Who Gets Protection from Protectionism? Evidence from the Buy American Act[†]

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Abstract

Contemporary protectionist policies are implemented by bureaucratic agencies following executive directives, yet their enforcement varies substantially across firms. We argue that this selective enforcement reflects congressional influence exercised through legislators' institutional leverage and local embeddedness. We test this argument by examining the first Trump administration's effort to strengthen enforcement of the Buy American Act against firms reliant on foreign—especially Chinese—suppliers in federal procurement. Combining firm-level data on federal contracts, supply chains, and campaign contributions, we analyze 2,053 firms between 2015 and 2019. We find that firms dependent on Chinese suppliers before the 2016 election experienced significant contract reductions, but only among politically unprotected firms: those represented by legislators who did not sit on important committees or lacked local ties to their districts. Only these firms adjusted their supplier networks in response to stricter enforcement. Our findings demonstrate how congressional influence shapes the distributive consequences of executive-led protectionism.

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1 Introduction

In 1934, President Roosevelt sought congressional authority to negotiate trade agreements, aiming to revive international commerce amid the Great Depression. His proposal led to intense debate over H.R. 8687—the Reciprocal Trade Agreements Act (RTAA). Signed into law on June 12, 1934, the RTAA marked a sharp break from the protectionism of the Smoot–Hawley era by empowering the executive branch to negotiate tariff reductions. This executive-led framework was long credited with advancing and sustaining an open-trade agenda, positioning the presidency as a counterweight to congressional protectionism (Haggard, 1988; Bailey, Goldstein, and Weingast, 1997).

Nearly a century later, this conventional alignment has begun to unravel. In the United States and abroad, executives increasingly spearhead protectionist initiatives—often framed as "industrial policy"—that restrict imports, privilege domestic industries, and reconfigure global supply chains (Juhász and Lane, 2024; Juhász, Lane, and Rodrik, 2024; Breznitz and Gingrich, 2025). As a result, the locus of protectionist policymaking has shifted away from Congress toward the executive branch.

President Trump's 2017 Executive Order 13788 exemplifies this shift. The Buy American Act (BAA), enacted in 1933, requires federal agencies to prioritize American-made goods in procurement (Nagle, 1999). Yet, the statute alone has never guaranteed strict enforcement by agencies—the law has long permitted waivers and exceptions that agencies routinely invoked. Executive Order 13788 sought to close this gap, directing agencies to monitor compliance more closely and reduce waiver reliance. The order did not alter the statutory framework, but it sent a clear signal of more stringent implementation. Moreover, while it did not explicitly target Chinese suppliers, the administration's broader strategic focus on China signaled heightened regulatory scrutiny for firms dependent on Chinese suppliers.

Despite the clear intent of the first Trump administration, federal agencies' stricter enforcement of the BAA has been highly uneven. Some firms with extensive foreign supply chains, including Chinese suppliers, continued to receive substantial federal contracts, while others of similar size and sector saw sharp declines. In the semiconductor industry, for example, *Intel* quickly recovered federal awards after an initial drop following Trump's order, whereas *Synopsys* never regained its pre-BAA levels. Such divergent trajectories among otherwise comparable firms raise an important question: why do agencies enforce executive-led protectionism unevenly across firms?

We argue that the distributive consequences of protectionist enforcement emerge at the intersection of global economic integration, bureaucratic discretion, and congressional representation. Firms' positions in global supply chains shape their exposure to stricter enforcement, but whether this exposure ultimately translates into economic loss depends on how bureaucratic agencies implement executive directives. Because agencies retain substantial discretion while operating under multiple political principals, even ostensibly unilateral executive actions are filtered through bureaucracies that must balance presidential priorities with congressional influence and oversight (Chiou and Rothenberg, 2014; Christenson and Kriner, 2017; Bolton and Thrower, 2021). Consequently, the distributive consequences of protectionist enforcement reflect not only firms' international embeddedness but also the political institutions that shape bureaucratic implementation.

Congressional influence is particularly likely when bureaucratic enforcement generates geographically concentrated economic consequences. A large literature shows that economic geography links local economic exposure to political representation, making geographically concentrated industries especially politically salient (Busch and Reinhardt, 1999; McGillivray, 2004; Rickard, 2012, 2020; Beramendi and Stegmueller, 2020; Betz and Hummel, 2025). Federal procurement exemplifies this logic. Major procurement contractors generate substantial employment and economic benefits within their districts, making their protection a central form of constituent service (Palmer, 2006; Bombardini et al., 2024; Venkatraman and Shelton, 2026). At the same time, agencies retain substantial discretion over compliance determinations, waiver decisions, and monitoring, creating opportunities for legislators to influence how executive priorities are implemented (Lee, 2025).

We argue that congressional influence operates through two distinct channels. First, agencies may anticipate the preferences of legislators who possess credible influence over agency funding and oversight, adjusting enforcement before any explicit request is made (Ogul, 1976; Arnold, 1980). Second, legislators may advocate directly for firms in their districts through informal contacts with implementing agencies (Ritchie, 2018, 2023; Ritchie and You, 2019; Judge-Lord, Powell, and Grimmer, 2025). These channels imply that firms' vulnerability to executive-led protectionism depends not only on their supply chains, which determine their exposure to stricter BAA enforcement, but also on the congressional influence that shapes how agencies implement it.

To study these two channels, we focus on the House of Representatives. House members represent more narrowly defined geographic districts, exercise greater authority over appropriations and procurement, and their shorter electoral cycles further strengthen incentives to deliver visible economic benefits—such as federal contracts—to their constituents (Arnold, 1990; Levitt and Snyder, 1997; Shepsle et al., 2009). We proxy the bureaucratic anticipation channel using legislators' membership on key procurement-related committees—including Appropriations, Budget, and Ways and Means—whose jurisdiction over agency funding and oversight gives members credible leverage over procurement decisions. We proxy the informal intervention channel using legislators' local embeddedness, measured by whether they were born in the districts they represent (Hunt, 2020; Crosson and Kaslovsky, 2025). Locally rooted legislators attend more closely to district matters and know district firms better, positioning them to intervene effectively on behalf of affected firms. Together, committee assignments and local roots provide observable proxies for these two channels through which congressional influence shapes bureaucratic implementation.

Our analysis uses an original dataset of 2,053 for-profit firms, linked to firm-level supply chain information and campaign contributions. Using firms' headquarters and primary U.S. contracting locations, we identify their corresponding House representatives and compile information on committee assignments, local roots, and other legislator characteristics. Using a difference-in-differences design with matching, we test whether firms that relied on Chinese suppliers before the 2016 presidential election experienced larger declines in federal contracts than comparable firms sourcing only from the United States.

We find that agencies significantly reduced contracts to firms with Chinese suppliers—but not to firms reliant on other foreign suppliers—following Trump's 2016 election victory, which signaled stronger BAA enforcement to come. These negative effects were concentrated among firms lacking congressional protection: firms located in districts represented by House members serving on important committees related to procurement or with local roots were largely insulated from the adverse effect.

We then examine how legislators' institutional capacity and local ties interact with firms' own political engagement. Firms are classified as politically active in the 2016 election cycle—the period preceding stricter BAA enforcement—if they contributed to congressional or presidential candidates. The results reveal a clear pattern: when House members possessed committee power or strong local ties, firms in their districts were insulated from the stricter BAA enforcement regardless of their political engagement. By contrast, firms suffered the largest losses when they neither contributed politically nor were represented by members serving on important committees or with strong local ties. Robustness checks show that these findings are not driven by firms' exposure to Trump's tariff policies, differences in their products or services, the politicization of contracting agencies, or presidential targeting of firms in swing states.

Finally, we investigate how selective enforcement of the BAA shaped supply-chain adjustments. Politically protected firms maintained their reliance on Chinese suppliers, while less-protected and politically inactive firms significantly reduced theirs after the 2016 presidential election. Only the latter modestly increased reliance on U.S. suppliers, indicating that Trump's attempt to strengthen the BAA enforcement achieved only partial success.

This paper makes three main contributions. First, we shift attention from the *adoption* of protectionist policies to their *implementation*, showing that bureaucratic enforcement is politically mediated through two distinct channels of congressional influence—bureaucratic anticipation and informal intervention. While prior studies focus on policy adoption (e.g., Grossman and Helpman 1994; Kono 2008; Baccini and Kim 2012; Mansfield and Busch 1995), implementation determines who actually wins and loses. Firms' integration into global supply chains shapes their exposure to protectionist measures (Osgood, 2018; Kim et al., 2019; Baccini, Pinto, and Weymouth, 2017), but domestic political institutions condition their economic consequences (Ehrlich, 2007). Politically protected firms are better able to maintain global production networks, whereas less-protected firms bear the brunt of stricter enforcement, linking micro-level integration to institutional variation in distributive outcomes.

Second, we contribute to a long-standing debate over the political origins of trade policy by showing that trade policy outcomes are determined not by a single branch, but by the interaction between executive initiatives and congressional influence. In the contemporary era, executives can initiate protectionist measures, but their enforcement can be shaped by congressional influence over the bureaucrats who implement executive directives. Legislators shape how policies are applied through their institutional capacity and geographically grounded representation, shielding some firms while exposing others. This perspective reinterprets existing debates that have largely focused on whether presidents or legislators are more likely to promote liberalization or protectionism. While classic accounts argue that delegating trade authority to the president facilitates liberalization (Haggard, 1988; Bailey, Goldstein, and Weingast, 1997), subsequent research emphasizes shifting societal coalitions (Hiscox, 1999), partisan dynamics (Karol, 2007), and institutional structures that shape access for interest groups (Ehrlich, 2009). By shifting attention to how policies are implemented, we show how both branches shape their distributional consequences.

Third, we identify federal procurement as a central yet understudied instrument of industrial policy and protectionist enforcement (Rickard and Kono, 2014). While existing research shows that firms leverage political ties to secure favorable procurement outcomes (Goldman, Rocholl, and So, 2013) and that presidents can influence the allocation of government contracts (Gordon, 2011; Dahlstrom, Fazekas, and Lewis, 2021; Potter, 2025), procurement has rarely been examined within the trade-policy literature. We show that procurement can selectively advantage politically connected firms amid rising favoritism toward domestic producers. By linking procurement outcomes to firms' supply-chain structures, campaign activity, and congressional representation, we demonstrate how protectionist enforcement operates as both a political and economic process, redistributing gains within the domestic economy and reshaping global production networks.

2 Buy American Act: Background

Federal procurement is a crucial yet often overlooked instrument of protectionism (Rickard and Kono, 2014). Policies such as the Buy American Act (BAA) allow the government to favor domestic producers in contracting, translating protectionist aims into administrative practice. In this sense, the politics of procurement mirror those of trade protection more broadly—redistributing the gains and losses of globalization through institutional channels of representation.

The BAA was enacted in 1933 as part of the Treasury and Post Office Departments Appropriations Act, passed by Congress and signed into law by President Hoover on his last day in office (Nagle, 1999). Amid the Great Depression, the legislation sought to reduce unemployment by requiring the federal government to prioritize U.S.-made goods and services. Congressional debate on February 3, 1933, reveals the Act's rationale.[1] During deliberations on the Treasury and Post Office Departments Appropriation Bill, Senator Hiram Johnson (R-CA) introduced the amendment after learning that a Boulder Dam turbine contract might be awarded to a German firm, arguing that public funds should support domestic labor and industry. Senators Byrnes (D-SC), Walsh (D-MA), and Vandenberg (R-MI) supported the measure, while Senator Tydings (D-MD) and others warned it could provoke retaliation and harm agricultural exports. Despite such concerns, the amendment passed, and Hoover signed it into law in March 1933.

The 1933 Act required the use of American-made materials in federally funded public construction, alteration, or repair projects. It also allowed agencies to waive domestic sourcing rules when U.S. products were unavailable, of insufficient quality, or unreasonably costly—a term left undefined in the statute. Subsequent executive orders and Federal Acquisition Regulations (FAR) clarified that domestic bids receive price preferences: 20% for large firms, 30% for small businesses, and 50% for Department of Defense contracts (FAR 25.105–25.106).

Over time, the scope of the BAA evolved. The Trade Agreements Act of 1979 authorized presidential waivers for products from countries covered by the World Trade Organization's Gov-

[1] Congressional Record, Senate, 73rd Congress, 1st session, February 3, 1933, p.3254.

ernment Procurement Agreement (GPA) or U.S. Free Trade Agreements (FTAs) (Manuel et al., 2016). Under these arrangements, BAA requirements are waived for projects exceeding specified thresholds—$180,000 under the WTO GPA, with variation among FTA partners (e.g., $180,000 for Bahrain, $50,000 for Israel) (GAO, 2018). Although international agreements promote procurement liberalization, domestic political and electoral incentives continue to sustain protectionist practices (Rickard and Kono, 2014).

While the BAA had existed for decades, its enforcement was largely left to federal agencies. A major shift in implementation came with the first Trump administration. Central to Trump's campaign was a promise to restore U.S. manufacturing jobs. On April 18, 2017, Trump signed Executive Order (EO) 13788, *Buy American and Hire American*, at Snap-on Inc.'s headquarters in Kenosha, Wisconsin, symbolizing his emphasis on domestic industry and labor. The administration argued that the BAA had been weakened by excessive waivers and lax enforcement. EO 13788 sought to encourage federal agencies to (1) reduce waivers and require public justification, (2) tighten domestic sourcing requirements, and (3) increase scrutiny of foreign suppliers. Over his first term, Trump issued ten executive orders reinforcing domestic content rules in federal procurement (White House, 2020).

Despite these efforts, agencies retained broad discretion in applying the BAA. Definitions of domestic products vary by composition (FAR 25.003, 25.101): for manufactured goods not primarily steel or iron, at least 60 percent of component costs must originate in the U.S.; for steel or iron products, the threshold rises to 95 percent; and unmanufactured goods must be mined or produced domestically. Yet no standardized method exists for calculating component costs, and key terms such as "manufacture" remain undefined (Carpenter and Murrill, 2022). Although foreign end products constitute less than 5 percent (about $7.8 billion) of procurement subject to BAA enforcement, complex supply chains make compliance difficult to verify (GAO, 2018). These ambiguities leave substantial room for administrative interpretation.

Federal agencies can also waive BAA requirements altogether—citing domestic nonavailability, unreasonable cost, or public interest. Despite recent executive orders limiting such waivers, their volume remains high: in 2024 alone, agencies issued over 130,000 exceptions.[2] Even after the Biden administration strengthened Buy American provisions, agencies continued to rely heavily on exemptions. Thus, while Buy American rhetoric has intensified, the policy's enforcement remains highly discretionary—leaving ample scope for political influence and conferring advantages on well-connected firms. In the next section, we examine the channels through which geography-based congressional representation affects the implementation of domestic sourcing requirements in federal contracting.

3 The Political Economy of Selective Enforcement

Protectionist policies are rarely self-executing. Even after executives announce new policy directions, implementation typically depends on bureaucratic agencies that retain substantial discretion over enforcement. Under the separation-of-powers system in the United States, these agencies operate under multiple political principals (Hammond and Knott, 1996). Although presidents establish broad policy priorities, Congress also shapes implementation because agencies depend on legislators for appropriations, statutory authority, and oversight. Consequently, bureaucratic enforcement reflects not only presidential preferences but also agencies' anticipation of, and responsiveness to, congressional influence (Ogul, 1976; Arnold, 1980; McCubbins and Schwartz, 1984).

Federal procurement is particularly well suited to studying this process for three reasons. First, agencies exercise considerable discretion in case-by-case enforcement decisions—such as determining compliance with domestic sourcing requirements, evaluating waiver requests, and deciding how strictly to monitor regulated entities—where political pressure can reach. Second, procurement involves repeated interactions between agencies and firms, allowing legislators to intervene before or during ongoing contractual relationships rather than only after irreversible decisions. Third, procurement delivers geographically concentrated and highly visible economic benefits. Because contracting firms support local employment and production (Komarek, Butts, and Wag-

[2] Made in America Waivers Data: https://www.madeinamerica.gov/waivers/. Systematic data are available only after 2021.

ner, 2022), contract losses are politically salient for constituents and their representatives alike.[3] Legislators accordingly work to steer federal contracts toward their districts; indeed, disruptions in congressional representation produce substantial declines in procurement flowing to affected districts (Venkatraman and Shelton, 2026). A large literature confirms the political force of such geographic concentration: economic geography and political representation jointly shape policy outcomes (Busch and Reinhardt, 1999; McGillivray, 2004; Rickard, 2012, 2018; Beramendi and Stegmueller, 2020; Rickard, 2020; Betz and Hummel, 2025); large employment losses are perceived as threats to local identity that intensify demands for intervention (Kim and Pelc, 2026); and politicians have stronger incentives to prevent existing job losses than to create new employment, because losses are immediate, concentrated, and visible to voters (Yang, 2024).

While these three features explain why agency decisions are subject to congressional influence, they do not specify how congressional influence is exercised. We argue that influence operates through two conceptually distinct channels. The first channel is *bureaucratic anticipation.* Agencies repeatedly interact with legislators who differ substantially in their institutional capacity to reward or sanction bureaucratic behavior. Members serving on appropriations- or budget-related committees possess particularly credible leverage because agencies depend on these committees for future funding and oversight (Bolton, 2022). Consequently, agencies need not wait for explicit requests from legislators before adjusting their behavior; instead, they may anticipate the preferences of influential legislators and avoid enforcement decisions that would impose concentrated costs on their districts. Because anticipatory behavior is inherently unobservable, we focus on committee assignment as an observable condition under which anticipatory behavior is most likely to occur, but not as a direct measure of bureaucratic anticipation.

[3] Using the universe of federal procurement contracts, Bombardini et al. (2024) estimate that an additional \$2,947 per worker in government procurement raises the local manufacturing employment share by 0.47 percentage points over five years, and that existing Buy American provisions support roughly 50,000–100,000 manufacturing jobs. Using matched defense procurement and administrative employment records, Briganti et al. (2026) similarly find that procurement increases regional employment, with gains initially concentrated among incumbent contractors and diffusing to the broader local economy. Our own analysis points the same way: aggregating all USAspending contract dollars awarded during 2015–2016 to the recipient's congressional district and scaling by working-age population (American Community Survey), the median district received about \$1,194 per working-age adult over the two years—roughly \$597 per year, or 2.0% of annual individual median income. This mirrors the aggregate: agencies obligated over \$430 billion in contracts in fiscal year 2015 (GAO, GAO-17-244SP), roughly 2.4 percent of GDP.

The second channel is *informal legislative intervention.* Legislators frequently communicate directly with agencies through letters, telephone calls, meetings, and other informal contacts regarding matters affecting their constituents (Lowande, 2018; Ritchie, 2023; Judge-Lord, Powell, and Grimmer, 2025). Such intervention depends less on formal institutional authority than on legislators' willingness and ability to identify firms facing adverse regulatory consequences. Unlike bureaucratic anticipation, this channel leaves observable behavioral footprints, including agency contacts, procurement-related communications, and other forms of constituency service. We argue that legislators with stronger local roots are especially likely to engage in such informal intervention: they acquire detailed information about local firms, maintain relationships with community stakeholders, and intervene when local economic interests are threatened.

The remainder of this section develops these two channels in greater detail. We first examine legislators' institutional capacity to induce bureaucratic anticipation and then turn to legislators' local embeddedness as a source of informal intervention.

3.1 Bureaucratic Anticipation Channel

The bureaucratic anticipation channel operates through legislators' institutional capacity. Agencies do not respond equally to all members of Congress. Rather, they have stronger incentives to anticipate the preferences of legislators whose committee positions give them credible influence over agency funding and oversight. Existing scholarship suggests that members of appropriations- and budget-related committees possess the institutional leverage necessary to induce bureaucratic anticipation, for two reasons.

First, agencies depend on congressional appropriations for both overall budgets and program-specific funding, giving members of key budgetary and appropriations committees considerable leverage (Kang and Miller, 2022; Lee, 2025). Appropriations committees increasingly can use committee reports alongside spending bills to steer agency behavior (e.g., prior notification requirements) (Bolton, 2022). This budgetary leverage gives agencies incentives to anticipate the preferences of legislators who can affect their future funding decisions or impose constraints through oversight.

This influence operates not only through formal budgetary authority but also through institutionalized channels that privilege appropriators. For instance, the Department of Energy's Office of Congressional and Intergovernmental Affairs must notify legislators whenever a contract exceeding $4 million affects their districts (DOE Acquisition Guide, Ch. 5.403). Within this structure, other members communicate through the Office of Congressional and Intergovernmental Affairs, while appropriators and their staff have direct access to the Office of the Chief Financial Officer—reflecting their enhanced budgetary influence.

Second, members of these committees exercise extensive oversight over agencies, generating repeated interactions that reinforce their influence. Agencies must return to Congress annually for appropriations, and appropriators play a central role in oversight hearings. Our analysis of House committee hearings from 1961–2022 using data from Ban, Park, and You (2026) shows that the House Committee on Appropriations alone accounts for over 23% of oversight hearings featuring bureaucrats. Moreover, hearings led by the Appropriations Committee include, on average, six bureaucrats, compared to only about two in hearings organized by other committees.

Crucially, this influence does not require direct intervention in individual contract decisions. Rather, agencies often adjust their behavior in anticipation of legislators' preferences. As Ogul (1976) and Arnold (1980) emphasize, bureaucrats internalize the preferences of powerful legislators because of their capacity to reward or sanction agencies through funding and oversight. Taken together, legislators serving on appropriations- and budget-related committees possess both the authority and credibility to influence agencies' enforcement decisions. Anticipating this influence, agencies have incentives to avoid actions—such as reducing contracts—that would adversely affect firms in districts represented by these legislators.

3.2 Informal Intervention Channel

The informal intervention channel depends on legislators' willingness and ability to advocate for local firms. Unlike bureaucratic anticipation, this channel requires legislators to identify affected firms, acquire information about their circumstances, and communicate with agencies on their behalf. We argue that legislators with local roots are more likely to satisfy these conditions because they devote greater attention to local economic issues and possess richer place-based knowledge of firms operating in their districts. A long-standing literature in American politics highlights the importance of local roots and place-based identity—measured by whether legislators were born in their districts—in shaping representational behavior (Key, 1949; Fenno, 1978).

First, locally rooted legislators exhibit greater attentiveness to district interests. Prior research shows that members of Congress vary in their responsiveness to local concerns, with those who have local ties devoting more resources to constituency service (Hunt, 2020; Crosson and Kaslovsky, 2025). This heightened attentiveness translates into a greater willingness to respond when constituents are negatively affected by government policies. To assess this mechanism, we conduct several empirical tests. Drawing on quarterly House Statements of Disbursements for 2017–2020, which report all receipts and expenditures of U.S. House members, we find that legislators with local roots allocate a larger share of their budgets to district travel (Appendix B.1). Using data on committee speeches on local issues—capturing members' attentiveness to district concerns—developed by Ban and Kaslovsky (2025), we further show that these legislators are more likely to raise local issues in committee hearings (Appendix B.2).

Second, this attentiveness is accompanied by informational advantages. Through sustained engagement with their districts, locally rooted legislators may develop richer and more timely knowledge of firms operating in their constituencies. Our analysis combining Personal Financial Disclosures for 2015–2018 with firm-level geographic data shows that legislators with local roots are more likely to hold stock in locally headquartered firms (Appendix B.3).[4] These patterns reflect a broader form of economic embeddedness that facilitates access to firm-specific information. Such place-based knowledge enhances legislators' ability to identify which firms are most affected by

[4]Tables B.3 and B.4 present summary statistics for members of the 115th House (N=430). Among members without local roots, only 6.3% ever hold stock in locally headquartered firms, compared with 13.8% of members with local roots. Consistent with this difference, the regression results in Table B.6 indicate that having local roots increases the probability of holding locally headquartered stocks by 3.7–5.4 percentage points. However, because the vast majority of legislators with local roots do not hold such stocks, these patterns are unlikely to be driven primarily by financial self-interest.

policy changes and to respond effectively when those firms seek regulatory relief.

Do local attentiveness and informational advantages translate into concrete actions on behalf of constituents and local firms? To address this question, we draw on prior research showing that legislators frequently use informal channels—such as letters, calls, and emails—to influence agency policies (Ritchie, 2018; Lowande, 2018; Lowande, Ritchie, and Lauterbach, 2019; Ritchie, 2023).[5] Using a dataset from Judge-Lord, Powell, and Grimmer (2025) that captures legislators' informal contacts with federal agencies from 2005–2020, we find that legislators with local roots are more likely to contact agencies on behalf of firms and industries in their districts (Appendix B.4).[6] We further analyze more than 47,000 press releases issued by House members between 2017 and 2020 and show that legislators with local roots devote a significantly larger share of their communications to procurement-related topics. Qualitatively, this attention manifests in constituency-focused communications, such as circulating contract opportunities, hosting procurement workshops, and assisting district firms seeking federal contracts (Appendix B.5). Taken together, this evidence demonstrates that locally rooted legislators translate attentiveness and district-specific knowledge into concrete political actions, leveraging informal channels to shape bureaucratic enforcement and protect constituent firms from the effects of protectionist policies.

These behavioral patterns are consistent with our argument that local embeddedness facilitates informal legislative intervention. But why should local ties make legislators more attentive to local economic interests? Recent work by Betz, Binder, and Geus (2026) shows that economic pressures increase electoral support for candidates with local ties, arguing that such ties allow candidates to credibly signal to voters that they understand the needs of the community and will continue to advocate for local interests once in office. Place-based identity therefore matters to

[5] Direct evidence on legislators' intervention in Buy American Act enforcement is difficult to obtain. During the revision process, we submitted multiple FOIA requests to collect Department of Homeland Security waiver data and congressional correspondence. Although we obtained waiver decisions and congressional correspondence, data on waiver requests were unavailable. This limits direct inference because firms represented by influential legislators may be less likely to request waivers if they anticipate more lenient enforcement. Accordingly, we interpret the evidence presented in this paper as consistent with the proposed mechanisms while acknowledging that direct observation of every intervention is not feasible.

