concern in a bill aimed at resolving the airport problem. If the Senators sponsoring the health care proposals are genuinely concerned about dealing with the opioid epidemic, you are willing to sponsor a bill to establish a state-supported opioid research effort, if those same Senators are willing to be co-sponsors.

### **Biotech Research Center**

Although the selection of a site for the biotech research center will not be included in the airport bill, it is certain to be a subject of discussion among Committee members. And, since both of the final candidates for the research center – Emerald City and Tidal Flats – are represented on the Committee, it is almost equally certain that the siting decision will play a role in the airport negotiations. It is simply too tempting as trading material to be ignored. Accordingly, you have thought hard about what position you should take on this issue.

Ultimately, it is your view that Emerald City and Tidal Flats are equally qualified to host the center. Emerald City is the home of several colleges and universities with highly respected science departments; Tidal Flats adjoins Eastport County, which is a renowned center of scientific research, mostly based at 2-3 world-class universities. (It is unclear why Eastport is not a candidate for the center; your speculation is that the universities could not agree on which of them should serve as center host, and that the Mayor of Eastport was unwilling to select one, rather than the other.)

Whatever the reason for Eastport's absence from the competition, in view of the equal qualifications of Emerald City and Tidal Flats, and your primary interest in getting agreement on a new airport, your decision which of them to support will be predicated on the effect of your support in bringing about such an agreement — and that you will not know until you see how the negotiations develop. (If your decision on this issue will not affect the outcome of the airport negotiations, you will support placing the center in Tidal Flats because of its proximity to the existing scientific research community in Eastport.

### **Other Issues**

Your position on any issues that arise unexpectedly should be governed by your primary interest in reaching an airport agreement that will be supported by at least five Committee members and will be passed by the state legislature.

In terms of process, it has occurred to you that not all discussions during this meeting need to occur in plenary session. Indeed it may be more efficient to work at times in smaller groupings, and it may be easier for you to get information or float options speaking to others one-on-one or one-on-two.

You should also be aware of the limited time available to the Committee to discuss and vote on S.B. 101. In your role as Committee Chair, you should have a plan for how you will move Committee members from a discussion of individual issues to a discussion and vote on an overall airport agreement that will (1) have the support of 5 Committee members, (2) stay within the \$500 million annual budget, and (3) be accepted by the state legislature. Doing so may require that you make use of all the skills you have acquired in your many years as an Ames state senator.

## A New Airport?

### Confidential Instructions for the Senator from Emerald County (Democrat)

While you would not want anyone to take your support for granted, you are strongly in favor of building a new international airport in Pancake County, which would be substantially closer to Emerald City than Curly Airport, which is 75 miles away. An expanded airport in Pancake County at the location of the existing Silver Dollar airport would be only 45 miles away from Emerald City. This would be a significant improvement that could lead to a major boost to the Emerald City economy, provided that direct access from Emerald City to the new airport is provided. A state commitment to build high-speed road access is thus essential to your support for a new airport. Almost equally important, for environmental reasons, is high-speed rail access to the airport from Emerald City. An important part of road access is at the beginning of the route from downtown Emerald City, where there is currently inadequate capacity for traffic crossing the Ames River. The long-planned east-west tunnel is the best remedy for that. It will require \$500 million in state funding, and will take at least four years to build, so construction should begin as soon as possible. This tunnel is necessary for Emerald City to take full advantage of any airport to the east, so you can argue it should be an integral part of any highway upgrade plan.

Another big win for the County (and you) would be securing agreement to site the proposed new state biotechnology research center in Emerald County. This facility is likely to bring 1,000 construction jobs and 500-600 permanent jobs, as well as hundreds of millions of investment dollars over time. Tidal Flats, which adjoins Eastport County, argues that the biotech center should be sited near the many prestigious Eastport universities, but Emerald City also has three prestigious universities, and land costs near Emerald City are much lower. The cost of living in Emerald City is also lower, and many surveys rate it as a nicer place to live. There is every reason to select Emerald City, and you are counting particularly on the support of the Committee Chair, a long-time friend, whom you have supported on countless issues in the past.

