

ASSOCIATION
OF AMERICAN
RAILROADS

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Senior Vice President - Policy & Economics

September 5, 2013

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

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Dear Ms. Brown:

This submission is the AAR forecast of the fourth quarter 2013 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2013-4) *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 fourth quarter 2013 results on the fourth quarter 2012 base, and shows the percentage changes from the previous quarter.

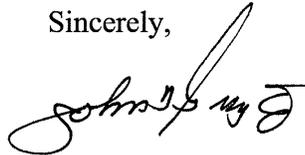
	<u>2013Q3</u>	<u>2013Q4</u>	<u>% Change</u>
All-Inclusive Index	98.9	100.0	1.1
Preliminary RCAF	0.989	1.000	1.1
Forecast Error Adjustment	-0.012	-0.025	
RCAF (Unadjusted)	0.977	0.975	-0.2
Productivity Adjustment Factor	2.3008	2.3059	
RCAF (Adjusted)	0.425	0.423	-0.5
PAF-5	2.4377	2.4426	
RCAF-5	0.401	0.399	-0.5

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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.

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

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Gray". The signature is written in a cursive style with a large, sweeping initial "J".

John T. Gray

Attachments

**Fourth Quarter 2013
All-Inclusive Index**

Ex Parte No. 290 (Sub-No. 5) (2013-4)

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

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

September 5, 2013

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Introduction

On January 2, 1985, the Interstate Commerce Commission (ICC) [now the Surface Transportation Board (STB)] adopted the All-Inclusive Index of Railroad Costs 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 (but does not endorse) the RCAF-5, which was instituted by an STB decision served October 3, 1996 in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*. This quarter's projection of railroad costs is for the fourth quarter 2013. New weights and labor benchmarks have been calculated using 2012 data, and a new Interest Index has been calculated.

In a decision (Docket No. FD 35506) served July 25, 2013, the STB ordered BNSF to "refile its R-1 report for 2010, 2011, and 2012...." The refiling deadline is 60 days after August 24, 2013. At this time (September 5, 2013), the AAR does not have revised BNSF data – and cannot know the impact of the change to weights constructed from 2010, 2011, and 2012 data. If weights based on data for 2012 need to be revised, the AAR plans to use the forecast error adjustment in the 2014Q2 submission (which uses 2013Q4) to remedy differences for 2013Q4 caused by the STB-ordered change to BNSF R-1 data for 2012.

During July 2013, Union Pacific Railroad sent interest expense revisions to the STB. The revisions involved Schedules 210 and 510 in Annual Report Form R-1 for the years 2010, 2011, and 2012. The revised 2012 data were used to calculate the new weights (and Interest Index) used herein, but the impact on weights and the Interest Index, or the appropriateness of using previous calculations, for earlier years has not yet been assessed. We plan to examine the changes to all indexes caused by the STB-ordered revisions and the interest expense revisions after we have processed all revisions from both railroads.

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 2012 (current) and 2011 weights are shown below. The 2011 weights were used for the fourth quarter of 2012 through third quarter of 2013. Beginning with the fourth quarter of 2013, 2012 weights are used. In 2012, expenses used for calculating weights increased in every category except Interest and Materials & Supplies. Weights for 2012 are not much different from 2011. The largest increase was 0.5 percentage points for the Depreciation and Other components. Interest had the largest decrease, which was 0.6 percentage points. Weights for both 2011 and 2012 are listed below.

RCAF Weights		
	Previous 2011	Current 2012
Labor	31.3 %	31.2 %
Fuel	22.5	22.4
Materials & Supplies	5.1	4.9
Equipment Rents	5.6	5.6
Depreciation	11.6	12.1
Interest	2.5	1.9
Other	21.4	21.9

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.

In a decision (Docket No. FD 35506) served July 25, 2013, the Surface Transportation Board ordered BNSF to "refile its R-1 report for 2010, 2011, and 2012...." The revised data may impact RCAF weights, but the AAR does not yet have data to assess the changes. If the 2012 weights need to be revised, they will be revised in the 2014Q1 submission, and the AAR plans to use the forecast error adjustment in the 2014Q2 submission (which uses 2013Q4) to remedy differences for 2013Q4 caused by the STB-ordered change.

All-Inclusive Index Fourth Quarter 2013

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.

	2012 Weights	Forecast		Percent Change
		Previous 2013Q3	Current 2013Q4	
1. Labor	31.2%	390.4	385.8	-1.2 %
2. Fuel	22.4%	375.6	399.6	6.4
3. M&S	4.9%	264.2	261.4	-1.1
4. Equipment Rents	5.6%	208.0	207.7	-0.1
5. Depreciation	12.1%	218.9	221.0	1.0
6. Interest	1.9%	92.9	73.5	-20.9
7. Other	21.9%	221.4	220.0	-0.6
8. Weighted Average				
a. 1980 = 100		307.3	310.6	
b. 1980 = 100 (linked)		294.3	297.5 ¹	
c. 4Q12 = 100		98.9	100.0 ²	1.1

Note: The 307.3 weighted average for 2013Q3 is recalculated with 2012 weights to eliminate any changes in the fourth quarter index that would be caused by changing weights. The Q3 weighted average with 2011 weights is 306.9.

¹ To calculate the 1980 = 100 Linked Index:

$$\begin{aligned} \text{Index}_{80} &= (\text{Current Index} / \text{Previous Index}) * \text{the Previous Quarter Linked Index} \\ &= (310.6 / 307.3) \times 294.3 \\ &= 297.5 \end{aligned}$$

² To calculate the 4Q12 = 100 index:

$$\begin{aligned} \text{Index}_{4Q12} &= (\text{Current Linked Index} / 4Q12 Basing Factor) * 100 \\ &= 297.5 \text{ divided by } 297.5 \text{ times } 100 \\ &= 100.0 \end{aligned}$$

Indexes based on other periods:

- 4Q07 based index = 297.5 / 245.9 x 100 = 121.0
- 4Q02 based index = 297.5 / 192.1 x 100 = 154.9
- 4Q97 based index = 297.5 / 173.2 x 100 = 171.8
- 4Q92 based index = 297.5 / 156.9 x 100 = 189.6
- 4Q87 based index = 297.5 / 132.2 x 100 = 225.0

Forecast vs. Actual All-Inclusive Index Second Quarter 2013

Because of data availability, the forecast error adjustment has a two-quarter lag from each filing. As shown below, the second quarter actual index of 97.8 is 2.5 index points below the forecast value of 100.3. Therefore, the forecast error adjustment for fourth quarter 2013 is -2.5 index points.

	2011 Weights	Second Quarter 2013		Amt Difference
		Forecast	Actual	
1. Labor	31.3%	384.9	384.9	
2. Fuel	22.5%	404.3	373.1	
3. M&S	5.1%	261.0	261.0	
4. Equipment Rents ¹	5.6%	206.9	207.0	
5. Depreciation	11.6%	219.6	218.8	
6. Interest	2.5%	92.9	92.9	
7. Other	21.4%	220.2	219.4	
8. Weighted Average				
a. 1980 = 100		311.3	304.0	
b. 1980 = 100 (linked)		298.5	290.9 ²	
c. 4Q12 = 100 ³		100.3	97.8	-2.5

Forecast error \longrightarrow **-2.5 index points**

1	2011 Weights	Second Quarter 2013	
		Forecast	Actual
Car-Hire	48.6%	177.4	178.0
Lease Rentals	51.4%	220.2	219.4
Weighted Average		199.4	199.3
Weighted Average (linked)		206.9	207.0

² Linked actual index = (actual index / previous actual index) x previous linked actual index.
 $290.9 = 304.0 / 306.8 \times 293.6$

³ The 4Q12 based indexes are 1980 based indexes divided by the 4Q12 basing factor (297.5/100).
 Other basing factors are: 4Q07 = 245.9; 4Q02 = 192.1; 4Q97 = 173.2; 4Q92 = 156.9; and 4Q87 = 132.2.

Productivity

On February 11, 2013, the Surface Transportation Board (STB) served a decision in Ex Parte 290 (Sub-No. 4) which added the year 2011 to the Productivity Adjustment Factor (PAF) and removed the year 2006. This creates a geometric average annual productivity change, for the five-year period 2007 through 2011, of 0.9 percent per year. The components of this average annual value are shown on the following table in ratio format – therefore, 1.009 is the same as an increase of 0.9 percent. Productivity changes are calculated by multiplying each of the five productivity changes together and taking the result to the one-fifth power. The quarter productivity adjustment factors (PAF) 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			
2007 - 2011			
Year	Output Index (1)	Input Index (2)	Productivity ¹ Changes (3)
2007	1.000	0.996	1.004
2008	0.990	0.970	1.021
2009	0.847	0.861	0.984
2010	1.109	1.070	1.036
2011	1.041	1.041	1.000
Average			1.009
Previous Average (2006-2010)			1.008

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 2007-2011, use fourth root of avg. productivity change = 1.0022			
For 2006-2010, use fourth root of avg. productivity change = 1.0020			
Quarter	Year	PAF	PAF-5
Q1	2013	2.2907	2.4279
Q2	2013	2.2957	2.4328
Q3	2013	2.3008	2.4377
Q4	2013	2.3059	2.4426
Q1	2014	2.3110	2.4480

Rail Cost Adjustment Factor

Fourth Quarter 2013

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 2013Q3	Current 2013Q4	Percent Change
All-Inclusive Index ¹	98.9	100.0	1.1
Preliminary RCAF ²	0.989	1.000	1.1
Forecast Error Adjustment ³	<u>-0.012</u>	<u>-0.025</u>	
RCAF (Unadjusted) ⁴	0.977	0.975	-0.2
Productivity Adjustment Factor ⁵	<u>2.3008</u>	<u>2.3059</u>	
RCAF (Adjusted) ⁶	0.425	0.423	-0.5
PAF-5 ⁷	2.4377	2.4426	
RCAF-5 ⁸	0.401	0.399	-0.5

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

Fourth Quarter 2013

The fourth quarter 2013 Labor Index is forecast to decrease 1.2 percent from the previous quarter. The decrease was caused by rebenchmarking to 2012 wage statistics and annual report data plus lower employer contributions to employee 401(k) and stock plans.

Rebenchmarking and Reweighting: Rebenchmarking, as well as updating the internal weights (i.e., the proportion of labor costs represented by wages and supplements, respectively), is reflected each year in the fourth quarter filing. The Labor rate is basically a group of benchmarks from annual data that are updated each quarter using additional information such as labor agreements, payroll tax rates, health & welfare rates, and other data. By rebenchmarking to newer annual data, the number of quarterly updates from the benchmark year to the current quarter becomes fewer – increasing the probability that the updated values match reality. Therefore, the impact of rebenchmarking is captured in the Labor Index, and by itself can cause a change in the index.

The new benchmark year is 2012, and it replaces data for 2011. The 2012 data underlying the fourth quarter rebenchmarking are obtained from a summary of the railroads' 112-Class Wage Statistics and a summary of the railroads' Annual Report Form R-1 submitted to the Surface Transportation Board. Railroad revisions received by the AAR through August 13 are included in the benchmark data.

The source for the wage and supplements internal weights, like the external weights, is also the Annual Report Form R-1 Summary. Unlike rebenchmarking, reweighting by itself is prevented from causing a change in the index. A linking process, where the previous quarter unlinked index is recalculated using the new weights, eliminates changes that would be caused solely by changing weights.

Wage Rate Index

The Wage Rate Index portion of the Labor Index changed only slightly: a decrease of 0.1 percent. Rebenchmarking had very little impact. A few lump sum and back pay amounts were fully amortized, causing the small decrease.

Wage Increases: No wage increases are scheduled for the fourth quarter. One independent agreement had an August general wage increase, so the full impact of its wage increase is not captured until the fourth quarter in the index. Two new independent labor agreements were also added to the index.

Lump Sums: The fourth quarter lump sum rate decreased 2.7 cents from the previous quarter. Three lump sums were fully amortized and removed from the index, while one small amount related to a new independent labor agreement was added.

Back Pay: The fourth quarter back pay rate decreased 1.9 cents, mostly because of the complete amortization and removal of 3 back pay amounts relating to new labor agreements from one year ago. The current rate continues to be negative because of the second quarter change where one railroad's conductors were rebenchmarking from national-agreement to independent. Two small amounts were added because of new independent labor agreements with retroactive wage increases.

Labor

Fourth Quarter 2013

Other: In wages, "Other" contains the amortization of incentive payments that a railroad makes each year to its dispatchers, yardmasters, and engineers. The current amount is for a payment made in early 2013. Rebenchmarking caused the decrease of one half of one cent.

Supplements Index

The Supplements Index decreased 2.6 percent. The change was caused by lower employer contributions to 401(k) plans, plus rebenchmarking to newer annual report data and wage statistics.

Health & Welfare: The Health & Welfare rate decreased by 2.7 cents. The small decrease was caused by rebenchmarking to 2012 annual report data and wage statistics.

Railroad Retirement: Rebenchmarking caused the Railroad Retirement rate to decrease 4.3 percent. Taxable income changed little from third to fourth quarters.

Unemployment Insurance: The Unemployment Insurance rate decreased 0.2 cents because of rebenchmarking.

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 fourth quarter, the rate decreased 5.2 cents mostly because the previous quarter contained annual bonus matches, while the current quarter does not.

Labor Index Calculation

As shown in Table A-1 on the next page, the 0.1 percent decrease in the Wage Rate Index and the 2.6 percent decrease in the Supplements Index combined to cause a 1.2 percent decrease in the Labor Index. The linked fourth quarter 2013 index of 385.8 is determined by multiplying the third quarter linked index of 390.4 times the change between the fourth quarter labor index (407.5) and the original third quarter labor index recalculated (412.4) using the original third quarter Wage Rate and Supplements indexes weighted with the new 2012 weights. This method eliminates changes caused by the new weights, but captures changes caused by rebenchmarking. Therefore, the purpose of the center "Updated to Reflect..." column in table A-1 is only to enable the reader to discern the impact of rebenchmarking.

Labor
Fourth Quarter 2013
Table A-1 Labor Index

	2013Q3		2013Q4	
	Used in Previous Index Filing	Updated to Reflect 2012 Actual Data	Based on 2012 Data	Pct Chg From Prev. Filing
<u>Base Wage</u> – Straight Time & Pay For Time Not Worked	\$38.306	\$38.343	\$38.344	0.1%
Adjustments:				
Lump Sum	0.244	0.239	0.217	-11.1%
Back Pay	-0.044	-0.043	-0.063	43.2%
Other	0.213	0.208	0.208	-2.3%
Total Wages	38.719	\$38.747	38.706	0.0%
Health & Welfare Benefits	7.965	7.938	7.938	-0.3%
RR Retirement & Medicare	7.952	7.619	7.613	-4.3%
Unemployment Insurance	0.059	0.057	0.057	-3.4%
Other	0.155	0.152	0.103	-33.5%
Total Supplements	\$16.131	\$15.766	\$15.711	-2.6%
Total Labor (a check sum only)	\$54.850	\$54.513	\$54.417	
Wage Index¹	331.4	331.6	331.2	-0.1%
Supplements Index²	596.1	582.6	580.6	-2.6%
Total labor Index, 2011 Weights ³	414.8			
Total labor Index, 2012 Weights ⁴	412.4	408.4	407.5	
Labor Index (linked)⁵	390.4		385.8	-1.2%

¹ 1980 wage rate \$11.685

² 1980 supplements rate \$2.706

³ 2011 weights: wages, supplements 68.5% 31.5%

⁴ 2012 weights: wages, supplements 69.4% 30.6%

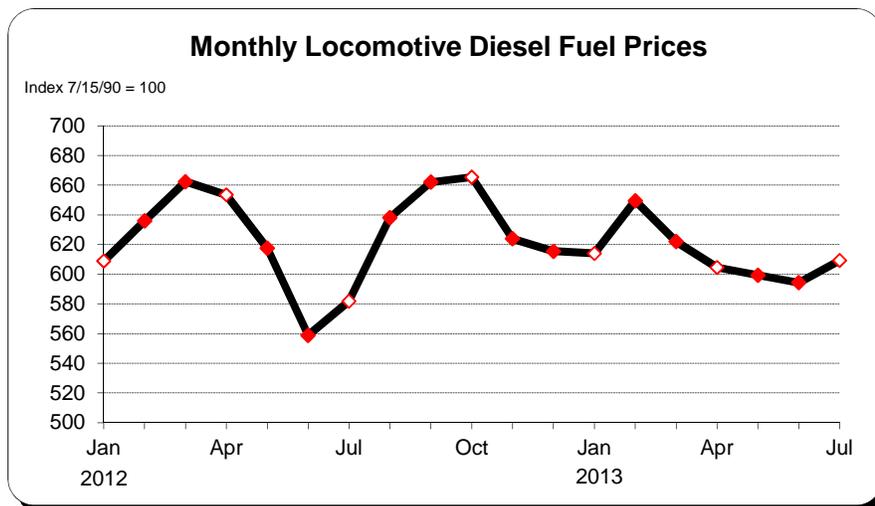
⁵ 2013Q4 linked Index = 2013Q3_{linked} x (2013Q4_{WT2012} / 2013Q3_{WT2012})
 = 390.4 x 407.5 / 412.4

Fuel Fourth Quarter 2013

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.

