



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

OCT 14 2011

THE ADMINISTRATOR

Deborah L. Swackhamer, Ph.D.
Chairwoman
Science Advisory Board
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Dear Dr. Swackhamer:

Thank you very much for your review of *Valuing Mortality Risk Reductions for Environmental Policy: A White Paper* and for the recent report prepared by the U.S. Environmental Protection Agency's Science Advisory Board Environmental Economics Advisory Committee, augmented to include additional mortality-risk valuation experts. I truly appreciate the time, expertise and energy devoted to this important work.

As you know, a vital part of the EPA's mission is to protect the health of the American people, and many of our regulations reduce the risks of premature mortality and serious illness. It is imperative that our economic analyses of these regulations be based on the best available science. I am committed to improving our approach to estimating the benefits of risk reductions using the best scientific evidence available and doing so in a transparent manner. Your report will help fulfill this commitment.

In particular, I was pleased to see your endorsement of a possible change in terminology from the sometimes misunderstood "value of a statistical life" to something more meaningful and straightforward. It is my experience that the current terminology can lead to confusion in the media and in policy debates. A more descriptive term might help to reduce that confusion. Further, I regard as equally important your endorsement of a process by which the EPA can regularly update the values used in its analyses. While we still have to lay some groundwork before we would implement either of these changes, I am confident that they have the potential to significantly improve the transparency and quality of our analyses.

I also read with interest your recommendations on several avenues of long-term research, including the exploration of different values for different risks, the treatment of altruism and income elasticities. These are areas we will continue to investigate through our research initiatives.

While additional research is clearly needed to inform some aspects of risk-reduction valuation, with your advisory report in hand, we can begin the process of updating the estimates used by the EPA to value risk reductions in its economic analyses, incorporating the most recent scientific advancements in the literature. We look forward to future interactions with the Science Advisory Board on important developments in this area as they occur.

We will do our best to respond to each of your recommendations. In the meantime, I thank you and the committee for your thoughtful and thorough advice.

Sincerely,

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

Lisa P. Jackson



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OCT 14 2011

THE ADMINISTRATOR

Dr. Catherine L. Kling
Chairwoman
Environmental Economics Advisory Committee
Science Advisory Board
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Dear Dr. Kling:

Thank you very much for your review of *Valuing Mortality Risk Reductions for Environmental Policy: A White Paper* and for the recent report prepared by the U.S. Environmental Protection Agency's Science Advisory Board Environmental Economics Advisory Committee, augmented to include additional mortality-risk valuation experts. I truly appreciate the time, expertise and energy devoted to this important work.

As you know, a vital part of the EPA's mission is to protect the health of the American people, and many of our regulations reduce the risks of premature mortality and serious illness. It is imperative that our economic analyses of these regulations be based on the best available science. I am committed to improving our approach to estimating the benefits of risk reductions using the best scientific evidence available and doing so in a transparent manner. Your report will help fulfill this commitment.

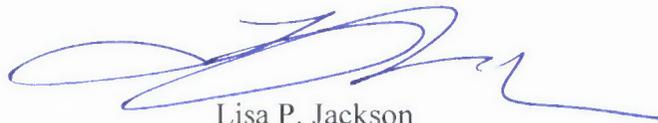
In particular, I was pleased to see your endorsement of a possible change in terminology from the sometimes misunderstood "value of a statistical life" to something more meaningful and straightforward. It is my experience that the current terminology can lead to confusion in the media and in policy debates. A more descriptive term might help to reduce that confusion. Further, I found your endorsement of a process by which EPA can regularly update the values used in its analyses equally important. While we still have to lay some groundwork before we would implement either of these changes, I am confident that they have the potential to significantly improve the transparency and quality of our analyses.

I also read with interest your recommendations on several avenues of long-term research, including the exploration of different values for different risks, the treatment of altruism and income elasticities. These are areas we will continue to investigate through our research initiatives.

While additional research is clearly needed to inform some aspects of risk-reduction valuation, with your advisory report in hand, we can begin the process of updating the estimates used by the EPA to value risk reductions in its economic analyses, incorporating the most recent scientific advancements in the literature. We look forward to future interactions with the Science Advisory Board on important developments in this area as they occur.

We will do our best to respond to each of your recommendations. In the meantime, I thank you and the committee for your thoughtful and thorough advice.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Lisa P. Jackson', with a stylized, cursive script.

Lisa P. Jackson