

2007 Innovations Awards Program APPLICATION

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ID # (assigned by CSG): 07-S-10VAARMYEXCELLENCE

Please provide the following information, adding space as necessary:

State: Virginia

Assign Program Category (applicant): Natural Resources (Use list at end of application)

1. Program Name

U.S. Army Participation in the Virginia Environmental Excellence Program

2. Administering Agency

Virginia Department of Environmental Quality

3. Contact Person (Name and Title)

Sharon K. Baxter, Director of the Office of Pollution Prevention

4. Address

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5. Telephone Number

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6. FAX Number

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7. E-mail Address

skbaxter@deq.virginia.gov

8. Web site Address

www.deq.virginia.gov/veep

9. Please provide a two-sentence description of the program.

In its efforts to encourage public and private agencies and businesses to incorporate environmental performance into their day to day operations, the Virginia Environmental Excellence Program (VEEP), a voluntary performance-based incentive program, found a like-minded partner in the Army. Every Active, Guard, and Reserve Army facility in Virginia applied for acceptance to the VEEP, and after a state review of each facility's environmental compliance and management commitments, 79 Army facilities were enrolled in the program with one application pending.

10. How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on April 2, 2007, to be considered.

The first planning discussion occurred among staff from the Virginia Department of Environmental Quality (VDEQ) and the Army Northern Regional Environmental Office in April 2005 at the 16th annual Environment Virginia Conference.

11. Why was the program created? What problem[s] or issue[s] was it designed to address?

Both Virginia and the Army were investing their own resources to set goals and measure environmental performance using a systems approach prescribed by ISO 14001 for environmental management systems (EMS). Their individual efforts were good but disjointed, and not focused on common goals. The Commonwealth was not able to take advantage of the measurement data being collected at each Army facility.

From the Army perspective, Army environmental managers were so consumed with day-to-day operations inside their fence lines that they did not realize there was an opportunity to maximize resources for mutual benefit to their facilities and Virginia. The opportunity required no more additional effort than the Army was already expending to implement an Executive Order regarding EMSs and the Army Strategy for the Environment. While most of the Army facilities had some familiarity with Virginia's program, it was widely thought of as a "nice-to-do" project that they did not have time for or interest in. From the state perspective, opportunities for outreach from the state to the Army facilities were limited. Regulatory agencies are often viewed in a somewhat negative role by the regulated community. Resources were also limited. States, considered "as the "primary implementing agencies for nearly all the nation's environmental laws," (Winter 2007 ECOSates), continue to receive less and less federal funding from EPA to do more and more.

With VEEP, Virginia pioneered the concept of performance based environmental incentive programs at both the state and national level. There are three types of participation in the VEEP: Environmental Enterprise, [E2](#), Exemplary Environmental Enterprise, [E3](#), and Extraordinary Environmental Enterprise, [E4](#). This tiered approach encourages entry into VEEP by any Virginia facility that impacts the environment, including small businesses without robust resources. Since many Army National Guard facilities operate much like small businesses, the E2 program facilitated their corporate needs. It also allowed those just starting their EMSs to gain entry in the program and to work to mature their systems approaches to climb the VEEP ladder.

The Virginia DEQ has long recognized the value in performance-based incentive programs as achieving environmental results greater than those achieved through traditional regulatory

approaches. Additionally, DEQ has viewed these programs as providing more strategic use of financial and human resources. The Department has strongly encouraged these efforts because they may lead to facilities voluntarily committing to focus their EMSs on regional issues such as air quality, Chesapeake Bay water quality, and land conservation rather than strictly on facility operational priorities.

The criteria for acceptance into the VEEP include being in good standing with regulatory compliance requirements and developing and implementing an EMS—a systems approach to managing environmental assets and minimizing environmental liabilities. The benefits of being in the program include incentives such as reduced permit fees and the opportunity to make a case for regulatory flexibility that reduces a regulatory burden while providing the same or higher level of environmental protection than required by regulation. (For more information, visit www.deq.virginia.gov/veep.)

Federal facilities, including Army facilities, were required by Executive Order 13148, Greening the Government through Leadership, to develop and implement EMSs by December 2005. While they did so, Army leadership developed and published an environmental strategy effective October 2004 that incorporates the balance of mission, environment, and community into day-to-day operations. The Army has recognized this as a necessary business practice in protecting and sustaining the land, water, and air needed for training and testing into the future. (For more information, visit www.sustainability.army.mil.)

12. Describe the specific activities and operations of the program in chronological order.

April 2005: VDEQ's Deputy Director for Operations, Director of Environmental Enhancements, and Director of Pollution Prevention met with the Army Region 3 Environmental Coordinator at the 16th annual Environment Virginia Conference and laid the groundwork for pursuing the effort, including emphasizing to the Army that a record of good standing with compliance requirements was an absolute must as a criteria for acceptance of any facility into the program.

June 2005: First Army conference call/meeting among representatives of all Army facilities in Virginia with the Army Regional Environmental Coordinator regarding the opportunity and why it made sense to pursue and outlining a game plan for working together as a group with each other and with Virginia.

