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Aimed at policymakers & other consumers of RIA

• Provide information on key RIA elements and best practices;
• Point out the ways in which RIAs might fall short of these best practices;
• Help readers better judge the quality of information provided in an RIA, and make more discerning assessments about the methods employed; and
• Improve readers’ ability to critically evaluate the justification offered to support regulatory actions.
1. Determine whether the RIA identifies the core problem (compelling public need) the regulation is intended to address.
   - Appreciate the role of markets when assessing regulatory policies.
   - Recognize when market forces may be inadequate.
   - Be wary of anecdotal or unrealistic justifications.
2. Look for an objective, policy-neutral evaluation of the relative merits of reasonable alternatives.

3. Check whether the RIA presents a reasonable “counterfactual” against which benefits and costs are measured.

4. Beware of totals and averages that may obscure relevant distinctions and trade-offs.
5. Recognize that all estimates involve uncertainty and ask what effect key assumptions, data, and models have on estimates.

6. Look for transparency and objectivity of analytical inputs.
7. Examine how projected benefits relate to stated objectives.
   – Look for evidence for and against a causal relationship.
   – Ask whether the analysis accurately characterizes indirect benefits and costs.
   – Understand the law of diminishing returns.
8. Understand what “costs” are considered.
   – Know when compliance costs are an insufficient proxy for opportunity cost.
   – Look to see whether estimated marginal costs are increasing.

9. Consider how benefits and costs are distributed.

10. Ensure that benefits and costs are presented symmetrically.
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