Globalization for Sale

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Motivation

- Recent decades have seen a proliferation of regional trade agreements, which are mostly Free Trade Agreements (FTAs)
- Rodrik (2018): the political economy of trade agreements is shaped largely by "rent-seeking, self-interested behavior on the export side." Rather than rein in protectionists, FTAs empower "politically well-connected firms"
- This argument seems in contrast with standard view that trade liberalization is met by staunch opposition (e.g. Grossman and Helpman, 1994; Goldberg and Maggi, 1999; Bombardini, 2008). View focused on unilateral and sector-specific trade policies, so trade liberalization can only hurt firms
- FTAs are reciprocal and cover multiple sectors, and can thus benefit large firms that select into trade, allowing them to improve access to foreign consumers and to reduce the cost of sourcing inputs from foreign suppliers

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Our paper

We study the role of firms in the political economy of trade agreements:

1. Using detailed information available under the Lobbying Disclosure Act, we build a unique dataset on firm-level lobbying expenditures on FTAs
2. We provide systematic evidence that the politics of trade agreements is dominated by large pro-FTA firms, in line with Rodrik's argument
3. We develop a new model of endogenous lobbying on trade agreements by heterogeneous firms, which can explain the observed variation on the extensive and intensive margin of firm-level lobbying on FTAs

Plan of talk

1. Introduction
2. **Related Literature**
3. Dataset
4. Selection into lobbying: stylized Facts
5. Model
6. Determinants of firm-level lobbying expenditures
7. Conclusions

Related literature

- Political economy of FTAs (e.g. Grossman and Helpman, 1995; Krishna, 1998; Ornelas, 2005; Maggi and Ossa, 2020)
- Firm Heterogeneity in Trade (e.g. Bernard and Jensen, 1999; Melitz, 2003; Helpman *et al.*, 2004; Antràs *et al.*, 2017)
- Lobbying/rent-seeking in contests (e.g. Tullock, 1980; Becker, 1983; Dixit, 1987; Esteban and Ray, 2001; Siegel, 2009; Cole *et al.*, 2018)

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Data on lobbying

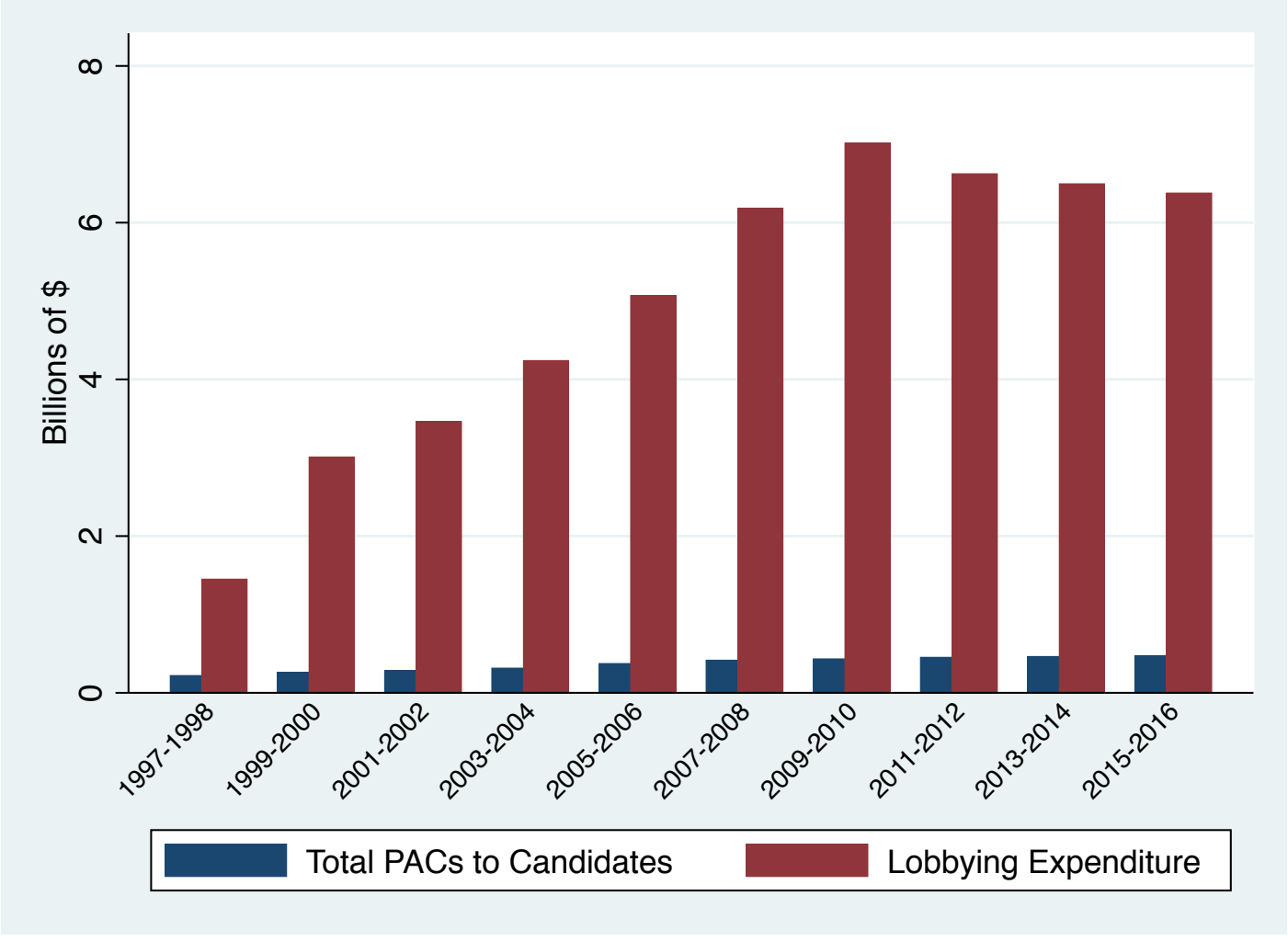
- Early empirical studies on lobbying use data on campaign contributions to classify sectors into politically organized or not (e.g. Goldberg and Maggi, 1999; Gawande and Bandyopadhyay, 2000; Bombardini, 2008)

- In line with recent studies, we use data on lobbying expenditures from reports available under the Lobbying Disclosure Act of 1995 (e.g. Blanes i Vidal *et al.*, 2012; Bertrand *et al.*, 2014; Kim, 2017; Mayda *et al.*, 2018)

- Key advantages:
  - Data on lobbying expenditures allows tracing the issues targeted by lobbyists, which is not possible for data on contributions
  - Lobbying expenditures are the most important channel of political influence (more than ten times larger than PAC contributions)

Figure

Lobbying expenditures vs campaign contributions (all issues)



Lobbying Disclosure Act

- The Lobbying Disclosure Act (LDA) requires individuals and organizations to file semi-annual reports with detailed information on their lobbying activities and imposes significant penalties for violations of its requirements
- Lobbying activities include all efforts to influence the thinking of legislators or other covered federal officials (e.g. contacts with legislators, preparation and planning of activities, research and other background work)
- We collect from the Senate's Office of Public Records (SOPR) all lobbying reports related to FTA ratification bills in Congress

Ratification Bill Numbers of US Free Trade Agreements since LDA

FTA partner	Date of entry Into Force	Votes in the House		Votes in the Senate	
		Bill Number	Date	Bill Number	Date
Jordan	December 17, 2001	H.R.2603	July 31, 2001	S. 643	Sept. 24, 2001
Chile	January 1, 2004	H.R.2738	July 24, 2003	S. 1416	July 31, 2003
Singapore	January 1, 2004	H.R.2739	July 24, 2003	S. 1417	July 31, 2003
Australia	January 1, 2005	H.R.4759	July 14, 2004	S. 2610	July 15, 2004
Morocco	January 1, 2006	H.R.4842	July 22, 2004	S. 2677	July 21, 2004
Bahrain	January 11, 2006	H.R.4340	Dec. 7, 2005	S. 2027	Dec. 13, 2005
CAFTA-DR (El Salvador)	March 1, 2006	H.R.3045	July 28, 2005	S. 1307	July 28, 2005
CAFTA-DR (Honduras)	April 1, 2006				
CAFTA-DR (Nicaragua)	April 1, 2006				
CAFTA-DR (Guatemala)	July 1, 2006				
CAFTA-DR (Dominican Rep.)	March 1, 2007				
CAFTA-DR (Costa Rica)	Jan. 1, 2009				
Oman	Jan. 1, 2009	H.R.5684	July 20, 2006	S. 3569	Sept. 19, 2006
Peru	Feb. 1, 2009	H.R.3688	Nov. 8, 2007	S. 2113	Dec. 4, 2007
Colombia (1)	-	H.R.5724	-	S. 2830	-
Korea	March 15, 2012	H.R.3080	Oct. 12, 2011	S. 1642	Oct. 12, 2011
Colombia (2)	May 15, 2012	H.R.3078	Oct. 12, 2011	S. 1641	Oct. 12, 2011
Panama	October 31, 2012	H.R.3079	Oct. 12, 2011	S. 1643	Oct. 12, 2011

Lobbying dataset

- Our main dataset is based on all reports filed by firms
- Firms account for most lobbying expenditures on FTAs

Examples of lobbying reports

- The reports provide information on the identity of the lobbying firm and its lobbying expenditures on a particular FTA
- We manually code the position on the FTA, using information from Section 16 of the report, e.g. *support, sought passage, advocate for swift passage, passage of bill in its entirety, promoting the passage, enactment of entire bill, promotion of entire agreement, urged passage*
- When the information on the firm's position is not clearly expressed in the report, or is missing, the coding of the firm's position is based on official company statements (e.g. CEO statements, company websites)

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Matched dataset

- We match the lobbying dataset with Compustat and collect additional information about lobbying and non-lobbying firms (e.g., sales, employment, SIC and NAICS codes, export and import status)
- We combine data on tariffs (WITS), input-output linkages (BEA), and GDP (World Bank) to capture the effects of an FTA on a firm's profits:
  - Improved access to consumers in the foreign market
  - Improved access to suppliers in the foreign market
  - Increased competition in the domestic market