June 2005-May 2006: Series of Army conference calls/meetings/emails where representatives from all Army facilities reported on progress, exchanged information, and addressed questions with each other and VDEQ.

May 2006: All Army applications had been submitted to VDEQ.

May 2006-November 2006: Series of VDEQ calls/meetings/emails with VDEQ Regional Offices and Army facilities to verify compliance records and address questions.

November 2006: VDEQ completed review of all Army applications.

December 2006: The Commonwealth's Deputy Secretary of Natural Resources along with the Director of VDEQ joined with the Deputy Assistant Secretary of Army for Environment,

Safety and Occupational Health and the Commanders of the Army facilities in a ceremony held at the Virginia War Memorial in Richmond to celebrate the partnership and way forward.

13. Why is the program a new and creative approach or method?

The creativity and strength of this effort is in its simplicity and the pairing of historically unlikely partners.

In Virginia, as with most state environmental departments, there is a single point of contact who is the advocate and champion in charge of pollution prevention and innovation efforts, who is aware of the major goals of the agency. Likewise in the Army, there is a network of Regional Environmental Coordinators assigned to cover environmental matters of interest to the Army in each state, who are aware of Army environmental goals, and act as gateways to the individual facilities and senior Army leadership. These advocates in both Virginia and the Army worked together to leverage the combined efforts of both their agencies toward what turned out to be common environmental goals and the sharing of performance measurement data.

Historically, Virginia would not have looked to the Army for collaboration on goal setting, voluntary submission of performance data, or partnering in efforts to address regional environmental issues. Traditionally the regulator community used the number of compliance inspections conducted as a major performance measurement and the regulated community used the number of notices of violation received as a major performance measurement. While tremendous progress has been made since the 1970s when the first environmental protection laws were passed, it is becoming clearer that we cannot sustain our natural resources through regulation alone. We need programs that provide incentives that encourage and drive innovation. The trick is in striking a balance and convincing some in the government and public that these programs provide as much and more environmental protection than traditional regulation.

As a result of this effort, the Army has 79 facilities participating in the Virginia Environmental Excellence Program. The Army now makes up 23% of the total program participants, as reported in the 2006 VDEQ Report to the Virginia Assembly on implementation of the program.

This effort is replicable in states with comparable voluntary performance-based environmental incentive programs and an Army presence. Other states are encouraged to start the dialogue at the single point of contact level. VDEQ can provide Army Regional Coordinator contact information upon request.

(For more information on significant changes being made in state and EPA incentive programs, see Federal Register Notice of May 15, 2006, titled Report on ECOS-EPA Performance-Based Environmental Programs; Proposed Initial Implementation Actions (FRL-8169-8; EPA-HQ-OA-0003.)

14. What were the program's start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

There were no start-up costs incurred by VDEQ in conducting this effort with the Army. The Virginia Environmental Excellence Program was already in place.

15. What are the program's annual operational costs?

There is no annual budget associated with the Army partnership. However, more details on the budget for VEEP can be provided upon request.

16. How is the program funded?

There is no requirement for additional funding to support the effort with the Army. VEEP is funded through a combination of state and federal funds. More details can be provided upon request.

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.

The effort with the Army did not require any additional legislation, executive order or regulation. However, there were two Virginia legislative actions and two executive orders that helped to provide an impetus for this project.

Executive Order 13148, Greening the Government through Leadership, dated April 2000, imposed a requirement on all federal facilities to develop and implement an EMS by December 2005. Per that order, "The facility environmental management system shall include environmental goals, objectives and targets that are reviewed and updated annually."

Executive Order 13423, Strengthening Federal Environmental, Energy, and Transportation Management, dated January 2007, while revoking Executive Order 13148, imposed an even broader requirement on all federal facilities in requiring implementation of sustainability practices, addressing energy and transportation impacts as part of facility EMSs, and outlining specific performance goals to be attained such as reduction of water consumption 2% annually or 16% by the end of 2015.

Virginia adopted legislation in 2004 revising water, hazardous waste, and solid waste permit fee structures such that facilities accepted into the Virginia Environmental Excellence Program are eligible for permit fee discounts (9 VAC 25-20-145; 9 VAC 20-60-1286; and 9 VAC 20-90-117).

Virginia adopted legislation in 2005 formally authorizing the Virginia Environmental Excellence Program (Chapter 11.1. of Title 10.1, sections 10.1-1187.1 – 10.1-1187.7, Code of Virginia).

18. What equipment, technology and software are used to operate and administer this program?

No unique or sophisticated equipment, technology or software is used for this effort. Operational and outreach information is available on both the Virginia and the Army web sites. Army facilities for the most part are using "off-the-shelf" EMS software. The Virginia Environmental Excellence Program does require participants to submit an annual report,

sharing measured performance data. The reports are due to VDEQ on April 1. This year VDEQ was able to offer participants the option to complete and submit the report online.

