

Mobilization and Strategies: Comparing Trade Lobbying in the U.S. and Canada

*This is a preprint version of the manuscript to appear in *Comparative Political Studies*
(accepted on January 9, 2023)

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Abstract

Do U.S. lobbying patterns extend to other countries? To date no study has systematically compared U.S. lobbying patterns with those of other countries using observational data. Taking advantage of similar lobbying disclosure rules in the U.S. and Canada, we create a cross-country lobbying dataset. We focus on the United States-Mexico-Canada Agreement (USMCA) to control for timing, salience, and issue scope. This helps us attribute differences in firm mobilization and trade lobbying strategies across the two countries to differences in political institutions. Strikingly different USMCA lobbying patterns emerge. Within the same industry, trade associations, the executive branch, and in-house lobbyists play a larger role in Canada. Meanwhile, well-established determinants of U.S. lobbying fail to explain patterns of mobilization and the use of external lobbyists in Canada. These findings provide insights into comparative lobbying studies and indicate that some stylized facts about lobbying are unique features of the U.S. political system.

Key Words: Lobbying, Trade, Mobilization, Access, United States, Canada

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Introduction

Today, U.S. businesses spend more lobbying Congress than what taxpayers spend to fund the House and Senate (Drutman, 2015). Members of Congress are the prime lobbying targets, and they are popularly recruited as revolving door lobbyists after serving in office (Bertrand, Bombardini and Trebbi, 2014; LaPira and Thomas, 2014; McCrain, 2018). Do these features of U.S. lobbying extend to other countries? This question is important because stylized facts about U.S. lobbying tend to construct theories on lobbying as a legislative subsidiary (Hall and Dardorff, 2006; Awad, 2020; Ellis and Groll, 2020; Schnakenberg, 2017), interest group mobilization (Bombardini and Trebbi, 2012; Hansen, Mitchell and Drope, 2005; Osgood, 2016), and the internalization or externalization of lobbyists (Bertrand, Bombardini and Trebbi, 2014; Espinosa, 2021).¹ However, political institutions may alter the relationship between interest groups and policymakers in respective countries, and thus, create different patterns of mobilization and lobbying strategies in other parts of the world.

In this paper, we systematically analyze and compare lobbying activities disclosed under the U.S. Lobbying Disclosure Act and the Canadian Lobbying Act. Observational lobbying data are not easily comparable across countries because disclosure requirements vary vastly across jurisdictions. Moreover, differences in the timing and content of policies along with differences in the economic structures of countries further complicate comparative lobbying analyses. In order to focus on institutional differences, we hold constant scope, timing, and content of the policy at stake as much possible. We accomplish this by examining lobbying activities between 2016 and 2020 regarding the United States-Mexico-Canada Agreement (USMCA). This allows us to examine differences in interest group mobilization and their lobbying strategies in the U.S. and Canada regarding the same policy. Canada represents a well-suited comparison

¹Most empirical work on lobbying is heavily centered on the U.S. despite the availability of lobbying data in other countries. See Klüver (2013) and Egerod and Woller (2020) for observational studies on European lobbying. Meanwhile, Boucher (2018) and Boucher and Cooper (2019) provide insights on Canadian lobbying based on the Canadian lobbying registry.

case for the United States. The U.S. and Canada share national borders, along with many geopolitical and economic features. Both countries are federal democracies with large liberal market economies. Most importantly, lobbying laws and disclosure requirements are largely similar in the two countries (Chari, Murphy and Hogan, 2007; Holman and Luneburg, 2012), making data comparable.²

We build on extant research on American and Canadian political institutions to identify political and economic determinants of trade lobbying patterns in the two countries. For instance, compared to the American political system which emphasizes separation of powers, the Canadian executive and legislative branches are tightly interwoven, resulting in a concentration of power at the executive (Boucher, 2018; O'Malley, 2007; Savoie, 1999). Meanwhile, strong party cohesion and bans on corporate donations in Canada further limit the influence of individual members of parliament (Kam, 2001; Godbout, 2020; Boatright, 2011). Therefore, we expect that the primary target for the USMCA lobbying in Canada to be the executive branch rather than the legislative branch. Meanwhile, the strong lobbying focus on the bureaucracy and longer cool-off periods required for former office holders in Canada likely reduce the importance of political connections that external lobbyists can offer to their clients (Bourgault and Dunn, 2014; Boucher and Cooper, 2019; Ferguson, 2018).

We verify our expectations using original data on 821 interest groups lobbying on the USMCA in the U.S. and Canada between 2016 and 2020. In line with our expectations, we find stark differences in the mobilization patterns and lobbying strategies used across the countries. First, while corporations are the most prevalent special interest group mobilizing in both the U.S. and Canada, trade associations play a larger role in Canada. Moreover, while variables derived from established political economy theories on industry-level collective action explain interest group mobilization in the U.S., they fail to explain mobilization patterns in Canada. We also find differences in the institutions targeted and the use of lobbyists. While interest groups

²Studies on European lobbying in supra note 1 compare U.S. lobbying with that in the EU. However, the EU may be a less-than-ideal country comparison for the United States. After all, the EU is a non-state composed of 28 countries without independent trade or defense policies.

in the U.S. mainly target Congress, Canadian groups concentrate on the head of the executive and the bureaucracy. Special interest groups on both sides hire roughly the same number of lobbyists, but U.S. clients tend to rely more on external lobbyists. Finally, we highlight these differences among 27 multinational corporations (MNCs) that lobby in *both* jurisdictions. We find preliminary evidence that MNCs tailor their lobbying strategies across different countries based on institutional differences.

These findings have important implications for the literature on comparative lobbying.³ For instance, the political dominance of large corporations making campaign donations in the U.S. may not travel well to other contexts with more concentrated executive powers, party cohesion, and restrictive campaign finance regimes. Therefore, theories on mobilization and lobbying strategies should be adjusted for contexts outside of the U.S. accordingly. Meanwhile, much of existing work stresses the importance of issue-specific salience for lobbying influence (Culpepper, 2010; Woll, 2013; Mahoney, 2007a; Rasmussen, Mäder and Reher, 2018; Junk, 2019; Klüver and Pickup, 2019). However, we find very different USMCA lobbying patterns in the U.S. and Canada even though the negotiations were comparably salient in both countries. This suggests that issue salience does not affect lobbying uniformly across countries. Lastly, our work implies that multinational interest groups likely benefit from coordinated parent-subsidary political activities and from tailoring lobbying strategies across countries.

1. Theoretical Framework: Trade Lobbying in the U.S. & Canada

We conceptualize lobbying as an exchange relationship between politicians and special interest groups, whereby access to decision-makers and influence on policies are traded against information, votes, and support. Accordingly, lobbying patterns may vary across countries when this supply-demand relationship between politicians and interest groups are altered. In this pa-

³For comparative studies using observational data, see Baumgartner (2007), Mahoney (2007a,b), Woll (2012), as well as Rasmussen, Mäder and Reher (2018), Rasmussen, Binderkrantz and Klüver (2021). For recent experimental cross-national work, see Junk et al. (2021).

per, we focus on how differing political institutions and economic structures might contribute to explaining different trade lobbying patterns in the U.S. and Canada. Specifically, we discuss the underlying political and economic conditions that may lead to varying trade lobbying patterns across several dimensions: whether interest groups 1) mobilize individually or collectively; 2) target legislators or the bureaucracy; and 3) outsource lobbying to external consultants or employ in-house lobbyists. Finally, we introduce the case of the United States-Mexico-Canada Agreement (USMCA) which we use as an example to verify different expectations for trade lobbying in the U.S. and Canada.

1.1 Mobilization Patterns: Alone vs. Together

A long line of political economy research has tried to understand how business interests shape trade policy, starting from the premise that firms within industrial sectors have to deal with the collective action problem described by Olson (1965). More recent work distinguishes the political mobilization of individual firms and a collective group of firms within the same industry. For instance, works drawing on data covering U.S. industrial sectors and firms find that the mode of trade lobbying – alone or together – is determined predominantly by industry competition (Bombardini and Trebbi, 2012). Sectors characterized by a higher degree of competition (i.e., a lower concentration of production and more substitutable products) are more likely to lobby together through sector-wide trade associations. This is because higher prices from tariffs (or other trade barriers) translate into higher profits *only* if consumers cannot substitute away from the good. Meanwhile, individual firm lobbying is prevalent in sectors with higher concentration and more differentiated products (Kim, 2018; Osgood, 2016) because returns from lobbying are more likely to be firm-specific.

Building on these studies, we expect that the overall economic structure of a country will contribute to the dominant pattern of producer mobilization in that country. Trade associations are likely to mobilize in an economy that relies heavily on the primary sector (e.g., mining and agriculture) characterized by high market competition. In contrast, firms are likely to mobilize individually in an economy that specializes in more concentrated and differentiated

industries (e.g., aircraft, home appliance, pharmaceutical manufacturing). The economies of highly industrialized countries such as the U.S. and Canada tend to be dominated by service and manufacturing sectors.⁴ And yet, the primary sector has an unusual importance in Canada. For instance, Canada has the third largest estimated value of natural resources in the world, valued at \$33.2 trillion in 2019. Canada also has the third largest oil deposits (after Venezuela and Saudi Arabia), and is the third largest exporter of timber and leading supplier of natural gas and phosphate. In terms of value added, mining represents 5% of GDP in Canada compared to about 1% in the United States. Agriculture, forestry, fishing consists about 2% in Canada whereas less than 1% in the United States.⁵ Overall, Canada's economy relies relatively more on natural capital, and thus competitive industries than the United States. Firms in Canada, relative to those in the U.S., are thus incentivized to lobby together through trade associations.

When it comes to trade lobbying, we also expect that concentrated gains and losses at the regional- and country-level against a trading partner will also affect producer mobilization patterns. For instance, Canada's diversified portfolio of natural resources are regionally clustered.⁶ This leads to a case where the gains and losses from trade are also very much regionalized. And as natural resources have been largely under the control and ownership of provincial governments, Canadian provinces have historically sought to play a greater role in the federal government's trade relations with other countries (Winham, 1979). In fact, provincial governments have become powerful allies of trade associations that represent regionalized industries (Fafard and Leblond, 2013; Goodwin, 2019). Therefore, trade associations are more likely to mobilize

⁴A big portion of U.S. GDP is generated from the finance, insurance, real estate, rental, and leasing sectors. The education and health sectors are pivotal in Canada. However, we focus on non-service sectors in this paper due to difficulties of conceptualizing and collecting differentiation data for the service sectors.

⁵See the World Bank, the Mining Association of Canada, and the Federal Reserve Bank of St. Louis.

⁶British Columbia has historically relied on mining and timber. Alberta is known for its oil, gas, zinc, silver, nickel, and uranium. The prairie provinces of Manitoba, Saskatchewan, and parts of Alberta produce more than 20% of the world's wheat. The maritime provinces of New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland rely heavily on fishing and timber. On the other hand, Ontario and Quebec form the industrial center of Canada, and produce a variety of manufactured goods.

when industrial interests are regionally concentrated. Meanwhile, at the country-level, the U.S. market has a disproportionate impact on Canadian producers. The U.S. is not only Canada's largest trading partner, constituting more than two-thirds of all Canadian trade, but its economy is also about eleven times bigger than that of Canada. Therefore, while free trade with the U.S. provides Canada with a large market for its exports, it also leads to increased import competition for small Canadian businesses. Protectionist pressures is another factor that encourages businesses to mobilize together regarding free trade deals, in the prospect of driving up the size of industrial compensation.⁷

1.2 Targets of Lobbying: Legislative vs. Bureaucracy

Once interest groups are mobilized, they tend to lobby the legislative and/or executive bodies of the government. Naoi and Krauss (2009) explain the variation in lobbying venue choices as an effort by interest groups to enforce and monitor contract with politicians. It is inevitable that politicians can renege or shirk on efforts to realize a policy. However, interest groups with a more decentralized (vs. centralized) organizational structure are better equipped to enforce contracts, and are more likely to target legislators (vs. bureaucrats). In their study, interest groups are considered 'decentralized' when they have local organizations that could potentially make independent political decisions about candidate endorsement, vote switching, or campaign contributions. Building on this idea, we posit that individual firm lobbying has a more decentralized organizational structure than lobbying through trade associations. Individual firms can make independent political decisions for themselves whereas trade associations require political coordination among different firms for industrial representation. If so,

⁷A related literature finds that characteristics of the lobbying issue in question also determine interest group's organization patterns. These include the salience, policy scope, and transaction costs relating to an issue (Hojnacki, 1997; Baumgartner et al., 2009; Klüver, 2013; Junk, 2019; Culpepper, 2010; De Figueiredo and Tiller, 2001). We control for issue salience and policy scope in our empirical comparison of trade lobbying in the U.S. and Canada by focusing on a single trade topic. We justify this choice in section 1.4. However, we are not able to measure and account for different levels of hazards relating to leakage of proprietary information in these countries.

legislators are expected to be the main target in places where individual firm lobbying is the dominant mode of trade lobbying. Meanwhile, the executive branch is likely to be the main lobbying venue choice in places where coalition lobbying is more prominent.

Of course, factors beyond the main mode of political mobilization are likely to affect interest group's choice of political targets and venues. For instance, the design of political institutions influences which branch of the government mainly serves the policy-making function and to what extent. Campaign finance laws likely affect the frequency of exchanges between interest groups and politicians as well as their contract enforceability. For instance, the U.S. has a decentralized political system where policy-making is concentrated at the legislative branch. Meanwhile, firms and trade associations can form Political Action Committees (PACs) and make contributions to legislators that rely on these financial contributions for re-election. In fact, a rich body of research documents how donations to individual legislators, and the personal connections resulting from them, allow interest groups to gain access to U.S. Members of Congress (Langbein, 1986; Hall and Wayman, 1990; Austen-Smith, 1995; Kalla and Broockman, 2016). In this political environment, lobbying is expected to mainly target legislators. Indeed, the overwhelming majority of U.S. lobbying efforts target Congress (Huneus and Kim, 2021).

However, in places where the executive is insulated from political pressures and has much autonomy in enacting policies, interest groups are incentivized to target bureaucrats. Compared to the U.S., the executive and legislative branches are tightly interwoven in Canada.⁸ Canadian scholars find this political system to lead to a concentration of power in the executive branch. For instance, O'Malley (2007) finds Canada's political system to be among the most centralized in the world. Under the system of responsible government, Canadian Prime Ministers can stay in office as long as their government holds a majority of seats in the House of

⁸The executive powers are carried out by the Governor General, Prime Minister, and cabinet. Cabinet ministers head various government departments and are sworn in by the Prime Minister, usually from among the elected members of parliament belonging to the governing party. Parliament passes laws that affect all Canadians in areas like foreign policy, trade, and national defense. It consists of the Monarch, the appointed Senate, and the elected House of Commons. Bills are created and passed by both chambers and signed into law by the Governor General.

