



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

AUG 21 2006

THE ADMINISTRATOR

A. Myrick Freeman III, Ph.D.
Chair
Superfund Benefits Analysis Advisory Panel
Science Advisory Board
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W., Suite 1400F
Washington, D.C. 20460

Dear Dr. Freeman:

Thank you very much for the Science Advisory Board's (SAB) January 9, 2006 report, "Advisory on Superfund Benefits Analysis" (EPA-SAB-ADV-06-002).

The Agency developed the Superfund Benefits Analysis (SBA) in an effort to better understand the social benefits of the Superfund Program. Increasingly, the public, Congress, and policy makers seek benefits information as policies, budgets, and legislation are developed. Certainly, our implementation of the Government Performance Results Act and the development of EPA's strategic plan would be improved with program-by-program benefit and cost information.

Of course, measuring the monetary benefits of a program as large and diverse as Superfund is a substantial challenge, and we wished to assess the quality of the SBA. This led to our request for a thorough review of the work by the members of the SAB's Superfund Benefits Analysis Advisory Panel. Your extensive advisory contains specific recommendations for improving the SBA and general advice for moving toward more sophisticated analyses of the social benefits and costs of land cleanup. Clearly, EPA has more work to do if we are to develop credible benefit estimates for the Superfund Program. In response to your advisory, EPA will move forward in multiple directions.

First, the Office of Solid Waste and Emergency Response will follow the Advisory Panel's suggestion to develop illustrative case studies of the potential human health and ecological improvements from Superfund cleanups.

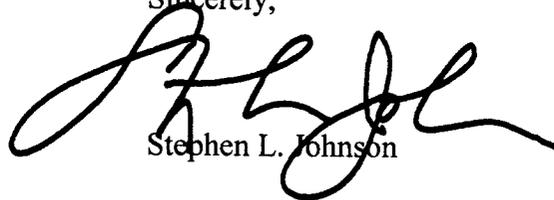
Next, OSWER will share the Panel's recommendations regarding the need for research on methods for evaluating human health and ecological benefits with EPA's Office of Research Development and its Science to Achieve Results (STAR) grant program. The STAR program

funds research grants in numerous environmental science and engineering disciplines through a competitive solicitation process and independent peer review. The program engages the nation's best scientists and engineers in targeted research. In this case, the target will be innovative methods for assessing the health and ecological effects of the Superfund Program.

Finally, OSWER and the Office of Policy, Economics, and Innovation intend to consult further with other outside experts on various issues regarding the hedonic property value method and the general difficulties of measuring the social benefits and costs of land cleanup. For example, we are considering assembling a group of researchers to discuss a variety of conventional and innovative methods for estimating the social benefits and costs of cleaning up contaminated land.

Through these separate efforts, we hope to make progress in understanding the social benefits and costs of Superfund and other EPA cleanup programs. Again, I extend my gratitude to the Advisory Panel for its recommendations and for moving the EPA toward a better understanding of the complexities involved in estimating the benefits of its cleanup programs.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. L. Johnson', written in a cursive style.

Stephen L. Johnson