

Promoting Positive Safety News -- The American Ref-Fuel VPP Experience

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INTRODUCTION

American Ref-Fuel has a documented record of being a safety leader in our industry. In fact, American Ref-Fuel is only the third company of *any* industry to have all of its operating facilities designated as Voluntary Protection Program (VPP) Star worksites by the U.S. Occupational Safety and Health Administration (OSHA). While we we're proud of our safety accomplishments, this has presented a whole new challenge -- namely how to promote this message to a media and public who may be largely indifferent to our safety practices unless there is a major problem. This paper examines the company's rationale for pursuing publicity of our safety record as well as detailing implementation of that strategy to date.

WHY THE 'SAFETY FIRST' PHILOSOPHY EXISTS

Providing safe working conditions for employees and instilling work habits to help employees protect themselves and others are the right things to do, period. The moral and ethical values of individuals and companies dictate that accidents and injuries can, and should, be avoided. From a business standpoint, the cost of safe work practices need only to be contrasted against today's spiraling medical and legal costs to see the positive impact safety can have on the bottom line. A third consideration -- which incorporates both the ethics and business sense of the company -- is image. If a company is perceived in its market and the community it serves as being extremely safe (or unsafe), there will likely be associations made between that and other attributes of that same company.

So if safety is such a universally accepted concept, why are there so few "good news" stories about it? Why does the notion of an OSHA visit bring sweaty palms? Why do companies who accept, or are forced to accept, blame for accidents, not aggressively promote that fact they often take extraordinary efforts to prevent accidents and injuries? Some of these answers lie in the conventions of safety reporting, the nature of the media and its customers, a shortsighted view of OSHA's role and an underestimated value of what public relations can mean on this topic.

AMERICAN REF-FUEL AND THE VPP

According to OSHA, the Voluntary Protection Program was created in recognition that compliance enforcement alone can never fully achieve the objectives of the Occupational Safety and Health Act. Good safety management programs that go beyond OSHA standards can protect workers more effectively than simple compliance. VPP participants are a select group of facilities that have designed and implemented outstanding health and safety programs. Being designated as a Star participant means a company has met all VPP requirements. In OSHA's own words, "The VPP application process is designed to be rigorous, to assure that only the best programs qualify." The numbers back up the agency's claim. Of the six million worksites OSHA is responsible for monitoring, fewer than 300 have been designated as Star sites. When American Ref-Fuel received the Star designation at our Niagara Falls, New York facility in March of 1996, we joined Mobil Chemical (19 sites) and Aurora Meat Packing (2 sites) as the only companies in America with all of its multiple operating locations as Star sites. In addition to having the first waste-to-energy plants named as VPP stars, we believe that we are the youngest company to ever attain the VPP Star and that our Southeastern Connecticut plant has the fewest employees of any VPP Star site.

American Ref-Fuel first became involved in VPP when Nancy Adam's OSHA's Long Island area director encouraged Hempstead plant officials to participate. After attending a conference hosted by the VPP Participant's Association, American Ref-Fuel representatives saw the benefits of the program and how well it dovetailed with our collaborative culture that encourages employees to "think like owners." The next step was to create a task force to perform a self-assessment of how the Hempstead facility stood with regard to OSHA requirements and determine actions needed to bring the plant to VPP standards. More than 100 items were identified. The plant manager and safety supervisor then organized a kickoff rally where they invited a representative from Hoechst Celanese, a VPP mentor company, to explain the benefits of the program. Among those benefits are improved employee motivation to work safely, yielding better quality and productivity; reduced workers' compensation costs; community recognition; and generally 60 to 80 percent fewer lost workday injuries.

The OSHA Region 2 office examined records, training plans and other documentation. An examination team toured the plant, interviewing employees from across the entire plant staff to determine management commitment and employee participation in the safety process. As James Stanley, deputy assistant to the Secretary of Labor explained, "We look at companies where the overall philosophy is that employees are an asset, not just a cost."

The Hempstead plant was designated as a Star site in October of 1994. We were then able to build on this success with subsequent Star recognitions at Southeastern Connecticut in May of 1995, at Newark, New Jersey in August of 1995 and Niagara Falls, New York in March of 1996. American Ref-Fuel has since acquired the SEMASS facility in Rochester, Massachusetts. Our goal is to apply our safety culture and the lessons learned at our other facilities to make that plant a Star facility as well.

One example of how this attention to safety is reflected on the bottom line is in the area of worker's compensation coverage. The National Council on Compensation Insurance, Inc. calculates an annual rating on behalf of the insurance industry. One statistic used is an experience rating modifier (ERM) where an average company in a given industry is given a factor of 1.0. A higher or lower factor results in a higher or lower premium. Based on our favorable history, American Ref-Fuel's ERM factor is .77, resulting in a 23 percent credit on our base premium. Translated into dollars, that one fact alone is worth an annual savings to our company of approximately \$155,000.

SPREADING THE NEWS -- WHY WE WANT PEOPLE TO KNOW WE'RE SAFE

Shouldn't we be satisfied that our people are returning home safely each day and that the company is saving money as a result? As someone who has spent his career in media and public relations, my answer is a definite no. There are several reasons to, in the parlance of the trade, "go positive" with this news. Among these are the opportunity it presents to report safety rather than lack of it, the chance to enhance relationships your employees and other stakeholders, the ability to counteract other types of media attention, the concept of "success by association" and to help satisfy an overall "thirst" for information.

