

STATEMENT OF KELLI HEFLIN
BEFORE THE SENATE COMMITTEE ON HEALTH, EDUCATION,
LABOR AND PENSIONS

April 27, 2010

Good afternoon, Chairman Harkin, Ranking Member Enzi and members of the HELP committee and thank you for the opportunity to speak on behalf of Scott's Liquid Gold-Inc., a small manufacturing company located in Denver, Colorado. My name is Kelli Heflin and I am the Regulatory Compliance and Safety Manager at Scott's Liquid Gold-Inc. I am here today to talk about the Voluntary Protection Program, what it means to my company and to ask you to reject the plan laid out in the Administration's FY 2011 budget proposal.

The Voluntary Protection Program (VPP) was formally announced by OSHA in 1982 and the first site, San Onofrio, California was approved. The legislative underpinning for VPP is Section (2)(b)(1) of the OSH Act of 1970, which declares Congress's intent "to assure so far as possible every working man and woman in the Nation safe and healthful working conditions and to preserve our human resources (1) by encouraging employers and employees in their efforts to reduce the number of occupational safety and health hazards at their places of employment, and to stimulate employers and employees to institute new and to perfect existing programs for providing safe and healthful working conditions."

VPP sets performance based criteria (4 elements and 133 sub-elements) for a managed safety and health system, invites sites to apply, then assesses these sites against these criteria. OSHA's verification includes an application review and a rigorous onsite evaluation by a team of OSHA safety and health experts. This team usually includes Special Government Employees (SGEs) who are people like myself, who are familiar with the VPP model and have attended training to assist on these audits. VPP company employees who become SGEs do so on a voluntary basis.

Once the audit is complete, the team recommends the site for one of 3 programs (this recommendation is approved by the National OSHA office at Department of Labor)

- Star—this site meets all criteria and injury and illness rates are below the BLS industry average
- Merit—this site meets the criteria, but some of the elements may need improvement and injury rates may be a bit high, but the trend is toward reduction. A site may remain in Merit status for up to 3 years, at which time, they will have a Merit to Star audit. There are Merit goals established by the team to move the site to Star status.
- Star Demonstration—this is for companies who may be a mobile workforce, such as a construction or steel erection project.

VPP sites go above and beyond what OSHA requires. In addition to the rigorous audit, each VPP company must submit annually a self-evaluation that analyzes the elements of the program, what they are doing to meet those elements, how they are doing at meeting the elements and what improvement they can make to strengthen the program at their site. This is far greater scrutiny and attention than non-VPP worksites, which may do little or nothing proactively and, given the number of OSHA compliance officers and the number of worksites, are not likely to see an OSHA inspection for decades unless they have a catastrophic accident.

The companies that participate in the VPP routinely connect with other sites through mentoring and outreach activities at conferences and provide resources to OSHA through the SGE program. OSHA does not reimburse companies for the time and travel of the SGEs—VPP companies absorb all the costs and expenses for their SGEs to participate in VPP onsite audits. Participation by SGEs can be as an “expert” (ie Industrial Hygienist) or a generalist (familiar with the VPP model or a unique standard, such as PSM). They are full team members and audit records, programs, interview employees and make recommendations on compliance issues or improvement items. In my experience as an SGE, employees at sites undergoing a VPP audit seem to be more willing to speak to a “non” OSHA auditor. It isn’t anything personal against OSHA, but it is a matter of talking with someone else who works for a company, rather than OSHA. SGEs can be managers, supervisors or labor. It truly provides a unique perspective on the audit and both the potential VPP company and SGEs can learn from the experience.

Most importantly, the VPP promotes a partnership between Labor, Management and OSHA.

Participation in VPP has been invaluable to me in my role as Scott's Liquid Gold Safety Manager. It has given me access to education (based on real world experience), networks of experts and resources that I would not have otherwise had the opportunity to access. It has also given me the ability to engage my workforce in a safety program that they have ownership of.

My introduction to safety was at the Rocky Flats Plant in Colorado. It was a scary place. Every Sunday I would drive by the protestors at the site as I drove back to the University of Colorado. Then I got a job there. One of the first things I learned was to rely on the experience of the people I worked with. They took this rookie under their collective wings and educated me to respect radiation and other hazards, not to fear them. The second thing I learned was that I am responsible for my safety and for my co-worker’s safety and that I have the duty to report any hazard. Management is responsible for helping to correct the hazard and insuring that the hazard is permanently abated or that I have the proper training to recognize what I need to do to protect myself. I have carried those lessons for almost 20 years.

