

**EXPANDED PUBLIC OUTREACH PROGRAM
ON RESPONSIBLE CARE
APPROVED BY BOARD OF DIRECTORS
November 5, 1990**

BACKGROUND

The Public Perception Committee of the Board was formed in the fall of 1987 to address a rising concern among industry leaders that the public's view of the industry had reached an all-time low and, that it was unlikely to improve unless direct action was taken.

Following consultation with experts and observers inside and outside the industry, the committee focused its attention in two areas: an initiative to improve the industry's performance in the management of chemicals and chemical processes (Responsible Care); and identification of opportunities for improving public understanding of the chemical industry and its contribution to society.

Responsible Care implementation is well underway with all member companies having signed the statement of principles. Four management practice codes have been approved by the Board. Initial self-evaluations have been completed for two of the codes - CAER and Waste and Release Reduction. Training seminars for the codes are being given across the country. Program implementation is on schedule, experiencing normal and expected growing pains.

Changing public perception has always been dependent on improving performance in ways the public sees as improvement.

Since public awareness and understanding and public input to the Responsible Care initiative are critical to its success, the Public Perception Committee developed a proposal to accelerate outreach to ten key audiences.

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| o employees | o plant communities |
| o local activists | o local and state officials |
| o federal officials | o media |
| o national public interest groups | o shareholders and analysts |
| o educators and students | o the general public |

PUBLIC OUTREACH DEVELOPMENT

In January 1990 the Board approved initiating outreach with a pre-Earth Day announcement of the industry's commitment to Responsible Care.

The announcement reached 31 million households (62 million readers). According to a 2000-person survey utilizing the Simmons National Data Base, 36% said "yes, the chemical industry is headed in the right direction." An additional 15% said they would "wait and see."

In April the Board asked the Public Perception Committee to further develop plans for accelerating outreach. Discussions and development continued throughout the summer and into the fall through:

- o Multiple written communication to all members.
- o A series of regional meetings for executive contacts in May.
- o A meeting for all Executive Contacts at the Greenbrier.
- o Presentations and discussion at two full Board meetings.
- o Work of over 50 representatives of 27 companies on six public outreach task groups.
- o Four meetings of the Public Perception Committee.
- o A letter from CMA Chairman Gene McBrayer to all Executive Contacts inviting specific comments on the proposal.

In September the Public Perception Committee presented a recommendation proposing a series of outreach activities to reach all audiences, except the general public, at a cost of \$7.4 million over five years. The Committee withheld a final recommendation on the tenth audience - the general public - pending further research.

The Board approved the Committee's preliminary recommendations, but requested the list of activities to reach the first nine audiences be refined and prioritized. Additional work was requested to determine whether positive opinion about the industry was deteriorating so rapidly that there was "a closing window of opportunity" to communicate with the tenth audience, the general public, which necessitated immediate action.

NOVEMBER BOARD PRESENTATION

The Public Perception Committee initiated reviews that resulted in the list of proposed outreach activities to the first nine audiences being cut by 20%, with \$2.6 million being shaved from the original \$7.4 million, five-year budget. The remaining activities for the first nine audiences were prioritized in order of importance to aid members in planning implementation.

Many of the activities will assist plant managers in achieving the already existing outreach requirements of Responsible Care, i.e. communication with employees, plant communities and local activists. Included will be training seminars, management code information packages, manuals, videotapes and sample community and employee questionnaires.

Activities planned for other important audiences include plant visitations, media tours, speakers bureaus, mailings to state, local and federal officials, state public advisory panels, congressional delegation briefing breakfasts, an annual Responsible Care report and press conference, interaction with national public interest groups, expanded contacts with educators and students and preparation of company financial officers for communication with shareholders and analysts.

Additional information was presented for consideration of outreach to the tenth audience, the general public, through advertising. The following questions were addressed:

1. Is the "window of opportunity" closing?
 - o From 1979 to 1989 those holding an unfavorable opinion of the chemical industry increased from 40% to 58% (Cambridge Reports)
 - o From 1965 to 1989 a separate Du Pont tracking study indicates a decrease in favorability from 56% to 14% and an increase in unfavorability from 4% to 37%.
 - o According to a Public Pulse, Inc. ten-year study in 1980, 57% of the public thought the chemical industry was underregulated; by 1988 that percentage had grown to 68%. At the same time the percentage of the public that felt the chemical industry was essential fell from 49% to 38%.
 - o New data from Roper Polls and Chiat/Day research suggest that those feeling the industry was underregulated grew to 72% in March 1990 and 74% in October 1990. The rate of deterioration was accelerating.
 - o At the same time resources available to industry critics was increasing dramatically. The National Wildlife Federation membership and budget went from 4 million and \$25 million in 1980 to 6 million and \$100 million in 1990. Between 1989 and 1990 membership in three organizations, Environmental Defense Fund, World Wildlife Foundation and the Sierra Club increased by a total of 405,000.

