

**Summary Minutes of the
U.S. Environmental Protection Agency
Science Advisory Board
Public Teleconference
June 7, 2011
12:00 pm – 3:00 pm, Eastern Time**

SAB Members: Dr. Deborah L. Swackhamer (Chair), Dr. Terry Daniel, Dr. Costel Denson, Dr. Bernd Kahn, Dr. Agnes Kane, Dr. Nancy Kim, Dr. Madhu Khanna, Dr. James K. Hammitt, Dr. Catherine Kling, Dr. Cecil Lue-Hing, Dr. Lee D. McMullen, Dr. Jana Milford, Dr. Horace Keith Moo-Young, Dr. Eileen Murphy, Dr. Duncan Patten, Dr. Stephen Roberts, Dr. Kathleen Segerson, Dr. John Vena, Dr. R. Thomas Zoeller

Environmental Economics Advisory Committee Augmented for Valuing Mortality Risk Reduction Members: Dr. Maureen Cropper, Dr. Peter Wilcoxon, Dr. James K. Hammitt, Dr. Madhu Khanna

Purpose: The chartered SAB reviewed a draft report from the Environmental Economics Advisory Committee Augmented for Valuing Mortality Risk Reduction on the EPA White Paper “Valuing Mortality Risk Reductions for Environmental Policy.”

Designated Federal Officer (DFO): Dr. Holly Stallworth

Other EPA Staff: Kelley Maguire (National Center for Environmental Economics), Nathalie Simon (National Center for Environmental Economics), Christopher Dockins (National Center for Environmental Economics)

Public: Amanda Lee (OMB), Rebecca Brown (American Chemistry Council), Will Ollison (American Petroleum Institute)

Meeting Summary

The discussion followed the issues and general timing as presented in the meeting agenda. The draft report, comments from SAB members and a public comment may be found posted at the meeting webpage:

<http://yosemite.epa.gov/sab/sabproduct.nsf/a84bf16cc358ad85256ccd006b0b4b/894b166689879bfe85257869004bce96!OpenDocument&Date=2011-06-07>

TUESDAY, JUNE 7, 2011

Opening Remarks

Dr. Holly Stallworth, the DFO for the SAB’s review of the EPA White Paper “Valuing Mortality Risk Reductions for Environmental Policy,” convened the meeting and

explained that the SAB operates under the Federal Advisory Committee Act. She noted that as required under the Federal Advisory Committee Act (FACA), the SAB's deliberations are held in public with advanced notice given in the Federal Register, and the meeting minutes would be made publicly available after the meeting. She noted that the Panel received no written public comments and no requests from the public to present oral comments. She also noted that the participating Panel members are all in compliance with federal ethics regulations and conflict-of-interest laws that pertain to them. She then turned the meeting over to Dr. Deborah Swackhamer, the Chair of the SAB.

Purpose of the Meeting and Review of the Agenda

Dr. Swackhamer stated the purpose of the meeting and went through the agenda. She reminded SAB members that quality reviews focus on four questions: (1) Were the original charge questions to SAB Standing or Ad Hoc Committees adequately addressed? (2) Are there any technical errors or omissions in the report or issues that are not adequately dealt with in the Committee's report? (3) Is the Committee's report clear and logical? (4) Are the conclusions drawn or recommendations provided supported by the body of the Committee's report? Dr. Swackhamer then asked Dr. Kling to give an overview of the Panel's report.

Overview of Draft Report

Dr. Kling provided an overview of the Panel's Draft Report. The EEAC Panel reviewed a December 2010 paper from the National Center for Environmental Economics entitled "Valuing Mortality Risk Reductions for Environmental Policy: A White Paper." Dr. Kling summarized the EEAC Panel's major conclusions and recommendations from the report.

Chartered SAB Discussion

Dr. Kling addressed comments submitted by Dr. Otto Doering and Dr. Kathleen Segerson, both of whom were lead reviewers. (Dr. Doering's comments and Dr. Segerson's comments may be found posted, along with all other SAB comments, at the meeting URL above.)

Dr. Kling first thanked all the SAB reviewers for their comments and time spent reading the report. In response to one of Dr. Doering's comments, Dr. Kling said the White Paper reviewed by the EEAC Panel described the regulatory and political context for benefit-cost analysis and thus the Panel did not repeat the information presented in the White Paper. Also in response to Dr. Doering, Dr. Kling said she had added timeliness as a criterion for considering the appropriateness of the sample.

In response to one of Dr. Segerson's comments, Dr. Kling said the report pointed out that paternalistic altruism should count whereas nonpaternalistic should not count in benefit-cost analysis. However the report also pointed out that the empirical literature suggests that the magnitude of altruistic values is quite small. Dr. Kling said she would check the

language to make sure it is clear that there is a theoretical basis for including some types of altruistic benefits but that the literature on altruistic benefits is not yet providing empirical support for this concept. Dr. Kling also said she would amend language in the report that said EPA's current approach is "wrong".

In response to comments from Dr. Segerson and other SAB reviewers on the topic of valuing children's mortality risk, Dr. Kling noted that children's risk (and the lack of data thereof) was acknowledged in the report. In response to the discussion, Dr. Kling said she would elevate this issue so that it is included in the letter to the Administrator while noting the need for research to elicit appropriate values for children's risk.

Along with Dr. Segerson, a number of SAB members expressed disagreement with the report's language that encouraged EPA to take advantage of the "grey literature," i.e. unpublished manuscripts, reports, dissertations, and other non-refereed materials. In response, Dr. Kling pointed out that the report suggests that EPA undertake its own peer review if it does have adequate in-house capability to evaluate the quality of a report. Dr. Kling also pointed out that the Panel's report strongly urged EPA to use a clearly articulated set of criteria for choosing studies and then regularly update their analysis. Dr. Hammitt noted that limiting EPA's database to published studies would introduce "publication bias" into any meta analysis. Dr. Swackhamer pointed out that in other SAB reports, the SAB has explicitly advised against the use of non-peer reviewed or grey literature. It was also noted that the peer review process in the applied economics field can take 4 - 5 years. The decision was made to revise the report to advise against the use of the grey literature while acknowledging the downside: namely the use of a much smaller sample size, the risk of publication bias in a meta analysis, and the risks of using "old" data that may no longer reflect the preferences of the population.

Dr. Kling pledged to make a number of minor edits suggested by the SAB members and reflected in their written comments.

Dr. Swackhamer presented three options to the SAB for disposition of the report: (1) revisions to be made and approved by the Chair only; (2) revisions to be made and approved by an SAB subgroup; and (3) revisions to be made for review by the whole SAB. After a motion was made by Dr. Faustman and seconded by Dr. Milford, the SAB voted for Option 2. Dr. Swackhamer asked that Drs. Doering, Segerson and Faustman participate in the final review.

Dr. Swackhamer thanked Dr. Kling, the EEAC Panel and SAB members for their work. Dr. Stallworth adjourned the meeting.

On Behalf of the Committee,
Respectfully Submitted,

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

Certified as True:

Deborah L. Swackhamer /s/
Chair, Science Advisory Board

NOTE AND DISCLAIMER: The minutes of this public meeting reflect diverse ideas and suggestions offered by committee members during the course of deliberations within the meeting. Such ideas, suggestions, and deliberations do not necessarily reflect definitive consensus advice from the panel members. The reader is cautioned to not rely on the minutes 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.