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John T. Gray
Senior Vice President - Policy & Economics

December 4, 2015

The Honorable Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Dear Ms. Brown:

This submission is the AAR forecast of the first quarter 2016 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2016-1) *Quarterly Rail Cost Adjustment Factor*. The versions of RCAF-related indices covered in this filing are: the All-Inclusive Index (initiated in the second quarter of 1985), the Unadjusted RCAF (produced since October 1982), the Adjusted RCAF (first published in the second quarter of 1989), and the RCAF-5 (created by the STB in its Ex Parte No. 290 (Sub-No. 7) decision served October 3, 1996). The table below summarizes the first quarter 2016 results on the fourth quarter 2012 base, and shows the percentage changes from the previous quarter.

	<u>2015Q4</u>	<u>2016Q1</u>	<u>% Change</u>
All-Inclusive Index	88.5	88.2	-0.3
Preliminary RCAF	0.885	0.882	-0.3
Forecast Error Adjustment	-0.023	-0.018	
RCAF (Unadjusted)	0.862	0.864	0.2
Productivity Adjustment Factor	2.3462	2.3502	
RCAF (Adjusted)	0.367	0.368	0.3
PAF-5	2.4890	2.4932	
RCAF-5	0.346	0.347	0.3

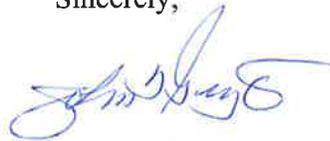
Page 2

December 4, 2015

In its October 3, 1996 decision in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*, the STB noted its intent to publish, in addition to the RCAF (Unadjusted) and RCAF (Adjusted), an RCAF-5 (i.e., a calculation of the productivity adjusted RCAF values as if the agency had always used a 5-year rolling average to calculate the productivity adjustment). In response to a request by STB staff, the AAR is including a calculation of the RCAF-5 in its quarterly RCAF filing. The AAR and its members, however, do not believe the publication of a third RCAF index is required or permitted by the applicable statute (49 U.S.C. § 10708) and do not endorse its publication.

Our quarterly non-proprietary work papers underlying this submission are e-filed herewith, in accordance with the ICC's order in Ex Parte No. 290 (Sub-No. 2), *Railroad Cost Recovery Procedures*, served February 8, 1990. We have notified Pedro Ramirez, in the STB office handling this proceeding, of our plan to e-file the submission and non-proprietary work papers. A second copy of the submission and non-proprietary work papers, plus selected highly confidential work papers, will be hand-delivered to Mr. Ramirez's Data Collection and Auditing Team. All work papers are available for STB inspection. Questions should be directed to me or Clyde Crimmel (202 639-2309) of this office.

Sincerely,



John T. Gray

Attachments

**First Quarter 2016
All-Inclusive Index**

Ex Parte No. 290 (Sub-No. 5) (2016-1)

**Quarterly Rail Cost Adjustment Factor
Surface Transportation Board**

**Policy and Economics Department
Association of American Railroads**

December 4, 2015

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Introduction

On January 2, 1985, the Interstate Commerce Commission (ICC) adopted the All-Inclusive Index as the basis for the Rail Cost Adjustment Factor (RCAF). The quarterly projection of railroad costs, as documented herein, employs the All-Inclusive Index as required by the regulations. Also presented in this submission is the RCAF, both Adjusted and Unadjusted, as required by the ICC in its decision in Ex Parte No. 290 (Sub-No. 4), Rail Cost Recovery Procedures - Productivity Adjustment, served March 24, 1989. In addition, the AAR has included the RCAF-5, which was instituted by a Surface Transportation Board decision served October 3, 1996 in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*. The AAR and its members do not believe the additional productivity-adjusted index is required or permitted by the applicable statute, and do not endorse its publication.

This quarter's projection of railroad costs is for the first quarter 2016. Each year's first quarter calculation utilizes new health & welfare rates, which can be found in Appendix A on page 5. New payroll tax rates and maximum taxable earnings are also utilized and listed on page 4 of Appendix A. The 2016 maximum taxable earnings, and tax rates, for Railroad Retirement did not change from 2015.

Index Weights

In the Ex Parte No. 290 (Sub-No. 2) final rules, issued in April 1981, the Interstate Commerce Commission mandated that the weights of each major cost component be updated annually. These "external" weights are calculated using data from Schedules 410 and 210 of the R-1 annual report filed with the Surface Transportation Board by the Class I railroads. The weights are typically updated with the fourth quarter projection.

The 2014 (current) and 2013 (previous) weights are shown below. Weights calculated from 2013 data were used for the fourth quarter of 2014 through the third quarter of 2015. Beginning with the fourth quarter of 2015, weights calculated using 2014 data are used. Fuel and Interest expenses were down in 2014, and those decreases are reflected in their lower weights. Depreciation expenses increased at about double the rate of total expenses, possibly caused by record capital expenditures for new equipment and infrastructure. The weight for Depreciation increased by 0.6 percentage points, as did the weight for Other – which consists of Purchased Services, Taxes (other than income and payroll), Casualties & Insurance, Loss & Damage, and General & Administrative expenses. Other increases were 0.3 for Materials & Supplies, and 0.1 for Labor. Expenses for Materials & Supplies were probably more affected by higher volumes than prices. The weight for Equipment Rents was unchanged.

Weights for RCAF's All-Inclusive Index		
	2014	2013
Labor	31.7 %	31.6 %
Fuel	20.9	22.1
Materials & Supplies	5.2	4.9
Equipment Rents	5.4	5.4
Depreciation	12.6	12.0
Interest	1.5	1.9
Other	22.7	22.1
Total	100.0	100.0

Reweightings of the index is accomplished by calculating both the current quarter (normally the fourth) and prior (normally the third) quarter indexes with the new weights. The relative change between the two quarters is then multiplied times the prior quarter (usually the third) *linked* index. Use of this method ensures that the weight change, by itself, does not cause a change in the level of the All-Inclusive Index.

Internal weights in the labor and equipment rents components are updated at the same time as the external weights. When these weights are changed, they are also linked using the procedure described above in order to eliminate the effect of the change in weighting.

All-Inclusive Index First Quarter 2016

The components and values of the current and previous All-Inclusive Indexes are shown below. Details of the construction of each component of the index are contained in the Appendices.

	2014 Weights	Forecast		Percent Change
		Previous 2015Q4	Current 2016Q1	
1. Labor	31.7%	403.6	417.7	3.5 %
2. Fuel	20.9%	210.8	191.2	-9.3
3. M&S	5.2%	264.8	246.9	-6.8
4. Equipment Rents	5.4%	214.7	214.3	-0.2
5. Depreciation	12.6%	223.5	226.0	1.1
6. Interest	1.5%	57.5	57.5	0.0
7. Other	22.7%	218.2	215.5	-1.2
8. Weighted Average				
a. 1980 = 100		275.9	275.0	
b. 1980 = 100 (linked)		263.4	262.5 ¹	
c. 4Q12 = 100		88.5	88.2 ²	-0.3

¹ Index80 = (Current Index / Previous Index) * the Previous Quarter Linked Index
= (275.0 / 275.9) x 263.4
= 262.5

² To calculate the 4Q12 = 100 index:
Index4Q12 = (Current Linked Index / 4Q12 Basing Factor) * 100
= 262.5 divided by 297.6 times 100
= 88.2

Indexes based on other periods:

- 4Q07 based index = 262.5 / 245.9 x 100 = 106.8
- 4Q02 based index = 262.5 / 192.1 x 100 = 136.6
- 4Q97 based index = 262.5 / 173.2 x 100 = 151.6
- 4Q92 based index = 262.5 / 156.9 x 100 = 167.3
- 4Q87 based index = 262.5 / 132.2 x 100 = 198.6

Forecast vs. Actual All-Inclusive Index Third Quarter 2015

Because of data availability, the forecast error adjustment has a two-quarter lag from each filing. As shown below, the third quarter actual index of 88.8 is 1.8 index points below the forecast value of 90.6. Therefore, the forecast error adjustment for first quarter 2016 is -1.8 index points.

	2013 Weights	Third Quarter 2015		Amt Difference
		Forecast	Actual	
1. Labor	31.6%	404.3	404.3	
2. Fuel	22.1%	246.1	220.1	
3. M&S	4.9%	258.9	258.9	
4. Equipment Rents ¹	5.4%	212.2	214.2	
5. Depreciation	12.0%	221.8	223.8	
6. Interest	1.9%	70.6	70.6	
7. Other	22.1%	215.6	217.5	
8. Weighted Average				
a. 1980 = 100		281.9	276.9	
b. 1980 = 100 (linked)		269.7	264.4 ²	
c. 4Q12 = 100 ³		90.6	88.8	-1.8

Forecast error \longrightarrow **-1.8 index points**

Note: The third quarter actual index rounds to the same number as the second quarter. The second quarter unlinked weighted average is 276.8596, which rounds to 276.9. The third quarter average is 276.9187 before rounding.

1	2013 Weights	Third Quarter 2015	
		Forecast	Actual
Car-Hire	52.8%	191.6	193.3
Lease Rentals	47.2%	215.6	217.5
Weighted Average		202.9	204.7
Weighted Average (linked)		212.2	214.2

² Linked actual index = (actual index / previous actual index) x previous linked actual index.

$$264.4 = 276.9 / 276.9 \times 264.4$$

³ The 4Q12 based indexes are 1980 based indexes divided by the 4Q12 basing factor (297.6/100). Other basing factors are: 4Q07 = 245.9; 4Q02 = 192.1; 4Q97 = 173.2; 4Q92 = 156.9; and 4Q87 = 132.2.

Productivity

On February 13, 2015, the Surface Transportation Board (STB) served a decision in Ex Parte 290 (Sub-No. 4) which added the year 2013 to the Productivity Adjustment Factor (PAF) and removed the year 2008. This creates a geometric average annual productivity change, for the five-year period 2009 through 2013, of 0.7 percent per year. The components of this average annual value are shown on the following table in ratio format – therefore, 1.007 is the same as an increase of 0.7 percent.

Productivity changes are calculated by multiplying each of the five productivity changes together and taking the result to the one-fifth power. The productivity adjustment factors (PAF) for each quarter are calculated by increasing the previous quarter's PAF by quarterly versions of the annual rate, which are the fourth root of the geometric average annual growth rate. The difference between the PAF and the PAF-5 is the timing of the five-year productivity trend.

Comparison of Output, Input, & Productivity			
2009 - 2013			
Year	Output Index (1)	Input Index (2)	Productivity ¹ Changes (3)
2009	0.847	0.861	0.984
2010	1.109	1.070	1.037
2011	1.041	1.039	1.001
2012	1.007	0.999	1.008
2013	1.022	1.018	1.004
Average			1.007
Previous Average (2008-2012)			1.010

¹ The values shown in Column 3 are based on full float calculations and may not exactly match numbers calculated using the rounded numbers displayed in Columns 1 and 2.

Calculation of PAF and PAF-5			
For 2009-2013, use fourth root of avg. productivity change = 1.0017			
For 2008-2012, use fourth root of avg. productivity change = 1.0025			
Quarter	Year	PAF	PAF-5
Q1	2015	2.3342	2.4704
Q2	2015	2.3382	2.4766
Q3	2015	2.3422	2.4828
Q4	2015	2.3462	2.4890
Q1	2016	2.3502	2.4932

Rail Cost Adjustment Factor First Quarter 2016

Four RCAF values are presented in this filing. Two are not modified for productivity (Preliminary RCAF and RCAF Unadjusted), and two incorporate a productivity calculation (RCAF Adjusted and RCAF-5). The All-Inclusive Index and all four RCAF values, plus the percent change for each, are shown below. Note that, beginning with 2013Q1, the All-Inclusive Index is on a 2012Q4=100 basis.

	Previous 2015Q4	Current 2016Q1	Percent Change
All-Inclusive Index ¹	88.5	88.2	-0.3
Preliminary RCAF ²	0.885	0.882	-0.3
Forecast Error Adjustment ³	<u>-0.023</u>	<u>-0.018</u>	
RCAF (Unadjusted) ⁴	0.862	0.864	0.2
Productivity Adjustment Factor ⁵	<u>2.3462</u>	<u>2.3502</u>	
RCAF (Adjusted) ⁶	0.367	0.368	0.3
PAF-5 ⁷	2.4890	2.4932	
RCAF-5 ⁸	0.346	0.347	0.3

¹ See All-Inclusive Index on page 3.

² All-Inclusive Index divided by the All-Inclusive Index in the base period (100.0).

³ The current figure is from Forecast vs. Actual All-Inclusive Index in this filing (page 4). The previous quarter figure is shown in a similar section of the previous quarter's filing.

⁴ Preliminary RCAF plus the forecast error adjustment.

⁵ See Productivity on page 5.

⁶ RCAF (Unadjusted) divided by the Productivity Adjustment Factor (PAF).

⁷ See Productivity on page 5.

⁸ RCAF (Unadjusted) divided by the PAF-5.

Appendixes

Labor

First Quarter 2016

The first quarter 2016 Labor Index is forecast to increase 3.5 percent from the previous quarter. Much of the increase was caused by higher health & welfare costs for the new year.

Wage Rate Index

The Wage Rate Index portion of the Labor Index increased 0.7 percent. The increase was caused by non-union wage increases plus a small number of independent union wage increases and cost of living allowances.

Wage Increases: No wage increases are currently scheduled for the first quarter in the national labor agreements. A few independent labor agreements have general increases effective January 1, and some additional independent labor agreements have cost-of-living-allowances (COLAs) effective January 1. Following past index procedure, non-union employees were assigned a general wage increase (3.0 percent) similar to the increase received by most labor unions in 2015. This non-union wage increase is effective January 1, 2016.

Lump Sums: The first quarter lump sum rate decreased by 0.003 cents, as one amount was completely amortized and removed from the index. There were no lump sums added to the index.

Back Pay: The first quarter back pay rate was unchanged from the previous quarter. No new back pay amounts were added, and no amounts were completely amortized and removed.

Other: In wages, "Other" contains the amortization of incentive payments that a railroad makes each year to its dispatchers, yardmasters, and engineers. The current incentive payment amount is for a payment made in early 2015 for performance in 2014. This amount is unchanged.

Supplements Index

The Supplements Index increased 8.0 percent. All four categories increased, but higher health & welfare premiums had the most impact.

Health & Welfare: The Health & Welfare rate increased 16.4 percent. Higher employer contributions (premiums) will go into effect January 1. (See pages 4 and 5 of this appendix.) Employee health & welfare cost sharing was unchanged. Although the hourly rate for health and welfare increased substantially, it is still below what it was for 2011 and most of 2012.

Railroad Retirement: The Railroad Retirement rate increased 0.5 percent. This change was caused by the small increase in taxable earnings. Maximum taxable earnings for Railroad Retirement's Tier I and Tier II did not change for 2016, and the tax rates (for employers) did not change either. Page 4 of this appendix lists tax rates and maximum taxable earnings for 2014 through 2016.

Labor

First Quarter 2016

Unemployment Insurance: The Unemployment Insurance rate increased 18.2 percent (3.7 cents) from the previous quarter. Although the maximum taxable earnings did not change for 2016, the tax rate increased. Basic tax rates range from a minimum of 0.65 percent to a maximum of 12 percent. However, if the Railroad Unemployment Insurance Account balance falls below a certain threshold, a surcharge can be imposed. For 2016 (like 2015), a surcharge of 1.5 percent will be used – meaning that no railroad will have a tax rate less than 2.15 percent. The tax rate is experience-rated, and employee counts are down (and unemployment is up). The weighted average Class I railroad rate for 2016 will be 2.73 percent compared to only 2.31 percent for 2015. Page 4 of this appendix lists tax rates and maximum taxable earnings for 2014 through 2016. There was no surcharge in 2014.

Other: The "Other" category is a reflection of all other fringe benefits, and currently contains known employer contributions to employee 401(k) accounts and employer contributions to employee stock plans that are recorded as fringe benefits. For the first quarter, the rate increased 4.0 cents because of employer stock awards.

Labor Index Calculation

As shown in Table A-1 on the next page, the 0.7 percent increase in the Wage Rate Index and the 8.0 percent increase in the Supplements Index combined to cause a 3.5 percent increase in the Labor Index. The linked first quarter 2016 index is 417.7.

Labor
First Quarter 2016

Table A-1 Labor Index

	2015Q4	2016Q1	Change	
			Percent	Amount
<u>Base Wage</u> – Straight Time & Pay For Time Not Worked	\$41.101	\$41.402	0.7%	\$0.301
Adjustments:				
Lump Sum	0.395	0.392	-0.8%	-\$0.003
Back Pay	0.131	0.131	0.0%	\$0.000
Other	0.157	0.157	0.0%	\$0.000
Total Wages	<u>41.784</u>	<u>42.082</u>	0.7%	\$0.298
Health & Welfare Benefits	6.909	8.043	16.4%	\$1.134
RR Retirement & Medicare	8.454	8.496	0.5%	\$0.042
Unemployment Insurance	0.203	0.240	18.2%	\$0.037
Other	0.124	0.164	32.3%	\$0.040
Total Supplements	<u>\$15.690</u>	<u>\$16.943</u>	8.0%	\$1.253
Total Labor (as info only)	\$57.474	\$59.025		
Wage Index¹	357.6	360.1	0.7%	
Supplements Index²	579.8	626.1	8.0%	
Total labor Index, 2014 Weights ³	419.6	434.3		
Labor Index (linked)⁴	403.6	417.7	3.5%	

¹ 1980 wage rate \$11.685

² 1980 supplements rate \$2.706

³ 2014 weights: wages, supplements 72.1% 27.9%

⁴ 2016Q1 linked Index = 2015Q4 linked x (2016Q1 / 2015Q4)
= 403.6 x 434.3 / 419.6

Labor
First Quarter 2016

Supplement Comparisons

Health and Welfare Rates

Plan	Railroad Contribution Per Employee Per Month				
	2014	2015	2016	Change	
				'14-'15	'15-'16
Group Health & Welfare	\$1,285.74	\$1,298.28	\$1,481.05	1.0%	14.1%
Early Retirement Major Medical	127.92	109.90	134.70	-14.1%	22.6%
Group Dental	53.00	50.83	56.97	-4.1%	12.1%
Group Vision	8.39	8.41	8.41	0.2%	0.0%
Supplemental Sickness					
Maintenance of Way	32.87	32.87	32.87	0.0%	0.0%
Shop Crafts	48.28	53.18	49.11	10.1%	-7.7%
Signalmen	30.74	30.74	29.48	0.0%	-4.1%
Yardmasters	34.96	34.78	34.22	-0.5%	-1.6%

Railroad Retirement and Medicare

	Earnings Base			Employer Rate		
	2014	2015	2016	2014	2015	2016
Tier I	\$117,000	\$118,500	\$118,500	6.20%	6.20%	6.20%
Tier II	87,000	88,200	88,200	12.60%	13.10%	13.10%
Medicare	no limit	no limit	no limit	1.45%	1.45%	1.45%

Unemployment Insurance

Monthly Taxable Earnings Base			Weighted Avg. Class I Rate		
2014	2015	2016	2014	2015	2016
\$1,440	\$1,455	\$1,455	0.68%	2.31%	2.73%

Labor
First Quarter 2016

NATIONAL RAILWAY LABOR CONFERENCE
EMPLOYEE BENEFITS DEPARTMENT

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November 24, 2015

Mr. Clyde Crimmel
Director Statistical Information
Policy & Communications Department
AAR-5th Floor
50 F Street N.W.
Washington, D.C. 20009

Dear Mr. Crimmel:

The revised employer Payment Rates which are effective January 1, 2016 are as follows:

Railroad Employees National Health & Welfare Plan & National Railway Carriers/United Transportation Union H&W Plan Non-Hospital Road	\$1,481.05
Railroad Employees National Early Retirement Major Medical Benefit Plan Non-Hospital Road	\$ 134.70
Aetna - National Dental Plan	\$ 56.97
Aetna - Supplemental Sickness Plans	
ShopCrafts	\$ 49.11
Signalmen	\$ 29.48
Maintenance of Way	\$ 32.87
Trustmark - Supplemental Sickness Plans Yardmasters	\$ 34.22
EyeMed - National Vision Plan	\$ 8.41

If you have any questions or need clarification, please contact me.

