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Project XL: New Jersey Gold Track

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 March 2001, over 50 pilot experiments are being implemented.

SUMMARY OF THE NEW JERSEY GOLD TRACK PROJECT

In the mid-1990's, the State of New Jersey began to focus on developing and implementing creative ideas that would help the State achieve more efficient and effective environmental performance. As part of their strategy, the New Jersey Department of Environment (NJDEP) launched the Silver Track program, a two-tiered system that provides recognition to participating companies who commit to a certain level of environmental enhancement. The Gold Track Program, being piloted under Project XL, expands upon these environmental commitments by offering greater recognition and multimedia regulatory flexibility to Gold Track participants who commit to achieve and maintain a high level of environmental performance.

The third and highest tier of this State-run program, Gold Track represents the highest degree of commitment by participating companies and additional incentives offered by the NJDEP. One of the goals of Gold Track is to achieve reductions in releases of air pollutants and hazardous waste by providing incentives for participants to go beyond baseline compliance. For example, in the area of air pollution, one way of implementing this goal would be to establish emission caps for criteria and hazardous air pollutants, and to require participants to commit to further emission reductions over time. Acceptance into the Gold track Program signifies a commitment by the NJDEP and the participants to demonstrable, measurable, improved environmental performance, coupled with an appropriate level of monitoring, reporting, and oversight by the NJDEP.

The Gold Track Program is also being used as a model for the USEPA s National Performance Track Program.

SUPERIOR ENVIRONMENTAL PERFORMANCE

As described in the Final Project Agreement, the Gold Track pilot will be limited to no more than 9 facilities, who must pass a rigorous screening and application process. Upon acceptance into the Gold Track Program, NJDEP will enter into a covenant agreement with each participating facility that will detail all aspects of Gold Track participation, monitoring, and reporting. Facility covenant terms and performance standards will be made enforceable through a combination of federal and state rule changes, as well as changes to individual facility permits. Facilities participating

in Gold Track must commit to:

Extensive community outreach ;
A demonstrated Environmental Management System ;
Procure advanced technology/ alternative fuel vehicles whenever replacements are warranted;
Procure cleaner energy by selecting electricity suppliers that ensure a beneficial impact on New Jersey s air quality;
Green House Gas reductions of a minimum of 3.5% below 1990 baseline levels by the year 2005, and
Declining facility-wide air emissions caps.

FLEXIBILITY

Gold Track will offer the greatest operational/regulatory flexibilities and require the greatest environmental commitments from participants in the NJDEP s Gold track Program. The regulatory flexibilities proposed under Gold Track include:

The establishment of facility-wide air emissions caps for a 15-year time frame, with a 5% downward readjustment of the caps every 5 years;
The ability of participating facilities to apply to NJDEP for an exemption from the definition of solid waste for materials destined for recycling, and
The extension of the 90-day accumulation time limit to 180 days for generators that accumulate hazardous waste.

STAKEHOLDER INVOLVEMENT

Several organizations participated in a stakeholder group with New Jersey DEP and EPA to develop the Final Project Agreement and media-specific addenda. Meetings were advertised, open to the public, and conducted approximately every two weeks for several months. In addition, program applicants are required to have an advanced community outreach program in place prior to acceptance into Gold Track.

APPROACHES TO BE TESTED

Can a state produce superior environmental performance by providing multimedia regulatory incentives for good performers; and requiring investment of resources in alternative, non-regulatory environmental improvement activities?

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FOR ELECTRONIC INFORMATION

More information about Project XL is available on the Internet at http://www.epa.gov/ProjectXL, or via Project XL s Information Line at 202-260-5754.