Lobbying for the Public Interest:
Interest Group Subsidies to Legislative Overseers

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Abstract

The responsiveness of public agencies to elected officials is a basic issue in the study of democratic institutions. The need for delegation is undeniable, the problems of perfect monitoring insurmountable. A growing body of theoretical work on legislative oversight has illuminated the institutional mechanisms through which oversight can occur. We focus on the behavioral ones, examining the decisions of individual legislators to assert control by intervening with agency decision makers. Our account emphasizes the role of interest groups in the conduct of oversight. We argue that public as well as private groups *subsidize* the oversight efforts of their allies in Congress. We investigate this claim using interview and quantitative data on a 1997 EPA proposal to impose stricter air quality standards for levels of soot and smog. The results strongly support the argument, but they show most clearly the impact of public interest groups in this case. More generally, the idea that lobbying is a form of subsidy casts a somewhat different ethical light on the role of lobbying and lobbyists.

[1] An earlier draft of this paper was presented at the Annual Meetings of the Midwest Political Science Association, Chicago, IL, April 1998.

One of the fundamental features of policymaking in the modern state is that most of the decisions that matter in peoples' immediate lives occur in agencies, not in elective assemblies. Legislators may design the institutional arrangements and procedures that structure how agency bureaucrats go about making decisions. They may devise more or less detailed statutes to limit the range of alternatives from which bureaucrats choose. They may react to, sometimes even reverse, specific decisions that bureaucrats make. But nonetheless, policymaking discretion remains -- indeed, a great deal of it, at all levels, from the programmatic decisions of departmental secretaries to the implementation decisions of street-level bureaucrats. Carpenter refers to it as "the brute fact of modern politics" (2000, 8).

Such discretion has been greeted with both adulation and condemnation by students of democratic institutions. Early-century progressive believed that a "science" of administration could solve the endemic tendencies of democratic government toward patronage-based politics, ideological conflict, and political corruption. But by mid-century, progressive idealism had lost its luster. Theodore Lowi was perhaps its fiercest critic within political science. In *The End of Liberalism* (1969), Lowi lamented the perversion of political accountability that came with the broad grants of discretion that Congress increasingly gave to executive agencies. In Lowi's view, ambiguous statutes and interest group influence were the principal culprits, as the practice "scientific" administration touted by Progressivism turned out to be insidiously interest-driven as well. Economist George Stigler (1971) and his colleagues added to the cry, pointing to the powerful incentives of private groups to capture public bureaucracies. And a generation of scholars studying congressional oversight emphasized the high costs and limited capacity of legislators to monitor agencies for infidelity to legislators' goals.

By century's end, popular worries about bureaucratic accountability remained strong. Academic scholarship, on the other hand, had become more sanguine. In a series of important papers beginning in the mid 1980s, McCubbins and colleagues (McCubbins and Schwartz; McCubbins and Page; McCubbins, Noll, and Weingast 1987) developed what came to be known as the "theory of congressional dominance" (Moe). Careful, systematic monitoring of agency decisions might be unwieldy, they argued, but elected officials compensate by designing institutional structures and procedures that limit bureaucrats' discretionary excesses in subsequent cases. In writing authorizing statutes, for example, legislators can empower extra-legislative actors -- interest groups and favored constituencies -- to monitor agency decisions for signs of discretionary abuse. The groups then can sound the alarms in Congress. In this new view, then, interest groups can be agents, rather than enemies, of democratic control. And the anticipation of their reactions keeps otherwise faithless bureaucrats from straying too far out of line.

This line of inquiry has advanced our understanding of political control in fundamental ways. Congress need not always take explicit action to assert control. Control may appear in what we do not see. But institutionalist theory is less useful in characterizing such actions when they do occur. And it says almost nothing about why.

Overseers intervene in agency rule making quite frequently, albeit selectively. Even within narrow areas of policy, under stable statutory or institutional regimes, the variance in legislative interventionism across specific issues or rules can be considerable. Indeed, at about the time that the institutionalist theories of congressional dominance were taking hold, a comprehensive empirical study by Aberbach (1990) concluded that, well, oversight wasn't all that rare after all.

Affected interests will invariably alert legislators when agency decisions do them harm. But if legislators then do nothing, the group sounding the alarm remains unsatisfied (and may be additionally harmed.)[2] We argue that the probability of legislators doing nothing is actually quite high. The cost of intervening, like the costs of monitoring, can be exceedingly high and the benefits relatively low. At any given moment, moreover, innumerable agency decisions that affect innumerable interest groups are potential candidates for legislative redress.

We thus take up where most research on legislative oversight leaves off. We seek to understand the decisions of legislators to intervene in agency decisions. For present purposes, we conceptualize these as decentralized, indeed, individual decisions. An individual legislator decides whether to challenge, or defend in the face of a challenge, a particular agency rule or implementation decision..

We argue that interest groups help to make these interventions happen. The main idea is that group lobbyists *subsidize* the interventions of individual legislators whose preferences already agree with the group. They provide expertise, staff assistance, and political intelligence to time-constrained legislative allies, making it possible for those allies to credibly challenge – or defend in the face of a challenge – agency policies that affect their group.

In the second half of the paper, we provide an initial test of the theory by examining the decisions of individual legislators to intervene in EPA revisions of clean air standards during the 105th Congress. Using data gathered in face-to-face interviews with lobbyists, we find strong evidence that interest groups selectively subsidize legislative overseers, and that those subsidies affect legislators' decisions to intervene. Strikingly, we find that public as well as private interest groups successfully employ this strategy. We conclude by reconsidering the democratic value of political control when interest group subsidies play a prominent role in the attempts of legislators to assert political control over agency policy.

The Costs of Political Control

Lowi and other critics of American pluralism helped to create something of a textbook view of Congress-agency relations. The usurpation of power by the "Fourth

[2] In fact, it may do groups additional harm, in that the agency would update its prior beliefs about and thus its anticipation of legislative intervention in future cases where the group's interests may be affected. Outside our purview here, this element of interest group strategy warrants greater attention in game theoretic work on political control of agencies.

Branch" was a common topic in American government texts and readers. Many argued that representative government was being displaced by unrepresentative "subgovernments" -- triumvirates of agencies, interest groups, and legislative committees that were thought to dominate policymaking in particular policy domains. Economists studying regulation added to the cry.

In the several decades since, political scientists and economists have voiced differing views about the Congress-agency relationship. Some emphasized the incapacity of Congress to conduct even basic monitoring of federal agencies. Oversight was, in John Bibby's phrase, Congress's "neglected function" (Bibby 1968). One of the central purposes of delegation, after all, was that agencies could acquire more specialized knowledge and better information about policies than Congress could on its own (e.g., Kiewiet and McCubbins 1988). But these very advantages help to insulate agencies from critical congressional review. As a result, political control proved "inadequate," "severely limited," perhaps "a failure" (Dodd and Schott 1979, passim; see also Ogul 1975).

Subsequent scholarship reversed course. In a series of papers in the mid-1980s, several leading political economists developed what came to be known as the "positive theory of congressional dominance" (for reviews, see Moe 1987; Huber and Shipan 2000; Epstein and O'Halloran 2000, 23-29). They began from the premise of the earlier work, that Congress lacked the capacity to conduct systematic oversight *ex post,* that is, after programs had been enacted or an agency created. But precisely because of this, Congress created institutional structures and procedures *ex ante* (Epstein and O'Halloran 1994), which rigged the internal decision making of the agency to favor legislators' preferences without them having to pay the high costs of systematic review.

