Plaintiffs by Proxy: A Firm-Level Approach to WTO Dispute Resolution

Online Appendix

Contents

A Data Collection

A.1 List of Firms involved in WTO disputes

Abbott Laboratories	Fujitsu	Novartis
Allied Domecq	Gaz de France	Nucor
Alstom	General Dynamics	Onex
Apple	General Motors	Pepsico
Archer Daniels Midland	Georgia-Pacific	Petrobras
AT&T Corp	Glaxo Wellcome	Peugeot
Aventis	Goodyear Tire & Rubber	Pfizer
Banco Do Brasil	H.J. Heinz	Pharmacia
Bank of China	Hewlett-Packard	Philip Morris
Bank of Montreal	Hitachi	Procter & Gamble
Baosteel Group	Holcim	Raytheon
Bayer	Home Depot	Renault
Bear Stearns	Honda Motor	Ricoh
BMW	Honeywell International	RJ Reynolds tobacco
Boehringer Ingelheim	Hyundai	Roche Group
Boeing	Hyundai Heavy Industries	Rockwell International
Bombardier	Intel	Royal Bank of Canada
Bristol-Myers Squibb	International Business Machines	Royal Dutch Shell
Canadian Imperial Bank of Commerce	International Paper	Saint-Gobain
Canon	Itochu	Samsung
Caterpillar	Johnson & Johnson	Samsung Electronics
Cemex	Kookmin Bank	Shanghai Automotive
China Minmetals	Kraft Foods	Shinhan Financial Group
Chrysler	KT	Siemens
Cisco Systems	Kvaerner	Sinosteel
Citigroup	Kyocera	Sony
Coca-Cola	Lehman Brothers Holdings	Sprint Nextel
Commerzbank	LG	Smnitomo
Compaq Computer	Lockheed Martin	Suzuki Motor
Costco	Loews	Thomson
Credit Suisse Group	Marathon Oil	ThyssenKrupp
Daewoo	Matsushita Electric Industrial	Time Warner
Daimlerchrysler	Mazda Motor	Toshiba
Delphi	Merck	Toyota Motor
Diageo	Merrill Lynch	TRW
Dongfeng Motor	Microsoft	TUI
Doosan	Mitsubishi Motors	Tyson Foods
Eastman Kodak	Morgan Stanley	United States Steel
Eli Lilly	Motorola	United Technologies
Exxon Mobil	NEC	Volkswagen
FedEx	Nike	Volvo
Fiat	Nissan Motor	Walt Disney
Ford Motor	Northrop Grumman	Weyerhaeuser
Fuji Heavy Industries	Northwest Airlines	Woori Finance Holdings
		Xerox

Table A1: List of Firms Involved in WTO Disputes

A.2 Lobbying Report Example

Clerk of the House of Representatives
Legislative Resource Center
B-106 Cannon Building
Washington, DC 20515
http://lobbyingdisclosure.house.gov

Secretary of the Senate
Office of Public Records
232 Hart Building
Washington, DC 20510
http://www.senate.gov/lobby

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - **All Filers Are Required to Complete This Page**

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

2. Address
Address1 555 13th Street NW   Address2
City Washington   State DC   Zip Code 20004   Country USA

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

4a. Contact Name   **b. Telephone Number**   **c. E-mail**   **5. Senate ID#**
Mr. H.P. GOLDFIELD   2026378600   kringenberg@stonebridge-international.com   76797-36

7. Client Name ☐ Self   ☐ Check if client is a state or local government or instrumentality   **6. House ID#**
Airbus Americas, Inc.   361290001

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

9. Check if this filing amends a previously filed version of this report ☐
10. Check if this is a Termination Report ☐   Termination Date _____   11. No Lobbying Issue Activity ☐