[6] In Appendix B.6, we show that the local-root measure is distinct from other legislators' characteristics, such as partisanship, seniority and electoral vulnerability.

voters precisely when communities face economic hardship, consistent with our argument that local roots are associated with greater attentiveness to and willingness to act on behalf of local interests.

Locally rooted legislators' career trajectories provide an additional reason why place-based identity heightens attentiveness to local issues while they are in office. In Appendix B.7, we classify the post-congressional career of every House member who left Congress between 1999 and 2018 (N=705). Table B.11 shows that legislators with local roots are more likely to pursue careers in their home states rather than careers centered in Washington, D.C., or national organizations. Their careers thus remain more geographically anchored after Congress, strengthening their incentives to maintain local relationships and attend to local economic interests.

3.3 Alternative Dimensions of Congressional Influence

Our operationalization of the two channels is deliberately specific. Bureaucratic anticipation operates through institutional capacity over the implementing agencies; informal intervention operates through place-based attentiveness to local firms. This specificity carries a testable implication: legislator characteristics corresponding to neither channel would offer firms little protection from agencies' stricter enforcement.

Consider first the characteristics that confer general political power. If firms were protected simply because their representatives are powerful, then co-partisanship with the president, seniority, or leadership positions should predict similar patterns of protection. However, these characteristics differ from committee assignments in an important respect. While they may increase a legislator's influence within Congress, they do not necessarily provide credible leverage over the agencies responsible for implementing procurement policy. Agencies have particularly strong incentives to anticipate the preferences of legislators who oversee their budgets and programs, not those who merely share the president's party or possess greater legislative experience. Congressional influence over bureaucratic decisions is most effective when backed by formal authority or credible oversight capacity.

Similarly, electoral vulnerability may strengthen legislators' incentives to engage in constituency service, but willingness alone does not guarantee effective intervention. Unlike legislators with local roots, electorally vulnerable members do not systematically possess the place-based knowledge that facilitates targeted intervention. The competing demands of campaigning and fundraising may further constrain their ability to translate electoral incentives into sustained attention to local procurement issues.[7]

Accordingly, our expectation is that while these characteristics may influence general legislative behavior, they should play a more limited role in shaping the implementation of procurement policy. In Section 6.4, we directly evaluate these alternative explanations. Consistent with our theoretical framework, co-partisanship, seniority, and electoral vulnerability provide little protection once institutional capacity and local embeddedness are taken into account.

4 Data and Stylized Facts

Our analysis draws on five integrated datasets: federal contracting records, firm-level supply chain relationships, legislator characteristics, corporate campaign contributions, and firm fundamentals. Using the federal contracting data drawn from the Federal Procurement Data System (FPDS), we first compile a list of 2,053 unique for-profit firms that received at least one contract between 2010 and 2023. This approach is intended to approximate the universe of firms plausibly interested in competing for federal contracts during 2015–2019. Accordingly, we assume that firms that did not receive at least one contract during the broader period were unlikely to have been active participants in federal contracting during 2015–2019.[8]

Using the sample of 2,053 firms and 74 agencies that award federal contracts, we identify

[7]While Table B.2 shows that electoral vulnerability is associated with greater emphasis on local issues in floor speeches, Tables B.1 and B.4 indicate that electorally vulnerable legislators are no more likely to incur district travel expenditures or contact agencies on behalf of constituent firms.

[8]To assess potential concerns about selection on the dependent variable, we compare the full distribution of pre-period supply chain compositions and firm assets using entity registration data from SAM.gov, which captures firms eligible for federal contracting (n=3,320), and our procurement sample (n=2,053) in Appendix A.6. We find that the two samples exhibit broadly similar distributions in both supply-chain exposure and firm size. This pattern suggests that procurement firms are not drawn from a sharply distinct subset of firms along these dimensions.

12,857 firm–agency pairs that had at least one contract awarded between fiscal years 2010 and 2023. This approach allows us to focus on pairs in which firms were plausibly interested in competing for contracts and agencies were likely to award contracts relevant to the goods and services those firms provide.[9] Because not all agencies would award contracts pertinent to firms in our sample, constructing all possible firm–agency combinations from the 2,053 firms and 74 agencies would be inappropriate. Notably, 4,197 (33%) of the 12,857 firm–agency pairs we construct did not receive any contracts during 2015–2019. This pattern indicates that even when both firms and agencies were active in federal procurement during the broader period (2010-2023), contract awards were not guaranteed within a given period (2015-2019). With 12,857 firm×agency pairs, we construct a balanced firm×agency×quarter panel spanning 2015-Q1 to 2019-Q4.[10] The resulting dataset contains 257,140 observations (12,857 pairs × 20 quarters).

Supply Chain Data We draw on firm-level data on supply chain relationships from *FactSet* `Revere`, which provides direct measures of global supply chain linkages. The data span 2013 to 2022 and include approximately 834,000 firm-to-firm connections. They are compiled from publicly available sources, including SEC 10-K filings, investor presentations, and press releases.[11] The dataset records supplier–customer relationships at a daily frequency, allowing us to track the formation, persistence, and termination of linkages over time (see Table A.1). Because the data are dyadic, we aggregate them to the customer-firm level to capture overall supply chain exposure. The final sample includes 16,210 unique suppliers active between 2013 and 2022 for 2,053 firms. On average, each firm is linked to twenty-six suppliers, although the distribution is highly skewed, with a median of three suppliers.

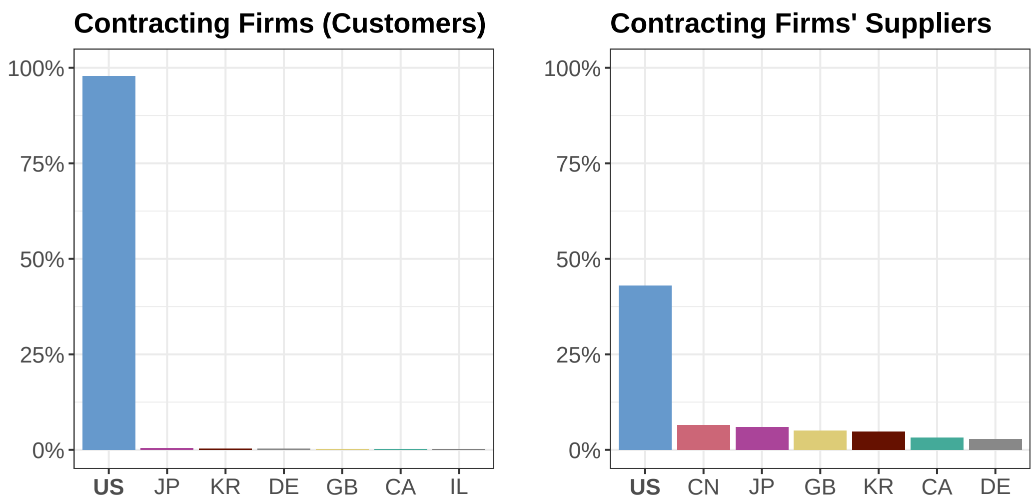
[9] We use firm-agency pairs as the unit of analysis because BAA enforcement varies systematically across agencies. Agencies differ in their procurement mandates, waiver practices, and exposure to political oversight, meaning that a firm may maintain its relationship with one agency while losing contracts from another. Collapsing to the firm level would obscure this variation.

[10] We aggregate the data to the quarterly level because agency procurement decisions appear to follow a quarterly cycle, based on our analysis of federal contracting data from fiscal years 2016–2019 (Appendix A.7). Monthly data contain a large number of zero observations at the firm×agency level, although the results are substantively similar when using monthly or biannual panels (Appendix D.3).

[11] For details, see `https://www.factset.com/marketplace/catalog/product/factset-supply-chain-relationships`. Accessed: March 22, 2025.

We classify both customer firms—which are 2,053 firms in our sample—and suppliers by headquarters country, entity type (e.g., public or private), and industry. Figure 1 shows that while most federal contractors are headquartered in the United States, their supply chains are globally distributed, with a notable concentration of suppliers in China and other foreign countries.[12]

Figure 1: Geographic Distribution of Contracting Firms and Their Suppliers



Note: This figure shows the country distribution of contracting firms (left) and their suppliers (right).

Based on the supply chain data, we code firms as having Chinese suppliers (=1) if they sourced from at least one Chinese supplier between the first quarter of 2013 and the third quarter of 2016. We similarly construct indicators for firms with at least one U.S. supplier or a non-Chinese foreign supplier during the same period. Approximately 8.67% of firms (178) have at least one Chinese supplier, 43.98% (903) rely on non-U.S., non-Chinese suppliers, and 43.4% (891) have U.S.-based suppliers.

Federal Contracting Data Federal contracting records are drawn from the Federal Procurement Data System (FPDS), which provides comprehensive records of government contracting activity across all executive agencies. The FPDS includes detailed information on contract amounts, the origin of the product, and the location and characteristics of contracting firms. It also documents

[12]See Figures A.1 and A.2 for firms' entity types and industry distributions.

the types of products and services procured, the awarding agencies, and the nature of the contract—whether it is a new award, a modification of an existing contract, or issued through competitive procedures.

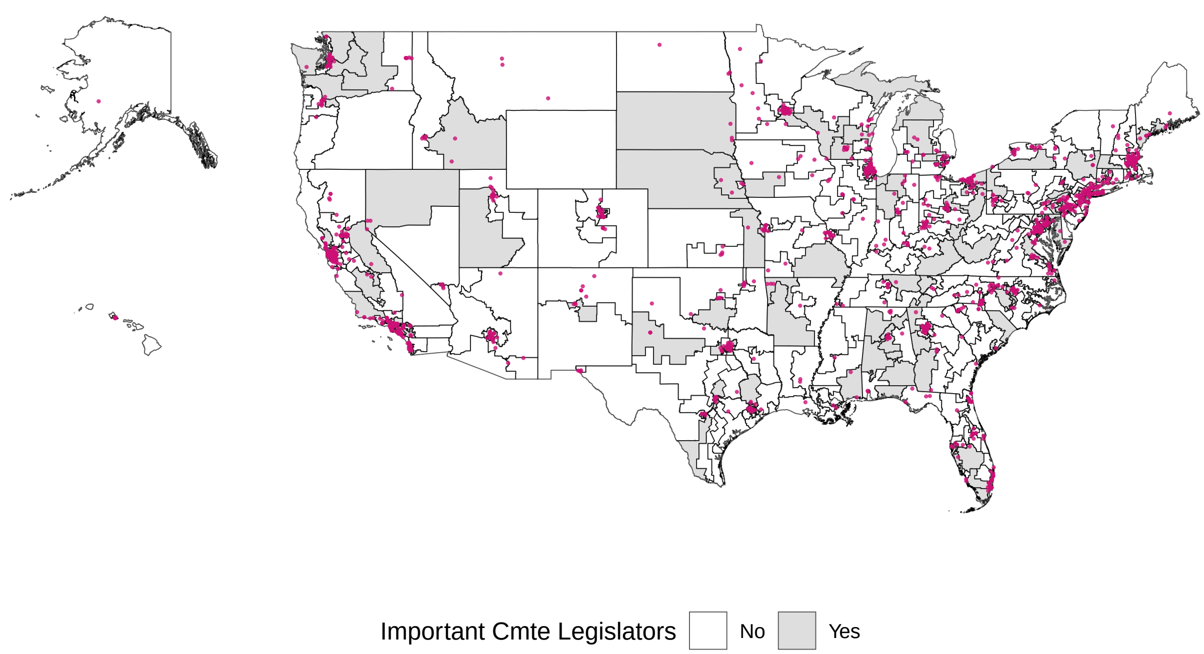
Federal contracting data also allow us to track the congressional district locations of firms' headquarters and those of their subsidiaries in the United States. Because most firms in our dataset are U.S.-based (Figure 1), this assignment is straightforward. For firms headquartered abroad, we use the location of their U.S. subsidiary. In most cases, firms are linked to a single district; when multiple subsidiaries exist, we assign the district of the subsidiary receiving the largest volume of federal contracts.

If firms could flexibly reallocate production across subsidiaries that are located in multiple congressional districts, the impact of stricter enforcement of the BAA would likely be weaker, as firms could concentrate their production capacity in districts where legislators were able to protect them. However, among the 2,053 firms in our sample, the average number of congressional districts in which their headquarters and subsidiaries were located from 2015-2019 is 1.46, the median is 1, and the 75th percentile is 2. This suggests that most firms in our sample did not have more than one associated congressional district during the period of our study. We additionally track whether there was any change in firms' headquarters locations by congressional district from 2010 to 2022. Figures A.3 and A.4 indicate that firms in our sample rarely relocate their headquarters over this period.

Legislators' Characteristics Data We compile data on the characteristics of legislators who served during the 115th Congress, when stricter enforcement of the BAA began. To capture legislators' local ties, we use an indicator from Crosson and Kaslovsky (2025) that records whether a legislator's birthplace matches the district they represent in a given congressional session. We show that this measure is uncorrelated with other characteristics such as partisanship, seniority, committee leadership, or electoral vulnerability (Table B.6), indicating that local roots capture a distinct dimension of representation.

For legislators' committee assignment, we designate the House Appropriations, Budget, and Ways and Means Committees as "important" because of their jurisdiction over federal spending and procurement. A firm is coded as connected to an important committee (=1) if it is located in a district represented by a member serving on one of these committees in 2017. We map firms to congressional districts based on the location of their headquarters. Figure 2 maps the geographic distribution of contracting firms and indicates whether they are represented by House members on these committees. Gray-shaded districts denote representation by members serving on important committees, while red dots mark the locations of federal contracting firms.

Figure 2: Location of Federal Contractors and Connections to Powerful House Committees

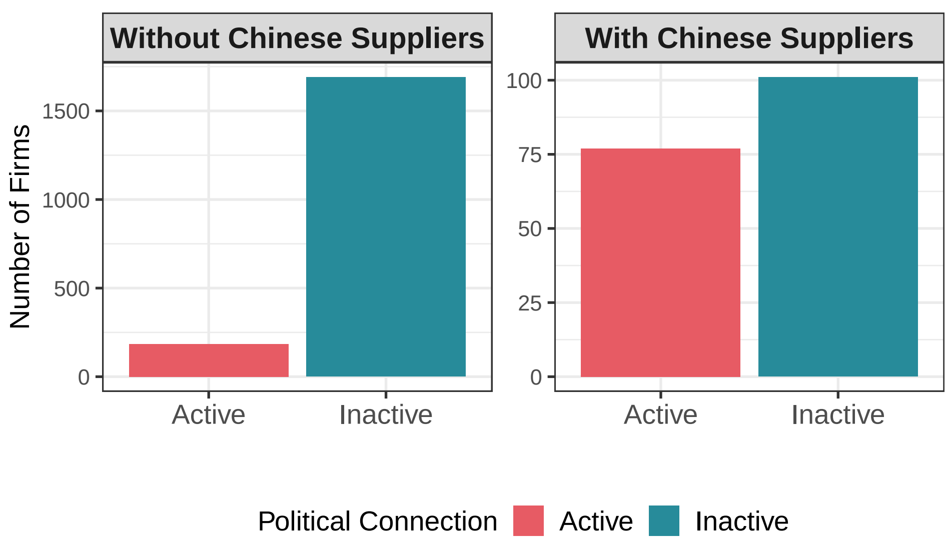


Notes: This figure shows the geographic distribution of federal contracting firms, with red dots indicating firm locations and gray-shaded areas denoting congressional districts represented by House members serving on important committees in 2017.

Campaign Contribution Data We collect firm-level political contribution data from Federal Election Commission (FEC) records, tracking donations made by firm Political Action Committees (PACs) to candidates during the 2016 election cycle. Firms are classified as politically active if they made any contributions in the 2016 congressional or presidential elections; otherwise, they are coded as politically inactive.

Politically active firms cultivate relationships that provide both formal and informal access, especially in periods of vulnerability and political uncertainty (Buzard, Canen, and Saiegh, Forthcoming). As Snyder (1992) argues, contributions can function as long-term investments: rather than purchasing immediate favors, they build influence that can be activated when needed. When agencies' actions threaten specific firms, those with political ties are better positioned to contact legislators, convey their concerns, and secure timely support. This "insurance" logic is widely recognized by lobbying professionals. For example, a brochure from McAllister & Quinn notes: "It's good to have relationships because you never know when you're going to need them" (Palmer, 2006). Firms that invest in political access are therefore more likely to mobilize congressional support at critical junctures, particularly when their representatives lack strong institutional capacity or local ties.

Figure 3: Firms Campaign Contributions in 2016 Election Cycle



Note: This figure compares firms' political contributions by whether they have Chinese suppliers. Firms with Chinese suppliers exhibit a higher share of politically active firms.

As shown in Figure 3, firms without Chinese suppliers are overwhelmingly politically inactive, with limited contributions to either party. In contrast, firms with Chinese suppliers were more likely to be politically active prior to the implementation of Trump's 2017 Executive Order.[13] Table A.3 reports firms' political connections based on contributions in the 2016 and 2020 elections. Donation behavior is highly persistent: nearly all firms that were inactive in 2016 remained inactive in 2020, while most active firms continued to contribute. These patterns indicate that firms' political engagement is stable over time, with little movement across activity statuses.

Firm Fundamentals Data We incorporate additional firm-level characteristics from *Orbis* and *Compustat*, which provide annual financial and organizational data. We use total assets—the sum of current, fixed, and intangible assets—as a proxy for firm size. To estimate total factor productivity (TFP), we rely on *Compustat* and the Peters and Taylor Total Q method (Peters and Taylor, 2017), which incorporates both physical and intangible capital inputs. TFP captures a firm's efficiency in converting inputs into outputs beyond what can be explained by capital and labor alone. Due to data limitations, asset information is available for only a subset of firms, covering 38.33% of the sample in *Compustat* and 39.55% in *Orbis*.

Descriptive Statistics Table 1 presents selected examples of firms from our final sample of 2,053 federal contractors, and Table 2 reports average firm-level contract amounts from the federal government for fiscal years 2015 and 2016 (2014 Q4–2016 Q3), prior to the stricter enforcement of the BAA. Politically active firms with Chinese suppliers received the largest average amounts, followed by politically inactive firms with Chinese suppliers, firms with U.S. suppliers, and those with non-U.S. suppliers. We also find that the share of small firms (as defined by federal agencies) is lowest among firms with Chinese suppliers, followed by those with non-U.S. and U.S. suppliers. Roughly 28–37% of firms across categories are located in districts represented by House members serving on important committees. Between 36% and 44% of firms are represented by Republican legislators, and about 16–24% are linked to members with local roots.[14]

[13]Most firms in our federal procurement data are domestic (97.81%), and they account for 97.77% of politically inactive firms. Foreign firms with U.S. subsidiaries can also contribute to political campaigns, and some in our sample do so.

[14]Table A.2 provides a breakdown of the top products and services provided by firms to the federal government, categorized by their supplier type (sourcing country) and political activity. The data show that most firms in our sample

Table 1: Federal Contractors with Supply Chain and District-Level Political Attributes

Contracting Firms	Contract ($)	Chinese Suppliers	US Suppliers	District Codes	Politically Active	Important Committee	Local Roots
Abbott Laboratories	$204.7M	Yes	No	CA-05	Yes	Yes	Yes
Intel Corp.	$5.97M	Yes	No	CA-13	Yes	Yes	No
Synopsys, Inc.	$1.79M	Yes	No	CA-18	No	No	No
Waste Management, Inc.	$19.89M	No	Yes	CA-01	Yes	No	Yes
JPMorgan Chase & Co.	$16.35M	No	No	NY-12	Yes	No	No

Note: This table presents selected examples of federal contracting firms. "Contract ($)" denotes total contract value in 2015–2016. "Chinese Suppliers" and "US Suppliers" indicate whether the firm had at least one supplier from China or the United States, respectively. "Politically Active" denotes whether the firm made campaign contributions. "Important Committee" indicates whether the firm is located in a district represented by a House member serving on appropriations- or budget-related committees. "Local Roots" indicates whether the legislator was born in the district.

5 Empirical Strategy

To estimate the effect of the BAA on firms' contract amounts, we employ a difference-in-differences design.[15] To do so, we run the following fixed-effects regression model on our firm×agency×quarter-level data for the period from 2015-Q1 to 2019-Q4:

$$\log(Y_{it}) = \tau D_{it} + \alpha_i + \delta_t + \varepsilon_{it} \tag{1}$$

where i denotes the firm×agency pair, and t denotes the quarter. Y_{it} denotes contract amounts awarded to the firm×agency pair i in given quarter t, excluding contracts that are performed outside the US. D_{it} is a binary treatment indicator for a specific group of firms under analysis. For example, to examine the effect of the BAA on the contract amounts awarded to firms with Chinese suppliers, D_{it} is 1 for those firm×agency pairs pertaining to these firms from 2016-Q4 to 2019-Q4, and 0 otherwise. τ represents the effect of the BAA on contract amounts awarded to firms with Chinese suppliers. We can similarly define a treatment indicator D_{it} for firms with non-US, non-Chinese

specialize in pharmaceutical or information technology-related products, regardless of their supplier type.

[15] While all firms are formally exposed to the Executive Order, our design exploits variation in exposure to stricter enforcement. Firms with foreign—especially Chinese—suppliers face a higher risk of non-compliance with domestic content requirements and are thus more affected by intensified enforcement.

Table 2: Summary Statistics of Procuring Firms

	Firms with US Suppliers	Firms with Non-US Suppliers	Firms with Chinese Suppliers
Panel A: Procuring Firms			
log(Total Contracts FY 15-16)	9.80	10.71	13.11
H. Rep Important Committees	0.30	0.28	0.34
Local Roots	0.21	0.24	0.17
Republican Legislators	0.42	0.36	0.40
Politically Active	0.05	0.15	0.43
log(Rep Contributions 16)	0.55	1.63	5.14
log(Dem Contributions 16)	0.46	1.42	4.64
N Unique Products	730	744	311
Top 3 Products	7030, 6515, R499	6515, 6640, 7030	6515, 7030, 6505
N HQ States	49	49	34
Top 3 HQ States	CA, NY, VA	CA, NY, MA	CA, TX, IL
Geo. HHI (State)	0.059	0.076	0.113
N	891	903	178
Panel B: Orbis			
log(Total Assets FY 15-16)	19.78	20.71	22.95
N	209	466	127
Panel C: Compustat			
Total Factor Productivity 15-16	3.32	4.61	9.94
N	141	382	119

Note: This table reports mean values of firm-level characteristics by supplier origin. Top 3 Products reports the most common 4-digit Product Service Codes supplied to the federal government: 6515 = Medical/Surgical Instruments; 7030 = IT Software; 6640 = Laboratory Equipment; 6505 = Drugs and Biologicals; R425 = Engineering/Technical Support. Geo. HHI (State) is the Herfindahl-Hirschman Index of firms' headquarters state concentration, where higher values indicate greater geographic concentration. Because firm fundamentals data from *Compustat* and *Orbis* are only available for a subset of firms, our measures of firm size and total factor productivity are limited to 802 firms from *Orbis* and 642 from *Compustat*. Descriptive statistics for firms with Chinese suppliers, by political activity and legislator characteristics, are reported in Tables A.4 and A.5.

suppliers.

We expect our treatment timing, 2016-Q4, to correspond to the period when federal agencies began to anticipate and implement stricter enforcement of the BAA in line with President Trump's preferences, particularly with respect to penalizing firms that rely on Chinese suppliers. Although the Trump administration formally issued an executive order on the BAA in April 2017, we argue that the relevant shift in agencies' actions began earlier, in the immediate aftermath of the 2016 election. Following his electoral victory, Trump consistently emphasized the BAA as a core component of his trade agenda, reiterating this commitment at a post-election rally in December 2016 and in his inauguration speech in January 2017.[16] At the same time, institutional signals from the transition team reinforced expectations of stricter enforcement. For instance, the creation of the National Trade Council in December 2016 signaled an early prioritization of domestic production and reduced reliance on foreign inputs.

Given the emphasis that President-elect Trump and his transition team placed on the BAA, federal agencies likely had incentives to align with the incoming administration's priorities and begin adjusting their decision-making even before Inauguration Day. Such anticipatory alignment is consistent with bureaucratic incentives: absent early adjustment, agencies could have faced higher costs from reversing or canceling contracts awarded in the interim once the new administration issued executive orders strengthening BAA enforcement. This form of forward-looking behavior has been documented in the literature on bureaucratic responsiveness to anticipated political change (e.g., Lee 2025). In this context, we define 2016-Q4 as the start of the treatment period, allowing for policy anticipation effects following the November 2016 election.

Firms with Chinese or other non-U.S. suppliers may differ systematically from those with U.S. suppliers in the products or services they provide to the federal government. If so, the estimated effects of the BAA could reflect industry differences rather than policy impact. To address this concern, we identify, for each firm, the top three four-digit product or service codes (PSCs) supplied during fiscal years 2014–2024. There are more than 6,000 unique four-digit PSCs, which are highly granular. For example, within "Information Technology Equipment (Including Firmware), Software, Supplies & Support Equipment (70)," agencies distinguish "Information Technology Software (7030)" from "Mini and Micro Computer Control Devices (7042)."[17] In our sample, the median firm supplies four unique four-digit PSCs.

Next, for each treated group—firms with non-U.S., non-Chinese suppliers or with Chinese suppliers—we construct a control group consisting of firms that *only* had U.S. suppliers during

[16]For example, Trump referenced the BAA in a tweet on December 16, 2016, following his post-election event in Florida. Google Trends data also show a noticeable increase in searches for the BAA beginning in December 2016 (see Appendix A.8).

[17]Detailed explanations of product or service codes are available at: `https://www.acquisition.gov/psc-manual`.

2013 Q1–2016 Q3 and overlapped with treated firms in their top three contracted products or services. When focusing on treated firms located in districts with specific legislator characteristics, we further restrict the control group to firms within the same districts.

We estimate model (1) with the R package `FEct` developed by Liu, Wang, and Xu (2024). The `FEct` package uses matrix completion and imputation methods to construct counterfactual outcomes for treated units in panel data. In our setting, however, the estimates coincide with those from a standard two-way fixed effects (TWFE) specification, as the treatment is not staggered across firms and thus does not introduce bias from heterogeneous treatment effects. We use `FEct` primarily for ease of visualization, for computing bootstrap clustered standard errors, and to conduct various sensitivity analyses.

