The Politics of M&A Antitrust

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The Politics of M&A Antitrust

Mihir N. Mehta [α]

Suraj Srinivasan [β]

Wanli Zhao [χ]

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ABSTRACT

Antitrust regulators play a critical role in protecting market competition. We examine whether the political process affects antitrust reviews of merger transactions. We find that acquirers and targets located in the political districts of powerful U.S. congressional members who serve on committees with antitrust regulatory oversight receive relatively favorable antitrust review outcomes. To establish causality, we use plausibly exogenous shocks to firm-politician links and a falsification test. Additional findings suggest congressional members' incentives to influence antitrust reviews are affected by three channels: special interests, voter and constituent interests, and ideology. In aggregate, our findings suggest that the political process adversely interferes with the ability of antitrust regulators to provide independent recommendations about anti-competitive mergers.

[α] University of Michigan [β] Harvard University [χ] Renmin University of China

1. Introduction

A large body of research examines the causes and consequences of mergers. Despite the breadth of this research, relatively little is known about how firms manage the merger antitrust review process. In the United States, overcoming antitrust regulatory scrutiny is a critical hurdle to consummate any economically significant merger. We offer new evidence about the merger antitrust process in the U.S. and in particular, how the political process can influence merger antitrust review outcomes.

We take advantage of the fact that some acquirers and/or targets are located in the political districts of House Representatives and Senators who sit on the committees charged with oversight of U.S. antitrust regulators: the House Judiciary Committee and the Senate Committee on the Judiciary (hereafter "judiciary committees").[1] This allows us to use plausibly exogenous shocks to firm-politician links to offer causal evidence.

Judiciary committee members have both the ability and motivation to influence merger antitrust review outcomes. According to congressional control theory, the relationship between Congress and regulatory agencies is a principal-agent problem and the ability of politicians to influence regulators occurs via various monitoring and disciplining mechanisms (Weingast and Moran, 1983; Weingast, 1984). Under the theory, politicians can influence a regulatory agency (under their jurisdiction) by threatening to reduce the agency's budgetary appropriation recommendations, by holding congressional hearings, and/or by threatening to replace the agency's leadership (Shotts and Wiseman, 2010).[2]

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[1] In contrast, politicians serving on other committees have limited ability to influence regulators outside their purview. We discuss this issue more in robustness tests discussed below.

[2] Judiciary committee members' efforts to influence antitrust regulators to approve a merger likely occur through unobservable back channels because they want to limit possible backlash if a merger results in adverse effects for their constituents, such as job losses or reduced choice and/or higher prices for goods and services. Accordingly, researchers have limited ability to document exactly how and when politicians influence antitrust regulators.

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Judiciary committee member have several incentives to influence merger antitrust reviews. Special interest groups (e.g. acquirers or targets) can influence committee members, consistent with capture theory (e.g., Stigler, 1971; Laffont and Tirole, 1991). Also, politician ideology and personal wealth concerns can affect a committee member's support for a merger.

It is not obvious ex ante that congressional members can opportunistically influence merger antitrust review outcomes. First, the merger antitrust review process is highly technical and regulators employ specialist lawyers and economists, who obtain detailed confidential information from the merger parties and conduct extensive economic analyses to evaluate the competitive consequences of the merger. Second, electoral competition theory (Mayhew, 1974; Fenno, 1978), posits that congressional members can have reelection-related incentives to pressure antitrust regulators to *reject* mergers that could result in job losses (Dessaint, Golubov, and Volpin, 2017) or higher prices for goods and services in their districts due to reduced market competition (Geraldi and Shapiro, 2009). Given these competing effects, the net effect of the political process on merger antitrust outcomes is an empirical question.

We examine a sample of mergers in the U.S between 1998 and 2016, and find that antitrust review outcomes of anti-competitive mergers are systematically more favorable for merger parties in the political districts of members serving on judiciary committees. The effects of political links are most pronounced in the subset of mergers that are most likely to be contested by antitrust regulators due to possible anti-competitive concerns and are therefore more likely to benefit from political interference. When *acquirers* have judiciary committee representation, the antitrust review results in fewer regulatory obstacles and the review is completed faster. In contrast, when *targets* have judiciary committee representation, antitrust reviews take longer and are more likely to include

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However, prior empirical evidence supports the notion that congressional committees influence regulator actions (e.g., Faith, Leavens, and Tollison, 1982; Weingast and Moran, 1983; Hunter and Nelson, 1995).

regulatory obstacles.[3] A one standard deviation increase in the seniority of an acquirer's (target's) judiciary committee representation is associated with a 9.8% (7.2%) increase (decrease) in the probability that an anti-competitive merger receives an early termination decision, relative to other review outcomes, and a 3.5% decrease (2.6% increase) in the length of the review duration, or 5.1 days (3.6 days) respectively.

We address causality in several ways. First, our results are robust to the inclusion of state and industry fixed effects to remove any time-invariant state or industry-specific characteristics. Second, difference-in-differences tests show that antitrust merger review outcomes are less favorable for merger parties that experience plausibly exogenous losses in judiciary committee representation, relative to other merger parties. Third, a falsification test shows that our results are unlikely to be attributable to characteristics that drive powerful political representation generally, rather than specifically due to powerful judiciary committee representation.[4]

Next, we investigate four channels that could provide members of Congress with incentives to intervene in antitrust reviews: corporate influence (i.e., special interests), direct effects on constituents and spillover effects on reelection prospects, ideology, and personal wealth interests. First, we document that merger parties increase lobbying and political contribution activity in the year of the merger relative to industry peers, consistent with the argument that merger parties attempt to use political influence to achieve favorable antitrust review. Multivariate analysis results suggest this spending is effective; we document a positive relationship between merger party political

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[3] Further analyses discussed in Section 6 indicate that the positive relation between judiciary committee representation for targets and merger antitrust hurdles is consistent with capture theory rather than because of politician concerns about adverse effects of the takeover on local-area employment.

[4] Another alternate explanation is that members of Congress who serve on judiciary committees obtain private information about which mergers are likely to be viewed more favorably by the antitrust agencies and share this information with their constituent acquirers and targets. These parties, in turn, only engage in mergers that are likely to receive favorable antitrust reviews. This explanation is unlikely to hold because it requires that judiciary committee members systematically have private information about hypothetical antitrust reviews. Antitrust regulators only thoroughly analyze mergers after the merging parties file a formal merger proposal. Also, regulators request and use extensive confidential information from the merger parties in order to conduct antitrust reviews.

connections, lobbying, and contributions and the favorability of antitrust review outcomes.[5]

Second, congressional members' concerns about the effects of mergers on employment in their constituencies likely affect their incentives to influence antitrust reviews. We find that antitrust merger reviews face increased (decreased) scrutiny in the year before (following) judiciary committee member elections. Third, we find some evidence that merger antitrust review intensity is negatively related to the average ideological conservatism of judiciary committee members. Finally, we find that congressional members who have immaterial wealth holdings in merging firms are unlikely to have personal wealth incentives to influence antitrust merger reviews.

In sum, our study establishes that political influence facilitates favorable antitrust merger review outcomes. We also provide evidence about a mechanism (judiciary committee membership) and various channels that affect judiciary committee incentives to influence regulator behavior. Our findings are relevant to multiple streams of academic research.

First, our results contribute to the literature on mergers and acquisitions. Extant work largely focuses on the determinants of merger activity or performance.[6] Our study provides insights about the merger *process*, and in particular, the role of political influence in antitrust reviews.

Second, our findings inform the literature on how corporations exert political influence to obtain economic benefits.[7] Croci, Pantzalis, Park, and Petmezas (2017) document increased antitrust hurdles in takeovers of politically-connected targets. Our study builds on their findings in three ways. First, we document political influence from the perspective of both acquirers and targets. Second, we identify a comprehensive set of channels that affect political influence in the merger antitrust process.

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[5] In discussing the incentives of merger firms to influence the antitrust review process, we clarify that we are referring to the incentives of a firm's managers rather than their shareholders. This is because our sample only includes those mergers that have proceeded to a stage at which the board (acting as a proxy for shareholders) has approved the merger and given managers responsibility for navigating the merger process. Furthermore, in contrast to shareholders, managers have significant influence over activities related to the antitrust review process.

[6] See Cartwright and Schoenberg (2006) for a review of the M&A literature.

[7] An incomplete list includes Faccio (2006), Leuz and Oberholzer-Gee (2006), Correia (2014), Tahoun (2014), Christensen, Mikhail, Walther, and Wellman (2017), Wellman (2017), and Mehta and Zhao (2019).

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Third, we show that political influence over antitrust regulators is driven solely by congressional members who serve on judiciary committees. Thus, we provide a more complete insight into the mechanisms and channels through which political factors affect antitrust merger outcomes.

Although we observe outcomes that suggest a causal link between a merger party being located in the political district of judiciary committee members and favorable antitrust reviews, our findings are a net effect. In other words, we cannot observe whether the outcomes are the result of an explicit effort by congressional members to influence antitrust regulators or due to actions by antitrust regulators who anticipate politician preferences but are not explicitly influenced by congressional members. Second, we do not examine whether political influence in antitrust reviews results in adverse social welfare outcomes. It may well be the case that political influence, explicit or implicit, reduces frictions in the regulatory process, and leads to overall welfare improvements.

2. Merger Antitrust Background

In Subsection 2.1, we present an overview of U.S. merger antitrust laws. In Subsection 2.2, we outline the merger antitrust review process.

2.1 Overview

The basic objective of antitrust regulators is to "protect competition as the most appropriate means of ensuring the efficient allocation of resources and — and thus efficient market outcomes — in free market economies" (OECD Competition Policy and Efficiency Claims in Horizontal Agreements, 1996). In evaluating mergers, regulators consider the trade-offs for consumers. The benefits of mergers include reduced costs of goods and services due to greater economies of scale for the merged entity and greater product choices due to increased innovation (Avkiran, 1999). Potential costs include higher prices and reduced choices for consumers because of reduced competition.

The principal federal competition-related legal framework governing mergers is Section 7 of the Clayton Antitrust Act of 1914 (hereafter "Clayton Act"). The Clayton Act sought to prevent

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mergers, acquisitions, or joint ventures where "the effect of such acquisition may be substantially to lessen competition, or to tend to create a monopoly" (Clayton Act Section 7, 15 U.S.C. §18). The Hart-Scott-Rodino Antitrust Improvements Act of 1976 imposed further restrictions on mergers by requiring that parties seeking to undertake a merger need to file paperwork with antitrust regulators and wait for the outcome of a government review before proceeding.

The Federal Trade Commission (FTC) and the Antitrust Division of the Department of Justice (DOJ) are charged with conducting antitrust merger reviews in the U.S. There are no requirements that the reviewing agency be disclosed, which limits our ability to exploit variation in political influence across agencies. Mergers in certain industries and cross-border mergers may also receive additional scrutiny from industry-specific and foreign regulators. For instance, bank mergers also face review from the Federal Reserve Board and communications industry mergers also face antitrust scrutiny from the Federal Communications Commission (FCC).[8]

2.2 Merger Antitrust Review Process

All proposed mergers that fit into predefined criteria are required to file a "notification of intent" with both the FTC and the DOJ.[9] Either the FTC and DOJ accept the review based on available resources and industry expertise. The reviewing agency then has 30 days to review the filing. If the agency determines that the merger does not result in any antitrust concerns, it can allow

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[8] Anecdotal evidence suggests that when multiple U.S. agencies are required to review a merger, it is rare that the agencies release conflicting recommendations about the merger's antitrust effects. This is likely due to coordination across agencies for a given merger. For instance, amongst all cases reviewed by both the FCC and DOJ, the FCC has never approved a merger that has been challenged by the DOJ in court (see http://www.nytimes.com/2011/09/01/technology/us-moves-to-block-merger-between-att-and-t-mobile.html).

[9] The criterion are set by the FTC and updated annually. The threshold for filing a "notification of intent" in 2016 was: 1) if an acquirer obtains greater than $78.2 million in securities and/or assets of a target and one of the merger parties has sales or assets greater than $156.3 million and the other merger party has sales or assets greater than $15.6 million; or 2) if an acquirer obtains greater than $312.6 million in securities and/or assets of a target (https://www.ftc.gov/enforcement/premerger-notification-program/current-thresholds). Our sample is unlikely to be affected by an amendment to the Hart-Scott-Rodino Antitrust Improvements Act in 2002 that substantially increased the size and nature of the thresholds for review [see Wollmann (2019) for a detailed discussion of the changes] because our selection criteria results in the retention of mergers that are larger than the threshold limits and therefore automatically subject to antitrust reviews.

the waiting period to expire or grant an "Early Termination" within the waiting period. Either of these events signals antitrust approval.

If the reviewing agency needs additional information, it sends the merger parties an "Additional Request" for information. This extends the waiting period by a minimum of 30 days. Following this additional review, the reviewing agency undertakes one of three actions: 1) it closes the review and allows the merger to proceed; 2) it permits the merger conditional on the merger parties taking prespecified actions to ensure competition is not reduced; or 3) it either advises the merging firms to terminate the bid or files a preliminary injunction in federal court to stop the merger from proceeding while an administrative trial is pending. Appendix A presents examples of these scenarios.

3. Data, Variables, and Methodology

We first describe the data sources and procedure used to generate our sample (Subsection 3.1). We then outline the methodology used in the empirical tests (Subsection 3.2) and discuss the construction of our key independent variable (Subsection 3.3).

3.1 Data

We obtain M&A data from Thomson Reuters' SDC database. Our sample period begins in 1998 because political contributions and lobbying data are not available before this date and ends in 2016 because of limitations in congressional committee representation data availability.[10] We obtain

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[10] We drop M&A cases in which 1) the acquirer does not obtain 100% ownership of the target; 2) either the acquirer or the target is private because of limitations on the data we can obtain for private firms; 3) the merger does not meet the minimum size threshold requirement for antitrust reviews; or 4) either the acquirer or target has a non-U.S. headquarters location. We also exclude non-merger transactions such as recapitalizations, self-tender offers, exchange offers, repurchases, minority stake purchases, acquisitions of remaining interest, or privatizations (e.g., Huang, Jiang, Lie, and Yang, 2014) because such transactions are not systematically subject to an antitrust review. We also exclude all cases in which the merger attempt is abandoned prior to the completion of an antitrust review because we cannot objectively determine the reason for each case. Although one reason is acquirer expectations about unfavorable antitrust review outcomes, there are also many other reasons including a change in mind by either party, lack of market support, bidding problems, or an effective defense by the target (Pickering, 1983).

data on members of Congress from MIT political science professor Charles Stewart III's website and link U.S. Senators and House Representatives to merger parties based on whether the firm is headquartered in a Senator's and/or a Representative's political district. [11] We identify firm headquarters using the M&A file in Thomson Reuters SDC database rather than from Compustat, which only provides the most current (i.e., non-historical) firm location data. [12]

Political district data are from the U.S. Census Bureau's website (www.census.gov/geo/maps-data/data/cd_state.html) and the University of Missouri's Census Data Center (http://mcdc2.missouri.edu/). Corporate political contribution and lobbying data are from the Federal Election Commission (FEC) and the Center for Responsive Politics (CRP), respectively. Following Faccio (2006), we use data from BoardEx also identify whether a firm is connected to a congressional member because of their prior work at the firm as an executive or board director. Firm-specific data are from Compustat. Our final sample consists of 1,602 mergers that are subject to antitrust reviews during the 1998 - 2016 period, with 875 unique acquirers and 1,458 unique targets.

3.2 Methodology

Our primary objective is to investigate whether merger parties with political representation on judiciary committees receive favorable antitrust review outcomes relative to other merger parties. We use two proxies to measure antitrust outcomes: *Outcome*, which captures the extent to which antitrust regulators impose obstacles for the merger parties; and *Duration*, which captures the length of the merger review process. We identify antitrust review outcomes and the duration of the antitrust review period by searching the Factiva, EDGAR, and DOJ databases, as well as FTC news releases.

Our first antitrust review proxy, *Outcome*, is set to a value from 1 to 4 based on the severity of the regulatory review with 1 (4) representing the least (most) severe antitrust obstacles. More

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[11] Available at: http://web.mit.edu/17.251/www/data_page.html.
[12] Our findings are similar if we use a proxy for operational headquarters rather than corporate headquarters (if the two are different) to identify the congressional member-firm link (see the Online Appendix for results).

specifically, *Outcome* is set to 1 when a merger receives antitrust clearance via an Early Termination notice (796 cases); set to 2 when a merger receives an unconditional antitrust clearance but outside of the early termination window (724 cases); set to 3 if the merger receives antitrust clearance conditional on the acceptance of certain actions to mitigate anti-competition concerns (76 cases); or set to 4 if antitrust regulators file to block the proposed merger (6 cases). [13] In additional tests discussed in the Online Appendix, we check that our empirical results are robust to excluding early termination cases which may not require political interference because of low anticompetitive effects and also to a battery of alternative classifications of antitrust outcomes.

Our second proxy, *Duration*, is the natural log of the number of days between the merger announcement date and the date that the antitrust decision is rendered. Lengthier reviews reduce the likelihood that the deal is approved without conditions (such as a requirement that key assets be divested) and reduce the viability of the merger by creating uncertainty about the exchange ratio that can be affected by adverse stock price movements and delays in the integration of the operations of the merging firms (Morse, 2002).[14]

We estimate the following models to measure the effect of congressional representation on antitrust merger review outcomes (equation 1) and duration (equation 2):

$$Outcome_{m,t} = \alpha + \beta_1 * Seniority_{m,t} + \beta_X * Controls_{m,t} + \xi_{m,t} \tag{1}$$

$$Duration_{m,t} = \alpha + \beta_1 * Seniority_{m,t} + \beta_X * Controls_{m,t} + \xi_{m,t} \tag{2}$$

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[13] The outcomes categories are not intended to be evaluated in terms of whether the outcomes are "favorable" or "unfavorable" per se. Any merger with an antitrust review outcome in one of the 1, 2, or 3 groups could be classified as favorable if in the absence of judiciary committee influence, the merger would have faced more antitrust scrutiny. For instance, mergers in group 3 (i.e., mergers that are conditionally accepted by regulators) can be viewed as favorable if those mergers would have faced additional scrutiny or even been rejected (and thus in category 4) in the absence of political support on judiciary committees. Similarly, mergers that are approved without any restrictions could have been subject to different regulatory conditions and timeliness in the absence of political influence.

[14] We could find a relation between judiciary committee representation and *Outcome* but not *Duration*. First, regulators come to a different conclusion when reviewing politically connected mergers but do not materially reduce the scope of the antitrust review analysis. Second, regulators do reduce the scope of the antitrust review but delay releasing the outcome of the review to provide the impression that a thorough review has been conducted.

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We use an ordered probit regression to estimate equation (1) and OLS to estimate equation (2).[15]

$Seniority_{m,t}$ represents one of three proxies to measure the strength of judiciary committee representation for the acquirer and target in merger m immediately prior to the antitrust review year t: *JudiciaryCom*, *JudiciaryCom_num,* or *JudiciaryCom_dum*. We discuss these measures in detail in Subsection 3.3.

$Controls_{m,t}$ is a vector of other variables that can explain antitrust merger review outcomes or duration. First, we control for the possibility that the acquirer and target directly lobby the FTC/DOJ (*Lobbying_DOJFTC_acq* and *Lobbying_DOJFTC_tar* for the acquirer and target respectively) and prior business connections between the merger parties and the DOJ/FTC (*Connect_DOJFTC_acq* and *Connect_DOJFTC_tar*). We also control for the logged dollar value of the deal size (*Value*), the market concentration of the acquirer's three-digit SIC industry based on total sales using the Herfindahl-Hirschman Index (*IndustryHHI_acq*), as well as the relative size of the acquirer and target (*Relative_Size*), measured as the acquirer's total assets divided by the target's total assets. In addition, we control for the combined market share of the acquirer and the target in either party's three-digit SIC industry (*Total_MktShare*). [16] All variables are defined in Appendix B. All specifications include acquirer industry, target industry, state, and year fixed effects. Standard errors are adjusted for heteroscedasticity using a Huber-White sandwich estimator and clustered at the acquirer state level. In untabulated sensitivity tests, we find that our results are robust if we instead cluster standard errors at the House district level.

3.3 Measures of Judiciary Committee Member Influence

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[15] Greene (2002) suggests that using fixed effects with non-linear models may result in an incidental parameters problem. To ensure that our results are not sensitive to this concern, we follow the suggestion in Angrist and Pischke (2009) and confirm that our primary tests of equation (1) are robust to using Ordinary Least Squares (OLS) analysis. We present those results in the Online Appendix.

[16] The market share is based on total aggregate sales of firms in the merging firms' three-digit SIC industry. If the acquirer and the target are in different industry codes, then combined market share is unlikely to be a major antitrust consideration and we set the variable to the market share of the acquirer.

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Following Levitt and Poterba (1999), we use a politician's seniority to measure her power on a congressional committee. We also allow for the possibility that multiple members of both judiciary committees can influence antitrust regulators. Thus, our primary firm-level proxy for the power of a merger party's judiciary committee representation is the aggregate years of congressional member service (*JudiciaryCom*) immediately prior to the merger antitrust review.[17] We add the postfix "*_acq*" or "*_tar*" to the variable name to reflect whether the measure reflects the acquirer's or target's judiciary committee representation, respectively.

In sensitivity tests tabulated in the Online Appendix, we show that our results are robust to (1) alternative measures of an acquirer or target's judiciary committee representation based on either a count of a merger party's total representation on judiciary committees; (2) representation in the top quartile of either committee; and (3) present the effects separately for senior and junior representation on judiciary committees.[18] We also present results from tests where we measure politician membership on relevant subcommittees within the House and Senate judiciary committees.

4. Descriptive Statistics

Table 1 presents the descriptive statistics. Panel A presents details about the House and Senate Judiciary Committees for our sample period. The House Judiciary Committee (Senate

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[17] This firm-level measure is easily illustrated using an example: Foot Locker Inc. (an acquirer in 2007; NYSE: FL) is headquartered in New York's 8th congressional district. In 2007, New York had one representative on the Senate Judiciary Committee — Charles Schumer (D-NY) — who had served on the committee for nine years. New York also had two representatives on the House Committee of the Judiciary: Jerrold Nadler (D-NY), who was the 8th congressional district representative, and Anthony Weiner (D-NY), who was the 9th congressional district representative. Nadler and Weiner had served on the House committee for eight years and five years respectively as of 2007. The value of *JudiciaryCom_acq* applied to Foot Locker for 2007 represents the aggregate years of service for Schumer and Nadler (9 + 8 = 17). Weiner is not included in the seniority count as the firm was not in his congressional district.