Very truly yours,



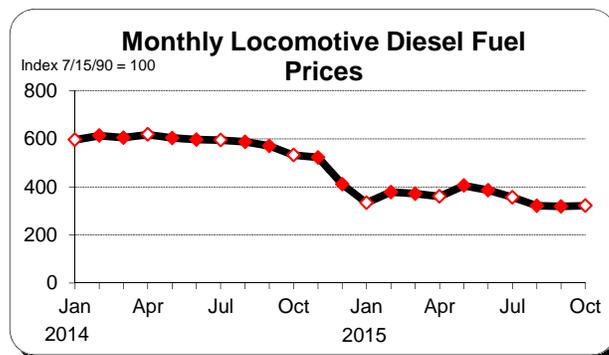
Susan E. Parks

cc: Glen Williams

Fuel First Quarter 2016

The forecast for fuel is based on: (1) a survey of railroad fuel purchasing officers concerning current price and volume levels, (2) expectations of railroad purchasing officers based on their own forecast models and discussions with their major suppliers, and (3) a consensus of petroleum industry experts and general business publications. Fuel purchases are assumed to remain in inventory for 30 days before the fuel is consumed (and therefore expensed). Therefore, prices paid in the first month of each quarter are for fuel expensed in the second (or middle) month of the quarter, and the middle month is used to represent each quarter.

Locomotive diesel fuel prices fell in June, July, and August – but have leveled off in the most recent months. They were slightly higher in October than they were in September. The chart below shows the AAR's Monthly Locomotive Diesel Fuel Price Index from January 2014 through October 2015.



While the latest average prices for locomotive diesel fuel are available only through October 2015, data through most of November are available for related fuel types. Weekly spot prices for crude oil,* heating oil,** and Ultra-Low-Sulfur Diesel Fuel** have all decreased from 10/16/2015 to 11/20/2015, according to the Energy Information Administration. Thus, the railroads expect Q1 (January 2016) locomotive diesel fuel prices to continue to fall – down 9.3 percent from the fourth quarter forecast, and down 3.7 percent from the average price actually paid in October.

Forecast Fuel Index (1980 = 100)	191.2
Change from previous quarter forecast	-9.3%
Change from previous quarter actual	-3.7%

* Diesel fuel used by locomotives is made from refined crude oil, and therefore usually has some price correlation.
 ** Heating oil, Ultra-Low-Sulfur No. 2 Diesel Fuel, and locomotive diesel fuel are part of a group of closely related products, commonly labeled as distillates, that differ mostly by their sulfur content. Because of these similarities, these fuels are produced together and have similar pricing trends.

Materials & Supplies

First Quarter 2016

The first quarter 2016 Materials & Supplies Index decreased 6.8 percent from the previous quarter. All three of the major categories decreased, although the change for Forest Products was very small. A 6.5 percent decrease for Metal Products had the biggest impact, as average prices decreased, or were unchanged, for all but one of the 22 items that comprise the category. Miscellaneous Products, which does not have as large of a weight as Metal Products, decreased 9.2 percent. The Materials & Supplies Index is now at its lowest level since 2010Q3. As a "sanity check", it has been noted that the monthly Producer Price Index for Metals and Metal Products (produced by the Bureau of Labor Statistics) is currently at its lowest level over the period of January 2010 through October 2015.

2016Q1 Materials & Supplies Index = 246.9

2015Q4 Materials & Supplies Index = 264.8

Difference -17.9 basis points
or
-6.8 %

Equipment Rents First Quarter 2016

The Equipment Rents Index consists of two components – car hire and lease rentals. The methodology used to create these two components and the final Equipment Rents Index are explained below.

Car Hire

The car hire component is indexed using data from the Car Hire Accounting Rate Master (CHARM) file. Car hire rates for the forecast quarter are estimated based on data for active freight cars using the most recent month available. For the first quarter, December 1 of the previous year is used. For the second, third and fourth quarters; March 1, June 1, and September 1 are used, respectively. Using data retrieved from the latest CHARM file, an average rate per car is developed. Next, those average rates are grouped into car type categories to create an overall summary of car hire rates. The summary rates are then compared from quarter to quarter to determine the Car Hire Index.

Lease Rentals

The lease rentals portion of the Equipment Rents Index uses the Producer Price Index for Industrial Commodities less Fuel and Related Products and Power (PPI-LF). The Commission adopted this surrogate in its decision served March 13, 1987. The AAR uses six years of historical data to derive its forecast for the PPI-LF. The forecast is used not only for lease rentals, but also for the "Other" component of the All-Inclusive Index. Appendix G discusses the forecast in more detail.

Equipment Rents Index Calculation

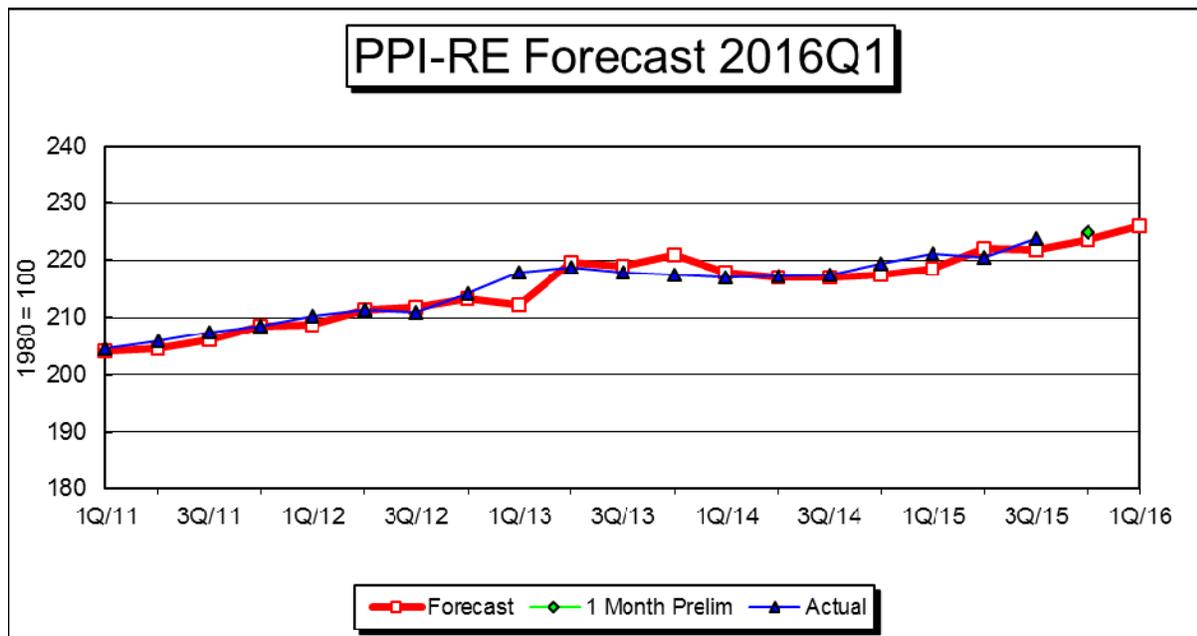
The table below calculates the Equipment Rents Index. The first quarter Car Hire portion of the Index increased 0.7 percent because of increases in rates for autoracks and privately-owned cars that occurred over the last three months. A 1.2 percent decrease in the projected PPI-LF (See Appendix G) used as a proxy for Lease Rentals, combined with the 0.7 percent increase for Car Hire, caused the Equipment Rents Index to decrease 0.2 percent.

	2014	2015Q4	2016Q1	Percent
	Weight			Change
Car Hire	56.5%	193.8	195.1	0.7 %
Lease Rentals	43.5%	218.2	215.5	-1.2
Weighted Average		204.4	204.0	-0.2
Weighted Average (Linked)		214.7	214.3	-0.2

Depreciation First Quarter 2016

The Producer Price Index for Railroad Equipment (PPI-RE) is used to index depreciation expense. The PPI-RE is forecast using an ARIMA (Auto-Regressive Integrated Moving Average) process where a statistical package picks the model that best fits the historical data set (see next page), and that model is then used for the forecast. The historical data set contains 6 years of monthly data (a sample size of 72), where the most recent available data point is the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent period available. April and July would be the most recent months available for third and fourth quarter forecasts, respectively. The output from the forecast model is shown on page 2 of this appendix on a 1982=100 basis. The figure forecast by the model, a 1.1 percent increase from the previous quarter's forecast, reflects monthly PPI-RE figures that have increased in seven of the last ten months.

Forecast of Depreciation Index (1982=100)	204.3
Forecast of Depreciation Index (1980=100)	226.0
Change from previous quarter forecast	1.1%
Change from actual first month of previous quarter	0.5%
Change from same quarter of prior year (actual)	2.2%



Depreciation First Quarter 2016

PPI RAILROAD EQUIPMENT

Exponential smoothing outperforms Box-Jenkins by 0.875 to 1.567 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12. For Box-Jenkins, I used a log transform.

Series is trended and seasonal.

Recommended model: Exponential Smoothing

Forecast Model for PPIRE

Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing Weight	Final Value
Level	0.64762	203.19
Trend	0.02006	0.26753

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 192.5	Standard deviation 6.052
R-square 0.9783	Adjusted R-square 0.978
Durbin-Watson 1.98	Ljung-Box(18)=19.04 P=0.6106
Forecast error 0.8978	BIC 0.9395
MAPE 0.003071	RMSE 0.8853
MAD 0.5957	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2015-05	200.0
2015-06	201.4
2015-07	201.6
2015-08	202.6
2015-09	202.8
2015-10	203.3

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2015-11	201.613	203.454	205.296
2015-12	201.515	203.722	205.929
2016-01	201.470	203.989	206.509
2016-02	201.459	204.257	207.055
2016-03	201.473	204.524	207.576
QTR AVG	201.467	204.257	207.0467

Interest First Quarter 2016

The Interstate Commerce Commission, in its decision served February 28, 1989, revised the All-Inclusive Index methodology to include a specific interest component, which is to track changes in the average interest rate from year to year. The interest rate is essentially the embedded cost of debt, i.e., total interest expense divided by average total long term debt.

The interest rate is calculated for the most recent year and used until the next year's figures are finalized. The source data are from a summary of the annual reports (Form R-1) submitted by each of the Class I railroads. Although the data set is received at the end of March, it is not used until the September filing. This enables data to be entered into a database and reviewed – and any revisions made, if necessary, before the data are used in the Index. The current Interest Index is based on 2014 data, and was updated in this Q4 filing submitted on September 4, 2015.

The R-1 source for interest expense is Schedule 210, column b. The lines currently used are listed below. The source for average total debt is Schedule 200. The sums of data from columns b and c (ending and beginning balances) are combined and divided by 2 to compute an average balance. The line numbers are listed below.

Interest Expense (Schedule 210)

Line	
42	Total Fixed Charges
44	Contingent Interest
less	
22	Release of Premium on Funded Debt

Average Total Debt (Schedule 200)

Line	
30	Current Loans and Notes Payable
39	Equipment Obligations and Other Long Term Debt Due Within One Year
41	Funded Debt Unmatured - Non-Current
42	Equipment Obligations - Non-Current
43	Capitalized Lease Obligations - Non-Current
44	Debt in Default - Non-Current
45	Accounts Payable: Affiliated Companies - Non-Current
46	Unamortized Debt Premium - Non-Current

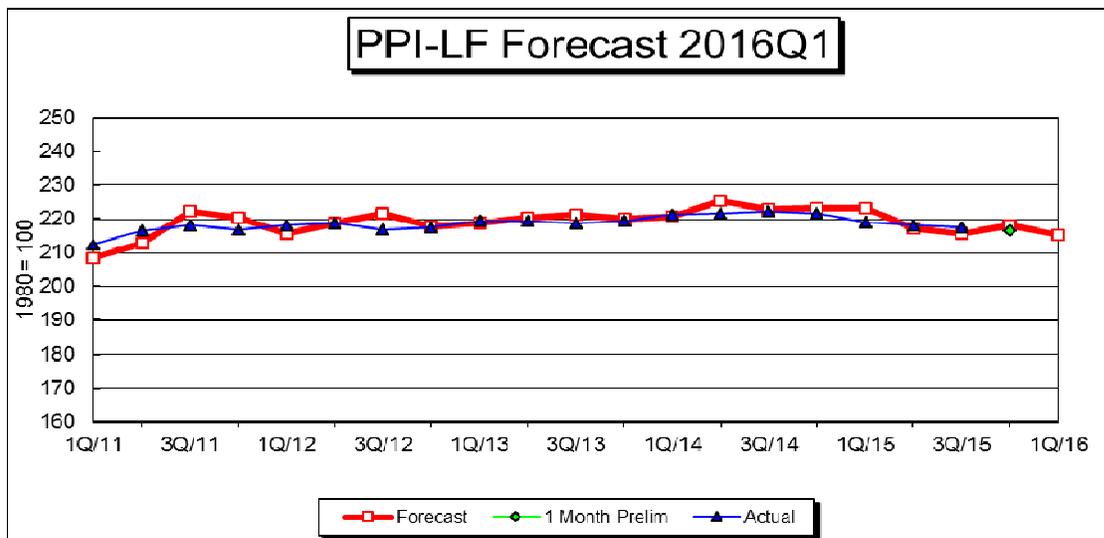
2014	Interest Rate	4.51%
1980	Interest Rate	7.85%
2016Q1	Interest Index	57.5
2015Q4	Interest Index	57.5
	Percent Change	0.0%

Other Expenses First Quarter 2016

The Producer Price Index for Industrial Commodities less Fuels and Related Products and Power (PPI-LF) is used to index purchased services, casualties and insurance, loss and damage, taxes (other than income and payroll), general and administrative expenses, and lease rentals. These expenses, when grouped together, are usually called "Other" expenses.

Like the PPI-RE, the PPI-LF is forecast using an ARIMA process on 6 years of monthly data (a sample size of 72) with the most recent available monthly data being the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent month available. April and July would be the most recent months available for third and fourth quarter forecasts respectively. The output from the forecast model is shown on page 2 of this appendix for 1982=100. Monthly PPI-LF figures have fallen in 12 out of the last 14 months. The forecast for 2016Q1 is 1.2 percent below the previous quarter.

Forecast of Other Expense Index (1982=100)	192.2
Forecast of Other Expense Index (1980=100)	215.5
Change from previous quarter forecast	-1.2%
Change from actual first month of previous quarter	-0.5%
Change from same quarter of prior year (actual)	-1.7%



Other Expenses First Quarter 2016

**PPI INDUSTRIAL COMMODITIES LESS FUELS
AND RELATED PRODUCTS AND POWER**

Exponential smoothing outperforms Box-Jenkins by 1.406 to 1.663 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is trended and seasonal.

Recommended model: Exponential Smoothing
Forecast Model for PPILF
Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing Weight	Final Value
Level	1.00000	193.10
Trend	0.82557	-0.022918

Sample size 72	Number of parameters 2
Mean 192.6	Standard deviation 5.317
R-square 0.9866	Adjusted R-square 0.9864
Durbin-Watson 1.912	Ljung-Box(18)=38.77 P=0.9969
Forecast error 0.62	BIC 0.6487
MAPE 0.002507	RMSE 0.6113
MAD 0.4808	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2015-05	194.9
2015-06	195.2
2015-07	194.7
2015-08	194.1
2015-09	193.2
2015-10	193.1

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2015-11	191.599	192.871	194.142
2015-12	189.995	192.642	195.288
2016-01	188.892	192.412	195.933
2016-02	187.967	192.183	196.400
2016-03	187.141	191.954	196.767
QTR AVG	188.000	192.183	196.367

Railroad and Union Abbreviations

First Quarter 2016

Railroads

BLE	Bessemer & Lake Erie Railroad (Part of CN's Grand Trunk Corp.)
BNSF	BNSF Railway Company
CC	Chicago, Central & Pacific (Part of CN's Grand Trunk Corp. Sometimes noted as CC&P.)
CN	Canadian National Railway (Commonly known as CN, owns Grand Trunk Corporation.)
CNGT	AAR's abbreviation for Grand Trunk Corporation (Almost all of CN's U.S. operations.)
CP	Canadian Pacific (Also noted as CPR. Owns the U.S. Class I railroad Soo Line.)
CPSL	AAR's abbreviation for Soo Line Corporation (CP's U.S. operations including SOO, D&H, and DME.)
CSX	CSX Transportation
D&H	Delaware & Hudson (Part of Canadian Pacific's U.S. operations, included beginning 2011Q4.)
DME	Dakota, Minnesota & Eastern (Part of Canadian Pacific's U.S. operations, included beginning 2011Q4.)
GTW	Grand Trunk Western Railroad (Part of CN's Grand Trunk Corp.)
IC	Illinois Central Railroad (Part of CN's Grand Trunk Corp.)
KCS	Kansas City Southern Railway
NS	Norfolk Southern Combined Railroad Subsidiaries (a.k.a. Norfolk Southern Railway or NS Rail)
SOO	Soo Line Railroad (The largest part of Canadian Pacific's U.S. operations.)
UP	Union Pacific Railroad
WC	Wisconsin Central and subsidiaries (Part of CN's Grand Trunk Corp.)

Note: A portion of the DM&E was sold during 2014.

Note: A proposal was made in November 2014 to sell a portion of the D&H pending regulatory approval.

Major Unions Involved with Railroads

ATDA	American Train Dispatchers Association
BLET	Brotherhood of Locomotive Engineers and Trainmen Div. of the International Brotherhood of Teamsters
BMWED	Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters
BRS	Brotherhood of Railroad Signalmen
IAM	International Association of Machinists and Aerospace Workers
IBBM	International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers
IBEW	International Brotherhood of Electrical Workers
NCFO	National Conference of Firemen and Oilers
SMART-TD	Sheet Metal Air Rail Transportation - Transportation Division*
SMW	Sheet Metal Workers' International Association
TCU	Transportation Communication International Union
TCU-Carmen	Brotherhood of Railway Carmen Division of the Transportation Communications International Union
UTU-Yard	United Transportation Union Yardmaster Department (also noted as UTU-YMD)

Predecessor Unions (Some AAR databases use these old abbreviations.)

BLE	Brotherhood of Locomotive Engineers (predecessor to BLET)
BMWE	Brotherhood of Maintenance of Way Employees (predecessor to BMWED)
BRC	Brotherhood of Railway Carmen (predecessor to TCU-Carmen)
IBFO	International Brotherhood of Firemen and Oilers (predecessor to NCFO)
UTU	United Transportation Union (merged into SMART)

* Typically represents employees formerly represented by the UTU (conductors and brakemen).