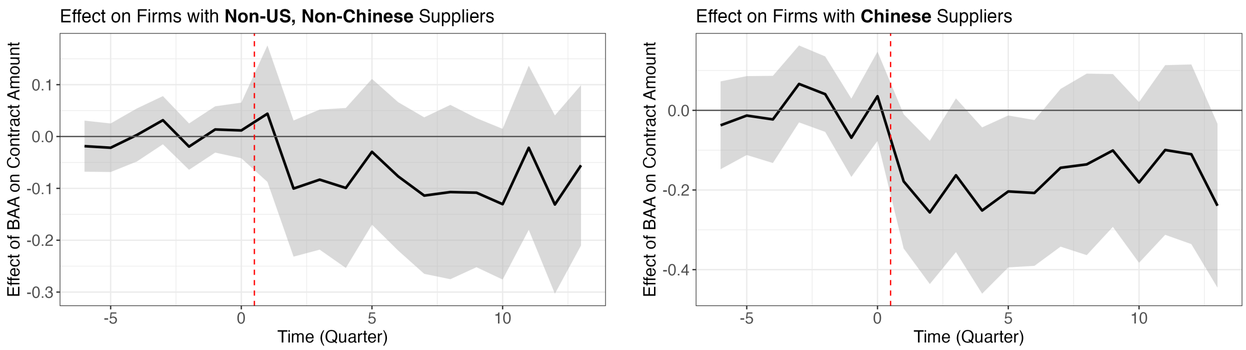
6 The Effect of the BAA Enforcement on Federal Procurement

6.1 Heterogeneity by Supplier Origin

Given the first Trump administration's policy objectives, we expect firms reliant on Chinese suppliers prior to the administration to be more adversely affected, reflecting heightened U.S.–China trade tensions. Figure 4 presents the estimated effects for firms previously reliant on non-U.S., non-Chinese suppliers (left panel) and those with Chinese suppliers (right panel). The vertical red dashed line marks the 2016-Q4 policy shock. For firms with non-U.S., non-Chinese suppliers, the BAA has no statistically significant effect, although there is a slight downward trend. In contrast, firms with Chinese suppliers experience a larger and statistically significant decline in contract amounts following the policy shock.

Table 3 presents the regression results. The estimates show that the stricter implementation of the BAA reduced contract amounts for firms with Chinese suppliers by about 17 percent (Column 2). Given an average contract value of $2.9 million for these firms, this corresponds to a reduction of roughly $0.5 million per firm. The negative and statistically significant coefficient indicates that the BAA substantially reduced federal contracting for firms with Chinese suppliers, suggesting that stricter enforcement disproportionately affected contractors reliant on Chinese suppliers.[18]

Figure 4: Effects of Stricter BAA Enforcement on Federal Contract Amounts for Firms



Note: The left panel illustrates the impact of the stricter BAA enforcement on contract amounts for firms with non-US& non-Chinese suppliers, while the right panel shows the effects on firms with Chinese suppliers. The red dashed line marks the shock period in 2016-Q4. The shaded area represents the 95% confidence intervals.

Table 3: The Effect of Stricter BAA Enforcement on Firms' Contract Amount

	Dependent Variable: log(Contract Amount)	
	Firms with Non-US, Non-Chinese Suppliers (1)	Firms with Chinese Suppliers (2)
Effect of BAA Enforcement	-0.077	-0.174**
	(0.046)	(0.062)
Obs	205,920	120,000
Treated (Control) Firms	898 (860)	178 (733)
Mean Outcome ($)	3,124,090	2,938,282

Note: Bootstrapped clustered standard errors at the firm×agency level. * p < 0.05, ** p < 0.01, *** p < 0.001. For each analysis, control group firms are those with only US suppliers and overlap with treated group firms regarding the top 3 products they provide to the federal government.

[18]Firms' anticipatory responses to stricter enforcement of the BAA rather than changes in agency behavior may explain the effect of the BAA enforcement. This is unlikely for several reasons. First, firms have limited incentives to preemptively withdraw from or scale back existing federal contracts, as doing so would entail immediate revenue losses. Second, many federal contracts are multi-year agreements, which restrict firms' ability to rapidly adjust their participation in response to anticipated policy changes. Third, and most importantly, our results hold for both new contract awards and modifications to existing contracts (Appendix C.2). The latter are largely driven by agency decisions—such as whether to extend or adjust ongoing contracts—making it less likely that firm-side anticipation explains the observed patterns. Together, these considerations suggest that the estimated effects primarily reflect changes in agency enforcement rather than anticipatory firm behavior.

Figure C.1 and Table C.1 examine the impact of Trump's BAA on firms' likelihood of receiving any contract (the "extensive margin") by constructing a binary outcome equal to 1 if a firm–agency pair received a contract in a given quarter and 0 otherwise. The results are consistent with Figure 4, showing a more negative effect for firms previously reliant on Chinese suppliers. We also decompose total contract amounts into those from newly awarded contracts and those from modifications to existing contracts. The effects of BAA enforcement are evident in both components (Table C.2).

6.2 Evidence on the Two Channels of Congressional Influence

To evaluate the two channels through which congressional influence shapes bureaucratic implementation, we examine whether firms previously reliant on Chinese suppliers experienced differential effects depending on the characteristics of their congressional representatives. Specifically, we assess whether such firms were able to mitigate the adverse effects of the BAA when located in districts represented by House members who (1) served on important committees (e.g., Appropriations, Ways and Means, Budget) during the 115th Congress (2017–2018), or (2) had local roots in their districts. To do so, we partition the sample by these legislator characteristics, construct corresponding control groups within each subsample, and estimate model (1).

Table 4 shows that, consistent with our expectations, firms with Chinese suppliers located in districts represented by powerful legislators or those with strong local ties largely avoided the negative effects of BAA enforcement. As a robustness check, we examine whether similar heterogeneity appears among firms with non-U.S., non-Chinese suppliers. Table C.3 shows no evidence that the impact of BAA enforcement varies with representation by powerful legislators for this group.[19]

Because legislators often share overlapping characteristics—such as committee membership, partisanship, and local ties—it may be difficult to isolate which attributes drive the patterns in Table 4. In the previous section, we show that legislators' local roots are not correlated with key

[19] Table C.4 reports heterogeneity effects among firms with Chinese suppliers using the extensive margin as the outcome variable. Consistent with Table C.1, we find negative effects of reliance on Chinese suppliers concentrated among firms in districts represented by legislators lacking institutional leverage and local embeddedness.

Table 4: Heterogeneous Effects on Firms with Chinese Suppliers with Legislator Characteristics

	Dependent Variable: log(Contract Amount)			
	House Rep in Important Committees		House Rep with Local Roots	
	Yes (1)	No (2)	Yes (3)	No (4)
Effect of BAA Enforcement	0.308**	-0.427***	0.213	-0.221**
	(0.101)	(0.087)	(0.171)	(0.071)
Obs	34,100	83,640	14,260	98,520
Treated (Control) Firms	60 (171)	118 (483)	30 (103)	146 (556)
Mean Outcome ($)	4,364,418	3,371,887	1,426,048	3,321,281

Note: Bootstrapped standard errors clustered at the firm×agency level. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. For each specification, the control group consists of firms with only U.S. suppliers, located in the same geographic areas as treated firms, and overlapping in their top three products supplied to the federal government.

characteristics, including partisanship, seniority, membership on powerful committees, electoral vulnerability, or committee chair status (Appendix B.6).

Moreover, we examine whether legislators' partisanship, seniority, and electoral vulnerability exert independent effects after accounting for membership on key committees (Table C.5). When legislators serve on important committees, co-partisanship with the president and greater seniority appear to provide additional leverage for firms. In contrast, among those without such institutional capacity, partisanship and seniority do not shield firms from stricter BAA enforcement, although electoral vulnerability shows some evidence of mitigating adverse effects.

6.3 Heterogeneity by Firms' Political Connections

While our results suggest that bureaucratic anticipation and informal intervention shape the uneven implementation of the BAA, these patterns could instead reflect firms' own political activities. For example, politically active firms may be disproportionately located in districts represented by legislators serving on important committees or possessing strong local ties. Such firms may avoid stricter BAA enforcement because of their own political connections rather than congressional influence. To address this concern, we restrict the analysis to firms with Chinese suppliers and divide the sample according to firms' political activity and the characteristics of their House representatives. When constructing control groups for each subsample, we further restrict the comparison group to firms located in districts with the same representative characteristics as the treated firms.

Table 5 reports results across the four firm types defined by political activity and legislators' characteristics, and Figure 5 presents the corresponding dynamic difference-in-differences estimates using committee assignment as the key measure of congressional influence. A clear pattern emerges: regardless of firms' political activity, those located in districts represented by legislators with important committee positions or local roots were less likely to be adversely affected by the BAA. By contrast, the largest losses occurred among firms that neither contributed politically nor were represented by legislators with committee assignments or local ties. Substantively, column (4) in Panel A shows that politically inactive firms in districts without legislators on key committees experienced an approximately 50 percent decline in contract amounts, relative to a baseline of about \$0.81 million. This pattern underscores that firms lacking both political connections and legislative protection were least able to shield themselves from the policy's enforcement.[20]

While our main focus is on firms' political connectedness through campaign contributions to legislators, other channels—such as lobbying—may also establish political ties between firms and legislators. We therefore track firms' lobbying records from 2015-Q1 to 2016-Q3 and classify them as politically active or inactive depending on whether they reported any lobbying expenditures. We then conduct an analysis similar to that in Figure 5. Figures C.2 and C.3 present the results, showing that our findings are robust to accounting for firms' lobbying activities. Specifically, the results suggest that regardless of whether firms engaged in lobbying, they were not adversely affected if their legislators held important committee positions or had local roots.

[20]Firms may attempt to adjust their location or political engagement in response to adverse policy shocks. However, as shown in Appendix Section A.3, only a small fraction of firms in our sample relocated their headquarters over time. Moreover, Table A.3 indicates that only 41 firms (2% of the sample) that were inactive in the 2016 election became active in 2020. Prior research suggests that larger firms are more likely to engage in politics (Kerr, Lincoln, and Mishra, 2014), and that the fixed costs of establishing PACs or lobbying operations discourage smaller firms—most of those in our sample—from rapidly adjusting their political strategies. These constraints limit firms' ability to offset negative policy effects in the short run.

Table 5: Heterogeneous Effects on Firms with Chinese Suppliers by Political Leverage

	Dependent Variable: log(Contract Amount)			
Panel A: By Legislators Important Committee Membership				
	House Rep in Important Committees		House Rep Not in Important Committees	
	Politically Active Firms (1)	Politically Inactive Firms (2)	Politically Active Firms (3)	Politically Inactive Firms (4)
Effect of BAA Enforcement	-0.223	0.107	-0.332	-0.526***
	(0.297)	(0.130)	(0.281)	(0.114)
Obs	9,120	20,960	17,280	53,960
Treated (Control) Firms	23 (8)	37 (119)	54 (13)	64 (381)
Mean Outcome ($)	3,973,092	283,685	14,035,145	818,607
Panel B: By Legislators Local Roots				
	House Rep with Local Roots		House Rep without Local Roots	
	Politically Active Firms (1)	Politically Inactive Firms (2)	Politically Active Firms (3)	Politically Inactive Firms (4)
Effect of BAA Enforcement	0.362	0.015	-0.435	-0.342***
	(0.379)	(0.230)	(0.230)	(0.092)
Obs	3,400	9,100	24,240	67,340
Treated (Control) Firms	14 (4)	16 (70)	63 (23)	83 (459)
Mean Outcome ($)	5,227,376	235,749	10,798,737	800,394

Note: Bootstrapped standard errors clustered at the firm×agency level. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. For each specification, the control group consists of firms with only U.S. suppliers, located in the same geographic areas and sharing the same political connection status as treated firms, and overlapping in their top three products supplied to the federal government.

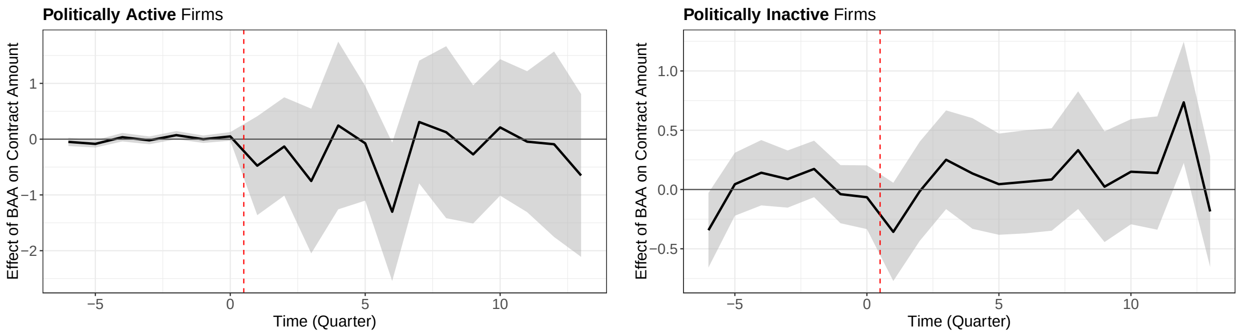
6.4 Robustness Checks

We run various diagnostic tests to examine pre-treatment trends and the sensitivity of our results to violations of the parallel trends assumption and present results in Appendices D.1 and D.2. We find no evidence of statistically significant pre-treatment trends, indicating no detectable effects prior to treatment. Moreover, our estimates remain robust to potential violations of the parallel trends assumption required for difference-in-differences (DiD).[21]

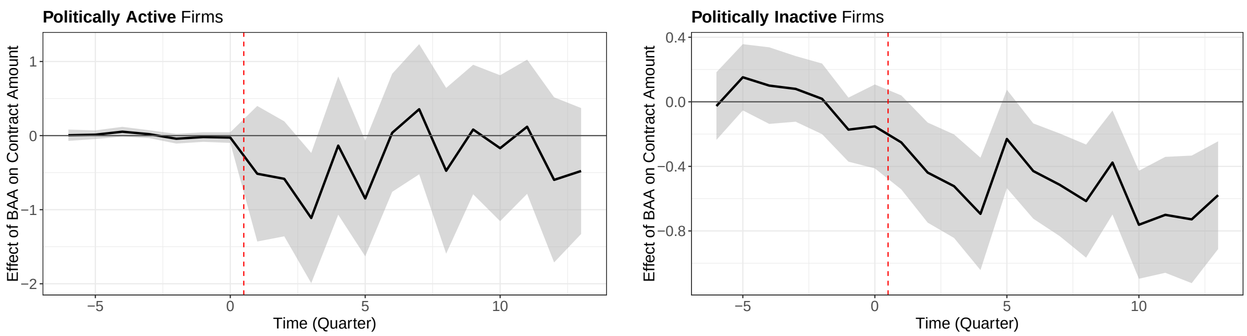
[21]We have added results using an alternative treatment timing (2017-Q2) in Figure D.9. Because firms are under common treatment timing, shifting the treatment date does not change the underlying quarter-level estimates but simply repositions the reference point (the vertical dashed line). As a result, the apparent pre-trends relative to 2017-Q2 are expected, as they capture effects that had already begun prior to that date. Consistent with our argument, the estimates show that the decline in contracts for firms with Chinese suppliers emerges around the 2016 election and continues

Figure 5: Heterogeneous Effects on Firms with Chinese Suppliers By Political Leverage

(a) Effects of BAA Enforcement on House Rep in Important Committees



(b) Effects of BAA Enforcement on House Rep Not in Important Committees



Note: The red dashed line marks the shock period in 2016-Q4. The shaded area represents the 95% confidence intervals. For each analysis, control group firms are those with only US suppliers, located in the same geographic areas, have the same political connection status as treated group firms, and overlap with treated group firms regarding top 3 products they provide to federal government.

Because quarter-level analysis may obscure more precise shifts in agencies' enforcement behavior, we also conduct analyses using a firm×agency×month-level dataset. These finer-grained results support our treatment timing, showing that patterns consistent with stricter BAA enforcement emerge immediately after the election (Appendix D.3). We further aggregate the data to the firm×agency×biannual level, define the treatment period as the second half of 2016, and find that the estimated effects likewise appear during this period (Figure D.7).

Given that the Trump administration implemented contemporaneous trade policies—such as tariffs following the stricter enforcement of the BAA—we examine whether our results are driven

thereafter, indicating that agencies began adjusting their behavior in anticipation of stricter enforcement. We therefore interpret the 2016-Q4 specification as capturing the onset of these anticipatory responses, while the 2017-Q2 results confirm that the substantive findings are not sensitive to alternative timing choices.

by exposure to China-targeted tariffs introduced after 2018. We construct a binary indicator equal to 1 if a firm's exposure to U.S. tariff policy increased between 2016 and 2018, and 0 if its exposure remained unchanged or decreased.[22] We then split politically inactive firms with Chinese suppliers based on this indicator and estimate the models separately for each group. While there might be concerns about post-treatment bias, the results reported in Appendix D.4 indicate that the effects of stricter BAA enforcement persist even among firms that did not experience increased exposure to tariff policies under the first Trump administration.

Our main analysis matches treated firms to controls based on their top three four-digit Product Service Codes (PSCs) supplied to the federal government. Although these codes are highly granular (over 6,000 four-digit PSCs), one concern is that our results may still reflect product-specific factors. To address this, we identify the top fifteen two-digit PSC families supplied by firms in our sample during 2010–2023, out of 179 two-digit categories. Many of the top fifteen categories involve defense- or security-related goods and services, such as Space R&D (AR), Maintenance/Repair/Rebuild of Equipment (J0), Guided Missiles (14), and Aircraft Components/Accessories (16).[23] We then replicate the analysis in Table 4 separately for each product category. Figure D.8 presents the results. For clarity of presentation, we omit nine product categories for which none of the estimates are statistically significant. Figure D.8 indicates large and statistically significant negative effects in districts represented by legislators without key committee assignments or strong local ties, consistent with our main findings.

We also examine whether our findings are driven by agency politicization. Following Selin (2015) and Dahlstrom, Fazekas, and Lewis (2021), we classify politicized agencies as subagencies or bureaus within cabinet departments, while non-politicized agencies include independent administrations and independent commissions. Table D.2 lists federal agencies and their politicization classifications. We then split our dataset by agency type and replicate the analysis from Table 4 within each subset. The results, reported in Table D.3, show that even after accounting for

[22] For details, see Appendix D.4.

[23] We use two-digit PSCs because four-digit codes are too granular, leading to noisy estimates. These top categories account for about 73% of total contract dollars in our dataset.

agency politicization, legislators continue to play a crucial role in helping connected firms avoid the negative effects of the BAA enforcement.

While our analysis emphasizes the role of congressional influence in shaping the uneven implementation of the BAA, such variation could also reflect presidential political priorities. Prior research shows that presidents direct federal spending toward "core" states with strong partisan support or "swing" states with close electoral margins (Kriner and Reeves, 2015). In our data, 1,540 of 2,053 firms (75%) are located in non-core states—defined as states where the Democratic presidential candidate's 2016 vote margin exceeded 10 percentage points. As a robustness check, we re-estimate the models using only firms in core and swing states. Table D.4 shows that even in states most likely to attract presidential attention, firms experience negative effects from the BAA enforcement, and congressional protection still shapes the policy's uneven enforcement.

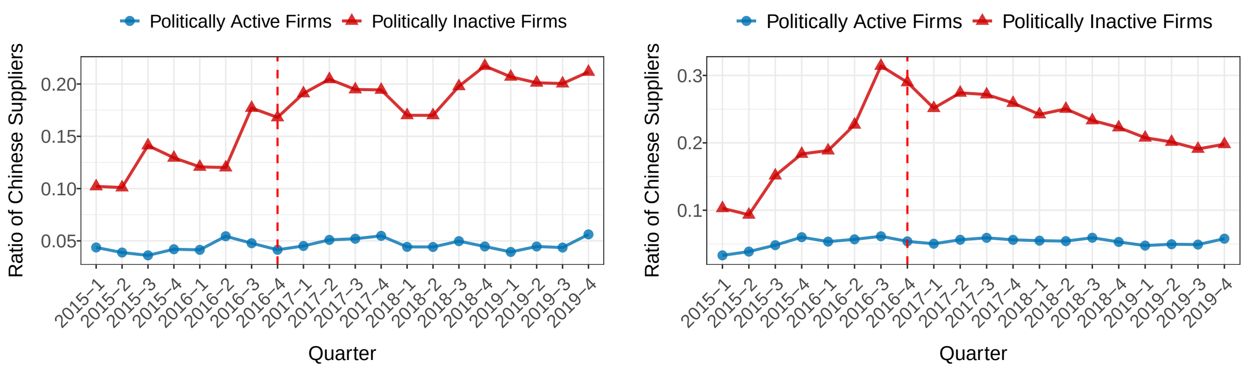
6.5 Consequences of the Selective Enforcement of the BAA: Firms' Reliance on Chinese Suppliers

Did the stricter enforcement of the BAA ultimately reduce firms' reliance on Chinese suppliers? If enforcement varied with firms' political representation, we would expect any reduction in reliance on Chinese suppliers to be concentrated among firms lacking legislative protection or political leverage. To examine this, we track changes in the share of Chinese suppliers relative to firms' total supplier networks. Figure 6 shows the evolution of this ratio for politically active and inactive firms that had Chinese suppliers during 2013–2016.

The results show that, prior to the Trump administration, politically inactive firms with Chinese suppliers had both higher and rising shares of Chinese suppliers. In districts represented by powerful legislators, this trend persisted until 2020, when COVID-19 disruptions emerged, suggesting that these firms faced little pressure to adjust their supplier networks under the stricter enforcement. By contrast, politically inactive firms in districts without powerful legislators significantly reduced their reliance on Chinese suppliers after the stricter implementation. Appendix E shows that these firms increased their reliance on U.S. suppliers after the policy's implementation. Taken together,

Figure 6: Effects of BAA Enforcement on Reliance on Chinese Suppliers

(a) Legislators in Important Committees (b) Legislators Not in Important Committees



Note: The left panel illustrates the impact of the stricter BAA enforcement on the ratio of Chinese suppliers for firms with Chinese suppliers in districts with House members in important committees, while the right panel shows the effects on those firms in districts with House members not in important committees. The red dashed line marks the shock period in 2016-Q4.

these patterns indicate that such firms were the most adversely affected by the policy, even as they attempted to shift their supply chains away from China.

7 Conclusion

Recent studies on domestic sourcing requirements in federal contracting generally find limited economic effects. For instance, Bombardini et al. (2024) estimate that stricter enforcement of domestic sourcing requirements created roughly 100,000 jobs, but at a high cost—between $111,500 and $137,700 per job, potentially rising to $237,800 as domestic content rules tighten. These findings raise important questions about how protectionist policies shape firms' production decisions and overall economic efficiency.

Given these distributional consequences, it is crucial to understand how executive-initiated domestic sourcing requirements are implemented. Although Buy American provisions enjoy broad bipartisan support, the design of the BAA and the complexity of modern supply chains make enforcement difficult and grant bureaucrats wide discretion in applying sourcing rules. Anecdotes about agencies' enforcement of the BAA suggest that their implementation is uneven and politically shaped. Understanding how these policies are implemented is therefore essential for identifying who ultimately bears the costs and who benefits from protectionist enforcement.

Our study examines the implementation of protectionist policies in two parts. First, we assess whether the first Trump administration's attempt to strengthen the enforcement of the BAA actually led to reduced contract amounts for firms with foreign suppliers. We find that firms with Chinese suppliers were the most adversely affected. This pattern aligns with the rhetoric and enforcement priorities of the first Trump administration, which explicitly identified China as a strategic and economic rival. China was consistently framed as a primary threat to U.S. industrial competitiveness, and a range of trade and investment restrictions—including tariffs, export controls, and procurement limits—were disproportionately directed at Chinese firms and supply chains. As a result, U.S. contractors previously reliant on Chinese suppliers faced greater scrutiny and risk, making them more vulnerable to BAA enforcement than firms linked to suppliers in other countries.

Second, we examine the political conditions under which firms are insulated from the adverse effects of stricter BAA enforcement. Our findings underscore the central role of congressional influence in shaping bureaucratic implementation. We identify two distinct channels through which this influence operates. The first is bureaucratic anticipation: agencies adjust enforcement in anticipation of legislators who possess credible leverage through committee assignment over appropriations and oversight. The second is informal intervention: legislators with strong local ties are better positioned to identify affected firms and advocate on their behalf. Consistent with these mechanisms, firms represented by legislators serving on influential committees and by legislators with local roots are substantially more likely to be shielded from stricter enforcement. Moreover, firms' political activity alone cannot fully explain the uneven implementation of the BAA. When congressional protection is present, firms' campaign contributions have little additional effect; political activity matters primarily in the absence of protection provided through these two channels.

Our findings point to broader implications for the study of contemporary protectionist policy. The uneven distributive effects we document in BAA enforcement may extend to other economic interventions that rely on federal agencies for implementation and involve substantial bureaucratic discretion. Trade and investment policies that favor domestic firms—including Section 232 and 301 tariff scheduling and exclusion processes administered by the U.S. Trade Representative, International Trade Commission anti-dumping investigations, export controls, and national security reviews by the Committee on Foreign Investment in the United States—require discretionary judgments over firm- and product-level outcomes. In these settings, agencies determine which products receive tariff exemptions, how injury is assessed in anti-dumping cases, and which transactions raise national security concerns. Such decisions create opportunities for congressional influence through both bureaucratic anticipation and informal intervention, as legislators shape agency behavior through formal oversight as well as informal engagement on behalf of firms in their districts (Hansen and Prusa, 1997). Although often justified on economic or security grounds, these policies, like the BAA, leave room for political influence in their application. Our results suggest that such discretionary instruments may systematically advantage firms with legislative backing, raising broader questions about the political economy of implementation and who ultimately benefits or bears the costs.