[18] We aggregate a firm's Senate and House judiciary committee representation because we do not a priori expect different effects between the judiciary committees. Our results are similar when we use variables to separately identify Senate and House representation with the exception of mergers classified as having high contest risk. In these mergers, we find that House committee representation for targets is significantly greater than Senate committee representation in terms of the link to antitrust outcomes.

Committee on the Judiciary) has an average of about 41 (19) members during our sample period, representing an average of 21 (17) states. Thus, conditional on having representation on a judiciary committee, each state has an average representation on the House (Senate) judiciary committee of about 2 (1) members. Congressional members serving on the House (Senate) judiciary committee have an average tenure of approximately 5 (13) years during our sample period and a maximum tenure of 25 (44) years.

Next, we tabulate states with representation in the top (bottom) quartile of judiciary committee power over the sample period based on the number of years of service of congressional members on a committee. The evidence indicates that committee power is spread across a large cross-section of states; the heterogeneity in judiciary committee representation suggests committee power does not appear to be systematically concentrated in the largest or most populated states.

Panel B of Table 1 presents descriptive statistics for the sample of mergers. The mean (median) value of *Outcome* is 1.75 (2.00), implying that approximately half of the merger antitrust reviews are either approved with early termination or without any restrictions or conditions. For mergers that receive antitrust reviews, the average length of the antitrust review (*Duration*) between the deal announcement and the antitrust review outcome is 143 days. The mean *JudiciaryCom_acq* (*JudiciaryCom_tar*) value of 12.2 (7) indicates the aggregate tenure in years of an acquirer's (target's) political representation on the judiciary committees. The average lobbying expenditure by acquirers to congressional members (antitrust agencies) is $196,103 ($33,451), which likely understates the actual amount spent by corporations because of limited data availability. About 24% (6%) of acquirers (targets) have prior business connections with the committee members based on employment as an executive or director. Finally, 5.7% (2.5%) of acquirer (target) firms have business connections with DOJ/FTC.

Turning to merger characteristics, the average deal value in our sample is approximately $2.1 billion. The average combined primary industry market share (*Total_MktShare*) of the acquirer and

the target together is 6.9% of total industry sales. The average (median) value of *Relative_Size* is approximate 62 (7.5), implying that the average (median) acquirer is 62 (7.5) times larger than the target. Finally, acquirers (targets) have positive (negative) return on assets (ROA) on average.

Next, Panel C in Table 1 presents the top ten three-digit SIC industries represented in our merger sample. No single three-digit SIC industry represents more than 299 observations of either acquirer or targets. Panel D presents the states in which acquirer and target headquarters are located. California, New York, and Texas are the most represented states for both acquirers and targets (in total about 36% of the sample). Untabulated tests indicate that our empirical results are robust to the removal of each of these three most represented states. The top ten states represent about 67% of the total sample of mergers. The evidence in Panels C and D and the findings from robustness tests indicate our results are unlikely to be driven by mergers in any particular industry or state.

Table 2 presents descriptive evidence about merger intensity when acquirers or targets have judiciary committee representation. An ideal test to evaluate selection concerns would scale the number of firms involved in a merger by the total number of potential firms that may desire to enter into an acquisition. Because we cannot observe the set of potential firms that may desire to enter into an acquisition, we instead scale the average number of acquirers or targets in a state by the total number of firms headquartered in the state (*Deal Ratio*). We implicitly assume that the number of firms wishing to pursue an acquisition is correlated with the size of the state (number of firms). For both acquirers and targets, we find that merger intensity is not statistically different across states with representation in the top quartile of judiciary committee representation, the bottom three quartiles, or states without judiciary committee representation. This finding supports the argument that firms are not choosing to enter into deals based on their judiciary committee representation.

Next, we examine *Deal Ratio* at the industry level (*Deal Ratio_Industry*). We also create a variable, *Deal Ratio_HighContestRisk,* which is the ratio of the number of acquirers or targets in mergers that are most likely to have anticompetitive effects scaled by the number of firms in the

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same state. The *t*-tests of differences in means across all the groups are statistically insignificant, which suggests that merger intensity is similar across differences in acquirer or target judiciary committee representation.

5. Multivariate Analysis

In this section, we discuss the empirical findings. In Subsection 5.1, we discuss results from our primary tests examining the effects of merger party judiciary committee representation on merger antitrust reviews. Subsection 5.2 presents our identification strategy and results.

5.1. Merger Party Representation on Judiciary Committees and Antitrust Review Outcomes

Table 3 presents results from multivariate tests of equations (1) and (2) examining the association between the power of the acquirer's or target's political representation on judiciary committees and merger antitrust review outcomes. The results in column (1) show that for the full sample of mergers, the power of an acquirer's judiciary committee representation is on average positively and significantly related to the favorability of the antitrust merger review outcome for the acquirer (significant at the 5% level). We find the opposite result for targets with judiciary committee representation. In other words, these targets face *greater* antitrust scrutiny than targets in other mergers (significant at the 5% level).

Next, we examine whether the on-average results in column (1) in Table 3 showing a link between judiciary committee representation and antitrust outcomes vary with the extent to which mergers are likely to face antitrust scrutiny. Mergers that materially reduce market competition and thus potentially have net negative effects for consumers in the form of higher prices and/or reduced innovation are more likely to be contested and encounter relatively more regulatory restrictions for merger approval, and the review process is likely to be longer relative to other mergers (DOJ Non-Horizontal Merger Guidelines). Therefore, acquirers and targets involved in anti-competitive mergers are most likely to benefit from favorable political intervention into the antitrust review process.

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We identify anti-competitive mergers as those mergers in which: 1) the acquirer and target compete in the same product market as defined by Hoberg and Phillips (2010, 2016); or 2) the acquirer and target are in the top quartile of highly connected vertical industry pairs using the Ahern and Harford (2014) methodology, which uses input and output activities between industries to develop a measure of vertical connectedness.[19] We classify such mergers as "high contest risk" and all other mergers as "low contest risk." The total sample of 1,602 mergers represents 860 (54%) high contest risk mergers and 742 (46%) low contest risk mergers.[20]

The evidence in columns (2) and (3) in Table 3 shows that the effect documented in column (1) is concentrated in the high contest risk merger partition (significant at the 5% and 1% levels for acquirers and targets respectively) while statistically insignificant in the low contest risk partition. In economic terms, the results in column (2) indicate that a one standard deviation increase in the seniority of an acquirer's (target's) judiciary committee representation is associated with a 12.1% (10%) increase (decrease) in the probability that a high contest risk merger application receives an early termination decision, relative to other review outcomes.

The results in column (4) in Table 3 indicate that the power of acquirer (target) judiciary committee representation is negatively (positively) associated with the antitrust review duration at the 5% level (10% level). In economic terms, a one standard deviation increase in the power of the acquirer's (target's) judiciary committee representation is associated with a 4.3% decrease (4.4% increase) in review duration, or 6.2 days (6.2 days), respectively. The findings in columns (5) and (6)

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[19] We include vertical mergers because the DOJ Non-Horizontal Merger Guidelines outlines the possibility of antitrust concerns due to changes in rival firm costs or increased anticompetitive coordination (see https://www.justice.gov/atr/non-horizontal-merger-guidelines).

[20] We check that our results are robust to two alternative classifications to measure the likelihood that antitrust regulators will contest a merger. First, we reclassify high contest risk mergers to consist of just the 882 same-industry horizontal mergers. Second, we reclassify high contest risk mergers to include only those same-industry mergers for which the acquirer is one of the top ten largest firms in the industry based on total sales in the year prior to the merger. Although this restriction reduces the number of intra-industry high contest risk mergers from 882 to 274, it also significantly increases the power of our tests. The findings from both tests (untabulated) are qualitatively similar to our main findings, which validates the construction of the high contest risk and low contest risk partitions.

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indicate that the results are statistically and economically significant only for the high contest risk mergers (statistically significant at the 1% and 5% levels for acquirers and targets respectively) but not for low contest risk mergers. *F*-test results indicate that the coefficients for *JudiciaryCom_acq* and *JudiciaryCom_tar* across high contest risk and low contest risk cases are significantly different for tests in which the dependent variable is *Duration.*

These findings are robust to adding controls for factors that can influence the antitrust review, such as the amount of lobbying to antitrust agencies, deal value, pre-merger competition levels in the acquirer's primary industry, and the relative size of the acquirer and target. In sum, our results suggest that the favorability of antitrust merger reviews is statistically and economically greater for firms in the districts of powerful congressional members serving on judiciary committees.

5.2 Identification

Our primary multivariate specifications include state and industry fixed effects to remove any time-invariant state or industry characteristics. With the inclusion of these fixed effects, coefficient estimates are identified from within-state and within-industry time series variation.

To further attribute our findings to influence from congressional members serving on judiciary committees, we exploit shocks to firms' judiciary committee representation using plausibly exogenous departures from the judiciary committees. There are 98 judiciary committee member departure cases during our sample period (73 Representatives and 25 Senators). To satisfy the exclusion restriction, we require that the reason for a committee turnover case influences subsequent period antitrust outcomes for mergers in the departing member's constituency (the dependent variable) only via its effect on committee representation (the independent variable). Two types of turnover cases can satisfy the exclusion restriction: member transfers to other congressional committees and death or illness.[21]

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[21] In contrast, an example of a turnover case that is *unlikely* to satisfy the exclusion restriction is turnover due to

First, member transfers to other congressional committees satisfy the exclusion restriction because transfers occur for reasons that are unlikely to be directly linked to merger antitrust outcomes.[22] Furthermore, the timing of a transfer is mostly unrelated to state- or congressional district-level events that could affect merger antitrust outcomes.[23] We also include committee departures that occur due to illness or death, as these are likely to be exogenous. Of the 98 judiciary committee turnover cases during our sample period, 44 relate to committee transfers and four relate to illness or death, a total of 48 plausibly exogenous turnover cases. We do not treat the other 50 turnover cases as exogenous.[24] In sensitivity tests tabulated in the Online Appendix, we find that our results are robust to using all 98 turnover cases.

The 48 plausibly exogenous turnover cases represent judiciary member turnover in 33 states. This broad representation of states suggests that our results are not likely to be driven by any geographic concentrations or spurious pre-trends. Of the 48 cases, 25 (26) cases represent turnover by congressional members in the top quartile (non-top quartile) of seniority on judiciary committees. For each of these 48 turnover cases, we identify 431 sample mergers that involve firms in their congressional districts or states in the two-year window before or following the turnover event (excluding the turnover year). These mergers are the treatment group. We also identify a control group of similar mergers with judiciary committee representation but for which the acquirer does not

reelection loss. In particular, poor underlying local-area economic conditions may affect both reelection outcomes and a firm's probability of survival, the latter of which in turn influences antitrust review outcomes.

[22] Members transfer committees: (1) for increased power or prestige; (2) because of interest in helping shape public policy in areas outside of the jurisdiction of the judiciary committee, which may stem from a member's pre-Congress work experience or education; or (3) for the opportunity to more easily obtain federal funding or develop economic interests relevant to a subset of their constituency (e.g., Fenno, 1973; Bullock, 1976).

[23] The timing of committee reassignment decisions depends on a large number of factors including the number of vacancies on a given committee, the political needs of each party assigning members to committees, the number of members competing for a committee assignment, views on specific issues, seniority, party loyalty, and rules on the number and types of assignments that each member may hold (Smith, Roberts, and Vander Wielen, 2013). The Republican and Democratic parties and each chamber also have specific rules and restrictions on the number and type of committee assignments that each politician can hold.

[24] These include departures due to reelection losses, for non-elected public or private sector positions, or because of retirement. Committee departures for a private sector job could represent a repayment for favorable political influence in a prior merger antitrust review. Retirement could reflect expectation about poor future state or district economic forecasts that could also affect merger antitrust outcomes.

experience a judiciary committee turnover shock in the same two-year window as for a matched treatment acquirer. To obtain a sample of control mergers, we use all non-treatment mergers in the same quartile of both *IndustryHHI_acq* and *Value* as treatment mergers. We do not impose a one-to-one matching restriction in order to ensure that the results are not subject to concerns related to small sample sizes. The matched control sample consists of 295 mergers.

We estimate difference-in-differences regressions using the dataset of treatment and control merger firms from two years prior to the turnover year to two years after the turnover year:

$$Outcome_{m,t} = \beta_1 * Treatment_{m,t} + \beta_2 * Post_{m,t} + \beta_3 * Treatment_{m,t} * Post_{m,t} + \beta_X * Controls_{m,t} + \xi_{m,t} \quad (3)$$

$$Duration_{m,t} = \alpha + \beta_1 * Treatment_{m,t} + \beta_2 * Post_{m,t} + \beta_3 * Treatment_{m,t} * Post_{m,t} + \beta_X * Controls_{m,t} + \xi_{m,t} \quad (4)$$

The dependent variables $Outcome_{m,t}$ and $Duration_{m,t}$ are as previously defined. $Treatment_{m,t}$ is an indicator variable set equal to one for mergers in which the acquirer loses judiciary committee representation in one of t-2, t-1, t+1 or t+2 years, and set equal to zero for all control mergers. The subscript t reflects the year in which the merger antitrust review commences. The indicator variable $Post_{m,t}$ equals one for mergers in the post turnover period (t+1 or t+2), and zero otherwise. A *positive* sign on the primary variable of interest, β_3, the interaction between $Treatment_{m,t}$ and $Post_{m,t}$, is consistent with less favorable antitrust review characteristics for treatment firms after the loss of a judiciary committee member. $Controls_{m,t}$ is a vector of variables that can explain antitrust review outcomes as previously described.

We also include acquirer and target industry fixed effects to remove any time-invariant differences between industries, year fixed effects to remove any common trends affecting mergers in both the treatment and control samples, and state fixed effects to remove state-level time-invariant differences. We cluster standard errors at the state level. The empirical findings discussed below are qualitatively similar if we cluster at the congressional district level.

We validate our empirical strategy using two sets of analyses. First, in Panel A of Table 4, we show that the observed treatment and control merger covariates in the year before the shock are

balanced. Second, we use a leads and lags model to graphically examine whether the pre-treatment trends in merger *Outcome* and *Duration* are parallel for treatment and control firms (Atanasov and Black, 2016). Figure 1 shows that the pre-treatment trends for treatment and control merger outcomes are similar. However, following judiciary committee member turnover events, treatment firms on average display sharp increases in *Outcome* and *Duration* relative to the trend in those variables for untreated firms. This evidence indicates that antitrust merger review favorability for treatment firms *worsens* following the departure of a judiciary committee representative relative to merger antitrust review outcomes for control firms.

Panel B in Table 4 presents coefficients from tests of equations (3) and (4). In column (1), we find some evidence that merger outcomes are affected by judiciary committee turnover shocks. The coefficient on *Post* is positive and significant, indicating that antitrust review outcomes for all mergers are relatively less favorable following judiciary committee member turnover. The coefficient on the interaction between *Treatment* and *Post* is also positive and statistically significant (at the 5% level). This finding suggests that judiciary committee member turnover has a significantly greater effect on merger outcomes for firms in the political districts of departing committee members. The results for *Duration* in column (2) are similar but only statistically significant (at the 10% level) for the interaction term.

The findings in columns 1 and 2 represent on-average results. Next, we partition the turnover cases to provide further insights into the scenarios in which our documented effects manifest. Columns (3)–(10) in Table 4 present the results from these partitions. In columns (3)-(6), we present results for tests after partitioning the turnover cases based on whether the departing judiciary committee member is in the top quartile of committee seniority at the time of departure (columns (3)-(4)) or not (columns (5)-(6)). For the senior committee member turnover partition, the coefficient on the interaction between *Treatment* and *Post* is positive and statistically significant at the 1% level for the test of *Outcome* and at the 5% level for the test of *Duration*. In contrast, we find no evidence that

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junior committee member turnover affects *Outcome* or *Duration*.

In columns (7)-(10) in Table 4, we present results after partitioning the turnover cases based on whether the merger is a high (columns 7-8) or low (columns 9-10) risk candidate for antitrust scrutiny. We find that judiciary committee member turnover is associated with a more negative antitrust outcome and a more extended review period for the high contest risk sample. In both columns (7) and (8), the coefficient on the interaction between *Treatment* and *Post* is positive and statistically significant at the 5% level. We find no evidence that antitrust outcomes for low contest risk mergers are affected by shocks to acquirers' representation on judiciary committees, consistent with our main results in Table 3. In sum, the findings in Figure 1 and Table 4 provide evidence consistent with a causal relation between judiciary committee representation and merger antitrust review outcome.

Next, we conduct a falsification test to further address the possibility that our results are driven by some other unobserved factors that also lead to representation on a powerful committee (i.e., an omitted variable problem). We exploit the fact that many acquirers and targets also have political representation on the most powerful congressional committees that have no jurisdiction over antitrust agencies. We identify the ten most powerful Senate and House committees (apart from judiciary committees) based on the ranking from Edwards and Stewart (2006).[25]

We create new measures of committee power that are similar to our previously defined measures for merger parties' representation on judiciary committees, but based on the power of an acquirer's or a target's political representation on these other powerful committees. We re-estimate

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[25] Edwards and Stewart (2006) track politician demand for transfers to each congressional committee to determine committee power rankings. For instance, a politician switching from committee A to committee B implies that the politician values the latter more highly than the former. The demand for a given committee is the proxy for committee power. The ten most powerful committees using this methodology are as follows. In the Senate: Finance, Veterans Affairs, Appropriations, Rules, Armed Services, Foreign Relations, Intelligence, Judiciary, Budget, and Commerce. In the House: Ways and Means, Appropriations, Energy and Commerce, Rules, International Relations, Armed Services, Intelligence, Judiciary, Homeland Security, and Transportation and Infrastructure. In untabulated robustness tests, we find similar results to those presented if we focus on the top 3 or top 5 (instead of the top 10) most powerful other committees.

equations (1) and (2) after replacing *JudiciaryCom_acq* and *JudiciaryCom_tar* with *OtherCom_acq* and *OtherCom_tar*, respectively.

Table 5 presents the regression results. The coefficients on both *OtherCom_acq* and *OtherCom_tar* across all the specifications are statistically insignificant. In other words, merger parties do not appear to experience differential antitrust review outcomes when they are located in the political districts of powerful congressional members who serve on other influential yet unrelated congressional committees.

6. Political Factors that Explain Congressional Member Efforts to Influence Merger Antitrust Review Outcomes

In this section, we investigate why judiciary committee members may seek to influence regulators and classify their incentives to do so into four groups: 1) special interests (Subsection 6.1); 2) voter and constituent interests (Subsection 6.2); 3) ideological orientation (Subsection 6.3); and 4) personal wealth interests (Subsection 6.4).

6.1 Special Interests

Special interests include the merger parties, as well as competitors who may be affected by the merger. We examine three avenues through which special interests can influence congressional members and can be measured by researchers: 1) lobbying expenditures; 2) political contributions made by firms or individuals in the firm; and 3) business relationships. We identify merger party competitors using the closest three competitors based on firm size within the same industry as defined by Hoberg and Phillips (2010, 2016). Untabulated tests show that the empirical results discussed below are qualitatively similar if we use three-digit SIC codes to identify competitors.

Average lobbying expenditures by acquirers (targets) to all congressional members in the

year that the antitrust merger review commences is roughly $291,000 ($47,000). [26]These values for the acquirer's (target's) competitors are $288,000 ($43,500). Political contributions by both acquirers and targets and their competitors are much smaller in magnitude relative to expenditures on lobbying.[27]Approximately 24.1% (5.7%) of the acquirer (target) firms and 21.5% (5.8%) of acquirer (target) competitors have a prior business relationship connection to a judiciary committee member. Differences between acquirer and target firm size are likely to explain the larger values for acquirers across all these measures of special interest influence.

Figures 2 and 3 present merger party and competitor congressional lobbying expenditures (political contributions) in dollars for the *t*-2 to *t*+2 window around the merger review initiation year (*t*), split by acquirer and target firms. Figure 2 presents the results for acquirer lobbying expenditures directed towards congressional members (Panel A) and antitrust agencies (Panel B). The results are split based on whether the merger is friendly or hostile. We present the results across deal hostility because it is possible that a merger party's incentives to obtain political support varies based on the target's view towards the merger. Deal hostility is based on the variable *Attitude* from the Thomson Reuters merger dataset.

We find that across both types of mergers, acquirer lobbying expenditures are below the level for competitors in the two years preceding the antitrust review but increases rapidly in the following two years and peaks in the year of the review. The increase in acquirer lobbying expenditures is most pronounced in hostile mergers. In all cases, lobbying expenditures decrease immediately following the merger year. Panels C and D in Figure 2 show that target lobbying expenditures towards congressional members and antitrust regulators display similar trends to acquirers. In Figure 3,

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[26] We present a detailed explanation of how we estimate lobbying expenditures in the Online Appendix.

[27] We highlight two caveats. First, contributions are measured at the congressional member level, whereas lobbying is measured at an aggregate level representing total lobbying expenditures. This limitation arises because federal lobbying disclosure requirements do not require that lobbying expenditures be disclosed at the congressional member level. Second, the dollar values of political contributions and lobbying we report are likely to be understated because researchers cannot observe all channels through which firms and their agents can contribute to politicians.

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Panels A and B present political contributions by acquirers and targets, respectively, as well as the corresponding competitor averages. The trends are similar to those for the lobbying results in Figure 2. In sum, the findings are consistent with the notion that merger parties appear to increase both lobbying and political contributions prior to mergers.