AAR Workpapers Sent to STB for 2016 Q1 RCAF

December 4, 2015

1. Index Calculation Spreadsheet (index_calc.xlsx, 2 pages)
2. Summary of ST and PFTNW Hourly Rates (Summary.xls)
3. RCAF Taxable Wages adjustment calculation (TaxableRate.xls)
4. National Contracts spreadsheet, 2 sections (2 and 5 pages)
5. Wall Street Journal - 13 week Treasury Bill Rate from latest auction (a.k.a. 3-Mo. T-Bill)
6. 2016/Q1 RCAF Lump Sum Amortization summary, public version (1 page)
7. 2016/Q1 RCAF Back Pay Amortization summary, public version (1 page)
8. Health & Welfare worksheet (1 page)
9. Railroad Retirement spreadsheet (5 pages)
10. 2016 Tax Rates and Maximum Taxable Earnings from RRB & Tier II tax rate from Federal Register
11. Unemployment Insurance worksheet (1 page)
12. 2-page SAS run for 2016 Q1 Unemployment Insurance
13. Unemployment Insurance Tax Rate for 2016 memo and RRB Maximum Taxable Earnings
14. EIA's Spot Prices for Crude Oil and Petroleum Products, and EIA retail diesel prices
15. Summary of Materials & Supplies - "U.S. Summary by Composition Category" (1 page)
16. Car Hire Spreadsheet (2 pages) plus source data page
17. 5 pages of PPI-RE for Depreciation including graph, input/output, and BLS source data
18. 5 pages of PPI-LF for Other (and Lease Rentals) incl. graph, input/output, BLS source data
19. Forecast Error calc. and workpapers (10 pages: calc, index actual, fuel, 3 car hire, 2 deprec, 2 other)

All Inclusive Index and RCAF using 2014 Benchmarks and Weights

	14 Wts.	3Q/15	14 Wts. 3Q/15	% Chg	4Q/15	% Chg	1Q/16	% Chg	2Q/16	% Chg	3Q/16	% Chg
Labor	0.317	404.30	404.3	0.0%	403.6	-0.2%	417.7	3.5%	0.0	#####	#DIV/0!	--
Fuel	0.209	246.10	246.1	0.0%	210.8	-14.3%	191.2	-9.3%	--	--	--	--
M&S	0.052	258.90	258.9	0.0%	264.8	2.3%	246.9	-6.8%	--	--	--	--
Equip. Rents	0.054	212.20	212.2	0.0%	214.7	1.2%	214.3	-0.2%	0.0	#####	#DIV/0!	--
Depreciation	0.126	221.80	221.8	0.0%	223.5	0.8%	226.0	1.1%	--	--	--	--
Interest	0.015	70.60	70.6	0.0%	57.5	-18.6%	57.5	0.0%	57.5	0.0%	57.5	0.0%
Other	0.227	215.60	215.6	0.0%	218.2	1.2%	215.5	-1.2%	--	--	--	--
Weighted Avg.	1.000	281.90	282.5	0.2%	275.9	-2.3%	275.0	-0.3%	0.9	-99.7%	#DIV/0!	--
Linked	Basing Factor	269.70			263.4	-2.3%	262.5	-0.3%	0.9	-99.7%	#DIV/0!	--
10/1/80 basis	102.7	262.6			256.5	-2.3%	255.6	-0.4%	0.9	-99.6%	#DIV/0!	--
10/1/82	120.9	223.1			217.9	-2.3%	217.1	-0.4%	0.7	-99.7%	#DIV/0!	--
4Q/87	132.2	204.0			199.2	-2.4%	198.6	-0.3%	0.7	-99.6%	#DIV/0!	--
4Q/92	156.9	171.9			167.9	-2.3%	167.3	-0.4%	0.6	-99.6%	#DIV/0!	--
4Q/97	173.2	155.7			152.1	-2.3%	151.6	-0.3%	0.5	-99.7%	#DIV/0!	--
4Q/02	192.1	140.4			137.1	-2.4%	136.6	-0.4%	0.5	-99.6%	#DIV/0!	--
4Q/07	245.9	109.7			107.1	-2.4%	106.8	-0.3%	0.4	-99.6%	#DIV/0!	--
4Q/12 basis	297.6	90.6			88.5	-2.3%	88.2	-0.3%	0.3	-99.7%	#DIV/0!	--
Car Hire	0.565	191.60	191.6	0.0%	193.8	1.1%	195.1	0.7%	--	--	--	--
Lease Rents	0.435	215.60	215.6	0.0%	218.2	1.2%	215.5	-1.2%	0.0	--	0.0	--
Weighted Avg Eq Rents		202.90	202.0	-0.4%	204.4	1.2%	204.0	-0.2%	0.0	--	0.0	--
Linked Equipment Rents		212.20			214.7	1.2%	214.3	-0.2%	0.0	#####	#DIV/0!	--
Preliminary RCAF		0.906			0.885	-2.32%	0.882	-0.3%	0.003	-99.7%	#DIV/0!	--
Forecast Error Adj.		(0.077)			(0.023)		(0.018)					
RCAF Unadjusted		0.829			0.862	3.98%	0.864	0.2%	0.003	-99.7%	#DIV/0!	--
PAF		2.3422			2.3462	0.17%	2.3502	0.17%	--	--	--	--
RCAF Adjusted		0.354			0.367	3.67%	0.368	0.3%	#DIV/0!	--	#DIV/0!	--
PAF-5		2.4828			2.4890	0.25%	2.4932	0.17%	--	--	--	--
RCAF-5		0.334			0.346	3.59%	0.347	0.3%	#DIV/0!	--	#DIV/0!	--

RCAF All-Inclusive Index's Labor Index Based on 2014 Benchmarks

	14 Wts.	3Q/15	3Q/15 Rebenched As Info Only	% Chg	4Q/15	% Chg	1Q/16	% Chg	2Q/16	% Chg	3Q/16	% Chg
Straight Time		\$33.155	\$33.927	2.3%	\$33.966	2.4%	\$34.259	0.9%		--		--
PFTNW		\$6.966	\$7.126	2.3%	\$7.135	2.4%	\$7.143	0.1%		--		--
Total		\$40.121	\$41.053	2.3%	\$41.101	2.4%	\$41.402	0.7%	\$0.000	--	\$0.000	--
Adjustments												
Lump Sum		\$0.405	\$0.395		\$0.395		\$0.392					
Back Pay		\$0.094	\$0.092		\$0.131		\$0.131					
Other		\$0.161	\$0.157		\$0.157		\$0.157					
Total Wages		\$40.781	\$41.697	2.2%	\$41.784	2.5%	\$42.082	0.7%	\$0.000	--	\$0.000	--
Pre-Tax Reduction		(\$1.200)	(\$1.194)		(\$1.194)		(\$1.194)					
Taxable Wages		\$39.581	\$40.503		\$40.590		\$40.888		\$0.000		\$0.000	
H & W		\$7.612	\$6.909	-9.2%	\$6.909	-9.2%	\$8.043	16.4%		--		--
RR Ret & Medicare		\$8.242	\$8.442	2.4%	\$8.454	2.6%	\$8.496	0.5%		--		--
Unemp. Insurance		\$0.204	\$0.203	-0.5%	\$0.203	-0.5%	\$0.240	18.2%		--		--
Other		\$0.296	\$0.289	-2.4%	\$0.124	-58.1%	\$0.164	32.3%		--		--
Total		\$16.354	\$15.843	-3.1%	\$15.690	-4.1%	\$16.943	8.0%	\$0.000	--	\$0.000	--
Adjustments												
Total Supplements		\$16.354	\$15.843	-3.1%	\$15.690	-4.1%	\$16.943	8.0%	\$0.000	--	\$0.000	--
Total Labor		\$57.135	\$57.540	0.7%	\$57.474	0.6%	\$59.025	2.7%	\$0.000	--	\$0.000	--
Wage Rate Index	0.7210	349.0	356.8	2.2%	357.6	2.5%	360.1	0.7%	0.0	--	0.0	--
Supplements Index	0.2790	604.4	585.5	-3.1%	579.8	-4.1%	626.1	8.0%	0.0	--	0.0	--
Total Labor Index '13 Wts.		425.4										
Total Labor Index '14 Wts.		420.3	420.6	0.1%	419.6	-0.2%	434.3	3.5%	0.0	--	0.0	--
Labor Index (Linked)		404.3			403.6	-0.2%	417.7	3.5%	0.0	#####	#DIV/0!	--

Hourly Rate for 2016 Q1

Straight Time and Time Paid For But Not Worked

2016Q1 Straight Time Hourly Rate (from national spreadsheet)	\$33.985
Non-Union GWI of 3%	
Adjustments to 2014 base:	
Adjustments added 2015 Q1	
CN Railroads	0.024
Misc. Indep ATDA, BLET, UTU, YMD	0.149
Soo Corp.	0.013
Adjustments added 2015 Q2	
CN Railroads	0.003
Misc. Indep ATDA, BLET, UTU, YMD	0.024
Soo Corp.	0.000
Adjustments added 2015 Q3	
CN Railroads	0.013
Misc. Indep ATDA, BLET, UTU, YMD	0.000
Soo Corp.	0.000
Adjustments added 2015 Q4	
CN Railroads	0.004
Misc. Indep ATDA, BLET, UTU, YMD	0.035
Soo Corp.	0.000
Adjustments added 2016 Q1	
CN Railroads	0.005
Misc. Indep ATDA, BLET, UTU, YMD	0.004
Soo Corp.	0.000
Adjusted STHR Total	\$34.259

Pay For Time Not Worked

PFTNW (from national spreadsheet)				\$7.086
Ratio Adj STHR to Nat STHR	34.259 /	33.985	=	1.00806

Adjusted Pay For Time Not Worked **\$7.143**

Notes:

1. CN Railroads includes B&LE, CC&P, GTW, IC, and WC.
2. The Miscellaneous group consists of independent (for wages) BLET, dispatchers, UTU and yardmasters.
3. Soo Corp. includes DH and DME only, since Soo Line participates in national agreements.

RCAF Taxable Wages

(To Use for Railroad Retirement and Unemployment Insurance Payroll Tax Calculations)

In the RCAF calculation, Total Wages are the wages paid, while Taxable Wages are the wages on which to base payroll tax calculations. The difference is caused by pre-tax employee contributions to help pay Health & Welfare costs. This page calculates that wage rate difference.

The national agreements feature employee Health & Welfare cost sharing. Some of the independent agreements adopt the dollar amount contributed under the national agreement, and some have their own employee contribution rate such as the CN Management H&W Plan. This Cost Sharing is a pre-tax employee contribution to Health & Welfare insurance premiums paid by the employer. The employee contribution reduces employer Health & Welfare costs, while the Health & Welfare insurance premiums paid to the provider are unchanged. In the RCAF calculation, the reduction to the employer's Health & Welfare costs affect the Supplements portion of the Labor component of the index. The Taxable Wage Rate is used for Railroad Retirement and Unemployment Insurance calculations.

Reduction Calculation for 1Q/2016

U.S. ST Hours =

321,870,207 ✓

Wage Statistics are for 2014

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, SOO, UP)	27,186	(\$198.00)	(\$64,593,936.00)
National BMWE (BNSF, CSX, KCS, NS, SOO, UP)	23,639	(\$198.00)	(\$56,166,264.00)
National BRS (BNSF, CSX, KCS, NS, SOO, UP)	7,542	(\$198.00)	(\$17,919,792.00)
National IAM (BNSF, CSX, KCS, NS, SOO, UP)	6,904	(\$198.00)	(\$16,403,904.00)
National IBBM (BNSF, CSX, KCS, NS, SOO, UP)	1,291	(\$198.00)	(\$3,067,416.00)
National IBEW (BNSF, CSX, KCS, NS, SOO, UP)	5,558	(\$198.00)	(\$13,205,808.00)
National NCFO (BNSF, CSX, KCS, NS, SOO, UP)	2,473	(\$198.00)	(\$5,875,848.00)
National SMW (BNSF, CSX, KCS, NS, SOO, UP)	1,027	(\$198.00)	(\$2,440,152.00)
National TCU (BNSF, CSX, KCS, NS, SOO, UP)	5,437	(\$198.00)	(\$12,918,312.00)
National TCU-CAR (BNSF, CSX, KCS, NS, SOO, UP)	9,214	(\$198.00)	(\$21,892,464.00)
National UTU (BNSF, CSX, KCS, NS, SOO, UP)	40,720	(\$198.00)	(\$96,750,720.00)
Yardmasters (BNSF, CSX, KCS, NS, SOO, UP)	1,886	(\$198.00)	(\$4,481,136.00)
National ATDA (wt. avg. BNSF, CSX, KCS, NS, SOO)	1,859	(\$198.00)	(\$4,416,984.00)
Independent CNGT (wt avg all union categories)	6,492	(\$195.85)	(\$15,257,498.40)
Independent SLC (wt avg all DH & DME union categories)	906	(\$180.11)	(\$1,958,155.92)
Total Union	142,134		(\$337,348,390.32)
All Other @ \$3,909,740.58 total per month			(\$46,916,886.96)
Total			(\$384,265,277.28)

Reduction in Wage Rate Per ST Hour	-\$1.19385165
Deduct this amount from the Wage Rate	-\$1.194

National Contracts U.S.

Straight Time Hourly Rate															Check Sum
Weight	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	
	0.23681	0.03447	0.17707	0.00583	0.04733	0.14057	0.05554	0.01427	0.04033	0.00742	0.0328	0.01359	0.00852	0.18545	1.00000
2014 Avg.	27.076	28.014	31.170	28.833	29.721	26.731	28.713	23.811	29.150	27.023	29.393	40.721	48.991	49.106	448.455
12/31/14	27.487	28.533	31.432	29.371	30.266	27.226	29.247	24.254	29.693	27.526	29.939	41.282	49.789	49.106	455.153
1/1/15	27.894	29.263	31.452	30.239	31.116	27.972	30.063	24.960	30.543	28.291	30.792	42.045	51.100	50.972	
4/1/15	27.894	29.263	31.452	30.239	31.116	27.972	30.063	24.960	30.543	28.291	30.792	42.045	51.100	50.972	
7/1/15	27.894	29.263	31.452	30.239	31.116	27.972	30.063	24.960	30.543	28.291	30.792	42.045	51.100	50.972	
10/1/15	27.894	29.263	31.452	30.239	31.116	27.972	30.063	24.960	30.543	28.291	30.792	42.045	51.100	50.972	
1/1/16	27.894	29.263	31.452	30.239	31.116	27.972	30.063	24.960	30.543	28.291	30.792	42.045	51.100	52.501	
4/1/16	27.894	29.263	31.452	30.239	31.116	27.972	30.063	24.960	30.543	28.291	30.792	42.045	51.100	52.501	
7/1/16	27.894	29.263	31.452	30.239	31.116	27.972	30.063	24.960	30.543	28.291	30.792	42.045	51.100	52.501	

Weighted Straight Time Hourly Rate															
	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2014 Avg.	6.412	0.966	5.519	0.168	1.407	3.758	1.595	0.340	1.176	0.201	0.964	0.553	0.418	9.107	32.581
12/31/14	6.509	0.983	5.566	0.171	1.433	3.827	1.624	0.346	1.198	0.204	0.982	0.561	0.424	9.107	32.936
1/1/15	6.605	1.009	5.569	0.176	1.473	3.932	1.670	0.356	1.232	0.210	1.010	0.571	0.435	9.453	33.701
4/1/15	6.605	1.009	5.569	0.176	1.473	3.932	1.670	0.356	1.232	0.210	1.010	0.571	0.435	9.453	33.701
7/1/15	6.605	1.009	5.569	0.176	1.473	3.932	1.670	0.356	1.232	0.210	1.010	0.571	0.435	9.453	33.701
10/1/15	6.605	1.009	5.569	0.176	1.473	3.932	1.670	0.356	1.232	0.210	1.010	0.571	0.435	9.453	33.701
1/1/16	6.605	1.009	5.569	0.176	1.473	3.932	1.670	0.356	1.232	0.210	1.010	0.571	0.435	9.736	33.985
4/1/16	6.605	1.009	5.569	0.176	1.473	3.932	1.670	0.356	1.232	0.210	1.010	0.571	0.435	9.736	33.985
7/1/16	6.605	1.009	5.569	0.176	1.473	3.932	1.670	0.356	1.232	0.210	1.010	0.571	0.435	9.736	33.985

Note: The 2014 Average and 12/31/14 Straight Time Hourly Rates are the industry rates, and include all Class I railroad employees. The rates for 1/1/15 through 7/1/16 are based on the industry year-end rates updated by NATIONAL UNION wage increases using contract information. These national increases are diluted using "percent national" ratios to account for non-national union contracts. The impacts of non-national (or independent contract) increases after 2014 are not shown on this page and are handled separately.

National Contracts U.S.

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Check Sum
Weight	0.23681	0.03447	0.17707	0.00583	0.04733	0.14057	0.05554	0.01427	0.04033	0.00742	0.0328	0.01359	0.00852	0.18545	1.00000
2014 Avg.	11.128	4.284	11.332	4.029	6.780	4.994	4.247	3.061	4.514	3.614	4.708	6.315	9.736	1.256	79.998
12/31/14	11.297	4.364	11.427	4.104	6.904	5.087	4.326	3.118	4.598	3.681	4.796	6.402	9.895	1.256	
1/1/15	11.464	4.475	11.434	4.225	7.098	5.226	4.447	3.209	4.729	3.784	4.932	6.520	10.155	1.303	
4/1/15	11.464	4.475	11.434	4.225	7.098	5.226	4.447	3.209	4.729	3.784	4.932	6.520	10.155	1.303	
7/1/15	11.464	4.475	11.434	4.225	7.098	5.226	4.447	3.209	4.729	3.784	4.932	6.520	10.155	1.303	
10/1/15	11.464	4.475	11.434	4.225	7.098	5.226	4.447	3.209	4.729	3.784	4.932	6.520	10.155	1.303	
1/1/16	11.464	4.475	11.434	4.225	7.098	5.226	4.447	3.209	4.729	3.784	4.932	6.520	10.155	1.342	
4/1/16	11.464	4.475	11.434	4.225	7.098	5.226	4.447	3.209	4.729	3.784	4.932	6.520	10.155	1.342	
7/1/16	11.464	4.475	11.434	4.225	7.098	5.226	4.447	3.209	4.729	3.784	4.932	6.520	10.155	1.342	

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2014 Avg.	2.635	0.148	2.006	0.023	0.321	0.702	0.236	0.044	0.182	0.027	0.154	0.086	0.083	0.233	6.880
12/31/14	2.675	0.150	2.023	0.024	0.327	0.715	0.240	0.044	0.185	0.027	0.157	0.087	0.084	0.233	6.974
1/1/15	2.715	0.154	2.025	0.025	0.336	0.735	0.247	0.046	0.191	0.028	0.162	0.089	0.087	0.242	7.079
4/1/15	2.715	0.154	2.025	0.025	0.336	0.735	0.247	0.046	0.191	0.028	0.162	0.089	0.087	0.242	7.079
7/1/15	2.715	0.154	2.025	0.025	0.336	0.735	0.247	0.046	0.191	0.028	0.162	0.089	0.087	0.242	7.079
10/1/15	2.715	0.154	2.025	0.025	0.336	0.735	0.247	0.046	0.191	0.028	0.162	0.089	0.087	0.242	7.079
1/1/16	2.715	0.154	2.025	0.025	0.336	0.735	0.247	0.046	0.191	0.028	0.162	0.089	0.087	0.249	7.086
4/1/16	2.715	0.154	2.025	0.025	0.336	0.735	0.247	0.046	0.191	0.028	0.162	0.089	0.087	0.249	7.086
7/1/16	2.715	0.154	2.025	0.025	0.336	0.735	0.247	0.046	0.191	0.028	0.162	0.089	0.087	0.249	7.086

U.S. National Contract

UTU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2014 Industry Avg.				27.07593	11.12788
12/31/14 Industry Rate				27.48714	11.29688
1/1/15	3.00%		49.292%	27.89361	11.46393
4/1/15			49.292%	27.89361	11.46393
7/1/15			49.292%	27.89361	11.46393
10/1/15			49.292%	27.89361	11.46393
1/1/16			49.292%	27.89361	11.46393
4/1/16			49.292%	27.89361	11.46393
7/1/16			49.292%	27.89361	11.46393

TCU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2014 Industry Avg.				28.01414	4.28434
12/31/14 Industry Rate				28.53310	4.36371
1/1/15	3.00%		85.316%	29.26340	4.47540
4/1/15			85.316%	29.26340	4.47540
7/1/15			85.316%	29.26340	4.47540
10/1/15			85.316%	29.26340	4.47540
1/1/16			85.316%	29.26340	4.47540
4/1/16			85.316%	29.26340	4.47540
7/1/16			85.316%	29.26340	4.47540

BLET

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2014 Industry Avg.				31.17032	11.33150
12/31/14 Industry Rate				31.43205	11.42665
1/1/15	3.00%		2.095%	31.45181	11.43383
4/1/15			2.095%	31.45181	11.43383
7/1/15			2.095%	31.45181	11.43383
10/1/15			2.095%	31.45181	11.43383
1/1/16			2.095%	31.45181	11.43383
4/1/16			2.095%	31.45181	11.43383
7/1/16			2.095%	31.45181	11.43383

