

# **Future Research Directions<sup>1</sup>**

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<sup>1</sup> Remarks for the EPA Science Advisory Board meeting on Economy-wide Analysis of Air Regulations, July 19/20, 2016

# Future Directions

- **Dealing with unemployment; this seems to be critical:**
  - **Frictional**
  - **Structural**
- **Explore/develop/validate trade specifications in existing, large, open economy models – could be done by comparing unilateral env reg experiments with global trade models**
- **Explore firm heterogeneity – particularly wrt emissions intensities within the sector**
- **Investigate presence of oligopoly profits and potential for procompetitive effects**
- **We didn't talk much about household incidence; this seems to be to at the heart of the impacts question. Household impacts depend critically on the factor market specifications**