

Rick Freeman <rfreeman@bowdoin.edu>
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Dear Angela,

I will not sign off on the report in its present form. My problems are the following:

1. We need to start over with Section 7.2 Recommendations. Cut the tables. They don't highlight the really important recommendations and include too many unimportant ones. We should go back to something like the text of the October 2007 draft, but with some changes that I will be glad to help with if there is agreement on this point.

2. One of the Committee's recommendations in Section 7.2 should be (exact language is negotiable):

"Many Agency actions affect not only ecosystems and ecological services but also other things that contribute to human well-being, for example human health, and on the cost side, incomes and the prices of goods and services. In these cases, valuation methods that focus solely on ecological effects will necessarily provide an incomplete picture of the consequences of the Agency's actions. The Agency should use valuation methods that capture information on the widest possible range of effects of Agency's actions."

This point also needs to be made in Section 2.1.4.

3. In Section 7.1 Findings, add the following at p. 190, line 18 (exact language is negotiable):

"At this time, the Agency's capability to do this is limited. This is a major barrier to carrying out credible valuations of actions to protect ecosystems and ecosystem services."

4. In Section 7.1 Findings, add the following at p. 190, line 29 (exact language is negotiable):

"Therefore, it is important to recognize that different methods measure different things and the results are not necessarily additive or comparable."

5. I share Bob Costanza's concern about the perception and value issue. I don't think that there is serious disagreement that the starting point for looking at what contributes to human well-being is the preferences and perceptions of the affected individuals but that they might have a poor understanding of how ecosystem services are provided, etc. I think that this can be fixed.

6. In my message of the 14th I said: "The point about different valuation methods being based on different premises and measuring different things is made. But it is not reflected in some of the recommendations."

One example is on p. 99 where it says: "The valuation approach proposed in this report calls for EPA to allow for the use of a broader suite of methods than EPA has typically employed in the past for valuing ecosystems and their services." This implies that the methods are different ways of measuring the same thing. They are not. This needs to be made clear.

7. In the October draft, I was not happy to see the Table of Special Terms moved to an Appendix. And I am even less happy that it is now not part of the report at all. I think that some version of this table needs to go back in Section 2. And I think that the Table should include a definition of either "benefits" or "economic benefits" (or both). This is especially needed since both terms are used in the current draft.

8. I think that we need further Committee discussion of the recommendation on p. 35 that EPA should experiment with the use of other valuation methods. I am not convinced that this is a wise use of Agency resources at this time, especially in the context of national rule-making (lines 10-12). I would like to hear some discussion of:

- Which methods do we think that the Agency should experiment with? All of them? Or are some better candidates than others?

- So they use method Y and get result X. What have we learned? How could this "guide the Agency's valuation efforts as it conducts subsequent benefit assessments (lines 13-14)"? (And what does the term "benefits" mean here? - see my point #7.)

And if this discussion leads to some useful conclusions about these questions, then they ought to be reflected in the report.

9. I regret the choice not to include some effort at critical assessment for each of the methods included in Section 4.

"Methodological pluralism" is not the same thing as "anything goes."

Rick