Ultimately, your primary interest is to get a new airport in Pancake County, with easy and fast highway and rail access from Emerald and other counties. You will vote only for an airport bill that contains those provisions. Also important are funding for the tunnel under the Ames River and siting of the new biotech research center in Emerald City. You have been a supporter of both those projects for many years, and your failure to achieve either has weakened your political support. It would be difficult for you to vote for an airport bill if you were not successful with at least one of these projects.

---

*This set of confidential instructions was written by Stephen Goldberg and Bruce Patton for the John F. Kennedy School of Government, Harvard University (HKS) as part of the "Teaching Legislative Negotiation Project." Funding for this exercise was provided by The William and Flora Hewlett Foundation. HKS exercises are developed solely as the basis for classroom use. They are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.*

Copyright © 2019 President and Fellows of Harvard College.



This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-nd/3.0/>; or, (b) send a letter to Creative Commons, 171 2nd Street, Suite 300, San Francisco, California, 94105, USA.

As far as other matters before the Committee, you support all those proposals included in S.B. 101, including those matters that direct the ATA to study various options, to the extent they can all be funded within the annual \$500 million budget surplus. Most deal with increasing access to the new airport, and maximum access is consistent with serving the citizens of Ames and insuring a profitable airport. The only financial proposal in the bill that is not for airport access relates to redeveloping Curly, and you accept the argument of the Senator from Tidal Flats that it should not be subject to the costs of restoring land that the state took to build an airport serving the citizens of all counties.

As for the proposed amendments to S.B. 101, your views are these:

### **Roads and Public Transit for Faraway, Pancake, and Serenity Counties**

You are opposed to all these proposals. They may be worthwhile, but they have nothing to do with the airport, and would lead to charges that they are in the bill to “buy” the votes of the senators from the counties involved, not to improve the airport. There is little to be gained in getting a bill approved by the Committee if it is rejected by the legislature on the grounds that it serves primarily the interests of the counties represented on the Committee, not the citizens of all counties.

### **Health Care for Faraway, Pancake, and Serenity Counties**

Your reaction to the various health care proposals is similar to your reaction to most of the road and transit proposals. You realize that the opioid epidemic, which is the concern underlying those proposals, is a major problem, both in human and financial terms, but you do not believe that problem should be addressed in a bill with a limited budget that is aimed at resolving the airport problem.

### **Summary of your interests and priorities**

Your primary interest is in obtaining agreement on a new airport in Pancake County to which your constituents will have high-speed highway and rail access. Other important interests are funding for the tunnel under the Ames River and siting of the new biotech research center in Emerald City.

In considering whether to vote for any proposed agreement for a new airport, you will have to decide whether that agreement, considered as a whole, contains provisions which would satisfy your constituents’ interests more than would the “no deal” alternative.

## A New Airport?

### Confidential Instructions for the Senator from Faraway County (Democrat)

You were elected a year ago after the former long-serving senator retired. Previously you were the founder and director of the Faraway Planning and Development Institute, a non-profit think tank and community activist organization which has argued for a major increase in state support for cultural, economic, and social service development in Faraway County.

In principle, you favor the construction of a new airport for Ames, as it clearly makes economic sense for the state. However, an equally important principle is that the overall plan must balance benefits to eastern Ames with benefits for the citizens of less developed parts of the state, especially in the northwest. A new airport in or near Eastport, some 100 miles from Faraway County, will benefit Faraway and the northwest only if passengers and goods departing or arriving at the new airport can travel speedily to and from Faraway. The existing auto route from Eastport to Faraway County doesn't meet this standard, as it is mostly two lanes, and winds through several towns along the way. Additionally, there hasn't been an active rail link to the northwest of the state for almost 100 years. Independent of an airport, this lack of access has severely limited development in the northwest. Accordingly, you plan to push hard for high-speed access between any new airport and Faraway County as a condition of your support, with a strong preference for both highway *and* rail access, as economists suggest there is a synergistic benefit to having both available. Obviously this access would also benefit the other counties (not represented on the Committee) crossed on the way to Faraway.

To take full advantage of improved access, and even existing opportunities, Faraway County desperately needs some kind of public transit system. Today there is no rail or bus transportation at all within Faraway County, and several studies have documented the significant impact of this on many families. Surprisingly, it was found that 60% of Faraway families have access to only one car, and 6% lack even that. (In comparison, for the rest of Ames excluding urban centers, those numbers are 30% and 3%, respectively.) Especially in a rural area, this limits the ability of multiple family members to have jobs, and restricts where they can look for work.

