

## FROM THE PRESIDENT...

Next stop Asheville! In a few short weeks we will be convening the second annual AERE conference at The Grove Park Inn in Asheville, North Carolina. The action begins on Sunday, June 3<sup>rd</sup>, with an opening reception where I hope to greet many long-standing AERE members and welcome new professionals to the AERE family. Our organizing committee, co-chaired by Don Fullerton (University of Illinois) and Joe Herriges (Iowa State University), with support from Antonio Bento (Cornell University) and Billy Pizer (Duke University), has put together an outstanding program of selected papers, sponsored sessions, and a post-conference workshop. This year, the conference theme—new directions in climate change policy and analysis—will run through the workshop, sponsored sessions, and the keynote address by Robert Pindyck, the Bank of Tokyo-Mitsubishi Professor of Management at MIT, on “The Climate Policy Dilemma.” Dr. Pindyck’s work is well known to all environmental economists and we are delighted that he was willing to make room in his busy schedule to address our conference.

Immediately following this presentation, we will gather at lunch for the AERE Awards Program to present the 2011 awards for AERE Fellows, the Publication of Enduring Quality (PEQ), and the Best *JEEM* Paper. The recipients have been notified but you will have to come to Asheville to hear the announcements and congratulate the winners yourself! I want to take this opportunity to thank the members of the PEQ Committee—Chair Rob Innes (University of California, Mercedes), Frank Asche (University of Stavanger, Norway), and James Wilen (University of California, Davis)—and the committee members who selected the best *JEEM* paper: Chair Dan Phaneuf (University of Wisconsin-Madison), Chris Timmins (Duke University), and Spencer Banzhaf (Georgia State University).

The AERE Summer Conference Organizing Committee is introducing a new innovation this year: a set of sessions sponsored by Stratus Consulting that will target graduate students and junior faculty. This innovation will provide our newest colleagues ample space on the program and give them a chance to engage in quality interaction with more senior members of the profession. Be sure to check the program when you arrive and take time to attend one or more of these sessions to support the future leaders in our field. In

## TABLE OF CONTENTS

<b>From the President ...</b>	1
<b>AERE News</b>	
AERE Board of Directors Meeting .....	4
Nominations AERE Board and Officers...	4
PEQ 2012 Nominations .....	4
AERE Fellows 2012 Nominations .....	5
Best <i>JEEM</i> Paper 2012 Nominations	6
Institutional/University Membership.....	6
New AERE Membership Options.....	7
AERE Membership Services Office .....	7
2012 Institutional/University Members...	8
<b>Calls for Papers/Proposals</b>	
<i>AERE Newsletter</i> .....	9
<i>Economics Research International</i> .....	9
<b>Conferences and Meetings</b>	
AAEA .....	10
ASSA .....	11
BIOECON Conference ...	12
EAERE 19 <sup>th</sup> Annual Conference .....	12
EAERE 20 <sup>th</sup> Annual Conference .....	12
<i>Generation and the Environment</i> .....	12
IAEE European Energy Conference ...	13
IWREC 12 <sup>th</sup> Annual Meeting .....	13
NAREA Annual Meeting .....	13
SEA .....	13
WEAI 87 <sup>th</sup> Annual Conference .....	14
<b>Essays</b>	
<i>Simple Ecosystem Service Valuation Can Impact National Forest Management</i> by David Ervin, Gary Larsen and Craig Shinn .....	17
<i>The Future of an AERE Flagship Journal: Considering the Issues</i> by Alan Krupnick with Todd Gerarden .....	23
<b>Bulletin Board</b>	
<i>Annual Review of Resource Economics</i> ...	35
DISCCRS .....	35
EAERE FEEM Belpasso International Summer School .....	35
<i>JBCA’s Harberger Prize Submissions</i> ....	36
<i>Ocean Yearbook Volume 26</i> .....	36
<b>Job Postings</b> .....	37

addition, the following agencies have contributed to the conference in support of the Sponsored Sessions related to the conference theme: The National Oceanic and Atmospheric Administration (NOAA), U.S. Department of Commerce; the Fish and Wildlife Service (FWS), U.S. Department of the Interior; and the Economic Research Service (ERS), U.S. Department of Agriculture.

The Duke University Energy Initiative is sponsoring this year's post-conference workshop on "Climate Change Integrated Assessment Modeling: A Half-Day Workshop" led by Thomas F. Rutherford (Centre for Climate Policy and Economics, University of Wisconsin-Madison). All this generous support is very much appreciated. Please be sure to thank representatives of all our sponsors when you get an opportunity; their funding really makes a big difference to the depth and breadth of programming we can provide.

Finally, seven parallel sessions will contain papers representing the full range of environmental and natural resource economics and will span the two-day conference. Since we had a cap on room size, we were not able to accommodate all strong papers but an outstanding intellectual palette will be provided for you to choose amongst during the conference. I am confident that regardless of whether your interests run to the empirical or are primarily theoretical, whether your focus is on a specific resource such as fisheries or water, or bends more towards methodological development, and whether you are a newcomer to the field or have spent many years in the saddle, you will find much to choose from in this broad program.

To learn more about all aspects of the conference visit [www.aere2012.com](http://www.aere2012.com). The program is posted and many other details are provided.

### **The Possibility of a New, AERE-Sponsored Journal**

In the November issue of the *AERE Newsletter* (posted on the AERE web), a group of our colleagues raised the possibility of AERE sponsoring a new academic journal. If you have not read the piece, I encourage you to do so—it provides an excellent introduction to the issues and some of the arguments, both pro and con, associated with such an undertaking. The discussion continues in this issue where Alan Krupnick (Resources for the Future), with the help of Todd Gerarden (RFF), has done us the great service of collecting extensive information related to a set of possible alternatives for AERE to consider. I urge you to read their piece and to discuss it with your friends and colleagues. There is no more important issue to the

health of our profession than the creation and exchange of research and ideas. Journals, of course, play a central role in this discourse. To help us keep the momentum going in these discussions, there will be a special panel session at our conference in Asheville whose focus will be to raise issues and discuss the prospects of the creation of a new journal. The session will be held Monday, June 4<sup>th</sup>, from 12:15 p.m.-1:30 p.m. (while we are starting our box lunches).

### **AERE Election and Board Meeting**

In the election last fall, AERE elected a new President, Alan Krupnick, and Vice President, Don Fullerton. As per AERE's structure, Alan spends this year as President-elect before assuming full responsibilities as President in January 2013. In addition to Alan and Don, the AERE Board welcomes two outstanding new members with the elections of Amy Ando (University of Illinois, Urbana-Champaign) and Sheila Olmstead (RFF). AERE relies heavily on the energy and goodwill of our Board members. I am very grateful for the hours of service provided by former Vice President, Vic Adamowicz (University of Alberta) and Board members Scott Taylor (University of Calgary) and Catherine Wolfram (University of California, Berkeley). Please take the opportunity to thank them if you see them at our conference or elsewhere for their service to AERE.

The AERE Board will be meeting in Asheville on Monday evening—please contact me with any issues or ideas you may have.

### **AERE Sessions at National and Regional Meetings**

Once again, thanks to the volunteer efforts of various AERE members, we have the opportunity to present papers at a number of meetings this year. The Program Committee with Chair Matthew Kotchen (University of California, Santa Barbara), Antonio Bento (Cornell), and Josh Graff Zivin (University of California, San Diego) has pulled together AERE sessions for the Agricultural & Applied Economics Association (AAEA) annual meeting on August 12 - 14, 2012 in Seattle, Washington—and will finalize the program for the Allied Social Science Associations (ASSA) meeting in San Diego, California, on January 4 - 6, 2013. Trudy Ann Cameron (University of Oregon), assisted by Meredith Fowlie (University of California, Berkeley) and Grant Jacobsen (University of Oregon), has organized the AERE sessions for the Western Economic Association International (WEAI) conference on June 29 - July 3, 2012 in San Francisco, California and John Whitehead (Appalachian State University) will organize sessions for the Southern Economic

Association's annual meeting on November 16 - 18, 2012 in New Orleans, Louisiana.

### **The World Congress - 2014**

The deadline for expressions of interest for hosting the Fifth World Congress of Environmental and Resource Economists, to be held in late June/early July 2014, was in March. The Selection Committee received a surprisingly high number of candidatures: 16! The following cities are participating in the bid: Bilbao, Budapest, Cannes, Copenhagen, Edinburgh, Flagstaff, Honolulu, Istanbul (two candidatures), Lisbon, Naples, Paris, Rimini, Singapore, Sydney and Taipei. The evaluations are now underway—a final decision is expected this June and will be announced on the AERE and EAERE web sites. We would like to thank all the candidates for their proposals and I especially want to express appreciation to the members of the Selection Committee for taking on this important effort: Carlo Carraro, Chair (Fondazione Eni Enrico Mattei), Anna Alberini (University of Maryland, College Park), Trudy Ann Cameron (University of Oregon), Thomas Sterner (University of Gothenburg), and Anastasios Xepapadeas (University of Athens).

### **Planning for AERE Summer Conference 2013 is Underway**

AERE remains a vibrant and engaging organization and I hope to see many of you in Asheville! However, for those of you who cannot join us this year, I am delighted to let you know that plans for the third annual AERE Summer Conference, to be held in early June 2013, are shaping up nicely! The 2013 Organizing Committee is co-chaired by Vic Adamowicz and Ujjiyant Chakravorty (Tufts University) with Carolyn Fischer, (RFF) and Brian Murray (Duke University) who will provide support with respect to the sponsored sessions and possible pre/post conference activities. They are joined by the ex-officio members of the committee—three who represent the conference's federal agency sponsors: Norman Meade, NOAA, Marca Weinberg, USDA ERS, James Caudill, (FWS)—along with the chair of AERE's Program Committee, Matthew Kotchen (Yale University) and AERE Executive Director, Marilyn Voigt, RFF.

Keep your eyes open for details concerning the final decision for the conference venue. We are not ready to announce the location just yet as final negotiations and considerations are underway, but as a hint, think northern lights and beautiful lakes with a few mountains sprinkled about for extra beauty.

Have a great summer.  
Cathy

**Dr. Catherine Kling**  
**AERE President**  
**Department of Economics**  
**Iowa State University**  
**Ames, Iowa 50014**  
**[ckling@iastate.edu](mailto:ckling@iastate.edu)**  
**Office phone: 515-294-5767**

### *AERE Newsletter*

#### **Co-Editors**

John Loomis

Colorado State University  
Dept. of Agricultural and Resource Economics  
[jloomis@lamar.colostate.edu](mailto:jloomis@lamar.colostate.edu)

Marilyn M. Voigt

AERE Executive Director  
[voigt@rff.org](mailto:voigt@rff.org)

#### **Assistant Editor**

Kathleen Meaney Stobie  
[kmstobie@verizon.net](mailto:kmstobie@verizon.net)

#### **Publisher**

Association of Environmental and Resource Economists  
1616 P Street NW, Suite 600  
Washington, DC 20036  
202-328-5125

## AERE NEWS

### AERE BOARD OF DIRECTORS MEETING

The AERE Board meeting will be held on Monday, June 4, 2012, 5:30 p.m. – 8:00 p.m. at The Grove Park Inn, Fitz Room. Anyone with matters to be brought before the Board should contact the president:

**Dr. Catherine Kling**  
**Department of Economics**  
**Iowa State University**  
**Ames, Iowa 50014**  
**ckling@iastate.edu**  
**Office phone: 515-294-5767**

### NOMINATIONS FOR AERE OFFICERS AND BOARD MEMBERS

This year, AERE members will vote for two new members of the Board of Directors who will serve for three years beginning in January 2013. The nominations are being handled by a committee chaired by AERE Vice President Don Fullerton (University of Illinois). Elections will occur in the fall of 2012.

Nominations may also be made by the membership through petitions, each of which contains signatures of 5% of the association's members who are then in good standing. Such petitions should be sent to arrive at the AERE Secretary's (Sarah Stafford) address no later than August 1, 2012.

**Dr. Sarah L. Stafford**  
**Department of Economics**  
**College of William and Mary**  
**P.O. Box 8795**  
**Williamsburg, VA 23187-8795**  
**Email: [slstaf@wm.edu](mailto:slstaf@wm.edu)**

### AERE PUBLICATION OF ENDURING QUALITY AWARD 2012 CALL FOR NOMINATIONS

The AERE Board of Directors will present the annual award (to co-authors if appropriate) for a publication of enduring quality that appeared at least five years prior to the year of the award. Nominated works are to be evaluated on their seminal nature and enduring value. Place and type of publication are unrestricted but posthumous awards will not be given. Nominees may include individuals who are not members of AERE.

Evaluation of nominated works and final selection for the 2012 award will be undertaken by a committee chaired by Frank Asche, University of Stavanger, Norway. Nomination packages should consist of four copies each of a cover letter, a document supporting the nomination, and the publication itself. The supporting document (not to exceed three pages) should include quantitative as well as qualitative information (e.g., number of citations or copies printed). Nominations should be sent to arrive no later than November 1, 2012. This is an important award for AERE and for the recipients. Please give serious consideration to nominating a publication and to observing the submission requirements.

**Prof. Frank Asche**  
**University of Stavanger**  
**Box 8002 Ullandhaug**  
**Stavanger, 04036**  
**Norway**  
**E-mail: [frank.asche@uis.no](mailto:frank.asche@uis.no)**  
**Subject Line: AERE PEQ Award**

**AERE FELLOWS 2012  
CALL FOR NOMINATIONS**

This program recognizes outstanding contributions to the field by members of the association. The 2011 AERE Fellows will be announced at the 2012 AERE Summer Conference. (Note: The awards program will no longer be held during the January ASSA meetings.)

**Criteria:** Awardees will have demonstrated a significant contribution to the advancement of the profession of environmental and resource economics. A candidate must be living at the time of nomination; membership in AERE is not required.

**Nomination Process:** Any member of AERE may nominate a candidate for Fellow. A nomination packet should include a vita of the nominee, a two-page nomination letter outlining what contributions the individual has made that warrant the award, and at least one additional letter of support from a second individual.

In addition, members of the AERE Board of Directors may consider candidates that have not been otherwise nominated that they feel are especially worthy.

**Selection Process:** Nomination packages are to be submitted by **November 1, 2012**, to:

**Dr. Catherine Kling**  
**Department of Economics**  
**Iowa State University**  
**Ames, Iowa 50014**  
**ckling@iastate.edu**  
**Office phone: 515-294-5767**

The president will distribute copies to each of the Board members who will select newly appointed Fellows from the set of nominations. Announcement of the new Fellows will be made formally at the 2014 World Congress; newly elected Fellows will be notified in advance to provide ample time to make travel arrangements to attend the Awards Program. In future years, a separate Fellows Committee may be impaneled to aid in the initial screening of candidates.