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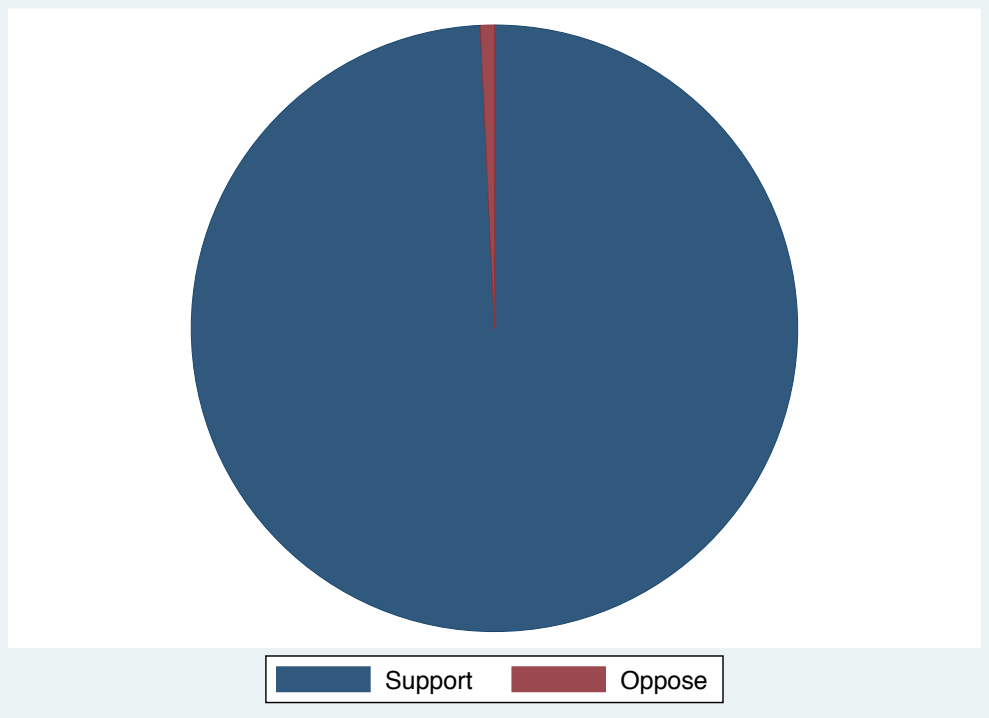
Fact 1: Virtually all lobbying firms are in favor of FTAs

Position on FTAs of lobbying firms (all ratification bills)



In 99.25% of the cases, lobbying firms are in favor of the FTA

- Fact 1 holds across all FTAs that have been negotiated by the United States, both with **small partners** (e.g. Panama or Colombia) and with **larger partners** (e.g. Australia and Korea)

- Our main dataset is based on lobbying reports that explicitly mention the **bills for the ratification of the FTAs**, allowing us to study firms' position on the actual trade deal that, if ratified, will be implemented

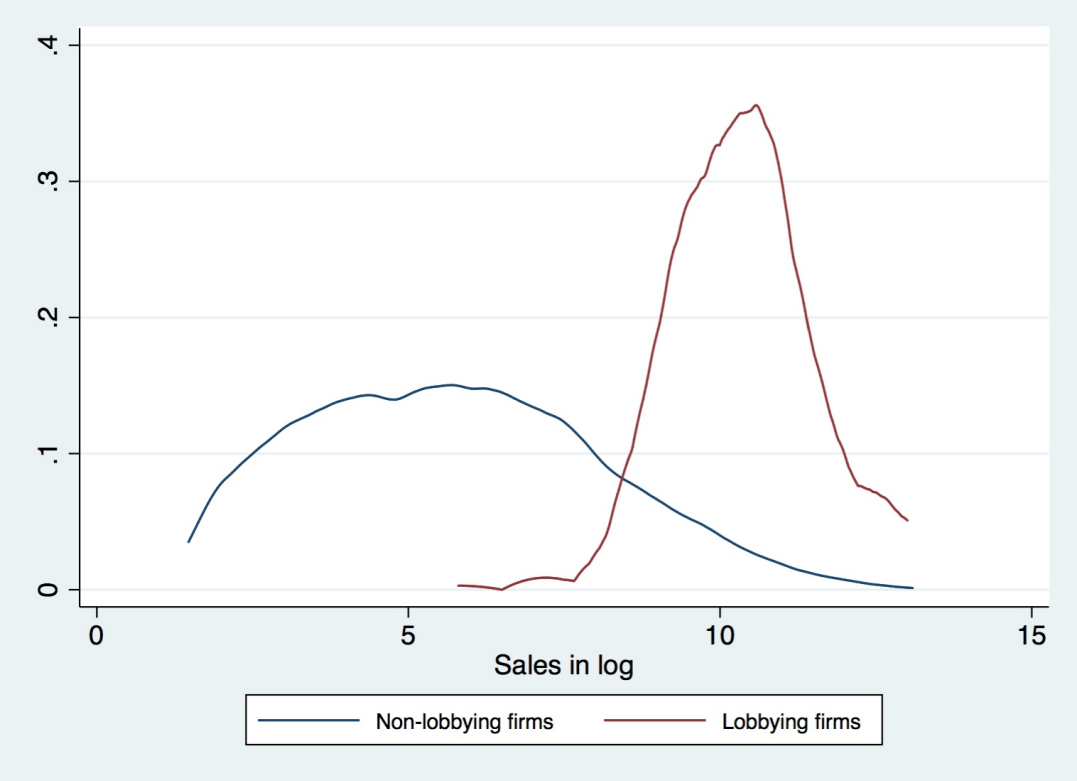
- Using **keywords** to trace lobbying on FTAs, we verify that Fact 1 holds

  - Not only for **agreements that have been ratified**, but also for agreements that **did not reach the ratification stage**

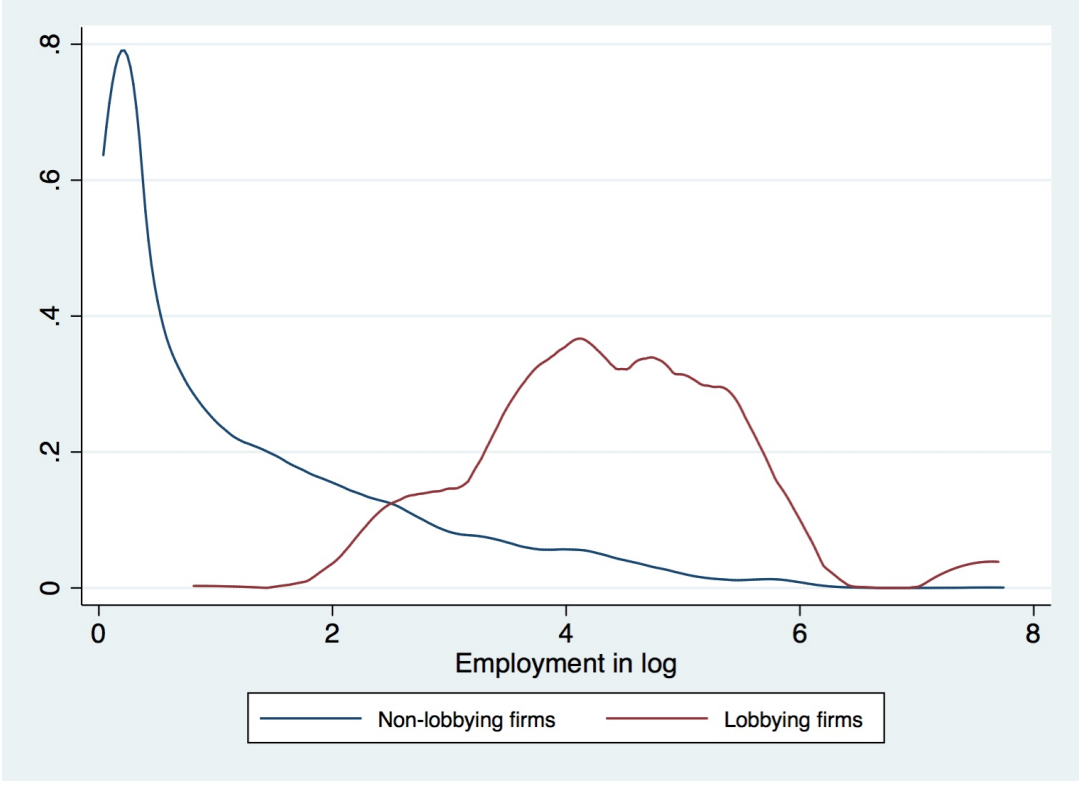
  - Not only for lobbying expenditures **after the signature of the agreement** (when only ratification decisions can be affected), but also **before** (when the content of the agreement can be modified)

Fact 2: Larger firms are more likely to lobby on FTAs

Sales distribution (lobbying vs non-lobbying firms)



Employment distribution (lobbying vs non-lobbying firms)



Probability of lobbying on FTAs, the role of firm size

	(1)	(2)
$\log(\text{Employment}_{f,t})$	0.004***	
	(0.0003)	
$\log(\text{Sales}_{f,t})$		0.004***
		(0.0010)
FTA FE	Yes	Yes
SIC2 FE	Yes	Yes
Observations	67,716	67,716
Pseudo R^2	0.463	0.504
Predicted probability	0.0037	0.0037

The table reports marginal effects of probit regressions. The dependent variable is *Lobbying on* $FTA_{f,j,a,t}$ is a dummy equal to 1 if firm f producing good j lobbies on the ratification of agreement a in year t. Standard errors clustered at the FTA-SIC1 level in parenthesis.

1% increase in firm size leads to 1% increase in the predicted probability of lobbying

Fact 3: Firms that are engaged in international trade and operate in comparative advantage sectors are more likely to lobby on FTAs

Probability of lobbying on FTAs, the role of trade participation

	(1)	(2)	(3)	(4)	(5)	(6)
Tradable sector$_j$	0.006**	0.010***				
	(0.0021)	(0.0029)				
log(RCA$_{j,a}$)			0.0002***	0.0002***		
			(0.0001)	(0.0001)		
Exporter and/or importer$_{f,t}$					0.031**	0.018**
					(0.0133)	(0.0078)
log(Employment$_{f,t}$)		0.004***		0.0011***		0.010***
		(0.0010)		(0.0001)		(0.0030)
FTA FE	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE (SIC2)	Yes	Yes	Yes	Yes	Yes	Yes
Observations	64,265	64,265	23,532	23,532	12,435	12,435
Pseudo R^2	0.203	0.491	0.882	0.931	0.209	0.466
Predicted probability	0.0035	0.0036	0.0067	0.0065	0.0109	0.0111

Operating in tradable sectors increases the probability of lobbying by 278 p.p.