The Legislative Research Service, at your request, did an analysis which found that with an initial investment of \$20 million and an annual subsidy of only \$10 million, the County could buy 100 minivans,

---

*This set of confidential instructions was written by Stephen Goldberg and Bruce Patton for the John F. Kennedy School of Government, Harvard University (HKS) as part of the "Teaching Legislative Negotiation Project." Funding for this exercise was provided by The William and Flora Hewlett Foundation. HKS exercises are developed solely as the basis for classroom use. They are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.*

Copyright © 2019 President and Fellows of Harvard College.



This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-nd/3.0/>; or, (b) send a letter to Creative Commons, 171 2nd Street, Suite 300, San Francisco, California, 94105, USA.

hire drivers, and set up a system that offered basic transit coverage for the whole County. The LRS also estimated that this investment would pay for itself at least three times over within five years in terms of increased per capita income in the county and correspondingly reduced need for (state-subsidized) county services. Given that analysis, you will push as hard as you can on a commitment from the state for this funding.

You will also support the requests of Serenity and Pancake Counties for public transit assistance. Indeed, if three or more counties wanted to implement the Faraway County approach, they could probably achieve a volume discount of at least 10%, if not more. Alternatively, if there is a need to limit costs, this could be a pilot project, limited to Faraway County, aimed at determining the feasibility of the concept and its impact on per capita income in the area served.

Faraway County also has other important needs not directly related to a new airport, but that you believe should be addressed if you are to support such a major expenditure of state funds. A top priority for Faraway County is better health care. You desperately need more support for community clinics to help with maternity care, pediatrics, preventive services, cancer screening, mental health support, and especially addiction. More than half of Faraway County residents struggle to pay for basic health care, and the county lacks the funds to provide sufficient clinics, staff, and subsidies to provide that care. Faraway needs a one-time capital infusion of \$50 million, plus an additional \$25 million in annual support, to fund three additional clinics, in addition to the one clinic currently in operation. While Faraway County health care has been insufficient for decades, the opioid epidemic has pushed the system into crisis mode. So in addition, you need \$10 million annually to institute a program of opioid addiction prevention and treatment. (You also support the requests of Serenity and Pancake Counties for assistance in meeting their medical needs, albeit constrained by cost limitations.)

As far as the proposals contained in SB 101, including those that direct the ATA to study various options, you support nearly all of them to the extent they can all be funded within the annual \$500 million budget surplus. Most deal with increasing access to the new airport, and maximum access is consistent with serving the citizens of Ames and insuring a profitable airport. The access proposal that is most likely to be subject to attack on budgetary grounds is Emerald's request for a tunnel under the Ames River. The \$500 million cost of such a tunnel is higher than any other transportation expenditure, and even without the tunnel the residents of Emerald County will have high-speed road and rail access to the new airport. You will support the tunnel proposal if it does not create a budget deficit; otherwise you will have to oppose it, hoping that the Senator from Emerald County will realize that even without the tunnel, Emerald's interests will be better served by a new airport with easy access from Emerald County than by continuing to rely on Curly.

The only financial proposal in the bill that is not for airport access relates to redeveloping Curly, and you oppose that (unless it is necessary to obtain a 5-person majority for the airport). Tidal Flats has profited greatly over the years from the presence of Curly, and it should not be necessary for residents of other counties to pay for the costs associated with redeveloping Curly.

On the remaining issues, you don't care a lot about where the state sites a new biotech research

center, but on principle you like the idea of putting it in Emerald City, just because it's not Tidal Flats, which you think is overreaching in seeking compensation for losing Curly. You will ultimately support the choice which will most increase the likelihood of obtaining a 5-person Committee majority for the new airport.

### **Summary of Your Priorities**

In sum, your primary interest is in having the new airport built with adequate road and rail access to and from Faraway County. Other issues that are important to you are funding for the health care so desperately needed by many of your constituents, as well as funding for your inventive, low-cost minivan public transit system.

In considering whether to vote for any proposed agreement for a new airport, you will have to decide whether that agreement, considered as a whole, contains provisions which would satisfy your constituents' interests more than would the "no deal" alternative.

