

**Summary Minutes of the
U. S. Environmental Protection Agency
Science Advisory Board
Advisory Council on Clean Air Compliance Analysis
Special Council Panel for the Review of the Third 812 Analysis
Advisory Teleconference
July 11, 2003, U.S. EPA, Washington, D.C.**

Panel Members: (See Roster – Attachment A)

Date and Time: 12:30 p.m. – 1:45 p.m., July 11, 2003 (See *Federal Register* Notice - Attachment B)

Location: U.S. EPA, Ariel Rios Building, 1200 Pennsylvania Avenue, NW, Washington, DC 20004.

Purpose: The purpose of this meeting was to discuss Special Council plans for reviewing the Agency document with modifications to be provided after May 28, 2003.

Attendees: Chair: Dr. Trudy Cameron

Council Members: Dr. David T. Allen
Ms. Lauraine Chestnut
Dr. Lawrence Goulder
Dr. James Hammitt
Dr. F. Reed Johnson
Dr. Lester B. Lave
Dr. Virginia McConnell
Dr. Bart Ostro
Dr. V. Kerry Smith

Other SAB Members: Dr. Dale Hattis

Consultants: Dr. D. Warner North
Dr. Thomas S. Wallsten

SAB Staff: Dr. Angela Nugent (DFO)
Dr. Vanessa Vu (SAB Staff Office Director)

Other Attendees:

EPA Staff:

Mr. Rob Brenner, Office of Air and Radiation (OAR), U. S. EPA
Mr. James DeMocker, OAR

Project Team:

Mr. James Neumann, Industrial Economics (IEc)

Mr. Jason Price, IEc

Dr. Henry Roman, IEc

Meeting Summary

The discussion generally followed the issues and general timing as presented in the meeting Agenda (See Meeting Agenda - Attachment C). The teleconference lasted until 1:45 p.m. There were no written comments submitted to the Panel, and there was no written request to present public comments during the discussion.

Opening of Meeting and Roll Call

Dr. Angela Nugent, Designated Federal Officer (DFO) for the Panel, opened the meeting and called the roll.

Welcome and Agenda Review

Dr. Trudy Cameron, Panel Chair, thanked panel members and other attendees for their input and participation to date and briefly reviewed the agenda and plan for the conference call.

Status of Agency Update to the Analytical Plan

Mr. Rob Brenner, OAR, discussed the Clean Air Act Amendments (CAAA) Section 812 Prospective Study II. He expressed OAR's appreciation to the Panel for its interest and commitment and said that OAR anticipated the Council playing a key role in the development of the analytical plan. He acknowledged the somewhat rocky start in terms of the May 12 blueprint and noted that quite a bit of progress had been made on the issues called into question. Mr. Brenner referred to the July 8 letter sent to the Panel by Dr. Jeffery Holmstead, which accompanied the revised Prospective Study II document. Mr. Brenner pointed out that there were modest changes to Chapters 1, 2, 6, 9, 11, and 12, and that work was continuing on Chapter 8, Economic Valuation of Effects.

Mr. Brenner stated that the key goals for Prospective Study II remain the same and are programmed toward providing insight into the relative efficiency and benefit/cost analyses of CAAA programs, and indicating the relative value of pollutant reductions to Congress. If EPA succeeds in this effort, much can be accomplished to assist in decision-making on air quality, he said, and the monetary savings and other impacts of reducing pollutants could be estimated.

Mr. Brenner noted that in trying to define baseline by starting with 1990, the standards remain fixed and other growth factors are used to develop a scenario. This baseline scenario will be compared with a post-CAAA factual scenario, which can be somewhat challenging in some instances. The task was to design a control case based on what is

known and what is expected in terms of environmental impact even if the economic impact is unknown. Mr. Brenner reported that preparation of the study update has been a valuable planning tool for EPA and said that the Council's input and advice is most welcome.

Discussion of Agency Goals and Overall Analytical Approach

Dr. Cameron called on Dr. Lester Lave, the lead discussant for Charge Question 1: "Does the Council support the study goals, general analytical framework, disaggregation plan, analytical sequence, and general analytical refinements defined in chapter 1? If there are particular elements of these plans which the Council does not support, are there alternatives the Council recommends?"

Dr. Lave commended EPA for disaggregating cost and benefits, noting that this has been needed for some time and ideally should be done regulation-by-regulation and area-by-area. He then asked for Panel discussion in two additional areas. First, Dr. Lave expressed his belief that benzene may not be representative of other air toxics, and EPA and Congress will have to make some decisions in terms of risks. He noted that use of "maximum available control" technology is not always best. Second, Dr. Lave asked for comments from Panel members on the Human Health Effects section, particularly focusing on whether the proposal was going to be sufficient.