**Maximum Number of Awards:** 3 for 2012

**AERE Fellows 2010**

Alan J. Krupnick  
Stephen Polasky  
Martin L. Weitzman

**AERE Fellows 2009**

Richard T. Carson  
Charles D. Kolstad  
Robert N. Stavins

**AERE Fellows 2008**

Thomas Crocker  
A. Myrick Freeman III  
Alan Randall

**AERE Fellows 2007**

Daniel W. Bromley  
Gardner M. Brown, Jr.  
Charles W. (Chuck) Howe  
Kenneth E. (Ted) McConnell  
Kathleen Segerson  
David Zilberman

**AERE Fellows 2006**

Richard C. Bishop  
Nancy E. Bockstael  
Ronald G. Cummings  
Anthony (Tony) C. Fisher  
Geoffrey M. Heal  
Clifford S. (Cliff) Russell

**Inaugural AERE Fellows 2005**

Maureen L. Cropper  
W. Michael Hanemann  
Karl-Göran Mäler  
Wallace E. Oates  
V. Kerry Smith  
Tom Tietenberg

**NOMINATIONS FOR  
BEST *JEEM* PAPER 2012**

AERE instituted a new award in 2009, the “Ralph C. d’Arge and Allen V. Kneese Award for Outstanding Publication in the *Journal of Environmental Economics and Management*,” to recognize an exemplary research paper published in *JEEM* during the past year.

**Criteria:** Any article published in calendar year 2012, that is, v62 (January, March, May issues) and v63 (July, September, November issues) of *JEEM* is eligible for This award. There is no requirement that the author(s) be a member of AERE.

**Nomination Process:** Any current member of AERE may nominate an article for this award. The nomination should be submitted in a letter that briefly describes why the nominator believes the paper is deserving of this award. Letters of nomination should be submitted by **November 1, 2012** to:

**Dr. Daniel J. Phaneuf**  
**University of Wisconsin-Madison**  
**Department of Agricultural and Applied**  
**Economics**  
**Taylor Hall**  
**Madison, WI 53706-1503**  
**E-mail: [dphaneuf@wisc.edu](mailto:dphaneuf@wisc.edu)**  
**Subject Line: Best *JEEM* Paper**

**Selection Process:** The winner of the award will be selected by a three-person selection committee comprised of the editor of *JEEM* (Dan Phaneuf, University of Wisconsin-Madison), one AERE representative (Junjie Wu, Oregon State University) and one associate editor of *JEEM* (TBA), and. The author(s) will be notified by **February 1, 2013**.

**INSTITUTIONAL AND UNIVERSITY  
MEMBERSHIP PROGRAM**

The AERE Officers and Board of Directors invite colleges, universities, and university research centers to become University Members of AERE and research institutions, nonprofit organizations, government agencies, and corporations to become Institutional Members of AERE.

Intellectual entrepreneurship is a distinguishing characteristic of AERE. Equally important, AERE research activities also display a remarkable degree of involvement with other disciplines because the issues require it. But the dues of its individual members are not sufficient to support the growing needs of the organization. AERE needs the help of organizations involved in the same fields of interest to help with its programs and outreach to students and young professionals in both the U.S. and overseas. In addition, financial support will help with the increasing costs of managing membership services including the membership database, journal subscriptions, and workshop and annual meeting registrations among other association costs.

To become a **University Member** of AERE, a contribution of \$350 is required. With this contribution, colleges and universities:

- may designate one person to receive a 2012 individual membership in AERE (which includes an electronic subscription to *REEP*, reduced rate for *JEEM*, and a reduced fee for submitting an article to *JEEM*);
- are entitled to a sponsorship listing on the AERE Web page ([www.AERE.org](http://www.AERE.org)) and in the *AERE Newsletter* and *JEEM*;
- will receive one free advertisement on the AERE Web page and in the *AERE Newsletter* for the calendar year (a savings of \$250).

To become an **Institutional Member** of AERE, a contribution of \$1,000 is required. With this contribution, institutions receive the above benefits plus:

- two nontransferable tickets for institution staff to the annual AERE luncheon in San Diego, California in January 2013;
- one nontransferable registration to the AERE 2013 Summer Conference;
- recognition at the annual AERE business meeting.

## NEW AERE MEMBERSHIP OPTIONS

AERE is now offering discounted individual memberships to residents of low, lower-middle, and upper-middle income countries in accordance with the definition provided by the World Bank at <http://data.worldbank.org/about/country-classifications/country-and-lending-groups>.

Also, colleges, universities, and institutions located in those countries will qualify for a reduced-price University or Institutional membership in AERE. These memberships will include the following benefits:

- One 2012 individual membership in AERE for a designated staff member (a value of \$62.00)—which includes an electronic subscription to *REEP*, a discounted subscription rate for the *Journal of Environmental Economics and Management (JEEM)*, and all other individual membership benefits.
- Sponsorship listing on the AERE Web Page ([www.aere.org](http://www.aere.org)), in the *AERE Newsletter*, and *JEEM*.
- One free three-month advertisement during 2012 on the AERE Web Page and in the *AERE Newsletter*—May or November (a value of \$250).

## AERE MEMBERSHIP SERVICES

Please direct any questions or requests regarding your membership, subscriptions to *REEP*, luncheon or AERE Conference registrations, receipts, or related membership matters to:

AERE Membership Services  
VanDer Management  
13006 Peaceful Terrace  
Silver Spring, MD 20904  
[info@aere.org](mailto:info@aere.org)  
Telephone: 202-559-8998  
Fax: 202-559-8998

Marilyn M. Voigt, AERE Executive Director, can be reached at:

AERE  
1616 P Street NW, Suite 600  
Washington, DC 20036-1400  
[voigt@rff.org](mailto:voigt@rff.org)  
Telephone: 202-328-5125

## 2012 INSTITUTIONAL AND UNIVERSITY MEMBERS OF AERE

### Institutional Members

The Brattle Group  
Environmental Defense Fund - EDF \*  
Fondazione Eni Enrico Mattei – FEEM  
Industrial Economics, Inc.  
RTI International

Resources for the Future  
Rocky Mountain Research Station, U.S.F.S.\*  
Stratus Consulting  
W.H. Desvousges and Associates, Inc.

### University Members

Appalachian State University  
Department of Economics

Clark University  
Department of Economics

Georgia State University  
Department of Economics

Iowa State University  
Department of Economics

Massachusetts Institute of Technology  
Department of Economics

Middlebury College  
Environmental Studies \*

Ohio State University  
Department of Agricultural, Environmental  
and Development Economics \*

Purdue University  
Department of Agricultural Economics \*

University of Alaska, Anchorage  
Department of Economics

University of California, San Diego  
Department of Economics

University of Central Florida  
Department of Economics

University of Connecticut  
Department of Agricultural and Resource Economics

University of Hawaii at Manoa  
Department of Economics \*

University of Illinois  
Agricultural & Consumer Economics

University of Maine  
School of Economics

University of Michigan  
ERB Institute for Global Sustainable Enterprise

University of Minnesota  
Department of Applied Economics

University of North Carolina at Greensboro  
The Bryan School of Business and Economics \*

University of Oregon  
Department of Economics

University of Tennessee  
Department of Economics

University of Wyoming  
Economics and Finance Department

*\* Denotes new member in 2012*



## CALLS FOR PAPERS/PROPOSALS

### *AERE NEWSLETTER*

The *AERE Newsletter* is soliciting essays from AERE members about natural resource and environmental economics issues of general interest to the membership. These essays can be relatively short (6-10 double spaced pages) and address a topic that does not fit into the traditional journal outlet. There is currently no backlog, so your essay would likely be published in the November AERE Newsletter. Marilyn Voigt and I need your essay by August for the November issue. If you wish to float an idea by me, feel free to contact me.

**John Loomis**  
**AERE Newsletter Co-Editor**  
**jloomis@lamar.colostate.edu**  
**Telephone: 970-491-2485**

### **SPECIAL ISSUE ON ECONOMICS AND BIOENERGY ECONOMICS RESEARCH INTERNATIONAL**

There has been world-wide support for the production and use of renewable energy sources, especially through major policy initiatives relating to climate change and bioenergy. A few examples of these policy supports include the United States' Environmental Protection Agency's Renewable Fuel Standard (RFS2) and the American Clean Energy and Security Act (ACES) of 2009 (H.R. 2454), Brazil's 2009 National Climate Change Policy, Canada's 2006 Renewable Fuels Regulations, and the European Union's Energy and Climate Change Package, adopted in 2009. The rationales behind these policies have been multifold, ranging from less reliance on imported fuels, reducing energy prices and improving the rural economy to mitigating climate change. Some have argued that bioenergy has not delivered on its promise of energy security and reduction in greenhouse gas emissions, especially in the case of field crops utilized to produce biofuels, bioheat and biopower. The economic and environmental consequences of this bioenergy expansion have not been fully understood, primarily because bioenergy markets are not well developed and still in flux. The main objective of this special issue is to better understand the emergence of bioenergy markets and

explore the direct or indirect consequences of the expansion of this alternative energy source on the rural economy, energy and commodity markets, and associated environmental impacts at the country, regional or global level. Potential topics include, but are not limited to:

- Economics of bioenergy crops
- Positive and negative impact of bioenergy expansion on agricultural and energy markets, land use, and/or the environment
- Economic and welfare analysis of bioenergy support policies
- Bioenergy and food security, for example, the impact of bioenergy on food prices
- Sustainability of bioenergy production
- Impact of environmental policies on the economic feasibility of bioenergy production
- Bioenergy's potential contribution to climate change mitigation

Before submission authors should carefully read over the journal's Author Guidelines, which are located at <http://www.hindawi.com/journals/econ/guidelines/>. Prospective authors should submit an electronic copy of their complete manuscript through the journal Manuscript Tracking System at <http://mts.hindawi.com/> according to the following timetable:

Manuscript Due	<b>September 7, 2012</b>
First Round of Reviews	November 30, 2012
Anticipated Publication Date	January 25, 2013

#### **Lead Guest Editor**

**Amani Elobeid**, Center for Agricultural and Rural Development, Iowa State University, Ames, IA 50011-1070, USA; [amani@iastate.edu](mailto:amani@iastate.edu)

#### **Guest Editors**

**Miguel Carriquiry**, Center for Agricultural and Rural Development, Iowa State University, Ames, IA 50011-1070, USA; [miguelc@iastate.edu](mailto:miguelc@iastate.edu)

**Silvia Secchi**, Department of Agribusiness Economics, Southern Illinois University at Carbondale, Carbondale, Illinois 62901-4410, USA; [ssecchi@siu.edu](mailto:ssecchi@siu.edu)

**T. Edward Yu**, Department of Agricultural and Resource Economics, The University of Tennessee, Knoxville, Tennessee 37996-4518, USA; [tyu1@utk.edu](mailto:tyu1@utk.edu)

# CONFERENCES AND MEETINGS

## AGRICULTURAL & APPLIED ECONOMICS ASSOCIATION (AAEA)

August 12 - 14, 2012  
Seattle, Washington.

### Session I: Land Use and Fire Management

Monday, August 13<sup>th</sup>, 4:30 – 6:00 pm, Room 204  
Moderator: Kathleen Bell (University of Maine)

- Prescribed Fire in a Florida Landscape with Mixed Ownership: Spatial Interactions
  - Presenter: Richelle Geiger, Virginia Tech, [geiger.richelle@gmail.com](mailto:geiger.richelle@gmail.com)
  - Coauthors: G.M. Bussy (Virginia Tech), D.E. Mercer (USDA Forest Service)
- The Economics of Fuel Management: Wildfire, Invasive Species, and the Evolution of Sagebrush Rangeland in the Western United States
  - Presenter: Kimberly Rollins, University of Nevada, Reno, [krollins@unr.edu](mailto:krollins@unr.edu)
  - Coauthors: Michael H. Taylor (University of Nevada, Reno) Mimako Kobayashi (University of Nevada, Reno), Robin J. Tausch (USDA Forest Service)
- Land Use, Climate Change and Ecosystem Services
  - Presenter: Witsanu Attavanich, Kasetsart University, Thailand, [attavanich.witsanu@gmail.com](mailto:attavanich.witsanu@gmail.com)
  - Coauthors: Benjamin S. Rashford (University of Wyoming), Richard M. Adams (Oregon State University), Bruce A. McCarl (Texas A&M University)
- Forest-Based Mitigation in European Climate Policy Framework. Insights from a CGE Improved with Land-use Modeling
  - Presenter: Melania Michetti, Università Cattolica, Milano, [melania.michetti@feem.it](mailto:melania.michetti@feem.it)

### Session II: Topics on Energy

Tuesday, August 14<sup>th</sup>, 4:00 – 5:30 pm, Room 212  
Moderator: Cynthia Lin (University of California, Davis)

- How Consumers Respond to Product Certification: A Welfare Analysis of the Energy Star Program
  - Presenter: Sébastien Houde, Stanford University, [shoude@stanford.edu](mailto:shoude@stanford.edu)
- Implications of Yield Growth Assumptions for Domestic Energy Crops and Land Competition
  - Presenter: Liz Marshall, USDA/ERS, [emarshall@ers.usda.gov](mailto:emarshall@ers.usda.gov)
- Industrial Organization and the Energy Efficiency Paradox
  - Presenter: Louis-Gaëtan Giraudet, Stanford University, [giraudet@stanford.edu](mailto:giraudet@stanford.edu)
- Do Actions Speak As Loud As Words? Commitments to “Going Green” on Campus
  - Presenter: Michael O’Hara , Colgate University
  - Coauthor: Philip Sirianni, Colgate University, [psirianni@colgate.edu](mailto:psirianni@colgate.edu)

### Session III: Common Pool Resources and Ecology

Monday, August 13<sup>th</sup>, 1:00 – 2:30 pm, Room 602  
Moderator: James Wilen (University of California, Davis)

- Marine Reserves as a Cooperation Mechanism in Transboundary Fisheries
  - Presenter: Rebecca Toseland, University of California, Santa Barbara, [toseland@econ.ucsb.edu](mailto:toseland@econ.ucsb.edu)
  - Coauthors: Christopher Costello (University of California, Santa Barbara)
- Resource Rents, Inframarginal Rents, and the Transition to Property Rights in a Common Pool Resource
  - Presenter: Corbett Grainger, University of Wisconsin-Madison, [cagrainger@wisc.edu](mailto:cagrainger@wisc.edu)
  - Coauthor: Christopher Costello (University of California, Santa Barbara)

- A Spatial Dynamic Bioeconomic Analysis of an Emerald Ash Borer Invasion of an Urban Forest
  - Presenter: Kent Kovacs, University of Minnesota, [kova0090@umn.edu](mailto:kova0090@umn.edu)
  - Coauthors: Robert Haight (US Forest Service), Rodrigo Mercader (Washburn University)
- An Assessment of Ecosystem Services Associated with Wetlands in USFWS National Wildlife Refuges
  - Presenter: Douglas Patton, University of Georgia, [douglaspatton@gmail.com](mailto:douglaspatton@gmail.com)
  - Coauthors: John Bergstrom (University of Georgia), Alan Covich (University of Georgia), and Rebecca Moore (University of Georgia)

#### Session IV: Climate Change Impacts

Tuesday, August 14<sup>th</sup>, 10:00 – 11:30 am, Room 204  
Moderator: Michael Roberts (North Carolina State University)

