

## **Marketing Yourself to an Environmentally Sensitive Owner**

Speech to Associated General Contractors of America  
Sunday, September 14, 3:30 p.m.  
Hyatt Regency Capitol Hill

Thank you, Bob. It's always great to be introduced by someone from Texas.

When Administrator Whitman welcomed the AGC into EPA's new Sector Strategies Program just 4 months ago, she congratulated you for your outstanding environmental leadership.

AGC and you are doing a nice job in helping your members achieve compliance, promote green construction, and use environmental management systems.

And I know EPA is very appreciative for your partnership and work in the Sector Strategies Program, the National Environmental Performance Track, the Construction Workgroup, the Construction Industry Compliance Assistance Center, and more.

As a result of your partnering, EPA now has assigned Peter Truitt to serve as your single point of contact for construction matters, and he is always looking for ways to help you improve environmental performance.

Through your hard work, you now have lots of attention from EPA – and this time it's all good.

This afternoon, I would like to talk to you about what the federal government is doing in the areas of green construction and environmental management systems – and how green building and EMSs can benefit you in your business with the federal government and other environmentally sensitive customers.

### **FEE**

So first off, what the heck is the FEE and what do we do?

I wear two hats, as we are funded by EPA but report to the White House Council on Environmental Quality, CEQ.

Created by the first President Bush, the job was originally titled the Federal Recycling Coordinator, and the role was to promote recycling and the buying of recycled content products by the federal government.

The role and title have grown and evolved substantially.

Today, recycling and buying recycled remain a major focus of our office, but we also are looking at several issues that are logical outgrowths of that original mission.

Our broader mission now is to promote sustainable environmental stewardship throughout the federal government.

We're focusing on improving federal facilities' environmental compliance and performance through the use of environmental management systems, the entire range of green purchasing, industrial ecology, electronics stewardship, and sustainable buildings.

## **Green Buildings**

My office has adopted sustainable – or green or high performance – building as one of our six key priorities, for three reasons.

First, buildings – in their design, construction, operation, maintenance, use, and removal – affect land use, energy use, communities, and the indoor and outdoor environment.

As stewards, we have the opportunity and responsibility to reduce these impacts. Using sustainable principles in buildings and construction projects can reduce these impacts, as well as improve working conditions and worker productivity, increase energy efficiency, and reduce costs and risks.

Second, sustainable buildings can be showcases to educate people about environmental issues, possible solutions, creative partnerships, and opportunities for reducing environmental impacts in our everyday lives.

Hundreds of millions of people visit and work in federal facilities each year. Federal facilities and workers can, and must, use these opportunities to help educate and to improve environmental conditions in our communities.

And third, green buildings represent the application in one place of many of the sustainable concepts our office is working on.

For the construction industry, this issue of green building will only continue to grow in importance – whether it's because of the cost of energy going up, the impact of construction on storm water and wetlands, spills and diesel emissions from construction, construction and demolition debris, the impact on habitat and endangered species, sprawl and air quality implementation plans, or other issues.

Green construction is spreading across the public and private sectors throughout the U.S. and the world. Green buildings include commercial, institutional, industrial, and multi-unit residential new construction and major renovations.

Membership in the U.S. Green Building Council jumped from 250 companies and organizations to nearly 3,000 in just 3 years.

In those same 3 years, since the launch of the Council's Leadership in Energy and Environmental Design, or LEED, building rating system, more than 850 building projects have registered for LEED certification and 62 already have been certified.

About half of the LEED projects are corporate owned, about 40 percent are state or local government owned, and 10 percent are federally owned.

And AGC's new headquarters in Arlington is being built to be LEED certified. You're leading by example.

So what's the federal government's own track record here?

Our office will be issuing a report this week that for the first time pulls together the federal government's policies and practices on green building – and we'll offer a few recommendations, too.

You can find that report – and much more on all our six priority action issues – at our website, [www.ofee.gov](http://www.ofee.gov). Here are some of the report's highlights.

First, a few basic facts. The federal government owns about 500,000 buildings covering 3.1 billion square feet – and more new buildings and renovations are on the way. And we help fund lots of other construction projects, too, as you know.

Five agencies account for 95 percent of all the federal government's square footage: Department of Defense most notably, followed by the Postal Service, the General Services Administration, the Department of Veterans Affairs, and the Department of Energy.

Federal buildings account for 0.4% of the nation's energy use, and have similar impacts regarding land use, water use, air emissions, and more.

We have several key statutes and policies already in place, such as energy efficiency measures, that have helped us achieve some early successes.

And seven agencies – making up much of the federal government – already require the use of LEED for new projects: GSA, Army, Navy, Air Force, EPA, NASA, and the National Park Service.

So how well are we doing?

- More than 100 federal buildings are now rated as energy efficient under the “Energy Star” program.
- Nearly 70 Federal buildings are undergoing the LEED certification process, and seven federal buildings have been LEED certified already.
- Federal folks are offering their expertise on the next round of LEED, as well as on various green product standards, such as BEES.
- Federal buildings have reduced their energy intensity by 23 percent since 1985.

And with the report’s recommendations, we hope to continue to “build” on this progress.

All this momentum tells me this is something to pay attention to – and AGC is.

### **Business Case**

Okay, well and good, but how can you use this to improve your business? Four ways.