While the latest average prices for locomotive diesel fuel are available only through July, data through most of August are available for related fuel types. Crude oil* and heating oil** prices rose in August, possibly caused by the political situation in Syria.

Locomotive diesel fuel prices increased in July. The chart below shows the AAR's Monthly Locomotive Diesel Fuel Price Index from January 2012 through July 2013. Railroads believe prices for October 2013 (Q4) will be 6.4 percent higher than the third quarter forecast (represented by July 2013).



Forecast Fuel Index (1980 = 100)	399.6
Change from previous quarter forecast	6.4%
Change from previous quarter actual	6.3%

* Diesel fuel used by locomotives is made from refined crude oil, and therefore usually has some price correlation.

** Heating oil 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

Fourth Quarter 2013

The fourth quarter 2013 Materials & Supplies Index decreased 1.1 percent from the previous quarter. The change was caused by decreases in prices in the Miscellaneous Products category. Prices in the Forest and Metal Products categories had little change.

2013Q4 Materials & Supplies Index = 261.4

2013Q3 Materials & Supplies Index = 264.2

Difference	-2.8 basis points
	or
	-1.1 %

Equipment Rents Fourth Quarter 2013

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

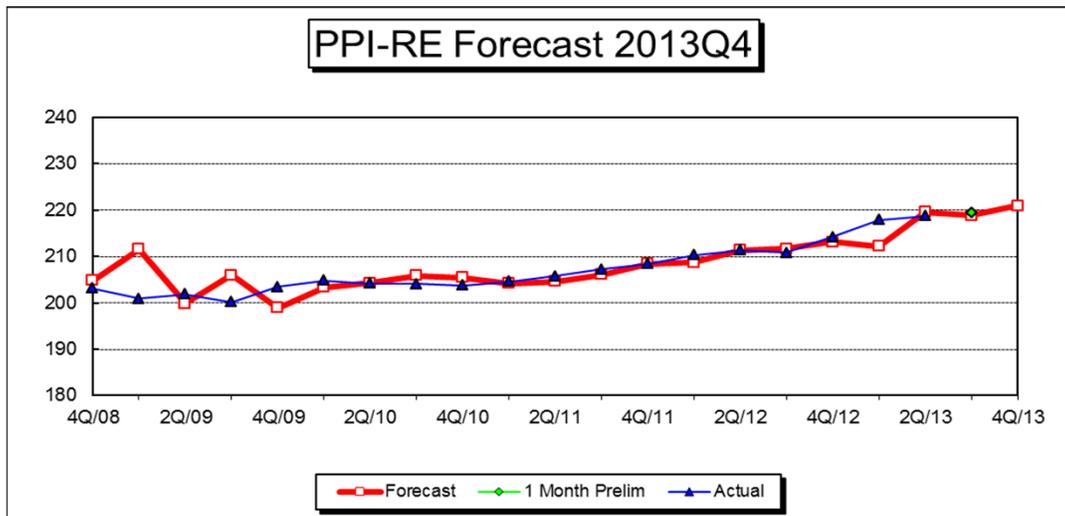
The table below calculates the Equipment Rent Index, and features new weights based on 2012. To eliminate any changes caused by the new weights, the third quarter weighted average (but not the linked value) has been recalculated using the new weights. The original third quarter weighted average using 2011 weights is 200.5. The fourth quarter Car Hire portion of the Index increased 0.4 percent because of higher rates in all categories except those for railroad-owned cars using mileage rates. A 0.6 percent decrease for the projected PPI-LF (See Appendix G) used as a proxy for Lease Rentals, combined with the 0.4 percent increase for Car Hire, caused the Equipment Rent Index to decrease by 0.1 percent.

	2012 Weight	2013Q3	2013Q4	Percent Change
Car Hire	48.2%	178.3	179.1	0.4 %
Lease Rentals	51.8%	221.4	220.0	-0.6
Weighted Average		200.6	200.3	-0.1
Weighted Average (Linked)		208.0	207.7	-0.1

Depreciation Fourth Quarter 2013

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 reflects monthly PPI-RE figures that jumped for March, April, and May.

Forecast of Depreciation Index (1982=100)	199.8
Forecast of Depreciation Index (1980=100)	221.0
Change from previous quarter forecast	1.0%
Change from actual first month of previous quarter	0.7%
Change from same quarter of prior year (actual)	3.2%



Depreciation Fourth Quarter 2013

PPI RAILROAD EQUIPMENT

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

Component	Smoothing Weight	Final Value
Level	0.70470	198.48
Trend	0.02138	0.31741

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 185.7	Standard deviation 5.788
R-square 0.9682	Adjusted R-square 0.9678
Durbin-Watson 1.975	Ljung-Box(18)=18.18 P=0.5564
Forecast error 1.039	BIC 1.088
MAPE 0.003515	RMSE 1.025
MAD 0.653	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2013-02	195.200
2013-03	195.800
2013-04	196.700
2013-05	198.400
2013-06	198.400
2013-07	198.400

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2013-08	196.667	198.799	200.931
2013-09	196.490	199.116	201.743
2013-10	196.392	199.434	202.476
2013-11	196.344	199.751	203.158
2013-12	196.332	200.069	203.805
QTR AVG	196.356	199.751	203.146

Interest Fourth Quarter 2013

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 available. Typically in the fourth quarter filing, the interest rate is updated to the new level. The source for interest expense is Schedule 210, column b, from the R-1 annual report. The lines used from current R-1 annual reports are listed below. The source for average total debt is Schedule 200 from the R-1 annual report. 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. Beginning with fourth quarter 2013, the Interest Index is based on data for 2012.

The interest index is the latest year's interest rate divided by 7.85 percent, which was the interest rate in the 1980 base period.

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

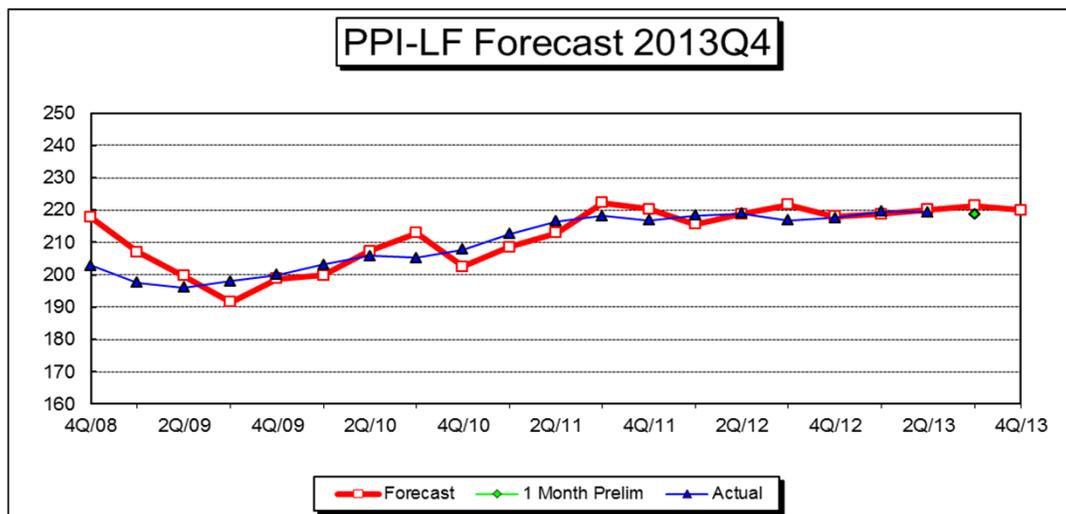
2012	Interest Rate	5.77%
1980	Interest Rate	7.85%
2013Q4	Interest Index	73.5
2013Q3	Interest Index	92.9
	Percent Change	-20.9%

Other Expenses Fourth Quarter 2013

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. The figure forecast by the model for the fourth quarter reflects monthly PPI-LF figures, which have decreased twice in the last three months.

Forecast of Other Expense Index (1982=100)	196.2
Forecast of Other Expense Index (1980=100)	220.0
Change from previous quarter forecast	-0.6%
Change from actual first month of previous quarter	0.6%
Change from same quarter of prior year (actual)	1.1%



Other Expenses Fourth Quarter 2013

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

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

Component	Smoothing Weight	Final Value
Level	1.00000	195.10
Trend	0.02251	0.28267

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 185.6	Standard deviation 8.184
R-square 0.982	Adjusted R-square 0.9817
Durbin-Watson 0.5658	**Ljung-Box(18)=86.74 P=1
Forecast error 1.107	BIC 1.158
MAPE 0.00435	RMSE 1.091
MAD 0.8025	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2013-02	196.100
2013-03	196.100
2013-04	196.200
2013-05	195.500
2013-06	195.500
2013-07	195.100

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2013-08	193.113	195.383	197.653
2013-09	192.419	195.665	198.912
2013-10	191.957	195.948	199.939
2013-11	191.614	196.231	200.847
2013-12	191.346	196.513	201.681
QTR AVG	191.639	196.231	200.822

Railroad and Union Abbreviations

Fourth Quarter 2013

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.)
CSX	CSX Transportation
D&H	Delaware & Hudson (Canadian Pacific's U.S. operations, included beginning 2011Q4.)
DME	Dakota, Minnesota & Eastern (Canadian Pacific's U.S. operations, included beginning 2011Q4.)
DMIR	Duluth, Missabe & Iron Range Company (Part of CN's Grand Trunk Corp.)
DWP	Duluth, Winnipeg & Pacific Railway (Part of CN's Grand Trunk Corp.)
EJE	Elgin, Joliet & Eastern Railway (Part of CN's Grand Trunk Corp.)
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 of Canadian Pacific's U.S. operations.)
UP	Union Pacific Railroad
WC	Wisconsin Central and subsidiaries (Part of CN's Grand Trunk Corp.)

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
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	United Transportation 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)

Workpapers Sent to STB for 2013 Q4 RCAF

September 5, 2013

1. Index Calculation Spreadsheet (index_calc.xls, 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. U.S. 2012 Benchmark spreadsheet
6. National Increase Applicability spreadsheet for 2012 Benchmark (Public Version)
7. Wall Street Journal - 13 week Treasury Bill Rate from latest auction (a.k.a. 3-Mo. T-Bill)
8. 2013/Q4 RCAF Lump Sum Amortization summary, public version (1 page)
9. 2012/Q4 RCAF Back Pay Amortization summary, public version (1 page)
10. Contract pages for EJE-Yardmasters and GTW-BRS, and employee H&W cost sharing amount.
11. Health & Welfare worksheet (1 page)
12. Railroad Retirement spreadsheet (5 pages)
13. Unemployment Insurance worksheet
14. 2-page SAS run for Q4 Unemployment Insurance & 2-pages for Q3 (as info only)
15. Spot prices for WTI crude oil through 8/27/2013, from Energy Information Administration
16. Summary of Materials & Supplies (one page)
17. Car Hire Spreadsheet (2 pages) plus source data page for September 2013
18. 4 pages of PPI-RE for Depreciation including graph, input/output, and BLS source data
19. Interest Rate Index calculation using 2012 data from Annual Report Form R-1 summary
20. 4 pages of PPI-LF for Other (and Lease Rentals) incl. graph, input/output, BLS source data
21. Forecast Error calc. and workpapers (10 pages: calc, index, fuel, 3 car hire, 2 deprec, 2 other)

Benchmarking Data

1. 2012 Wage statistics Summary
2. RCAF Weights based on 2012 data (2 pages)
3. Railroad Retirement & Medicare 2012 Payroll Tax Calculation (2 pages)
4. Railroad Retirement & Medicare 2011 Earnings Distribution (2 pages, latest available data from RRB)

RCAF All-Inclusive Index's Labor Index Based on 2012 Benchmarks

	12 Wts.	3Q/13 Original	3Q/13 Rebenched As Info Only	% Chg	4Q/13	% Chg	1Q/14	% Chg	2Q/14	% Chg	3Q/14	% Chg
Straight Time		\$30.866	\$31.499	2.1%	\$31.500	2.1%		--		--		--
PFTNW		\$7.440	\$6.844	-8.0%	\$6.844	-8.0%		--		--		--
Total		\$38.306	\$38.343	0.1%	\$38.344	0.1%	\$0.000	--	\$0.000	--	\$0.000	--
Adjustments												
Lump Sum		\$0.244	\$0.239		\$0.217							
Back Pay		(\$0.044)	(\$0.043)		(\$0.063)							
Other		\$0.213	\$0.208		\$0.208							
Total Wages		\$38.719	\$38.747	0.1%	\$38.706	0.0%	\$0.000	--	\$0.000	--	\$0.000	--
Pre-Tax Reduction		(\$1.187)	(\$1.160)		(\$1.161)							
Taxable Wages		\$37.532	\$37.587		\$37.545		\$0.000		\$0.000		\$0.000	
H & W		\$7.965	\$7.938	-0.3%	\$7.938	-0.3%		--		--		--
RR Ret & Medicare		\$7.952	\$7.619	-4.2%	\$7.613	-4.3%		--		--		--
Unemp. Insurance		\$0.059	\$0.057	-3.4%	\$0.057	-3.4%		--		--		--
Other		\$0.155	\$0.152	-1.9%	\$0.103	-33.5%		--		--		--
Total		\$16.131	\$15.766	-2.3%	\$15.711	-2.6%	\$0.000	--	\$0.000	--	\$0.000	--
Adjustments												
Total Supplements		\$16.131	\$15.766	-2.3%	\$15.711	-2.6%	\$0.000	--	\$0.000	--	\$0.000	--
Total Labor		\$54.850	\$54.513	-0.6%	\$54.417	-0.8%	\$0.000	--	\$0.000	--	\$0.000	--
Wage Rate Index	0.6940	331.4	331.6	0.1%	331.2	-0.1%	0.0	--	0.0	--	0.0	--
Supplements Index	0.3060	596.1	582.6	-2.3%	580.6	-2.6%	0.0	--	0.0	--	0.0	--
Total Labor Index '11 Wts.		414.8										
Total Labor Index '12 Wts.		412.4	408.4	-1.0%	407.5	-1.2%	0.0	--	0.0	--	0.0	--
Labor Index (Linked)		390.4			385.8	-1.2%	0.0	#####	#DIV/0!	--	#DIV/0!	--

All Inclusive Index and RCAF

		3Q/13	3Q/13	% Chg	4Q/13	% Chg	1Q/14	% Chg	2Q/14	% Chg	3Q/14	% Chg
	12 Wts		12 Wts									
Labor	0.312	390.40	390.4	0.0%	385.8	-1.2%	0.0 #####		#DIV/0!	--	#DIV/0!	--
Fuel	0.224	375.60	375.6	0.0%	399.6	6.4%		--		--		--
M&S	0.049	264.20	264.2	0.0%	261.4	-1.1%		--		--		--
Equip. Rents	0.056	208.00	208.0	0.0%	207.7	-0.1%	0.0 #####		#DIV/0!	--	#DIV/0!	--
Depreciation	0.121	218.90	218.9	0.0%	221.0	1.0%		--		--		--
Interest	0.019	92.90	92.9	0.0%	73.5	-20.9%	73.5	0.0%	73.5	0.0%	73.5	0.0%
Other	0.219	221.40	221.4	0.0%	220.0	-0.6%		--		--		--
Weighted Avg.	1.000	306.90	307.3	0.1%	310.6	1.1%	1.4	-99.5%	#DIV/0!	--	#DIV/0!	--
Linked		294.30			297.5	1.1%	1.3	-99.6%	#DIV/0!	--	#DIV/0!	--
	Basing Factor											
10/1/80 basis	102.7	286.60			289.7	1.1%	1.3	-99.6%	#DIV/0!	--	#DIV/0!	--
10/1/82	120.9	243.40			246.1	1.1%	1.1	-99.6%	#DIV/0!	--	#DIV/0!	--
4Q/87	132.2	222.60			225.0	1.1%	1.0	-99.6%	#DIV/0!	--	#DIV/0!	--
4Q/92	156.9	187.60			189.6	1.1%	0.8	-99.6%	#DIV/0!	--	#DIV/0!	--
4Q/97	173.2	169.90			171.8	1.1%	0.8	-99.5%	#DIV/0!	--	#DIV/0!	--
4Q/02	192.1	153.20			154.9	1.1%	0.7	-99.5%	#DIV/0!	--	#DIV/0!	--
4Q/07	245.9	119.70			121.0	1.1%	0.5	-99.6%	#DIV/0!	--	#DIV/0!	--
4Q/12 basis	297.5	98.90			100.0	1.1%	0.4	-99.6%	#DIV/0!	--	#DIV/0!	--
Car Hire	0.482	178.30	178.3	0.0%	179.1	0.4%		--		--		--
Lease Rents	0.518	221.40	221.4	0.0%	220.0	-0.6%	0.0	--	0.0	--	0.0	--
Wghted Avg Eq Rents		200.50	200.6	0.0%	200.3	-0.1%	0.0	--	0.0	--	0.0	--
Linked Equipment Rents		208.00			207.7	-0.1%	0.0 #####		#DIV/0!	--	#DIV/0!	--
Preliminary RCAF		0.989			1.000	1.11%	0.004	-99.6%	#DIV/0!	--	#DIV/0!	--
Forecast Error Adj.		(0.012)			(0.025)							
RCAF Unadjusted		0.977			0.975	-0.20%	0.004	-99.6%	#DIV/0!	--	#DIV/0!	--
PAF		2.3008			2.3059	0.22%	2.3110	0.22%		--		--
RCAF Adjusted		0.425			0.423	-0.47%	0.002	-99.5%	#DIV/0!	--	#DIV/0!	--
PAF-5		2.4377			2.4426	0.20%	2.4480	0.22%		--		--
RCAF-5		0.401			0.399	-0.50%	0.002	-99.5%	#DIV/0!	--	#DIV/0!	--