- The Distributional Impacts of Climate Change on Indian Agriculture: A Quantile Regression Approach
  - Presenter: Chandra Kiran B Krishnamurthy, Umeå University, [chandra.kiran@econ.umu.se](mailto:chandra.kiran@econ.umu.se)
- Estimating the Impact of Climate Change, Extreme Weather, and Soil Quality on Global Crop Production
  - Presenter: Erik Nelson, Bowdoin College, [enelson2@bowdoin.edu](mailto:enelson2@bowdoin.edu)
  - Coauthors: Jae Bradley (Bowdoin College)
- Climate versus Weather Shocks: Evidence from Global Food Markets
  - Presenter: Kyle Meng, Columbia University, [km2455@columbia.edu](mailto:km2455@columbia.edu)
  - Coauthors: Solomon Hsiang (Princeton University), Mark Cane (Columbia University)
- Disaster, Disinvestment, and Death: Economic and Human Losses Following Environmental Disaster
  - Presenter: Jesse Anttila-Hughes, Columbia University, [jka2110@columbia.edu](mailto:jka2110@columbia.edu)
  - Coauthors: Solomon Hsiang (Princeton University)

#### Session V: Behavioral Responses and Water

Monday, August 13<sup>th</sup>, 9:30 – 11:00 am, Room 305  
Moderator: Madhu Khanna (University of Illinois, Urbana- Champaign)

- Climate Change, Rainfall Variability, and Adaptation through Irrigation: Evidence from Indian Agriculture
  - Presenter: Ram Mukul Fishman, Harvard University, [ram.fishman@gmail.com](mailto:ram.fishman@gmail.com)
- Climate, Water Scarcity, and the Choice of Crop-specific Irrigation Technology and Water Application Rates
  - Presenter: Beau Olen, Oregon State University, [olen@onid.orst.edu](mailto:olen@onid.orst.edu)
  - Coauthors: Christian Langpap (Oregon State University)
- Paying for Pollution? How General Equilibrium Effects Undermine the ‘Spare the Air’ Program
  - Presenter: Steven Sexton, University of California, Berkeley, [trisexton@gmail.com](mailto:trisexton@gmail.com)
- The Perceived Price for Residential Water Demand: Evidence from a Natural Experiment
  - Presenter: Casey J. Wichman, University of North Carolina at Chapel Hill, [caseywichman@gmail.com](mailto:caseywichman@gmail.com)

<p><b>ALLIED SOCIAL SCIENCE ASSOCIATIONS (ASSA) ANNUAL MEETING</b></p>
--

**January 4 - 6, 2013  
San Diego, California**

AERE will sponsor sessions at the 2013 winter meeting of the ASSA in San Diego, California scheduled for January 4-6, 2013 and will hold a members’ luncheon and Fellow’s Talk on January 5. The AERE Program Committee is organizing the AERE sessions. The Call for Papers is now closed.

Meeting Website:  
[http://www.aeaweb.org/Annual\\_Meeting](http://www.aeaweb.org/Annual_Meeting)

## BIOECON CONFERENCE

**September 18 - 20, 2012**  
**Kings College**  
**Cambridge, England**

The 14<sup>th</sup> annual BIOECON conference will be of interest to both researchers and policymakers working on biodiversity policy, especially natural resources in developing countries. The conference takes a broad interest in the area of resources, development and conservation, including but not limited to: plant genetic resources and food security issues, deforestation and development, fisheries and institutional adaptation, development and conservation, wildlife conservation and park pricing, and international trade and regulation. The conference will have sessions on economic development and biodiversity conservation, and on institutions and institutional change pertaining to the management of living resources. Registration closes on **August 20, 2012**.

BIOECON website: [www.bioeconnetwork.org](http://www.bioeconnetwork.org)

## EAERE 19TH ANNUAL CONFERENCE

**June 27 – 30, 2012**  
**University of Economics**  
**Prague, Czech Republic**

The 19th Annual Conference of the European Association of Environmental and Resource Economists will be held in Prague on June 27-30, 2012 on the campus of the University of Economics located within walking distance of the city centre, close to the range of cultural attractions that Prague offers and is well served by public transport.

The conference will cover all areas of environmental and natural resource economics. It is jointly organized by the Environment Center of Charles University in Prague and the University of Economics.

Prague has been a political, cultural and economic center of central Europe for the more than 1,100 years of its existence and it ranks amongst the most impressive historical cities in the world. Prague is not only a center of cultural movements dating back through the centuries; it also exhibits a unique collection of historical monuments, dominated by Prague Castle. In 1992, UNESCO included the historic center of the city in its World Heritage List as one of the most prominent world

centers of creativity in the field of urbanism and architecture which reflects an exceptional diversity of artistic styles, ideologies and faiths.

The conference will cover all areas of environmental and natural resource economics.

Conference Website: <http://www.eaere2012.org/>

## EAERE 20<sup>th</sup> ANNUAL CONFERENCE

**June 26 - 29, 2013**  
**Toulouse, France**

**Organization: EAERE and Toulouse School of Economics (TSE)**

For conference information:  
Email: [eaere@eaere.org](mailto:eaere@eaere.org)

## *GENERATION AND THE ENVIRONMENT: CHOICES AND ECONOMIC TRADE-OFFS* SYMPOSIUM

**October 1 - 2, 2012**  
**Teton Village, WY**

This symposium will focus on solutions to CO2 emissions from coal-generated electricity, the economic implications of alternative control options, and the costs of alternatives to coal-fired generation. We are seeking to convene scholars and experts in economics, engineering, policy, and science to evaluate the technological and economic viability of various solutions to CO2 emissions.

Registration opens on June 1, 2012. Registration is capped at 175 people.

Symposium Website:  
<http://www.uwyo.edu/ser/conferences/power-generation-conference/index.html>

**INTERNATIONAL ASSOCIATION FOR  
ENERGY ECONOMISTS (IAEE)  
EUROPEAN ENERGY CONFERENCE**

**September 9 - 12, 2012  
Venice, Italy**

The 12th IAEE European Energy Conference on "Energy Challenge and Environmental Sustainability" will be hosted and organized by the AIEE—The Italian Association of Energy Economists in cooperation with Fondazione Eni Enrico Mattei and Ca' Foscari University of Venice

The geopolitical events that are changing the international context and the costs of energy supply in most of the European countries and world industrialized nations, make us believe that there will be significant changes in the energy sector during the next years. The oil markets and the petroleum products will be characterized by high volatility and instability, with rising prices; the gas market will be more open and less tied to oil prices: the coal market, as well as the renewables market will be in strong recovery.

The nuclear accident in Fukushima has brought uncertainty about the development of nuclear power in many countries where this source was present or was being considered as a future resource, thus leading to a closure or a stand-by of many nuclear power plants. This will have two effects: the first is a greater reliance on fossil fuels for electricity production, the second is a negative impact on the environmental sustainability and on the future monitoring of the climate change on our planet. The increasing dependence on fossil fuels, the problems of security of supply and the best solutions for mitigating climate change require urgent measures that Europe should quickly adopt.

Conference Website: <http://www.iaeeu2012.it/>

**INTERNATIONAL WATER RESOURCE  
ECONOMICS CONSORTIUM (IWREC)  
10<sup>th</sup> ANNUAL MEETING**

**August 28 - 29, 2012  
Stockholm, Sweden**

For meeting information:  
Email: [john.joyce@siwi.org](mailto:john.joyce@siwi.org)

Meeting Website:  
<http://www.worldwaterweek.org/iwrec>

**NORTHEAST AGRICULTURAL AND  
RESOURCE ECONOMICS ASSOCIATION  
(NAREA) ANNUAL MEETING**

**June 10 - 12, 2012  
Lowell, Massachusetts**

The Northeast Agricultural and Resource Economics Association (NAREA) will hold its 2012 annual meeting at the University of Massachusetts, Lowell Inn and Conference Center in historic downtown Lowell, Massachusetts, June 10-June 12, 2012. NAREA will sponsor selected paper sessions, symposia, plenary talks, and workshop paper sessions.

The post-conference workshop on "The Economics of Agricultural and Rural Ecosystem Services" will be held immediately following the annual meeting and will run from June 12-13, 2012.

Conference Website: <http://www.narea.org/2012/>

**SOUTHERN ECONOMIC ASSOCIATION  
(SEA)**

**November 16 - 18, 2012  
Sheraton New Orleans Hotel  
New Orleans, Louisiana**

*AERE Sessions at the Southern Economic  
Association (SEA) Annual Meeting*

AERE members will be participating in the Southern Economic Association's (SEA) annual meeting at the Sheraton New Orleans Hotel in New Orleans, Louisiana on November 16-18, 2012. John C. Whitehead, Appalachian State University, organized the SEA sessions which are intended to provide an accessible conference option for our regional members. See the November *AERE Newsletter* for the list of papers.

For details, visit <http://www.southerneconomic.org>

**WESTERN ECONOMIC ASSOCIATION  
INTERNATIONAL (WEAI)  
87<sup>th</sup> ANNUAL CONFERENCE**

**June 29 - July 3, 2012  
Hilton San Francisco Union Square  
San Francisco, California**

Listed by session number from the WEAI preliminary program. Audience questions will substitute for formal assigned discussants. **Presenters are listed in bold font.**

**NOTE: “Stand-by” papers**—If you plan to attend the WEAI meetings and did not submit an abstract, there is a possibility that we may be able to accommodate additional presentations (especially if any session drops below three papers). If you would like your abstract to be considered as a potential substitute, please send it to Trudy Cameron at [cameron@uoregon.edu](mailto:cameron@uoregon.edu). The selection committee will also consider potential fourth papers that may be a good fit for existing three-paper sessions.

[61] 10:15 a.m.–12:00 noon, June 30, 2012  
**AGRICULTURE, RURAL, FORESTS AND  
PROTECTED AREAS**

Chair: Steven Renzetti, Brock University

**Shamma A. Alam**, University of Washington, Seattle, and Claus Portner, Seattle University

- Agricultural Shocks and Family Planning

**Elaine F. Frey**, California State University, Long Beach, and Jill L. Caviglia-Harris, Salisbury University

- Rural Infrastructure, Market Participation, and Welfare in Developing Regions

**Merlin Hanauer**, Sonoma State University, and Paul J. Ferraro, Georgia State University

- Causal Mechanisms of Protected Area Impacts

[82] 12:30–2:15 p.m., June 30, 2012  
**ECONOMICS OF WATER ISSUES**  
Chair: Diane Dupont, Brock University

**Wenchao Xu**, Boise State University, Kelly Cobourn, Boise State University, and Scott E. Lowe, Boise State University

- Land Allocation Decisions under Natural and Institutional Risks of Water Shortage on an Irrigated Landscape

**Jason K. Hansen**, Naval Postgraduate School, and Janie Chermak, University of New Mexico

- Within Our Means: Growth and Development under Water Scarcity

**Steven Renzetti**, Brock University, and Joel Bruneau, University of Saskatchewan

- A Longitudinal Study of Water Recycling in Manufacturing Plants

**Diane Dupont**, Brock University

- Reclaimed Wasterwater, WTP, and Endogenous Free-Riding Beliefs

[83] 12:30–2:15 p.m., June 30, 2012  
**ENERGY EFFICIENCY**  
Chair: Jeffery Zabel, Tufts University

**Diego Alvarez**, University of Nebraska, Lincoln

- Environmental and Cost Efficiency Analysis of the Electricity Production Industry in Nebraska: An Application of the Materials Balance Principle

**Louis-Gaetan Giraudet**, Stanford University

- Industrial Organization and the Energy Efficiency Paradox

**Mario Samano**, University of Arizona

- Gasoline Taxes and Fuel Economy: A Preference Heterogeneity Approach

[102] 2:30–4:15 p.m., June 30, 2012  
**ENVIRONMENT & BEHAVIOR**  
Chair: Glenn Sheriff, US EPA

**Gregory Parkhurst**, Weber State University, and Clifford Nowell, Weber State University

- The Role of Confidence in the Truthful Revelation of Demand

**Dana Jackman**, University of Michigan

- Climate Change as a Social Dilemma

J. Scott Holladay, University of Tennessee, Kevin R. Cromar, New York University, and **Elizabeth F. Pienaar**, New York University

- Health Effects of Peak Shaving Regulations in New York City: A Natural Experiment

[103] 2:30–4:15 p.m., June 30, 2012

**ENVIRONMENT, INNOVATION, AND  
TECHNICAL CHANGE**

Chair: Gordon Rausser, University of California,  
Berkeley

**Ramiro Parrado**, Fondazione Eni Enrico Mattei, and  
Sebastian Voigt, Zentrum für Europäische  
Wirtschaftsforschung GmbH

- Climate Policy: Effects of Knowledge Stocks in  
a CGE Framework

**Gordon Rausser**, University of California, Berkeley,  
Thijs Vandemoortele, Catholic University of Leuven,  
and Huayong Zhi, University of California, Berkeley

- Policy Pathways to a Viable Renewable Energy  
Sector

**Wei Zhang**, University of California, Davis, and Julian  
M. Alston, University of California, Davis

- Substitution with Biased Technological Change:  
The Dairy Product Industry in the United States

**AERE RECEPTION (CASH BAR)**

[147] 8:15–10:00 a.m., July 1, 2012

**EXTREME WEATHER AND NATURAL  
DISASTERS**

Chair: Trudy Ann Cameron, University of Oregon

**Trudy Ann Cameron**, University of Oregon, Eric  
Duquette, USDA Economic Research Service, and Raisa  
Saif, University of Oregon

- Extreme Weather Events and Rural-to-Urban  
Migration

**Qin Fan**, Pennsylvania State University, H. Allen  
Klaiber, Ohio State University, Karen Fisher-Vanden,  
Pennsylvania State University

- Climate Change Impacts on Household Location  
Choice in the U.S.

**Sebastian Miller**, Inter-American Development Bank,  
Paula Bastos, InterAmerican Development Bank, Matias  
Busso, Inter-American Development Bank, and Sian  
Mooney, Boise State University

- The Economic and Fiscal Impacts of Extreme  
Weather Events: Evidence from Brazil

[156] 10:15 a.m.–12:00 noon, July 1, 2012

**ENVIRONMENTAL POLICY DESIGN**

Chair: William Shobe, University of Virginia

**Noah C. Dormady**, University of Southern California

- Emissions Markets, Power Markets and Market  
Power: An Experimental Analysis

Kelly Maguire, U.S. Environmental Protection Agency,  
and **Glenn Sheriff**, U.S. Environmental Protection  
Agency

- Inequality Indices and Regulatory  
Environmental Justice Analysis

Charles A. Holt, University of Virginia, and **William  
Shobe**, University of Virginia

- Investigating Common-Value Allowance  
Auctions with Price Triggers

[157] 10:15 a.m.–12:00 noon, July 1, 2012

**AGRICULTURE, AQUACULTURE AND THE  
ENVIRONMENT**

Chair: Eric Duquette, ERS/USDA

**Eric Duquette**, Nathaniel Higgins, and John Horowitz,  
Economic Research Service, USDA

- Do Late Adopters of Best Management Practices  
in Agriculture Have Higher Discount Rates?