A 1% increase in the RCA index increases the probability of lobbying by 0.03 percent

Trade participation increases the probability of lobbying on FTAs by 162 p.p

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Key features

- Economic structure:
  - Selection into trade by the most productive firms
  - An FTA generates winners and losers within and across sectors, the biggest winners have higher stakes than the biggest losers
- Political structure:
  - Firms decide whether to lobby and much to spend in favor or against a proposed FTA, anticipating the impact on probability of ratification
  - Selection into lobbying by the largest winners

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Economic structure: setup

- Two countries: **Home** and **Foreign** (denoted with *)
- Identical consumers with preferences

$$U(q_0, Q_{1,\ldots,J}) = q_0 + \sum_{j=1}^{J} u(Q_j)$$

- **numeraire good** 0, produced under perfect competition, freely traded
- J **goods**, produced under imperfect competition

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Distributional Effects of an FTA

- We consider first the effects of an FTA in the **canonical model of firm heterogeneity under monopolistic competition** (Melitz, 2003)
- The entry into force of an FTA creates winners and losers:
  - **Exporting firms gain**, with the most productive "superstar exporters" being the largest winners
  - **Non-exporting firms lose**, since they suffer from the increase in competition in the domestic market and do not benefit from improved access to the foreign market
- The **maximum gains** from the FTA are **larger** in absolute terms than the **maximum losses** ($\max_i \Delta\Pi_i > -\min_i \Delta\Pi_i$)
- Intuition: **losers** are less productive and have **smaller stakes in the FTA**

Extending the model to heterogeneous oligopolistic firms

- In **Melitz (2003)** firms are inconsequential since they have **no mass**
- Explaining lobbying by individual firms on FTA ratification requires **large firms** ("big in the big"), which can **affect aggregate policy outcomes**
- We show that the key insights of Melitz (2003) about the distributional effects of an FTA can be extended to models with **heterogeneous oligopolistic firms** if large firms are sheltered from losses in the domestic market by
  - **competitive fringe**
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Political structure: setup

- Each firm decides its **lobbying expenditure** l_f (which can be 0 for non-organized firms) to support or oppose the ratification of a proposed FTA
- Ω_P is the **set of pro-FTA firms** (i.e. for which $\Delta\Pi_f > 0$), Ω_A is the **set of anti-FTA firms** it (i.e. for which $\Delta\Pi_f \leq 0$)
- There can be a **political bias** among legislators deciding on the ratification:
  - **in favor** of the FTA ($B > 0$), possibly due to aggregate productivity gains from the agreement
  - **against** the FTA ($B < 0$), possibly due to legislators' distributional concerns or re-election motives
- Firms are **uncertain about direction of the bias** (B is a random variable). Novel feature of our model, which **rules out trivial Nash equilibria** in which firms in both countries would choose not to lobby.

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- **Overall lobbying effort** by pro- and anti-FTA firms:
  $\mathcal{L}_P = \sum_{\Omega_P} v(I_f)$
  $\mathcal{L}_A = \sum_{\Omega_A} v(I_f)$

- Assumptions:
  - decreasing returns to lobbying ($v(.)$ is concave)
  - finite expected return to lobbying on first dollar spent ($\kappa \equiv v'(0) < +\infty$)
  $\longrightarrow$ selection into lobbying

- Probability that the Home country ratifies the FTA:

$$P(\mathcal{L}_{\mathcal{P}}, \mathcal{L}_{\mathcal{A}}, B) \equiv \frac{\mathcal{L}_{\mathcal{P}} + B^{+}}{\mathcal{L}_{\mathcal{P}} + \mathcal{L}_{\mathcal{A}} + \mid B \mid}$$

- The **outcome is probabilistic**, reflecting randomness in the effectiveness of lobbying effort and uncertainty in legislators' stance on FTA ratification

- The **FTA is implemented if both countries ratify it**, so the expected probability that the FTA enters into force is $\mathbb{E}[P(\mathcal{L}_P, \mathcal{L}_A, B)] \cdot \mathbb{E}[P^*(\mathcal{L}_P^*, \mathcal{L}_A^*, B^*)]$

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Payoff from lobbying of a pro-PTA firm:

$$\underbrace{\underbrace{(\mathbb{E}[P(\mathcal{L}_P, \mathcal{L}_A, B)] - \mathbb{E}[P(\mathcal{L}_P - v(I_f), \mathcal{L}_A, B)])}_{\text{impact of lobbying on exp. prob. of ratification in H}} \cdot \underbrace{\mathbb{E}[P^*(\mathcal{L}_P^*, \mathcal{L}_A^*, B^*)]}_{\text{exp. prob. of ratification in F}} \cdot \Delta\Pi_f}_{\text{benefit from lobbying}} - \underbrace{I_f}_{\text{cost of lobbying}}$$

Lemma 1: The contribution of an **additional pro-FTA (resp. anti-FTA) firm** to the overall lobbying effort in favor (resp. against) the FTA **decreases the payoff from lobbying** of all other pro-FTA (resp. anti-FTA) firms.

Lemma 2: **Any equilibrium must feature perfect sorting**: if a pro-FTA (resp. anti-FTA) firm finds it profitable to lobby, any pro-FTA (resp. anti-FTA) firm expecting a larger gain (resp. loss) will also lobby.

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Extensive margin of lobbying

- **Sufficient condition for no anti-FTA lobbying** (the biggest loser does not find it profitable to get organized): $\kappa \mathbb{E}\left[\frac{1}{|B|}\right](-\min \Delta\Pi_f) < 1$
- The presence of "superstar exporters" guarantees that at least **some firms find it optimal to lobby in favor of the agreement**
- **Result 1**: When only pro-FTA firms have incentives to be politically organized, there is a **unique equilibrium in which only the largest exporters select into lobbying** ($\Omega_L \subset \Omega_P$).

  $\longrightarrow$ unique partition of Ω_P between lobbying and non-lobbying firms
- **Uncertainty about direction of the bias** guarantees pro-FTA lobbying
- **Free riding on extensive margin** (within and across sectors): non-organized firms in Ω_P benefit from the lobbying efforts of other firms in the economy

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- **Sufficient condition for no anti-FTA lobbying** (the biggest loser does not find it profitable to get organized): $\kappa \mathbb{E}\left[\frac{1}{|B|}\right](-\min \Delta\Pi_f) < 1$

- The presence of "superstar exporters" guarantees that at least **some firms find it optimal to lobby in favor of the agreement**

- **Result 1**: When only pro-FTA firms have incentives to be politically organized, there is a **unique equilibrium in which only the largest exporters select into lobbying** ($\Omega_L \subset \Omega_P$).

  $\longrightarrow$ unique partition of Ω_P between lobbying and non-lobbying firms

- **Uncertainty about direction of the bias** guarantees pro-FTA lobbying

- **Free riding on extensive margin** (within and across sectors): non-organized firms in Ω_P benefit from the lobbying efforts of other firms in the economy

Intensive margin of lobbying

The model delivers three testable results about **expenditures of lobbying firms**:

Result 2: **Larger firms spend more** lobbying supporting an FTA.

$$\frac{\hat{l}_g}{\hat{l}_f} = \frac{\Delta\Pi_g}{\Delta\Pi_f} \quad \forall\ f \text{ and } g \in \Omega_P$$

Result 3: ***Individual firms spend more*** *on FTAs that generate* ***larger gains***.

Result 4: *Firms' lobbying expenditures on FTAs increase with the* ***probability that politicians are against ratifying the agreement.***

Intuition: when politicians are expected to be in favor of the FTA, firms tend to free-ride on their political bias, decreasing their effort

Predictions about firm-level lobbying expenditures

- The results above directly lead to three testable predictions:

  P.1: Larger firms should spend more lobbying in support of an FTA

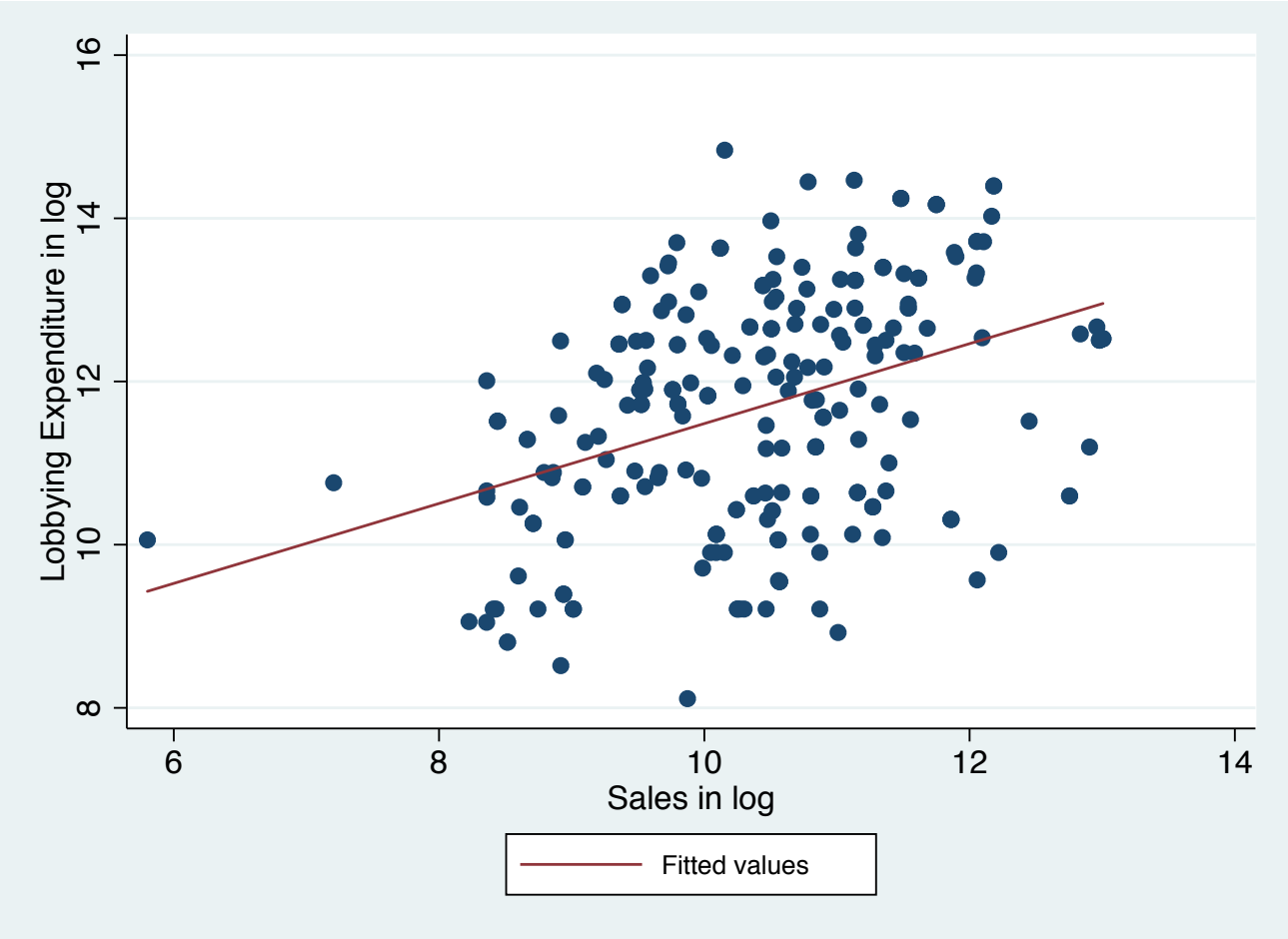
  P.2: Individual firms should spend more supporting FTAs that generate larger profit gains