This argument appeared in an early paper by McCubbins and Schwartz (1984), which in turn became a touchstone for subsequent work on political control through institutional design. McCubbins and Schwartz distinguished between "police patrol" and "fire alarm" oversight. The former referred to the systematic review of agency decisions. The second referred to statutory provisos -- reporting requirements, advisory commissions, public comment periods,or other procedural mechanisms -- that enabled favored groups and constituencies to monitor agencies more effectively and, if displeased, sound an alarm.[3] Legislators could thus learn about agency infidelity without paying the high costs of monitoring and could, as necessary, impose sanctions. Subsequent work by McCubbins, Noll, and Weingast (1987; 1989) developed and extended the logic of ex ante control. Recently reviewed by Huber and Shipan (2000; see also Gil 1995), a host of important studies have followed in this tradition, such that it now dominates the literature on political control of the bureaucracy.

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[3] In the courts if not in Congress. Other things being equal, however, groups prefer in the first instance to seek remedies from Congress, before, say, rules are finalized or agency decisions become ripe for an often lengthy judicial review. Chuck Shipan has written widely on the use of the courts in this manner, and as an epilogue to the case discussed below, industry groups first failed, then succeeded, and finallly failed in the Supreme Court in their attempt to overturn the EPA rules adopted over their strong opposition.

While we find this line of inquiry important and promising, we focus here on the behavioral rather than institutional mechanisms of political control. Undoubtedly these two things are complementary.[4] Institutional arrangements presumably work by changing the incentives and constraints faced by bureaucrats and extra-governmental actors, which in turn diminish the oversight activities of legislators. But institutional design is an imperfect science and legislator-designers imperfect scientists. Hence well-intended institutions can produce unintended, even perverse, policy consequences, which overseers would need to detect and correct.[5] Likewise, institutionally "favored" constituencies can lose place of privilege in controversies over agency policies, as old legislators are replaced, majorities shift, court decisions are rendered, or issues are redefined. Bureaucratic anticipation of current congressional preferences thus becomes problematic. The possibilities for self-indulgent bureaucratic policies thereby expand.

Finally, fire alarm provisions may reduce the need for broad, systematic monitoring, but they also create occasions and heighten expectations for corrective action once an alarm sounds. The critical question then becomes whether and how legislative firefighters will respond.[6] Interest groups or constituents who sound the alarm will want legislators to weigh in, and on their side.

Legislators' Interventions in Agency Policy Making

These "weighings in" refer to an important class of interventions in agency decision making, what we will sometimes refer to as sending "costly signals" to agency decision makers.[7] [8] We assume that these signals reveal two, analytically distinct elements of the legislator's preference. One is the direction or valence of the legislator's policy position. Does the legislator support or oppose the agency policy, or is she undecided? This information is cheap to convey; indeed it may be easy for the

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[4] The logical fallacies and interpretive dangers of moving breezily between levels of analysis do not concern us here. Our purpose is to say something about oversight behavior, not critique the work that focuses on institutions.

[5] The continual reform, failure, and review of Social Security self-financing procedures provide one such example. See e.g., Derthick 1978; Gramlich 1998.

[6] If legislators too rarely respond to alarms, procedural arrangements can lose their bite. Agencies will have less incentive to anticipate the reactions of legislative overseers in a way that preempts the need for systematic oversight.

[7] Our purpose here is not to model the agency-legislator interaction explicitly. Our concern is with the legislator-group interaction. For reasons that will become apparent, we do not model this as a signaling game. In our model, groups traffic in information, but their goal is not to inform legislators about the connections between policies and outcomes. Rather, the goal is to subsidize action on behalf of a policy. In our model, issues of dissembling or competitive lobbying do not arise.

[8] . The imposition of concrete sanctions or rewards is a relatively rare but nonetheless important occurrence. Its occasional use inclines agency officials to anticipate what consequences they might suffer if they push the limits of their discretion too far beyond what Congress will tolerate. Legislators reveal their sense of those limits by sending costly signals to agencies, typically by calling agency officials to testify at a public hearing and then dressing them down. Agency officials themselves perceive this as a serious sanction.

bureaucrat to anticipate or infer – from past positions or actions, knowledge of constituency interests, and the like (Arnold 1978).

The second and more important element of the signal is information about the legislator's underlying intensity or "willingness to pay" for the agency policy in question.[9] What is the policy worth to her? To what extent will the legislator spend scarce time, staff effort, or other legislative resources to promote the bureaucratic policy she favors? Should the ultimate agency policy conflict (agree) with her position, how hard will she work to impose sanctions (provide rewards), say, by curtailing (expanding) the agency's autonomy or cutting (increasing) its budget?

In short, the "interventions" on which we focus are member decisions to challenge (or defend in the face of a challenge) an agency decision.[10] In principle, the legislator might do this strategically. She might feign a high level of commitment initially so as to induce bureaucrats to follow her wishes without a full-blown fight, which in reality she may not be able to afford. The problem for legislators is that on specialized matters of bureaucratic action, the costs of feigning credibly are considerable. The legislator must fashion a response to an agency whose principal advantage is its expertise and whose presumptive authority is a preexisting statute. At a minimum, the legislator's staff would need to spend time acquiring and digesting information about the agency proposal; analyzing its consequences for the member's constituents; formulating and justifying points of criticism (or endorsement.); and then prepare the legislator, who would then intervene. To be credible, in short, the legislative enterprise must reveal that it has paid considerable information costs in fashioning its challenge.

There are several ways that individual legislators might convey intensity in particular cases of agency policymaking. The most common is to challenge or defend agency officials and their advocates in committee hearings. Indeed, one might think of oversight hearings as efficient institutions for giving numerous legislators, in a short period of time, the opportunity to convey both position and intensity to agency officials, directly and extensively. These are not the only opportunities, however. Letters, phone conversations, personal meetings, comments filed during notice and comment, the introduction of counteractive legislation or appropriations riders – all of these are means by which legislators can convey the strength of their reactions to agency decisions or proposals.

Such activity, we assume, rational bureaucrats cannot safely ignore. The more costs the legislator pays, in fact, the more credible is the implied threat to pursue

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[9] One might characterize this as her "type." Is she a member with high or low resolve? Here we consider legislators' level of underlying resolve to be a matter of degree.

[10] . And this information is difficult for the bureaucrat to ascertain in advance. Among other reasons, individual legislators have numerous other issues they care about, the demands of which vary according to the level of contemporaneous activity on them (Evans 1989; Sinclair 1986). Hence, the opportunity costs of activity on any given issue at any given moment are at least somewhat contingent and variable.

subsequent, more punitive measures -- to publicly embarrass or berate, to sanction or coerce, or to limit agency autonomy more generally – if the agency remains unresponsive. Hence, the fact of two letters or statements provides more information than one. Lengthy letters, extensive arguments, repeated challenges, substantive proposals to reverse or to sanction – all of these things indicate that the legislator will work to impose additional costs if the agency remains unresponsive. Strong signals by multiple legislators suggest that such unhappy consequences are all the more likely. They are the concrete means by which Congress puts "pressure" on agency actors.

A Theory of Legislator Interventions

In the large literature on political control of the bureaucracy, few studies directly investigate the decisions of individual legislators to intervene in agency policymaking.[11] This is somewhat puzzling, because these choices are both important and theoretically problematic. As we discuss above, researchers of very different stripes have argued that the costs of oversight are high, perhaps prohibitive. Others have suggested that the incentives are weak (Scher).[12] Nonetheless, legislators intervene in agency policymaking with some frequency (Aberbach 1990). They pay the costs of costly signaling. Why?