Next, we examine which types of political connections are associated with antitrust merger review characteristics. We measure political connections using variables that capture acquirer, target, and competitor lobbying, as well as political contributions and prior employment:

$Outcome_{i,t}$ or $Duration_{i,t} = \alpha + \beta_1 * Lobbying\_Com\_acq_{i,t} + \beta_2 * Lobbying\_Com\_tar_{i,t} + \beta_3 *$

$Polit\_Contrib\_acq_{i,t} + \beta_4 * Polit\_Contrib\_tar_{i,t} + \beta_5 * Connect\_JudiciaryCom\_acq_{i,t} + \beta_6 *$

$Connect\_JudiciaryCom\_tar_{i,t} + \beta_7 * Lobbying\_Com\_acq\_peer_{i,t} + \beta_8 * Lobbying\_Com\_tar\_peer_{i,t} +$

$\beta_9 * Polit\_Contrib\_acq\_peer_{i,t} + \beta_{10} * Polit\_Contrib\_tar\_peer_{i,t} + \beta_{11} *$

$Connect\_JudiciaryCom\_acq\_peer_{i,t} + \beta_{12} * Connect\_JudiciaryCom\_tar\_peer_{i,t} + \beta_X * Controls_{i,t} +$

$\xi_{i,t},$ \hfill (5)

where $Outcome_{i,t}$ and $Duration_{i,t}$ are as previously defined. $Lobbying\_Com\_acq_{i,t}$ and $Lobbying\_Com\_tar_{i,t}$ represent the logged total lobbying to congressional members by the acquirer and target i in year t. $Polit\_Contrib\_acq_{i,t}$ and $Polit\_Contrib\_tar_{i,t}$ capture the total logged political contributions made by the acquirer and target i in year t. $Connect\_JudiciaryCom\_acq_{i,t}$ and $Connect\_JudiciaryCom\_tar_{i,t}$ capture whether the acquirer or target have a prior business connection with a judiciary committee member. Both variables are set to 1 if the firm previously employed a judiciary committee member in an executive or non-executive capacity, and set to 0 otherwise. We also include special interest variables similar to those above but for acquirer and target competitor special interests. We add the post-fix "_peer" to identify these variables (β_7 to β_{12}). $Controls_{i,t}$ is a vector of controls as previously defined. Note that the political connection variables are incremental to acquirer and target firm direct lobbying to and prior connections with antitrust regulators. All specifications also include acquirer industry, target industry, and year fixed effects.

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The results in Panel A of Table 6 suggest that influence from special interests is likely to affect congressional member incentives to influence antitrust merger reviews. Furthermore, the findings suggest special interest influence is concentrated in mergers for which the risk of an adverse or unfavorable antitrust review outcome is highest. We find weak evidence that political contributions (but not political connections and lobbying) by merger party competitors affect antitrust merger review characteristics. One possible explanation for why competitor special interest efforts are not effective is that competitors may not have preexisting connections to judiciary committee members and thus cannot quickly develop relationships with influential committee members. Finally, our results are robust to controls for both merger parties' direct lobbying and prior connections with antitrust regulators.[28]

F-test results in Panel B of Table 6 suggest that lobbying, contributions, and connections have statistically different effects on merger antitrust outcomes for both acquirers and targets in some specifications. In sum, the findings suggest merger parties attempt to influence antitrust reviews by using a number of different avenues to connect with judiciary committee members. The evidence suggests that lobbying, contributions, and connections each have statistically significant effects on merger antitrust outcomes for both acquirers and targets, but only in some subsets of the data.

6.2 Voter and Constituent Interests

According to the theory of electoral competition (Mayhew, 1974; Fenno, 1978), politicians have reelection-related incentives to decrease the probability of adverse effects for their constituents, such as local area job losses. Because mergers can result in job losses, judiciary committee members may seek to influence antitrust merger reviews involving firms in their political districts. We

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[28] In untabulated analyses, we find that the link between proxies for special interest influence and antitrust merger outcomes are concentrated in the sample of hostile takeovers. This is consistent with the idea that target hostility results in a greater need for both acquirers and targets to use political channels to influence the antitrust review process and achieve their preferred merger outcome.

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examine this possibility in four ways.

First, we examine whether the link between judiciary committee representation and antitrust outcomes attenuate in the geographic concentration of a merger party's operations in a judiciary member's political district. The more concentrated a firm's operations, the greater the potential for job losses in that area and in turn, the greater the possible number of dissatisfied constituents.

We measure firm-level operational concentration using a measure developed by Garcia and Norli (2012) that captures the number of times each state is mentioned in a firm's 10-K filing as a proxy for the relative importance of that state for a firm.[29] We create an firm-level indicator variable called *Concentrate_tar* that is set to one for the top quartile of merger party targets based on the number of mentions of the state in which the firm is located. We focus on merger targets because prior studies document that job losses following mergers are concentrated in the target firm (e.g., Lehto and Böckerman, 2008.)

We estimate equations (1) and (2) after including the stand-alone variable (*Concentrate_tar*) and an interaction term (*JudiciaryCom_tar * Concentrate_tar*). The interaction term captures whether for a given level of judiciary committee representation, targets that are more operationally concentrated have differential antitrust review duration and outcomes. The results in Panel A in Table 7 show the coefficient on the interaction term *JudiciaryCom_tar * Concentrate_tar* is positive and statistically significant at the 5% level for high contest risk merger cases. This finding indicates that targets with operational intensity in judiciary committee members' constituencies are more likely to face antitrust scrutiny.

Second, we examine whether antitrust merger review outcome announcements are timed opportunistically around judiciary committee member elections. We identify mergers in which at

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[29] A simple example is Boeing Corporation. In 2006, its 10-K filing identifies six unique states. These states correspond to the firm's headquarters in Illinois and the manufacturing facilities in Washington, South Carolina, Missouri, Kansas, and Oklahoma. However, 50% of all state mentions in the 10k are Washington, which is Boeing's primary manufacturing facility.

least one of the merger parties is located in the political district of a judiciary committee member. Of these cases, we identify the subset for which a merger antitrust review announcement occurs in the judiciary committee member's reelection year or the following year. Note that congressional elections are held in early November, meaning we approximately capture the 24-month window around the election date. There are 425 such mergers in our sample. Figure 4 displays the number of merger antitrust review announcements by month around congressional elections. The evidence indicates that prior to elections, the number of merger antitrust outcome announcements decreases and begins to increase again immediately following elections. To evaluate whether this effect is simply driven by changes in merger activity around elections, we also present the total number of mergers during the same two-year window around elections. We find that there are fewer antitrust review announcements relative to the total mergers prior to elections but more antitrust review announcements relative to the total mergers after elections. This finding is consistent with the idea that merger antitrust review announcements are timed to limit potential political costs.

Third, we examine whether the favorability of antitrust reviews varies around elections. Prior to elections, judiciary committee members may have weaker incentives to interfere in the merger review process for mergers that are unpopular with their constituents. We create two indicator variables: *ElectionYear* and *PostElectionYear*. These variables are set to one when merger antitrust review decisions occur in the year leading up to or the year after a merger party's judiciary committee member's election, respectively, and set to zero otherwise. We then estimate equations (1) and (2) after including these two stand-alone variables and interacting each variable with *JudiciaryCom_acq* and *JudiciaryCom_tar* (for a total of four distinct interaction variables). Each interaction term captures whether for a given level of judiciary committee representation, acquirers and targets face different levels of antitrust scrutiny prior to or after congressional elections.

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We present regression coefficients in Panel B of Table 7. All four interaction terms are statistically significant for the subset of mergers with high contest risk. The interaction terms *JudiciaryCom_acq * ElectionYear* and *JudiciaryCom_tar * ElectionYear* bear positive signs, consistent with the notion that antitrust reviews of mergers involving firms located in judiciary member constituencies face relatively less political interference in election years. In contrast, the coefficients on *JudiciaryCom_acq * PostElectionYear* and *JudiciaryCom_tar * PostElectionYear* exhibit negative signs, consistent with greater political influence in antitrust reviews immediately following elections.

Fourth, we consider whether judiciary committee member concerns about local area employment losses due to mergers are affected by the size of the potential effect relative to the size of the constituency. Because House judiciary committee members serve much smaller constituencies relative to Senate judiciary committee members, the effects of job losses from mergers affect a greater percentage of House members' constituents. Therefore, it is possible that House judiciary committee members (relative to Senate judiciary committee members) are less supportive of mergers in their political districts.

We re-estimate equations (1) and (2) after including new measures based on acquirer and target representation separately in the Senate and House judiciary committees and label these variables *JudiciaryCom_acq_House* and *JudiciaryCom_acq_Senate* for the acquirer and *JudiciaryCom_tar_House* and *JudiciaryCom_tar_Senate* for the target. The results in Panel C in Table 7 show that political representation on both judiciary committees has statistically significant links to antitrust merger outcomes. Although the coefficient magnitudes are typically larger for House members, the overall findings from *F*-tests indicate that the effects across these committees

are only statistically different for targets in high contest risk mergers.[30] In sum, the cumulative findings above suggest that concerns about the effects of mergers on their reelection prospects affect judiciary committee member incentives to influence antitrust reviews of mergers.

6.3 Ideology

Next, we examine whether judiciary committee member ideological positions on government interventions in markets are linked to their decisions to influence antitrust merger reviews. Mian et al. (2010) note that ideology is a mechanism that politicians can employ to avoid succumbing to pressure from constituents and special interest groups. Tahoun and Van Lent (2019) document that ideology only affects politicians with very conservative ideological positions. Although prior studies mainly focus on the effects of ideology on politician voting behavior rather than their efforts to influence regulators, it is conceivable that ideology also affects the latter case. Indeed, Wood and Anderson (1993) show that ideology can be a determinant of antitrust regulation using a sample of enforcement activity between 1970 to 1989.

Table 8 presents evidence about the effects of ideology on merger activity and antitrust characteristics during Republican and Democratic presidencies during our sample period. These periods represent 42% (58%) of the years in our sample period. Panel A shows that merger intensity is similar during Republican presidencies (788) and Democratic presidencies (814). However, merger antitrust scrutiny is significantly lower during Republican presidencies relative to the Democratic presidencies in terms of both antitrust review outcomes and review duration. Acquirers during Democratic presidencies are smaller and engage in less ambitious takeovers (based on the relative sizes of the merger party). Finally, the proportion of mergers classified as high contest risk mergers does not differ across Republican and Democratic presidencies. In sum, the evidence provides some

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[30] In untabulated analyses, we find no statistical evidence that merger party representation on the Senate and/or House Appropriations Committees affects merger outcomes. These committees are potentially important because they ultimately approve the antitrust regulatory funding allocation recommendations from the judiciary committees.

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evidence that antitrust merger characteristics appear to differ along party lines.

Next, we examine whether judiciary committee member ideology affects antitrust review outcomes. Following prior studies, we use the first dimension of the DW-Nominate measure as described in Poole and Rosenthal (2007) to measure each judiciary committee member's ideological position on government intervention in the economy.[31] The measure ranges from -1 to +1 and is increasing in the degree of a congressional member's ideological conservatism. We expect that conservative congressional members want less regulatory intervention in the merger process.

We determine the average ideological score for each merger acquirer and target based on the average of their judiciary committee representation in the year the merger is announced. We create two indicator variables, one each for acquirers and targets, set to one for DW-Nominate scores in the top quartile of the sample (*DW_Nominate_acq* and *DW_Nominate_tar*) and zero otherwise. We re-estimate equations (1) and (2) after adding these standalone terms and interacting *JudiciaryCom_acq* and *JudiciaryCom_tar* with *DW_Nominate_acq* and *DW_Nominate_tar,* respectively.

The results in Panel B in Table 8 provide some evidence of a link between congressional member ideology and merger antitrust characteristics. The coefficients on the interaction terms are only statistically significant in one specification. In sum, these findings provide some evidence that during our sample period, ideology is an important driver of congressional member incentives to influence antitrust merger review characteristics.

6.4 Personal Wealth Incentives

Finally, we consider whether there are incentives for judiciary committee members who own shares in a merger party that influence antitrust reviews.[32] We find that only 5% (6%) of judiciary

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[31] Available at: http://voteview.com/dwnomin.htm.

[32] Tahoun and Van Lent (2019) note that politician investment in firms can occur for potential financial gain. Investments in firms that benefit from mergers (such as an acquirer that increases market power) increases judiciary committee member wealth incentives to support a potential merger. We obtain data on judiciary committee member stock ownership data as described in Aiken, Ellis, and Kang (2018). We then identify mergers in which judiciary

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committee members have investments in sample acquirers (targets) and the average ownership is 0.01% ($0.4 million). These findings suggest that in our setting, stock ownership is unlikely to serve as a central factor that affects judiciary committee member incentives to influence antitrust reviews.

7. Additional Analyses

In Subsection 7.1, we examine why merger targets in the political districts of judiciary committee members experience more onerous antitrust reviews relative to targets in the political districts of other politicians. In Subsection 7.2, we consider whether post-merger performance is associated with an acquirer's judiciary committee representation.

7.1 Why Are Antitrust Reviews Less Favorable For Targets With Judiciary Committee Representation?

The primary findings in Table 3 that show mergers face greater antitrust hurdles and take longer to review when targets have judiciary committee representation are consistent with two explanations. The first is capture by special interests as discussed in Subsection 6.1. The second possible explanation is related to judicial committee members' concerns about local area employment losses after the merger (and the effects on members' reelection prospects) as discussed in Subsection 6.2. In supplementary analyses using data about deal hostility, we find that the effect on antitrust outcomes when targets' judiciary committee representation are consistent with a capture theory argument. We discuss our empirical tests and these results in more detail in the Online Appendix.

7.2 Post-Merger Outcomes

Antitrust outcomes that would not have been as favorable in the absence of political influence imply that merger parties experience increased market power following the merger. We examine and

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committee members disclose investments in either the acquirer or the target in the most recent federal filing prior to a merger announcement. In aggregate, we find that 20% of judiciary committee members have explicit stakes in publicly traded firms and the average stock ownership by all politicians in each publicly traded firm is 0.15% (median = 0.1%).

find some evidence that acquirer long window industry-adjusted stock price and accounting performance are positively associated with powerful judiciary committee representation. We discuss our empirical approach and results further in the Online Appendix.

8. Conclusion

In this paper, we examine and find evidence of political influence over the merger antitrust review process using a large sample of U.S. mergers between 1998 and 2016. Our results indicate that acquirers and targets receive relatively favorable antitrust review outcomes when they are located in the districts of politicians that serve on congressional committees that oversee antitrust regulators. Additional analyses provide evidence that the relation is causal. We also document multiple channels that affect political influence in the antitrust process including special interests, politician concerns about the effects of the mergers on reelection prospects, and ideology. From a policy perspective, our study highlights a friction – the incentives of congressional committee members that oversee antitrust regulators – that can impede the effectiveness of antitrust regulators to act in the public interest.

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Appendix A: Merger Antitrust Regulatory Outcome Examples

Example 1: Unconditional Antitrust Review Clearance

Vertex Pharmaceuticals (Nasdaq: VRTX) and Aurora Biosciences Corp (Nasdaq: ABSC)

On April 29, 2001, Vertex Pharmaceuticals announced its intention to acquire Aurora Biosciences Corp. Following a regulatory review, antitrust regulators approved the deal on July 6, 2001 as disclosed by the firms in an SEC filing.[33] The filing states: "the United States Federal Trade Commission (FTC) has granted clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 with respect to Vertex's planned acquisition of Aurora."

Example 2: Conditional Antitrust Review Clearance and Acquirer Acceptance

Dow Chemical (NYSE: DOW) and Rohm & Haas (NYSE: ROH)

On July 10, 2008, Dow Chemical announced that it plans to acquire Rohm & Haas. On January 23, 2009, antitrust regulators announced the issuance of a consent order that permits the merger under the conditions that Dow Chemical 1) divests specific assets to preserve competition; and 2) "puts procedures in place to ensure it does not have access to competitively sensitive non-public information regarding any businesses it acquires from Rohm & Haas."[34] Dow Chemical consented and subsequently undertook the required actions in order to complete the merger.[35]

Example 3: Antitrust Review and Merger Termination

Zebra Technologies Corporation (Nasdaq: ZBRA) and Fargo Electronics, Inc. (Nasdaq: FRGO)

On July 31, 2001, Zebra Technologies Corporation announced their intention to acquire Fargo Electronics, Inc. Approximately eight months later, on March 27, 2002, the two companies agree to mutually terminate the proposed merger after "discussions with representatives of the FTC" indicated that "the FTC would not clear the transaction as currently proposed".[36]

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[33] http://www.secinfo.com/dRqWm.4FUKc.htm.
[34] https://www.ftc.gov/news-events/press-releases/2009/01/ftc-intervenes-dow-chemicals-188-billion-acquisition-rohm-haas.
[35] http://www.reuters.com/article/us-rohmandhaas-idUSTRE53073720090401.
[36] http://www.secureidnews.com/news-item/zebra-technologies-and-fargo-electronics-terminate-acquisition-agreement-and-tender-offer/.

Appendix B: Variable Definitions

Dependent Variables

Duration: The log of the number of days between the deal announcement and antitrust regulatory approval.

Outcome: An ordered categorical variable set to one if the antitrust review results in the merger being approved in the early termination window; two if the antitrust review results in the merger being approved outside the early termination window and without any conditions attached to the approval; three if the antitrust review results in the merger being approved accepted only with some conditions; and four if the antitrust review results in the merger being blocked.

Independent Variables

Connect_DOJFTC_acq (Connect_DOJFTC_tar): An indicator variable set to one when the acquirer (target) has an executive with a prior employment connection to the DOJ or FTC and set to zero otherwise.

Connect_JudiciaryCom_acq (Connect_JudiciaryCom_tar): An indicator variable set to one when the acquirer (target) has a prior business relationship with a judiciary committee member and set to zero otherwise.

Connect_JudiciaryCom_acq_peer (Connect_JudiciaryCom_tar_peer): An indicator variable set to one when at least one of the acquirer's (target's) three closest competitors (based on comparable total assets) has a prior business relationship with a judiciary committee member and set to zero otherwise.

Concentrate_tar: An indicator variable set to one for targets in the top quartile of operational concentration based on the approach in Garcia and Norli (2012) to identify operational dispersion, and set to zero otherwise.

DW_Nominate_acq (DW_Nominate_tar): An indicator variable set to one for acquirers (targets) whose average judiciary committee representative first dimension DW-Nominate scores are in the top quartile of the sample, and set to zero otherwise.

ElectionYear: An indictor variable set to one if the merger party has a judiciary committee representative that is seeking reelection in that year, and set to zero otherwise.

IndustryHHI_acq: The acquirer's three-digit SIC industry code Herfindahl index prior to the merger (based on total sales).

JudiciaryCom_acq (JudiciaryCom_tar): The aggregate tenure in years of an acquirer's (a target's) political representation on both judiciary committees in the year of the merger antitrust review.

JudiciaryCom_acq_House (JudiciaryCom_tar_House): The aggregate tenure in years of an acquirer's (target's) political representation on the House committee in the year of the merger antitrust review.

JudiciaryCom_acq_Senate (JudiciaryCom_tar_Senate): The aggregate tenure in years of an acquirer's (a target's) political representation on the Senate committee in the year of the merger antitrust review.

Lobbying_DOJFTC_acq (Lobbying_DOJFTC_tar): The logged lobbying expenditure to antitrust agencies by the acquirer (target) in the year of the merger antitrust review.

Lobbying_Com_acq (Lobbying_Com_tar): The logged lobbying expenditure to Congress by the acquirer (target) in the year of the merger antitrust review.

Lobbying_Com_acq_peer (Lobbying_Com_tar_peer): The logged lobbying expenditure to Congress by the acquirer's (target's) three closest competitors (based on comparable total assets) in the year of the merger antitrust review.

MB_acq (MB_tar): The acquirer's (target's) market value of equity divided by book value of equity.

OtherCom_acq (OtherCom_tar): The aggregate tenure (in years) of an acquirer's (a target's) political representation on powerful non-judiciary committees in the year of the merger antitrust review.

Polit_Contrib_acq (Polit_Contrib_tar): Total political contributions by the acquirer (target) to judiciary committee members in the year of the merger antitrust review.

Polit_Contrib_acq_peer (Polit_Contrib_tar_peer): The total political contributions to judiciary committee members by the acquirer's (target's) three closest competitors based on comparable total assets in the year of the merger antitrust review.

Post: An indicator variable set to one for mergers that occur following the turnover of a judiciary committee representative, and zero otherwise

PostElectionYear: An indictor variable set to one if the merger party has a judiciary committee representative whose term ended in the previous year, and set to zero otherwise.

Relative_Size: The acquirer's book value of total assets divided by the target's book value of total assets.

ROA_acq (***ROA_tar***): The acquirer's (target's) income before extraordinary items divided by total assets.

Size_acq (***Size_tar***): The acquirer's (target's) logged total assets.

Total_MktShare: The combined market share as a percentage of sales of the acquirer and target before the merger when both parties are in the same three-digit SIC industry code, and the acquirer's market share as a percentage of sales otherwise.

Treatment: An indicator variable set to one for acquirers that lose judiciary committee representation in the two-year window (i.e., t-2 to t+2) around the merger, and zero otherwise.

Value: The logged dollar amount of the value of the merger transaction.

Figure 1. Pre-Trends Analysis for Mergers Around Judiciary Committee Member Turnover Events

We present graphs of merger antitrust outcomes in the two-year window around judiciary committee member turnover cases. The treatment sample ("Treatment M&A") are acquirers that experience the loss of a judiciary committee member (centered at year 0). The control sample consist of a matched sample of acquirers that do not experience the loss of a judiciary committee member during the five-year window ("Control M&A). The y-axis variables are set to *Outcome* (Panel A) and *Duration* (Panel B).