Hourly Rate for 2013 Q4

Straight Time and Time Paid For But Not Worked

2013Q4 Straight Time Hourly Rate (from national spreadsheet)

\$31.319 ✓

Rebenchmarked to 2012 Wage Statistics

Adjustments to 2012 base:

Adjustments added 2013 Q1

CN Railroads	WC BRS 3% GWI; some unions \$0.09 COLA; WC & EJE UTU 2.97%; non-unions 4.3%	0.005
Misc. Indep ATDA, BLET, UTU, UTU-YMD	BNSF BLET 2.5% GWI; CSX ATDA-East & BLET 3%, UTU-CSRA 2%; UP ATDA (non-union) 4.3%	0.079
Soo Corp.	DME BLET 2.81% GWI; DME UTU 2.87%; some unions 3%; non-unions 4.3%	0.003

Adjustments added 2013 Q2

CN Railroads	No change	0.000
Misc. Indep ATDA, BLET, UTU, UTU-YMD	No change	0.000
Soo Corp.	1 major union new contract with retro GWIs	0.005

Adjustments added 2013 Q3

CN Railroads	3% GWI for most unions; \$0.05 COLA for some other unions	0.010
Misc. Indep ATDA, BLET, UTU, UTU-YMD	2% GWI for NS BLET; 3% GWI for some other unions	0.076
Soo Corp.	3% GWI for most DH unions	0.002

Adjustments added 2013 Q4

CN Railroads	2 new contracts with retro GWIs	0.001 ✓
Misc. Indep ATDA, BLET, UTU, UTU-YMD	No change	0.000 ✓
Soo Corp.	No change	0.000 ✓

Adjusted STHR Total

\$31.500

Pay For Time Not Worked

PFTNW (from national spreadsheet)		\$6.805 ✓
Ratio Adj STHR to Nat STHR	31.500 / 31.319 =	1.00578

Adjusted Pay For Time Not Worked

\$6.844

Notes:

1. CN Railroads includes B&LE, CC&P, DMIR, DW&P, EJE, GTW, IC, and WC. Although DMIR and DW&P were consolidated effective January 1, 2012, some of the employees of those former railroads still have separate labor agreements.
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 4Q/2013

U.S. ST Hours = 312,795,753
 Wage Statistics are for 2012.

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, SOO, UP)	26,136	(\$198.00)	(\$62,099,136.00)
National BMWE (BNSF, CSX, KCS, NS, SOO, UP)	24,199	(\$198.00)	(\$57,496,824.00)
National BRS (BNSF, CSX, KCS, NS, SOO, UP)	7,213	(\$198.00)	(\$17,138,088.00)
National IAM (BNSF, CSX, KCS, NS, SOO, UP)	6,831	(\$198.00)	(\$16,230,456.00)
National IBBM (BNSF, CSX, KCS, NS, SOO, UP)	1,166	(\$198.00)	(\$2,770,416.00)
National IBEW (BNSF, CSX, KCS, NS, SOO, UP)	5,520	(\$198.00)	(\$13,115,520.00)
National NCFO (BNSF, CSX, KCS, NS, SOO, UP)	2,379	(\$198.00)	(\$5,652,504.00)
National SMW (BNSF, CSX, KCS, NS, SOO, UP)	1,010	(\$198.00)	(\$2,399,760.00)
National TCU (BNSF, CSX, KCS, NS, SOO, UP)	5,939	(\$198.00)	(\$14,111,064.00)
National TCU-CAR (BNSF, CSX, KCS, NS, SOO, UP)	9,444	(\$198.00)	(\$22,438,944.00)
National UTU (BNSF, CSX, KCS, NS, SOO, UP)	40,207	(\$198.00)	(\$95,531,832.00)
Yardmasters (BNSF, CSX, KCS, NS, SOO, UP)	1,878	(\$198.00)	(\$4,462,128.00)
National ATDA (wt. avg. BNSF, CSX, KCS, NS, SOO)	1,881	(\$198.00)	(\$4,469,256.00)
Independent CNGT (wt avg all union categories)	6,069	(\$162.65)	(\$11,845,474.20)
Independent SLC (wt avg all DH & DME union categories)	1,387	(\$166.43)	(\$2,770,060.92)
Total Union	141,259		(\$332,531,463.12)
All Other @ \$2,540,103.13 total per month			(\$30,481,237.56)
Total			(\$363,012,700.68)

Reduction in Wage Rate Per ST Hour	-\$1.16054229
Deduct this amount from the Wage Rate	-\$1.161

National Contracts U.S.

Straight Time Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Check Sum
Weight	0.23472	0.03638	0.17236	0.0059	0.04558	0.14670	0.05816	0.0141	0.04072	0.00689	0.03297	0.01484	0.00929	0.18138	1.00000
2012 Avg.	25.369	25.897	29.146	26.460	28.052	24.543	26.553	22.006	27.038	24.250	27.180	36.220	42.690	45.559	410.963
12/31/12	25.689	26.437	29.408	27.017	28.631	25.031	27.110	22.468	27.604	24.759	27.749	36.590	43.300	45.559	417.351
1/1/13	25.689	26.437	29.408	27.017	28.631	25.031	27.110	22.468	27.604	24.759	27.749	36.590	43.300	47.518	
4/1/13	25.689	26.437	29.408	27.017	28.631	25.031	27.110	22.468	27.604	24.759	27.749	36.590	43.300	47.518	
7/1/13	26.308	27.154	29.445	27.815	29.447	25.731	27.879	23.122	28.403	25.476	28.552	36.930	44.418	47.518	
10/1/13	26.308	27.154	29.445	27.815	29.447	25.731	27.879	23.122	28.403	25.476	28.552	36.930	44.418	47.518	
1/1/14	26.308	27.154	29.445	27.815	29.447	25.731	27.879	23.122	28.403	25.476	28.552	36.930	44.418	47.518	
4/1/14	26.308	27.154	29.445	27.815	29.447	25.731	27.879	23.122	28.403	25.476	28.552	36.930	44.418	47.518	
7/1/14	26.308	27.154	29.445	27.815	29.447	25.731	27.879	23.122	28.403	25.476	28.552	36.930	44.418	47.518	

Weighted Straight Time Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2012 Avg.	5.955	0.942	5.024	0.156	1.279	3.601	1.544	0.310	1.101	0.167	0.896	0.537	0.396	8.263	30.172
12/31/12	6.030	0.962	5.069	0.159	1.305	3.672	1.577	0.317	1.124	0.171	0.915	0.543	0.402	8.263	30.508
1/1/13	6.030	0.962	5.069	0.159	1.305	3.672	1.577	0.317	1.124	0.171	0.915	0.543	0.402	8.619	30.864
4/1/13	6.030	0.962	5.069	0.159	1.305	3.672	1.577	0.317	1.124	0.171	0.915	0.543	0.402	8.619	30.864
7/1/13	6.175	0.988	5.075	0.164	1.342	3.775	1.622	0.326	1.157	0.176	0.941	0.548	0.412	8.619	31.319
10/1/13	6.175	0.988	5.075	0.164	1.342	3.775	1.622	0.326	1.157	0.176	0.941	0.548	0.412	8.619	31.319
1/1/14	6.175	0.988	5.075	0.164	1.342	3.775	1.622	0.326	1.157	0.176	0.941	0.548	0.412	8.619	31.319
4/1/14	6.175	0.988	5.075	0.164	1.342	3.775	1.622	0.326	1.157	0.176	0.941	0.548	0.412	8.619	31.319
7/1/14	6.175	0.988	5.075	0.164	1.342	3.775	1.622	0.326	1.157	0.176	0.941	0.548	0.412	8.619	31.319

Note: The 2012 Average and 12/31/12 Straight Time Hourly Rates are the industry rates, and include all Class I railroad employees. The rates for 1/1/13 through 7/1/14 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 2012 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	0.23472	0.03638	0.17236	0.0059	0.04558	0.14670	0.05816	0.0141	0.04072	0.00689	0.03297	0.01484	0.00929	0.18138	1.00000
2012 Avg.	10.487	4.473	10.825	3.943	6.503	4.735	4.019	3.031	4.508	3.311	4.806	6.938	9.733	1.374	78.687
12/31/12	10.619	4.567	10.922	4.026	6.637	4.829	4.103	3.095	4.603	3.381	4.907	7.009	9.872	1.374	
1/1/13	10.619	4.567	10.922	4.026	6.637	4.829	4.103	3.095	4.603	3.381	4.907	7.009	9.872	1.433	
4/1/13	10.619	4.567	10.922	4.026	6.637	4.829	4.103	3.095	4.603	3.381	4.907	7.009	9.872	1.433	
7/1/13	10.875	4.691	10.936	4.145	6.826	4.964	4.220	3.185	4.736	3.479	5.049	7.074	10.127	1.433	
10/1/13	10.875	4.691	10.936	4.145	6.826	4.964	4.220	3.185	4.736	3.479	5.049	7.074	10.127	1.433	
1/1/14	10.875	4.691	10.936	4.145	6.826	4.964	4.220	3.185	4.736	3.479	5.049	7.074	10.127	1.433	
4/1/14	10.875	4.691	10.936	4.145	6.826	4.964	4.220	3.185	4.736	3.479	5.049	7.074	10.127	1.433	
7/1/14	10.875	4.691	10.936	4.145	6.826	4.964	4.220	3.185	4.736	3.479	5.049	7.074	10.127	1.433	

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2012 Avg.	2.462	0.163	1.866	0.023	0.296	0.695	0.234	0.043	0.184	0.023	0.158	0.103	0.090	0.249	6.588
12/31/12	2.493	0.166	1.883	0.024	0.303	0.708	0.239	0.044	0.187	0.023	0.162	0.104	0.092	0.249	6.676
1/1/13	2.493	0.166	1.883	0.024	0.303	0.708	0.239	0.044	0.187	0.023	0.162	0.104	0.092	0.260	6.686
4/1/13	2.493	0.166	1.883	0.024	0.303	0.708	0.239	0.044	0.187	0.023	0.162	0.104	0.092	0.260	6.686
7/1/13	2.553	0.171	1.885	0.024	0.311	0.728	0.245	0.045	0.193	0.024	0.166	0.105	0.094	0.260	6.805
10/1/13	2.553	0.171	1.885	0.024	0.311	0.728	0.245	0.045	0.193	0.024	0.166	0.105	0.094	0.260	6.805
1/1/14	2.553	0.171	1.885	0.024	0.311	0.728	0.245	0.045	0.193	0.024	0.166	0.105	0.094	0.260	6.805
4/1/14	2.553	0.171	1.885	0.024	0.311	0.728	0.245	0.045	0.193	0.024	0.166	0.105	0.094	0.260	6.805
7/1/14	2.553	0.171	1.885	0.024	0.311	0.728	0.245	0.045	0.193	0.024	0.166	0.105	0.094	0.260	6.805

U.S. National Contract

UTU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2012 Industry Avg.				25.36938 ✓	10.48708 ✓
12/31/12 Industry Rate				25.68872 ✓	10.61908
1/1/13			80.316%	25.68872	10.61908
4/1/13			80.316%	25.68872	10.61908
7/1/13	3.00% ✓		80.316%	26.30769	10.87495
10/1/13			80.316%	26.30769	10.87495
1/1/14			80.316%	26.30769	10.87495
4/1/14			80.316%	26.30769	10.87495
7/1/14			80.316%	26.30769	10.87495

TCU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2012 Industry Avg.				25.89660 ✓	4.47341
12/31/12 Industry Rate				26.43724 ✓	4.56680
1/1/13			90.331%	26.43724	4.56680
4/1/13			90.331%	26.43724	4.56680
7/1/13	3.00%		90.331%	27.15367	4.69056
10/1/13			90.331%	27.15367	4.69056
1/1/14			90.331%	27.15367	4.69056
4/1/14			90.331%	27.15367	4.69056
7/1/14			90.331%	27.15367	4.69056

BLET

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2012 Industry Avg.				29.14585 ✓	10.82496 ✓
12/31/12 Industry Rate				29.40780 ✓	10.92225
1/1/13			4.173%	29.40780	10.92225
4/1/13			4.173%	29.40780	10.92225
7/1/13	3.00% ✓		4.173%	29.44462	10.93593
10/1/13			4.173%	29.44462	10.93593
1/1/14			4.173%	29.44462	10.93593
4/1/14			4.173%	29.44462	10.93593
7/1/14			4.173%	29.44462	10.93593

SMWIA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2012 Industry Avg.				26.46037	3.94323
12/31/12 Industry Rate				27.01729	4.02623
1/1/13			98.381%	27.01729	4.02623
4/1/13			98.381%	27.01729	4.02623
7/1/13	3.00%		98.381%	27.81469	4.14506
10/1/13			98.381%	27.81469	4.14506
1/1/14			98.381%	27.81469	4.14506
4/1/14			98.381%	27.81469	4.14506
7/1/14			98.381%	27.81469	4.14506

BRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2012 Industry Avg.				28.05236	6.50298
12/31/12 Industry Rate				28.63062	6.63703
1/1/13			95.070%	28.63062	6.63703
4/1/13			95.070%	28.63062	6.63703
7/1/13	3.00%		95.070%	29.44720	6.82633
10/1/13			95.070%	29.44720	6.82633
1/1/14			95.070%	29.44720	6.82633
4/1/14			95.070%	29.44720	6.82633
7/1/14			95.070%	29.44720	6.82633

BMWE

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2012 Industry Avg.				24.54267	4.73507
12/31/12 Industry Rate				25.03071	4.82923
1/1/13			93.229%	25.03071	4.82923
4/1/13			93.229%	25.03071	4.82923
7/1/13	3.00%		93.229%	25.73079	4.96429
10/1/13			93.229%	25.73079	4.96429
1/1/14			93.229%	25.73079	4.96429
4/1/14			93.229%	25.73079	4.96429
7/1/14			93.229%	25.73079	4.96429

TCU-Carmen

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2012 Industry Avg.				26.55256	4.01887
12/31/12 Industry Rate				27.10956	4.10317
1/1/13			94.656%	27.10956	4.10317
4/1/13			94.656%	27.10956	4.10317
7/1/13	3.00%		94.656%	27.87939	4.21969
10/1/13			94.656%	27.87939	4.21969
1/1/14			94.656%	27.87939	4.21969
4/1/14			94.656%	27.87939	4.21969
7/1/14			94.656%	27.87939	4.21969

NCFO

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2012 Industry Avg.				22.00623	3.03093
12/31/12 Industry Rate				22.46779	3.09450
1/1/13			97.102%	22.46779	3.09450
4/1/13			97.102%	22.46779	3.09450
7/1/13	3.00%		97.102%	23.12229	3.18465
10/1/13			97.102%	23.12229	3.18465
1/1/14			97.102%	23.12229	3.18465
4/1/14			97.102%	23.12229	3.18465
7/1/14			97.102%	23.12229	3.18465