**First**, you have to be in compliance with all requirements, including environmental laws. Compliance is the bottom line – from storm water runoff, to wetlands, to asbestos releases, to endangered species.

Many governments, builders, and developers look to your compliance history before awarding bids.

To help you understand and navigate all these requirements, AGC has partnered with EPA to form the Construction Industry Compliance Assistance Center, which has its own website: [www.cicacenter.org](http://www.cicacenter.org).

EPA also wrote a guide for you, which is in your meeting folders, called Federal Environmental Requirements for Construction. And AGC regularly publishes an electronic newsletter for members called the Environmental Observer.

**Second**, you can then go beyond mere compliance and establish your credentials as a green construction contractor.

Make the business commitment – to your employees, to the public, in your contracts, in your advertising, and in your actual work – to build well and improve the environment.

You can even advocate state-of-the-art green construction practices to owners and developers and include in your offers green elements – even if the RFP did not ask for it.

Building rating systems, like LEED, and green product standards, like BEES, offer useful guides for contractors to take this next step.

For example, according to a January 2003 article in the Houston AGC's Cornerstone magazine, construction contractors can directly impact or manage over 50 percent of the points needed for the basic LEED Certified Rating, and 30 percent of the points for the highest Platinum Rating.

As I mentioned, the Federal government is increasingly requiring green building elements in its building and renovation bids.

And AGC's Environmental Services web page has numerous green construction resources and links, such as the Green Construction Bible and a Green Products Directory, which are referenced in your packets.

**Third**, participate as a partner in local, state, and federal voluntary programs. AGC is doing a great job of this by working with many folks, including EPA's National Environmental Performance Track Program. AGC can help you with these programs. And part of this work is to partner with others in your community, even your federal neighbors, to share your experiences and expertise.

**And fourth**, to help you do all of these things, to further boost your firm's efficiency and effectiveness, and to bolster your firm's environmental credentials, develop an environmental management system.

### **Environmental management systems**

I'm a big fan of environmental management systems, or EMS.

They are a tool to help organizations manage all the aspects of your operations that affect the environment **by integrating them into your business operations** – a perfect opportunity for those just sitting down to design, construct, renovate, or operate a building.

Benefits that others around the world have found using this tool include: less pollution, efficiencies and resource savings, improved health and safety, reduced liability concerns, better relations with government and community, more informed and engaged employees, and positive recognition.

The Federal government offers two specific benefits, that I know of, for using EMS.

One, if you do get hit with an enforcement action, EPA policy gives you credit for having an EMS as part of your good faith effort to comply, particularly if you use your EMS to promptly correct the problem – all of which can result in a reduced penalty.

And two, thanks to some changes to the Federal Acquisition Regulations over the summer, agencies now can give you points for having an EMS when considering bids.

The Bush Administration is actively promoting the use of environmental management systems by businesses and governments – as tools to improve management and stewardship.

In just the last year, we have gone from a dozen federal facilities with EMSs to over 200 – and thousands of employees are getting trained so they can develop these tools.

AGC is now preparing an EMS template for construction contractors (this is great news!), AGC and EPA are teaming to provide EMS training for your members, and AGC has some helpful information about EMS on its website.

An EMS begins with your environmental policy – it is a commitment to ambitious improvement from top management and employees. It covers compliance and more.

And you can include much more than just environmental – like energy, health and safety, security, and transportation. You then build a system for carrying out that policy based on the PLAN-DO-CHECK-ACT management model.

#### PLAN

- Identify ALL of your environmental impacts and legal requirements.
- Set improvement goals and measurable targets.
- Develop a comprehensive plan to achieve the targets.

#### DO

- Implement the plan to carry out your commitments and goals – everything from construction practices to purchasing to awareness training and more.
- Your EMS should include open communications with the communities you are working in.

#### CHECK

- You monitor the results and evaluate how well the system is working and whether you're meeting your goals.
- And auditing is critical.

#### ACT

- You correct what's not working, enhance what is working, and revise the plan if you need to.
- Senior management support is critical to a successful EMS.

Continually improving environmental performance is your goal in an EMS.

With an EMS, you are making an important investment in your company, as well as commitments to being a good steward and a good neighbor.

EMS, particularly ISO 14001, is being required more and more around the world just to be able to bid for new business.

An EMS can also help with your NEPA compliance on federal projects.

And an EMS is essential to participating in EPA's National Performance Track.

Skanska USA Building, for example, is a member and, thanks to its EMS, has seen significant air pollution reductions, increased recycling and reuse of construction materials that saved \$1 million, minimized soil erosion, and, by using C&D debris as fill material, saved \$500,000 at just one demolition/renovation site.

### **Caution**

I do want to issue a word of caution on EMSs. They are not silver bullets, they are not one-time projects that you can file in a notebook and put on the shelf.

These are living systems that are tools that take management participation and blood, sweat, and tears to develop and continue to use. You may not see the results right away.

You may still have violations. But from all the real world experience we've seen, strong EMSs do have significant benefits for organizations' bottom lines and environmental stewardship.

### **Closing**

In closing, I want to congratulate AGC for your stewardship and your willingness to keep pushing to improve your environmental stewardship.

You are part of your community, and have an opportunity every day to help shape its future – including environmental issues. And that community includes your federal, state, and local governments.

Together, you can tackle these issues. You can even adopt a bureaucrat and teach them what you've learned about green building and EMS.

Keep up the good work.

Thank you.