Commons. Prime Ministers usually do not face a parliamentary opposition capable of blocking their legislative actions. As a consequence, central agencies, and especially the Prime Minister's Office (PMO) exerts great influence on the general direction of the government (Savoie, 1999). Accordingly, access to the PMO is viewed as a highly valuable resource by actors who seek to influence the policy process (Boucher, 2018).

Presthus (1973) shares this view and argues that Canadian interest groups can be more effective lobbying the cabinet or the bureaucracy than appealing to individual members of parliament (MPs). In fact, party affiliation remains a powerful predictor of MPs' loyalty or dissent, even after controlling for their ideological preferences (Kam, 2001). Godbout (2020) describes that partisanship increased over time as a product of more restrictive parliamentary rules instituted after 1900. These rules reduced the independence of MPs, polarized voting along partisan lines, and undermined parliament's ability to represent distinct regional interests. Overall, meaningful legislative activity undertaken by individual MPs is lacking. Meanwhile, restrictions on corporate contributions have removed even the casual contact with MPs and party leaders (Boatright, 2011).⁹ Collectively, the mobilization of centralized trade associations, concentration of power in the executive branch, little leverage of individual MPs, and a restrictive campaign finance laws incentivize Canadian interest groups to target the bureaucracy.¹⁰

1.3 Type of Lobbyists: External vs. In-house

Earlier we have conceptualized lobbying as an exchange relationship between policymakers and special interest groups. Special interest groups can either directly lobby policymakers or

⁹The per-vote subsidy was introduced in 2004 to replace the reliance of political parties and candidates on corporate, union, and individual donors. As of January 1, 2007, corporations and trade unions are barred from making political contributions.

¹⁰We are not suggesting that there will be no legislative lobbying in Canada. In fact, Boucher and Cooper (2019) and Boucher (2018) find that legislative lobbying has a positive effect on political access to executive officials. Meanwhile, Blidook (2010) and Eagles (2013) suggest that MPs may have more influence on government policy than previously believed through their participation in Private Member's Business.

hire commercial lobbyists to vie for the attention of policymakers on their behalf. In the former case, interest groups employ *in-house* or *internal* lobbyists, and in the latter case, *external* or *consultant* lobbyists.¹¹ Meanwhile, *revolving door* lobbyists are former government officials who transitioned into lobbying for private entities. LaPira and Thomas (2014) finds that revolving door lobbyists tend to work as consultant lobbyists rather than in-house government relations staff. This is because former congressional staffers who spin through the revolving door often represent a more diverse set of interests and sectors, and their main objective is to sell access to key decision makers in Congress. The authors later dub the well-connected generalist that specialize in navigating the political process as the ‘K Street Kingpin’, and others, largely in-house lobbyists that specialize in a particular policy sector and offers informational subsidy as ‘Librarian’ (LaPira and Thomas, 2017).

While in-house and external lobbyists can have different merits for special interest groups, Groll and Ellis (2017) stresses that policymakers require repeated personal interactions with *both* types of lobbyists so as to enforce implicit agency contracts (future political access in return for the delivery of promised financial contributions or valuable information). However, establishing personal relationships is costly and policymakers’ time is scarce. In a separate work, the authors provide guidance on which interest group-policymaker pairs are more likely to exploit the incentive opportunities offered by repeated agency (Ellis and Groll, 2018). The characteristics of policymakers are key.¹² The more difficult it is for special interest groups to form repeated agency relationships, they must rely on external lobbyists to intermediate for them with policymakers. Specifically, when policymakers are in vulnerable seats or more time-constrained, they are more likely to be lobbied by external lobbyists. Their findings have important implications for our predictions for American and Canadian trade lobbying.

¹¹*In-house* lobbyists are direct employees of the lobbying client. Thus, the registering entity is the same as the client entity in the lobbying reports. *External lobbyists* are consultant subcontractors performing lobbying services on behalf of the client. The registered lobbying entity is different from the client entity in these cases.

¹²Issue salience is another factor discussed in their papers, on the basis that policymakers will allocate more of their scarce time on salient issues.

If legislators are the main target of lobbying in the U.S., then it is also likely that external lobbyists will be highly valued in America. Politicians in the U.S. face expensive electoral competition, making their seats vulnerable. Also, reports show that the U.S. Congress has been increasingly spending less time on legislation and more time on fund raising and campaigning (Ornstein, Mann and Malbin, 2008; Lessig, 2015). For these time-constrained and vulnerable legislators, utilizing external lobbyists to form connections is particularly useful for U.S. special interest groups. Bertrand, Bombardini and Trebbi (2014) also suggests that connections are the scarcer and more valuable resource than a lobbyist's expertise in the United States. While we highlight the importance of external lobbyists in the U.S., note that we are not claiming that there will be no demand for in-house lobbyists. In fact, Drutman (2015) refers to external lobbyists as *additional* lobbyists that provide specialized talent on a part-time basis to in-house staffers. Espinosa (2021) finds in-house lobbyists to be hired for tasks that occur frequently and are specific to a given firm or industry. The prominence of politically mobilized corporations and their firm-specific needs in the U.S. naturally urges the need for in-house lobbyists.

Several reasons suggest that external lobbyists might not be as valuable in Canada. Bureaucratic elites in Canada enjoy a great degree of permanency and concentration of power. If bureaucrats, with a longer expected tenure, are the main target of lobbying in Canada, lobbyists' ability to navigate the political process through personal connections may be less valuable. Moreover, the Canadian Lobbying Act sets a 5-year prohibition on lobbying after designated office holders leave office. This is one of the most stringent cooling-off periods in the world, much longer than the 2-year period in the U.S., and has repercussions on the nature of revolving door lobbying (Ferguson, 2018; Boucher and Saint-Martin, 2018). Building on Strickland (2020), which finds a discernible negative effect of cooling-off periods on revolving, we expect that the longer cooling-off period mandated in Canada is also likely to reduce the incentives for hiring lobbyists based on connections. Finally, bureaucratic elites generally require more in-depth knowledge of policy issues and are likely more receptive to technical and issue-specific information when making decisions (Bourgault and Dunn, 2014). Boucher and Cooper (2019) lends strong support for the idea that Canadian lobbyists are hired for their expertise rather than

1. Mobilization patterns	
<i>Alone (individual firms)</i>	<i>Together (trade associations)</i>
<ul style="list-style-type: none"> – high market concentration (e.g., pharmaceuticals, aircraft manufacturing) – large heterogeneity of firms 	<ul style="list-style-type: none"> – high market competition (e.g., agriculture, mining) – regional concentration of industries
2. Targets of lobbying	
<i>Legislative</i>	<i>Executive/Bureaucrats</i>
<ul style="list-style-type: none"> – decentralized interest groups (e.g., individual firms) – separation of powers – strong individual legislators – corporate donations to parties/legislators 	<ul style="list-style-type: none"> – centralized interest groups (e.g., trade associations) – concentration of power at the executive – strong party cohesion – ban on corporate donations to parties/legislators
3. Type of lobbyists	
<i>External (contacts)</i>	<i>In-house (issue expertise)</i>
<ul style="list-style-type: none"> – vulnerable, time-constrained policymakers – fragmented political system – importance of connections to legislative committees – short cool-off period for revolving door 	<ul style="list-style-type: none"> – permanency of bureaucracy – centralized political system – importance of technical knowledge of policy issues – long cool-off periods for revolving door

Table 1: Analytical framework for trade lobbying across countries.

for their their connections. In their study, even consultant lobbyists are valued for providing sector-specific issue expertise rather than providing access to government personnel.

Overall, differences in the special interest groups’ main lobbying targets and their characteristics, due to different political institutions and electoral systems, contribute to the choice of lobbyists that are hired.¹³ In Table 1, we summarize the economic and political factors discussed so far that lead to different theoretical predictions for trade lobbying in the U.S. and Canada in terms of mobilization patterns, lobbying targets, and the use of lobbyists.

1.4 The Case of the United States-Mexico-Canada Agreement

The original North American Free Trade Agreement (NAFTA) was a landmark trade deal that eliminated most tariffs and trade barriers between the United States, Canada, and Mexico. Taking effect in 1994, the NAFTA has expanded overall trade and investment in the region. However, the agreement has also become a political target in the U.S. for contributing to trade

¹³Firm-based explanations for this choice may include the degree of potential leakage of sensitive information. See, e.g., De Figueiredo and Kim (2004).

deficits, job losses, and outsourcing. In particular, during the presidential campaign of 2016, Donald Trump pledged to replace the NAFTA if he became president. After entering office, Trump frequently threatened to withdraw the U.S. from the NAFTA unless it was renegotiated. On August 16, 2017, member countries began negotiations to update and rebalance the NAFTA, now known as the United States-Mexico-Canada Agreement (USMCA).

In the empirical section of this paper, we use the example of the USMCA negotiations to verify whether trade lobbying patterns in the U.S. and Canada differ as expected.¹⁴ We focus on the USMCA for several important reasons. First, we examine a single trade deal in order to strategically rule out policy-specific factors that may contribute to differences in trade lobbying patterns.¹⁵ Focusing on the USMCA lobbying in the U.S. and Canada narrows the policy scope and issue complexity to the specific trade deal. It also controls for the timing of the negotiations. As shown in Appendix Figures A1, A2, A3, the USMCA lobbying activities in the U.S. and Canada occurred roughly within the same time period – between the fourth quarter of 2016 and the first quarter of 2020. Also, the USMCA is a recent trade deal that had high stakes for firms and trade associations in the U.S. and Canada. The agreement was also relatively salient in both countries. Controlling for issue salience is key, because the extant literature suggests that it may affect mobilization patterns and lobbying strategies.

In fact, the public attention given to the USMCA throughout the negotiations was considerably large and comparable in the U.S. and Canada. This is notable given how trade salience varies over time, and how trade policy issues are generally not popular among the public (Nguyen, 2019; Guisinger, 2009). For instance, in polls asking how closely Americans and Canadians were following the USMCA, about half of the public reported to have been following the news at least somewhat closely. According to the 2017 Angus Reid institute poll, 17% of

¹⁴Note that the predictions hold for other trade negotiations such as the Trans Pacific Partnership (TPP) or non-trade lobbying. Please see the discussion in section 3.5, as well as Appendix sections B, C, and D.

¹⁵Examples include a different policy scope, issue complexity, timing, or issue salience (Culpepper, 2010; Baumgartner et al., 2009).

Canadians paid “a lot of attention” and 38% “some attention” to the USMCA.¹⁶ Meanwhile, the 2020 Gallup poll measured that 12% of Americans followed the USMCA news “very closely” and another 34% “somewhat closely.”

Meanwhile, the time trend of issue salience relating to the USMCA was comparable in the U.S. and Canada. Figures A4a and A4b of the Appendix visualize Google Trends topic searches on the USMCA in the two countries between 2016 and 2020. The search popularity of the USMCA increased significantly in both countries (especially relative to a more general topic of free trade) since September 30, 2018 when the U.S., Mexico, and Canada salvaged an informal agreement and the ratification process began. Searches on the USMCA topic peaked around key dates including when Trump threatened to terminate the NAFTA as a move to force House Democrats to pass the USMCA, when related bills passed through the U.S. Chambers, and when the new agreement finally went into effect on July 1, 2020.¹⁷ Despite the difference in the absolute volume of USMCA topic searches between the countries, the time-varying pattern of searches were highly correlated.

We close the theoretical section by outlining our expectations for the USMCA lobbying in the U.S. and Canada based on the political and economic determinants highlighted earlier:

- **Mobilization patterns:** *the USMCA lobbying in the U.S. is expected to be dominated by individual firms; and the USMCA lobbying in Canada is expected to have more industry-wide mobilization through trade associations.*
- **Targets of lobbying:** *the USMCA lobbying in the U.S. is expected to mainly target the legislative branch; and the USMCA lobbying in Canada is expected to focus on the executive branch.*
- **Type of lobbyists:** *the USMCA lobbying in the U.S. is expected to rely more on external lobbyists; and the USMCA lobbying in Canada is expected to rely less on external lobbyists.*

¹⁶The 2018 report found 19% to pay “a lot of attention” and 41% “some attention.”

¹⁷A revised version of the USMCA was signed on December 10, 2019, reflecting concerns by Democrats in the U.S. Congress over labor and environmental standards. All three countries ratified the USMCA deal, with Canada being the last to ratify on March 13, 2020.

2. Data

We use data from two different sources. In the *United States*, the Lobbying Disclosure Act of 1995 (LDA) mandates that interest groups must file lobbying reports with the U.S. House Clerk and the U.S. Senate Office for Public Records.¹⁸ We obtain U.S. lobbying data from LobbyView.org (Kim, 2018). In the U.S., lobbyists need to report lobbying spending, institutions lobbied, as well as general topics lobbied upon. The “specific issue” field also contains numbers of the bills lobbied as well as descriptions of the issues lobbied. We search this issue field for all reports containing either the USMCA House bill H.R. 5430 or any textual variations of the USMCA or NAFTA. We find 16,639 U.S. lobbying reports mentioning the USMCA. We further record whether lobbying was carried out in-house or by external (K-Street) lobbyists, as well as the the number of lobbyists for each category.

In *Canada*, the 1989 Lobbyists Registration Act first mandated the registration of paid lobbyists. Since 2008, the Lobbying Act reformed lobbying disclosure. First, the Lobbying Act defines designated public office holders (DPOHs). Certain details of oral and direct communication between DPOHs and lobbyists need to be recorded. Second, there is a five-year ban for post-government employment of DPOHs as in-house or external lobbyists. Third, it prohibits payments to lobbyists based on success of a lobbying activity and gives the Canadian Commissioner of Lobbying the power to investigate breaches of the Lobbying Act. Breaches are punishable with prison of at least two years or up to CAD 200,000. We obtain Canadian lobbying reports from the open data platform of the Office of the Commissioner of Lobbying

¹⁸In addition, the Foreign Agents Registration Act (FARA) imposes disclosure requirements on agents representing foreign principals. Foreign *commercial* principals, including firms and trade associations, have been exempted from the FARA during the enactment of the LDA. Studies including You (2022, 2020) and Lee (2022) show that most foreign-connected corporate lobbying is reported under the LDA. Based on FARA data obtained from the Foreign Lobby Watch project by Opensecrets.com, only 4 Canadian commercial entities disclosed their lobbying with the FARA from 2016 to 2020. Therefore, we focus on the LDA in this paper to capture both domestic and foreign-connected trade lobbying with respect to the U.S. government.

of Canada (Commissioner of Lobbying, 2021). We search the Canadian lobbying data for all reports containing references to the USCMA or NAFTA renegotiation, and identify 4,114 relevant Canadian lobbying reports. As for the U.S., we further record whether lobbying was carried out in-house or by external lobbyists.

