

Comments from Members and Consultants of the SAB Committee on Valuing the Protection of Ecological Systems and Services (C-VPESS) on the 3/09/07 draft report for discussion at the 3/20/07 C-VPESS public teleconference call
 Comments received as of 7:00 a.m. 3/20/07

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A. Comments on Introduction to Methods Addressing Deliberative Processes that Involve Values (Part 2, Section 4.4; pp. 76-78)

Comments from Bill Ascher

Part 2, Section 4.4

Much of this is word-for-word with the section 6.1 beginning on p. 270

P. 77 line 14 “The final output is either the selection or identification of a preferred management option (if the context is decision making) or a judgment about the current state of the system relative to a previous state (if the context is evaluative).” The second half of this sentence seems too narrow. It seems to exclude the straightforward valuation question of a current or future ecosystem component. It is taken from just one of the steps needed for elicitation of values (p. 253); it is not the “final output.”

p. 77 line 29 “Most importantly, the model and the results derived from it have stakeholder buy-in and reflect group consensus” It may be the intention to promote buy-in and consensus, but it is overly optimistic to presume that buy-in and consensus will inevitably result. Sometimes they do not.

Comments from Ann Bostrom

Page 77 line 5 – “that values are given and that ..” consider defining “given” ? or adding a clarifying statement (context-independent?)

Page 77 lines 8-12: edit as follows: In either case, decision aiding can help at any step of a decision process, including problem structuring (e.g., Beers et al, 2006; Shaw et al, 2003), specification of values and objectives (Keeney, 1992), and the creation, evaluation and selection of attributes and alternatives (e.g., Gregory and Keeney, 1994; Keeney & Gregory 2005).

Page 77 last sentence and top of page 78: Can this be clarified? In what sense must values be “explicitly incorporated into the model” in order to support the exploration of tradeoffs. Maybe ‘the model must be value-focused in order to support analysis of tradeoffs’ – or something like that?

References:

Beers PJ, Boshuizen HPA, Kirschner PA, & Guselaers, WH. Common ground, complex problems and decision making. *Group Decision and Negotiation*, 15 (6): 529-556 NOV 2006

Gregory R, Keeney RI. Creating Policy Alternatives Using Stakeholder Values *Management Science* 40 (8): 1035-1048 Aug 1994

Keeney, RL. Value-Focused Thinking. Harvard University Press, Cambridge Mass, 1992.

Keeney RL, Gregory RS. Selecting attributes to measure the achievement of objectives Operations Research 53 (1): 1-11 JAN-FEB 2005.

Shaw D, Ackermann F, Eden C, Approaches to sharing knowledge in group problem structuring. Journal of the Operational Research Society, 54 (9): 936-948 SEP 2003

Comments from Rick Freeman

p. 77, lines 3-6: the same premise is also in contrast to the social-psychological methods.

p. 77, lines 20-21: What is the reference, Gregory and Wellman? Or the other Gregory at al. 2001 listed on p. 379?

p. 77, lines 30-31 and the next page. I share KS's concern. See my remarks on mediated modeling below. Valuation is distinct from reaching consensus on the model.

p. 79, lines 7-10: Cite Ashenfelter and Greenstone here, too?

B. Comments on Valuation by Decision Aiding/Structured Decision Making (Part 3, Section 5.1, pp. 262-271)

Comments from Bill Ascher

Part 3, Section 5.1 (Intro)

p. 259, line 5: "There may be significant institutional barriers to the full adoption at EPA of this method (the method is "overly" transparent and frequently highlights objectives and/or alternatives that may not be favored by managers)." This is gratuitously provocative and insulting to EPA managers, in that it implies that they would wish to suppress valid information about values and preferences.

C. Comments on Mediated Modeling (Part 3, Section 5.2, pp. 272-280)

Comments from Bill Ascher

Part 3, Section 5.2

p. 261. The initial section on "brief description of method" has a lot on the rationales of the method and requirements—out of place in the section describing the method.

p. 261, line 29. "value (means toward an end)" is confusing. Is this defining value as means toward an end?

p. 262, line 10. The statement that “Participants in the mediated modeling process gain deep understanding of the process and products” needs to be caveated that this occurs “if the process is done well.” Sometimes mediated modeling falls prey to the black box problem.

p. 262, lines 15-23. Repetition of the lines above.

p. 263. more detail than is necessary (or typical of the rest of the report) about the case.

p. 263. line 25. What are “open space techniques?”

p. 266. line 3: repetition of prior paragraph.

