

EPA's Science Advisory Board is considering feedback to EPA's 2008 draft guidelines on economic analysis. The preliminary SAB draft makes a number of interesting points:

1. EPA needs to recognize that its discretion is limited: "only the legislative branch has the power to tax, subsidize, or assign liability, and both the Clean Water Act and the Clean Air Act very clearly specify what kinds of regulations EPA may promulgate."
2. The guidelines are badly out of date, particularly with regard to methods for valuing environmental benefits. "We urge the Agency to vastly expand its guidance on characterizing and valuing non-monetized ecosystems and services."
3. EPA needs to begin working a "more complex, interdisciplinary analysis for a host of issues relating to greenhouse gas emissions." The Guidelines "should anticipate a changing role for economics amidst the extraordinary complexity posed by climate change and other global processes."
4. "The proliferation of geographic information systems and remote systems to obtain data provide new opportunities for policy design."

In the meantime, OMB is working on a proposed Executive Order on cost-benefit analysis, although that might have to await Cass Sunstein's eventual confirmation as head of OIRA.