## A New Airport?

### Confidential Instructions for the Senator from Pancake County (Republican)

You have not publicly taken a position on the question of a new airport, because your constituency is divided, and because you anticipate being able to negotiate a better deal for Pancake County if no one takes your agreement for granted.

Many assume that Pancake will be eager to be the site of a new airport because Pancake is a relatively poor county comprised primarily of farms and cattle ranches that are increasingly struggling with drought. In fact, there is considerable truth in that assumption. Most of those who would be displaced by expanding Silver Dollar Airport are ready to sell for a fair price.

On the other hand, many Pancake County residents are less than enthusiastic about a huge increase in the noise of airplanes taking off and landing at all hours, as well as air pollution from flights and increased traffic. Another important opposition group consists of those farmers and ranchers who will not be displaced by the Silver Dollar expansion, and who want to continue in their agricultural way of life, both because it has been the mainstay of their families for generations, and because they believe that under the right conditions, doing so can still be sufficiently profitable that they can remain on the family land.

On balance, you have concluded that having the new airport located in Pancake County will be a net benefit to the county and the state. Accordingly, you have decided to support the expansion of Silver Dollar Airport, although you do have reasonable conditions for doing so. Both you and your constituents believe strongly that the county should be compensated for taking on the burden of a project that will benefit the entire state, and that other counties would certainly pay to avoid.

One important issue for Pancake County, like many rural areas in the state, is health care that is inadequate and overwhelmed by almost any measure. While Pancake County health care has been insufficient for decades, the opioid epidemic has tipped it into crisis mode, with doctors and facilities completely overwhelmed. You would like the state to fund the construction and operation of two additional clinics (\$50 million up front, and \$25 million annually thereafter) and increase staff for the

---

*This set of confidential instructions was written by Stephen Goldberg and Bruce Patton for the John F. Kennedy School of Government, Harvard University (HKS) as part of the "Teaching Legislative Negotiation Project." Funding for this exercise was provided by The William and Flora Hewlett Foundation. HKS exercises are developed solely as the basis for classroom use. They are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.*

Copyright © 2019 President and Fellows of Harvard College.



This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-nd/3.0/>; or, (b) send a letter to Creative Commons, 171 2nd Street, Suite 300, San Francisco, California, 94105, USA.



hospital to expand the emergency department and add a few needed specialties (\$25 million up front, plus \$15 million per year thereafter).

Another Pancake County interest is to receive state assistance for the repair and upgrading of the county roads in the vicinity of the proposed new airport. SB101 provides funding for high-speed access roads to and from the airport, but there is no provision for repair and upgrades of the local roads near the airport, which will undoubtedly carry vastly more traffic than they did when the area around Silver Dollar was primarily agricultural. Whatever may be said of the demands of the other rural counties for assistance with road repair and upgrade, Pancake's demand is directly related to the airport. The airport will benefit the entire state, and its local road expenses should not be borne entirely by Pancake. Road repairs and upgrades in the area surrounding the airport would require a minimum of \$50 million, although that amount could be provided over years 2-5 of SB 101.

In addition, for \$30 million up front and \$15 million per year thereafter for operating expenses, the county could purchase enough buses to create an adequate public transit system. (You would be willing to accept the proposed Faraway County plan to use minivans for public transportation in lieu of your plan, if the Faraway system were more appealing to the Committee.)

As far as the proposals contained in SB 101, including those that direct the ATA to study various options, you support nearly all of them to the extent they can all be funded within the annual \$500 million budget surplus. Most deal with increasing access to the new airport, and maximum access is consistent with serving the citizens of Ames and insuring a profitable airport. The access proposal that is most likely to be subject to attack on budgetary grounds is Emerald's request for a tunnel under the Ames River. The \$500 million cost of such a tunnel is higher than any other transportation expenditure, and even without the tunnel, the residents of Emerald County will have high-speed road and rail access to the new airport. You will support the tunnel proposal if it does not create a significant budget deficit; otherwise you will have to oppose it, hoping that the Senator from Emerald County will realize that even without the tunnel, Emerald's interests will be better served by having a new airport with easy access from Emerald County than by continuing to rely on Curly.