Our general answer to this question can be cast in a simple microeconomic framework familiar from consumer theory.[13] We begin by assuming that legislators care about public policy; they attach values to different policy goods. In the present context, these goods are desirable states of the world that specific policies are intended to affect. Legislators want to make *progress* toward desirable outcomes, either by improving policies or by increasing the probability that an improvement will be made. Because of this, agency rulemaking, not just legislating, should matter to them. In effect, agency rulemaking is a second-stage process by which the mapping of legislative preferences onto outcomes takes place.[14]

Not all legislators are interested in the same agency policies, however Among other reasons, their constituents will have a greater stake in, or otherwise value progress toward, some outcomes more than others. Likewise, legislators differ in the resources they have available to pay the costs of costly signaling. Simply put, two classes of variables should affect legislators' decisions to intervene in particular cases: constituency and capacity

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[11] One exception is Duffin (1999). Our concept of "intervention" is close to her concept of "intercession." Aberbach provides an account of why certain matters arise on committees' oversight agendas, such that hearings are held, but his data did not allow individual-level analysis.

[12] One reason, seldom mentioned in the literature, for the weakness of individual legislators' incentives is that agency compliance with congressional intent has public good characteristics. This prompts one to look for selective incentives for individual legislators to respond, which we consider below.

[13] The formal model of legislators' resource allocation decisions is discussed in Deardorf and Hall (2000) and Hall (2000).

[14] Legislators should also care about a third-stage process – implementation decisions – a class of bureaucratic activities we do not consider here (see, e.g. Brehm and …. Lin 2000).

Constituency. Reelection-minded legislators should be more likely to intervene in agency decision making when constituency interests are likely to be affected, ceteris paribus. This assumption is at the heart of fire alarm models of oversight, for instance. We take these differences in legislators' values to reflect differences in their underlying willingness to pay for progress toward the particular outcomes they care about. In our model, then, constituency factors constitute the parameters of the legislator's utility function.

According to past empirical research, however, the evidence supporting a strong constituency interest in oversight is mixed. Aberbach (1981) finds that district concerns, clientele complaints, and publicity potential affect the items selected for committees' oversight agendas, but committee staffers report that these are minor factors. In one of the few studies that focus on individual legislators' interventions, Duffin (1999) found evidence of weak constituency effects.

There are good theoretical reasons to expect that constituency influence on legislators' oversight behavior will be modest. Agency decisions tend to have what Arnold would call weak "traceability" (1990). Even if a recalcitrant bureaucrat bends to the legislator's pressure and changes a policy in a way that benefits her constituents, those happy results may be traceable to the agency. It is not clear they will be traceable to the member. She may rightly claim credit for the outcome. But the low visibility of her role and the fact that the relevant policies arose from the executive branch will mitigate the credibility of such claims to voters. This is one reason why Fiorina (1977) argues that legislators will intervene with bureaucrats mainly in the form of casework, where the benefit to the constituent is directly traceable to the member.[15]

To say that voters do not easily trace or attribute agency policies to their representative does not end the matter, however. Agency policies sometimes become salient, such that the legislator's action or inaction in addressing them might be brought up in some future campaign. The likelihood of this may be magnified if interest groups are closely watching what the legislator does or does not do (Hansen 1990). They might then report what they observe to their members (Hansen 1990) or, through advertising or grass roots campaigns, convey it to voters (Kollman 1998). When legislators face conflicting constituency opinions, however, their inclination to send costly signals ought to go corresposndingly down.

Capacity. As we discuss above, the textbook view of oversight stresses the limited weak capacity of legislators, however motivated, to monitor agencies. The informational deficiencies that made delegation necessary in the first place remain as legislators contemplate challenging (or defending) an agency policy. Agency rules, even those that are highly salient, are frequently arcane or complex. Is a standard for maximum daily ground level ozone of .08 parts per million sufficient to protect the public health with an adequate margin of safety? Does the medical and epidemiological

[15] Fiorina argues, moreover, that electoral incentives may incline legislators to leave bad agency policies alone, not pressure agencies to reshape them (1977, 48

evidence support such a policy? Given that evidence, what alternative standard might be better? Left solely to her own devices, the member lacks the basic information, expertise, and analytic capacity to answer such questions. She may be alert to what the agency is doing. She may have a general sense of whether it will produce a desirable outcome. But challenging (defending) the specific agency proposal in any meaningful way requires the development of costly expertise and the acquisition of issue-specific political intelligence to devise a workable strategy.

Some legislators more than others can deal with these informational deficiencies. Some have been in Congress longer than others. They may have thus dealt with similar, perhaps identical, issues before. Likewise, some have greater legislative resources with which to pay the marginal information costs. On matters relating to agency policymaking, in particular, membership on the committee(s) of jurisdiction is critical. If a fire alarm is sounded, that is where it rings. Committee and subcommittee chairs, in particular, have authority and staff capacity to schedule an oversight hearing, define its scope, and select and summon witnesses.[16] To a lesser extent, ranking minority members have some of the same advantages. But even committee backbenchers have automatic entrée to the hearing room and the right to make statements,

In addition to their greater control over their panels' hearing agendas, committee and subcommittee leaders enjoy considerably more staff. Committee staff are critical for monitoring what agencies do, gathering information, developing expertise, transacting the business of oversight, and, in the end, credibly challenging (or defending in the face of a challenge) agency decisions (Aberbach 1991). Aberbach finds that committees have a strong intelligence system to help them counteract the informational advantages of bureaucrats. Again, backbenchers may benefit from those resources; committee staff often provide information and assistance to members' personal staffs. In cases where agency rules are detailed and complicated or the statutory and regulatory history complex, staff briefings may provide enough information for legislators to take a position. But legislators who would actively intervene need to assimilate information, develop arguments, and if necessary pose alternatives. In Capitol Hill parlance, they must "get up to speed."

Finally, the legislator who has experience on the committee thus starts with an informational store that newcomers do not have. But even when the issue before an agency is similar to one the legislator has dealt with before, the marginal information and labor costs of an intervention should still be considerable.

Interest Group Subsidies to Legislative Overseers

In our view, this is where interest group lobbyists come in. To understand how they do so, we adopt a theory of lobbying different from the main approaches evident in the recent literature on the subject. In our view, lobbyists do not trade. They do not persuade. They give grants.

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[16] Of course, subcommittee capacity has diminished considerably since the Republican takeover in the House in 1995. Subcommittees never have had as much power in the Senate.

"Trade" and "persuade" refer to the two classes of models that dominate theoretical work on lobbying. One holds that lobbying involves a mutually beneficial exchange between legislator and group. Typically, this takes the form of an implicit bribe – the exchange of legislative votes or favors for campaign contributions. The structure of the exchange might resemble a contingent claims contract (Baron) or a long-term group investment in the politician (Snyder 1991; see also McCarty and Rothenberg 1995; Snyder 1991; Denzau and Munger 1986), but exchange is the crucial mechanism and enforcement the central problem.

A second class of models characterizes lobbying as an exercise in persuasion. Lobbyists acquire private information about constituency opinion or policy effectiveness and they use it strategically to persuade legislators to take a position consistent with their own (e.g., Ainsworth; Austen-Smith and Wright 1992; Hansen 1990; Wright 1995). In the present context, for instance, legislators may be clear about their preferences over agency-generated outcomes, but they may be uncertain about the best policies to achieve the progress they value. Drawing on private information, lobbyists attempt to persuade them to prefer the alternative favored by the group. An interesting variation on the lobbying-as-persuasion model arises in the work of Smith (1984) and , more recently, McKissick (2000). Here the lobbyists does not move a legislator along a policy dimension but creates or redefines the issue dimension on which the policy should, in the mind of the legislator, be placed.