General discussion on these topics followed. Ms. Chestnut expressed agreement with Dr. Lave's comments on disaggregation.

Dr. North strongly expressed his belief that case studies in the air toxics analysis should not be limited to benzene. Dr. Cameron asked for suggestions on two or three other air toxics that should be reviewed. Dr. North noted that others are often from small sources, but suggested studies of perchloroethylene (e.g., in New York, relative to dry cleaners venting into apartments) and chromate. He requested that EPA provide suggestions and inform the panel of plans related to the list of 100 air toxics. Mr. Brenner stated that EPA is at a critical juncture on air toxics and noted that it would be useful to have input from the Council on the sets of case studies that might be worth reviewing. He agreed to provide the Panel with one or more typical examples of options and to seek comments from the Panel. Dr. North volunteered to work with Mr. Brenner on this. Dr. Lave commented that it would be helpful to look at those cases where benefits are greater than costs.

Dr. Goulder questioned the purposes of including case studies on air toxics in terms of what is to be accomplished. A discussion ensued of various methods and models, and questions about data gaps. For clarification, Dr. Nugent read from a November 2001 document, which explained that the Council had recommended that a case study on benzene be incorporated, despite the analytical difficulties, primarily because there was so much more data available on benzene. Dr. North noted that he has no problem with using benzene, just with it being the case study included.

In turning to the health effects section, Dr. North noted that visibility is a major issue in the West, and should be included. He also stated his hope that cost/benefit analyses would not be limited to national parks and residential visibility. Mr. James DeMocker, OAR, stated that the Council previously recommended that residential visibility not be included because the data are extremely dated. Dr. Smith mentioned some recent public studies, and Mr. DeMocker expressed willingness to review them for possible inclusion. Dr. Johnson observed that there are as much data on this topic as on others that are included.

Dr. Wallsten questioned why mortality is used instead of morbidity, noting that morbidity is not mentioned in the Chapter 1 overview or in Chapter 9. During a brief discussion, it was noted that morbidity is part of Chapter 6, Human Health Effects Estimation, and that more detail would be provided.

Dr. Cameron turned to Charge Question 2: "Does the Council support the choices for analytical scenarios defined in Chapter 2? Are there alternative or additional scenarios the Council recommends EPA consider for inclusion in the analysis?" She noted that although Dr. Smith was to have led an initial discussion, he had received the materials only moments prior to the teleconference.

Dr. James Hammitt expressed concerns about the alternative pathway scenarios, which were echoed by other Panel members. Dr. Hammitt suggested strengthening one sector at a time, while keeping other sectors constant, instead of compensating by "backing off" the other sectors. Ms. Chestnut questioned what was to be accomplished with pathway scenarios, expressing doubts about how useful they were in terms of policy. She questioned whether there was any nonlinearity when the pieces were pulled apart, and if so, how it would be reconciled.

Mr. DeMocker explained the ways in which scenarios were likely to be constructed, e.g., holding some sectors fixed and "ratcheting down" others. Dr. Hammitt commented that it seems some regions still will not be in attainment, given weather patterns and other factors. Mr. DeMocker responded that air quality is monitored every 10 years while attainment must be measured 3 years in a row. Consequently, the data are not available. The control scenarios reflect progress toward attainment, he said.

Update on Air Quality Modeling Subcommittee (AQMS), Health Effects Subcommittee (HES), and new Ecological Effects Subcommittee

Dr. Cameron called on Dr. David Allen, AQMS Chair, who reported that the AQMS met on June 12 to provide input to EPA on developing the emissions inventory and on the original Charge Questions 2 through 6. Specific recommendations were made on the emissions inventory and a draft is being prepared for the subcommittee. The general consensus of the AQMS was that given the constraints on resources, the report should: 1) more carefully document inventories; 2) give highest priority to the particulate matter (PM) inventory; and 3) continue the good start on forecasts and uncertainty analyses.

Dr. Allen concluded by stating that the AQMS will meet again to discuss modeling issues.