Scott's Liquid Gold-Inc. started in a garage about 60 years ago as a family business. Currently we have about 65 employees at our Denver facility. Our products are manufactured totally in the USA. We have 13 production employees at our site and it is

the only manufacturing facility we have. We make a conscious effort to purchase US based raw materials. If you look at our major competitor's labels, it states "Distributed by: _____". That means the product is produced outside the USA. We manufacture several household chemical products, including our flagship product, a wood cleaner, an air freshener product and a line of skin care called Alpha Hydrox. The past year has been challenging for us as a small company, as it has for everyone. But there was one thing that remained consistent—our safety program.

We entered the VPP in 2003 as a Merit site. Our injury rate was a bit high and we needed to improve our Process Safety Management program (PSM). We started working toward VPP in 2002, shortly after I arrived. Our injury rate was pretty high at that time. In 2001, we had 13 reportable injuries. These injuries ranged from lacerations and ergonomic problems to a broken arm. At the end of 2002, we had 2 reportables and 2 injuries that required first aid treatment only. In 2008, we had zero injuries. The VPP has a proven track record. Most companies that participate in the VPP have about 52% less injuries and illnesses than their BLS counterparts. There are significant direct cost savings with reduced insurance rates and reduced workers compensation claims. However, the most important change that I have noticed is our employees' involvement in their own safety. One of the primary elements in VPP is employee involvement. Our employees have taken ownership of the program and made a commitment to safety both at work and at home.

As a small business, we face a number of disadvantages in this global economy. We don't have access to a lot of resources, we don't have a large staff of in-house experts and we can't purchase a lot of new technology, but through the VPP, we have a huge network to turn to when we need help with a particular issue. There are about 2,300 sites in the VPP and almost one million people are employed by those sites. We also have a great relationship with the Region 8 OSHA people. I have appeared on several panels on their behalf, discussing VPP as a viable solution to unsafe worksites. Even if a company does not want to pursue the recognition, they can still implement the elements with help from a mentoring company and establish a good safety program.

I have a personal interest in safety and health excellence. My grandfather worked for a company, processing uranium ore. He was a member of the Oil, Chemical and Atomic Worker's Union. This was pre-OSH Act. He eventually died from a disease I believe was caused by his exposure to acids and radioactive ore.

My uncle was injured badly in an industrial accident and was out of work for over a year. Several years later, he was killed in a construction accident, leaving a wife and two teenagers behind. I am my grandfather and uncle's legacy. My work in safety may save another family from going through this grief. I believe enforcement has its place, but I also believe that being pro-active in safety will prevent accidents and fatalities from happening in the first place.

VPP not only provides resources to the almost one million employees that participate in the program, but it also provides OSHA with much needed support to keep American

workers safe. The SGE program is one of these resources. Mentoring and Outreach by the VPP companies are another way that they are relieved of the burden of educating companies that are not safe in how to establish a good health and safety program. Employees of VPP sites are ambassadors for the VPP. They participate through mentoring and teaching classes at various safety conferences throughout the country. Scott's Liquid Gold was named Mentor of the Year in our region in 2009. Our CEO believes very strongly in the mentoring program. When I visit another worksite, I usually take 2 employees with me who are well versed in the VPP elements and let them explain the program to the other site. On some occasions, I have found that employees are not willing to speak their minds when their management is in the room. I have asked their management to leave and we have a pretty honest dialogue about what VPP can do. The most common question is "We already have a pretty safe site, what are they going to do for me?" My response is usually "How about give you control over your own destiny?"

VPP has additional benefits for participating companies. Companies have lower injury and illness rates, they have lower workers compensation costs and usually their insurance premiums are lower. The employees at these companies are healthier and more productive. It affects companies' bottom lines in good way—not only are costs lower, workers who are healthy and injury free are at work, not absent. Less time is spent replacing them with temporary workers and training time spent getting those workers up to speed. VPP is very important in other ways as well. At Scott's Liquid Gold, our employees take a massive amount of pride in telling others that they achieved VPP Star status. They take safety seriously and they understand all of the benefits under VPP. Our CEO is certainly a proponent of the program and allows whatever time is necessary for safety meetings, safety training, my time away from the facility and two stretching classes each day. We have almost 95% participation in manufacturing and anywhere from 25-40% in the administration building (depending on the day). The stretching classes have reduced our ergonomic complaints to almost zero. It's also an opportunity for me to check in with our employees about any concerns or suggestions they have.