IAM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2012 Industry Avg.				27.03849	4.50822
12/31/12 Industry Rate				27.60432	4.60257
1/1/13			96.451%	27.60432	4.60257
4/1/13			96.451%	27.60432	4.60257
7/1/13	3.00%		96.451%	28.40306	4.73574
10/1/13			96.451%	28.40306	4.73574
1/1/14			96.451%	28.40306	4.73574
4/1/14			96.451%	28.40306	4.73574
7/1/14			96.451%	28.40306	4.73574

U.S. National Contract

IBBM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2012 Industry Avg.				24.24951	3.31150
12/31/12 Industry Rate				24.75925	3.38111
1/1/13			96.438%	24.75925	3.38111
4/1/13			96.438%	24.75925	3.38111
7/1/13	3.00%		96.438%	25.47558	3.47893
10/1/13			96.438%	25.47558	3.47893
1/1/14			96.438%	25.47558	3.47893
4/1/14			96.438%	25.47558	3.47893
7/1/14			96.438%	25.47558	3.47893

IBEW

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2012 Industry Avg.				27.17995	4.80630
12/31/12 Industry Rate				27.74915	4.90695
1/1/13			96.429%	27.74915	4.90695
4/1/13			96.429%	27.74915	4.90695
7/1/13	3.00%		96.429%	28.55189	5.04890
10/1/13			96.429%	28.55189	5.04890
1/1/14			96.429%	28.55189	5.04890
4/1/14			96.429%	28.55189	5.04890
7/1/14			96.429%	28.55189	5.04890

ATDA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2012 Industry Avg.				36.21964	6.93784
12/31/12 Industry Rate				36.59012	7.00880
1/1/13			30.955%	36.59012	7.00880
4/1/13			30.955%	36.59012	7.00880
7/1/13	3.00% ✓		30.955%	36.92991	7.07389
10/1/13			30.955%	36.92991	7.07389
1/1/14			30.955%	36.92991	7.07389
4/1/14			30.955%	36.92991	7.07389
7/1/14			30.955%	36.92991	7.07389

YDMSTRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2012 Industry Avg.				42.69019	9.73260
12/31/12 Industry Rate				43.29963	9.87154
1/1/13			86.102%	43.29963	9.87154
4/1/13			86.102%	43.29963	9.87154
7/1/13	3.00%		86.102%	44.41809	10.12653
10/1/13			86.102%	44.41809	10.12653
1/1/14			86.102%	44.41809	10.12653
4/1/14			86.102%	44.41809	10.12653
7/1/14			86.102%	44.41809	10.12653

OTHER

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2012 Industry Avg.				45.55873	1.37422
12/31/12 Industry Rate				45.55873	1.37422
1/1/13	4.30%		100.000%	47.51776	1.43331
4/1/13			100.000%	47.51776	1.43331
7/1/13			100.000%	47.51776	1.43331
10/1/13			100.000%	47.51776	1.43331
1/1/14			100.000%	47.51776	1.43331
4/1/14			100.000%	47.51776	1.43331
7/1/14			100.000%	47.51776	1.43331

Check Sums

	Increase	Applicable	ST HR	PFTNW HR
2011 AVG			410.96254 ✓	78.68719 ✓
12/31/11			417.35094 ✓	
		1159.634% ✓		
		ok matches	ok matches	ok matches
			ok matches	

Should match check sum on National Increase Applicability for U.S. Total page.

All three should match check sums on U.S. Benchmark page.

U.S. 2012 Benchmark

	From AAR 112-Class Wage Statistics & Survey				ST \$ Adjusted	2012 Average		12/31/2012	ST Hrs.
	ST Hrs.	ST \$	PFTNW \$	Union L. Sum	to Exclude	Hourly Rates	PFTNW		
					Lump Sums	ST wo LS		ST HR	2012
									Weights
UTU	73,420,877	\$1,898,577,077	\$769,970,315	\$35,934,899	\$1,862,642,178	\$25.369	\$10.487	\$25.68872 ✓	0.23472 ✓
TCU	11,379,967	302,745,672	50,907,221	8,043,231	294,702,441	25.897	4.473	\$26.43724 ✓	0.03638 ✓
BLET	53,913,317	1,694,668,426	583,609,746	123,318,804	1,571,349,622	29.146	10.825	\$29.40780 ✓	0.17236 ✓
SMWIA	1,845,558	49,360,851	7,277,461	526,708	48,834,143	26.460	3.943	\$27.01729 ✓	0.00590 ✓
BRS	14,257,636	403,267,144	92,717,134	3,306,736	399,960,408	28.052	6.503	\$28.63062 ✓	0.04558 ✓
BMWE	45,888,371	1,141,561,980	217,284,477	15,339,042	1,126,222,938	24.543	4.735	\$25.03071 ✓	0.14670 ✓
TCU-CAR	18,193,331	488,319,297	73,116,600	5,239,860	483,079,437	26.553	4.019	\$27.10956 ✓	0.05816 ✓
NCFO	4,410,432	98,003,806	13,367,720	946,811	97,056,995	22.006	3.031	\$22.46779 ✓	0.01410 ✓
IAM	12,736,362	348,477,596	57,418,360	4,105,548	344,372,048	27.038	4.508	\$27.60432 ✓	0.04072 ✓
IBBM	2,156,515	52,697,745	7,141,293	403,311	52,294,434	24.250	3.311	\$24.75925 ✓	0.00689 ✓
IBEW	10,313,187	283,369,606	49,568,229	3,057,704	280,311,902	27.180	4.806	\$27.74915 ✓	0.03297 ✓
ATDA	4,640,880	175,823,198	32,197,662	7,732,191	168,091,007	36.220	6.938	\$36.59012 ✓	0.01484 ✓
UTU-YMD	2,904,824	125,701,546	28,271,496	1,694,057	124,007,489	42.690	9.733	\$43.29963 ✓	0.00929 ✓
OTHER	56,734,496	2,584,751,739	77,965,445	0	2,584,751,739	45.559	1.374	\$45.55873 ✓	0.18138 ✓
AAR 112 Total	312,795,753	9,647,325,683	2,060,813,159	209,648,902	9,437,676,781	30.172	6.588	30.508 ✓	1.00000
Sum (for proofing)	✓	✓	✓	✓	✓	410.96254	78.68719	417.35094 ✓	

Year-End Figures are calculated, based on 2012 WS-112 and union contracts, in YearEnd2012.xlsx exhibited in document titled "Year-End 2012 ST Hourly Rates for U.S." The ST Hours Weights and the Hourly Rates are full float.

National Increase Applicability for U.S. Total

Union	Year 2012	Not Part of National Agreements*																U.S.	Percent
	U.S. Total	ST Hours Pd	CSX	BLE	DMIR	GTW	IC	CCP	DWP	EJE	WC	NS	BNSF	KCS	SOO	DH	DME	UP	ST Hours Pd
UTU	73,420,877	X	X	--	X	X	X	--	X	X	--	--	--	--	X	X	--	58,968,953	80.316%
TCU	11,379,967	--	X	--	X	X	X	--	X	X	--	--	--	--	X	X	--	10,279,668	90.331%
BLET	53,913,317	X	X	--	X	X	X	--	X	X	X	X	--	--	X	X	X	2,249,779	4.173%
SMW	1,845,558	--	X	--	X	X	X	--	X	X	--	--	--	--	X	X	--	1,815,675	98.381%
BRS	14,257,636	--	X	--	X	X	X	--	X	X	--	--	--	--	X	X	--	13,554,769	95.070%
BMWE	45,888,371	--	X	--	X	X	X	--	X	X	--	--	--	--	X	X	--	42,781,190	93.229%
TCU-CAR	18,193,331	--	X	--	X	X	X	--	X	X	--	--	--	--	X	X	--	17,221,160	94.656%
IBFO	4,410,432	--	X	--	X	X	X	--	X	X	--	--	--	--	X	X	--	4,282,633	97.102%
IAM	12,736,362	--	X	--	X	X	X	--	X	X	--	--	--	--	X	X	--	12,284,409	96.451%
IBBM	2,156,515	--	X	--	X	X	X	--	X	X	--	--	--	--	X	X	--	2,079,705	96.438%
IBEW	10,313,187	--	X	--	X	X	X	--	X	X	--	--	--	--	X	X	--	9,944,853	96.429%
ATDA	4,640,880	X	X	--	X	X	X	--	X	X	X	--	--	--	X	X	X	1,436,580	30.955%
UTU-YMD	2,904,824	--	X	--	X	X	X	--	X	X	--	--	--	--	X	X	X	2,501,110	86.102%
OTHER	56,734,496	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	56,734,496	100.000%
TOTAL	312,795,753																	236,134,980	
Sum (for proofing)																			1159.634%

* In some cases, a railroad union is part of the national agreement but is being benchmarked as independent in anticipation of future independent agreements or because of a variation in their interpretation of the agreement.

Statistics based on AAR's 2012 112-Class Wage Statistics and knowledge of contracts as of June 2013.

Percentages are full float.

Though ATDA (dispatchers) has a national agreement, CSX dispatchers are benchmarked as independent because only its ATDA-South is participating in the national agreement. NS is participating for H&W only. UP is non-union.

UP dispatchers are non-union, and given same increases as non-union, but handled independently.

SOO is fully participating in all national agreements, while DH & DME are benchmarked in Soo Line Corp.

RCAF Lump Sum Amortization
2013/Q4

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours	
CNGT - 18 unions ^o	2012Q4	2013Q1				312,795,753	2012
CSX - ATDA-East	2012Q1	2013Q1				312,795,753	2012
CSX - BLET	2013Q1	2013Q2				312,795,753	2012
CSX - UTU-CSRA	2010Q2	2013Q2				312,795,753	2012
NS - BLET & ATDA	2012Q1	2013Q2				312,795,753	2012
CNGT - 6 unions ⁴	various	2013Q2				312,795,753	2012
DH - IBEW	2012Q2	2013Q3				312,795,753	2012
GTW - BRS	2013Q3	2013Q4				312,795,753	2012
Total			\$67,953,326	0.21725			

Should be slightly less than amortized amount.

Fell out

UP - BLET&Yardmaster	2012Q3	2012Q4				305,798,449	2011
CNGT - 8 unions ¹	2012Q4	2012Q4				305,798,449	2011
DH - 7 unions ²	2012Q4	2012Q4				305,798,449	2011

Interest Rate

2011/Q1	0.175
2011/Q2	0.145
2011/Q3	0.060
2011/Q4	0.015
2012/Q1	0.030
2012/Q2	0.115
2012/Q3	0.085
2012/Q4	0.105
2013/Q1	0.100
2013/Q2	0.125
2013/Q3	0.045
2013/Q4	0.040

Lump Sum Adjustment for 2013/Q4 → 0.217324
or
0.217

¹ CNGT IAM; BLE NCFO; GTW BLET & NCFO; IC IBBM & NCFO & SMW; WC BRS

² DH BLET, BMW, BRS, IAM, NCFO, TCU, TCU-CAR

³ BLE IBEW, TCU-CAR; CCP TCU-CAR; DMIR IBEW, TCU-CAR; DWP IBEW; GTW IBEW, TCU; IC/CCP BRS, IBEW, TCU; IC TCU-CAR; and WC IBEW, TCU, TCU-CAR

⁴ BLE UTU&BLET; GTW TCU-CAR; WC-GTW-IC ATDA

RCAF Back Pay Amortization
2013/Q4

	Quarter of Payment	Quarter Amortization Began	Annual Amount	Annual Per ST Hour	1 Quarter Per ST Hr.	U.S. ST Hours	
CNGT - 18 unions ³	2012Q4	2013Q1				312,795,753	2012
CSX - UTU-CSRA	2010Q2	2013Q2				312,795,753	2012
CNGT - 3 unions ⁴	various	2013Q2				312,795,753	2012
DME - BMW	2013Q1	2013Q2				312,795,753	2012
DME - all unions	2013Q3	2013Q3				312,795,753	2012
CNGT - 4 unions ⁵	various	2013Q3				312,795,753	2012
SLC - 4 unions ⁶	various	2013Q3				312,795,753	2012
EJE - UTU-YMD	2012Q4	2013Q4				312,795,753	2012
GTW - BRS	2013Q3	2013Q4				312,795,753	2012
Total						(\$19,666,870)	-0.06287448
							Should be slightly less than amortized amount.
Fell out							
CNGT - 18 unions ¹	2012Q3	2012Q4				305,798,449	2011
DH - 7 unions ²	2012Q3	2012Q4				305,798,449	2011
UP - Yardmasters	2012Q4	2012Q4				305,798,449	2011

Interest Rate

2011/Q1	0.175
2011/Q2	0.145
2011/Q3	0.060
2011/Q4	0.015
2012/Q1	0.030
2012/Q2	0.115
2012/Q3	0.085
2012/Q4	0.105
2013/Q1	0.100
2013/Q2	0.125
2013/Q3	0.045
2013/Q4	0.040

Back Pay Adjustment for 2013/Q4	→ -0.06290 or -0.063
--	----------------------------

¹ CNGT IAM (6 unions); BLE NCFO; DMIR BLET, UTU; DWP BLET, UTU; GTW BLET, NCFO; IC IBBM, NCFO, SMW; WC BRS, UTU

² DH BLET, BMW, BRS, IAM, NCFO, TCU, TCU-CAR

³ BLE IBEW, TCU-CAR; CCP TCU-CAR; DMIR IBEW, TCU-CAR; DWP IBEW; GTW IBEW, TCU; IC/CCP BRS, IBEW, TCU; IC TCU-CAR; and WC IBEW, TCU, TCU-CAR

⁴ BLE UTU&BLET; GTW TCU-CAR

⁵ EJE UTU; GTW ATDA; IC ATDA; WC BRS

⁶ DH IBEW; DME IBEW, NCFO, TCU-CAR

such positions will have preference over extra men for available extra work covered by this Agreement to the extent of one day per workweek.

ARTICLE 7 – RATES OF PAY & TRAINING

A. Yardmasters will be paid the rates as specified below:

- 1) Effective October 1, 2012, the hourly rate of pay is \$34.70.
- 2) On July 1, 2013, a wage increase of 3% on the rate of pay in effect on June 30, 2013 shall apply.
- 3) On July 1, 2014, a wage increase of 3.5% on the rate of pay in effect on June 30, 2014 shall apply.
- 4) On July 1, 2015, a wage increase of 3% on the rate of pay in effect on June 30, 2015 shall apply.

B. A Yardmaster may be held off his regular position at the discretion of the Company in order to attend training, either classroom or on-the-job. Yardmasters shall be compensated as provided for in this Agreement.

C. Employees selected for Yardmaster training who hold seniority in another craft will be compensated for each day of training at the basic daily rate of the last position held prior to beginning the training period, however, at no time will the training rate exceed ninety (90) percent of the Yardmaster basic daily rate of pay.

D. Unless otherwise mutually agreed between the Parties, training will be limited to forty (40) hours per week and will consist of classroom and/or on-the-job training.

E. At the successful completion of the training as determined by the Company, the Yardmaster will be compensated at the rate of 90% of the Yardmaster rate until completion of the one-year period. The "one year period" as used in this Article means a twelve consecutive month period starting with the date such employee commences Yardmaster training.

F. At the expiration of the one-year period, such Yardmasters will be paid the ten (10) percent differential in the Yardmaster rate for all service performed between the commencement of the ninety (90) shifts probationary period and the one-year period.

G. Yardmasters who are assigned by the Company to train and teach another Yardmaster (on the job) will be allowed an additional straight time hour of pay for their position for each shift so assigned.

H. A Yardmaster required to be away from his headquarters point for training will be provided lodging at a Corporate Lodging Facility and reimbursement for any meals (consistent with Company Policy) for each day of training. Yardmasters will be allowed the prevailing IRS automobile mileage rate from their regular reporting point to the point of training and return.

ARTICLE 8 – STARTING TIME AND CALL

AGREEMENT BETWEEN

GRAND TRUNK WESTERN RAILROAD CO.

AND

BROTHERHOOD OF RAILROAD SIGNALMEN

IT IS AGREED:

ARTICLE I – RATES OF PAY

- A. Effective July 1, 2010, all rates of pay in effect on June 30, 2010 are increased by two percent (2%).
- B. Effective July 1, 2011, all rates of pay in effect on June 30, 2011 are increased by two and one-half percent (2.5%).
- C. Effective July 1, 2012, all rates of pay in effect on June 30, 2012 are increased by four (4) and three tenths percent (4.3%).
- D. Effective July 1 2013, all rates of pay in effect on June 30, 2013 are increased by three percent (3%).
- E. Effective July 1, 2014, all rates of pay in effect on June 30, 2014 are increased by three and eight tenths percent (3.8%).
- F. Effective January 1, 2015, all rates of pay in effect on December 31, 2014 are increased by three percent (3%).
- G. Rates of pay resulting from the application of A through F, which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

ARTICLE II – LUMP SUM PAYMENT

- A. A lump sum payment shall be made to each employee subject to this Agreement who has an employment relationship with the Carrier as of the date such lump sum is paid or who has retired or died subsequent to October 31, 2010. Such lump sum shall be paid no later than ninety (90) days after the date of this Agreement. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.
- B. The lump sum amount payable to an eligible employee shall be a lump sum equivalent to 1% of straight time earnings paid to that employee for the twelve month period November 1, 2010 through October 31, 2011, after application of the July 1, 2010 and July 1, 2011 General Wage Increases provided for in Article 1.