**Shamma Alam** and Hendrik Wolff, University of  
Washington, Seattle, Washington

- Information and Agricultural Health: The Role of  
Information in Reducing Farmer's Pesticide  
Exposure

**Winnie Yip**, Duncan Knowler and Wolfgang Haider,  
Simon Fraser University, School of Resource and  
Environmental Management, Burnaby, BC, Canada

- Assessing the Willingness to Pay for More  
Sustainably Farmed Atlantic Salmon in the Pacific  
Northwest: Combining Discrete Choice  
Experiments and Latent Class Analysis

[161] 12:30–2:15 p.m., July 1, 2012

**NONMARKET AND INDIRECT MARKET  
VALUATION**

Chair: Noelwah R. Netusil, Reed College

**Sahan T.M. Dissanayake**, Portland State University,  
and Amy W. Ando, University of Illinois at Urbana-  
Champaign

- Valuing Ecosystem Restoration: Tradeoffs,  
Experience and Design

**German M. Izon**, Eastern Washington University,  
Michael S. Hand, USDA Economic Research Service,  
and Jennifer Thacher, University of New Mexico, Daniel  
McCollum, US Forest Service, Robert Berrens,  
University of New Mexico

- The Role of Forests as Natural Amenities: A  
Seemingly Unrelated Regression Model with  
Two Spatial Processes

**Noelwah R. Netusil**, Reed College, Michael Kincaid,  
Reed College, and Heejun Chang, Portland State  
University

- Valuing Water Quality in an Urban Watershed

N. Edward Coulson, Pennsylvania State University, and  
**Jeffery Zabel**, Tufts University

- What Can We Learn from Hedonic Models  
Where Markets Are Dominated by  
Foreclosures?

[162] 12:30–2:15 p.m., July 1, 2012

**NATURAL RESOURCES**

Chair: Duncan Knowler, Simon Fraser University

**Andrew Balthrop**, Georgia State University

- Races to Extract Oil and Natural Gas Production

**Craig A. Bond**, Colorado State University

- Learning about Regime Shifts in Resource  
Management

Neil Fletcher, Simon Fraser University, and **Duncan  
Knowler**, Simon Fraser University

- Conserving Musk Deer in the Wild: A  
Comparison of Direct Payment and Community  
Wildlife Management Strategies



## Simple Ecosystem Service Valuation Can Impact National Forest Management

David Ervin, Gary Larsen and Craig Shinn  
Portland State University

### Introduction

Environmental and resource economists emphasize advances in theory and methods because they are foundational to our research and teaching. However, in our natural zest for conceptual advances, we may lose sight of the power of simple applications that can affect programs and resources on the ground. After all, the end goal of scholarship is to improve human welfare by helping to solve pressing environmental challenges. This essay is about how a relatively simple application of the 'new scarcity' paradigm for non-market ecosystem services (Simpson, Toman and Ayres 2005) changed the management plan for a national forest. We identify lessons from our experience for AERE members.

Concern about improving the management of U.S. national forests is justified on economic and ecological grounds. One hundred and fifty five national forests cover nearly 190 million acres and comprise 8.5 percent of the total U.S. land area. However, due to being largely undeveloped, the lands have disproportionate stocks and flows of natural resources including timber, water, wildlife, and carbon storage that provide a panoply of ecosystem services. With the exception of timber and other extractive products, the services lack market prices and rents to inform the development of forest management plans. Sound theory and a wealth of evidence show how the lack of such values leads to degradation and unsustainable use of ecological assets (Pearce and Barbier 2000). The remedy is to develop credible values for the nonmarket ecosystem services that can inform the management of these natural assets.

Our project began in 2000 with an interdisciplinary team of government and academic scientists tasked to build sustainability indicators for the Mt. Hood National Forest in Oregon. The exercise was part of a larger national effort, called Local Unit Criteria and Indicators Development (LUCID) project, to test the feasibility of implementing such measures for eight national forests. The Mt. Hood LUCID project included criteria and indicators development for all three dimensions of sustainability, environmental, social and economic. Although we only discuss the impact of economic indicators here, the social criteria and indicators have

had a strong influence in the literature and forest management worldwide (Magis and Shinn 2009; Shinn and Magis, 2002; Machlis and Force, 1997; Flora et al, 1997).

### Background

The larger context for the LUCID project stems from the 1992 United Nations sponsored Conference on Environment and Development (UNCED) in Rio de Janeiro, Brazil. At the Rio conference, principles for a global consensus on the management, conservation and sustainable development of all types of forests were offered and then adopted by the United Nations General Assembly (United Nations Conference on Environment and Development, 1992). In 1995, the Montreal Process Working Group created a common framework for describing, assessing and evaluating national progress toward sustainability in approving national-scale criteria and indicators (C&I) for sustainable forests.

In 1998 the USDA Forest Service selected the Boise National Forest as a test site to localize the Montreal Criteria and Indicators at the local forest management unit (FMU) level. Based on the test, Forest Service Chief Mike Dombeck chartered the USDA Forest Service LUCID program with the specific purpose of developing C&I that forest managers could use to improve forest management plans, enhance collaboration between national forests and other government agencies, and relate forest plan outcomes to national criteria and indicator trends. One of the objectives in LUCID project was to generate, define and evaluate criteria and indicator suites for each domain, i.e., ecological, social and economic. In a real sense, the LUCID exercise explored what it would take to add a sustainability lens to ongoing federal forest management practices at the local forest unit scale. LUCID employed a systems-based framework to assess criteria and indicators. A systems approach focuses on both contexts and outcomes or states of ecological, social and economic systems, not merely on inputs or outputs. In the case of LUCID, the authors focused on criteria and indicators relevant to production of goods, services, and amenities on National Forest lands. This focus on such outputs is familiar ground for resource and environmental

economists. However, the criteria and indicators were based on the broader foundational notions of sustainability in international agreements, national government policies, and other organizations, and therefore required that the economic analysis be integrated with the ecological and social dimensions.

## **LUCID Scope**

The LUCID study focused on the federal forest estate of the US National Forest System. LUCID responded to the growing realization among those interested in sustainability that sustainability issues are multi-scaled and that attainment of national sustainability goals rested, in the case of forestry, on the actions carried out at the forest management unit level. The importance of this local scale is that it is where FMU decisions are made. The aim of the LUCID study was to develop and test the feasibility of a set of criteria and indicators (C&I) that would “help provide insight into the sustainability of the underlying ecological, social, and economic systems that function coincident with the FMU [forest management unit] scale” (p. ii). Eight interdisciplinary teams carried out this policy experiment on the Allegheny, Malheur, Modoc, Mt. Hood, Ottawa, Wallowa-Whitman, Tongass, and Umatilla National Forests.

## **Mt. Hood Forest LUCID Study**

Mt. Hood is situated in close proximity to and is ever-present on the skyline of the greater Portland/Vancouver metropolitan area. It is one of Oregon’s signature mountains, home to the iconic Timberline Lodge and provides a wide array of ecosystem services to the region’s residents and visitors. The Forest Supervisor of the Mt. Hood National Forest (Larsen) had particular interest in having the Forest participate in the LUCID study because of his experience as lead negotiator at the 1992 Earth Summit in Rio for the Agenda 21 Chapters on Combating Deforestation, Combating Desertification, Fragile Mountain Ecosystems, and Sustainable Agriculture. Moreover, he was aware that while the forestry community in the U.S. involved with criteria and indicators for sustainability was very conversant and expert in the environmental dimensions of sustainability, they were not conversant and expert in the social dimensions. In addition, while good at valuing the commodity aspects of forestry, the U.S. forestry community struggled with valuations for environmental services. The Forest Supervisor recognized that the Forest with its 5 million visitors per year and its close association with Portland State University provided an excellent opportunity to expand the forestry

community’s understanding of the social dimension of sustainability and the relevance and importance of valuing the environmental services. A partnership was struck between faculty and graduate students of Portland State University and the Forest to participate as part of the Mt. Hood National Forest LUCID interdisciplinary team.

The economic valuation of ecosystem services discussed in this essay was part of a larger partnership effort between Portland State University and the Mt. Hood National Forest (USDS-FS). The collaboration was created to explore what it would take to move sustainability from theoretical constructs to on-the-ground practice. As part of this collaboration, the Mount Hood Forest leadership team accepted a more comprehensive suite of criteria and indicators in social dimensions of sustainability reflecting the importance of communities in relationship to forests. Also, the leadership team was quick to understand the limited data available to populate social and economic indicators that were offered. Central to the story line of this article, data for important forest values like recreation, water and carbon sequestration were not available or not available at forest management unit scales. This recognition allowed the LUCID research team to offer coarse estimates and place holders as interim steps in improving the information basis of management decisions, as well as monitoring and evaluation. Finally, the leadership team resonated with the research team’s early determination that sustainable forest management requires an understanding of the interactions and emergent properties characteristic to a particular system. Such sustainability challenges, where social, ecological and economic systems interact, often give rise to ‘wicked’ problems not amenable to reductionist science (Batie 2008). Therefore progress would be an ongoing journey characterized by adaptive management of which criteria and indicators of forest sustainability could contribute.

## **Developing Economic Indicators and Estimating Ecosystem Service Values**

To guide the development of economic criteria and indicators, we relied on the theory of ‘weak’ sustainable development that argues the total of all capital stocks should be non-declining over time to assure intergenerational equity (Solow 1992). It’s worth emphasizing that the objective of maintaining a non-declining capital stock generally differs from achieving dynamic efficiency (Pezzey and Toman 2005). This weak theory has limitations, e.g., assuming unlimited substitution between all forms of capital. However, ‘strong’ versions of sustainable development that specify

complementarity of certain forms of natural capital and irreversible threshold levels, were not feasible given limited ecological information for the Mt. Hood Forest to estimate these more complex relationships. Hence, the weak version was our starting point.

The first step was to identify the major criteria and indicators for the Mt. Hood National Forest that stem from the weak sustainability model. The list included:

Criterion 3.1 Sustain minimum stocks of natural, human and built capital

Indicators

I 3.1.1 Natural Capital, e.g., land, timber, water, wildlife

I 3.1.2 Human Capital, e.g., private forest workforce and public workers

I 3.1.3 Built Capital, e.g., Forest Service facilities and other facilities

Criterion 3.2 Produce and consume sustainable (annual) flows of market goods and services

Indicators

I 3.2.1 Commercial products from the forests and lands, e.g., timber

I 3.2.3 Energy flows, e.g., kilowatts generated

I 3.2.3 Developed recreation, e.g., ski passes

Criterion 3.3 Produce and consume sustainable flows of non-market goods and services

Indicators

I 3.3.1 Undeveloped active recreation, e.g., hiking

I 3.3.2 Passive tourism and scenic amenities, e.g., sightseeing

I 3.3.3 Water flows and quality, e.g., municipal water supplies

I 3.3.4 Air quality effects, e.g., carbon sequestration

Note that this framework has criteria for both capital stocks and the flows of market and nonmarket flows of services from those stocks (Ervin et al 2002; Ives, 2003). Those two variables are inextricably linked, yet the mere presence of a stock of natural capital does not automatically translate into a fixed pattern of service flows. For example, multiple services can flow in different proportions from natural capital assets depending upon built and human stock levels and management strategies, such as timber harvest and recreation levels. Hence, we retained the dual set of economic indicators for stocks and flows.

Our original intent was to establish a baseline set of values for major natural, manmade and human capital stocks for the Forest to assess progress or losses over time in meeting the weak sustainability requirement.

However, it became quickly apparent that insufficient data on both physical quantities and values existed to do such a capital valuation exercise. Lesson 1: Teaching weak sustainable development theory is very different from successfully applying it!

So we quickly moved to the valuation of market and nonmarket ecosystem service indicators under criteria 3.2 and 3.3. We decreased the indicators to four major categories because of their observed prominence in the Forest, as well as budget and time limitations. They included timber, water supply, energy (hydropower) and recreation. Biophysical information on carbon storage in the Forest was not available. Industrious graduate students pieced together the biophysical data from the Mt. Hood Forest Office and a wide variety of other sources (Ervin et al 2002). Valuation of the biophysical flows proved even more challenging, as this type of ecosystem service valuation had never been conducted for the Forest as a whole despite its regional importance to all sustainability dimensions.

The estimated average values for annual major ecosystem service flows included:

1. Harvestable Timber (1991-99 average annual harvest level X stumpage price) = ~\$15.2 million

The average harvest level over the 1991-1999 period for the Mt. Hood Forest was 44,905 Mbdft. The estimated average stumpage value in 2000 dollars was \$339/Mbdft based on US Forest Service research (Haynes, 1998). This harvest volume should not be considered the sustainable flow level from a commercial timber products standpoint as it was affected by actions taken to protect endangered species habitat, e.g., spotted owl. The stumpage value approximates the scarcity rent of the harvested timber. If harvesting practices do not cause significant negative environmental effects, then this figure is the net social economic value of the timber production service coming from the Mt. Hood National Forest lands.

2. Recreation (1997 recreation visitor days for five types of recreation times average use value per RVD) = ~\$55.8 million

Recreation visitor day (RVD) estimates for the Barlow, Bear Springs, Clackamas, Estacada, Hood River and Zigzag recreational sites were collected from the internal USDA Forest Service Infrastructure System "RVDS and Occasions by fiscal year, Administrative unit and Activity" report. These sites did not cover all Mt. Hood National Forest recreational areas but were judged the major areas of visitation. RVD's were multiplied by conservative estimates of recreation day "market clearing" use value by activity (camping/day use,

fishing/hunting, car/boat travel, trail use/ viewing, winter sports) used in the USDA Forest Service (1990). It's important to emphasize that these use values do not measure the consumer surplus (CS) from recreation that would be comparable in concept to stumpage value. Such net economic value estimates for these specific sites were not readily available at the time of the analysis and could not be constructed due to time and budget constraints. The use values were commonly accepted in US Forest Service and in other Federal policy processes and therefore adopted for this analysis despite their conceptual shortcomings. Given the high visitation levels and close proximity to the recreation sites by Portland area residents, these figures likely underestimate consumer surplus for the sites.

3. Water supply (1997 withdrawal levels X USFS water values) = ~\$45.0 million

We used data from the USGS Water Survey to estimate water withdrawals by type of use (e.g. irrigation, municipal, industrial). The Forest Service, Resource Pricing and Valuation Procedures for the Recommended 1990 RPA Program provided estimates of market clearing use values of water per acre-foot. Again, we realized that these values were not commensurate with net economic value. However neither the RPA nor local studies provided such estimates by type of water use. The RPA market clearing prices were commonly accepted within the USFS and adopted for this analysis. However, they likely underestimate net economic value as including just extractive water uses for irrigation, municipalities and industry omits instream values of water for biodiversity and other uses.

4. Energy production (average production levels X .02 per KWH) = ~ \$ 32. 9 million

The Oregon Water Resources department reported the kilowatt hours generated on three hydroelectric dams situated on rivers in the Mt. Hood Forest. The average number of kilowatt hours (1,545,150,072) generated at the Sandy, Clackamas and Hood River facilities was multiplied times a unit value (energy price) of \$.02/KWH reported by the Bonneville Power Administration (2000) for that period. Since the Bonneville Power Administration is operated as a non-profit, the energy price was considered a conservative lower bound and may underestimate the benefits provided by the electricity. Credible estimates of CS for energy use in the region served could not be produced given the project time and budget constraints. Given the relatively low energy price for the region, it's highly likely that CS would have exceeded the estimated transactional value. Moreover, the inclusion of hydro power produced from just the dams situated on the Forest lands omits the power from Mt. Hood Forest

waters that travel downstream beyond the boundaries and produce valuable power. However, we had no way of calculating the portion of power produced from Mt. Hood waters flowing through off-Forest hydro dams. Therefore the energy value estimates were considered conservative for multiple reasons.

