

Regulatory Analysis at the Intersection of Science and Policy

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Context

- Regulatory impact analysis has been required for major U.S. regulations for over 30 years.
 - Supported by both Democratic and Republican presidents.
- Core is a benefit-cost analysis; also addresses other impacts.
 - Assesses whether (quantified and nonquantified) benefits justify costs.
 - Rarely, if ever, the sole basis for decisionmaking.
- Part of the policymaking process; not insulated.
 - Within agencies, oversight provided by offices that report to political appointees.
 - Across agencies, oversight provided by the U.S. Office of Management and Budget in the Executive Office of the President.
- New “two-for-one” Executive Order 13771 presents additional challenges.

Context

OMB Circular A-4 (2003):

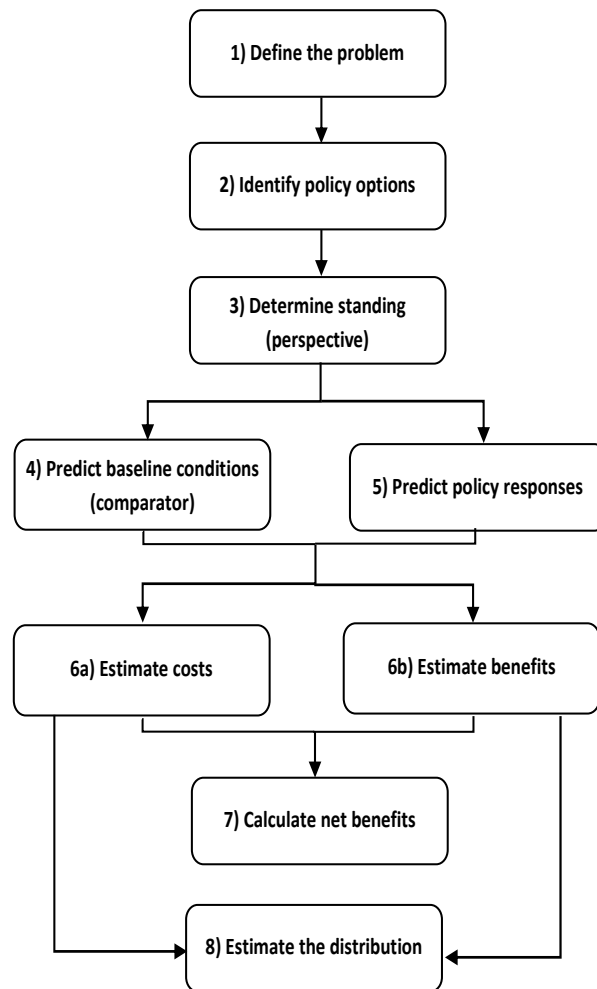
“You will find that you cannot conduct a good regulatory analysis according to a formula. Conducting high-quality analysis requires **competent professional judgment**.

Different regulations may call for different emphases in the analysis, depending on the nature and complexity of the regulatory issues and the sensitivity of the benefit and cost estimates to the key assumptions.

A good analysis is **transparent**. It should be possible for a qualified third party reading the report to see clearly how you arrived at your estimates and conclusions.”