Comments from Ann Bostrom

Pages 272-280:

Page 272 line 29 – clarify by comparison with how the term value is used elsewhere in the report?

Page 272 – lines 15-23 duplicate the previous lines.

Consensus processes may not be optimal compared to majority rules or other processes (e.g., starting with a Delphi process) in terms of bringing to light important variability, uncertainties, or disagreements in beliefs. Consider referencing related group decision research? Add some discussion of this to the section on treatment of uncertainty (p 277 lines 8-12)?

Also, the related question of who (which stakeholders and how many) should be invited to participate in mediated modeling, or, analogously, what criteria should be used to select participants (and how many) needs to be addressed explicitly. Perhaps a reference could be made here to relevant discussion of that issue elsewhere in the report?

Page 277 lines 3-7 duplicate the previous paragraph

Comments from Terry Daniel

Mediated modeling

Following are all repeated segments.

P 262

15 The method is inherently dynamic – that is

16 what it does best

17 • The results can be aggregated to get a single benefits number as needed.

18 • Participants in the mediated modeling process gain deep understanding of the process

19 and products. Those who have not participated can easily view and understand the

20 results if they invest the effort. Usually the results can (with some additional effort)

21 be made accessible to a broad audience.

22 • Since the method explicitly discusses and incorporates subjective or “framing” issues,

23 it is at least open and transparent to users.

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3 The most serious obstacle seems to be the fact that this method is very different from
4 the top-down approach most frequently used in government. It requires that consensus
5 building be put at the center of the process, which can be very scary for institutions
6 accustomed to controlling the outcome of decision processes. The final outcome of this
7 process cannot be predetermined.

Comments from Rick Freeman

1. On the plus side, this write up makes a strong case for the value of mediated modeling: (i) to induce interdisciplinary collaboration among scientists developing models of systems being studied; (ii) for using the technique to involve stakeholders in helping to determine what are the important endpoints to concentrate attention on; and (iii) for gaining agreement on a common understanding of how the system works.

2. But, there is very little on valuation here, at least that way we have characterized the problem of valuation in our deliberations.

- If the same participants who discuss the model structure also discuss and reach agreement on the values to be used in assessing alternative strategies, how does this differ from deliberative valuation more generally?

- In the fynbos case (Higgins, et al., 1997), where did the values listed in Table 1 come from? Was there a deliberative process? Was this a form of benefits transfer? The unit value of wildlife harvest might have been simply a market price.

- Valuation is a process that is separate from the modeling of the underlying system. And in the context of the Patuxent River (as I recall it) and fynbos cases, the values appear to have come from outside of the modeling process, not as outputs of this process.

- In the Iron and Steel Industry and Louisiana wetlands cases in Costanza and Ruth (1998), there don't appear to be any values being used at all.

3. Therefore, I propose that this material be recast to emphasize the scientific modeling as described in point #1 above and moved to Part 2, Section 3: “Prediction of Ecological Effects.” This is where I think that the real contribution of this material lies. The discussion of valuation here is so cursory that I don't think it adds anything to what is in the materials in the other parts of the section on Deliberative Processes for Valuation.

4. Here are some more specific comments:

A. pp. 272, line 8: I don't understand what is meant by "consensus ... between science and policy." I understand "consensus on the science" underlying a model; and I understand "consensus about policy" - objectives, means, etc. But I think that there is an important distinction between the realms of science and policy.

B. pp. 272, lines 18-19: Similarly, what is the "gulf separating the science and policy communities"? And why do we need to bridge this gulf?

C. pp. 272, line 9: There is no explanation of how the aggregation to get a single benefits number is done by mediated modeling.

D. pp. 274, lines 23, 25: If the terms "atelier approach," and "open space technique" are retained, I think that they need to be explained.

Comments from Lou Pitelka

Part 3, Section 5.2.

1. There are several places where text is repeated, including pg. 273, lines 15-23, and page 277, lines 3-7.
2. A couple of terms need explanation. First, on page 274, line 1, most readers will not know what a plant kingdom is or how many of them there are. Thus, the fact that this is a tiny area yet is recognized as a distinct plant kingdom will be meaningless. So, either leave out this statement or explain better. Also, on page 275, line 10, will readers know what STELLA is?
3. Page 274, lines 12-14 are redundant.

