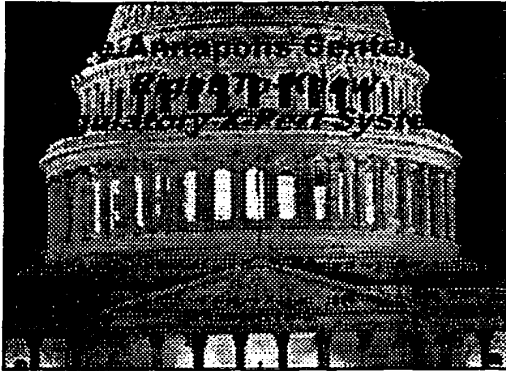


Right To Know Regulatory X-Pert System



The Annapolis Center's Right-To-Know Regulatory Expert System



An expert system to evaluate the completeness of scientific and economic analysis on major regulations.

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What is an expert system?

Created in the latter Apollo missions for NASA. Now required by DOD for all major weapon systems.

A system of questions that experts in the field(s) would ask to determine the completeness of the decision-making process.

Expert Systems

An expert system is a framework based on these "expert" questions. ("Yes/No") Is applied in a repetitive manner to evaluate the scientific and economic analysis that is used in formulating a regulation. (It is not a group of experts evaluating a regulation.)

The same framework is used on all regulations, this adds to its credibility and reduces the amount of subjectivity.

Overview of Reg X-Pert

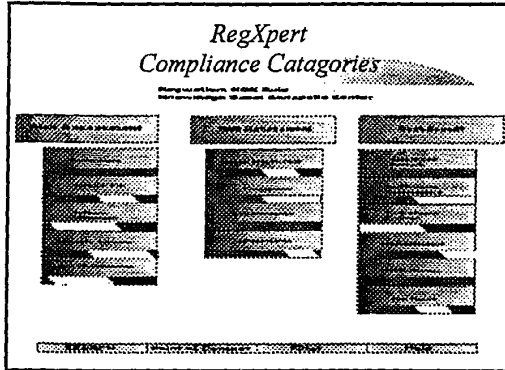
- *Focus: What is the completeness and quality of regulatory analyses?*
- *Based on accepted standards*
- *Objective assessment*
- *Allow comparison*
- *Provide "Facts sheets"*
- *Comprehensive*

Development of the Expert System's Software

The Center has developed the initial software for the expert system.

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Basis for Reg X-Pert

- Annapolis Accords
 - Risk Assessment, Risk Management, and Cost-Benefit
- OMB's Regulatory Analysis Guidance
 - E.O. 12866
 - January 1996

Key Topics: Compliance with OMB?

- Framing the Issue and the Alternatives
- General Principles: Economic Analysis
- General Principles: Risk/Uncertainty
- Benefit Estimation
- Cost Estimation
- Selection of Most Beneficial Alternative
- Other Regulatory Requirements

Key Topics: Compliance with Annapolis Accords?

- Risk Assessment
 - Complete and up-to-date
 - Clear definitions of hazard and exposure, time & populations
 - Explanation of scientific uncertainty
 - Risk communication for policy makers
- Risk Management
- Benefit-cost

Key Topics: Compliance with Annapolis Accords?

- Risk Assessment
- Risk Management
 - Early and informed public involvement
 - Assessment used to prioritize and manage risks
 - Incentives for new information
- Benefit-cost

Key Topics: Compliance with Annapolis Accords?

- Risk Assessment
- Risk Management
- Benefit-cost
 - Use as integral part of decision-making
 - Distributional consequences
 - Cost effective and flexible
 - Core economic assumptions used; uncertainties explained
 - Peer-review

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Reg X-Pert "Fact Sheets"

- Summary of Reg X-Pert Scoring
- What is the rule, why "significant"?
- What is the problem?
- What alternatives evaluated, B & C?
- Who benefits and who does it cost?
- Key assumptions and methods?
- Reviewers' assessment?

Who Is Working On This Project?

- Staff of House and Senate leadership
- Staff of appropriate House & Staff committees
- Former OMB staff

Peer-Review The System

Both the scientific and economic questions are being peer-reviewed. Robert Hahn, Ph.D., Director, AEI Brookings Joint Center for Regulatory Study, and formerly on the President's Council of Economic Advisors will perform the economic peer-review. George Gray Ph.D., Deputy Director, Harvard Center for Risk Analysis, will perform the scientific peer-review.

Initializing the System

Once peer-reviewed, we will load the system with major regulations in the environmental, health, and safety areas. (About 20-30 regulations per year.)

(Major regulations are defined as regulations that will have an economic impact in excess of \$100 million.)

Review With the Executive Branch

We will share the system at the appropriate time with OMB to get their input.



Benefits

- For subscribers, the expert system will load the reg 30 days after proposal. This will aid in developing comments on the reg. This will save the user time and money in researching the reg by pointing to the areas that are of the highest concern and impact.

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Benefits

- For the media and Members of Congress, it clearly demonstrates flaws in the Regs. This will help with oversight hearings, and Congressional Review.
- For attorneys and judges, it will assist in the adjudication process after the reg becomes law.

Future Goals

Develop similar expert systems for States

How You Can Help?

- Become a subscriber to the Regulatory Expert system.
- Become a Founding or Charter subscriber to the Regulatory Expert system
- Give us feedback on the Regulatory Expert system.

Pricing Structure

Founding Subscriber

Initial Fee	\$50,000
Yearly Access	\$ 2500
Additional Sites	Five sites at no charge; over five \$500 each.
Hourly Fees	None
Additional Benefits	Member may choose two Regulations for analysis

Pricing Structure

Charter Subscriber

Initial Fee	\$25,000
Yearly Access	\$ 2500
Additional Sites	\$ 500
Hourly Fees	None
Additional Benefits	Member may choose one Regulation for analysis

Pricing Structure

Regular Subscription

Initial Fee	\$10,000
Yearly Access	\$ 2500
Additional Sites	\$ 1000
Hourly Fees	None

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Pricing Structure

Additional Services

Analysis of special Regulations for members will be available on a quote basis per Regulation. Special services such as analysis of preliminary, past or state regs will be quoted upon request.

Cost Savings Potential

- Reduces initial research cost
- Average attorney Fee \$250 per hour
- 10 hours pays for service
- Additional usage increases cost savings

Sum: Reg X-Pert Will Provide

- Easy Internet access
- Systematic tool for evaluation
- Objective scoring
- Comparative information
- Key Facts
- Comprehensive record

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