Panel A: Pre-Trends Analysis for Merger *Outcome* Around Judiciary Committee Member Turnover
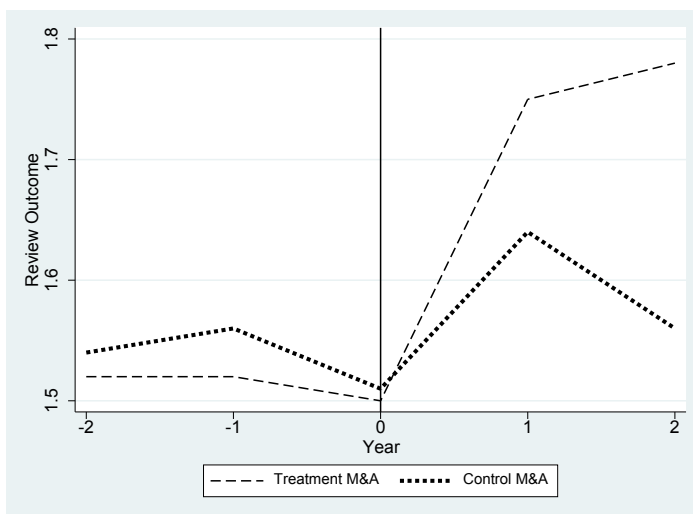
Panel B: Pre-Trends Analysis for Merger *Duration* Around Judiciary Committee Member Turnover

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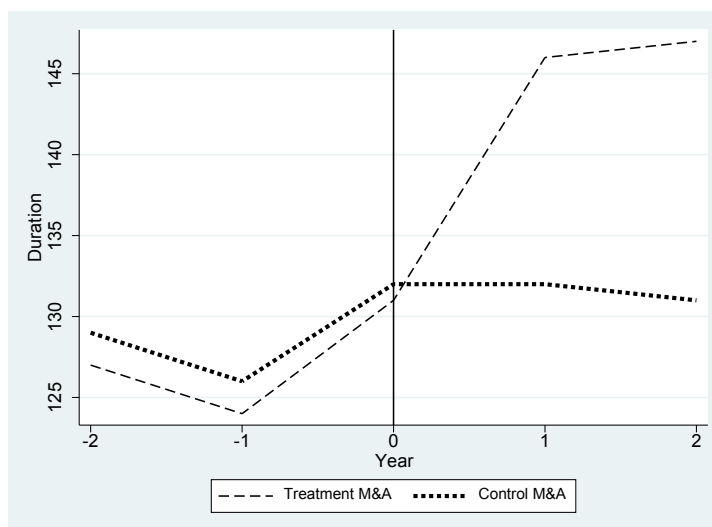
Figure 2. Lobbying by Merger Parties and Competitors to Congress and Antitrust Agencies

We present graphs of total lobbying expenditures in dollars by acquirers and targets to congressional members and the DOJ and/or FTC. Panel A (Panel B) displays lobbying by acquirers to congressional members (antitrust agencies). Panel C (Panel D) displays lobbying by targets to congressional members (antitrust agencies). The graphs present data for the two-year window prior to and following the merger antitrust review initiation (i.e., from t-2 to t+2, where t is the year of antitrust review initiation). All graphs present details for averages based on whether a merger is classified as friendly or hostile and the corresponding competitor averages during the same time period. We identify merger party competitors as the closest three firms in the same product market as each merger party based on total assets. We determine product markets based on the methodology in Hoberg and Phillips (2010, 2016).

Panel A: Acquirer Lobbying Expenditures to Congressional Members
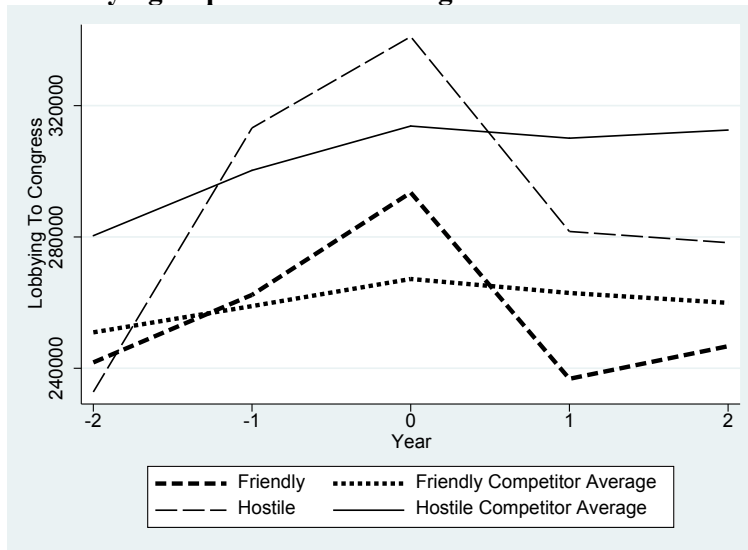
Panel B: Acquirer Lobbying Expenditures to FTC/DOJ

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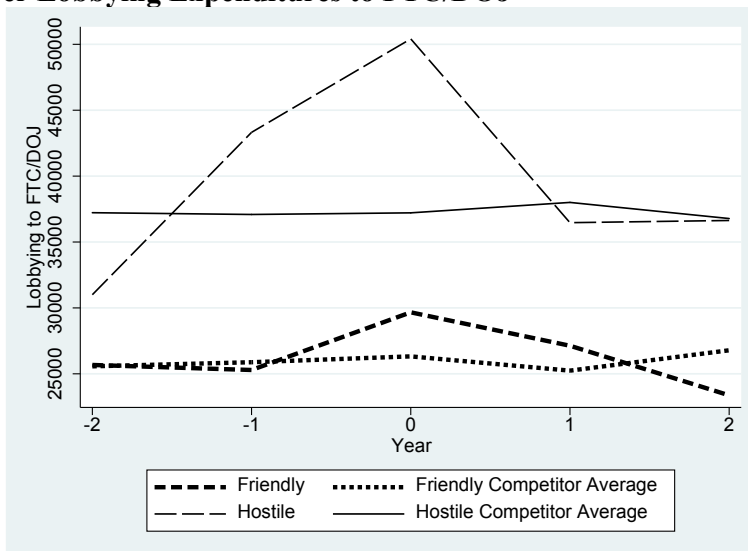
Panel C: Target Lobbying Expenditures to Congressional Members
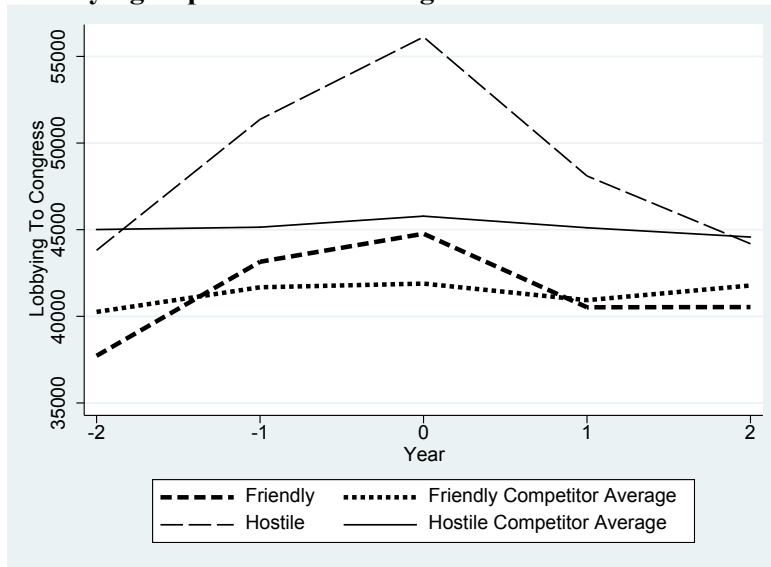
Panel D: Target Lobbying Expenditures to FTC/DOJ

40
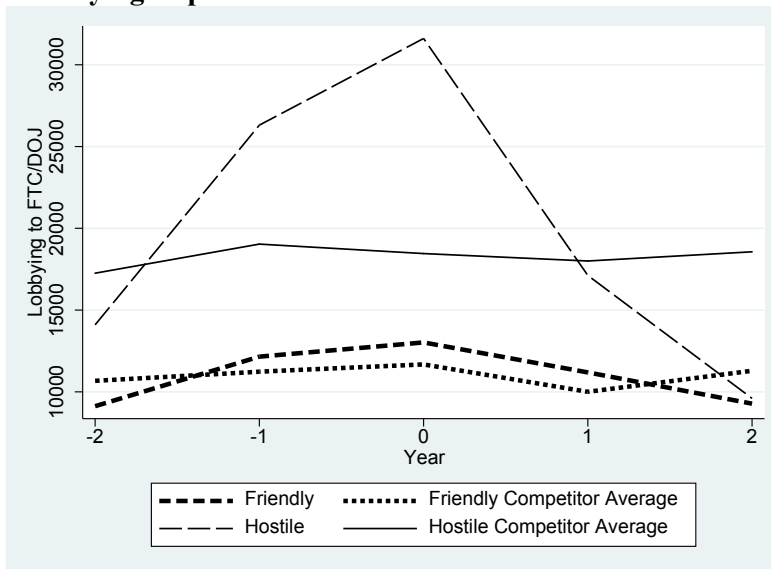
Figure 3. Political Contributions by Merger Parties and Competitors to Judiciary Committee Members

We present graphs of total political contributions in dollars by acquirers and targets to House and Senate judiciary committee members. Panel A (Panel B) displays aggregate political contributions by acquirers (targets) to committee members. The graphs present data for the two-year window prior to and following the merger antitrust review initiation (i.e., from t-2 to t+2, where t is the year of antitrust review initiation). All graphs present details for averages based on whether a merger is classified as friendly or hostile and the corresponding competitor averages during the same time period. We identify merger party competitors as the closest three firms in the same product market as each merger party based on total assets. We determine product markets based on the methodology in Hoberg and Phillips (2010, 2016).

Panel A: Acquirer's Political Contributions to Judiciary Committee Members
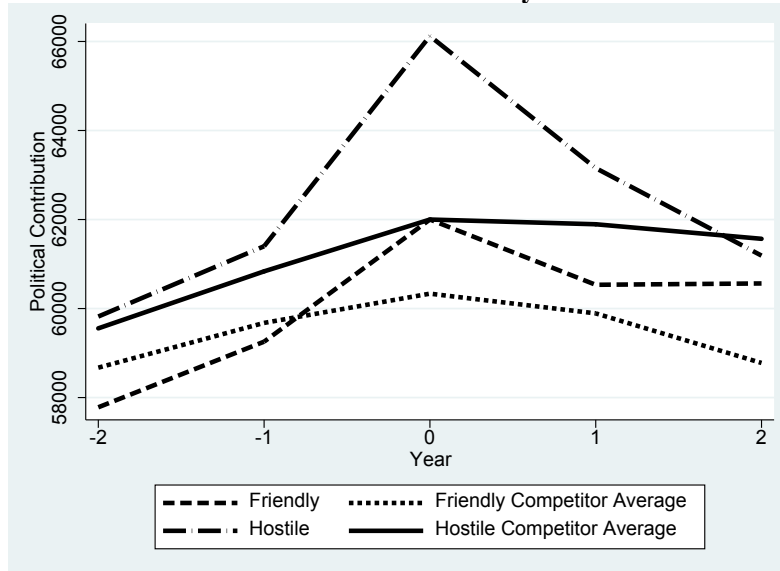
Panel B: Target's Political Contributions to Judiciary Committee Members

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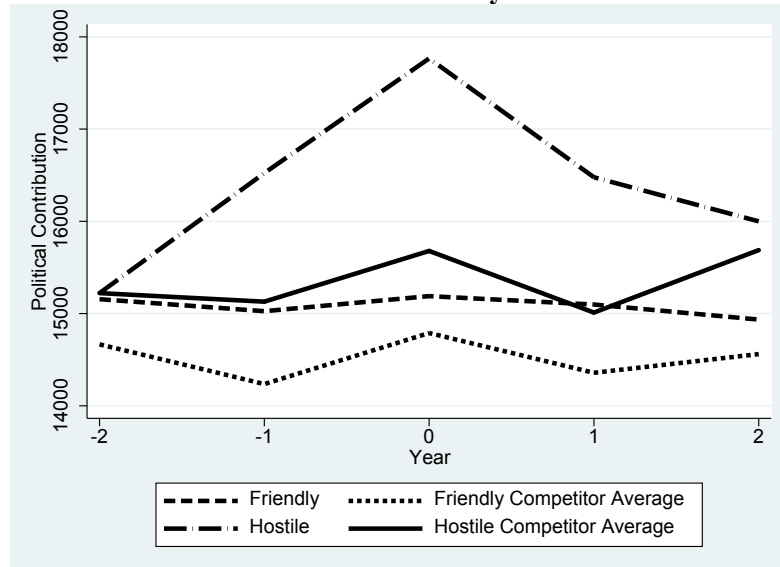
Figure 4: Merger Distribution Around Judiciary Committee Member Elections

We present a graph of the number of merger announcements and merger antitrust review outcome decisions during the 12-month window prior to and following judiciary committee member elections centered at month 0. The y-axis represents the number of merger announcements and merger antitrust review outcome decision.
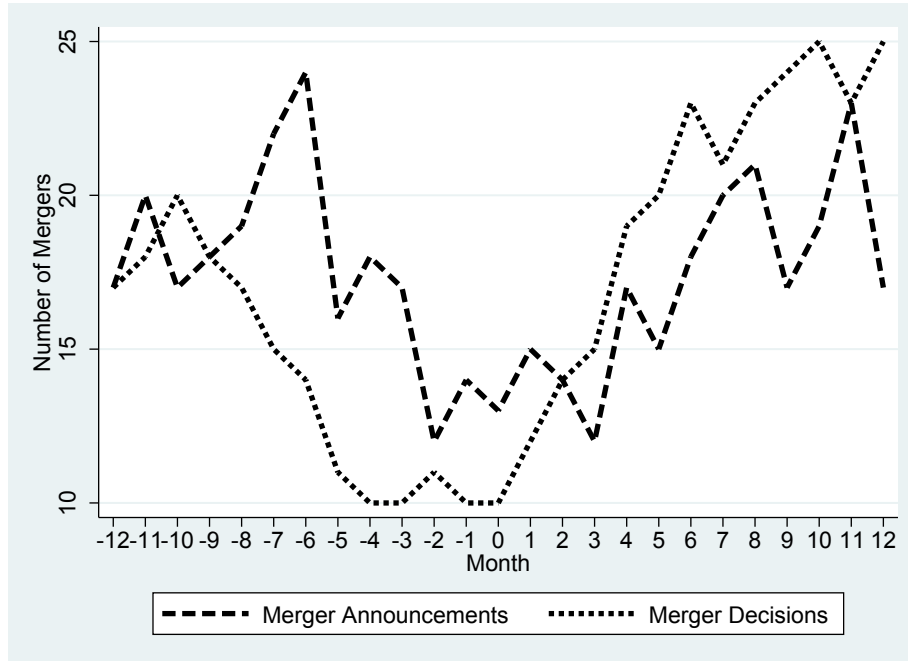
Table 1: Descriptive Statistics

Panel A presents statistics about the House and Senate judiciary committees. Panel B presents descriptive statistics for the variables used in multivariate tests and firm-specific variables. Panel C (Panel D) presents industry membership (state of headquarters location) for the top 10 most represented three-digit SIC industries (states) in our sample. All variables are defined in Appendix B.

Panel A: Judiciary Committee Representation Statistics for Full Sample (n = 1,602)

	House Committee	Senate Committee
Average size (in number of members)	40.52	18.87
Average # of states represented on committee	20.91	17.16
Average # of state representatives	2.04	1.10
Max # of state representatives	10	2
Average politician tenure on committee (in years)	5.08	13.28
Maximum politician seniority on committee (in years)	25.00	44.00

States with the greatest number of years of representation (and corresponding duration) in the top quartile of judiciary committees between 1998 and 2016:

House Committee: CA, MI, VA (18 years); NC, TX, WI (12 years); FL, IL, NY, MA (2 years);

Senate Committee: UT (18 years); VT (16 years); IA (14 years); MA (11 years); WI (10 years); DE, PA (8 years); SC (5 years); CA (2 years).

States with the least number of years of representation (and corresponding duration) in the bottom quartile of judiciary committees between 1998 and 2016:

House Committee: AL, IA, SC (8 years); AZ, CO, IL, LA, UT, WA (6 years); AR, GA, ID, IN, PA, TN (4 years); MD, ME, MN, MO, MS, NJ, NV, OH, RI (2 years);

Senate Committee: KS, DE, NC (6 years); AZ, IL (5 years); CT, GA, MD, OK, RI, TX (4 years); NJ, MO, AL (3 years); HI, ID, KY, LA, MN, NH, OR, WA (2 years); MI, OH, TN (1 year);

States with no representation on judiciary committees during sample period: AK, MT, ND, NE, NM, SD, WV, WY.

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Panel B: Summary Statistics for Full Sample (*n* = 1,602)

	Mean	Median	Std. Dev.
Dependent Variables			
Outcome	1.75	2.00	0.50
Duration (days/log)	143/4.72	116/4.76	156/0.70
Primary Independent Variables			
JudiciaryCom_acq	12.23	8.00	13.58
JudiciaryCom_tar	7.01	6.00	8.75
Lobbying_Com_acq ($)/log	196,103/4.73	0/0	646,230/5.93
Lobbying_Com_tar ($)/log	13,562/0.98	0/0	88,782/3.24
Connect_JudiciaryCom_acq	0.242	0.00	0.473
Connect_JudiciaryCom_tar	0.057	0.00	0.232
Lobbying_DOJFTC_acq ($)/log	33,451/1.01	0/0	179,906/3.32
Lobbying_DOJFTC_tar ($)/log	18,129/0.30	0/0	103,563/1.99
Connect_DOJFTC_acq	0.057	0.00	0.198
Connect_DOJFTC_tar	0.025	0.00	0.168
Other Variables			
DealValue ($mil)/log	2,098/6.34	449/6.11	6,184/1.45
IndustryHHI_acq	0.05	0.04	0.46
Total_MktShare	0.069	0.013	0.124
Relative_Size	62.09	7.52	176.11
Size_acq ($mil)/log	29,701/8.80	6,056/8.71	54,801/1.86
Size_tar ($mil)/log	6,810/6.23	462/6.13	62,090/1.77
MB_acq	3.44	2.22	3.72
MB_tar	2.71	2.10	5.45
ROA_acq	0.02	0.02	0.12
ROA_tar	-0.02	0.01	0.25

Panel C: Top 10 Three-Digit SIC Acquirer and Target Industries

Acquirer		Target	
Top 10 Industries	Number of Firms	Top 10 Industries	Number of Firms
Commercial Banks	299	*Commercial Banks*	215
Computer and Data Processing Service	175	*Computer and Data Processing Services*	197
Drugs	82	*Savings Institutions*	110
Nonclassifiable Establishments	69	*Drugs*	67
Savings Institutions	61	*Computer and Office Equipment*	55
Electronic Components and Accessories	60	*Electronic Components and Accessories*	55
Computer and Office Equipment	56	*Crude Petroleum and Natural Gas*	51
Telephone Communications	52	*Medical Instruments and Supplies*	49
Miscellaneous Investing	48	*Telephone Communications*	46
Measuring and Controlling Devices	37	*Miscellaneous Investing*	42

Panel D: Top 10 Acquirer and Target State Headquarters Locations

Acquirers		Targets	
Top 10 States	Number of Firms	Top 10 States	Number of Firms
California	268	*California*	334
New York	173	*Texas*	124
Texas	129	*New York*	110
Illinois	92	*Massachusetts*	83
Massachusetts	79	*Pennsylvania*	74
New Jersey	72	*Illinois*	67
Ohio	71	*New Jersey*	62
Nebraska	68	*Connecticut*	59
Pennsylvania	64	*Virginia*	59
North Carolina	61	*Georgia*	58

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Table 2: Merger Deal Ratios Across Judiciary Committee Representation Groups

We present *t*-test results of differences for merger deal intensity for acquirers and targets in states with representation in the top quartile of judiciary committee seniority (*High Seniority*), with representation in the bottom three quartiles of judiciary committee seniority (*Low Seniority*), without judiciary committee representation (*No Representation*). The variable *Deal Ratio* is the ratio of the number of acquirers or targets in a state scaled by the total number of firms headquartered in that state. *Deal Ratio_Industry* is the ratio of the number of acquirers or targets in a state for an industry scaled by the total number of same-industry firms headquartered in that state. *Deal Ratio_HighContestRisk* is the ratio of the number of acquirers or targets in *High Contest Risk* mergers in a state scaled by the total number of firms headquartered in that state. Mergers defined as *High Contest Risk* are those between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology. All variables are defined in Appendix B.

| | (1) | (2) | (3) | *t*-test | | |
	High Seniority	Low Seniority	No Representation	(1)-(2)	(1)-(3)	(2)-(3)
Acquirers						
Deal Ratio	0.9%	1.2%	1.5%	1.50	1.33	1.42
Deal Ratio_Industry	4.1%	4.0%	4.4%	0.15	0.29	0.47
Deal Ratio_HighContestRisk	0.7%	0.7%	0.6%	0.21	0.50	0.77
Targets						
Deal Ratio	1.1%	1.2%	1.1%	0.67	0.16	0.45
Deal Ratio_Industry	3.8%	2.9%	3.7%	1.22	0.30	1.56
Deal Ratio_HighContestRisk	0.6%	0.7%	0.6%	0.57	0.28	0.59

Table 3: Merger Party Judiciary Committee Representation and Antitrust Review Outcomes

This table presents regression results for an examination of the association between a merger party's judiciary committee representation and merger antitrust review outcomes. The dependent variable is set to either a categorical variable capturing the merger regulatory review outcome (*Outcome*) using an ordered probit model or the length of the antitrust review in logged days (*Duration*) using OLS. We present regression results for the full sample and for subsamples of mergers after partitioning on whether the merger party is likely to have high or low demand for political involvement in the antitrust review process because of concerns about regulatory obstacles (high contest risk and low contest risk respectively). High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All variables are defined in Appendix B. z-statistics (t-statistics) are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
	All	High Contest Risk	Low Contest Risk	All	High Contest Risk	Low Contest Risk
Dependent variable:	Outcome			Duration		
Constant	-	-	-	3.956***	3.456***	3.903***
				(14.27)	(6.89)	(13.23)
$JudiciaryCom\_acq$	-0.008**	-0.012**	-0.005	-0.005**	-0.015***	-0.003
	(-2.33)	(-2.48)	(-0.88)	(-2.33)	(-2.88)	(-1.51)
$JudiciaryCom\_tar$	0.007**	0.010***	0.004	0.006*	0.011**	0.001
	(2.33)	(2.62)	(0.97)	(1.70)	(2.36)	(0.59)
$Lobbying\_DOJFTC\_acq$	-0.027***	-0.039***	-0.017**	-0.007*	-0.010**	-0.001
	(-3.76)	(-3.65)	(-1.99)	(-1.92)	(-2.11)	(-0.47)
$Lobbying\_DOJFTC\_tar$	0.026**	0.032**	0.020	0.012	0.026*	0.003
	(2.55)	(2.51)	(1.16)	(0.99)	(1.72)	(0.26)
$Connect\_DOJFTC\_acq$	-0.176	-0.426	-0.076	-0.012	-0.036	-0.006
	(-0.73)	(-1.29)	(-0.25)	(-0.15)	(-1.39)	(-0.44)
$Connect\_DOJFTC\_tar$	0.222**	0.376***	0.065	0.012	0.030	0.007
	(2.20)	(2.77)	(0.50)	(0.33)	(0.41)	(0.26)
$Value$	-0.079**	-0.117**	-0.053	0.045***	0.063**	0.039**
	(-2.30)	(-2.20)	(-1.11)	(2.70)	(2.50)	(2.15)
$IndustryHHI\_acq$	4.811***	6.045**	3.578	-0.515	-1.016	-0.311
	(2.69)	(2.50)	(1.32)	(-0.80)	(-1.12)	(-0.39)
$Total\_MktShare$	0.530	0.378	0.819	0.278	0.243	0.710***
	(1.31)	(0.68)	(1.30)	(1.27)	(0.77)	(3.31)
$Relative\_Size$	-0.000	-0.000	0.000	-0.000**	-0.000**	-0.000*
	(-0.99)	(-1.56)	(0.60)	(-2.51)	(-2.26)	(-1.79)