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Online Supplementary Appendix

Table of Contents

A Data and Descriptive Statistics

A.1 Supply Chain Relationship

Table A.1 presents the structure of the supply chain data, which include information on both customers and suppliers. We merged these data with federal contracting records using customer information (i.e., contracting firms). Supplier information was then aggregated by contracting firm to examine the impact of the BAA on firms with U.S. versus foreign suppliers.

Table A.1: Supply Chain Data Structure

		Customer Firm			**Supplier Firm**		
ID	Quarter	Name	Country	Industry	Name	Country	Industry
1	2016-Q1	General Motors Co.	US	Transportation	ZYF Lopsking Material Tech	CN	Primary Metal
1	⋮		⋮		⋮		
1	2017-Q1	General Motors Co.	US	Transportation	ZYF Lopsking Material Tech	CN	Primary Metal
2	2017-Q1	General Motors Co.	US	Transportation	LG Corp.	KR	Electronic
3	2017-Q1	General Motors Co.	US	Transportation	Honeywell International	US	Transportation
4	2016-Q4	The Boeing Co.	US	Transportation	Rockwell Collins, Inc.	US	Manufacturing
5	2016-Q4	The Boeing Co.	US	Transportation	Shang Gong Group	CN	Machinery
6	2016-Q4	The Boeing Co.	US	Transportation	Fixstars Corp.	JP	Business Services

A.2 Contracting Customer Firms' Characteristics

Figure A.1 presents the distribution of entity types for both contracting customer firms (left panel) and their suppliers (right panel). Among customer firms, the majority belong to PVT (Private) and PUB (Public) categories, followed by SUB (Subsidiary) and smaller proportions of HOL (Holding) and EXT (Extinct) entities. Among suppliers, the dominant entity type is Public (PUB), with Private (PVT) and Subsidiary (SUB) firms following behind. HOL and EXT categories remain marginal. Figure A.2 shows the top 10 industries of contracting customer firms. Most firms are concentrated in manufacturing and services, as well as transportation and communications.

Figure A.1: Contracting Customer Firms and Their Suppliers by Entity Type

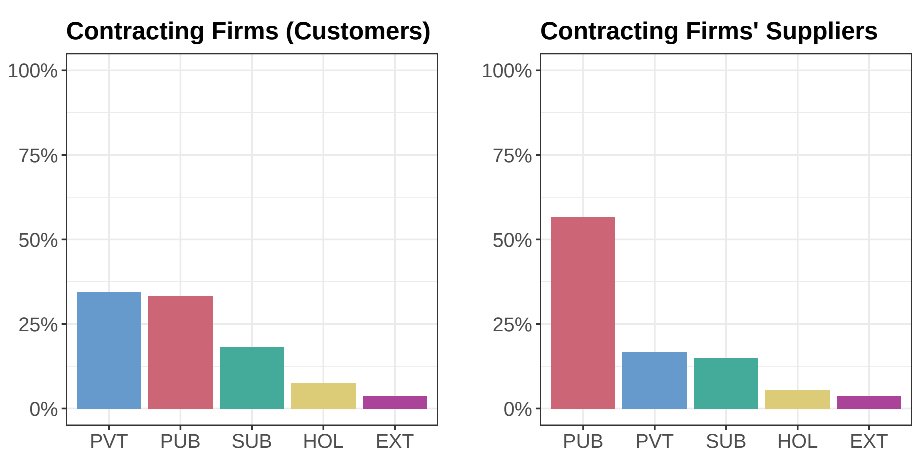


Figure A.2: Industries of Contracting Customer Firms

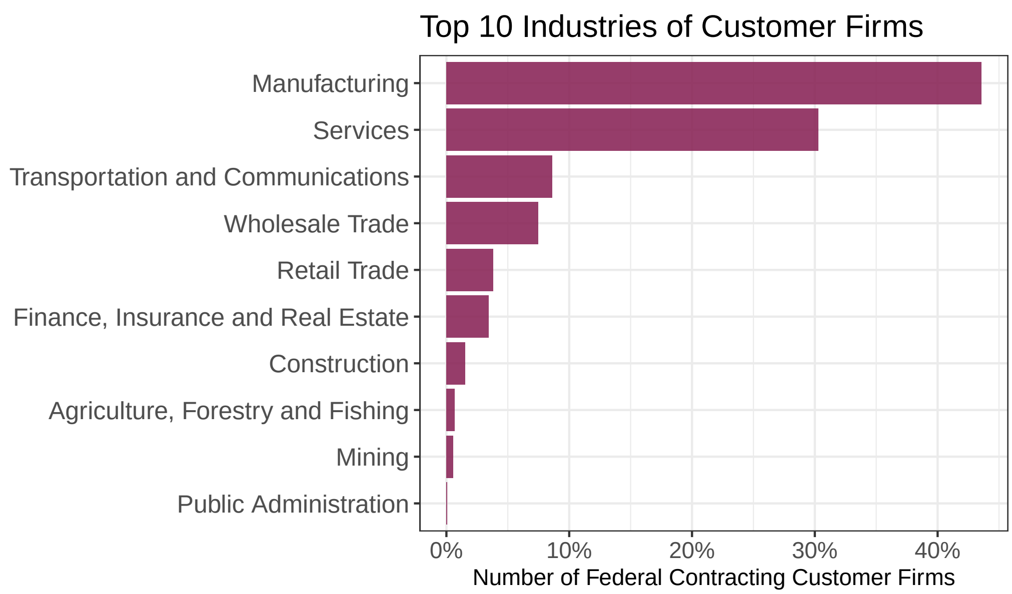


Table A.2: Top Products/Services Provided to the Federal Government

Panel A	Firms with US Suppliers	Firms with Non-US Suppliers
1	Information Tech Software (7030)	Medical & Surgical Instr. (6515)
2	Medical & Surgical Instr. (6515)	Lab Equipment & Supplies (6640)
3	Support-Professional: Other (R499)	Information Tech Software (7030)
4	IT and Telecom (D399)	Support-Professional: Other (R499)
5	IT & Telecom: Software Maintenance (D319)	Drugs & Biologicals (6505)

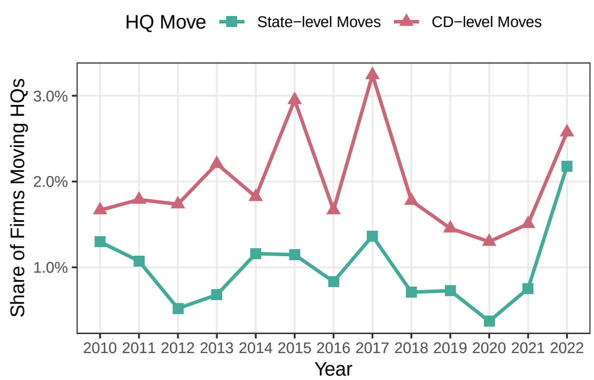
Panel B	Firms with Chinese Suppliers	
	Politically Active	Politically Inactive
1	Medical & Surgical Instr. (6515)	Information Tech Software (7030)
2	Drugs & Biologicals (6505)	Medical & Surgical Instr. (6515)
3	Support- Professional: Engineering/Technical (R425)	Lab Equipment & Supplies (6640)
4	Miscellaneous Aircraft Accessories & Components (1680)	Miscellaneous Electrical & Electronic Components (5999)
5	Information Tech Software (7030)	Information Technology Support Equipment (7035)

Note: Product/service codes are in parentheses.

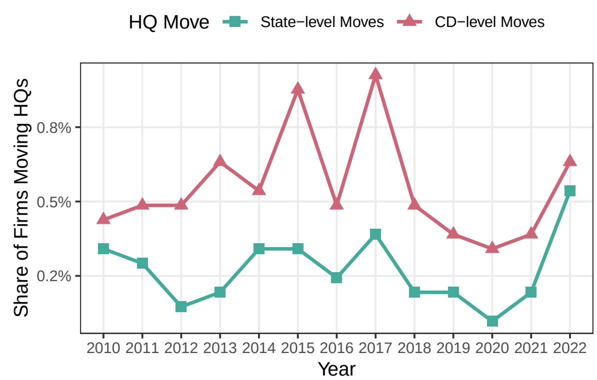
A.3 Headquarters Relocation

Between 2010 and 2022, our dataset includes 926 unique firms with available headquarters (HQ) information (states and ZIP codes) and 687 unique firms with available congressional district (CD) information. The HQ data were obtained from historical firm headquarters records based on SEC 10-K and 10-Q filings, and then matched to congressional districts using the HUD-USPS ZIP Code Crosswalk.[1]

Figure A.3a shows the share of firms relocating their HQs over time, relative to the total number of firms with HQ information, from 2010 to 2022, at both the state and CD levels. On average, about 1% of firms changed their headquarters at the state level and 2% at the CD level during this period. Figure A.3b presents the share of relocating firms relative to the total sample of 2,053 firms. On average, approximately 0.3% and 0.5% of firms moved their headquarters at the state and CD levels, respectively.



(a) Firms with HQ information only



(b) Proportion of all firms in the dataset

Figure A.3: Share of firms relocating headquarters by state and congressional district (2010–2022).

The heatmaps, Figures A.4 and A.5 visualize the movement of firms' headquarters (HQs) across locations at both the state and CD levels, respectively. Each cell represents the number of firms moving from an origin location to a destination location. Diagonal cells correspond to firms that did not move, while off-diagonal cells show actual relocations. Both maps indicate that most firms remain in the same location, suggesting that HQ relocations are relatively rare.

[1] https://www.huduser.gov/portal/datasets/usps_crosswalk.html

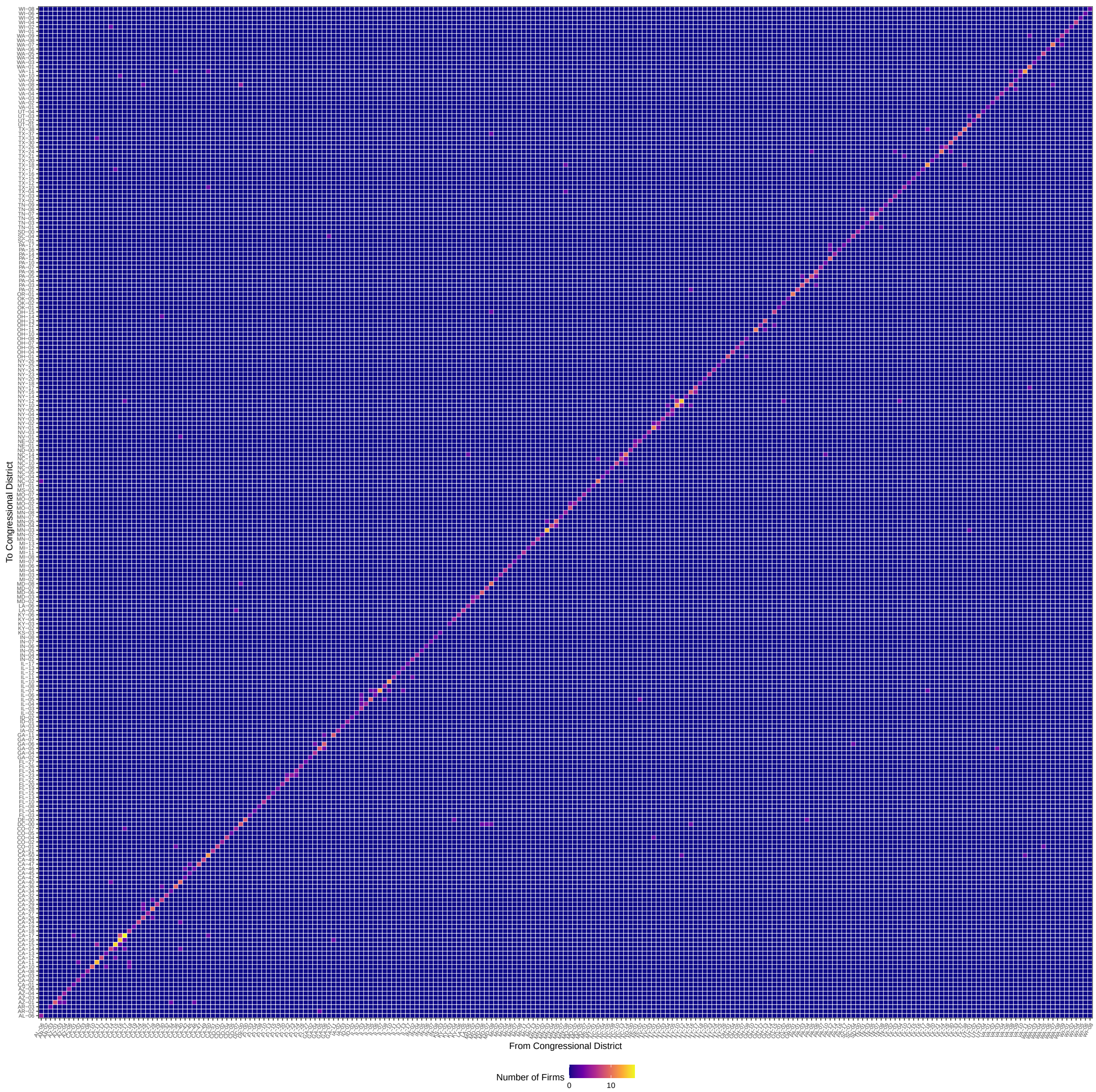


Figure A.4: Heatmap of Firm Headquarters Moves Between Congressional Districts

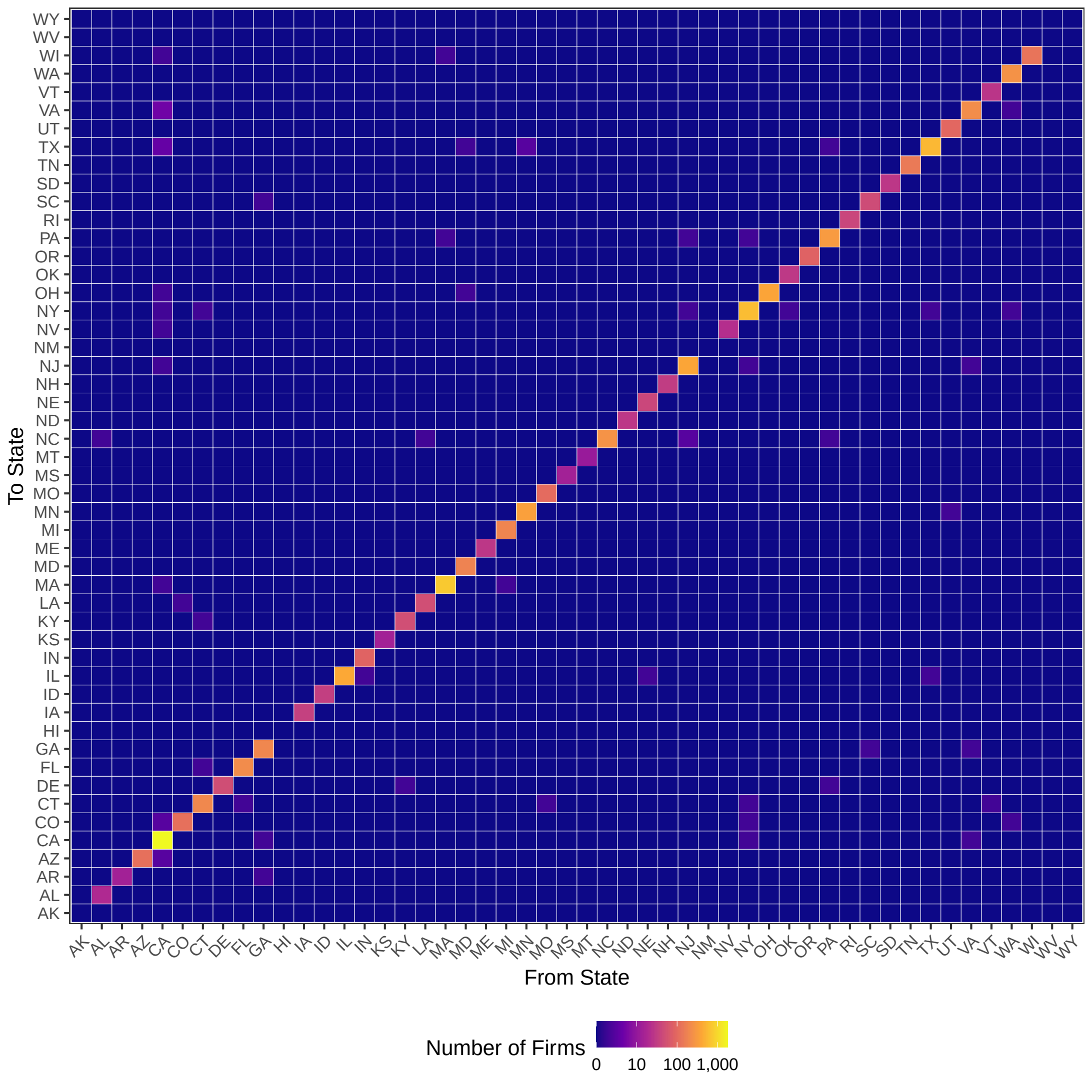


Figure A.5: Heatmap of Firm Headquarters Moves Between States

A.4 Political Connections and Legislative Characteristics

Table A.3: Firms' Political Connections, 2016 and 2020 Elections

	2020 Election	
	Politically Active	Politically Inactive
2016 Election:		
Politically Active	216 (0.82)	46 (0.18)
Politically Inactive	41 (0.02)	1,750 (0.98)

Note: The cell value denotes the number of firms. Probabilities of firm type in the 2020 election, given their type in the 2016 election, are in parentheses.

A.5 Additional Summary Statistics

Tables A.4 and A.5 report mean values for firms with Chinese suppliers, split by whether the firm's congressional district representative serves on an important committee or has a local root and whether the firm is politically active (i.e., has a registered PAC with nonzero contributions). Supplier linkages are measured over 2013Q1–2016Q3. Total contracts are cumulative federal contract obligations over FY2015–2016. Top 3 Products reports the most common 4-digit Product Service Codes supplied to the federal government. All four subgroups are dominated by similar product categories: medical equipment (6515), IT software (7030), Information Technology Support Equipment (7035), and lab supplies (6640). Geo. HHI (State) is the Herfindahl-Hirschman Index of firms' headquarters state concentration within each group, where higher values indicate greater geographic concentration. PAC contributions are from the 2016 election cycle. Total assets are from Orbis (Panel B); total factor productivity is estimated from Compustat (Panel C). Sample sizes vary across panels due to data availability.

Table A.6 reports Welch two-sample t-tests comparing politically inactive firms with Chinese suppliers across legislator characteristics. Panel A compares firms whose House representative serves on an important committee (Protected) vs. those whose representative does not (Unprotected). Panel B compares firms whose representative has local roots (Protected) vs. those whose representative does not (Unprotected). Since HHI is a group-level statistic (not firm-level), we use a permutation/bootstrap test by pooling the two groups, resample under the null, and compute the share of bootstrap samples where the HHI difference is as large as observed. None of the differences are statistically significant, indicating that the firms driving the main results in Table 5 are observably indistinguishable from protected firms on these dimensions.

Table A.4: Summary Statistics of Firms with Chinese Suppliers by Political Activities

	H. Rep in Important Committees		H. Rep Not in Important Committees	
Stat	Politically Active	Politically Inactive	Politically Active	Politically Inactive
Panel A: Procuring Firms				
log(Total Contracts 15-16)	16.27	11.49	15.19	11.17
Republican Legislators	0.65	0.46	0.35	0.31
Local Roots	0.17	0.16	0.19	0.16
log(Rep Contributions 16)	12.04	0.00	11.80	0.00
log(Dem Contributions 16)	10.49	0.00	10.83	0.00
N Unique Products	74	103	142	139
Top 3 Products	6515, 6640, 7030	7030, 6515, 7035	6515, 6505, R425	6515, 7030, 6640
N HQ States	12	15	21	25
Top 3 HQ States	CA, TX, AZ	CA, TX, WA	CA, IL, NY	CA, FL, NY
Geo. HHI (State)	0.146	0.141	0.114	0.133
N	23	37	54	64
Panel B: Orbis				
log(Total Assets 15-16)	24.05	22.26	23.99	21.64
N	19	24	45	39
Panel C: Compustat				
Total Factor Productivity 15-16	12.09	8.65	11.76	7.33
N	19	22	43	35

Table A.5: Summary Statistics of Firms with Chinese Suppliers by Political Activity and Local Roots

	H. Rep with Local Roots		H. Rep without Local Roots	
Stat	Politically Active	Politically Inactive	Politically Active	Politically Inactive
Panel A: Procuring Firms				
log(Total Contracts 15-16)	15.23	10.98	15.57	11.33
Important Committee	0.29	0.38	0.30	0.37
Republican Legislators	0.50	0.25	0.43	0.40
log(Rep Contributions 16)	11.81	0.00	11.89	0.00
log(Dem Contributions 16)	9.81	0.00	10.93	0.00
N Unique Products	41	53	168	172
Top 3 Products	6515, 8945, 2310	5810, 6145, 6515	6515, R425, 6505	7030, 6515, 6640
N HQ States	10	10	20	24
Top 3 HQ States	CA, IN, MI	MI, SC, MA	CA, TX, IL	CA, TX , NC
Geo. HHI (State)	0.112	0.125	0.131	0.172
N	14	16	63	83
Panel B: Orbis				
log(Total Assets 15-16)	24.10	21.77	23.99	21.87
N	13	8	51	53
Panel C: Compustat				
Total Factor Productivity 15-16	11.42	7.46	11.98	7.84
N	13	7	49	48

Table A.6: Balance Tests – Politically Inactive Firms with Chinese Suppliers

	Mean (Protected)	Mean (Unprotected)	Diff	p-value
Panel A: Important Committee (N: 37 vs 64)				
log(Total Assets)	22.26	21.64	0.63	0.247
log(Contract Amt)	11.17	10.82	0.35	0.782
Total Factor Productivity	8.65	7.33	1.33	0.297
Geo. HHI (State)	0.141	0.133	0.008	0.873
Panel B: Local Roots (N: 16 vs 83)				
log(Total Assets)	21.77	21.87	-0.10	0.917
log(Contract Amt)	10.98	10.92	0.06	0.970
Total Factor Productivity	7.46	7.84	-0.38	0.853
Geo. HHI (State)	0.125	0.172	-0.047	0.486

A.6 Entity Registry and Procuring Firms

To evaluate whether firms that ultimately receive federal contracts differ systematically in their supply-chain composition, we compare entity registration firms with procurement firms using pre-period supply-chain measures. Supplier indicators are constructed using data from 2013-Q1 to 2016-Q3 and capture whether a firm sourced from at least one supplier of a given type during this window. Restricting measurement to the pre-period ensures that observed differences reflect pre-existing firm characteristics rather than changes induced by procurement participation or contract awards during the main analysis period.

Table A.7 reports standardized mean differences (SMDs) in pre-period supplier prevalence between entity registration and procurement firms. SMDs measure differences in standard-deviation units and are invariant to sample size, providing a scale-free assessment of balance. All estimated SMDs fall below 0.4, indicating moderate but not severe imbalance by conventional benchmarks.

Table A.7: Pre-period Supply-Chain Composition: Entity vs. Procurement Firms

Supplier type	Entity Share (n)	Procurement Share (n)	Difference (pp)	Std. diff.
Chinese	0.044 (74)	0.087 (178)	-4.3	-0.173
U.S.	0.384 (646)	0.434 (891)	-5.0	-0.101
Non-U.S.	0.267 (449)	0.440 (903)	-17.3	-0.367

Substantively, procurement firms are more likely to source from all supplier categories, with the largest difference observed for non-U.S. suppliers (SMD = 0.367). The smaller differences for Chinese (0.173) and U.S. suppliers (0.101) suggest that imbalance is not driven by selection into any single supplier type. Instead, the pattern is consistent with procurement firms having more globally diversified supply chains overall, rather than being disproportionately exposed to specific countries.

Figure A.6 shows the empirical cumulative distributions of firm assets across the entry registry and procurement samples. While procurement firms are modestly larger on average, the distributions overlap substantially and exhibit no sharp truncation or threshold. Differences appear as a smooth location shift across the distribution, suggesting that selection into procurement does not operate through a discrete size cutoff and is unlikely to drive the results.

Figure A.6: Firm Size Distributions Across Samples

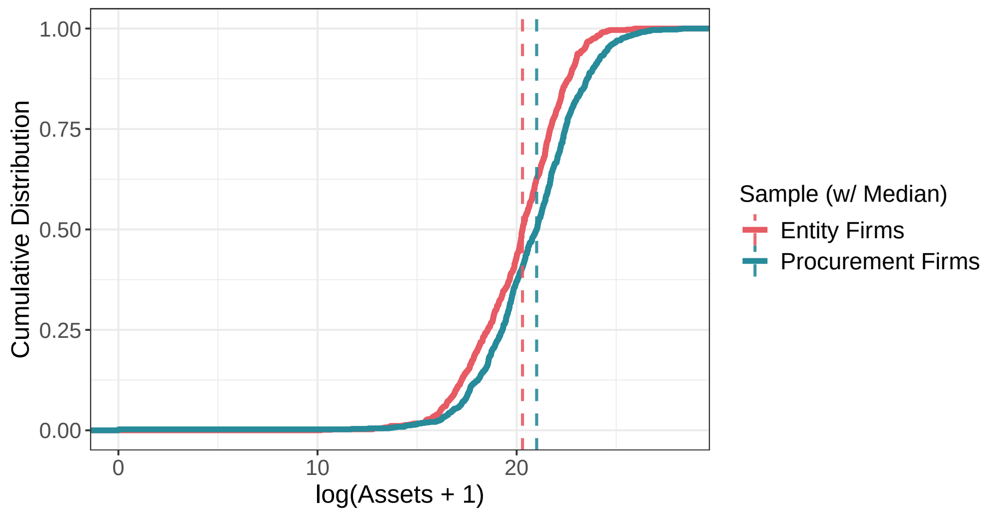


Table A.8 compares pre-period political activity and partisan contribution patterns between entry registration firms and procurement firms, conditional on supplier type. Differences between the two samples are most precisely estimated among firms sourcing from U.S. suppliers, which constitute the modal sourcing pattern. In this baseline group, confidence intervals are narrow and in some cases do not overlap, reflecting the large sample size (entity: 646, procurement: 891) rather than substantively large differences.

