

Meeting May 19-20, 1998

EXECUTIVE SUMMARY

Benefits Working Group Meeting May 19-20, 1998 Alexandria, VA

1. **Attendance:** absent -- Thomas Dietz, alternate (for Bill Allan) -- John Thomas, all other Working Group Members in attendance

2. **Background and Issues Discussed:**

The Safe Drinking Water Act (SDWA) amendments of 1996 require that EPA fully consider both quantifiable and non-quantifiable benefits that accrue to drinking water regulations; these benefits must be compared with the projected costs of the regulations. EPA will be developing a number of regulations over the next few years which will need to consider costs and benefits in accordance with the new requirements. Development of cost information, while challenging, is fairly well understood. Benefits assessment, by contrast, is less well understood.

The charge to the working group was: to review those quantifiable and non-quantifiable benefits that could be considered when developing drinking water regulations and provide recommendations to the Agency on which benefits should be evaluated in developing its regulations. In addressing the charge, the following questions will be considered: 1. What categories of benefits (both qualitative and non-qualitative) should EPA routinely consider in the process of developing its drinking water regulations? 2. How (specifically) should EPA consider qualitative (non-monetizable) benefits in its rulemaking process? 3. How should EPA ultimately compare the results of its benefits evaluations with its cost analysis when developing drinking water regulations?

Presentations were given by EPA staff involved with the program underway to develop a new framework for benefits estimation within the context of SDWA. These presentations included "SDWA's Benefits Related Provisions," "A Framework for Assessing Benefits" (benefits categories and valuation methods), "Identifying and Quantifying Health Effects," and "Addressing Uncertainty." There were discussions of case studies and various questions posed by EPA during the meeting.

3. **Issues Resolved:**

There was general agreement that the categories of benefits flowing from water treatment requirements for tap water were the following: health risk reduction, taste and odor improvements, materials damage reduction, and commercial water treatment cost reductions.

4. **Next steps:** A draft of issues discussed in this meeting, with critical issues for members, will be prepared and distributed. Two follow-up meetings are planned, with scheduling to be announced later.