D. Comments on Introduction to Methods Addressing Public and Group Expressions of Value (Part 2, Section 4.5, pp. 78-79) and Introduction to Part 3 Section 6

Comments from Bill Ascher

p. 78 line 20 "Referenda" (the plural) rather than "referendum;" also pluralize "initiatives".

pp. 78-79 This summary is beautifully written.

p. 79, line 25. "Nevertheless" rather than "nonetheless." This may seem picky, but "nonetheless" implies equivalent worth, whereas this is not the point; "nevertheless" implies that it happens anyway.

Comments from Lou Pitelka

Page 281. This page should be deleted as the material is include in pages 76-78.

E. Comments on Referenda and Initiatives (Part 3, Section 6.2, pp. 282-292)

Comments from Ann Bostrom

Comments on pages 282-292:

General comment: The sensitivity of voting to the formulation/wording of referenda, is discussed little in this section. Add discussion/refs?

P 286 line 19 is incomplete.

P 291 rewrite sentence on lines 13-14 (delete “who” ?).

Page 292 – add a reference for the Resources for the Future efforts?

e.g.

H. Spencer Banzhaf, Wallace E. Oates, James N. Sanchirico, R. David Simpson, Randy Walsh “Voting for Conservation: What is the American Electorate Revealing?”

Resources, Winter 2006 (160), Resources for the Future, Washington DC.

<http://www.rff.org/rff/Documents/RFF-Resources-160-votingconservation-REV1.pdf>

Page 292 line 11 – change comma to period? Or complete the sentence?

Delete line 7 on page 293.

Comments from Bill Ascher

p. 276, line 25. “stated” rather than “sated”

p. 276, line 30. “county” rather than “country”

Comments from Terry Daniel

Referenda and initiatives

This section is clearly and convincingly written. The emphasis on public-regardedness/civic values is very appropriate to the multiple method approach to value assessment advocated by C-VPES. However, there may be a bit more emphasis than merited on getting the method to yield defensible monetary values (e.g., medians, means, and the issues of close versus strongly decided cases). It seems paradoxical, for example, that referenda decided by very large margins should be problematic viz. determining the value to the represented society of the issue/action addressed. Such cases would seem to provide rather strong input to public policy and decision making regarding publicly held values.

The noted cross validations between individual-based w-t-p measures and social w-t-p derived from referenda should be expanded to include cross comparisons with survey and other individual and group assessment methods, with or without dollar measures. With

regard to surveys that accompany or follow referenda, the emphasis on validating dollar value estimates should be extended more evenly to include measures of what people thought that they had voted for (beliefs and assumptions) and their motives for voting the way they did (e.g., to send political rather than economic signals to policy makers).

The section seems to end in mid sentence.

Comments from Rick Freeman

1. pp. 282, line 1: As long as the method is described as applying to referenda, I am reasonably comfortable with it. But this section starts out including “other formal public decisions.” If this term is meant to include legislative bodies including ,e.g., county commissioners, city councils, and so forth, then I get very uncomfortable.

2. One of my first notes while reading this is that to estimate WTP, we have to assume that individuals have some idea of the financial impact of the referendum on them, if passed. I don’t remember ever seeing an estimate of what that impact would be for any of the many bond referenda on the ballots in Maine through the years nor have I every tried to calculate this impact for my household. The point is finally raised in this writeup on p. 290, lines 3-8. I think that it should be brought up a lot earlier. Also, then, we might not spend so much time talking about WTP estimates in the rest of the section.

3. Some specific comments:

A. p. 285, line 6: Is it steps 2 and 4 or steps 3 and 5? (Same question for p. 297, line 17.)

B. p. 286, line 10: what is “intrinsic validity”? Is this using “validity” in the sense of “validity of a measurement”? Perhaps some other term would be clearer.

C. p. 287, line 2: The reference to a decision in Portland (OR? Or ME?) Has no context. What is this about? See a similar reference to efforts at Resources for the Future on p. 292.

D. p. 289, line 27: I can’t find Lowi, 1964 in the reference list.

Comments from Lou Pitelka

Part 3, Section 6.2.