ARTICLE III - HEALTH & WELFARE

All employees subject to this Agreement and their dependents will continue to be covered by The Railroad Employees National Health and Welfare Plan (subject to life insurance and ADD as provided in the National H&W, including subsequent amendments), The Railroad Employees National Early Retirement Major Medical Benefit Plan, The Railroad Employees National Dental Plan, The Railroad Employees National Vision Plan, and the Supplemental Sickness Benefit Plan covering Railroad Shop Craft and Signal Employees, and the National Off -Track Vehicle Plan, including cost-sharing provisions and including all subsequent amendments, in effect between the National Carriers' Conference Committee and the Brotherhood of Railroad Signalmen.

The cost-sharing contributions will be effective July 1, 2012.

ARTICLE IV – PER DIEM ALLOWANCES

When employees subject to this Agreement are entitled to per diem allowances as provided for in Rules 13, 14, 15, 17 and 56, the allowance shall be \$35.00 per day for meals.

ARTICLE V – SAFETY SHOES

Employees covered by this Agreement will be reimbursed up to \$125.00 of the purchase price of one (1) pair of approved safety shoes in each calendar year, upon submission of the purchase receipt.

ARTICLE VI – COMMERCIAL DRIVERS LICENSE

An individual assigned to drive the company truck from the lodging facility to and from the reporting site will receive thirty (30) minutes straight time differential payment at the basic rate of the position.

ARTICLE VII – CONTINUOUS TIME WORKED

Rule 10 (a) is amended as follows:

Time worked before or after and continuous with a regularly assigned eight-hour or ten-hour period shall be computed on actual minute basis and paid for at time and one-half rate with double time computed on actual minute basis after sixteen continuous hours of work in any twenty-four hour period computed from starting time of the employee's regular shift.

ARTICLE VIII – REDUCTION IN FORCE

Rule 27 (d) is amended as follows:

Employees whose positions are abolished or who have been displaced shall be permitted to exercise their seniority to any vacant position in the same Class pending bulletin with the understanding that such displacement constitutes a bid for the position. If the employee is not the senior bidder, such employee will again be afforded displacement rights. Employees who exercise seniority to a position pending bulletin may be displaced by a senior employee.

NATIONAL RAILWAY LABOR CONFERENCE

ECONOMIC RESEARCH DEPARTMENT

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H. GLEN WILLIAMS JR.
Director Economic Research
(202) 862-7232
gwilliams@rrnrlc.org

May 8, 2012

Health and Welfare Contributions Under 2010-Round National Agreements

Circular No. 504-101-30	(H&W)
Circular No. 858-3	(ATDA)
Circular No. 859-4	(BLET)
Circular No. 860-4	(BMWE)
Circular No. 861-3	(BRS)
Circular No. 863-3	(IBB)
Circular No. 864-3	(IBEW)
Circular No. 865-3	(NCFO)
Circular No. 866-3	(SMW)
Circular No. 867-3	(TCU)
Circular No. 868-3	(BRC)
Circular No. 869-4	(UTU, including YARDMASTERS)
Circular No. 843-10-14	(UTU H&W)

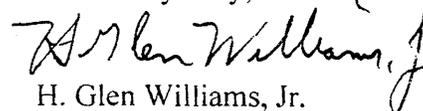
TO MEMBER ROADS:

This refers to previous NRLC Circulars which transmitted copies of the 2010-round national agreements involving the above-listed organizations.

Qualifying employees in each of those organizations are currently making a monthly health and welfare cost-share contribution of \$200.00. That amount is applicable through June 30, 2012.

Effective **July 1, 2012**, the employee monthly cost-share amount will be **\$198.00**. This amount will apply July 1, 2012 through June 30, 2016.

Yours very truly,


H. Glen Williams, Jr.

Health and Welfare

	Employees Receiving				Total 2012 Avg.	Total 2013
	Pay 2012	Monthly Contribution				
		2012 Avg.	2013			
1. All Employees						
a. Group health	168,738	\$1,349.77	\$1,350.36	\$227,757,490.26	\$227,857,045.68	
b. Group dental	168,738	55.90	55.90	9,432,454.20	9,432,454.20	
c. Early retirement major medical	168,738	154.49	139.04	26,068,333.62	23,461,331.52	
d. Group vision	168,738	10.71	8.37	1,807,183.98	1,412,337.06	
2. Supplemental Sickness						
a. Signalmen	7,595	25.62	30.74	194,583.90	233,470.30	
b. Shopcrafts	25,012	48.28	48.28	1,207,579.36	1,207,579.36	
c. MOW	25,936	36.52	32.87	947,182.72	852,516.32	
d. Yardmasters	2,021	34.95	34.95	70,633.95	70,633.95	
3. Short-Term Disability						
a. Engineers (CSX, KCS, SOO, UP)	13,895	40.00	40.00	555,800.00	555,800.00	
4. Monthly Total Premiums				268,041,241.99	265,083,168.39	
5. Monthly Employee Contributions To H&W						
a. National BLET (BNSF, CSX, KCS, NS, SOO, UP)	26,136	(\$199.00)	(\$198.00)	(\$5,201,064.00)	(\$5,174,928.00)	
b. National BMW (BNSF, CSX, KCS, NS, SOO, UP)	24,199	(\$199.00)	(\$198.00)	(\$4,815,601.00)	(4,791,402.00)	
c. National BRS (BNSF, CSX, KCS, NS, SOO, UP)	7,213	(\$199.00)	(\$198.00)	(\$1,435,387.00)	(1,428,174.00)	
d. National IAM (BNSF, CSX, KCS, NS, SOO, UP)	6,831	(\$199.00)	(\$198.00)	(\$1,359,369.00)	(1,352,538.00)	
e. National IBBM (BNSF, CSX, KCS, NS, SOO, UP)	1,166	(\$199.00)	(\$198.00)	(\$232,034.00)	(230,868.00)	
f. National IBEW (BNSF, CSX, KCS, NS, SOO, UP)	5,520	(\$199.00)	(\$198.00)	(\$1,098,480.00)	(1,092,960.00)	
g. National NCFO (BNSF, CSX, KCS, NS, SOO, UP)	2,379	(\$199.00)	(\$198.00)	(\$473,421.00)	(471,042.00)	
h. National SMW (BNSF, CSX, KCS, NS, SOO, UP)	1,010	(\$199.00)	(\$198.00)	(\$200,990.00)	(199,980.00)	
i. National TCU (BNSF, CSX, KCS, NS, SOO, UP)	5,939	(\$199.00)	(\$198.00)	(\$1,181,861.00)	(1,175,922.00)	
j. National TCU-CAR (BNSF, CSX, KCS, NS, SOO, UP)	9,444	(\$199.00)	(\$198.00)	(\$1,879,356.00)	(1,869,912.00)	
k. National UTU (BNSF, CSX, KCS, NS, SOO, UP)	40,207	(\$199.00)	(\$198.00)	(\$8,001,193.00)	(7,960,986.00)	
l. Yardmasters (BNSF, CSX, KCS, NS, SOO, UP)	1,878	(\$199.00)	(\$198.00)	(\$373,722.00)	(371,844.00)	
m. National ATDA (wt. avg. BNSF, CSX, KCS, NS, SOO)	1,881	(\$199.00)	(\$198.00)	(\$374,319.00)	(372,438.00)	
n. Independent CNGT (wt avg all union categories)	6,069	(\$141.03)	(\$162.65)	(\$855,911.07)	(987,122.85)	
o. Independent SLC (wt avg all DH & DME union categories)	1,387	(\$170.74)	(\$166.43)	(\$236,816.38)	(230,838.41)	
p.						
Total Major Union	141,259			(\$27,719,524.45)	(\$27,710,955.26)	
All Other Employee Contributions*				(\$2,540,103.13)	(\$2,540,103.13)	
6. Net Employer Monthly Payments				\$237,781,614.41	\$234,832,110.00	
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments					0.98760	
8. H&W hourly rate for base year 2011				\$8.038		
9. H&W hourly rate for projected quarter					\$7.938	

* Non-union employee contributions net of opt-outs. The \$27,719,524.45 in major union contributions, plus \$2,540,103.13 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	2011	Tier I Maximum Taxable Earnings for 2013	113,700
Wage Statistics Year	2012	Tier II Maximum Taxable Earnings for 2013	84,300
Current Year	2013	Medicare Maximum Taxable Earnings for 2013	no limit
Employees Receiving Pay*	168,738	Tier I Employer Tax Rate for 2013	6.20%
		Tier II Employer Tax Rate for 2013	12.60%
		Medicare Employer Tax Rate for 2013	1.45%

* from 2012 wage statistics

USA RCAF	Wage Rate	Update Factor	Railroad Retirement Tax	Hourly Rate
2011	\$34.752			
2012	\$36.269	1.04365	\$597,921,143	\$7.191 <small>hourly rate from SUPPL2012.xlsx</small>
1Q/2013	\$37.814	1.08811	\$636,135,440	\$7.651 <small>Rate = Taxable Rate</small>
2Q/2013	\$37.209	1.07070	\$629,119,951	\$7.566
3Q/2013	\$37.587	1.08158	\$633,504,708	\$7.619
4Q/2013	\$37.545	1.08037	\$633,016,833	\$7.613

Railroad Retirement & Medicare, U.S.

From 2011 Earnings Distribution			1Q/2013 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 Qlty Earnings	Tier I	Tier II	Medicare	Total Taxable Earnings (Taxable x Employees)			
						Taxable	Taxable	Taxable	Tier I	Tier II	Medicare	
\$0 - 41,699	\$33,375	3.646 %	6,152	\$36,316	\$9,079	\$9,079	\$9,079	\$9,079	\$55,855,206	\$55,855,206	\$55,855,206	
41,700 - 43,699	\$42,514	0.999	1,686	46,260	11,565	11,565	11,565	11,565	19,494,997	19,494,997	19,494,997	
43,700 - 45,699	\$44,810	1.399	2,361	48,758	12,190	12,190	12,190	12,190	28,775,202	28,775,202	28,775,202	
45,700 - 47,699	\$46,792	1.698	2,865	50,915	12,729	12,729	12,729	12,729	36,469,937	36,469,937	36,469,937	
47,700 - 49,699	\$48,727	2.448	4,131	53,020	13,255	13,255	13,255	13,255	54,752,860	54,752,860	54,752,860	
49,700 - 51,699	\$50,786	4.745	8,007	55,261	13,815	13,815	13,815	13,815	110,612,943	110,612,943	110,612,943	
51,700 - 53,699	\$52,645	4.745	8,007	57,284	14,321	14,321	14,321	14,321	114,661,883	114,661,883	114,661,883	
53,700 - 55,699	\$54,730	4.595	7,754	59,552	14,888	14,888	14,888	14,888	115,434,782	115,434,782	115,434,782	
55,700 - 57,699	\$56,656	4.645	7,838	61,648	15,412	15,412	15,412	15,412	120,797,334	120,797,334	120,797,334	
57,700 - 59,699	\$58,651	3.447	5,816	63,819	15,955	15,955	15,955	15,955	92,798,814	92,798,814	92,798,814	
59,700 - 61,699	\$60,693	4.695	7,922	66,041	16,510	16,510	16,510	16,510	130,797,645	130,797,645	130,797,645	
61,700 - 63,699	\$62,782	3.447	5,816	68,314	17,078	17,078	17,078	17,078	99,334,967	99,334,967	99,334,967	
63,700 - 65,699	\$64,658	4.146	6,996	70,355	17,589	17,589	17,589	17,589	123,048,773	123,048,773	123,048,773	
65,700 - 67,699	\$66,749	3.447	5,816	72,630	18,158	18,158	18,158	18,158	105,611,636	105,611,636	105,611,636	
67,700 - 69,699	\$68,665	3.097	5,226	74,715	18,679	18,679	18,679	18,679	97,611,807	97,611,807	97,611,807	
69,700 - 71,699	\$70,790	3.197	5,395	77,027	19,257	19,257	19,257	19,257	103,881,992	103,881,992	103,881,992	
71,700 - 73,699	\$72,701	3.097	5,226	79,107	19,777	19,777	19,777	19,777	103,349,246	103,349,246	103,349,246	
73,700 - 75,699	\$74,838	2.547	4,298	81,432	20,358	20,358	20,358	20,358	87,493,712	87,493,712	87,493,712	
75,700 - 77,699	\$76,812	2.947	4,973	83,580	20,895	20,895	20,895	20,895	103,904,637	103,904,637	103,904,637	
77,700 - 79,699	\$78,753	2.697	4,551	85,692	21,423	21,423	21,075	21,423	97,493,077	95,909,456	97,493,077	
79,700 - 81,699	\$80,646	3.197	5,395	87,752	21,938	21,938	21,075	21,938	118,345,348	113,690,223	118,345,348	
81,700 - 83,699	\$82,834	2.547	4,298	90,133	22,533	22,533	21,075	22,533	96,841,900	90,575,226	96,841,900	
83,700 - 85,699	\$84,875	2.747	4,635	92,353	23,088	23,088	21,075	23,088	107,019,808	97,687,533	107,019,808	
85,700 - 87,699	\$86,750	2.498	4,215	94,394	23,598	23,598	21,075	23,598	99,468,974	88,832,711	99,468,974	
87,700 - 89,699	\$88,679	2.198	3,709	96,493	24,123	24,123	21,075	24,123	89,469,333	78,164,251	89,469,333	
89,700 - 91,699	\$90,740	1.948	3,287	98,735	24,684	24,684	21,075	24,684	81,135,973	69,273,867	81,135,973	
91,700 - 93,699	\$92,712	1.648	2,781	100,881	25,220	25,220	21,075	25,220	70,132,429	58,605,407	70,132,429	
93,700 - 95,699	\$94,599	1.499	2,529	102,934	25,734	25,734	21,075	25,734	65,089,944	53,306,739	65,089,944	
95,700 - 97,699	\$96,752	1.548	2,612	105,277	26,319	26,319	21,075	26,319	68,747,456	55,049,254	68,747,456	
97,700 - 99,699	\$98,551	1.249	2,108	107,234	26,809	26,809	21,075	26,809	56,500,097	44,416,355	56,500,097	
99,700 - 101,699	\$100,739	1.099	1,854	109,615	27,404	27,404	21,075	27,404	50,818,407	39,082,125	50,818,407	
101,700 - 103,699	\$102,678	1.049	1,770	111,725	27,931	27,931	21,075	27,931	49,440,017	37,304,049	49,440,017	
103,700 - 105,699	\$104,824	0.649	1,095	114,060	28,515	28,425	21,075	28,515	31,128,491	23,079,435	31,227,064	
105,700 - 107,699	\$106,759	1.249	2,108	116,166	29,041	28,425	21,075	29,041	59,906,757	44,416,355	61,205,811	
107,700 - 109,699	\$108,567	0.849	1,433	118,133	29,533	28,425	21,075	29,533	40,721,246	30,191,742	42,308,853	
109,700 - 111,699	\$110,850	0.999	1,686	120,617	30,154	28,425	21,075	30,154	47,915,813	35,525,972	50,830,796	
111,700 - 113,699	\$112,999	0.599	1,011	122,955	30,739	28,425	21,075	30,739	28,730,302	21,301,359	31,068,991	
113,700 - 115,699	\$114,334	0.450	759	124,408	31,102	28,425	21,075	31,102	21,583,699	16,002,690	23,616,397	
\$115,700 - over	\$197,340	6.294	10,620	214,728	53,682	28,425	21,075	53,682	<u>301,884,009</u>	<u>223,824,292</u>	<u>570,121,717</u>	
TOTAL	\$77,679	100.000	168,738						Total Taxable Earnings	3,287,061,454	3,020,927,413	3,565,570,764
									Employer Tax Rate	6.20%	12.60%	1.45%
									Quarterly Payment	\$203,797,810	\$380,636,854	\$51,700,776

Total Tier I, Tier II, and Medicare Paid this Quarter **\$636,135,440**

Railroad Retirement & Medicare, U.S.

