

Analyzing Google's Use of Lobbying in their 2012 Federal Trade Commission Investigation

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Abstract

This paper explores Google's lobbying efforts in relation to Google's 2012 Federal Trade Commission (FTC) investigation in order to determine whether the FTC investigation potentially influenced Google's use of direct lobbying. To do so, Google's total lobbying expenditures and number of hired lobbyists one year before, during, and one year after the FTC investigation were examined. Through the use of the percent change formula, a quantification of the percent change in Google's lobbying efforts in these different time periods delineate if the FTC investigation played a role in Google's use of direct lobbying during this period. The result was that there was a "peak" of lobbying expenditures and hired lobbyists during the FTC investigation. There was a 292.029% increase in lobbying expenditures and a 105.263% increase in hired lobbyists from the year before the FTC investigation to the middle of the investigation. Furthermore, there was a 29.39% decrease in lobbying expenditures and a 17.094% decrease in hired lobbyists from the middle of the FTC investigation to one year after the investigation had concluded. This illustrates that Google increased their lobbying efforts during the FTC investigation and decreased their lobbying once the FTC investigation ended. This has several key implications in facilitating the understanding of the motivations of lobbying and a corporation's potential reaction when faced with a federal antitrust investigation. Therefore, it can be concluded that when corporations are under regulatory concerns, they may turn towards direct lobbying efforts to provide a sense of security and influence during a time of uncertainty.

Introduction

With research quantifying Google's lobbying reaction to potential FTC regulation, there can be a potential foreshadowing as to how Google may respond to future antitrust regulation -- specifically, antitrust scrutiny that Google is facing currently and may be charged with in the near future. My research adds a new layer of understanding for how technological corporations, such as Google, may react when placed under the stress of potential regulation. The House of Representatives Subcommittee on Antitrust, Commercial and Administrative Law of the Committee on the Judiciary 2020 Investigation of Competition in Digital Markets concluded with the assertion that Google has participated in anti-competitive practices and is a monopoly; this assertion paves the way towards potential antitrust regulation for Google (Nadler & Cicilline 2020). With Google's future potentially revisiting antitrust investigations, having research analyzing Google's past response to an antitrust investigation may be integral towards predicting how Google may respond to a future antitrust investigation. Possibly the largest implication of my research is the ability for it to analyze a situation -- Google's response to an antitrust investigation -- that may be repeated in the near future, potentially foreshadowing Google's future lobbying reactions. This research can extend to other Big Tech companies similar to Google who have similar lobbying powers and may also be placed under regulatory pressures.

Literature Review

Lobbying and its Significance

Direct lobbying is an attempt to influence legislation or regulation directly by using communication with any member from the legislative or a government official employed in the crafting of legislation; however, the communication will be direct lobbying only if it refers to a specific piece of legislation and includes a specific point of view on it. Lobbying is a method for a firm to advocate a point of view on a piece of legislation or regulation, with direct lobbying being conducted through the legislators themselves. Recent years have seen a rise in overall lobbying spending, with a peak in 2020 with \$5.3 billion in total lobbying spending in America (Center for Responsive Politics 2021). With lobbying becoming more influential, the role of the firms who lobby has also increased when it comes to legislative issues.

In America, lobbying is most commonly used by companies or corporations and directed towards politicians in Congress or other governmental positions with legislative influence. It has been quantified that approximately 92% of corporations who lobby one year will continue lobbying the next year (Kerr & Lincoln 2014, page 345). An aspect of lobbying's effectiveness is seen through corporations continuing their lobbying for years because of the positive results lobbying may yield. Specifically, it has been concluded that when lobbying is conducted relating to financial issues, lobbying does positively affect a company's ability to influence financial regulations and engage in revenue hiding (Figueiredo & Richter 2014). Typically, lobbying conducted to influence financial regulations has been centered on antitrust laws, especially with large corporations or conglomerates; thus, allowing companies to potentially lessen or influence the financial restrictions that legislation could enact.