Judgment Permeates the Process

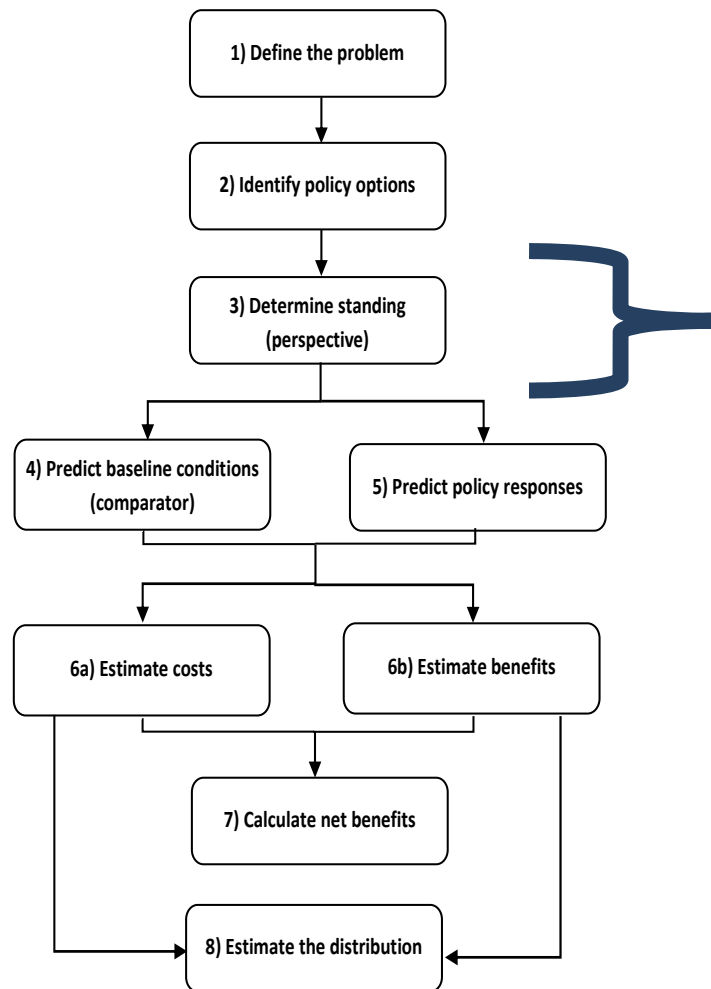
Basic Analytic Components



- Disagreements on:
 - What is the problem?
 - What options to consider?
 - What are the legal and other constraints?

Judgment Permeates the Process

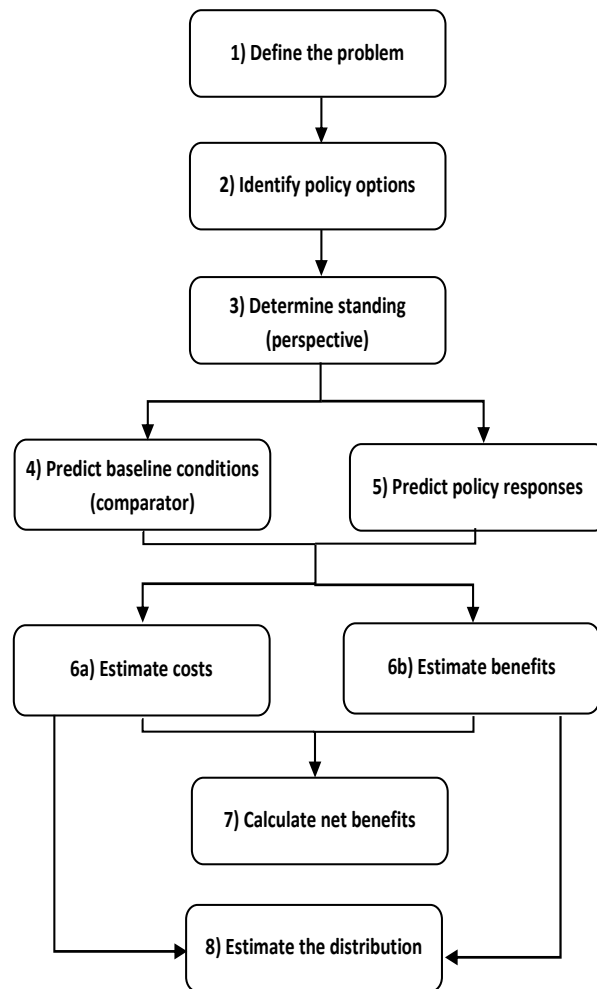
Basic Analytic Components



- Whose costs and benefits should be assessed? For example,
 - U.S. only?
 - Other countries?