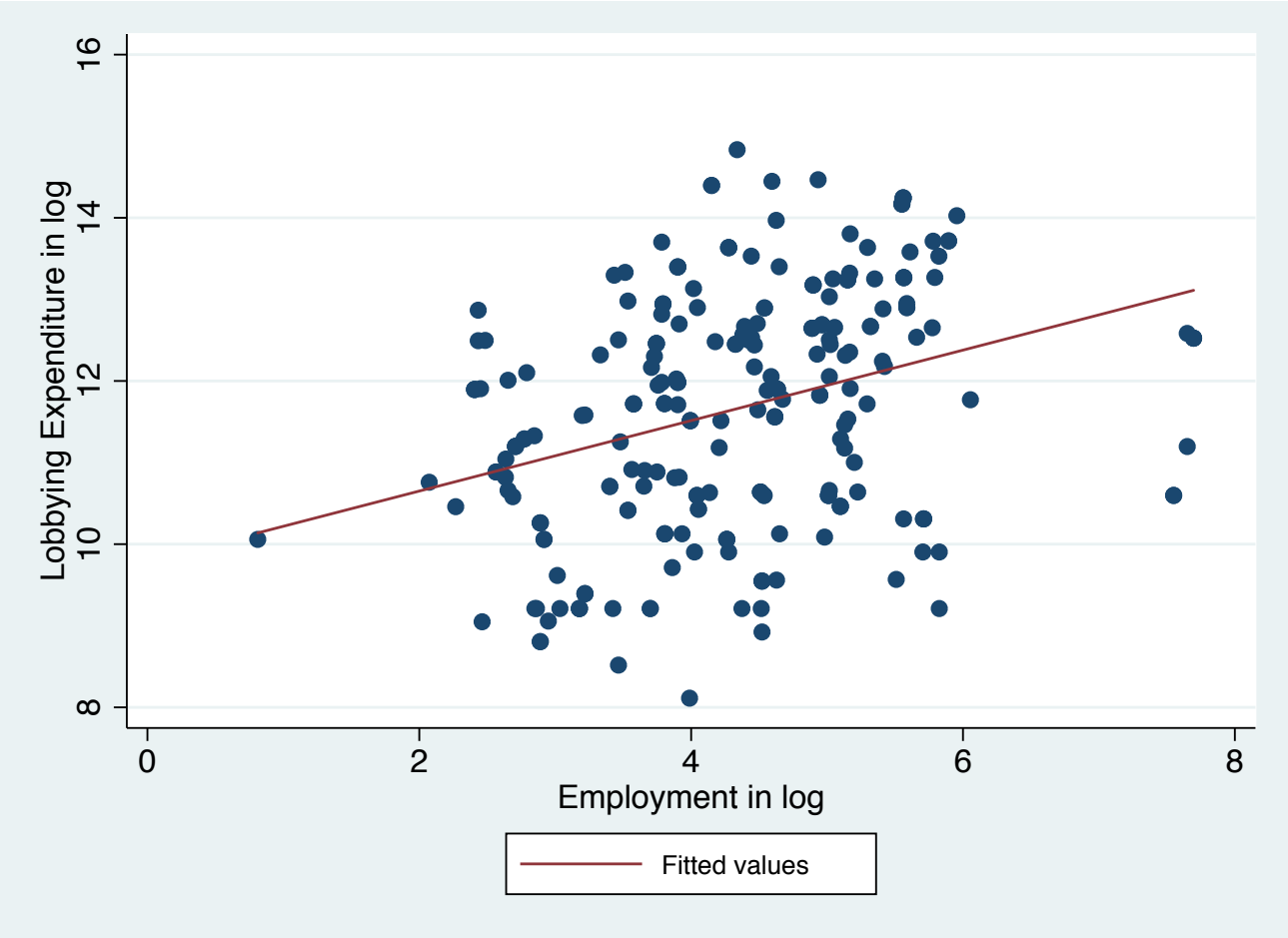
  P.3: Individual firms should spend more lobbying in support of FTAs when US congressmen are less likely to be in favor of ratification

Plan of talk

1. Introduction
2. Related literature
3. Dataset
4. Selection into lobbying: stylized facts
5. Model
6. **Determinants of firm-level lobbying expenditures**
7. Conclusions

P1: Lobbying expenditures increase with firm size




Lobbying Expenditure in log
8
10
12
14
16
0
2
4
6
8
Employment in log
Fitted values

Lobbying expenditures on FTAs, variation in firm size

	(1)	(2)	(3)	(4)	(5)	(6)
$\log(\text{Employment}_{f,t})$	0.285***		0.351***		0.411***	
	(0.0906)		(0.1084)		(0.1191)	
$\log(\text{Sales}_{f,t})$		0.257***		0.276**		0.299***
		(0.0968)		(0.1077)		(0.1127)
FTA FE	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE (SIC1)	No	No	Yes	Yes	No	No
Industry FE (SIC2)	No	No	No	No	Yes	Yes
Observations	1,731	1,731	1,731	1,731	1,731	1,731
R^2	0.077	0.076	0.082	0.080	0.099	0.096

The dependent variable is the log of *Lobbying expenditure*$_{f,j,a,t}$, the amount that firm f producing good j spent in year t to lobby in support of the ratification of agreement a. Standard errors clustered at the FTA-SIC1 level.

▸ Robustness

P.2: Individual firms spend more on FTAs that generate larger gains

Lobbying expenditures on FTAs, within-firm variation in expected gains from the FTA

	(1)	(2)	(3)	(4)	(5)	(6)
log(Tariff applied by FTA partners on the final good$_{j,a}$)	0.240**					
	(0.1102)					
log(Tariff applied by US on inputs$_{j,a}$)	3.026***					
	(0.7150)					
log(Tariff applied by US on the final good$_{j,a}$)	-0.163					
	(0.1839)					
log(GDP FTA partner$_a$)		0.308***				
		(0.1128)				
log(Improved access to foreign consumers$_{j,a}$)			0.060**			0.064**
			(0.0237)			(0.0258)
log(Improved access to foreign suppliers$_{j,a}$)				0.086***		0.155**
				(0.0250)		(0.0570)
log(Increased competition in the domestic market$_{j,a}$)					-0.013	-0.064**
					(0.0232)	(0.0279)
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	651	1,819	1,151	1,299	892	651
R^2	0.256	0.203	0.205	0.230	0.227	0.258

▸ Robustness

Lobbying expenditures on FTAs, variation in the depth of the agreements

	(1)	(2)
Depth DESTA$_a$	4.293***	
	(1.4436)	
Depth World Bank$_a$		0.145***
		(0.0420)
Firm FE	Yes	Yes
Year FE	Yes	Yes
Observations	1,730	1,730
R^2	0.227	0.231

▸ Robustness

P.3: Firms spend more when legislators are more likely to be against ratification

Lobbying expenditures on FTAs,
variation in expected political bias against ratification

	(1)	(2)	(3)	(4)
Share of Democrats in Congress1$_a$	11.567**			
	(5.4494)			
Share of Democrats in Congress2$_a$		12.462**		
		(5.3416)		
Divided Government1$_a$			1.347***	
			(0.2686)	
Divided Government2$_a$				1.615***
				(0.4022)
Firm FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes
N	1,821	1,821	1,821	1,821
R^2	0.104	0.097	0.083	0.084

▸ Robustness

Plan of talk

1. Introduction
2. Related literature
3. Dataset
4. Selection into lobbying: stylized facts
5. Model
6. Determinants of firm-level lobbying expenditures
7. **Conclusions**

Conclusion

- We have constructed a unique new dataset allowing us to trace firms' lobbying expenditures on FTAs negotiated by the United States
- We have uncovered new facts on firm-level lobbying on trade agreements:

  Few firms lobby on FTAs, virtually all in favor

  Lobbying firms are larger, more likely to be engaged in trade, and to operate in comparative advantage sectors
- We have developed a new model of endogenous lobbying on FTAs by heterogeneous firms, which can explain the observed variation in the extensive and intensive margin of lobbying

- Our results support Rodrik (2018)'s view that the politics of FTAs is dominated by large companies that gain from these agreements

- They are also in line with studies
  - showing that large firms favor tariff reductions (e.g. Blanchard and Matschke, 2015; Mayda *et al.*, 2018)
  - emphasizing the outsized role of large firms in trade politics (e.g. Osgood, 2017 and 2020; Kim, 2017)

- Opposition to FTAs is very limited, mostly driven by labor unions

- The fact that the losers had little voice in the politics of FTAs might help to explain the recent backlash against trade agreements

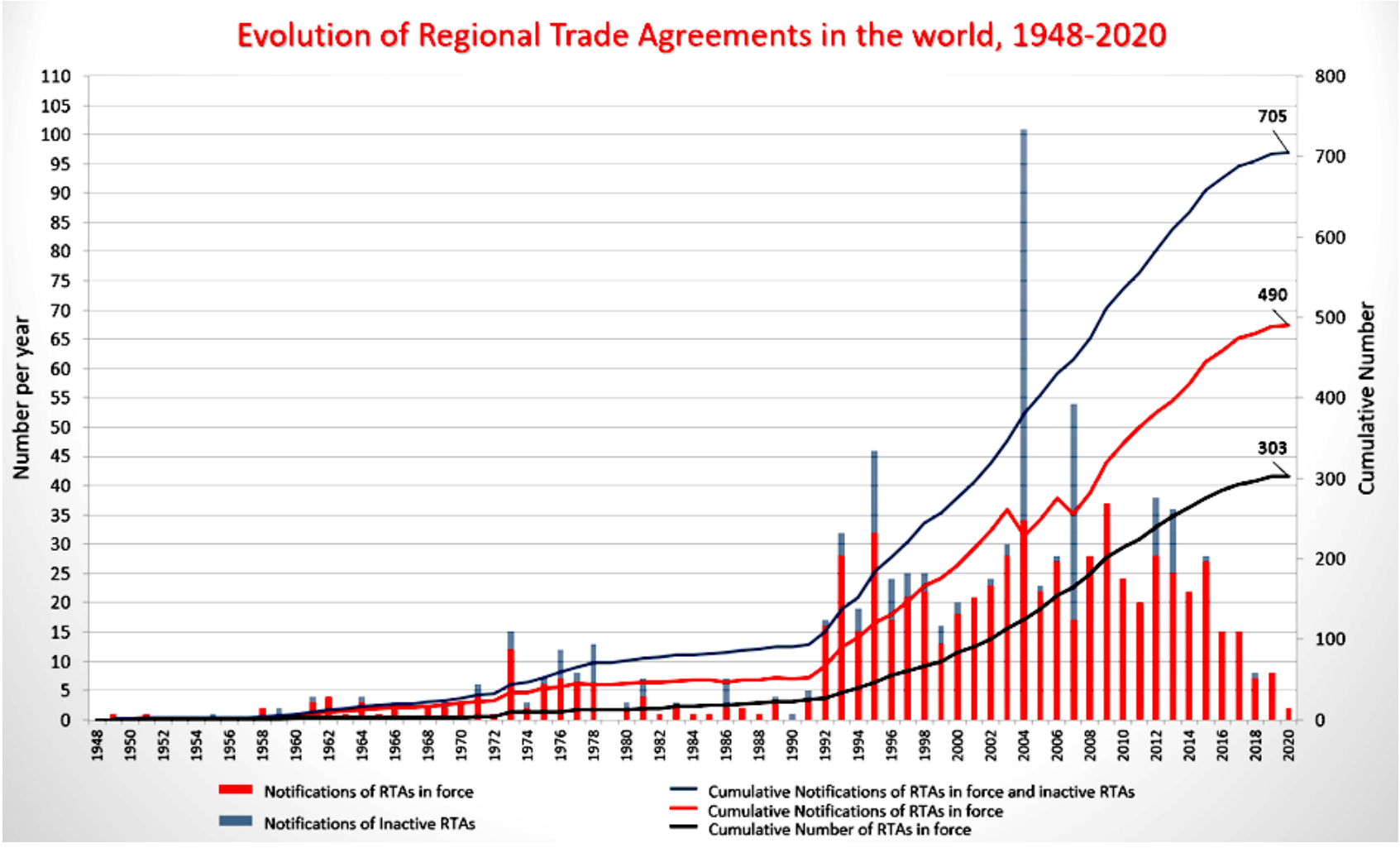
Future research

- FTAs can affect firms not only through the elimination of all tariffs, but also through non-tariff provisions (e.g. rules on investment and IPRs)