Lobbying also forms a deeper relationship between the government official and the firm lobbying them: a firm lobbying a government official may receive protection from the government official they communicated with. A study analyzing lobbying's effects ultimately found that fraudulent firms with lobbying power had, on average, 117 more days before they were caught for fraud than other fraudulent firms that did not have lobbying power (Frank Yu, Xiaoyun Yu, 2011, page 1896). This was concluded from assessing the lobbying spending of fraudulent firms from 1998 to 2004 and its relation to the firm's detection rate for fraud; the study ultimately found a lower detection rate for firms with lobbying connections. With lobbying forming complex relationships between the government and private sector, it becomes a relevant and significant topic to research concerning the American status quo of a multitude of powerful corporations with the means -- and incentive -- to influence government power.

Motivations for Lobbying

When a firm wants to gain a voice in the legislative process, it typically comes with an end goal in mind that is emphasized throughout the lobbying process. A research study focused on identifying lobbying's purpose concluded that lobbying is primarily conducted to facilitate a firm's increase in profits or project success at the time or to facilitate these goals in the future (Hill, Kelly, Lockhart, & Van Ness, 2013, page 933). Therefore, those who lobby have a specific agenda and are typically unconcerned with other ramifications that may occur. Firms may turn to lobbying as a way to increase their profits in general, or they may be pushed to turn to lobby during a time of stress for their firm. Lobbying can provide a relative idea of security; therefore, it is delineated that a company, when facing regulatory pressures, may turn to lobbying as a means to acquire this sense of security. Corporations, during a non-fraudulent year, are estimated to spend \$1.61 million in lobbying expenses; meanwhile, during a fraudulent year, they are estimated to spend \$2.08 million in lobbying expenses: a 29% increase (Yu, 2011, pg 1884). This further demonstrates the significance of lobbying; it has become a method firms use to defend their interests and profits. Therefore, lobbying may be utilized with government officials during a time of potential regulations or investigations to potentially influence the results of these issues.

Google and the Federal Trade Commission (FTC)

The Federal Trade Commission (FTC), an American independent, bipartisan agency, enforces American antitrust laws while upholding consumer protections. The FTC is led by five commissioners who are nominated by the President and approved by the Senate; they serve a seven-year term to aid in conducting investigations, suing anti-competitive companies, and promoting education on competitive market practices.

The FTC commissioners first voted towards gathering information on Google for potential anticompetitive practices on June 13, 2011, initiating an investigation to determine whether Google gave an unfair preference to its content while demoting its competitors' content from the Google search results page (also known as "search bias"). Using hearings of key Google executives, empirical analyses on Google's search engine algorithm, and the aid of five state attorney generals, the FTC concluded the 19-month investigation on January 3, 2013, with a unanimous decision by all five FTC commissioners outlining that there was no sufficient evidence to demonstrate anti-competitive practices by Google on search engine algorithms (FTC 2013). While Google voluntarily agreed to change some of its business practices after the FTC investigation, there were ultimately no legal charges against Google because of the FTC's decision.

Google and Lobbying

As Google has become one of the leading technology companies and has come to lead the online search engine industry, it has also increased its influence and voice regarding legislative matters. According to a report from the Center for Responsive Politics, in 2009, Google spent \$4 million on lobbying expenses; by 2018, that number increased fivefold to \$21 million -- making Google the biggest American corporate lobbying spender of 2018. Similarly, the Center for Responsive Politics continued that Google, having just 63 lobbyists in 2009, increased that number to 103 lobbyists by 2018 (Center for Responsible Politics 2021). In recent years especially, as Google has been facing potential antitrust regulations from Congress, they have relied on lobbying significantly more. Using Google's lobbying disclosures to Congress, Bloomberg, a financial data media company, quantified that in the first quarter of 2020, during the time of the House of Representatives Subcommittee on Antitrust, Commercial and Administrative Law of the Committee on the Judiciary Investigation of Competition in Digital Markets, Google spent \$2.7 million on lobbying expenses: a 49% increase from the same period the year prior (Banares 2021). As Google faced a Congressional investigation into their potential anti-competitive practices, they may have increased their lobbying expenses for the sense of security and influence that lobbying yields.

