

REPLY[†]

B. D. McCULLOUGH*

Federal Communications Commission, Washington, DC 20554, USA

EViews performs well on the reliability tests I applied in my software review, including the nonlinear suite of the StRD, and it is most unfortunate that this was not discovered prior to publication.

I incorrectly entered the ENSO equation due to a typographical error. I incorrectly entered the three GAUSS equations because I was unaware that EViews maintains precedence of unary negation over exponentiation: if $x = 1$ then $-x^2$ evaluates to $+1$ and not -1 . This is mentioned in the user manual. I have since learned that RATS, Excel and other programs have this precedence ordering; Ox has it and plans to change it, and Stata had it until recently. The rest of my results are correct. The remaining discrepancies are due to the fact that the non-default tolerance I entered was reset to the default tolerance without warning the user. Consequently, what I thought were non-default results were very nearly default results (different iteration bounds account for the fact that my default and non-default results were not identical). Clearly, such 'near-default' results should not be compared to the non-default results of the other packages.

Precisely to avoid problems such as these, and because I intentionally did not read each of the nearly 3000 pages of manuals for the four packages I reviewed, I sent each developer a draft of the review. Not only did I solicit comment/correction, I specifically stated that I would substitute their preferred combination of non-default nonlinear options for the ones I used. My review (p. 197) states clearly that 'the preferred combination is used as a starting point for an all-out attempt' and that 'once a solution is produced, even if it has zero digits of accuracy, it is reported[.]' That the StRD problems are relevant to statistical and econometric software is discussed in McCullough (2000). While EViews provided comment/correction on other parts of the draft, they offered none on the nonlinear part and did not offer their own preferred combination. This can only be attributed to an unfortunate administrative oversight. Had this oversight not occurred, there is no doubt my results would have comported fully with Lilien's Table I, which results I verified when EViews supplied me with the appropriate non-default options.

Econometric software has too long competed on the bases of speed and user-friendliness. I was both gratified to see the computational enhancements in EViews 3.1 and intrigued by the plans for 4.0, because it means that econometric software finally will compete on the more important bases of accuracy and reliability.

REFERENCE

McCullough, B. D. (2000), 'Experience with the StRD: application and interpretation', in Berk, K. and Pourahmadi, M. (eds), *Proceedings of the 31st Symposium on the Interface: Models, Prediction and Computing*, 16–21.

* Correspondence to: B. D. McCullough, Federal Communications Commission, 445 12th St. SW, Room 2C-134, Washington, DC 20554, USA; e-mail: bmccullo@fcc.gov

† This article is a US government work and is in the public domain in the United States.