Index

9/11 attacks, impact of 108–11, 146, 158, 175, 193

Abadie, A. 158, 259
adaptation, need for 260
adaptive resilience 184
advantages of cities trading 159–60
aggregated willingness to pay (AWTP) 33, 34, 120–21, 133
Aguiar et al. 220
aid for terrorism victims 109, 110
air pollution 132, 255
policies 80–81
rules 55
air quality standards 67
Air/Sea Biometric Exit Project (Exit) 10, 11, 12–16
air travel 213–14, 217, 218, 257
airport scanners 167
fatalities 94
safety 8, 81, 94, 225–6
terrorist threat 39, 40–44, 175, 178
ALARP (‘as low as reasonably practicable’) 127, 129, 130, 131
Aldy, J.E. 78, 83, 88, 90, 91, 94, 96, 98
American Time Use Survey (ATUS) 220, 221
arithmetic mean 120, 121, 125
Arrow et al. 36
Arrow, K. 148
Arzaghi, M. 162
auto travel 213, 215–16
accident risks 105, 204
fatalities 94, 108, 113, 122
non-fatal injuries 131
Axelrad et al. 71
Baker et al. 120
baseline conditions/risk 11, 17, 33, 124, 125, 126, 241

Basque civil war 259
Becker, G.S. 165
Becker model 208–10, 222
behavior
averting behavior studies 231
economic 185–6, 193, 194
irresponsible and risk 113
behavioral linkages 175, 177, 178
benefit–cost analysis
inverse benefit–cost analysis 256
reverse benefit–cost logic 262
benefit-function transfers 232, 243
benefit transfers 226–47
Benzene Study 103–4
Bier, V. 149
bioterrorism 177–9
bladder cancer cases 73
Blomberg, S.B. 193
BLS (Bureau of Labor Statistics) 99, 101
Blumenschein, K. 238
Boisvert, R. 180
bombs 48–54, 174, 175, 186
bounded rationality 181, 194
Boxer, Senator Barbara 93
breakeven analysis 73
Brookshire, D. 180
Brownstone, D. 215
Burwell et al. 263
business interruption (BI) 178, 181, 190, 192
business travel 216, 218, 219
cameras, security 51
Canada 93
cancer 72, 73
risk 52, 103–5, 126
Carbone, J. 188, 264
Carmines, E.G. 243
Carson et al. 36
Carter, D.A. 125
Benefit–cost analyses for security policies

