



**U.S. Department of  
Transportation**

February 28, 2013

1200 New Jersey Avenue, SE  
Washington, DC 20590

Office of the Secretary  
of Transportation

**MEMORANDUM TO: SECRETARIAL OFFICERS  
MODAL ADMINISTRATORS**

**From:**

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X6-4540

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**Subject:**

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

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Departmental guidance on valuing reduction of fatalities and injuries by regulations or investments has been published periodically by this office since 1993. We issued a thorough revision of our guidance in 2008 and have issued annual updates to adjust for changes in prices and real incomes since then. Our most recent update, dated July 29, 2011, stated that a new review of the technical literature would be conducted to inform the next publication. The conclusions of that review are incorporated in this guidance.

Empirical studies published in recent years indicate a VSL of \$9.1 million in current dollars for analyses using a base year of 2012. We also find that an income elasticity of 1.0 should be used to project VSL to future years. Based on wage forecasts from the Congressional Budget Office, we estimate that there will be an expected 1.07 percent annual growth rate in median real wages over the next 30 years (2013-2043). These estimates imply that VSL in future years should be estimated to grow by 1.07 percent per year before discounting to present value.

This guidance also includes a table of the relative values of preventing injuries of varied severity, unchanged since the 2011 guidance. We also prescribe a sensitivity analysis of the effects of using alternative VSL values. Instead of treating alternative values in terms of a probability distribution, analysts should apply only a test of low and high alternative values of \$5.2 million and \$12.9 million.

This guidance and other relevant documents will be posted on the Reports page of the Office of Transportation Policy website, <http://www.dot.gov/policy>, and on the General Counsel's regulatory information website, <http://www.dot.gov/regulations>. Questions should be addressed to Jack Wells, (202) 366-9224 or [jack.wells@dot.gov](mailto:jack.wells@dot.gov).

cc: Regulations officers and liaison officers