U.S. National Contract

SMWIA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2014 Industry Avg.				28.83332	4.02890
12/31/14 Industry Rate				29.37094	4.10402
1/1/15	3.00%		98.534%	30.23915	4.22534
4/1/15			98.534%	30.23915	4.22534
7/1/15			98.534%	30.23915	4.22534
10/1/15			98.534%	30.23915	4.22534
1/1/16			98.534%	30.23915	4.22534
4/1/16			98.534%	30.23915	4.22534
7/1/16			98.534%	30.23915	4.22534

BRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2014 Industry Avg.				29.72109	6.77994
12/31/14 Industry Rate				30.26645	6.90435
1/1/15	3.00%		93.556%	31.11593	7.09813
4/1/15			93.556%	31.11593	7.09813
7/1/15			93.556%	31.11593	7.09813
10/1/15			93.556%	31.11593	7.09813
1/1/16			93.556%	31.11593	7.09813
4/1/16			93.556%	31.11593	7.09813
7/1/16			93.556%	31.11593	7.09813

BMWE

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2014 Industry Avg.				26.73104	4.99413
12/31/14 Industry Rate				27.22593	5.08659
1/1/15	3.00%		91.327%	27.97187	5.22596
4/1/15			91.327%	27.97187	5.22596
7/1/15			91.327%	27.97187	5.22596
10/1/15			91.327%	27.97187	5.22596
1/1/16			91.327%	27.97187	5.22596
4/1/16			91.327%	27.97187	5.22596
7/1/16			91.327%	27.97187	5.22596

U.S. National Contract

TCU-Carmen

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2014 Industry Avg.				28.71310	4.24717
12/31/14 Industry Rate				29.24725	4.32618
1/1/15	3.00%		92.931%	30.06264	4.44679
4/1/15			92.931%	30.06264	4.44679
7/1/15			92.931%	30.06264	4.44679
10/1/15			92.931%	30.06264	4.44679
1/1/16			92.931%	30.06264	4.44679
4/1/16			92.931%	30.06264	4.44679
7/1/16			92.931%	30.06264	4.44679

NCFO

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2014 Industry Avg.				23.81108	3.06098
12/31/14 Industry Rate				24.25443	3.11797
1/1/15	3.00%		96.925%	24.95969	3.20864
4/1/15			96.925%	24.95969	3.20864
7/1/15			96.925%	24.95969	3.20864
10/1/15			96.925%	24.95969	3.20864
1/1/16			96.925%	24.95969	3.20864
4/1/16			96.925%	24.95969	3.20864
7/1/16			96.925%	24.95969	3.20864

IAM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2014 Industry Avg.				29.15022	4.51371
12/31/14 Industry Rate				29.69256	4.59769
1/1/15	3.00%		95.418%	30.54253	4.72930
4/1/15			95.418%	30.54253	4.72930
7/1/15			95.418%	30.54253	4.72930
10/1/15			95.418%	30.54253	4.72930
1/1/16			95.418%	30.54253	4.72930
4/1/16			95.418%	30.54253	4.72930
7/1/16			95.418%	30.54253	4.72930

U.S. National Contract

IBBM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2014 Industry Avg.				27.02298	3.61399
12/31/14 Industry Rate				27.52636	3.68131
1/1/15	3.00%		92.539%	28.29054	3.78351
4/1/15			92.539%	28.29054	3.78351
7/1/15			92.539%	28.29054	3.78351
10/1/15			92.539%	28.29054	3.78351
1/1/16			92.539%	28.29054	3.78351
4/1/16			92.539%	28.29054	3.78351
7/1/16			92.539%	28.29054	3.78351

IBEW

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2014 Industry Avg.				29.39265	4.70811
12/31/14 Industry Rate				29.93930	4.79567
1/1/15	3.00%		94.946%	30.79208	4.93227
4/1/15			94.946%	30.79208	4.93227
7/1/15			94.946%	30.79208	4.93227
10/1/15			94.946%	30.79208	4.93227
1/1/16			94.946%	30.79208	4.93227
4/1/16			94.946%	30.79208	4.93227
7/1/16			94.946%	30.79208	4.93227

ATDA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2014 Industry Avg.				40.72110	6.31496
12/31/14 Industry Rate				41.28186	6.40192
1/1/15	3.00%		62.269%	42.04540	6.52033
4/1/15			62.269%	42.04540	6.52033
7/1/15			62.269%	42.04540	6.52033
10/1/15			62.269%	42.04540	6.52033
1/1/16			62.269%	42.04540	6.52033
4/1/16			62.269%	42.04540	6.52033
7/1/16			62.269%	42.04540	6.52033

A portion of one railroad's dispatchers "snapped back" to national effective 1/1/15. The number shown herein accounts for the snap back plus the 3% GWI.

YDMSTRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2014 Industry Avg.				48.99137	9.73625
12/31/14 Industry Rate				49.78941	9.89485
1/1/15	3.00%		87.742%	51.09999	10.15531
4/1/15			87.742%	51.09999	10.15531
7/1/15			87.742%	51.09999	10.15531
10/1/15			87.742%	51.09999	10.15531
1/1/16			87.742%	51.09999	10.15531
4/1/16			87.742%	51.09999	10.15531
7/1/16			87.742%	51.09999	10.15531

OTHER

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2014 Industry Avg.				49.10618	1.25566
12/31/14 Industry Rate				49.10618	1.25566
1/1/15	3.80%		100.000%	50.97222	1.30337
4/1/15			100.000%	50.97222	1.30337
7/1/15			100.000%	50.97222	1.30337
10/1/15			100.000%	50.97222	1.30337
1/1/16	3.00%		100.000%	52.50138	1.34248
4/1/16			100.000%	52.50138	1.34248
7/1/16			100.000%	52.50138	1.34248

Check Sums

	Increase	Applicable	ST HR	PFTNW HR
2014 AVG			448.45451	79.99754
12/31/14			455.15294	All three should match check sums on U.S. Benchmark page.
		1142.891%		
	Should match check sum on National Increase Applicability for U.S. Total page.	ok matches	ok matches ok matches	ok matches

10.21	-0.02	-0.3	MCapGro	81.90	+0.14	8.6	VANGUARD ADMIRAL	13mCapAdml	55.14	+0.20	-0.4	TgtRe2015	15.40	-0.02	0.7	ExtndInstPI	172.11	-0.29	5.2	SmCapInst	55.14	+0.21	-0.4
			MCapVal	28.61	...	-0.7	500Adml	STBondAdml	10.47	...	1.1	TgtRe2020	28.67	-0.04	0.7	TotIntl	162.57	+0.49	-0.2	STIGradeInst	10.62	...	1.5
			N Horiz	46.76	+0.18	6.8	BalAdml	STIGradeAdml	10.62	...	1.1	TgtRe2025	16.65	-0.03	0.7	TotSt	52.13	-0.08	-1.9	TotBdInst	10.70	...	0.6
			N Inc	9.42	...	0.5	CAITAdml	TotBdAdml	10.70	...	1.6	TgtRe2030	29.24	-0.05	0.7	TotSt	52.13	-0.08	-1.9	TotBdInstPI	10.70	...	0.6
			OverS SF r	9.37	-0.06	-0.5	CapOpAdml r	TotIntBdAdm	21.23	-0.01	1.2	TgtRe2035	17.95	-0.03	0.6	BallInst	29.80	...	1.9	TotIntBdInst	31.85	-0.02	1.2
			R2015	14.59	-0.02	0.8	EMAdmr	TotStAdml	52.16	-0.02	2.5	TgtRe2040	29.89	-0.07	0.4	DevMktsInst	12.13	-0.07	1.7	TotIntBdInst	100.23	-0.53	-1.8
			R2020	20.95	-0.03	1.2	EqIncAdml	TotMin r	12.12	-0.07	1.7	TgtRe2045	18.74	-0.04	0.5	ExtndInst	65.87	+0.20	-0.2	TotHtstPld r	100.25	-0.53	-1.8
			R2025	15.93	-0.03	1.4	ExplrAdml	ValAdml	32.39	-0.05	0.2	TgtRe2050	29.75	-0.07	0.4	GrwthInst	56.56	-0.04	6.3	TotStInst	52.17	-0.02	2.5
			R2030	23.39	-0.03	1.6	ExtndAdml	WdsrAdml	65.01	-0.13	-0.7	TgtRetInc	12.84	-0.01	0.6	InPrSeIn	10.45	+0.02	-0.8	VirtusFunds C I			
			R2035	16.95	-0.03	1.7	GNMAAdml	WellsAdml	61.78	-0.04	2.0	TotIntBdInst	10.61	-0.01	1.2	InstIdc	191.26	-0.23	3.3	EmMktI	9.31	-0.02	-5.9
			R2040	24.36	-0.05	1.8	GrwthAdml	WellnAdml	67.43	-0.12	1.7	Welln	25.50	-0.02	1.9	InstPlus	191.28	-0.23	3.3	Western Asset			
			SmCapStk	44.25	+0.19	-0.2	HlthCareAdml r	WdsrAdml	71.41	-0.16	-0.4	Welln	39.04	-0.07	1.6	InstSTPlus	47.20	-0.02	2.6	CorePlusBdl	11.53	+0.01	1.8
			Value	34.20	-0.04	-1.3	HYCorAdml r	VANGUARD FDS				WdsrAdml	36.63	-0.07	-0.8	MidCplst	33.79	+0.08	1.0				
							InfProAd	DivdGro	23.46	-0.01	4.1				MidCplstPI	166.65	+0.37	1.0					
							IntGrAdml	GNMA	10.66	...	1.1												
							ITBondAdml	HlthCare r	229.18	-0.32	11.3												
							ITIGradeAdml	IntlVal	32.97	-0.21	-2.9												
							ITIGradeAdml	LifeCon	18.33	-0.02	0.9												
							LTGradeAdml	LifeGro	28.72	-0.06	0.7												
							MidCpAdml	LifeMod	24.05	-0.03	0.9												
							MultAdml	Prncp r	106.63	-0.69	3.7												
							MULTAdml	PrncpCor	22.17	-0.04	2.4												
							MuLtdAdml	SalValu r	28.25	+0.06	-0.5												
							PrntAdml r	STAR	24.77	-0.02	1.3												
							SmtAdml r																

Borrowing Benchmarks | WSJ.com/bonds

Money Rates **0.140%** November 23, 2015

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

	Oct. index level	Chg From (%)	Sept '15	Oct '14
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	Latest	Week ago	52-Week High	52-Week Low
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	Latest	Week ago	52-Week High	52-Week Low
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	Latest	Week ago	52-Week High	52-Week Low
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	Latest	Week ago	52-Week High	52-Week Low
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	Latest	Week ago	52-Week High	52-Week Low
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	Latest	Week ago	52-Week High	52-Week Low
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	Latest	Week ago	52-Week High	52-Week Low
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	Latest	Week ago	52-Week High	52-Week Low
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	Latest	Week ago	52-Week High	52-Week Low
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	Latest	Week ago	52-Week High	52-Week Low
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	Latest	Week ago	52-Week High	52-Week Low
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Notes on data: U.S. prime rate is effective December 16, 2008. Discount rate is effective February 19, 2010. U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks. Other prime rates aren't directly comparable; lending practices vary widely by location. DTCC GCF Repo Index is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. Futures on the DTCC GCF Repo Index are traded on NYSE Life US.

Key Interest Rates

Data are annualized on a 360-day basis. Treasury yields are per annum, on actively traded noninflation and inflation-indexed issues that are adjusted to constant maturities. Data are from weekly Federal Reserve release H.15.

	Week Ended	52-Week High	52-Week Low
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	Week Ended	52-Week High	52-Week Low
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	Week Ended	52-Week High	52-Week Low
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	Week Ended	52-Week High	52-Week Low
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	Week Ended	52-Week High	52-Week Low
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	Week Ended	52-Week High	52-Week Low
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	Week Ended	52-Week High	52-Week Low
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	Week Ended	52-Week High	52-Week Low
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	Week Ended	52-Week High	52-Week Low
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	Week Ended	52-Week High	52-Week Low
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Sources: Federal Reserve; for additional information on these rate data and their derivation, please see, www.federalreserve.gov/releases/h15/data.htm

**RCAF Lump Sum Amortization
2016/Q1**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours	
NS - BLET new contract	2015Q1	2015Q2				321,870,207	2014
CSX - UTU-CSRA 2015	2015Q1	2015Q2				321,870,207	2014
CSX - BLET 2015	2015Q1	2015Q2				321,870,207	2014
CSX - ATDA-East 2015	2015Q1	2015Q2				321,870,207	2014
BLE - TCU	2015Q1	2015Q2				321,870,207	2014
NS - BLET 2015	2015Q1	2015Q2				321,870,207	2014
Total			\$126,057,727	0.39164			
Fell out							
CSX - ATDA-East 2014	2014Q1	2015Q1				321,870,207	2014

Should be slightly less than amortized amount.

Interest Rate

2015/Q1	0.020
2015/Q2	0.020
2015/Q3	0.015
2015/Q4	0.050
2016/Q1	0.140
2016/Q2	
2016/Q3	
2016/Q4	
2017/Q1	
2017/Q2	
2017/Q3	
2017/Q4	

Lump Sum Adjustment for 2016/Q1 → **0.391820**
or
0.392

¹ B&LE BMW, B&LE BRS, GTW BMW, WC BMW, IC&CCP BMW

RCAF Back Pay Amortization
2016/Q1

	Quarter of Payment	Quarter Amortization Began	Annual Amount	1 Quarter Per ST Hour Per ST Hr.	U.S. ST Hours
DME - all unions 2015	2015Q1	2015Q2			321,870,207 2014
NS - BLET	2015Q1	2015Q2			321,870,207 2014
CSX - ATDA East	2015Q1	2015Q2			321,870,207 2014
CNGT ¹	various	2015Q2			321,870,207 2014
GTW - UTU	2015Q2	2015Q3			321,870,207 2014
DME - 2 unions ²	2014Q4	2015Q3			321,870,207 2014
CSX - BLET	2015Q1	2015Q4			321,870,207 2014
Total			\$42,099,162	0.13079546	

Should be slightly less than amortized amount.

Fell out none.

Interest Rate

2015/Q1	0.020
2015/Q2	0.020
2015/Q3	0.015
2015/Q4	0.050
2016/Q1	0.140
2016/Q2	
2016/Q3	
2016/Q4	
2017/Q1	
2017/Q2	
2017/Q3	
2017/Q4	

Back Pay Adjustment for 2016/Q1 → 0.13087
or
0.131

¹ B&LE's TCU, IC&CCP's UTU, & WC's BLET

² SMART-TD covering Engineers and Trainmen on the DM&E North...AAR labels these as DM&E BLET and DM&E UTU

Health and Welfare

	Employees Receiving			Total 2014 Avg.	Total 2016
	Pay 2014	Monthly Contribution			
		2014 Avg.	2016		
1. All Employees					
a. Group health	170,643	\$1,285.74	\$1,481.05	\$219,402,530.82	\$252,730,815.15
b. Group dental	170,643	53.00	56.97	9,044,079.00	9,721,531.71
c. Early retirement major medical	170,643	127.92	134.70	21,828,652.56	22,985,612.10
d. Group vision	170,643	8.39	8.41	1,431,694.77	1,435,107.63
2. Supplemental Sickness					
a. Signalmen	7,975	30.74	29.48	245,151.50	235,103.00
b. Shopcrafts	25,097	48.28	49.11	1,211,683.16	1,232,513.67
c. MOW	25,249	32.87	32.87	829,934.63	829,934.63
d. Yardmasters	2,036	34.96	34.22	71,178.56	69,671.92
3. Short-Term Disability					
a. Engineers (CSX, KCS, SOO, UP)	14,094	40.00	40.00	563,760.00	563,760.00
4. Monthly Total Premiums				254,628,665.00	289,804,049.81
5. Monthly Employee Contributions To H&W					
a. National BLET (BNSF, CSX, KCS, NS, SOO, UP)	27,186	(\$198.00)	(\$198.00)	(\$5,382,828.00)	(5,382,828.00)
b. National BMW (BNSF, CSX, KCS, NS, SOO, UP)	23,639	(\$198.00)	(\$198.00)	(\$4,680,522.00)	(4,680,522.00)
c. National BRS (BNSF, CSX, KCS, NS, SOO, UP)	7,542	(\$198.00)	(\$198.00)	(\$1,493,316.00)	(1,493,316.00)
d. National IAM (BNSF, CSX, KCS, NS, SOO, UP)	6,904	(\$198.00)	(\$198.00)	(\$1,366,992.00)	(1,366,992.00)
e. National IBBM (BNSF, CSX, KCS, NS, SOO, UP)	1,291	(\$198.00)	(\$198.00)	(\$255,618.00)	(255,618.00)
f. National IBEW (BNSF, CSX, KCS, NS, SOO, UP)	5,558	(\$198.00)	(\$198.00)	(\$1,100,484.00)	(1,100,484.00)
g. National NCFO (BNSF, CSX, KCS, NS, SOO, UP)	2,473	(\$198.00)	(\$198.00)	(\$489,654.00)	(489,654.00)
h. National SMW (BNSF, CSX, KCS, NS, SOO, UP)	1,027	(\$198.00)	(\$198.00)	(\$203,346.00)	(203,346.00)
i. National TCU (BNSF, CSX, KCS, NS, SOO, UP)	5,437	(\$198.00)	(\$198.00)	(\$1,076,526.00)	(1,076,526.00)
j. National TCU-CAR (BNSF, CSX, KCS, NS, SOO, UP)	9,214	(\$198.00)	(\$198.00)	(\$1,824,372.00)	(1,824,372.00)
k. National UTU (BNSF, CSX, KCS, NS, SOO, UP)	40,720	(\$198.00)	(\$198.00)	(\$8,062,560.00)	(8,062,560.00)
l. Yardmasters (BNSF, CSX, KCS, NS, SOO, UP)	1,886	(\$198.00)	(\$198.00)	(\$373,428.00)	(373,428.00)
m. National ATDA (wt. avg. BNSF, CSX, KCS, NS, SOO)	1,859	(\$198.00)	(\$198.00)	(\$368,082.00)	(\$368,082.00)
n. Independent CNGT (wt avg all union categories)	6,492	(\$190.95)	(\$195.85)	(\$1,239,647.40)	(1,271,458.20)
o. Independent SLC (wt avg all DH & DME union categories)	906	(\$176.22)	(\$180.11)	(\$159,655.32)	(163,179.66)
p.					
Total Major Union	142,134			(\$28,077,030.72)	(\$28,112,365.86)
All Other Employee Contributions*				(\$3,909,740.58)	(\$3,909,740.58)
6. Net Employer Monthly Payments				\$222,641,893.70	\$257,781,943.37
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments					1.15783
8. H&W hourly rate for base year 2014				\$6.947	
9. H&W hourly rate for projected quarter					\$8.043

* Non-union employee contributions net of opt-outs. The \$28,077,030.72 in major union contributions, plus \$3,909,740.58 in all other employee contributions, totals to the 12-month average of the total employee contributions reported to the AAR in its WF survey.

Railroad Retirement and Medicare for RCAF

Inputs:

RRB Earnings Distribution Year	2013	Tier I Maximum Taxable Earnings for 2016	118,500
Wage Statistics Year	2014	Tier II Maximum Taxable Earnings for 2016	88,200
Current Year	2016	Medicare Maximum Taxable Earnings for 2016	no limit
Employees Receiving Pay*	170,643	Tier I Employer Tax Rate for 2016	6.20%
* from 2014 wage statistics		Tier II Employer Tax Rate for 2016	13.10%
		Medicare Employer Tax Rate for 2016	1.45%

Rates & caps for 2016 unchanged from 2015. ✓

USA RCAF	Wage Rate	Update Factor	Railroad Retirement Tax	Hourly Rate	
2013	\$36.760				
2014	\$38.866	1.05729	\$656,729,112 ✓	\$7.982 ✓	hourly rate from SUPPL2014.xlsx
1Q/2016	\$40.888 ✓	1.11230	\$699,014,659	\$8.496	Rate = Taxable Rate
2Q/2016		0.00000	--	\$0.000	
3Q/2016		0.00000	--	\$0.000	
4Q/2016		0.00000	--	\$0.000	

Railroad Retirement & Medicare, U.S.

