

US EPA ARCHIVE DOCUMENT



# Project XLIENWEST: Puget Sound Naval Shipyard



## WHAT IS PROJECT XL?



Project XL, which stands for “eXcellence and Leadership,” is a national initiative that tests innovative ways of achieving better and more cost-effective public health and environmental protection. The information and lessons learned from Project XL are being used to assist the U.S. Environmental Protection Agency (EPA) in redesigning its current regulatory and policy-setting approaches. Project XL encourages testing of cleaner, cheaper, and smarter ways to attain environmental results superior to those achieved under current regulations and policies, in conjunction with greater accountability to stakeholders. It is vital that each project tests new ideas with the potential for wide application and broad environmental benefits. As of September 2000, over thirty pilot experiments were implemented, and several additional projects were in various stages of development.

## WHAT IS ENVVEST?

In 1995, a Memorandum of Agreement (MOA) between EPA and the Department of Defense (DoD) was initiated to provide a framework for the development of regulatory reinvention pilot projects at DoD facilities. This program is commonly known as ENVVEST (for Environmental Investment). This initiative offers DoD facilities an opportunity to think “outside the box” of the current system and find ways to improve environmental performance. Additionally, military facilities, through a unique aspect of the ENVVEST initiative, can reprogram funds to finance the implementation of pilot projects. DoD and EPA designed the ENVVEST Agreement to reflect Project XL requirements.

## SUMMARY OF THE PUGET SOUND NAVAL SHIPYARD PROJECT

Puget Sound Naval Shipyard (PSNS), a large U.S. Navy industrial facility in Bremerton, Washington, provides a range of services for navy submarines and surface ships, including repair, overhaul, conversion, and decommissioning of vessels. PSNS proposes an ENVVEST project to address water pollution associated with naval shipyards. Through this XL Project, PSNS will develop an alternate strategy for protecting and improving the health of surface waters in the Sinclair Inlet by using ecological science and risk-based management, and incorporating techniques consistent with the EPA’s guidelines for Ecological Risk Assessment. Key elements include developing a unified ambient monitoring program, a comprehensive electronic database, a risk-based pollutant prioritization, and Total Maximum Daily Loads (TMDLs)—all leading to proposed alternatives to current National Pollutant Discharge Elimination System (NPDES) regulations. This project will be a pilot program to demonstrate concepts currently under development for naval shipyards. If successful, this XL project potentially could lead to a water pollutant trading program that could maximize water quality benefits, and minimize costs.

The project will be implemented in two phases. Phase I will incorporate an extensive study/research project involving a mapping/design process and database development. During Phase II, the mapping/design process will be implemented based upon results of Phase I. This XL project, EPA’s 42<sup>nd</sup>, was signed on September 25, 2000.

## SUPERIOR ENVIRONMENTAL PERFORMANCE

Some of the superior environmental benefits that PSNS expects to attain through the unified database include: identifying areas of overlapping data collection, determining areas where more data should be collected, and assessing the stressors affecting the health of the Inlet. The superior environmental performance will be measured by changes in water quality, sediment quality, biological health, and biodiversity within the inlet ecosystem. These data are possible metrics for evaluating the entire project

**FLEXIBILITY**

once TMDLs have been put in place and supported by any necessary regulatory flexibility relative to point source discharges (and the Navy's NPDES permit). Superior environmental performance will not flow from Phase I, but rather from implementation of the entire project. In Phase I, the Navy expects to provide accurate loadings data for the Sinclair Inlet and possibly Dyes Inlet. This data should enable the state to produce the waste load allocations and TMDLs for identified pollutants.

In Phase I, no regulatory flexibility is being sought. Rather, PSNS will conduct preliminary data collection and modeling for the Sinclair Inlet and watershed. Upon completion of the data collection and review of its findings, PSNS may determine to seek regulatory flexibility in Phase II.

In Phase II, PSNS may seek flexibility to design an alternative strategy to current National Pollutant Discharge Elimination System (NPDES) regulations. This alternative, possibly in the form of a pollutant trading program, will be flexible enough to allow regulators and the regulated community to select pollution reduction strategies that will maximize water quality benefits and minimize costs.

**STAKEHOLDER INVOLVEMENT**

Stakeholder involvement is essential for the success of an ecosystem-wide environmental program. PSNS held a stakeholder meeting on June 15, 2000, which was attended by local residents, representatives from Washington Department of Ecology (WDOE), Washington Department of Natural Resources, Bremerton City Council, Kitsap County, Suquamish Tribe, Kitsap Public Utility District, and local Restoration Advisory Boards (RAB). Stakeholder involvement will continue in the selection of environmental goals and prioritizing the actions necessary to achieve these goals.

**APPROACHES TO BE TESTED**

- Will the use of innovative watershed-scale ecological risk assessment tools better inform TMDL development and result in a more environmentally protective strategy for managing pollutant sources in the Sinclair Inlet?
- Will allowing a water pollutant trading program maximize water quality benefits, and minimize costs?

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**FOR ELECTRONIC INFORMATION**

More information about this XL Project, or the Project XL Program, is available on the Internet at <http://www.epa.gov/projectxl> under "Information on Specific XL Projects," or via Project XL's Information Line at 202-260-5754.