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	(1)	(2)	(3)	(4)	(5)	(6)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,602	860	742	1,602	860	742
Pseudo/Adjusted R^2	0.228	0.283	0.275	0.242	0.359	0.212
F-test:						
|JudiciaryCom_acq| = |JudiciaryCom_tar|	0.10	0.21	0.04	0.12	0.66	1.17
F-Test:						
Differences across *JudiciaryCom_acq*	-	(2) = (3) 1.76		-	(5) = (6) 9.27***	
Differences across *JudiciaryCom_tar*	-	2.28		-	8.13***	

Table 4: Judiciary Committee Turnover and Antitrust Review Outcome

Panel A presents *t*-test results for control variables measured one year prior to the judiciary committee member turnover shock. Panel B presents regression results for an examination of the association between an acquirer's judiciary committee representation and merger antitrust review outcomes around turnover shocks to an acquirer's judiciary committee representation. Columns (1) and (2) present results for the full sample of judiciary committee member turnover shocks. In columns (3) and (4) (columns (5) and (6)) we present results after partitioning sample mergers based on whether the turnover case is a politician in the top quartile (bottom three quartiles) of judiciary committee seniority. Columns (7)-(8) ((9)-(10)) present regression results for subsamples of mergers around turnover cases after partitioning on whether the merger party is likely to have high (low) for political involvement in the antitrust review process because of concerns about regulatory obstacles (High contest risk and low contest risk respectively). High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. The dependent variable is set to a categorical variable capturing the merger regulatory review outcome (*Outcome*) using an ordered probit model or the length of the antitrust review in logged days (*Duration)* using OLS. All variables are defined in Appendix B. In Panel B, *z*-statistics (*t*-statistics) are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

Panel A: Covariate Balance for Pre-Treatment Control Variables

	(1)	(2)	(1) – (2)
	Treatment	Control	*t*-test
JudiciaryCom_acq	11.10	9.04	1.23
JudiciaryCom_tar	8.49	6.14	1.45
Lobbying_DOJFTC_acq	5.09	4.01	0.90
Lobbying_DOJFTC_tar	0.92	0.66	1.03
Connect_DOJFTC_acq	0.56	0.53	0.78
Connect_DOJFTC_tar	0.24	0.23	0.33
Size_acq	8.34	8.71	1.28
Value	6.71	6.40	1.41
Relative Size	32.06	48.70	1.38
Total_Mktshare	0.014	0.021	0.92
IndustryHHI_acq	0.099	0.105	1.01

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Panel B: Regression Results For Judiciary Member Turnover Cases and Cross-Sectional Partitions

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	All Members Exit		Senior Committee Member Exits		Junior Committee Member Exits		High Contest Risk		Low Contest Risk	
Dependent variable:	Outcome	Duration	Outcome	Duration	Outcome	Duration	Outcome	Duration	Outcome	Duration
Constant	-	3.950***	-	3.811***	-	4.177***	-	3.813***	-	4.783***
		(9.66)		(6.80)		(5.00)		(9.11)		(7.56)
Treatment	0.311	0.090	0.322	0.160	0.111	0.068	0.303	0.180	0.156*	0.160
	(1.30)	(0.88)	(1.55)	(1.12)	(0.56)	(0.34)	(1.17)	(1.55)	(1.80)	(0.99)
Post	0.346*	0.075	0.345**	0.051	0.109	0.020	0.333	0.075	0.455*	0.066
	(1.90)	(1.61)	(2.28)	(1.40)	(0.93)	(0.30)	(1.50)	(1.30)	(1.76)	(1.50)
Treatment * Post	0.258**	0.041*	0.324***	0.052**	0.030	0.008	0.327***	0.100**	0.156	0.045
	(1.99)	(1.85)	(2.67)	(2.35)	(0.77)	(0.88)	(2.20)	(2.00)	(1.25)	(1.35)
JudiciaryCom_tar	0.002	0.002	0.001	0.002	0.004	0.001	0.001	0.002	0.005	0.002
	(0.54)	(0.53)	(0.50)	(0.71)	(0.92)	(0.50)	(0.30)	(0.59)	(0.64)	(0.55)
JudiciaryCom_acq	-0.004	-0.004	-0.004	-0.003	-0.002	-0.003	-0.005	-0.004	-0.005	-0.002
	(-0.90)	(-1.32)	(-0.60)	(-0.80)	(-0.55)	(-0.80)	(-1.22)	(-1.45)	(-0.82)	(-0.70)
Connect_DOJFTC_acq	-0.133	-0.155	-0.103	-0.170	-0.122	-0.161	-0.120	-0.162	-0.122	-0.117
	(-0.68)	(-1.02)	(-0.83)	(-1.33)	(-0.80)	(-1.55)	(-0.75)	(-1.40)	(-0.88)	(-0.99)
Connect_DOJFTC_tar	0.127	0.130	0.120	0.120	0.106	0.103	0.120	0.135	0.116	0.133
	(0.94)	(0.87)	(0.99)	(0.92)	(0.88)	(0.90)	(0.92)	(0.88)	(0.99)	(0.88)
Lobbying_DOJFTC_tar	0.095*	0.081*	0.078	0.059	0.070	0.050	0.105*	0.071	0.102*	0.075*
	(1.80)	(1.92)	(1.55)	(1.25)	(1.11)	(0.99)	(1.80)	(1.50)	(1.80)	(1.88)
Lobbying_DOJFTC_acq	-0.079***	-0.035***	-0.051**	-0.027*	-0.046**	-0.021**	-0.068***	-0.030***	-0.088***	-0.040*
	(-2.88)	(-2.60)	(-2.35)	(-1.80)	(-2.22)	(-2.27)	(-2.50)	(-2.77)	(-2.39)	(-1.77)
Value	-0.072**	0.055**	-0.099**	0.050*	-0.088**	0.055**	-0.101*	0.053**	-0.060	0.044**
	(-1.99)	(2.38)	(-2.38)	(1.88)	(-2.22)	(2.20)	(-1.81)	(2.25)	(-1.33)	(2.22)
IndustryHHI_acq	-2.555**	-0.902*	-2.502**	-0.790*	-2.582**	-1.115*	-2.256**	-0.690*	-2.102**	-0.606
	(-2.15)	(-1.80)	(-2.22)	(-1.77)	(-2.25)	(-1.90)	(-2.39)	(-1.80)	(-2.02)	(-1.46)
Total_MktShare	-0.030	-0.159	-0.042	-0.159	-0.039	-0.146	-0.047	-0.155	-0.040	-0.128
	(-0.89)	(-1.05)	(-0.66)	(-1.20)	(-1.10)	(-1.33)	(-0.78)	(-0.50)	(-0.76)	(-1.15)
Relative_Size	-0.000	-0.001***	-0.001	-0.001**	-0.003	-0.002**	-0.001	-0.001**	-0.001*	-0.001**
	(-0.99)	(-2.88)	(-1.15)	(-2.30)	(-1.22)	(-2.30)	(-0.92)	(-2.35)	(-1.72)	(-2.31)
Acquirer Industry; Target Industry; State, and Year Fixed Effects?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	736	736	410	410	508	508	391	391	340	340
Pseudo/Adjusted R²	0.155	0.157	0.190	0.150	0.151	0.143	0.133	0.095	0.166	0.172
F-test:			(3) = (5)	(4) = (6)			(7) = (9)	(8) = (10)		
Treatment * Post	-	-	10.64***	6.77***	-	-	1.55	1.68	-	-

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Table 5: Counterfactual Test Using Non-Judiciary Committee Representation

This table presents regression analyses examining the association between the seniority of a merger party's representation on other non-judiciary powerful congressional committees and merger antitrust review outcomes. The dependent variable is set to a categorical variable capturing the merger regulatory review outcome (*Outcome*) using an ordered probit model or the length of the antitrust review in logged days (*Duration)* using OLS. We present regression results for the full sample (Column 1 and 4) and for subsamples of mergers (Columns 2, 3, 5, and 6) after partitioning on whether the merger party is likely to have high or low demand for political involvement in the antitrust review process because of concerns about regulatory obstacles (High contest risk and low contest risk respectively). High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All variables are defined in Appendix B. *z*-statistics (*t*-statistics) are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
	All	High Contest Risk	Low Contest Risk	All	High Contest Risk	Low Contest Risk
Dependent variable:		Outcome			Duration	
Constant	-	-	-	3.945***	3.337***	3.782***
				(14.56)	(7.11)	(13.02)
OtherCom_acq	-0.004	-0.002	-0.001	-0.003	-0.003	-0.002
	(-1.33)	(-1.02)	(-0.77)	(-0.80)	(-0.83)	(-0.89)
OtherCom_tar	0.001	0.000	0.001	0.001	0.001	0.001
	(0.56)	(0.33)	(0.66)	(0.67)	(0.79)	(0.75)
Lobbying_DOJFTC_acq	-0.024***	-0.036***	-0.017*	-0.007*	-0.011**	-0.001
	(-3.77)	(-3.60)	(-1.92)	(-1.90)	(-2.17)	(-0.60)
Lobbying_DOJFTC_tar	0.028**	0.030**	0.021	0.010	0.024	0.002
	(2.50)	(2.50)	(1.10)	(0.80)	(1.60)	(0.24)
Connect_DOJFTC_acq	-0.182	-0.402	-0.079	-0.010	-0.032	-0.008
	(-0.79)	(-1.29)	(-0.28)	(-0.16)	(-1.26)	(-0.78)
Connect_DOJFTC_tar	0.212**	0.371***	0.060	0.011	0.030	0.007
	(2.20)	(2.77)	(0.42)	(0.33)	(0.42)	(0.27)
Value	-0.080**	-0.116**	-0.051	0.040***	0.066**	0.040**
	(-2.22)	(-2.13)	(-0.91)	(2.70)	(2.51)	(2.07)
IndustryHHI_acq	4.756***	6.115**	3.583	-0.512	-1.020	-0.316
	(2.71)	(2.46)	(1.35)	(-0.89)	(-1.11)	(-0.41)
Total_MktShare	0.522	0.376	0.826	0.306	0.246	0.702***
	(1.30)	(0.77)	(1.30)	(1.30)	(0.79)	(3.16)
Relative_Size	-0.000	-0.000	0.000	-0.000**	-0.000**	-0.000*
	(-0.93)	(-1.35)	(0.61)	(-2.55)	(-2.23)	(-1.79)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,602	860	742	1,602	860	742
Pseudo/Adjusted R^2	0.218	0.281	0.270	0.238	0.355	0.202

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Table 6: Do Special Interest Efforts Affect Merger Outcomes? Tests of Lobbying, Political Contributions, and Connections

This table presents regression results for an examination of the association between merger party and merger party competitor lobbying, political contributions, and political connections and merger antitrust review outcomes (Panel A). We present results for subsamples of mergers after partitioning on whether the merger party is likely to have high or low demand for political involvement in the antitrust review process because of concerns about regulatory obstacles (High contest risk and low contest risk respectively). High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. We identify merger party competitors as the closest three firms in the same product market as each merger party based on total assets. We determine product markets based on the methodology in Hoberg and Phillips (2010, 2016). The dependent variable is set to a categorical variable capturing the merger regulatory review outcome (*Outcome*) using an ordered probit model or the length of the antitrust review in logged days (*Duration)* using OLS. Panel B presents within-equation *F*-tests. Panel C presents cross-equation *F*-tests. All variables are defined in Appendix B. *z*-statistics (*t*-statistics) are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

Panel A: Merger Party and Competitor Special Interests

	(1)	(2)	(3)	(4)	(5)	(6)
	All	High Contest Risk	Low Contest Risk	All	High Contest Risk	Low Contest Risk
Dependent variable:		Outcome			Duration	
Constant		-	-	3.902***	2.167***	4.557***
				(5.05)	(3.50)	(8.09)
Lobbying_Com_acq	-0.035**	-0.060***	-0.020*	-0.076*	-0.112**	-0.006
	(-2.33)	(-2.59)	(-1.78)	(-1.80)	(-2.36)	(-0.78)
Lobbying_Com_tar	0.037*	0.069**	0.010	0.078*	0.130**	0.020
	(1.80)	(2.11)	(1.17)	(1.91)	(2.09)	(0.75)
Polit_Contrib_acq	-0.110**	-0.133***	-0.050	-0.029	-0.035**	-0.021
	(-2.20)	(-2.60)	(-1.30)	(-1.56)	(-2.16)	(-1.35)
Polit_Contrib_tar	0.122*	0.159**	0.077*	0.043	0.062**	0.026
	(1.79)	(2.50)	(1.85)	(1.60)	(2.10)	(1.12)
Connect_JudiciaryCom_acq	-0.110	-0.187*	-0.089	-0.067	-0.091*	-0.031
	(-0.90)	(-1.82)	(-0.99)	(-1.36)	(-1.89)	(-1.30)
Connect_JudiciaryCom_tar	0.136	0.201*	0.072	0.072	0.132*	0.042
	(1.30)	(1.78)	(1.30)	(1.20)	(1.89)	(1.33)
Lobbying_DOJFTC_acq	-0.155*	-0.035***	-0.008	-0.006	-0.010*	-0.001
	(-1.91)	(-3.21)	(-0.76)	(-1.42)	(-1.90)	(-0.32)
Lobbying_DOJFTC_tar	0.042	0.062**	0.027	0.017	0.022	0.015
	(1.60)	(2.20)	(1.00)	(1.22)	(1.32)	(1.15)
Connect_DOJFTC_acq	-0.111	-0.195*	-0.045	-0.022	-0.033	-0.004
	(-1.19)	(-1.80)	(-1.30)	(-0.99)	(-1.10)	(-0.16)
Connect_DOJFTC_tar	0.210	0.316*	0.058	0.040	0.060	0.011
	(1.37)	(1.90)	(1.02)	(0.67)	(0.42)	(0.22)
Lobbying_acq_peer	0.005	0.006	0.003	0.015	0.023	0.011
	(0.72)	(0.56)	(0.79)	(0.79)	(1.09)	(0.39)
Lobbying_tar_peer	0.002	0.003	0.001	-0.009	-0.012	0.002
	(0.30)	(0.45)	(0.24)	(-0.87)	(-0.56)	(0.88)
Polit_Contrib_acq_peer	0.050	0.067*	0.034	0.013	0.022*	0.009
	(1.02)	(1.70)	(1.50)	(1.20)	(1.90)	(1.00)
Polit_Contrib_tar_peer	-0.040	-0.056*	-0.023	-0.020	-0.027	0.006
	(-0.97)	(-1.78)	(-0.78)	(-0.70)	(-0.90)	(0.56)
Connect_JudiciaryCom_acq_peer	0.077	0.110	0.055	0.056	0.078	0.019
	(1.27)	(1.60)	(0.78)	(1.00)	(1.23)	(1.19)
Connect_JudiciaryCom_tar_peer	-0.116	-0.145	-0.089	-0.233	-0.422	-0.045

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	(1)	(2)	(3)	(4)	(5)	(6)
	(-1.38)	(-1.09)	(-1.45)	(-1.02)	(-1.23)	(-0.67)
Value	-0.116*	-0.156**	-0.078	0.024	0.045	0.010
	(-1.70)	(-2.02)	(-1.12)	(1.11)	(1.26)	(0.35)
IndustryHHI_acq	1.209	2.567**	0.356	-0.521	0.992	-2.112
	(1.58)	(2.51)	(0.11)	(-0.78)	(0.98)	(-1.02)
Total_MktShare	0.566	-1.297	1.567**	0.622*	-0.155	0.919**
	(0.50)	(-1.30)	(2.00)	(1.70)	(-0.60)	(2.50)
Relative_Size	0.000	-0.000	0.001	-0.000	-0.000	-0.000
	(0.97)	(-0.55)	(1.50)	(-1.00)	(-1.24)	(-1.22)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,602	860	742	1,602	860	742
Pseudo/Adjusted R^2	0.322	0.340	0.260	0.267	0.336	0.235

Panel B: *F*-tests

	(1)	(2)	(3)	(4)	(5)	(6)
Lobbying_Com_acq + Lobbying_Com_tar = 0	0.01	0.10	1.00	0.00	0.11	0.51
Polit_Contrib_acq = Polit_Contrib_tar	0.04	0.20	0.45	0.37	1.29	0.06
Connect_JudiciaryCom_acq = Connect_JudiciaryCom_tar	0.05	0.02	0.05	0.01	0.47	0.15
Acquirer tests						
Lobbying_Com_acq = Polit_Contrib_acq	4.13**	3.38*	1.12	2.08	4.72**	1.49
Polit_Contrib_acq = Connect_JudiciaryCom_acq	0.00	0.44	0.32	1.04	2.43	0.25
Lobbying_Com_acq = Connect_JudiciaryCom_acq	0.74	2.91*	1.16	0.04	0.19	1.99
Target tests						
Lobbying_Com_tar = Polit_Contrib_tar	2.85*	3.17*	4.97**	1.03	1.95	0.06
Polit_Contrib_tar = Connect_JudiciaryCom_tar	0.03	0.21	0.01	0.39	1.70	0.33
Lobbying_Com_tar = Connect_JudiciaryCom_tar	1.72	2.52	2.45	0.01	0.00	0.57

Panel C: F-test based on Panel A Results

	(2) = (3)	(5) = (6)
Lobbying_Com_acq	4.83**	9.72***
Lobbying_Com_tar	6.09**	5.28**
Polit_Contrib_acq	3.36*	0.78
Polit_Contrib_tar	2.33	1.84
Connect_JudiciaryCom_acq	1.03	2.49
Connect_JudiciaryCom_tar	2.10	2.76

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Table 7: Moderating Effects of Constituent Interests

This table presents regression results from tests examining the association between the seniority of a target's judiciary committee representation and merger antitrust outcomes with interaction terms to capture effects when a merger target's operations are concentrated in judiciary committee members' constituencies (Panel A) and interaction terms to capture incremental effects during and following election years (Panel B) and partition committee representation based on representation on the House and Senate judiciary committees (Panel C). In Panel A, *Concentrate_tar* is an indicator variable set to one for targets in the top quartile of operational concentration based on the methodology in Garcia and Norli (2012), and set to zero otherwise. In Panel B, *ElectionYear* (*PostElectionYear*) are indicator variables set to one if antitrust review outcomes are announced in the year (year after) in which a merger party judiciary committee member's term ends and set to zero otherwise. House committee members have two-year terms and Senate committee members have six-year terms. In all panels, the dependent variable is set to either a categorical variable capturing the merger regulatory review outcome (*Outcome*) using an ordered probit model or the length of the antitrust review in logged days (*Duration)* using OLS. We present regression results for the full sample and subsamples of mergers after partitioning on whether the merger party is likely to have high or low demand for political involvement in the antitrust review process because of concerns about regulatory obstacles (High contest risk and low contest risk respectively). High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All variables are defined in Appendix B. *z*-statistics (*t*-statistics) are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

Panel A: Firm Concentration in Congressional Members' Districts

Dependent variable:	(1) All	(2) High Contest Risk	(3) Low Contest Risk	(4) All	(5) High Contest Risk	(6) Low Contest Risk
	Outcome			Duration		
Constant	-	-	-	3.289***	3.450***	3.735***
				(5.89)	(6.72)	(12.78)
JudiciaryCom_acq	-0.007*	-0.009**	-0.004	-0.006*	-0.009**	-0.004
	(-1.90)	(-2.35)	(-0.91)	(-1.90)	(-2.11)	(-1.15)
JudiciaryCom_tar	0.013*	0.018**	0.004	0.011**	0.016***	0.006*
	(1.89)	(2.20)	(0.52)	(2.29)	(2.69)	(1.75)
Concentrate_tar	-0.005	-0.005	-0.006	0.007	0.006	0.010
	(-0.70)	(-0.74)	(-0.75)	(0.92)	(0.71)	(1.07)
JudiciaryCom_tar * Concentrate_tar	0.009*	0.012**	0.003	0.006*	0.008**	0.003*
	(1.80)	(2.05)	(1.05)	(1.92)	(2.12)	(1.91)
Lobbying_DOJFTC_acq	-0.025**	-0.044***	-0.009	-0.005	-0.010**	-0.000
	(-2.50)	(-3.56)	(-1.10)	(-1.38)	(-2.21)	(-0.12)
Lobbying_DOJFTC_tar	0.033	0.051*	0.028	0.011	0.016	0.003
	(1.23)	(1.78)	(1.42)	(0.78)	(1.33)	(0.34)
Connect_DOJFTC_acq	-0.422	-0.539	-0.211	-0.058	-0.123	-0.009
	(-1.10)	(-1.38)	(-0.81)	(-0.67)	(-1.10)	(-0.68)
Connect_DOJFTC_tar	0.177*	0.382**	0.082	0.030	0.041	0.024
	(1.87)	(2.32)	(0.72)	(0.71)	(0.66)	(0.42)
Value	-0.090*	-0.108**	-0.086	0.052*	0.070**	0.031
	(-1.72)	(-2.01)	(-1.49)	(1.78)	(2.55)	(1.61)
IndustryHHI_acq	7.099**	8.667***	4.326	-0.522	-0.646	-0.316
	(2.39)	(3.41)	(1.45)	(-0.38)	(-0.78)	(-0.45)
Total_MktShare	0.253	-0.311	0.608	0.311*	0.076	0.756***
	(0.29)	(-0.66)	(0.92)	(1.90)	(0.28)	(3.38)
Relative_Size	-0.000	-0.000	-0.001*	-0.000*	-0.000**	-0.000*
	(-0.67)	(-0.81)	(-1.88)	(-1.85)	(-2.15)	(-1.91)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,602	860	742	1,602	860	742
Pseudo/Adjusted R^2	0.272	0.282	0.273	0.235	0.357	0.211

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Panel B: Differential Effects in Election Years

