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303-735-5500

Dr. Kristen Monaco
Director, Office of Economics
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

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Dear Director Monaco:

I am a doctoral student in the Department of Economics at the University of Colorado Boulder. I am writing to request access to the confidential 900-byte Carload Waybill Sample data to support my dissertation research on the effects of regulatory changes on railroad pricing.

Specifically, I am interested in how shippers' access to the rate-review procedure affects railroads' pricing decisions. For instance, one hypothesis would suggest that a greater risk of incurring a rate case for some traffic would incentivize a railroad to charge lower rates to avoid rate-relief proceedings. Alternatively, if railroads price consistently according to shippers' elasticity of demand, the risk of rate-relief proceedings may bear little or no effect on rates.

To investigate these hypotheses, I plan to implement a difference-in-differences design around the Board's September 2007 decision to revise the simplified guidelines for rate cases (STB Ex Parte No. 646 Sub-No. 1). The Board's decision increased the likelihood of rate cases occurring for some non-exempt shipments, while not affecting exempt traffic since shippers of exempt commodities cannot access the rate-relief procedure. As a result, I can use class-exempt shipments as my counterfactual set since I expect their rates would be unaffected by changes to the rate-review process.

Since miscellaneous commodity exemptions are granted based on commodity characteristics such as whether the commodity can be reasonably transported by truck, particular care will be required to ensure the parallel counterfactual trends assumption is met. As a result, I intend to hone my analysis and interpretation to heavy bulk commodities which resemble exempt commodities along observable dimensions such as average shipment weight, distance, and value density. I also intend to assuage concerns with my identification strategy by controlling for cost characteristics such as tonnage, distance, equipment type, and fuel and labor costs.

I am requesting access to the full, unmasked 900-byte waybill samples for waybill years ranging 2005 to 2010. These data are essential to capture the 2007 policy change, including the pre- and post-period trends which are the subject of the analysis. I understand that revenue information is highly sensitive and confidential; however, revenue data are central to my analysis and are critical to identifying how much of railroads' pricing decisions depend on direct cost considerations or on the risk of incurring a rate case.

This research is especially relevant given the limited public analysis of the rate-review process, despite its importance to shippers, regulators, and railroads. The rate-review procedure continues to evolve, as evidenced by the implementation of Final Offer Rate Review in 2022 and its subsequent rejection by a federal appeals court in 2024. My findings will provide important context for these ongoing considerations and offer a better understanding of how rate-relief mechanisms impact market outcomes.

I understand the highly sensitive nature of the confidential waybill data. If my request is approved, I will be the sole data analyst and will only share highly aggregated information so as not to identify any individual shipper. If need be, I will also take advantage of the University of Colorado's secure data storage facilities. I will work closely with the Surface Transportation Board to ensure the data are safeguarded appropriately.

Thank you for considering my request. I am happy to respond to any concerns or provide supporting documentation. I can be reached by email at Jackson.Novak@colorado.edu.

Sincerely,

A handwritten signature in black ink, appearing to read "Jackson C. Novak". The signature is fluid and cursive, with the first name "Jackson" being more prominent and the last name "Novak" following in a similar style. The middle initial "C." is smaller and less distinct.

Jackson C. Novak