From 2013 Earnings Distribution			1Q/2016 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
									Tier I	Tier II	Medicare	
\$0 - 41,699	\$31,800	3.629 %	6,193	\$35,371	\$8,843	\$8,843	\$8,843	\$8,843	\$54,759,937	\$54,759,937	\$54,759,937	
41,700 - 43,699	\$42,715	0.812	1,386	47,512	11,878	11,878	11,878	11,878	16,458,312	16,458,312	16,458,312	
43,700 - 45,699	\$44,553	1.098	1,874	49,556	12,389	12,389	12,389	12,389	23,212,833	23,212,833	23,212,833	
45,700 - 47,699	\$46,627	1.051	1,793	51,863	12,966	12,966	12,966	12,966	23,253,538	23,253,538	23,253,538	
47,700 - 49,699	\$48,596	1.480	2,526	54,053	13,513	13,513	13,513	13,513	34,128,020	34,128,020	34,128,020	
49,700 - 51,699	\$50,799	2.245	3,831	56,504	14,126	14,126	14,126	14,126	54,115,336	54,115,336	54,115,336	
51,700 - 53,699	\$52,706	3.104	5,297	58,625	14,656	14,656	14,656	14,656	77,630,185	77,630,185	77,630,185	
53,700 - 55,699	\$54,809	4.011	6,844	60,964	15,241	15,241	15,241	15,241	104,316,592	104,316,592	104,316,592	
55,700 - 57,699	\$56,637	4.632	7,904	62,997	15,749	15,749	15,749	15,749	124,485,178	124,485,178	124,485,178	
57,700 - 59,699	\$58,768	4.250	7,252	65,367	16,342	16,342	16,342	16,342	118,516,466	118,516,466	118,516,466	
59,700 - 61,699	\$60,663	4.155	7,090	67,475	16,869	16,869	16,869	16,869	119,603,466	119,603,466	119,603,466	
61,700 - 63,699	\$62,700	3.438	5,867	69,741	17,435	17,435	17,435	17,435	102,287,429	102,287,429	102,287,429	
63,700 - 65,699	\$64,623	3.582	6,112	71,880	17,970	17,970	17,970	17,970	109,840,259	109,840,259	109,840,259	
65,700 - 67,699	\$66,649	3.820	6,519	74,133	18,533	18,533	18,533	18,533	120,810,826	120,810,826	120,810,826	
67,700 - 69,699	\$68,748	3.343	5,705	76,468	19,117	19,117	19,117	19,117	109,054,928	109,054,928	109,054,928	
69,700 - 71,699	\$70,905	3.200	5,461	78,867	19,717	19,717	19,717	19,717	107,665,284	107,665,284	107,665,284	
71,700 - 73,699	\$72,646	2.627	4,483	80,804	20,201	20,201	20,201	20,201	90,556,709	90,556,709	90,556,709	
73,700 - 75,699	\$74,686	3.964	6,764	83,073	20,768	20,768	20,768	20,768	140,482,329	140,482,329	140,482,329	
75,700 - 77,699	\$76,740	2.913	4,971	85,358	21,339	21,339	21,339	21,339	106,074,534	106,074,534	106,074,534	
77,700 - 79,699	\$78,583	2.674	4,563	87,408	21,852	21,852	21,852	21,852	99,710,033	99,710,033	99,710,033	
79,700 - 81,699	\$80,678	3.247	5,541	89,738	22,434	22,434	22,050	22,434	124,304,332	122,174,160	124,304,332	
81,700 - 83,699	\$82,692	3.009	5,135	91,978	22,994	22,994	22,050	22,994	118,068,633	113,218,986	118,068,633	
83,700 - 85,699	\$84,718	3.104	5,297	94,231	23,558	23,558	22,050	23,558	124,780,367	116,793,530	124,780,367	
85,700 - 87,699	\$86,756	2.292	3,911	96,498	24,125	24,125	22,050	24,125	94,354,580	86,240,583	94,354,580	
87,700 - 89,699	\$88,824	2.627	4,483	98,799	24,700	24,700	22,050	24,700	110,723,359	98,845,555	110,723,359	
89,700 - 91,699	\$90,651	2.149	3,667	100,831	25,208	25,208	22,050	25,208	92,439,559	80,859,953	92,439,559	
91,700 - 93,699	\$92,600	2.388	4,075	102,999	25,750	25,750	22,050	25,750	104,928,668	89,852,754	104,928,668	
93,700 - 95,699	\$94,575	1.671	2,851	105,195	26,299	26,299	22,050	26,299	74,989,706	62,874,352	74,989,706	
95,700 - 97,699	\$96,641	2.292	3,911	107,493	26,873	26,873	22,050	26,873	105,105,364	86,240,583	105,105,364	
97,700 - 99,699	\$98,671	1.051	1,793	109,751	27,438	27,438	22,050	27,438	49,208,610	39,545,747	49,208,610	
99,700 - 101,699	\$100,588	1.576	2,689	111,884	27,971	27,971	22,050	27,971	75,223,102	59,299,808	75,223,102	
101,700 - 103,699	\$102,760	1.289	2,200	114,300	28,575	28,575	22,050	28,575	62,852,979	48,500,921	62,852,979	
103,700 - 105,699	\$104,717	1.194	2,037	116,476	29,119	29,119	22,050	29,119	59,329,457	44,926,377	59,329,457	
105,700 - 107,699	\$106,640	1.385	2,363	118,615	29,654	29,625	22,050	29,654	70,015,889	52,113,092	70,083,981	
107,700 - 109,699	\$108,933	1.003	1,712	121,166	30,291	29,625	22,050	30,291	50,704,648	37,739,662	51,845,283	
109,700 - 111,699	\$110,682	1.003	1,712	123,111	30,778	29,625	22,050	30,778	50,704,648	37,739,662	52,677,697	
111,700 - 113,699	\$112,960	0.907	1,548	125,645	31,411	29,625	22,050	31,411	45,851,561	34,127,491	48,616,179	
113,700 - 115,699	\$114,491	0.860	1,468	127,348	31,837	29,625	22,050	31,837	43,475,570	32,359,032	46,721,702	
\$115,700 - over	\$173,469	6.925	11,817	192,949	48,237	29,625	22,050	48,237	<u>350,079,447</u>	<u>260,565,462</u>	<u>570,020,539</u>	
TOTAL	\$79,518	100.000	170,643						Total Taxable Earnings	3,544,102,671	3,240,979,903	3,773,236,288
									Employer Tax Rate	6.20%	13.10%	1.45%
									Quarterly Payment	\$219,734,366	\$424,568,367	\$54,711,926
									Total Tier I, Tier II, and Medicare Paid this Quarter			\$699,014,659

Railroad Retirement & Medicare, U.S.

From 2013 Earnings Distribution			2Q/2016 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
									Tier I	Tier II	Medicare	
\$0 - 41,699	\$31,800	3.629 %	6,193	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41,700 - 43,699	\$42,715	0.812	1,386	0	0	0	0	0	0	0	0	0
43,700 - 45,699	\$44,553	1.098	1,874	0	0	0	0	0	0	0	0	0
45,700 - 47,699	\$46,627	1.051	1,793	0	0	0	0	0	0	0	0	0
47,700 - 49,699	\$48,596	1.480	2,526	0	0	0	0	0	0	0	0	0
49,700 - 51,699	\$50,799	2.245	3,831	0	0	0	0	0	0	0	0	0
51,700 - 53,699	\$52,706	3.104	5,297	0	0	0	0	0	0	0	0	0
53,700 - 55,699	\$54,809	4.011	6,844	0	0	0	0	0	0	0	0	0
55,700 - 57,699	\$56,637	4.632	7,904	0	0	0	0	0	0	0	0	0
57,700 - 59,699	\$58,768	4.250	7,252	0	0	0	0	0	0	0	0	0
59,700 - 61,699	\$60,663	4.155	7,090	0	0	0	0	0	0	0	0	0
61,700 - 63,699	\$62,700	3.438	5,867	0	0	0	0	0	0	0	0	0
63,700 - 65,699	\$64,623	3.582	6,112	0	0	0	0	0	0	0	0	0
65,700 - 67,699	\$66,649	3.820	6,519	0	0	0	0	0	0	0	0	0
67,700 - 69,699	\$68,748	3.343	5,705	0	0	0	0	0	0	0	0	0
69,700 - 71,699	\$70,905	3.200	5,461	0	0	0	0	0	0	0	0	0
71,700 - 73,699	\$72,646	2.627	4,483	0	0	0	0	0	0	0	0	0
73,700 - 75,699	\$74,686	3.964	6,764	0	0	0	0	0	0	0	0	0
75,700 - 77,699	\$76,740	2.913	4,971	0	0	0	0	0	0	0	0	0
77,700 - 79,699	\$78,583	2.674	4,563	0	0	0	0	0	0	0	0	0
79,700 - 81,699	\$80,678	3.247	5,541	0	0	0	384	0	0	2,130,172	0	0
81,700 - 83,699	\$82,692	3.009	5,135	0	0	0	944	0	0	4,849,648	0	0
83,700 - 85,699	\$84,718	3.104	5,297	0	0	0	1,508	0	0	7,986,837	0	0
85,700 - 87,699	\$86,756	2.292	3,911	0	0	0	2,075	0	0	8,113,997	0	0
87,700 - 89,699	\$88,824	2.627	4,483	0	0	0	2,650	0	0	11,877,804	0	0
89,700 - 91,699	\$90,651	2.149	3,667	0	0	0	3,158	0	0	11,579,606	0	0
91,700 - 93,699	\$92,600	2.388	4,075	0	0	0	3,700	0	0	15,075,914	0	0
93,700 - 95,699	\$94,575	1.671	2,851	0	0	0	4,249	0	0	12,115,354	0	0
95,700 - 97,699	\$96,641	2.292	3,911	0	0	0	4,823	0	0	18,864,781	0	0
97,700 - 99,699	\$98,671	1.051	1,793	0	0	0	5,388	0	0	9,662,863	0	0
99,700 - 101,699	\$100,588	1.576	2,689	0	0	0	5,921	0	0	15,923,294	0	0
101,700 - 103,699	\$102,760	1.289	2,200	0	0	0	6,525	0	0	14,352,057	0	0
103,700 - 105,699	\$104,717	1.194	2,037	0	0	0	7,069	0	0	14,403,079	0	0
105,700 - 107,699	\$106,640	1.385	2,363	0	0	29	7,604	0	68,091	17,970,888	0	0
107,700 - 109,699	\$108,933	1.003	1,712	0	0	666	8,241	0	1,140,635	14,105,621	0	0
109,700 - 111,699	\$110,682	1.003	1,712	0	0	1,153	8,728	0	1,973,050	14,938,035	0	0
111,700 - 113,699	\$112,960	0.907	1,548	0	0	1,786	9,361	0	2,764,618	14,488,688	0	0
113,700 - 115,699	\$114,491	0.860	1,468	0	0	2,212	9,787	0	3,246,131	14,362,670	0	0
\$115,700 - over	\$173,469	6.925	11,817	0	0	18,612	22,050	0	219,941,092	260,565,462	0	0
TOTAL		100.000	170,643						Total Taxable Earnings	229,133,617	483,366,770	0
									Employer Tax Rate	6.20%	13.10%	1.45%
									Quarterly Payment	\$14,206,284	\$63,321,047	\$0

Total Tier I, Tier II, and Medicare Paid this Quarter

\$77,527,331

Railroad Retirement & Medicare, U.S.

From 2013 Earnings Distribution			4Q/2016 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info										
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)				
									Tier I	Tier II	Medicare		
\$0 - 41,699	\$31,800	3.629 %	6,193	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
41,700 - 43,699	\$42,715	0.812	1,386	0	0	0	0	0	0	0	0	0	
43,700 - 45,699	\$44,553	1.098	1,874	0	0	0	0	0	0	0	0	0	
45,700 - 47,699	\$46,627	1.051	1,793	0	0	0	0	0	0	0	0	0	
47,700 - 49,699	\$48,596	1.480	2,526	0	0	0	0	0	0	0	0	0	
49,700 - 51,699	\$50,799	2.245	3,831	0	0	0	0	0	0	0	0	0	
51,700 - 53,699	\$52,706	3.104	5,297	0	0	0	0	0	0	0	0	0	
53,700 - 55,699	\$54,809	4.011	6,844	0	0	0	0	0	0	0	0	0	
55,700 - 57,699	\$56,637	4.632	7,904	0	0	0	0	0	0	0	0	0	
57,700 - 59,699	\$58,768	4.250	7,252	0	0	0	0	0	0	0	0	0	
59,700 - 61,699	\$60,663	4.155	7,090	0	0	0	0	0	0	0	0	0	
61,700 - 63,699	\$62,700	3.438	5,867	0	0	0	0	0	0	0	0	0	
63,700 - 65,699	\$64,623	3.582	6,112	0	0	0	0	0	0	0	0	0	
65,700 - 67,699	\$66,649	3.820	6,519	0	0	0	0	0	0	0	0	0	
67,700 - 69,699	\$68,748	3.343	5,705	0	0	0	0	0	0	0	0	0	
69,700 - 71,699	\$70,905	3.200	5,461	0	0	0	0	0	0	0	0	0	
71,700 - 73,699	\$72,646	2.627	4,483	0	0	0	0	0	0	0	0	0	
73,700 - 75,699	\$74,686	3.964	6,764	0	0	0	0	0	0	0	0	0	
75,700 - 77,699	\$76,740	2.913	4,971	0	0	0	0	0	0	0	0	0	
77,700 - 79,699	\$78,583	2.674	4,563	0	0	0	0	0	0	0	0	0	
79,700 - 81,699	\$80,678	3.247	5,541	0	0	0	0	0	0	0	0	0	
81,700 - 83,699	\$82,692	3.009	5,135	0	0	0	0	0	0	0	0	0	
83,700 - 85,699	\$84,718	3.104	5,297	0	0	0	0	0	0	0	0	0	
85,700 - 87,699	\$86,756	2.292	3,911	0	0	0	0	0	0	0	0	0	
87,700 - 89,699	\$88,824	2.627	4,483	0	0	0	0	0	0	0	0	0	
89,700 - 91,699	\$90,651	2.149	3,667	0	0	0	0	0	0	0	0	0	
91,700 - 93,699	\$92,600	2.388	4,075	0	0	0	0	0	0	0	0	0	
93,700 - 95,699	\$94,575	1.671	2,851	0	0	0	0	0	0	0	0	0	
95,700 - 97,699	\$96,641	2.292	3,911	0	0	0	0	0	0	0	0	0	
97,700 - 99,699	\$98,671	1.051	1,793	0	0	0	0	0	0	0	0	0	
99,700 - 101,699	\$100,588	1.576	2,689	0	0	0	0	0	0	0	0	0	
101,700 - 103,699	\$102,760	1.289	2,200	0	0	0	0	0	0	0	0	0	
103,700 - 105,699	\$104,717	1.194	2,037	0	0	0	0	0	0	0	0	0	
105,700 - 107,699	\$106,640	1.385	2,363	0	0	0	0	0	0	0	0	0	
107,700 - 109,699	\$108,933	1.003	1,712	0	0	0	0	0	0	0	0	0	
109,700 - 111,699	\$110,682	1.003	1,712	0	0	0	0	0	0	0	0	0	
111,700 - 113,699	\$112,960	0.907	1,548	0	0	0	0	0	0	0	0	0	
113,700 - 115,699	\$114,491	0.860	1,468	0	0	0	0	0	0	0	0	0	
\$115,700 - over	\$173,469	6.925	11,817	0	0	0	0	0	0	0	0	0	
TOTAL		100.000	170,643						0	0	0	0	
									6.20%	13.10%	1.45%	0	
									\$0	\$0	\$0	\$0	
Total Tier I, Tier II, and Medicare Paid this Quarter												\$0	

**Tax Rates and Maximum Taxable Earnings Under Social Security,
Railroad Retirement and Railroad Unemployment Insurance Programs, Continued**

Period	Railroad Retirement					Railroad Unemployment Insurance				Unemployment Repayment	
	Maximum earnings base [5]		Tax rate (percent) [5]			Maximum monthly taxable earnings	Employer tax rate [7] (percent)	Surcharge or (pooled credit)	New employer tax rate (percent)	Tax [6]	
	Tier I [9]	Tier II	Employer & employee each	Tier II						Maximum taxable earnings	Employer tax rate (percent)
				Employer	Employee	Maximum taxable earnings	Employer tax rate (percent)				
1991	53,400	39,600	7.65	16.1	4.9	765	5.55 - 12.0	...	8.00	765	4.0
1992	55,500	41,400	7.65	16.1	4.9	785	3.10 - 12.0	(3.12)	8.00	785	4.0
1993	57,600	42,900	7.65	16.1	4.9	810	0.65 - 12.0	(5.31)	7.30	810	4.0
1994	60,600	45,000	7.65	16.1	4.9	840	0.65 - 12.0	(0.22)	6.06		
1995	61,200	45,300	7.65	16.1	4.9	850	0.65 - 12.0	...	4.15		
1996	62,700	46,500	7.65	16.1	4.9	865	0.65 - 12.0	...	2.31		
1997	65,400	48,600	7.65	16.1	4.9	890	0.65 - 12.0	...	1.16		
1998	68,400	50,700	7.65	16.1	4.9	925	2.15 - 12.0	1.5	0.85		
1999	72,600	53,700	7.65	16.1	4.9	970	2.15 - 12.0	1.5	0.92		
2000	76,200	56,700	7.65	16.1	4.9	1,005	0.65 - 12.0	...	1.67		
2001	80,400	59,700	7.65	16.1	4.9	1,050	2.15 - 12.0	1.5	2.59		
2002	84,900	63,000	7.65	15.6	4.9	1,100	3.15 - 12.0	2.5	2.71		
2003	87,000	64,500	7.65	14.2	4.9	1,120	3.15 - 12.0	2.5	2.36		
2004	87,900	65,100	7.65	13.1	4.9	1,130	2.15 - 12.0	1.5	2.38		
2005	90,000	66,900	7.65	12.6	4.4	1,150	2.15 - 12.0	1.5	3.43		
2006	94,200	69,900	7.65	12.6	4.4	1,195	2.15 - 12.0	1.5	4.03		
2007	97,500	72,600	7.65	12.1	3.9	1,230	2.15 - 12.0	1.5	3.75		
2008	102,000	75,900	7.65	12.1	3.9	1,280	2.15 - 12.0	1.5	3.02		
2009	106,800	79,200	7.65	12.1	3.9	1,330	2.15 - 12.0	1.5	2.61		
2010	106,800	79,200	7.65	12.1	3.9	1,330	2.15 - 12.0	1.5	2.51		
2011	106,800	79,200	[2] 7.65	12.1	3.9	1,330	3.15 - 12.0	2.5	2.50		
2012	110,100	81,900	[2] 7.65	12.1	3.9	1,365	2.15 - 12.0	1.5	2.65		
2013	113,700	84,300	[3] 7.65	12.6	4.4	1,405	0.65 - 12.0	...	3.69		
2014	117,000	87,000	[3] 7.65	12.6	4.4	1,440	0.65 - 12.0	...	4.53		
2015	118,500	88,200	[3] 7.65	13.1	4.9	1,455	2.15 - 12.0	1.5	4.09		
2016	118,500	88,200	[3] 7.65	13.1	4.9	1,455	2.15 - 12.0	1.5	2.52		
2017 and later	[4]	[4]	[3] 7.65	[10]	[10]	[4]	[7]	[7]	[7]		

- 1 Before tax credit. Employees received a credit of 0.3 percent in 1984. The self-employed received a credit of 2.7 percent in 1984, 2.3 percent in 1985 and 2.0 percent in 1986-89. The trust funds received general revenue equivalent to the credits.
- 2 Before payroll tax holiday. In calendar years 2011 and 2012, the tax rate for employees and the self-employed was reduced 2 percentage points. The trust funds received general revenue equivalent to the reduction in revenue.
- 3 Beginning in 2013, employees pay an additional 0.9 percent on earnings above \$200,000 (for those who file an individual return) or \$250,000 (for those who file a joint return). This additional HI tax rate is not reflected in the tax rates shown in the table.
- 4 Based on automatic adjustments in proportion to increases in average earnings levels.
- 5 Earnings bases are monthly through 1984 and annual for 1985 and later. October 1, 1973 was the effective date for the allocation of railroad retirement taxes by tiers, subject to a moratorium for certain railroad labor organizations. The tier I tax rate was set equal to the current social security tax rate.
- 6 This temporary tax applied to employers until all pre-October 1985 loans from the Railroad Retirement Account were fully repaid with interest on June 29, 1993. Earnings bases are annual through 1988 and monthly for 1989-1993.
- 7 Taxes are paid only by employer. From 1948 through 1988, the rate for a calendar year was based on a graduated schedule depending on the preceding September 30 account balance (including administration fund). Except for certain commuter railroads, the rate for 1989-1990 was fixed at 8.0 percent. Beginning in 1991, each employer's rate is experience-based, with a minimum of 0.65 percent and a maximum of 12 percent, or 12.5 percent if a 3.5 percent surcharge applies due to a low account balance.
- 8 Taxes are paid only by employers. The supplemental annuity tax was repealed for calendar years after 2001.
- 9 Beginning in 1991, the portion of the tier I tax rate which does not exceed the social security HI tax rate is applied to earnings up to the HI maximum taxable amount. In 1993, a 1.45 percent tax applied to earnings up to \$135,000 and a 6.2 percent tax applied to earnings up to \$57,600.
- 10 Beginning in 2004, the tier II tax rate will be determined annually from a tax rate schedule based on the average account benefits ratio. The average account benefits ratio is the average for the 10 fiscal years preceding the calendar year of the ratio of the fair market value of the assets in the Railroad Retirement Account and the National Railroad Retirement Investment Trust as of the close of each fiscal year to the total benefits and administrative expenses paid from those accounts during the fiscal year. Employer tax rates can range from 8.2 percent to 22.1 percent. Employee tax rates can range from 0 percent to 4.9 percent.