Common to both approaches, then, is an assumption so basic that few scholars acknowledge that they are making it. Lobbying is a strategy for changing legislators' *preferences*. He is trying to affect the parameters of the legislator's utility function. No doubt this purpose animates lobbying strategies under some conditions, especially when a closely contested legislative vote is on the horizon. In such situations, trading or persuading can make the difference between building a majority coalition or not. But in the decentralized practice of pressuring agencies (if not more generally), we believe that lobbying operates quite differently.[17] Lobbying is an attempt to *subsidize* the oversight capacity of the legislator's enterprise.[18] It matters because of its effect on the legislator's budget line, not her utility function.

Specifically, we conceive of lobbying as a restricted matching grant. Lobbyists select on legislators whose policy preferences already conform to their own, that is, who

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[17] A more extensive formalization of the model can be found in (Hall 2000). The basic insight can be found in brief discussions in Bauer, Pool, and Dexter (1963), Matthews (1970), and Milbrath (1963), who observe that lobbyists sometimes serve as "adjuncts to staff." However, none of these early authors appreciated the significance of this practice for interest group influence, and the idea has not been pursued since. Ainsworth 1998; Banks and Weingast 1992; and Hall and Wayman 1990 talk briefly of lobbying in these terms, but none conceive of lobbying as a budget-centered rather than preference-centered strategy.

[18] Formally, we model lobbying as a restricted, matching grant to the legislator's office. However, the hypotheses we test here are not affected by the conceptualization of the type of grant. See (Hall 2000).

share a common cause on the issue at hand. The lobbyists' strategy is to help legislators respond in a way likely to signal high intensity to the agency. They offer to work with the office by providing expertise, political analysis, and staff assistance. This typically requires some marginal commitment of the legislator's or her staff's own time, but the match of resources offered by the group makes the expected payoff worth it. In this way, interest groups help legislators to overcome the fundamental disadvantages they face in overseeing the bureaucracy. They subsidize legislators' (post-monitoring) infomration costs.

Interest group lobbyists also supplement legislators' labor costs. In this respect , they serve as "adjuncts to staff," as Milbrath observed long ago. Drafting counteractive bills or amendments, writing hearing statements or questions, obtaining cosignatories to letters to agency officials – these activities constitute the political response that interest groups want legislators to make. Having sounded an alarm, they should not sit idly by, waiting for someone to answer the call.

In sum, interest group lobbyists are specialists who provide oversight-relevant information and labor to help legislators challenge or defend an agency policy. Although some lobbyists (i.e., attorneys and consultants) are fairly broad, we assume that they typically provide subsidies only for the issue in which they are interested and on which there is current or pending action And their efforts matter only insofar as they work with and through legislators or their staffs. They engage in agency oversight activities that they otherwise have some interest in doing, were the capacity of the enterprise greater.[19] Because legislator and group have selected each other on the basis of preference agreement, in turn, issues of dissembling and reneging are non-problematic. By acting in her own interest, the legislator is acting as if she were an agent of the group.

Hypotheses. If lobbying is a type of subsidy, several hypotheses follow: (H.1) Lobbyists will lobby their legislative allies. Obviously, one doesn't want to subsidize one's enemies, thereby strengthening the opposition. And while providing information to undecided legislators may Indeed, they will select the legislators whose preferences are closest to their own. Note that this would make little sense if lobbyists were out to change legislators' minds. One doesn't need to convert the converted..[20] A corollary of H.1 is that, (H.2) interest groups on opposites sides will not engage in competitive lobbying, i.e., will not be lobbying the same legislators.[21]

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[19] Our argument is similar to that of Denzau and Munger (1986) in that they assume that the goal of the interest group is to increase a legislator's "effort." Neither work models lobbying as the instrument of influence, however. Rather, money is the thing that changes legislators' behavior. And both accounts suggest that the money operate on legislators' preferences.

[20] As distinct from (1) working against the group, or (2) using the subsidy as a substitute for effort the legislator's enterprise would have otherwise spent on the issue. For a fuller discussion of the substitution effects, see Deardorff and Hall 2000.

[21] In the full model, we identify the conditions under which legislators will lobby fence-sitters. They are precisely the conditions evident in Rothenberg. One lobbies fence-sitters if an issue is likely to be decided by a vote (most are not), and if the vote is likely to be close. Our point is that while such situations often grab the headlines, they are relatively uncommon in the process of oversight.

For our purposes, the more important hypotheses concern the impact of lobbying on oversight behavior: (H.3) The more lobbyists lobby their legislative allies, the more active those allies' will be in sending strong signals to agency decision makers. In concrete terms, the subsidized legislators will be better able to review what the agency has proposed and why it has proposed it. They will be better able to match informational wits with the agency in terms of the complex and technical issues at stake. They will be better able to craft effective arguments or issue definitions (McKissick 2000). In general, they will be better able to challenge clearly and credibly (or defend in the face of a challenge) the agency's presumptive authority to formulate rules.

A corollary of this hypothesis is (H.4): To the extent that opposing lobbyists do lobby their enemies, it will have no effect on their agency-directed behavior. This hypothesis follows from the fact that subsidies do not work in reverse. A group cannot somehow diminish the informational and political resources that a legislator already enjoys as part of her capacity. To do that would require a resource absorbing "tax," a behavioral instrument that lobbyists do not have.

The 1997 Fight over EPA Clean Air Regulations

To test our account, we investigate lobbying by private and public interest groups during consideration of an EPA proposal to strengthen the National Ambient Air Quality Standards (NAAQS) for ground-level ozone (smog) and particulate matter (PM, or soot). The revised NAAQS were proposed by the EPA in late 1996 and were approved by President Clinton in mid-summer 1997.

These rules promised to have major consequences for the country. Generally, they stood to improve the quality of life for significant segments of the public, including the elderly, children with asthma, and others at risk for cardiopulmonary disorders. For this reason, public health interest groups played a central role in lobbying on this issue, especially in the period when the EPA was deciding on the shape of the final rule.[22]

The proposed rules would also have significant negative effects on private companies, particularly those from polluting industries: iron and steel, heavy manufacturing, transportation, petroleum, mining, and utilities. Areas complying with the old standards but thrown out of compliance by the new standards would be hit especially hard. It was not surprising, then, that the regulations were controversial and highly contested. Numerous firms and industry groups from the above sectors had sounded the alarm in Congress, especially lobbyists representing auto, transportation, manufacturing, utilities, and construction.

Data and Specification

[22] The major environmental organizations became more involved in lobbying Congress after Clinton approved the final rule and legislation was introduced to nullify or postpone the new rules. That legislation died in committee, however, never having made it to committee markup.

We define an intervention to be a type of verbal pressure expressed by a legislator with respect to a particular agency decision. Specifically, a representative explicitly challenges -- or defends in the face of a challenge – the (proposed) agency policy. We confined our analysis to the House Commerce Committee, the principal House committee of jurisdiction over clean air standards.

We measured the strength of the signal by counting the number of distinct statements by a legislator that are directed at the agency and either challenge or defend the proposed air quality standards. We used two sources. The first was the public docket generated during the comment period on the proposed rule. Established by the Administrative Procedures Act, the notice and comment period is perhaps the most common "fire alarm" institution. The docket includes letters, memoranda, briefs, and other documents, including letters to EPA Administrator Carol Browner and other agency officials from members of Congress. It also includes references to meetings or phone conversations between legislators and agency officials. The second source includes the exchanges between members and witnesses during committee hearings. There were six hearings held in Commerce during the first half of 1997, the period between the EPA's notice of proposed rulemaking and the final rules going to the White House for final approval.

