



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

October 2, 2020

THE ADMINISTRATOR

Michael Honeycutt, Ph.D.
Chair, Science Advisory Board
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Dear Dr. Honeycutt:

Thank you for your August 28, 2020, transmittal of the U.S. Environmental Protection Agency Science Advisory Board report titled *Technical Review of EPA's Computable General Equilibrium Model, SAGE*. I wish to convey my sincere appreciation to the SAB for your thoughtful peer review of the computable general equilibrium model, SAGE. This model represents the culmination of extensive capacity building by the U.S. Environmental Protection Agency over a relatively short timeframe in response to previous SAB recommendations. Thus, I take a certain measure of pride in your description of SAGE as "a well-designed open-source model that will soon be suitable for use in regulatory analysis."

It is paramount that the agency ensures its regulatory decisions are rooted in sound, transparent and consistent economic analysis. To further this goal, SAGE will become an integral part of the EPA's toolkit for regulatory analysis. The SAB's recommendations will serve to strengthen the SAGE model and, in turn, economic analyses developed to inform future regulatory decisions by allowing us to more completely evaluate the potential economic impacts of our policies and programs.


I have tasked the Office of Policy's National Center for Environmental Economics with continuing to lead the EPA's efforts to develop economy-wide modeling capabilities. By the end of 2020, they will address the SAB's priority recommendations and begin working with program offices to deploy the SAGE model in future regulatory analyses. The SAB's recommendations for longer-term development of the model will be carefully reviewed and incorporated as appropriate and feasible.

The EPA exists to serve the public, and as such, the public should trust our work. One way to achieve this objective is through transparency, especially regarding analysis that informs regulatory decisions. We are committed to maintaining SAGE as an open-source model. The

SAB's constructive suggestions to improve the openness and accessibility of the model and its documentation will help us to further improve science transparency.

Thank you again for your constructive engagement on this important topic.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Wheeler", with a long horizontal flourish extending to the right.

Andrew R. Wheeler



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THE ADMINISTRATOR

Peter Wilcoxon, Ph.D
Chair, Computable General Equilibrium
Model Review Panel
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

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