It is important to note that U.S. and Canadian lobbying data are *very comparable* in content and scope. Both the Canadian Lobbying Act and the American Lobbying Disclosure Act were enacted to improve transparency, public accountability, and reduce corruption (Chari, Murphy and Hogan, 2007; Holman and Luneburg, 2012). They also mandate relatively far-reaching penalties including fines and prison sentences for non-compliance with the act.¹⁹ Most importantly, comparable information is disclosed under the Acts, including registration of interest groups, the extent of their activities, topics lobbied on, and lobbied institutions over time.²⁰ Therefore, the two sources allow us to compare interest group mobilization and their lobbying strategies in terms of institutions targeted and the use of lobbyists. We provide a comparison of both data sources in Table A1 in the Appendix.

We conduct extensive *cleaning and canonicalization* of lobbying client names from both sources to assign unique Bureau van Dijk (BvD) IDs from the Orbis financial database. Assigning unique IDs is important to follow clients over time, but also, to add firm- and industry-level information such as sales, employees, or industry codes. In the Canadian data, there are no

¹⁹Non-Compliance with the U.S. Lobbying Disclosure Act can be punished with fines of up to \$US 200,000 and up to 5 years in prison. The Canadian Lobbying Act foresees up to \$200,000 fines and up to 2 years in prison for non-compliance. However, also note that studies including Grose et al. (2022), LaPira (2016), Thomas and LaPira (2017), and Strickland (2019) find that the gray market for policy advocacy is substantial, and that the cost of compliance often discourages lobbyists from registering. We acknowledge that our empirical analyses are limited to registered activities only, and are not able to capture such unreported advocacy.

²⁰The major differences between the two data sources are two-fold: first, while the U.S. data contain lobbying expenses, the Canadian data only contain the number of lobbyists hired. Second, the U.S. data only contains information on the institutions that interest groups *seek access* to (but not contacts), while the Canadian data also records direct contacts between lobbyists and so-called “designated public office holders.” See Appendix Table A1 for details on the data sources.

unique IDs. Therefore, we use the Orbis batch search function to link approximate BvD IDs, and adjust manually as necessary. For the U.S. data, LobbyView already provides IDs which we manually refine as well in order to improve data quality as much as possible.²¹ We also assign 2017 North American Industry Classification (NAICS) codes to all trade associations in both data sources, according to the industries that they represent.²²

Finally, we collect *industry- and firm-level economic data* and link it to the lobbying data. To gauge industry size and competition, we get 2017 NAICS-level sales and concentration ratios from the U.S. and Canadian Census Bureaus. In addition, we collect information on concentration and sales in the agricultural sector from the U.S. Agricultural Census, and calculate corresponding concentration ratios as in Osgood (2017). We obtain the degree of product differentiation in a client's industry. We also use the differentiation measure for agriculture and manufacturing industries by Osgood (2017), which is itself based on the measure by Rauch (1999) and classifies 6-digit 2007 NAICS industries into homogenous, moderately differentiated, and differentiated industries.²³ Lastly, we obtain the number of regulatory restrictions in each industry for the U.S. and Canada from the RegData bulk datasets, measured at the 3-digit 2007 NAICS level (McLaughlin and Nelson, 2021*a,b*). We use the 'concordance' package to create cross-walks between the different NAICS versions of the data sources (Liao et al., 2020).

3. Empirical Case: USMCA Lobbying in the U.S. & Canada

3.1 USMCA Mobilization Patterns

Table 2 shows all lobbying clients mobilizing during the USMCA negotiations in the U.S. and Canada. Overall, we find that 821 unique clients lobby on the USMCA in the U.S. and Canada.

²¹In Canada, we correct 135 client IDs assigned by the Orbis batch search, and 254 in the United States.

²²In financial databases, trade associations usually get assigned the NAICS code 813910: Business Associations, but *not* the NAICS codes of the actual industries that they represent.

²³See the supplementary material to Osgood (2017). Osgood manually re-coded a number of industries to arrive at 404 coded industries. We manually add more industries and arrive at 457 coded industries.

Organisation Type	Unique Clients Lobbying the USMCA:							
	Overall		in United States		in Canada		in Both	
	Clients	Share	Clients	Share	Clients	Share	Clients	Share
Corporation	446	0.54	405	0.57	68	0.49	27	0.82
Ideological Group	29	0.04	25	0.03	4	0.03	0	0.00
Peak Association	51	0.06	45	0.06	7	0.05	1	0.03
Public	13	0.02	12	0.02	1	0.01	0	0.00
Trade Association	256	0.31	207	0.29	53	0.38	4	0.12
Union	26	0.03	22	0.03	5	0.04	1	0.03
Total	821		716		138		33	

Table 2: Types of Organisations Lobbying USMCA in the U.S. and Canada, 2016-2020. The table shows the types of organizations lobbying on the USMCA in the U.S. in Canada between the first quarter of 2016 and the second quarter of 2020.

Out of those, 716 lobby in the U.S. and 138 in Canada. There are quite a few commonalities, but also notable differences in mobilization patterns. In both countries, the majority of clients is corporations (54% overall), followed by trade associations which are more prevalent in Canada (38%) compared to the U.S. (29%). In the U.S., the most active lobbying clients are corporations like Exxon Mobil, General Motors, but also the American Sugar Alliance and the International Brotherhood of Teamsters. In Canada, clients most active in the USMCA lobbying are the Chicken Farmers of Ontario, the Innovative Medicines Canada, as well as a number of companies such as Syngenta, Enbridge, or Shaw Communications.

Figure 1 shows *industry-level mobilization* in the U.S. and Canada across 3-digit NAICS codes. Specifically, it shows the number of firms and associations mobilizing within each industry. We use the primary NAICS industry of operation for individual companies, but multiple industries for associations, to depict that sectoral business groups represent multiple 6-digit industries. The figures show a number of stylized facts about industry-level mobilization in the U.S. and Canada. First of all, as already visible in Table 2, a greater variety of industries mobilize in the U.S. than in Canada, reflecting how the U.S. economy is larger and more diversified than Canada's economy. Second, there are a number of overlaps in terms of the industries

mobilizing on both sides of the U.S.-Canadian border, with the manufacturing (NAICS 31-33) and agriculture (NAICS 11) sectors mobilizing the most.²⁴

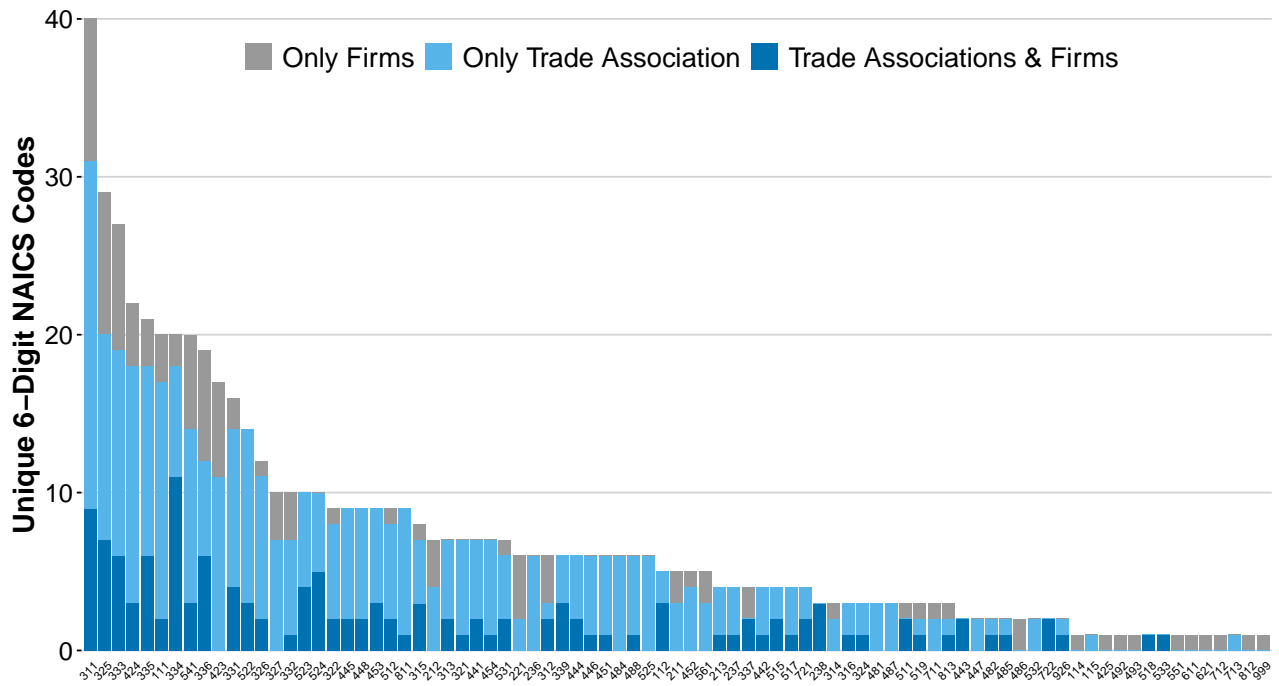
Finally, while the industries that mobilize are somewhat similar, the mobilization of associations relative to firms is greater in Canada *within the same industries*. This is particularly true in highly differentiated industries such as machinery manufacturing (NAICS 333), and transportation equipment manufacturing (NAICS 336), food processing (NAICS 311), and chemical manufacturing (NAICS 325). In the U.S., individual corporations comprise the majority of producers that mobilize in these industries. In comparison, in Canada, trade associations are the primary, often the only, form of political mobilization in the exact same industries. As expected, in the U.S., trade associations play the largest role in competitive, homogeneous industries such as crop production (NAICS 111) or animal production (NAICS 112). Only trade associations mobilize in these industries in Canada. Since mobilization patterns differ within the same industries across the two countries, it is unlikely that these observed differences are simply due to differences in industry structures.

In the next step, we investigate the cross-sectional relationship between industry-level concentration, industry differentiation, and the extent to which firms mobilize alone or organize in business groups. If the effect of industry structure on corporate political activity is similar across the countries, we would expect the sign and significance to be similar, too. To test this idea, we assemble two datasets at the 6-digit NAICS level, one for the U.S. and another for Canada, and estimate the following linear model:

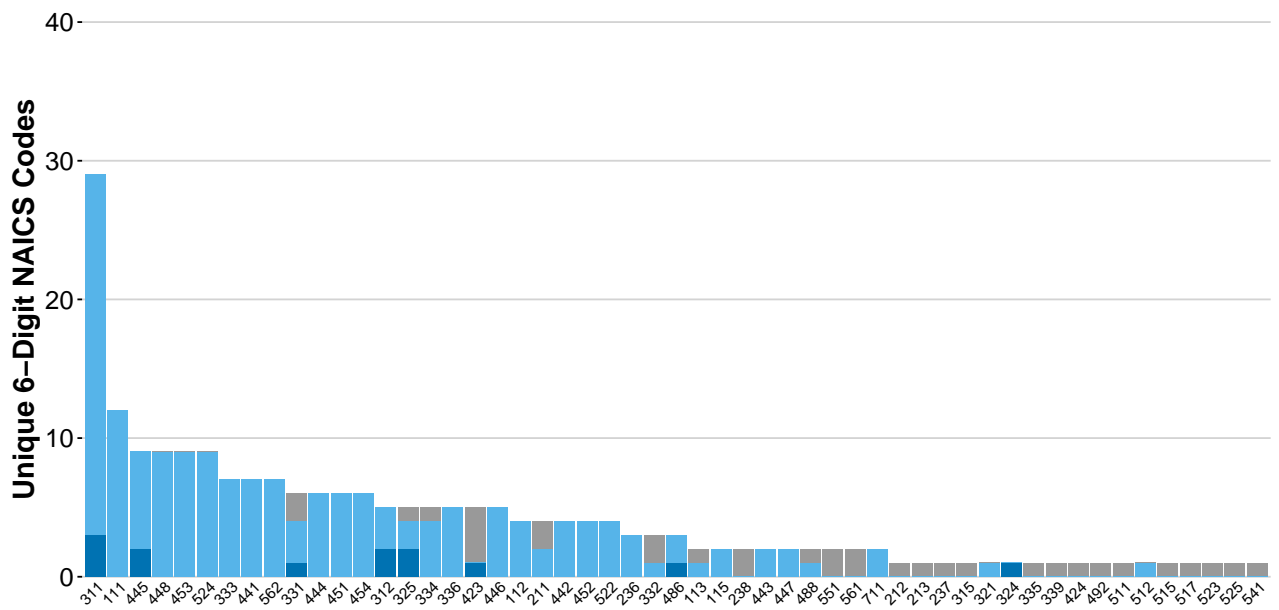
$$Mobilization_i = \alpha_i + \beta Concentration_i + \delta Differentiation_i + \gamma Sales_i + \epsilon_i \quad (1)$$

$Mobilization_i$ is a binary indicator for the mobilization of firms or trade associations in a 6-digit industry i ; $Concentration_i$ measures the 4-firm concentration ratio; $Differentiation_i$ is a

²⁴In the U.S., most firms that mobilize are in NAICS codes 325 (Chemical Manufacturing), 311 (Food Manufacturing), 111 (Crop Production), 334 (Computer and Electronic Product Manufacturing), and 336 (Transportation Equipment Manufacturing). In Canada, the top 5 sectors in terms of mobilization are 311, 112 (Animal Production), 325, 336, and 111.



(a) United States



3-Digit NAICS Code

(b) Canada

Figure 1: Industry-Level Mobilization in the United States and Canada. This graph shows the number of unique 6-digit NAICS industries within each 3-digit NAICS industry for which either only firms, only trade associations, or both are mobilizing in the United States and Canada. In total, there are 589 6-digit NAICS industries mobilizing in the U.S., and 216 in Canada.

categorical variable measuring whether an industry is moderately differentiated or differentiated (with the baseline being homogenous); and $Sales_i$ are industry sales, included to control for industry size. In some models, α_i denotes 2-digit industry fixed effects to control for broad differences in the structure of the economy and mobilization patterns in each country.

Tables 3 and 4 summarize the results. Columns 1 to 3 show the results for association-level mobilization. Overall, associations do not seem to mobilize in highly concentrated industries in both countries. In column 3 in Tables 3 and 4, we also introduce 2-digit NAICS fixed effects to account for broad sectoral differences, and do not find a consistent association between differentiation, concentration, and mobilization of sectoral business groups. In columns 4 to 6, we switch to binary firm mobilization as the outcome variable and find support for established theories of industry-level mobilization *only* in the United States. Firm-level mobilization is more likely in highly concentrated industries and in those producing more differentiated products, relative to homogenous products, confirming theories on collective action problems and the degree to which benefits from lobbying are private rather than public (Hansen, Mitchell and Drope, 2005; Bombardini, 2008; Osgood, 2017).

However, we find no such relationship within the same industries in Canada. On average, firms in more concentrated industries and more differentiated industries are slightly less likely to mobilize, though this difference is not significantly different from zero.²⁵ Thus, the descriptives above as well as the regression results provide tentative evidence that industry-level mobilization might be moderated via differences in institutions. With respect to the exact same policy, the USMCA, business interests mobilize more collectively in Canada relative to the United States. Moreover, established industry-level covariates that predict firm-level mobilization in the U.S. do not predict firm-level mobilization in Canada.