DEPARTMENT OF TRANSPORTATION

[Docket No. DOT-OST-2004-16951]

Agency Request for Renewal of a Previously Approved Information Collection: Exemptions for Air Taxi Operations

AGENCY: Office of the Secretary, DOT.

ACTION: Notice and request for comments.

SUMMARY: The Department of Transportation (DOT) invites public comments about our intention to request the Office of Management and Budget (OMB)'s approval to renew an information collection. The collection involves a classification of air carriers known as air taxi operators and their filings of a one-page form that enables them to obtain economic authority from DOT. The information to be collected is necessary for DOT to determine whether an air taxi operator meets DOT's criteria for an economic authorization in accordance with DOT rules. We are required to publish this notice in the **Federal Register** by the Paperwork Reduction Act of 1995, Public Law 104-13.

DATES: Written comments should be submitted by January 22, 2016.

ADDRESSES: You may submit comments [identified by Docket No. DOT-OST-2004-16951] through one of the following methods:

- **Federal eRulemaking Portal:** <http://www.regulations.gov>. Follow the online instructions for submitting comments.
- **Fax:** 1-202-493-2251
- **Mail or Hand Delivery:** Docket Management Facility, U.S. Department of Transportation, 1200 New Jersey Avenue SE., West Building, Room W12-140, Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except on Federal holidays.

FOR FURTHER INFORMATION CONTACT: Vanessa R. Balgobin, (202) 366-9721, Office of Aviation Analysis, Office of the Secretary, U.S. Department of Transportation, 1200 New Jersey Avenue SE., Washington, DC, 20590.

SUPPLEMENTARY INFORMATION:

OMB Control Number: 2105-0565.
Title: Exemptions for Air Taxi Operations.
Form Numbers: OST Form 4507.
Type of Review: Renewal of an information collection.

Background: Part 298 of Title 14 of the Code of Federal Regulations, Exemptions for Air Taxi Registration, establishes a classification of air carriers known as air taxi operators that offer on-demand passenger service. The regulation exempts these small

operators from certain provisions of the Federal statute to permit them to obtain economic authority by filing a one-page, front and back, OST Form 4507, Air Taxi Operator Registration, and Amendments under Part 298 of DOT's Regulations.

DOT expects to receive 200 new air taxi registrations and 2,200 amended air taxi registrations each year, resulting in 2,400 total respondents. Further, DOT expects filers of new registrations to take 1 hour to complete the form, while it should only take 30 minutes to prepare amendments to the form. Thus, the total annual burden is expected to be 1,300 hours.

Respondents: U.S. air taxi operators.
Number of Respondents: 2,400.
Frequency: On occasion.
Number of Responses: 2,400.
Total Annual Burden: 1,300 hours.
Public Comments Invited: You are asked to comment on any aspect of this information collection, including (a) Whether the proposed collection of information is necessary for [your office]'s performance; (b) the accuracy of the estimated burden; (c) ways for [your office] to enhance the quality, utility and clarity of the information collection; and (d) ways that the burden could be minimized without reducing the quality of the collected information. The agency will summarize and/or include your comments in the request for OMB's clearance of this information collection.

Authority: The Paperwork Reduction Act of 1995; 44 U.S.C. Chapter 35, as amended; and 49 CFR 1.48.

Issued in Washington, DC on November 16, 2015.

Lauralyn J. Remo,
Chief, Air Carrier Fitness Division, Office of Aviation Analysis.

[FR Doc. 2015-29780 Filed 11-20-15; 8:45 am]
BILLING CODE 4910-9X-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Publication of the Tier 2 Tax Rates

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice.

SUMMARY: Publication of the tier 2 tax rates for calendar year 2016 as required by section 3241(d) of the Internal Revenue Code (26 U.S.C. 3241). Tier 2 taxes on railroad employees, employers, and employee representatives are one source of funding for benefits under the Railroad Retirement Act.

DATES: The tier 2 tax rates for calendar year 2016 apply to compensation paid in calendar year 2016.

FOR FURTHER INFORMATION CONTACT:

Kathleen Edmondson,
CC:TEGE:EOEG:ET1, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC 20224, Telephone Number (202) 317-6798 (not a toll-free number). **TIER 2 TAX RATES:** The tier 2 tax rate for 2016 under section 3201(b) on employees is 4.9 percent of compensation. The tier 2 tax rate for 2016 under section 3221(b) on employers is 13.1 percent of compensation. The tier 2 tax rate for 2016 under section 3211(b) on employee representatives is 13.1 percent of compensation.

Dated: November 13, 2015.

Victoria A. Judson,
Associate Chief Counsel (Tax Exempt and Government Entities).

[FR Doc. 2015-29718 Filed 11-20-15; 8:45 am]
BILLING CODE 4830-01-P

DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900-0099]

Proposed Information Collection (Dependents' Request for Change of Program or Place of Training) Activity: Comment Request

AGENCY: Veterans Benefits Administration, Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: The Veterans Benefits Administration (VBA), Department of Veterans Affairs (VA), is announcing an opportunity for public comment on the proposed collection of certain information by the agency. Under the Paperwork Reduction Act (PRA) of 1995, Federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information, including each proposed revision of a currently approved collection, and allow 60 days for public comment in response to the notice. This notice solicits comments on the revision of the form to remove the statement that chapter 35 recipients cannot choose Electronic Funds Transfer (EFT).

DATES: Written comments and recommendations on the proposed collection of information should be received on or before January 22, 2016.

ADDRESSES: Submit written comments on the collection of information through Federal Docket Management System (FDMS) at www.Regulations.gov or to

RCAF Unemployment Insurance Tax

	<u>Unemployment Ins.</u>			RRB	Factor	Avg. Ann.	Un. Ins.
	<u>Tax</u>	<u>Earnings</u>	Hourly	Sample	To Update	Taxable	Hourly
	Rate	Base	Earnings	Year	RRB Sample	Earnings	Rate
			\$33.913	(2010)			
2011 Avg.	7.10%	\$15,960	\$34.752		1.024740	\$15,110.68	\$0.595
3Q/12 reb	5.00%	\$16,380	\$37.546		1.107127	\$15,534.63	\$0.431
4Q/12	5.00%	\$16,380	\$37.613		1.109103	\$15,535.53	\$0.431
1Q/13	0.67%	\$16,860	\$37.771		1.113762	\$15,978.07	\$0.059
2Q/13	0.67%	\$16,860	\$37.144		1.095273	\$15,969.12	\$0.059
3Q/13	0.67%	\$16,860	\$37.532		1.106714	\$15,974.73	\$0.059
			\$34.752	(2011)			
2012 Avg.	5.00%	\$16,380	\$36.269		1.043652	\$15,446.41	\$0.411
3Q/13 reb.	0.67%	\$16,860	\$37.587		1.081578	\$15,902.69	\$0.057
4Q/13	0.67%	\$16,860	\$37.545		1.080369	\$15,902.09	\$0.057
1Q/14	0.68%	\$17,280	\$37.908		1.090815	\$16,289.96	\$0.059
2Q/14	0.68%	\$17,280	\$38.121		1.096944	\$16,293.07	\$0.059
3Q/14	0.68%	\$17,280	\$39.016		1.122698	\$16,305.78	\$0.059
			\$36.269	(2012)			
2013 Avg.	0.67%	\$16,860	\$36.760		1.013538	\$15,578.13	\$0.057
3Q/14 reb.	0.68%	\$17,280	\$38.308		1.056219	\$15,976.08	\$0.059
4Q/14	0.68%	\$17,280	\$38.319		1.056522	\$15,976.25	\$0.059
1Q/15	2.31%	\$17,460	\$39.385		1.085914	\$16,152.67	\$0.204
2Q/15	2.31%	\$17,460	\$39.595		1.091704	\$16,155.78	\$0.204
3Q/15	2.31%	\$17,460	\$39.581		1.091318	\$16,155.57	\$0.204
			\$36.760	(2013)			
2014 Avg.	0.68%	\$17,280	\$38.866		1.057291	\$16,395.26	\$0.059
3Q/15 reb.	2.31%	\$17,460	\$40.503		1.101823	\$16,583.82	\$0.203
4Q/15	2.31%	\$17,460	\$40.590		1.104189	\$16,585.04	\$0.203
1Q/16	2.73%	\$17,460	\$40.888		1.112296	\$16,589.15	\$0.240
2Q/16					0.000000		\$0.000
3Q/16					0.000000		\$0.000

Note: Average Annual Taxable Earnings is calculated from the RRB 1% sample data, by multiplying the average annual earnings in the file times the "Factor", and limiting the amount to the earnings base. Thus, the annual hourly earnings used for the calculation of the Factor is for the RRB sample year, and the Factor brings the earnings in the RRB 1% sample file to the current quarter's level.

TOTAL GROSS EARNINGS AND AVERAGE GROSS EARNINGS-2013 RRB File

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2682	43972083.05	16395.26
QTRLY_US	2682	44492097.17	16589.15

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2682	2835.65	1.0572910 ✓
FactorQ	2682	2983.18	1.1122960 ✓
Capa	2682	46344960.00	17280.00 ✓
Capq	2682	46827720.00	17460.00 ✓



ASSOCIATION OF AMERICAN RAILROADS

MEMORANDUM

TO: File
FROM: Tiffany Placker
cc: Clyde Crimmel
DATE: November 4, 2015
RE: Unemployment Insurance Tax Rate for 2016

Unemployment Insurance rates for 2016 can range from a minimum of 0.65 percent to a maximum of 12 percent on monthly earnings up to \$1,455. A 1.5 percentage point surcharge will be in effect for 2016, meaning the minimum tax rate is effectively 2.15 percent. Marla Huddleston, Chief, Division of Benefit and Employment Analysis at the Railroad Retirement Board, said in her November e-mail that the weighted average 2016 Unemployment Insurance rate for Class I railroads is **2.73 percent** which includes Delaware and Hudson Railway (D&H) and Dakota, Minnesota & Eastern Railroad Corporation (DME).

Note: Effective October 2016, Marla Huddleston will be retiring, and the future contact for this information will be Michael Rizzo. Michael.Rizzo@rrb.gov

**Tax Rates and Maximum Taxable Earnings Under Social Security,
Railroad Retirement and Railroad Unemployment Insurance Programs, Continued**

Period	Railroad Retirement					Railroad Unemployment Insurance				Unemployment Repayment Tax [6]	
	Maximum earnings base [5]		Tax rate (percent) [5]			Maximum monthly taxable earnings	Employer tax rate [7] (percent)	Surcharge or (pooled credit)	New employer tax rate (percent)	Maximum taxable earnings	Employer tax rate (percent)
			Tier I	Tier II							
	Tier I [9]	Tier II	Employer & employee each	Employer	Employee						
1991	53,400	39,600	7.65	16.1	4.9	765	5.55 - 12.0	...	8.00	765	4.0
1992	55,500	41,400	7.65	16.1	4.9	785	3.10 - 12.0	(3.12)	8.00	785	4.0
1993	57,600	42,900	7.65	16.1	4.9	810	0.65 - 12.0	(5.31)	7.30	810	4.0
1994	60,600	45,000	7.65	16.1	4.9	840	0.65 - 12.0	(0.22)	6.06		
1995	61,200	45,300	7.65	16.1	4.9	850	0.65 - 12.0	...	4.15		
1996	62,700	46,500	7.65	16.1	4.9	865	0.65 - 12.0	...	2.31		
1997	65,400	48,600	7.65	16.1	4.9	890	0.65 - 12.0	...	1.16		
1998	68,400	50,700	7.65	16.1	4.9	925	2.15 - 12.0	1.5	0.85		
1999	72,600	53,700	7.65	16.1	4.9	970	2.15 - 12.0	1.5	0.92		
2000	76,200	56,700	7.65	16.1	4.9	1,005	0.65 - 12.0	...	1.67		
2001	80,400	59,700	7.65	16.1	4.9	1,050	2.15 - 12.0	1.5	2.59		
2002	84,900	63,000	7.65	15.6	4.9	1,100	3.15 - 12.0	2.5	2.71		
2003	87,000	64,500	7.65	14.2	4.9	1,120	3.15 - 12.0	2.5	2.36		
2004	87,900	65,100	7.65	13.1	4.9	1,130	2.15 - 12.0	1.5	2.38		
2005	90,000	66,900	7.65	12.6	4.4	1,150	2.15 - 12.0	1.5	3.43		
2006	94,200	69,900	7.65	12.6	4.4	1,195	2.15 - 12.0	1.5	4.03		
2007	97,500	72,600	7.65	12.1	3.9	1,230	2.15 - 12.0	1.5	3.75		
2008	102,000	75,900	7.65	12.1	3.9	1,280	2.15 - 12.0	1.5	3.02		
2009	106,800	79,200	7.65	12.1	3.9	1,330	2.15 - 12.0	1.5	2.61		
2010	106,800	79,200	7.65	12.1	3.9	1,330	2.15 - 12.0	1.5	2.51		
2011	106,800	79,200	[2] 7.65	12.1	3.9	1,330	3.15 - 12.0	2.5	2.50		
2012	110,100	81,900	[2] 7.65	12.1	3.9	1,365	2.15 - 12.0	1.5	2.65		
2013	113,700	84,300	[3] 7.65	12.6	4.4	1,405	0.65 - 12.0	...	3.69		
2014	117,000	87,000	[3] 7.65	12.6	4.4	1,440	0.65 - 12.0	...	4.53		
2015	118,500	88,200	[3] 7.65	13.1	4.9	1,455	2.15 - 12.0	1.5	4.09		
2016	118,500	88,200	[3] 7.65	13.1	4.9	1,455	2.15 - 12.0	1.5	2.52		
2017 and later	[4]	[4]	[3] 7.65	[10]	[10]	[4]	[7]	[7]	[7]		

- 1 **Before tax credit.** Employees received a credit of 0.3 percent in 1984. The self-employed received a credit of 2.7 percent in 1984, 2.3 percent in 1985 and 2.0 percent in 1986-89. The trust funds received general revenue equivalent to the credits.
- 2 **Before payroll tax holiday.** In calendar years 2011 and 2012, the tax rate for employees and the self-employed was reduced 2 percentage points. The trust funds received general revenue equivalent to the reduction in revenue.
- 3 **Beginning in 2013,** employees pay an additional 0.9 percent on earnings above \$200,000 (for those who file an individual return) or \$250,000 (for those who file a joint return). This additional HI tax rate is not reflected in the tax rates shown in the table.
- 4 **Based on automatic adjustments** in proportion to increases in average earnings levels.
- 5 **Earnings bases are monthly through 1984 and annual for 1985 and later.** October 1, 1973 was the effective date for the allocation of railroad retirement taxes by tiers, subject to a moratorium for certain railroad labor organizations. The tier I tax rate was set equal to the current social security tax rate.
- 6 **This temporary tax applied to employers until all pre-October 1985 loans from the Railroad Retirement Account were fully repaid with interest on June 29, 1993.** Earnings bases are annual through 1988 and monthly for 1989-1993.
- 7 **Taxes are paid only by employer.** From 1948 through 1988, the rate for a calendar year was based on a graduated schedule depending on the preceding September 30 account balance (including administration fund). Except for certain commuter railroads, the rate for 1989-1990 was fixed at 8.0 percent. Beginning in 1991, each employer's rate is experienced-based, with a minimum of 0.65 percent and a maximum of 12 percent, or 12.5 percent if a 3.5 percent surcharge applies due to a low account balance.
- 8 **Taxes are paid only by employers.** The supplemental annuity tax was repealed for calendar years after 2001.
- 9 **Beginning in 1991,** the portion of the tier I tax rate which does not exceed the social security HI tax rate is applied to earnings up to the HI maximum taxable amount. In 1993, a 1.45 percent tax applied to earnings up to \$135,000 and a 6.2 percent tax applied to earnings up to \$57,600.
- 10 **Beginning in 2004,** the tier II tax rate will be determined annually from a tax rate schedule based on the average account benefits ratio. The average account benefits ratio is the average for the 10 fiscal years preceding the calendar year of the ratio of the fair market value of the assets in the Railroad Retirement Account and the National Railroad Retirement Investment Trust as of the close of each fiscal year to the total benefits and administrative expenses paid from those accounts during the fiscal year. Employer tax rates can range from 8.2 percent to 22.1 percent. Employee tax rates can range from 0 percent to 4.9 percent.

PETROLEUM & OTHER LIQUIDS

[OVERVIEW](#) [DATA](#) [ANALYSIS & PROJECTIONS](#)

[GLOSSARY](#) [FAQS](#)

Spot Prices

(Crude Oil in Dollars per Barrel, Products in Dollars per Gallon)

Period: [Weekly](#)

Download Series History		Definitions, Sources & Notes						
Product by Area	Graph	10/16/15	10/23/15	10/30/15	11/06/15	11/13/15	11/20/15	View History
	Clear							
Crude Oil								
WTI - Cushing, Oklahoma	<input type="checkbox"/>	46.82	45.16	44.99	45.98	42.70	40.62	1986-2015
Brent - Europe	<input type="checkbox"/>	48.99	46.81	47.15	47.23	44.75	41.54	1987-2015
Conventional Gasoline								
New York Harbor, Regular	<input type="checkbox"/>	1.382	1.337	1.381	1.449	1.372	1.316	1986-2015
U.S. Gulf Coast, Regular	<input type="checkbox"/>	1.262	1.228	1.280	1.381	1.233	1.151	1986-2015
RBOB Regular Gasoline								
Los Angeles	<input type="checkbox"/>	1.640	1.634	1.662	1.752	1.587	1.333	2003-2015
No. 2 Heating Oil								
New York Harbor	<input type="checkbox"/>	1.387	1.359	1.377	1.430	1.340	1.273	1986-2015
Ultra-Low-Sulfur No. 2 Diesel Fuel								
New York Harbor	<input type="checkbox"/>	1.449	1.432	1.452	1.508	1.428	1.358	2006-2015
U.S. Gulf Coast	<input type="checkbox"/>	1.398	1.375	1.391	1.452	1.379	1.281	2006-2015
Los Angeles	<input type="checkbox"/>	1.557	1.558	1.521	1.521	1.473	1.406	1996-2015
Kerosene-Type Jet Fuel								
U.S. Gulf Coast	<input type="checkbox"/>	1.354	1.360	1.384	1.426	1.342	1.271	1990-2015
Propane								
Mont Belvieu, Texas	<input type="checkbox"/>	0.449	0.424	0.430	0.455	0.429	0.411	1992-2015

Click on the source key icon to learn how to download series into Excel, or to embed a chart or map on your website.