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

12. Lobbying	**13. Organizations**
INCOME relating to lobbying activities for this reporting period was:	**EXPENSE** relating to lobbying activities for this reporting period were:
Less than $5,000 ☐	Less than $5,000 ☐
$5,000 or more ☑ $ 50,000.00	$5,000 or more ☐ $ ____
Provide a good faith estimate, rounded to the nearest $10,000, of all lobbying related income from the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).	**14. REPORTING** Check box to indicate expense accounting method. See instructions for description of options.
	☐ **Method A.** Reporting amounts using LDA definitions only
	☐ **Method B.** Reporting amounts under section 6033(b)(8) of the Internal Revenue Code
	☐ **Method C.** Reporting amounts under section 162(e) of the Internal Revenue Code

Signature Digitally Signed By: H.P. Goldfield, Vice Chairman   **Date** 01/21/2009

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code AER

16. Specific lobbying issues

Matters pertaining to the U.S. and European civil aviation industries

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

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

18. Name of each individual who acted as a lobbyist in this issue area

First Name	Last Name	Suffix	Covered Official Position (if applicable)	New
H.P.	Goldfield		Ass't Sec. of Commerce for Trade (cont.)	☐
H.P.	Goldfield		Development, 1984-1987;	☐
Janice M.	O'Connell		Sen. For. Relations Comm.,1977-2007 (cont.)	☐
Janice M.	O'Connell		Senate Banking Committee, 2007	☐

19. Interest of each foreign entity in the specific issues listed on line 16 above   ☐ Check if None

Airbus S.A.S.
EADS N.V.

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code AVI

16. Specific lobbying issues

Matters pertaining to the U.S. and European civil aviation industries

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

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

18. Name of each individual who acted as a lobbyist in this issue area

First Name	Last Name	Suffix	Covered Official Position (if applicable)	New
H.P.	Goldfield		Ass't Sec. of Commerce for Trade (cont.)	☐
H.P.	Goldfield		Development, 1984-1987;	☐
Janice M.	O'Connell		Sen. For. Relations Comm.,1977-2007 (cont.)	☐
Janice M.	O'Connell		Senate Banking Committee, 2007	☐

19. Interest of each foreign entity in the specific issues listed on line 16 above   ☐ Check if None

Airbus S.A.S.
EADS N.V.

Figure A1: Lobby Report by Airbus.

A.3 Text Mining Method for Data Collection

We use two original sources to collect the list of Fortune 500 firms involved in WTO disputes: official WTO dispute settlement documentation and newspaper articles. We use basic automated content analysis to extract firm names from WTO documents, which include official requests for consultation, panel and Appellate Body reports. In total, we gather 1,131 documents for this work. Below is an example of extracted firm name from "WT/DS222/R."

A.   BRAZIL'S REQUEST FOR INTERIM REVIEW

6.2 Brazil drew the attention of the Panel to a number of typographical and factual errors in the interim report, which we have corrected.

6.3 Brazil requested a change to the Panel's description of Brazil's argument in paragraph 7.221 of the interim report. Canada denied the need for any such change. In order to avoid any misunderstanding, we have deleted that paragraph from the final version of our report.

6.4 Brazil requested the inclusion of a note to paragraph 7.226 of the interim report, to the effect that Brazil was able to obtain details of Embraer's offer to Air Wisconsin. Canada objected to the note requested by Brazil, in part because Brazil obtained those details in response to a direct request from the Panel. In our view, the fact that Brazil was able to obtain details of an offer made by Embraer in response to a request from the Panel has no bearing on the issue of whether or not it would be realistic to expect the EDC to have access to data regarding commercial financing transactions involving Bombardier aircraft. We therefore decline to include the note requested by Brazil.

Figure A2: Example of Data Collection Methods from WTO Official Documentation

We supplement WTO documentation using newspaper articles. Firms involved in WTO disputes are found by keyboard searches in Lexis-Nexis newspaper database using each dispute's unique identifier as the search term. After downloading the top 25 results for each dispute, we match the list of Fortune 500 firms with these newspaper articles using automated content analysis employing Python. To check the validity of our methods, we read the articles to see whether the extracted firms are actually related to disputes. As a supplementary source, we rely on Bown (2010, 100-101), which contains a list of firms involved in disputes, but is limited in that it only covers 14 WTO disputes.