Judgment Permeates the Process

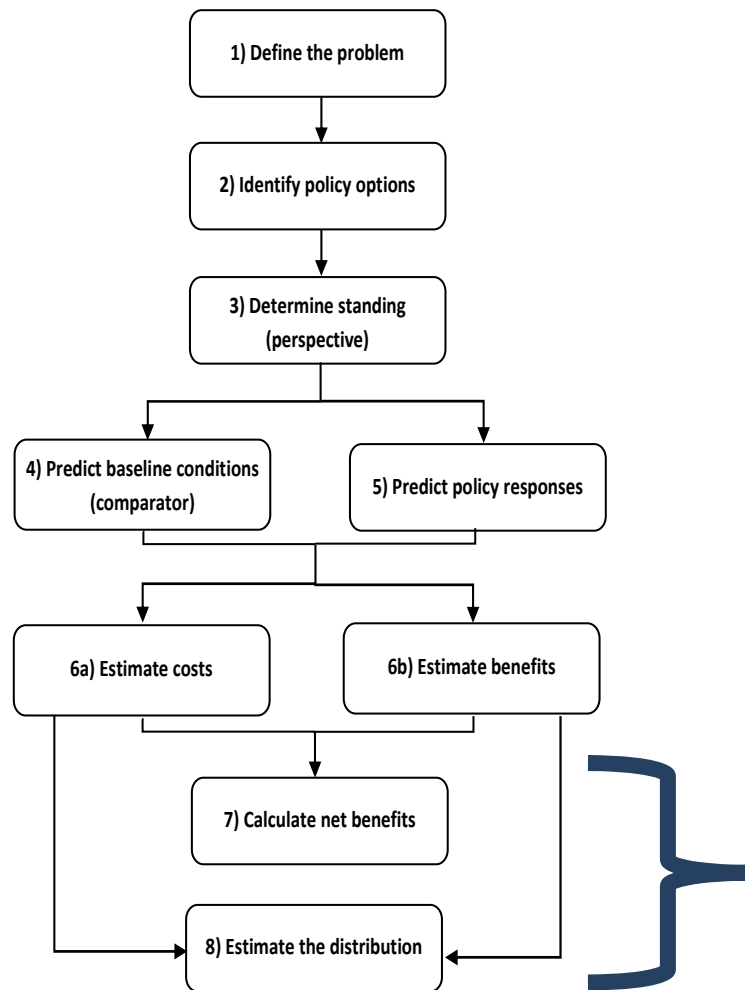
Basic Analytic Components



- How should uncertainty be addressed?
- What are the limits of quantification?
 - Will nonquantified effects be misinterpreted as “zeros”?

Judgment Permeates the Process

Basic Analytic Components



- What is the role of the analysis in the decisionmaking process?
 - Legal constraints
 - Political concerns
 - Technical feasibility

Implications for Analysts

- Working for government is one of the most rewarding opportunities for policy analysts.
 - Address interesting and important (and difficult!) issues.
 - Directly involved in policymaking process.
- Challenge is balancing:
 - Meeting the needs of decisionmakers.
 - Withstanding scrutiny by many other interested parties.
 - Maintaining own reputation for objective, high quality, useful analysis.

Implications for Analysts

Recognize that:

- Policymakers frequently have other priorities.
 - Politics, values, beliefs about government's role.
- Busy decisionmakers are often not interested in technical details.
 - Need to be succinct, focused on their concerns, use plain English.
- Comments that appear wrong-headed may have sensible underpinnings.
 - Probe and consider thoughtfully.
- Policy pronouncements will be abbreviated and simplified; may focus on different issues.
 - Use written products to clearly state rationale, separate normative from positive (scientific, empirical) issues, indicate role of judgment.
- You will not always be happy with the outcome.

Implications for Analysts

- Core trade-off:
 - being able to influence policy with difficulties of working in a political environment.
- But if we don't do the analysis, who will?
 - How well will it be done?
 - Will it be done at all?

How can SRA help?

Research and communication

- Promote policy-relevant research.
- Foster communication with policymakers, stakeholders, and the general public.
 - Analytic findings for specific policies.
 - Overall usefulness of the analysis.

Involvement

- Cultivate understanding of diverse views, within and outside of the risk analysis community.
- Encourage analysts to work for government.
- Promote education at young ages, particularly in underserved communities.