Table A.8: Political Activity by Supplier Type: Entry vs. Procurement Firms

Supplier type	Political Activity	Entry Share (*n*)	Procurement Share (*n*)	Diff. (pp)	SMD
Chinese	Inactive	0.703 (52)	0.567 (101)	+13.529	-0.284
Chinese	Active	0.297 (22)	0.433 (77)	-13.529	-0.284
U.S.	Inactive	0.833 (538)	0.946 (843)	-11.331	+0.367
U.S.	Active	0.167 (108)	0.054 (48)	+11.331	+0.367
Non-U.S	Inactive	0.806 (362)	0.850 (768)	-4.426	+0.118
Non-U.S	Active	0.194 (87)	0.150 (135)	+4.426	+0.118

A.7 The Federal Contracting Cycle

Figure A.7: Federal Contracting Cycle, Fiscal Years 2016-2019

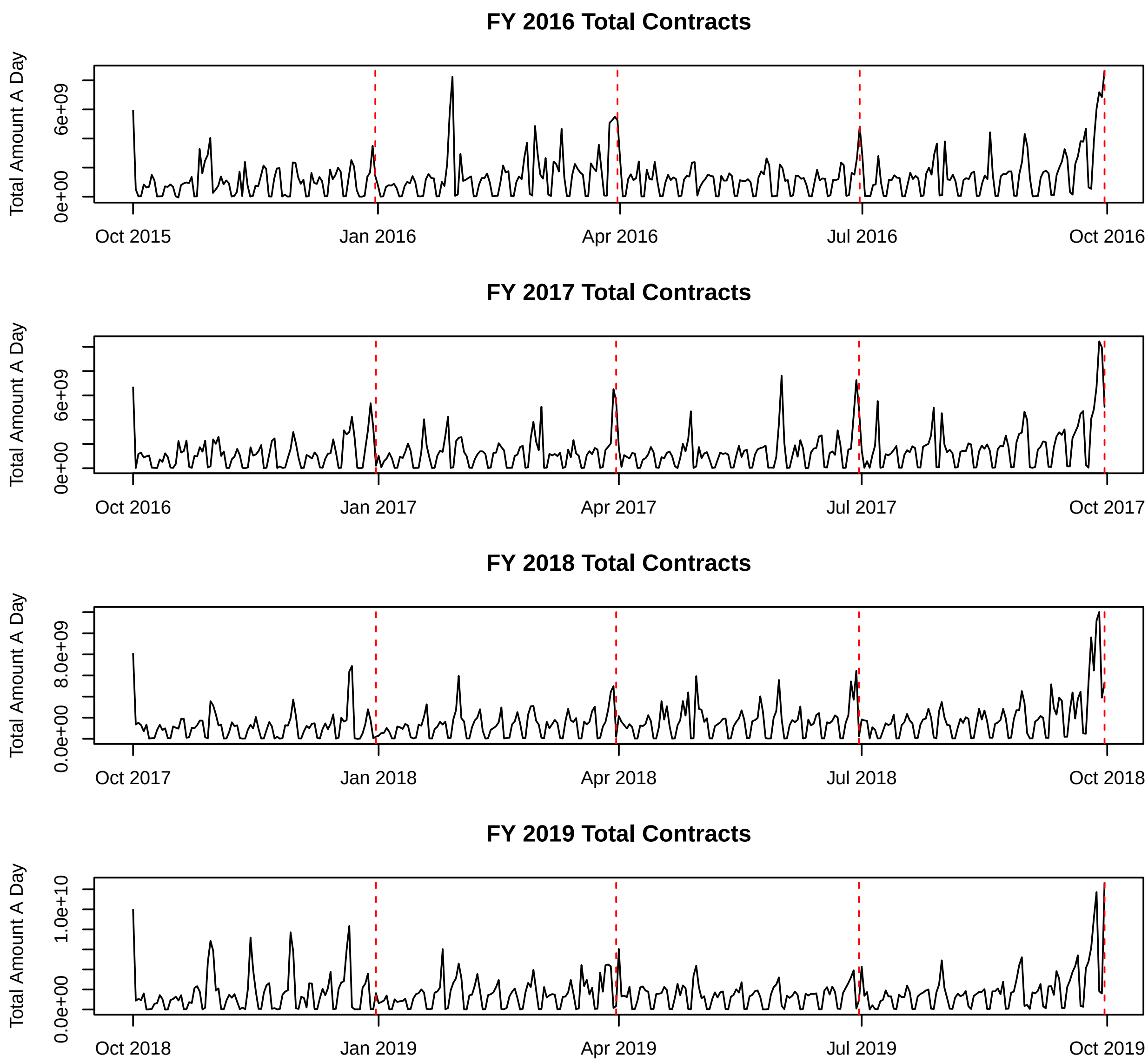


Figure A.8: Federal Contracting Cycle, Fiscal Years 2016-2019

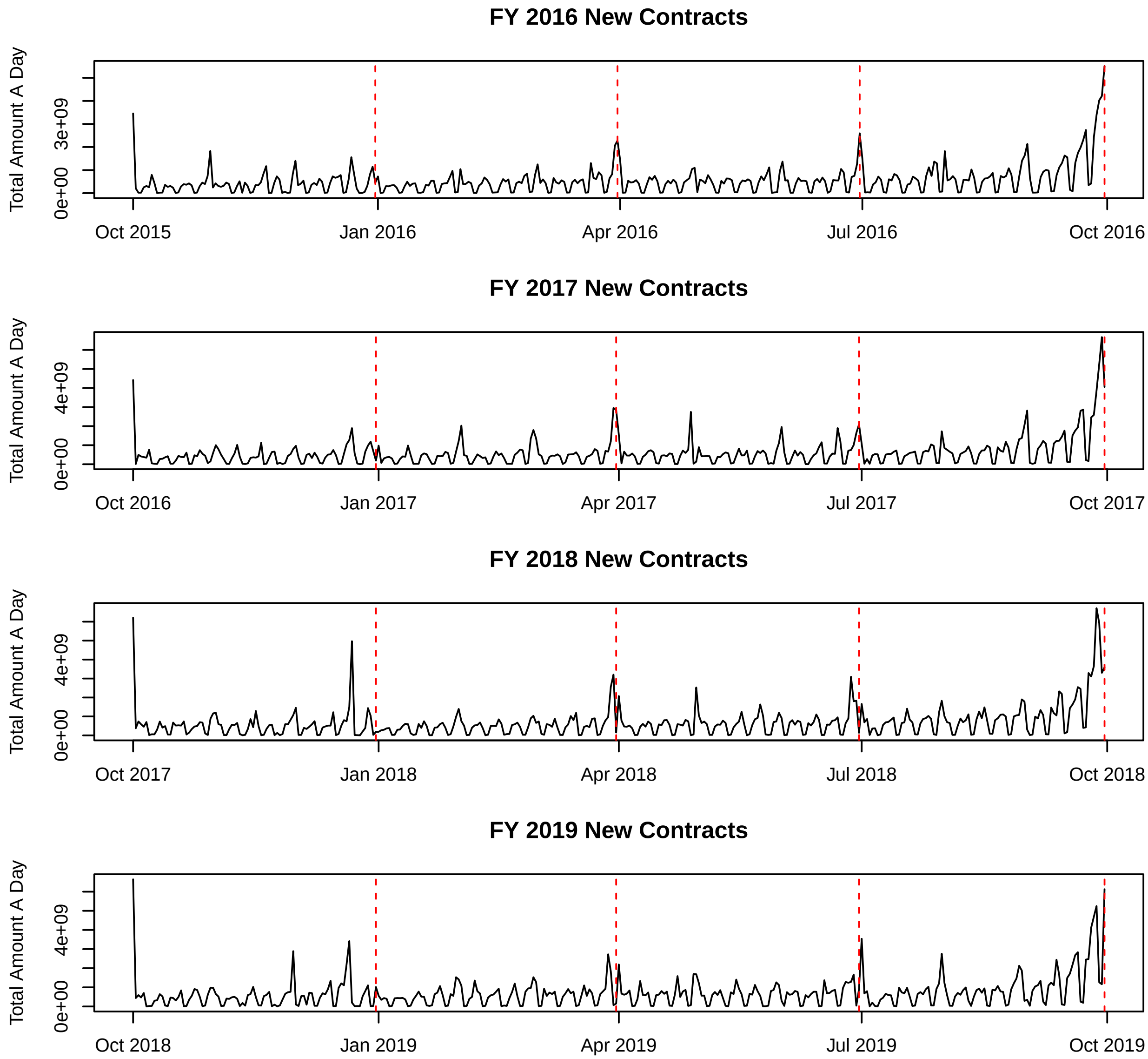
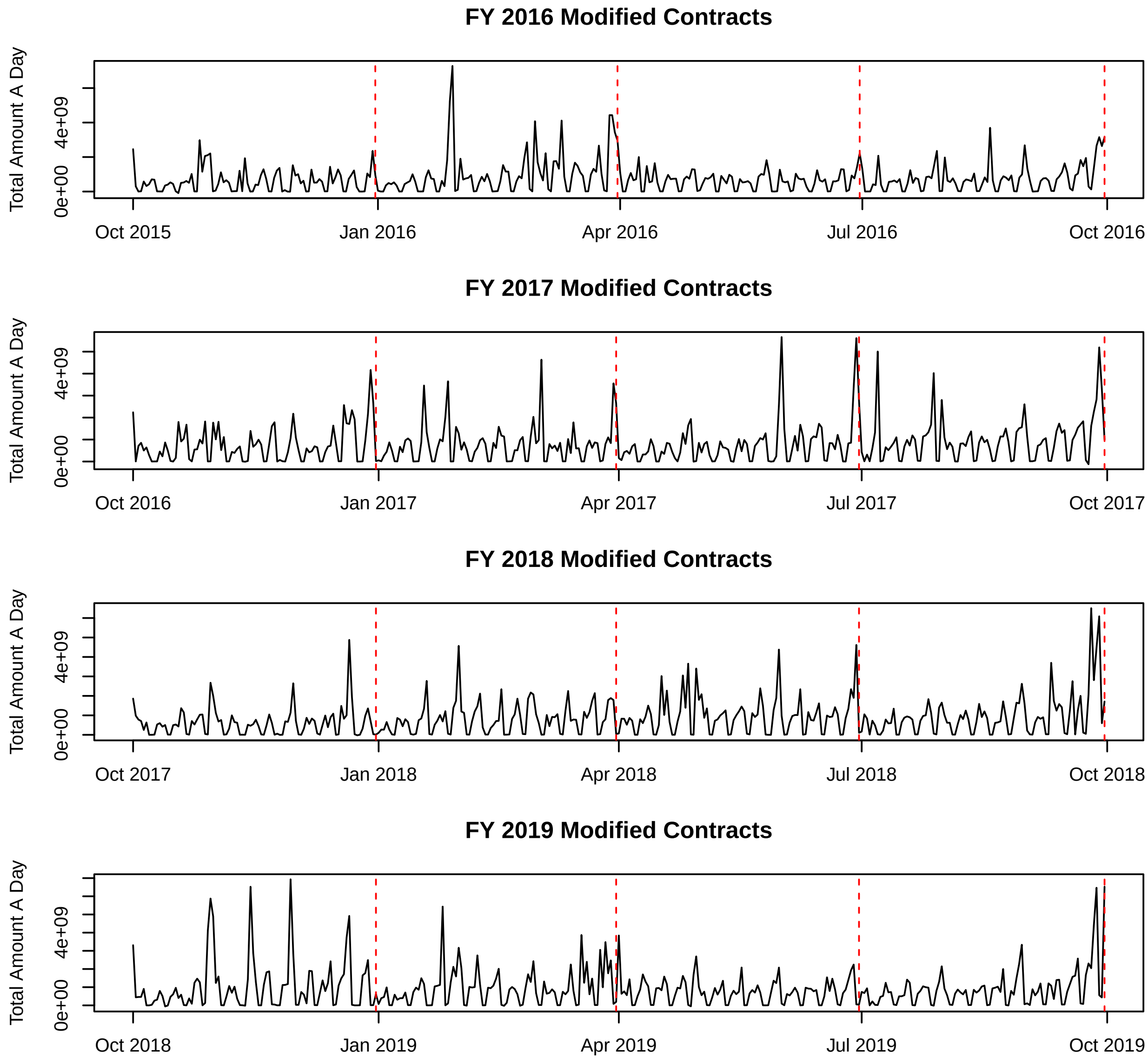


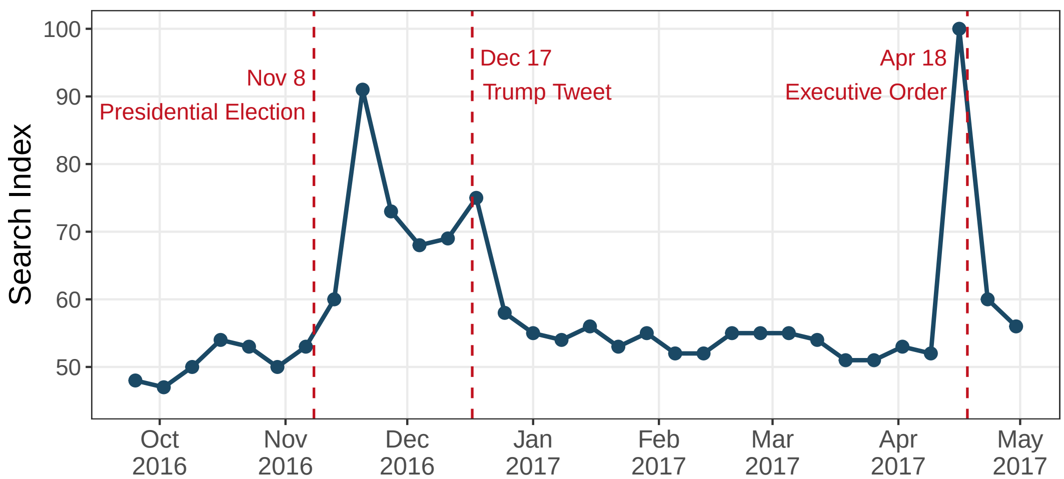
Figure A.9: Federal Contracting Cycle, Fiscal Years 2016-2019



A.8 Treatment Timing

Figure A.10 plots Google Trends search interest for "Buy American" over time. Search activity rises sharply after the November 8, 2016 presidential election and remains elevated through the rest of 2016-Q4. We use it as evidence that the election made Trump's protectionist agenda more credible and that policy expectations began to form during the transition period. Those expectations were reinforced in December 2016, when President-elect Trump publicly emphasized the "Buy American, Hire American" message, and were later formalized through Executive Order 13788 in April 2017. Based on this rationale, we treat 2016-Q4 as the onset of policy salience and anticipation.

Figure A.10: Google Search Trends for the Buy American Act (BAA)



Note: Google Trends rescales search intensity such that the peak week in the sample equals 100. Dashed vertical lines indicate the November 8, 2016 presidential election, Donald Trump's December 17, 2016 tweet emphasizing "Buy American, Hire American," and Executive Order 13788, signed April 18, 2017. Data source: Google Trends.

Figure A.11 presents a tweet posted by Donald Trump on December 17, 2016, the day after a post-election rally in Orlando, Florida. In the tweet, Trump stated that his incoming administration would follow "two simple rules: BUY AMERICAN and HIRE AMERICAN." This statement is useful because it shows that by late 2016 the incoming administration was already signaling a more specific domestic-procurement and trade-protection agenda. Figures A.10 and A.11 suggest that firms and policymakers were likely updating expectations in 2016-Q4, prior to the policy's formal codification in April 2017.

Figure A.11: Signals of the Buy American Act Policy

B Mechanism Analysis: Local Roots

B.1 Disbursements for Local Trips

For this analysis, we use publicly available quarterly data from the House Statements of Disbursements (`https://www.house.gov/the-house-explained/open-government/statement-of-disbursements/archive`). We construct a legislator×Congress panel covering the 115th and 116th Congresses (2017–2020). The dependent variable is the logged total amount of travel-related spending by each legislator within a given Congress.

In addition to measures of legislators' local roots and membership on powerful committees (e.g., Ways and Means, Appropriations, Budget), we include a set of additional legislator characteristics that may influence spending behavior. We also control for logged total office expenditures.

The results indicate that the local roots measure is strongly associated with legislators' travel spending.

Table B.1: Determinants of Legislators' Spending on Travels

	DV: log(Spending on Travels +1)	
	(1)	(2)
Local Roots	0.21*	0.19*
	(0.08)	(0.08)
log(Total Office Spending +1)	0.72***	0.70***
	(0.02)	(0.02)
Democrat		-0.36**
		(0.11)
In Powerful Committees		0.12
		(0.08)
Seniority		-0.01
		(0.01)
Electorally Vulnerable		-0.04
		(0.10)
Ideological Distance from the Party Median		-0.16
		(0.49)
Female		-0.13
		(0.11)
African American		0.25†
		(0.15)
Latino		-0.12
		(0.20)
Raw Mean Outcome	92156.30	92261.02
R^2	0.80	0.80
Observations	881	880
State FE	✓	✓
Congress FE	✓	✓

Notes: Standard errors clustered by Legislator ICPSR Code. $^{\dagger}p < 0.10$; $^{*}p < 0.05$; $^{**}p <: 0.01$; $^{***}p <: 0.0001$. The measure of electoral vulnerability is a binary indicator equal to 1 if the legislator's vote share in the previous election falls between 45 and 55 percent, and 0 otherwise. The measure of ideological distance from the party median is defined as the difference between the legislator's first-dimension DW-NOMINATE score and the median DW-NOMINATE score of their party.

B.2 Floor Speeches on Local Issues

We use the data by Ban and Kaslovsky (2025). We compile a legislator×Congress-level dataset. The dependent variable is the logged number of local speaking instances in a member's speeches during a Congress.

In addition to measures of legislators' local roots and membership on powerful committees (e.g., Ways and Means, Appropriations, Budget), we include a set of additional legislator characteristics that may influence their frequency of contact with agencies. When using the number of contacts on behalf of constituent firms and the number of contacts related to corporate policy as dependent variables, we also include the logged number of floor speeches as a control.

The results indicate that the local roots measure is strongly associated with legislators mentioning local issues during their floor speeches.

Table B.2: Determinants of Legislators' Floor Speeches on Local Issues

	DV: log(Speeches on Local Issues +1)	
	(1)	(2)
Local Roots	$0.07^{\dagger}$	0.11^{***}
	(0.04)	(0.03)
log(Total Number of Floor Speeches+1)	0.64^{***}	0.71^{***}
	(0.02)	(0.02)
Democrat		0.20^{***}
		(0.04)
In Poweful Committees		0.00
		(0.03)
Seniority		-0.06^{***}
		(0.00)
Electorally Vulnerable		0.18^{***}
		(0.03)
Ideological Distance from the Party Median		-0.49^{**}
		(0.17)
Female		0.25^{***}
		(0.04)
Non-White		-0.05
		(0.05)
Raw Mean Outcome	15.72	15.74
R^2	0.50	0.63
Observations	3,846	3,816
State FE	✓	✓
Congress FE	✓	✓

Notes: Standard errors clustered by Legislator ICPSR Code. $^{\dagger}p < 0.10$; $^{*}p < 0.05$; $^{**}p <: 0.01$; $^{***}p <: 0.0001$. The measure of electoral vulnerability is a binary indicator equal to 1 if the legislator's vote share in the previous election falls between 45 and 55 percent, and 0 otherwise. The measure of ideological distance from the party median is defined as the difference between the legislator's first-dimension DW-NOMINATE score and the median DW-NOMINATE score of their party.

B.3 Local Stock Ownership

When local firms seek regulatory relief, legislators who have both geographic ties to the firm and a personal financial stake in its performance may have stronger incentives and greater informational capacity to intervene on the firm's behalf. Local stock holdings may therefore reflect not only a preference for familiar assets but also the foundation of a broader influence channel through which legislators translate local rootedness into political action. To examine these incentives, we study the relationship between legislators' local roots and their personal stock holdings, combining Personal Financial Disclosures (PFDs) with firm-level geographic data.

Our disclosure data come from the Center for Responsive Politics (CRP), which compiles annual asset-level PFD filings required of all U.S. House members. We use filings from the 115th Congress covering calendar years 2017–2018, linking all 430 members to their CRP identifiers via ICPSR numbers and CRP district files. To improve statistical power in measuring portfolio exposure, we additionally pool filings from 2015 to 2018, which allows us to average holdings across adjacent years and reduce noise in annual disclosure reports. To isolate each members' own investment decisions, we retain only self-reported holdings, excluding assets attributed to spouses, dependents, or joint filers. As a robustness check, we also replicate the analysis including holdings reported for family members.

We identify stock holdings within the raw asset records. Because CRP asset-type codes are incomplete, many publicly traded equities are unclassified or miscoded as private holdings, we reclassify an asset as a stock if it contains an identifiable ticker symbol or if its CRP-assigned company name exactly matches a firm confirmed elsewhere in the data as publicly traded. All candidate stock records, including reclassified ones, are then labeled as either STOCK or ACCOUNT using GPT-4o-mini, followed by manual review of ambiguous cases; options (puts and calls) are excluded throughout. For instance, "Fidelity Investments SEP IRA / M&T Bank Corp" is classified as ACCOUNT (a brokerage account) despite containing a company name, while "General Electric Company (GE)" with no account-type descriptor is classified as STOCK.

Next, we extract and standardize ticker symbols from the disclosure text, resolving share-class variants, mergers, and American Depositary Receipt (ADR) equivalents. We match each holding to Compustat to obtain firm headquarters locations, then map each headquarters ZIP code to a congressional district using Missouri Census Data Center crosswalk files. A holding is classified as local if the firm's headquarters district matches the member's own district.

The final member-only sample contains 13,834 stock-holding records across 300 members (self-only, pooled 2015-2018). Of these, 11,277 can be evaluated for the local investment measure. Our primary analysis focuses on the 115th Congress term (2017–2018), comprising 5,286 records from 203 members, with 4,170 evaluable holdings. A stock holding is classified as local if the firm's headquarters congressional district matches the politician's congressional district. A holding is evaluable for the local investment measure if: (a) the politician has a known district, and (b) the firm is either a U.S. firm with a mapped congressional district, or a foreign firm (which by definition cannot be local).

Asset values are imputed using the truncated log-normal method of Eggers and Hainmueller (2013), or exact dollar figures where reported. Members are required to report the value of their assets in broad value bands rather than exact dollar amounts. The band cutpoints have remained the same since the Ethics in Government Act: \$1,000, \$15,000, \$50,000, \$100,000, \$250,000, \$500,000, \$1,000,000, \$5,000,000, \$25,000,000, and \$50,000,000. A small fraction of members submit exact dollar values, typically by attaching brokerage statements rather than filling out the standard form.

In our sample, approximately 9% of stock holdings report exact dollar values; for these, we use the reported exact value. Following Eggers and Hainmueller (2013), we impute asset values by fitting a truncated log-normal distribution to the exact-value observations within each reporting band and computing the conditional expected value. This approach better captures the right-skewed distribution of financial assets compared with the simple midpoint method used in earlier congressional finance studies (Ziobrowski et al., 2011), which is presented in Table B.5. In practice, the two methods produce nearly identical cross-sectional rankings: the politician-level value-weighted local share has a correlation of 0.9996 across the two imputation approaches, and regression estimates are substantively unchanged. We estimate

$$y_i = \alpha + \beta \cdot \text{Local Roots}_i + X_i' \gamma + \delta_r + \varepsilon_i \tag{2}$$

where y_i is an indicator equal to one if politician i holds any stock headquartered in their home district (*Ever Local*), X_i is a vector of controls, and δ_r are region fixed effects. The full specification additionally controls for the log number of Compustat firms headquartered in the district, party affiliation, membership on a key committee, seniority, and gender.

Our primary analysis estimates the relationship between politicians' local roots and the local tilt in their stock portfolios using a politician-level cross-section, pooling observations across years with one observation per politician. The main dependent variable is a binary indicator equal to one if the politician holds any stock in a firm headquartered in their home district (*Ever Local*). The key independent variable, local roots, captures a politician's ties to their district. We estimate specifications using both equal-weighted OLS and logit, as well as weighted least squares (WLS). The equal-weighted specification identifies the average effect on the probability that a politician holds any local stock, with each politician contributing equally. The weighted specifications reweight this politician-level outcome toward politicians with larger portfolios, placing greater identifying weight on those with more extensive stock activity. Weighting by the number of evaluable holdings, $w_i = N_i$, shifts the sample toward active investors with many positions; weighting by total portfolio value, $w_i = V_i$, shifts it toward investors with large dollar exposures.

Table B.3 reports summary statistics for the 115th House ($N = 430$), comparing members with and without local roots across the full chamber and the subset of stockholders ($N = 184$ for 2017–2018). About 43% of House members hold at least one evaluable stock position, with similar rates among local-roots members (46%) and non-local members (41%). Conditional on holding any stock, the distribution of portfolio size is heavily right-skewed: the median politician holds 4 evaluable stocks (mean 22.7, max 574), and the median total imputed portfolio value is \$131,928 (mean \$1.75 million). This skew motivates our weighted specifications. Local-roots members represent districts with fewer publicly traded firms (38.7 Compustat-listed headquarters vs. 58.9 for non-local members), consistent with local roots being associated with less urban, less corporate-dense constituencies. Despite this smaller local opportunity set, local-roots stockholders are more than twice as likely to hold a locally headquartered stock (13.8% vs. 6.3%). The all-filers sample ($N = 233$) and pooled 2015–2018 samples ($N = 285$ and $N = 304$) show similar underlying distributions (Table B.4).