B Additional Analysis

B.1 Descriptive Statistics

Table B1: Descriptive Statistics

Statistic	N	Mean	SD	Min	Max
Firm-level variables					
Dispute initiation	13,369	0.004	0.07	0	1
Logged political contributions	10,033	16.74	1.22	12.12	20.15
Section 301	14,229	0.03	0.159	0	1
Import policy	14,229	0.24	0.43	0	1
Distortion	14,229	0.41	0.49	0	1
Import penetration ratio	9,992	8.34	35.59	−2,577.9	307.64
Logged production value	9,534	26.62	0.77	21.97	29.07
World export value	7,813	16.78	1.72	10.77	19.12
EU	14,790	0.25	0.43	0	1
Japan	14,790	0.16	0.36	0	1
Mexico	14,790	0.08	0.27	0	1
Korea	14,790	0.15	0.35	0	1
Non-OECD countries	14,790	0.29	0.45	0	1

B.2 Additional models of WTO Dispute Initiation

Table B2: Political Contributions: Democrats vs. Republicans

	Contributing to a Democrat		Contributing to a Republican	
	(1)	(2)	(3)	(4)
Political contributions	0.423**	0.394*	0.435**	0.460**
	(0.216)	(0.238)	(0.210)	(0.233)
Duration	-0.167***	-0.150***	-0.163**	-0.149**
	(0.058)	(0.058)	(0.066)	(0.059)
Section 301	3.179***	3.721***	3.161***	3.724***
	(0.435)	(0.551)	(0.828)	(0.551)
Production value	0.001	-0.012	-0.027	-0.101
	(0.409)	(0.414)	(0.410)	(0.419)
World export value	0.025	-0.016	0.022	-0.026
	(0.113)	(0.118)	(0.115)	(0.119)
MPEN (partner)	0.022***	0.017***	0.021***	0.017***
	(0.005)	(0.006)	(0.005)	(0.006)
Import policy	1.340***	1.422***	1.330***	1.397***
	(0.353)	(0.365)	(0.417)	(0.365)
Distortion	1.965***	1.943***	1.943***	1.937***
	(0.512)	(0.518)	(0.514)	(0.518)
EU		1.580**		1.679**
		(0.700)		(0.710)
Japan		0.989		1.014
		(0.825)		(0.833)
Mexico		0.870		0.856
		(0.782)		(0.785)
Korea		0.330		0.474
		(0.814)		(0.827)
Non-OECD		0.901		0.977
		(0.807)		(0.814)
Intercept	-14.176	-13.699	-13.830	-12.509
	(10.850)	(10.820)	(10.710)	(10.666)
Number of Barriers	378	378	378	378
Observations	5,209	5,209	5,209	5,209

Notes: We use random-effects logistic regression models. Canada is the omitted comparison group for the trade partner. ***$p < 0.01$,** $p < 0.05$,* $p < 0.1$.

B.3   Heckman Selection Model of Early Settlement

Table B3: How do Political Contributions Affect Early Settlement?

	Dependant Variable: Early Settlement	
	(1)	(2)
Political contributions	0.044	0.039
	(0.075)	(0.075)
Complainant GDP	-0.445	-0.204
	(0.909)	(0.916)
Defendant GDP	0.103	0.122
	(0.149)	(0.157)
Systemic Issue	-0.309**	-0.327**
	(0.142)	(0.144)
Complainant Firm (count)	-0.066	-0.063
	(0.044)	(0.045)
Defendant Firm (count)	-0.027	-0.026
	(0.030)	(0.031)
SPS or TBT	0.182	0.213
	(0.160)	(0.159)
Anti-Dumping	0.110	0.139
	(0.275)	(0.285)
Agriculture	-0.207	-0.222
	(0.194)	(0.196)
Article (count)	0.009	0.010
	(0.016)	(0.016)
Intercept	3.574	0.392
	(10.142)	(10.272)
	Selection equation: Likelihood of Dispute Initiation at the WTO	
Political contributions	0.121*	0.116
	(0.066)	(0.071)
Section 301	1.260***	1.455***
	(0.182)	(0.218)
Production value	-0.205**	-0.193*
	(0.104)	(0.111)
Import policy	0.366***	0.407***
	(0.122)	(0.126)
Distortion	0.517***	0.532***
	(0.136)	(0.140)
Election	-0.151	-0.156
	(0.119)	(0.122)
EU		0.758***
		(0.280)
Japan		0.364
		(0.303)
Mexico		0.595*
		(0.306)
Korea		0.380
		(0.286)
Non-OECD		0.207
		(0.306)
Intercept	0.402	-0.304
	(2.307)	(2.421)
Observations	8063	8063