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

VDEQ is not aware of any other state that has been successful in having all Active, Guard, and Reserve facilities in the state partner together as members of a voluntary state environmental incentive program. The Army's Region 3 Environmental Coordinator has confirmed that this has not been accomplished in any other state to date. No one person at DEQ is responsible for this innovative approach; however, the leadership of Director David K. Paylor has provided the agency with the focus and motivation needed to accomplish this partnership. Contact information for Mr. Paylor: PO Box 1105, Richmond VA 23218, 804-698-4020.

20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

As noted above, VDEQ is not aware of an effort like this in any other state but strongly encourages it. And while many states have some form or fashion of a voluntary environmental incentive program, few are performance-based using EMSs and few offer the business incentives of discounted permit fees and regulatory flexibility.

21. Has the program been fully implemented? If NO, what actions remain to be taken?

Through efforts by VDEQ and the Army, all Army facilities applied to the program. One Army base has not been accepted into the program after submitting an application. Both VDEQ and the Army continue to work together to help the facility resolve its issues and expect it to be accepted in the future.

Environmental goal setting, annual reporting of performance measurement data, and regional partnering initiatives will continue indefinitely, assuring long-term benefits.

22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

Both the Virginia Department of Environmental Quality and the Army were using EMSs as part of setting goals and measuring performance but they were not working together; therefore, they were not able to avail themselves of the opportunities and benefits that could come from a combined effort and joint leveraging of resources. The Army's participation in the VEEP allowed each agency to bring together champions of sustainability, EMS and process improvement to provide a sense of commitment and leadership. All Army facilities applied to the voluntary VEEP. All but one have been accepted, with ongoing work to bring it into the program. All 80 Active, Guard, and Reserve Army facilities in the Commonwealth of Virginia are moving together toward environmental sustainability and leveraging resources in efforts that benefit both Virginia and the Army.

Innovations that will be proposed by the Army facilities, accepted by the Department, and shared with other interested parties are still in development; the facilities have been

participating for less than a year. The first performance measurement reports are due April 1, 2007. (Report results will be posted on the program website: www.deq.virginia.gov/veep.)

The Department is required to report to the Governor and General Assembly on the effectiveness the program and on the performance of its 345 participating facilities. The latest report is available at the website listed above. The report describes outcomes such as \$2.5M in cost savings, 53K pounds of hazardous materials use eliminated, and a 46.3M gallon reduction in water use.

Additionally, the report catalogues innovations with alternative compliance methods and regional collaboration networks and efforts. One of those networks is the Virginia Regional Environmental Management System (VREMS) Partnership. VREMS was originally sponsored by the Department of Defense and the White House Council on Environmental Quality in 2003. It has since grown to a partnership of nearly 50 federal, state, local, public, and private organizations using an EMS-based regional approach to environmental and community challenges. Recent projects in which the Army has been significantly involved include retrofitting all the diesel school buses in the Cities of Richmond and Hopewell, reducing point and non-point sources of storm water pollution through collective use of a watershed assessment tool, and working a technology demonstration project involving a titanium dioxide additive in concrete that can be used as surface coating with the result of significantly reducing air pollution.

23. How has the program grown and/or changed since its inception?

The application by the Army facilities and acceptance into the program by DEQ was a one time effort. The growth in benefits that will accrue as a result of that effort are expected to continue.

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

Assuming a state already has a performance-based environmental incentive program in place and there is an Army presence in the state, there is no limitation or obstacle in making the first call to the Army Regional Environmental Coordinator servicing that state. DEQ can provide Army contact information.

In addition, the state should review compliance records of the Army facilities in the state to make sure they are in good standing with compliance requirements. Poor standing would preclude acceptance of Army facilities into a state program. The Army also must be convinced that the state program offers meaningful incentives, without adding burdensome application and reporting requirements, but that make use of the Army's existing environmental reporting and EMS efforts. Finally, the state might face some opposition to alternative compliance methods proposed, as there is still a strong culture at the federal, state, local and public levels that the only way to ensure environmental protection is through the use of strict regulation.

2007 Innovations Awards Program Program Categories and Subcategories

Use these as guidelines to determine the appropriate *Program Category* for your state's submission and list that program category on page one of this application. Choose only one.

Infrastructure and Economic Development

- Business/Commerce
- Economic Development
- Transportation

Government Operations

- Administration
- Elections
- Public Information
- Revenue

Health & Human Services

- Aging
- Children & Families
- Health Services
- Housing
- Human Services

Human Resources/Education

- Education
- Labor
- Management
- Personnel
- Training and Development
- Workforce Development

Natural Resources

- Agriculture
- Energy
- Environment
- Environmental Protection
- Natural Resources
- Parks & Recreation
- Water Resources

Public Safety/Corrections

- Corrections
- Courts
- Criminal Justice
- Drugs
- Emergency Management
- Public Safety

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CSG Innovations Awards 2007
The Council of State Governments
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Lexington, KY 40578-1910

Contact:

Nancy J. Vickers, National Program Associate
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The Council of State Governments
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This application is also available at www.csg.org, in the Programs section.

Deadline: April 2, 2007