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Subject: Fwd: Comments on Draft Guidelines

Premature Mortality Risks

The Draft 2003 Report to Congress on the Costs and Benefits of Federal Regulations outlines two methods of valuing human life. The first method, VSL, states that "the monetary value of saving a statistical life is derived by assessing the public's willingness to pay to avert one statistical fatality" (Federal Register, p. 5521). This method is then criticized in the report because it is too dependent on the context in which it is used. This is to say that VSLs vary depending on a multitude of variables, including but not limited to age, health preferences, disease types, and causes of death.

The second method, VSLY, is the monetary value of saving a statistical life year, with "a key assumption...that public willingness to pay for risk reduction is strictly proportional to the number of life years at risk" (Federal Register, p. 5521). Again, this method is criticized much in the same way as VSLs, as a change in the variables changes the proportionality of the analysis.

These draft guidelines note that it has been proposed that VSLY replace VSL, "since everyone is expected to die sooner or later" (Federal Register, p. 5521). They later advise that "in all instances, whether or not you are able to develop ideal estimates, agencies should consider providing estimates of both VSL and VSLY" (Federal Register, p. 5521)..

This seems to me to be an unnecessary exercise, where you back up the conclusions of one admittedly flawed study with the conclusions of another admittedly flawed study. Since each method is prejudiced by similar flaws, using them both in the same analysis might serve to do the opposite of the original intention, and exacerbate the flaws. While you have changed the unit of analysis from that of a whole life to that of a year of a life, the method of analysis has remained, and continues to contaminate the analysis.

Perhaps an improved method of valuing human life would be based on using the same value of life for all people affected by the policy – Risk Compensation might be such an approach. Such a policy rooted in equality would stand up to any ethical tests of fairness – an important quality when describing the need for evaluating distributional effects in every benefit-cost analysis (Federal Register, p. 5517). After all, fairness, which appears to be such an important principle when analyzing data in life, so should it be as important in death.