Given the limited time and resources to conduct the analysis, the lack of certain biophysical data and values, e.g., biodiversity and carbon sequestration, the need to use mostly secondary data and values, including the imperfect "market clearing" use value measures, we cautioned that the economic values should be interpreted only as relative values so as to not imply high precision. In general, we used conservative estimates of the values for ecosystem services other than timber. Nonetheless, as the first attempt to quantify and monetize the major ecosystem services from the Forest, the estimates had unanticipated impacts.

### **The Impact of Mt. Hood LUCID Project Findings on Policy and Forest Management**

Reflecting on the use of information from the Mt. Hood LUCID project in community dialogue, strategic planning and forest plan monitoring and evaluation reinforced the value of applying a sustainability lens to forest management decisions. In particular, order of magnitude information regarding the value of ecosystem services shifted peoples understanding of the relative importance of some aspects of forest assets. The criteria and indicators, even with low quality data, provided a means for guiding decisions and tracking impacts across all dimensions of sustainability. More specifically, the Mt. Hood LUCID test had three surprising findings. The first and perhaps most obvious is that the Forest is a vital part of the community in which it is situated. It enriches the lives of all the people, families, and communities of which it is a part in myriad ways. It is part of the reason why families moved here. It is what families do when they recreate. It gives many people and organizations an opportunity through their volunteer efforts and partnerships to be part of something larger than themselves. From this finding arose an accepted recommendation to strengthen the social aspects of Montreal Process Forest Criteria and Indicator Set.

The second finding is the importance of the Forest's economic significance. Among all the goods and services provided by the Forest, the largest in economic value created is recreation at an annual value of \$56 million, followed closely by water at an annual value of \$45 million, followed by hydroelectricity at \$33 million, with timber products being a distant fourth at \$15 million. Sustaining this valuable set of services requires

management of natural, manmade, social and human capital stocks. Altogether the Forest provides 2,700 total jobs and induces recreation spending in local communities of over \$33 million annually. Not only is the Forest connected to people's hearts and imaginations, it is also connected to their pocketbooks and their communities' economic vitality.

The last finding is more subtle, but nonetheless important. Despite the best science, data, and efforts of the interdisciplinary team, a judgment about the state of sustainability of the Forest could not be reached. Because of the complexity and interconnectedness of people and the ecosystem, the best that could be done was to make a determination—indicator by indicator—of whether the Forest was moving toward or away from sustainability. This realization reinforces the point that sustainability is not a state of being, but rather, an ongoing process—a notion recognized in the final LUCID report (Castle, Berrens and Polasky 1995)

It is from this surprising conclusion about sustainability that the Forest set out to create a new strategic plan—one that started with the community of which it is a vital part. The plan puts people in the central role in our collective quest for sustainability. The logic of the Forest's Strategic Stewardship Plan that emerged is simple. The challenges facing the Forest were determined to be five:

1. Protecting communities from wildfire;
2. Restoring critical public and private lands stream habitat for the recovery of aquatic species;
3. Managing for a healthy forest that sustainably provides goods and services for people;
4. Working with public, private, and civic interest for sustainable regional recreation; and
5. Assuring relevance of public lands, goods, and services in an increasing diverse society.

For every one of these challenges, the Forest made the decision to deploy its own special skills, its financial resources, and its dedicated employees to the task of creating citizen stewardship opportunities. And, their efforts stimulated caring citizens to roll up their sleeves and engage in co-production of forest management—citizen stewardship, an investment in social capital.

The results have been amazing. Previously acrimonious relationships with environmental activists turned to award-winning collaborative partnerships in forest and aquatic restoration. Communities became engaged in their own fire prevention. The aquatic restoration program collaborations became the best in the nation. Controversial issues such as off highway vehicle management were resolved without appeal.

Citizens and citizen groups became Wilderness Stewards helping the National Forest manage its wilderness. Agreement was reached on wide-scale road decommissioning and upgrading to improve wildlife and aquatic habitats and recreation access. Our partnerships in outreach programs for youth and community engagement increased dramatically. Trails are being maintained with volunteers.

### **Lessons for Environmental and Resource Economists**

We came away from this project with what we think are important insights. First, environmental and resource economists are most helpful as full-fledged members of interdisciplinary teams from the outset to effectively address wicked problems such as National Forest management. Second, economists must be engaged over extended periods of time in such projects (the collaboration lasted nearly a decade) to evolve their analyses for most relevance and build trust among the team and Forest leadership. Third, simple estimates of major ecosystem service values for a Forest can illuminate the wide range of impacts of the Forest on the diverse community of users and impact strategic planning. We acknowledge that some of the estimates are imperfect but interpreted them conservatively. In essence we followed Voltaire's admonishment "Don't let the perfect be the enemy of the good." Finally, this type of economic analysis must accurately reflect the ecological system and be integrated with the social system that governs resource management. Analysis done in a silo will stay in a silo and likely have little usefulness for the complex task of making progress on sustainability.

### **References:**

- Batie, Sandra S. 2008. Wicked Problems and Applied Economics. *American Journal of Agriculture Economics*. 90 (5): 176-1191.
- Bonneville Power Administration. 2000. Final PBL Rates. May 15, 2000, Portland, Oregon.
- Castle, E., R. Berrens and S. Polasky. 1996. "Economics of Sustainability" *Natural Resources Journal* 36 (Fall): 715-730, 1996.
- Ervin, D., A. Miller, A. Welsh, and M. Ives. 2002. Local Unit Criteria & Indicator Development, Mt. Hood National Forest: Phase II Economic Indicator and Data Development. Report to Mt. Hood National Forest. Sandy, Oregon.

Flora, Cornelia, Michael Kinsely, Vicki Luther, Milan Wall, Susan Odell, Shanna Ratner, and Janet Topolsky. 1999. *Measuring Community Success and Sustainability*. Ames, IA: North Central Regional Center for Rural Development.

Haynes, Richard. 1998. *Production, Prices and Stumpage, 1982-1996*. PNW GTR 423. US Forest Service.

Ives, M. 2003. *Monitoring Sustainable Recreational Use in the Mt Hood National Forest, Olallie Lake Watershed*. Masters of Environmental Management Project. Portland State U.

Machlis, Gary and Jo Ellen Force. 1997. *The Human Ecosystem Part II: Social Indicators in Ecosystem Management*. *Society and Natural Resources* 10 (4): 347-420.

Magis, Kristen and Craig Shinn. 2009. *Emergent Principles of Social Sustainability*. In Dillard, Jesse, Veronica Dujon and Mary C. King. *Understanding the Social Dimension of Sustainability*. Routledge: NY.

Mt. Hood National Forest. USDA Forest Service. PNW Region. 2010. *Annual Monitoring Report*. Retrieved at [http://www.fs.usda.gov/Internet/FSE\\_DOCUMENTS/stelprdb5329740.pdf](http://www.fs.usda.gov/Internet/FSE_DOCUMENTS/stelprdb5329740.pdf)

Mt. Hood National Forest. USDA Forest Service. PNW Region. 2006 *Strategic Stewardship Plan: Weaving together the Environment, People and the Economy*. Retrieved at [http://www.fs.usda.gov/Internet/FSE\\_DOCUMENTS/fsbdev3\\_036319.pdf](http://www.fs.usda.gov/Internet/FSE_DOCUMENTS/fsbdev3_036319.pdf)

Pearce, D. and E. Barbier, *Blueprint for a Sustainable Economy*, Earthscan Press, 2000.

Pezzy, J. and M. Toman. "The Economics of Sustainability: A Review of Journal Articles," Resource for the Future Discussion Paper, 02-03, January 2002.

Shinn, Craig and Kristen Magis. *Local Unit Criteria & Indicator Development: Social Indicators Research Update*. Report submitted to USDA Mt Hood National Forest. Executive Leadership Institute, Hatfield School of Government, Portland State University. September 2002

Simpson, R. D., M. Toman and R. Ayers, eds. *Scarcity and Growth Revisited: Natural Resources and the Environment in the New Millennium*, Resources for the Future, 2005

Solow, R. 1993. "An Almost Practical Step Toward Sustainability," *Resources Policy*, September.

USDA Forest Service. 1990. *Resource Pricing and Valuation Procedures for the Recommended 1990 RPA Program*. Washington, DC.

# ESSAY

## The Future of an AERE Flagship Journal: Considering the Issues

Alan Krupnick (AERE President-elect) with Todd Gerarden  
Resources for the Future

In the November 2011 edition of the *AERE Newsletter*, a multi-authored essay appeared arguing for the creation of a new journal that would be under AERE's ownership and control, as opposed to the *Journal of Environmental Economics and Management (JEEM)*, which is owned by Elsevier. Subsequently, the AERE Board of Directors discussed the essay and how to move forward. Because of the controversy over the future of *JEEM* and the importance of maintaining a flagship journal for the future of the Association, the Board agreed that the membership needed to be informed more broadly and neutrally about the pros and cons of the options before us.

This essay will provide a summary of the current state of affairs, lay out three options in addition to the status quo, and consider their pros and cons.

### Options

Four options are considered in this paper.

1. Maintain the status quo.
2. Start a new journal owned by AERE to be first published in 2014 by a press other than Elsevier. For purposes of this paper it will be called the *Journal of the Association of Environmental and Resource Economists (JAERE)*. AERE would cut all ties to *JEEM*.
3. Renegotiate terms with the publisher and owner of *JEEM*—Elsevier.
4. Create a new journal owned by AERE but with Elsevier as the publisher and renegotiate terms as a package of *JEEM* and *JAERE* (this is an option suggested by Elsevier). AERE would continue to have ties to *JEEM*.

We evaluate these four options with respect to the following categories:

- Financial impact on AERE (start-up costs (if any) and on-going profit sharing)

- Support services (e.g., marketing, editorial support, etc.)
- Control of various aspects of the journal
- Circulation
- Subscription and submission rates
- Quality and impact factors
- Access to archival material

### History

AERE endorses two journals: the flagship professional journal, the *Journal of Environmental Economics and Management (JEEM)*, owned and published by Elsevier, and the relatively new policy journal, *the Review of Environmental Economics and Policy (REEP)*, owned by AERE and published by Oxford University Press (OUP).

*JEEM* began in 1974 (owned and published by Academic Press) and then in 1983 AERE and Academic Press entered into an agreement that *JEEM* would become the official journal of AERE. This agreement was amended in 1986 and then further amended in 2001. In 2001, the AERE Board developed a proposal for a new journal to replace *JEEM* as AERE's flagship journal. Although it received a bid from an interested publisher, ultimately the Board did not go forward with the proposal. Subsequently, Academic Press was bought out by Elsevier. As it has been from the beginning, *JEEM* is owned by the publisher, who contracts with and pays the editor for his/her services and empowers the editor to build an editorial staff to review and coordinate reviews of submissions. AERE receives no profits from the subscriptions to *JEEM*. This arrangement has led over the years to at least one major effort to break away from Elsevier with the creation of an AERE-owned journal, based on the justification that AERE would have more control over pricing and distribution and might earn profit from the new journal that could support Association activities. AERE would also be in control of its evolution.

## 1. Status Quo/Current State of Affairs

*Subscription Numbers.* Fewer and fewer subscribers are favoring print subscriptions of journals. Elsevier reports that the number of traditional print subscribers to *JEEM* has been dropping over time and, in 2011, there were 238 remaining print subscribers (counting both individuals and institutions). This is significantly lower than a 2001 AERE estimate of 1,100 institutional subscriptions and 475 AERE member subscriptions out of a membership of 875 (*JEEM* was not bundled with AERE membership at that time). Despite the reduction in print subscriptions, the number of academic institutions with access to *JEEM* is now over 13,500. This large number is driven by libraries and consortia accessing the journal electronically through purchase of a collection of Elsevier journals, either the Economics and Finance subject area or the entire Elsevier collection (the Freedom Collection). Elsevier will not reveal the number of nonAERE or AERE members who currently subscribe to *JEEM*.

*JEEM Subscription Pricing.* The major categories of subscribers are AERE members, nonmembers and institutions. In general, journal subscriptions can be on-line or print or both, plus individual issues and articles can be purchased on a one-off basis (Table 1).

For AERE members, the main issue has been whether *JEEM* is bundled with membership or whether the

member has discretion to subscribe to the journal. The argument for bundling is to increase subscriptions and circulation of the journal. The argument against bundling is that it raises the price of membership. In 2001, *JEEM* subscriptions were offered as an option to AERE membership, with about half subscribing. In 2002, *JEEM* was bundled with membership. By 2009, it was unbundled, as is still the case. While Elsevier is better off with bundling, according to former AERE President Trudy Ann Cameron, who negotiated the most recent move to unbundling, Elsevier's agent was indifferent to this issue, focusing instead on institutional subscriptions and, we think, individual article downloads.

Back issues of *JEEM* are available through Elsevier's *Science Direct* service. If an individual wants his own subscription to ScienceDirect, he can get a discounted price as an AERE member. Some institutions, particularly specialized ones, such as Resources for the Future (RFF), still access *JEEM* through print subscriptions and pay extra for on-line access through ScienceDirect. The price of on-line access varies depending on the length of the subscription agreement, access to archives, and other factors. Very few customers pay the full catalog price for institutional purchase of a given journal. Institutions also form consortia for purchasing collections and negotiate with Elsevier over price.

**Table 1. Current *JEEM* Price Schedule**

	AERE Members	Non-AERE Individual	Student	Institutional
<b>Print Only</b> <sup>1</sup>	\$60	€153/¥16,600/ \$112	€103/¥10,900/ \$116	€1,706/¥178,200/ \$1,341
<b>Print &amp; Online</b>	\$79	–	–	~\$300 more than print, but varies
<b>Online Only</b>	Elsevier recently dropped this option	–	–	\$1,117 <sup>2</sup>

*JEEM*'s list price is increasing around 5% per year, in line with general Elsevier policy.

<sup>1</sup> Print prices are listed for three regions: European countries and Iran (EUR), Japan (JPY), and all other countries (USD).

<sup>2</sup> Online only subscription for a given year includes perpetual rights to that year's issues (but not archives outside of the institution's subscription period).



*Pricing for Related Journals.* Many journals like *JEEM*, particularly those published by nonprofits, are significantly cheaper for small institutions who do not subscribe to collections (see Table 2). However, in the case of collections subscriptions from Elsevier and other large publishers, the marginal price of any one journal is implicitly far less than with comparable nonprofit publishers. But, the collections may contain many journals that are of no interest to the institution.

**Table 2. Comparing *JEEM* Institutional Prices to Those of Other Journals**

Journal	Publisher	Issues per Year	Institutional Price (Print & Online)	Price per Issue
<i>JEEM</i>	Elsevier	6	\$1,341 (print only, online varies)	\$224 (estimate)
<i>Energy Economics</i>	Elsevier	6	\$1,367 (print only, online varies)	\$228 (estimate)
<i>AJAE</i>	Oxford University Press	5	\$530	\$106
<i>REEP</i>	Oxford University Press	2	\$227	\$114
<i>Energy Journal</i>	International Association for Energy Economics	4	\$600	\$150
<i>Land Economics</i>	University of Wisconsin Press	4	\$275	\$69
<i>Review of Economics and Statistics</i>	MIT Press	4	\$545	\$136

*Number of Submissions.* *JEEM* has received increased submissions in recent years, reaching a new high of 402 papers in 2011, up from 335 in 2010. The current editor of *JEEM*, Dan Phaneuf, estimates that at most 25 percent of submissions are from AERE members. This estimate is important for thinking about the difficulties in getting those who would otherwise be *JEEM* submitters to submit to a new journal.