Gap in Research

Despite a substantial amount of evidence regarding Google's use of lobbying, the government officials they have lobbied, and their 2012 FTC investigation, there is a lack of information quantifying the extent of the direct lobbying efforts Google used in their 2012 FTC investigation. Google's lobbying has largely been quantified relating to specific legislation that Google lobbies; however, the prevalence of lobbying relating to an independent, bipartisan government agency such as the FTC has yet to be truly quantified. An exception to this is Grunes and Stucke's 2011 study examining AT&T and T-Mobile's increased lobbying efforts during the FTC's antitrust review of their merger. However, their study solely focuses on AT&T and T-Mobile, only outlines "lobbying efforts" relating to the lobbying expenditures of the companies in the year of their antitrust review, and it doesn't analyze the increase in lobbying in comparison to years before and after the antitrust review (Grunes & Stucke 2011). With lobbying expenses only being one way to quantify lobbying efforts and a narrow timeframe by solely focusing on the specific time of the antitrust review, more research is required to examine if a true correlation exists between direct lobbying increases and an FTC probe. It has been assumed that when companies are faced with potential regulation, they may turn to lobbying as a safety measure (such as how Google increased their lobbying during the House of Representative's 2020 Antitrust Investigation, as noted above); however, potential regulation by an entity outside of legislators, such as the FTC, has yet to be fully examined when relating to Google. Such a gap leads to the question: To what quantifiable extent did

the 2012 Google Federal Trade Commission investigation affect Google's use of direct lobbying? To examine if a correlation between Google's lobbying and their 2012 FTC investigation exists, I will analyze Google's lobbying expenses to Congress and total hired lobbyists one year prior, during, and one year after their FTC investigation. This will help fill the gap that does not detail whether an FTC investigation has a significant impact on the use of direct lobbying in comparison to previous and future years and if so, the percent increase or decrease of its effect on lobbying expenses and total lobbyists. I will specifically be examining the 2012 Google FTC investigation because it is the largest antitrust investigation Google has faced from an independent American government agency, thus providing an unprecedented situation for Google and its lobbying methods.

Purpose and Hypothesis

The purpose of this study is to explore the association between Google's direct lobbying efforts and a Federal Trade Commission investigation that has the potential to result in financial regulation. The goal of the study is to quantify this relationship, through lobbying expenses and total lobbyists hired, and examine any percent change in lobbying efforts correlated with the FTC investigation. This is primarily a correlational study, but causal relationships will be examined between the variables.

My hypothesis is that Google, faced with the possibility of financial regulation from the FTC investigation, turned to increased lobbying efforts. I hypothesize that they increased their lobbying efforts by first, hiring more lobbyists, and second, by increasing their lobbying expenditures to Congress. If my hypothesis is correct, there will be a "peak" of total lobbyists and lobbying expenditures during the time of the FTC investigation. This will be illustrated by a notable increase in lobbying efforts during the time of the FTC investigation compared to a year before the FTC investigation and a notable decrease in lobbying efforts one year after the FTC investigation in comparison to the lobbying efforts during the FTC investigation. Since Google would be under investigation during the FTC investigation, it is logical to predict that they would want to increase their lobbying -- and influence -- during this period to influence their FTC investigation. This hypothesis was formed as Congressional members are one of the most direct means to contact the FTC commissioners; therefore, lobbying more to Congress, and having more lobbyists to do so, could result in Congress members appealing to the FTC in support of Google. Thus, there is likely a correlation in the period regarding the FTC investigation and the amount of lobbying efforts Google utilized. If there is a quantifiable relationship, it will help the general public to further comprehend the motivations for lobbying and its role in federal investigations.

Methodology

Procedure for Data Collection

Since the goal of this study is to quantify the association between Google's direct lobbying efforts and their 2012 FTC investigation, I collected the lobbying data from one main resource to examine the association between the variables. Google's lobbying expenditures were found in the Center for Responsive Politics, a nonprofit research and disclosure group (also known as the website [opensecrets.org](http://www.opensecrets.org)) that contains a company's total lobbying expenditures by quarter, the allocation of the lobbying money, and the annual lobbyists hired. With this resource, I was able to examine Google's lobbying expenditures, by quarter, from 2010 to 2014. In addition, this resource's ability to outline the hired lobbyists, by year, ensured that any annual change in hired lobbyists could also be analyzed in relation to the period regarding the FTC investigation.

