Meetings, Comments, and the Distributive Politics of Rulemaking

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ABSTRACT

Rulemaking procedures provide interest groups two opportunities to persuade regulators: *ex parte* meetings and public comments. Regulated entities use both avenues more extensively than other groups, but how much do they gain by doing so? By analyzing changes in the stock price of firms in the hours following rule announcements, I study the effect of lobbying on Dodd-Frank implementation at the Federal Reserve Board. I find that meetings and comments were associated with abnormal returns in the tens of billions, yet meetings were worth more. Returns of firms that met or commented were excessive in comparison to baseline expectations and the performance of all their disengaged competitors. When comparing firms that lobby with their most similar competitors, however, only meetings are associated with excess returns. By comparing comment requests to rule texts, I show that policy concessions were both pervasive and correlate with market outcomes. I connect these findings to contemporary debates about the design of administrative procedures and regulatory inequality.

Keywords: lobbying, interest groups, policymaking, administrative policymkaing, rulemaking, financial regulation, event studies, Dodd-Frank

Appendix

Note On Quantile Measure Construction

Market returns can be measured in many ways. For my purposes, it is crucial that these measures permit meaningful inter-firm comparisons, despite the fact that different assets may have different price-processes. The most significant difference between assets is their volatility. One common approach to controlling for the heteroskedasticity of price changes is to divide by the standard deviation of price changes. Another possibility is to take the residual from a regression on contemporaneous movements. Both approaches rely on normality assumptions that some sources suggest are even more problematic in an intra-day context than in the inter-day context. For this reason, one may wish to use a non-parametric measure. I describe the construction of one such measure here.

I assume that for each asset i, day d, and period t, I can obtain measures of the price P_{idt} of that asset at that day and time.[1] Let $R_{idt} = P_{id(t+1)} - P_{idt}$ be the arithmetic returns of asset i from one period to the next on a given day. I regard these quantities as random variables arising from the following generative model:

$$R_{idt} = \alpha_i + \beta_i R_{mdt} + \epsilon_{idt}$$

$$\epsilon_{idt} \sim F_{it}$$

[1] In this study, periods are trading-minutes like 9:35AM, 2:04PM, etc. Prices are obtained by taking the median of best bid and best offer as contained in the Wharton Research Data Services' NBBO dataset.

Here m is a market control, usually an index fund.[2] If controls are not desired, assume $\alpha_i = \beta_i = 0$. It is a stylized fact that when dealing with intraday returns, the variance of ϵ_{idt} depends on the time of day t and that there is some correlation between periods (Kolari and Pynnonen, 2011). This makes the assumption of i.i.d. normality underlying the use of t-statistics inappropriate. I define the cumulative abnormal returns at time t on day d over k periods for asset i as

$$\text{CAR}_{idt}^{k} = \sum_{i=1}^{k} \epsilon_{id(t+i)} \tag{1}$$

If market controls are not used, $\text{CAR}_{idt}^{k} = P_{id(t+k)} - P_{idt}$, or a simple difference in price. In other cases, CAR_{idt}^{k} is the difference in price after controlling for market movements. Then we wish to define Q_{idt}^{k} as the quantile of the corresponding CAR_{idt}^{k} against comparable days at the same time t and for the same number of periods k. Let $D(d)$ be a set of h consecutive trading days prior to d. The most natural definition

$$\hat{Q}_{idt}^{k} = \frac{\left|\left\{CAR_{i\tilde{d}t}^{k} \leq CAR_{idt}^{k} : \tilde{d} \in D(d)\right\}\right|}{|D(d)|}$$

has a significant practical disadvantage. If all the CARs were the same, then I would estimate $\hat{Q}_{idt} = 1$. Some assets are not frequently traded and so the cumulative average returns may be 0 more frequently than one would like (or than makes sense given our assumption F_{idt} is continuous). Therefore I use

[2] I used tickers RSP and VTI, which are an S&P 500 Equal Weight ETF and Total Market Equal Weight ETF, respectively.

the following formula, which would yield $Q_{idt} = 0.5$ in such circumstances.

$$\hat{Q}^k_{idt} = \frac{\left|\left\{CAR^k_{i\tilde{d}t} \leq CAR^k_{idt} : \tilde{d} \in D(d)\right\}\right|}{2 \cdot |D(d)|} + \frac{\left|\left\{CAR^k_{i\tilde{d}t} < CAR^k_{idt} : \tilde{d} \in D(d)\right\}\right|}{2 \cdot |D(d)|} \tag{2}$$

For frequently traded stocks, ties are rare and the two equations are the same. Assuming F_{it} is a continuous probability distribution, it follows that $\hat{Q}^k_{idt} \sim \mathcal{U}\{0, \frac{1}{|D(d)|}, \frac{2}{|D(d)|}, \ldots, 1\}$. Note that there is a function α linking each rule j with a day d and time t when j was proposed. Similarly, there is a function ω so that $\omega(j)$ gives the day and time when j was finalized. Thus it is possible to describe $\hat{Q}_{i\alpha(j)}$ as the estimated quantile response of rule j's proposal, and $\hat{Q}_{i\omega(j)}$ as the response to finalization.

Industry Group	Treated	(Closest) Control	(All) Control
Banks	658	718	1792
Diversified Financials	320	227	1191
Insurance	80	88	351
Software & Services	29	49	272
Capital Goods	36	36	248
Utilities	11	11	125
Commercial & Professional Services	6	12	125
Retailing	19	19	89
Energy	6	6	70
Automobiles & Components	17	16	36
Media	4	4	41
Real Estate	4	6	39
Consumer Durables & Apparel	7	10	34
Consumer Services	4	3	31
Technology Hardware & Equipment	4	1	28
Health Care Equipment & Services	2	2	28
Transportation	2	2	18
Food & Staples Retailing	5	4	14
Semiconductors & Semiconductor Equipment	1	1	17
Materials	1	1	14
Household & Personal Products	2	2	12
Food, Beverage & Tobacco	1	1	5
Telecommunication Services	0	0	10
Uncategorized	0	0	84

Table A1: Number of firm-rule pairs by treatment status and GICS industry group, pooled across all proposed and final rules.

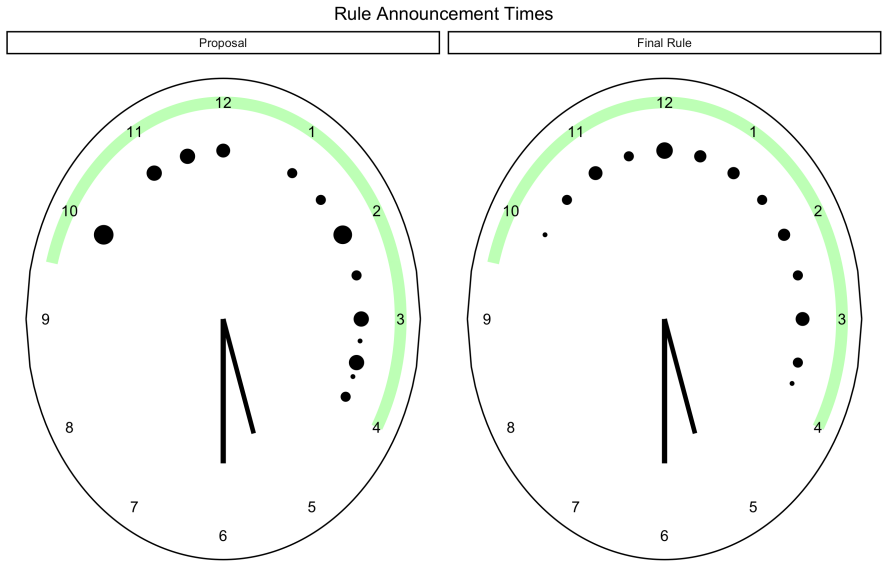


Figure A1: Each dot represents a regulatory announcement time. Thicker dots represent times with more announcements. Green area reflects trading hours. 52 proposal and 37 final rules yield measurable returns.