Using the two sources, we identified discrete comments (questions, statements, insertions) germane to the proposed NAAQS, which expressed a clear preference on the part of the member. We coded each comment according to whether it stated support for or opposition to the regulations. Most committee members made at least one such comment during Commerce Committee hearings.[23] For instance, some made opening statements (at one or more hearings) that criticized or praised the EPA proposal. Others did so in the course of exchanges with colleagues or witnesses. Some members said nothing or did little more than express a position. Others critiqued the proposal in considerable detail, challenging or supporting the proposal on a number of grounds. The number of discrete comments ranged from 0 to 59.[24]

From these data we create two dependent variables: signals sent supporting the EPA proposal and signals sent against. Each is a simple summary of the speaking "events," i.e., the number of letters and the number of hearing comments by each member on the respective sides of the issue – pro-regulation or con. Over half (28 of the 51) members of the House Commerce Committee sent at least one signal.

Our measure of lobbying is based on a survey instrument, administered in face to face interviews with group representatives who lobbied members of Congress in the period before issuance of the final rule in the summer of 1997. We sought to interview

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[23] The hearings were held by or jointly with two Commerce subcommittees, and almost all Commerce members sat on one of the two. Members not officially on those subcommittees could participate in the hearings as well, even though they could not in any subsequent markup.

[24] We did not count letters or comments that did not express a policy preference. Letters of inquiry, letters that involved only procedural formalities, and letters where the coding was a "close call" fell into this category.

the principal lobbyists who lobbied for the coalition of groups on each side, based on the reports of committee staff and other lobbyists. The identification process was facilitated by the fact that both sides had organized as coalitions, with central players coordinating the lobbying at least in part. We identified six on the pro-regulation side and interviewed five; we identified eleven on the anti-regulation side and interviewed nine. If there is an undercount, it is almost certainly on the industry side, as the regulations would affect numerous firms and industries, which lobbied on the issue but were not among the principal lobbyists in the coalition.

The instrument is a modified version of one described in Austen-Smith and Wright (1994). It listed all members of the committee, and asked the respondent to estimate the number of times during the EPA rulemaking that he had had "face or phone time" with the member or her staff. Respondents did this by checking off one of several categories- "none (0)," "once or twice, (1-2)" "several times (3-5)," "many times (6-10)," or "repeated contact (>10)." For those offices where the lobbyist reported "repeated contact," we then asked the respondent to estimate the number of times they spoke or met with someone in the member's office. The interviews thus produced a measure not simply of whether a member was lobbied, but an interval level measure of how much. The measure we use in our analysis is a count of the times lobbyists on each side reported speaking or meeting with each member's office.

Our measure of expected "friendliness" of the legislator to the groups' point of view follows the method used by the health and environmental lobbyists themselves. Several of the principal lobbyists created a composite score using two sources. The primary source was the legislator's League of Conservation Voters (LCV) support score from the previous congress.[25] In most cases, that was enough. They used the scores to classify members on a 1 to 5 scale, one being the strongest friends and five being the worst enemies, based on specific cut-points -- the thresholds separating the LCV quintiles. However, the lobbyists reclassified members when they had better information to go on. For instance, some members who had moderate to high LCV ratings were known to oppose take the industry position on clean air standards. Fortunately, the internal files showing those corrections were made available to us.[26] Likewise, lobbyists used the 5-point scale to classify new members who had no voting history, basing their ratings on whether as candidates the new House members had received endorsements from one or more environmental groups. For those members classified using the LCV score, we assign them that score to measure their expected position on the EPA proposal. For those classified separately from the LCV score, we transformed their 1-5 rating to a 0-100 scale to correspond to the LCV scale.

The subsidy theory of lobbying states that lobbying will increase legislative signaling to the extent that legislators are already predisposed to support their position.

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[25] In using this score, we do *not* take it to be a measure of ideology. On the problems with such an interpretation, see Jackson and Kingdon 1992.

[26] Ranking Minority Member John Dingell of Michigan, for instance, had a fairly high LCV score but had a long history of opposing stricter clean air standards. The lobbyist classified him as a 5; so did we. Five of the 51 committee members were reclassified one category or more.

The tests of H.3 and H.4 thus rest on the interaction of the lobbying and the expected friendliness. Because we hypothesize different effects for different categories of members, we use two interactions in each equation. In the model of *pro-regulation* interventions, the amount of lobbying by the health and environmental lobbyists is interacted with the number of points over 60 of the member's adjusted LCV, the value being zero for those below. We hypothesize that the effect of this variable will be *positive*. The second variable in this model is an interaction between the amount of pro-regulation lobbying and a measure of the legislator's *un*friendliness: the number of points of the (modified) LCV score below 40, zero for those above. Due to the fact that the subsidies give but cannot take away, we hypothesize that the effect of this variable will be negligible. Alternatively, a significant negative effect would suggest that preference-centered lobbying is going on.

In the second model – the number of signals sent *in opposition to* the proposed EPA regulations -- we use analogous interactions. Friendly lobbying is the interaction of industry lobbying contacts and the amount the legislator's modified LCV score is below 40, zero for those above 40. This too should have a *positive* effect on the likelihood that members will intervene in opposition to NAAQS. Industry lobbying of their historical enemies should have no effect.

The capacity of the legislator's enterprise was captured with three terms, which indicate the accessibility of staff, the availability of procedural prerogatives, and the store of expertise that the office might bring to the issue at hand. We created a four-point index indicating each member's "leadership position" on the committee of jurisdiction, if they had one (full or subcommittee chair, full or subcommittee ranking minority member). We include a dichotomous variable for subcommittee membership (1 if a member, 0 otherwise.)

The measurement of constituency interests was less simple. The local interests potentially at stake in this fight cut two opposite ways, which we attempt to disentangle. On the one hand, the proposed regulations stood to have a negative effect on local economies in members' districts. This was especially true in districts at the pollution borderline, where stricter standards might force polluting industries to lay off workers, cancel plans for expansion, or move elsewhere. For this reason, the proposal was highly salient among state and local officials promoting economic development in these areas. Some of them testified at hearings and many contacted their representatives.[27] We capture the potential economic development costs with two variables. One was a dichotomous variable reflecting whether the new regulations would push one or more counties in the district into an NAAQS category of "non-attainment," which would make it much more difficult for existing industries to expand or new ones to enter the county. The county level data came from unpublished EPA documents provided to us by industry lobbyists. We also use 1990 U.S. Census data to measure the combined number of jobs in manufacturing, mining, transportation, utilities, and construction in each district – the principal industries that would be affected by the new rules. We hypothesize that

[27] We could not interview all of these officials because of the number of them and their geographic dispersion.

legislators who represent districts with a large number of constituents employed in these sectors, ceteris paribus, will be less likely to signal in support of the proposed EPA regulations, more likely to signal against. These sectors tended to be well-organized within districts, if not through labor unions, then through management. And with major, selective economic costs at stake, they (and hence potential challengers) would be more likely to notice and appreciate congressional interventions on their behalf.

The analytical rub is that, given that these are jobs in polluting industries, citizens in the district (including industry workers) also suffer the health risks and diminished quality of life that comes with pollution (as do others downwind). We thus try to account for the ill-effects associated with pollution. We use two measures based on EPA documents: district levels of PM 10 (particulate matter of 10 microns or greater) and ground-level ozone – the two pollutants covered by the 1997 proposed regulations. Our expectation is that the higher the district pollution levels, the stronger the signal will be in favor of the EPA regulations, the weaker the signal will be against the regulations. [28] The ultimate benefits from the regulations, however, would be widely disbursed and long-term, suggesting that this effect may not be terribly strong.

