

TO: Mr. Thomas Carpenter ([Carpenter.Thomas@epa.gov](mailto:Carpenter.Thomas@epa.gov))

Designated Federal Officer

SAB Staff Office

FROM: Robert S. Lynch, Robert S. Lynch & Associates

DATE: November 30, 2011

SUBJECT: Value of Water to the U.S. Economy Study; opportunity for public comment; public teleconference on Monday, December 5, 2011

Dear Mr. Carpenter:

We are forwarding these comments and questions to you as the Designated Federal Officer (DFO) identified in the Federal Register notice of Monday, November 14, 2011, 76 Fed.Reg. 70444-5. They are submitted on behalf of our client, the Irrigation & Electrical Districts' Association of Arizona (IEDA). It is our understanding from the Federal Register notice that you will bring these comments to the attention of the Science Advisory Board, an EPA federal advisory committee, prior to Monday's teleconference. Hopefully, the questions we have can be addressed at that time and thereafter during the development of this study.

1. The Federal Register notice seems to indicate that EPA intends to separately value water for what it identifies as "nonmarket values", examples being given as nonuse value and recreation values. Item 4.b. of the Overview confirms that intent. Recreation, especially in the West, has economic value. If this study is to address such economic value, how will the "nonmarket values" be integrated into the overall analysis? Will "nonmarket values" be assessed for economic enterprises such as farming, forestry, grazing, etc.? Why is EPA conducting a "nonmarket values" analysis separate from this undertaking by the Science Advisory Board? Why is the Science Advisory Board not conducting the "nonmarket values" study?
2. Is the opportunity to comment in writing by Wednesday, November 30, 2011 and the opportunity to provide oral comments at the public teleconference on Monday the only opportunity the public will have to provide input to this effort? Will there be any public input opportunity for the separate EPA nonmarket values analysis? What is the timetable for completing the SAB study? The separate EPA "nonmarket values" study? What process will be utilized once these studies are completed to combine them? Will there be public input anywhere in this combining process?
3. Our review of the documents currently available on the EPA website discloses that there is no intended analysis of the effect of the various legal systems of states or the treaties, statutes and court decisions at the federal level that affect the right to use water. Isn't understanding the various legal schemes associated with the ability to use water inherent in any analysis of the economic value of a particular source based on restrictions or lack of restrictions on its use?
4. We could not find in the documents provided to date any discussion of the national security value of water resources, such as the availability of water to produce food and fiber within the United States or the ability to manufacture goods and provide services within the United States rather than exporting these services and importing food, fiber and other commercial products. Is there a national security value recognized in economic analysis that should be included in this exercise?

5. It is unclear to us from reviewing the materials we found available on the EPA website today whether either the analysis of economic values by the SAB or the analysis of “nonmarket values” by EPA will be addressing only their direct and immediate values or will consider the tangential values such as the value of having a product available as a raw product that generates the ability to manufacture and the jobs that go with it or on the other hand the nonuse value of enjoying water running down a stream and whether that also includes the plane ticket from somewhere else to get to look at the stream. Will either the SAB study or the EPA “nonmarket values” study attempt to analyze what, for lack of a better label, we would consider spinoff values in their respective studies? If so, how will the upstream or downstream analyses be confined?
6. Unfortunately, I will be in court in Monday and unable to participate in this teleconference. For those of us similarly situated, how will we be able to access the teleconference proceedings? Will the Summary of Next Steps identified in the agenda be put on the EPA website?

Thank you for the opportunity to comment on this proposal.

cc: Arizona Congressional Delegation

Josh Johnson, Senate Energy and Natural Resources Committee

Kiel Weaver, House Natural Resources Committee

Tom Donnelly, Executive Vice President, National Water Resources Association

Adrian Coffey, Director of Federal Affairs, National Water Resources Association

Joe Nipper, Senior Vice President-Government Relations, American Public Power Assn.

Sue Kelly, General Counsel, American Public Power Assn.

Linda Church Ciocci, Executive Director, National Hydropower Association

IEDA Presidents/Chairmen and Managers

Robert S. Lynch, Esq.

Robert S. Lynch & Associates

340 E. Palm Lane, Suite 140

Phoenix, AZ 85004-4603