- = No Data Reported; -- = Not Applicable; NA = Not Available; W = Withheld to avoid disclosure of individual company data.

Notes: Weekly, monthly, and annual prices are calculated by EIA from daily data by taking an unweighted average of the daily closing spot prices for a given

11/30/2015 13:29

U.S.

Summary by Composition Category

	MS-2014		Prev. Idx	2015Q4		Calculation		Relative of Change
	MS Amount	Weight		Cur Idx	Prev. Idx	Cur Idx		
Forest Products	738,531,751	0.1027	321.40	321.05	33.01	32.97		
Metal Products	4,528,133,816	0.6299	181.03	169.26	114.03	106.62		
Misc. Products	1,922,455,835	0.2674	371.08	336.79	99.23	90.06		
Total	7,189,121,402	1.0000	246.27	229.65			0.9325	
Total Linked			249.58	232.73				
'77 = 100 Link Fact.=	1.423		355.15	331.17				
'80 = 100 Link Fact.=	1.061		264.80	246.93				

As info only	Change
Forest Products	-0.11%
Metal Products	-6.50%
Misc. Products	<u>-9.24%</u>
Total ('80=100)	-6.75%
Rounded 80 Indices	-6.8%
Rounded 77 Indices	-6.8%

RCAF (Forecast)

	1980	June 3Q/15	Sept. 4Q/15	Dec. 1Q/16	Mar. 2Q/16	June 3Q/16
RATE						
RR-OWNED TIME	31.00	64.00	63.00	63.00	--	--
RR-OWNED MILEAGE	4.69	6.70	6.70	6.70	--	--
PRIVATELY-OWNED CARS	25.47	49.52	50.36	50.71	--	--
AUTORACKS	47.00	71.57	75.23	79.66	--	--
INDEX						
RR-OWNED TIME	100.0	206.5	203.2	203.2	--	--
RR-OWNED MILEAGE	100.0	142.9	142.9	142.9	--	--
PRIVATELY-OWNED CARS	100.0	194.4	197.7	199.1	--	--
AUTORACKS	100.0	152.3	160.1	169.5	--	--
CAR HIRE INDEX (old wts) 2013	100.0	192.1	--	--	--	--
CAR HIRE INDEX (new wts) 2014	100.0	192.1	194.3	195.6	--	--
CAR HIRE INDEX (LINKED)	100.0	191.6	193.8	195.1	--	--

Note: The Car Hire Index for third quarter using *old weights* and *linked* should match that quarter's filing. The third quarter *new weights* version is used in the fourth quarter linked index calculation to ensure that the transition from old weights to new weights does not impact the linked index.

Note: Indexes are rounded, rates are full float.

Equipment Rents Data From CHARM

	2015 (first day of month)						2016 (first day of month)							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Railroad Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	7,887	7,919	7,917	7,910	7,910	7,908								
Rate (in cents)														
Superstructures #3 - Auto Rack	49.0	50.0	50.0	50.0	50.0	50.0								
All other #1 - Time	63.0	63.0	63.0	63.0	63.0	63.0								
All other #2 - Mileage	6.7	6.7	6.7	6.7	6.7	6.7								
Private Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	52,263	52,563	52,956	53,310	53,709	54,090								
Covered Hoppers	361,701	363,687	365,583	367,833	370,297	372,269								
Tank Cars	380,115	382,665	385,215	387,405	389,726	393,040								
Others	291,161	290,976	290,909	291,473	291,269	291,163								
Rate (in cents)														
Superstructures #1 - Time	82.0	82.0	82.0	82.0	82.0	82.0								
Superstructures #2 - Mileage	1.6	1.6	1.6	1.6	1.6	1.6								
Superstructures #3 - Auto Rack	76.0	78.0	79.0	81.0	83.0	84.0								
Covered Hoppers #2 - Mileage	44.6	44.7	44.8	44.8	44.9	45.0								
Tank Cars #2 - Mileage	78.1	78.3	78.6	78.8	79.0	79.1								
Others #1 - Time	78.0	79.0	79.0	79.0	79.0	79.0								
Others #2 - Mileage	7.8	7.8	7.8	7.8	7.7	7.7								
AVERAGE RATES														
Private Superstructures	20.87	20.87	20.87	20.87	20.87	20.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Others	25.12	25.34	25.34	25.34	25.24	25.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Total	49.96	50.18	50.36	50.46	50.58	50.71	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Autoracks	72.46	74.33	75.23	76.99	78.76	79.66	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

WEIGHTS	"Old Wts"	"New Wts"
	2013	2014
For RCAF & RCR		
RR-owned Time	0.148	0.156
RR-owned Mileage	0.072	0.060
Privately-owned Cars	0.772	0.758
Autoracks	0.008	0.026
----- Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)		
	2013	2014
Car Hire - U.S.	0.528	0.565
Lease Rentals - U.S.	0.472	0.435
----- Check sum	1.000	1.000

Note: The 4 bold lines are used for the Car Hire Rate. Private Total uses a weighted average of the Covered Hoppers, Tank Cars, Combined Private Superstructures, and Combined Private Others rates.

CHARM Process - Car Hire Rate Report

Average Car Rental Rates for 12/2015

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	7,908	120	0.081	50
Railroad	Number of Zero-Rated Vehicular Flats	13	.	.	.
Railroad	All Other Cars	453,122	63	0.067	.
Railroad	Number of Zero-Rated Other Cars	17,660	.	.	.
Railroad	Total Railroad Equipment	478,703	.	.	.
	
Private	Vehicular Flats	54,090	82	0.016	84
Private	Number of Zero-Rated Vehicular Flats	87	.	.	.
Private	Covered Hoppers	372,269	0	0.450	.
Private	Number of Zero-Rated Covered Hoppers	11,015	.	.	.
Private	Tanks	393,040	0	0.791	.
Private	Number of Zero-Rated Tanks	8,418	.	.	.
Private	All Other Cars	291,163	79	0.077	.
Private	Number of Zero-Rated Other Cars	27,443	.	.	.
Private	Total Private Equipment	1,157,525	.	.	.

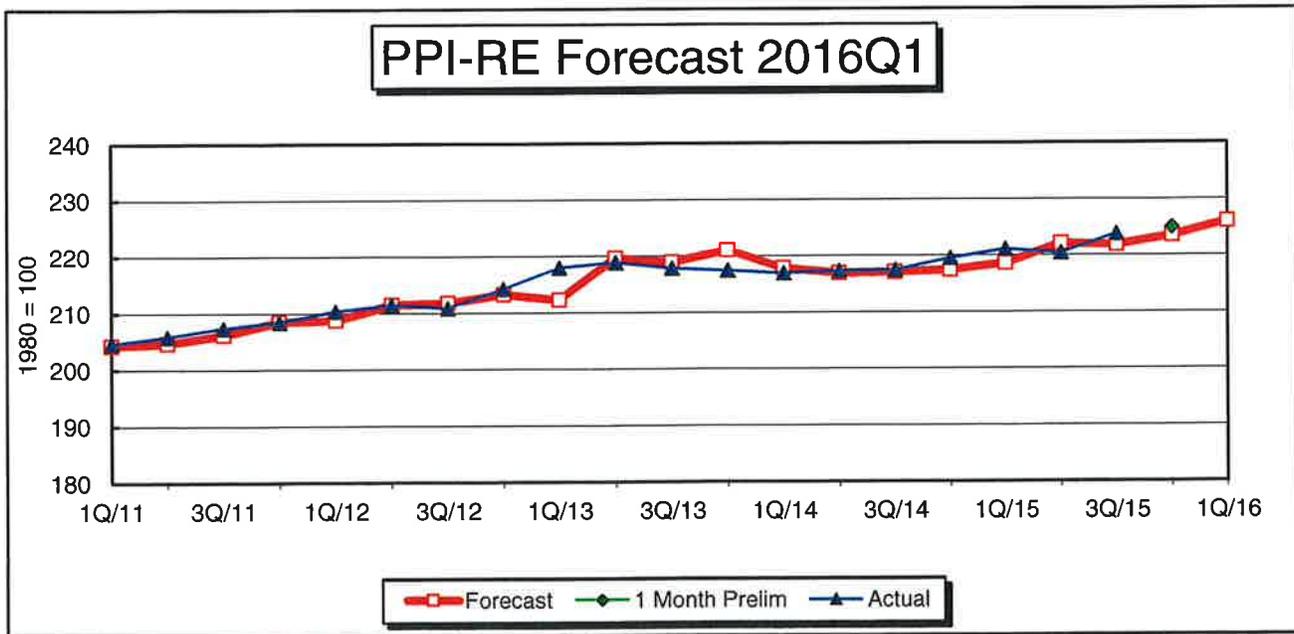
Notes
This report excludes these car types: D (Locomotives), M (MoW, EOTs, etc.), U (Containers), Z (Trailers).
All TTX equipment (including ABOX, RBOX, GONX) is contained in the Private section of report.
Equipment can be zero rated due to owners supplying incorrect or insufficient information to the car accounting process.
Zero-rated equipment includes those with Umler Rate_Indicator of 6 and 0 (zero).
Zero-rated equipment is excluded from the averages shown in this report.
Equipment must be Active in Umler to be included in this report; Pre-registered and Inactive cars are excluded.

PPI-RE Forecast (for Depreciation Component)

	Forecast	Actual	1 Month Prelim
1Q/11	204.2	204.6	
2Q/11	204.6	205.8	
3Q/11	206.1	207.3	
4Q/11	208.4	208.4	
1Q/12	208.7	210.3	
2Q/12	211.4	211.4	
3Q/12	211.7	210.8	
4Q/12	213.2	214.2	
1Q/13	212.2	217.9	
2Q/13	219.6	218.8	
3Q/13	218.9	217.8	
4Q/13	221.0	217.4	
1Q/14	217.8	216.9	
2Q/14	216.9	217.3	
3Q/14	217.1	217.4	
4Q/14	217.4	219.5	
1Q/15	218.6	221.1	
2Q/15	222.1	220.4	
3Q/15	221.8	223.8	
4Q/15	223.5		224.9
1Q/16	226.0		

1980 Base

	PPI-RE Forecast		Percent Change			
			Yr Ago	Latest Month	2nd Prev	Previous
2016Q1	(82=100)	(80=100)	Actual	Actual	Qtr Actual	Forecast
Low	201.5	222.9	0.8%			
Midpoint	204.3	226.0	2.2%	0.5%	1.0%	1.1%
High	207.0	229.0	3.6%			



re_ppi

Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2016Q1\5Deprec\FPre_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

Length 72 Minimum 183.600 Maximum 203.300
Mean 192.524 Standard deviation 6.052

Classical decomposition (multiplicative)
Trend-cycle: 97.73% Seasonal: 0.25% Irregular: 2.03%

Log transform recommended for Box-Jenkins.

Choice is narrowed down to Box-Jenkins or exponential smoothing.

Exponential smoothing outperforms Box-Jenkins by 0.875 to 1.567 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12. For Box-Jenkins, I used a log transform.

Series is trended and seasonal.

Recommended model: Exponential Smoothing
Forecast Model for PPIRE
Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing weight	Final Value
Level	0.64762	203.19
Trend	0.02006	0.26753

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 192.5	Standard deviation 6.052
R-square 0.9783	Adjusted R-square 0.978
Durbin-watson 1.98	Ljung-Box(18)=19.04 P=0.6106
Forecast error 0.8978	BIC 0.9395
MAPE 0.003071	RMSE 0.8853
MAD 0.5957	

Forecast Report
Fri Nov 13 08:54:46 2015
Exponential Smoothing model for PPIRE
Analysis of Historic Fit Set

Date	Historic
2009-11	183.600
2009-12	184.400
2010-01	184.500
2010-02	184.700
2010-03	184.500
2010-04	184.500
2010-05	184.600
2010-06	184.600
2010-07	184.500
2010-08	184.500
2010-09	184.500
2010-10	184.200

re_ppi

2010-11	184.200
2010-12	184.200
2011-01	184.900
2011-02	185.100
2011-03	187.000
2011-04	186.600
2011-05	186.700
2011-06	186.800
2011-07	187.300
2011-08	187.400
2011-09	187.500
2011-10	187.500
2011-11	187.700
2011-12	189.900
2012-01	190.100
2012-02	190.100
2012-03	190.600
2012-04	191.800
2012-05	191.600
2012-06	191.500
2012-07	192.000
2012-08	190.400
2012-09	190.900
2012-10	194.900
2012-11	193.900
2012-12	194.100
2013-01	196.000
2013-02	195.200
2013-03	195.800
2013-04	195.200
2013-05	198.100
2013-06	196.300
2013-07	195.400
2013-08	194.500
2013-09	194.600
2013-10	195.100
2013-11	195.200
2013-12	196.900
2014-01	196.000
2014-02	197.400
2014-03	196.800
2014-04	196.200
2014-05	196.700
2014-06	196.800
2014-07	197.800
2014-08	197.900
2014-09	198.300
2014-10	199.300
2014-11	199.900
2014-12	199.500
2015-01	200.800
2015-02	200.500
2015-03	199.500
2015-04	200.500
2015-05	200.000
2015-06	201.400
2015-07	201.600
2015-08	202.600
2015-09	202.800
2015-10	203.300

Forecasted values

re_ppi

Date	2.5 Lower	Forecast	97.5 Upper
2015-11	201.613	203.454	205.296
2015-12	201.515	203.722	205.929
2016-01	201.470	203.989	206.509
2016-02	201.459	204.257	207.055
2016-03	201.473	204.524	207.576
2016-04	201.507	204.792	208.077
2016-05	201.557	205.060	208.562
2016-06	201.619	205.327	209.035
2016-07	201.692	205.595	209.497
2016-08	201.775	205.862	209.950
2016-09	201.865	206.130	210.394
2016-10	201.963	206.397	210.832

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Producer Price Index-Commodities

Series Id: WPU144
Not Seasonally Adjusted
Group: Transportation equipment
Item: Railroad equipment
Base Date: 198200

Download:  [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	196.0	197.4	196.8	196.2	196.7	196.8	197.8	197.9	198.3	199.3	199.9	199.5
2015	200.8	200.5	199.5	200.5	200.0	201.4	201.6(P)	202.6(P)	202.8(P)	203.3(P)		

P : Preliminary. All indexes are subject to revision four months after original publication.

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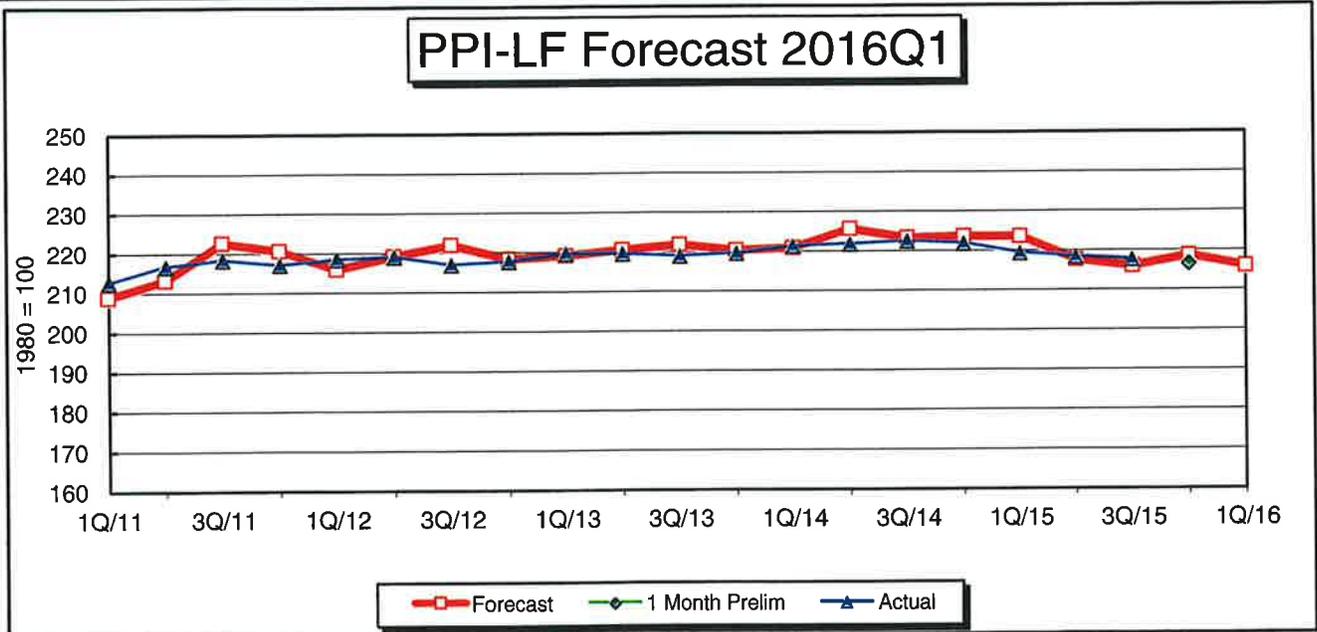
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PPI-LF Forecast (for Other and Lease Rentals Components)

	<u>Forecast</u>	<u>Actual</u>	<u>1 Month Prelim</u>
1Q/11	208.6	212.6	
2Q/11	212.9	216.6	
3Q/11	222.3	218.2	
4Q/11	220.3	216.9	
1Q/12	215.6	218.3	
2Q/12	218.8	218.9	
3Q/12	221.6	216.8	
4Q/12	218.0	217.6	
1Q/13	218.8	219.5	
2Q/13	220.2	219.4	
3Q/13	221.4	218.8	
4Q/13	220.0	219.4	
1Q/14	220.5	221.2	
2Q/14	225.2	221.6	
3Q/14	222.9	222.3	
4Q/14	223.2	221.7	
1Q/15	223.1	219.2	
2Q/15	217.2	218.2	
3Q/15	215.6	217.5	
4Q/15	218.2		216.5
1Q/16	215.5		

1980 Base

	PPI-LF Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2016Q1						
Low	188.0	210.8	-3.8%			
Midpoint	192.2	215.5	-1.7%	-0.5%	-0.9%	-1.2%
High	196.4	220.2	0.5%			



lf_ppi

Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2016Q1\7Other\FPI\lf_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPILF

Length 72 Minimum 178.100 Maximum 198.400
Mean 192.615 Standard deviation 5.317

Classical decomposition (multiplicative)
Trend-cycle: 94.10% Seasonal: 1.86% Irregular: 4.05%

Choice is narrowed down to Box-Jenkins or exponential smoothing.

Exponential smoothing outperforms Box-Jenkins by 1.406 to 1.663 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is trended and seasonal.