Table B.6 shows the effect of local roots on the probability that a politician ever holds a locally headquartered stock. In the unweighted LPM, local roots increase the probability of holding a

Table B.3: Summary Statistics of Local Stock Ownership

	Full House		Stockholders Only	
	Local Roots	Non-Local	Local Roots	Non-Local
Panel A: 2017–2018				
Ever Local	0.063	0.026	0.138	0.063
EW Local Share	0.027	0.010	0.027	0.010
Mean holdings	8.2	10.3	17.7	24.9
Median holdings	0.0	0.0	4.0	4.0
Compustat firms in CD	38.7	58.9	51.0	56.2
Democrat	0.437	0.447	0.345	0.357
Female	0.103	0.237	0.052	0.175
Important committee	0.302	0.263	0.345	0.262
Seniority (years)	5.7	5.4	5.3	4.5
N	126	304	58	126
Panel B: 2015–2018				
Ever Local	0.087	0.039	0.136	0.059
EW Local Share	0.035	0.014	0.035	0.014
Mean holdings	23.9	27.2	37.2	40.5
Median holdings	2.5	3.0	8.0	6.0
Compustat firms in CD	38.7	58.9	49.5	61.9
Democrat	0.437	0.447	0.420	0.426
Female	0.103	0.237	0.062	0.211
Important committee	0.302	0.263	0.296	0.279
Seniority (years)	5.7	5.4	5.7	4.9
N	126	304	81	204

Notes: Member-only filers, 115th House. "Holdings" counts evaluable stock positions.Full House includes all 430 members; Stockholders Only restricts to members with ≥ 1 evaluable holding.

local stock by approximately 3.7 percentage points in 2017–2018 ($p < 0.10$) and 5.4 percentage points in the pooled 2015–2018 sample ($p < 0.05$). Given an unconditional probability of local investment of just 3.7% in the full House, even the smaller estimate implies a near-doubling of the baseline rate—substantively large despite limited precision. The logit specification, which better accommodates the rare-event structure of the outcome, yields stronger results: average marginal effects of 4.0–4.8 percentage points, statistically significant at the 5% level across all specifications.

The WLS specifications produce larger estimated effects. Weighting by the number of evaluable holdings, the estimated effect reaches 0.31 ($p < 0.001$) in the 2017–2018 member-only sample with region fixed effects, indicating that the local roots premium is especially concentrated among politicians with diversified portfolios. Weighting by portfolio value, WLS (Val) estimates range from roughly 0.19 ($p < 0.001$), confirming that the effect extends to the allocation of invested capital, not merely the presence of a local stock. The stronger weighted estimates are consistent with local roots being most visibly expressed among more active investors, for whom portfolio choices are more informative.[2]

[2]Across all specifications, results are robust to the inclusion of Census region fixed effects, which absorb broad

Table B.4: Summary Statistics: All Filers

	Full House		Stockholders Only	
	Local Roots	Non-Local	Local Roots	Non-Local
Panel A: 2017–2018				
N	126	304	68	165
Ever Local	0.071	0.049	0.132	0.091
EW Local Share	0.025	0.019	0.025	0.019
Mean holdings	11.3	18.1	21.0	33.3
Median holdings	1.5	1.0	7.5	6.0
Democrat	0.437	0.447	0.397	0.400
Female	0.103	0.237	0.059	0.218
Important committee	0.302	0.263	0.324	0.285
Seniority (years)	5.7	5.4	5.9	4.8
Compustat firms in CD	38.7	58.9	47.8	58.1
Panel B: 2015–2018				
N	126	304	85	219
Ever Local	0.087	0.053	0.129	0.073
EW Local Share	0.026	0.013	0.026	0.013
Mean holdings	27.4	37.6	40.6	52.1
Median holdings	4.0	4.0	10.0	8.0
Democrat	0.437	0.447	0.424	0.416
Female	0.103	0.237	0.059	0.219
Important committee	0.302	0.263	0.306	0.279
Seniority (years)	5.7	5.4	5.8	4.9
Compustat firms in CD	38.7	58.9	48.1	61.5

Notes: All filers (including spouse, dependent, and joint holdings), 115th House. “Holdings” counts evaluable stock positions. Full House includes all 430 members; Stockholders Only restricts to members with ≥ 1 evaluable holding.

Table B.5: Imputation Robustness: WLS(Val), Ever Local

		2017–2018		2015–2018	
Imputation	FE	Coef.	*N*	Coef.	*N*
E&H	—	0.1913***	179	0.1976**	281
		(0.0373)		(0.0631)	
Midpoint	—	0.1843***	179	0.2055**	281
		(0.0354)		(0.0624)	
E&H	Region	0.2160***	179	0.1722**	281
		(0.0351)		(0.0639)	
Midpoint	Region	0.2180***	179	0.1807**	281
		(0.0326)		(0.0612)	

Notes: Compares Eggers and Hainmueller (2013) log-normal imputation with simple midpoint imputation for WLS(Val) weights. $^{\dagger}p < 0.10$; $^{*}p < 0.05$; $^{**}p < 0.01$; $^{***}p < 0.001$.

geographic differences in the density of publicly traded firms. The all-filers sample, which adds spouse and dependent holdings, shows attenuated but qualitatively similar patterns (Table B.6).

Table B.6: Local Roots and Local Stock Holdings

		Member-Only Holdings		All-Filer Holdings	
Model	FE	2017–2018	2015–2018	2017–2018	2015–2018
Panel A: Unweighted					
LPM	—	0.0369†	0.0543*	0.0303	0.0494†
		(0.0215)	(0.0269)	(0.0244)	(0.0273)
LPM	Region	0.0372†	0.0535*	0.0329	0.0499†
		(0.0218)	(0.0272)	(0.0251)	(0.0275)
Logit	—	1.4147*	1.0842*	0.7986	0.9615†
		(0.6330)	(0.5063)	(0.5154)	(0.4929)
Logit	Region	1.5696*	1.1299*	0.9124	1.0059†
		(0.7047)	(0.5541)	(0.5787)	(0.5443)
Observations		430	430	430	430
Panel B: Weighted					
WLS (*N*)	—	0.2977***	0.1464*	0.1887**	0.0956
		(0.0514)	(0.0669)	(0.0623)	(0.0688)
Observations		184	285	233	304
WLS (*N*)	Region	0.3088***	0.1424*	0.2267***	0.0911
		(0.0488)	(0.0619)	(0.0596)	(0.0669)
Observations		184	285	233	304
WLS (Val)	—	0.1913***	0.1976**	0.1499**	0.1549*
		(0.0373)	(0.0631)	(0.0499)	(0.0686)
Observations		179	281	230	301
WLS (Val)	Region	0.2160***	0.1722**	0.0807	0.1340†
		(0.0351)	(0.0639)	(0.0732)	(0.0709)
Observations		179	281	230	301
Controls		✓	✓	✓	✓

Notes: Dependent variable: *Ever Local*, equal to one if the politician holds any stock in a locally headquartered firm. The member-only specifications include holdings filed by the member only; the all-filer specifications additionally include spouse, dependent, and joint filer holdings. Panel A reports unweighted estimates for the full House sample. In Panel B, non-stockholders receive weight zero and therefore drop from the estimation sample. WLS (*N*) weights by the number of evaluable holdings; WLS (Val) weights by imputed portfolio value. Asset values are imputed using the log-normal method of Eggers and Hainmueller (2013). LPM coefficients are marginal effects; Logit coefficients are log-odds. Controls include log(N holdings), log(N Compustat firms in district), Democrat, important committee, seniority, and female. HC1 robust standard errors in parentheses. $^{\dagger}p < 0.10$; $^{*}p < 0.05$; $^{**}p < 0.01$; $^{***}p < 0.001$.

B.4 Legislators' Informal Contact with Agencies

For this analysis, we use data from Judge-Lord, Powell, and Grimmer (2025), which records the number of contacts made by legislators in each Congress, spanning the 109th to 116th Congress (2005–2025). We compile a legislator×Congress dataset. We examine three outcome variables constructed by the authors: (1) the logged total number of contacts made by legislators, (2) the logged number of contacts made on behalf of constituent firms, and (3) the logged number of contacts related to policies affecting corporations. Because our empirical setting focuses on federal agencies that award federal contracts, we construct dependent variables based on (a) all contacts to federal agencies and (b) contacts specifically to federal agencies that award contracts.

In addition to measures of legislators' local roots and membership on powerful committees (e.g., Ways and Means, Appropriations, Budget), we include a set of additional legislator characteristics that may influence their frequency of contact with agencies. When using the number of contacts on behalf of constituent firms and the number of contacts related to corporate policy as dependent variables, we also include the logged total number of contacts as a control.

The results indicate that the local roots measure is strongly associated with legislators' contact activity with federal agencies.

Table B.7: Determinants of Legislators' Contacts to Federal Agencies

	DV: log(All Contacts+1)		DV: log(Contacts for Constituent Firms+1)		DV: log(Contacts for Policy (Corporate)+1)	
	All	Agencies Awarding Contracts	All	Agencies Awarding Contracts	All	Agencies Awarding Contracts
	(1)	(2)	(3)	(4)	(5)	(6)
Local Roots	$0.06^{\dagger}$	0.06	0.09^{***}	0.09^{***}	0.08^{**}	0.08^{**}
	(0.04)	(0.04)	(0.03)	(0.03)	(0.03)	(0.03)
Democrat	0.03	0.03	-0.12^{***}	-0.12^{***}	0.04	$-0.06^{\dagger}$
	(0.04)	(0.04)	(0.03)	(0.03)	(0.03)	(0.03)
In Poweful Committees	-0.02	-0.03	-0.03	-0.02	0.08^{*}	-0.01
	(0.04)	(0.04)	(0.03)	(0.03)	(0.03)	(0.03)
Seniority	0.01^{***}	0.02^{***}	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Electorally Vulnerable	0.06	0.06	-0.02	-0.02	0.02	0.02
	(0.04)	(0.04)	(0.03)	(0.03)	(0.03)	(0.03)
Ideological Distance from the Party Median	$-0.43^{\dagger}$	$-0.42^{\dagger}$	-0.13	-0.12	-0.17	-0.17
	(0.23)	(0.23)	(0.15)	(0.15)	(0.14)	(0.14)
Female	-0.01	-0.01	0.01	0.02	-0.07^{*}	-0.04
	(0.04)	(0.04)	(0.03)	(0.03)	(0.03)	(0.03)
African American	-0.32^{***}	-0.33^{***}	-0.16^{***}	-0.16^{***}	-0.17^{***}	-0.17^{***}
	(0.07)	(0.07)	(0.04)	(0.04)	(0.04)	(0.04)
Latino	-0.24^{**}	-0.24^{**}	-0.07	-0.07	-0.03	-0.03
	(0.08)	(0.08)	(0.06)	(0.06)	(0.05)	(0.04)
log(Total Number of Contacts)			0.46^{***}	0.46^{***}	0.16^{***}	0.14^{***}
			(0.02)	(0.02)	(0.02)	(0.01)
Raw Mean Outcome	105.87	101.15	4.90	4.89	2.45	1.07
R^2	0.65	0.64	0.58	0.58	0.59	0.26
Observations	3,500	3,500	3,500	3,500	3,500	3,500
State FE	✓	✓	✓	✓	✓	✓
Congress FE	✓	✓	✓	✓	✓	✓

Notes: Standard errors clustered by Legislator ICPSR Code. $^{\dagger}p < 0.10$; $^{*}p < 0.05$; $^{**}p <: 0.01$; $^{***}p <: 0.0001$. The measure of electoral vulnerability is a binary indicator equal to 1 if the legislator's vote share in the previous election falls between 45 and 55 percent, and 0 otherwise. The measure of ideological distance from the party median is defined as the difference between the legislator's first-dimension DW-NOMINATE score and the median DW-NOMINATE score of their party.

B.5 Local Roots and Press Releases on Procurement

We use press releases issued by members of the U.S. House of Representatives during the 115th (January 2017–January 2019) and 116th (January 2019–January 2021) Congresses, obtained from the DCInbox archive. The archive contains 48,010 press releases from House members across these two congressional sessions. We merge these records with data from Crosson and Kaslovsky (2025) to measure legislators' local roots. The resulting sample consists of 47,592 press releases issued by 521 unique House members, corresponding to 834 member-Congress observations.

We identify procurement-related press releases based on their full text. Specifically, we search each release for procurement-related keywords using case-insensitive regular expressions with word-boundary matching. We code a press release as procurement-related (= 1) if it contains any of the following terms:

- **Contracting terms:** contract(s), contracting, contractor(s), subcontractor(s), procurement, acquisition, bid(s), bidding, solicitation(s), request for proposal, RFP, request for quotation, RFQ, competitive bidding, sole source, no-bid, contract award, procurement award.
- **Vendor/supply chain terms:** vendor(s), supplier(s), supply chain, government contract, federal contract, defense contract, GSA, Federal Acquisition Regulation, small business set-aside, set-aside, HUBZone.
- **Buy American/sourcing terms:** Buy America, Buy American, Executive Order 13788, domestic sourcing, nonavailability, non-availability, unavailable domestically, foreign sourcing, foreign supplier(s).

In the final sample, 4,533 press releases (9.5%) are classified as procurement-related. We then aggregate the press-release data to the member-Congress level, our primary unit of analysis ($N =$ 834). For each member i in Congress t, we calculate:

$$\text{Procurement } \%_{it} = \frac{\text{Number of procurement-related releases}_{it}}{\text{Total releases}_{it}} \quad (3)$$

This measure captures the share of a member's press-release portfolio devoted to procurement-related topics, with a sample mean of 9.0%. Our key independent variable, *Local Roots*, is an indicator for whether a member has local ties to their district; 28.8% of member-Congress observations are classified as having local roots. All models include controls for important committee membership, party affiliation (Democrat), majority-party status, committee chairmanship, seniority (terms served), and vote share in the most recent election. Fixed-effects specifications further include Congress (115th vs. 116th) and state fixed effects.

Table B.8 reports OLS estimates at the member-Congress level. In columns (1) and (2), the dependent variable is the share of procurement-related press releases. Column (1) includes *Local Roots* and Congress and state fixed effects, while column (2) adds the full set of controls. As a comparison, columns (3) and (4) use the total number of press releases as the dependent variable.

The findings suggest that members with local roots devote a significantly larger share of their press releases to procurement topics. Local roots are associated with a 2.7-2.9 percentage point increase in procurement messaging ($p < 0.05$). Importantly, Columns (3) and (4) suggest that this is not a volume effect: Local roots have no significant association with the total number of press releases issued.

Table B.8: Local Roots, Procurement Messaging, and Total Press Releases (Jan, 2017-Jan, 2021)

	% Procurement (share)		Total Releases (count)	
	(1)	(2)	(3)	(4)
Local Roots	0.0287**	0.0278*	0.8509	1.891
	(0.0108)	(0.0108)	(6.395)	(6.265)
Important Committee		-0.0133		-4.731
		(0.0087)		(4.922)
Democrat		-0.0298***		-15.57*
		(0.0087)		(7.186)
Majority		-0.0091		5.234*
		(0.0064)		(2.463)
Chair		0.0303		-10.18
		(0.0201)		(7.781)
Seniority		0.0003		0.0137
		(0.0009)		(0.6090)
Electorally Vulnerable		-0.0180		10.41
		(0.0094)		(5.591)
Congress FE	Yes	Yes	Yes	Yes
State FE	Yes	Yes	Yes	Yes
Observations	834	834	834	834

Notes: Standard errors clustered by Legislator ICPSR Code. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. The measure of electoral vulnerability is a binary indicator equal to 1 if the legislator's vote share in the previous election falls between 45 and 55 percent, and 0 otherwise.

The result is robust to alternative definitions of the keyword dictionary. Expanding the dictionary to include generic waiver and exemption language, as well as the full set of domestic-preference terms (e.g., Berry Amendment, Trade Agreements Act, Made in America, and domestic content/manufacturing/production), increases the share of procurement-related releases from 9.5% to 12.0% but leaves the estimated effect essentially unchanged ($\hat{\beta} = 0.024$, $p = 0.044$).[3]

No Evidence of Reactive Credit Claiming: Because the enforcement of the BAA intensifies *over* the 2017–2020 window, a reactive credit-claiming account implies that the local-roots gap in procurement messaging should be small early in the period and grow as enforcement ramps up. Table B.9 shows instead that the gap is positive in every half-year of the sample, including the first (2017-H1), before enforcement actions accumulated.

If legislators were publicly claiming credit for shielding local firms from stricter enforcement of the BAA, we would expect procurement-related communications to reference the BAA, enforcement actions, waiver requests, or criticism of the Trump administration's enforcement efforts. To assess this possibility, we extract the procurement-related passage from each press release, defined

[3]Adding only waiver and exemption terms increases the share of procurement-related releases to 11.5% and yields a similar estimate ($\hat{\beta} = 0.024$, $p = 0.040$). We prefer the narrower dictionary because generic waiver and exemption language predominantly appears in non-procurement contexts: 909 releases contain these terms without any contracting- or vendor-related language.

Table B.9: Procurement Press-Release Share by Half-Year and Local-Roots Status

	No Local Roots		Local Roots		
Period	Share	*N*	Share	*N*	Gap (pp)
2017-H1	6.2%	3,753	8.7%	1,733	2.45
2017-H2	7.1%	3,846	9.5%	1,804	2.41
2018-H1	7.9%	3,817	10.0%	1,677	2.07
2018-H2	8.1%	3,105	11.3%	1,339	3.13
2019-H1	7.5%	3,466	10.2%	1,532	2.72
2019-H2	6.4%	3,974	10.0%	1,594	3.67
2020-H1	13.5%	6,437	18.4%	2,471	4.90
2020-H2	8.6%	5,320	13.1%	1,724	4.52
Total		33,718		13,874	

Notes: Cell entries are the share of press releases classified as procurement-related. Because the 116th Congress ran through January 3, 2021, the final period covers July 2020 through January 2021; the 18 releases dated January 1–2, 2021 are included there rather than shown as a separate half-year. All 47,592 releases in the estimation sample are represented.

as the sentence containing a procurement keyword plus one sentence of surrounding context, and examine its content.

Although “Trump" is frequently mentioned elsewhere in legislators’ communications (43.3% among members with local roots and 40.8% among other members), he appears in only about one-tenth of procurement-related passages (10.0% and 7.7%, respectively). Moreover, these references almost exclusively concern broader administration initiatives or funding announcements rather than BAA enforcement. We find virtually no discussion of BAA enforcement or waiver requests, nor instances in which legislators claim credit for shielding local firms from enforcement. Instead, procurement-related communications consistently portray legislators as helping local firms, universities, hospitals, and local governments secure federal contracts, grants, and other federal resources.

The qualitative examples below illustrate the procurement activities captured by our measure. First, a recurring pattern is legislators’ advocacy on behalf of identifiable district institutions: they work *with* executive agencies to secure federal contracts and other resources and help local organizations navigate the procurement process. These communications thus emphasize constituency service and cooperation with implementing agencies, rather than public opposition to executive enforcement.

> Dan Newhouse (R, WA-04): *“The Department of Energy announced the Pacific Northwest National Laboratory has been chosen as the new site of a national grid energy research facility . . . I have advocated for the Administration to recognize PNNL’s strengths and could not be more thrilled by this announcement . . . I am committed to ensuring this effort is supported through the appropriations process.”*

Second, legislators serve as intermediaries between constituents and the federal government by routinely helping local organizations identify and pursue federal funding opportunities. Rep.

Tonko's recurring *Federal Grant Opportunities* bulletin illustrates how this assistance takes the form of ongoing constituency service rather than one-off announcements about particular grants.

> Tonko (D, NY-20): *"If the grant for which you're applying accepts Congressional letters of support, please contact our office to find out how Rep. Tonko can support your request."*

Third, legislators facilitate local firms' access to federal procurement opportunities by organizing fairs, workshops, and outreach events designed to help them compete for federal contracts.

> Steve Cohen (D, TN-09): *"In an effort to ensure Memphis businesses are well-informed and competitive when trying to win contracts with the federal government, I will host my annual Federal Procurement Fair on Monday, April 23, at the University of Memphis FedEx Institute of Technology."*

> Marc Veasey (D, TX-33): *"My office also hosted a workshop to teach constituents how to apply for federal grants."*

Such outreach extends beyond individual examples. Among legislators with local roots, 7.3% of procurement-related press releases mention workshops, webinars, or procurement fairs, compared with 5.2% among legislators without local roots. One example comes from Jim Banks (R-IN), whose January 2018 newsletter promoted a government-contracting workshop hosted at Ivy Tech Community College.

Finally, legislators engage directly with local contractors and federally funded facilities, meeting with stakeholders to discuss procurement challenges and advocate for projects that support local employment.

> Derek Kilmer (D, WA-06): "Here are some of things I was up to in the better Washington: Working For You Boosting Our Local Economy. I met with small businesses and federal contractors in Kitsap County to talk about upcoming investments at Naval Base Kitsap—and their potential to be a boon for our regional economy!"

> Henry Cuellar (D, TX-28): "Cuellar Meets with American Subcontractors Association On Wednesday, October 30. I met with TX-28 contractors in the American Subcontractors Association to discuss issues that small business construction contractors face when doing business with the federal government."

B.6 Other Legislative Characteristics

Table B.10: Differences by Local Roots (Welch Two-Sample t-tests)

Variable	With Local Roots	Without Local Roots	Diff.	p-value
Democrat	0.483	0.459	0.024	0.676
Log(Seniority+1)	1.644	1.749	-0.105	0.131
Seniority	5.427	5.838	-0.411	0.391
In Powerful Committees	0.221	0.279	-0.058	0.243
Electorally Vulnerable	0.139	0.081	0.058	0.088
Committee Chair	0.049	0.054	-0.005	0.832

Note: The measure of electoral vulnerability is a binary indicator equal to 1 if the legislator's vote share in the previous election falls between 45 and 55 percent, and 0 otherwise.

B.7 Legislators' Post-Congress Career

We classify the post-congressional career of every member of the U.S. House who left Congress between 1999 and 2018. We exclude the 27 members who died in office and therefore had no post-congressional career, leaving 705 legislators.

Career information for former members is dispersed across news coverage, institutional biographies, and firm announcements, and is not available in any single structured source. We therefore classify each member using a large language model (Claude Sonnet 4.5) with web search, applying a fixed coding scheme written before classification began and held constant across all members. The model returns a category, a one-sentence justification naming the positions and years on which the classification rests, a confidence rating, and the URLs consulted. These fields are retained for every observation so that any classification can be audited against its sources. We find that web sources are drawn largely from Wikipedia, congress.gov, GovTrack, history.house.gov, Ballotpedia, LegiStorm, thevCongressional Bioguide. Claude also rates each classification as high, medium, or low confidence. We manually reviewed all 70 classifications not rated high confidence and identified nine errors, which we correct.

Members are assigned to exactly one of the following categories.

Local (242 members, 34%). The member's primary post-congressional activity is based in their home state. We further distinguish between two types of local careers:

- **Community** (166): a position at the member's own or a hometown institution—their own law firm, medical practice, or family business; a local college or university; a local civic organization; or a trade association headquartered in the home state.
- **State office** (76): a continued political career at the state level—governor, state legislature, state agency, or campaigns for statewide office.

National (323 members, 46%). The primary activity is national or Washington-oriented, including federal appointments, Washington lobbying or law practice, a national trade association, national media, or national corporate positions.

Mixed (14 members, 2%). The member has substantial local and national activities, with neither clearly dominant. Most are *simultaneous* portfolios rather than sequential careers—members holding a home-state and a national position at the same time, frequently beginning both in their exit year (for example, a university chair in the home state alongside a Washington-area consulting partnership). Two further cases are sequential: a member whose home-state and national spells fell in different periods, and one whose primary position was located in neither the home state nor Washington. MIXED members are coded zero on both the local and national indicators; results are robust to assigning them to either.

Retired (78 members, 11%). We find no substantial employment after the member leaves Congress. The justification records whether the member retired in the home state or relocated.

Unknown (48 members, 7%). Available sources are insufficient to classify the member reliably. The coding scheme instructs the model to return this category rather than guess, and to do so also when a member cannot be distinguished from a namesake even given the district and dates.

Table B.11: Local Roots and Post-Congressional Career Location

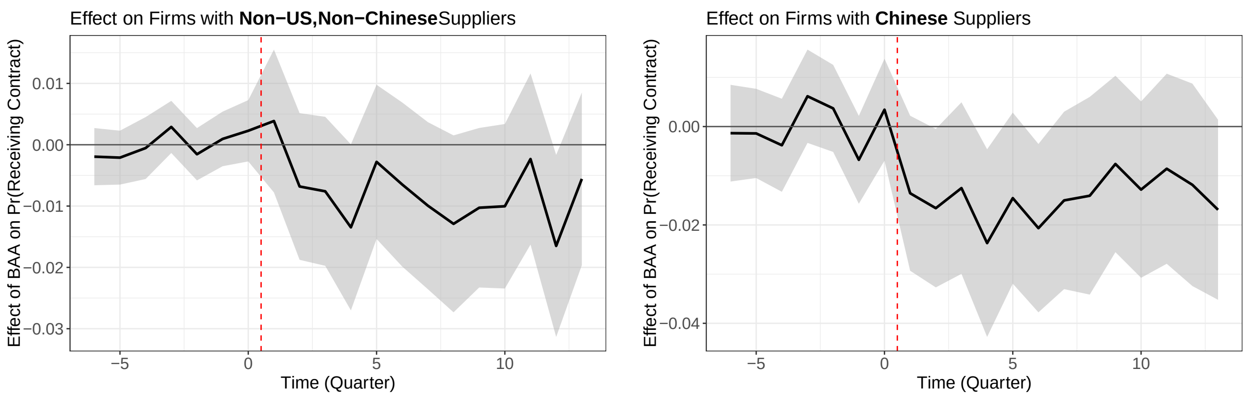
	Local Career (1)	National Career (2)
Local Roots	0.0800*	-0.0632
	(0.0390)	(0.0408)
Democrat	0.1012*	-0.1154**
	(0.0395)	(0.0418)
Seniority	-0.0227***	0.0069
	(0.0039)	(0.0046)
Important Committees	-0.0468	0.0330
	(0.0416)	(0.0466)
Female	-0.0533	0.0064
	(0.0543)	(0.0563)
Ideological Distance from Party Median	-0.0345	-0.0386
	(0.1862)	(0.1828)
Electorally Vulnerable	-0.0500	0.0139
	(0.0458)	(0.0477)
Exit Congress Session FE	Yes	Yes
Observations	688	688
R^2	0.07	0.04
Dependent variable mean	0.34	0.45

Note: Heteroskedasticity-robust standard-errors in parentheses. $^{*}p < 0.05$; $^{**}p < 0.01$; $^{***}p < 0.001$. Democratic Party affiliation, seniority, and membership on an important committee are measured in the last Congress in which the legislator served. Electoral vulnerability is measured from that Congress's preceding election. We include fixed effects for the last Congress in which the legislator served.

