

Summary Minutes of the
U.S. Environmental Protection Agency (EPA)
Science Advisory Board (SAB)
Environmental Economics Advisory Committee (EEAC)
Augmented for Valuing Mortality Risk Reduction
Public Teleconference
March 14, 2011

Committee Members

present:

Dr. Cathy Kling, Chair
Dr. Peter J. Wilcoxon
Dr. George Parsons
Dr. Madhu Khanna
Dr. James K. Hammitt
Dr. Maureen Cropper
Dr. Nicholas Flores
Dr. F. Reed Johnson
Dr. Karen Palmer
Dr. Laura Taylor
Dr. Junjie Wu

Date and Time:

March 14, 2011

Purpose:

The SAB EEAC discussed its draft letter on EPA's draft White Paper, *Valuing Mortality Risk Reductions for Environmental Policy (December 2010)*.

SAB Staff:

Dr. Holly Stallworth, Designated Federal Officer

Other EPA Staff:

Nathalie Simon, Kelly Maguire, Chris Dockins

Other:

Leonard Levin, Electric Power Research Institute
Doug Austin, Institute of Clean air Companies
Ronald Bird, Mine Safety and Health Administration
Jason Schwartz, New York University Institute for Public Integrity
Eric Frumin, Change to Win
Deborah Shprentz, American Lung Association
Maria Hegstad, Risk Policy Report
Erik Stokstad, Science Magazine

Meeting Website:

The agenda, Federal Register Notice, and draft letter to the Administration may be found posted at:

<http://yosemite.epa.gov/sab/sabproduct.nsf/a84bfee16cc358ad85256ccd006b0b4b/613cfa8c1465c1b5852578340068ac59!OpenDocument&Date=2011-03-14>

MONDAY, MARCH 14, 2011

Meeting Summary

The discussion followed the issues and general timing as presented in the meeting agenda posted at the URL above.

Opening of Public Meeting

Dr. Holly Stallworth, Designated Federal Officer (DFO), opened the meeting with a statement that the Environmental Economics Advisory Committee (EEAC) is a standing committee of the chartered Science Advisory Board. As such, EEAC is a federal advisory committee whose meetings and deliberations meet the requirements of the Federal Advisory Committee Act. Dr. Kling reviewed the agenda.

Dr. Nathalie Simon of EPA's National Center for Environmental Economics (NCEE) thanked the Panel for its work and said that NCEE was appreciative of having a path forward on the issue of valuing mortality risk reduction.

Following Dr. Simon, the Panel heard public comments from Mr. Eric Frumin of Change to Win. Mr. Frumin expressed concerns about the use of the willingness to pay model to estimate the value of mortality risk reduction and voiced skepticism about hedonic wage studies. Mr. Frumin reminded the audience that the Occupational Safety and Health Act does not allow for Agency decisions to balance costs against benefits.

Dr. Kling then called the Panel's attention to four main issues: the cancer premium, terminology, selection criteria for stated preference and hedonic wage studies and how the Agency should use available estimates to update its point estimate for the value of reducing the risk of immediate death.

One member suggested the draft Advisory needed a short introduction to the basic idea of valuing mortality risk reduction for use in cost benefit analysis. Everyone agreed this was a good idea. The group discussed how the draft Advisory's advice to find studies that fit EPA's policy contexts was unrealistic given the dearth of studies. One member pointed out the very small number of studies estimating the value of reducing mortality risk in the context of environmental risk. Panelists acknowledged that EPA would need an "interim solution" to update its point estimate for the value of reducing risk of immediate death. Panelists agreed that the draft advice in response to question 8a was the best advice for an "interim solution," specifically using risk-risk tradeoff studies or a meta regression that would include risk characteristics as covariates.

On the topic of EPA's terminology, panelists debated the advantages and disadvantages of various terms and approaches but after much discussion, returned to the draft

Advisory's stated advice, namely recommending Value of Risk Reduction (VRR) while exploring language that best communicates this concept to the public.

On the topic of a cancer premium, members endorsed the current draft letter's advice to refine the 50% "first cut" estimate before applying it broadly.

On the topic of EPA's criteria for selecting stated preference and revealed preference studies, panelists agreed that language should be added to say that stated preference studies pass at least a weak scope test. Panelists also agreed that criteria should be specific to the type of elicitation method. One member noted that the marginal rate of substitution should not be sensitive to the risk change.

Before adjourning, Dr. Stallworth and Dr. Kling asked members to submit revisions to the draft Advisory so that it could be finalized and transmitted to the chartered Science Advisory Board for their quality review.

Respectfully Submitted:

Holly Stallworth, Ph.D. /s/
Designated Federal Officer

Certified as True:

Cathy Kling, Ph.D./s/
Chair

NOTE AND DISCLAIMER: The minutes of this public meeting reflect diverse ideas and suggestions offered by Committee member during the course of deliberations within the meeting. Such ideas, suggestions and deliberations do not necessarily reflect consensus advice from the panel members. The reader is cautioned to not rely on the minutes to represent final, approved, consensus advice and recommendations offered to the Agency. Such advice and recommendations may be found in the final advisories, commentaries, letters or reports prepared and transmitted to the EPA Administrator following the public meetings.