- o Finally, the cost of fighting an anti-proposition campaign has increased dramatically. In 1986 industry spent \$5 million to oppose Proposition 65 in California; in 1990 industry spent nearly \$15 million to oppose Proposition 128.

THE "WINDOW OF OPPORTUNITY" IS CLOSING!

2. Will outreach through advertising really change attitudes?

- o The U.S. Army, faced with shifting from the draft to an all-volunteer force, began advertising at the end of the Vietnam War to change attitudes about military service. The campaign, according to plan, evolved through three stages:

"The Army Wants To Join You"

"Join The People Who Joined The Army"

"Be All That You Can Be"

The G.I.'s image changed from a Bill Mauldin baggy-pants doughboy to a youthful, high-tech, action, adventure soldier. Enlistments went up 38%; combat arms enlistments were up 728%. The image of the Army relative to other services went from below the Navy and Air Force to above the Navy and equal to the Air Force.

- o Dow Chemical's campaign, "Dow Helps You Do Great Things", has also tracked changes in attitudes. A Yankelovich survey between 1986 and 1988 noted increases in "very positive ratings" of government officials of 8% for Congress; 21% for federal agencies; 21% for state legislators; 15% for state agencies. Approval of interest groups dropped 1% in the same time frame.

Since Dow is actively lobbying in only five states, and the tracking covered all states, the improvement there is credited to the advertising campaign.

3. How will messages be developed? Several options were investigated. Fourteen focus groups were asked to react to four different categories of messages:

- o **Chemicals are essential.**

"Better living through chemistry is truer today than it ever was."

- o **Remind the public of the economic importance of the industry.**

"A strong chemical industry helps build a strong America."

- o **Responsible Care.**

"Handle with Responsible Care."

- o **Let the public know what they can do.**

"Ten things we're doing to clean up the environment. OK, your turn."

A combination of the final two categories is evolving as most effective in answering the public's concerns about the chemical industry. That message is:

"We're taking action on chemical responsibility and so can you."

4. How will we know we are succeeding?

- o Initially conduct a **benchmark survey** of public attitudes as of December 31, 1990.
- o Track continuously, and report **twice annually** to the Board:

Awareness of the program.
Attitudes toward the advertising.
Attitudes toward the chemical industry.

- o We're looking for measurable improvement in:

The feeling that the chemical industry is more environmentally conscious and responsible.
The feeling that the chemical industry is more open/ honest/ communicative with the public.
A slowing in public desire for regulation.

MANAGEMENT

Public outreach activities, already underway as far as preparing materials for facility managers to use, will begin in earnest in the first quarter 1991. The annual Responsible Care report, a key event in public outreach, is planned to be issued immediately before the next Earth Day, April 22, 1991. Outreach to the general public through advertising will begin toward the end of the first quarter.

As far as possible, implementation of outreach activities will be folded into the existing CMA committee and task group framework. A new advertising task force, made up of advertising professionals from member companies, will be created to guide outreach to the general public.

The Board Public Perception Committee will continue to provide program oversight and will report to CMA Officers, the Executive Committee and Board of Directors on a regular basis.

BUDGET AND COSTS

At its November 1990, meeting CMA's Executive Committee and Board of Directors approved an accelerated public outreach program for Responsible Care, together with a recommended funding package. The Board voted for a five-year commitment with funding for the first two and a half years.

The program, a refined and prioritized version of the September Public Perception Committee recommendation, is already getting underway. The majority of activities, however, will not be ready for implementation until the first and second quarters of 1991.

CMA's Finance Committee recommended a funding mechanism for the proposal last March. The recommendation, approved by the Executive Committee in April and the Board in November, is based on a special assessment.

The program will cost \$4,067,700 during the balance of the current fiscal year, which ends May 31, 1991. An assessment at the rate of .0053% on already reported 1989 member sales will be sent to you in the next month. The cost for the next two fiscal years (June - May) will be approximately \$10 million a year, a rate of approximately .013%. Members will be sent their assessments at the same time dues are mailed (June 1991 and June 1992).

CMA STAFF CONTACT

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**PUBLIC OUTREACH PROPOSAL
DETAIL OF AUDIENCES, PROJECTS, SWEAT EQUITY
REQUIREMENTS AND DIRECT CMA COSTS**

BACKGROUND AND OVERVIEW

In September a program calling for 65 specific activities at a cost of \$7.4 million covering audiences 1 through 9 for 5 years was shared with the Executive Committee and Board of Directors. Outreach to the tenth audience, the general public, through print advertising, was projected to cost \$10 million a year.

In making its final recommendations to the Board and Executive Committee, the Public Perception Committee has cut twenty percent of the activities and \$2.6 million of the cost from proposals for the first nine audiences and has placed a ceiling of \$10 million a year on the entire public outreach program to all audiences.

AUDIENCES, PROJECTS AND COSTS

Employees, Plant Communities, Local Activities (Audiences 1-3)

These audiences are considered together because programs to communicate with them will include a lot of overlap.

