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Earth Economics welcomes any progress towards acknowledging the vital importance of natural capital and associated flows of ecosystem goods and services, especially efforts to develop consistent standards and methods for tracking their extent and quality at the national level. Once a leader in this area, the U.S. has fallen behind other countries—and even the private sector—in integrating environmental factors into our understanding of progress and wellbeing.

Debates over whether to include ecosystems and ecosystem services in national accounts are not new. Currently, only resources produced by ecosystems that are then harvested, processed, and sold in markets are recorded in the System of National Accounts (SNA). While there are valid reasons for maintaining boundaries between direct spending and other asset types, to the degree that any solution reduces future costs, the current rules are biased towards approaches which lead to greater spending, and thus, a higher GDP. **Excluding the value provided by defensive expenditures from the SNA greatly diminishes the value of foresight.**

NOAA estimates that since 1980, the United States has sustained over \$2.15 trillion in natural disaster losses (www.climate.gov/news-features/blogs/beyond-data/2021-us-billion-dollar-weather-and-climate-disasters-historical). Since 2013, FEMA has included—and expanded—the economic value provided by ecosystems in their Benefit-Cost Analysis Toolkit. Earth Economics is proud of our role in developing these estimates. Given its central role in supporting community resilience, **we strongly recommend FEMA be included in future Working Group efforts.**

Renewable resources can provide benefits in perpetuity. It is a common practice to discount such future benefits based on a variety of assumptions, including opportunity costs. Yet discount rates strongly condition net present value (NPV), with higher rates prioritizing the present over the future. **Debates about the choice of rates should be available to the public, and regardless of the preferred rate, we recommend that NPV estimates also be reported at a 0% rate,** to support transparency and replicability.

The Working Group acknowledges the critical importance of empirical data for establishing the extent and status of ecosystems and ecosystem services. We strongly agree and urge that such **data be made freely available to the public** in formats and quality capable of replicating the development of national accounts—data that cannot be reviewed and analyzed in detail will do little to build trust. Similarly, we encourage federal agencies to support continual improvement in the extent, quality, and resolution of environmental and economic data that are freely available to the public.

The draft strategy correctly identifies several shortcomings of prioritizing GDP over other metrics. We recommend that the Working Group **develop guidelines for comparing and integrating changes across asset classes**, in part to avoid continued over-reliance on GDP, but also to underscore the role of natural capital. We enthusiastically welcome any and all progress towards addressing and fully valuing the importance of nature to our present and future wellbeing.

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