Example of SBCA Workshop Description and Agenda

Addressing Uncertainty in Regulatory Impact Analysis

(Organizer: Jennifer Baxter, Industrial Economics Incorporated)

Estimates of the costs and benefits of proposed regulations are inherently uncertain. To develop such estimates, analysts must construct models attempting to predict the future. They rely on information that may be subject to limitations related to the quality of the methods used to collect the data, and the extent to which the data address the same population, industries, or geographic areas as the regulation. The models also require many assumptions, such as how regulated entities will respond to the regulation and the likely future state of the world.

A critical challenge for analysts is to clearly describe the key sources of uncertainty associated with these estimates, in qualitative or quantitative terms. The goal is to ensure that decision-makers and other stakeholders understand the extent to which uncertainty – in data, models, and assumptions – affects the main analytic conclusions. A well-developed presentation of uncertainty can aid decision-makers in understanding the confidence they should have in the results and the magnitude of any bias.

This workshop brings together experts and practitioners with diverse perspectives to discuss the need for uncertainty analysis, along with basic concepts, commonly applied tools and methods, and best practices for communicating results. Some of the tools we will discuss include scenario analysis; Monte Carlo simulation; event trees, probability trees, decision trees; sensitivity analysis and break-even analysis; and expert elicitation. It is targeted on those interested in conducting these analyses and those interested in better understanding the strengths and limitations of analyses they review. Prior to the workshop, participants will receive a list of optional readings. The workshop itself will consist of a series of presentations and case studies, with ample time for discussion.

Agenda

Wednesday, June 8, 2022

1:00 – 1:10 pm	Introductions	Aaron Kearsley
1:10 – 1:40 pm	Key Concepts and Selecting an Approach	Robin Dillon-Merrill & Jennifer Baxter
1:40 – 2:10 pm	Scenario Analysis	Aaron Kearsley
2:10 – 2:50 pm	Monte Carlo Simulation	Jennifer Baxter
2:50 – 3:00 pm	Wrap-up	Robin Dillon-Merrill

Thursday, June 9, 2022

1:00 – 1:10 pm	Re-cap of Day 1	Jennifer Baxter
1:10 – 1:35 pm	Event Trees, Probability Trees, and Decision Trees	Robin Dillon-Merrill
1:35 – 2:05 pm	Sensitivity Analysis/Break-even Analysis	Aaron Kearsley
2:05 – 2:30 pm	Expert Elicitation	Robin Dillon-Merrill
2:30 – 2:50 pm	Communicating Uncertainty	Jennifer Baxter
2:50 – 3:00 pm	Wrap-up	Jennifer Baxter