



SAB Meeting on Strategic Research Directions—Economics and Decision Sciences

Al McGartland, Director
National Center for Environmental Economics

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Outline

- Economics and Decision Sciences (EDS) Program
- NCEE Internal Research
- Other Upcoming Activities
 - Workshops and Products
 - PACE Survey



EDS Program

- Prior to 2008, ORD's National Center for Environmental Research (NCER) was responsible for administering and funding the EDS program.
- The program was moved in FY2008 from NCER to OPEI under the Regulatory/Econ Management and Analysis program project.
- Thirty-eight (38) active grants were moved from NCER to NCEE.
- When the EDS program moved funding was cut by 50% (\$1million) and cut again due to 40 percent OPEI-wide cut.
- OPEI absorbed a substantial cut in the FY2009 continuing resolution.
- Funding: FY2008 Obligations: \$0 M, FY2009 Likely Enacted: \$0.2 M, FY2010 President's Budget: \$1.1 M



Current/Future Awards

- Funding seven grants (out of 22 applications) to support environmental economics workshops.
 - some single event, topic-focused (land use/meta analysis/experimental methods/micro-econometrics)
 - others multi-year to support regional events (Heartlands, Camp Resources, NBER Summer series)
- Currently processing several awards (out of 11 applications) for dissertation/early career research in environmental economics from one part of most recent RFP.
 - “...for gathering data for use in doctoral dissertations and other early career research in those areas of environmental economics involving pollution control.”
- Preparing to make decisions on grants (23 applications) under the market mechanisms area from second part of most recent RFP.
 - “...normative or positive research in the design of policies for pollution control using market mechanisms, particularly second-best and piecemeal approaches to regulation as well as multiple, hybrid, or adaptive policies to control one or more externalities or other problems.”



NCEE Internal Research

- NCEE economists and scientists engage in research to fill gaps in knowledge, often with support from other EPA offices.
- Ongoing research includes efforts:
 - to account for uncertainty in the economic analysis of climate change policies,
 - a national scale assessment of the environmental justice implications of air pollution regulations,
 - research linking EPA's air quality data with the National Center for Health Statistics survey data,
 - to analyze how regulation-based induced technological change impacts emissions and marginal abatement costs over time,
 - and identification of organophosphate pesticides body burden.



NCEE Internal Research

- NCEE published 13 papers in peer-reviewed journals in FY 2008 and had an additional 8 accepted for forthcoming publication.
- NCEE added 12 entries in its Working Paper series in FY 2008 (there are 67 papers total in the series).
- NCEE staff presented 28 papers at professional conferences, seminars, and government meetings.
- NCEE staff research continues to publish in peer reviewed journals, producing 20-30 papers per year in economics and risk science fields.



Other Upcoming Activities: Workshops and Products

- Hosting a workshop on market mechanisms next week.
 - Includes EDS grantees, NCEE staff, and other researchers
- Tentatively planning a 2010 workshop showcasing grantees from 2005 solicitation on Environmental Behavior and Decision-making.
 - Good opportunity to evaluate possibility of RFP on this topic
- Compiling list of all publications resulting from EDS program to help us evaluate future directions.
- Expect to package results of numerous benefit transfer grants as they are completed over next two years.
- Continuing to support the Environmental Valuation Reference Inventory (EVRI)
 - NCEE is currently participating in a review and evaluation of EVRI and its website



Other Upcoming Activities: PACE Survey

- Survey of roughly 20,000 U.S. manufacturing facilities.
- Census conducted and funded the PACE Survey from 1973-1994; Census collected PACE data in 1999 and 2005 with funding by EPA.
- PACE collects data on overall pollution abatement expenditures - not on specific regulations.
- EPA initiated a comprehensive review and evaluation of the PACE Survey in 2003 - first time that the PACE survey has undergone evaluation.
 - Extensive pretesting of the redeveloped survey by RTI International & U.S. Census Bureau
 - Final product of this multi-year project was the 2005 PACE Survey
- PACE is the only source of data available to:
 - analyze the costs of environmental regulations both at the industry and establishment level
 - compare the cost-effectiveness of alternative regulatory approaches.



Other Upcoming Activities: PACE Survey

- **EPA has used the PACE data:**
 - in periodic reports on Costs of Environmental Protection (Cost of Clean Environment (1990), Section 812 Clean Air Retrospective Cost Analysis, Administrator speeches)
 - to satisfy Congressionally mandated reporting requirements - Annual OMB Reports to Congress on Costs and Benefits of Federal Regulation (Thompson Report)
 - in Regulatory Impact Analyses and Social Cost Appendix of EPA's Strategic Plan.
- **Government & academic researchers use PACE data to analyze the impact of EPA regulations on important economic and environmental outcomes including:**
 - job growth; international competitiveness of U.S. manufacturing; environmental performance; investment demand; opening and closing of manufacturing facilities; productivity growth.
- **Future of PACE**
 - Collect PACE on an annual basis
 - SAB-EEAC has been very supportive of EPA's efforts to collect annual PACE data
 - Adapt PACE survey to collect information on GHG abatement costs
 - Proposal in FY 2010 Budget
 - No other survey collects this information
 - Could be important in international negotiations.