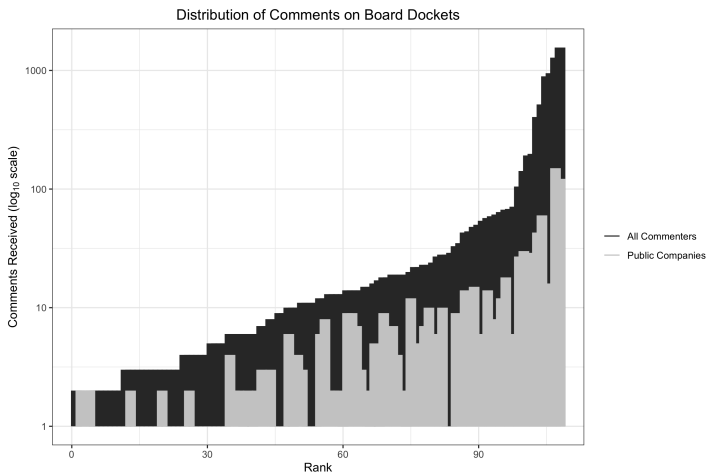


Figure A2: Distribution of 7700 unique comments across Board rules with one or more comments. 736 were from one or more public companies.

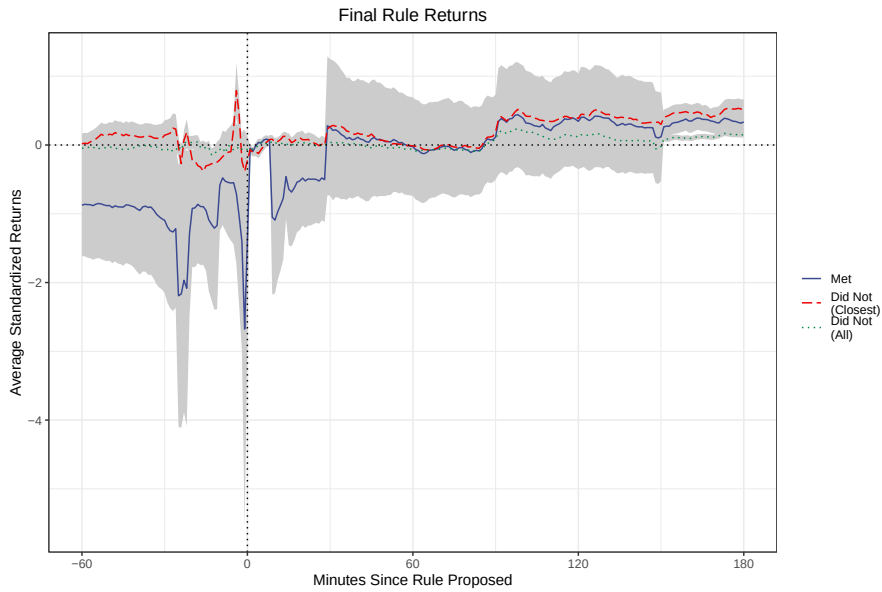
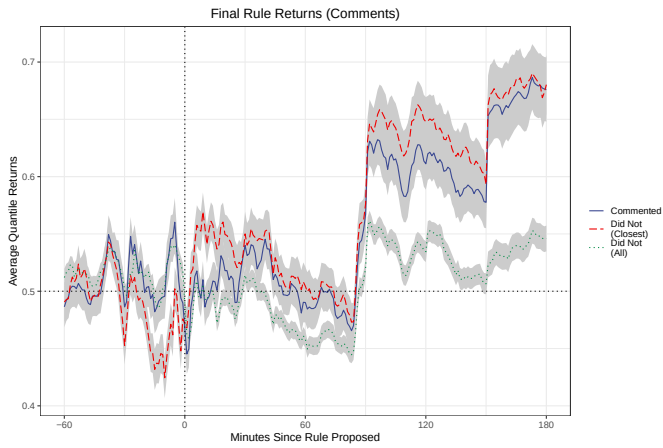


Figure A3: Returns for firms that meet during rule development at the time when the final rule emerges

Robustness of Manuscript Figures to Various Parameter Choices and Formal Regression Estimates

Non-Parametric Returns, Simple Returns, Assuming Announcement Occurs at Press Release Time



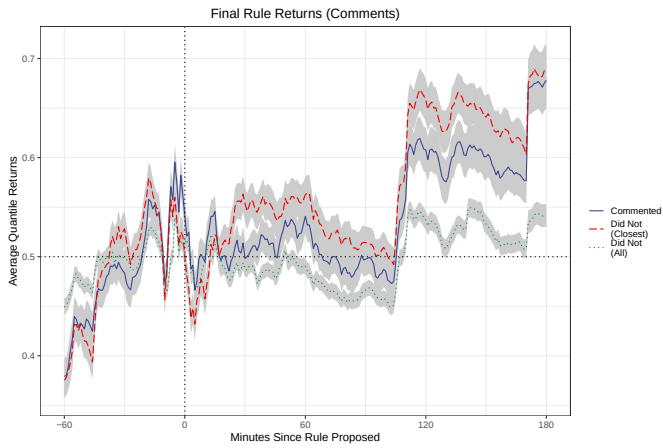
	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.079***		0.060***		0.079***	0.096***	0.007
	(0.007)		(0.008)		(0.007)	(0.010)	(0.010)
PRENPRM		0.019***		0.015***			
		(0.002)		(0.002)			
log.LawyersManage			0.063***	0.043**			
			(0.018)	(0.018)			
log.LawyersOnBoard			0.009	0.012			
			(0.016)	(0.016)			
log.MktCap			−0.004	0.003			
			(0.008)	(0.007)			
log.PAC			0.015***	0.017***			
			(0.003)	(0.003)			
log.LobbySpend			−0.004*	−0.004**			
			(0.002)	(0.002)			
log.Coverage			−0.106***	−0.095***			
			(0.015)	(0.015)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,415	2,415	2,371	2,371	2,415	2,415	2,415
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A2: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.009		0.032***		0.009	0.043**	0.002
	(0.011)		(0.009)		(0.011)	(0.018)	(0.017)
comments_submitted		0.006		0.011			
		(0.007)		(0.007)			
log.LawyersManage			0.056***	−0.094***			
			(0.021)	(0.026)			
log.LawyersOnBoard			0.065***	0.094***			
			(0.017)	(0.021)			
log.MktCap			0.024***	0.008			
			(0.009)	(0.012)			
log.PAC			0.019***	−0.001			
			(0.003)	(0.004)			
log.LobbySpend			−0.004	−0.005*			
			(0.003)	(0.003)			
log.Coverage			−0.061***	0.078***			
			(0.014)	(0.019)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,540	1,540	2,371	1,509	1,540	1,540	1,540
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A3: Regression only includes the treated group and their most similar competitors

Non-Parametric Returns, Simple Returns, Assuming Announcement Occurs 20 Minutes Prior to Press Release Time



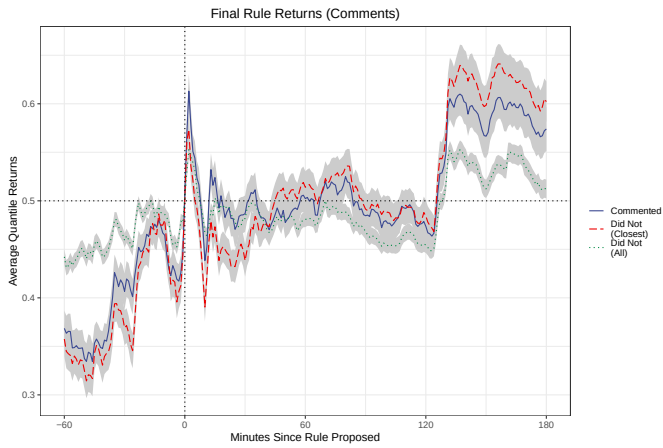
	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.070***		0.037***		0.070***	0.141***	0.009
	(0.006)		(0.007)		(0.006)	(0.014)	(0.010)
PRENPRM		0.015***		0.012***			
		(0.001)		(0.002)			
log.LawyersManage			−0.103***	−0.118***			
			(0.016)	(0.016)			
log.LawyersOnBoard			−0.002	−0.0002			
			(0.014)	(0.014)			
log.MktCap			0.082***	0.085***			
			(0.007)	(0.007)			
log.PAC			−0.004	−0.004			
			(0.003)	(0.003)			
log.LobbySpend			0.005**	0.004**			
			(0.002)	(0.002)			
log.Coverage			0.069***	0.078***			
			(0.013)	(0.013)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,415	2,415	2,371	2,371	2,415	2,415	2,415
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A4: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.001		0.040***		0.001	0.075***	−0.010
	(0.010)		(0.008)		(0.010)	(0.018)	(0.015)
comments_submitted		0.002		0.016**			
		(0.007)		(0.007)			
log.LawyersManage			−0.043**	−0.014			
			(0.020)	(0.025)			
log.LawyersOnBoard			0.036**	−0.045**			
			(0.016)	(0.021)			
log.MktCap			0.038***	0.029**			
			(0.009)	(0.012)			
log.PAC			0.007**	−0.013***			
			(0.003)	(0.004)			
log.LobbySpend			−0.0001	−0.008***			
			(0.002)	(0.003)			
log.Coverage			0.051***	0.063***			
			(0.013)	(0.018)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,540	1,540	2,371	1,509	1,540	1,540	1,540
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A5: Regression only includes the treated group and their most similar competitors