C Heterogeneous Effects

C.1 Heterogeneity by Supplier Origin

Figure C.1: BAA Effects on Federal Contract Amounts for Firms



Note: The left panel illustrates the impact of the BAA on contract amounts for firms with non-US& non-Chinese suppliers, while the right panel shows the effects on firms with Chinese suppliers. The red dashed line marks the shock period in 2016-Q4. The shaded area represents the 95% confidence intervals.

Table C.1: The Effect of the BAA on Firms' Contract Amount (Extensive Margin)

	Dependent Variable: Received Contract	
	Firms with Non-US, Non-Chinese Suppliers (1)	Firms with Chinese Suppliers (2)
Effect of BAA Enforcement	-0.007	-0.014**
	(0.004)	(0.005)
Obs	205,920	120,000
Treated (Control) Firms	898 (860)	178 (733)
Mean Outcome	0.21	0.21

Note: Bootstrapped clustered standard errors at the firm×agency level. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. For each analysis, control group firms are those with only US suppliers and overlap with treated group firms regarding top 3 products they provide to federal government.

Table C.2: The Effect of the Stricter BAA Enforcement on Firms' Contract Amount (With Chinese Suppliers)

	Dependent Variable: log(Contract Amount)	
	New Contract Amounts (1)	Modified Contract Amounts (2)
Effect of BAA Enforcement	-0.225***	-0.130**
	(0.056)	(0.050)
Obs	120,000	120,000
Treated (Control) Firms	178 (733)	178 (733)
Mean Outcome ($)	2,938,282	1,854,885

Note: Bootstrapped clustered standard errors at the firm×agency level. * p < 0.05, ** p < 0.01, *** p < 0.001. For each analysis, control group firms are those with only US suppliers and overlap with treated group firms regarding the top 3 products they provide to the federal government.

C.2 Heterogeneity by Legislators' Characteristics

Table C.3: Heterogeneous Effects on Firms with Non-US, Non-Chinese Suppliers with Legislator Characteristics

	Dependent Variable: log(Contract Amount)					
	House Rep in Important Committees		House Rep Partisanship		House Rep with Local Roots	
	Yes (1)	No (2)	Republican (3)	Democratic (4)	Yes (5)	No (6)
Effect of BAA Enforcement	-0.100	-0.061	-0.202**	-0.003	-0.011	-0.050
	(0.084)	(0.055)	(0.074)	(0.060)	(0.098)	(0.052)
Obs	58,500	145,420	72,480	132,560	39,580	161,580
Treated (Control) Firms	252 (231)	646 (596)	319 (348)	579 (487)	212 (165)	678 (654)
Mean Outcome ($)	1,795,342	3,697,898	1,633,657	3,958,401	787,053	3,724,622

Note: Bootstrapped clustered standard errors at the firm×agency level. * p < 0.05, ** p < 0.01, *** p < 0.001. For each analysis, control group firms are those with only US suppliers, located in the same geographic areas as treated group firms, and overlap with treated group firms regarding top 3 products they provide to federal government.

Table C.4: Heterogeneous Effects on Firms with Chinese Suppliers with Legislator Characteristics (Extensive Margin)

	Dependent Variable: Received Contract			
	House Rep in Important Committees		House Rep with Local Roots	
	Yes (1)	No (2)	Yes (3)	No (4)
Effect of BAA Enforcement	0.028**	-0.036***	0.015	-0.018**
	(0.009)	(0.007)	(0.014)	(0.006)
Obs	34,100	83,640	14,260	98,520
Treated (Control) Firms	60 (171)	118 (483)	30 (103)	146 (556)
Mean Outcome	0.23	0.21	0.19	0.22

Note: Bootstrapped clustered standard errors at the firm×agency level. * p < 0.05, ** p < 0.01, *** p < 0.001. For each analysis, control group firms are those with only US suppliers, located in the same geographic areas as treated group firms, and overlap with treated group firms regarding top 3 products they provide to federal government.

Table C.5: Heterogeneous Effects on Firms with Chinese Suppliers with Legislator Characteristics

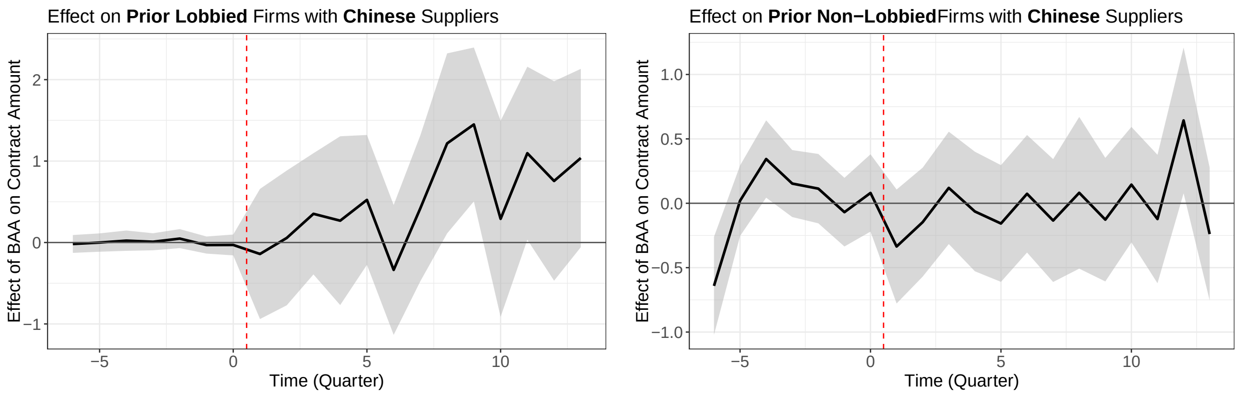
	Dependent Variable: log(Contract Amount)					
	House Rep Partisanship		House Rep Seniority		House Rep Electoral Vulnerability	
	Republican (1)	Democratic (2)	Yes (3)	No (4)	Yes (5)	No (6)
Panel A: Legislators in Important Committees						
Effect of BAA Enforcement	0.319*	0.269	0.491***	0.036	-0.918	0.207*
	(0.142)	(0.147)	(0.141)	(0.166)	(1.153)	(0.101)
Obs	15,900	16,640	18,760	13,180	1,040	31,180
Treated (Control) Firms	32 (75)	28 (78)	34 (84)	26 (55)	2 (2)	58 (150)
Mean Outcome ($)	2,233,737	469,145	1,876,627	438,509.7	859,424.2	1,359,068
Panel B: Legislators Not in Important Committees						
Effect of BAA Enforcement	-0.343*	-0.355***	-0.247*	-0.611*	0.346	-0.412***
	(0.157)	(0.112)	(0.109)	(0.158)	(0.355)	(0.092)
Obs	18,920	50,020	46,100	24,960	3,720	70,420
Treated (Control) Firms	39 (111)	79 (274)	68 (250)	47 (144)	14 (28)	101 (400)
Mean Outcome ($)	5,629,000	3,740,963	2,514,319	6,990,613	1,567,537	4,053,415

Note: Bootstrapped clustered standard errors at the firm×agency level. * p < 0.05, ** p < 0.01, *** p < 0.001. For each analysis, control group firms are those with only US suppliers, located in the same geographic areas as treated group firms, and overlap with treated group firms regarding top 3 products they provide to federal government. Seniority is a binary indicator which is 1 if legislators' seniority is above the median, 0 otherwise. Electoral vulnerability is a binary indicator which is 1 if the legislator's vote share in the previous election is between 45 and 55 percent, 0 otherwise.

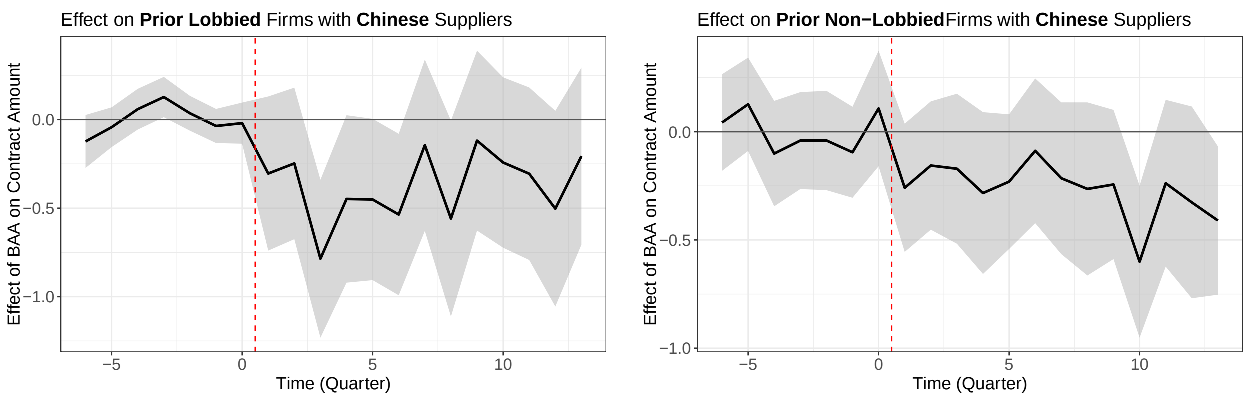
C.3 Heterogeneity by Political Leverage

Figure C.2: Heterogeneous Effects on Firms with Chinese Suppliers By Political Leverage (Using Lobbying as a Measure of Political Connections)

(a) Effects of BAA on House Rep in Important Committees



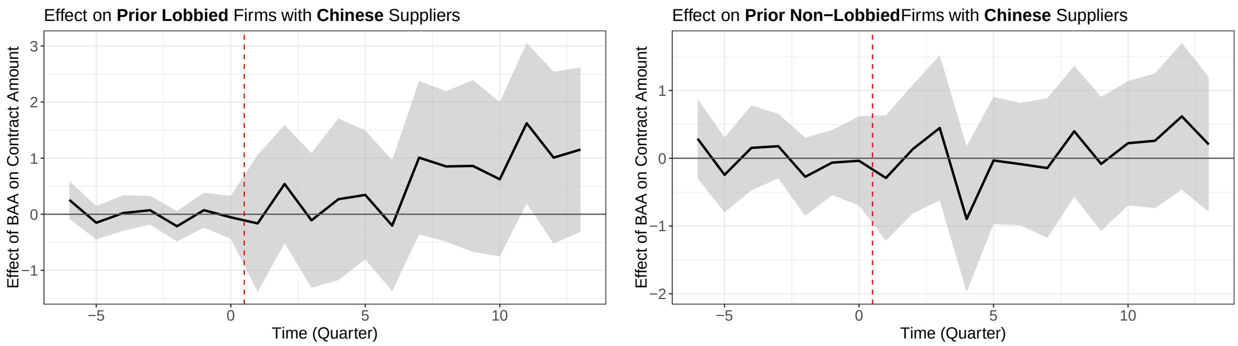
(b) Effects of BAA on House Rep Not in Important Committees



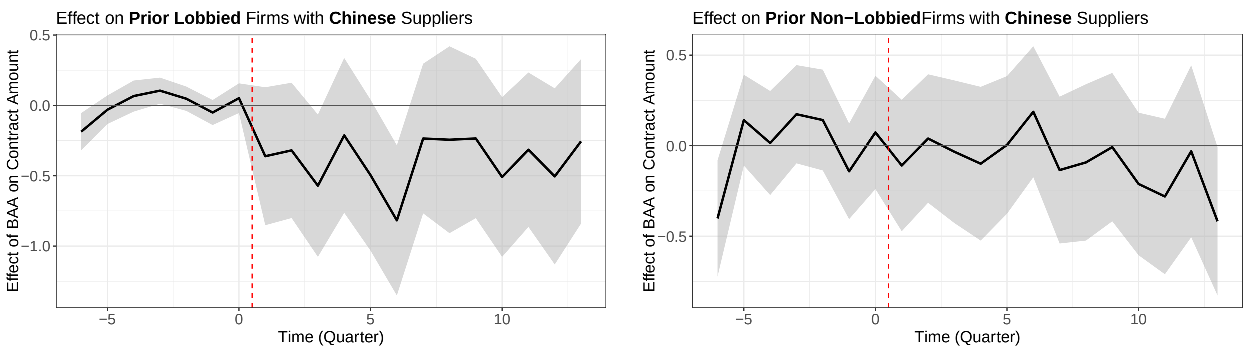
Note: The red dashed line marks the shock period in 2016-Q4. The shaded area represents the 95% confidence intervals. For each analysis, control group firms are those with only US suppliers, located in the same geographic areas and have the same political connection status as treated group firms, and overlap with treated group firms regarding the top 3 products they provide to the federal government.

Figure C.3: Heterogeneous Effects on Firms with Chinese Suppliers By Political Leverage (Using Lobbying as a Measure of Political Connections)

(a) Effects of BAA on House Rep with Local Roots



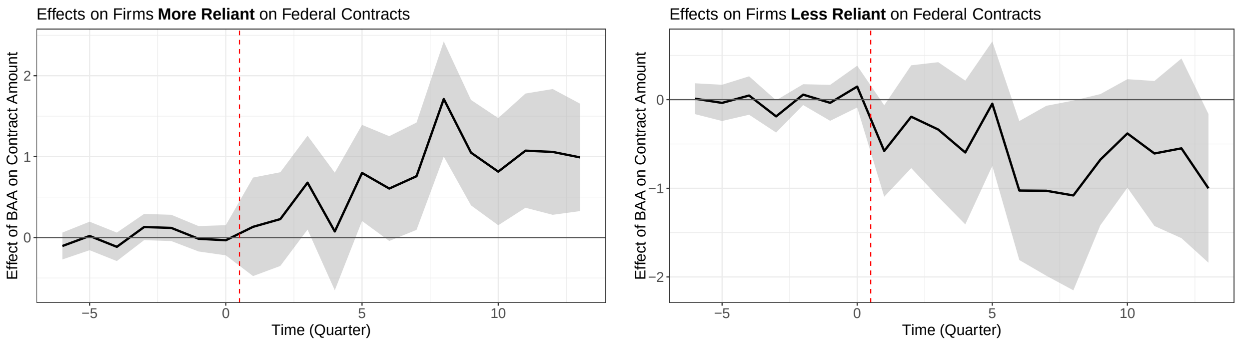
(b) Effects of BAA on House Rep Without Local Roots



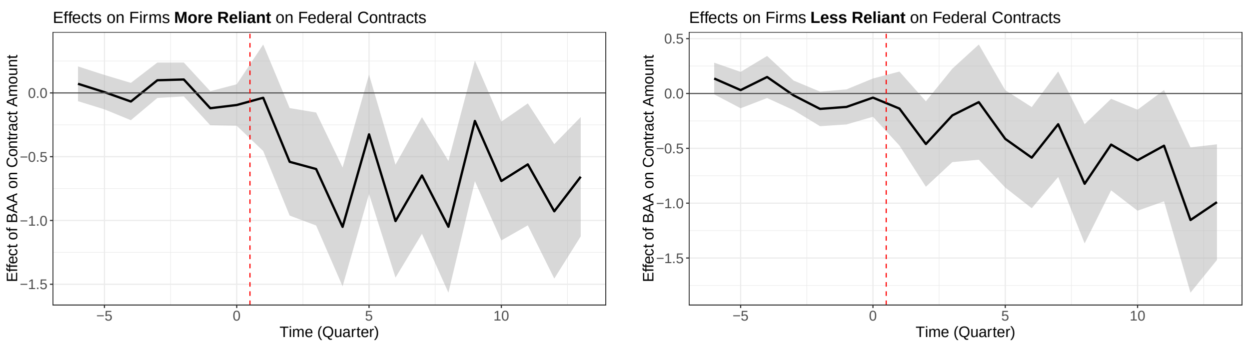
Note: The red dashed line marks the shock period in 2016-Q4. The shaded area represents the 95% confidence intervals. For each analysis, control group firms are those with only US suppliers, located in the same geographic areas and have the same political connection status as treated group firms, and overlap with treated group firms regarding top 3 products they provide to federal government.

Figure C.4: Heterogeneous Effects on Firms with Chinese Suppliers By Political Leverage (Distinguishing by Firms' Reliance on Federal Contracts)

(a) Effects of BAA on House Rep in Important Committees



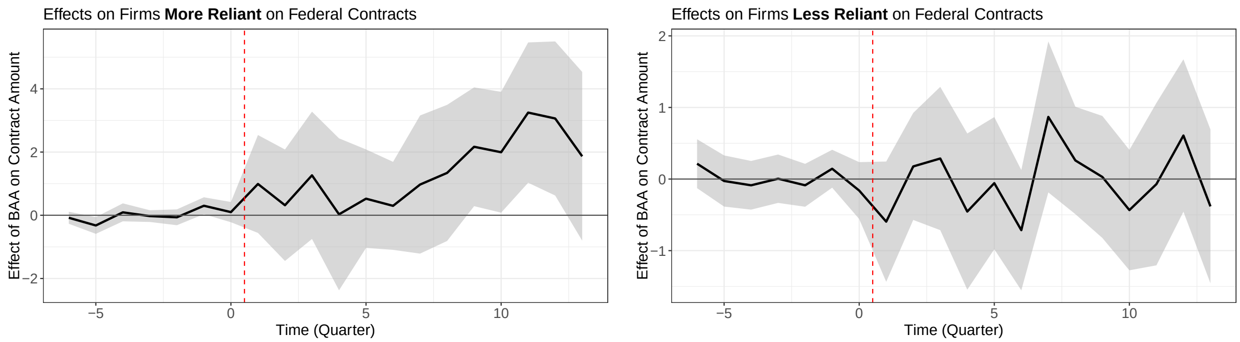
(b) Effects of BAA on House Rep Not in Important Committees



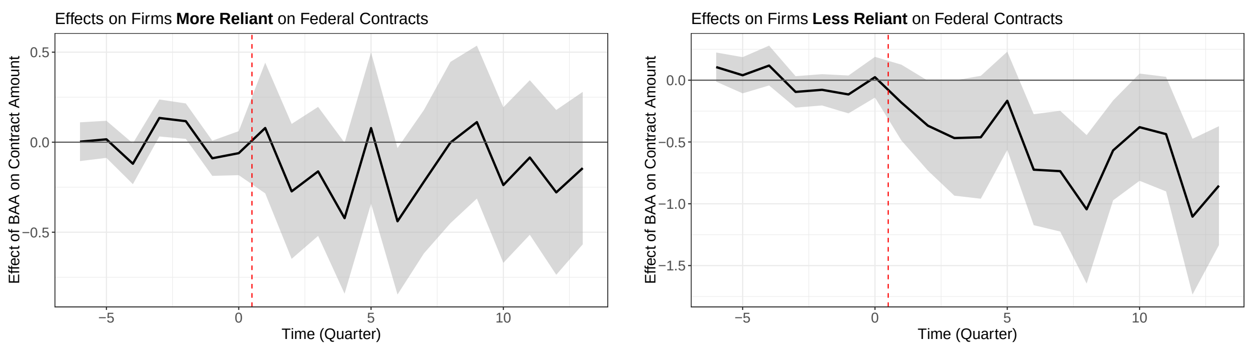
Note: The red dashed line marks the shock period in 2016-Q4. The shaded area represents the 95% confidence intervals. For each analysis, control group firms are those with only US suppliers, located in the same geographic areas and have the same political connection status as treated group firms, and overlap with treated group firms regarding top 3 products they provide to federal government. We measure each firm's total contract amount from 2015–2016 as a share of its annual asset size—estimated using `TOAS` values from the *Orbis* data—and multiply the ratio by 100. The sample is then divided into two groups based on the median reliance value. The median value is 0.07, which is small due to a few firms with exceptionally large assets that skew the distribution. Because asset data are available for only 812 of 2,053 firms, this step roughly halves the sample size.

Figure C.5: Heterogeneous Effects on Firms with Chinese Suppliers By Political Leverage (Distinguishing by Firms' Reliance on Federal Contracts)

(a) Effects of BAA on House Rep with Local Roots



(b) Effects of BAA on House Rep Without Local Roots



Note: The red dashed line marks the shock period in 2016-Q4. The shaded area represents the 95% confidence intervals. For each analysis, control group firms are those with only US suppliers, located in the same geographic areas and have the same political connection status as treated group firms, and overlap with treated group firms regarding top 3 products they provide to federal government. We measure each firm's total contract amount from 2015–2016 as a share of its annual asset size—estimated using `TOAS` values from the *Orbis* data—and multiply the ratio by 100. The sample is then divided into two groups based on the median reliance value. The median value is 0.07, which is small due to a few firms with exceptionally large assets that skew the distribution. Because asset data are available for only 812 of 2,053 firms, this step roughly halves the sample size.

D Robustness Checks

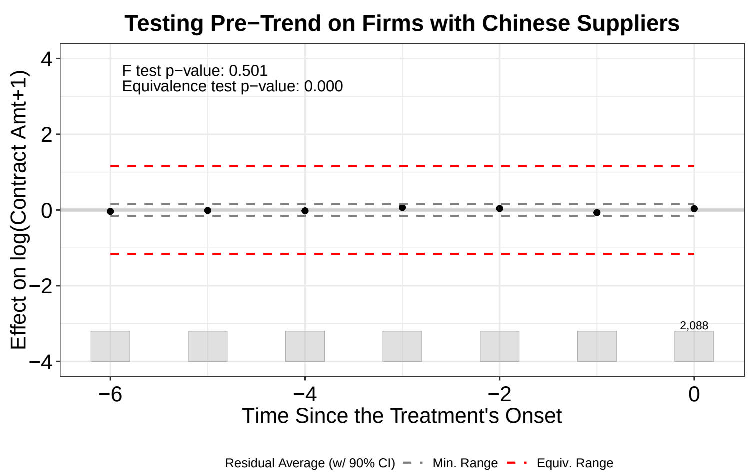
D.1 Pre-trend Tests

We introduce two statistical tests to assess the presence (or absence) of pre-trends. The first is an F-test for whether residual averages in the pretreatment periods are equal to zero. The second is a two one-sided test (TOST), a form of equivalence testing.

F-test. We implement a goodness-of-fit test (a variant of the F-test) to evaluate the existence of differential pretreatment trends. A larger p-value from the F-test indicates better alignment with the no pre-trend assumption.

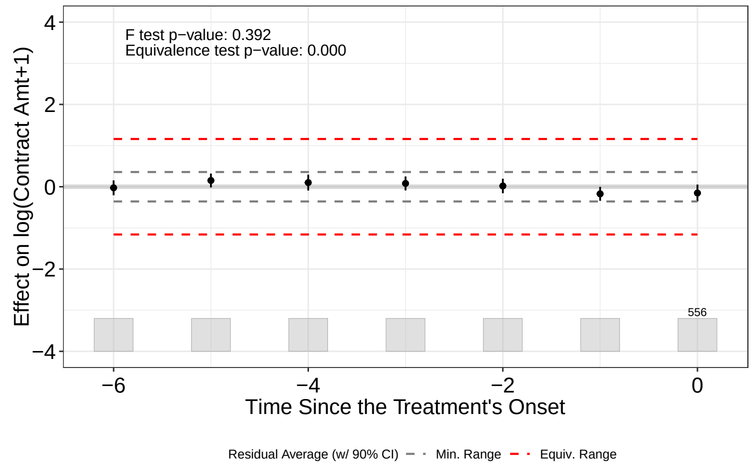
TOST. The TOST evaluates whether the 90% confidence intervals for estimated average treatment effects on the treated (ATTs) in the pretreatment periods fall within a pre-specified equivalence range. A smaller TOST p-value indicates stronger evidence in favor of no meaningful pre-trend.

Figure D.1: Testing Pre-Trend on Firms with Chinese Suppliers



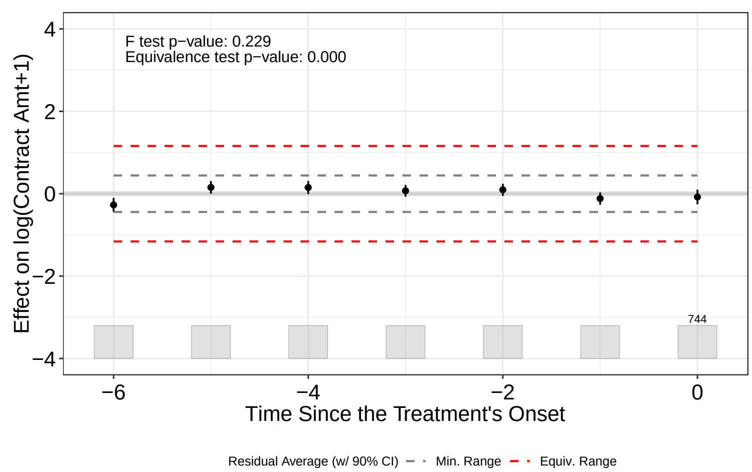
Note: For F-test, we include five pretreatment periods. For TOST, the equivalence range by default is 0.36σ, where σ is the standard deviation of the outcome after removing two-way fixed effects.

Figure D.2: Testing Pre-Trend on Politically Inactive Firms with Chinese Suppliers (With legislators Not in Powerful Committees)



Note: For F-test, we include all pretreatment periods. For TOST, the equivalence range by default is 0.36σ, where σ is the standard deviation of the outcome after removing two-way fixed effects.

Figure D.3: Testing Pre-Trend on Politically Inactive Firms with Chinese Suppliers (With Legislators Without Local Roots)



Note: For F-test, we include all pretreatment periods. For TOST, the equivalence range by default is 0.36σ, where σ is the standard deviation of the outcome after removing two-way fixed effects.