Results: Getting By With the Help of Their Friends

Our main concern is with the effects of lobbying on legislators' decisions to send costly signals to agency decision makers, but our prediction of the these effects rests on lobbyists decisions regarding whom to lobby. We will briefly review those patterns, before turning to the analysis of legislators' interventions.

Recall the first hypothesis. If lobbying is a form of subsidy, lobbyists should lobby their friends, not their enemies or fence-sitters. The evidence from the NAAQS case suggests that they tend to do just that. One indication can be found in the correlation between the modified LCV score and contacts by pro-EPA groups. The bivariate relationship is positive and significant, suggesting that the health lobbyists had a strong tendency to lobby their friends. Figure 1 provides a frequency distribution, showing the total number of phone conversations and face-to-face meetings by pro-EPA groups with three categories of Commerce Committee members. By far, the pro-regulation lobbyists lobbied their allies rather than fence-sitters or enemies. We used different cut-points between the middle and the other two categories, and the basic pattern stayed the same. Still, our data do show that pro-EPA lobbyists had numerous contacts with legislators solidly opposed, suggesting that some preference-centered lobbying was going on as well.

(Figure 1 about here)

[28] However, we would also point out that consumers of clean air are notoriously under-organized; hence they are less likely to recognize and advertise whatever health-related good that their representative might produce. In any case, we expect from the start that the task of separating the health interests associated with pollution and the economic interests of those industries creating pollution will be difficult to do.

On the anti-EPA side, industry pulled out all of the stops. Contemporaneous reports put their Washington lobbying expenditures at over $40 million, the interest on which probably could have paid all of the lobbyists on the other side. But flush with resources, they nonetheless concentrated them on those who were already thought to hold sympathetic positions. The number of anti-EPA lobbying contacts is decreasing in legislators' modified LCV scores, suggesting that the two avoided each other. And as Figure 2 shows, the pattern is skewed even more heavily toward lobbying allies than we saw in Figure 1.

(Figure 2 about here)

Do opposing lobbyists competitively lobby, that is, lobby the same legislators? Our second hypothesis was 'no'. The analysis answers 'some, but not much.' Of the 20 members most lobbied by anti-regulation groups, or example, only five were among the top 20 lobbied by groups in support. Of the 20 members *least* lobbied by anti-regulation groups, eleven were in the top 20 lobbied by supporting groups. The correlation between the lobbying contacts on the two sides, in turn, was weak and negative (-.06, t=.45), which also provides some indication that counteractive lobbying was not prominent in the oversight in this case.

Multivariate Results

The patterns of lobbying behavior thus set the stage for our analysis of legislators' interventions in agency decision-making. Recall the nature of our two dependent variables: the number of signals from House Commerce Committee member *i* that favored the EPA proposal and the number of signals sent by *i* that opposed the proposal. The observable outcome takes on values ranging from zero (a decision not to intervene) to 6 in the case of pro-regulation interventions; and 0-17 in the case of anti-regulation interventions.

Because we treat messages pro and con separately, there are a significant number of zero values for both dependent variables. If a legislator is already opposed, for instance, it is unlikely that she will send many signals in favor. At the same time, we would not want to drop the opposed legislators from the model of pro-regulation signals. Among other reasons, this would eliminate observations that might contradict -- but would be unlikely to support -- our principal hypothesis. We thus model the decision process as implicitly consisting of two steps: the decision regarding which position to take, and the decision regarding whether and how much to intervene to promote that position. Hence, two processes might generate an observed value of zero for the number of a legislator's interventions, say, in favor of the EPA proposal. One is that she simply does not favor it (and thus *might* send signals against). The other is that her position is favorable, but factors of constituency, capacity, and subsidy nonetheless incline her not to intervene. In modeling the degree to which a legislator will intervene on one particular side, then, the number of zero values will be "inflated" because of the decision made in the first step.

We thus use zero-inflated Poisson (ZIP) regression to estimate the multivariate models (see Greene 1997). ZIP is a maximum likelihood estimator appropriate for non-negative count variables where the number of zero values is inflated by some systematic process. In estimating the count model, ZIP regression first estimates the probability that an event count will be zero, based on specified set of factors.[29] In the present case, the binary outcome is the legislator's decision whether or not to favor (oppose) the agency proposal ($z = 0, 1$). The second stage – which is of primary interest here -- is the decision over the amount of involvement, given the decision to favor (oppose) ($y = j \mid z = 1$; where j is the number of interventions). In other words, the ZIP estimator takes into account the fact that the legislator's prior position prefigures whether or not the legislator will signal a pro-regulation or anti-regulation position.

Table 1 shows the results of the ZIP regression for the number of signals sent *in favor of* the EPA proposal.[30] Table 2 shows the results for the number of signals sent *opposing* the proposal. We will discuss the capacity and constituency effects briefly, then turn to the results of greatest theoretical interest, namely, the effects of interest group subsidies on the behavior of legislative overseers.

Table 1 about here

Our account of legislators' motivations led us to expect that in salient cases such as this one, constituency concerns should increase the strength of legislators' signals to agency decision makers regarding their support (opposition) to the proposed rule. At the same time, we should not expect the effect to be especially strong on the pro-regulation side, given that the beneficiaries of the policy were widely dispersed and the benefits long-term. The results of the pro-regulation model provide little evidence of any effects, at least the ones that we predicted. An increase in the number of industry-related jobs actually increases the strength of the pro-regulation signal. This contradicts our expectation that the economic dependency of the member's district on industry jobs would cross-pressure the otherwise environmentalist legislator, thereby making her less likely to intervene strongly in support of the regulations. The fact that the member's district would be thrown out of attainment by the proposal does have the predicted (negative) effect, but we cannot safely reject the null hypothesis. So too with the

[29] Alternative but less appropriate candidates include ordered probit and Tobit estimators. However the first of these does not provide for overdispersion, and the second is appropriate in the case of truncated values. Our dependent variables are not truncated, even though there are large numbers of zero values on both of them.

[30] For the first stage logit equation, we used several different variables to predict whether the position of the member would be contrary to the position captured in the dependent variable (pro-regulation or anti-regulation) and thus generate zero values for the event count Most variables in the second stage equation were candidates for inclusion, and we tried combinations of several of them, with little effect on the results in the estimation of the event count equation. In the end, we used two predictors of position: prior voting history, as measured by the modified LCV score and the member's party. Note that the purpose of this first stage is *not* to make inferences about the causes of a member's position, only to account for the likelihood that an observed value of zero in the second stage is due to holding a contrary position ,as opposed to having the appropriate position but then not acting on it.

coefficients on district PM 10 and ozone levels. That a district suffered from high levels of unhealthy pollutants did not cause the representative to more strongly promote a proposal to limit pollution, ceteris paribus (controlling for industry jobs, in particular.) The coefficient on PM levels is slight; the coefficient on ozone has the wrong sign. Several different specifications of constituency effects provided at best mixed support.

Table 2 about here

The constituency results are somewhat better in the model of member decisions to signal opposition to the EPA proposal. Recall here that the effects should be opposite those for the model of pro-regulation signals: the more industry jobs at stake, the greater the incentive to signal *against* stricter regulations; the greater the likelihood of the district being thrown into noncompliance, the same incentive should operate. As Table 2 shows, both of these constituency variables prove correct in sign, but both are statistically indistinguishable from zero. The two pollution variables likewise have the predicted sign in the model of anti-regulation model, and we can be confident that the greater the smog problem in their district, the less inclined are otherwise anti-regulation members to send strong signals saying so.