Non-Parametric Returns, Simple Returns, Assuming Announcement Occurs 40 Minutes Prior to Press Release Time



	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.047***		0.019**		0.047***	0.049***	−0.013
	(0.007)		(0.009)		(0.007)	(0.013)	(0.010)
PRENPRM		−0.002		−0.019***			
		(0.003)		(0.003)			
log.LawyersManage			−0.048***	−0.038**			
			(0.018)	(0.018)			
log.LawyersOnBoard			0.043***	0.045***			
			(0.016)	(0.016)			
log.MktCap			0.081***	0.099***			
			(0.008)	(0.008)			
log.PAC			−0.014***	−0.009***			
			(0.003)	(0.003)			
log.LobbySpend			0.006**	0.005**			
			(0.002)	(0.002)			
log.Coverage			0.045***	0.037**			
			(0.016)	(0.016)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,417	2,417	2,361	2,361	2,417	2,417	2,417

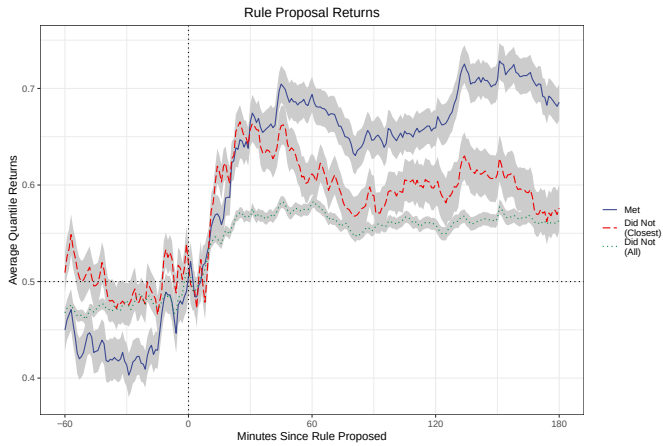
Note: *p<0.1; **p<0.05; ***p<0.01

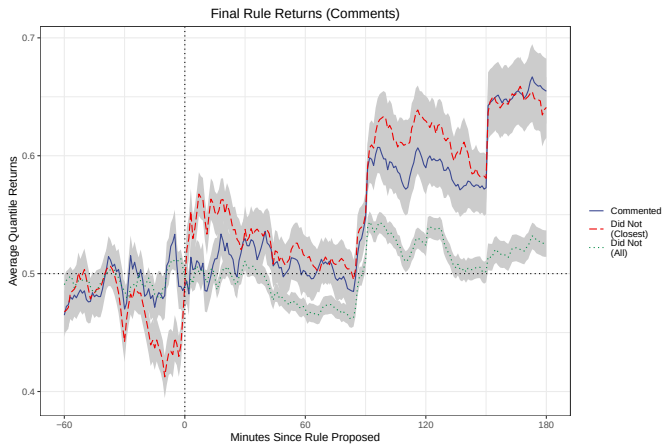
Table A6: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.002		0.031***		0.002	0.012	−0.028**
	(0.010)		(0.009)		(0.010)	(0.016)	(0.014)
comments_submitted		0.001		0.011			
		(0.006)		(0.007)			
log.LawyersManage			0.060***	−0.021			
			(0.023)	(0.024)			
log.LawyersOnBoard			−0.022	0.011			
			(0.018)	(0.020)			
log.MktCap			0.031***	0.017			
			(0.010)	(0.012)			
log.PAC			−0.009***	−0.002			
			(0.003)	(0.004)			
log.LobbySpend			0.006**	−0.007**			
			(0.003)	(0.003)			
log.Coverage			0.039***	−0.017			
			(0.015)	(0.018)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,580	1,580	2,361	1,549	1,580	1,580	1,580
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A7: Regression only includes the treated group and their most similar competitors

Non-Parametric Returns, With Market Control (S&P 500), Assuming Announcement Occurs at Press Release Time





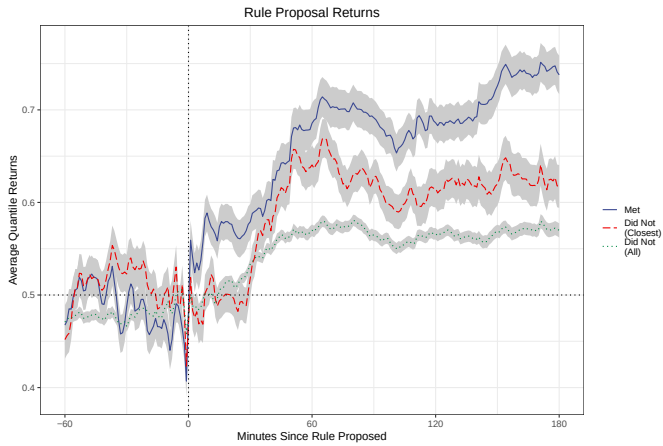
	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.085***		0.063***		0.085***	0.062***	0.007
	(0.008)		(0.010)		(0.008)	(0.012)	(0.012)
PRENPRM		0.024***		0.019***			
		(0.002)		(0.002)			
log.LawyersManage			0.072***	0.047**			
			(0.021)	(0.021)			
log.LawyersOnBoard			0.018	0.022			
			(0.018)	(0.018)			
log.MktCap			−0.006	−0.001			
			(0.009)	(0.009)			
log.PAC			0.016***	0.017***			
			(0.003)	(0.003)			
log.LobbySpend			−0.001	−0.001			
			(0.002)	(0.002)			
log.Coverage			−0.139***	−0.124***			
			(0.017)	(0.017)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,415	2,415	2,371	2,371	2,415	2,415	2,415
Note:							*p<0.1; **p<0.05; ***p<0.01

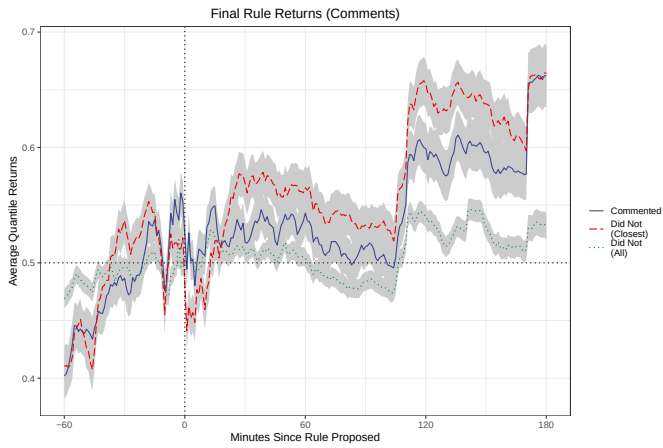
Table A8: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.011		0.036***		0.011	0.045**	0.012
	(0.012)		(0.010)		(0.012)	(0.018)	(0.018)
comments_submitted		0.006		0.013*			
		(0.007)		(0.008)			
log.LawyersManage			0.069***	−0.099***			
			(0.024)	(0.028)			
log.LawyersOnBoard			0.102***	0.089***			
			(0.019)	(0.023)			
log.MktCap			0.007	0.004			
			(0.011)	(0.014)			
log.PAC			0.019***	−0.003			
			(0.004)	(0.004)			
log.LobbySpend			−0.002	−0.005			
			(0.003)	(0.003)			
log.Coverage			−0.100***	0.092***			
			(0.015)	(0.021)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,540	1,540	2,371	1,509	1,540	1,540	1,540
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A9: Regression only includes the treated group and their most similar competitors