Notes: ***$p < 0.01$,** $p < 0.05$,* $p < 0.1$.

B.4 Heckman Selection Model of Panel Rulings

Table B4: Do Political Contributions Influence Panel Rulings?

	Dependant Variable: Likelihood of a Pro-complainant Panel Ruling	
	(1)	(2)
Political contributions	0.226***	0.226***
	(0.049)	(0.050)
Complainant GDP	0.390	0.388
	(0.575)	(0.587)
Defendant GDP	0.130	0.148
	(0.104)	(0.110)
Systemic Issue	0.001	0.003
	(0.084)	(0.084)
Complainant Firm (count)	-0.000	-0.000
	(0.025)	(0.025)
Defendant Firm (count)	0.000	0.000
	(0.016)	(0.016)
SPS or TBT	-0.126	-0.122
	(0.128)	(0.129)
Anti-Dumping	0.260	0.289
	(0.191)	(0.200)
Agriculture	0.138	0.121
	(0.129)	(0.129)
Article (count)	-0.023	-0.022*
	(0.012)	(0.012)
Intercept	-9.741	-9.898
	(6.660)	(6.779)
	Selection equation: Likelihood of Dispute Initiation at the WTO	
Political contributions	0.140*	0.103
	(0.084)	(0.092)
Section 301	1.287***	1.395***
	(0.211)	(0.253)
Production value	-0.216*	-0.172
	(0.129)	(0.137)
Import policy	0.470***	0.499***
	(0.153)	(0.159)
Distortion	0.771***	0.792***
	(0.224)	(0.227)
Election	0.049	0.029
	(0.164)	(0.169)
EU		0.419
		(0.310)
Japan		0.282
		(0.326)
Mexico		0.486
		(0.326)
Korea		0.012
		(0.332)
Non-OECD		0.008
		(0.341)
Intercept	-0.195	-0.989
	(2.854)	(2.986)
Observations	8063	8103

Notes: $^{***}p < 0.01,^{**} p < 0.05,^{*} p < 0.1$.

B.5 OLS Regression Analysis on the Direction of Panel Rulings

Table B5: Do Political Contributions Influence Panel Rulings?

	Dependant Variable: Likelihood of Pro-complainant Panel Ruling	
	(1)	(2)
Political contributions	0.176***	0.198***
	(0.047)	(0.066)
Complainant GDP	0.256	0.557
	(0.570)	(0.799)
Defendant GDP	0.032	0.060
	(0.091)	(0.137)
Systemic issue	0.048	0.024
	(0.102)	(0.116)
Complainant firm (count)	0.005	−0.004
	(0.027)	(0.035)
Defendant firm (count)	−0.004	0.003
	(0.020)	(0.023)
SPS or TBT		−0.066
		(0.173)
Dumping		0.143
		(0.250)
Agriculture		0.085
		(0.176)
Cited article		−0.017
		(0.017)
Constant	−5.755	−10.271
	(6.843)	(9.323)