- Anecdotal evidence suggests that large corporations may be able to "buy" favorable provisions in trade agreements:
  - In the first quarter of 2012, GlaxoSmithKline spent $2,120,000 lobbying on the "Trans-Pacific Strategic Economic Partnership Agreement (TPP) - *provisions related to intellectual property*"
  - Final text of TPP agreement seems to reflect these lobbying efforts, since it included several *provisions particularly favorable to drug manufacturers* (e.g. strengthening patent exclusivity)

- Blanga-Gubbay, Conconi, Kim, and Parenti (2020): systematic analysis of firm-level lobbying can shape the content of FTAs

Thank you!


Evolution of Regional Trade Agreements in the world, 1948-2020
Number per year
Cumulative Number
705
490
303
Notifications of RTAs in force
Notifications of Inactive RTAs
Cumulative Notifications of RTAs in force and inactive RTAs
Cumulative Notifications of RTAs in force
Cumulative Number of RTAs in force

Back

Examples of lobbying reports

- In second semester of 2005 Miller Brewing Company spent $375,000 to "***Support*** S.1307 and H.R. 3045 (to Implement the **Dominican Republic-Central America-U.S.** Free Trade Agreement Implementation Act)."

- In third quarter of 2008, Philip Morris spent $1,020,000 lobbying on "HR 5724/S2830 – United States-Columbia Trade Agreement Implementation Act; To implement the **United States-Colombia** Trade Promotion Agreement; ***enactment of the entire bill.***"

- In third quarter of 2011, US Steel Corporation spent $800,000 lobbying on "***Implementation and enforcement*** of U.S. trade laws," including "H.R. 3080 – **United States-Korea** Free Trade Agreement, ***entire bill***."

- In first quarter of 2016, Qualcomm spent $1,730,000 lobbying on "***support*** for **Trans-Pacific Partnership**."

◂ Back

1. Registrant Name:

MILLER BREWING COMPANY

2. Address:
655 15TH STREET, N.W., SUITE 385, WASHINGTON, DC 20005

3. Principal place of business (if different from line 2):
City: MILWAUKEE State/Zip(or Country): WI 53208

4. Contact Name: TIMOTHY H. SCULLY, JR.
Telephone: 202-661-8630
E-mail (optional): scully.timothy@mbco.com

Senate ID #: 78994-12
House ID #: 36209000

7. Client Name: ☒ Self

TYPE OF REPORT

8. Year 2005 Midyear (January 1 - June 30): ☐ **OR** Year End (July 1 - December 31): ☒

9. Check if this filing amends a previously filed version of this report: ☐

10. Check if this is a Termination Report: ☐ => Termination Date: 11. No Lobbying Activity: ☐

INCOME OR EXPENSES

Complete Either Line 12 **OR** Line 13

12. Lobbying Firms

INCOME relating to lobbying activities for this reporting period was:

Less than $10,000: ☐

$10,000 or more: ☐ => Income (nearest $20,000):_____

Provide a good faith estimate, rounded to the nearest $20,000, of all lobbying related income from the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSES relating to lobbying activities for this reporting period were:

Less than $10,000: ☐

$10,000 or more: ☒ => Expenses (nearest $20,000): 374,131.00

15. General issue area code: TRD (one per page)

16. Specific lobbying issues:

Support S. 1307 (To implement the Dominican Republic-Central America-U.S. Free Trade Agreement Implementation Act) Support H.R. 3045 (To implement the Dominican Republic-Central America-U.S. Free Trade Agreement Implementation Act)

Back

1. Registrant Name ☑ Organization/Lobbying Firm ☐ Self Employed Individual

PMI Global Services Inc.

2. Address

Address1 700 13th Street, NW Address2 Suite 325

City Washington State DC Zip Code 20005 Country USA

3. Principal place of business (if different than line 2)

City New York State NY Zip Code 10017 Country USA

4a. Contact Name	b. Telephone Number	c. E-mail	5. Senate ID#
Ms. Beverly McKittrick	2024952661	beverly.mckittrick@pmintl.com	400265213-12

7. Client Name ☑ *Self* ☐ *Check if client is a state or local government or instrumentality*

PMI Global Services Inc.

6. House ID# 401470000

TYPE OF REPORT

8. Year 2008 Q1 (1/1 - 3/31) ☐ Q2 (4/1 - 6/30) ☐ Q3 (7/1 - 9/30) ☑ Q4 (10/1 - 12/31) ☐

9. Check if this filing amends a previously filed version of this report ☐

10. Check if this is a Termination Report ☐ Termination Date _____ 11. No Lobbying Issue Activity ☐

INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13

12. Lobbying

INCOME relating to lobbying activities for this reporting period was:

Less than $5,000 ☐

$5,000 or more ☐ $ _____

Provide a good faith estimate, rounded to the nearest $10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSE relating to lobbying activities for this reporting period were:

Less than $5,000 ☐

$5,000 or more ☑ $ 1,020,000.00

14. REPORTING Check box to indicate expense accounting method. See instructions for description of options.

☑ **Method A.** Reporting amounts using LDA definitions only

☐ **Method B.** Reporting amounts under section 6033(b)(8) of the Internal Revenue Code

☐ **Method C.** Reporting amounts under section 162(e) of the Internal Revenue Code

15. General issue area code TRD

16. Specific lobbying issues

HR 5724/S 2830 - United States-Colombia Trade Promotion Agreement Implementation Act; To implement the United States - Colombia Trade Promotion Agreement; enactment of entire bill

Back

1. Registrant Name ☑ Organization/Lobbying Firm ☐ Self Employed Individual

UNITED STATES STEEL CORPORATION

2. Address

Address1 901 K Street, NW Address2 Suite 1250

City WASHINGTON State DC Zip Code 20001 Country USA

3. Principal place of business (if different than line 2)

City _____ State _____ Zip Code _____ Country _____

4a. Contact Name	b. Telephone Number	c. E-mail	5. Senate ID#
Mr. Thomas M. Sneeringer	2027836333	jwlindsey@uss.com	71553-12

7. Client Name ☑ *Self* ☐ *Check if client is a state or local government or instrumentality*

UNITED STATES STEEL CORPORATION

6. House ID# 358040000

TYPE OF REPORT

8. Year 2011 Q1 (1/1 - 3/31) ☐ Q2 (4/1 - 6/30) ☐ Q3 (7/1 - 9/30) ☑ Q4 (10/1 - 12/31) ☐

9. Check if this filing amends a previously filed version of this report ☐

10. Check if this is a Termination Report ☐ Termination Date _____ 11. No Lobbying Issue Activity ☐

INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13

12. Lobbying

INCOME relating to lobbying activities for this reporting period was:

Less than $5,000 ☐

$5,000 or more ☐ $ _____

Provide a good faith estimate, rounded to the nearest $10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSE relating to lobbying activities for this reporting period were:

Less than $5,000 ☐

$5,000 or more ☑ $ 800,000.00

14. REPORTING Check box to indicate expense accounting method. See instructions for description of options.

☐ **Method A.** Reporting amounts using LDA definitions only

☐ **Method B.** Reporting amounts under section 6033(b)(8) of the Internal Revenue Code

☑ **Method C.** Reporting amounts under section 162(e) of the Internal Revenue Code

15. General issue area code TRD

16. Specific lobbying issues

Implementation and enforcement of U.S. trade laws as follows: H.R.639, Currency Reform for Fair Trade Act S.328, Currency Reform for Fair Trade Act H.R.1239, Congressional Made in America Promise Act of 2011 S.1, American Competitiveness Act S.1133/H.R.3057, Enforcing Orders and Reducing Customs Evasion Act of 2011, entire bill. S.1619, Currency Exchange Rate Oversight Reform Act, entire bill H.R.3080, United States - Korea Free Trade Agreement, entire bill.

Back

1. Registrant Name ☑ Organization/Lobbying Firm ☐ Self Employed Individual

QUALCOMM, INCORPORATED

2. Address

Address1 1730 PENNSYLVANIA AVE, NW Address2 SUITE 850

City WASHINGTON State DC Zip Code 20006 Country USA

3. Principal place of business (if different than line 2)

City _____ State _____ Zip Code _____ Country _____

4a. Contact Name	b. Telephone Number	c. E-mail	5. Senate ID#
Mrs. Alice Tornquist	2022630024	alicet@qualcomm.com	60674-12

7. Client Name ☑ *Self* ☐ *Check if client is a state or local government or instrumentality*

QUALCOMM, INCORPORATED

6. House ID# 353580000

TYPE OF REPORT

8. Year 2016 Q1 (1/1 - 3/31) ☑ Q2 (4/1 - 6/30) ☐ Q3 (7/1 - 9/30) ☐ Q4 (10/1 - 12/31) ☐

9. Check if this filing amends a previously filed version of this report ☐

10. Check if this is a Termination Report ☐ Termination Date _____ 11. No Lobbying Issue Activity ☐

INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13

12. Lobbying

INCOME relating to lobbying activities for this reporting period was:

Less than $5,000 ☐

$5,000 or more ☐ $ _____

Provide a good faith estimate, rounded to the nearest $10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSE relating to lobbying activities for this reporting period were:

Less than $5,000 ☐

$5,000 or more ☑ $ 1,730,000.00

14. REPORTING Check box to indicate expense accounting method. See instructions for description of options.

☑ **Method A.** Reporting amounts using LDA definitions only

☐ **Method B.** Reporting amounts under section 6033(b)(8) of the Internal Revenue Code

☐ **Method C.** Reporting amounts under section 162(e) of the Internal Revenue Code