1. The word “ecosystems” is written throughout this section as “eco-systems” and needs to be corrected.

2. I am not sure why the material in Text boxes 14, 15, and 16 is in text boxes. In other sections this sort of detail is included in the main text. This is the first time I have seen text boxes.
3. Page 286, lines 16-19. This should be written as a complete sentence, following on the previous paragraph. It ends with a comma suggesting that some material is missing.
4. Page 292, lines 1-3. Something is missing from this sentence. It does not make sense.

F. Citizen Value Juries (Part 3, Section 6.3, pp. 293-301)

Comments from Bill Ascher

This is a particularly well-written, clear section.

p. 287, lines 6-13. It is fair enough to point to the advantages of citizen juries over initiative/referendum results, but then it would be fairer still to point out that citizen juries do not have standing as actual, official decisions by communities.

Would it be worthwhile to say something about drawing valuation inferences from actual jury awards in cases involving environmental damage?

Comments from Ann Bostrom

Comments on pages 293-301:

P 299 lines 1-5– Macmillian et al (2002) state that “MS estimates were consistently lower than equivalent WTP measures for the interviewed sample: overall, they were 3.5 times lower than the interview estimates.” Further the specific implementation of the market stall approach included a diary process that I don’t think is common in other citizen jury studies. MacMillian et al. do not appear to have carried out any systematic analysis of group effects. Thus this top paragraph on page 299 appears perhaps overly optimistic.

Comments from Terry Daniel

Citizen juries

The apologies for the “stated versus revealed” nature of citizen jury value assessments may be somewhat overstated. Basically all decision making has a “hypothetical character” in that the consequences of any given decision are not fully known (or even well-projected) at the time of the choice/action, nor are all (or more strictly any) of the relevant options and conditions known with certainty. Revealed preferences may be the most appropriate “gold standard” for value assessments, but it is important to recognize that “actual behavior” can rarely be construed as an unconstrained revelation of “truly

held” values (one need only consider the known effects of advertising, shelf placement in grocery stores and music and floor coverings in department stores on “actual purchases”).

Similar to the referendum section, there may be too much concern with how citizen juries can be made to yield dollar valuations, whether as aggregates of individual valuations or as expressions of social/civic values. Indeed one area of research that would parallel research at the individual level of decision making/valuation would be comparisons of jury outcomes for equivalent issues when the “verdict” is required to be expressed in dollar versus other value metrics. As noted, one of the most important areas for application of citizen juries (and many other methods covered in this report) is when dollar valuations can not be supported or when monetary valuations are likely to be viewed as ethically inappropriate.

All of the methods reviewed here share worries about how representative the group participants are to the general public. They also share the fact that the process itself essentially assures that however carefully selected the participants will not be representative of the general public at the time of their decision/expression of value. This is at once a strength and a limitation of the group deliberative methods. For determining “informed values” these may be the best methods. However, if the target is the values/preferences/judgments of the larger, uninformed public, these methods will generally miss the mark. Public policy/decision makers would be well advised to consider both informed and uninformed public values, and to recognize the strengths and limitations of both.

Comments from Lou Pitelka

Part 3, Section 6.3.

1. Page 293, line 30. Does the government pay or the public pay? It seems as though the public pays the government to accomplish whatever.
2. Pages 295-297. While the material in Text Box 18 seems appropriate for a text box, the material in boxes 19 and 20 seems as though it should be part of the regular text.

G. Introduction to Methods Using Cost as a Proxy for Values (Part 2, Section 4.6, pp. 79-80), Replacement Costs (Part 3, Section 7.1, p. 302-303), Tradeable Permit Prices (Part 3, Section 7.2, p. 303-304)

Comments from Bill Ascher

pp. 79-80: The denunciation of using cost as a proxy for benefit and therefore value is fair enough, and well explained. However, to avoid throwing two babies away with the bath water, it would be useful to 1) state at least one circumstance in which costs are voluntarily incurred, and perhaps mention that governments make these decisions “voluntarily” all the time; and b) state that HEA does use benefits-based valuation in estimating how much restoration is needed (otherwise, this section may be construed as a general denunciation of HEA).

Sections 7.1. & 7.2: The treatment of cost as proxy is better balanced here; I had no problems with it. Same with 7.2

Comments from Rick Freeman

Replacement Costs:

Good treatment.

At p. 302, line 13: If the Catskill example is used we will probably need to get into Mark Sagoff's critique, which as I understand it seems to have some merit. But then Geoff will probably want to weigh in, although I am not aware that he has ever responded to Mark on this issue.