

September 23, 2016

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Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423

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Office of Proceedings
September 23, 2016
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Public Record

Re: EP 704 (Sub-No 1), Review of Commodity, Boxcar, and TOFC/COFC Exemptions

Dear Ms. Brown:

We are writing as counsel to the Association of American Railroads (“AAR”) to ensure that the record accurately reflects the workpapers made available by AAR’s experts, Mark Israel and Jonathan Orszag of Compass Lexecon, for their verified statements attached to AAR’s opening and reply comments in the above-referenced proceeding. We respectfully request that the Board accept this letter as a supplement to the existing record and add it to the docket for this proceeding.

As explained below, both of the verified statements submitted by Compass Lexecon were supported by extensive data and analyses; those data and analyses were filed with the Board and are also available to other commenters upon request (subject to appropriate confidentiality undertakings consistent with Board procedures).

In reply statements filed in this proceeding on August 26, 2016, Henry Julian Roman, the expert for both the American Forest & Paper Association (“AF&PA”) and the Institute of Scrap Recycling Industries, Inc. (“ISRI”), stated that he was unable to find “data, documentation or other information” supporting the “analysis or the results” presented in Table III.2 of the Verified Statement of Mark Israel and Jonathan Orszag filed in support of AAR’s Opening Comments on July 26, 2016 in this proceeding. *See* Rebuttal Verified Statement of Henry Julian Roman in Support of AF&PA Reply Comments at 8 (Aug. 26, 2016); Rebuttal Verified Statement of Henry Julian Roman in Support of ISRI Reply Comments at 8 (Aug. 26, 2016). But when we filed AAR’s Opening Comments, we provided the Board with a complete set of the workpapers underlying the analyses in the Israel/Orszag July 26, 2016 Verified Statement. In response to a request from Karyn Booth, counsel for both AF&PA and ISRI, and after confidentiality undertakings were submitted, Compass Lexecon provided a complete set of those workpapers to Ms. Booth on August 16, 2016. These materials included the data, programs, and output files necessary to recreate all of Compass Lexecon’s analyses, including the analysis presented in Table III.2. The specific

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material relevant to Table III.2 is identified in the document titled 'Index.doc,' and within that document under item 5 (Table III.2). It includes:

1. **Data** – CWS_All_1987_2014.dta. This data is found in the folder labeled '1. Waybill – Highly Confidential/Output';
2. **Data** – CMS042016wActiveFlags.xlsx. This data is found in the folder labeled '2.Stationmaster';
3. **Programs** – Table III.2.do. This file is found in the folder labeled '5. Table III.2/Program'. This is a Stata program written by Compass Lexecon to execute the analysis presented in Table III.2 and to present the analysis in an Excel spreadsheet. Stata is a commonly used data analysis and statistics software package. This program can also be viewed using Notepad or similar text-viewer applications, and the analysis presented in the program can be recreated using alternative analytical software;
4. **Output** – Table III.2.xlsx. This file is found in the folder labeled '5. Table III.2/Output'. This file includes the data output from the Stata program referenced above as well as an electronic copy of Table III.2.

Thank you for your attention to this matter. Please let us know if you have any questions.

Respectfully,

/s/ Cynthia Richman

Cynthia Richman

/s/ Geoffrey Sigler

Geoffrey Sigler