

IOWA STATE UNIVERSITY
OF SCIENCE AND TECHNOLOGY

Department of Economics
Heady Hall
Ames, Iowa 50011-1070
515 294-6740
FAX 515 294-0221

January 5, 2021

301582

Dr. William J. Brennan
Director, Office of Economics
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

ENTERED
Office of Proceedings
February 4, 2021
Part of
Public Record

Dear Dr. Brennan:

Please consider this request for confidential Carload Waybill Sample data to benefit my advisee, Jack Novak, and me in our ongoing research. We want to better understand the Board's ability under 49 U.S.C. § 10502, which allows the Board to exempt some traffic from rail price regulation while revoking existing exemptions on other traffic. Although class exemptions broadly affect rail transportation markets, very little public research exists on the topic to date.

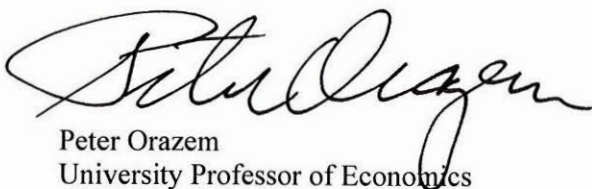
We are motivated by the Board's March 2016 decision, EP-704, which considers revoking the exempt status of five commodity categories—crushed or broken stone or rip rap; hydraulic cement; coke produced from coal; primary iron or steel products; and iron or steel scrap, wastes or tailings. The Board's decision suggests these commodities are subject to increasing market power from railroads and may require regulation to counteract price trends.

Our main objectives are: (1) to assess the economic impact of commodity class exemptions, (2) to quantify how changes in a commodity's exemption status influence various shipping conditions, and (3) to identify inefficiencies in rate regulation. Further, we hope this research will provide important takeaways in every commodity market—both exempt and not—by revealing the industry benefit from access to rate cases.

We request access to the full, unmasked 900-byte waybill samples for the waybill years ranging from 1992 through 2018. Other datasets, such as the Public Use Carload Waybill Sample, lack sufficient price data to meaningfully study class exemptions. We request the full data set including nonexempt commodities so that we can compare traffic volume and pricing between exempt and nonexempt commodities before and after policy changes.

We understand these data are highly sensitive and that they must remain confidential. Should our request be approved, we will comply with the confidentiality standards of the waybill and will use the data strictly for academic research.

Sincerely,



Peter Orazem
University Professor of Economics
Iowa State University