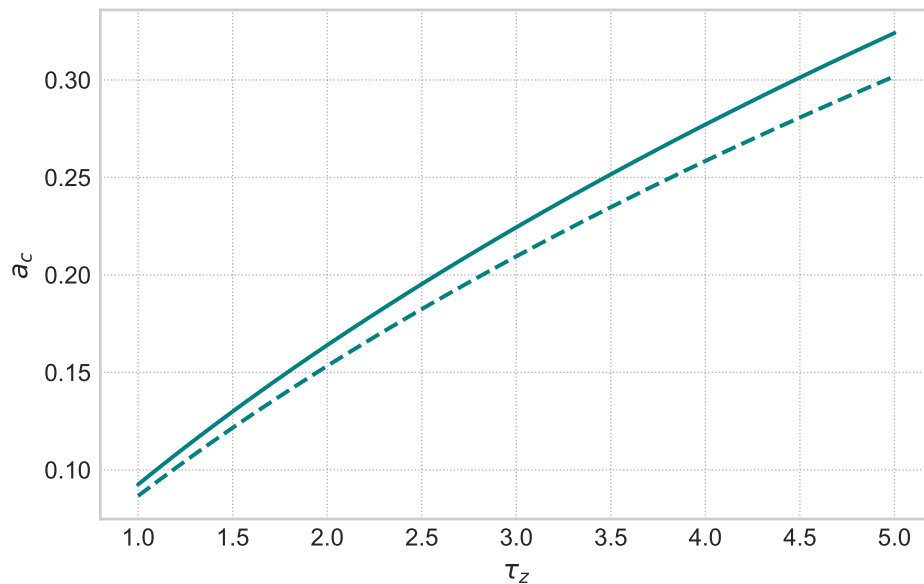
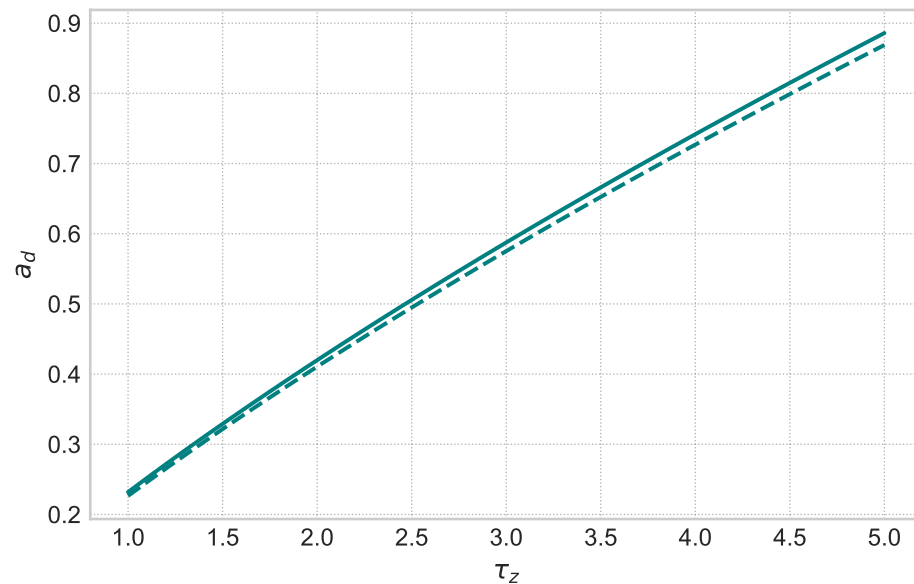


# Abatement Response to Environmental Tax (Abatement Model)

## Abatement, Clean Sector



## Abatement, Dirty Sector



— Pre-existing  $\tau_w$  (Abatement Model)

- - - Optimal Baseline  $\tau_w$  (Abatement Model)