From 2011 Earnings Distribution			2Q/2013 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 Qtlly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
									Tier I	Tier II	Medicare	
\$0 - 41,699	\$33,375	3.646 %	6,152	\$35,735	\$8,934	\$8,934	\$8,934	\$8,934	\$54,961,559	\$54,961,559	\$54,961,559	
41,700 - 43,699	\$42,514	0.999	1,686	45,520	11,380	11,380	11,380	11,380	19,183,090	19,183,090	19,183,090	
43,700 - 45,699	\$44,810	1.399	2,361	47,978	11,995	11,995	11,995	11,995	28,314,817	28,314,817	28,314,817	
45,700 - 47,699	\$46,792	1.698	2,865	50,100	12,525	12,525	12,525	12,525	35,886,441	35,886,441	35,886,441	
47,700 - 49,699	\$48,727	2.448	4,131	52,172	13,043	13,043	13,043	13,043	53,876,849	53,876,849	53,876,849	
49,700 - 51,699	\$50,786	4.745	8,007	54,377	13,594	13,594	13,594	13,594	108,843,206	108,843,206	108,843,206	
51,700 - 53,699	\$52,645	4.745	8,007	56,367	14,092	14,092	14,092	14,092	112,827,365	112,827,365	112,827,365	
53,700 - 55,699	\$54,730	4.595	7,754	58,599	14,650	14,650	14,650	14,650	113,587,898	113,587,898	113,587,898	
55,700 - 57,699	\$56,656	4.645	7,838	60,662	15,165	15,165	15,165	15,165	118,864,653	118,864,653	118,864,653	
57,700 - 59,699	\$58,651	3.447	5,816	62,798	15,699	15,699	15,699	15,699	91,314,092	91,314,092	91,314,092	
59,700 - 61,699	\$60,693	4.695	7,922	64,984	16,246	16,246	16,246	16,246	128,704,965	128,704,965	128,704,965	
61,700 - 63,699	\$62,782	3.447	5,816	67,221	16,805	16,805	16,805	16,805	97,745,671	97,745,671	97,745,671	
63,700 - 65,699	\$64,658	4.146	6,996	69,229	17,307	17,307	17,307	17,307	121,080,071	121,080,071	121,080,071	
65,700 - 67,699	\$66,749	3.447	5,816	71,468	17,867	17,867	17,867	17,867	103,921,917	103,921,917	103,921,917	
67,700 - 69,699	\$68,665	3.097	5,226	73,520	18,380	18,380	18,380	18,380	96,050,080	96,050,080	96,050,080	
69,700 - 71,699	\$70,790	3.197	5,395	75,795	18,949	18,949	18,949	18,949	102,219,947	102,219,947	102,219,947	
71,700 - 73,699	\$72,701	3.097	5,226	77,841	19,460	19,460	19,460	19,460	101,695,724	101,695,724	101,695,724	
73,700 - 75,699	\$74,838	2.547	4,298	80,129	20,032	20,032	20,032	20,032	86,093,868	86,093,868	86,093,868	
75,700 - 77,699	\$76,812	2.947	4,973	82,243	20,561	20,561	20,561	20,561	102,242,229	102,242,229	102,242,229	
77,700 - 79,699	\$78,753	2.697	4,551	84,321	21,080	21,080	21,075	21,080	95,933,249	95,909,456	95,933,249	
79,700 - 81,699	\$80,646	3.197	5,395	86,348	21,587	21,587	21,075	21,587	116,451,897	113,690,223	116,451,897	
81,700 - 83,699	\$82,834	2.547	4,298	88,690	22,173	22,173	21,075	22,173	95,292,491	90,575,226	95,292,491	
83,700 - 85,699	\$84,875	2.747	4,635	90,876	22,719	22,719	21,075	22,719	105,307,559	97,687,533	105,307,559	
85,700 - 87,699	\$86,750	2.498	4,215	92,883	23,221	23,221	21,075	23,221	97,877,534	88,832,711	97,877,534	
87,700 - 89,699	\$88,679	2.198	3,709	94,949	23,737	23,737	21,075	23,737	88,037,880	78,164,251	88,037,880	
89,700 - 91,699	\$90,740	1.948	3,287	97,155	24,289	24,289	21,075	24,289	79,837,849	69,273,867	79,837,849	
91,700 - 93,699	\$92,712	1.648	2,781	99,267	24,817	24,817	21,075	24,817	69,010,354	58,605,407	69,010,354	
93,700 - 95,699	\$94,599	1.499	2,529	101,287	25,322	25,322	21,075	25,322	64,048,547	53,306,739	64,048,547	
95,700 - 97,699	\$96,752	1.548	2,612	103,592	25,898	25,898	21,075	25,898	67,647,540	55,049,254	67,647,540	
97,700 - 99,699	\$98,551	1.249	2,108	105,519	26,380	26,380	21,075	26,380	55,596,132	44,416,355	55,596,132	
99,700 - 101,699	\$100,739	1.099	1,854	107,861	26,965	26,965	21,075	26,965	50,005,345	39,082,125	50,005,345	
101,700 - 103,699	\$102,678	1.049	1,770	109,937	27,484	27,484	21,075	27,484	48,649,008	37,304,049	48,649,008	
103,700 - 105,699	\$104,824	0.649	1,095	112,235	28,059	28,149	21,075	28,059	30,826,023	23,079,435	30,727,450	
105,700 - 107,699	\$106,759	1.249	2,108	114,307	28,577	28,425	21,075	28,577	59,906,757	44,416,355	60,226,557	
107,700 - 109,699	\$108,567	0.849	1,433	116,243	29,061	28,425	21,075	29,061	40,721,246	30,191,742	41,631,938	
109,700 - 111,699	\$110,850	0.999	1,686	118,687	29,672	28,425	21,075	29,672	47,915,813	35,525,972	50,017,535	
111,700 - 113,699	\$112,999	0.599	1,011	120,988	30,247	28,425	21,075	30,247	28,730,302	21,301,359	30,571,907	
113,700 - 115,699	\$114,334	0.450	759	122,418	30,604	28,425	21,075	30,604	21,583,699	16,002,690	23,238,549	
\$115,700 - over	\$197,340	6.294	10,620	211,292	52,823	28,425	21,075	52,823	<u>301,884,009</u>	<u>223,824,292</u>	<u>561,000,132</u>	
TOTAL		100.000	168,738						Total Taxable Earnings	3,242,677,677	2,993,653,481	3,508,523,895
									Employer Tax Rate	6.20%	12.60%	1.45%
									Quarterly Payment	\$201,046,016	\$377,200,339	\$50,873,596

Total Tier I, Tier II, and Medicare Paid this Quarter **\$629,119,951**

Railroad Retirement & Medicare, U.S.

From 2011 Earnings Distribution			3Q/2013 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 Qtlly Earnings	Tier I	Tier II	Medicare	Total Taxable Earnings (Taxable x Employees)			
						Taxable	Taxable	Taxable	Tier I	Tier II	Medicare	
\$0 - 41,699	\$33,375	3.646 %	6,152	\$36,098	\$9,024	\$9,024	\$9,024	\$9,024	\$55,519,904	\$55,519,904	\$55,519,904	
41,700 - 43,699	\$42,514	0.999	1,686	45,982	11,496	11,496	11,496	11,496	19,377,967	19,377,967	19,377,967	
43,700 - 45,699	\$44,810	1.399	2,361	48,466	12,116	12,116	12,116	12,116	28,602,462	28,602,462	28,602,462	
45,700 - 47,699	\$46,792	1.698	2,865	50,609	12,652	12,652	12,652	12,652	36,251,006	36,251,006	36,251,006	
47,700 - 49,699	\$48,727	2.448	4,131	52,702	13,176	13,176	13,176	13,176	54,424,175	54,424,175	54,424,175	
49,700 - 51,699	\$50,786	4.745	8,007	54,929	13,732	13,732	13,732	13,732	109,948,926	109,948,926	109,948,926	
51,700 - 53,699	\$52,645	4.745	8,007	56,940	14,235	14,235	14,235	14,235	113,973,560	113,973,560	113,973,560	
53,700 - 55,699	\$54,730	4.595	7,754	59,195	14,799	14,799	14,799	14,799	114,741,819	114,741,819	114,741,819	
55,700 - 57,699	\$56,656	4.645	7,838	61,278	15,319	15,319	15,319	15,319	120,072,180	120,072,180	120,072,180	
57,700 - 59,699	\$58,651	3.447	5,816	63,436	15,859	15,859	15,859	15,859	92,241,737	92,241,737	92,241,737	
59,700 - 61,699	\$60,693	4.695	7,922	65,644	16,411	16,411	16,411	16,411	130,012,458	130,012,458	130,012,458	
61,700 - 63,699	\$62,782	3.447	5,816	67,904	16,976	16,976	16,976	16,976	98,738,653	98,738,653	98,738,653	
63,700 - 65,699	\$64,658	4.146	6,996	69,933	17,483	17,483	17,483	17,483	122,310,103	122,310,103	122,310,103	
65,700 - 67,699	\$66,749	3.447	5,816	72,194	18,049	18,049	18,049	18,049	104,977,642	104,977,642	104,977,642	
67,700 - 69,699	\$68,665	3.097	5,226	74,267	18,567	18,567	18,567	18,567	97,025,837	97,025,837	97,025,837	
69,700 - 71,699	\$70,790	3.197	5,395	76,565	19,141	19,141	19,141	19,141	103,258,382	103,258,382	103,258,382	
71,700 - 73,699	\$72,701	3.097	5,226	78,632	19,658	19,658	19,658	19,658	102,728,833	102,728,833	102,728,833	
73,700 - 75,699	\$74,838	2.547	4,298	80,943	20,236	20,236	20,236	20,236	86,968,481	86,968,481	86,968,481	
75,700 - 77,699	\$76,812	2.947	4,973	83,078	20,770	20,770	20,770	20,770	103,280,891	103,280,891	103,280,891	
77,700 - 79,699	\$78,753	2.697	4,551	85,178	21,294	21,294	21,075	21,294	96,907,819	95,909,456	96,907,819	
79,700 - 81,699	\$80,646	3.197	5,395	87,225	21,806	21,806	21,075	21,806	117,634,913	113,690,223	117,634,913	
81,700 - 83,699	\$82,834	2.547	4,298	89,591	22,398	22,398	21,075	22,398	96,260,551	90,575,226	96,260,551	
83,700 - 85,699	\$84,875	2.747	4,635	91,799	22,950	22,950	21,075	22,950	106,377,361	97,687,533	106,377,361	
85,700 - 87,699	\$86,750	2.498	4,215	93,827	23,457	23,457	21,075	23,457	98,871,855	88,832,711	98,871,855	
87,700 - 89,699	\$88,679	2.198	3,709	95,913	23,978	23,978	21,075	23,978	88,932,242	78,164,251	88,932,242	
89,700 - 91,699	\$90,740	1.948	3,287	98,142	24,536	24,536	21,075	24,536	80,648,908	69,273,867	80,648,908	
91,700 - 93,699	\$92,712	1.648	2,781	100,275	25,069	25,069	21,075	25,069	69,711,419	58,605,407	69,711,419	
93,700 - 95,699	\$94,599	1.499	2,529	102,316	25,579	25,579	21,075	25,579	64,699,205	53,306,739	64,699,205	
95,700 - 97,699	\$96,752	1.548	2,612	104,645	26,161	26,161	21,075	26,161	68,334,760	55,049,254	68,334,760	
97,700 - 99,699	\$98,551	1.249	2,108	106,591	26,648	26,648	21,075	26,648	56,160,923	44,416,355	56,160,923	
99,700 - 101,699	\$100,739	1.099	1,854	108,957	27,239	27,239	21,075	27,239	50,513,341	39,082,125	50,513,341	
101,700 - 103,699	\$102,678	1.049	1,770	111,054	27,764	27,764	21,075	27,764	49,143,225	37,304,049	49,143,225	
103,700 - 105,699	\$104,824	0.649	1,095	113,375	28,344	28,344	21,075	28,344	31,039,605	23,079,435	31,039,605	
105,700 - 107,699	\$106,759	1.249	2,108	115,468	28,867	28,867	21,075	28,867	59,906,757	44,416,355	60,838,388	
107,700 - 109,699	\$108,567	0.849	1,433	117,424	29,356	28,425	21,075	29,356	40,721,246	30,191,742	42,054,870	
109,700 - 111,699	\$110,850	0.999	1,686	119,893	29,973	28,425	21,075	29,973	47,915,813	35,525,972	50,525,655	
111,700 - 113,699	\$112,999	0.599	1,011	122,217	30,554	28,425	21,075	30,554	28,730,302	21,301,359	30,882,481	
113,700 - 115,699	\$114,334	0.450	759	123,661	30,915	28,425	21,075	30,915	21,583,699	16,002,690	23,474,626	
\$115,700 - over	\$197,340	6.294	10,620	213,439	53,360	28,425	21,075	53,360	<u>301,884,009</u>	<u>223,824,292</u>	<u>566,699,238</u>	
TOTAL		100.000	168,738						Total Taxable Earnings	3,270,432,970	3,010,694,053	3,544,166,402
									Employer Tax Rate	6.20%	12.60%	1.45%
									Quarterly Payment	\$202,766,844	\$379,347,451	\$51,390,413
									Total Tier I, Tier II, and Medicare Paid this Quarter			\$633,504,708

Railroad Retirement & Medicare, U.S.

From 2011 Earnings Distribution			4Q/2013 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 Qtlly Earnings	Tier I	Tier II	Medicare	Total Taxable Earnings (Taxable x Employees)			
						Taxable	Taxable	Taxable	Tier I	Tier II	Medicare	
\$0 - 41,699	\$33,375	3.646 %	6,152	\$36,057	\$9,014	\$9,014	\$9,014	\$9,014	\$55,457,865	\$55,457,865	\$55,457,865	
41,700 - 43,699	\$42,514	0.999	1,686	45,931	11,483	11,483	11,483	11,483	19,356,314	19,356,314	19,356,314	
43,700 - 45,699	\$44,810	1.399	2,361	48,411	12,103	12,103	12,103	12,103	28,570,502	28,570,502	28,570,502	
45,700 - 47,699	\$46,792	1.698	2,865	50,553	12,638	12,638	12,638	12,638	36,210,499	36,210,499	36,210,499	
47,700 - 49,699	\$48,727	2.448	4,131	52,643	13,161	13,161	13,161	13,161	54,363,361	54,363,361	54,363,361	
49,700 - 51,699	\$50,786	4.745	8,007	54,868	13,717	13,717	13,717	13,717	109,826,068	109,826,068	109,826,068	
51,700 - 53,699	\$52,645	4.745	8,007	56,876	14,219	14,219	14,219	14,219	113,846,205	113,846,205	113,846,205	
53,700 - 55,699	\$54,730	4.595	7,754	59,129	14,782	14,782	14,782	14,782	114,613,606	114,613,606	114,613,606	
55,700 - 57,699	\$56,656	4.645	7,838	61,209	15,302	15,302	15,302	15,302	119,938,010	119,938,010	119,938,010	
57,700 - 59,699	\$58,651	3.447	5,816	63,365	15,841	15,841	15,841	15,841	92,138,665	92,138,665	92,138,665	
59,700 - 61,699	\$60,693	4.695	7,922	65,571	16,393	16,393	16,393	16,393	129,867,181	129,867,181	129,867,181	
61,700 - 63,699	\$62,782	3.447	5,816	67,828	16,957	16,957	16,957	16,957	98,628,321	98,628,321	98,628,321	
63,700 - 65,699	\$64,658	4.146	6,996	69,855	17,464	17,464	17,464	17,464	122,173,432	122,173,432	122,173,432	
65,700 - 67,699	\$66,749	3.447	5,816	72,114	18,028	18,028	18,028	18,028	104,860,339	104,860,339	104,860,339	
67,700 - 69,699	\$68,665	3.097	5,226	74,184	18,546	18,546	18,546	18,546	96,917,419	96,917,419	96,917,419	
69,700 - 71,699	\$70,790	3.197	5,395	76,479	19,120	19,120	19,120	19,120	103,143,000	103,143,000	103,143,000	
71,700 - 73,699	\$72,701	3.097	5,226	78,544	19,636	19,636	19,636	19,636	102,614,043	102,614,043	102,614,043	
73,700 - 75,699	\$74,838	2.547	4,298	80,853	20,213	20,213	20,213	20,213	86,871,302	86,871,302	86,871,302	
75,700 - 77,699	\$76,812	2.947	4,973	82,985	20,746	20,746	20,746	20,746	103,165,484	103,165,484	103,165,484	
77,700 - 79,699	\$78,753	2.697	4,551	85,082	21,271	21,271	21,075	21,271	96,799,533	96,799,533	96,799,533	
79,700 - 81,699	\$80,646	3.197	5,395	87,127	21,782	21,782	21,075	21,782	117,503,466	113,690,223	117,503,466	
81,700 - 83,699	\$82,834	2.547	4,298	89,491	22,373	22,373	21,075	22,373	96,152,989	90,575,226	96,152,989	
83,700 - 85,699	\$84,875	2.747	4,635	91,696	22,924	22,924	21,075	22,924	106,258,494	97,687,533	106,258,494	
85,700 - 87,699	\$86,750	2.498	4,215	93,722	23,431	23,431	21,075	23,431	98,761,375	88,832,711	98,761,375	
87,700 - 89,699	\$88,679	2.198	3,709	95,806	23,952	23,952	21,075	23,952	88,832,869	78,164,251	88,832,869	
89,700 - 91,699	\$90,740	1.948	3,287	98,033	24,508	24,508	21,075	24,508	80,558,791	69,273,867	80,558,791	
91,700 - 93,699	\$92,712	1.648	2,781	100,163	25,041	25,041	21,075	25,041	69,633,523	58,605,407	69,633,523	
93,700 - 95,699	\$94,599	1.499	2,529	102,202	25,550	25,550	21,075	25,550	64,626,910	53,306,739	64,626,910	
95,700 - 97,699	\$96,752	1.548	2,612	104,528	26,132	26,132	21,075	26,132	68,258,402	55,049,254	68,258,402	
97,700 - 99,699	\$98,551	1.249	2,108	106,471	26,618	26,618	21,075	26,618	56,098,169	44,416,355	56,098,169	
99,700 - 101,699	\$100,739	1.099	1,854	108,835	27,209	27,209	21,075	27,209	50,456,897	39,082,125	50,456,897	
101,700 - 103,699	\$102,678	1.049	1,770	110,930	27,733	27,733	21,075	27,733	49,088,312	37,304,049	49,088,312	
103,700 - 105,699	\$104,824	0.649	1,095	113,249	28,312	28,312	21,075	28,312	31,004,921	23,079,435	31,004,921	
105,700 - 107,699	\$106,759	1.249	2,108	115,339	28,835	28,425	21,075	28,835	59,906,757	44,416,355	60,770,407	
107,700 - 109,699	\$108,567	0.849	1,433	117,292	29,323	28,425	21,075	29,323	40,721,246	30,191,742	42,007,877	
109,700 - 111,699	\$110,850	0.999	1,686	119,759	29,940	28,425	21,075	29,940	47,915,813	35,525,972	50,469,197	
111,700 - 113,699	\$112,999	0.599	1,011	122,081	30,520	28,425	21,075	30,520	28,730,302	21,301,359	30,847,973	
113,700 - 115,699	\$114,334	0.450	759	123,523	30,881	28,425	21,075	30,881	21,583,699	16,002,690	23,448,395	
\$115,700 - over	\$197,340	6.294	10,620	213,200	53,300	28,425	21,075	53,300	301,884,009	223,824,292	566,066,004	
TOTAL		100.000	168,738						Total Taxable Earnings	3,267,338,096	3,008,800,656	3,540,206,123
									Employer Tax Rate	6.20%	12.60%	1.45%
									Quarterly Payment	\$202,574,962	\$379,108,883	\$51,332,989