²⁵Results from logistic regressions are in Tables E1 and E2 in the Appendix.

Table 3: Mobilization during USMCA in the United States

	<i>Dependent variable:</i>					
	Association Mobilization (1/0)			Firm Mobilization (1/0)		
	(1)	(2)	(3)	(4)	(5)	(6)
4-Firm Concentr. Ratio		0.195 (0.139)	0.060 (0.145)		0.629*** (0.119)	0.462*** (0.120)
Mod.Differentiated	0.096 (0.099)	0.098 (0.100)	0.007 (0.105)	0.249*** (0.068)	0.257*** (0.060)	0.210*** (0.062)
Differentiated	0.072 (0.100)	0.074 (0.101)	-0.063 (0.112)	0.351*** (0.071)	0.369*** (0.061)	0.264*** (0.064)
Log(Sales)	0.014 (0.012)	0.024* (0.014)	0.069*** (0.020)	0.027*** (0.010)	0.060*** (0.011)	0.131*** (0.017)
Constant	0.219 (0.252)	-0.021 (0.304)		-0.471** (0.208)	-1.253*** (0.237)	
2-digit NAICS FEs			✓			✓
Observations	412	411	411	412	411	411
Adjusted R ²	-0.003	-0.0001	0.058	0.032	0.094	0.152

Note: *p<0.1; **p<0.05; ***p<0.01. All estimates are OLS. Robust standard errors in parentheses.

Table 4: Mobilization during USMCA in Canada

	<i>Dependent variable:</i>					
	Association Mobilization (1/0)			Firm Mobilization (1/0)		
	(1)	(2)	(3)	(4)	(5)	(6)
4-Firm Concentr. Ratio		0.137 (0.108)	0.018 (0.098)		0.012 (0.054)	-0.036 (0.052)
Mod.Differentiated	0.026 (0.093)	0.028 (0.092)	0.013 (0.087)	-0.037 (0.044)	-0.036 (0.044)	-0.050 (0.044)
Differentiated	0.044 (0.092)	0.044 (0.092)	0.002 (0.088)	-0.040 (0.044)	-0.039 (0.044)	-0.050 (0.044)
Log(Sales)	0.053*** (0.010)	0.060*** (0.012)	0.101*** (0.016)	0.0002 (0.002)	0.001 (0.004)	0.020** (0.010)
Constant	-0.711*** (0.212)	-0.878*** (0.250)		0.056 (0.061)	0.041 (0.098)	
2-digit NAICS FEs			✓			✓
Observations	412	411	411	412	411	411
Adjusted R ²	0.075	0.077	0.226	-0.002	-0.005	0.024

Note: *p<0.1; **p<0.05; ***p<0.01. All estimates are OLS. Robust standard errors in parentheses.

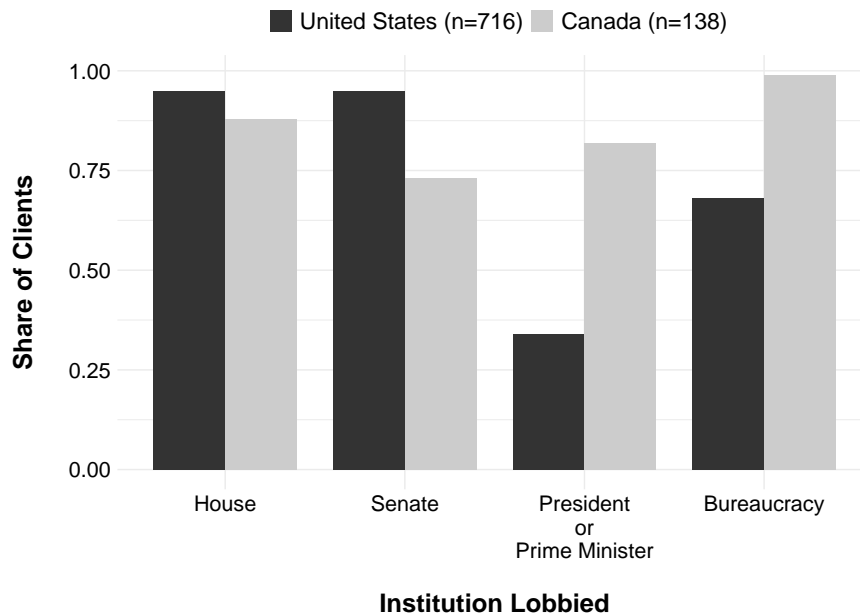


Figure 2: Institutions Lobbied in the U.S. and Canada. This figure shows the share of clients lobbying different institutions in the U.S. and Canada. In the U.S., the bureaucracy includes the United States Trade Representative (USTR), the Department of Commerce, and the Department of Agriculture. In Canada, the bureaucracy includes Global Affairs Canada (GAF), Agriculture and Agri-Food Canada (AAFC), Innovation, Science and Economic Development Canada (ISED), and Finance Canada (FIN).

3.2 Targets of USMCA Lobbying

Figure 2 shows how intensively clients lobby the legislative branch, head of state, or the bureaucracy across the two countries. In the U.S., more than 90% of all lobbying clients target both chambers of Congress. More than 50% lobby the U.S. Trade Representative or one of the trade-related ministries, and very few target the office of the president. In comparison, the House and Senate seem much less important in Canada, while the bureaucracy and the prime minister’s office much more important. Most lobbying on the trade agreement happens at the bureaucracy, especially at Global Affairs Canada (the Canadian foreign ministry) and Finance Canada (the Canadian treasury).²⁶

The descriptive results confirm our prediction with regards to the differences in political institutions across the two countries. Focusing on the same policy, lobbying of individual legislators is much more prevalent in the U.S. than in Canada, where the bureaucracy and head

²⁶See Tables A2 and A5 for a breakdown of institutions lobbied in the U.S. and Canada by different clients.

of the executive are relatively more important. Note that all institution-level differences in means are significantly different from zero.²⁷ Also note that clients lobbying the bureaucracy in Canada tend to target legislators as well. This finding is supportive of earlier research that suggest that legislative lobbying has a positive effect on gaining political access to executive officials in Canada (Boucher and Cooper, 2019; Boucher, 2018). Compared to the case of Canada, it does not seem that legislative lobbying leads to lobbying the bureaucracy in the United States.

3.3 Lobbyists Hired for USMCA Lobbying

Figure 3 presents the number of lobbyists by type hired during the USMCA negotiations in both countries. We find that clients in both countries use a comparable number of lobbyists. Overall, U.S. lobbying clients use about 10 lobbyists on average concerning the USMCA, about 1 more lobbyist than Canadian clients. A slightly larger number of lobbyists makes sense due to the larger size of the U.S. corporations and the U.S. government. We assume that larger ministries and a larger parliament means there is simply more work to be covered by lobbyists and government affairs officers. Interestingly, while clients in the U.S. and Canada use a similar number of lobbyists, they diverge in the use of in-house and external lobbyists. On average, U.S. clients use more than twice the number of external lobbyists than Canadian clients. In comparison, Canadian clients make more intensive use of in-house lobbyists, using close to 2 more in-house lobbyists than their U.S. counterparts.

This provides further tentative evidence for the importance of institutional differences. On the same policy and within roughly the same industries, consultant lobbyists are relatively more prevalent in the U.S. than in Canada. This is in line with extant literature that emphasizes personal connections of lobbyists to legislators in the United States (Bertrand, Bombardini and Trebbi, 2014). In Canada, a more centralized political system and a longer cooling-off period for public office holders make external lobbyists less valuable. Their policy knowledge is likely outdated by the time they become lobbyists, and their connections weaker as established contacts

²⁷See Table A8 in the Appendix.

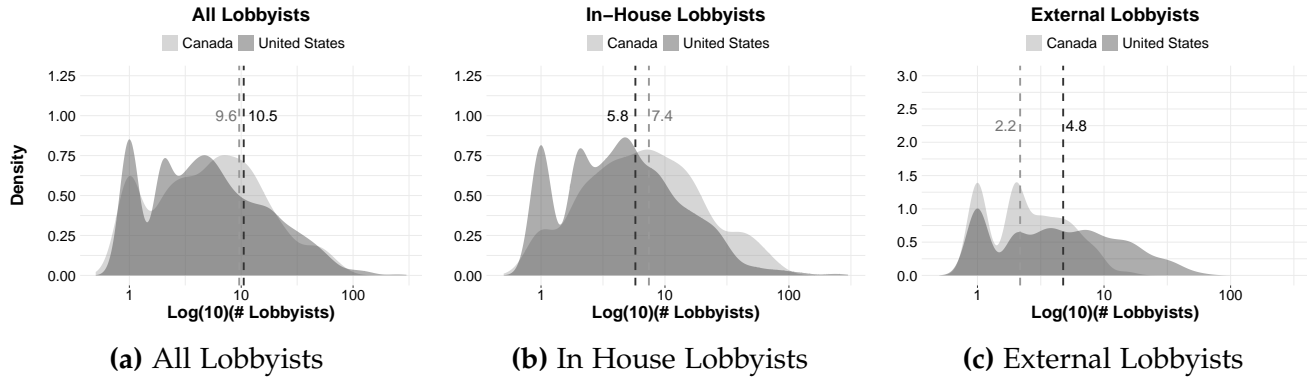


Figure 3: Number of Lobbyists used by Clients in United States and Canada, In-House vs External Lobbyists, Number of Clients, Logged Base 10. The dashed lines indicate the mean number of lobbyists of the respective types in the U.S. (dark) and Canada (light).

leave office themselves or change branches/committees.

Testing the impact of personal connections and policy expertise on the usage of lobbyists across countries is challenging due to the different disclosure requirements on previous government positions.²⁸ In order to partially test the role of expertise for the employment of external or internal lobbyists, we create an unbalanced quarter-client panels for the U.S. and Canada. We estimate the following linear model:

$$Lobbyist Share_{it} = \alpha_i + \mu_t + \beta Restrictions_{it} + \delta Issues_{it} + \gamma Sales_i + \epsilon_{it} \quad (2)$$

$Lobbyist Share_{it}$ is the share of external lobbyists hired out of the total number of lobbyists hired by a client i in quarter t . $Restrictions_{it}$ measures the logged number of regulatory restrictions in the 3-digit NAICS industry of the respective client. As a greater amount of restrictions indicate a more complex regulatory environment, higher values should create incentives for clients to obtain more external expertise via consultant lobbyists. $Issues_{it}$ is the logged number of distinct issues that clients lobby upon in the respective quarter (Espinosa, 2021). As clients have more topics to cover, the use of external lobbyists should also become more attractive. In all models we control for general trends over time with year fixed effects denoted by μ_t , and

²⁸In the U.S., only former positions with legislators are recorded in LobbyView while former executive positions are not available as of yet. In Canada, all previous positions of designated public office holders are recorded.

in some models we use 2-digit NAICS fixed effects, denoted by α_i to control for broad sectoral demand for expertise or access. $Sales_i$ measures industry sales at the 6-digit NAICS level.²⁹

Table 5: External Lobbyist Usage during USMCA Lobbying in the United States and Canada

	<i>Dependent variable:</i>							
	United States, Ext. Lobbyist Share				Canada, Ext. Lobbyist Share			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Log(Restrictions)	-0.005 (0.006)	-0.006 (0.006)	0.012* (0.006)	0.008 (0.010)	-0.105*** (0.016)	-0.090*** (0.014)	-0.077*** (0.015)	-0.052** (0.023)
Log(Issues Lobbied)		0.163*** (0.027)	0.216*** (0.031)	0.146*** (0.031)		-0.257*** (0.021)	-0.249*** (0.022)	-0.257*** (0.026)
Log(Sales)			-0.012*** (0.003)	-0.011* (0.007)			0.005 (0.007)	0.071*** (0.011)
Year FEs	✓	✓	✓	✓	✓	✓	✓	✓
2-digit NAICS FEs				✓				✓
Observations	3,592	3,592	3,033	3,033	644	644	573	573
Adjusted R ²	0.007	0.016	0.023	0.062	0.076	0.237	0.210	0.291

Note: *p<0.1; **p<0.05; ***p<0.01. All estimates are OLS. Robust standard errors in parentheses.

The results in Table 5 show inconsistent relationships between regulatory restrictions and the use of K-Street lobbyists in the U.S., but a consistently *negative* and significant association in Canada, even after including industry fixed effects. In addition, while the number of issues lobbied on is positively correlated with the use of external lobbyists in the U.S., the relationship is negative and significant in the Canadian context. When lobbying on more topics and positioned in industries with more regulatory restrictions, Canadian clients actually rely more on in-house lobbyists, rather than external lobbyists, while we find (at least partially) the contrary in the United States.³⁰

The findings are suggestive of systematic differences between the two countries in how special interest groups acquire connections and expertise to gain access to policymakers and influence government activity. Presumably, the dominance of Congress as an access point makes

²⁹Note that we use industry-level sales as a measure of client size because client-level sales or number of employees does a poor job capturing size for trade associations.

³⁰Results from logistic regressions are in Table E3 in the Appendix.

personal connections and previous Congressional employment of K-Street lobbyists more attractive in the U.S., whereas in Canada, it might make more sense for interest groups to build expertise internally and rely on in-house lobbyists, not least because of the more stringent rules on lobbying employment of previous public office holders.

3.4 Clients Lobbying in Both Countries

Notably, there are 33 clients that lobbied on the USMCA in both the U.S. *and* Canada. Most of these clients are very large multinational corporations (MNCs) headquartered in North America. Examples include Pfizer, Merck & Co., Ford Motor Co., 3M, Alphabet Inc. of America, and JD Irving Ltd., Gildan Activewear, and Apotex Inc. of Canada. Meanwhile, there are also a number of non-North American multinationals that lobbied in both the U.S. and Canada regarding the USMCA, such as Roche Holding, Novartis, Rio Tinto, and Toyota. There are also 4 trade associations that lobbied in both countries – Dairy Farmers of Ontario, Canadian Association for Petroleum, National Truck Equipment Association, and the Consumer Technology Association. Finally, one peak association, the Canadian-American Business Council, and one labor union, the United Food and Commercial Workers, lobbied in both jurisdictions.

The 27 MNCs that lobbied in both the U.S. and Canada present a unique opportunity to compare the lobbying strategies employed by the same entity on the same policy across both countries. Since the lobbying activities of these MNCs are already an outcome of political mobilization, we focus on comparing the main target of lobbying along with the type of lobbyists hired by the MNCs in each country. In the following, we summarize descriptive evidence that MNCs tailor their lobbying strategies according to the political institutions of the country that they operate in.

