

Dr. Granger M. Morgan
Dr. Lawrence H. Goulder
Science Advisory Board
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Dr. Morgan and Dr. Goulder:

Thank you for your March 21st letter in which you provided the advisory report of the U.S. Environmental Protection Agency Science Advisory Board's Second Generation Model (SGM) Advisory Panel.

I would like to thank you and the members of the committee for the time, dedication, and expertise brought to this important work. The Agency is grateful for your service. Your recommendations for improving the SGM will provide invaluable guidance in our efforts to ensure that the model achieves its potential to become an excellent analytical platform.

EPA has already begun taking actions based upon the recommendations in your report. As you have advised, instead of employing a single computable general equilibrium model, we are now employing a portfolio of models, each with its own particular focus and relative strength.

We are also working on implementing all of the recommendations for improving the SGM contained within the report, so that the model may continue to contribute to our assessments of the impacts of alternative climate policy options on the U.S. economy. See the attachment to this letter for a detailed discussion of our responses to the recommendations contained within the report.

We greatly appreciate all of the effort that went into the production of this report, and we want to assure you that we are taking all of the recommendations very seriously in our continuing efforts to revise and improve the Second Generation Model.

Again, thank you for your letter. If you have questions, please contact me or your staff may call Brian McLean, Director of the Office of Atmospheric Programs, at 202-343-9140.

Sincerely,

Stephen L. Johnson