	(1)	(2)	(3)	(4)	(5)	(6)
	All	High Contest Risk	Low Contest Risk	All	High Contest Risk	Low Contest Risk
Dependent variable:		Outcome			Duration	
Constant	-	-	-	4.478***	3.478***	4.198***
				(14.38)	(7.11)	(10.01)
JudiciaryCom_acq	-0.008**	-0.009**	-0.002	-0.007**	-0.010**	-0.002
	(-2.11)	(-2.10)	(-1.15)	(-2.22)	(-2.12)	(-0.77)
JudiciaryCom_tar	0.006*	0.005**	0.000	0.002*	0.007**	0.000
	(1.85)	(1.87)	(0.33)	(1.88)	(2.16)	(0.37)
PostElectionYear	0.057	0.167	0.067	0.068	0.224	0.013
	(0.39)	(1.37)	(1.33)	(0.79)	(1.39)	(0.80)
ElectionYear	-0.002	-0.003	-0.002	-0.010	-0.012	-0.005
	(-0.12)	(-0.35)	(-0.56)	(-0.78)	(-1.02)	(-0.43)
JudiciaryCom_acq*PostElectionYear	-0.002	-0.006*	-0.002	-0.005	-0.007*	-0.003
	(-1.35)	(-1.89)	(-1.29)	(-0.90)	(-1.80)	(-1.26)
JudiciaryCom_acq*ElectionYear	0.007**	0.010**	0.005	0.003	0.008**	0.005
	(1.99)	(2.52)	(1.60)	(1.10)	(2.48)	(1.39)
JudiciaryCom_tar*PostElectionYear	-0.004	-0.007**	-0.002*	-0.003	-0.006*	-0.002
	(-1.60)	(-2.02)	(-1.82)	(-0.78)	(-1.92)	(-0.53)
JudiciaryCom_tar*ElectionYear	0.005*	0.005**	0.002*	0.004	0.005*	0.002
	(1.69)	(2.19)	(1.89)	(1.35)	(1.78)	(1.49)
Lobbying_DOJFTC_acq	-0.019***	-0.035***	-0.013*	-0.009*	-0.009**	-0.001
	(-3.50)	(-3.55)	(-1.90)	(-1.89)	(-2.10)	(-0.80)
Lobbying_DOJFTC_tar	0.021**	0.035**	0.021	0.010	0.022	0.005
	(2.11)	(2.42)	(1.15)	(0.90)	(1.50)	(0.55)
Connect_DOJFTC_acq	-0.162	-0.428	-0.081	-0.014	-0.032	-0.007
	(-0.89)	(-1.35)	(-0.35)	(-0.20)	(-1.21)	(-0.45)
Connect_DOJFTC_tar	0.205**	0.350***	0.065	0.011	0.032	0.007
	(2.02)	(2.60)	(0.79)	(0.38)	(0.50)	(0.23)
Value	-0.071**	-0.120**	-0.060	0.045***	0.062**	0.041**
	(-2.22)	(-2.18)	(-1.33)	(2.67)	(2.28)	(2.05)
IndustryHHI_acq	4.678***	5.833**	3.278	-0.600	-0.898	-0.352
	(2.68)	(2.32)	(1.50)	(-0.90)	(-0.98)	(-0.69)
Total_MktShare	0.489	0.352	0.867	0.260	0.208	0.652***
	(1.20)	(0.78)	(1.40)	(1.25)	(0.80)	(2.65)
Relative_Size	-0.000	-0.000	-0.000	-0.000**	-0.000**	-0.000*
	(-0.67)	(-1.27)	(-0.49)	(-2.25)	(-2.36)	(-1.82)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,602	860	742	1,602	860	742
F-test: |JudiciaryCom_acq| = |JudiciaryCom_tar|	0.32	1.25	2.65	4.52**	0.55	1.19
F-test: |JudiciaryCom_acq*PostElectionYear| = |JudiciaryCom_tar*PostElectionYear|	0.95	0.09	0.00	0.18	0.08	0.10
F-test: |JudiciaryCom_acq*ElectionYear| = |JudiciaryCom_tar*ElectionYear|	0.38	2.39	1.65	0.12	0.98	1.22
Pseudo/Adjusted R^2	0.224	0.283	0.275	0.239	0.357	0.208

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Panel C: Regression Results for House and Senate Judiciary Committee Representation and Antitrust Review Outcomes

	(1)	(2)	(3)	(4)	(5)	(6)
	All	High Contest Risk	Low Contest Risk	All	High Contest Risk	Low Contest Risk
Dependent variable:	Outcome			Duration		
Constant	-	-	-	3.902***	4.062***	2.246
				(6.90)	(14.27)	(1.60)
JudiciaryCom_acq_House	-0.010*	-0.013**	-0.006*	-0.007**	-0.009**	-0.004**
	(-1.88)	(-2.08)	(-1.89)	(-2.18)	(-2.29)	(-2.29)
JudiciaryCom_acq_Senate	-0.006	-0.007*	-0.004	-0.003	-0.004*	-0.002
	(-1.61)	(-1.84)	(-1.07)	(-0.90)	(-1.79)	(-0.95)
JudiciaryCom_tar_House	0.008*	0.010**	0.006	0.017**	0.019**	0.013***
	(1.75)	(2.53)	(1.32)	(2.20)	(2.35)	(2.63)
JudiciaryCom_tar_Senate	0.003	0.004*	0.003	0.006	0.006	0.005
	(1.10)	(1.74)	(1.29)	(1.11)	(1.42)	(0.83)
Lobbying_DOJFTC_acq	-0.020*	-0.027***	-0.014	-0.007	-0.010	-0.001
	(-1.90)	(-3.66)	(-1.44)	(-1.46)	(-1.58)	(-0.08)
Lobbying_DOJFTC_tar	0.030*	0.040**	0.015*	0.041	0.066*	0.004
	(1.89)	(2.16)	(1.78)	(1.52)	(1.87)	(0.56)
Connect_DOJFTC_acq	-0.155*	-0.188**	-0.101	-0.077	-0.083	-0.044
	(-1.95)	(-2.24)	(-1.09)	(-0.62)	(-0.86)	(-0.50)
Connect_DOJFTC_tar	0.101	0.158	0.020	0.019	0.029	0.006
	(0.99)	(1.21)	(0.30)	(0.73)	(0.84)	(0.78)
Value	-0.069**	-0.099**	-0.040*	0.075*	0.097**	0.060*
	(-2.02)	(-2.48)	(-1.81)	(1.87)	(2.01)	(1.94)
IndustryHHI_acq	-5.111***	-7.669***	-0.436	-1.002	-0.888	-1.348
	(-2.72)	(-3.34)	(-1.34)	(-1.09)	(-0.94)	(-1.02)
Total_MktShare	-0.421	-0.505	-0.400	-0.289	-0.259	-0.373
	(-0.30)	(-0.24)	(-0.46)	(-0.78)	(-0.95)	(-0.54)
Relative_Size	-0.000	-0.000	-0.001	-0.002**	-0.000**	-0.003**
	(-1.30)	(-1.11)	(-1.24)	(-2.12)	(-2.00)	(-2.07)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
Observations	1,602	860	742	1,602	860	742
F-test:|JudiciaryCom_acq_House| = |JudiciaryCom_acq_Senate|	0.76	1.34	0.33	1.49	2.45	1.07
F-test:|JudiciaryCom_tar_House| = |JudiciaryCom_tar_Senate|	1.76	3.44*	0.69	2.72	4.06**	2.11
Pseudo/Adjusted R^2	0.272	0.284	0.275	0.236	0.358	0.211

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Table 8: Moderating Effects of Politician Ideology

This table presents evidence about the effects of ideology on merger reviews. Panel A presents descriptive statistics characteristics for mergers partitioned by Democratic and Republican presidencies. Panel B presents regression results from tests examining the effects of politician ideology on the association between the seniority of a merger party's judiciary committee representation and merger antitrust outcomes. We measure ideology using the first dimension of the DW-Nominate measure. The measure ranges from -1 to +1 and is increasing in the degree of a politician's conservatism. *DW_Nominate_acq* and *DW_Nominate_*tar are indicator variables set to one for firms whose average judiciary committee representation DW-Nominate scores are in the top quartile of the sample, and set to zero otherwise. The dependent variable is set to either a categorical variable capturing the merger regulatory review outcome (*Outcome*) using an ordered probit model or the length of the antitrust review in logged days (*Duration*) using OLS. We present regression results for the full sample and subsamples of mergers after partitioning on whether the merger party is likely to have high or low demand for political involvement in the antitrust review process because of concerns about regulatory obstacles (High contest risk and low contest risk respectively). High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All variables are defined in Appendix B. *z*-statistics (*t*-statistics) are in parentheses. Standard errors are Huber-White sandwich estimators clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

Panel A: Merger Characteristics During Democratic and Republican Presidencies

	(1)	(2)	(1) – (2)
	Democratic	Republican	*t*-test
Number of Mergers	814	788	
Outcome	1.86	1.62	9.98***
Duration	4.79	4.65	3.84***
% High Contest Risk	0.484	0.453	1.24
Size_acq	8.61	8.97	2.33**
Value	6.41	6.26	2.08**
Relative Size	52.02	72.49	2.32**
Total_Mktshare	0.073	0.067	1.05
IndustryHHI_acq	0.047	0.053	2.78***

Panel B: Ideology

Dependent variable:	(1) All	(2) High Contest Risk	(3) Low Contest Risk	(4) All	(5) High Contest Risk	(6) Low Contest Risk
	Outcome			Duration		
Constant	-	-	-	3.822***	3.435***	3.924***
				(11.20)	(7.03)	(13.05)
JudiciaryCom_acq	-0.007*	-0.009**	-0.004	-0.006*	-0.008**	-0.004
	(-1.80)	(-2.35)	(-1.49)	(-1.79)	(-2.37)	(-0.80)
JudiciaryCom_tar	0.004	0.005*	0.001	0.004*	0.005**	0.002
	(1.10)	(1.89)	(0.11)	(1.69)	(2.01)	(0.61)
DW_Nominate_acq	-0.211*	-0.418**	0.031	-0.020	-0.031	-0.004
	(-1.80)	(-2.57)	(0.17)	(-1.22)	(-1.58)	(-0.38)
DW_Nominate_tar	-0.186	-0.268*	0.017	-0.015	-0.029	-0.008
	(-1.33)	(-1.70)	(1.18)	(-0.37)	(-0.41)	(-0.13)
JudiciaryCom_acq*DW_Nominate_acq	-0.006	-0.007*	-0.005	-0.003	-0.005	-0.002
	(-1.28)	(-1.90)	(-0.49)	(-0.56)	(-0.96)	(-0.46)
JudiciaryCom_tar*DW_Nominate_tar	-0.003	-0.004	0.001	-0.001	-0.002	0.003
	(-0.92)	(-1.39)	(0.07)	(-0.19)	(-0.51)	(0.69)
Lobbying_DOJFTC_acq	-0.030**	-0.045***	-0.009	-0.006*	-0.011**	0.000
	(-2.50)	(-2.79)	(-1.03)	(-1.80)	(-2.28)	(0.10)
Lobbying_DOJFTC_tar	0.040*	0.059**	0.035*	0.013	0.018	0.003
	(1.80)	(1.98)	(1.68)	(1.32)	(1.61)	(0.23)
Connect_DOJFTC_acq	-0.067	-0.080	-0.043	-0.030	-0.042	-0.015
	(-0.50)	(-0.58)	(-0.46)	(-0.72)	(-0.60)	(-0.71)
Connect_DOJFTC_tar	0.102	0.170	0.068	0.060	0.081	0.016
	(0.78)	(1.18)	(0.70)	(0.50)	(0.58)	(0.95)
Value	-0.122*	-0.100*	-0.135**	0.060**	0.075***	0.038*
	(-1.78)	(-1.81)	(-2.19)	(2.29)	(2.77)	(1.94)
IndustryHHI_acq	7.292**	8.502***	3.795	-0.521	-0.643	-0.371
	(2.35)	(3.34)	(1.40)	(-0.82)	(-0.62)	(-0.40)
Total_MktShare	0.120	-0.434	0.540	0.671*	0.133	0.743***
	(0.23)	(-0.81)	(0.75)	(1.90)	(0.37)	(3.50)
Relative_Size	-0.000*	-0.000	-0.001**	-0.000*	-0.000**	-0.000*
	(-1.89)	(-0.76)	(-2.06)	(-1.78)	(-2.13)	(-1.82)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,476	792	684	1,476	792	684
Pseudo/Adjusted R^2	0.284	0.284	0.275	0.211	0.358	0.211

The Politics of M&A Antitrust

Online Appendix and Supplementary Material

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By Mihir N. Mehta, Suraj Srinivasan, and Wanli Zhao

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Online Appendix A.1: Robustness Checks for Main Regressions

Table A.1.1: Main Regressions Without Control Variables and Without Fixed Effects

This table presents regression results of Equations (1) and (2) without control variables (Columns 1-4) and without fixed effects and control variables (Columns 5-8). High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All variables are defined in Appendix B. z-statistics (t-statistics) are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

Dependent variable:	(1) High Contest Risk	(2) Low Contest Risk	(3) High Contest Risk	(4) Low Contest Risk	(5) High Contest Risk	(6) Low Contest Risk	(7) High Contest Risk	(8) Low Contest Risk
	Outcome		Duration		Outcome		Duration	
Constant	-	-	3.746***	4.248***	-	-	4.864***	4.732***
			(7.47)	(12.68)			(83.20)	(101.47)
$JudiciaryCom\_acq$	-0.022***	-0.005	-0.028***	-0.010	-0.014**	-0.008	-0.020**	-0.006
	(-2.98)	(-1.12)	(-2.78)	(-1.30)	(-2.48)	(-0.84)	(-2.54)	(-0.95)
$JudiciaryCom\_tar$	0.016***	0.004	0.018***	0.011	0.010*	0.002	0.007***	0.005**
	(2.70)	(1.06)	(2.69)	(1.57)	(2.39)	(0.71)	(2.71)	(1.98)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	Yes	Yes	Yes	Yes	No	No	No	No
Observations	860	742	860	742	860	742	860	742
F-test:								
$|JudiciaryCom\ acq| = |JudiciaryCom\ tar|$	0.80	0.06	1.37	0.02	0.65	0.73	4.92**	0.04
Pseudo/Adjusted R²	0.341	0.311	0.336	0.197	0.016	0.013	0.020	0.015

Table A.1.2: Main Regressions Using Ordinary Least Squares

This table presents regression results of Equation (1) using Ordinary Least Squares. The table also present results after partitioning sample observations into high contest risk and low contest risk groups respectively. High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All variables are defined in Appendix B. t-statistics are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

	(1)	(2)	(3)
	All	High Contest Risk	Low Contest Risk
Dependent variable:		Outcome	
Constant	2.005***	1.340***	2.133***
	(10.81)	(4.28)	(9.90)
JudiciaryCom_acq	-0.002*	-0.004**	-0.001
	(-1.87)	(-2.46)	(-0.65)
JudiciaryCom_tar	0.002	0.004***	0.001
	(1.63)	(2.64)	(0.92)
Lobbying_DOJFTC_acq	-0.009***	-0.013***	-0.005*
	(-3.62)	(-3.21)	(-1.77)
Lobbying_DOJFTC_tar	0.013**	0.013**	0.011
	(2.26)	(2.11)	(0.95)
Connect_DOJFTC_acq	-0.062	-0.123	-0.075
	(-0.64)	(-0.96)	(-0.59)
Connect_DOJFTC_tar	0.052	0.115**	0.005
	(1.46)	(2.16)	(0.10)
Value	-0.039***	-0.042**	-0.040**
	(-3.08)	(-2.14)	(-2.18)
IndustryHHI_acq	1.831***	2.224**	1.307
	(2.64)	(2.55)	(1.43)
Total_MktShare	0.096	0.018	0.206
	(0.62)	(0.09)	(0.92)
Relative_Size	0.000	-0.000	0.000**
	(0.21)	(-0.41)	(1.96)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	Yes	Yes	Yes
Observations	1,602	860	742
F-test:			
|*JudiciaryCom_acq*| = |*JudiciaryCom_tar*|	0.03	0.08	0.10
Pseudo/Adjusted R^2	0.296	0.348	0.330

Online Appendix A.2: Robustness Checks for Merger Classifications

Table A.2.1: Main Regressions Without Early Termination Outcome Mergers

This table presents regression results of Equations (1) and (2) after excluding mergers that receive an Early Termination notice of antitrust clearance. The table also present results after partitioning sample observations into high contest risk and low contest risk groups respectively. High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All variables are defined in Appendix B. z-statistics (t-statistics) are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
	All	High Contest Risk	Low Contest Risk	All	High Contest Risk	Low Contest Risk
Dependent variable:	Outcome			Duration		
Constant	-	-	-	3.356***	3.386***	3.266***
				(4.59)	(7.46)	(4.43)
JudiciaryCom_acq	-0.036**	-0.056***	-0.024**	-0.002*	-0.003	-0.002
	(-2.48)	(-3.14)	(-2.39)	(-1.66)	(-1.36)	(-0.84)
JudiciaryCom_tar	0.050**	0.065***	0.021**	0.002	0.005*	0.000
	(2.10)	(4.25)	(2.34)	(0.96)	(1.66)	(0.14)
Lobbying_DOJFTC_acq	-0.033	-1.718***	-0.047	-0.006	-0.007	-0.003
	(-1.02)	(-2.95)	(-0.97)	(-1.22)	(-1.23)	(-0.47)
Lobbying_DOJFTC_tar	0.038	1.301***	0.064	0.019	0.025**	0.007
	(1.41)	(3.28)	(1.02)	(1.41)	(2.20)	(1.03)
Connect_DOJFTC_acq	-1.115	-1.595***	-0.810*	-0.242	-0.410**	-0.126*
	(-1.21)	(-3.92)	(-1.95)	(-0.31)	(-2.05)	(-1.84)
Connect_DOJFTC_tar	1.035	1.906***	0.499	0.102	0.138	0.006
	(1.10)	(2.93)	(0.72)	(1.60)	(1.59)	(0.08)
Value	0.601***	1.083***	0.716**	0.045**	0.059*	0.045*
	(4.36)	(3.11)	(2.49)	(2.27)	(1.77)	(1.89)
IndustryHHI_acq	4.655	12.576***	3.083	-0.049	-1.074	0.000
	(0.94)	(2.89)	(1.47)	(-0.06)	(-0.81)	(0.00)
Total_MktShare	1.714	5.957***	1.378	0.446	0.744	0.465
	(1.09)	(3.24)	(0.33)	(1.40)	(1.60)	(1.57)
Relative_Size	-0.003**	-0.023***	-0.000	-0.000*	-0.000	-0.000
	(-2.18)	(-2.93)	(-0.03)	(-1.86)	(-1.38)	(-1.33)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,012	544	468	1,012	544	468
F-test:|JudiciaryCom_acq| = |JudiciaryCom_tar|	0.50	0.29	0.10	0.00	0.57	1.41
Pseudo/Adjusted R^2	0.649	0.793	0.763	0.245	0.329	0.176

Table A.2.2: Main Regressions Combining Merger Categories (1 and 2 together and 3 and 4 together)

This table presents regression results of Equation (1) after combining merger review outcome categories into two groups. We combine categories 1 and 2 into one group and categories 3 and 4 into another group. The table also present regression results after partitioning sample observations into high contest risk and low contest risk groups respectively. High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All variables are defined in Appendix B. z-statistics are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

	(1)	(2)	(3)
	All	High Contest Risk	Low Contest Risk
Dependent variable:		Outcome	
Constant	-	-	-
JudiciaryCom_acq	-0.012**	-0.016**	-0.008
	(-2.50)	(-2.40)	(-1.23)
JudiciaryCom_tar	0.016**	0.026***	0.015
	(2.55)	(2.76)	(1.64)
Lobbying_DOJFTC_acq	-0.092*	-0.111**	-0.038
	(-1.84)	(-2.57)	(-1.07)
Lobbying_DOJFTC_tar	0.076	0.149*	0.015
	(1.29)	(1.95)	(0.14)
Connect_DOJFTC_acq	-0.624	-1.049**	-0.163
	(-0.47)	(-2.28)	(-1.31)
Connect_DOJFTC_tar	0.800	0.910	0.533
	(1.26)	(1.27)	(1.43)
Value	-0.449***	-0.472*	-0.556**
	(-3.67)	(-1.76)	(-2.30)
IndustryHHI_acq	-14.555**	-83.349***	28.536**
	(-2.16)	(-3.31)	(2.02)
Total_MktShare	1.306	8.516	-0.242
	(0.95)	(0.35)	(-0.16)
Relative_Size	0.002**	0.011**	-0.000
	(2.44)	(2.08)	(-0.47)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	*Yes*	*Yes*	*Yes*
Observations	1,602	860	742
F-test:			
|*JudiciaryCom acq*| = |*JudiciaryCom tar*|	0.51	1.50	0.78
Pseudo/Adjusted R^2	0.589	0.604	0.570

Table A.2.3: Main Regressions After Removing Mergers Classified as Category 4

This table presents regression results of Equation (1) after excluding mergers classified as Category 4 mergers. We also present results after partitioning sample observations into high contest risk and low contest risk groups respectively. High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All variables are defined in Appendix B. *z*-statistics are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

	(1)	(2)	(3)
	All	High Contest Risk	Low Contest Risk
Dependent variable:		Outcome	
Constant	-	-	-
JudiciaryCom_acq	-0.010**	-0.014**	-0.007
	(-2.37)	(-2.50)	(-1.09)
JudiciaryCom_tar	0.009**	0.012***	0.006
	(2.26)	(2.60)	(1.22)
Lobbying_DOJFTC_acq	-0.026***	-0.048***	-0.014
	(-3.54)	(-3.92)	(-1.50)
Lobbying_DOJFTC_tar	0.040**	0.050**	0.028*
	(2.24)	(2.55)	(1.83)
Connect_DOJFTC_acq	-0.282	-0.553	-0.252
	(-0.71)	(-1.42)	(-0.88)
Connect_DOJFTC_tar	0.182*	0.433***	0.014
	(1.72)	(2.70)	(0.10)
Value	-0.097**	-0.111*	-0.104*
	(-2.48)	(-1.88)	(-1.66)
IndustryHHI_acq	5.581***	8.083***	2.609
	(2.66)	(2.91)	(0.94)
Total_MktShare	0.282	0.513	0.078
	(0.63)	(0.14)	(0.71)
Relative_Size	0.000	0.001*	-0.000
	(0.07)	(1.92)	(-0.71)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	Yes	Yes	Yes
Observations	1,596	856	740
F-test:			
|*JudiciaryCom_acq*| = |*JudiciaryCom_tar*|	0.06	0.15	0.03
Pseudo/Adjusted R^2	0.282	0.353	0.354

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Table A.2.4: Regressions with Alternative Classification of Category 2 Mergers
This table presents regression results of Equation (1) after splitting mergers with an outcome in Category 2 into two groups based on the median duration of all Category 2 mergers. We also present regression results for subsamples of mergers after partitioning on whether the merger party is likely to have high or low demand for political involvement in the antitrust review process because of concerns about regulatory obstacles (High contest risk and low contest risk respectively). High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All variables are defined in Appendix B. z-statistics are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

	(1)	(2)	(3)
	All	High Contest Risk	Low Contest Risk
Dependent variable:		Outcome	
Constant	-	-	-
JudiciaryCom_acq	-0.004*	-0.006**	-0.002
	(-1.85)	(-2.18)	(-0.79)
JudiciaryCom_tar	0.012*	0.028**	0.006
	(1.78)	(2.05)	(1.21)
Lobbying_DOJFTC_acq	-0.026***	-0.039***	-0.013*
	(-3.77)	(-3.72)	(-1.65)
Lobbying_DOJFTC_tar	0.027*	0.041**	0.016
	(1.73)	(2.46)	(0.85)
Connect_DOJFTC_acq	-0.224	-0.400	-0.089
	(-1.22)	(-1.26)	(-0.23)
Connect_DOJFTC_tar	0.155	0.360**	0.145
	(0.64)	(2.54)	(1.00)
Value	-0.076**	-0.094*	-0.081
	(-2.27)	(-1.85)	(-1.54)
IndustryHHI_acq	4.822***	7.111***	4.379
	(2.73)	(3.25)	(1.64)
Total_MktShare	0.547	0.147	0.966
	(1.33)	(0.29)	(1.51)
Relative_Size	-0.000	-0.000	0.000
	(-0.86)	(-1.46)	(0.65)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	Yes	Yes	Yes
Observations	1,602	860	742
Pseudo/Adjusted R^2	0.225	0.257	0.278

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Online Appendix A.3: Tests Using Operational Headquarters to Link Firms and Politicians

In our tests, we implicitly assume that a firm's headquarters location is also their primary place of operation and potential job losses would be at that location. If a firm's human capital resources are predominantly located in a different location to the headquarters location, then the linked judiciary committee representatives for the headquarters location are unlikely to have reelection-related incentives to influence the merger antitrust outcomes. This is because any job losses from the merger are likely to occur outside the congressional member's political district.