First, MNCs lobbying in both countries target the executive and legislative branches to a different degree in each jurisdiction. All of these MNCs except Pepsico (97%) targeted the Prime Minister in Canada, while less than 45% of them targeted the President in the United States. Meanwhile, when lobbying in Canada, these MNCs always reached out to at least one

bureaucratic institution. Specifically, all of them targeted Global Affairs Canada (and all but one also targeted Finance Canada), and on average, lobbied more than three federal agencies. In contrast, in the U.S., the same MNCs lobbied the bureaucracy relatively less intensively. For instance, the United States Trade Representative (USTR) and the Department of Commerce were targeted by only half of the MNCs. In comparison, most of the MNCs lobbying in both jurisdictions lobbied the House and Senate in both the U.S. and in Canada.

Second, MNCs lobbying in both the U.S. and Canada hired external lobbyists at a different rate. In the U.S., these MNCs employed about four lobbyists on average, and about half of them were hired externally. In contrast, the same MNCs hired about six lobbyists in Canada, while hiring external lobbyists only 30% of the time. Therefore, consistent with our main findings using all clients lobbying on the USMCA, there seems to be a greater use of external lobbyists, and thus a greater emphasis on political connections, in the United States.

We also investigate whether there are notable differences between North American MNCs and non-North American MNCs. North American MNCs are presumably more familiar with the political institutions of the U.S. and Canada than those headquartered outside of North America. Therefore, it is possible that North American MNCs are better at tailoring their lobbying strategies across the U.S.-Canada border. We find this to be somewhat true. The difference in lobbying targets in the U.S. and Canada are generally greater among North American MNCs. However, the difference in the use of external lobbyists were actually greater for non-North American MNCs. The latter fits with an interpretation that most non-Canadian and non-U.S. MNCs have have been operating in the U.S. for less time than their North American counterparts, and thus, might be in more need for the expertise or personal connection consultant lobbyists provide (Bertrand, Bombardini and Trebbi, 2014; Espinosa, 2021).

And yet, we observe the most extreme examples of tailoring lobbying strategies across countries among North American MNCs. For instance, the American pharmaceutical company, Merck & Co., targeted *only* members of Congress and did not contact a single federal agency in the United States. Meanwhile, in Canada, Merck & Co. contacted the Prime Minister, Global Affairs Canada, and all other relevant government agencies, along with the House and Sen-

ate.³¹ In the process, Merck & Co. employed about three times more of in-house lobbyists than external lobbyists when lobbying the Canadian government; the company employed at least twice as many external lobbyists than in-house lobbyists when lobbying the U.S. government. Similarly, Mastercard and Soti Inc. also devised completely different lobbying strategies for lobbying in the U.S. and in Canada.

3.5 Generalizability of Findings

How much do our findings extend beyond the specific case of the USMCA? First, we demonstrate that main results of our analyses hold when replicating with the case of Trans-Pacific Partnership (TPP) negotiations.³² In the Appendix, we report very similar composition of lobbying client types (Table B1), distribution of firm and association mobilization (Figures B1b and B1a), correlations between mobilization and industry characteristics (Tables B2 and B3), and institutions lobbied (Figure B2). Results differ slightly for the use of internal and external lobbyists. American clients hired more external lobbyists than Canadian clients, but a similar number of in-house lobbyists (Figure B3) for the TPP. Greater regulatory restrictions are associated with more use of external lobbyists in the U.S., but less external lobbyists in Canada, and the number of issues is again negatively correlated with the use of external lobbyists in Canada (Table B4). Second, we analyze institutional lobbying in the U.S. and Canada outside of trade negotiations. Even across all lobbying reports, unrestricted by topic, U.S. lobbying is highly concentrated on the House and Senate (Figures C2 and C1), and Canadian lobbying on the executive branch (Figures D2 and D1).³³ Overall, these findings provide evidence that our results are not driven by the particularities of the USMCA or trade negotiations.

³¹All interest groups that lobbied in both the U.S. and Canada have contacted the House of Commons of Canada at least once.

³²Since the U.S. dropped out of the TPP negotiations at the end of 2016, we use data from 2012 to 2020 for Canada, and from 2012 to 2016 for the United States.

³³While there is a good amount of legislative lobbying in Canada, the lion's share is focused on the Prime Minister's Office and various executive branches.

Discussion

How much do lobbying patterns observed in the U.S. serve to inform comparative research on interest groups? To answer the question, we systematically compare trade lobbying by 821 interest groups in the U.S. and Canada during the USMCA negotiations between 2016 and 2020. Typically, cross-country comparisons is challenging due to differing lobbying disclosure rules and variations in policy dynamics. In this paper, we try to overcome these challenges by comparing producer mobilization and their lobbying strategies in the U.S. and Canada, which have comparable lobbying disclosure laws. We also focus on a single trade deal to hold constant policy scope and timing. Specifically, we analyze producer lobbying with respect to the USMCA negotiations which were similarly salient in both countries and which had high stakes for producer groups. By that, we attribute differences in the USMCA lobbying patterns across the U.S.-Canadian border to different political institutions and economic structures.

For instance, Canada's geographically clustered natural resources induced provincial governments to become political allies of trade associations that naturally represent regionalized interests. Meanwhile, smaller businesses in Canada are incentivized to mobilize collectively for protection, as the American market has a disproportionate impact on them. Accordingly, we find that trade associations play a substantial role in Canada. Meanwhile, the concentration of power in the executive, strong party cohesion, and bans on corporate donations seem to incentivize Canadian producers to mainly target the bureaucracy. Finally, we find Canadian producers to rely less on external lobbyists. This is likely because bureaucratic elites have more permanency, and thus political connections are valued less than policy expertise. These observed lobbying patterns in Canada are strikingly different from that of U.S. lobbying where firms play a more dominant role, primarily targeting legislators, approached by external lobbyists. We further confirm these differences by revisiting key determinants that explain the mode of trade lobbying and the type of lobbyists hired (Bombardini and Trebbi, 2012; Espinosa, 2021). Factors like industry concentration or issue-specific needs well-predict USMCA lobbying patterns in the U.S., but fail to explain that in Canada.

Important insights for comparative lobbying research emerge from our results. First, findings here highlight the role of electoral institutions and campaigns. European scholars have already stressed the role of electoral accountability, including differences between directly elected representatives in the U.S. and un-elected EU bureaucrats (Baumgartner, 2007; Mahoney, 2007*a,b*; Woll, 2012). In this paper, we demonstrate stark differences in mobilization and lobbying strategies between the U.S. and Canada, both of which share a majoritarian electoral system. This implies that factors such as the overall distribution of power between the executive and legislative or campaign finance laws drive observable differences in lobbying patterns, beyond the mere presence or absence of electoral accountability. Overall, the literature on lobbying should recognize such institutional differences and caution not to generalize findings based on the particular role of corporations or campaign donations in the United States (Ansolabehere, de Figueiredo and Snyder, 2003; Huneus and Kim, 2021; Kim and Osgood, 2019). Table 1 of this paper can be used as a useful framework to make predictions about lobbying in other countries based on economic and political factors. For instance, we expect countries following the Westminster system with a relatively strong party discipline such as the United Kingdom, Australia, New Zealand, and India to have similar lobbying patterns with Canada rather than that of the United States. Moreover, Appendix Table A1 can be used by researchers to gauge the suitability of U.S. and Canadian data for cross-country lobbying comparisons.

Second, extant research stresses issue-specific factors such as salience for interest group mobilization, coalition formation, and influence. The most common prediction of this work is that business groups' influence is larger when issue salience is lower (Mahoney, 2007*a*; Culpepper, 2010; Woll, 2013; Junk, 2019).³⁴ In this paper, we hold constant issue salience, which was relatively high in both Canada and the U.S. for the USMCA, while leaving variation in the institutional context. We do not investigate interest group influence directly in this paper, but the vastly different lobbying patterns suggest that issue salience, to the extent that it matters for interest group success, does not operate uniformly across countries and different institutional

³⁴Huneus and Kim (2021) shows that most bills in the U.S. Congress are relatively non-salient technical bills and only lobbied by one or two interest groups.

contexts. Moreover, even salient policies such as the USMCA contain many complex details like fine-grained tariffs and rules of origin (Manger, 2009), which can easily escape the eye of the public, and thus, leave enough room for 'quiet' business influence (Culpepper, 2010). Thus, future research on the interaction between interest groups and issue salience should further investigate variation in specific issue contexts.

Finally, findings of this paper indicate that interest groups that lobby across countries likely benefit from tailoring their lobbying strategies according to local institutions, and by strategically coordinating the activities of the parents and foreign subsidiaries. In fact, we find evidence that many multinational corporations that engaged in USMCA lobbying actually lobbied from both the U.S. and Canada by utilizing their subsidiaries. In some notable cases, the firms' lobbying strategies were drastically different by jurisdiction, and consistent in ways predicted in this paper. Thus, one promising avenue for research relates to exploring whether such tailored lobbying efforts and coordinated parent-subsidiary lobbying are likely to yield better returns from lobbying or have a greater influence on public policy.

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Appendix (For Online Publication)

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A Data Appendix

A1 Lobbying Data in the U.S. and Canada

	United States	Canada
<i>Legal basis</i>	1995 U.S. Lobbying Disclosure Act 2007 Honest Leadership and Open Government Act	1989 Lobbyists Registration Act 2008 Lobbying Act
<i>Time frame & Frequency</i>	1999 – today 1999 – 2007: semi-annually 2008 – today: quarterly	1996 – today Registrations updated: • In-house 2 months, consultants 15 days, communications monthly
<i>Registrants & Clients</i>	Identity & contact: • Names, ID	Identity & contact: • Names, ID • Parent/subsidiary information • Coalition status
<i>Lobbyists</i>	Lobbyist information: • Names • In-house/consultant	Lobbyist information: • Names, ID • In-house/consultant • Current job title • Former public offices
<i>Expenses</i>	1999 – 2007: semi-annually 2008 – today: quarterly	<i>not recorded</i>
<i>Institutions</i>	227 Institutions, including: • House, Senate • Government departments • Executive agencies	180 Institutions, including: • House of Commons, Senate • Government departments • Executive agencies
<i>Contacts</i>	<i>not recorded</i>	Direct communications: • Lobbyists • Designated public office holders • Date of communication • Type of communication
<i>Issues</i>	Issues/subjects lobbied: • 79 issue categories • Detailed specific issues, including Congressional bills lobbied	Issues/subjects lobbied: • 55 issue categories • Detailed subject matters, including legislative bills lobbied
<i>Additional data</i>		Beneficiaries of registration Government funding

Table A1: Lobbying Data in the United States and Canada. This table compares the information contained in the federal lobbying data in the U.S. and Canada.

A2 USMCA: Institutions Lobbied in the United States

Table A2: Types of Insitutions lobbied in the United States, 2016-2020

Institution	United States USMCA Lobbying	
	Reports (Share)	Clients (Share)
President	2057 (0.14)	246 (0.34)
House	8112 (0.55)	683 (0.95)
Senate	8039 (0.55)	682 (0.95)
Trade Representative	4005 (0.27)	431 (0.6)
Department of Commerce	2326 (0.16)	292 (0.41)
Department of Agriculture	1292 (0.09)	139 (0.19)
United States Total	14648	716

Note:

The table shows the types of institutions lobbied in Canada during the USMCA negotiations. This refers to the clients that report having lobbied or intended to lobby the respective government institutions.

Table A3: Types of Insitutions lobbied in the United States, Non-US MNCs, 2016-2020

Institution	United States USMCA Lobbying	
	Reports (Share)	Clients (Share)
President	239 (0.16)	39 (0.35)
House	1363 (0.92)	108 (0.96)
Senate	1332 (0.9)	108 (0.96)
Trade Representative	582 (0.39)	73 (0.65)
Department of Commerce	398 (0.27)	53 (0.47)
Department of Agriculture	85 (0.06)	11 (0.1)
United States Total	1480	112

Note:

The table shows the types of institutions lobbied in Canada during the USMCA negotiations by Non-US MNCs. This refers to the clients that report having lobbied or intended to lobby the respective government institutions.

Table A4: Types of Institutions lobbied in the United States, Clients Lobbying in both US and Canada

Institution	United States USMCA Lobbying	
	Reports (Share)	Clients (Share)
President	112 (0.18)	15 (0.45)
House	526 (0.87)	30 (0.91)
Senate	530 (0.87)	29 (0.88)
Trade Representative	258 (0.42)	18 (0.55)
Department of Commerce	182 (0.3)	17 (0.52)
Department of Agriculture	14 (0.02)	2 (0.06)
United States Total	608	33

Note:

The table shows the types of institutions lobbied in Canada during the USMCA negotiations by clients lobbying in both jurisdictions. This refers to the clients that report having lobbied or intended to lobby the respective government institutions.

A3 USMCA: Institutions Lobbied in Canada

Table A5: Types of Insitutions lobbied in Canada, 2016-2020

Institution	Canadian USMCA Lobbying	
	Reports (Share)	Clients (Share)
Prime Minister	2460 (0.79)	113 (0.82)
House of Commons	2639 (0.85)	122 (0.88)
Senate of Canada	2244 (0.72)	101 (0.73)
Global Affairs Canada	2814 (0.91)	130 (0.94)
Agriculture & Agri-Food Canada	1669 (0.54)	54 (0.39)
Innov., Science, & Econ. Dev. Canada	1575 (0.51)	105 (0.76)
Finance Canada	2553 (0.82)	119 (0.86)
Canada Total	3104	138

Note:

The table shows the types of institutions lobbied in the Canada during the USMCA negotiations. This refers to the clients that report having lobbied or intended to lobby the respective government institutions.

Table A6: Types of Insitutions lobbied in Canada, Non-Canadian MNCs, 2016-2020

Institution	Canadian USMCA Lobbying	
	Reports (Share)	Clients (Share)
Prime Minister	518 (0.78)	32 (0.76)
House of Commons	524 (0.79)	37 (0.88)
Senate of Canada	382 (0.57)	27 (0.64)
Global Affairs Canada	620 (0.93)	40 (0.95)
Agriculture & Agri-Food Canada	104 (0.16)	9 (0.21)
Innov., Science, & Econ. Dev. Canada	471 (0.71)	35 (0.83)
Finance Canada	535 (0.8)	34 (0.81)
Canada Total	667	42

Note:

The table shows the types of institutions lobbied in the Canada during the USMCA negotiations by Non-Canadian MNCs. This refers to the clients that report having lobbied or intended to lobby the respective government institutions.

Table A7: Types of Institutions lobbied in the United States, Clients Lobbying in both US and Canada

Institution	United States USMCA Lobbying	
	Reports (Share)	Clients (Share)
Prime Minister	695 (0.84)	28 (0.85)
House of Commons	689 (0.83)	33 (1)
Senate of Canada	528 (0.64)	28 (0.85)
Global Affairs Canada	779 (0.94)	33 (1)
Agriculture & Agri-Food Canada	259 (0.31)	9 (0.27)
Innov., Science, & Econ. Dev. Canada	474 (0.57)	28 (0.85)
Finance Canada	708 (0.86)	30 (0.91)
Canada Total	827	33

Note:

The table shows the types of institutions lobbied in Canada during the USMCA negotiations by clients lobbying in both jurisdictions. This refers to the clients that report having lobbied or intended to lobby the respective government institutions.