Carthy et al. 123, 131
car travel see auto travel
catastrophic events 135, 137–8
Caves et al. 186
CBD (central business district) 161–2
Centers for Disease Control and Prevention 238
CFOI (Census of Fatal Occupational Injuries) 88, 91, 99, 102, 103, 106
CGE (computable general equilibrium) analysis 173, 178, 179–90, 258, 259
chained approach 123, 131
chemical, toxic 71
Chicago 158
children and travel 220–21, 222
Chilton et al. 124, 125
choice experiments 222
choice model 41, 51, 231
choice panels 41, 49–50
choice set 32–3, 34–5, 44, 68, 70
city centers 157–70
consumer city center 163
Clean Air Act 67, 101, 102, 103
Clear Skies Initiative 93
climate change 159, 166–8, 180
Clinton administration 234
closure rules 188, 189
Cobb–Douglas production functions 180
Cody, B.A. 234, 236
collateral effects of terrorism 238, 241
commuting, reverse 163
compensation 91, 105–7
compensation test 120, 136
complementarities 4
Connecticut 162
constant elasticity of substitution (CES) production function 181, 184, 185
contamination of water system 190–93, 234, 236–7
consumer surplus (Hicksian) 143
contingent valuation (CV) 36, 121, 130, 231
convergent validity 243, 244
Copeland, C. 234, 236
Costa, D.L. 169
cost–risk trade-off 105
Council of Economic Advisers 263
Covey et al. 113, 123, 125, 132
CPS (Current Population Survey) 86, 90
CREATE (National Center for Risk and Economic Analysis of Terrorist Events) 5, 263
crime, falling 163, 169
Cropper et al. 126
crowd-out effect 168
Customs and Border Protection (CBP)/US 30
Dalvi, M.Q. 131
damage 91, 105–7, 143, 144, 145, 146, 147, 150, 151, 168
natural disasters 36, 167
damage function approach 67
death premature 124, 126, 131
risks 108–13
Defra (Department for Environment, Food and Rural Affairs)/UK 132
demand shocks 160
Dermisi, S. 158
budget for 6, 8
and events the size of September 11, 2001 146
dirty bombs 48–54, 174, 175, 186
disequilibria 188–90
disinfection byproducts (DBPs) 72–3
disproportion 129
Dixon et al. 183, 184
DOT (Department of Transportation)/US 39
dread effect 124–5, 126
drinking water program/regulations 72
Duchin, F. 182
earthquake 180, 181
econometric models 181, 183, 184
economic analysis 64, 66, 67, 68, 69, 70
Economic Analysis Advisory Committee 260, 261
economic consequence analysis 174–6
economic disequilibria 182
economic losses 183
economic resilience 182, 188–90
economic valuation 69
education, effect on leisure time 220
*Edwards v National Coal Board (1949)* 127
elections, effect of terrorist bombings 259
electricity outages 186–7
Elnagheeb, A.H. 236
employment
  - effect of time 220
  - and labor pooling 160, 162
  - and pay 210–12
endogenous probability 147–52
endpoints, health 71–2
Engel et al. 238
environmental risk reduction 104
EPA (Environmental Protection Agency) 54, 63–75, 80–81, 99, 101, 103, 228, 255–7, 258, 259–60
  - National Center for Environmental Economics 261
risk management strategy 36
and senior discount controversy 93
and valuation of life controversy 96
European Commission 93
evacuations 50–51, 52, 190
Evans, M.F. 37
*ex ante* analyses 107, 141, 142–3, 144–6, 147, 149, 151, 172–3, 218, 241, 255, 258
Executive Order (EO) 12291 80, 254
Executive Order (EO) 12866 226, 254
Executive Order (EO) 13563 8–9, 10
Exit (Air/Sea Biometric Exit Project) 10, 11, 12–16
exogenous risk 147–51
exogenous shock 259
*ex post* analyses 141–2, 143, 144, 145, 148, 151, 173, 258, 262
*ex post* policy choices 257
FAA (Federal Aviation Administration) 94
fairness 93, 94
families and travel 220–21, 222
Farrow, S. 141, 142, 145, 146, 147, 149, 150, 225, 246
fatalities 135–6
  - auto 94, 113, 122
  - rail 131, 132
fatality risk 36, 82–3, 86, 90, 91, 98, 99, 101, 102, 103, 104, 108
  and HSE 127
FDA (Food and Drug Administration)/US 46
fear as public bad 5
fear factor 175, 178, 190, 193
federal income taxes 44–5
Federal Reserve 193–4
FEMA (Federal Emergency Management Agency) 8, 146
fiscal and monetary policy 193–4
Fischhoff et al. 185
Fisher et al. 243
floods 145–6, 147–8, 167
food-borne illness 44, 47
food security 44–8
  - home test kit 44, 45, 47
  - test kit for food-borne contaminants 44, 45, 47
food supply attacks 226, 228–9, 232, 233, 241–2
food supply risk valuation 233–4, 235
foot and mouth disease attack 178
Freeman, A.M. 27, 141, 142, 143, 144, 145, 146
freeways 215–16
function transfers 227, 230–31, 232, 242–3
game theory 149
Gardeazabal, J. 259
gasoline tax 41, 43
GDP (gross domestic product) 8
general equilibrium effects 186–8
government relief for terrorism victims 109, 110
Giesecke et al. 175, 184, 186, 194
Gollier, C. 27
Google 162
  - Google Insights 165–6
  - Google Trends 165
Gordon et al. 175, 184
gross disproportion 129, 130
gross output approach 117
ground-to-air missiles 42
Guha, G. 180
*Guidelines for Preparing Economic Analyses* (EPA) 66, 67, 228