Lobbying Expenditures. Since the FTC investigation initiated in June 2011 (the second quarter of 2011) and was concluded in early January 2013 (the first quarter of 2013), I will be examining lobbying expenditure data -- that is available by quarter -- exactly one year before the FTC investigation began, during the middle of the FTC

investigation, and exactly one year after the FTC investigation ended. The dates that correlate with these periods are: January 2010 (the first quarter of 2010) is approximately one year prior to the initiation of the FTC investigation; March 2012 (the first quarter of 2012) is in the middle of the FTC investigation; January 2014 (the first quarter of 2014) is one year after the FTC investigation concluded. By comparing the lobbying expenditures on each of these dates, I will be able to analyze a possible correlation between the FTC investigation and Google's lobbying practices. I will use a bar graph to provide a visualization of any lobbying expenditures changes over the different periods analyzed. As explained by the Harvard Business School, a bar graph is most applicable in situations where one axis demonstrates categories being compared while the other axis demonstrates a measured value (Miller 2019). Since the research is attempting to compare the lobbying expenditures relating to the time period regarding the FTC investigation, a bar graph suits this research very well. Furthermore, if a change in lobbying expenditures is demonstrated, I will use the percent change formula, as depicted below, to determine the percent increase or decrease in lobbying expenditures.

Equation 1: $[(X - Y) / Y] \times 100 = \text{Percent Change}$

The formula will be used twice for separate equations. First, for the percent change from the year prior to the FTC investigation to the middle of the FTC investigation, X represents the first quarter of 2012 value (during the FTC investigation) while Y represents the first quarter of 2010 value (a year before the FTC investigation). Second, for the percent change from the middle of the FTC investigation to a year after the FTC investigation concluded, X represents the first quarter of 2014 value (a year after the FTC investigation) while Y represents the first quarter of 2012 value (during the FTC investigation).

Lobbyists Hired. Because the Center for Responsive Politics outlines Google's hired lobbyists per year, it allows for the examination of a potential percent change in hired lobbyists during the time of the FTC investigation in comparison to before and after the FTC investigation. However, the resource only has the lobbyists who worked for Google by year, not quarter. Since the FTC investigation lasted from June 2011 to early January 2013, I will use the total hired Google lobbyists from 2012 to represent the lobbyists hired during one year of the FTC investigation. Seeing as only a portion of 2011 was part of the FTC investigation, the hired lobbyists from all of 2011 will not be used to represent the hired lobbyists during the investigation. Instead, the total number of 2012 hired lobbyists will be compared to the total lobbyists hired one year before the initiation of the FTC investigation (2010) and one year after the conclusion of the FTC investigation (2014) to determine if there is a correlation between the FTC investigation and the hired lobbyists by Google. Similar to the lobbying expenditures aspect of the research, a bar graph will also be used to provide visualization to the lobbyists hired concerning the time period regarding the FTC investigation. The percent change formula will also be used, as depicted below, to quantify the percent increase or decrease in Google's hired lobbyists.

Equation 2: $[(X - Y) / Y] \times 100 = \text{Percent Change}$

Two separate equations will once again be used with this formula. First, for the percent change from the year prior to the FTC investigation to the middle of the FTC investigation, X represents Google's number of lobbyists from 2012 (during the FTC investigation) while Y represents the total hired lobbyists from 2010 (one year before the FTC investigation). Second, for the percent change from during the FTC investigation to a year after the FTC investigation, X represents Google's total hired lobbyists from 2014 (one year after the investigation's conclusion) while Y represents the number of lobbyists in 2012 (during the FTC investigation).

Limitations of Methods

The process of quantifying the percent change in hired lobbyists and lobbying expenditures from before, during, and after Google’s FTC case is dependent on accurate data in each of these periods. However, a limitation of my methodology is using only the 2012 hired lobbyists to represent the lobbyists hired during the FTC case instead of also including the lobbyists hired from June 2011 through January 2013 (the full duration of the FTC case). Because the Center for Responsive Politics only outlines the lobbyists Google hired per year, not quarter, the information regarding which lobbyists were hired from June 2011 to the end of 2011, rather than the earlier months of 2011, is not currently available. Therefore, including the 2013 lobbyists may place inaccurate data because it could include lobbyists hired before the FTC investigation started. Despite this, only including the hired lobbyists from one year of the FTC investigation is a clear limitation as it does not allow for the quantification of all the lobbyists hired for the investigation. Similarly, I focus on the lobbying expenditures of the first quarter of a year prior, the year of, and a year after the FTC investigation: focusing solely on one quarter may be a limitation as it is not as reliable as using additional quarters as well or more than one year into the past and future. Further, the analyses all rely on the accurate lobbying spending and hired lobbyist data; and while a large portion of Google’s lobbying efforts is disclosed, there may be some informal instances of lobbying that were not documented. The results in the research not analyzing all of Google’s lobbying efforts during each period may lead to an incomplete case study that could skew results.