*Submission Fees.* Currently, AERE members pay \$40 per submitted article to *JEEM*. NonAERE members pay \$100. There are no page charges. In comparison, *AJAE* (published by Oxford) does not require submission fees but instead uses page charges of \$80 per page. *The Review of Economics and Statistics* charges \$70 to nonsubscribers and nothing to subscribers.

*Use.* Over the past two years, full text articles from *JEEM* have been downloaded at a rate of roughly 200,000 per year. For context, this rate is less than half that of *Energy Economics* and over twice that of *Resource and Energy Economics* (based on downloads in 2011). The average number of downloads per month

per article in *JEEM*, ten, was lower than both of these journals but *JEEM* is not an outlier within all Elsevier journals in the Economics and Finance group (lowest are three to four per month per article). Downloads of articles by nonsubscribers (we don't know this number) is very profitable, as the cost is \$32 per download.

*Impact Factor (IF).* *JEEM* is ranked 17<sup>th</sup> among all economics journals by IF. The journal's current IF is 2.989, slightly lower than its 5-year IF. This compares favorably with other field journals published by Elsevier, including *Energy Economics* and *Ecological Economics*, which currently have IFs of 2.466 and 2.754, respectively. *Land Economics* has an IF of 1.375 and the *American Journal of Agricultural Economics (AJAE)* has an IF of 1.233. *The Review of Economics and Statistics (ReStat)* has an IF of 2.883.

*Revenues Generated by *JEEM* to Elsevier.* This information is confidential; however, the revenue allocation mechanism within Elsevier is not. Revenues received from sales of *JEEM* are allocated according to whether they are print subscriptions or part of a

collection. Revenue from print and online subscriptions by institutions to the journal and pay per download or issue are credited directly to *JEEM*. If part of a collection, revenues are credited to the journal based on a formula that accounts for usage, numbers of articles downloaded, and the quality of the journal (probably using impact factors) relative to other journals in the collection. Elsevier tells us that they are planning to change this approach but it will be a slow process and long-established journals will take a hit. As such journals probably are distinguished by their relatively large number of print subscriptions; this suggests they are changing the allocation formula to de-emphasize print revenues. As AERE receives no income from *JEEM*, this is irrelevant in the status quo option. However, this issue may be important for negotiating options 3 or 4.

Elsevier earns revenue from selling advertising in *JEEM*. Such advertisements infrequently appear and according to the publisher represent a small amount of revenue, given that most access is on-line where there are no advertisements. Elsevier is considering doing on-line advertising but they haven't made much progress there yet.

*What Elsevier Does for JEEM.* Beyond publishing *JEEM*, Elsevier provides ancillary services that improve the journal operation and its circulation:

*Journal manager.* According to the current editor of *JEEM*, Elsevier provides a journal manager who receives all submissions, processes them for review, manages the reviewer reminder system, and generally takes care of our interactions with the journal software. While the editor is happy with this arrangement, he notes that there is an effort underway by Elsevier to move journal management jobs to India.

*Marketing.* Elsevier's marketing activities for *JEEM* include email campaigns and presence at conferences. Elsevier recently launched revamped journal homepages, featuring lists of most cited articles, most downloaded articles, and special issues. The *JEEM* homepage also provides submissions instructions for authors. As part of the Economics and Finance subject group, *JEEM* is included in outreach through RSS feeds and social media (Facebook and Twitter). Elsevier also markets *JEEM* through outreach used for all journals, such as

notifications of notable papers sent to journalists, and the journal is accessible through searches on the ScienceDirect platform.

*Introducing New Technologies.* According to Elsevier, one of the company's most important new initiatives is the "Article of the Future" campaign, which aims to integrate more content (such as data, videos, and interactive charts) into electronic articles than is currently possible through print media. Elsevier is also expanding its online presence through Scopus and SciVerse. Scopus is a database of article abstracts and citations that includes ScienceDirect but adds additional journals from other publishers. SciVerse is an all-encompassing platform intended to facilitate searching across ScienceDirect, Scopus, and the web simultaneously. Elsevier also offers tools to authors and institutions for publishing support and research evaluation.

Elsevier does not provide editing services (i.e., copy editing) as part of their work on *JEEM*. However, they sell copy editing services to authors if authors request them.

*Control.* Currently, as *JEEM* is owned by Elsevier, the company makes all decisions regarding its future, including its pricing, marketing effort, bundling strategy, submission fees, etc. While Elsevier holds a contract with the *JEEM* editor and pays him or her directly, they have always allowed AERE to select the individual that holds that position and all editorial decisions have traditionally been left in the editor's hands. This may be changing. For example, Elsevier has a new on demand publishing system in which accepted papers are added to volumes as they become available. This means the editor does not choose the order of papers in an issue and the lead article designation loses its meaning. One could imagine Elsevier implementing page charges for submissions or taking other steps that could be controversial to AERE members.

*Archival Access.* Elsevier uses their own ScienceDirect service (and SCOPUS) for access to their journals. Elsevier provides access to archives of its journals bundled to the current year journal or collection subscriptions. Past *JEEM* articles are available online (through ScienceDirect) back to its first volume (1974) or more recently, depending on the subscription type. One can also purchase archival materials online on an individual article basis back to 1974 for \$31.50 per

article. The nine journals RFF gets from Elsevier (including back files) cost about \$13K this fiscal year.

#### *Summary.*

- Financial impact on AERE: AERE gets no money from Elsevier and has no outlays.
- Support services (e.g., marketing, editorial support, etc.): see above.
- Control: AERE has no control. While taking *JEEM* in a new substantive direction seems unlikely, Elsevier can make decisions that can affect *JEEM*'s impact factor and circulation without our input.
- Circulation: primarily through on-line use. We lack data on circulation.
- Subscription rates: unbundled from membership and reasonably low to AERE members. Not out of line for AERE nonmembers, but very high for institutional subscriptions. This conclusion is in line with several articles about Elsevier in the literature and comparisons with nonprofit journals. For their part, Elsevier says that costs have dropped significantly for users.
- Impact: impact factors have been steady over time.
- Archives: Past issues of *JEEM* are available only through Elsevier at variable cost depending on the level of the subscription, up to a per-article access fee of \$31.50. In particular, JSTOR, which makes journals available from their inception at low cost (see below), does not have access to *JEEM*.

## **2. Start a New Journal Owned by AERE, Here Called *JAERE* and Published by Another Publisher**

Dissatisfaction with Elsevier is long-standing and intense in some academic circles. Most publicized and recent is a boycott of Elsevier called in early 2012 by the mathematician Timothy Gowers. The three reasons for the boycott are high journal subscription prices, bundling of journal subscriptions, and Elsevier's support for SOPA and PIPA<sup>3</sup>. Elsevier has countered these claims by arguing their journal prices are below the industry average and bundling is only one of several ways to purchase journal access.

---

<sup>3</sup> SOPA and PIPA are House and Senate bills intended to protect intellectual property which have recently come under fire for restricting the free exchange of information.

Early this year a petition calling for researchers to stop submitting papers, refereeing, and sitting on advisory boards for journals published by Elsevier appeared on the site "The Cost of Knowledge." By March 2012 this petition was signed by over 8,000 academics.

Some AERE members have written in this newsletter of the need to break from Elsevier, in the sense of withdrawing support from *JEEM*, and starting a new journal (*JAERE*) owned by AERE with a new publisher. Various distinguished AERE members have already indicated that they would be available to be editors of *JAERE*. We assume that the time it would take for this effort would be long enough that it would not overlap the tenure of the current *JEEM* editor.

Based on history with other Associations who have withdrawn support for a journal published and owned by Elsevier in order to start a new one, it is quite likely that Elsevier would continue publishing *JEEM*, that editors would be found, and that for the foreseeable future submissions from nonAERE and perhaps some AERE members would continue. It is important to emphasize that it would be illegal for AERE as an institution to call for a boycott of *JEEM* or to urge potential editors to not apply to Elsevier. These activities could be construed as anticompetitive and a lawsuit could be brought against AERE.

To examine the pros and cons of this option, we first consider our experience with REEP, which is owned by AERE and published by Oxford University Press (OUP). Then we consider experiences other journals have had that have broken away from Elsevier. Finally, we look at options to traditional print and on-line contracts, including an entirely online journal and open access. From this discussion we draw conclusions about pros and cons of this option relative to the status quo.

### ***The REEP Experience***

*Financial.* We assume that the terms offered by OUP to AERE regarding REEP would be similar to an offer we would get from OUP for *JAERE* or from another publisher. The most important REEP terms are as follows:

- All start-up costs and losses borne by OUP.
- 50-50 profit sharing once the start-up costs and any losses to OUP are made up.
- AERE supplies editors who receive AERE funds for copy editing expenses. We assume that unlike REEP, *JAERE* would not need copy

editing because it targets other professional economists.

- Pricing and circulation (details below).

*Start-up costs.* A new journal, such as *REEP*, needs a new layout, cover, etc., plus initial publicity and marketing. AERE estimates these costs were about \$60,000, paid by OUP.

*Administrative costs.* We are not aware of any journal management services from OUP akin to the journal manager provided by Elsevier.

*Losses and Profits.* After a five-year maturation period, 2011 is the first year that *REEP* made money for AERE (a small amount).

*Editorial costs.* *REEP* editors are unpaid, while *JEEM*'s editor is paid. Profits from *REEP* sales in 2011 would not have been sufficient to pay editorial costs for a *JEEM* (or *JAERE*) editor based on current compensation.

*Pricing and Circulation.* *REEP*'s rate structure is dominated by bundling with AERE membership and reduced rate agreements with library consortia, which make up the bulk of our subscriptions. There are also some full-rate subscriptions. There are small discounts for on-line only and print and on-line subscriptions. AERE members comprised 853 subscriptions and over 2,200 institutions had subscriptions of some form in 2011. Rates are for two issues per year, whereas *JEEM* is six issues per year. Table 3 summarizes subscription prices for *REEP* and *JEEM*.

**Table 3. *JEEM* and *REEP* Prices Compared**

	<b>Subscription Type</b>	<b><i>JEEM</i></b>	<b><i>REEP</i></b>
<b>AERE Members</b>	Print Only	\$60	–
	Online Only	–	\$62*
	Print & Online	\$79	\$72*
<b>NonAERE Individuals</b>	Print Only	\$112	\$189
	Print Only	\$1,341	\$206
	Online Only	\$1,117	\$189
<b>Institutions (full rate)</b>	Print & Online	Varies	\$227
	Online	\$31.50	\$32
<b>Per-article fee</b>	Online	\$31.50	\$32

\* Note: *REEP* subscription prices include AERE membership.

*Financial bottom line.* In 2011 *REEP* was able to turn its first profit -- 30% in its **fifth** year of publication. Half of the profit is returned to AERE.

*Marketing.* There are more similarities than differences between the marketing services of OUP and Elsevier. Like Elsevier, OUP provides email campaigns, a conference presence (27 in 2011), a website with a list of most downloaded articles, and outreach through the Social Sciences and Economics subject area groups. OUP currently promotes journals collectively through social media but plans to add targeted outreach for *REEP* in the coming year.

OUP differentiates its marketing efforts from Elsevier by offering 240 free trials to *REEP* to international societies and free access to Editor's Choice articles. It compiles thematic Virtual Issues across journals, such as *Earth*

*Day 2011*, which offer free access to selected articles. Also, OUP plans to offer free access to targeted nonacademic economists in the future. We are not aware of any similar free access offered by Elsevier. The key services Elsevier offers that OUP does not are access through the ScienceDirect portal and development of new technologies (e.g., Article of the Future and other online tools). *REEP* is too new for access to old issues to be a problem. Eventually, we assume AERE would make *REEP* available to JSTOR.

### ***Other Ideas***

Because we already have a satisfactory relationship with OUP publishing *REEP*, it is tempting to assume that a *REEP*-like arrangement would be best for *JAERE*. This is not necessarily true. For instance, we received a suggestion from an AERE member that AERE share in the start-up costs of *JAERE* so that we could take profit

more quickly. To avoid laying out significant funds for a new journal that the publisher walks away from, we could enter into a long-term contract with the publisher, being free to re-compete at the end of this period.

We also received some confidential advice from a contact in the publishing industry to start out as a single journal with a low subscription price and remain outside of journal collections, if possible, unless we went with a publisher that has many economics journals complimentary to ours in the same collection. Unfortunately, economics journals are spread out among many publishers and the top economics journals are primarily available at university presses. OUP has very few economics journals, although *REEP* and *AJAE* are members of its catalog. Leaving Elsevier, which has a good number of economics journals, for a press that has fewer, might mean that circulation of *JAERE* through bundled collections is lower than *JEEM*'s, at least for a time, everything else equal. This person said that we could expect profits on *JAERE* of no more than \$40,000 per year (which would be shared), once the journal was established.

### ***On-line Only and Open Access Options***

The publishing industry has been moving more and more to on-line only journals and open access journals (which cost nothing to download and are funded by substantial author charges<sup>4</sup>). Both OUP and Elsevier say they will soon discontinue print issues because of both cost savings and lack of demand. At the same time, surveys of academics suggest that on-line only, or worse, open access journals are viewed as less prestigious (and have lower impact factors) than journals available for print. To address this contradiction, we were advised by a contact in the publishing industry that we may want to position our journal as an on-line journal with copies available for print on demand. Whether this really addresses perceptions is unknown.

---

<sup>4</sup> Public Library of Science (PLoS) is an extreme example of a nonprofit publisher that produces electronic-only journals and is totally open access. With no paid subscription base, PLoS funds its seven journals by charging authors between \$1,350 and \$2,900 per article. Mainstream publishers also offer authors this option. Elsevier and Oxford University Press typically charge \$3,000 for open access publication. Both publishers also produce a number of fully open access journals.

Nevertheless, given that the cost-savings of going fully electronic could translate into greater profits, AERE members may want to consider an on-line only option.

### ***Other Breakaway Journal Experiences***

*European Economic Review*. In December 2001, the European Economic Association (EEA) did not renew its contract with Elsevier for the sponsorship of the *European Economic Review (EER)*. This decision was driven by conflict over Elsevier's institutional subscription pricing, which at the time was \$1,225 per year for *EER*, and Elsevier's requirement that the publisher select the editors. The EEA then launched the *Journal of the European Economic Association (JEEA)* in 2003, published by MIT Press at a library subscription price of \$325 annually and free with EEA membership (\$75 per year for individuals). In 2011, Wiley-Blackwell took over as the publisher on behalf of EEA, and the library subscription price (print and online) is now \$625. *JEEA* has been very successful despite competition from the more established *EER*. In 2010, the IF for the new journal was 1.703, compared to 1.162 for *EER*. *JEEA*'s submissions increased progressively over the past few years to reach 631 in 2011. However, despite its academic success, the journal still has a small library subscriber base even after 10 years.