The only financial proposal in the bill that is not for airport access relates to redeveloping Curly, and you oppose that (unless it is necessary to obtain a 5-person majority for the airport). Tidal Flats has profited greatly over the years from the presence of Curly, and it should not be necessary for residents of other counties to pay for the costs associated with redeveloping Curly.

On the issue of where to site a new state biotechnology research center, you prefer Emerald City over Tidal Flats. Emerald is at least as good a candidate, and the economic boost resulting from placing the center in Emerald City is more likely to spill over into nearby Pancake County than would be the case if the center were placed in Tidal Flats. All that said, this issue is less important than your other interests.

### **Summary of Your Interests and Priorities**

In sum, your primary interest is in having the new airport built with adequate road and rail access to and from Pancake County. You also have a strong interest in state financial support for road repairs and

public transit in Pancake County, as well as in financial assistance in dealing with the effects of the opioid epidemic

Ultimately, you will support and vote for a proposed agreement for a new airport in Pancake County only if you decide that agreement, considered as a whole, contains provisions that would satisfy your constituents' interests more than would the "no deal" alternative.

## A New Airport?

### Confidential Instructions for the Senator from Serenity County (Republican) Ranking Minority Member

The great majority of your constituents (including the bulk of your funders and supporters) oppose a new airport in Pancake County. A good portion of the county is rural, devoted to farming, timber, horses, country homes, and tourism, with a thriving network of small hotels, B&Bs, and garden inns. For these folks, an airport nearby offers few or no benefits. To the contrary, the noise and environmental pollution of airplanes flying at low altitude as they take off from an international airport just across the county line in Pancake is viewed by many of them as threatening their livelihoods.

All in all, you will be seen as a hero if you are able to engineer a no-agreement outcome to this negotiation. But that will require finding a way to get at least one other Senator to vote against the new airport. Your staff's analysis suggests that the most likely "no" votes would come from Tidal Flats County, which will lose the economic benefits of Curly Airport if it is replaced; Faraway County, which is too far away from a new airport in Pancake County to benefit much from it, even with better access; and even Pancake County itself, since its population, many of whom are farmers, may not be thrilled at the prospect of being the site of a major new international airport. Additionally, Faraway and Pancake are rural counties like Serenity, and may have other interests in common with Serenity. Accordingly, you will connect early with the Senators from each of these counties to see who might be willing to join you in a "no" vote.

Of course the danger of open opposition to a new airport is that if you are not successful in blocking it, other Committee members may decide to approve a new airport without any consideration of the interests of your constituents. That could be a disastrous outcome for both the County and you personally. So your challenge is somehow to maximize the chances of no agreement while ensuring that if any agreement is reached, it meets your county's interests to the extent possible.

Perhaps the best strategy for walking this tightrope would be to maintain a public position of seriously considering backing a new airport if the needs of Serenity County are sufficiently taken into account. Surely it would be unfair to ignore the needs of a county that will be significantly impacted by a new airport next door, when those needs could be satisfied at a small fraction of the cost of building the new airport.

---

*This set of confidential instructions was written by Stephen Goldberg and Bruce Patton for the John F. Kennedy School of Government, Harvard University (HKS) as part of the "Teaching Legislative Negotiation Project." Funding for this exercise was provided by The William and Flora Hewlett Foundation. HKS exercises are developed solely as the basis for classroom use. They are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.*

Copyright © 2019 President and Fellows of Harvard College.



This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-nd/3.0/>; or, (b) send a letter to Creative Commons, 171 2nd Street, Suite 300, San Francisco, California, 94105, USA.

High on the list of Serenity County needs that could be met by the Committee is an improved transportation system. Despite being the second largest county in the state (by land area), as well as having hilly, difficult-to-access terrain, Serenity County has many roads and bridges in need of upgrades, and no public transit system. These factors limit development and job opportunities. \$50 million for road and bridge repair would be useful, as would a public transit system, which would expand job opportunities and otherwise ease life for many poorer and older residents of Serenity County. Your inquiries have indicated that an adequate public transit system could be set up with an initial expenditure of \$40-60 million to purchase buses, and a subsequent annual operating subsidy of \$20 - 30 million. (You would be willing to accept the proposed Faraway County plan to use minivans for public transportation in lieu of your plan, if the Faraway system were more appealing to the Committee.)