Of the thirteen activities, ten involve production of materials to assist member companies in communication efforts. The support materials include videotapes, resource guides, manuals, code information packages, an annual report, generic surveys for employee and community concerns and workshops. "Sweat equity" devoted will depend on individual facility practices. In many cases the Responsible Care messages will become part of existing communication programs.

Three activities -- distribution of materials to local audiences, conduct of local press briefings and communications training for small facility plant managers -- will require an added amount of plant manager involvement -- minimum of 24 hours in the first year per plant manager.

Direct CMA Costs: \$245,000 through 5/31/91; \$100,000 annually in years 2-5.

State and Local Officials (Audience 4)

Communicating with members of this audience will require a significant amount of "sweat equity" time from plant managers and other company representatives. From a standpoint of credibility, there is no way to pass this responsibility on to contractors.

Priority activities, requiring about 55 annual hours of commitment per facility, include plant visitations, speakers bureau and visits with state and local leaders.

Other activities include senior executive presentations to state associations, mailings to officials, state capital media visits, advertising in state and local government publications, activation of company employees and shareholders and creation of state advisory panels.

Direct CMA Costs: \$70,000 through 5/31/91; \$165,000 annually in years 2-5.

Federal Officials (Audience 5)

The objective in outreach is to achieve face-to-face communication. "Sweat equity" will be spread through membership, falling on those willing to host specific events. These activities, to be directly managed by the Federal Government Relations Committee, are supplements to ongoing outreach facility managers are expected to maintain with their elected representatives.

Activities include a letter to each member of Congress, 12 plant visits per year, 10 state delegation breakfasts per year, visits to those not reached at breakfasts.

Direct CMA Costs: \$6,000 through 5/31/91; \$10,000 annually in years 2-5.

Media (Audience 6)

Activities include media tours to present the Responsible Care Annual report and explain the initiative, mailings to core audience of past media tour editors, involvement of industry spokesmen at media seminars, and development of feature stories about the initiative.

The proposal also includes funding a special training project developed by the Radio and Television News Directors Association and the Media Institute to improve the quality of environmental reporting.

"Sweat equity" requirements will fall mainly to corporate staff experts in the health, safety, environmental and communication areas.

Direct CMA Costs: \$97,000 through 5/31/91; \$118,000 annually in years 2-5.

National Public Interest Groups (Audience 7)

Contacts with these groups -- estimated at four per year -- require face-to-face meetings and discussions with their directors or staffs. CMA Officers would be the lead contacts.

Environmental leaders would be encouraged to appear at selected CMA functions.

Direct CMA Costs: 0

Educators and Students (Audience 8)

Education is a key route toward improving public perception over the long term.

Activities involve establishing a Board level ad hoc committee, soliciting a loaned executive to lead the effort, and adding a CMA support staff position.

Expanding the production, distribution, and usefulness of ChemEcology is also a key activity.

Special efforts will be made to identify, develop and evaluate programs for company and teacher use. A resource guide will be developed to circulate to nearly 40,000 science teachers. The existing Education Task Group will be expanded to include appropriate educational organizations.

The CMA Catalyst Awards program, which recognizes 4 and 2 years college and high school chemistry teachers, would be expanded to award outstanding middle and elementary school science teachers.

Additional funds would be made available to Federation members (state CICs) to support science education programs.

Direct CMA Costs: \$149,000 through 5/31/91; \$423,000 annually in years 2-5.

Shareholders and the Financial Community (Audience 9)

All of these activities are low cost, low sweat equity projects.

They include preparation of materials to assist company financial officers understand and explain Responsible Care, inclusion of financial publications on media tours, encouraging companies to include environmental reporting in annual reports.

The task group also urges inclusion of financial press in any advertising outreach.

Direct CMA Cost: \$700 through 5/31/91; \$700 annually in years 2-5.

General Public (Audience 10)

Outreach to the general public through advertising is a low sweat equity, high cost activity.

A public communication campaign is proposed that would focus on a broad audience of 70 million people in the 18-49 age group who are identified as "participants" (active but not activists, likely to be parents). A secondary audience would be 12-18 years old who are key influences in households.

Typical publications used to reach the "participants" include: consumer publications (Time, Newsweek, People, Sports Illustrated); Special Interest (Smithsonian, Natural History); thought leader (Atlantic Monthly, Harpers); parents (Parenting, Parents). Depending on research, select television may be added to the general public outreach, particularly in later years (CNN, TNN, MTV).

The outreach plan is based on reaching "participants" with a minimum of three exposures per year.

Specific goals calling for percentage changes in approval and disapproval ratings on eight criteria will provide clear measurement of success.

All proposed advertisements will be thoroughly tested with focus groups to assure clarity and effectiveness of the message. Overall guidance will be provided by a group of member company advertising managers, with day-to-day activities to be managed by CMA staff.

These costs could be lower due to current slowdown in advertising placement. Any savings so realized would be subtracted from the totals.

Direct CMA Costs: \$3.5 million through 5/31/91; \$9.175 million annually in years 2-5.

CMA
EC-11/4/90
BD-11/5/90