

# Understanding Legal Challenges Facing Businesses Today

By Nick Keppler

During the past year, Babst Calland has been helping to navigate both the practical obstacles in the legal process and general anxiety among clients, said Donald C. Bluedorn II, managing shareholder of the downtown law firm, recognized for its work in environmental, energy and corporate law.

“It’s obviously an understatement to say the last year has been very challenging for all of us,” Bluedorn said in a conversation with the Pittsburgh Business Times. “Our clients have had to adapt in the face of the pandemic and its economic impacts, and of course, we did too.” Add to all of that, a new federal administration that commenced changes in energy policy and regulation in the name of climate change.

“There were a number of legal challenges that we had to work through quickly with clients. There were changes in the substantive legal area and the way things were done,” said Bluedorn. “For example, courts were closed. How do you maintain litigation and do discovery and engage with witnesses while courts are closed?” Babst Calland also does a lot of environmental work. The offices that issue permits necessary for environmental testing were temporarily delaying some of that work. In many cases, deadlines were suspended.

Like every other workplace, Babst Calland’s clients also faced sudden and jarring disruptions to the most basic aspects of their workplaces, including having a communal environment.

“Obviously, a number of our clients had direct issues associated with the pandemic,” said Bluedorn. Early on, these included questions of “how do they deal with people working at home and how do they decide who needs to be in the office and who doesn’t,” said Bluedorn.

Now many have moved on to issues associated with when it is safe to come back and how to strike a balance in discussing the need to come back into the office while some employees may have reservations about coming back into the office. “We spent a lot of time counseling clients on those things,” said Bluedorn.

## Responding to a New Business Dynamic

There was also the more abstract demand of recognizing that clients were stressed, “dealing with the fact that they might be worried about the virus and about the effects of the economy, on their personal life and then understanding how that might translate into their professional capacities.”

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**Donald C. Bluedorn II**  
 Managing Shareholder  
 Babst Calland

going through a lot of changes, and respond to their special needs – whether it was something in their personal lives or whether there were business challenges that they were facing. We had to be sensitive to that,” Bluedorn said, “and that’s one of the things that we pride ourselves on is understanding what the client really needs and then bringing that to the table as opposed to just answering a legal question or just being another lawyer.”

In his discussion with the Business Times about how client priorities have changed or shifted in the past year, Bluedorn spoke about the value clients place on their trusted legal counselor, especially during the pandemic. “Because of all the stresses placed on clients, they really started to talk with us about other issues that they may have handled themselves pre-pandemic,” said Bluedorn.

Other recent issues for the firm’s clients include a continued emphasis from clients’ areas of focus such as diversity, equity and inclusion. “This continues to be a focus for clients in providing legal services, and something that our firm takes very seriously and have taken significant steps to try to improve consistently,” said Bluedorn.

## New Developments in the Energy Sector

“We started to see a downturn in the energy sector, particularly here in the Marcellus region [and] nationwide in late 2019,” said Bluedorn. “That accelerated during the pandemic. People were staying at home. They weren’t using as much energy. As we come out of the pandemic, there still are depressed prices. In many markets, gas is still below three dollars. Oil is doing a little bit better over time, but there are a number of challenges.”

He noted that recently, the board of Exxon Mobil voted to embrace some policies that would pivot the company towards diversifying by investing in renewables. “All of this is causing a lot of angst in the energy market,” said Bluedorn.

His clients are divided between those who want to “focus on the basics of the business” as they emerge from the pandemic economy and those who embrace the spirit of Exxon Mobil’s new approach. Some fossil fuel clients “recognize the

opportunities — some would say the need — to be able to provide renewables as well,” Bluedorn said. “We have a team that works on that, and clients are starting to figure out: how to marry those two, if you will, between the existing choices of energy that we’ve always used and relied on with the potential new forms of energy and the ability to market those.”

## Legal Technology and Alternative Legal Services Providers

Alternative legal services providers, or ALSPs, is a term for a professional service provider that offers an array of information technological solutions for lawyers. They are essentially complementing the workloads for law firms to enable more efficiency through the use of technology. Babst Calland’s longstanding affiliation with the local ALSP Solvaire gives the firm a track record of experience in this area.

“It’s another way to provide legal services at lower cost and typically in unique areas, and on certain types of projects,” said Bluedorn. ALSPs are best utilized for “something that’s very document-intensive where you may not need all of the highly-focused experience or all the sophistication of the lawyer.”

ALSPs can also offer a layer of oversight. For example, Babst Calland assisted a pipeline company in an acquisition. The company being acquired had assumed that all the rights of way, the legal permissions to pass substances through the various places through which the pipeline snaked, would transfer with the pipeline itself. A few days before the deal was to be finalized, the clients asked the firm to review the vast amount of paperwork to ensure the rights of way were in order.

“We took our team, and we took the artificial intelligence capacity offered through Solvaire Technologies and we put those two together and, over the course of the weekend, identified that there was a significant subset of the documents that would not transfer the rights of way,” said Bluedorn. “So what our client thought they were buying was different than what they were actually buying.” This led to a multimillion-dollar reduction in the acquisition price.

Through Solvaire, the firm was able “to answer a question that, quite frankly, five years ago people could not have marshaled enough bodies to review that quickly,” Bluedorn said.

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