15. General issue area code TRD

16. Specific lobbying issues

Support for Trans Pacific Partnership

Back

Example of lobbying report against an FTA

1. Registrant Name ☑ Organization/Lobbying Firm ☐ Self Employed Individual
AFL-CIO

2. Address
Address1 815 16TH STREET, NW Address2
City WASHINGTON State DC Zip Code 20006 Country USA

3. Principal place of business (if different than line 2)
City State Zip Code Country

4a. Contact Name	b. Telephone Number	c. E-mail	5. Senate ID#
Mr. LAURENCE E. GOLD	2026375130	lgold@aflcio.org	363-12

7. Client Name ☑ *Self* ☐ *Check if client is a state or local government or instrumentality*
AFL-CIO

6. House ID#
310190000

TYPE OF REPORT 8. Year 2011 Q1 (1/1 - 3/31) ☐ Q2 (4/1 - 6/30) ☐ Q3 (7/1 - 9/30) ☐ Q4 (10/1 - 12/31) ☑

9. Check if this filing amends a previously filed version of this report ☐

10. Check if this is a Termination Report ☐ Termination Date _____ 11. No Lobbying Issue Activity ☐

INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13

12. Lobbying

INCOME relating to lobbying activities for this reporting period was:

Less than $5,000 ☐

$5,000 or more ☐ $ _____

Provide a good faith estimate, rounded to the nearest $10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSE relating to lobbying activities for this reporting period were:

Less than $5,000 ☐

$5,000 or more ☑ $ 940,000.00

14. REPORTING Check box to indicate expense accounting method. See instructions for description of options.

☑ **Method A.** Reporting amounts using LDA definitions only

☐ **Method B.** Reporting amounts under section 6033(b)(8) of the Internal Revenue Code

☐ **Method C.** Reporting amounts under section 162(e) of the Internal Revenue Code

Example of lobbying report against an FTA

15. General issue area code TRD

16. Specific lobbying issues

HR 3080 - United States-South Korea Free Trade Agreement Implementation Act - lobbied to halt pending passage of the agreement, that would eliminate 95% of tariffs on goods within five years, and create new protections for multinational financial services and other firms between the United States and Korea. Entire bill.
HR 3079 - United State - Panama Trade Promotion Agreement Implementation Act - lobbied to halt the pending passage of the agreement, that would eliminate obstacles to trade, consolidate access to goods and services and favor private investments in and between the United States and Panama. Entire Bill.

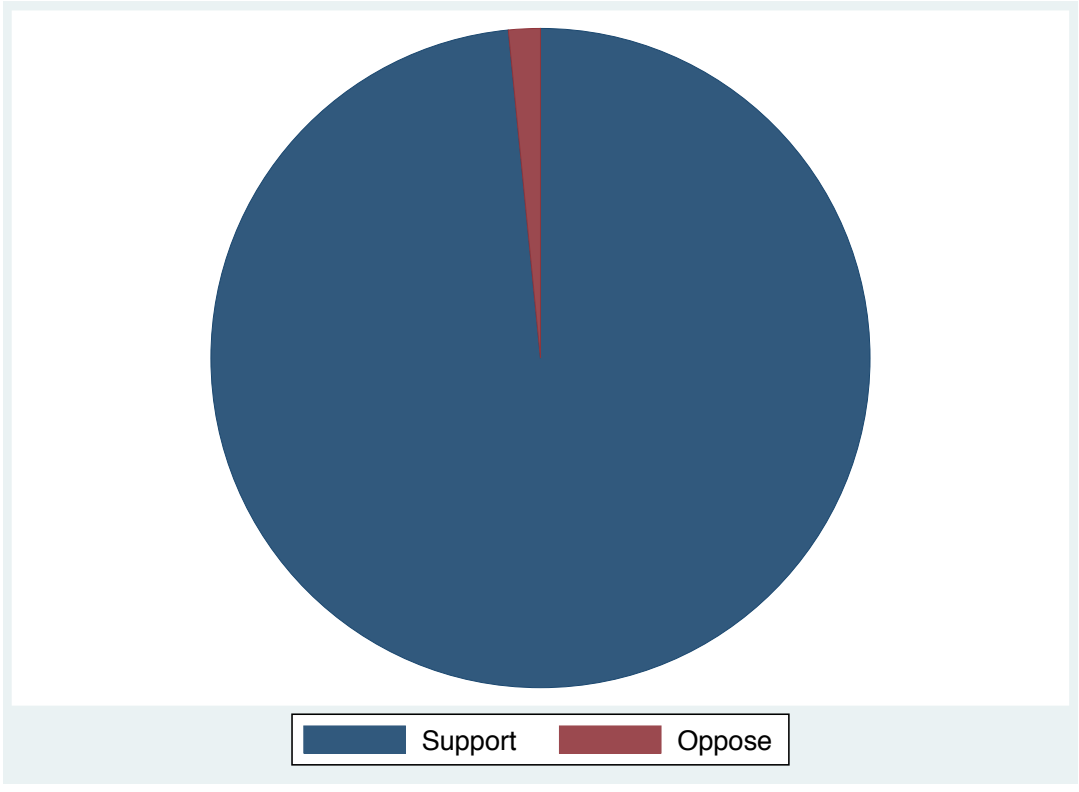
HR 3078 - United States-Colombia Trade Promotion Agreement Implementation Act - lobbied to halt the pending passage of the agreement, that would eliminate tariffs and other barriers to trade in goods and services between the United States and Colombia. Entire bill.

17. House(s) of Congress and Federal agencies ☐ Check if None

U.S. HOUSE OF REPRESENTATIVES, U.S. SENATE

◂ Back

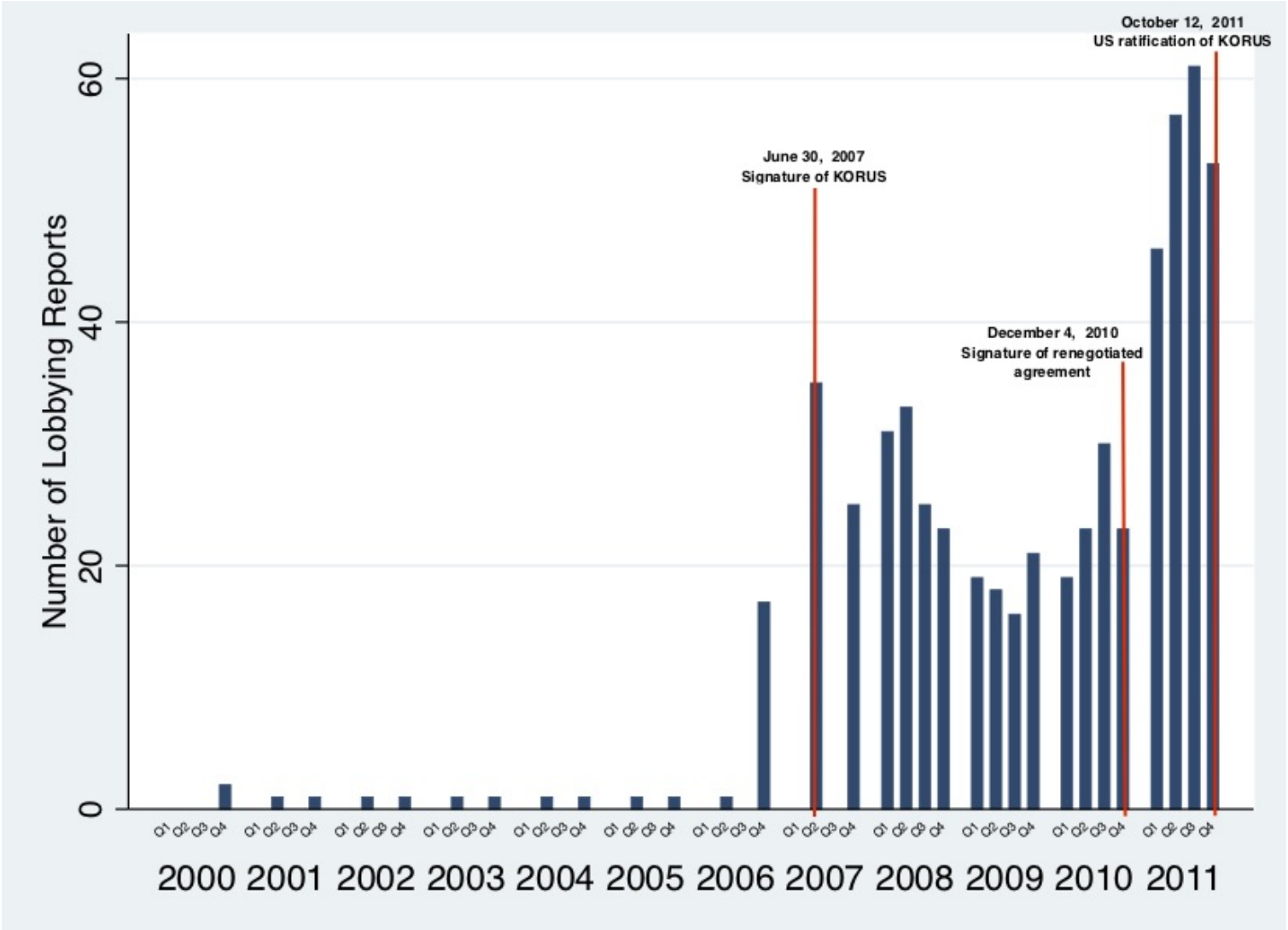
Lobbying expenditures on Trans-Pacific Partnership



In 98.4% of the cases, lobbying firms are in favor of the FTA

◂ Back

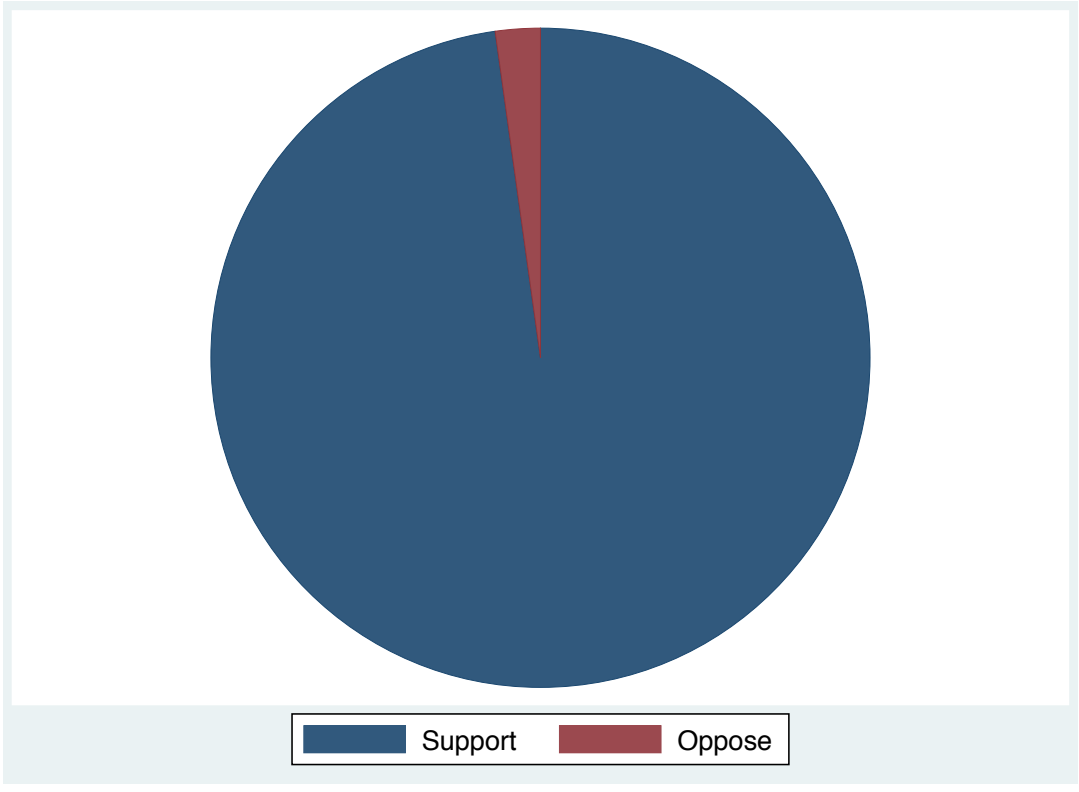
Lobbying reports on US-Korea FTA



The figure reports the number of lobbying reports filed by firms related to the US-Korea FTA.