*Journal of Logic Programming*. In 1999, the entire editorial board of the *Journal of Logic Programming (JLP)* resigned after 16 months of negotiations over library subscription prices with Elsevier. During the negotiations, the Editor-in-Chief resigned and the Association of Logic Programming (ALP) refused to name a successor unless Elsevier lowered library subscription prices. Although Elsevier proposed some concessions and approached individual members of the board with the opportunity to take over as Editor-in-Chief, the board decided to collectively found *Theory and Practice of Logic Programming (TPLP)*. The new journal, published by Cambridge University Press, was initially offered at a 55% price reduction relative to the cost of *JLP*. *TPLP* partnered with Scholarly Publishing and Academic Resources Coalition (SPARC), a coalition of roughly 200 libraries, to publicize the new journal and establish a subscription base made up of coalition members.

The former President of the Association of Logic Programming told us in an email:

Our transition from Elsevier to Cambridge UP 12 years ago went very smoothly. The reason was that the journal that left Elsevier was the sole journal of our Association (of which I was at that time the president). The Association endorsed the move of all the editors who resigned and the new editorial board.

The whole community also endorsed the move and we never experienced any problem. The only snag was that Elsevier decided to continue the journal under the old name, which, after our vehement protests, was slightly modified. That journal became a very low quality journal.

*Journal of Economic Dynamics and Control.* In 2001, the Society for Economic Dynamics (SED) disassociated itself from Elsevier's *Journal of Economic Dynamics and Control (JEDC)* and adopted the *Review of Economic Dynamics (RED)* as its official journal. *RED* was first published in 1998 and enjoyed success over its first few years. In 2001, Academic Press took over *RED*'s journal management and in 2002 the subscription was bundled with membership for SED at \$88 (for individuals). *RED* then joined the Elsevier journal catalog when Elsevier took over Academic Press. However, the Society retains full editorial control," according to Thomas Cooley who "led the revolt" against Elsevier, and "the journal is a success and gets stronger by the year, while the one we abandoned gets weaker by the year." The Society also was able to keep *RED*'s subscription prices well below that of *JEDC*'s. *RED* subscriptions are now \$667 for institutional print access (\$555 for institutional online access and \$112 for individual print access). In contrast, *JEDC* is now \$2,165 for institutional print access (\$1,804 for institutional online access and \$102 for individual print access). By 2005, *RED* was ranked 13<sup>th</sup> among all economics journals in terms of impact per article (and 32<sup>nd</sup> in overall journal impact) by two economists at the Federal Reserve Bank of Boston. Submissions to *RED* have increased substantially over time, from 142 in 2005 to 244 in 2010. Similarly, the IF has trended upwards to its current level of 1.259. The 2010 IF for *JEDC* is 1.117, although this has also been trending up over the last several years.

*Some additional data.* The high subscription prices of economics field journals, many published by Elsevier, was one of two factors that motivated the American

Economic Association to launch the *American Economic Journal* in 2009.<sup>5</sup>

In 2006, the entire editorial board of *Topology* resigned due to stalled negotiations with Elsevier over subscription prices. The board then launched the *Journal of Topology*, published by the London Mathematical Society, at a far lower price. The new journal's IF has stayed around 0.885 while the original journal's IF slid from 0.852 in 2008 (at the time of the split) to 0.442 in 2010.

### *Archival Issues*

Recall that Elsevier provides archives through their own service, ScienceDirect. ScienceDirect has all of Elsevier's titles but access is dependent upon an institution's subscription. It is much more expensive than the main option –JSTOR. ScienceDirect has increased its scope by adding other publishers into an umbrella system, called SCOPUS.

JSTOR's *raison d'etre* is to make available journals from inception to the point at which contributing journal publishers make their more recent volumes available to subscribers (typically 7-10 years). The company structures their subscriptions so one can subscribe either by fairly narrow topical collections or else by very broad multidisciplinary collections (i.e., Arts and Sciences Collections I and II). Beyond that, subscription rates are based on the size of the institution. A very large university library could spend around \$35K on a JSTOR subscription that included nearly everything they provide. As a library in the "very small—higher education" category, RFF pays \$1,505/year for our subscription to JSTOR's business/economics, mathematics/statistics and ecology/botany collections, which, of course, does not include *JEEM* or other Elsevier journals.

We were advised by a contact in the publishing industry that an OUP/JSTOR combination would be a better match for *JAERE* than ScienceDirect for *JEEM* on cost and archival availability grounds.

### *Summary*

- Financial impact on AERE: We probably could enter into an arrangement with a new publisher

---

<sup>5</sup> David Glenn. "American Economic Association Plans 4 New Journals". *The Chronicle of Higher Education*. January 25, 2008.

where initial outlays were zero, although as suggested above, this might not be optimal. With such an arrangement, a best guess from our limited knowledge is that it would take around five years to turn a profit. But five years may be optimistic if at most 25 percent of *JEEM* submissions are from AERE members (assuming AERE members will switch their loyalty to *JAERE* more quickly than nonmembers). Pricing to institutional members will be important, but as they subscribe to collections, and *JAERE* may not be a part of one, we could expect significantly lower revenues compared to what Elsevier makes from *JEEM* and perhaps what *REEP* makes (because *REEP* is such a unique product).

- Support services (e.g., marketing, editorial support, etc.): We expect that differences in marketing effort and creativity across publishers are not large or decisive for our choice.
- Control: We assume that issues of pricing, journal formats, archive access, and others will be part of a negotiation with a new publisher. Should we decide to move forward with this option, hopefully this paper will help in that negotiation process.
- Circulation: Circulation is likely to fall off in the short-run until *JAERE* is established. But experiences of other breakaway journals are encouraging.
- Subscription rates: These will definitely fall for institutional subscribers. AERE may want to consider whether it would be better to reduce rates for individuals to very low levels in the beginning or to keep them at current levels of *JEEM* to provide revenues for AERE for higher valued uses.
- Quality and impact factors: Indications from breakaway journals are that impact factors for *JAERE* are likely to exceed those of *JEEM* after an initial period.
- Archives: We assume that a new arrangement will involve archival issues being made available through JSTOR. This will not become a reality for seven to ten years, however.

### 3. Renegotiate Terms With Elsevier

A third alternative, similar to maintaining the status quo, would be to maintain the AERE endorsement of *JEEM* and renegotiate the terms of a new contract with Elsevier. Interestingly, we do not have a contract with

Elsevier. AERE's relationship with Elsevier is governed by a contract with Academic Press that predates its acquisition by Elsevier .

Prior history with Elsevier and the observation that a number of journals have broken away from the publisher after unsuccessful attempts at negotiation suggests that bargaining will not be successful on issues the company considers core to its business model. From our research, chief among these are institutional subscription pricing and bundling of journals to such institutions. An additional money-maker appears to be individual article downloads.

Perhaps there is room for negotiation over noncore issues. If so, it may be possible to obtain financial benefits to members without the hassle and uncertainty of leaving Elsevier. For instance, there are so few individual subscriptions and Elsevier's agent (Valerie Teng) was so willing to unbundle AERE membership from a *JEEM* subscription when asked, that we judge it possible that the company would agree to lower individual subscription prices or recycle revenues to AERE.

However, a series of discussions between the Elsevier agent who replaced Ms. Teng (Jeroen Loos) and past AERE President Kathy Segerson suggests otherwise. Loos communicated a negative view of unbundling through a series of emails. Loos also came up with a series of ideas for a new contract that were clearly contrary to the interests of AERE members and would have reduced the role of both AERE and the editor in controlling *JEEM*. As no contract was ever signed and there is now a new agent (Daniela Georgescu), we are uncertain of Elsevier's current position. And outside conditions have changed. Growth in *JEEM* circulation may have moderated the company's position vis-à-vis *JEEM*, for example.

In addition, Elsevier has expressed some willingness to compensate AERE for its endorsement of *JEEM*, albeit with other conditions, described in the fourth option. The Publisher has suggested submission fees as another possible area of negotiation. As noted above, these are currently \$40 for AERE members and \$100 for nonmembers. Perhaps we could negotiate for a zero submission fee for AERE members or for the *JEEM* submission fee to be paid to AERE. At the same time, we should be careful to discuss page charges in any negotiations, as this change to Elsevier's model could be in the offing.

A final possible area for negotiation is in marketing. Perhaps Elsevier would be willing to expand free access to select articles or individuals, a service currently offered by OUP for *REEP*. We note that the administrative support, marketing, and production management provided by Elsevier have met the needs of the current editor.

### Summary

- Financial impact on AERE: Positive, otherwise we could always break away. Some financial benefits could also accrue to AERE members.
- Support services: Probably some room for negotiation
- Control: Would need to be negotiated
- Circulation: Would be unchanged
- Subscription and submission rates: Possibly some room to negotiate, but probably not for lower institutional rates
- Quality and impact factors: Would be unchanged.
- Access to archival material: Would be unchanged.
- Additional Consideration: Negotiations might slow the momentum for Option 2.

#### 4. Create a New Journal with Elsevier as the Publisher and Renegotiate Terms As a Package of *JEEM* and *JAERE*

At a meeting with a representative from Elsevier, attended by AERE President Cathy Kling and myself, the representative raised a new option: to continue our *JEEM* affiliation with Elsevier and start a new, complementary journal owned by AERE and published by Elsevier under the Association's name. Specifically, in follow-up emails, Elsevier said they would make a significant annual payment for AERE's endorsement of *JEEM*, negotiate a profit-sharing agreement for the new journal, and take over the management of the annual AERE conference (a new area of their business). Elsevier would provide *JAERE* with the same level of accessibility and marketing services *JEEM* currently enjoys. The journal would be included in the Economics and Finance collection, making it accessible to libraries and consortia who subscribe to this collection or all of Elsevier's journals. To encourage paper submissions and attract individual subscriptions from smaller institutions, Elsevier would run a kick-off campaign, announcing the

new journal through Elsevier.com, ScienceDirect, presence at conferences, social media, and emails.

To even consider this approach, there would need to be a decision to establish a third AERE journal. No discussions have occurred about this possibility, so for the rest of the discussion below, we assume this is something we would want to do. If not, this option is a nonstarter.

With that assumption, this approach would offer AERE immediate revenue from *JEEM*. In addition, AERE could receive revenue from *JAERE* after its first few years. In terms of timing, this model lines up well with our contract with OUP for *REEP*. However, profit sharing is much more generous with OUP than what Elsevier is offering. At the same time, Elsevier is changing their model to favor new journals more, which means there might be room to negotiate on the profit sharing arrangement.

In contrast to establishing *JAERE* with a new publisher under Option 2, Elsevier's financial commitment and production management would reduce the start-up burden on AERE members and the Editorial Board. Ownership of this journal would provide AERE with more control over the evolution and future of the journal than the Association currently has with *JEEM*. In particular, it would provide AERE with bargaining power to find the best publisher at the end of the initial contract. However, establishing the journal under Elsevier and later moving to another publisher would likely make it more costly for small institutional subscribers to access the archived issues across two publishers. In addition, institutional inertia, making it more likely that *JAERE* would stay with Elsevier even under somewhat less favorable terms than those available with another publisher, is an argument against starting this new journal with Elsevier with the intention of switching to another publisher at a later date.

The impact of this approach to subscription rates would be unchanged. We expect Elsevier would be unlikely to negotiate the standard subscription rate and instead price this journal in alignment with *JEEM* and other journals. Institutions and consortia with online subscriptions to Elsevier's Economics and Finance collection or their entire journal collection would be unaffected unless they choose to purchase print editions also. However, the implication of this approach for total expenditures of small institutional subscribers would be less favorable than the status quo; these institutions would need to subscribe to *JAERE* in addition to *JEEM* or choose



between them. As mentioned, moving from Elsevier to another publisher in the future would compound this effect.

In addition to the creation of *JAERE* and continued affiliation with *JEEM*, this alternative may include organization of the AERE conference by Elsevier. We may be able to eliminate this item in negotiation but it is possible Elsevier would only be willing to pay AERE for our endorsement of *JEEM* if it can profit from the conference. Elsevier organized 43 conferences in 2011, some under their own name and some as a service to societies. Elsevier offers a fully integrated conference service including venue selection, marketing, and administration. Elsevier prefers to run conferences as a joint venture, with the company incurring all costs and risks while the Association focuses on the academic work. This would inevitably limit the control of the Organizing Committee, and, importantly, Elsevier would take all profit from the conference, eliminating what has recently constituted a large source of AERE's revenue. Note that Elsevier does offer limited conference services at a fixed rate.

### Summary

- Financial impact on AERE: potentially very positive.
- Support services: would be unchanged.
- Control: would need to be negotiated for *JAERE*; unchanged for *JEEM*.
- Circulation: unknown, as no one has discussed how this new journal might differentiate itself from *JEEM* or how *JEEM* might evolve in light of a *JAERE*.
- Subscription and submission rates negotiated for *JAERE*.
- Quality and impact factors: unknown for *JAERE*.
- Access to archival material: subject to negotiation for *JAERE*; unchanged for *JEEM*.
- Additional considerations: do we want a third journal?

### 5. Conclusion

AERE's relationship with Elsevier, the owner and publisher of *JEEM*, has never been an easy one. Rapid turnover of our Elsevier contacts, changes in the journal market, the growth of interest in our field, the organized

and vocal opposition to Elsevier's business practices from a fair number of academic associations who run journals, and our own experience with REEP have also contributed to a growing belief that we should withdraw our support from *JEEM* and start a new journal owned by AERE and published by a different Press.

Even so, *JEEM* enjoys a high impact factor and is recognized as the premier journal in environmental and resource economics. Our subscription rates are low (although those for institutions are very high) and there are ever more points of access. Furthermore, starting a new journal is risky. There are start-up costs, in both time and money (although the latter may be borne by the publisher). Relative to *JEEM*, there is likely to be lower subscriptions and readership, at least for several years, and possibly lower quality, as well, until the profession recognizes the new journal and supports it.

But there are rewards, including profit sharing, more control over the journal's future, less hassle and drama (assuming the right publisher can be found), and less concern over future policy changes by a publisher who wants to maximize profits rather than maximize impact.

Yet, breaking away from Elsevier and *JEEM* is not the only option to the status quo. We could try negotiating with Elsevier for more control and for profits. We have a new Elsevier agent who seems willing to negotiate and has offered an additional option to us. And, we were successful in obtaining the unbundling of *JEEM* from AERE membership. Yet, we argued above that this is not in Elsevier's core business model and the actions of Elsevier's agent subsequent to the unbundling were disheartening. Moreover, while we wouldn't be the first journal to be at the juncture of breaking away from Elsevier or negotiating, our own history with this company and those of other associations with journals owned by Elsevier suggests we are unlikely to be successful on the big issues of control and profit sharing.

Finally, as to the option put on the table by Elsevier's new agent, the threshold issue is whether a case can be made for creating a third journal supported by AERE. We suggest it would need to be a complement to both *JEEM* and REEP. And, if that feat can be performed, the deal offered by Elsevier should be considered. There is much to be intrigued about.

