

**11<sup>th</sup> Occasional California Workshop on  
Environmental and Natural Resource Economics**



**Made possible, in part, by a grant from the US EPA**

*with additional support from*

**University of California Center for Energy and Environmental Economics (UCE<sup>3</sup>)**

**UCSB Department of Economics**

**Bren School of Environmental Science and Management**

**Ivory Tower Winery**

**October 9-10, 2009**

**Corwin Pavillion**

**University of California, Santa Barbara**

*All presentations are 10 minutes long.*

*\* Session has four 10 min. presentations, two 5 min. discussant presentations and 10 min. Q&A. Each discussant will have 5 minutes total to discuss two papers (after both papers have been presented).*

*\*\* Session has five 10 min. presentations, three 5 min. discussant presentations and 10 min. Q&A. First discussant will have 5 minutes to discuss the first paper in the session. The following two discussants will each have 5 minutes total to discuss two papers (after both papers have been presented).*

Thursday, October 8

*Arrivals, no events scheduled*

Friday, October 9

**8:00-8:30**     *Registration and continental breakfast*

**8:30-8:40**     *Welcome from organizers*

**8:40-9:40**     *Session #1: Climate Change\**

**Chair:** Matthew Turner, University of Toronto

[International Trade in Used Vehicles: The Environmental Consequences of NAFTA](#)

Lucas Davis (Presenter) and Mathew Kahn

[The Impact of Climate Change on Household Welfare](#)

David Albouy, Walter Graf, Ryan Kellogg and Hendrik Wolff (Presenter)

**Discussant:** Matthew Turner, University of Toronto

[Firms' Costs \(and Benefits\) of Environmental Regulation: An Event Study of the EU Emission Trading Scheme](#)

James B. Bushnell (Presenter), Howard Chong (Presenter), and Erin T. Mansur

[Comparing Climate and Cost Impacts of Reference Levels for Reducing Emissions from Deforestation](#)

Jonah Busch (Presenter), Bernardo Strassburg, Andrea Cattaneo, Ruben Lubowski, Frederick Boltz, Ralph Ashton, Aaron Bruner, Richard Rice and Anna Creed

**Discussant:** Antonio Bento, Cornell University

**9:40-9:50**    *Break*

**9:50-11:05**    *Session #2: Theoretical Contributions to Environmental Policy\*\**

**Chair:** Bob Deacon, UCSB

[Alternative Approaches to Cost Containment in a Cap-and-Trade System](#)

Harrison Fell (Presenter) and Richard D. Morgenstern

**Discussant:** Paulina Oliva, UCSB

[On the Economics of Eco-Labeling](#)

Charles Mason

[The Value of Adaptation on the Extensive and Intensive Margin: An Extension of the Envelope Theorem](#)

Christopher Guo (Presenter) and Christopher Costello

**Discussant:** Howard Chong, UC Berkeley

[International Environmental Agreements and the Tipping Effect of Abatement Cost-Reducing R&D](#)

Ross Mohr

[Targeted vs. Broad Spectrum Pesticides: When Do Private Decisions Differ from Socially Optimal Decisions?](#)

Kelly Grogan

**Discussant:** Corbett Grainger, UCSB

**11:05-11:15**    *Break*

**11:15-12:15**    *Session #3 Econometric Innovations\**

**Chair:** Koichiro Ito, UC Berkeley

[Closing the gap between risk estimation and decision-making: efficient management of trade-related invasive species risk](#)

Michael Springborn (Presenter) and Robert P. Lieli

[Farm Acreage Shocks and Food Prices: An SVAR Approach to Understanding the Impacts of Biofuels](#)

Catherine Almirall (Presenter), Maximilian Auffhammer and Peter Berck

**Discussant:** Chris Kennedy, University of Wyoming

[Nonmarket Valuation Via Generalized Additive Models](#)

Carlo Fezzi and Silvia Ferrini (Presenter)

[An Embarrassment of Riches: Confronting Endogeneity and Multi-Scale Capitalization in Hedonic Price Models](#)