Non-Parametric Returns, With Market Control (S&P 500), Assuming Announcement Occurs 20 Minutes Prior to Press Release Time





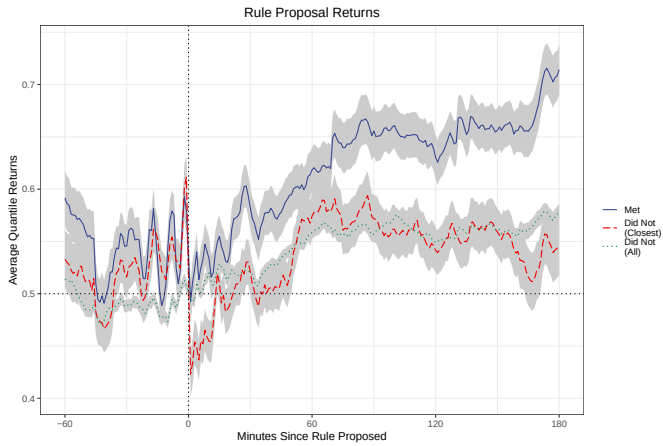
	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.087***		0.061***		0.087***	0.107***	0.026**
	(0.008)		(0.010)		(0.008)	(0.014)	(0.013)
PRENPRM		0.019***		0.015***			
		(0.002)		(0.002)			
log.LawyersManage			−0.028	−0.047**			
			(0.021)	(0.021)			
log.LawyersOnBoard			−0.022	−0.018			
			(0.019)	(0.018)			
log.MktCap			0.087***	0.095***			
			(0.009)	(0.009)			
log.PAC			−0.021***	−0.020***			
			(0.004)	(0.003)			
log.LobbySpend			0.014***	0.013***			
			(0.002)	(0.002)			
log.Coverage			0.019	0.029*			
			(0.018)	(0.018)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,415	2,415	2,371	2,371	2,415	2,415	2,415
Note:							*p<0.1; **p<0.05; ***p<0.01

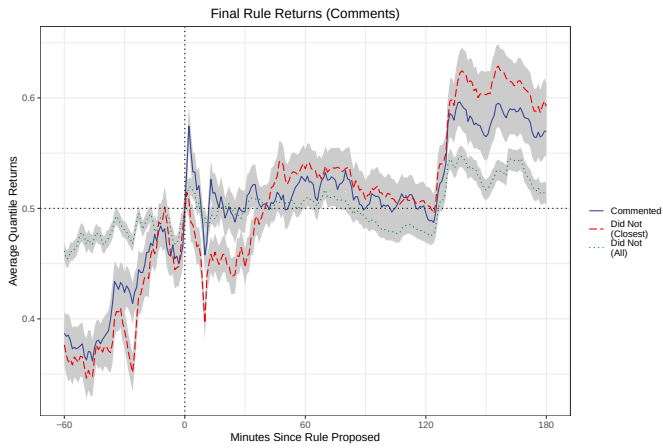
Table A10: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.003		0.060***		0.003	0.061***	−0.006
	(0.012)		(0.010)		(0.012)	(0.018)	(0.018)
comments_submitted		0.003		0.020***			
		(0.007)		(0.008)			
log.LawyersManage			0.053**	−0.027			
			(0.024)	(0.028)			
log.LawyersOnBoard			0.069***	−0.048**			
			(0.019)	(0.023)			
log.MktCap			0.012	0.041***			
			(0.011)	(0.014)			
log.PAC			−0.002	−0.016***			
			(0.004)	(0.004)			
log.LobbySpend			0.007**	−0.006**			
			(0.003)	(0.003)			
log.Coverage			−0.052***	0.043**			
			(0.016)	(0.021)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,540	1,540	2,371	1,509	1,540	1,540	1,540
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A11: Regression only includes the treated group and their most similar competitors

Non-Parametric Returns, With Market Control (S&P 500), Assuming Announcement Occurs 40 Minutes Prior to Press Release Time





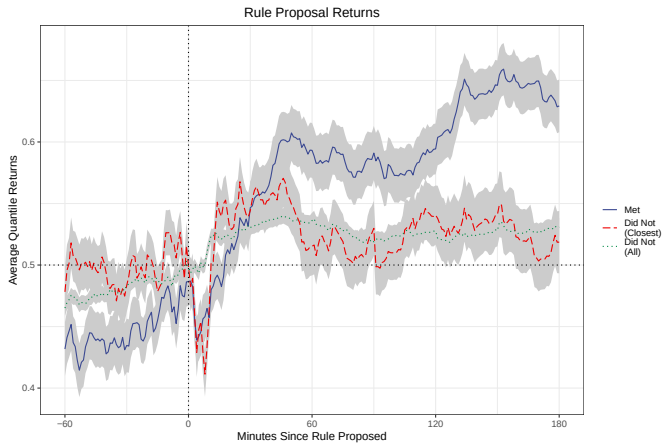
	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.058***		0.026**		0.058***	0.026*	−0.002
	(0.009)		(0.010)		(0.009)	(0.013)	(0.012)
PRENPRM		0.002		−0.018***			
		(0.003)		(0.004)			
log.LawyersManage			0.008	0.018			
			(0.022)	(0.022)			
log.LawyersOnBoard			0.041**	0.043**			
			(0.019)	(0.019)			
log.MktCap			0.072***	0.090***			
			(0.010)	(0.010)			
log.PAC			−0.021***	−0.015***			
			(0.004)	(0.004)			
log.LobbySpend			0.011***	0.010***			
			(0.003)	(0.003)			
log.Coverage			0.044**	0.037*			
			(0.019)	(0.019)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,417	2,417	2,361	2,361	2,417	2,417	2,417
Note:							*p<0.1; **p<0.05; ***p<0.01

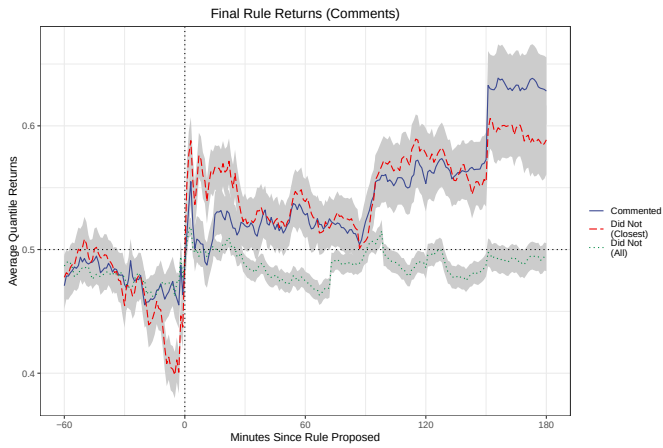
Table A12: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.005		0.045***		0.005	0.001	−0.027*
	(0.011)		(0.010)		(0.011)	(0.016)	(0.016)
comments_submitted		0.001		0.012			
		(0.007)		(0.007)			
log.LawyersManage			0.121***	−0.035			
			(0.025)	(0.027)			
log.LawyersOnBoard			−0.011	−0.010			
			(0.020)	(0.022)			
log.MktCap			0.016	0.023*			
			(0.011)	(0.013)			
log.PAC			−0.012***	−0.002			
			(0.004)	(0.004)			
log.LobbySpend			0.010***	−0.007**			
			(0.003)	(0.003)			
log.Coverage			−0.032*	0.001			
			(0.017)	(0.020)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,580	1,580	2,361	1,549	1,580	1,580	1,580
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A13: Regression only includes the treated group and their most similar competitors

Non-Parametric Returns, With Market Control (Total Market Index), Assuming Announcement Occurs at Press Release Time