Results

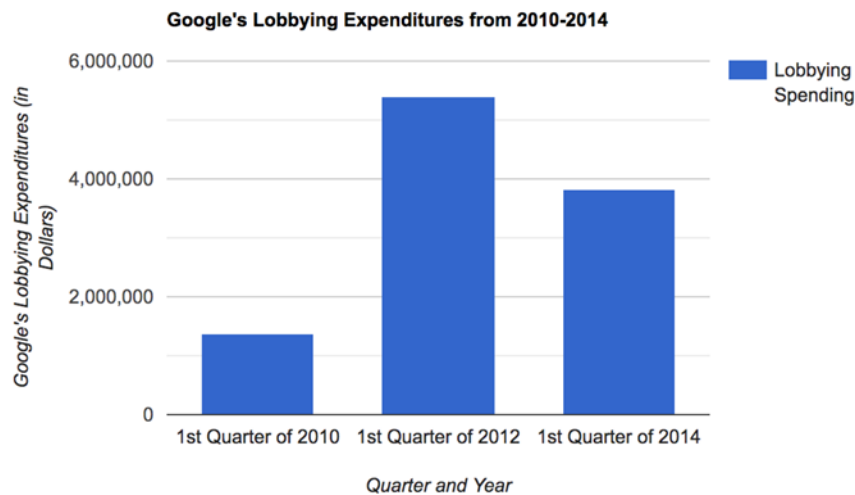


Figure 1: This bar graph depicts the relationship between Google’s lobbying expenditures and the quarter and year. The first quarter of 2010 is a year prior to the FTC investigation, the first quarter of 2012 is during the FTC investigation, and the first quarter of 2014 is the year after the conclusion of the FTC investigation.

Table 1: This is a list of all of Google’s hired lobbyists and the year in which they were employed.