Notes: ***$p < 0.01$,** $p < 0.05$,* $p < 0.1$.
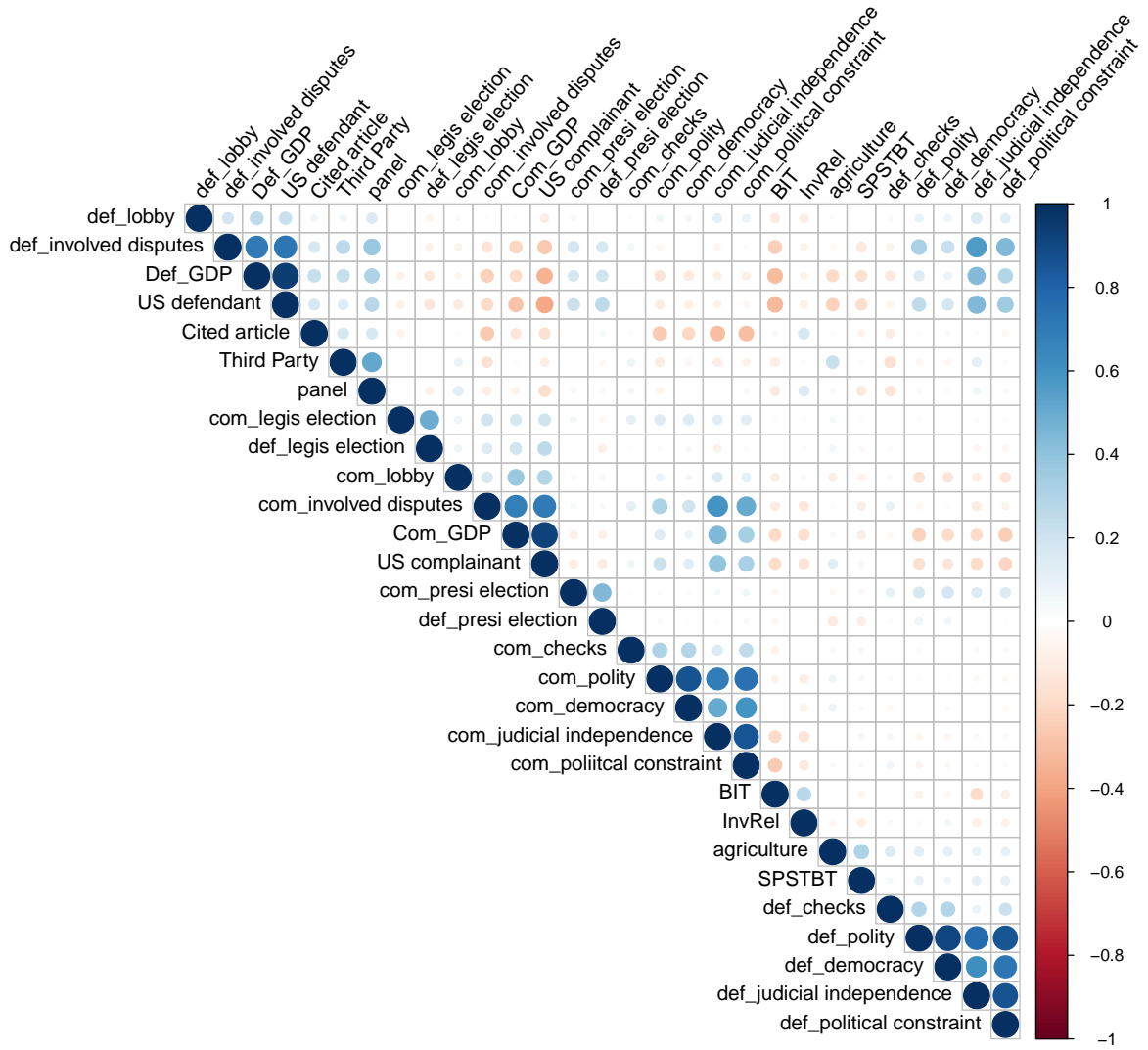
B.6   Correlation Plot

Figure B1: Correlation Plot

B.7 Monthly-Level Cox Models

Table B6: Effect of Lobbying on Dispute Duration (Monthly-Level Data)