In sum, the results from the two estimations do not suggest that constituency concerns were a major factor in legislators' decisions to signal. It may well be that such concerns matter little in legislative oversight, perhaps due to the relative invisibility and low traceability of legislators' efforts in the oversight context. This would be consistent with the textbook view, which held that the reason Congress performs so little oversight is because its members lack electoral incentives to do so. Alternatively, it may be that at this point we are simply unable to disentangle the cross-pressures that affect legislators (and their constituents) who face the unhappy tradeoff between more jobs and cleaner air.

The second category of variables in the models is intended to capture variations in legislators' capacity—their legislative wherewithal to pay the costs of costly signaling. For the most part, these results are more clear. We find that, given a legislator's decision to favor regulation, the availability of greater opportunities and resources enable her to defend it more aggressively. Membership on one of the two subcommittees with jurisdiction increases legislator activity in support of the regulations, as did holding a committee or subcommittee leadership position (ranking minority member or chair). We find the same thing in the model of anti-regulation signals. However, the third indicator of legislators' capacity – her experience and expertise as measured by years of committee service – does not follow our predictions. We expected that such advantages would serve to lower the marginal cost of involvement in any particular oversight matter. In both models, the results suggest just the opposite.

Interest Group Subsidies to Legislative Overseers

We now turn to the behavioral effects of lobbying -- the primary focus of the study. The coefficients for the respective interaction terms in both models are striking. To the extent that the health and environmental groups lobbied legislators with strong

environmental records, the legislators were better able to enter the oversight fray in defense of the stricter NAAQS (Table 1). To the extent that private industry groups lobbied legislators who historically opposed stronger environmental standards, those legislators put greater pressure on the EPA in the opposite direction (Table 2). Our third hypothesis is thus confirmed in both models.

These results are robust to different specifications. In order to test the subsidy account against the exchange models of Denzau and Munger (1986) and Hall and Wayman (1990), we estimated the identical model but included industry campaign contributions, both directly and interacted with the modified LCV score, on the right hand side of the anti-regulation equation. The coefficient on the friendly lobbying variable was depressed only slightly and the contributions variable was consistently insignificant, both statistically and substantively. Campaign contributions by the health and environmental groups were too meager to permit a similar analysis of the pro-regulation equation. If campaign contributions buy favors, we find no evidence of it here. These results suggest, then, that Hall and Wayman (1990) may have correctly inferred interest group influence from their analysis of "buying time," but they got the causal mechanism wrong.

Our fourth hypothesis held that to the extent that groups do lobby enemies, the behavioral effect should be zero. In the model of anti-regulation signals, we find, the coefficient estimate for the effect of industry lobbying on environmentalist legislators is very close to zero. In the model of pro-regulation signals, lobbying by public interest groups of industry supporters had a fairly large, if statistically insignificant effect. This suggests that public interest groups were through direct lobbying trying to cross-pressure members by providing information about constituency effects.

It is important to emphasize at this point that our findings regarding the asymmetric effects of friendly and unfriendly lobbying are *not* somehow an artifact of members' prior positions. Recall that the ZIP estimator includes prior position (measured by the adjusted LCV scores) in the first step inflation adjustment. In addition, we included in other estimations various indicators of prior position, including the non-interacted LCV scores (adjusted and unadjusted), in the behavioral models. The results were robust. Under no specification could we force the effects of friendly lobbying to change signs or drop below statistical significance. So too with the effects of unfriendly lobbying. The coefficients reported in Tables 1 and 2 were stable over a variety of specifications.

Given the nature of the estimator, however, the substantive significance of the lobbying coefficients reported in Tables 1 and 2 is somewhat difficult to interpret. Recall that the values on these variables are the product of the number of lobbying contacts and the degree of past friendliness (or unfriendliness) to the lobbying group's positions. [31] The coefficients represent the behavioral effect of going from the minimum to the maximum value of the lobbying/prior position interactions. In the following figures, we

[31] As discussed above, the estimates reflect the fact that the interactions were first transformed to a zero-to-one scale, based on their minimum and maximum values.

summarize a first-difference analysis, which illustrates the effects of relative changes in the key independent variables on the number of signals sent to agency decision-makers.

We begin by setting the other independent variables at their respective sample means for interval-level variables and their medians for dichotomous or ordinal variables. In Figures 3 and 4, then, we examine the behavioral effects of friendly and unfriendly lobbying for the hypothetical legislator who is a member of one of the two subcommittees of jurisdiction; is not part of the leadership; has previously served on the Commerce committee for about two terms; and represents a district that is not at risk of falling into nonattainment status under the proposed regulations. We hold the number of industry jobs and the district pollution levels (both ozone and particulate matter) at their sample means. Finally in illustrating the effects of friendly lobbying, we hold unfriendly lobbying at zero; when examining the effects of unfriendly lobbying, friendly lobbying is held at zero.

Figure 3 about here

What is the substantive impact of friendly lobbying on the number of discrete signals sent in favor of the EPA rule by our hypothetical legislator? As Figure 3 shows, when a member with the characteristics we stipulate is not lobbied by likeminded groups, we estimate that she will intervene in agency rulemaking in a small way, sending at most a single signal to agency officials. When this same legislator is lobbied by friendly groups at the level of the sample mean, the number of signals increases only slightly. When the level of lobbying increases by one standard deviation, we see an increase to two signals to the agency. Clearly the most dramatic effect on pro-regulation signaling occurs when lobbyists lobby their friendliest friends, precisely as our model predicts. Here the subsidies enable the otherwise time-constrained champion of the public health to vigorously defend the strict air quality standards in the face of strong industry opposition.

Another way in which to view the effects of friendly lobbying on legislator behavior is to compare the above effects with those of unfriendly lobbying – in this case, lobbying by the pro-regulation groups of members historically inclined to oppose them. While the coefficient in the multivariate did not reach statistical significance, it did suggest that the lobbying efforts may have demobilized the public interest groups' enemies. And given that our model predicts a zero effect, conservative statistical thresholds are inappropriate in any case. The substantive effects are thus of some interest. Figure 3 shows that the effect of lobbying opponents is quite modest across different levels of lobbying. Nonetheless, the effect is uniformly negative, and is thus inconsistent with our theory of lobbying as legislative subsidy. Subsidies are not supposed to work in reverse. We suspect that this result reflects that at least one part of the public groups' lobbying strategy was focused on changing members' (induced) preferences, but in a specific and little-studied way. The intent was not so much to change them from anti to pro, but to confound the incentives of anti-regulation legislators to pressure the offending agency. Interviews with the health and environment lobbyists suggested that their side had attempted to do just that, even though they lacked geographically concentrated memberships that they might mobilize at the grass roots. Run out of a one-man public

relations shop, their strategy was to redefine the issue (see McKissick 2000), not as one of jobs versus the environment, but as one of "clean air for kids." The groups may not have been able to generate piles of constituent mail. And they may not have changed the sincere interpretations of those legislators who opposed them. But they did provide a viable and potentially threatening message: "If you work against us this time, we're going to say that you sacrificed the health of our kids in order to help a bunch of polluters. And your opponent in the next election might hear us, even if parents do not." The were only able to do promote that message in a few districts however, though it was reflected in a series of ads they ran in the Capitol Hill newspaper, *Roll Call*.

