

WWZ Research Seminar
Faculty of Business and Economics, University of Basel

Tuesday, March 21, 2023

Prof. Jeffrey Macher
Georgetown University

"Avoiding Regulation: Rate Reviews and Contracts in the Freight Rail Industry"

Abstract

While at the foundation of economic exchange, relatively little research examines why and when firms employ contracts versus spot-market tariffs. We examine this question directly using an extensive database of contract and spot-market shipments in the U.S. freight rail industry. We find that greater exposure to direct and adverse regulatory rate review outcomes motivates freight rail carriers and shippers to shift from common carriage, which requires regulatory oversight, to contract carriage, which is regulatory exempt. We also find that the intensity, type, and proximity of freight rail competition moderates these effects. We highlight the public policy and managerial implications that obtain from these findings.

All seminars are open to the public and take place in hybrid format with the lecturer present. For updates (place, abstracts etc.) kindly visit <https://wwz.unibas.ch/de/researchseminar/>

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