Back

Lobbying expenditures on US-Korea Free Trade Agreement



In 97.8% of the cases, lobbying firms are in favor of the FTA

Back

Example of official company statement on an FTA

- In a report filed in 2011, Applied Materials Inc. declares spending $250,000 lobbying on "US-Korea Free Trade Agreement (HR 3080)." On the day of the ratification of the FTA, the company released this statement:

- "After more than four years of convoluted negotiations (both bilaterally and domestically), Congress today *finally approved* the legislation necessary to ratify and implement the Korea-U.S. Free Trade Agreement (KORUS FTA). This *long overdue* action is an important step in U.S. trade policy, and will help *open new opportunities and new markets*. [...] Applied Materials has *long championed passage* of the KORUS FTA, and has worked side-by-side with the U.S.-Korea Business Council and the U.S.-Korea FTA Business Coalition to *push for passage and implementation* of what is the most significant trade agreement since the North American Free Trade Agreement (NAFTA). Applied Materials *applauds* Congress for taking this important step to open up new markets in South Korea, while assisting U.S. workers who might be displaced. This truly is a win-win and we look forward to speedy passage in Korea's National Assembly."

◂ Back

Descriptive statistics on firms lobbying on FTA ratification bills

	Observations	Mean
Lobbying expenditure$_{f,a}$	277	290,555
Number of reports$_{f,a}$	277	2.899
Firms lobbying directly$_{f,a}$	193	70.44%
Firms lobbying indirectly$_{f,a}$	63	22.99%
Firms lobbying directly and indirectly$_{f,a}$	18	6.57%

Back

Descriptive statistics on lobbying and non-lobbying firms

	Lobbying Firms				
	Observations	Mean	Std. Dev.	Min	Max
Employment$_{f,t}$	251	159.383	339.660	1.252	2,200
Sales$_{f,t}$	257	63,244.38	86,975.4	329.77	444,948
Tradable sector$_{j}$	239	0.678	0.468	0	1
Exporter and/or importer$_{f,t}$	140	0.9928	0.0845	0	1

	Non-Lobbying Firms				
	Observations	Mean	Std. Dev.	Min	Max
Employment$_{f,t}$	87,296	8.450	36.984	0	2,545
Sales$_{f,t}$	95,275	2,693.97	12,742.31	-15,009.33	470,171
Exporter and/or importer$_{f,t}$	21,639	0.7803	0.0845	0	1
Tradable sector$_{j}$	105,997	0.406	0.491	0	1

◂ Back

	Observations	Mean	Std. Dev.	Min	Max
Lobbying expenditure$_{f,a}$	259	283,207.5	397,399.8	3,333.3	2,770,000
RCA$_{j,a}$	159	1472.893	17163.12	0.004	216470.4
Tariff applied by FTA partner on the final good$_{j,a}$	163	33.40	124.32	0	800.3
Tariff applied by US on inputs$_{j,a}$	155	0.145	0.51	0	3.94
Tariff applied by US on inputs$_{j,a}$ (unweighted)	155	3.31	9.70	0	70.83
Tariff applied by US on the final good$_{j,a}$	145	2.71	7.99	0	48.00
GDP of FTA partner$_a$	255	319,990	374,213.2	14,339.97	1,134,795
Improved access to foreign consumers$_{j,a}$	163	25,479,120	140,492,200	0	908,176,800
Improved access to foreign suppliers$_{j,a}$	155	56,053.73	140,767.80	0	988,472.80
Increased competition in the domestic market$_{j,a}$	145	1,510,635	5,653,029	0	54,470,180
Depth DESTA$_a$	224	2.073	0.120	1.223	2.170
Depth World Bank$_a$	224	59.870	4.474	28	63
Share of Democrats in Congress1$_a$	256	0.479	0.033	0.456	0.533
Share of Democrats in Congress2$_a$	256	0.482	0.033	0.460	0.537
Divided Government1$_a$	256	0.699	0.460	0	1
Divided Government2$_a$	256	0.270	0.445	0	1

Back

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Top lobbying firms **charge $50,000 per month** for services that may or may not be well defined.

However, Washington D.C. lobbying firm LobbyIt.com offers four flexible and affordable service packages for small and medium-size businesses and grassroots organizations to promote their political causes.

Services and Monthly Fees	Tier 1 $995	Tier 2 $1,995	Tier 3 $2,995	Tier 4 $4,995
Initial Consultation	Yes	Yes	Yes	Yes
Formulate issue paper	Yes	Yes	Yes	Yes
Register as federal representative	Yes	Yes	Yes	Yes
Monthly federal stakeholders meetings	Yes	Yes	Yes	Yes
Congressional Climate daily emails	Yes	Yes	Yes	Yes
Legislative Issue Alerts	Yes	Yes	Yes	Yes
Personally tailored monthly report	Yes	Yes	Yes	Yes

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Legislative Issue Alerts	Yes	Yes	Yes	Yes
Personally tailored monthly report	Yes	Yes	Yes	Yes
Access to our Capitol Hill offices and staff	Yes	Yes	Yes	Yes
Congressional bill analysis and action advice		Yes	Yes	Yes
Regulatory analysis and updates		Yes	Yes	Yes
Committee hearing attendance and updates		Yes	Yes	Yes
Meetings to analyze a bill's prospects		Yes	Yes	Yes
Evaluation of legislative changes sought			Yes	Yes
Consultations to formulate plan of attack			Yes	Yes
Develop advocacy materials			Yes	Yes
Client strategy sessions to refine efforts			Yes	Yes
Draft legislative language			Yes	Yes
Federal stakeholders meetings to promote measures			Yes	Yes
Construct an Advocacy Hub website				Yes
Advice on activating nationwide network of supporters				Yes
Draft membership letters and call scripts				Yes
Annual "Day on the Hill"				Yes
Facilitate district visits by lawmakers				Yes
Full 50-state legislative tracking and reporting				Yes

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Robustness of Prediction 1

Number of reports on FTAs, variation in firm size

	(1)	(2)	(3)	(4)	(5)	(6)
log (Employment$_{f,t}$)	0.042***		0.053***		0.058***	
	(0.0153)		(0.0186)		(0.0198)	
log (Sales$_{f,t}$)		0.035**		0.039**		0.040**
		(0.0167)		(0.0184)		(0.0201)
FTA FE	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE (SIC1)	No	No	Yes	Yes	No	No
Industry FE (SIC2)	No	No	No	No	Yes	Yes
Observations	1,731	1,731	1,731	1,731	1,731	1,731
R^2	0.074	0.075	0.079	0.080	0.099	0.101

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Robustness of Prediction 2

Number of reports on FTAs,
within-firm variation in expected gains from the FTA

	(1)	(2)	(3)	(4)	(5)	(6)
log(Tariff applied by FTA partners on the final good$_{j,a}$)	0.038*					
	(0.0206)					
log(Tariff applied by US on inputs$_{j,a}$)	0.588***					
	(0.1369)					
log(Tariff applied by US on the final good$_{j,a}$)	-0.029					
	(0.0293)					
log(GDP FTA partner$_a$)		0.049**				
		(0.0202)				
log(Improved access to foreign consumers$_{j,a}$)			0.009**			v0.010**
			(0.0041)			(0.0044)
log(Improved access to foreign suppliers$_{j,a}$)				0.012***		0.023**
				(0.0042)		(0.0106)
log(Increased competition in the domestic market$_{j,a}$)					-0.002	-0.009**
					(0.0036)	(0.0042)
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	651	1,819	1,151	1,299	892	651
R^2	0.236	0.176	0.188	0.203	0.213	0.231

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Robustness of Prediction 2

Number of reports on FTAs,
variation in the depth of the agreements

	(1)	(2)
Depth DESTA$_a$	0.615**	
	(0.2373)	
Depth World Bank$_a$		0.021***
		(0.0069)
Firm FE	Yes	Yes
Year FE	Yes	Yes
Observations	1,730	1,730
R^2	0.202	0.205

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Robustness of Prediction 3

Number of reports on FTAs,
variation in expected political support for ratification

	(1)	(2)	(3)	(4)
Share of Democrats in Congress1$_a$	2.606**			
	(1.1896)			
Share of Democrats in Congress2$_a$		2.733**		
		(1.1795)		
Divided Government1$_a$			0.214***	
			(0.0470)	
Divided Government2$_a$				0.303***
				(0.0922)
Firm FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes
Observatiobs	1,821	1,821	1,821	1,821
R^2	0.097	0.098	0.110	0.111