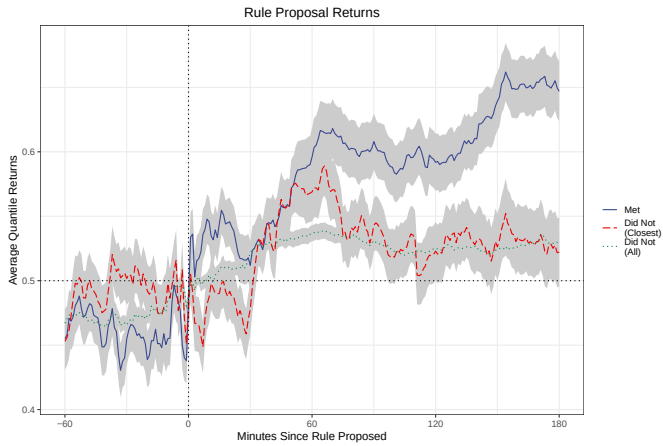
	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.070***		0.062***		0.070***	−0.013	0.002
	(0.009)		(0.011)		(0.009)	(0.014)	(0.014)
PRENPRM		0.025***		0.023***			
		(0.002)		(0.002)			
log.LawyersManage			0.103***	0.072***			
			(0.023)	(0.023)			
log.LawyersOnBoard			0.024	0.027			
			(0.021)	(0.020)			
log.MktCap			−0.012	−0.010			
			(0.010)	(0.010)			
log.PAC			0.006	0.005			
			(0.004)	(0.004)			
log.LobbySpend			0.005*	0.004			
			(0.003)	(0.003)			
log.Coverage			−0.167***	−0.148***			
			(0.020)	(0.019)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,415	2,415	2,371	2,371	2,415	2,415	2,415
Note:							*p<0.1; **p<0.05; ***p<0.01

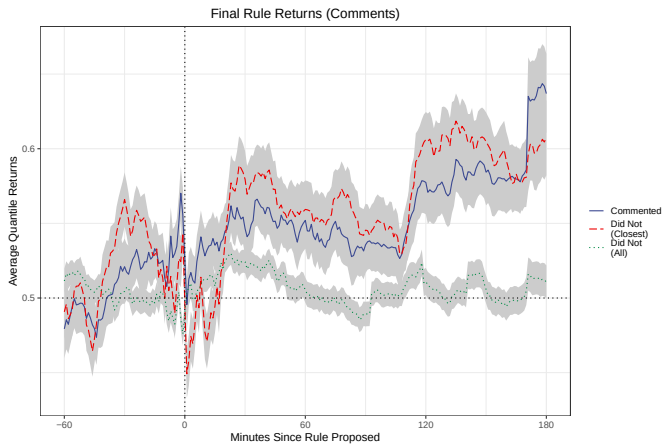
Table A14: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.016		0.052***		0.016	0.073***	0.016
	(0.012)		(0.011)		(0.012)	(0.019)	(0.020)
comments_submitted		0.006		0.014*			
		(0.008)		(0.008)			
log.LawyersManage			0.107***	−0.086***			
			(0.025)	(0.029)			
log.LawyersOnBoard			0.090***	0.096***			
			(0.021)	(0.024)			
log.MktCap			−0.016	0.002			
			(0.011)	(0.014)			
log.PAC			0.012***	−0.007			
			(0.004)	(0.004)			
log.LobbySpend			0.002	−0.003			
			(0.003)	(0.003)			
log.Coverage			−0.142***	0.096***			
			(0.017)	(0.022)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,540	1,540	2,371	1,509	1,540	1,540	1,540
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A15: Regression only includes the treated group and their most similar competitors

Non-Parametric Returns, With Market Control (Total Market Index), Assuming Announcement Occurs 20 Minutes Prior to Press Release Time





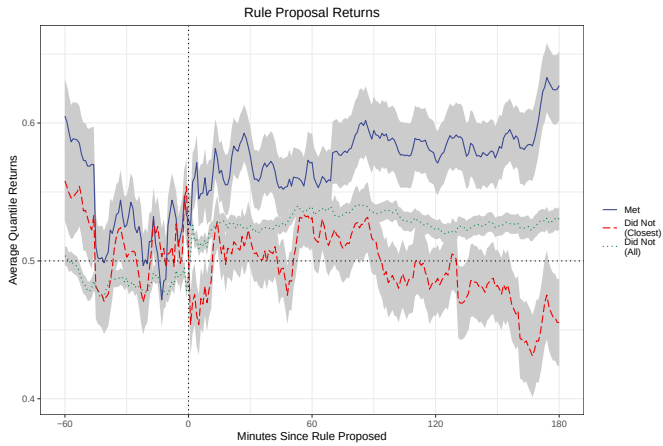
	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.066***		0.047***		0.066***	0.014	0.011
	(0.010)		(0.011)		(0.010)	(0.014)	(0.015)
PRENPRM		0.020***		0.018***			
		(0.002)		(0.002)			
log.LawyersManage			−0.012	−0.035			
			(0.025)	(0.025)			
log.LawyersOnBoard			−0.027	−0.025			
			(0.022)	(0.022)			
log.MktCap			0.091***	0.093***			
			(0.011)	(0.010)			
log.PAC			−0.017***	−0.018***			
			(0.004)	(0.004)			
log.LobbySpend			0.009***	0.009***			
			(0.003)	(0.003)			
log.Coverage			−0.016	−0.001			
			(0.021)	(0.021)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,415	2,415	2,371	2,371	2,415	2,415	2,415
Note:							*p<0.1; **p<0.05; ***p<0.01

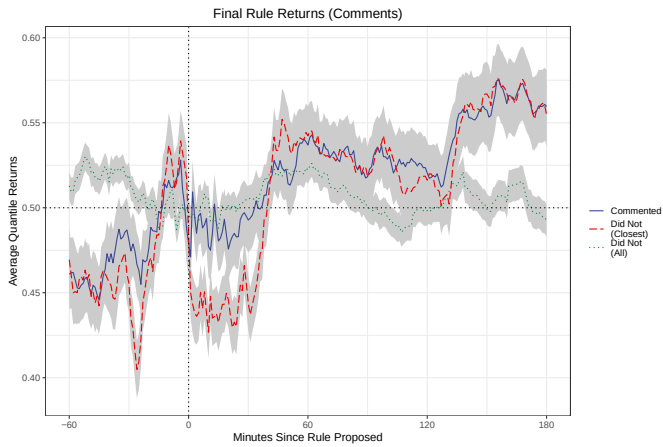
Table A16: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.015		0.083***		0.015	0.074***	0.007
	(0.013)		(0.011)		(0.013)	(0.018)	(0.019)
comments_submitted		0.011		0.028***			
		(0.008)		(0.008)			
log.LawyersManage			0.083***	−0.011			
			(0.026)	(0.031)			
log.LawyersOnBoard			0.088***	−0.027			
			(0.022)	(0.025)			
log.MktCap			−0.014	0.037**			
			(0.012)	(0.015)			
log.PAC			−0.006	−0.019***			
			(0.004)	(0.005)			
log.LobbySpend			0.006*	−0.005			
			(0.003)	(0.003)			
log.Coverage			−0.101***	0.034			
			(0.017)	(0.023)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,540	1,540	2,371	1,509	1,540	1,540	1,540
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A17: Regression only includes the treated group and their most similar competitors

Non-Parametric Returns, With Market Control (Total Market Index), Assuming Announcement Occurs 40 Minutes Prior to Press Release Time





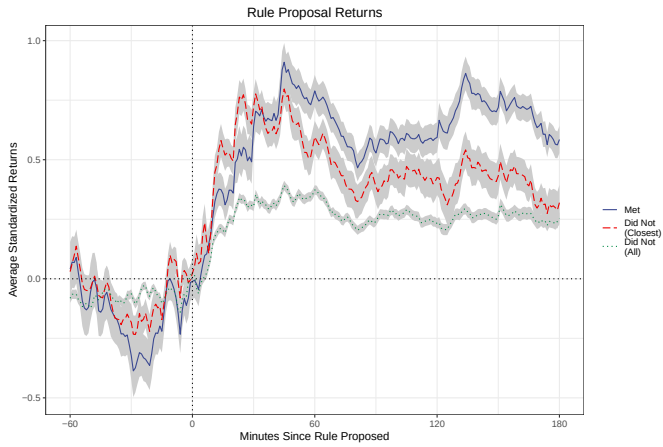
	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.050***		0.021*		0.050***	−0.022*	−0.004
	(0.009)		(0.011)		(0.009)	(0.013)	(0.013)
PRENPRM		0.002		−0.017***			
		(0.004)		(0.004)			
log.LawyersManage			0.005	0.014			
			(0.023)	(0.023)			
log.LawyersOnBoard			0.043**	0.045**			
			(0.020)	(0.020)			
log.MktCap			0.082***	0.098***			
			(0.011)	(0.010)			
log.PAC			−0.015***	−0.009**			
			(0.004)	(0.004)			
log.LobbySpend			0.005*	0.004			
			(0.003)	(0.003)			
log.Coverage			0.015	0.009			
			(0.021)	(0.021)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,417	2,417	2,361	2,361	2,417	2,417	2,417
Note:							*p<0.1; **p<0.05; ***p<0.01