Recommended model: Exponential Smoothing
Forecast Model for PPILF
Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing weight	Final Value
Level	1.00000	193.10
Trend	0.82557	-0.22918

Within-sample Statistics

Sample size 72	Number of parameters 2
Mean 192.6	Standard deviation 5.317
R-square 0.9866	Adjusted R-square 0.9864
Durbin-watson 1.912	** Ljung-Box(18)=38.77 P=0.9969
Forecast error 0.62	BIC 0.6487
MAPE 0.002507	RMSE 0.6113
MAD 0.4808	

Forecast Report
Fri Nov 13 08:57:39 2015
Exponential Smoothing model for PPILF
Analysis of Historic Fit Set

Date	Historic
2009-11	178.100
2009-12	178.900
2010-01	180.200
2010-02	181.200
2010-03	182.400
2010-04	183.800
2010-05	184.000
2010-06	183.100
2010-07	182.700
2010-08	183.100
2010-09	183.500
2010-10	184.600
2010-11	185.400
2010-12	186.300

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2011-01	188.600
2011-02	190.200
2011-03	191.200
2011-04	193.000
2011-05	193.700
2011-06	193.900
2011-07	194.600
2011-08	194.500
2011-09	194.600
2011-10	193.900
2011-11	193.200
2011-12	192.700
2012-01	193.800
2012-02	194.700
2012-03	195.700
2012-04	195.800
2012-05	195.400
2012-06	193.700
2012-07	193.300
2012-08	193.300
2012-09	193.700
2012-10	193.900
2012-11	194.000
2012-12	194.200
2013-01	195.300
2013-02	196.100
2013-03	196.100
2013-04	195.900
2013-05	195.500
2013-06	195.400
2013-07	195.200
2013-08	195.300
2013-09	195.100
2013-10	195.400
2013-11	195.500
2013-12	195.900
2014-01	197.200 ✓
2014-02	197.600
2014-03	197.300
2014-04	197.700
2014-05	197.600
2014-06	197.700
2014-07	198.200
2014-08	198.400
2014-09	198.300
2014-10	198.200
2014-11	197.400
2014-12	196.700
2015-01	196.000 ✓
2015-02	195.400 ✓
2015-03	195.000 ✓
2015-04	194.800
2015-05	194.900 ✓
2015-06	195.200 ✓
2015-07	194.700 ✓
2015-08	194.100 ✓
2015-09	193.200 ✓
2015-10	193.100 ✓

Forecasted Values

Date 2.5 Lower Forecast 97.5 Upper
Page 2

lf_ppi

2015-11	191.599	192.871	194.142
2015-12	189.995	192.642	195.288
2016-01	188.892	192.412	195.933
2016-02	187.967	192.183	196.400
2016-03	187.141	191.954	196.767
2016-04	186.381	191.725	197.068
2016-05	185.670	191.496	197.322
2016-06	184.995	191.267	197.538
2016-07	184.350	191.037	197.724
2016-08	183.730	190.808	197.886
2016-09	183.130	190.579	198.028
2016-10	182.548	190.350	198.152

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Producer Price Index-Commodities

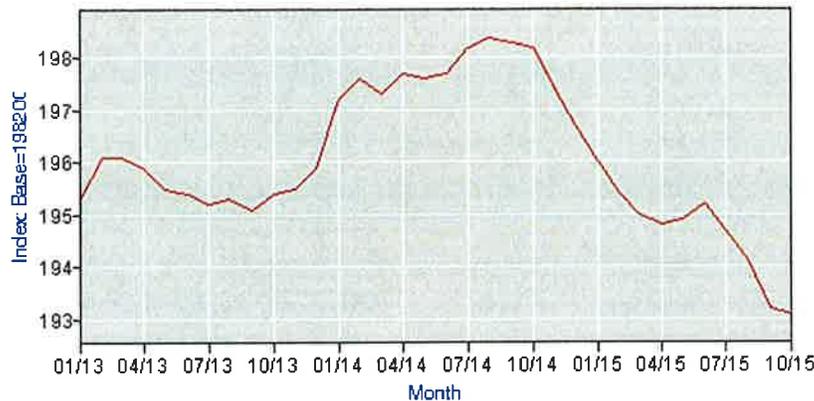
Series Id: WPU03T15M05

Not Seasonally Adjusted

Group: Industrial Commodities less fuels

Item: Industrial commodities less fuels

Base Date: 198200



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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	195.3	196.1	196.1	195.9	195.5	195.4	195.2	195.3	195.1	195.4	195.5	195.9
2014	197.2	197.6	197.3	197.7	197.6	197.7	198.2	198.4	198.3	198.2	197.4	196.7
2015	196.0	195.4	195.0	194.8	194.9	195.2	194.7(P)	194.1(P)	193.2(P)	193.1(P)		

P : Preliminary. All indexes are subject to revision four months after original publication.

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Forecast Error Calculation

	Third Quarter 2015			Difference		Notes			
	2013 Weight	2015Q3 Forecast	2015Q3 Actual	Pt.	Pct.				
Labor	31.6%	404.3	404.3	0.0	0%	* actual=forecast			
Fuel	22.1%	246.1	220.1	-26.0	-11%	from 1st month of quarter			
M&S	4.9%	258.9	258.9	0.0	0%	* actual=forecast			
Equip Rents	5.4%	212.2	214.2	2.0	1%	from Equipment Rents below			
Depreciation	12.0%	221.8	223.8	2.0	1%	PPI-RE <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="text-align: center;">201.60</td><td style="text-align: center;">202.60</td><td style="text-align: center;">202.80</td></tr></table> 0.9040	201.60	202.60	202.80
201.60	202.60	202.80							
Interest	1.9%	70.6	70.6	0.0	0%	* actual=forecast			
Other	22.1%	215.6	217.5	1.9	1%	PPI-LF <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="text-align: center;">194.70</td><td style="text-align: center;">194.10</td><td style="text-align: center;">193.20</td></tr></table> 0.8920	194.70	194.10	193.20
194.70	194.10	193.20							
Weighted Avg	100.0%								
1980 = 100		281.9	276.9			calculated			
1980 = 100 (linked)		269.7	264.4			calculated			
4Q12r = 100	2.976	90.6	88.8			calculated			
4Q07 = 100	2.459	109.7	107.5			calculated			
4Q02 = 100	1.921	140.4	137.6			calculated			
4Q97 = 100	1.732	155.7	152.7			calculated			
4Q92 = 100	1.569	171.9	168.5			calculated			
Forecast Error →		-1.8				calculated -0.018 = RCAF adj.			
<u>Prior Quarter</u>									
1980 = 100		283.3	276.9 **						
1980 = 100 (linked)		271.0	264.4						
4Q12r = 100		91.1	88.8			calculated			
4Q07 = 100		110.2	107.5			calculated			
4Q02 = 100		141.1	137.6			calculated			
4Q97 = 100		156.5	152.7			calculated			
4Q92 = 100		172.7	168.5			calculated			
<hr/>									
<u>Equipment Rents</u>									
Car Hire	52.8%	191.6	193.3			from Equipment Rents/CHARM			
Lease Rentals	47.2%	215.6	217.5			(equals PPI-LF from above)			
Weighted Average		202.9	204.7			calculated			
Linked		212.2	214.2			calculated			
<u>Prior Quarter</u>									
Weighted Average		202.8	203.9 **						
Linked		212.1	213.4						
<hr/>									
Sum of Weights	ok					** if fourth quarter, weighted avg for prior needs to use new weights, linked is ok			
Sum of ER Wt.	ok								

All-Inclusive Index (Actual)

	13 Wts	3Q/14 12 Wts	3Q/14 13 Wts	% Chg.	4Q/14 13 Wts	% Chg.	1Q/15 13 Wts	% Chg.	2Q/15 13 Wts	% Chg.	3Q/15 13 Wts	% Chg.
Labor	31.6%	395.4	395.4	0.0%	389.7	-1.4%	401.6	3.1%	402.8	0.3%	404.3	0.4%
Fuel	22.1%	366.4	366.4	0.0%	328.0	-10.5%	205.9	-37.2%	221.9	7.8%	220.1	-0.8%
M&S	4.9%	271.2	271.2	0.0%	276.6	2.0%	274.9	-0.6%	265.3	-3.5%	258.9	-2.4%
Equipment Rents	5.4%	212.7	212.7	0.0%	213.1	0.2%	212.6	-0.2%	213.4	0.4%	214.2	0.4%
Depreciation	12.0%	217.4	217.4	0.0%	219.5	1.0%	221.1	0.7%	220.4	-0.3%	223.8	1.5%
Interest	1.9%	76.6	76.6	0.0%	70.6	-7.8%	70.6	0.0%	70.6	0.0%	70.6	0.0%
Other	22.1%	222.3	222.3	0.0%	221.7	-0.3%	219.2	-1.1%	218.2	-0.5%	217.5	-0.3%
	1.0000											
Weighted Avg.		306.8	307.4	0.2%	297.4	-3.3%	273.7	-8.0%	276.9	1.2%	276.9	0.0%
Linked		293.4			283.9	-3.2%	261.3	-8.0%	264.4	1.2%	264.4	0.0%
10/1/80	1.027	285.7			276.4	-3.3%	254.4	-8.0%	257.4	1.2%	257.4	0.0%
10/1/82	1.209	242.7			234.8	-3.3%	216.1	-8.0%	218.7	1.2%	218.7	0.0%
4Q/87	1.322	221.9			214.8	-3.2%	197.7	-8.0%	200.0	1.2%	200.0	0.0%
4Q/92	1.569	187.0			180.9	-3.3%	166.5	-8.0%	168.5	1.2%	168.5	0.0%
4Q/97	1.732	169.4			163.9	-3.2%	150.9	-7.9%	152.7	1.2%	152.7	0.0%
4Q/02	1.921	152.7			147.8	-3.2%	136.0	-8.0%	137.6	1.2%	137.6	0.0%
4Q/07	2.459	119.3			115.5	-3.2%	106.3	-8.0%	107.5	1.1%	107.5	0.0%
4Q/12	2.976	98.6			95.4	-3.2%	87.8	-8.0%	88.8	1.1%	88.8	0.0%

Equipment Rents

Car Hire	52.8%	186.1	186.1	0.0%	187.4	0.7%	188.7	0.7%	191.1	1.3%	193.3	1.2%
Lease Rentals	47.2%	222.3	222.3	0.0%	221.7	-0.3%	219.2	-1.1%	218.2	-0.5%	217.5	-0.3%
	1.0000											
ER Weighted Avg		204.9	203.2	-0.8%	203.6	0.2%	203.1	-0.2%	203.9	0.4%	204.7	0.4%
ER Linked		212.7			213.1	0.2%	212.6	-0.2%	213.4	0.4%	214.2	0.4%

Impact/Check of weight change	12 Wts	13 Wts
Labor	123.365	124.946
Fuel	81.707	80.974
Material & Supplies	13.289	13.289
Equipment Rents	11.911	11.486
Depreciation	25.871	26.088
Interest	1.532	1.455
Other	49.128	49.128
Weighted Avg.	306.803	307.367
ER Weighted Avg.	204.8516	203.1864

As info only

RCAF Fuel (Actual All-Inclusive Index)

July 2015

Monthly Report

	July 2015 Price (cents) (1)	1/1/81 Price (cents) (2)	1/91 New Method Linking Factors (3)	July 2015 Index 1/1/81=100 (4)	Linking Factor 1980=100 (5)	July 2015 1980=100 Current Index (6)
U.S.	180.08	89.34	99.415	200.39	1.096	219.63
				(4) = (1) / (2) x (3)		(6) = (4) x (5)

Final Actual All-inclusive Index Used for RCAF's Forecast Error Adjustment

	July 2015 1980=100 Current Index	Adjustment Factor	July 2015 1980=100 Linked Index
U.S.	219.63	1.00192	220.05 ←

January	=	Q1
April	=	Q2
July	=	Q3
October	=	Q4

RCAF (Actual)

	1980	Aug 3Q/14	Nov 4Q/14	Feb 1Q/15	May 2Q/15	Aug 3Q/15
RATE						
RR-OWNED TIME	31.00	64.00	64.00	64.00	64.00	63.00
RR-OWNED MILEAGE	4.69	6.80	6.80	6.80	6.70	6.70
PRIVATELY-OWNED CARS	25.47	47.64	48.05	48.50	49.30	50.18
AUTORACKS	47.00	64.68	66.42	66.32	69.81	74.33
INDEX						
RR-OWNED TIME	100.0	206.5	206.5	206.5	206.5	203.2
RR-OWNED MILEAGE	100.0	145.0	145.0	145.0	142.9	142.9
PRIVATELY-OWNED CARS	100.0	187.1	188.7	190.4	193.6	197.0
AUTORACKS	100.0	137.6	141.3	141.1	148.5	158.2
CAR HIRE INDEX (old wts)	2012	100.0	186.1	--	--	--
CAR HIRE INDEX (new wts)	2013	100.0	186.5	187.8	189.1	191.5
CAR HIRE INDEX (LINKED)		100.0	186.1	187.4	188.7	191.1

Note: Indexes are rounded, rates are full float.

Equipment Rents Data From CHARM

	2014 (first day of month)						2015 (first day of month)							
	Jul	Aug	Sep*	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Railroad Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	8,041	8,021	8,010	7,981	7,988	7,979	7,973	7,960	7,958	7,951	7,944	7,900	7,887	7,919
Rate (in cents)														
Superstructures #3 - Auto Rack	50.0	50.0	50.0	50.0	50.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0	50.0
All other #1 - Time	64.0	64.0	64.0	64.0	64.0	63.0	64.0	64.0	64.0	64.0	64.0	64.0	63.0	63.0
All other #2 - Mileage	6.8	6.8	6.8	6.8	6.8	6.7	6.8	6.8	6.8	6.7	6.7	6.7	6.7	6.7
Private Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	50,537	50,765	50,833	50,885	50,926	50,975	51,132	51,338	51,458	51,701	51,850	52,000	52,263	52,563
Covered Hoppers	341,345	342,725	343,226	345,187	346,387	347,618	349,066	350,170	350,930	353,450	353,947	359,180	361,701	363,687
Tank Cars	347,147	349,889	351,553	355,908	358,941	361,332	363,988	365,720	366,756	369,649	371,119	377,234	380,115	382,665
Others	288,473	288,125	289,183	289,740	290,472	290,933	291,328	290,217	289,851	290,078	290,480	291,186	291,161	290,976
Rate (in cents)														
Superstructures #1 - Time	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	82.0	82.0
Superstructures #2 - Mileage	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Superstructures #3 - Auto Rack	66.0	67.0	68.0	68.0	69.0	69.0	68.0	69.0	71.0	72.0	73.0	75.0	76.0	78.0
Covered Hoppers #2 - Mileage	44.2	44.2	44.2	44.3	44.3	44.1	44.2	44.4	44.5	44.6	44.6	44.6	44.6	44.7
Tank Cars #2 - Mileage	74.3	74.5	74.6	75.2	75.3	75.3	75.5	75.8	76.9	77.0	77.6	77.9	78.1	78.3
Others #1 -Time	74.0	74.0	74.0	74.0	73.0	73.0	73.0	74.0	74.0	74.0	74.0	74.0	78.0	79.0
Others #2 - Mileage	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.6	7.6	7.6	7.6	7.6	7.8	7.8
AVERAGE RATES														
Private Superstructures	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.87	20.87
Private Others	23.93	23.93	23.93	23.93	23.71	23.71	23.71	24.03	24.03	24.03	24.03	24.03	25.12	25.34
Private Total	47.51	47.64	47.69	48.02	48.05	48.03	48.18	48.50	48.95	49.07	49.30	49.52	49.96	50.18
Autoracks	63.80	64.68	65.55	65.56	66.42	66.29	65.44	66.32	68.05	68.93	69.81	71.57	72.46	74.33

WEIGHTS	*Old Wts*	*New Wts*
	2012	2013
For RCAF & RCR		
RR-owned Time	0.148	0.148
RR-owned Mileage	0.071	0.072
Privately-owned Cars	0.764	0.772
Autoracks	0.017	0.008
----- Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)		
	2012	2013
Car Hire - U.S.	0.482	0.528
Lease Rentals - U.S.	0.518	0.472
----- Check sum	1.000	1.000

* CHARM inputs for September are from the mid-August report since the September 1 report is not available at this time. This affects the forecast, but not the actual.

Note: The 4 bold lines are used for the Car Hire Rate. Private Total uses a weighted average of the Covered Hoppers, Tank Cars, Combined Private Superstructures, and Combined Private Others rates.

CHARM Process - Car Hire Rate Report

Average Car Rental Rates for 08/2015

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	7,919	121	0.082	50
Railroad	Number of Zero-Rated Vehicular Flats	11	.	.	.
Railroad	All Other Cars	454,763	63	0.067	.
Railroad	Number of Zero-Rated Other Cars	18,518	.	.	.
Railroad	Total Railroad Equipment	481,211	.	.	.
	
Private	Vehicular Flats	52,563	82	0.016	78
Private	Number of Zero-Rated Vehicular Flats	83	.	.	.
Private	Covered Hoppers	363,687	0	0.447	.
Private	Number of Zero-Rated Covered Hoppers	10,665	.	.	.
Private	Tanks	382,665	0	0.783	.
Private	Number of Zero-Rated Tanks	7,970	.	.	.
Private	All Other Cars	290,976	79	0.078	.
Private	Number of Zero-Rated Other Cars	28,031	.	.	.
Private	Total Private Equipment	1,136,640	.	.	.

Notes
This report excludes these car types: D (Locomotives), M (MoW, EOTs, etc.), U (Containers), Z (Trailers).
All TTX equipment (including ABOX, RBOX, GONX) is contained in the Private section of report.
Equipment can be zero rated due to owners supplying incorrect or insufficient information to the car accounting process.
Zero-rated equipment includes those with Umler Rate_Indicator of 6 and 0 (zero).
Zero-rated equipment is excluded from the averages shown in this report.
Equipment must be Active in Umler to be included in this report; Pre-registered and Inactive cars are excluded.

RCAF - Depreciation

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

Forecast Year 2016

As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast	→	16Q1	16Q2	16Q3	16Q4
For Actual	→	15Q3	15Q4	16Q1	16Q2
January	2015	200.8	200.8	200.8	200.8
February	2015	200.5	200.5	200.5	200.5
March	2015	199.5	199.5	199.5	199.5
April	2015	200.5			
May	2015	200.0			
June	2015	201.4			
July	2015	201.6			
August	2015	202.6			
September	2015	202.8			
October	2015	203.3			
November	2015				
December	2015				
January	2016				
February	2016				
March	2016				
April	2016				
May	2016				
June	2016				
July	2016				
Actual Qtr.		202.3	NA	NA	NA

1980=100

Actual Qtr.	223.8	NA	NA	NA
First Mo. next qtr.	224.9	NA	NA	NA

0.904 =1980

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Producer Price Index-Commodities

Series Id: WPU144
 Not Seasonally Adjusted
Group: Transportation equipment
Item: Railroad equipment
Base Date: 198200

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	196.0	197.4	196.8	196.2	196.7	196.8	197.8	197.9	198.3	199.3	199.9	199.5
2015	200.8	200.5	199.5	200.5	200.0	201.4	201.6(P)	202.6(P)	202.8(P)	203.3(P)		

P : Preliminary. All indexes are subject to revision four months after original publication.

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RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

Forecast Year 2015

As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast →		16Q1	16Q2	16Q3	16Q4
For Actual →		15Q3	15Q4	16Q1	16Q2
January	2015	196.0	196.0	196.0	196.0
February	2015	195.4	195.4	195.4	195.4
March	2015	195.0	195.0	195.0	195.0
April	2015	194.8			
May	2015	194.9			
June	2015	195.2			
July	2015	194.7			
August	2015	194.1			
September	2015	193.2			
October	2015	193.1			
November	2015				
December	2015				
January	2016				
February	2016				
March	2016				
April	2016				
May	2016				
June	2016				
July	2016				
Actual Qtr.		194.0	NA	NA	NA

1980=100

Actual Qtr.
First Mo. next qtr.

217.5	NA	NA	NA
216.5	NA	NA	NA

0.892 =1980

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Producer Price Index-Commodities

Series Id: WPU03T15M05
Not Seasonally Adjusted
Group: Industrial Commodities less fuels
Item: Industrial commodities less fuels
Base Date: 198200

Download:  [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	197.2	197.6	197.3	197.7	197.6	197.7	198.2	198.4	198.3	198.2	197.4	196.7
2015	196.0	195.4	195.0	194.8	194.9	195.2	194.7(P)	194.1(P)	193.2(P)	193.1(P)		

P : Preliminary. All indexes are subject to revision four months after original publication.

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