

**1. Full citation:**

Hahn, R. W., and P. M. Dudley. "How Well Does the U.S. Government Do Benefit-Cost Analysis?" *Review of Environmental Economics and Policy* 1.2 (2007): 192–211. Web. 29 Jan. 2013.

**2. Where did/does the author work, what else has s/he written about, and what are her/his credentials:**

Robert W. Hahn is the founder of the AEI Center for Regulatory and Market Studies which seeks to understand and improve regulation, market performance and government policies. He has written about global regulatory reform and antitrust law. His credentials include a Masters and Ph.D. in economics from the California Institute of Technology. Patrick Dudley is a former researcher at the AEI-Brookings Joint Center along with Robert Hahn.

**3. What are the topics of the text:**

The main topic of the text is how well the United States government does cost benefit analysis.

**4. What is the main argument of the text:**

The main argument of the text is that most Regulatory Impact Analyses (RIAs) are not done as well as they could be.

**5. Describe at least three ways that the argument is supported:**

- a) The argument is supported by analyzing a sample of seventy-four cost benefit analyses of federal government regulations that span the Reagan, Bush, and Clinton administration.
- b) The argument is also supported by using graphs to illustrate how many RIAs are lacking in information.
- c) Lastly, the argument is supported by detailing how a lack of political will might hinder the effectiveness of RIAs to some capacity.

**6. What three quotes capture the message of the text:**

- a) "The use of benefit-cost analysis has been particularly controversial in the area of environmental, health, and safety regulations"
- b) "The purpose of this article is to examine how benefit-cost analysis is actually performed by U.S. government agencies. To this end, we assess the quality of a sample of seventy-four benefit-cost analyses of federal environmental regulations from the Environmental Protection Agency (EPA) that span the Reagan administration, the first Bush administration, and the Clinton administration."

- c) “Our principal finding is that fundamental economic information was not reported in many of the RIAs, including information on relevant policy alternatives and information on net benefits. The EPA’s analyses frequently did not provide adequate information about a proposed regulation to justify decisions to proceed with that regulation. The absence of information on net benefits is especially unfortunate because it is so closely linked to the goals of the executive orders. In addition, many RIAs lacked adequate summaries.”

**7. What three questions about environmental risk and precaution does this article leave you with:**

- a) What else is cost benefit analyses used for?
- b) What is the history of a cost benefit analysis?
- c) What does the author believe is necessary to call a cost benefit analysis ‘adequate?’

**8. What three points, details or references from the text did you follow up on to advance your perspective on environmental risk and precaution:**

- a) I looked more into the history of the cost benefit analysis. The CBA has been in use in the US since the year 1848 after the Corps of Engineers started it.  
([http://en.wikipedia.org/wiki/Cost-benefit\\_analysis#History](http://en.wikipedia.org/wiki/Cost-benefit_analysis#History))
- b) I looked at more examples of cost benefit analysis in other situations that were not environmental.
- c) I looked more into the different methods of making cost benefit analyses.