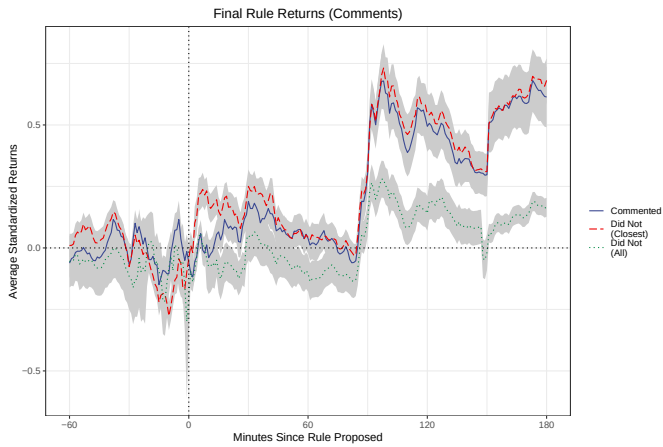
Table A18: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.011		0.059***		0.011	−0.008	−0.028
	(0.012)		(0.011)		(0.012)	(0.016)	(0.017)
comments_submitted		0.006		0.017**			
		(0.007)		(0.008)			
log.LawyersManage			0.162***	−0.059**			
			(0.026)	(0.029)			
log.LawyersOnBoard			−0.012	0.002			
			(0.021)	(0.023)			
log.MktCap			−0.010	0.040***			
			(0.012)	(0.014)			
log.PAC			−0.009**	−0.005			
			(0.004)	(0.004)			
log.LobbySpend			0.008***	−0.003			
			(0.003)	(0.003)			
log.Coverage			−0.071***	−0.021			
			(0.017)	(0.021)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,580	1,580	2,361	1,549	1,580	1,580	1,580
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A19: Regression only includes the treated group and their most similar competitors

Parametric Returns, Simple Returns, Assuming Announcement Occurs at Press Release Time





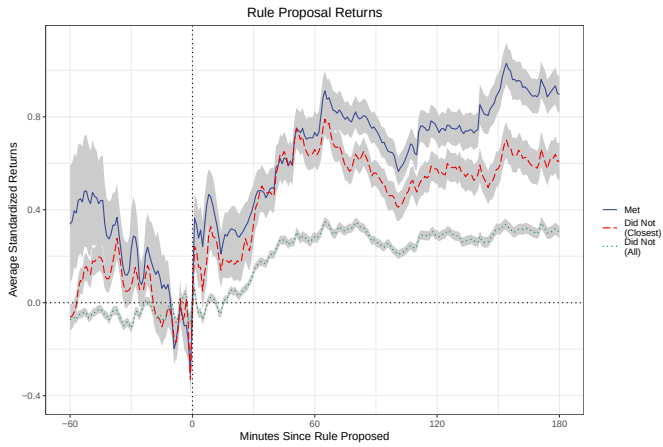
	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.262***		0.179***		0.262***	0.298***	0.012
	(0.027)		(0.033)		(0.027)	(0.041)	(0.040)
PRENPRM		0.112***		0.108***			
		(0.006)		(0.006)			
log.LawyersManage			0.113	−0.032			
			(0.070)	(0.067)			
log.LawyersOnBoard			0.227***	0.231***			
			(0.062)	(0.059)			
log.MktCap			0.014	−0.008			
			(0.031)	(0.029)			
log.PAC			0.036***	0.024**			
			(0.012)	(0.011)			
log.LobbySpend			0.002	0.001			
			(0.008)	(0.008)			
log.Coverage			−0.301***	−0.207***			
			(0.059)	(0.056)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,402	2,402	2,358	2,358	2,402	2,402	2,402
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A20: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.087**		0.098***		0.087**	0.219***	0.176**
	(0.035)		(0.030)		(0.035)	(0.079)	(0.079)
comments_submitted		0.059***		0.080***			
		(0.022)		(0.024)			
log.LawyersManage			0.193***	−0.365***			
			(0.072)	(0.086)			
log.LawyersOnBoard			0.320***	0.215***			
			(0.058)	(0.071)			
log.MktCap			0.054*	0.017			
			(0.032)	(0.041)			
log.PAC			0.057***	0.005			
			(0.011)	(0.013)			
log.LobbySpend			−0.011	−0.007			
			(0.009)	(0.010)			
log.Coverage			−0.178***	0.179***			
			(0.048)	(0.063)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,525	1,525	2,358	1,495	1,525	1,525	1,525
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A21: Regression only includes the treated group and their most similar competitors

Parametric Returns, Simple Returns, Assuming Announcement Occurs 20 Minutes Prior to Press Release Time



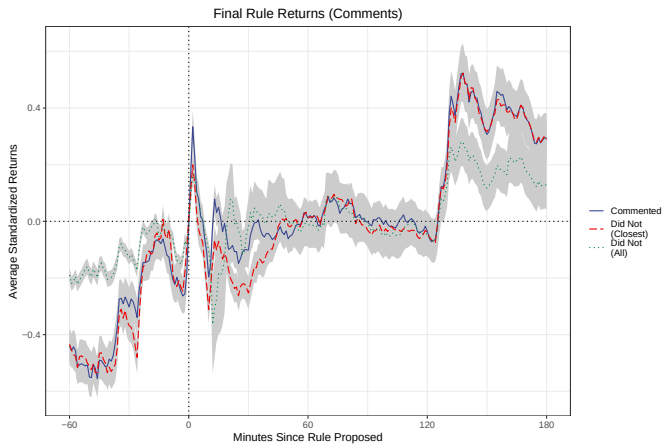
	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.284***		0.159***		0.284***	0.518***	0.088**
	(0.027)		(0.031)		(0.027)	(0.052)	(0.039)
PRENPRM		0.076***		0.062***			
		(0.006)		(0.006)			
log.LawyersManage			−0.306***	−0.389***			
			(0.067)	(0.067)			
log.LawyersOnBoard			−0.133**	−0.126**			
			(0.060)	(0.059)			
log.MktCap			0.267***	0.270***			
			(0.030)	(0.028)			
log.PAC			−0.030***	−0.033***			
			(0.011)	(0.011)			
log.LobbySpend			0.036***	0.035***			
			(0.008)	(0.008)			
log.Coverage			0.300***	0.350***			
			(0.057)	(0.056)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,402	2,402	2,358	2,358	2,402	2,402	2,402
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A22: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.022		0.137***		0.022	0.280***	0.018
	(0.035)		(0.029)		(0.035)	(0.082)	(0.081)
comments_submitted		0.018		0.051**			
		(0.022)		(0.023)			
log.LawyersManage			−0.147**	−0.024			
			(0.070)	(0.085)			
log.LawyersOnBoard			0.207***	−0.075			
			(0.057)	(0.070)			
log.MktCap			0.130***	0.026			
			(0.031)	(0.041)			
log.PAC			0.008	−0.028**			
			(0.011)	(0.013)			
log.LobbySpend			0.016*	−0.017*			
			(0.009)	(0.010)			
log.Coverage			0.165***	0.170***			
			(0.047)	(0.063)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,525	1,525	2,358	1,495	1,525	1,525	1,525
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A23: Regression only includes the treated group and their most similar competitors

Parametric Returns, Simple Returns, Assuming Announcement Occurs 40 Minutes Prior to Press Release Time



	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.043		−0.015		0.043	−0.042	−0.235***
	(0.035)		(0.043)		(0.035)	(0.056)	(0.050)
PRENPRM		−0.142***		−0.225***			
		(0.013)		(0.016)			
log.LawyersManage			−0.119	−0.009			
			(0.090)	(0.086)			
log.LawyersOnBoard			−0.013	−0.005			
			(0.079)	(0.075)			
log.MktCap			0.203***	0.335***			
			(0.041)	(0.039)			
log.PAC			−0.041***	0.002			
			(0.016)	(0.015)			
log.LobbySpend			0.013	0.009			
			(0.011)	(0.011)			
log.Coverage			0.187**	0.112			
			(0.080)	(0.076)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,403	2,403	2,347	2,347	2,403	2,403	2,403