2010 Lobbyists	2012 Lobbyists	2012 Lobbyists (Continued)	2014 Lobbyists	2014 Lobbyists (Continued)
Gary Andres	Gary David Slaiman	David C Whitestone	Gary David Slaiman	Samuel Whitehorn
Kim K Bayliss	Marc Beltrame	John Buscher	Marc Beltrame	Robert B Crowe
Robert P III Hall	Adam Gregg	Ralph Hellmann	Douglas E Gross	Christopher T Cushing
Louis Lehrman	Douglas E Gross	Dave Lugar	Matthew Mckinney	Craig H Metz
Steve Peny	Jenna Morgan Hamilton	Michael Arrington Brown	Jenna Morgan Hamilton	Daniele Baierlein
Andy Scott Wright	Charles J Melody	William P Jarrell	Charles J Melody	Paul Brathwaite
Josh Ackil	Scott W Reed	Marcus Mason	Anne W Brady	Josh Holly
Kara Calvert Campbell	John Green	Blair L Watters	John Green	Claudia James
Brian Peters	G Stewart Hall	Robb Watters	G Stewart Hall	Izzy Klein
Matthew Tanielian	Hunter Moorhead	Howard W Waltzman	Mathew Lapinski	Lauren Maddox
Pablo Chavez	Steve Tilton	Julie Bertson	Hunter Moorhead	David Marin
Dorothy Chou	Matt Wise	Robert Chamberlin	Jake Perry	Sean Mclaughlin
Alan Davidson	Kim K Bayliss	Charles S Cooper	Steve Tilton	Riley Moore
Will Devries	David T Murray	Alisa Ferguson	Todd M Weiss	David Morgenstern
Johanna Shelton	Steve Perry	Steve McBee	Matt Wise	Tony Podesta
Rob Tai	Bill Simmons	Michael Sheehy	Kim K Bayliss	Michael Quaranta
Jennifer Taylor	Stacey Alexander	Andrew J Fields	David T Murray	Oscar T Ramirez
Seth Webb	Robert Cogomo	James F Green	Steve Perry	Elizabeth Sage
Frannie Wellings	Steven Elmendorf	Katie Peters	Bill Simmons	Alexandra Sollberger
Richard Sutherland Whitt	Kristina Kennedy	Robert B Crowe	Beecher Frasier	Mark Tavlarides
Harry Wingo	Barry LaSala	Christopher T Cushing	Tom Ingram	Nicole Young
Viraj M Mirani	James 'Jimmy' Ryan	Jennifer L Pharaoh	Daniel M McCarthy	Michael J Bates
Andrew L Woods	Shanti Ochs Stanton	Louis H Dupart	Sam Reed	Charles Black
Angela Becker-Dippmann	Robert A Russell	Ronald Eritano	Robert A Russell	Mark Disler
Robert Chamberlin	Kyle Simmons	Michael S Johnson	Kyle Simmons	Rich Meade
Andy Davis	Bernard R Toon	Thomas J Keating	Bernard R Toon	Martin Paone
Alisa Ferguson	Josh Ackil	Robert H Marsh	Josh Ackil	Gardner Peckham
Gabriel Horwitz	Kara Calvert Campbell	Nathan J Miller	Kara Calvert Campbell	Keith H Smith
Jeff Markey	Brian Peters	Patricia A Nelson	Brian Peters	Pamela J Turner
Steve McBee	Matthew Tanielian	Lawrence F III O'Brien	Matthew Tanielian	Becky B Weber
Holland Patterson	Ryan Triplette	Robert G Stevenson	Ryan Triplette	Lawrence Gonzalez
Michael Sheehy	Scott Brenner	Daniele Baierlein	Scott Brenner	Robert Raben
Samuel Whitehorn	Sharon Daniels	Paul Brathwaite	Kyle Mulhall	John Skic
Cristina Antelo	Richard A Gephardt	Claudia James	Thomas J O'Donnell	Courtney Snowden
Daniele Baierlein	Christina Hamilton	Izzy Klein	Chris Carpenter	Christina Weaver
Paul Brathwaite	Kyle Mulhall	David Marin	Mitch Hunter	Rick B Murphy
Sharon Cohen	Janice M O'Connell	Sean Mclaughlin	Edward An	Robert A Russell
Randall Gerard	Thomas J O'Donnell	Gwen E Mellor	Jennifer Bernal	Kyle Simmons
Jaime R Harrison	Edward An	Elizabeth Morra	Lee Dunn	Sandi Stuart
Elizabeth Inadomi	Jennifer Bernal	Tony Podesta	Sarah Fisher	Randall Gerard
Claudia James	Pablo Chavez	Oscar T Ramirez	Stewart Jeffries	
Izzy Klein	Lee Dunn	Elizabeth Sage	Andrew Ladner	
Jessica Lawrence Vaca	Sarah Fisher	Nicole Young	David Lieber	
Andrew Lewin	Stewart Jeffries	Michael J Bates	Susan Molinari	
Lauren Maddox	Andrew Ladner	Charles Black	Johanna Shelton	
David Marin	Susan Molinari	Mark Disler	John V Sullivan	
Elizabeth Morra	Katherine Oyama	Martin Paone	Seth Webb	
Stephen J Northrup	Johanna Shelton	Scott Pastrick	Frannie Wellings	
Tony Podesta	Seth Webb	Pamela J Turner	John Buscher	
Oscar T Ramirez	Frannie Wellings	Lawrence Gonzalez	Ralph Hellmann	
Elizabeth Sage	Richard Sutherland Whitt	Robert Raben	Dave Lugar	
John Scofield	Harry Wingo	Courtney Snowden	Rodney Emery	
Hewitt Strange	Tim Kurth	Christina Weaver	William P Jarrell	
Donni M Turner	John Buscher	Rick B Murphy	Marcus Mason	
Nicole Young	Kerry Fennelly Feehery	Sandi Stuart	Blair L Watters	
David Weller	Richard M Gold	Wallace Henderson	Robb Watters	
	Kathryn Lehman	Timothy Nolan Tuggey	Robert Chamberlin	
	Joseph Williams	Scott Weaver	Charles S Cooper	
	David Ross	Renee Wentzel	Matthew Johnson	