Figure 4 about here

Figure 4 illustrates the substantive effects of lobbying by industry groups. The behavioral results are similar to those on the pro-regulation side and fit our expectations. Lobbying by industry groups of their friends leads to an increase in the number of interventions in opposition to the EPA regulations (hence in favor of the industry position), with the biggest impact appearing at the high end. When our anti-regulation legislator receives the average amount of industry lobbying, or less, we estimate that she will intervene less than one time in opposition to the regulations. When the amount of friendly lobbying increases one standard deviation, the legislator will intervene once. However, maximum lobbying produces an increase of two or three interventions. Industry lobbying of historically unfriendly legislators, in contrast, has little behavioral effect. In sum, the effects of friendly and unfriendly lobbying are asymmetric in precisely the way that our theory predicts. The apparent differences in the graphs of Figures 3 and 4 are not so easy to interpret, however. Their possible meaning we will return to in the concluding section.

We would emphasize, however, that these findings do not suggest that lobbying is never about affecting members' votes in matters of political control of the bureaucracy. Under some conditions that should happen (see Hall 2000), especially when legislation reversing or sanctioning (or more generously funding) an agency comes to a vote in committee or on the floor. Such occasions simply did not arise in this case. When they do, we suspect that conventional models of lobbying as informative signaling or exchange will help us understand how legislators on the fence ultimately decide which side to take. Still, even though such events are more likely to get headlines, most of the acts we would typically classify as oversight are not of that character.

Conclusion

The responsiveness of public agencies to elected officials is a basic issue in the study of democratic institutions. The need for delegation is undeniable, the problems of perfect monitoring insurmountable. A growing body of theoretical work on legislative oversight has illuminated the institutional mechanisms through which oversight can occur. We have focused on the behavioral ones, examining the decisions of individual legislators to assert control by sending costly signals to agency decision makers.

Our theory emphasizes the role of interest groups in the conduct of oversight. Interest groups are an oft-mentioned feature of old (e.g., subgovernments, industry capture) and new (e.g., fire alarm) accounts of legislative oversight, but the strategies that groups use to influence agency action are not well understood. We argue that interest groups attempt to influence agency decisions indirectly – by selectively subsidizing the interventions of legislators in agency decisions. This theory gives rise to four hypotheses about actors' behavior in oversight activity: (H.1) Lobbyists seeking to influence agency decisions will tend to lobby legislative allies, rather than fence-sitters or enemies; (H.2) Lobbyists will not competitively lobby; (H.3) Lobbying will have a positive effect on the strength of the signals sent by legislative allies to agency decision-makers; (H.4) Lobbying will have a negligible effect on the signaling behavior of the group's legislative enemies. The evidence supported all four hypotheses.

The model we develop here is admittedly simple. Certainly, lobbying as legislative subsidy is not the only strategy interest groups use to influence either legislators or agencies, even if it may be an important one. We argue here that lobbying in this context has little to do with legislators' preferences, and we find considerable evidence that that is largely the case. However, we also expect that lobbying of legislative overseers is sometimes preference-centered. Indeed, there is some suggestion of such effects in the analysis we have presented here. But the preference-centered story we would tell is different from most previous accounts. A concern with legislators' preferences does *not* necessarily imply that lobbyists will focus on swing voters. Rather, strategic lobbying might involve the provision of constituency-relevant information to induce already sympathetic legislators to become more active, i.e., to change their marginal rates of consumption such that they spend more time and staff on the issue of interest to the group. We suspect that this is the primary purpose of outside lobbying. Kollman (1998) has recently shown that outside lobbying transmits to the legislator information about the public salience of an issue in her district. Increasing a legislator's perception of an issue's local salience, even for a member whose policy position is etched in stone, would have just such an effect on the member's willingness to pressure agency policymakers, other things being equal. In our results, the mixed constituency effects do not suggest that happened in the clean air case.

The results do suggest that public interest groups provided through their direct lobbying something of a counterweight to private groups. It is difficult to say how much of a counterweight that was, however. The effects of public interest group lobbying on legislators' interventions were large, but they could muster a lot less of it. The amount of lobbying by industry groups was by all accounts enormous. That fact is reflected in our data, and our undercount of lobbying contacts was probably greater for private groups than it was for public groups.

In the end, the EPA rules were approved in the summer of 1997. The pressure from Congress was apparently not strong enough to force EPA Administrator Browner and then President Clinton to withdraw them. By the time the final regulations were issued, however, supporters of industry were already pushing the fight to the

congressional venue, lobbying legislators to rescind or delay the agency's decision. Legislation that would do that was never formally considered, however, for within a few months the White House and the EPA made significant but less public concessions to affected industries on the implementation of the new rules.

It would seem, then, that Congress exercised some political control in this case. And control of the bureaucracy we generally take to be a good democratic thing. If elected officials continually abdicate policymaking responsibility to unelected bureaucrats, the standard refrain goes, then the promise of our institutions to provide political accountability starts to sound hollow. But what if politicians do exercise control over agency policymakers, yet their control depends on the selective subsidies of groups who can most afford to provide them? Then the normative value of political control itself becomes murky. Private inequalities reappear in a public institution whose ethical standard is political equality. Legislators' priorities get skewed toward resource-rich interests even if their votes do not. Perhaps, with Lowi, we should not so readily salute institutions of political control, however efficient, until we examine potentially undemocratic influences on the controllers.

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TABLE 1:

Legislator Signals to Agency Policymakers: Support for the 1997 NAAQS Regulations[32]

VARIABLE	*COEFFICIENT*	*STD. ERROR*	*Z-STATISTIC*
Industry Jobs (1000s)	0.0001	0.0001	2.155*
Nonattainment	-0.3423	0.7483	-0.458
PM_10 Level	0.0193	0.0316	0.610
Ozone Level	-0.9726	0.7814	-1.245
Subcmte Member	1.0522	0.7356	1.430
Leadership	1.2485	0.4760	2.623*
Yrs Service on Cmte	-0.1718	0.0931	-1.844*
Friendly Lobbying	6.5490	2.0895	3.134*
Unfriendly Lobbying	-2.9765	1.9678	-1.513
Constant	-3.6994	1.6665	-2.220

Log Likelihood= -36.9663 Number of Observations=51
LR Chi Square(9)= 42.45 (p<.001) * denotes p<.10 or better

[32] Note: Dependent variable is the sum of letters written and comments made in support of the proposed regulations. The Wald test estimates the value of the ZIP Poisson estimator over a traditional Poisson model at p<.399. The member's adjusted LCV score and party identification were the predictors used in the first stage equation.

TABLE 2:

Legislator Signals to Agency Policymakers: Opposition to the 1997 NAAQS Regulations[33]

VARIABLE	*COEFFICIENT*	*STD. ERROR*	*Z-STATISTIC*
Industry Jobs (1000s)	0.000	0.000	0.712
Nonattainment	1.044	0.817	1.278
PM_10 Level	-0.009	0.024	-0.371
Ozone Level	-2.409	0.887	-2.717*
Subcmte Member	2.220	0.669	3.318*
Leadership	0.924	0.255	3.628*
Yrs Service on Cmte	-0.048	0.022	-2.138*
Friendly Lobbying	3.788	0.812	4.666*
Unfriendly Lobbying	0.694	1.681	0.413
Constant	-2.388	1.767	-1.352

Log Likelihood= -48.85028 Number of Observations=51
LR Chi Square(9)= 55.48 *denotes p<.10 or better

[33] Note: Dependent variable is the sum of letters written and comments made in opposition to the proposed NAAQS regulations. The Wald test estimates the value of the ZIP Poisson estimator over a traditional Poisson model at p<.227. The member's adjusted LCV score and party identification were the predictors used in the first stage equation.