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7020-02

INTERNATIONAL TRADE COMMISSION

Request for Comments Regarding International Trade Commission's Economic Analysis

AGENCY: The United States International Trade Commission.

ACTION: Request for comments regarding International Trade Commission's Economic Analysis, Investigation No. MISC-054.

SUMMARY: Pursuant to Section 332 of the Tariff Act of 1930, the United States International Trade Commission (Commission) is seeking information from the public on its economic analysis, including its methodology and areas of focus.

DATES: To ensure consideration, written comments must be submitted on or before March 25, 2027.

ADDRESSES: Lisa R. Barton, Secretary to the Commission, U.S. International Trade Commission, 500 E Street SW, Washington, D.C. 20436, telephone 202-205-2595. General information concerning the Commission may be obtained by accessing its Internet server at *https://www.usitc.gov*. Hearing-impaired persons are advised that information can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

You may submit comments, identified by docket number MISC-054, by any of the following methods:

Agency Website: https://www.usitc.gov. You may submit comments on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov*. For help accessing EDIS, please email EDIS3Help@usitc.gov.

Email: Submit comments via to *Secretary@usitc.gov*. Include docket number MISC-054 in the subject line of the message. Comments submitted by email ***must*** be: in letter format and double-spaced (unless the document is less than two (2) pages); in portable document format **(PDF**); and signed with either a typed or written signature. All comments received will be posted without change to the agency's public record, including any personal information provided.

Instructions: All submissions received must include the agency name and docket number (MISC-054, along with written comments addressing the topics on which the USITC seeks information. All comments received will be posted without change to *https://www.usitc.gov*, including any personal information provided. Written comments filed on EDIS must conform to the provisions of section 201.8 of the Commission's Rules of Practice and Procedure (19 CFR 201.8).

Docket: For access to the docket to read background documents or comments received, go to *https://www.usitc.gov* and/or the U.S. International Trade Commission, 500 E Street S.W., Room 112, Washington, D.C. 20436.

FOR FURTHER INFORMATION CONTACT: Jennifer Andberg, Office of External Relations ((202) 205-3404, or Jennifer.Andberg@usitc.gov). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202-205-1810. General information about the Commission is available by accessing the Commission website at www.usitc.gov. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at (202) 205-2000.

SUPPLEMENTARY INFORMATION:

I. Background

1. Relevant statutory authorities

Pursuant to section 332 of the Tariff Act of 1930 (19 U.S.C. § 1332 ("section 332")), whenever requested, the Commission submits to the President, and, by delegation, the United States Trade Representative (USTR); the Senate Finance Committee (SFC); or the House Ways and Means Committee (HWM) information and analysis on any matter related to tariffs, international trade, and industry competitiveness. Additionally, the President or Congress can task the Commission with factfinding investigations on various topics, which the Commission can also institute on its own initiative. Other statutes such as section 131 of the Trade Act of 1974 and statutes for specific trade agreements also provide authority to conduct factfinding investigations.

The Commission's work under section 332 and these other authorities utilize some degree of economic analysis. In such investigations, the Commission often analyzes the ways that trade and trade policy affect U.S. workers, producers, consumers, and the U.S. economy as a whole. The analysis helps inform policymakers' decisions on trade policy and international trade negotiations. In conjunction with other factfinding tools such as public hearings and written submissions, the Commission often uses analytical approaches including quantitative models, which are simplified, mathematical representations of an economy or industry using certain real-world data, to help isolate—and thereby understand—the impact of a past or future change when many factors could affect the outcomes.

To ensure that the Commission can meet the challenges posed by changing global and economic circumstances that are highly relevant to trade, it has decided to evaluate on an ongoing basis its analytical tools, data sources, and methodologies to ensure its work remains accurate, relevant, and responsive to its stakeholders.

2. Commission analytical approaches and how they are used

Given the variety of topics the Commission is obligated to analyze, the Commission uses a variety of analytical techniques, which can be combined to suit the topic(s) to be examined, including qualitative analysis, quantitative analysis without modeling, and quantitative analysis with economic modeling, which, as mentioned, can help assess the impact of a policy change by filtering out other factors, with important caveats.

The Commission's models vary by technique and scope. Major simulation models are built at the level of an industry or the entire economy. At the economy-wide level, the main modeling approach at the Commission has historically been the computable general equilibrium (CGE) model, based on the Global Trade Analysis Project (GTAP) database. This approach has been deployed numerous times in both factfinding investigations, such as in the evaluation of the likely impact of the United States-Mexico-Canada Agreement (USMCA) that the Commission published in 2019 (Inv. No. TPA-105-003, *U.S.-Mexico-Canada Trade Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors*). Meanwhile, industry-level partial equilibrium models focus on a single economic sector without modeling the interactions between economic sectors, such as in the Commission's regular assessments of the USMCA automotive rules of origin (Inv. No. 332-600, *USMCA Automotive Rules of Origin: Economic Impact and Operation, 2025 Report*).

Although less frequently deployed in factfinding investigations as stand-alone models, econometric models have been used, for example, to measure the extent of "pass-through" from tariffs to U.S. prices in the Commission's analysis of the impact of the tariffs imposed in 2023 under section 232 of the Trade Expansion Act of 1962 and section 301 of the Trade Act of 1974 (Inv. No. 332-591, *Economic Impact of Section 232 and 301 Tariffs on U.S. Industries*). More recently, in place of a CGE model, the Commission used an econometric "gravity" equation as part of a general equilibrium gravity model in a 2026 study on the impact of revoking China's permanent normal

trade relations status (Inv. No. 330-609, *Effects on the U.S. Economy of Revoking China's Permanent Normal Trade Relations Status*).