A4 USMCA: Institutions Lobbied in the United States vs. Canada, t-tests

Table A8: Insitutions lobbied in the United States and Canada, Differences, 2016-2020

Institution	United States			Canada			Mean Differences			
	n	Mean	SD	n	Mean	SD	Diff.	t-value	p-value	Conf.Int.
President/PM	716	0.34	0.47	138	0.82	0.39	0.48	11.09	< 0.01	(0.4, 0.56)
Bureaucracy	716	0.68	0.47	138	0.99	0.12	0.30	7.59	< 0.01	(0.22, 0.38)
House	716	0.95	0.22	138	0.88	0.32	-0.07	-3.07	< 0.01	(-0.11, -0.03)
Senate	716	0.95	0.22	138	0.73	0.44	-0.22	-8.76	< 0.01	(-0.27, -0.17)

Note:

The table shows the mean differences in the shares of institutions lobbied in the United States and Canada, as in Figure 2 in the main text. In addition, it shows t-tests, p-values, and confidence intervals for the differences in means.

A5 USMCA: Usage of In-House vs. External Lobbyists

Table A9: Types of Organisations Lobbying USMCA in the U.S. and Canada, Lobbyists Used

Organisation Type	United States					Canada				
	# Clients Using Lobbyists			Mean #Lobbyists		# Clients Using Lobbyists			Mean # Lobbyists	
	In House	External	Both	In House	External	In House	External	Both	In House	External
Corporation	140	137	133	4.86	5.46	20	26	21	5.78	2.21
Ideological Group	22	2	1	7.12	1.48	2	0	1	21.25	0.25
Peak Association	32	10	5	12.42	3.19	1	3	3	8.71	1.86
Public	2	9	0	0.50	3.50	0	1	0	0.00	5.00
Trade Association	76	71	63	6.22	4.59	14	18	20	6.83	2.40
Union	14	3	6	5.88	1.04	4	0	1	24.60	0.80
Total	286	231	208	5.77	4.76	41	48	46	7.42	2.17

Note:

The table shows the types of organizations lobbying on the USMCA in the U.S. in Canada, which types of lobbyists they use. First 3 columns: "In House" refers to clients who only use in house lobbyists, "External" refers to the those that only use external lobbyists (K-Street lobbyists). Last 2 columns: this refers to the average number of in house or external lobbyists

Table A10: Types of Organisations Lobbying USMCA in the U.S. and Canada, Non-US/CAN MNCs, Lobbyists Used

Organisation Type	United States					Canada				
	# Clients Using Lobbyists			Mean #Lobbyists		# Clients Using Lobbyists			Mean # Lobbyists	
	In House	External	Both	In House	External	In House	External	Both	In House	External
Corporation	46	31	31	4.50	4.98	15	9	9	5.33	2.3
Ideological Group	0	0	0			0	0	0		
Peak Association	1	2	0	0.50	5.00	0	2	0	0.00	3.0
Public	0	0	0			0	0	0		
Trade Association	0	4	1	0.80	3.00	0	4	1	0.20	3.8
Union	0	0	0			2	0	0	3.00	0.0
Total	47	37	32	4.21	4.90	17	15	10	4.36	2.4

Note:

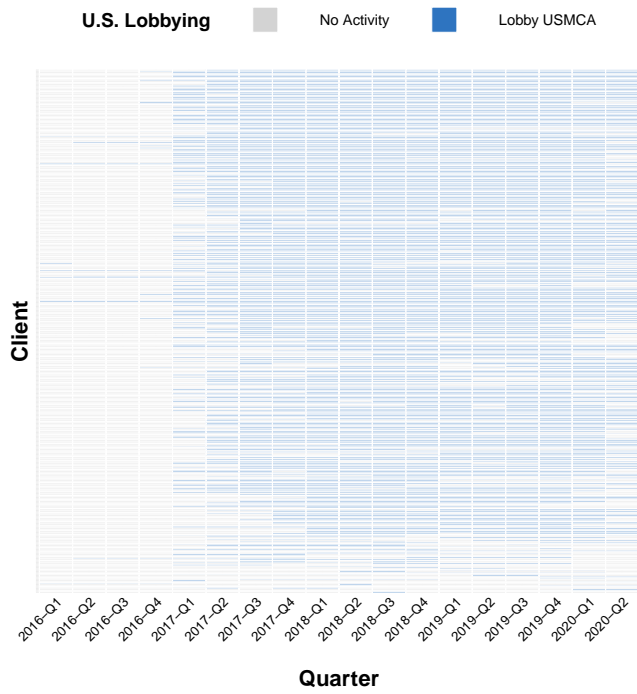
The table shows the types of organizations lobbying on the USMCA in the U.S. in Canada, which types of lobbyists they use. First 3 columns: "In House" refers to clients who only use in house lobbyists, "External" refers to the those that only use external lobbyists (K-Street lobbyists). Last 2 columns: this refers to the average number of in house or external lobbyists

Table A11: Types of Organisations Lobbying USMCA in the U.S. and Canada, Clients Lobbying in Both Countries, Lobbyists Used

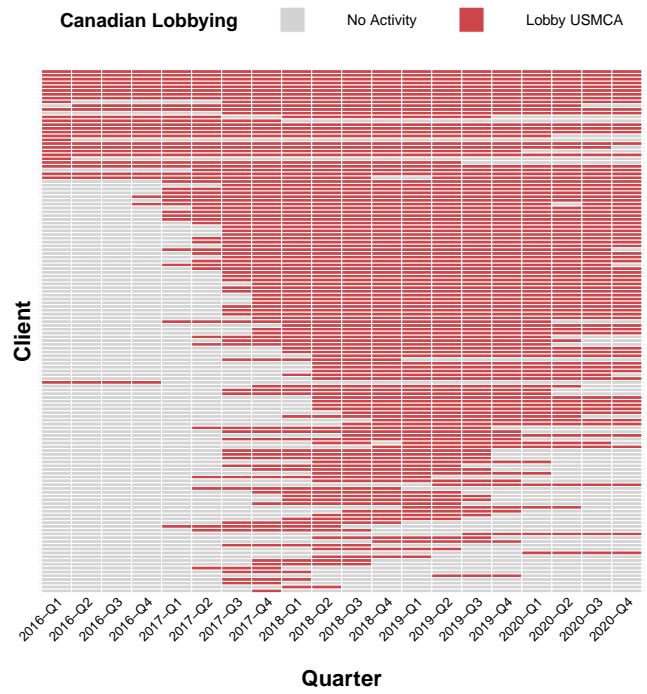
Organisation Type	United States						Canada				
	# Clients Using Lobbyists			Mean #Lobbyists			# Clients Using Lobbyists			Mean # Lobbyists	
	In House	External	Both	In House	External	In House	External	Both	In House	External	
Corporation	4	7	17	10.07	12.50	12	4	11	7.44	2.85	
Ideological Group	0	0	0			0	0	0			
Peak Association	0	1	0	0.00	4.00	0	1	0	0.00	4.00	
Public	0	0	0			0	0	0			
Trade Association	1	2	1	5.00	5.25	1	3	0	13.00	1.25	
Union	1	0	0	3.00	0.00	1	0	0	4.00	0.00	
Total	6	10	18	9.03	11.11	14	8	11	7.79	2.61	

Note:

The table shows the types of organizations lobbying on the USMCA in the U.S. in Canada, which types of lobbyists they use. First 3 columns: "In House" refers to clients who only use in house lobbyists, "External" refers to the those that only use external lobbyists (K-Street lobbyists). Last 2 columns: this refers to the average number of in house or external lobbyists



(a) United States (400 top clients)



(b) Canada

Figure A1: Lobbying over Time on the USMCA in the United States and Canada.

A6 Lobbying Over Time in the U.S. and Canada

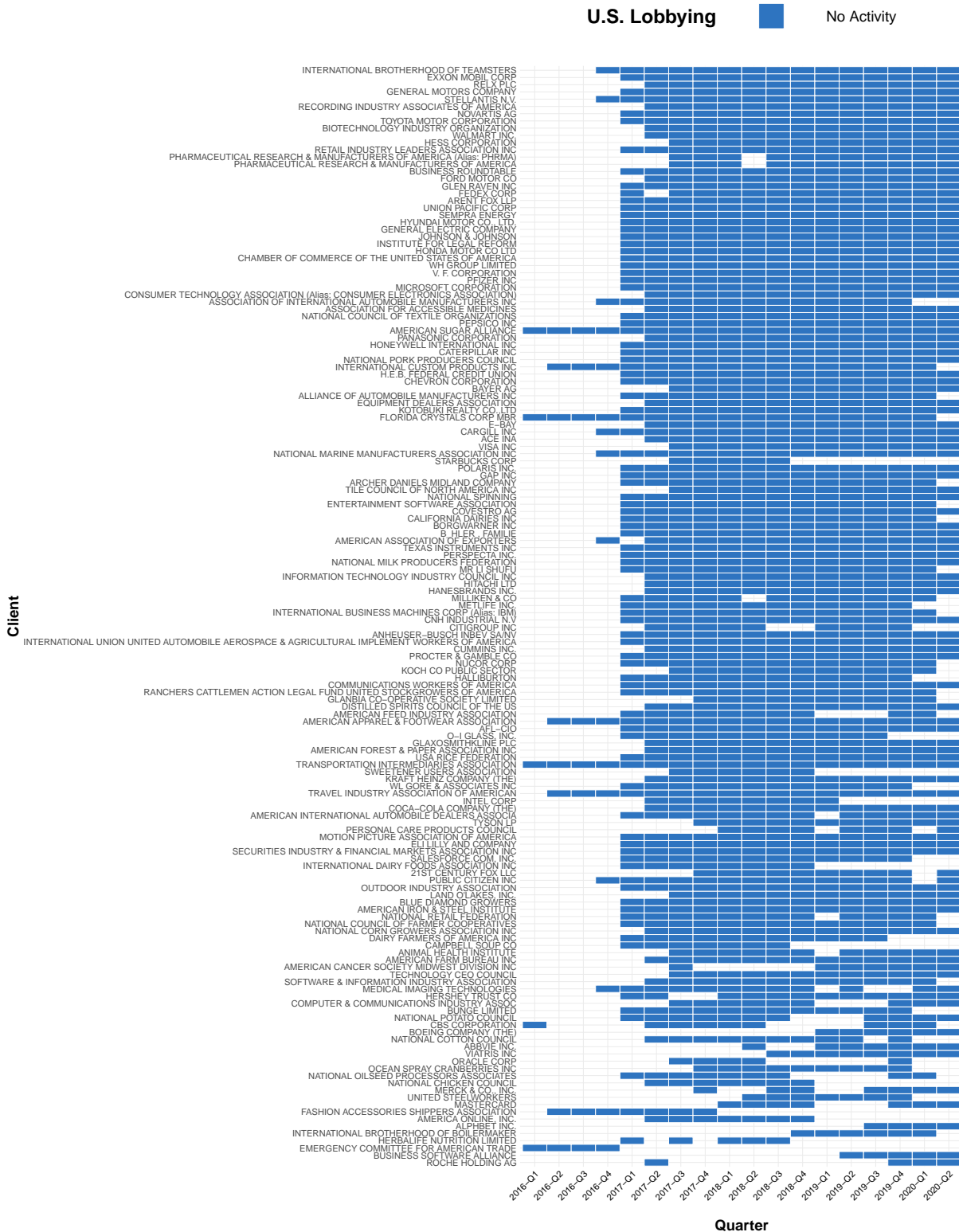


Figure A2: Lobbying over Time on the USMCA in the United States. 150 most frequently lobbying clients between 2016 and 2020.