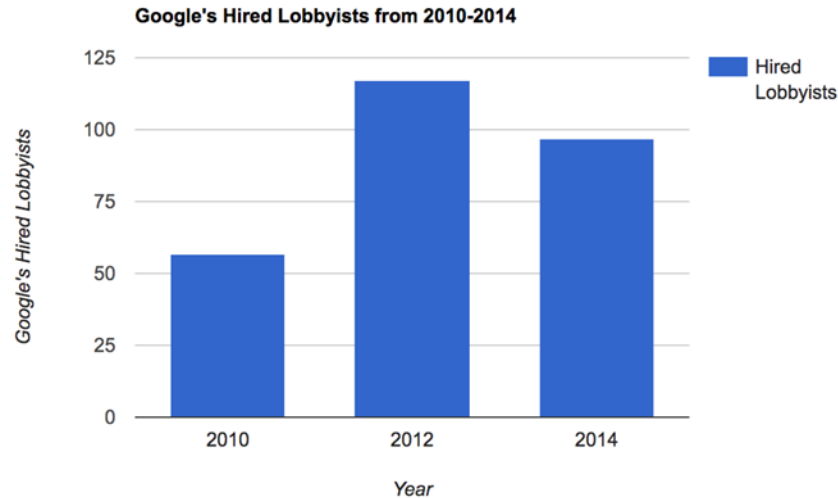


Figure 2: This is a bar graph depicting the relationship between Google’s hired lobbyists and the time period in relation to the FTC probe. 2010 is a year prior to the FTC investigation, 2012 is during the FTC investigation, and 2014 is a year after the conclusion of the FTC investigation.

The results I found supported my hypothesis as there is a notable “peak” in Google’s lobbying spending and hired lobbyists during the years of the FTC investigation; this demonstrates that Google did increase both its lobbying spending and hired lobbyists in the period of the FTC investigation while decreasing both of these lobbying efforts once the FTC investigation concluded. Regarding Google’s lobbying expenditures, in the first quarter of 2010, one year prior to the FTC investigation, Google spent \$1,380,000 on direct lobbying. In the first quarter of 2012, exactly in the middle of the FTC investigation, Google spent \$5,410,000 on direct lobbying; using the percent change formula, this amounts to a 292.029% increase in lobbying spending from one year before the FTC investigation began to the middle of the FTC investigation. Meanwhile, in the first quarter of 2014, one year after the conclusion of the FTC investigation, Google spent \$3,820,000 on lobbying; using the percent change formula, this amounts to a 29.39% decrease from the middle of the FTC investigation to one year after the FTC investigation concluded.

Regarding Google’s hired lobbyists, in 2010, one year before the initiation of the FTC investigation, Google had 57 hired lobbyists total; in 2012, a year during the FTC investigation, Google had 117 total hired lobbyists. Using the percent change formula, this illustrates a 105.263% increase in hired lobbyists from one year prior to the initiation of the FTC investigation to a year during the FTC investigation. In 2014, a year after the conclusion of the FTC investigation, Google had 97 hired lobbyists: a 17.094% decrease from 2012 (during the FTC investigation). Both of the percent changes in Google’s hired lobbyists and Google’s lobbying expenditures demonstrate a “peak” of lobbying efforts during the time of the FTC investigation, supporting my hypothesis that Google would increase lobbying efforts when faced with potential regulation from the FTC.

Discussion and Limitations

The results satisfy the purpose and goal of my research because they demonstrate the correlation between Google’s lobbying efforts, quantified through their lobbying expenditures and hired lobbyists, and their 2012 Federal Trade Commission investigation. Furthermore, I have found that there was a 292.029% increase in lobbying expenditures from the year before the FTC investigation to the middle of the investigation; this was followed by a 29.39% decrease in lobbying spending a year after the FTC investigation concluded. Similarly, Google’s hired lobbyists saw a 105.263% increase from the year before the FTC investigation to during the investigation; this was followed by a 17.094% decrease in hired lobbyists a year after the FTC investigation elapsed. Both of these lobbying efforts saw a

dramatic increase in their use during the time of the FTC investigation; as I stated in my hypothesis, this could be because of the pressure Google felt from potential FTC financial regulation. As a result, the FTC investigation may have been a causation factor that encouraged Google to increase its lobbying efforts for a sense of security and influence during a troubling time for the corporation. The increases in lobbying are far more dramatic than the decreases in lobbying once the FTC investigation concluded. There are two main possibilities for this trend: first, once Google increased lobbying with the FTC investigation, it was easier to keep lobbying at a higher rate than before the investigation, Google may have wanted to keep the lobbying efforts higher just in case future regulatory actions were to return; the second possibility is that the FTC investigation may have been correlated but not the singular cause of the percent change in lobbying efforts over this period -- therefore, not creating a highly dramatic decrease in lobbying efforts following the FTC investigation's conclusion.

