

Your paper fills a void in the literature and we do learn interesting things about Science and Technology Parks in China. The data set seems well suited for this analysis. Both referees were positively disposed towards the paper and made some useful suggestions. To make the results more convincing, I suggest the following changes:

1. It seems illogical to discuss the FE results for one group of firms (STIP sample), but the RE for the other group (non-STIP sample), as you do on pages 18-19. Either the specification and assumptions are appropriate or inappropriate, but you cannot claim it's appropriate only for a subset of the observations. Pick the one that fits best overall.
2. You never make clear exactly what the fixed effects are. Are these city-level fixed effects or firm-level? Either way, it would be useful to know whether any of the identification comes from firms' status changing--relocations into STIPs or expansions of STIPs to include new firms--or whether all differences are due to different within-firm (within-STIP?) changes.
3. Both reviewers were unsatisfied with the discussion of the intuition and conclusions attached to the congestion effects. A more precise articulation of what we learn exactly seems warranted.
4. The nature of the identification strategy follows the usual difference-in-differences set-up. One can additionally control for selection on time-varying observables by using propensity score matching to pair each STIP firm with a non-STIP firm in the same city in a first stage. You would then run the same FE regression as in the paper on the limited sample of matched firms. This would be a very useful robustness check for the main results in Table 5, but it would require some relevant firm-level variables that have predictive power on the STIP versus non-STIP location choice. Given that this decision might have been made long before your data starts, I leave it up to the authors to include this or leave it out.