

MEMORANDUM

TO: CARL STOVER

FROM: ALFRED DE GRAZIA

~~SECRET~~ FEBRUARY 2, 1979

SUBJECT: OBLIGATION OF NEA TO QUANTIFY ARTS VALUES FOR
COUNCIL ON ENVIRONMENTAL QUALITY

1. I have been working sporadically on an input-output quantitative arts activity model, as you know.
2. Please read attached letter from Science, noting a) language of section 102 (B) of NEPA as quoted: b) interest in other areas (science, e.g.) in the section.
3. It seems that a) NEA is mandated to produce quantitative measures of the amenities and values that arts and culture affords the environment; b) NEA has done nothing about this (or has it?).
4. Can we call this matter to the attention of NEA and suggest that CR be detailed to come up with something?
5. I discussed this matter with Tom and he suggested several sources of support (e.g. Federal Council) and financing, if NEA cannot give us an add-on.
6. It may also be advisable for CR (?), with NEA blessings to manage, if not to convoke, a meeting of concerned "qualitative" amenities agencies to ~~decide~~ decide how to go about quantifying what we think the environment should afford.
7. As Tom points out, not only new funds are implied for NEA here but also the need to accompany NEA activities with impact studies. Tom also says: "Unquantified Values"--Two preliminary things on this one come to mind: (1) talk with Singer on his understanding of what "unquantified" really means to him and perhaps others; (2) whether this section is being followed by Federal agencies or whether EPA takes it into account at all."

A Quantified Environment

Recent correspondence about the effectiveness of the National Environmental Policy Act (NEPA) (Letters, 8 Dec. 1978, p. 1034) concentrates almost entirely on environmental impact statements (EIS's). These are mandated by section 102 (C) (1), which merely spells out procedures. Little attention is paid, however, to section 102 (B) of NEPA, which deals with substantive matters:

All agencies of the Federal government shall: (B) identify and develop methods and procedures, in consultation with the Council on Environmental Quality established by Title II of this Act, which will insure that *presently unquantified* environmental amenities and values may be given appropriate consideration in decision making *along with economic and technical considerations* [emphasis added].

A plain reading of the text leads to the following conclusion. In making any kind of decision, whether it concerns an investment or a project, the decision-maker considers economic and technical aspects. Usually he will make a rate-of-return calculation or, equivalently, a cost-benefit analysis. Congress is now saying that this is still a primary consideration, but let us be sure we include environmental costs and benefits, which have up until now not been included because they have not been quantified, that is, because they have not been expressed in the same units, namely dollars. What Congress is therefore asking is that we develop methods and procedures which will assign dollar values to environmental amenities so that these can be considered on the same terms and *along with* other economic returns and benefits.

S. FRED SINGER

*Department of Environmental
Sciences, University of Virginia,
Charlottesville 22903*

Notes

1. Although the text of 102 (C) clearly encompasses "every recommendation or report on proposals for legislation and other major federal actions," Congress has implicitly exempted itself from these provisions of NEPA. Subsequent legislative history has interpreted the requirement of filing an EIS as not applying to the Environmental Protection Agency. As far as I know, there has not been a proper legal test of this matter.