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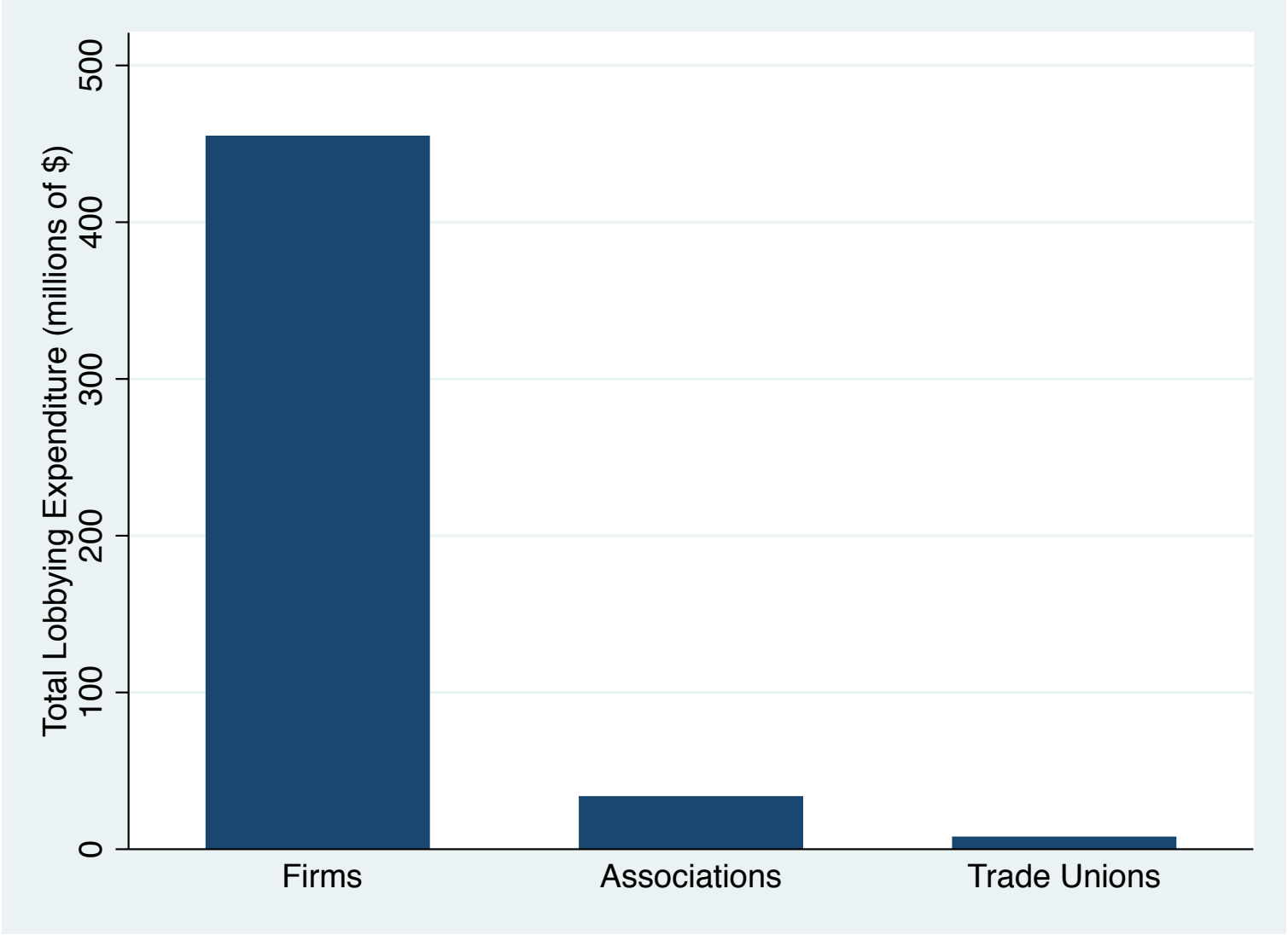
Lobbying expenditures on the ratification of FTAs negotiated by the U.S.



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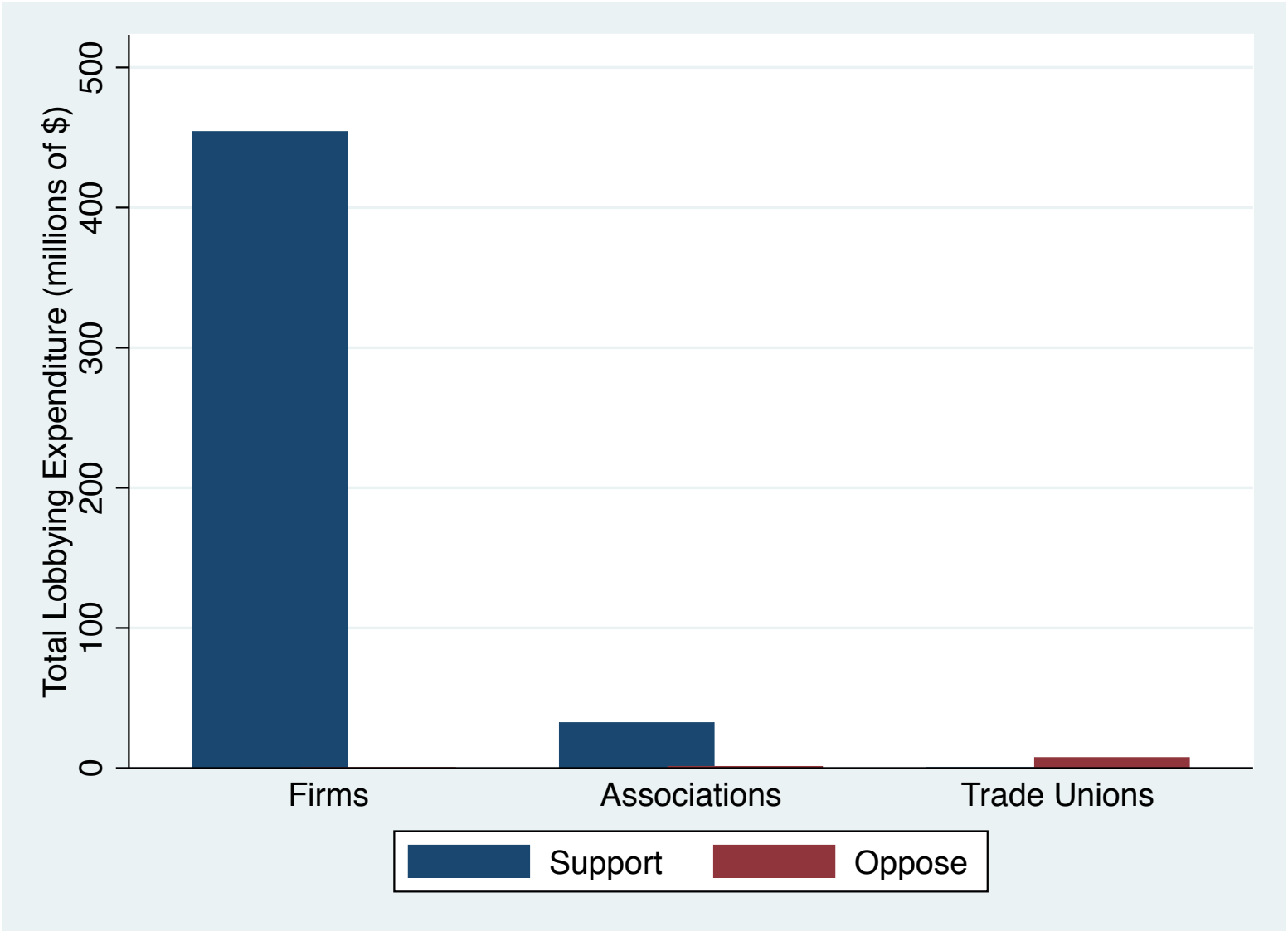
Lobbying expenditures on the ratification of FTAs negotiated by the U.S.



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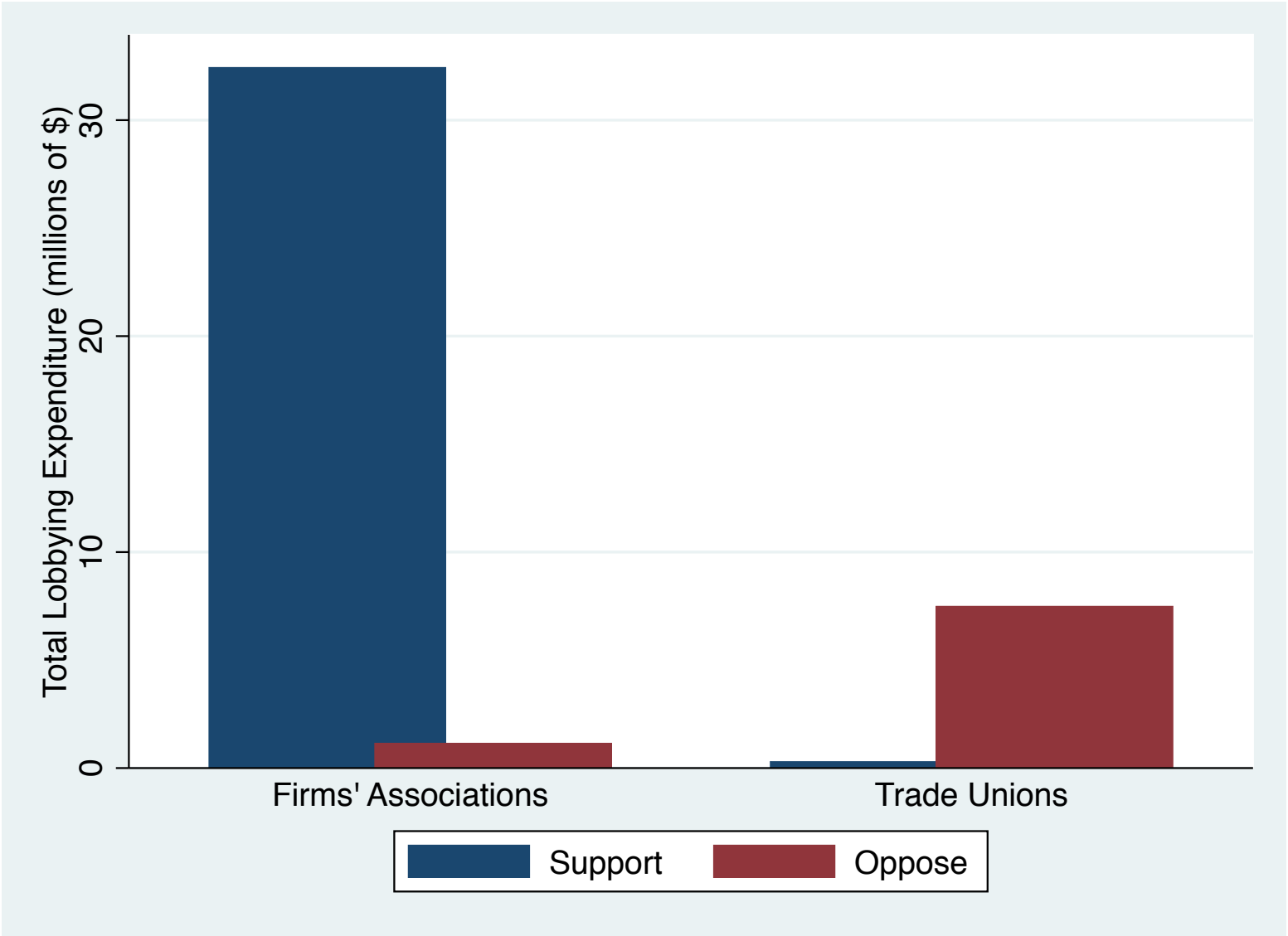
Lobbying expenditures on the ratification of FTAs negotiated by the U.S.



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