Safety is something we have done well throughout our company's existence. The difficulty has been finding a way to state that fact in a positive sense. The reality is that safety reports are most often quoted in injury statistics, time lost due to accidents or other quantifiable terms that measure the

exceptions to safety. As few as these incidents may be, they still don't present a positive message to an outside audience. Imagine a news release that begins, "XYZ company is proud to announce that only four people were hurt on its premises last quarter..." The elite nature of the VPP Star program, on the other hand, presents clear evidence that the company puts a high priority on safety, and delivers on that commitment.

In the evaluations American Ref-Fuel has received on our VPP applications, the OSHA personnel have always given us high marks for the level of employee involvement in the safety process. The employee input has been valuable in other ways as well. They are often the ones who present the image of our company. For instance, since our Hempstead plant began processing waste in 1989, more than 18,000 visitors have toured the plant. While there are more formal aspects of the tour, such as a video in the conference room, the more favorable comments usually have to do with how knowledgeable and friendly our crane operators and other plant personnel have been toward the guests. The VPP status gives these employees an extra sense of pride. This is further underscored by the fact that every time the company has been received a Star designation, there has been a big recognition dinner for all plant employees and spouses to gather and celebrate.

Our stakeholders extend beyond the realm of our employees. Community leaders attend our VPP events to congratulate our people and to share in the limelight of the positive image this casts on the community at large. In Connecticut, the state's Business and Industry Council has followed OSHA's lead in presenting its annual Safety Award to American Ref-Fuel's Southeastern Connecticut facility in Preston. Because American Ref-Fuel is a joint venture company of Browning-Ferris Industries, Inc. and Air Products, Inc., these two investor organizations have also been able to report our safety success to their stockholders and analysts who track their companies.

Garnering media attention has been more of a challenge. There certainly seems to be more "news" value to accidents and injuries than there is to prolonged periods of safe operation. As one television news reporter succinctly put it, "We don't cover airplanes that don't crash." We have, however, been able to "bridge" to our safety success and the VPP recognitions when talking to the media on other issues. For example, our Niagara Falls manager was a guest on a radio program where he had the opportunity to talk about safe disposal of citizens' discarded propane tanks. From an American Ref-Fuel perspective, the concerns about the tank disposal meshed well with a discussion of our safety culture and how this was a prime example of how that culture also looks after the best interests of the community.

We were able, with news releases and follow-ups, to get coverage of the Star site ceremonies in several local newspapers in the host communities of our plants. While the articles were not extensive, the benefit of getting positive news on file at a newspaper is that it tends to stay on file. In today's newsroom, the classic newsroom "morgue" of old clippings has been replaced by an electronic version where a reporter writing a story on any given company can retrieve previously written information with just a few keystrokes. Therefore, companies should make a conscious effort to see that newspapers' file information grows to be a more of a listing of accomplishments than a listing of instances where the company has been in the news for some form of violation or public controversy.

The "success by association" is a twist on the old phrase "guilt by association." The type of industrial safety covered by OSHA differs from what is usually meant when people ask, "Is this plant safe." The latter is usually a reference to environmental standards. Still, there is a natural tendency for people to link the two. They may be right. In both cases, a successful outcome is the result of competent design,

diligent attention to proper operation and overall atmosphere of pride of ownership. In both its organizational structure and its list of core principles, American Ref-Fuel links safety and environmental protection. Personnel in both departments report to a the same vice president. Both criteria are also considered among the bonus calculations for all operations employees. The ripple continues outward beyond safety and environmental protection. Three of our VPP sites have received awards in the Solid Waste Association of America's Waste-to-Energy Excellence Awards competition, as well as capturing numerous other accolades.

A final point on our opportunity to publicize our VPP Star participation has do with industry press. While we often hear about "information overload" and similar terms, modern communication capabilities have actually brought about a greater thirst for information to provide content for specialized or "niche" publications serving virtually every interest group imaginable. The waste and power industries are certainly no exceptions, with dozens of publications covering each. American Ref-Fuel has met with some success in promoting our VPP participation through these channels. We've then been able to compound this opportunity via reprints that we've used in our own promotional materials. These specialized publications also offer the benefit of reporters who are knowledgeable about our company and our industry, and who can produce articles in substantial detail. Their coverage is both a reward to our employees who deserve this tribute and a message to a broader audience who may sense a greater credibility when reading this information from a source outside of the company.

CONCLUSION

Certainly, safety is an issue that concerns us all. It's also an area where the small story can tell the big story in terms of conveying a company's attitudes and practices. American Ref-Fuel has parlayed our protection in the OSHA VPP Program into greater recognition for its employees, while attracting "good news" coverage of the waste-to-energy industry in a variety of publications. Industry opponents will continue to use the media as a forum and the more favorably inclined trade press will have ongoing needs for industry related story ideas. Given this scenario, it appears imperative that members of the waste industry consciously adopt strategies to promote positive events.