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

\$633,016,833

RCAF Unemployment Insurance Tax

	<u>Unemployment Ins.</u> Tax Rate	<u>Earnings</u> Base	Hourly Earnings	RRB Sample Year	Factor To Update RRB Sample	Avg. Ann. Taxable Earnings	Un. Ins. Hourly Rate
			\$32.537	(2008)			
2009 Avg.	2.47%	\$15,960	\$34.444		1.058610	\$14,944.60	\$0.211
3Q/10 reb	3.26%	\$15,960	\$35.003		1.075791	\$14,952.41	\$0.279
4Q/10	3.26%	\$15,960	\$35.003		1.075791	\$14,952.41	\$0.279
1Q/11	7.09%	\$15,960	\$35.058		1.077481	\$14,953.17	\$0.607
2Q/11	7.09%	\$15,960	\$35.143		1.080093	\$14,954.33	\$0.607
3Q/11	7.09%	\$15,960	\$35.422		1.088668	\$14,957.95	\$0.607
			\$34.444	(2009)			
2010 Avg.	3.26%	\$15,960	\$33.913		0.984584	\$15,048.19	\$0.273
3Q/11 reb	7.10%	\$15,960	\$34.350		0.997271	\$15,055.23	\$0.595
4Q/11	7.10%	\$15,960	\$34.347		0.997184	\$15,055.18	\$0.595
1Q/12	5.00%	\$16,380	\$35.205		1.022094	\$15,450.63	\$0.430
2Q/12	5.00%	\$16,380	\$36.076		1.047381	\$15,464.39	\$0.430
3Q/12	5.00%	\$16,380	\$37.569		1.090727	\$15,487.33	\$0.431
			\$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					0.000000		\$0.000
2Q/14					0.000000		\$0.000
3Q/14					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-2011 RRB File

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2665	41164687.60	15446.41
QTRLY_US	2665	42379075.70	15902.09

The SAS System
Factors and Caps 2012 and 2013Q4

17:09 Tuesday, August 27, 2013 2

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2665	2781.33	1.0436520
FactorQ	2665	2879.18	1.0803690
Capa	2665	43652700.00	16380.00
Capq	2665	44931900.00	16860.00

TOTAL GROSS EARNINGS AND AVERAGE GROSS EARNINGS-2011 RRB File

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2665	41164687.60	15446.41
QTRLY_US	2665	42380671.63	15902.69

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2665	2781.33	1.0436520
FactorQ	2665	2882.41	1.0815780
Capa	2665	43652700.00	16380.00
Capq	2665	44931900.00	16860.00

Spot Prices

\$/bbl



— Cushing, OK WTI Spot Price FOB

AAR MATERIALS AND SUPPLIES INDEX
Region By Composition
Third Quarter 2013
August 30, 2013

United States by Composition Category - Summary

Composition Category -----	Weight -----	Previous Quarter Index -----	Current Quarter Index -----	Relative Of Change -----
Forest Products	.1089	254.46	256.04	1.0062
Metal Products	.6173	197.39	197.94	1.0028
Miscellaneous Products	.2738	358.59	347.44	.9689
U.S. By Composition	--	247.74	245.20	.9897
U.S. By Composition (Linked)	--	248.96	246.40	.9897
United States (1977=100) Linking Factor: 1.423	--	354.27	350.63	.9897
United States (1980=100) Linking Factor: 1.061	--	264.15	261.43	.9897

Car Hire for RCAF

RCAF (Forecast)

	1980	June 3Q/13	Sept. 4Q/13	Dec. 1Q/14	Mar. 2Q/14	June 3Q/14
RATE						
RR-OWNED TIME	31.00	63.00	64.00	--	--	--
RR-OWNED MILEAGE	4.69	6.70	6.70	--	--	--
PRIVATELY-OWNED CARS	25.47	45.49	45.53	--	--	--
AUTORACKS	47.00	46.61	51.28	--	--	--
INDEX						
RR-OWNED TIME	100.0	203.2	206.5	--	--	--
RR-OWNED MILEAGE	100.0	142.9	142.9	--	--	--
PRIVATELY-OWNED CARS	100.0	178.6	178.8	--	--	--
AUTORACKS	100.0	99.2	109.1	--	--	--
CAR HIRE INDEX (old wts) 2011	100.0	178.9	--	--	--	--
CAR HIRE INDEX (new wts) 2012	100.0	178.4	179.2	--	--	--
CAR HIRE INDEX (LINKED)	100.0	178.3	179.1	--	--	--

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

	2013 (first day of month)						2014 (first day of month)							
	Jul	Aug	Sep	Oct	Novr	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Railroad Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	7,972	8,031	8,052											
Rate (in cents)														
Superstructures #3 - Auto Rack	46.0	45.0	47.0											
All other #1 - Time	63.0	64.0	64.0											
All other #2 - Mileage	6.7	6.7	6.7											
Private Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	47,135	47,454	47,836											
Covered Hoppers	328,551	329,350	330,108											
Tank Cars	319,558	321,555	324,039											
Others	286,245	287,176	287,547											
Rate (in cents)														
Superstructures #1 - Time	80.0	80.0	80.0											
Superstructures #2 - Mileage	1.4	1.6	1.6											
Superstructures #3 - Auto Rack	50.0	51.0	52.0											
Covered Hoppers #2 - Mileage	44.3	44.4	44.4											
Tank Cars #2 - Mileage	70.9	71.0	70.2											
Others #1 -Time	74.0	73.0	73.0											
Others #2 - Mileage	7.0	7.0	7.0											
AVERAGE RATES														
Private Superstructures	20.20	20.40	20.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Others	23.43	23.21	23.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Total	45.72	45.75	45.53	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Autoracks	49.42	50.13	51.28	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

WEIGHTS	"Old Wts"	"New Wts"
	2011	2012
For RCAF & RCR		
RR-owned Time	0.170	0.148
RR-owned Mileage	0.078	0.071
Privately-owned Cars	0.738	0.764
Autoracks	0.014	0.017
----- Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)		
	2011	2012
Car Hire - U.S.	0.486	0.482
Lease Rentals - U.S.	0.514	0.518
----- 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 09/2013

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	8,052	119	0.080	47
Railroad	Number of Zero-Rated Vehicular Flats	19	.	.	.
Railroad	All Other Cars	482,531	64	0.067	.
Railroad	Number of Zero-Rated Other Cars	20,503	.	.	.
Railroad	Total Railroad Equipment	511,105	.	.	.
	
Private	Vehicular Flats	47,836	80	0.016	52
Private	Number of Zero-Rated Vehicular Flats	39	.	.	.
Private	Covered Hoppers	330,108	0	0.444	.
Private	Number of Zero-Rated Covered Hoppers	9,623	.	.	.
Private	Tanks	324,039	0	0.702	.
Private	Number of Zero-Rated Tanks	7,839	.	.	.
Private	All Other Cars	287,547	73	0.070	.
Private	Number of Zero-Rated Other Cars	29,973	.	.	.
Private	Total Private Equipment	1,037,004	.	.	.

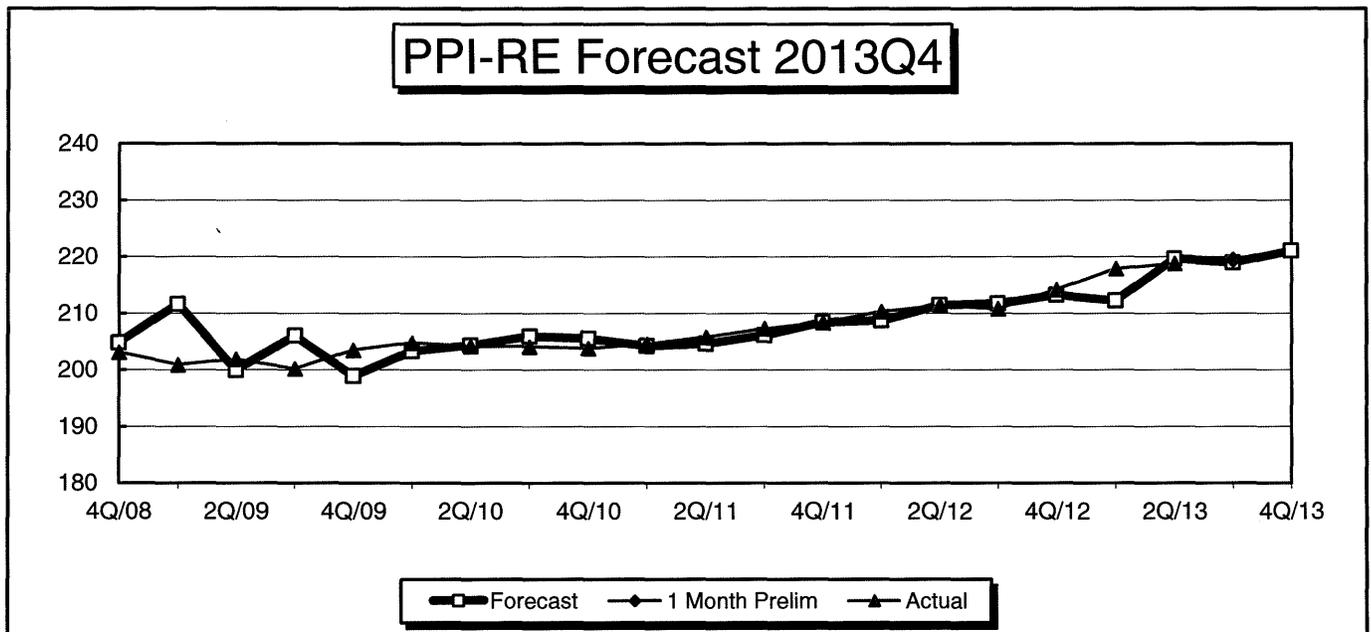
Notes
This report excludes these car types: D (Locomotives), M (MoW, EOTs, etc.), U (Containers), Z (Trailers).
All TTX equipment (including ABOX, RBOX, GONX) is contained in the Private section of report.
Equipment can be zero rated due to owners supplying incorrect or insufficient information to the 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
4Q/08	204.8	203.1	
1Q/09	211.6	200.9	
2Q/09	199.9	201.9	
3Q/09	206.0	200.2	
4Q/09	198.9	203.5	
1Q/10	203.3	204.8	
2Q/10	204.3	204.2	
3Q/10	205.9	204.1	
4Q/10	205.5	203.8	
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		219.5
4Q/13	221.0		

1980 Base

	PPI-RE Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2013Q4						
Low	196.4	217.3	1.4%			
Midpoint	199.8	221.0	3.2%	0.7%	1.0%	1.0%
High	203.1	224.7	4.9%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2013Q4\5Deprec\FPre_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

 Length 72 Minimum 177.400 Maximum 198.400
 Mean 185.718 Standard deviation 5.788

Classical decomposition (multiplicative)
 Trend-cycle: 95.12% Seasonal: 0.51% Irregular: 4.37%

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

Exponential smoothing outperforms Box-Jenkins by 2.220 to 3.211 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 PPIRE
 Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing weight	Final Value
Level	0.70470	198.48
Trend	0.02138	0.31741

within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 185.7	Standard deviation 5.788
R-square 0.9682	Adjusted R-square 0.9678
Durbin-Watson 1.975	Ljung-Box(18)=18.18 P=0.5564
Forecast error 1.039	BIC 1.088
MAPE 0.003515	RMSE 1.025
MAD 0.653	

Forecast Report
 wed Aug 14 10:40:13 2013
 Exponential Smoothing model for PPIRE
 Analysis of Historic Fit Set

Date	Historic
2007-08	177.400
2007-09	177.900
2007-10	177.500
2007-11	177.700
2007-12	177.500
2008-01	178.400
2008-02	178.200
2008-03	177.600
2008-04	178.700
2008-05	178.000
2008-06	181.200
2008-07	180.800
2008-08	181.700
2008-09	182.900
2008-10	181.900
2008-11	181.600
2008-12	180.700
2009-01	181.600
2009-02	181.800
2009-03	181.600
2009-04	183.100
2009-05	180.000
2009-06	180.000
2009-07	179.900
2009-08	179.900
2009-09	183.800
2009-10	183.600
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
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	196.700
2013-05	198.400
2013-06	198.400
2013-07	198.400

Forecasted values

Date	2.5 Lower	Forecast	97.5 Upper
2013-08	196.667	198.799	200.931
2013-09	196.490	199.116	201.743
2013-10	196.392	199.434	202.476
2013-11	196.344	199.751	203.158
2013-12	196.332	200.069	203.805
2014-01	196.347	200.386	204.425
2014-02	196.383	200.703	205.024
2014-03	196.436	201.021	205.606
2014-04	196.503	201.338	206.173
2014-05	196.583	201.656	206.728
2014-06	196.673	201.973	207.273
2014-07	196.773	202.291	207.808

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Producer Price Index-Commodities

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

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2012	190.1	190.1	190.6	191.8	191.6	191.5	192.0	190.4	190.9	194.9	193.9	194.1	191.8
2013	196.0	195.2	195.8	196.7(P)	198.4(P)	198.4(P)	198.4(P)						

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

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Calculation of Interest Rate for RCAF

