

# **CRISIS MANAGEMENT AND COLLATERAL DAMAGE**

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## **Introduction**

The explosive manufacturing industry takes many measures to reduce the risks of its operations and ensure a high level of safety for both workers and members of the public. However, in spite of the best precautions, history shows that accidental ignitions can occur from time to time. Ignitions that escalate into major incidents can have serious implications for the companies concerned, including major financial loss and even closure. Therefore, it is vital that companies implement not only effective loss prevention strategies, but also comprehensive crisis and risk management systems to minimize the severity of incidents and ensure a good emergency response.

This paper describes an incident where crisis management went badly wrong. The incident occurred in December 2011, at an explosives plant located in Rafaela, Argentina, and resulted in two fatalities and extensive property damage. The company concerned were not prepared for this incident, and the poor crisis management helped contribute to an adverse public reaction. This then became a local political issue, with ramifications for Austin Powder International, which operated a plant in close proximity – just 1.2 kilometres away.

## **Background**

The plant where the explosion occurred was established in 1935 in 30 ha of industrial land. Five years after opening, the plant began manufacturing black powder, being the only such plant in Argentina to make this product. Shortly afterwards, safety fuse became the main product, the plant having a production capacity of 18 million meters per year. The safety fuse produced here supplied markets in both Argentina and border countries. Then in 1994, the plant began production of detonating cord, using PETN bought from Austin Powder Argentina (APA).

The recent safety record for the plant was not good. Four years before the incident discussed in this paper, a major explosion in the black powder production facility resulted in four fatalities.

## **Analysis of the 2011 accident**

A timeline of the incident and the damage caused was established from both media reports and information collected by APA through contacts with the local company owners.

## **Results**

The timeline of the incident is set out below:

- 27/12/2011 - 9.30 am
  - Big explosion heard in APA and most of Rafaela city
  - Firefighters and ambulances are summoned to the local company plant
- 27/12/2011 - 9.45am
  - the incident is reported by local radio and regional media – 1 fatality confirmed

- Phone call received at APA asking where to send an operative with burns (confusion of plants) – 1 injury confirmed
- Phone calls from operative's families are received at APA
- 28/12/2011 - 10.00 am
  - National media report the incident. Local company plant identified as the source of the explosion, though this information is not immediately apparent from the headlines.



Sieving Building – Black Powder Plant

- 28/12/2011 - Second operative died in Rosario city from burn injuries
- 03/01/2012 - Families and workers assemble in front of the plant demanding intervention. National Road Interrupted.
- 03/01/2012 evening - National Road Interrupted by more than 100 people



Families and workers interrupting a National Road

- 06/01/2012
  - March to the City Council demanding hospital treatment for the injured. Politics involved with the neighbors.
  - Victims' families attacked local company owners' home, causing a panic attack amongst some of the occupants.
- 08/01/2012 - More people assemble at city council demanding hospital provisions and closure of the local plant
- 12/01/2012 – Local company owners publish a note in the local newspaper asking for an end to aggression.
- 30/01/2012 - First investigation conducted by RENAR (Argentinean authority) expressed that the equipment and machines were working satisfactorily.
- 09/02/2012 - RENAR judged that the plant complied with safety regulations.
- Many of the operatives declined to return to work. Only one worker at black powder plant.
- 24/02/2012 - RENAR license expires. Local company requested to take certain measures as a condition of being granted a new license.
- March 2012 - New investigation carried out by the justice. No conclusions so far
- March 2013 – the land with everything on it was given to a real estate company. No decontamination has been done.

## Discussion

Because of the vicinity to the local company, APA had to take action following the incident so as to be in a position to answer any questions.

As a first action, all APA employees were informed about the event and encouraged to discuss it with their families to reassure them about safety.

Refresher training was carried out to drive further improvements in safety performance and illustrate the differences between procedures at APA those at the local company.

APA started working with a communication consultant to be prepared for any external inquiries.

Rafaela, 27 de Diciembre 2011

**Austin Powder Argentina** desea informar a la comunidad que:

El día Martes 27 de diciembre a las 09:30 hs, hemos recibido la noticia de una explosión en la planta de fabricación de ~~FOPI Manufactura Argentina de Pólvora S.A.~~

Austin Powder Argentina se solidariza con dicha empresa, los familiares y con todos sus colaboradores y ha puesto a su disposición todos los recursos que estén a su alcance para brindar apoyo en este especial momento y contribuir con una pronta recuperación.

Al mismo tiempo, Austin Powder Argentina desea aclarar que nuestra empresa no tiene relación alguna con la empresa ~~FOPI Manufactura Argentina de Pólvora S.A.~~, siendo éstas compañías completamente diferentes, responsables cada una por su propia operación y que en nuestra planta no se fabrica Pólvora.

Para Austin Powder Argentina la Seguridad es Nuestra Primera Prioridad, y trabajamos diariamente en fortalecer la seguridad de nuestros procesos y nuestra gente.

La Empresa

Austin Powder Argentina statement

**FICHA DE REQUISITORIA**

Nombre completo:

Medio / Empresa / Familiar/ Organismo de control:

Teléfono directo / Celular:

E-mail:

Inquietudes o necesidades de información:

Fecha:

**DECISIÓN ANTE LA REQUISITORIA**

Fecha y horario de respuesta:

Vocero:

Información brindada:

Comentarios:

Information Inquiries From

As a result of the incident, the Rafaela city council requested certain information from APA relating to the plant. The council also carried out an inspection and no issues were found.

APA set out to improve its relationship with the community and public institutions and implemented measures to improve communication on internal and external events.

The local company failed to obtain a new licence and closed.

### **Conclusions**

The incident illustrates the need for a clear plan to deal with any potential event. This must include provision of adequate medical facilities and a team of people trained to deal with any situations that occur.

Emergency planning is essential for preventing crises developing and then escalating out of control.