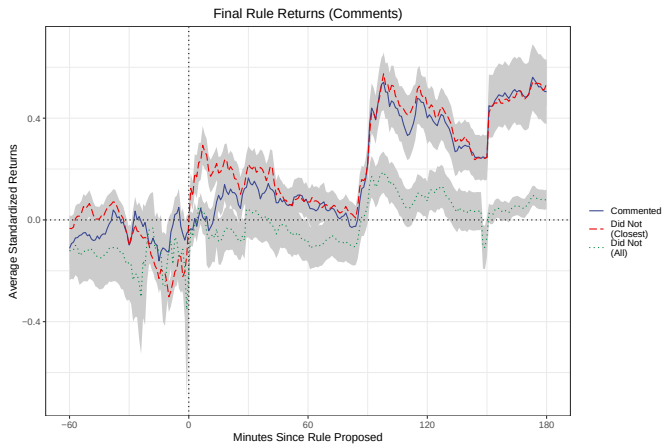
Note: *p<0.1; **p<0.05; ***p<0.01

Table A24: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.013		0.051		0.013	0.065	−0.052
	(0.029)		(0.035)		(0.029)	(0.059)	(0.054)
comments_submitted		0.011		0.030			
		(0.019)		(0.020)			
log.LawyersManage			0.181**	0.001			
			(0.086)	(0.073)			
log.LawyersOnBoard			−0.076	−0.067			
			(0.067)	(0.060)			
log.MktCap			0.041	−0.006			
			(0.039)	(0.035)			
log.PAC			−0.024*	−0.003			
			(0.013)	(0.011)			
log.LobbySpend			0.014	−0.009			
			(0.010)	(0.008)			
log.Coverage			0.071	−0.042			
			(0.057)	(0.053)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,566	1,566	2,347	1,536	1,566	1,566	1,566
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A25: Regression only includes the treated group and their most similar competitors

Parametric Returns, With Market Control (S&P 500), Assuming Announcement Occurs at Press Release Time



	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.302***		0.227***		0.302***	0.225***	0.043
	(0.031)		(0.037)		(0.031)	(0.045)	(0.046)
PRENPRM		0.130***		0.125***			
		(0.006)		(0.007)			
log.LawyersManage			0.247***	0.079			
			(0.079)	(0.076)			
log.LawyersOnBoard			0.237***	0.243***			
			(0.071)	(0.067)			
log.MktCap			0.001	−0.019			
			(0.035)	(0.032)			
log.PAC			0.020	0.007			
			(0.013)	(0.012)			
log.LobbySpend			0.016*	0.014			
			(0.009)	(0.009)			
log.Coverage			−0.428***	−0.320***			
			(0.067)	(0.064)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,414	2,414	2,370	2,370	2,414	2,414	2,414
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A26: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.091**		0.133***		0.091**	0.201**	0.185**
	(0.039)		(0.034)		(0.039)	(0.086)	(0.090)
comments_submitted		0.063**		0.085***			
		(0.025)		(0.026)			
log.LawyersManage			0.298***	−0.392***			
			(0.081)	(0.095)			
log.LawyersOnBoard			0.382***	0.245***			
			(0.066)	(0.078)			
log.MktCap			0.013	0.016			
			(0.036)	(0.046)			
log.PAC			0.045***	0.002			
			(0.013)	(0.014)			
log.LobbySpend			0.003	−0.005			
			(0.010)	(0.011)			
log.Coverage			−0.290***	0.187***			
			(0.053)	(0.070)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,540	1,540	2,370	1,509	1,540	1,540	1,540
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A27: Regression only includes the treated group and their most similar competitors

Parametric Returns, With Market Control (S&P 500), Assuming Announcement Occurs 20 Minutes Prior to Press Release Time

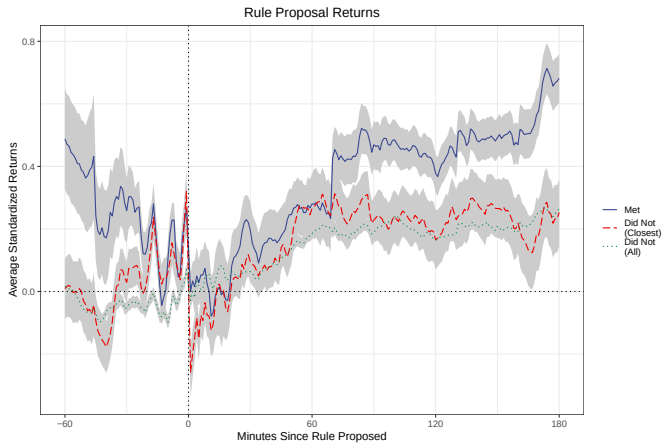
	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.302***		0.214***		0.302***	0.371***	0.123***
	(0.030)		(0.036)		(0.030)	(0.049)	(0.046)
PRENPRM		0.085***		0.074***			
		(0.007)		(0.007)			
log.LawyersManage			−0.097	−0.194**			
			(0.078)	(0.077)			
log.LawyersOnBoard			−0.134*	−0.124*			
			(0.069)	(0.068)			
log.MktCap			0.253***	0.265***			
			(0.035)	(0.033)			
log.PAC			−0.074***	−0.075***			
			(0.013)	(0.013)			
log.LobbySpend			0.057***	0.056***			
			(0.009)	(0.009)			
log.Coverage			0.145**	0.204***			
			(0.065)	(0.065)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,414	2,414	2,370	2,370	2,414	2,414	2,414
Note:							*p<0.1; **p<0.05; ***p<0.01

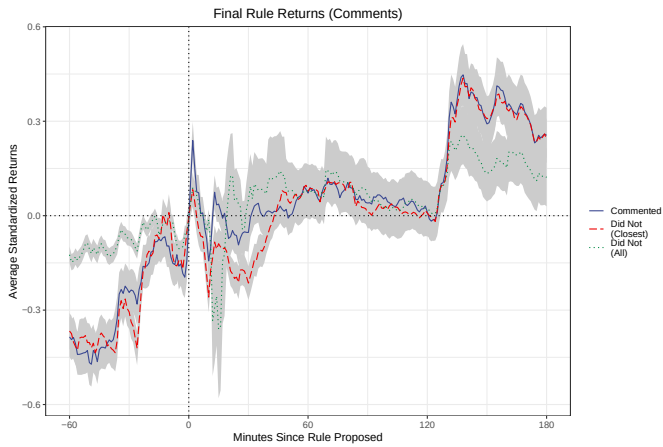
Table A28: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.027		0.201***		0.027	0.221**	0.019
	(0.039)		(0.035)		(0.039)	(0.090)	(0.095)
comments_submitted		0.021		0.056**			
		(0.024)		(0.026)			
log.LawyersManage			0.159*	−0.005			
			(0.083)	(0.095)			
log.LawyersOnBoard			0.297***	−0.095			
			(0.068)	(0.078)			
log.MktCap			0.010	0.022			
			(0.037)	(0.046)			
log.PAC			−0.015	−0.032**			
			(0.013)	(0.014)			
log.LobbySpend			0.034***	−0.015			
			(0.010)	(0.011)			
log.Coverage			−0.206***	0.169**			
			(0.055)	(0.070)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,540	1,540	2,370	1,509	1,540	1,540	1,540
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A29: Regression only includes the treated group and their most similar competitors

Parametric Returns, With Market Control (S&P 500), Assuming Announcement Occurs 40 Minutes Prior to Press Release Time





	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.081**		0.023		0.081**	−0.099*	−0.187***
	(0.035)		(0.043)		(0.035)	(0.052)	(0.051)
PRENPRM		−0.109***		−0.188***			
		(0.014)		(0.016)			
log.LawyersManage			0.008	0.100			
			(0.090)	(0.087)			
log.LawyersOnBoard			−0.026	−0.017			
			(0.079)	(0.076)			
log.MktCap			0.181***	0.302***			
			(0.041)	(0.039)			
log.PAC			−0.062***	−0.022			
			(0.016)	(0.015)			
log.LobbySpend			0.030***	0.027**			
			(0.011)	(0.011)			
log.Coverage			0.147*	0.084			
			(0.080)	(0.077)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,415	2,415	2,359	2,359	2,415	2,415	2,415

