

After cutting value of life, EPA ditching the term

January 21 2011, By SETH BORENSTEIN , AP Science Writer

(AP) -- Bureaucrats are struggling with an age-old question: What is the value of our lives?

The government uses dollar amounts for lives when trying to weigh the costs and benefits of regulating such things as pollution, but it has proven politically and emotionally charged.

Now, the [Environmental Protection Agency](#) wants to stop putting a [price tag](#) on American lives and use different terminology, but that's not as easy as it sounds.

The agency's first try for a replacement - a wonky "value of mortality risk" - was shot down as not quite right by its science advisory board Thursday.

The EPA proposal would also put more value on preventing cancer deaths over other causes of death, like heart attacks. That's because there's a bigger scare factor for cancer, EPA officials said. But critics say that puts a premium on touchy-feely emotions over science.

"This is highly ethical, but very dangerous," said David Ropeik, an expert in risk communications and author of the book "How Risky Is It, Really?" He said people often overestimate some risks, such as cancer, and underestimate others, such as heart disease.

For decades, the government in analyzing whether regulations make

economic sense has used something called "value of a statistical life."

The so-called price tag became a political hot topic in 2002, when the Bush administration tried to reduce the value of elderly people by 38 percent compared to people under 70.

Then quietly in 2004, the EPA reduced the value of life for everyone from \$7.9 million to \$7 million. The Associated Press uncovered the devaluation in 2008 and the EPA's move was criticized by Democrats and ridiculed by comedians.

Soon after the Obama administration took over in 2009, the value of a statistical life was pushed back up to \$7.9 million.

The EPA has proposed changing the term to "value of [mortality risk](#)" and instead of using dollars for a theoretical life, regulations would be measured in "dollars per micro-risk per year." A micro-risk is one in a million.

So instead of using the value of a life at \$7.9 million when calculations are made about the benefits of a regulation, it would be using figures that talk about the benefits of reducing deaths by \$7.90 per micro-risk per person per year.

Under the current EPA economic calculations, people are troubled by the question of "how do you put a value on a human life," said Al McGartland, EPA's chief environmental economist.

With the new proposal, "we're not putting a value on a human life," he said.

The new method is more understandable for the public, said Lisa Heinzerling, a Georgetown University law professor who until late last

year was EPA's policy chief and the architect behind the change.

When environmental economists talked about value of life, they really were trying to figure out how much people would pay to reduce individual risk of death, so this is a more accurate term, said Heinzerling, co-author of a book called "Priceless: On Knowing the Price of Everything and the Value of Nothing."

But science board members said the proposed term is clunky and confusing. They suggested "value risk reduction." Eventually, the board will make a recommendation to EPA's chief, who will make the final decision.

No matter what term is used, the EPA's proposal "doesn't change anything, it still means the same thing. No one will be fooled for long," Tufts University economist Frank Ackerman, co-author of Heinzerling's book, said in an e-mail.

The rebranding could bury key environmental decisions "in ever-deeper jargon," said Frank O'Donnell, president of Clean Air Watch and a critic of the old method.

In the proposal, the EPA is adding a 50 percent "cancer differential" to calculating death risks. This would say the risk of dying of cancer is 50 percent worse - or costlier - than the risk of dying in other ways. EPA associate environmental economics chief Nathalie Simon pointed to scientific studies, based on surveys that say people would be willing to pay more to avoid dying of cancer, when compared to other causes of death.

John Graham, the Bush administration regulation chief who proposed discounting the value of seniors, said people may say they fear cancer more, but their actions don't back that up.

In an e-mail, Graham, now dean of Indiana University's school of public and environmental affairs, questioned whether a "cancer premium" can be justified "in light of the reluctance of citizens to monitor for radon in their homes, enroll in [cancer](#) screening programs, and eat their fruits and vegetables on a daily basis."

More information: EPA proposal: <http://tinyurl.com/epavalue>

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Citation: After cutting value of life, EPA ditching the term (2011, January 21) retrieved 18 April 2024 from <https://phys.org/news/2011-01-life-epa-ditching-term.html>

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