Joshua K. Abbott (Presenter) and H. Allen Klaiber

**Discussant:** Koichiro Ito, UC Berkeley

**12:15-1:30**    ***Lunch***

*(UC faculty members from all campuses are invited to attend a meeting in the GOLETA VALLEY room at the UCEN during lunch time. Please pick up lunch before heading to the meeting.)*

**1:30-2:30**    ***Session #4 Transportation and Environmental Policy\****

**Chair:** Severin Borenstein, UC Berkeley

[The Fundamental Law of Road Congestion: Evidence from US cities](#)

Gilles Duranton and Matthew Turner (Presenter)

[Green Subways: The Effect of A Subway System on Air Quality in Taipei](#)

Yihsu Chen (Presenter) and Alex Whalley

**Discussant:** Severin Borenstein, UC Berkeley

[How much can vehicle travel be reduced through land-use policies in California?: An application of a Modified Two Part Model with Instrumental Variables](#)

David R. Heres Del Valle

[Hybrid Cars and HOV Lanes Preliminary Draft](#)  
Sharon Shewmake

**Discussant:** Dan Saunders, UCSB

**2:30-2:40**     *Break*

**2:40-3:55**     *Session #5 Empirical Contributions to Environmental Economics I\*\**

**Chair:** Hendrik Wolff, University of Washington

[Environmental Policy and Induced Innovation: Evidence from Automobile Fuel Economy Regulations](#)  
Takahiko Kiso

**Discussant:** Hendrik Wolff, University of Washington

[Dynamic Analysis Of Open Space Value Using A Repeat Sales/Hedonic Approach](#)  
W. Bowman Cutter, Linda Fernandez (Presenter), Ritu Sharma, and Tom Scott

[Do Carbon Offsets Increase Demand for Carbon Producing Goods? Evidence from Residential Green Electricity Demand](#)  
Grant Jacobsen (Presenter), Matthew Kotchen and Michael Vandenbergh

**Discussant:** Nick Sanders, UC Davis

[Valuation of Cultural and Natural Resources in North Cascades National Park](#)  
Robert Turner (Presenter) and Blake Willmarth

[The Optimal Gas Tax for California](#)  
Cynthia Lin (Presenter) and Lea Prince

**Discussant:** Richard Carson, UCSD

**3:55-4:05**     *Break*

**4:05-5:05**     *Session #6 Common Pool Resources and Institutions\**

**Chair:** Zack Donohew, UCSB

[A Free Lunch in the Commons](#)  
Matthew J. Kotchen and Stephen W. Salant (Presenter)

[Imposing Marine Protected Areas on Property-Rights Fisheries](#)  
Christopher Costello and Dan Kaffine (Presenter)

**Discussant:** Zack Donohew, UCSB

[Coupled Hydro-Economic Dynamics of Groundwater Irrigated Agriculture in a Hard Rock Region of India](#)

Ram Fishman (Presenter), Tobias Siegfried, Vijay Modi, Upmanu Lall

[Simple mechanisms for managing complex aquifers](#)

Stergios Athanassoglou, Glenn Sheriff (Presenter), Tobias Siegfried, Woonghee Tim Huh

**Discussant:** Laura Grant, UCSB

**5:05-6:00**     *Reception*

**6:00-8:30**     *Dinner*

Saturday, October 10

**8:00-8:30**     *Continental Breakfast*

**8:30-9:30**     *Session #7 [Empirical Contributions to Environmental Economics II\\*](#)*

**Chair:** Lucas Davis, UC Berkeley

[Atmospheric Air Pollution and Birth Weight](#)

Prashant Bharadwaj (Presenter) & Juan Eberhard

[Estimating the Costs of Regulation: A Model of Strategic Compliance with the Safe Drinking Water Act](#)

Lori S. Benneer, Katrina K. Jessoe (Presenter), Joshua Lustig, Sheila M. Olmstead

**Discussant:** Lucas Davis, UC Berkeley

[Does Self-Regulation Reduce Pollution? Responsible Care in the Chemicals Industry](#)

Shanti Gamper-Rabindran (Presenter) and Stephen R. Finger

[Efficiency Effects of Increased U.S. Biofuels Mandates](#)

Antonio M. Bento (Presenter) and Joel Landry (Presenter)