Table 4 summarizes the issues associated with all four options discussed in this essay. Those of you who attend the panel discussion on the future of *JEEM* at the AERE Summer Conference in Asheville, NC will hear a presentation on these issues, as well as one by AERE Vice President Don Fullerton, speaking on behalf of option 2.

**Table 4. Overall Summary of the Options**

<b>Option</b>	<b>Financial Impact on AERE</b>	<b>Support Services</b>	<b>Control</b>	<b>Circulation</b>	<b>Subscription Rates</b>	<b>Impact</b>	<b>Archives</b>	<b>Further Considerations</b>
<b>1: Status Quo</b>	No revenue, no outlays	Haven't heard complaints here.	No control of non-editorial decisions.	Primarily through on-line use. No data on circulation.	Unbundled from membership; low to AERE members; high for institutions.	Steady over time.	Only available from Science-Direct.	N/A
<b>2: JAERE – owned by AERE, published by a different press</b>	Initial outlays could be zero. Profit after perhaps five years or more.	Minor differences between Elsevier and, as an example, OUP.	Yes. Unclear what this will mean.	Fall off in short-run. Other journals' experiences encouraging.	Much lower for institutions and possibly for others.	Unlikely to drop far or long. <i>JEEM</i> IFs will likely fall.	Once <i>JAERE</i> is greater than 7-10 years old, it can be made available through JSTOR.	Major investment in time, energy and commitment; risks to circulation, impact factor.
<b>3: Negotiate with Elsevier about JEEM</b>	Positive but unlikely to be large.	Possibly some room to negotiate.	Likely unchanged.	Likely unchanged.	Likely unchanged for institutions; may be negotiable for individuals.	Likely unchanged.	Unchanged.	May go nowhere and we lose momentum.
<b>4: JAERE - owned by AERE, published by Elsevier, as additional to JEEM</b>	Positive, could be significant	Likely unchanged	Ownership of <i>JAERE</i> ; negotiate its meaning.	Unknown for <i>JAERE</i> .	Unclear, subject to negotiation about meaning of ownership.	Unknown for <i>JAERE</i> .	Unchanged for <i>JEEM</i> ; likely unchanged for <i>JAERE</i> .	Do we need a third journal? Can <i>JEEM</i> be rebranded?

## BULLETIN BOARD

### **ANNUAL REVIEW OF RESOURCE ECONOMICS VOLUME 3 NOW AVAILABLE**

The *Annual Review of Resource Economics* provides authoritative critical reviews evaluating the most significant research developments in resource economics, focusing on agricultural economics, environmental economics, renewable resources, and exhaustible resources. Volume 3 emphasizes research on current crucial issues including climate change, sustainability, the food crisis, and the energy crisis. Methodologies that are critical to environmental and resource economics are highlighted, including nonmarket valuations, assessment for environmental regulations of risk changes as they relate to mortality and morbidity effects, and methods to analyze dynamic systems operating under uncertainty and irreversibility.

Access this and all annual Reviews journals via your institution at [www.annualreviews.org](http://www.annualreviews.org)

### **DISCCRS**

#### **Dissertations Initiative for the Advancement of Climate-Change Research (DISCCRS)**

DISCCRS (pronounced "discourse") catalyzes interdisciplinary collegial interactions and professional development necessary for successful careers dedicated to understanding climate change and mitigating its impacts. Through its e-newsletter, website, and symposia, DISCCRS is building a global community dedicated to scientific and societal progress to address climate change. Since 2002, more than 1,500 PhDs have registered dissertations with DISCCRS and over 170 scholars from 25 countries have benefitted from the symposia. We invite scholars in the natural sciences, social sciences, humanities, mathematics, engineering, and other fields to apply for the upcoming symposium.

DISCCRS provides online tools for catalyzing interdisciplinary discussion and collaboration:

<http://discrs.org/discrsposter.pdf>

*Please display and distribute the poster as widely as possible!*

**Online Ph.D. Dissertation Registry:** Join over 2500 climate change researchers by registering your Ph.D. dissertation and adding your abstract to our fully searchable database. You can also browse the registry to see what other climate change researchers have been doing recently.

<http://discrs.org/register>

**Electronic newsletter:** With timely climate change job listings, news stories, funding opportunities and more, **our weekly e-newsletter is automatically provided to anyone who registers their Ph.D.**

You can also subscribe online. <http://discrs.org/s>

### **EAERE FEEM Belpasso INTERNATIONAL SUMMER SCHOOL ON ENVIRONMENTAL AND RESOURCE ECONOMICS**

**September 2 – 8, 2012  
Belpasso, Italy**

#### **Sustainable Development: Theory and Measurement Methods**

The Department of Agri-food and Environmental Systems Management (DiGeSA) at the University of Catania, the Fondazione Eni Enrico Mattei (FEEM) and the European Association of Environmental and Resource Economists (EAERE), with the support of the Municipality of Belpasso, have organized the Belpasso International Summer School on Environmental and Resource Economics.

The broader objective of the Belpasso International Summer School is to provide advanced training for young researchers who are also EAERE members from all over Europe and beyond on European issues of environmental and resource economics. The School is hosted in the city of Belpasso, in the Province of Catania, Sicily, Italy and takes place from the 2<sup>nd</sup> to the 8<sup>th</sup> of September. This year, the School's topic is "Sustainable Development: Theory and Measurement Methods".

Ensuring a continuous increase in well-being throughout the world is one of the main challenges to humankind. Since the mid-80s, awareness that economic growth has not necessarily improved living conditions has led to the quest for sustainable development. The concept of sustainability implies the need to consider in policy agendas the long-term interactions among the economic, environmental and social spheres, reconciling their potential trade-offs.

In spite of the increased effort of the academia, no agreement on the definition and quantitative assessment of sustainability has been reached to date on a worldwide basis. The main aim of the 2012 Belpasso summer school is to collect the latest advancements in the field from research leaders, in order to provide young scholars with the most appropriate theoretical and methodological background and to enable them to make a valuable contribution to the post Rio+20 scientific debate.

The faculty is comprised of leaders in the field and offers an overall coverage of the specialist area. In particular, lectures will focus on:

- Sustainable Development: historical and theoretical overview
- Aggregate measures of sustainable performance
- Beyond GDP: Methodological and Measurement Issues
- Sustainable Development: a quantitative approach for future projections
- Measuring sustainability and benchmarking societies
- Eco-Footprint Analysis

**Deadline for Applications: June 24, 2012**

Website: [http://www.feem-project.net/belpasso\\_2012/index.html](http://www.feem-project.net/belpasso_2012/index.html)

**JBCA CALL FOR SUBMISSIONS  
FOR THE HARBERGER PRIZE  
FOR RETROSPECTIVE ANALYSIS**

The *Journal of Benefit-Cost Analysis (JBCA)* is pleased to announce the *Arnold Harberger Prize for Retrospective Analysis*. The award and an honorarium of at least \$2,000 will go to the best retrospective paper published in the JBCA with a determination to be made in late Spring, 2013. Professor Harberger's work sets a high standard for relevance and impact to which the

winning paper should aspire. Papers will go through the usual double blind peer review at the *JBCA* and may be an empirical, retrospective case study in any field and any part of the world, or an advance in methodological thought on retrospective analysis. Typical combined review and publication lag is about 8 months so submissions are encouraged by the early summer of 2012. Initial funding is provided by the John D. and Catherine T. MacArthur Foundation and the Friends of Arnold Harberger. If in doubt about the relevance of a submission, please contact the editors at [jbca@umbc.edu](mailto:jbca@umbc.edu). The winner will be chosen in consultation with the Editorial Board. Please submit your paper through the usual process via the *JBCA* website at <http://www.degruyter.com/jbca>.

**SPECIAL ISSUE CELEBRATING  
30 YEARS OF OCEAN GOVERNANCE**

*Ocean Yearbook* Volume 26 -- Special Issue Celebrating 30 Years of Ocean Governance under UNCLOS –

Forthcoming Articles (Spring 2012). For more information, see online: [http://law.dal.ca/Files/MEL\\_Institute/OYB/VOL\\_26\\_Contents\\_for\\_Web\\_NOV24-11.pdf](http://law.dal.ca/Files/MEL_Institute/OYB/VOL_26_Contents_for_Web_NOV24-11.pdf)

*Ocean Yearbook* at Brill

For how to order, see online:

<http://www.brill.nl/publications/ocean-yearbook>

Mailing Address:

Ocean Yearbook Editorial Office  
Schulich School of Law  
Dalhousie University  
6061 University Ave  
P.O. Box 15000  
Halifax, NS, B3H 4R2  
CANADA  
Tel: +1 902 494-2955  
Fax: +1 902 494-1316  
E-mail: [Ocean.Yearbook@dal.ca](mailto:Ocean.Yearbook@dal.ca)  
<http://www.dal.ca/law/melaw/oyb>

## JOB POSTINGS

### Academic

- **Luleå University of Technology, Economics Unit, Post-doc in Economics** The Economics Unit at Luleå University of Technology is currently searching for an international post-doc candidate with a strong scientific track record and documented experience within the field of empirical economic research focusing on natural resources, energy and environmental issues as well as excellent knowledge of economic methods relevant for the focus areas. It is also desired, but not required, that the applicant has knowledge of forest resources and forest issues. As a successful candidate you should be able to take initiative in planning and conducting research in collaboration with other research disciplines. The Economics Unit is part of a strong, multidisciplinary research environment focusing on environmental, natural resource and energy issues. The postdoctoral position is for two years.

Deadline for application: May 23, 2012 ref-no 873-12

Contact:  
Head of Division Jerry Blomberg  
phone +46 (0)70-2682188  
email: [jerry.blomberg@ltu.se](mailto:jerry.blomberg@ltu.se)

For more information: [www.ltu.se](http://www.ltu.se)

\* \* \* \* \*

- [Career Information for Environmental Economists](#) from the Department of Agricultural Economics, Michigan State University

### Non-Academic

- Fondazione Eni Enrico Mattei (FEEM), Research Programme on Climate Change and Sustainable Development, Researcher Position in Climate and Energy Economics

FEEM will begin considering candidates in April 2012 and will continue until the position is filled. Please mention ref CCSD/4.2012 in your application.

- Fondazione Eni Enrico Mattei (FEEM), Research Programme on Climate Change and Sustainable Development, Research Position in the Economics of Climate Adaptation

FEEM will begin considering candidates in April 2012 and will continue until the position is filled. Please mention ref ADAPTATION/4.2012 in your application.

### LINK TO JOBS

<http://www.aere.org/jobs/>

**ASSOCIATION OF ENVIRONMENTAL AND RESOURCE ECONOMISTS (AERE)  
2012 OFFICERS AND BOARD OF DIRECTORS**

**OFFICERS**

**President:**

**Dr. Catherine L. Kling**  
(1/1/11 - 12/31/12)  
Iowa State University  
Department of Economics  
568 Heady Hall  
Ames, IA 20011-1070  
E-mail: [ckling@iastate.edu](mailto:ckling@iastate.edu)  
Telephone: 515-294-5767

**Secretary:**

**Prof. Sarah L. Stafford**  
(6/1/09 – 12/31/13)  
College of William and Mary  
Department of Economics  
P.O. Box 8795  
Williamsburg, VA 23187-8795  
E-mail: [slstaf@wm.edu](mailto:slstaf@wm.edu)  
Telephone: 757-221-1317

**President-Elect:**

**Dr. Alan J. Krupnick**  
(1/1 - 12/31/12)  
Resources for the Future  
1616 P Street, N.W.  
Washington, DC 20036  
E-mail: [krupnick@rff.org](mailto:krupnick@rff.org)  
Telephone: 202-328-5107

**Treasurer:**

**Dr. Juha Siikamäki**  
(4/1/09 - 12/31/13)  
Resources for the Future  
1616 P Street, N.W.  
Washington, DC 20036  
E-mail: [siikamaki@rff.org](mailto:siikamaki@rff.org)  
Telephone: 202-328-5157

**Vice President:**

**Prof. Don Fullerton**  
(1/1/12 - 12/31/13)  
University of Illinois  
Department of Finance  
515 East Gregory Drive  
BIF Box#30 (MC520)  
Champaign, IL 61820  
Telephone: (217) 244-3621  
E-mail: [dfullert@illinois.edu](mailto:dfullert@illinois.edu)

## **BOARD OF DIRECTORS**

### **Dr. Amy W. Ando**

(1/1/12 – 12/31/14)  
University of Illinois at Urbana-Champaign  
Dept of Agricultural & Consumer Economics  
1301 W. Gregory Drive  
326 Mumford Hall  
Urbana, IL 61801  
E-mail: [amyando@illinois.edu](mailto:amyando@illinois.edu)  
Telephone: 217-533-5130

### **Dr. Patricia A. Champ**

(1/1/11 – 12/31/13)  
Rocky Mountain Research Station  
2150 Centre Ave., Bldg A  
Fort Collins, CO 80526  
Email: [pchamp@fs.fed.us](mailto:pchamp@fs.fed.us)  
Telephone: 970-295-5967

### **Dr. Christopher J. Costello**

(1/1/10 – 12/31/12)  
University of California - Santa Barbara  
Bren School of Environmental Science and Management  
4410 Bren Hall  
Santa Barbara, CA 93106  
E-mail: [costello@bren.ucsb.edu](mailto:costello@bren.ucsb.edu)  
Telephone: 805-893-5802

### **Prof. Paul Ferraro**

(1/1/10 – 12/31/12)  
Georgia State University  
Department of Economics  
Andrew Young School of Policy Studies  
P.O. Box 3992  
Atlanta, GA 30302-3992  
E-mail: [pferraro@gsu.edu](mailto:pferraro@gsu.edu)  
Telephone: 404-413-0201

### **Dr. Sheila Olmstead**

(1/1/12 – 12/31/14)  
Resources for the Future  
1616 P Street, N.W.  
Washington, DC 20036  
E-mail: [olmstead@rff.org](mailto:olmstead@rff.org)  
Telephone: 202-328-5163

### **Dr. Andrew J. Plantinga**

(1/1/11 – 12/31/13)  
Oregon State University  
Department of Agricultural and Resource Economics  
Corvallis, OR 97331  
Email: [plantinga@oregonstate.edu](mailto:plantinga@oregonstate.edu)  
Telephone: 541-737-1423

## **EX-OFFICIO BOARD MEMBERS**

### ***JEEM* Managing Editor**

#### **Dr. Daniel J. Phaneuf**

Department of Agricultural and  
Applied Economics  
University of Wisconsin-Madison  
Taylor Hall  
Madison, WI 53706-1503  
E-mail: [dphaneuf@wisc.edu](mailto:dphaneuf@wisc.edu)  
Telephone: 608-262-4908

### **Editor of *REEP***

#### **Dr. Charles D. Kolstad**

Department of Economics  
University of California, Santa Barbara  
2127 North Hall  
Santa Barbara, CA 93106  
E-mail: [kolstad@bren.ucsb.edu](mailto:kolstad@bren.ucsb.edu)  
Telephone: 805-893-2108

### **AERE Executive Director**

#### **Marilyn M. Voigt**

AERE Business Office  
1616 P Street NW, Suite 600  
Washington, DC 20036  
E-mail: [voigt@rff.org](mailto:voigt@rff.org)  
Telephone: 202-328-5125