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September 23, 2024

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

Dear Dr. Brennan:

Please consider this request for confidential Carload Waybill Sample data to benefit my ongoing research. The research would extend my previous investigation of the Board's ability under 49 U.S.C. § 10502 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. My previous research on this topic was limited by insufficient data preceding the class exemptions being implemented.

I am 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.

My 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, I 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.

I request access to the full, unmasked 900-byte waybill samples for the waybill years ranging from 1990 through 2018. Other datasets, such as the Public Use Carload Waybill Sample, lack sufficient price data to meaningfully study class exemptions. I request the full data set including nonexempt commodities so that I can compare traffic volume and pricing between exempt and nonexempt commodities before and after policy changes.

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

Sincerely,

Jackson C. Novak