Canadian Lobbying



No Activity



Lobby USMCA

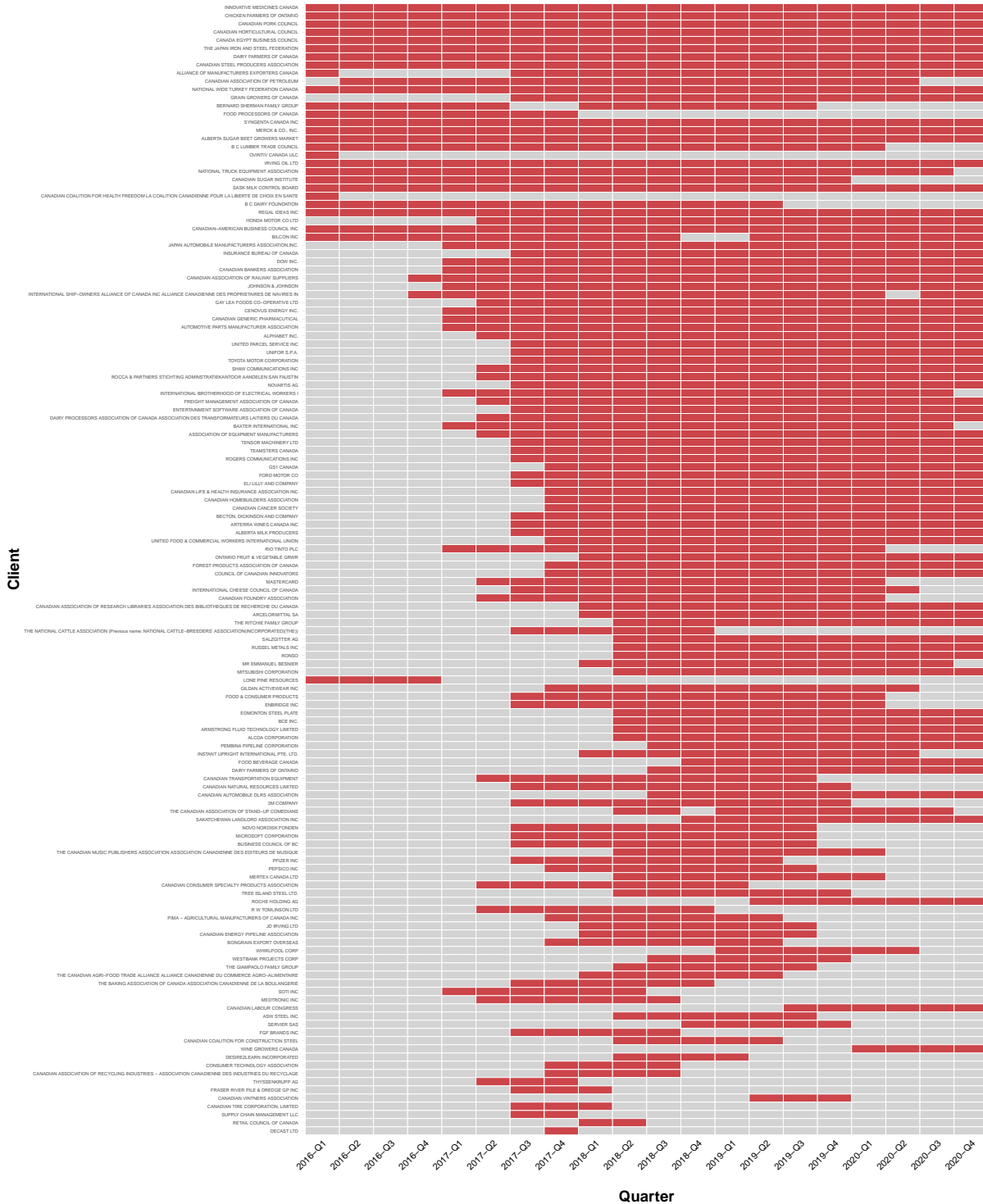
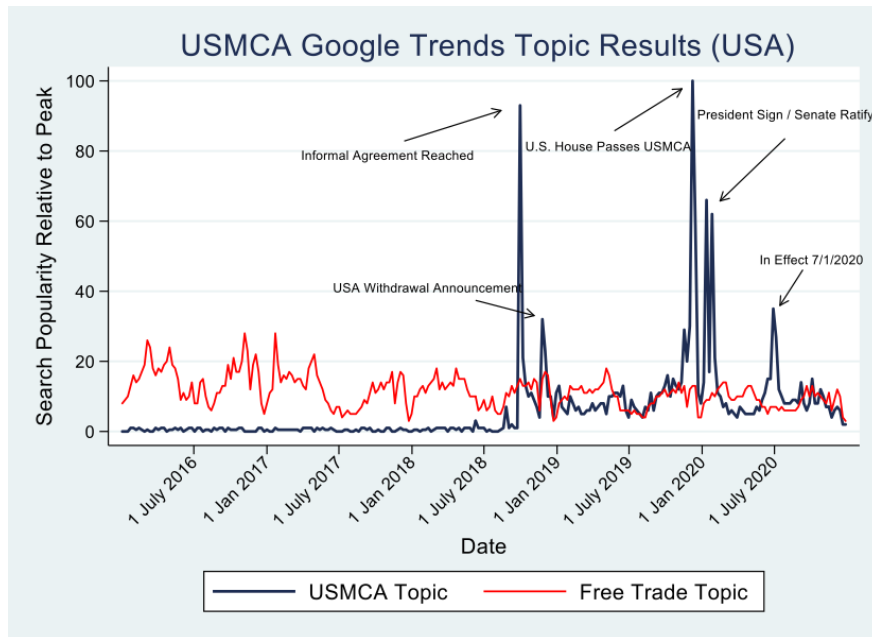
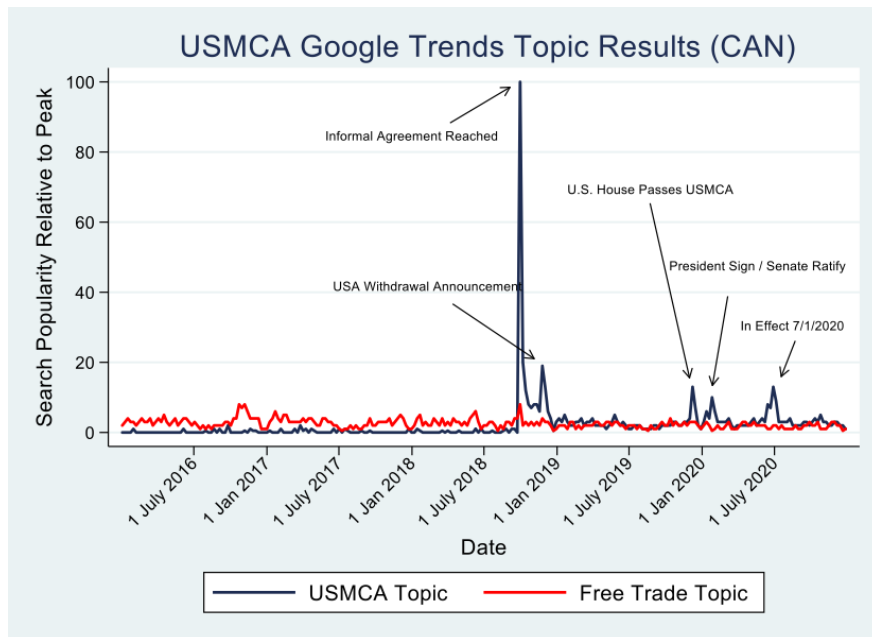


Figure A3: Lobbying over Time on the USMCA in Canada. All clients mobilizing on the USMCA between 2016 and 2020

A7 Google Trends Searches on the USMCA in the U.S. and Canada



(a) United States



(b) Canada

Figure A4: Google Trends Searches on the USMCA in the United States and Canada. These graphs show the popularity of the USMCA and free trade search topics queried in Google’s search engine the U.S. and Canada over the period from 2016 to 2020. The data are normalized and scaled from 0 to 100, with 100 being the highest volume of search for the entire period.

B Replication of Main Results, TPP Negotiations

B1 TPP: Lobbying Activity by Organisation

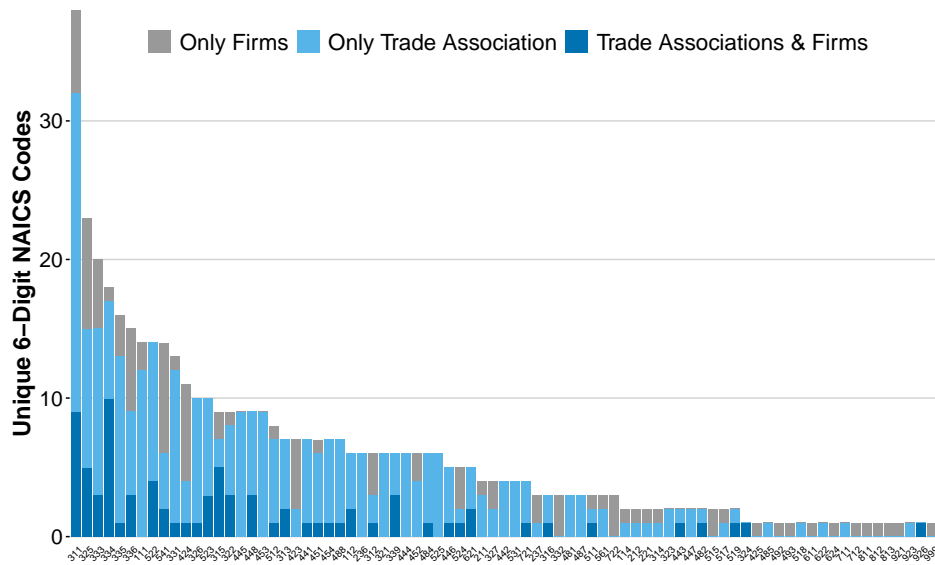
Table B1: Types of Organisations Lobbying TPP in the U.S. (2012-2016) and Canada (2012-2020)

Organisation Type	Unique Clients Lobbying the TPP:							
	Overall		in United States		in Canada		in Both	
	Clients	Share	Clients	Share	Clients	Share	Clients	Share
Corporation	351	0.52	281	0.53	92	0.52	22	0.88
Ideological Group	48	0.07	43	0.08	5	0.03	0	0.00
Peak Association	47	0.07	37	0.07	10	0.06	0	0.00
Public	9	0.01	7	0.01	2	0.01	1	0.04
Trade Association	195	0.29	135	0.26	62	0.35	2	0.08
Union	31	0.05	24	0.05	7	0.04	0	0.00
Total	681		527		178		25	

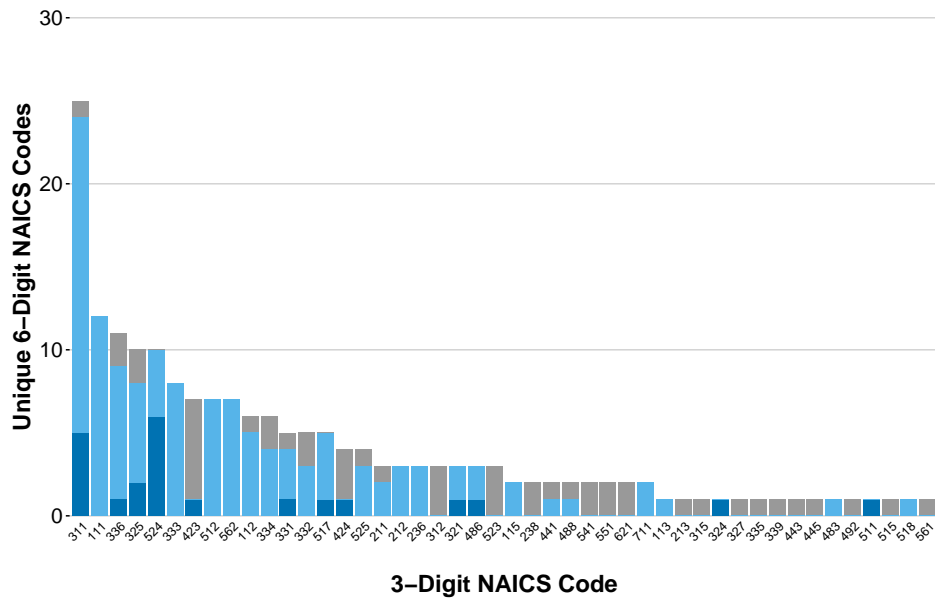
Note:

The table shows the types of organizations lobbying on the TPP in the U.S. (2012-Q1 to 2020-Q2) and in Canada (2012-Q1 to 2020-Q2).

B2 TPP: Industry Mobilization



(a) United States



(b) Canada

Figure B1: Industry-Level Mobilization in the United States and Canada, TPP. This graph shows the number of unique 6-digit NAICS industries within each 3-digit NAICS industry for which either only firms, only trade associations, or both are mobilizing in the United States and Canada during the TPP negotiations. In the U.S., data runs from 2012 until end of 2016 are used, and in Canada, from 2012 until 2020. In total, there are 464 6-digit NAICS industries mobilizing in the U.S., and 184 in Canada.

B3 TPP: Institutions lobbied in the United States and Canada

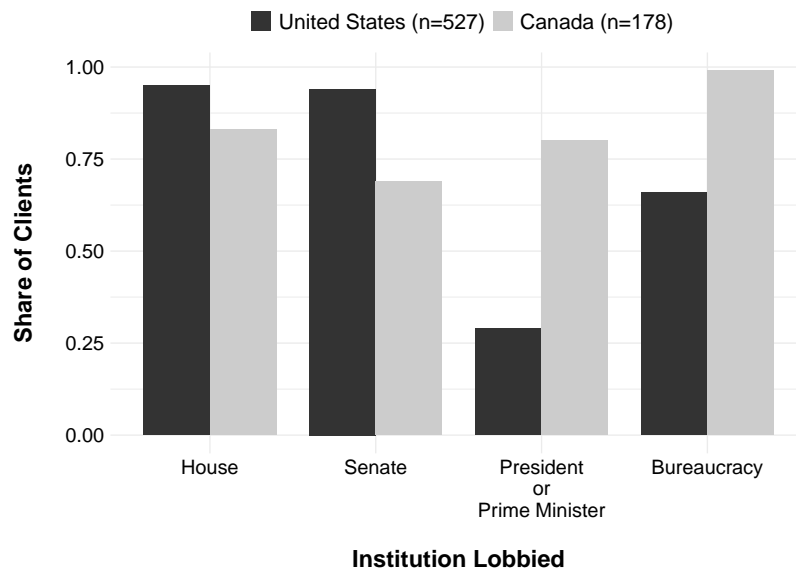


Figure B2: Institutions Lobbied in the U.S. and Canada during TPP negotiations. This figure shows the share of clients lobbying different institutions in the U.S. and Canada during the TPP negotiations. In the U.S., data runs from 2012 until end of 2016 are used, and in Canada, from 2012 until 2020. In the U.S., the bureaucracy includes the United States Trade Representative (USTR), the Department of Commerce, and the Department of Agriculture. In Canada, the bureaucracy includes Global Affairs Canada (GAF), Agriculture and Agri-Food Canada (AAFC), Innovation, Science and Economic Development Canada (ISED), and Finance Canada (FIN).

B4 TPP: Lobbyists hired in the United States and Canada

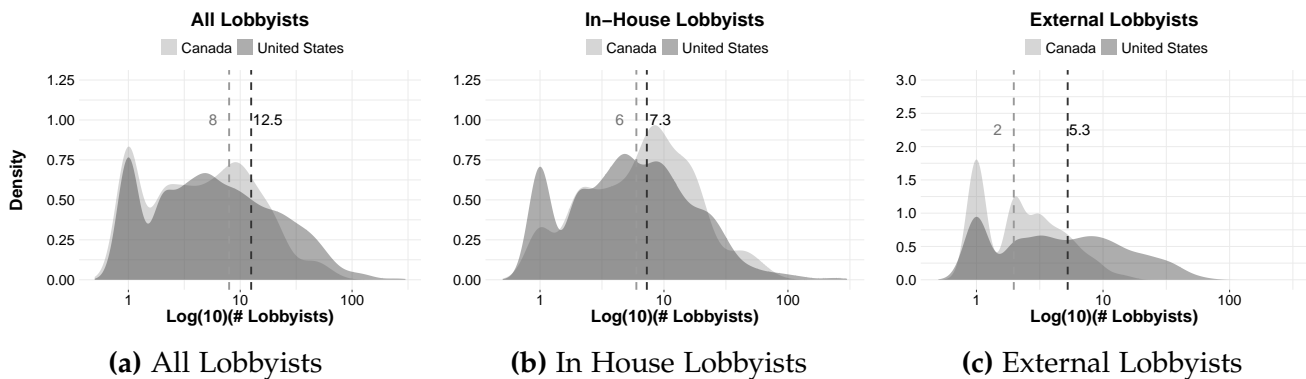


Figure B3: Number of Lobbyists used during TPP negotiations by Clients in United States and Canada, In-House vs External Lobbyists, Number of Clients, Logged Base 10. In the U.S., data runs from 2012 until end of 2016 are used, and in Canada, from 2012 until 2020. The dashed lines indicate the mean number of lobbyists of the respective types in the U.S. (dark) and Canada (light).

B5 Replication of Main Regressions, TPP Negotiations

Table B2: Mobilization during TPP in the United States

	<i>Dependent variable:</i>					
	Association Mobilization (1/0)			Firm Mobilization (1/0)		
	(1)	(2)	(3)	(4)	(5)	(6)
4-Firm Concentr. Ratio		0.111 (0.136)	-0.052 (0.137)		0.553*** (0.110)	0.420*** (0.108)
Mod.Differentiated	0.114 (0.100)	0.115 (0.099)	0.034 (0.100)	0.157*** (0.050)	0.163*** (0.047)	0.108** (0.049)
Differentiated	0.067 (0.100)	0.067 (0.100)	-0.043 (0.105)	0.281*** (0.053)	0.297*** (0.049)	0.213*** (0.054)
Log(Sales)	0.016 (0.012)	0.021 (0.014)	0.076*** (0.019)	0.018** (0.008)	0.047*** (0.010)	0.099*** (0.017)
Constant	0.088 (0.248)	-0.048 (0.303)		-0.332** (0.161)	-1.020*** (0.220)	
2-digit NAICS FEs			✓			✓
Observations	412	411	411	412	411	411
Adjusted R ²	0.001	0.0001	0.102	0.030	0.091	0.134

Note: *p<0.1; **p<0.05; ***p<0.01. All estimates are OLS. Robust standard errors in parentheses.