Dr. Bart Ostro, HES chair, reported that the HES is working on changes to Chapter 6, Human Health Estimation, and will be working with Dr. Nugent on the issues raised. Dr. Nugent discussed the pending formation of an Ecological Effects Subcommittee, which will be comprised of scientists, social scientists, and other experts, to enhance the work on 812. It will not be limited to SAB members as initially planned. In response to questions from panel members, Dr. Vanessa Vu explained that the committee has been assembled but must be approved by the new incoming Acting Administrator and that its membership cannot be announced prior to such approval. Dr. Nugent responded that the prospective members have been individually approached. Panel members suggested that since this subcommittee was important to the development of the analytical plan, the potential members could listen in on the pending July 15 conference call since it is open to the public.

Preparation for July 15 Council Teleconference

Dr. Cameron reminded the Panel that the schedule for the July 15 teleconference is extremely tight and therefore members should review Chapters 1 and 2 and be prepared with comments. Chapter 4 on Cost Estimates will be discussed, with Dr. Charles Kolstad and Dr. Goulder leading the discussion. Dr. Cameron encouraged the Panel to thoroughly review the material and inform Dr. Nugent of any potential concerns.

Dr. Nugent expressed concern about having enough time to cover all the important issues on July 15, and asked for feedback on scheduling additional teleconferences before the Council meeting in September. Several members affirmed the need for interim teleconferences. Mr. DeMocker stated that the key issue will be resolving scenario definitions and that some other issues can be deferred if necessary.

In response to questions and comments from panel members, Dr. Cameron suggested that written comments be circulated in a timely manner. She concluded by thanking members for their participation.

Action Items

1. Mr. Brenner will provide to the Panel one or more typical examples of options for air toxics case studies in addition to benzene, and will solicit input on whether these case studies should be included.
2. Additional teleconferences will be organized after July 15 if further discussion is needed.
3. Subcommittee members should circulate their written comments on Chapters 1, 2, and 4.

At 1:45 P.M., Dr. Cameron adjourned the teleconference.

Respectfully Submitted:

/s/ Angela Nugent 9/30/03
Angela Nugent
Designated Federal Official

Certified as True:

/s/s Trudy Cameron, 10/02/03
Trudy Cameron
Chair

NOTE AND DISCLAIMER: The minutes of this public meeting reflect diverse ideas and suggestions offered by the Council to the Agency during the course of deliberations within the meeting. Such ideas, suggestions and deliberations do not necessarily reflect definitive consensus advice from the Council. The reader is cautioned to not rely on the minutes to represent final, approved, consensus advice and recommendations offered to the Agency. Such advice and recommendations may be found in the final advisories, commentaries, letters, or reports prepared and transmitted to the EPA Administrator following the public meetings.

ATTACHMENTS

Attachment A: Roster of Special Council Panel for the Review of the Third
812Analysis

Attachment B: *Federal Register* Notice

Attachment C: Meeting Agenda

**Attachment A: Roster of Special Council Panel for the Review of the Third
812 Analysis**

U.S. Environmental Protection Agency
Science Advisory Board
Advisory Council on Clean Air Compliance Analysis
Special Council Panel for the Review of the Third 812 Analysis

CHAIR

Dr. Trudy Cameron, Raymond F. Mikesell Professor of Environmental and Resource Economics, Department of Economics, University of Oregon, Eugene, OR
Also Member: Executive Committee

MEMBERS

Dr. David T. Allen, The Henry Beckman Professor in Chemical Engineering, Department of Chemical Engineering, University of Texas, Austin, TX

Ms. Lauraine Chestnut, Manager, Stratus Consulting Inc, Boulder, CO

Dr. Lawrence Goulder, Associate Professor, Department of Economics & Institute for International Studies, Stanford University, Stanford, CA
Also Member: Environmental Economics Advisory Committee

Dr. James Hammitt, Professor of Economics and Decision Sciences, Department of Health Policy and Management, School of Public Health, Harvard University, Boston, MA

Dr. F. Reed Johnson, Principal Economist and RTI Fellow, RTI Health Solutions, Research Triangle Institute, Research Triangle Park, NC

Dr. Charles Kolstad, Professor, Department of Economics, Bren School of Environmental Science and Management, University of California, Santa Barbara, CA

Dr. Lester B. Lave, Professor, Graduate School of Industrial Administration, Carnegie Mellon University, Pittsburgh, PA

Dr. Virginia McConnell, Senior Fellow; Professor of Economics, Resources for the Future, Washington, DC

Dr. Bart Ostro, Chief, Air Pollution Epidemiology Unit, California Office of Environmental Health Hazard Assessment (OEHHA), Oakland, CA

Dr. V. Kerry Smith, University Distinguished Professor, Department of Agricultural and Resource Economics, College of Agriculture and Life Sciences, North Carolina State University, Raleigh, NC