In addition to the above trade models that have generally been focused on medium- and long-run outcomes, such as by assuming the entire U.S. labor force is employed and can move freely across sectors, the Commission is considering how to develop and deploy economic models that are more equipped to look at short-term outcomes before employment, wages and other aspects of the economy fully adjust to any policy change.

Because models cannot capture every feature of the real world, they necessarily rely on assumptions and simplifications. Different modeling approaches may also emphasize different channels through which policies affect economic outcomes. Economy-wide simulation models, such as CGE models, have been subject to criticism regarding certain assumptions, including assumptions about full employment and worker mobility across sectors, particularly when used to analyze the effects of trade policy changes.

II. Topics on Which USITC Seeks Information

The Commission seeks information from the public on any of the following topics. After the comment period concludes, the Commission intends to produce a report that includes a summary of comments. The comments will also inform how the Commission moves forward with its factfinding Section 332 and related responsibilities.

General analytical approach

1. Do you think the Commission currently has the right analytical tools, including economic models, to address major trade policy questions over the next 5–10 years? Why or why not?
    a. What non-modeling approaches should the Commission's analytical toolkit include?

b. What is the full suite of models (e.g., industry-specific versus economy-wide; short-term versus long-term) that the Commission should have available for use in its analysis?

2. What factors or topics should the Commission's economic analysis be able to consider? Would they include, but not be limited to, the following:
    a. Effect of trade on labor markets
        i. Short-term effect on workers
        ii. Long-term effect on workers (e.g., changes in workforce capacity or skill sets in certain industries)
        iii. Effect on the quality of jobs available for workers, including any shifts in wages, benefits, or job security
    b. Effect of trade on investment
    c. Effect of hostile trade actions, including boycotts, export controls, or other trade sanctions placed on the United States or U.S. persons
    d. Effect of trade on distribution of wealth/income within the United States, including across geographic regions and demographic groups
    e. Effect of trade on the environment
    f. Effect of trade on immigration
    g. Interaction of trade policy with domestic policies and regulations (e.g. intellectual property, environmental regulations, labor regulations, tax policy, immigration policy)
    h. Interaction of trade with domestic and international protection and enforcement of intellectual property rights
    i. Interaction with trade imbalances
    j. Interaction with market concentration
    k. Other topics you believe would be useful for the Commission to consider

3. Given the Commission's statutory obligations, which of the above topics should the Commission prioritize?
4. Please discuss what trade questions are well suited to modeling, and which are better served by a different sort of analysis, such as descriptive trend analysis, legal analysis, or other analytical approaches.

Economic modeling

5. How effective have the Commission's models been at evaluating the effects of major trade policy changes in past years? Please reference specific examples.
6. How can the Commission best engage in quality control of its modeling prospectively and evaluate the accuracy of its modeling retrospectively? Should the Commission regularly and publicly undertake model validation to evaluate the accuracy of its models?
7. Are there existing alternatives to Commission models that are more accurate, or that would capture factors that the Commission should consider? What trade-offs, if any, might such other models have?
8. Are there other branches of economics or disciplines outside of economics that might be useful in helping the Commission improve its modeling and other analytical techniques? Please provide specific examples of techniques, papers, authors, or other details to help the Commission identify these items.
9. How can the Commission incorporate or improve any of the following practices, and are there examples of best practices from a Commission report or external report:
    a. Sensitivity analysis to test the importance of assumptions on model outcomes
    b. Indications as to the level of certainty of model estimates
    c. Plain narrative explanation and data visualization

d. Transparency of model assumptions and limitations

e. Replicability of model releases

Other specific questions

10. Should the Commission attempt to quantify the impact of nontariff measures (NTMs) on trade? If quantification is appropriate, how should this be conducted? How should the Commission account for the potential non-trade-related impacts of NTMs (e.g., on public health and the environment)?
11. What datasets should be created, refined, or expanded upon for the Commission's use on understanding the effects of trade policy?
12. How can the Commission make the best use of AI tools for quantitative analysis?
13. Are there any ways in which the Commission's information-gathering techniques such as public hearings, field visits, written submission periods, or surveys can be improved?
14. From whom (e.g., the public and/or technical experts) should the Commission receive input regarding its analytical approaches, and with what frequency and in what manner should the Commission solicit such input? Would the Commission benefit from establishing a public advisory council for economic modeling?
15. Anything else that the submitter believes would help the Commission improve its modeling.

III. Submission Instructions:

Written submissions: Interested persons are invited to file written submissions and other information concerning the matters to be addressed in this request. All written submissions should be addressed to the Secretary, and should be received no later than 5:15 p.m., March 25, 2027. All written submissions must conform to the provisions of section 201.8 of the Commission's Rules of Practice and Procedure (19 CFR 201.8).

Filings must be made through the Commission's Electronic Document Information System (EDIS, https://edis.usitc.gov) or via *email*. Persons with questions regarding electronic filing should contact the Office of the Secretary, Docket Services Division (202–205–1802), email EDIS3help@usitc.gov, or consult the Commission's Handbook on Filing Procedures.

Confidential business information:

Any submissions that contain confidential business information (CBI) must also conform with the requirements in section 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). Section 201.6 of the rules requires that the cover of the document and the individual pages be clearly marked as to whether they are the "confidential" or "nonconfidential" version, and that the CBI is clearly identified by means of brackets. All written submissions, except for CBI, will be made available for inspection by interested persons.

All information, including CBI, submitted may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel for cybersecurity or other security purposes. The Commission will not otherwise disclose any CBI in a manner that would reveal the operations of the firm supplying the information.

By order of the Commission.

Issued: November 23, 2026.

Lisa Barton,

Secretary to the Commission.

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