	Dependant Variable: Duration of a WTO Dispute					
	(1)	(2)	(3)	(4)	(5)	(6)
Firm Lobby *(complainant)*	-0.017	-0.018	0.056	-0.026	-0.018	-0.018
	(0.015)	(0.017)	(0.085)	(0.018)	(0.018)	(0.019)
Firm lobby *(defendant)*	-0.061**	-0.075***	-0.091***	-0.105***	-0.110***	-0.147**
	(0.027)	(0.029)	(0.029)	(0.031)	(0.030)	(0.062)
Logged GDP *(complainant)*	0.074	-0.113				
	(0.046)	(0.072)				
Logged GDP *(defendant)*	-0.231***	-0.095				
	(0.061)	(0.072)				
Polity score *(complainant)*	-0.091***					
	(0.024)					
Polity score *(defendant)*	-0.068***					
	(0.017)					
U.S. complainant			-0.426*	-0.518**		
			(0.234)	(0.232)		
Firm lobby *(complainant)* × U.S. complainant			-0.075			
			(0.088)			
Firm lobby *(defendant)* × U.S. complainant				0.252***		
				(0.085)		
U.S. defendant					0.257	0.202
					(0.207)	(0.204)
Firm Lobby *(complainant)* × U.S. defendant					-0.137	
					(0.198)	
Firm Lobby *(defendant)* × U.S. defendant						0.052
						(0.070)
Involved disputes *(complainant)*	-0.025***	-0.029***	-0.027***	-0.027***	-0.036***	-0.035***
	(0.009)	(0.009)	(0.009)	(0.009)	(0.008)	(0.008)
Involved disputes *(defendant)*	-0.002	-0.007	-0.014*	-0.013*		
	(0.009)	(0.010)	(0.007)	(0.007)		
Cited article	-0.003	0.002	-0.003	-0.004	-0.011	-0.011
	(0.011)	(0.012)	(0.012)	(0.012)	(0.012)	(0.012)
Third parties	-0.030**	-0.018	-0.028*	-0.030**	-0.032**	-0.030**
	(0.014)	(0.014)	(0.015)	(0.015)	(0.015)	(0.015)
SPS/TBT	0.142	-0.082	0.030	-0.011	0.176	0.242
	(0.211)	(0.228)	(0.222)	(0.224)	(0.224)	(0.236)
Agriculture	-0.373*	-0.427**	-0.318*	-0.346*	-0.319*	-0.286
	(0.193)	(0.193)	(0.188)	(0.189)	(0.192)	(0.197)
Election *(complainant)*		-0.004	-0.004	-0.005	-0.002	-0.002
		(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
Election *(defendant)*		-0.004	-0.001	-0.002	0.001	0.001
		(0.006)	(0.005)	(0.005)	(0.006)	(0.006)
Political constraint *(complainant)*		2.152***	1.480***	1.552***	1.472***	1.458***
		(0.622)	(0.445)	(0.447)	(0.434)	(0.437)
Political constraint *(defendant)*		-2.180***	-2.621***	-2.677***	-3.204***	-3.176***
		(0.511)	(0.483)	(0.484)	(0.436)	(0.436)
TIP_S		0.133	0.132	0.123	0.132	0.143
		(0.163)	(0.163)	(0.162)	(0.163)	(0.162)
Observations	9,416	8,819	8,819	8,819	8,819	8,819
R^2	0.013	0.014	0.014	0.014	0.013	0.013
Max. Possible R^2	0.333	0.328	0.328	0.328	0.328	0.328

Notes: $^{***}p < 0.01,^{**}p < 0.05,^{*}p < 0.1$. Cox Proportional Hazards Model; Coefficients and standard errors.

B.8 Hazard Ratios

Table B7: Hazard Ratios Corresponding to Table 5 in the Main Paper.

