THE LETTER TO THE DATA EDITOR

Dear AEA Data Editor,

This letter summarizes the changes that we made to the data repository (OPENICPSR-112005), as our responses to your comments on our submission to the *American Economic Journal: Macroeconomics*. We sincerely appreciate the careful investigation of the replication team into our programs. We believe that we have fixed all the issues as per your request. Our responses are in the same order as the sections in your report.

1. Summary

   - We have added data citations for NGSPS, CNEC and SUSB to the article.
   - We have removed all the files that were destined for the Data Editor only.
   - We were a bit puzzled by this comment as we have filled all the OpenICPSR metadata fields. We think this may simply be a typo.
   - The programs and instructions for appendix tables and figures had already been uploaded in our first submission. We apologize for any miscommunication. The complete code for inline numbers has been provided.

2. Data Description

   - NGSPS: Data citation has been added to the article. The source for "The Regulations on the National General Survey of Pollution Sources" has been provided in the references.
   - CNEC: Data citation has been added to the article. Additional information regarding the CNEC, including a landing page at the NBS of China, has been provided in the README (Section I.A).
   - SUSB: Data citation has been added to the article.

3. Replication Steps:

   - In the README, we did provide two tables (Tables 1 and 2) explaining which file depends on which dataset and generates which result. These two tables were mentioned in the opening paragraphs of Sections II and III of the README. To further highlight the two tables, we have added a paragraph at the end of Section I.C to emphasize them.

4. Findings:

- We have written two new MATLAB scripts `generate_tables_main.m` and `generate_tables_appendix.m` to directly compute and print Tables 4, 5, 6 and J.1 to MATLAB terminal. No manual calculation is needed anymore. We have also revised the instructions in the README accordingly.
- There are only two in-text numbers that require manual calculation: the average reduction in intensity for polluting industries and for the whole manufacturing sector (Section II point 5 of the README). They are now automated in `Accounting.R` as well. The code and instruction are both updated accordingly.

5. MATLAB Terminal:

   - The programs and instructions for appendix tables and figures had already been uploaded in our first submission.
   - We suspect that the reason that the data editor did not see the computation accuracy related information (optimality tolerance, etc.) is due to a different version of MATLAB being used. In the code, we have specified the option `'final-detailed'` when calling `fsolve` to request MATLAB to print information regarding computation accuracy. Such information was correctly printed when we tested our code in both MATLAB R2014a, R2016a and R2017b. We believe that minor revisions to the syntax should be sufficient for other versions.