**Discussant:** Grant Jacobsen, UCSB

**9:30-9:40**    *Break*

**9:40-10:45**    *Session #8 Political Economy, Macroeconomics and the Environment\**

**Chair:** Ross Mohr, UCSB

[\*Cursed Resources? Political Structure and Oil Market Volatility\*](#)

Catherine Wolfram (Presenter) and Gib Metcalf

[\*Valuing Vegetation in an Urban Watershed\*](#)

Jonathan Kadish and Noelwah R. Netusil (Presenter)

**Discussant:** Ross Mohr, UCSB

Seth Binder, Yale University

[\*Lobbying Expenditures and Self Reported Toxic Pollutants\*](#)

Sumeet Gulati (Presenter) and Prachi Mishra

[\*Are Exporters Mother Nature's Best Friends?\*](#)

Scott Holladay

**Discussant:** Glenn Sheriff, US Environmental Protection Agency

**10:45-10:55**    *Break*

**10:55-11:55**    *Session #9 Property Rights and Institutions\**

**Chair:** Randy Bluffstone, Portland State University

[\*The Value of Strong Property Rights: Evidence from Individual Transferrable Quotas\*](#)

Corbett Grainger (Presenter) and Chris Costello

[\*Land Demarcation and Agriculture in 19th Century California\*](#)

Gary Libecap, Adrian Lopes (Presenter), and Dean Lueck

**Discussant:** Daniel Huppert, University of Washington

[\*The Role of Split Estate in Environmental Performance of Coalbed Methane Development\*](#)

Timothy Fitzgerald

[The Effect of the Collective Forest Tenure Reform in China on Forestation](#)

Lunyu Xie (Presenter) , Peter Berck, and Jintao Xu

**Discussant:** Randy Bluffstone, Portland State University

**11:55-12:55** *Lunch*

**12:55-1:55** *Session #10 Uncertainty\**

**Chair:** Larry Karp, UC Berkeley

[Bounded Uncertainty and Climate Change Economics](#)

Christopher Costello (Presenter), Andrew Solow, Michael Neubert, and Stephen Polasky

[Correct \(and Misleading\) Arguments for Using Market Based Pollution Control Policies](#)

Larry Karp

**Discussant:** Jacob LaRiviere, UCSD

[Evolution of Subjective Hurricane Risk Perceptions: A Bayesian Approach](#)

David Kelly (Presenter), David Letson, Forrest Nelson and David S. Nolan

[Fisheries Management Under Correlated Uncertainty: Prices, Quantities, and Effort Limits](#)

Chris J. Kennedy

**Discussant:** Elizabeth Witham, UCSB

**1:55-2:05** *Break*

**2:05-3:05** *Session #11 Renewable Resources Management\**

**Chair:** Michael De Alessi, UC Berkeley

[Decentralized Growth Planning: Evaluating Water Utility Performance](#)

Ellen Hanak

*Fishing for a Catch: Marine Protected Areas and California's Commercial Spiny Lobster Trappers*

Carla Guenther, Laura Grant (Presenter), and Hunter Lenihan

**Discussant:** Michael De Alessi, UC Berkeley

*Spatial Fisheries Management in the Presence of Dynamic Spatial Heterogeneity*

Benjamin Fissel

*Spatial-dynamics and optimal control of biological invasions*

Rebecca Epanchin-Niell (Presenter) and James E. Wilen

**Discussant:** Rebecca Toseland, UCSB

**3:05-3:15**     *Break*

**3:15-4:05**     *Session #12 Environmental Policy Analysis\**

**Chair:** Bob Turner, Colgate University

*A Model of Interdependent Technology Adoption between Smallholders with Applications to No-till in Morocco*

Nicholas Magnan (Presenter) and Aziz Fadlaoui

**Discussant:** Seth Binder, Yale University

*Structural Agricultural Land Use Modelling: A Spatial Analysis Using High-Resolution Data*

Carlo Fezzi (Presenter) and Ian J. Bateman

*Tax Evasion and the Double Dividend*

Antung Anthony Liu

**Discussant:** Bob Turner, Colgate University

**4:05**             *Closing Remarks*