OTHER SAB MEMBERS

Dr. Dale Hattis, Research Professor, Center for Technology, Environment, and Development, Marsh Institute, Clark University, Worcester, MA
Member: Environmental Health Committee

CONSULTANTS

Dr. John Evans, Senior Lecturer on Environmental Science, Harvard University, Portsmouth, NH

Dr. D. Warner North, President, North Works Inc, Belmont, CA

Dr. Thomas S Wallsten, Professor, Department of Psychology , University of Maryland, College Park, MD

SCIENCE ADVISORY BOARD STAFF

Dr. Angela Nugent, Designated Federal Officer, 1200 Pennsylvania Avenue, NW, Washington, DC, Phone: 202-564-4562, Fax: 202-501-0323, (nugent.angela@epa.gov)

Attachment B: *Federal Register* Notice

Science Advisory Board; Advisory Council on Clean Air
Compliance Analysis; Notification of Upcoming Public
Teleconferences

[Federal Register: July 1, 2003 (Volume 68, Number 126)]
[Notices]
[Page 39084-39085]
From the Federal Register Online via GPO Access [wais.access.gpo.gov]
[DOCID:fr01jy03-56]

ENVIRONMENTAL PROTECTION AGENCY
[FRL -7521-5]

Science Advisory Board; Advisory Council on Clean Air Compliance
Analysis; Notification of Upcoming Public Teleconferences

AGENCY: Environmental Protection Agency (EPA).
ACTION: Notice.

SUMMARY: The EPA Advisory Council on Clean Air Compliance Analysis
(Council) is announcing two public teleconferences by its Special
Council Panel for the Review of the Third 812 Analysis and its
subcommittee, the Air Quality Modeling Subcommittee (AQMS).

DATES: July 11, 2003. A public teleconference call meeting for the AQMS
will be held from 11 a.m. to 12:30 p.m. (Eastern Time).

July 11, 2003: A public teleconference call meeting for the Special
Council Panel will be held from 12:30 p.m. to 2:30 p.m. (Eastern Time).

July 15, 2003: A public teleconference call meeting for the Special
Council Panel will be held from 12 p.m. to 2 p.m. (Eastern Time).

ADDRESSES: Participation in all teleconferences will be by
teleconference only. The meeting location for the September 23-24, 2003
meeting for the Special Council Panel will be held in Washington, DC.
The meeting location will be announced on the SAB Web site,
<http://www.epa.gov/sab> two weeks before the meeting.

FOR FURTHER INFORMATION CONTACT: Members of the public who
wish to
obtain the call-in number and access code to participate in any of the

teleconference meetings may contact Ms. Sandra Friedman, EPA Science Advisory Board Staff, at telephone/voice mail: (202) 564-2526, via e-mail at: friedman.sandra@epa.gov. Any member of the public wishing further information regarding the Council, the Special Panel, or the AQMS may contact Dr. Angela Nugent, Designated Federal Officer (DFO), U.S. EPA Science Advisory Board by telephone/voice mail at (202) 564-4562 or via e-mail at nugent.angela@epa.gov. General information about the SAB can be found in the SAB Web site at <http://www.epa.gov/sab>.

SUPPLEMENTARY INFORMATION:

Background

Pursuant to the Federal Advisory Committee Act, Public Law 92-463, Notice is given that the Advisory

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Council on Clean Air Compliance Analysis (Council) Special Council Panel for the Review of the Third 812 Analysis will hold two public teleconferences, as described above, on the Agency's plan to develop the second prospective study, the third in a series of statutorily mandated comprehensive analyses of the total costs and benefits of programs implemented pursuant to the Clean Air Act. Notice is also given that the Council's AQMS will hold a public teleconference. Background on the Council, its subcommittees, and on the advisory project was provided in a Federal Register notice published on February 14, 2003 (68 FR 7531-7534).

The Council Special Panel will be providing advice on a revised version of the document, ``Benefits and Costs of the Clean Air Act 1990-2020; Revised Analytical Plan for EPA's Second Prospective Analysis' currently found at the following Web site, maintained by EPA's Office of Air and Radiation at: <http://www.epa.gov/oar/sect812/>. An updated analytical plan and revised charge questions will be available on the Web site cited before the meeting. The AQMS will provide advice on emissions and air quality modeling as described in the Analytical Plan text dated May 12, 2003 and currently posted on the Web site cited immediately above.

