



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON D.C. 20460

OFFICE OF THE ADMINISTRATOR
SCIENCE ADVISORY BOARD

April 5, 2005

NOTE to Members of the Science Advisory Board (SAB) Committee for Valuing the
Protection of Ecological Systems and Services (C-VPES)

FROM: Domenico Grasso, Chair
SAB C-VPES

I wanted to take this opportunity to update you about two recent meetings that are important to our Committee. In December, Granger Morgan and I had the opportunity of meeting with Steve Johnson, the new EPA Administrator designate. At that meeting, he indicated that improving methods for valuing ecological systems and services was one of his top science priorities for the Agency. Accordingly, we have direct feedback from the Administrator designate regarding the significance of our work. Given this recognition, I thought it important to examine how we might expedite our work of providing advice to the Agency.

On March 24, the C-VPES Steering Group met with the SAB Staff Office to discuss options for moving our work forward. At that meeting in Stanford, graciously hosted by Buzz Thompson, the Steering Group proposed a strategy that builds on our past discussions, and provides for a series of C-VPES reports to deliver advice. We believe the proposed strategy offers a clear picture of how we might advance our work. We also need your experience and insights to refine the strategy and its overall implementation.

The strategy proposes producing four separate reports: 1) an initial report; 2) report on effective utilization of economic methods at EPA; 3) report on expanding the suite of VPES tools at EPA; and 4) a synthesis report. Additional details regarding the reports and a proposed schedule for their development are summarized in Attachment 1. The past work of committee will provide the basis for the above reports. Important foundational work for the reports has been done regarding: the concept of value; national rulemaking needs; regional decision-making needs; communicating ecological values effectively; economic methods; new methods for expanding the suite of tools; and some new fact-finding on EPA's need for indicators for performance measurement).

Operationally, we envision organizing the committee into two subgroups to facilitate debate and deliberation. The first subgroup will consider economic methods (item 2 above). The second subgroup will consider expanding the suite of VPES tools at EPA (item 3) above. Task and charge definitions, as well as preliminary committee

member assignments are summarized in attachment 2. Please contact Angela Nugent if you would like to change assignments to an alternate group.

The subgroups will plan meetings, any additional fact-finding necessary, and a process for developing draft reports. Please note that the Steering Group will develop the scoping document. The synthesis document will be prepared by the Steering Group and volunteers from the committee at large. The subgroup draft reports will be discussed and reviewed by the whole committee. Final committee reports will then be delivered to the chartered SAB, which reviews and approves all reports prior to transmitted to the Agency.

I look forward to meeting with you and hearing your input on this new approach to our work. At that time, Kathy Segerson will lead a short discussion about the scope and general outline of the scoping report, which we will discuss in greater detail at our June and fall meetings

**Attachment 1
Plan for Four Major C-VPES Reports**

		Proposed group responsible for first draft	Date provided to Committee for initial discussion	Target date for draft to chartered SAB	To Administrator
1	Scoping/Setting-the Stage Document ~20 page document	Steering Group	Before C-VPES September 2005 meeting		December 2005
2	Effective utilization of economic methods at EPA for VPES	Economic Methods Group Steve Polasky, Chair Lou Pitelka, Vice-Chair	November 2005		
3	Expanding the suite of tools for VPES at EPA	Expanding the Suite of Tools Group Greg Biddinger, Chair Terry Daniel, Vice Chair	November 2005		
4	Synthesis Report	Synthesis Group Group to include Chairs of Reports 2 and 3 and other members to be determined	June 2006		

1. First Report

- Possible title: Valuing the Protection of Ecological Systems and Services: Overview of the Problem and Possible Solutions
- Would set the stage (rationale, precedent, motivation, contextualization), define terms ("value," ecological services, ecological systems, decision contexts, etc.)
- Would include any recommendations the Committee feels the Agency can act on now.

2. Effective utilization of economic methods at EPA for VPES

Charge:

- Provide advice on how to use traditional economic methods effectively for different EPA purposes (e.g., for different decision "contexts," for different services, for situations with different time constraints) and how to properly caveat their use.

Suggested outline

- Describe the state of art and science in what EPA is doing with economic methods and description of what is being done elsewhere
- Suggestions for improved applications of methods to different EPA contexts using illustrative examples (examples that would look at regulatory applications, regional applications, indicators that can be used as performance measures for ecological protection programs); suggestions for how such benefits would be effectively communicated to the general public.
- Suggestions for critical research needs for EPA programs

3. Expanding the suite of tools for VPESS at EPA

Charge:

- Provide advice on the effective use of methods other than traditional economic methods or different EPA purposes (for different decision "contexts," for different services, for situations with different time constraints, for difference resource constraints) and how to properly caveat their use.

Suggested outline

- Describe the state of art and science in what EPA is doing with non-economic methods and description of what is being done elsewhere
- Suggestions for improved applications of methods to different EPA contexts using illustrative examples (examples that would look at regulatory applications, regional applications, indicators that can be used as performance measures for ecological protection programs); suggestions for how such benefits would be effectively communicated to the general public.
- Suggestions for critical research needs for EPA programs

4. Synthesis Report

- Focus: on integration of economic and non-economic methods and results; integrated analysis and its relationship to decision making; possible applications of both in different contexts; discussion of uncertainty analysis and data quality. Illustrate how the Agency could use suite of tools to make the fullest use of available information and where research could be directed to get practical returns.

Attachment 2
Plan for Two Subgroups

Economic Methods Group

Suggested Group Members

Steve Polasky, Chair
Lou Pitelka, Vice-Chair

Dom Grasso
Geoff Heal
Doug MacLean
Hal Mooney
Paul Risser
Mark Sagoff
Kathy Segerson
Kerry Smith
Rob Stavins

Expanding the Suite of Tools Group

Suggested Group Members

Greg Biddinger, Chair
Terry Daniel, Vice-Chair

Bill Ascher
Ann Bostrom
Jim Boyd
Robert Costanza
Rick Freeman
Dennis Grossman
Bob Huggett
Holmes Rolston
Joan Roughgarden
Paul Slovic
Buzz Thompson