Health care is another critical area of need. Serenity County has only one small hospital and no community clinics at all. Both the hospital's emergency department and many primary care doctors are completely overwhelmed dealing with the opioid epidemic. Health care in Serenity County could be improved dramatically by building 3 community clinics to expand capacity, ease access, and reduce the burden on the hospital's emergency room. This would require a one-time investment of \$50 million, plus ongoing annual operating support of \$25 million. You also join in Faraway County's request for \$10 million annually to institute a program of opioid addiction prevention and treatment, and will support the requests of both Faraway and Pancake for other health care assistance.

In view of the common concerns of Serenity, Pancake, and Faraway Counties, you might suggest that Pancake and Faraway join you in advising the Committee Chair that you will support a new airport only if your demands for state aid for transportation and health care are met (even though ultimately you will not support the airport even if these demands are met).

As far as the proposals contained in SB 101, including those that direct the ATA to study various options, you will support all of them, hoping that by doing so, you will gather support for your demands on transportation and health care. There is likely to be opposition to the Tidal Flats request for funds for redeveloping Curly, based on the view of some Senators that Tidal Flats has profited greatly over the years from the presence of Curly, and it should not be necessary for residents of other counties to pay for the costs associated with redeveloping Curly. Still, you will support Tidal Flats on this issue, hoping that will ensure Tidal Flats' support of your transportation and health care demands. Additionally, if the Committee does not provide the funds Tidal Flats seeks, Tidal Flats may reward your loyalty by voting with you against the new airport.

### **Other Issues**

You don't really care where the state sites a new biotech research center, but you can vote in such a way as to increase the obstacles to reaching an agreement. If, for example, this is a crucial issue for Emerald County, and you vote for placing the center in Tidal Flats, that might lead Emerald to vote against the airport. That, together with your vote, would result in the absence of a 5-person majority. Similarly, if the issue is crucial for Tidal Flats, and you vote for placing the center in Emerald, that could lead Tidal Flats

to vote against the airport, also making a 5-person majority impossible. Perhaps you should see how the discussion progresses before deciding how to vote on this issue.

### **Negotiation Dynamics**

Knowing how important process is to negotiation outcomes, especially when there are multiple parties, one approach that might help meet your goal of blocking agreement is to focus on promoting plausible, but unhelpful processes. For example, you might invite people to share their key “must-haves” early on in negotiation with the ostensible purpose of “mapping the terrain of interests,” but actually hoping to lock parties into irreconcilable positions. Or you could promote polarizing frames, for example, by asking to discuss criteria by which to decide whose interests should be “sacrificed” and whose should “prevail.” Perhaps you could even volunteer to facilitate!

### **Summary of Your Interests**

In sum, although your public position is likely to be that of supporting the new airport if the legitimate demands of Serenity County are met, your central interest is in blocking the airport, and you have several tools at your disposal to do so. A secondary interest, if you are unable to block the airport, is that any airport agreement provides Serenity County with funding for road repair, public transit, and health care assistance.

### **Post-negotiation Negotiation!**

If the new airport is approved despite your “no” vote, and there is any benefit that Serenity County demanded but did not receive, and other Committee members did receive (public transit financing, for example), you should consider telling the Chair, after the vote approving the airport, that you will change your vote to “yes” in exchange for him/her meeting your demand. If your demand would not result in a budget deficit, satisfying it would appear to be win-win – the Chair gets a unanimous vote for the airport, which should help in obtaining legislative approval, and you get an additional benefit for your constituents. Worth trying!

## A New Airport?

### Confidential Instructions for the Senator from Tidal Flats County (Democrat)

You are in a delicate position in this negotiation because your constituency is sharply divided. One group includes many of the businesses and individuals who profit directly or indirectly from the presence of Curly Airport in Tidal Flats. They are strongly opposed to state funding of a new airport to replace Curly, which they believe would bring an abrupt end to the benefits they gain from its presence. This group is well organized, well-funded, and outspoken in its opposition to a new airport. It is due to its activities that the public view — and probably the view of the other Senators on the Committee — is that you will vote no on any proposal for a new airport.