	(1)	(2)	(3)	(4)	(5)	(6)
Complainant firm lobby	0.979 (0.949 , 1.011)	0.974 (0.941 , 1.007)	0.988 (0.835 , 1.169)	0.973 (0.940 , 1.008)	0.971 (0.938 , 1.006)	0.971 (0.937 , 1.005)
Defendant firm lobby	0.951 (0.906 , 0.999)	0.946 (0.900 , 0.994)	0.940 (0.895 , 0.988)	0.934 (0.886 , 0.984)	0.933 (0.938 , 1.006)	0.94 (0.858 , 1.029)
Complainant GDP	1.008 (0.915 , 1.111)	0.994 (0.873 , 1.133)				
Defendant GDP	0.822 (0.731 , 0.926)	0.854 (0.756 , 0.963)				
Complainant polity score	0.939 (0.896 , 0.984)					
Defendant polity score	0.941 (0.907 , 0.976)					
US complainant			0.589 (0.357 , 0.974)	0.562 (0.343 , 0.922)		
Com_lobby*US_Com			0.987 (0.831 , 1.173)			
Def_lobby*US_Com				1.121 (0.952 , 1.320)		
US defendant					1.092 (0.745 , 1.600)	1.097 (0.744 , 1.616)
Com_lobby*US_Def					0.981 (0.721 , 1.336)	
Def_lobby*US_Def						0.989 (0.885 , 1.106)
Com_Inv Disputes	0.996 (0.982 , 1.010)	0.993 (0.979 , 1.008)	1.004 (0.989 , 1.019)	1.004 (0.989 , 1.019)	0.994 (0.983 , 1.006)	0.994 (0.983 , 1.006)
Def_Inv Disputes	1.002 (0.987 , 1.018)	1.003 (0.988 , 1.020)	0.990 (0.978 , 1.002)	0.990 (0.978 , 1.002)		
Cited Article	0.998 (0.977 , 1.020)	1.001 (0.979 , 1.023)	1.000 (0.978 , 1.022)	0.999 (0.978 , 1.021)	0.995 (0.9737 , 1.017)	0.995 (0.973 , 1.017)
Third Party	0.994 (0.964 , 1.026)	0.998 (0.967 , 1.029)	0.987 (0.957 , 1.018)	0.985 (0.954 , 1.016)	0.982 (0.951 , 1.013)	0.981 (0.951 , 1.013)
SPS/TBT	1.201 (0.794 , 1.817)	1.170 (0.759 , 1.803)	1.234 (0.804 , 1.895)	1.210 (0.786 , 1.862)	1.386 (0.903 , 2.127)	1.368 (0.869 , 2.152)
Agriculture	0.763 (0.531 , 1.097)	0.742 (0.516 , 1.066)	0.776 (0.544 , 1.106)	0.760 (0.532 , 1.086)	0.771 (0.534 , 1.114)	0.766 (0.526 , 1.116)
Com_Election		0.898 (0.666 , 1.212)	0.934 (0.693 , 1.258)	0.931 (0.691 , 1.255)	0.909 (0.675 , 1.224)	0.908 (0.674 , 1.223)
Def_Election		0.903 (0.667 , 1.222)	0.886 (0.653 , 1.201)	0.891 (0.657 , 1.209)	0.899 (0.662 , 1.219)	0.899 (0.662 , 1.219)
Com_Polconv		1.167 (0.441 , 3.085)	1.042 (0.492 , 2.210)	1.068 (0.502 , 2.271)	1.074 (0.512 , 2.251)	1.074 (0.513 , 2.249)
Def_Polconv		0.281 (0.142 , 0.553)	0.256 (0.132 , 0.496)	0.246 (0.127 , 0.479)	0.223 (0.119 , 0.415)	0.222 (0.119 , 0.414)
TIPs		0.918 (0.675 , 1.249)	0.897 (0.654 , 1.232)	0.890 (0.649 , 1.22)	1.018 (0.750 , 1.381)	1.018 (0.750 , 1.3818)

Note: 95% confidence intervals in parenthesis.