Hammerton et al. 130
Hammitt, J.K. 126
Harberger triangles 227
harmonic mean 120–21
Harrison, Glenn W. 264
Hausman, J.A. 243
hazard quotient 70
hazards 140–52, 185, 186, 258–9
Hazus model 146
HCT (hypothetical compensation test) 120, 136
Health and Safety at Work Act 1974 (HSWA)/UK 127
Health and Safety Executive (HSE)/UK 125, 126, 127–30
health consequence valuation 238, 239–40
health endpoints 71–2
hedonic model
  hedonic damages 105
  hedonic labor market model 82–3, 84
  hedonic labor market studies 101, 112–13
  hedonic modeling 231
  hedonic pricing 121
  hedonic wage studies 98–9
Henderson, V. 162
Hersch, J. 84, 85, 86
heterogeneity 79, 83–4, 87–9, 107, 114
hijacking 42
hindsight bias 109
Hines, J.R. 227
Hirst, I.L. 125
HMRI (Her Majesty’s Railway Inspectorate)/UK 128–9, 131
Hobijn, B. 8, 225
Howe, C.W. 236
human health risk assessment 75
hurricanes 147–8, 149, 168
hypothyroidism 72

immigration 86–7
improvised explosive devices (IEDs) 174

income 91, 94–5, 96, 168, 208, 209–10, 212
income elasticity 91, 94
income tax 41, 43, 44–5, 50
India 83
indirect effects of policy 55–6
intelligent adversaries 147–51
intercity travel 216, 217, 218
interview methods 123
investor premia 185, 186
I-O models 181, 182, 183, 184, 187, 188
Iraq War 194
Israel 168
Jacobs, Jane 160, 162
jamming device 43, 44
Jeong et al. 236–7
Johannesson, M. 238
Jones-Lee et al. 122, 130, 131
Jones-Lee, M.W. 122, 125, 126
Jordan, J.L. 236
Kahn, M.E. 169
Kasperson et al. 185
Katrina, hurricane 147–8
Klaiber, H.A. 173, 176, 193
Kniesner et al. 88, 91
Knowledge Networks 108
panelists 45, 48
Kokoski, M. 180
Krugman, Paul 158
labor markets 84–7
labor pooling 160, 162
labor productivity 8
Lady Gaga 166
Landrigan et al. 238
Lange, G. 182
latency 104, 105, 126
leave time, paid 50, 51
Lee et al. 177
leisure time 208, 209, 211, 220
lettuce crop attack 178
leukemia risk 103–4, 105
Liao, S. 180, 184–5, 190, 194
life expectancy 94, 132, 133
Lind, R. 148
List, John A. 264
Liu, J.T. 126
local travel 216, 217
location and CGE 183
London, risk of terrorism 169
Loomes, G. 125
Los Angeles 175
loss of life 178
Lukas, A. 233

macroeconomic indicator approach 173
macroeconomic repercussions 183
Magat et al. 105
Management of Health and Safety at Work Regulations 1992 (MHSW)/UK 127
Managing Risks to the Public: Appraisal Guidance (HM Treasury) 129–30
Manhattan 169
man-portable air-defense systems (MANPADS) 175
marginal social utility of income 120
marginal utility of income 41, 208, 209, 212
marginal utility of leisure 208
marginal WTP 36, 45
market
behavior 181
feedback effects 188
resilience 182
work 220
Markusen, J.R. 188
Marshallian elasticities 243
Marshall v Gotham Co Ltd (1954) 128
Mason et al. 133
May et al. 55, 56
Mayne, Thom 167
MCDA (multi-criteria decision analysis) 134–5
McKee, M. 180
media, coverage of terrorism 165
medicine 44, 45, 47
meta-analyses 91, 241, 242, 261
metropolitan areas 157–70
Mexican immigrants 86–7
Microsoft 162
military response, US 194
minimizing regrets analysis 73–4
minimizing social losses 73
missiles 42, 43
mitigation 176
monetary policy 193–4
money–risk trade-offs 81, 84, 101, 112
monitoring devices 51
Montalvo, José G. 259
Moore, Michael 88, 89
moral hazard 113
morbidity 236, 238, 255
mortality risk 37, 39, 101–2, 236, 238, 255
motor-vehicle accident deaths 94, 108, 113, 122
Mrozek, J.R. 96
multi-criteria decision analysis 137
multiple-fatality accidents 125, 131, 132, 136, 137
murder rate 163
Murphy et al. 245
National Center for Environmental Economics (US) 71, 261
National Center for Risk and Economic Analysis of Terrorist Events (CREATE)/US 5
National Flood Insurance Program (US) 145, 146
National Institute of Occupational Safety and Health (US) 99
National Oceanic and Atmospheric Administration (NOAA/US) panel 36
National Research Council (NRC)/US 63–5
National Traumatic Occupational Fatality (NTOF/US) data 99
Navarro, P. 8
net benefits, measuring 68
Network Rail (UK) 131
New Immigrant Survey (NIS) 87
New Orleans 168
New York City 163, 169, 175
NICE (National Institute for Health and Clinical Excellence)/UK 132–3
non-cancer health effects 70
non-cancer risk assessments 64
non-fatal injury risks 86
non-fatal road injuries, prevention 130
non-fungibility of time 213
non-homeland security 6, 8
non-linear dose-response function 72
non-market effects 182, 264
non-smokers 86
non-work income 208, 210