Topics for Upcoming Meetings

At its public teleconference on July 11, 2003 the AQMS will discuss advice it developed on the Agency's plans to estimate emissions, a topic discussed by the AQMS at a meeting on June 12, 2003, previously announced in the Federal Register on June 5, 2003 (68 FR 33692).

At its public teleconference on July 11, 2003, the Special Council

Panel will discuss the goals of the second prospective study and the scenarios described therein.

At the public teleconference on July 15, 2003, the Special Council Panel will discuss the Agency's plans for estimating direct costs described in the Analytical Plan and receive a report from the AQMS on emissions.

Agendas for the public teleconferences will be made available on the SAB Web site 10 days prior to the meeting.

Procedures for Providing Public Comment

It is the policy of the EPA Science Advisory Board (SAB) to accept written public comments of any length, and to accommodate oral public comments whenever possible. The EPA SAB expects that public statements presented at its meetings will not be repetitive of previously submitted oral or written statements. Oral Comments: In general, each individual or group requesting an oral presentation at a face-to-face meeting will be limited to a total time of ten minutes (unless otherwise indicated). For conference call meetings, opportunities for oral comment will usually be limited to no more than three minutes per speaker and no more than fifteen minutes total. Interested parties should contact the Designated Federal Official (DFO) at least one week prior to the meeting in order to be placed on the public speaker list for the meeting. Speakers may attend the meeting and provide comment up to the meeting time. Speakers should bring at least 35 copies of their comments and presentation slides for distribution to the participants and public at the meeting. Written Comments: Although the SAB accepts written comments until the date of the meeting (unless otherwise stated), written comments should be received in the SAB Staff Office at least one week prior to the meeting date so that the comments may be made available to the committee for their consideration. Comments should be supplied to the appropriate DFO at the address/contact information noted below in the following formats: one hard copy with original signature, and one electronic copy via e-mail (acceptable file format: Adobe Acrobat, WordPerfect, Word, or Rich Text files (in IBM-PC/Windows 95/98 format). Those providing written comments and who attend the meeting are also asked to bring 35 copies of their comments for public distribution. Should comment be provided at the meeting and not in advance of the meeting, they should be in-hand to the DFO up to and immediately following the meeting.

Meeting Accommodations

Individuals requiring special accommodation to access these meetings, should contact the DFO at least five business days prior to the meeting so that appropriate arrangements can be made.

Dated: June 26, 2003.
Vanessa T. Vu,
Director, EPA Science Advisory Board Staff Office.
[FR Doc. 03-16576 Filed 6-26-03; 2:11 pm]
BILLING CODE 6560-50-P

Attachment C: Meeting Agenda

U.S. EPA Science Advisory Board (SAB)
Advisory Council on Clean Air Compliance Analysis
Special Council Panel for the Review of the Third 812 Analysis
Advisory Teleconference
July 11, 2003, 12:30-1:45 Eastern time

Purpose of Meeting: To discuss Council Special Panel plans for reviewing the Agency document with modifications to be provided after May 28, 2003.

12:30-12:35 Opening of Meeting and Roll Call Dr. Angela Nugent, Designated Federal Officer, SAB Staff Office

12:35-12:40 Welcome, Agenda Review Dr. Trudy Cameron, Chair

12:40-12:50 Agency Revisions to Draft Analytical Plan
Agency Remarks and Discussion with Council Special Panel Mr. Robert Brenner,
Deputy Assistant Administrator, Office of Air and Radiation, EPA

12:50-1:05 Initial Discussion of Agency Goals and Overall Analytical Approach
(Charge Question 1)

Charge Question 1:

Does the Council support the study goals, general analytical framework, disaggregation plan, analytical sequence, and general analytical refinements defined in chapter 1? If there are particular elements of these plans which the Council does not support, are there alternatives the Council recommends?

1:05-1:20 Initial Discussion of Scenario Development (Charge Question 2)

Charge Question 2:

Does the Council support the choices for analytical scenarios defined in chapter 2? Are there alternative or additional scenarios the Council recommends EPA consider for inclusion in the analysis?

1:20-1:30 Update on activities planned for the Air Quality Modeling Subcommittee (AQMS), Health Effects Subcommittee (HES), new Ecological Effects Subcommittee to be formed: Dr. Trudy Cameron and Subcommittee Chairs (as appropriate)

1:30-1:45 Preparation for July 15 Council Teleconference and face-to-face Council Meeting; Summary of Action Items Dr. Trudy Cameron

1:45 Adjournment of Meeting

