

MEMORANDUM TO: SECRETARIAL OFFICERS
MODAL ADMINISTRATORS

From: John Putnam
Acting General Counsel

Christopher Coes
Acting Assistant Secretary for Transportation Policy

Subject: Guidance on the Treatment of the Economic Value of a Statistical Life (VSL) in U.S. Department of Transportation Analyses – 2021 Update

Departmental guidance on valuing the reduction of fatalities and injuries by regulations or investments has been published periodically by the Office of the Secretary since 1993. We issued a comprehensive update to our guidance in 2013, and indicated at that time that we planned to issue annual updates to adjust for changes in prices and real incomes in the intervening years.

With this update of the Department’s VSL guidance (attached as a separate document to this memorandum), we have removed references to specific monetary values beyond the 2012 values used in the 2013 comprehensive update. Instead, going forward, analysts should apply the methodology described in the guidance to calculate the VSL, including by applying values for inflation and changes in real income using the data series specified in the guidance. The Office of the Secretary will also continue to provide the corresponding adjusted values to the DOT Modal Administrations as the relevant price and income data for the previous year become available. The VSL guidance document will only be updated when more significant changes are made to the methodology used to calculate the value of reducing fatalities and injuries.

Based on the methodology adopted in the 2013 guidance, price and real income changes since 2012 yield a current **VSL estimate of \$11.6 million for analyses using a base year of 2020**. Values for years prior to 2020 are also shown in the table below:

Current and Prior Year VSL

| Value (million \$) | Base year |
|--------------------|-----------|
| 11.6 | 2020 |
| 10.9 | 2019 |
| 10.5 | 2018 |
| 10.2 | 2017 |
| 9.9 | 2016 |
| 9.6 | 2015 |
| 9.4 | 2014 |
| 9.2 | 2013 |
| 9.1 | 2012 |

This memorandum, as well as the updated VSL guidance and other relevant documents, will be posted on the Office of Transportation Policy website, <http://www.dot.gov/policy/transportation-policy/economy> , and on the General Counsel's regulatory information website, <http://www.transportation.gov/regulations>. Questions should be addressed to Darren Timothy, Chief Economist, at (202) 366-4051 or darren.timothy@dot.gov.

cc: Regulations officers and liaison officers