OAQPS (Office of Air Quality Planning and Standards) 54, 96
objects of choice 31–3, 34, 39, 68, 70
Office of Air Quality Planning and Standards 262
Office of Rail Regulation (ORR)/UK 131
Office of Research and Development, EPA 75
Okrent, D. 125
Oladosu, G. 182, 193
OMB (Office of Management and Budget)/US 92, 228, 263
opportunity cost of time 38, 39, 45, 205, 210, 219, 221
opportunity cost of travel 209, 219
OSHA (Occupational Safety and Health Administration)/US 92
OSTP (Office of Science and Technology Policy)/US 263
outages, cost 186–8
outcomes 28, 32, 34
probabilities of 67
output-based values 130
overtime wage 211–12

paid leave time 50, 51
Palmquist et al. 212–13, 216
Panel Studies of Income Dynamics 91
passengers, airline 81
information 28, 30, 31
screening 257
patrols 43, 44
policy analysis architecture 80
policy site 226, 228, 229, 232, 244
days of sickness 243
value 245
value estimate 227
value predictions 230, 231
pollution 132, 255
policies, air 80–81
rules, air 55
Posner, E. 106, 107, 256, 262

prediction errors (PE) 244
preference calibrations 231
preference elicitation 122, 123
premature death 124, 126, 131
preparedness 53, 55, 56
pre-screening 262–3
prevention 53, 55, 56, 57
probabilities of outcomes 67
production disruption 180
production function, CES 181, 184, 185
production recapture 185
productivity 192–3
advantages of metropolitan areas 159–60, 161, 169
property appraisals 227–8
property damage 178, 180, 181
protection 53, 55, 56, 57, 192
proximity, productivity advantages 160
public good 33, 264
public water supplies 236–7
attack 226, 234
quality of life improvements and terrorism 163
queues, cost of waiting and efficiency 222
rail accidents 113, 125
single-fatality rail accidents 125, 126, 131, 136, 137
rail industry, UK 126
Rail Safety and Standards Board (RSSB)/UK 128–9, 131–2
Railways (Safety Case) Regulations 1994 (UK) 127
RDDs (radiological dispersion devices) 48–54, 174, 175, 186
real estate, effect of terrorism 164, 192
‘Reckonings: an injured city’ (Krugman) 158
recollection bias 109
recovery 53, 55, 56, 182
Red Book 65, 66
reduced form
equation estimates 231
meta-analysis 230
Reducing Risks, Protecting People (HSE) 128, 129
Index