A limitation to my research is the prevalence of other variables that could have impacted the percent increase or decreases in lobbying during the time of the FTC investigation. For instance, during the 2012 FTC investigation, Google was heavily lobbying towards other issues besides antitrust such as online privacy, cybersecurity, international tax reform, online advertising, and more; Google lobbied the most under copyright, patent, and trademark issues in 2012 -- not antitrust regulation, which ultimately was the third most lobbied issue for Google in 2012 (Center for Responsive Politics 2021). While the correlation with increased direct lobbying during the time of the FTC investigation has been proven, it cannot be concluded that the FTC investigation was the sole causation factor towards the percent changes in lobbying during this period as there are a multitude of other variables that could have influenced Google's lobbying.

In addition, during the period of Google's FTC investigation, other Big Tech companies also increased their lobbying: in 2012, Facebook doubled its 2011 lobbying expenditures; Microsoft became the second-highest lobbying spending tech industry company; Apple spent \$2.3 million on lobbying in 2011, a record high for the company (Davenport 2012). This is a clear limitation as it could demonstrate that the increase in Google's lobbying during the time of the FTC investigation was simply part of the general trend of Big Tech companies at the time, not specifically caused by the FTC investigation.

Implications and Significance

While there are several limitations to the conclusion of the FTC investigation being the causation factor regarding Google's increased lobbying efforts, the correlation between the variables is strong enough that the FTC investigation can be regarded as a potential causation factor for Google's percent changes in lobbying. Google seeing a 292.029% increase in lobbying spending from the year before the FTC investigation to the middle of the investigation, followed by a 29.39% decrease a year after the investigation was closed, demonstrates that federal antitrust investigations are a potential motivation for corporate lobbying; this can help the public understand the mechanics behind direct lobbying efforts. My results also leads towards further research regarding the effectiveness of lobbying once it has been used. While my research demonstrates that corporations may increase their lobbying during a time of regulatory pressure, it does not clarify if this lobbying is influential in shaping or influencing the regulations. Specifically, the effectiveness of lobbying could be researched by examining the probability for a firm to achieve a favorable outcome of an investigation with and without lobbying; if the firms who do not have lobbying power reach an unfavorable outcome significantly more than the firms who do lobby, the correlation between lobbying and favorable outcomes regarding potential regulations can be quantified. Similarly, the effectiveness of lobbying can be further researched by examining legislative lobbying and its probability to change a legislator's vote in correlation with the amount of lobbying money received. For instance, a research study can examine the association between a company's total lobbying monetary spending to a specific legislator and the legislator's decision to change their vote towards the company's desired outcome. A linear regression model should be made to depict if an increase in lobbying expenditures correlates with the shifting of a legislator's vote to reflect a company's point of view; this would help quantify lobbying's effectiveness and influence in legislative matters.

Conclusion

Through my research, I was able to quantify the association between Google's 2012 FTC investigation and their lobbying efforts during the period of the investigation. I used public data on lobbying and the records held by the Center for Responsive Politics to correlate Google's lobbying expenditures and hired lobbyists to the period of the FTC investigation; this was to demonstrate whether lobbying efforts were significantly changed during the investigation. With my research, an important gap is filled as my research strongly suggests that the FTC investigation was a potential cause in Google increasing their lobbying efforts during the time of the investigation. My research can also indicate a corporation's response when faced with potential regulation by an independent government agency. This has widespread implications on American society as it can spread awareness towards the motivations for lobbying and foreshadow how Google, and other corporations, may react when faced with similar regulatory pressures. With my research, I hope that the rationale behind direct lobbying is further understood while allowing for my research's applicability to similar future circumstances.

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