Note: *p<0.1; **p<0.05; ***p<0.01

Table A30: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.016		0.097***		0.016	0.020	−0.044
	(0.033)		(0.035)		(0.033)	(0.060)	(0.060)
comments_submitted		0.016		0.035			
		(0.021)		(0.022)			
log.LawyersManage			0.322***	−0.027			
			(0.087)	(0.082)			
log.LawyersOnBoard			−0.021	−0.083			
			(0.068)	(0.067)			
log.MktCap			−0.018	0.026			
			(0.039)	(0.039)			
log.PAC			−0.030**	−0.002			
			(0.013)	(0.012)			
log.LobbySpend			0.023**	−0.012			
			(0.010)	(0.009)			
log.Coverage			−0.093	−0.018			
			(0.057)	(0.060)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,580	1,580	2,359	1,549	1,580	1,580	1,580
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A31: Regression only includes the treated group and their most similar competitors

Parametric Returns, With Market Control (Total Market Index), Assuming Announcement Occurs at Press Release Time

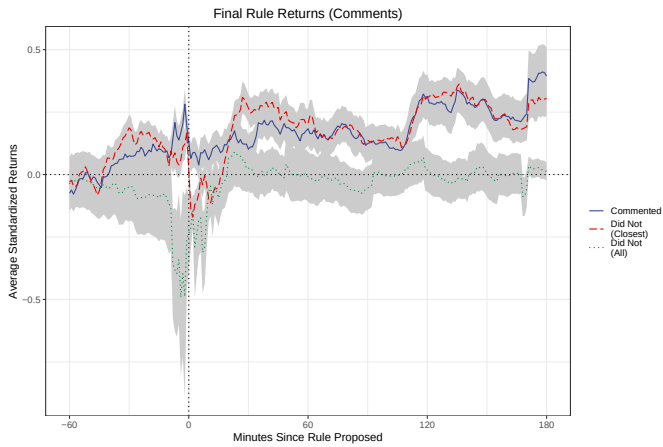
	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.278***		0.257***		0.278***	0.025	0.053
	(0.033)		(0.039)		(0.033)	(0.049)	(0.049)
PRENPRM		0.130***		0.131***			
		(0.007)		(0.008)			
log.LawyersManage			0.346***	0.170**			
			(0.084)	(0.081)			
log.LawyersOnBoard			0.221***	0.230***			
			(0.075)	(0.071)			
log.MktCap			−0.045	−0.060*			
			(0.038)	(0.034)			
log.PAC			0.002	−0.010			
			(0.014)	(0.013)			
log.LobbySpend			0.023**	0.021**			
			(0.010)	(0.010)			
log.Coverage			−0.544***	−0.432***			
			(0.071)	(0.068)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,414	2,414	2,370	2,370	2,414	2,414	2,414
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A32: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.104**		0.178***		0.104**	0.255***	0.199**
	(0.042)		(0.037)		(0.042)	(0.090)	(0.097)
comments_submitted		0.068**		0.088***			
		(0.026)		(0.028)			
log.LawyersManage			0.433***	−0.384***			
			(0.088)	(0.103)			
log.LawyersOnBoard			0.351***	0.293***			
			(0.071)	(0.084)			
log.MktCap			−0.063	0.020			
			(0.039)	(0.049)			
log.PAC			0.033**	−0.002			
			(0.014)	(0.015)			
log.LobbySpend			0.012	−0.002			
			(0.011)	(0.012)			
log.Coverage			−0.456***	0.169**			
			(0.057)	(0.075)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,540	1,540	2,370	1,509	1,540	1,540	1,540
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A33: Regression only includes the treated group and their most similar competitors

Parametric Returns, With Market Control (Total Market Index), Assuming Announcement Occurs 20 Minutes Prior to Press Release Time



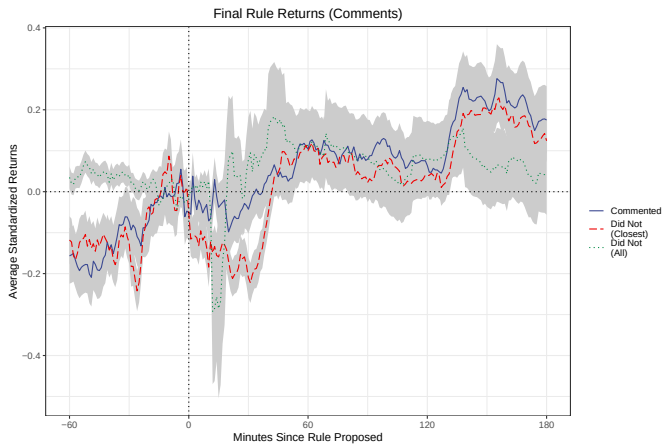
	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.241***		0.205***		0.241***	0.079	0.096*
	(0.035)		(0.042)		(0.035)	(0.049)	(0.053)
PRENPRM		0.084***		0.080***			
		(0.008)		(0.008)			
log.LawyersManage			0.035	−0.072			
			(0.089)	(0.089)			
log.LawyersOnBoard			−0.223***	−0.214***			
			(0.080)	(0.078)			
log.MktCap			0.223***	0.228***			
			(0.040)	(0.038)			
log.PAC			−0.080***	−0.083***			
			(0.015)	(0.015)			
log.LobbySpend			0.052***	0.050***			
			(0.011)	(0.010)			
log.Coverage			0.017	0.082			
			(0.075)	(0.075)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,414	2,414	2,370	2,370	2,414	2,414	2,414
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A34: Regression only includes the treated group and their most similar competitors

	Final Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.053		0.275***		0.053	0.273***	0.051
	(0.042)		(0.039)		(0.042)	(0.096)	(0.105)
comments_submitted		0.036		0.071**			
		(0.026)		(0.028)			
log.LawyersManage			0.351***	0.049			
			(0.092)	(0.103)			
log.LawyersOnBoard			0.279***	−0.079			
			(0.075)	(0.085)			
log.MktCap			−0.094**	0.002			
			(0.041)	(0.050)			
log.PAC			−0.024*	−0.034**			
			(0.015)	(0.015)			
log.LobbySpend			0.035***	−0.015			
			(0.012)	(0.012)			
log.Coverage			−0.397***	0.141*			
			(0.061)	(0.076)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,540	1,540	2,370	1,509	1,540	1,540	1,540
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A35: Regression only includes the treated group and their most similar competitors

Parametric Returns, With Market Control (Total Market Index), Assuming Announcement Occurs 40 Minutes Prior to Press Release Time



	Proposed Rule						
				dt=60			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(PRENPRM >0)	0.110***		0.029		0.110***	−0.171***	−0.130***
	(0.032)		(0.040)		(0.032)	(0.046)	(0.048)
PRENPRM		−0.052***		−0.124***			
		(0.013)		(0.015)			
log.LawyersManage			0.028	0.088			
			(0.082)	(0.081)			
log.LawyersOnBoard			−0.021	−0.014			
			(0.072)	(0.071)			
log.MktCap			0.211***	0.295***			
			(0.038)	(0.037)			
log.PAC			−0.045***	−0.018			
			(0.014)	(0.014)			
log.LobbySpend			0.026***	0.024**			
			(0.010)	(0.010)			
log.Coverage			0.056	0.015			
			(0.073)	(0.072)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	2,415	2,415	2,359	2,359	2,415	2,415	2,415
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A36: Regression only includes the treated group and their most similar competitors

	Final Rule						
	dt=60						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I(comments_submitted >0)	0.030		0.152***		0.030	−0.016	−0.062
	(0.036)		(0.032)		(0.036)	(0.059)	(0.066)
comments_submitted		0.026		0.045*			
		(0.023)		(0.024)			
log.LawyersManage			0.443***	−0.028			
			(0.080)	(0.089)			
log.LawyersOnBoard			0.017	−0.074			
			(0.062)	(0.073)			
log.MktCap			−0.078**	0.037			
			(0.036)	(0.043)			
log.PAC			−0.024**	−0.003			
			(0.012)	(0.013)			
log.LobbySpend			0.023**	−0.011			
			(0.009)	(0.010)			
log.Coverage			−0.195***	−0.046			
			(0.052)	(0.066)			
Fixed Effects	No	No	No	No	Firm	Rule	Two-way
Observations	1,580	1,580	2,359	1,549	1,580	1,580	1,580
Note:							*p<0.1; **p<0.05; ***p<0.01

Table A37: Regression only includes the treated group and their most similar competitors