There are, however, two groups of constituents who are urging you to support a new airport. One group consists of those county residents who live near the airport, and who have been complaining for years about the noise of aircraft passing overhead as well as about the pollution resulting from those aircraft. In the past, this group has not been powerful enough to have any significant effect on discussions about Curly's future, but it has been strengthened by the many Eastport University faculty members who have moved to Tidal Flats in recent years (because of the high cost of Eastport housing), and who take a passionate interest in the environment. This group, in addition to complaining about airport noise and pollution, is concerned about the negative effect of Curly on the wetlands to the east of the airport, which it views as an increasingly important ecological treasure that needs to be restored and protected in an era of rising seas.

Finally, there exists a third group, composed of influential business persons in Tidal Flats (including many leaders of the Chamber of Commerce). It is the view of this group that Curly's days are numbered, regardless of whether or not the pending proposal for a new airport succeeds. As Curly's limited capacity becomes more and more of a check on its ability to serve Eastport, and the exorbitant costs of expanding Curly become more and more evident, Tidal Flats' power to defeat a new airport proposal will decrease. Hence, this group believes that if Tidal Flats wants to receive significant benefits in exchange for its support of a new airport, now is the time to negotiate. They also believe that in the medium and long term, the county's economic development will have more upside potential by using the land at Curly's prime location for other kinds of business and residential activity.

---

*This set of confidential instructions was written by Stephen Goldberg and Bruce Patton for the John F. Kennedy School of Government, Harvard University (HKS) as part of the "Teaching Legislative Negotiation Project." Funding for this exercise was provided by The William and Flora Hewlett Foundation. HKS exercises are developed solely as the basis for classroom use. They are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.*

Copyright © 2019 President and Fellows of Harvard College.



This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-nd/3.0/>; or, (b) send a letter to Creative Commons, 171 2nd Street, Suite 300, San Francisco, California, 94105, USA.

You tend to agree with the political analysis of this third group, although for reasons of both negotiation strategy and constituent relations, you have not revealed that publicly. Although you are not certain how the other members of the Committee will vote, you think that there is at least a possibility of two “no” votes. One such vote might come from Serenity County, which is located next to Pancake County, and whose well-to-do residents are unlikely to be pleased at the prospect of the airplane noise, air pollution, and increased automobile traffic that would result from an adjacent airport. A second “no” could come from Faraway County, which is sufficiently distant from the proposed Pancake County airport that such an airport is unlikely to provide it with any significant benefit. If either Faraway or Serenity County votes no, the Chair will need Tidal Flats to have the 5-county majority it needs. Under these circumstances, you should be able to obtain from the Chair and other airport supporters sufficient benefits for Tidal Flats in exchange for its support of a new airport that agreement on such an airport will be regarded as a great victory by many of your constituents, and at least palatable to the remainder. In the alternative, if you are not satisfied with the benefits offered in exchange for a “yes” vote, you should be able to vote against the new airport in good conscience and with a solid explanation for your constituents, even if that sinks the airport project.

You presently intend to seek, in exchange for a vote in favor of the new airport:

1. \$125 million in state aid for redeveloping Curly as a small, all-business and private aircraft airport. Doing so would be popular with those currently doing business at Curly, as well as with Tidal Flats businesses and professionals who would retain the advantages of a nearby airport. Your informal conversations with some of the likely tenants of a redeveloped Curly Airport have indicated that they would not object to reasonable limitations on airport capacity, hours of operation, and airplane flight paths, all of which would reduce the concerns that Curly neighbors have had with the existing airport. This approach would also obviate the need for any runway extensions.
2. \$75 million in state aid for turning the rest of Curly’s former footprint into a business park, anchored by the new biotech research center, but also suitable for start-ups and other small and medium-sized businesses, as well as some commercial and retail space. Without a prominent anchor to attract people to the business center, its chances of success will be markedly less, and the new biotech research center would be ideal as such an anchor, with its 500-600 employees and a stream of visitors.
3. Tidal Flats is more than qualified to be the site of the new biotech research center. To be successful, the new research center must be appealing to top researchers, and Tidal Flats fulfills that need. The prestigious Eastport universities are essentially next door, providing both colleagues and graduate student assistants for researchers at the center. Furthermore, Tidal Flats is an appealing place for professionals to live, as the recent influx of Eastport University faculty to Tidal Flats makes plain. Tidal Flats’ residential appeal will become even greater when the wetlands restoration plan you propose (see below) is underway.
4. In order to ensure the support of environmentalists in Tidal Flats County (as well as across the state), you will seek a substantial environmental grant (\$50 million this year, plus \$12.5 million a year for the next four years) to repair the wetlands damage done by Curly in the past, and to develop the wetlands as a tourist attraction where visitors could view migrating birds and animals that thrive in healthy wetlands.