In order to address this measurement concern, we examine each of our sample merger firms' state-wise operational dispersion based on a measure developed by Garcia and Norli (2012). The measure captures the number of times a state is mentioned in a firm's 10-K filing as a proxy for the relative importance of that state in the firm's operational portfolio. A simple example is Boeing Corp. In 2006, its 10-K filing identifies six unique states. These states correspond to the firm's headquarters in Illinois and the manufacturing facilities in Washington, South Carolina, Missouri, Kansas, and Oklahoma. However, 50% of all state mentions in the 10k are Washington, which is Boeing's primary manufacturing facility.

In order to examine whether our main results using the headquarters location are subject to bias, we first examine the correlation between a firm's headquarters state and the firm's primary state for its operations. The primary state for a firm's operations is measured as the state with the largest number of mentions in the 10-K in the year prior to the merger. We find that for 88% of our sample acquirers and targets, the firm's headquarters state is identical to the primary state for the firm's operations. The results are qualitatively similar to those tabulated in the paper when we conduct empirical tests use the state of primary operations state rather than the state of headquarters location for 12% of sample acquirers and targets (See Table A.3 below).

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Table A.3: Main Regressions Using Operational Headquarters as Primary State of Judiciary Committee Representation

This table presents regression results for an examination of the association between the power of a merger party's judiciary committee representation and merger antitrust review outcomes. Merger parties are linked to judiciary committee members based on the state with the greatest number of mentions in the firm's 10-K filings in the year prior to the merger. The dependent variable is set to either a categorical variable capturing the merger regulatory review outcome (*Outcome*) using an ordered probit model or the length of the antitrust review in logged days (*Duration)* using OLS. We also present regression results for subsamples of mergers after partitioning on whether the merger party is likely to have high or low demand for political involvement in the antitrust review process because of concerns about regulatory obstacles (High contest risk and low contest risk respectively). High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All variables are defined in Appendix B. *z*-statistics (*t*-statistics) are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
	All	High Contest Risk	Low Contest Risk	All	High Contest Risk	Low Contest Risk
Dependent variable:	Outcome			Duration		
Constant	-	-	-	3.506***	3.430***	3.859***
				(12.90)	(6.76)	(13.81)
JudiciaryCom_acq	-0.022**	-0.035***	-0.007	-0.012*	-0.015**	-0.009
	(-2.09)	(-2.70)	(-1.22)	(-1.90)	(-2.38)	(-1.50)
JudiciaryCom_tar	0.026*	0.043***	0.005	0.011*	0.016**	0.004
	(1.90)	(2.85)	(0.83)	(1.89)	(2.41)	(1.61)
Lobbying_DOJFTC_acq	-0.030**	-0.048***	-0.014	-0.006*	-0.010**	-0.001
	(-2.50)	(-4.01)	(-1.43)	(-1.78)	(-2.10)	(-0.25)
Lobbying_DOJFTC_tar	0.041*	0.050**	0.036*	0.016	0.027*	0.001
	(1.92)	(2.30)	(1.73)	(1.37)	(1.75)	(0.08)
Connect_DOJFTC_acq	-0.444	-0.325	-0.576	-0.145	-0.195	-0.121
	(-1.12)	(-0.82)	(-1.52)	(-1.01)	(-1.21)	(-0.86)
Connect_DOJFTC_tar	0.215**	0.449***	0.006	0.020	0.035	0.008
	(2.00)	(2.76)	(1.05)	(0.43)	(0.58)	(0.11)
Value	-0.109*	-0.110*	-0.111*	0.050*	0.064**	0.036*
	(-1.77)	(-1.86)	(-1.81)	(1.79)	(2.52)	(1.90)
IndustryHHI_acq	5.092**	7.941***	3.932	-0.577	-1.021	-0.321
	(2.20)	(2.87)	(1.49)	(-0.78)	(-1.08)	(-0.38)
Total_MktShare	0.116	-0.069	0.460	0.469**	0.209	0.730***
	(0.20)	(-0.12)	(0.65)	(2.12)	(0.62)	(3.37)
Relative_Size	-0.000	-0.000	-0.001*	-0.000*	-0.000**	-0.000*
	(-0.67)	(-0.56)	(-1.68)	(-1.92)	(-2.21)	(-1.87)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,602	860	742	1,602	860	742
F-test*:|JudiciaryCom_acq| = |JudiciaryCom_tar|*	0.11	0.32	0.12	0.03	0.02	1.19
Pseudo/Adjusted R^2	0.350	0.361	0.353	0.237	0.359	0.213

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Online Appendix A.4: Alternate Measures of Judiciary Committee Representation

A limitation of the *JudiciaryCom* measure used in our main tests is that it imperfectly captures differences in the strength of a firm's representation. For instance, firm A with two judiciary committee members of 10 years and 11 years (i.e., a total of 21 years) is treated the same as firm B with two committee members of 20 years and 1 year. It may be the case that firm B's senior member is more likely to be able to influence antitrust outcomes than either of firm A's members. Alternatively, due to differences in the average tenure of Senators and Representatives, a Senator with 10 years of service may be as influential as a Representative with 5 years of service. In order to address these concerns, we check that our results are robust to two alternate judiciary committee representation proxies.

First, we develop a measure of judiciary committee power that is a continuous yearly variable for the total number of judiciary committee members (*JudiciaryCom_num*) that represents an acquirer or target. This variable captures the possibility that committee influence may stem from "power in numbers" — merger parties with representation on both judiciary committees can enjoy greater cohesive influence over antitrust agency actions. Second, we create an indicator variable set to one when an acquirer or target is located in a political district that has at least one Senator and/or the House Representative in the top quartile of judiciary committee member seniority for that year, and zero otherwise (*JudiciaryCom_dum*).[1] Third, we create two separate indicator variables to measure acquirer and/or target senior (top quartile of judiciary committee member seniority) and junior (other three quartiles of judiciary committee member seniority) representation separately. These variables for acquirers are labeled *JudiciaryComSenior_acq* and *JudiciaryComJunior_acq* and labeled *JudiciaryComSenior_tar* and *JudiciaryComJunior_tar* for targets. Fourth, we create a composite measure (*Composite*).

In Tables A.4.1 and A.4.2, we present results from tests of equations (1) and (2) using the two alternative measures of an acquirer's or target's judiciary committee representation. The results are consistent with the results in the paper using *JudiciaryCom*. The results in Table A.4.1 indicate that for hostile mergers that are high contest risk deals, the number of congressional members is economically significant. A one-person increase in an acquirer's (target's) judiciary committee representation is associated with a 20.2% (17.3%) increased (decreased) probability of obtaining an early termination

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[1] In terms of descriptive statistics, the acquirers (targets) are constituents of 1.3 (0.4) judiciary committee members (*JudiciaryCom_num_acq* and *JudiciaryCom_num_tar*). The median number of representatives for acquirers and targets is zero, suggesting that there is significant heterogeneity in judiciary committee representation. Approximately 34% (19%) of the acquirer (target) firms have at least one judiciary committee representative in the top quartile of committee seniority.

outcome and is associated with a 5.5 (5.1) day decrease (increase) in the duration of the review, relative to other mergers.

In Table A.4.2, we find that for high contest risk hostile mergers, deals in which the acquirer (target) has judiciary committee representation in the top quartile of judiciary committee seniority are 22% (105%) more (less) likely to receive an Early Termination notice antitrust review outcome and take 10.2 (10.5) fewer (more) days to be reviewed, relative to other mergers. In sum, the results using these alternate measures are consistent with the primary findings and suggest our results are not driven by a judiciary committee representation measurement decision.

In Table A.4.3, we present results from tests of equations (1) and (2) using the measures of senior and junior committee representation. We find that antitrust review favorability is positively associated with both senior and junior representation but the economic magnitude is twice as large for senior representation. This is consistent with the inferences from our other measures and the idea that senior politicians have relatively greater power and influence.

Table A.4.1: Judiciary Committee Representation Count for Merger Parties

This table present regression analyses examining the association between the seniority of a merger party's judiciary committee representation and merger antitrust review outcomes using variables to measure an acquirer's or target's total number of judiciary committee representatives. The dependent variable is set to a categorical variable capturing the merger regulatory review outcome (*Outcome*) using an ordered probit model or the length of the antitrust review in logged days (*Duration)* using OLS. We also present regression results for subsamples of mergers after partitioning on whether the merger party is likely to have high or low demand for political involvement in the antitrust review process because of concerns about regulatory obstacles (High contest risk and low contest risk respectively). High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All variables are defined in Appendix B. *z*-statistics (*t*-statistics) are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
	All	High Contest Risk	Low Contest Risk	All	High Contest Risk	Low Contest Risk
Dependent variable:	Outcome			Duration		
Constant	-	-	-	3.922***	3.422***	3.919***
				(13.89)	(6.76)	(13.30)
JudiciaryCom_num_acq	-0.030**	-0.045**	-0.012	-0.021**	-0.030***	-0.011
	(-2.19)	(-2.36)	(-0.56)	(-2.28)	(-2.69)	(-1.35)
JudiciaryCom_num_tar	0.025**	0.037***	0.010	0.016*	0.026**	0.008
	(2.30)	(2.66)	(0.78)	(1.78)	(2.26)	(0.70)
Lobbying_DOJFTC_acq	-0.026***	-0.037***	-0.016**	-0.007*	-0.011**	-0.001
	(-3.65)	(-3.59)	(-1.99)	(-1.90)	(-2.02)	(-0.50)
Lobbying_DOJFTC_tar	0.028**	0.030**	0.021	0.011	0.027*	0.003
	(2.50)	(2.43)	(1.22)	(1.09)	(1.70)	(0.29)
Connect_DOJFTC_acq	-0.170	-0.411	-0.079	-0.013	-0.037	-0.006
	(-0.80)	(-1.30)	(-0.27)	(-0.17)	(-1.42)	(-0.49)
Connect_DOJFTC_tar	0.211**	0.377***	0.067	0.013	0.031	0.007
	(2.11)	(2.75)	(0.52)	(0.36)	(0.43)	(0.29)
Value	-0.080**	-0.113**	-0.051	0.049***	0.068**	0.040**
	(-2.33)	(-2.15)	(-1.10)	(2.66)	(2.51)	(2.15)
IndustryHHI_acq	4.763***	6.009**	3.567	-0.512	-1.002	-0.317
	(2.67)	(2.44)	(1.36)	(-0.82)	(-1.15)	(-0.42)
Total_MktShare	0.522	0.365	0.820	0.267	0.247	0.702***
	(1.30)	(0.70)	(1.33)	(1.22)	(0.79)	(3.23)
Relative_Size	-0.000	-0.000	0.000	-0.000**	-0.000**	-0.000*
	(-0.92)	(-1.60)	(0.62)	(-2.37)	(-2.21)	(-1.80)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
Observations	1,602	860	742	1,602	860	742
F-test: |JudiciaryCom_num_acq| = |JudiciaryCom_num_tar|	0.16	0.23	0.01	0.30	0.12	0.09
Pseudo/Adjusted R^2	0.228	0.283	0.275	0.242	0.359	0.212

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Table A.4.2: Indicator Variable to Capture Merger Parties with Senior Judiciary Committee Representation
This table present regression analyses examining the association between the seniority of a merger party's judiciary committee representation and merger antitrust review outcomes using indicator variables to measure whether acquirers or targets have at least one representative in the top quartile of committee seniority. The dependent variable is set to a categorical variable capturing the merger regulatory review outcome (*Outcome*) using an ordered probit model or the length of the antitrust review in logged days (*Duration)* using OLS. We present regression results for subsamples of mergers after partitioning on whether the merger party is likely to have high or low demand for political involvement in the antitrust review process because of concerns about regulatory obstacles (High contest risk and low contest risk respectively). High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All variables are defined in Appendix B. *z*-statistics (*t*-statistics) are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
	All	High Contest Risk	Low Contest Risk	All	High Contest Risk	Low Contest Risk
Dependent variable:	Outcome			Duration		
Constant	-	-	-	3.672***	3.505***	3.967***
				(12.67)	(6.70)	(13.19)
JudiciaryCom_dum_acq	-0.505**	-0.782**	-0.211	-0.226**	-0.347***	-0.092
	(-2.28)	(-2.50)	(-0.89)	(-2.33)	(-2.77)	(-1.45)
JudiciaryCom_dum_tar	0.466**	0.662***	0.167	0.227*	0.350**	0.080
	(2.19)	(2.62)	(0.99)	(1.89)	(2.35)	(0.77)
Lobbying_DOJFTC_acq	-0.030***	-0.035***	-0.019**	-0.008*	-0.011**	-0.002
	(-3.56)	(-3.60)	(-2.09)	(-1.88)	(-2.05)	(-0.78)
Lobbying_DOJFTC_tar	0.030**	0.031**	0.024	0.010	0.027*	0.003
	(2.51)	(2.40)	(1.27)	(1.16)	(1.69)	(0.33)
Connect_DOJFTC_acq	-0.166	-0.400	-0.082	-0.013	-0.036	-0.006
	(-0.82)	(-1.26)	(-0.29)	(-0.18)	(-1.46)	(-0.52)
Connect_DOJFTC_tar	0.218**	0.369***	0.070	0.014	0.030	0.007
	(2.10)	(2.71)	(0.55)	(0.39)	(0.40)	(0.33)
Value	-0.082**	-0.117**	-0.050	0.052***	0.066**	0.037**
	(-2.30)	(-2.22)	(-1.13)	(2.60)	(2.50)	(2.11)
IndustryHHI_acq	4.669***	6.156**	3.782	-0.535	-1.112	-0.302
	(2.69)	(2.44)	(1.31)	(-0.88)	(-1.22)	(-0.40)
Total_MktShare	0.512	0.345	0.812	0.258	0.250	0.711***
	(1.25)	(0.77)	(1.30)	(1.25)	(0.80)	(3.11)
Relative_Size	-0.000	-0.000	0.000	-0.000**	-0.000**	-0.000*
	(-0.90)	(-1.55)	(0.52)	(-2.24)	(-2.30)	(-1.88)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
Observations	1,602	860	742	1,602	860	742
F-test: |JudiciaryCom_dum_acq| = |JudiciaryCom_dum_tar|	0.03	0.18	0.05	0.00	0.00	0.02
Pseudo/Adjusted R²	0.228	0.283	0.275	0.242	0.359	0.212

Table A.4.3: Indicator Variables to Capture Differences between Senior and Junior Judiciary Committee Representation

This table presents regression results for the association between the seniority of a merger party's judiciary committee representation and merger antitrust review outcomes using indicator variables to measure whether acquirers or targets have at least one representative in the top quartile of committee seniority (*JudiciaryComSenior_acq* and *JudiciaryComSenior_tar* respectively) or at least one representative in the other three quartiles of committee seniority (*JudiciaryComJunior_acq* and *JudiciaryComJunior_tar* respectively). The dependent variable is set to a categorical variable capturing the merger regulatory review outcome (*Outcome*) using an ordered probit model or the length of the antitrust review in logged days (*Duration)* using OLS. We also present regression results for subsamples of mergers after partitioning on whether the merger party is likely to have high or low demand for political involvement in the antitrust review process because of concerns about regulatory obstacles (High contest risk and low contest risk respectively). High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All variables are defined in Appendix B. *z*-statistics (*t*-statistics) are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
	All	High Contest Risk	Low Contest Risk	All	High Contest Risk	Low Contest Risk
Dependent variable:		Outcome			Duration	
Constant	-	-	-	3.894***	3.663***	3.841***
				(14.53)	(10.10)	(12.81)
JudiciaryComSenior_acq	-0.382**	-0.615**	-0.168	-0.187**	-0.269**	-0.050
	(-2.11)	(-2.32)	(-0.43)	(-2.15)	(-2.50)	(-0.73)
JudiciaryComJunior_acq	-0.138	-0.270**	-0.072	-0.082	-0.160*	-0.012
	(-1.53)	(-1.98)	(-0.49)	(-1.46)	(-1.89)	(-0.09)
JudiciaryComSenior_tar	0.263**	0.489**	0.158	0.175*	0.288**	0.073
	(2.13)	(2.52)	(1.02)	(1.68)	(2.32)	(1.24)
JudiciaryComJunior_tar	0.155	0.231*	0.066	0.033	0.046	0.019
	(1.52)	(1.83)	(0.25)	(0.37)	(0.75)	(0.24)
Lobbying_DOJFTC_acq	-0.026***	-0.045***	-0.012	-0.006*	-0.009*	-0.002
	(-3.34)	(-3.76)	(-1.34)	(-1.75)	(-1.91)	(-0.53)
Lobbying_DOJFTC_tar	0.030**	0.034*	0.024	0.014	0.028*	0.001
	(2.00)	(1.93)	(1.00)	(1.15)	(1.80)	(0.04)
Connect_DOJFTC_acq	-0.390	-0.523	-0.175	-0.018	-0.038	-0.006
	(-1.43)	(-1.54)	(-1.59)	(-0.30)	(-0.74)	(-0.08)
Connect_DOJFTC_tar	0.174	0.374**	0.044	0.025	0.039	0.016
	(1.61)	(2.33)	(0.33)	(0.37)	(0.84)	(0.88)
Value	-0.104***	-0.135**	-0.107*	0.045***	0.066**	0.038**
	(-2.82)	(-2.50)	(-1.82)	(2.83)	(2.53)	(1.99)
IndustryHHI_acq	4.024*	5.523**	1.963	-0.640	-1.458	-0.446
	(1.95)	(2.05)	(0.62)	(-0.97)	(-1.33)	(-0.51)
Total_MktShare	0.401	0.100	0.882	0.322	0.259	0.779***
	(0.87)	(0.16)	(1.18)	(1.40)	(0.80)	(3.67)
Relative_Size	0.000	-0.000	0.001**	-0.000***	-0.000**	-0.000
	(0.22)	(-0.24)	(2.04)	(-2.76)	(-1.98)	(-1.50)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
F-test: *JudiciaryComSenior_acq = JudiciaryComJunior_acq*	2.91*	2.68	0.11	2.06	1.27	0.13
F-test: *JudiciaryComSenior_tar = JudiciaryComJunior_tar*	0.91	2.48	0.18	2.14	6.11**	0.60
Observations	1,602	860	742	1,602	860	742
Pseudo/Adjusted R^2	0.209	0.284	0.270	0.228	0.320	0.194

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Online Appendix A.5: Representation on Antitrust-Relevant Judiciary Subcommittee

We examine whether our findings are driven by political representation on the House and Senate judiciary subcommittees responsible for antitrust oversight. The two subcommittees are the Subcommittee on Antitrust, Competition Policy and Consumer Rights (Senate) and the Subcommittee on Regulatory Reform, Commercial and Antitrust Law (House). We repeat our primary analyses after partitioning judiciary committee members based on whether or not they serve on these subcommittees. We treat judiciary committee chairpersons and ranking members as ex officio members of the subcommittees, consistent with committee rules in both the Senate and the House.

Table A.5.1 presents results for tests of equations (1) and (2) after partitioning judiciary committee members into subcommittee and non-subcommittee groups and identifying each subcommittee by replacing *JudiciaryCom* variables with new subcommittee variables (*Judiciary_Subcom_acq* and *Judiciary_Subcom_tar*) and non-subcommittee groups (*Judiciary_Nonsubcom_acq* and *Judiciary_Nonsubcom_tar*). The results show that our main results hold for both subcommittee and non-subcommittee representation. Table A.5.2 presents *F*-test results. The overall evidence suggest that subcommittee and non-subcommittee representation do not have statistically different effects for antitrust review outcomes. All judiciary committee members, regardless of their subcommittee assignments, appear to have the ability to influence antitrust review actions directly or via relationships with other judiciary committee members that serve on the subcommittee.