Table B3: Mobilization during TPP in the Canada

	<i>Dependent variable:</i>					
	Association Mobilization (1/0)			Firm Mobilization (1/0)		
	(1)	(2)	(3)	(4)	(5)	(6)
4-Firm Concentr. Ratio		0.144 (0.107)	0.052 (0.103)		0.030 (0.055)	-0.014 (0.050)
Mod.Differentiated	0.001 (0.090)	0.003 (0.090)	-0.024 (0.091)	-0.024 (0.047)	-0.024 (0.047)	-0.034 (0.047)
Differentiated	0.010 (0.089)	0.010 (0.088)	-0.044 (0.094)	-0.022 (0.047)	-0.021 (0.046)	-0.027 (0.046)
Log(Sales)	0.046*** (0.010)	0.054*** (0.012)	0.085*** (0.017)	0.005 (0.004)	0.007 (0.006)	0.025** (0.011)
Constant	-0.576*** (0.209)	-0.752*** (0.251)		-0.040 (0.094)	-0.078 (0.128)	
2-digit NAICS FEs			✓			✓
Observations	412	411	411	412	411	411
Adjusted R ²	0.060	0.063	0.136	0.002	0.001	0.024

Note: *p<0.1; **p<0.05; ***p<0.01. All estimates are OLS. Robust standard errors in parentheses.

Table B4: External Lobbyist Usage during TPP Lobbying in the United States and Canada

	<i>Dependent variable:</i>							
	United States, Ext. Lobbyist Share				Canada, Ext. Lobbyist Share			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Log(restrictions)	0.045*** (0.005)	0.045*** (0.005)	0.045*** (0.006)	0.069*** (0.011)	-0.054*** (0.013)	-0.063*** (0.012)	-0.046*** (0.013)	-0.028 (0.018)
Log(Issues Lobbied)		0.023 (0.033)	-0.014 (0.035)	-0.008 (0.034)		-0.274*** (0.016)	-0.255*** (0.017)	-0.272*** (0.020)
Log(Sales)			0.006 (0.004)	-0.028*** (0.008)			0.014** (0.005)	0.050*** (0.010)
Year FEs	✓	✓	✓	✓	✓	✓	✓	✓
2-digit NAICS FEs				✓				✓
Observations	3,017	3,017	2,787	2,787	1,046	1,046	954	954
Adjusted R ²	0.023	0.023	0.027	0.086	0.014	0.210	0.184	0.230

Note: *p<0.1; **p<0.05; ***p<0.01. All estimates are OLS. Robust standard errors in parentheses.

C Institution Lobbying Outside of Trade, USA

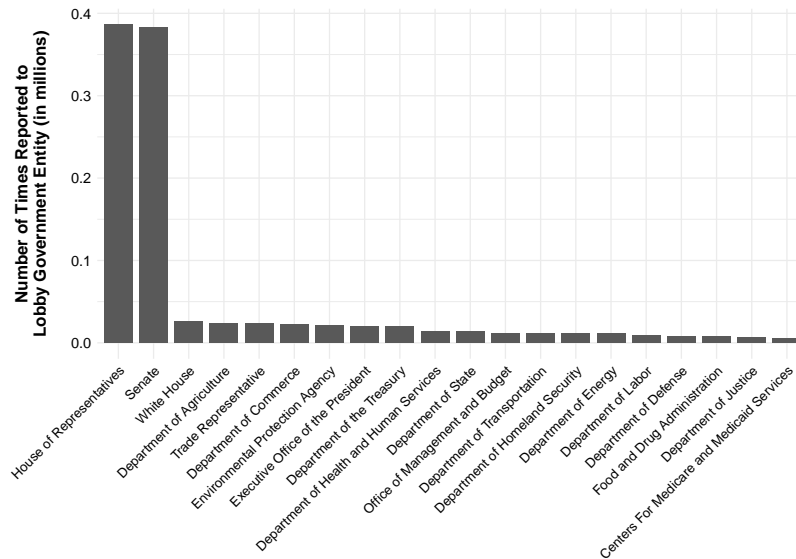


Figure C1: Top 20 Institutions Lobbied in the U.S., Clients Lobbying on USMCA or TPP. This figure shows the number of times U.S. federal lobbying reports from 1999 to 2020 mention lobbying of government institutions, for all clients also lobbying the USMCA or the TPP between 2012 and 2020.

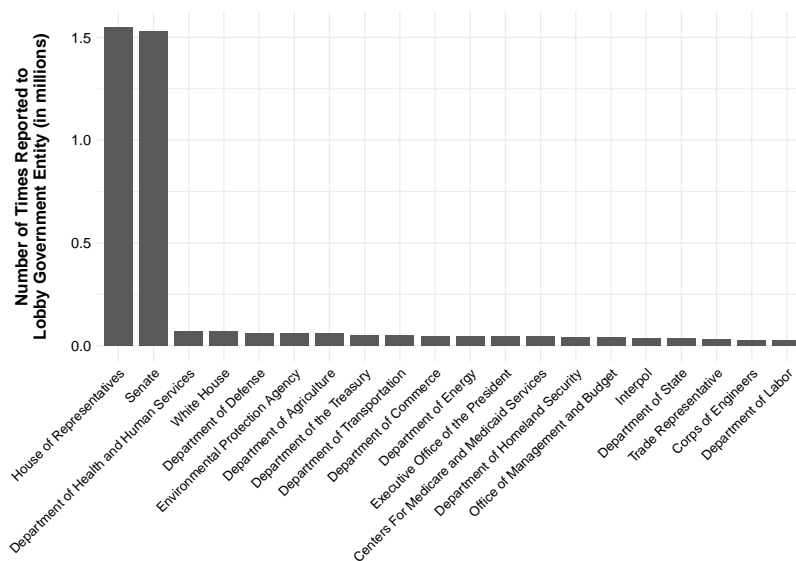


Figure C2: Top 20 Institutions Lobbied in the U.S., all Lobbying Clients. This figure shows the number of times U.S. federal lobbying reports from 1999 to 2020 mention lobbying of government institutions, for all lobbying clients.

D Institution Lobbying Outside of Trade, Canada

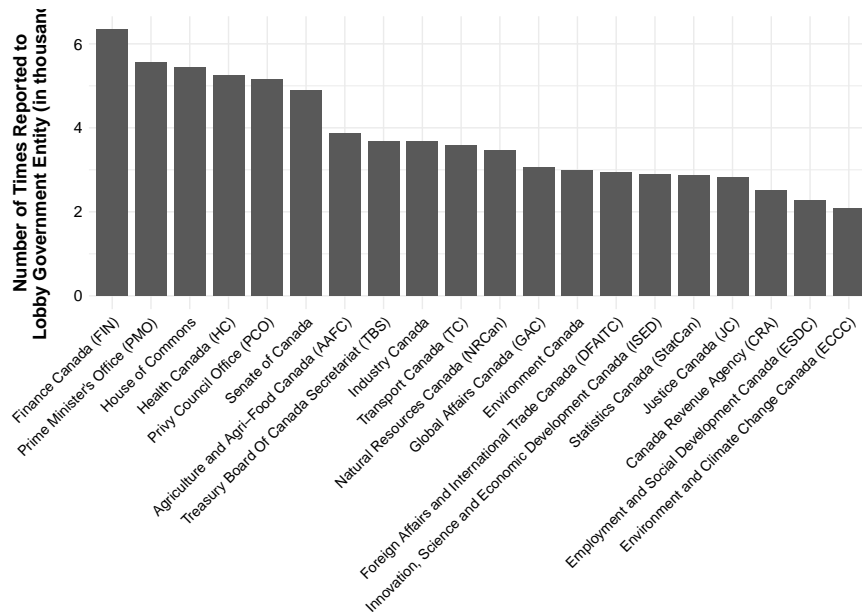


Figure D1: Top 20 Institutions Lobbied in Canada, Clients Lobbying on USMCA or TPP. This figure shows the number of times Canadian lobbying reports from 1995 to 2020 mention lobbying of government institutions, for all clients also lobbying the USMCA or the TPP between 2012 and 2020.

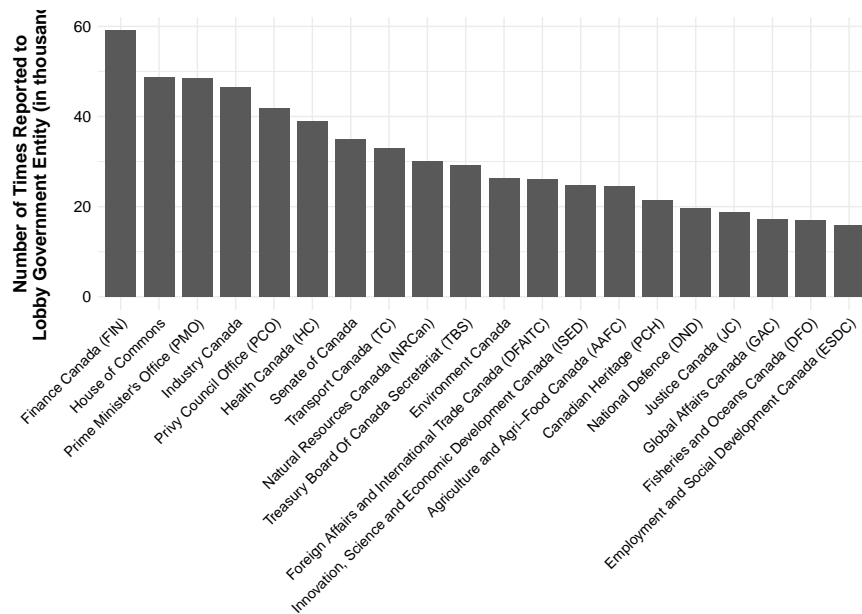


Figure D2: Top 20 Institutions Lobbied in Canada, all Lobbying Clients. This figure shows the number of times Canadian lobbying reports from 1995 to 2020 mention lobbying of government institutions, for all lobbying clients.

E Logistic Regression Analysis

Table E1: Mobilization during USMCA, United States, Logistic Regressions

	<i>Dependent variable:</i>					
	Association Mobilization (1/0)			Firm Mobilization (1/0)		
	(1)	(2)	(3)	(4)	(5)	(6)
4-Firm Concentr. Ratio		0.195 (0.139)	0.060 (0.146)		0.629*** (0.119)	0.462*** (0.121)
Mod.Differentiated	0.096 (0.099)	0.098 (0.100)	0.007 (0.106)	0.249*** (0.068)	0.257*** (0.060)	0.210*** (0.062)
Differentiated	0.072 (0.100)	0.074 (0.101)	-0.063 (0.112)	0.351*** (0.071)	0.369*** (0.061)	0.264*** (0.064)
Log(Sales)	0.014 (0.012)	0.024* (0.014)	0.069*** (0.020)	0.027*** (0.010)	0.060*** (0.011)	0.131*** (0.017)
Constant	0.219 (0.252)	-0.021 (0.304)	-1.056** (0.458)	-0.471** (0.208)	-1.253*** (0.237)	-2.918*** (0.387)
2-digit NAICS FEs			✓			✓
Observations	412	411	411	412	411	411
Log Likelihood	-298.815	-297.110	-282.284	-242.523	-228.074	-212.060
Akaike Inf. Crit.	605.630	604.221	584.568	493.046	466.148	444.120

Note: *p<0.1; **p<0.05; ***p<0.01. All estimates are OLS. Robust standard errors in parentheses.

Table E2: Mobilization during USMCA, Canada, Logistic Regressions

	<i>Dependent variable:</i>					
	Association Mobilization (1/0)			Firm Mobilization (1/0)		
	(1)	(2)	(3)	(4)	(5)	(6)
4-Firm Concentr. Ratio		0.137 (0.108)	0.018 (0.099)		0.012 (0.054)	-0.036 (0.052)
Mod.Differentiated	0.026 (0.093)	0.028 (0.092)	0.013 (0.087)	-0.037 (0.044)	-0.036 (0.044)	-0.050 (0.044)
Differentiated	0.044 (0.092)	0.044 (0.092)	0.002 (0.089)	-0.040 (0.044)	-0.039 (0.044)	-0.050 (0.044)
Log(Sales)	0.053*** (0.010)	0.060*** (0.012)	0.101*** (0.016)	0.0002 (0.002)	0.001 (0.004)	0.020** (0.010)
Constant	-0.711*** (0.212)	-0.878*** (0.250)	-1.828*** (0.366)	0.056 (0.061)	0.041 (0.098)	-0.418** (0.202)
2-digit NAICS FEs			✓			✓
Observations	412	411	411	412	411	411
Log Likelihood	-195.383	-192.429	-153.769	186.484	185.576	194.042
Akaike Inf. Crit.	398.766	394.859	327.537	-364.967	-361.153	-368.084

Note: *p<0.1; **p<0.05; ***p<0.01. All estimates are OLS. Robust standard errors in parentheses.

Table E3: External Lobbyist Usage during USMCA Lobbying in the United States and Canada

	<i>Dependent variable:</i>							
	United States, Ext. Lobbyist (1/0)				Canada, Ext. Lobbyist (1/0)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Log(restrictions)	0.013** (0.006)	0.010 (0.006)	0.028*** (0.007)	0.020** (0.010)	-0.063*** (0.018)	-0.053*** (0.017)	-0.038** (0.019)	0.017 (0.028)
Log(Issues Lobbied)		0.430*** (0.031)	0.468*** (0.031)	0.437*** (0.032)		-0.182*** (0.025)	-0.161*** (0.027)	-0.179*** (0.030)
Log(Sales)			-0.017*** (0.003)	0.024*** (0.007)			-0.002 (0.008)	0.071*** (0.013)
Constant	0.216** (0.099)	0.224** (0.095)	0.409*** (0.108)	-0.482*** (0.181)	1.022*** (0.162)	1.292*** (0.156)	1.180*** (0.221)	-0.946*** (0.346)
Year FEs	✓	✓	✓	✓	✓	✓	✓	✓
2-digit NAICS FEs				✓				✓
Observations	3,592	3,592	3,033	3,033	669	669	598	598
Log Likelihood	-2,449.060	-2,347.080	-1,993.557	-1,929.322	-448.452	-424.571	-388.750	-343.796
Akaike Inf. Crit.	4,910.120	4,708.160	4,003.113	3,908.644	908.905	863.142	793.501	731.592

Note: *p<0.1; **p<0.05; ***p<0.01. All estimates are from logistic regressions. Robust standard errors in parentheses.