regulatory option 74
relative to a reference dose (RfD) 70
reliability
  and travel 214–15
  of water supply 236
relocation 190
remediation 175–6, 192
Republicans 112
resilience 174, 175, 177, 178, 180–81, 184–5, 190, 192, 193
response 53, 55, 56
revealed preference methods 34–5, 36–9, 121, 231, 246
revealed preference valuation 221
reverse commuting 163
RIAs (regulatory impact analyses) 10–17, 92
risk 36, 63–4, 75, 81, 84–6, 241, 255
  ambiguity of 4, 5, 17
  analysis 63–4, 66, 71, 74–5
  assessment 54, 64–70, 71–5
  baseline 11, 17, 124, 125
  of being killed in an automobile accident 122
  of cancer/leukemia 52, 103–5, 126
  change 38
  changes in 78
  and hazards 185
  irresponsible behavior and 113
  job fatality risk 82–3
  lifetime 104
  management 36, 54, 55, 63, 66, 68–9
  mortality 39
  non-incremental changes 100–102
  non-specific perception of 263
  orientation 55
  personal responsibility 113
  personal risks 113
  ‘protective’ risk management decision 68–9
  reduction 11, 17, 32, 37, 46, 55, 57, 73, 79, 81, 94, 133
  risk–money trade-offs 81, 84, 101, 112
  risk–wage combinations 82–3, 97
  risk–wage trade-offs 81, 89, 94, 98, 100–101, 106–7, 121
  risk–wealth trade-offs 121–2, 123, 131
  from terrorism 108–13, 161
  and trade-offs 97
  in the workplace 99
  Risk Assessment for Benefits Analysis (RABA) 71–2
  Risk Assessment in the Federal Government: Managing the Process (NRC) 65, 66
road safety 94, 112, 130
Roberts, M.T. 233
Robinson et al. 137
Robinson, L. 219
Robson, A.J. 188
Roe, B.E. 234
Rose, A. 174–6, 180, 183, 184–5, 190, 193, 194
Rose et al. 173, 175, 177, 184, 187, 188, 190
Rosen, S. 83
SAB (Science Advisory Board) 66, 75
safety
  adequate margin of 54, 67
  airline 81, 94
  food 48, 232, 233, 234, 242
  highway 94, 112, 130
  job market 113
  perception of 4, 8
  and public sector appraisal 117–38
  regulation 81
Sager, E. 8, 225
Samuelson, Paul 3, 264
Sandy, hurricane 147–8
San Jose, California 162
scanners, airport 167
Schelling, Thomas 161
Science and Decisions (NRC) 66
scope insensitivity 122, 123–4
Scott, M. 141, 145, 146, 147
screening 110–11, 257, 262–3
Secure Flight rule 28, 30, 32, 33, 38
security cameras 51
segmentation of labor markets 85–7
selection effect 159, 161
September 11, 2001 attacks, impact of 108–11, 146, 158, 175, 193
SFAIRP (‘so far as is reasonably practicable’) 127
shadow value of time 258
Shapiro, S. 142, 225
Benefit–cost analyses for security policies

shelter 50–51, 52
Shepard, D.S. 88
Shoven, J. 178
slackness conditions 188–9, 190
Slovic et al. 124
Slovic, P. 17, 185
Small et al. 214
Small, K. 215
Smith, Adam 82
Smith et al. 137, 149, 225, 247
Smith, M.G. 236
Smith, V.K. 37, 173, 176, 180, 188, 193, 212, 264
smokers 85–6, 109, 110
social capital 169
social cost 141, 205
social losses 73–4
societal concern 129
societal risk 129
Sohn et al. 184
space 183
Spencer, A. 8
spillover effects 56, 160, 161
stadium attack 178
Stage 1 Disinfectants and Disinfection
Byproducts Rule (DBPR) 73–4
stated choice experiments 35–6, 213, 222
stated preference methods 35–6, 38, 39–54, 97, 104, 107, 121–3, 221, 231, 246
and non-fatal road injuries 131
on terrorism risks 111, 113, 137
statistical fatality 118
stock and flow losses 181
structural
meta-analysis 231
suburbs 157, 160–61, 162
Sunstein, C. 26, 106, 107, 124
Superfund program 70
surface mode travel 216, 217, 218
surface-to-air missiles (SAMs) 42
swing weighting 134

targeting passengers for airport
screening 110–11
taxes 41, 43, 44–5, 46, 47, 50, 209–10
tax revenues 46
Taylor, L.O. 96