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Table A.5.1: Regressions Using Politician Representation Partitioned by Subcommittee Membership

This table presents regression results for tests examining the effects of acquirer and target representation on antitrust-related subcommittees and non-antitrust related subcommittees within the Judiciary committees. In all specifications, the dependent variable is set to a categorical variable capturing the merger regulatory review outcome (*Outcome*) using an ordered probit model or the length of the antitrust review in logged days (*Duration)* using OLS. We also present regression results for subsamples of mergers after partitioning on whether the merger party is likely to have high or low demand for political involvement in the antitrust review process because of concerns about regulatory obstacles (High contest risk and low contest risk respectively). High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All variables are defined in Appendix B. *z*-statistics (*t*-statistics) are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
	All	High Contest Risk	Low Contest	All	High Contest Risk	Low Contest Risk
Dependent variable:	Outcome			Duration		
Constant	-	-	-	3.862***	3.411***	3.967***
				(13.99)	(6.85)	(13.59)
Judiciary_Subcom_acq	-0.010**	-0.012***	-0.007	-0.006**	-0.014***	-0.005
	(-2.29)	(-2.67)	(-1.20)	(-2.19)	(-2.72)	(-1.38)
Judiciary_Subcom_tar	0.008**	0.011***	0.006	0.007*	0.012**	0.003
	(2.21)	(2.60)	(1.29)	(1.89)	(2.50)	(0.90)
Judiciary_Nonsubcom_acq	-0.008**	-0.009**	-0.005	-0.004**	-0.010***	-0.003
	(-2.33)	(-2.37)	(-0.80)	(-2.30)	(-2.76)	(-1.46)
Judiciary_Nonsubcom_tar	0.005**	0.007***	0.004	0.004*	0.008**	0.001
	(2.30)	(2.60)	(0.97)	(1.71)	(2.30)	(0.61)
Lobbying_DOJFTC_acq	-0.025***	-0.038***	-0.016**	-0.007*	-0.011**	-0.001
	(-3.55)	(-3.60)	(-1.97)	(-1.90)	(-2.10)	(-0.55)
Lobbying_DOJFTC_tar	0.023**	0.030**	0.019	0.011	0.024	0.003
	(2.43)	(2.50)	(1.10)	(0.92)	(1.60)	(0.29)
Connect_DOJFTC_acq	-0.180	-0.420	-0.072	-0.013	-0.035	-0.006
	(-0.79)	(-1.29)	(-0.27)	(-0.20)	(-1.32)	(-0.43)
Connect_DOJFTC_tar	0.217**	0.377***	0.067	0.011	0.031	0.007
	(2.22)	(2.75)	(0.50)	(0.30)	(0.45)	(0.22)
Value	-0.077**	-0.109**	-0.055	0.046***	0.060**	0.039**
	(-2.22)	(-2.17)	(-1.03)	(2.71)	(2.37)	(2.19)
IndustryHHI_acq	4.782***	6.026**	3.532	-0.500	-1.026	-0.301
	(2.66)	(2.50)	(1.26)	(-0.67)	(-1.17)	(-0.45)
Total_MktShare	0.522	0.368	0.822	0.256	0.229	0.702***
	(1.25)	(0.69)	(1.33)	(1.20)	(0.79)	(3.21)
Relative_Size	-0.000	-0.000	0.000	-0.000**	-0.000**	-0.000*
	(-0.96)	(-1.50)	(0.62)	(-2.32)	(-2.28)	(-1.80)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
Observations	1,602	860	742	1,602	860	742
Pseudo/Adjusted R²	0.228	0.283	0.275	0.242	0.359	0.212

Table A.5.2: *F*-tests

This table presents *F*-tests for differences between the variables of interest in Table A.5.1. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
F-test:						
Judiciary_Subcom_acq + Judiciary_Subcom_tar = 0	0.25	0.05	0.04	0.09	0.16	0.33
Judiciary_Nonsubcom_acq + Judiciary_Nonsubcom_tar = 0	1.09	0.37	0.04	0.00	0.32	1.16
Judiciary_Subcom_acq = Judiciary_Nonsubcom_acq	0.26	0.52	0.11	0.76	0.81	0.46
Judiciary_Subcom_tar = Judiciary_Nonsubcom_tar	1.01	1.27	0.21	0.94	0.91	0.58

Online Appendix A.6: Sensitivity Analyses for Identification Tests

Table A.6.1: Regressions Using All 98 Judiciary Committee Turnover Cases
This table presents regression results for an examination of the association between an acquirer's judiciary committee representation and merger antitrust review outcomes around turnover shocks to an acquirer's judiciary committee representation based on all 98 turnover cases (i.e., including turnover cases for reasons other than death/illness or committee transfers). The dependent variable is set to a categorical variable capturing the merger regulatory review outcome (*Outcome*) using an ordered probit model or the length of the antitrust review in logged days (*Duration*) using OLS. All variables are defined in Appendix B. *z*-statistics (*t*-statistics) are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

	(1)	(2)
Dependent variable:	Outcome	Duration
Constant	-	4.185***
		(7.56)
Treatment	0.255	0.098
	(1.21)	(0.92)
Post	0.313*	0.083
	(1.70)	(1.38)
*Treatment * Post*	0.218**	0.031*
	(2.09)	(1.89)
JudiciaryCom_acq	-0.005	-0.003
	(-0.82)	(-1.20)
JudiciaryCom_tar	0.001	0.002
	(0.23)	(0.50)
Lobbying_DOJFTC_acq	-0.071***	-0.036**
	(-2.67)	(-2.52)
Lobbying_DOJFTC_tar	0.090	0.076
	(1.43)	(1.59)
Connect_DOJFTC_acq	-0.121	-0.133
	(-0.89)	(-1.29)
Connect_DOJFTC_tar	0.158	0.132
	(1.50)	(0.90)
Value	-0.087**	0.049**
	(-2.29)	(1.98)
IndustryHHI_acq	-3.092***	-0.885*
	(-2.78)	(-1.89)
Total_MktShare	-0.078	-0.146
	(-1.09)	(-1.25)
Relative_Size	-0.001	-0.000*
	(-1.22)	(-1.70)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	Yes	Yes
Observations	1,088	1,088
Pseudo/Adjusted R^2	0.135	0.126

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Online Appendix A.7: Methodology to Estimate of Lobbying Expenditures to Antitrust Regulators and Politicians.

We begin by obtaining corporate lobbying expenses from Political Money Line (PML). For each corporation, we identify the set of lobbyists that receive the firm's expenditures. A limitation of the PML data is that we cannot identify the specific parties towards which a corporation chooses to lobby. These parties include regulators, and politicians in the House and Senate. As such, we cannot observe the specific amount of money that the clients of lobbying firms (i.e., corporations) want the lobbying firm to distribute to each party. However, for each lobbying firm, we can observe the government agencies and/or chamber of Congress to which the lobbying firm allocates its total spending. We assume that the lobbying expenditures distributed to a recipient by each lobbying firm is uniform for all the lobbying firm's clients. Consequently, we use the proportion of a lobbying firm's total spending to antitrust regulatory agencies to proxy for a corporation's spending on this issue as a proportion of the corporation's lobbying expenditures allocated to that lobbying firm. Then, we sum the corporation's expenditures across all lobbying firms to which a corporation allocates lobbying funds to identify a corporation's total lobbying expenditures to antitrust regulators. We apply the same technique for corporate lobbying expenditures based on the lobbying firm's expenditures to lobby Congress. Although admittedly noisy, this approach may better approximate the lobbying related to a specific issue than simply using a corporation's total lobbying spending or the frequency of contact with government agencies to measure lobbying effort (e.g., Yu and Yu, 2011). Furthermore, it allows us to separately estimate the lobbying efforts towards congressional members versus those towards regulators.

We illustrate our approach using the following example. Suppose that in a given year Coca Cola has a total lobbying expenditure of $6 million and allocates $1 million, $2 million, and $3 million to three lobbying firms A, B, and C, respectively. Next, also assume that lobbying firms A, B, and C obtain $5 million, $8 million, and $4 million in aggregate from all their clients. Lobbying firm A in total spends $500K to lobby Congress and $500K to relevant regulatory agencies (i.e., the FTC/DOJ). Lobbying firm B spends $800K to lobby Congress and $300K to lobby the FTC/DOJ. Lobbying firm C spends $500K to lobby Congress and $700K to lobby the FTC/DOJ. The proportion of lobbying spending to Congress (FTC/DOJ) from lobbying firms A is 500k/$5m (500k/$5m) which is 10% (10%). This is shown in Column 5. The similar values for lobbying spending to Congress (FTC/DOJ) for lobbying firms B, and C are 10% (3.75%), and 12.5% (17.5%), respectively. We then determine Coca Cola's lobbying spending to Congress (the FTC/DOJ) as $1 million*10% + $2 million*10% +

$3 million*12.5% = \$675K (\$1 million*10% + \$2 million*3.75% + \$3 million*17.5% = \$700K). The steps are summarized in Table A.7.1.

Table A.7.1: Lobbying calculation example

(1)	(2)	(3)	(4)	(5)	(6)
Lobbying Firm	Coca Cola's Total Lobbying Spending	Lobbying Firm's total receipts	Lobbying Firm's Lobbying to Congress	Proportion (4)/(3)	Coca Cola's estimated lobbying to Congress (2)*(5)
A	$1 million	$5 million	$500,000	10%	100K
B	$2 million	$8 million	$800,000	10%	200K
C	$3 million	$4 million	$500,000	12.5%	375K
					Total = 675k

Online Appendix A.8: Why Are Antitrust Reviews Less Favorable For Targets With Judiciary Committee Representation?

In this Appendix, we consider possible mechanism to explain the findings in Table 3 that show mergers face greater antitrust hurdles and take longer to review when targets have judiciary committee representation. This finding is consistent with two explanations.

The first is influence from special interests as discussed in Subsection 6.1. In particular, according to capture theory, judiciary committee members act per the preferences of a constituent target firm. Thus, when a takeover bid is hostile, targets likely prefer that antitrust reviews be subject to more (and lengthier) scrutiny to help them repel the bid, negotiate a higher price, or find an alternative suitor. Conversely, when the merger is friendly, targets likely prefer that the bid be approved quickly to increase the value of the benefits for the merged firm (Rouse and Frame, 2009) and the target's executive compensation outcomes (Hartzell, Ofek, and Yermack, 2004).

The second possible explanation is related to judicial committee members' concerns about local area employment losses after the merger (and the effects on members' reelection prospects) as discussed in Subsection 6.2. Prior research finds that job losses following mergers are concentrated in the target firms' employee base (Shleifer and Vishny, 1990; Chambers and Honeycutt, 2011). Accordingly, judiciary committee members that represent merger targets may seek to prevent takeovers because of the risk of adverse employment effects in their political districts.

To differentiate between these two possibilities, we partition mergers based on the target's hostility towards the merger using a proxy that captures the attitude of the target company's management and board of directors toward the transaction and thus the direction of political influence over the antitrust process sought by the target. The proxy is based on the variable *Attitude* from the Thomson Reuters M&A dataset.[2]

Under a reelection concern argument, the direction of the expected pressure by a target's judiciary committee representation on antitrust regulators *should not* vary across hostile and friendly mergers because job losses will likely occur in both cases. In contrast, under a capture-based argument, the direction of the pressure by a target's judiciary committee representatives *should* vary with the

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[2] The term "hostile takeover" can be interpreted in different ways and thus may be inherently ambiguous (Schwert, 2000). Our objective in classifying mergers as hostile or friendly is simply to identify variation in the target firm managers' incentives to support the merger and the direction of their political representative(s) possible influence over antitrust reviews.

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target's favorability towards the merger. We classify all mergers not coded as "friendly" in the data as "hostile."

Table A.8 presents coefficients from re-estimations of equations (1) and (2) after splitting the sample based on whether the merger is hostile (columns (1)-(4)) or friendly (columns (5)-(8)) across high contest risk and low contest risk merger partitions. The results are consistent with a capture theory argument. For hostile takeovers, *Outcome* and *Duration* are positively related to the power of a target's judiciary committee representation. In contrast, for friendly mergers, *Outcome* and *Duration* are negatively related to the power of a target's judiciary committee representation.

In economic terms for hostile (friendly) high contest risk mergers, a one standard deviation increase in a target's judiciary committee seniority is associated with a 19% (9%) decrease (increase) in the probability of obtaining an early termination antitrust review outcome and an 8.5-day increase (2.3-day decrease) in the duration of a deal review. Similarly, a one standard deviation increase in an acquirer's committee seniority is associated with a 15.6% (6.9%) decrease in the probability of obtaining an early termination antitrust review outcome when the deal is hostile (friendly) and a 7.4-day decrease (2-day decrease) in the duration of a hostile (friendly) deal review.[3]

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[3] Untabulated *F*-test results indicate that the effect of judiciary committee representation is significantly larger in hostile mergers than in friendly mergers for acquirers (*F*-statistic = 4.79; *p*-value < 0.05), as well as for targets (*F*-statistic = 16.70; *p*-value < 0.01) (i.e., the difference between coefficients in columns (1) and (5)).

Table A.8: Antitrust Review Outcomes by Deal Hostility Partitions

This table presents regression results for an examination of the association between the seniority of a merger party's judiciary committee representation and merger antitrust review outcomes based on whether a deal is classified as Hostile or Friendly based on data from Thomson Reuters. The dependent variable is set to either a categorical variable capturing the merger regulatory review outcome (*Outcome*) using an ordered probit model or the length of the antitrust review in logged days (*Duration*) using OLS. We partition on whether the merger party is likely to have high or low demand for political involvement in the antitrust review process because of concerns about regulatory obstacles (High contest risk and low contest risk respectively). High contest risk mergers are all mergers between firms in the same product market as defined by Hoberg and Phillips (2010, 2016) or mergers involving firms in the top quartile of significant supply chain link industry pairs based on the Ahern and Harford (2014) methodology and low contest risk mergers are all other mergers. All specifications include acquirer industry, target industry, state, and year fixed effects. Standard errors are Huber-White sandwich estimator clustered at the state level. All variables are defined in Appendix B. *z*-statistics (*t*-statistics) are in parentheses. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

Dependent variable:	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Hostile				Friendly			
	Outcome		Duration		Outcome		Duration	
	High Contest Risk	Low Contest Risk	High Contest Risk	Low Contest Risk	High Contest Risk	Low Contest Risk	High Contest Risk	Low Contest Risk
Constant	-	-	2.292***	4.924***	-	-	3.397***	3.691***
			(3.66)	(8.94)			(7.38)	(11.21)
JudiciaryCom_acq	-0.016**	-0.007	-0.018***	-0.005	-0.004*	-0.001	-0.005*	-0.001
	(-2.15)	(-1.54)	(-2.80)	(-1.32)	(-1.84)	(-0.55)	(-1.70)	(-0.22)
JudiciaryCom_tar	0.012**	0.004	0.015**	0.003	-0.005*	-0.003	-0.004	-0.001
	(2.36)	(0.89)	(2.33)	(0.77)	(-1.69)	(-1.51)	(-1.39)	(-1.19)
Lobbying_DOJFTC_acq	-0.055***	-0.012	-0.012**	-0.003	-0.034**	-0.001	-0.012*	-0.005
	(-4.01)	(-0.95)	(-2.06)	(-0.55)	(-2.26)	(-0.16)	(-1.91)	(-0.71)
Lobbying_DOJFTC_tar	0.068**	0.034	0.022	0.013	-0.058*	-0.014	0.021	0.017
	(2.28)	(1.12)	(1.44)	(0.84)	(-1.76)	(-1.12)	(1.23)	(0.12)
Connect_DOJFTC_acq	-0.189*	-0.044	-0.034	-0.004	-0.610***	-0.139	-0.049	-0.026
	(-1.87)	(-1.48)	(-1.06)	(-0.08)	(-2.79)	(-1.38)	(-0.46)	(-1.31)
Connect_DOJFTC_tar	0.383**	0.069	0.064	0.014	-1.599*	-0.307	-0.191	-0.035
	(2.08)	(1.05)	(0.43)	(0.17)	(-1.67)	(-1.49)	(-0.80)	(-0.82)
Value	-0.182**	-0.096	0.047	0.017	-0.171*	0.004	0.086**	0.044
	(-2.18)	(-1.38)	(1.46)	(0.69)	(-1.81)	(0.05)	(2.09)	(1.61)
IndustryHHI_acq	2.907***	0.343	0.950	-2.555	0.128	8.011***	-1.704	0.185
	(2.79)	(0.04)	(0.69)	(-0.70)	(0.03)	(2.87)	(-0.88)	(0.26)
Total_MktShare	-1.510	1.934**	-0.144	0.973***	1.373	0.448	0.132	0.782**
	(-1.22)	(2.02)	(-0.40)	(2.68)	(1.33)	(0.58)	(0.21)	(2.35)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Relative_Size	-0.000	0.001*	-0.000*	-0.000	-0.000	-0.000	-0.000	-0.001
	(-0.64)	(1.67)	(-1.71)	(-1.19)	(-0.16)	(-0.60)	(-0.74)	(-1.57)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	507	433	507	433	353	309	353	309
Pseudo/Adjusted R²	0.346	0.265	0.405	0.173	0.519	0.475	0.383	0.242
F-test: $|JudiciaryCom\_acq| = |JudiciaryCom\_tar|$	0.04	0.44	0.22	0.27	0.10	1.10	0.12	0.00
F-test:	(1) = (5)	(2) = (6)	(3) = (7)	(4) = (8)	-	-	-	-
JudiciaryCom_acq	4.79**	3.00*	6.76**	0.91	-	-	-	-
JudiciaryCom_tar	16.70***	4.06**	14.52***	2.01	-	-	-	-

Online Appendix A.9: Post Merger Performance

In this Appendix, we present tests of the association between judiciary committee representation and an acquirer's post-merger performance. All else equal, more favorable antitrust review outcomes of anticompetitive mergers are likely to allow acquirers to generate greater economic rents because of the reduction in competition and/or increased ability to control supply or distribution channels for the industry (in the case of vertical mergers). We measure economic rents using two proxies: growth in sales (*SalesGrowth*) and buy and hold abnormal market returns. *SalesGrowth* is measured as the acquirer's industry-adjusted sales growth over the three years following the merger. Buy and hold abnormal market returns (*3YR_BHAR*) are also measured over the three years following the merger announcement date (Mitchell and Stafford, 2000; Wang and Xie, 2009). We estimate the post-merger performance for our primary measure of acquirer judiciary committee representation and the two alternate measures detailed in the Online Appendix.

The findings in Table A.9 show that acquirer judiciary committee representation is positively related to both measures of the acquirer's post-merger performance. In two out of three specifications when the dependent variable is set to *SalesGrowth*, the coefficient on the measure of the acquirer's judiciary committee representation is statistically significant (at the 10% level). When the dependent variable is *3YR_BHAR*, the coefficient on the variable measuring the acquirer's judiciary committee representation is statistically significant across all three specifications and at the 5% level or better in two of the specifications (at the 10% level or better). This finding holds across all three of our proxies for judiciary committee representation. In sum, these findings are consistent with the notion that political interference in antitrust review decisions has economically meaningful impacts on acquirers' long-term post-merger performance.

These findings are subject to some caveats. First, although we follow prior studies and examine long-run returns after the merger is completed, there are multiple additional events over the course of a merger antitrust review process during which investors could impound the effects of judiciary committee influence into prices: the initial merger announcement, the merger antitrust review outcome announcement, and the merger competition date. Given the number of possible relevant events, any estimates of the economic magnitudes of the effect are likely to be measured with significant error. Second, given the three-year window used to measure performance, it is possible that omitted variables can explain post-merger performance. Thus, we are only able to document correlations between judiciary committee representation and post-merger performance. Third, we cannot determine the mechanism through which acquirers benefit from favorable antitrust reviews. In particular, are the

benefits due to higher prices of goods and services or reductions in the set of product choices available to consumers? In practice, these mechanisms are likely to co-exist.

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Table A.9: Post-Merger Performance

This table presents regression results for an examination of the association between judiciary committee representation and post-merger performance. The dependent variable is either the three-year industry-adjusted sales growth following the merger approval (*SalesGrowth*) or the three-year buy-and-hold abnormal return (*3YR_BHAR*) following the merger approval. All variables are defined in Appendix B. t-statistics are in parentheses. Standard errors are Huber-White sandwich estimator clustered at the state level. All specifications include acquirer industry, target industry, state, and year fixed effects. Statistical significance at the 1%, 5%, and 10% levels is denoted by ***, **, and *, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable:	*SalesGrowt*	*3YR_BHA*	*SalesGrowt*	*3YR_BHA*	*SalesGrowt*	*3YR_BHA*
Constant	0.577***	0.479*	0.577***	0.487*	0.586***	0.498*
	(3.92)	(1.84)	(3.92)	(1.90)	(3.92)	(1.90)
JudiciaryCom_acq	0.001	0.001*	-	-	-	-
	(1.01)	(1.85)				
JudiciaryCom_num_acq	-	-	0.007*	0.016**	-	-
			(1.88)	(2.11)		
JudiciaryCom_dummy_acq	-	-	-	-	0.032*	0.114***
					(1.92)	(2.59)
Lobbying_DOJFTC_acq	0.001	0.001	0.001	0.001	0.001	0.001
	(0.63)	(0.23)	(0.65)	(0.25)	(0.64)	(0.27)
Connect_DOJFTC_acq	-0.009	-0.053	-0.007	-0.051	-0.008	-0.053
	(-0.37)	(-0.99)	(-0.32)	(-0.97)	(-0.36)	(-1.04)
Hostile	0.072	-0.259	0.071	-0.263	0.075	-0.253
	(1.37)	(-1.32)	(1.34)	(-1.34)	(1.43)	(-1.30)
Size_acq	-0.105***	0.016	-0.105***	0.015	-0.106***	0.016
	(-7.99)	(0.77)	(-8.03)	(0.73)	(-8.01)	(0.77)
MB_acq	0.013***	-0.020***	0.013***	-0.021***	0.013***	-0.019***
	(2.92)	(-3.00)	(2.90)	(-3.07)	(2.97)	(-2.87)
Leverage_acq	0.062	0.233	0.066	0.244	0.059	0.226
	(0.70)	(1.34)	(0.74)	(1.40)	(0.67)	(1.31)
Value	0.077***	-0.049***	0.077***	-0.049***	0.076***	-0.051***
	(6.98)	(-2.90)	(6.91)	(-2.91)	(7.06)	(-3.06)
IndustryHHI_acq	0.241	0.059	0.237	0.067	0.258	0.142
	(0.39)	(0.08)	(0.39)	(0.09)	(0.42)	(0.20)
Total_MktShare	0.010	-0.144	0.007	-0.145	0.008	-0.138
	(0.10)	(-0.88)	(0.07)	(-0.89)	(0.08)	(-0.86)
Relative_Size	0.000***	-0.000***	0.000***	-0.000***	0.000***	-0.000***
	(4.88)	(-2.75)	(4.84)	(-2.72)	(4.87)	(-2.75)
Acquirer Industry, Target Industry, State, and Year Fixed Effects?	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,602	1,602	1,602	1,602	1,602	1,602
Adjusted R^2	0.200	0.222	0.200	0.223	0.201	0.228