D.2 Sensitivity Analysis

Rambachan and Roth (2023) develop a partial identification framework that relaxes the parallel trends (PT) assumption after treatment, permitting violations no larger than those observed before treatment. This approach allows researchers to conduct sensitivity analyses for estimates obtained from DID estimators by comparing pre-treatment deviations from PT with possible post-treatment deviations.

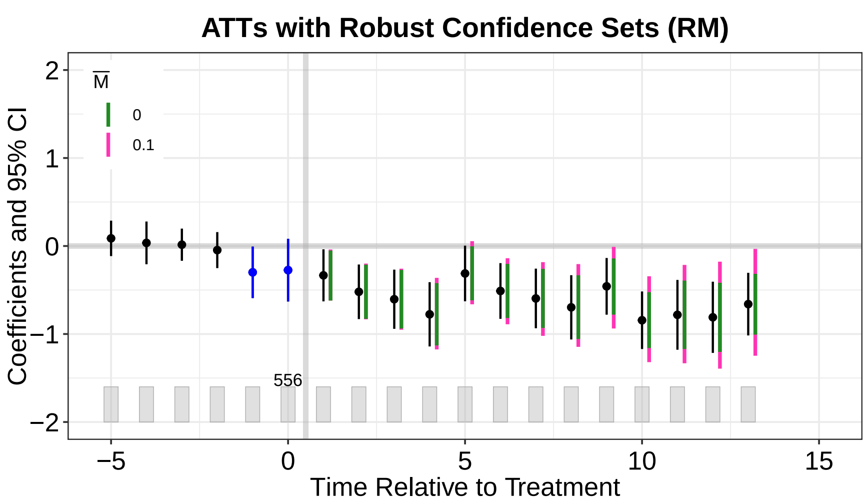
Our sensitivity test is based on the *Relative Magnitude (RM)* restriction. Let δ_t denote potential violations of the parallel trends (PT) assumption in both placebo and post-treatment periods. Unlike a standard event-study framework, which assumes $\delta_t = 0$ for all $t > 0$, the RM restriction permits PT deviations in the post-treatment periods, provided that these deviations do not exceed γ times the largest consecutive discrepancy observed among the placebo periods.

The RM restriction is defined as:

$$\Delta^{RM}(\bar{M}) = \{\delta : \forall t \geq 0, |\delta_{t+1} - \delta_t| \leq \bar{M} \cdot \max(|\delta_{-1} - \delta_{-2}|, |\delta_0 - \delta_{-1}|)\}$$

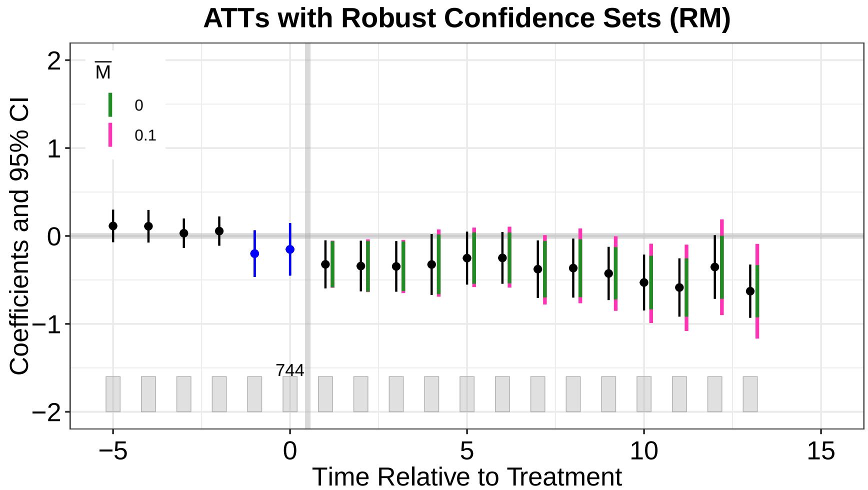
where $\max(|\delta_{-1} - \delta_{-2}|, |\delta_0 - \delta_{-1}|)$ represents the largest consecutive discrepancy among the placebo periods. When $\bar{M} = 0$, the PT violation observed at $t = 0$ persists without change into the post-treatment window. Allowing $\bar{M} > 0$ permits δ_t to vary across post-treatment periods, but the incremental changes must remain within $\bar{M}$ times the largest consecutive deviation observed among the placebo periods.

Figure D.4: Sensitivity Analysis on Firms With Chinese Suppliers (With Legislators Not in Important Committees)



Notes: The treatment indicates the shock period in 2016-Q4, and the shaded area represents the 95% confidence intervals. Standard errors bootstrapped clustered at the firm×agency level. Different solid lines represent the robust confidence intervals for $\bar{M} = 0$ and $\bar{M} = 0.1$. The interval for $\bar{M} = 0$ treats the observed violation at $t = 0$ as persisting into all post-treatment periods, whereas the interval for $\bar{M} = 0.1$ allows additional violations up to one tenth of the largest placebo discrepancy during the two pre-treatment periods. These are compared against the original confidence intervals.

Figure D.5: Sensitivity Analysis on Firms With Chinese Suppliers (With Legislators Without Local Roots)

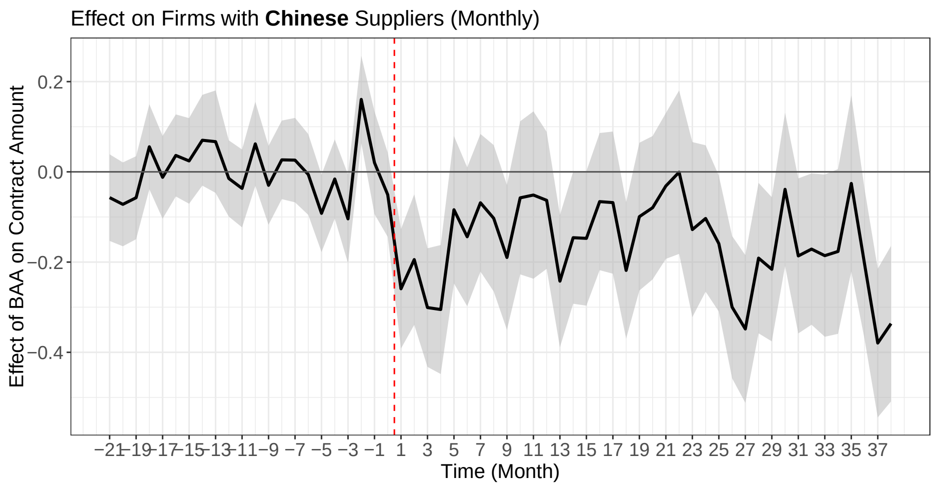


Notes: The treatment indicates the shock period in 2016-Q4, and the shaded area represents the 95% confidence intervals. Standard errors bootsrapped clustered at the firm×agency level. Different solid lines represent the robust confidence intervals for $\bar{M} = 0$ and $\bar{M} = 0.1$. The interval for $\bar{M} = 0$ treats the observed violation at $t = 0$ as persisting into all post-treatment periods, whereas the interval for $\bar{M} = 0.1$ allowed additional violations up to one tenth of the largest placebo discrepancy during the two pre-treatment periods. These are compared against the original confidence intervals.

D.3 Monthly and Bi-Annual Analysis

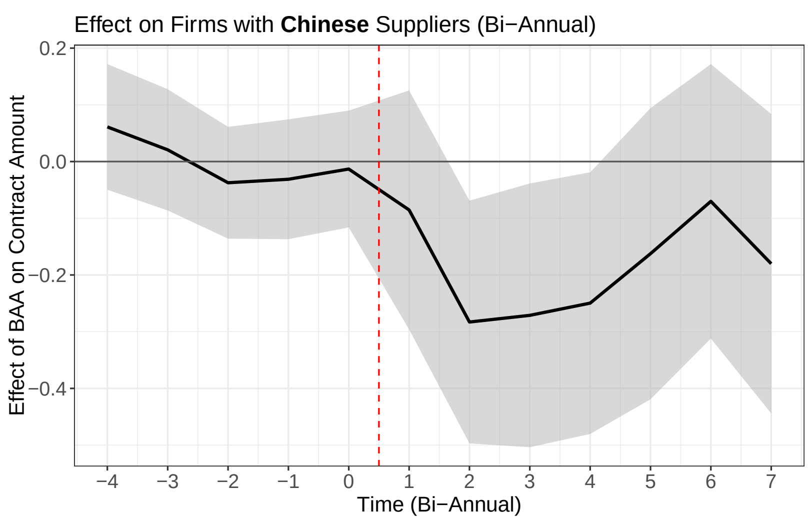
Figure D.6 shows a pronounced peak in August 2016, prior to the onset of treatment. This pattern is likely driven by the federal budget cycle, as agencies tend to expend remaining funds before the fiscal year ends in September. In light of this evidence, and the broader budget cycle documented in Appendix A.7, quarter-level data are more appropriate for analyzing the impact of BAA enforcement.

Figure D.6: Monthly Analysis. Effect for Firms with Chinese Suppliers



Note: The red dashed line indicates the shock period in November 2016, and the shaded area represents the 95% confidence intervals. Standard errors bootsrapped clustered at the firm×agency level.

Figure D.7: Bi-Annual Analysis. Effect for Firms with Chinese Suppliers



Note: The red dashed line indicates the shock period in the second half of 2016, and the shaded area represents the 95% confidence intervals. Standard errors bootsrapped clustered at the firm×agency level.

D.4 Tariff Analysis

We construct a firm-level Chinese tariff exposure measure using the supply-chain data and a Chinese tariff file at the NAICS-by-quarter level. We first restrict the supply-chain data to customer firms in the analysis sample that have at least one Chinese supplier, and then keep only supplier-quarter observations where the supplier country is China. Supplier industries are linked to the tariff data by mapping supplier SIC codes to a modal NAICS classification and then collapsing to the NAICS 3-digit × quarter level to avoid many-to-many matching from the SIC–NAICS crosswalk.

On the tariff side, we reshape the raw Chinese tariff data so that calculated duties and customs value are separate variables, construct a tariff rate as calculated duties divided by customs value, drop observations without NAICS codes, and aggregate the tariff series to the NAICS 3-digit × quarter level. We then merge this tariff series to the Chinese supplier-quarter data and aggregate supplier-level tariff exposure to the customer firm–quarter level using the mean tariff rate across Chinese supplier-quarter observations. The final variables capture firm-quarter exposure to Chinese tariffs through Chinese suppliers, including an average exposure measure, a percentage version, and the number of Chinese supplier-quarter observations.

Table D.1: Heterogeneous Effects on Firms with Chinese Suppliers

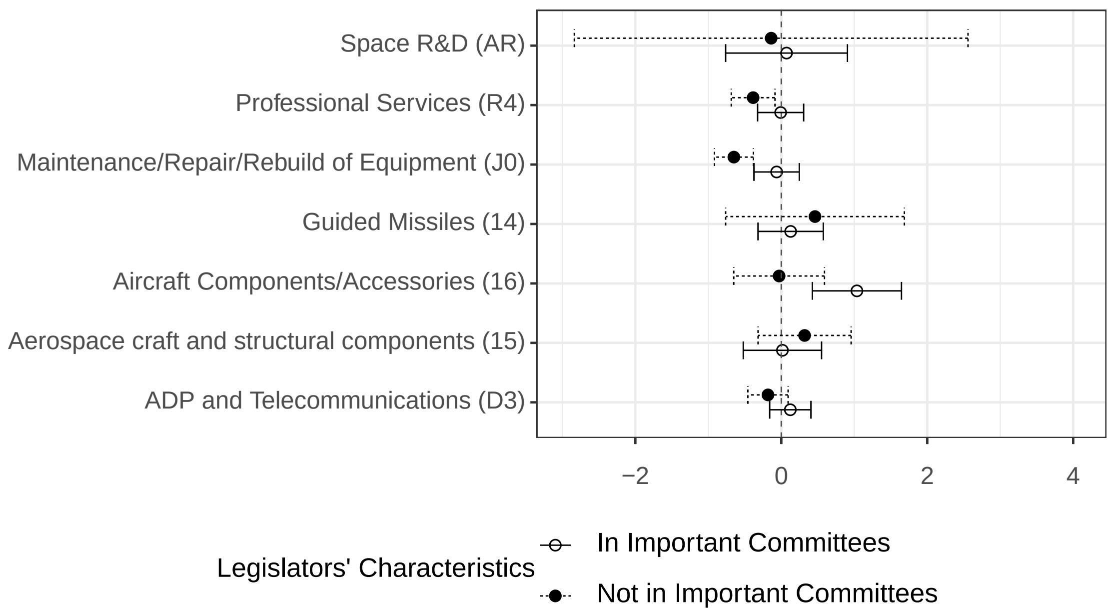
	Dependent Variable: log(Contract Amount)	
	Increase in Tariff Exposure (1)	No Increase in Tariff Exposure (2)
Effect of BAA Enforcement	-0.336^{**} (0.106)	-0.231^{*} (0.112)
Obs	70,800	64,580
Treated (Control) Firms	54 (531)	47 (513)
Mean Outcome ($)	799,242.3	801,436.6

Note: Bootstrapped clustered standard errors at the firm×agency level. * p < 0.05, ** p < 0.01, *** p < 0.001. For each analysis, control group firms are those with only US suppliers, with the same exposure to Trump's tariff policies and overlap with treated group firms regarding the top 3 products they provide to the federal government.

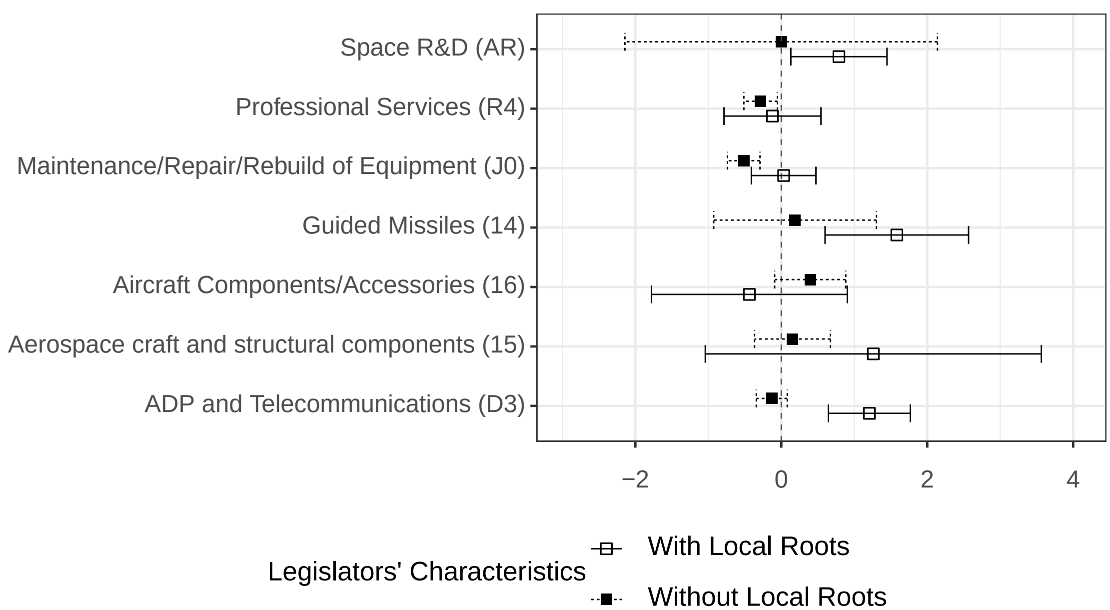
D.5 Product Types and Legislators' Characteristics

Figure D.8: Effects of BAA by Products and Legislators' Characteristics

(a) Legislators in Powerful Committees vs Not in Powerful Committees



(b) Legislators With Local Roots vs Without Local Roots



Note: 95% confidence intervals. Each dot represents the estimated effect of the BAA on firms with Chinese suppliers, based on subsamples defined by product/service codes and legislators' characteristics. Red dots indicate estimates significant at the 0.05 level based on standard errors bootstrapped clustered at firm×agency level.

D.6 Agency Politicization

Table D.2: The List of Agencies and Politicization Measures

No.	Agency Name	Ideology	Politicized
1	Department of Defense	2.21	1
2	Department of Commerce	1.25	1
3	Small Business Administration	1.17	0
4	Export-Import Bank of the United States	1.14	0
5	Overseas Private Investment Corporation	1.12	0
6	Department of the Treasury	1.07	1
7	Department of Homeland Security	0.88	1
8	International Trade Commission	0.87	0
9	Securities and Exchange Commission	0.73	0
10	Commodity Futures Trading Commission	0.73	0
11	Nuclear Regulatory Commission	0.53	0
12	Defense Nuclear Facilities Safety Board	0.48	0
13	Department of the Interior	0.47	1
14	United States Trade and Development Agency	0.40	0
15	Department of Justice	0.37	1
16	Department of Energy	0.35	1
17	Federal Communications Commission	0.32	0
18	Executive Office of the President	0.30	1
19	Pension Benefit Guaranty Corporation	0.27	0
20	General Services Administration	0.26	0
21	U.S. Agency for Global Media	0.25	0
22	Office of Personnel Management	0.24	0
23	Department of Veterans Affairs	0.23	1
24	Department of Agriculture	0.16	1
25	Federal Trade Commission	0.12	0
26	Department of Transportation	0.07	1
27	Federal Election Commission	0.05	0
28	National Capital Planning Commission	0.05	0
29	Federal Maritime Commission	-0.05	0
30	National Aeronautics and Space Administration	-0.07	0
31	Railroad Retirement Board	-0.12	0
32	National Archives and Records Administration	-0.12	0
33	Federal Mine Safety and Health Review Commission	-0.24	0
34	Department of State	-0.27	1
35	National Labor Relations Board	-0.27	0
36	National Transportation Safety Board	-0.31	0
37	National Science Foundation	-0.35	0
38	Social Security Administration	-0.45	0
39	Federal Mediation and Conciliation Service	-0.46	0

40	Agency for International Development	-0.54	0
41	Merit Systems Protection Board	-0.68	0
42	Environmental Protection Agency	-1.21	0
43	Department of Education	-1.22	1
44	Department of Health and Human Services	-1.32	1
45	Department of Housing and Urban Development	-1.33	1
46	Department of Labor	-1.43	1
47	Occupational Safety and Health Review Commission	-1.52	0
48	Equal Employment Opportunity Commission	-1.58	0
49	Consumer Product Safety Commission	-1.69	0
50	Corporation for National and Community Service	-1.72	0
51	Peace Corps	-1.72	0
52	Government Accountability Office		0
53	Federal Labor Relations Authority		0
54	U.S. International Development Finance Corporation		0
55	Selective Service System		0
56	Committee for Purchase from People Who Are Blind or Severely Disabled		0
57	District of Columbia Courts		0
58	Marine Mammal Commission		0
59	National Endowment for the Arts		0
60	National Endowment for the Humanities		0
61	Institute of Museum and Library Services		0
62	United States Chemical Safety Board		0
63	Millennium Challenge Corporation		0
64	Election Assistance Commission		0
65	Council of the Inspectors General on Integrity and Efficiency		0
66	Consumer Financial Protection Bureau		0
67	Smithsonian Institution		0
68	John F. Kennedy Center for the Performing Arts		0
69	National Gallery of Art		0
70	Woodrow Wilson International Center for Scholars		0
71	Court Services and Offender Supervision Agency		0
72	Federal Housing Finance Agency		0

Table D.3: Heterogeneous Effects on Firms with Chinese Suppliers with Legislator Characteristics (By Agency Politicization)

	Dependent Variable: log(Contract Amount)			
	House Rep in Important Committees		House Rep with Local Roots	
	Yes	No	Yes	No
	(1)	(2)	(3)	(4)
Panel A: Politicized Agencies				
Effect of BAA Enforcement	0.045	-0.384*	-0.432	-0.187
	(0.202)	(0.152)	(0.378)	(0.125)
Obs	8,200	19,660	2,500	24,400
Treated (Control) Firms	39 (82)	85 (233)	20 (36)	103 (266)
Mean Outcome ($)	1,773,011	544,538	58,008	1,048,094
Panel B: Non-Politicized Agencies				
Effect of BAA Enforcement	0.327**	-0.450***	0.383*	-0.293**
	(0.119)	(0.111)	(0.189)	(0.090)
Obs	23,660	56,160	10,960	68,360
Treated (Control) Firms	60 (169)	117 (460)	30 (99)	145 (536)
Mean Outcome ($)	1,218,242	5,064,409	1,833,411	4,410,526

Note: Bootstrapped clustered standard errors at the firm×agency level. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. For each analysis, control group firms are those with only US suppliers, located in the same geographic areas as treated group firms, and overlap with treated group firms regarding top 3 products they provide to federal government.

D.7 Core and Swing States

Table D.4: Heterogeneous Effects on Firms with Chinese Suppliers with Legislator Characteristics (Core and Swing States)

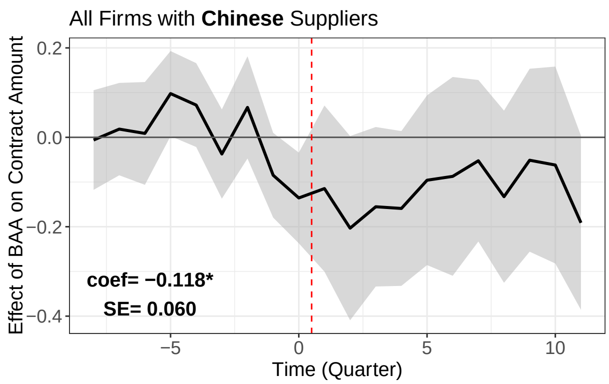
	Dependent Variable: log(Contract Amount)			
	House Rep in Important Committees		House Rep with Local Roots	
	Yes	No	Yes	No
	(1)	(2)	(3)	(4)
Effect of BAA Enforcement	0.917**	-0.229	0.291	-0.385*
	(0.351)	(0.155)	(0.244)	(0.172)
Obs	3,340	14,360	5,240	12,460
Treated (Control) Firms	14 (16)	33 (73)	17 (31)	30 (72)
Mean Outcome ($)	6,336,339	1,365,470	3,113,645	1,965,850

Note: Bootstrapped clustered standard errors at the firm×agency level. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. For each analysis, control group firms are those with only US suppliers, located in the same geographic areas as treated group firms, and overlap with treated group firms regarding top 3 products they provide to federal government.

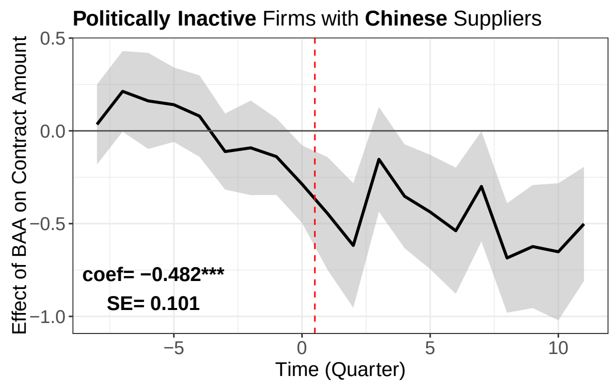
D.8 Shifting Treatment Timing to 2017-Q2

Figure D.9: Effects of the Stricter BAA Enforcement on Firms with Chinese Suppliers

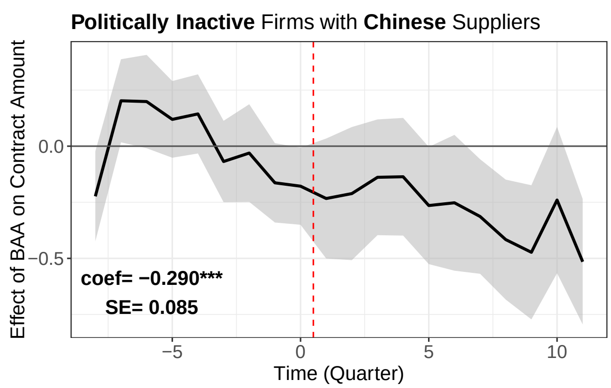
(a) All Legislators



(b) Legislators Not in Important Committees



(c) Legislators Without Local Roots

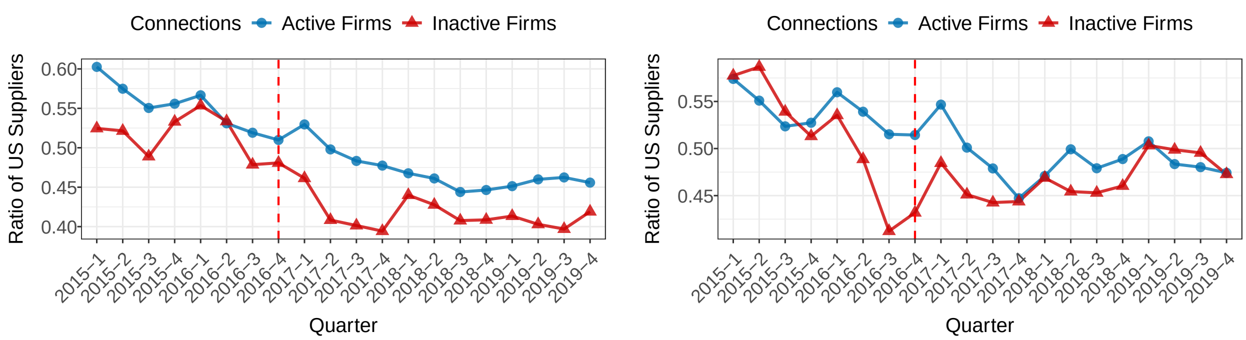


Note: Bootstrapped clustered standard errors at the firm×agency level. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. The red dashed vertical line represents 2017-Q2.

E Firms' Reliance on Chinese Suppliers

Figure E.1: Effects of the Stricter BAA Enforcement on Reliance on US Suppliers

(a) Legislators in Important Committees (b) Legislators Not in Important Committees



Note: The left panel illustrates the impact of the stricter BAA enforcement on the ratio of Chinese suppliers for firms with Chinese suppliers in districts with House members in important committees, while the right panel shows the effects on those firms in districts without House members not in important committees. The red dashed line marks the shock period in 2016-Q4.