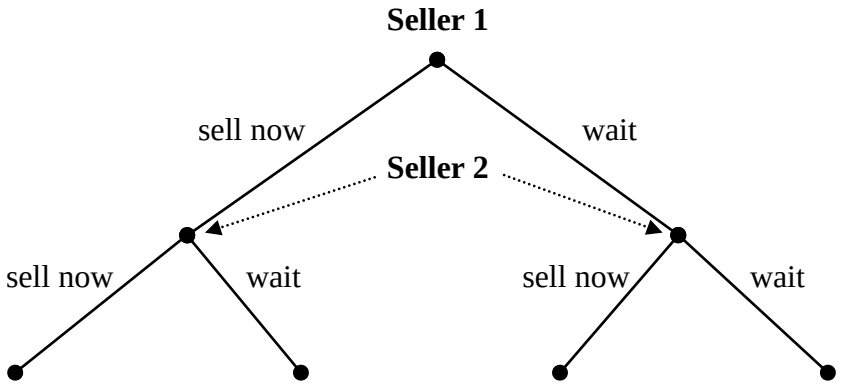
Figure 1

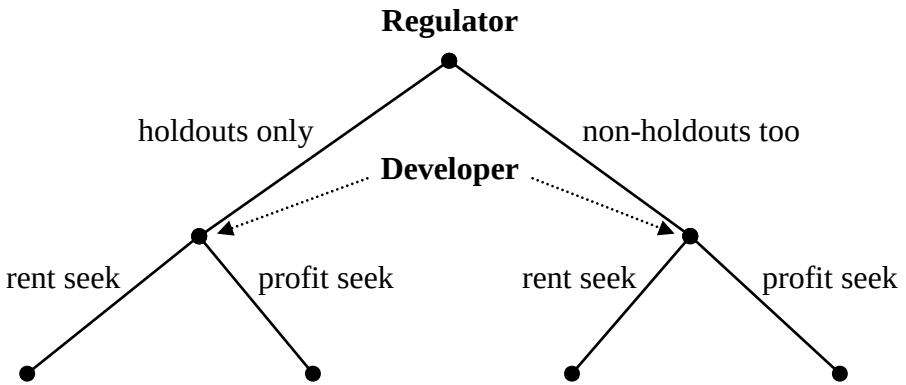
The Restricted Regulator Game



Seller 1:	$(2v+\varepsilon)/2$	v	$v+\varepsilon$	$(2v+\varepsilon-\delta)/2$
Seller 2:	$(2v+\varepsilon)/2$	$v+\varepsilon$	v	$(2v+\varepsilon-\delta)/2$
Joint:	$2v+\varepsilon$	$2v+\varepsilon$	$2v+\varepsilon$	$2v+\varepsilon-\delta$
DWL:	0	δ	δ	δ

Figure 2

The Regulatory Discretion Game

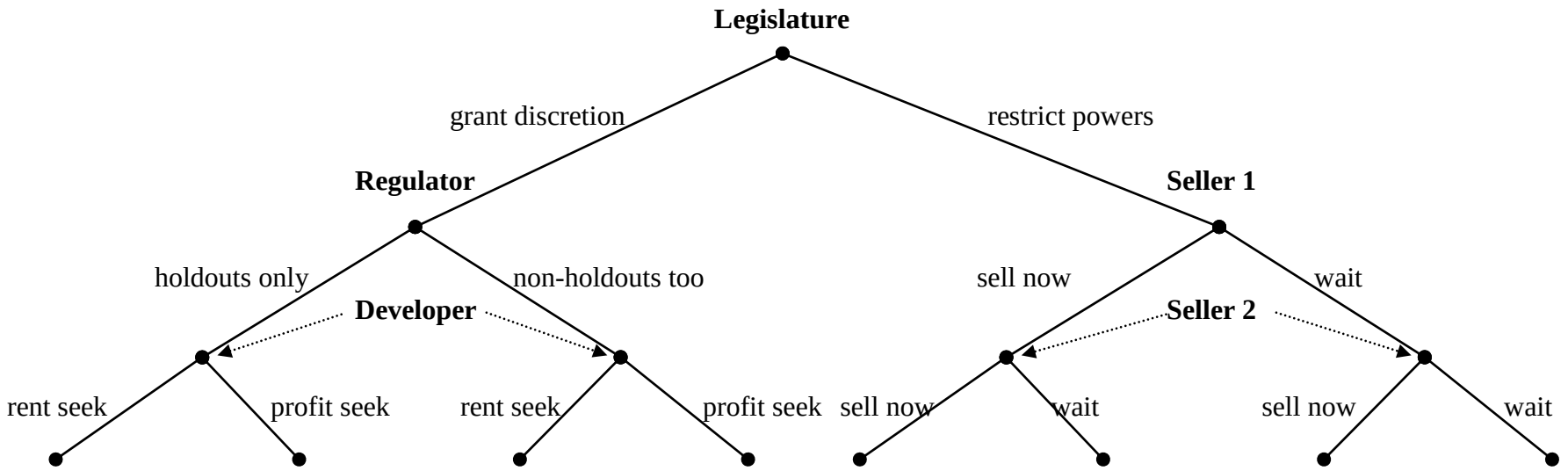


Regulator:	ρ	ρ	$\rho+(1-\gamma)\kappa^*$	ρ
Developer:	$\pi+\varepsilon-\kappa^*$	π	$\pi+\varepsilon-\kappa^*$	π
Joint:	$\rho+\pi-\varepsilon/2$	$\rho+\pi$	$\rho+\pi+\varepsilon(1-\gamma/2)$	$\rho+\pi$
Social:	$\rho+\pi-\varepsilon/2$	$\rho+\pi$	$\rho+\pi-\gamma(\varepsilon/2)-\lambda$	$\rho+\pi-\lambda$
DWL:	$\varepsilon/2$	0	$\gamma(\varepsilon/2)+\lambda$	λ

Note: κ denotes rent-seeking expenditures, which at the critical value $\kappa^* = \varepsilon/2$.

Figure 3

The Comparative Game



Social:	$\rho+\pi-\varepsilon/2$	$\rho+\pi$	$\rho+\pi-\gamma(\varepsilon/2)-\lambda$	$\rho+\pi-\lambda$	$2v+\varepsilon$	$2v+\varepsilon$	$2v+\varepsilon$	$2v+\varepsilon-\delta$
DWL:	$\varepsilon/2$	0	$\gamma(\varepsilon/2)+\lambda$	λ	0	δ	δ	δ