I could go on and on about the benefits of VPP and the great people who participate in the program, but I am also here as a citizen and an American worker. I pay my taxes, I vote in all elections and I mailed my census on time. I am not here as someone with a political agenda, I don't owe anyone any favors and I don't make promises to special interest groups or organizations at the expense of a very valuable program such as VPP. I am here to object to the current Administration's proposal to cut direct funding to VPP or to seek "alternative" funding for this program. It is imperative that appropriations language be included in the FY 2011 proposal. The VPP is helping OSHA with their mission of keeping American workers safe. We have extended help in other ways to alleviate the strain on OSHA resources. The Agency actually increased their cooperative programs budget for FY 2010, but has reduced the number of VPP onsite audits and recertification audits completed. While my company has done more with less, the Agency has done less with more. The proposed budget for FY 2011 directs funding to enforcement and leaves VPP out in the cold, even though it is a proven program for reducing injuries and illness in the workplace. The alternative funding being proposed is a fee based system and I can tell you, Scott's Liquid Gold vehemently opposes this

system. I can assure you that out of the other 2300 companies, a majority have the same feeling. This fee based system not only adds another layer of cost to our already strained company budget, it reduces the integrity of the program. I worked for a company who obtained an ISO certification and as far as I could tell, it meant nothing except that you had done the proper paperwork and documentation. I don't want to see that happen to the VPP. In addition, employees of VPP companies take a great amount of pride in a cooperative partnership with OSHA. My co-workers noticeably stand taller when talking to OSHA representatives and it is a source of my own pride to hear them talk to other worksites about working with OSHA and obtaining VPP Star. The VPP was intended to be a 3 way partnership between OSHA, Management and Labor. With the Department of Labor's request to eliminate direct funding for VPP, the Agency effectively took away that leg of the partnership, violating their own intention under the OSH Act of assisting employers and employees in eliminating hazards at the workplace.

With no direct funding, VPP will not survive as the premiere recognition program for companies. The Administration is not only doing a disservice to companies that have committed incredible resources—time, money, employees—to keeping American workers safe, but it is doing a disservice to the Agency that has been tasked with ensuring the health and safety of all the Nation's workers.

The proposed alternative funding will exclude small businesses such as Scott's Liquid Gold. We simply cannot take on any more cost centers. We have committed to providing our knowledge and expertise on the same level as a Valero or GE. I spend a lot of time mentoring and participating in outreach events. I am always available as an SGE in the event the Region VIII VPP manager needs me. I generally let the other SGEs in our region have first shot at an audit because I do so much outreach, but I am certainly available if needed.

Small businesses such as ours don't get many breaks and establishing a fee based VPP will be a burden that we will probably choose not to undertake. OSHA will lose my company's commitment to helping to educate and train others who may not have the kind of safety program that VPP requires. We appreciate the VPP for the resources it provides and the partnership with OSHA, but we cannot support another cost to our bottom line.

Two of the goals of the Agency are to ensure safe and healthy workplaces for the Nation's workers and to give workers a voice in the workplace. Enforcement does not give a voice to the workers, the elements of VPP specifically give that voice to the employees by requiring employee participation. OSHA has a huge tool box with a variety of tools. By committing most of the cooperative programs budget to enforcement, they have effectively gotten rid of most of their tools except a hammer. One of the first things that you learn is that you need to use the right tool for the job at hand. By only having a hammer, they are excluding tools for educating companies who have less than stellar safety programs. Hammers are reactive, not proactive. In seeking "alternative" funding, the Agency is keeping that tool, but locking it up and making it available only to those who pay to use it. This seems to directly conflict with Section 2 (b)(1) of the OSH Act. VPP is not just one tool, it provides many tools for OSHA. It

provides manpower through SGEs. It provides education through outreach and mentoring. It provides the thoughts and expertise of over 900,000 American workers—giving a VOICE to workers about their safety, which is one of the stated goals of the Agency. Why would they rely on enforcement actions only? They could never have the staffing required for worksite inspections of every work place in the United States.

There are approximately 2300 companies who participate in the VPP, covering over 900,000 workers with more sites indicating interest every day. Those 900,000 workers are full participants in workplace safety and can educate other companies and show them what can be accomplished. Most sites will never see an OSHA compliance officer and will continue to put employees at risk with unabated hazards. Enforcement actions are usually after the fact—reactive—and usually is in response to loss of life or imminently hazardous situations. Wouldn't the Agency rather save lives than respond to the aftermath of a catastrophic event?

OSHA needs a complete tool box and VPP is part of that. Please reject the FY2011 budget until it includes funding for this very important program.

Thank you.