As far as the proposals contained in SB 101, including those that direct the ATA to study various options, you have no objection to any of them, with the exception of Emerald County's request for a tunnel under the Ames River. The \$500 million cost of such a tunnel is higher than any other transportation expenditure, and even without the tunnel, the residents of Emerald County will have high-speed road and rail access to the new airport. Additionally, funding the Emerald County \$500 million tunnel would very likely lead to a sizeable budget deficit, making the funding you seek impossible. In sum, you will support the \$500 million tunnel proposal only if all of your proposals are funded, and the new biotech research center is sited in Tidal Flats County.

On the remaining issues, you are inclined to tell the Senators from Serenity, Pancake, and Faraway that you will support their health and transportation proposals if they will support your proposals for Tidal Flats. (In fact, you will vote against the Serenity-Pancake-Faraway proposals if the Committee Chair asks you to do so in exchange for his/her support of your demands for Tidal Flats).

### **Your Interests and Priorities**

Your central interest is to obtain an outcome that will be regarded as a victory by your constituents. You are confident that an agreement for a new airport will do that if it satisfies all your demands, including the siting of the new biotech research center. You further believe, although with less certainty, that if you refuse to accept an offer that does not assure a solid future for a redeveloped Curly, you will be regarded by your constituents as having made the right choice.

Ultimately, in considering whether to vote for any proposed agreement for a new airport, you will have to decide whether that agreement, considered as a whole, contains provisions which would satisfy your constituents' interests more than would the "no deal" alternative.



## A New Airport? Assignment Matrix

Group	Senator from Eastport Co.	Senator from Emerald Co.	Senator from Faraway Co.	Senator from Pancake Co.	Senator from Serenity Co.	Senator from Tidal Flats Co.	Formal Neg. Begins	Location
I								
II								
III								
IV								

*This exercise was written by Stephen Goldberg and Bruce Patton for the John F. Kennedy School of Government, Harvard University (HKS) as part of the "Teaching Legislative Negotiation Project." Funding for this exercise was provided by The William and Flora Hewlett Foundation. HKS exercises are developed solely as the basis for classroom use. They are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.*

Copyright © 2019 President and Fellows of Harvard College.



This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-nd/3.0/>; or, (b) send a letter to Creative Commons, 171 2nd Street, Suite 300, San Francisco, California, 94105, USA.



1/8/2019

**New Airport Analysis Spreadsheet** Group Number \_\_\_\_\_ Name of Chair \_\_\_\_\_

Number of Members in favor of New Airport					
<b>DETAILED BUDGET (State Funding)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Airport Construction	\$250				
Eastport Road Access					
Eastport Rail Access					
Emerald City Road Access					
Emerald City Rail Access					
Emerald City Ames River Tunnel					
Faraway Road Access					
Faraway Rail Access					
Curly Redevelopment					
Curly Wetlands Restoration					
Faraway Public Transit					
Pancake Public Transit					
Serenity Public Transit					
Pancake Road Repair/Improvement					
Serenity Road Repair/Improvement					
Faraway Health Care					
Pancake Health Care					
Serenity Health Care					
<b>TOTAL ANNUAL STATE FUNDING</b>	<b>\$250</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Biotech Center					
Other Comments					

*This exercise was written by Stephen Goldberg and Bruce Patton for the John F. Kennedy School of Government, Harvard University (HKS) as part of the "Teaching Legislative Negotiation Project." Funding for this exercise was provided by The William and Flora Hewlett Foundation. HKS exercises are developed solely as the basis for classroom use. They are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.*

Copyright © 2019 President and Fellows of Harvard College.



This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-nd/3.0/>; or, (b) send a letter to Creative Commons, 171 2nd Street, Suite 300, San Francisco, California, 94105, USA.