technical change
and effect on time 219
and effect on time 219
technological change 185
Teisl, M.F. 234
television, coverage of terrorism 165
terrorism 44, 55–6, 137, 140, 141, 143–4, 145–6
baseline probability of successful
attack 11, 17
commercial aircraft, threat to 40–44
and natural hazards 148–52
deaths from 107–13
and VSL 147
Thaler, R.H. 83
Thompson, Tommy 233
thyroid cancer 72
time
opportunity cost 38, 39, 45, 205, 210, 219, 221
preference 104
value 203–22
The Tolerability of Risk from Nuclear
Power Stations (HSE) 129
toll roads 215
tort damages 79
TOR (risk tolerance) 127
tourism 163, 169
toxic chemical 71

trade-offs 33, 37–8, 54, 68, 97, 100–101, 118–19, 261–2
between civil liberties and risk 109
between civil liberties and waiting
time 110
cost–risk 105
ex ante 11
injury–risk of death 123
and labor markets 86
measuring individual 34–6
and revealed preference measures 39
and risk of automobile injury 204
and VSL 81
wage–risk 83
Index

wealth–risk 121–2, 123, 131
weighting 134
trading, advantages of cities 159–60
traffic accidents 111, 113, 137
transportation 204
Transportation, Department (USDOT) 94–5, 221
guidelines 216–19
Transportation Security Administration (TSA)/US 28, 30, 225, 262–3
Transport Department (UK) 117, 119, 121, 123, 130–31
travel 204–8, 209, 212, 213–19, 220–22
personal 216, 218, 219, 220–21
see also air travel; auto travel
travel cost models 231
treatment effect 159, 161
truck drivers 216, 217
Trusted Traveler pre-screening program 262–3
UK
Department for/of Transport 117, 119, 121, 123, 125, 130–31
railway accidents 113, 125, 126
uncertainty 73, 247
unemployment
and labor pooling 160, 162
and negative demand shock 160
United States (US)
best cities 164
budget for ‘non-homeland security’ 6, 8
National Flood Insurance Program 145, 146
natural disasters 111, 112, 113
Office of Air Quality Planning and Standards 262
OMB 92, 228, 263
protection of water supplies 236
terrorist attacks 108–11, 112, 113
VSL 83, 92–3, 94–6, 99, 101–3, 137–8
see also DHS (Department of Homeland Security); EPA (Environmental Protection Agency)
urban center attack 178
USDOT (Department of Transportation) 216–19, 221
US Government Accounting Office 233–4
utility functions 123, 173, 194
utility service disruption 180
validity criterion 245
valuation study 246
value estimates 227, 231, 241, 242
value of life’s pleasures 107
value predictions 230, 231, 232
value transfers 227, 228, 229–30, 232
Van Houtven et al. 105, 242, 243
Viscusi et al. 104
Viscusi, W.K. 78, 84, 85, 86, 90, 96, 113
and terrorist risks 108, 109, 111, 137
and VSL 83, 88, 91, 94, 98, 147
VOLY (value of a life year) 132, 133
VSL (value of a statistical life) 36, 37, 39, 73, 78–114, 118, 119, 120, 133, 136, 147
adopting single 124–6, 257–8
age 87–9, 93, 94
demographic adjustments, banning 93
government number for VSL 106
and RSSB 131–2
senior discount 93
for single- and multiple-fatality accidents 137
valuation of life controversy 95–6
VSLY (value of a statistical life year) 89–90, 93–4
wage
compensation 104
differentials 81–2, 85
premia 185, 186
rate 208, 209–10, 211, 212, 214, 216, 218
wage–risk combinations 82–3, 97
wage–risk trade-offs 81, 89, 94, 98, 100–101, 106–7, 121
waiting time 8, 38, 39, 110–11, 204–5, 218–19, 221–2
watch lists 30, 31, 32
water quality 236
regulations 55
water supply risk valuation 234, 236–7
water system attack 178, 181, 190–93, 226
wealth–risk trade-off: 121–2, 123, 131
welfare measures: 176
Western Hemisphere Travel Initiative (WHTI): 10–11, 206–7
Whalley, J.: 178
Wing et al.: 188
wireless networks: 219
women and support for government relief for terrorist victims: 109, 110
Wooldridge, J.: 150
World Trade Center: 238, 241
wrongful death cases, compensation: 105–7
WTA (willingness to accept): 97, 98, 99 and magnitude of risk change: 100–102