

AMAZON INSTALLS AIR-CONDITIONING TO COOL WORKERS AND PROTECT PRODUCTS AND IMAGE



Last year, around this time, online retailer Amazon.com Inc. had ambulances stationed outside its Breinigsville, Pa., to handle heat related emergencies. Today, thanks to 40 roof-top air conditioners, the company has installed in its 615,000-square-foot warehouse, at considerable cost, the scenario has changed completely. "I didn't even break a sweat today," one worker said at the end of his shift last week, on a day when area temperatures topped 90 degrees. "It was really nice. I noticed the difference as soon as I walked in the door." The change followed an investigation by 'The Morning Call', which had exposed extremely difficult working conditions at the facility. Workers had complained to the federal Occupational Safety and Health Administration, that there were umpteenth times when the temperatures inside the warehouse reached 100 to 110 degrees. Work at the warehouse required strenuous physical effort with some employees traversing 10 miles per shift, bringing items from their respective places in the shelves. Those who slackened and failed to cope with the heat and pace were laid off. Moreover, workers alleged that work quotas were not lessened when the mercury soared. The Morning Call article brought media watchdogs on the company's doorstep scrutinizing its every move and a customer backlash followed, leaving the company with no option but to implement remedial measures. Amazon, which opened its Breinigsville complex in 2010, said that the warehouse heat was owing to an unusually hot spring and summer. Temporary air-conditioning installed to meet federal workplace safety regulators expectations when they visited the warehouse, worked only in specific areas, with the upper levels of the warehouse becoming agonizingly hot. Amazon, to its credit, did give its workers water, fruit and ice pops to ease their discomfort. It also relaxed its attendance rules and workers, notwithstanding loss of pay, could opt to leave early. For the last 11 weeks, Amazon has refused to respond to specific questions from The Morning Call, but issued a statement saying, "In recent years, we've built our new fulfillment centers with air conditioning units installed. This year, we are also investing \$52 million to retrofit our other fulfillment centers with air conditioning. In Breinigsville, we have replaced the three large temporary units we installed last summer with forty permanent roof-mounted units that will more efficiently and evenly cool the facility." The Morning Call got hold of warehouse building permits using Pennsylvania's Right-to-Know Law. The permit reveals that Amazon first sought permits to install temporary air conditioning several weeks after complaints were made to OSHA about work conditions. Following public protests the company moved the temporary system and announced that it was installing permanent air conditioning at warehouses around the country. "It's not easy to retrofit an existing fulfillment center with air conditioning," The Seattle Times quoted Amazon Chief Executive Officer Jeff Bezos as telling shareholders. "We're really leading the way here." Bethlehem, Pa., resident Karen Salasky, attributes her loss of job to working conditions at Amazon. She said that the heat had slowed her down. She said she was happy to know air conditioning is being installed at Amazon warehouses. "It's a step in the right direction," she said. "Workers need to be respected." Business analyst can only hazard a guess why Amazon spent such a huge sum, 8.2 percent of its 2011 earnings on air-conditioning. It is known for its competitive edge tactics, so this does not gel with its normal thinking process. Donna Hoffman, co-director of the Sloan Center for Internet Retailing at the University of California-Riverside, said media exposure and the fear of negative publicity may have driven the investment. "It behooves them to not be responsible for negative publicity if they can control it," Hoffman said. "Paying \$52 million to install air conditioning around the country is a smart move. They don't need consumers asking themselves, 'Is Amazon a sweatshop?'" Another line of thought is that the excessive heat could damage the company's products. Sucharita Mulpuru, an analyst with Forrester Research said, "Amazon ships a lot of electronics and food now. It's not good to have that stuff in extreme temperatures. I would like to think there was an element of humanity to the decision but there's nothing in Amazon's history or in Jeff Bezos' public persona that would lead me to think that was the driver of the decision. Rarely has Amazon made any business decisions that didn't affect the bottom line." Parking of ambulances outside its facility and complaints to OSHA brought the plight of the workers in the open. Following complaints OSHA investigated the facility and although it did not levy any penalties, asked them to reduce heat-related risks to its employees, without specifying what an acceptable temperature would be. Workers are now content and happy with the new installations. "It's cool in there," one worker said. "The third floor used to be the hottest. Now it's the nicest." Another worker said, "Even in November, on the third floor, it was really hot," he said. "You were really sweating. The air conditioners are definitely needed and they're appreciated." Larry Wiersch, chief executive officer of Cetronia Ambulance Corps, said he does not expect that Amazon will need ambulances and paramedics in its parking lot this year. "I am very pleased to share that there does not appear to be a need to do so as they seem to have resolved any issue with intense heat to the best of our knowledge," Wiersch said. "It's nice to see them working to resolve concerns for the safety of their employees that work with them."