2012 includes UP July 2013 revision

Sch. 210	Col. b.
L. 42	976,475
L. 44	7,731
-L. 22	7,283
Tot. Interest	976,923

Sch. 200	(close of year) Col b.	(beg. of year) Col c.	Avg.
L. 30	200,000	104,901	
L. 39	603,268	633,826	
L. 41	2,616,447	2,662,886	
L. 42	951,076	1,084,804	
L. 43	2,692,510	2,899,042	
L. 44	0	0	
L. 45	10,251,067	9,045,321	
L. 46	47,159	68,376	
Tot. Debt	17,361,527	16,499,156	16,930,341.5
			5.77%

Index (1980=100)

73.5

Sch. 210	1980 Col. b.
L. 44	1,015,377
L. 46	19,097
-L. 22	413
Tot. Interest	1,034,061

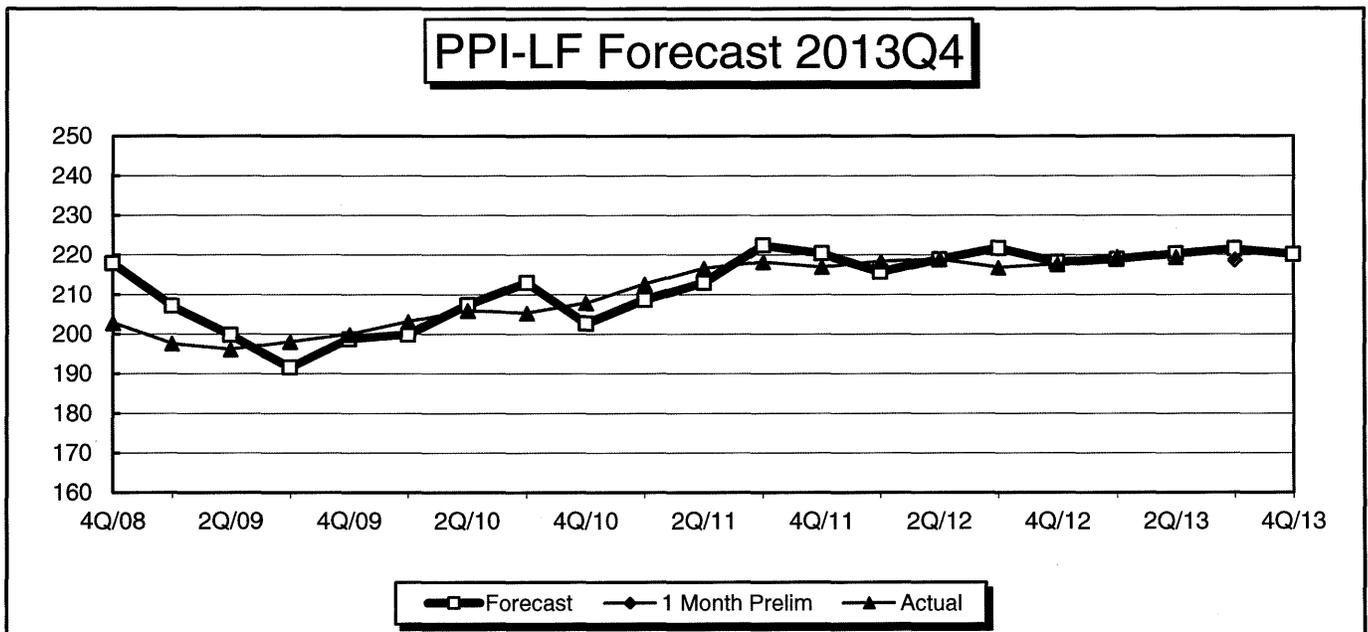
Sch. 200	Col b.	Col c.	Avg.
L. 26	56,047	40,480	
L. 34	975,151	1,016,289	
L. 36	4,459,060	4,230,627	
L. 37	6,110,818	5,461,765	
L. 38	1,477,000	1,519,719	
L. 39	207,142	207,142	
L. 40	393,362	279,509	
L. 41	(54,679)	(24,481)	
Tot. Debt	13,623,901	12,731,050	7.85%

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

	Forecast	Actual	1 Month Prelim
4Q/08	217.8	202.8	
1Q/09	207.0	197.6	
2Q/09	199.7	196.1	
3Q/09	191.5	198.0	
4Q/09	198.7	199.9	
1Q/10	199.8	203.1	
2Q/10	207.3	205.9	
3Q/10	212.9	205.3	
4Q/10	202.6	207.8	
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		218.7
4Q/13	220.0		

1980 Base

	PPI-LF Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2013Q4						
Low	191.6	214.8	-1.3%			
Midpoint	196.2	220.0	1.1%	0.6%	0.3%	-0.6%
High	200.8	225.1	3.4%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2013Q4\70ther\FPI\lf_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPILF

Length 72 Minimum 171.100 Maximum 196.200
Mean 185.647 Standard deviation 8.184

Classical decomposition (multiplicative)

Trend-cycle: 91.78% Seasonal: 1.24% Irregular: 6.98%

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

Exponential smoothing outperforms Box-Jenkins by 0.720 to 1.808 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is trended and nonseasonal.

Recommended model: Exponential Smoothing

Forecast Model for PPILF

Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing Weight	Final Value
Level	1.00000	195.10
Trend	0.02251	0.28267

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 185.6	Standard deviation 8.184
R-square 0.982	Adjusted R-square 0.9817
Durbin-watson 0.5658	** Ljung-Box(18)=86.74 P=1
Forecast error 1.107	BIC 1.158
MAPE 0.00435	RMSE 1.091
MAD 0.8025	

Forecast Report

Wed Aug 14 11:26:23 2013

Exponential Smoothing model for PPILF

Analysis of Historic Fit Set

Date	Historic
2007-08	171.100
2007-09	171.200
2007-10	172.200
2007-11	173.100
2007-12	173.100
2008-01	174.700
2008-02	175.900
2008-03	177.400
2008-04	179.800
2008-05	181.800
2008-06	183.200
2008-07	185.900
2008-08	186.600
2008-09	186.200
2008-10	183.700
2008-11	179.900
2008-12	177.400
2009-01	176.900
2009-02	176.100
2009-03	175.600
2009-04	175.000
2009-05	174.900
2009-06	175.200
2009-07	175.500
2009-08	176.600
2009-09	177.200
2009-10	177.700
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
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	196.200
2013-05	195.500
2013-06	195.500
2013-07	195.100

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2013-08	193.113	195.383	197.653
2013-09	192.419	195.665	198.912
2013-10	191.957	195.948	199.939
2013-11	191.614	196.231	200.847
2013-12	191.346	196.513	201.681
2014-01	191.131	196.796	202.461
2014-02	190.957	197.079	203.200
2014-03	190.814	197.361	203.908
2014-04	190.698	197.644	204.590
2014-05	190.603	197.927	205.250
2014-06	190.527	198.209	205.892
2014-07	190.466	198.492	206.518

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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:  .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2012	193.8	194.7	195.7	195.8	195.4	193.7	193.3	193.3	193.7	193.9	194.0	194.2	194.3
2013	195.3	196.1	196.1	196.2(P)	195.5(P)	195.5(P)	195.1(P)						

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

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Forecast Error Calculation

	2011 Weight	Second Quarter 2013		Pct. Diff.	Notes			
		2013Q2 Forecast	2013Q2 Actual					
Labor	31.3%	384.9	384.9	0.0	* actual=forecast			
Fuel	22.5%	404.3	373.1	-31.2	from 1st month of quarter			
M&S	5.1%	261.0	261.0	0.0	* actual=forecast			
Equip Rents	5.6%	206.9	207.0	0.1	from Equipment Rents below			
Depreciation	11.6%	219.6	218.8	-0.8	PPI-RE <table border="1" style="display: inline-table;"><tr><td>196.70</td><td>198.40</td><td>198.40</td></tr></table> 0.9040	196.70	198.40	198.40
196.70	198.40	198.40						
Interest	2.5%	92.9	92.9	0.0	* actual=forecast			
Other	21.4%	220.2	219.4	-0.8	PPI-LF <table border="1" style="display: inline-table;"><tr><td>196.20</td><td>195.50</td><td>195.50</td></tr></table> 0.8920	196.20	195.50	195.50
196.20	195.50	195.50						
Weighted Avg	100.0%							
1980 = 100		311.3	304.0		calculated			
1980 = 100 (linked)		298.5	290.9		calculated			
4Q12 = 100	2.975	100.3	97.8		calculated			
4Q07 = 100	2.459	121.4	118.3		calculated			
4Q02 = 100	1.921	155.4	151.4		calculated			
4Q97 = 100	1.732	172.3	168.0		calculated			
4Q92 = 100	1.569	190.2	185.4		calculated			
Forecast Error →		-2.5			calculated -0.025 = RCAF adj.			
Prior Quarter								
1980 = 100		310.0	306.8 **					
1980 = 100 (linked)		297.3	293.6					
4Q12 = 100		99.9	98.7		calculated			
4Q07 = 100		120.9	119.4		calculated			
4Q02 = 100		154.8	152.8		calculated			
4Q97 = 100		171.7	169.5		calculated			
4Q92 = 100		189.5	187.1		calculated			
Equipment Rents								
Car Hire	48.6%	177.4	178.0		from Equipment Rents/CHARM			
Lease Rentals	51.4%	220.2	219.4		(equals PPI-LF from above)			
Weighted Average		199.4	199.3		calculated			
Linked		206.9	207.0		calculated			
Prior Quarter								
Weighted Average		199.2	199.9 **					
Linked		206.7	207.6					
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)

	11 Wts	3Q/12 10 Wts	3Q/12 11 Wts	% Chg.	4Q/12 11 Wts	% Chg.	1Q/13 11 Wts	% Chg.	2Q/13 11 Wts	% Chg.	3Q/13 11 Wts	% Chg.
Labor	31.3%	391.4	391.4	0.0%	390.5	-0.2%	389.7	-0.2%	384.9	-1.2%		NA
Fuel	22.5%	359.0	359.0	0.0%	410.6	14.4%	378.8	-7.7%	373.1	-1.5%		NA
M&S	5.1%	274.8	274.8	0.0%	266.1	-3.2%	263.4	-1.0%	261.0	-0.9%		NA
Equipment Rents	5.6%	203.6	203.6	0.0%	206.0	1.2%	207.6	0.8%	207.0	-0.3%		NA
Depreciation	11.6%	210.8	210.8	0.0%	214.2	1.6%	217.9	1.7%	218.8	0.4%		NA
Interest	2.5%	90.6	90.6	0.0%	92.9	2.5%	92.9	0.0%	92.9	0.0%	92.9	0.0%
Other	21.4%	216.8	216.8	0.0%	217.6	0.4%	219.5	0.9%	219.4	0.0%		NA
	<u>1.0000</u>											
Weighted Avg.		298.2	301.8	1.2%	313.5	3.9%	306.8	-2.1%	304.0	-0.9%	2.3	NA
Linked		288.8			300.0	3.9%	293.6	-2.1%	290.9	-0.9%	2.2	NA
10/1/80	1.027	281.2			292.1	3.9%	285.9	-2.1%	283.3	-0.9%	2.1	NA
10/1/82	1.209	238.9			248.1	3.9%	242.8	-2.1%	240.6	-0.9%	1.8	NA
4Q/87	1.322	218.5			226.9	3.8%	222.1	-2.1%	220.0	-0.9%	1.7	NA
4Q/92	1.569	184.1			191.2	3.9%	187.1	-2.1%	185.4	-0.9%	1.4	NA
4Q/97	1.732	166.7			173.2	3.9%	169.5	-2.1%	168.0	-0.9%	1.3	NA
4Q/02	1.921	150.3			156.2	3.9%	152.8	-2.2%	151.4	-0.9%	1.1	NA
4Q/07	2.459	117.4			122.0	3.9%	119.4	-2.1%	118.3	-0.9%	0.9	NA
4Q/12	2.975				100.8		98.7	-2.1%	97.8	-0.9%	0.7	NA
Equipment Rents												
Car Hire	48.6%	174.3	174.3	0.0%	178.1	2.2%	179.1	0.6%	178.0	-0.6%		NA
Lease Rentals	51.4%	216.8	216.8	0.0%	217.6	0.4%	219.5	0.9%	219.4	0.0%	0.0	NA
	<u>1.0000</u>											
ER Weighted Avg		197.3	196.1	-0.6%	198.4	1.2%	199.9	0.8%	199.3	-0.3%	0.0	NA
ER Linked		203.6			206.0	1.2%	207.6	0.8%	207.0	-0.3%	0.0	NA
<i>Impact/Check of weight change</i>												
		<u>10 Wts</u>	<u>11 Wts</u>									
Labor		130.336	122.508									
Fuel		64.620	80.775									
Material & Supplies		13.740	14.015									
Equipment Rents		12.623	11.402									
Depreciation		26.982	24.453									
Interest		2.627	2.265									
Other		47.262	46.395									
Weighted Avg.		298.192	301.813									
ER Weighted Avg.		197.335	196.145									

RCAF Fuel (Actual All-Inclusive Index)

April 2013

Monthly Report

	April 2013 Price (cents) (1)	1/1/81 Price (cents) (2)	1/91 New Method Linking Factors (3)	April 2013 Index 1/1/81=100 (4)	Linking Factor 1980=100 (5)	April 2013 1980=100 Current Index (6)
U.S.	305.30	89.34	99.415	339.73	1.096	372.34

(4) = (1) / (2) x (3)

(6) = (4) x (5)

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

	April 2013 1980=100 Current Index	Adjustment Factor	April 2013 1980=100 Linked Index
U.S.	372.34	1.00192	373.05 ←

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

Car Hire for RCAF

RCAF (Actual)		1980	Aug 3Q/12	Nov 4Q/12	Feb 1Q/13	May 2Q/13	Aug 3Q/13
RATE							
	RR-OWNED TIME	31.00	63.00	63.00	63.00	63.00	64.00
	RR-OWNED MILEAGE	4.69	6.80	6.80	6.80	6.70	6.70
	PRIVATELY-OWNED CARS	25.47	44.15	45.43	45.76	45.40	45.75
	AUTORACKS	47.00	39.46	40.88	42.15	45.44	50.13
INDEX							
	RR-OWNED TIME	100.0	203.2	203.2	203.2	203.2	206.5
	RR-OWNED MILEAGE	100.0	145.0	145.0	145.0	142.9	142.9
	PRIVATELY-OWNED CARS	100.0	173.3	178.4	179.7	178.2	179.6
	AUTORACKS	100.0	84.0	87.0	89.7	96.7	106.7
CAR HIRE INDEX (old wts)	2010	100.0	175.2	--	--	--	--
CAR HIRE INDEX (new wts)	2011	100.0	174.9	178.7	179.7	178.6	180.3
CAR HIRE INDEX (LINKED)		100.0	174.3	178.1	179.1	178.0	179.7

Note: Indexes are rounded, rates are full float.

Equipment Rents Data From CHARM

	2012 (first day of month)						2013 (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)	7,351	7,363	7,381	7,402	7,428	7,570	7,607	7,635	7,668	7,696	7,713	7,607	7,972	8,031
Rate (in cents)														
Superstructures #3 - Auto Rack	29.0	30.0	30.0	32.0	34.0	36.0	36.0	37.0	36.0	37.0	36.0	38.0	46.0	45.0
All other #1 - Time	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	64.0
All other #2 - Mileage	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.7	6.7	6.7	6.7	6.7	6.7
Private Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	45,301	45,389	45,500	45,550	45,561	45,612	45,809	46,018	46,228	46,468	46,716	46,998	47,135	47,454
Covered Hoppers	320,604	321,677	322,901	323,792	324,427	325,043	325,885	326,132	326,576	326,902	327,318	328,029	328,551	329,350
Tank Cars	300,576	301,647	302,836	304,207	305,434	306,842	308,618	309,221	310,801	313,102	314,983	317,096	319,558	321,555
Others	286,271	286,670	286,866	286,743	287,176	286,634	285,618	285,054	285,259	285,264	285,537	286,373	286,245	287,176
Rate (in cents)														
Superstructures #1 - Time	78.0	78.0	78.0	78.0	78.0	78.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0
Superstructures #2 - Mileage	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.6
Superstructures #3 - Auto Rack	40.0	41.0	42.0	42.0	42.0	42.0	41.0	43.0	44.0	45.0	47.0	48.0	50.0	51.0
Covered Hoppers #2 - Mileage	43.7	43.7	43.8	43.9	43.9	43.9	43.9	43.8	44.0	44.1	44.1	44.2	44.2	44.4
Tank Cars #2 - Mileage	68.4	68.5	71.5	71.6	71.8	71.9	71.7	72.0	70.2	70.4	70.5	70.7	70.9	71.0
Others #1 - Time	72.0	72.0	72.0	72.0	73.0	73.0	74.0	74.0	74.0	73.0	73.0	73.0	74.0	73.0
Others #2 - Mileage	6.9	6.9	6.9	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
AVERAGE RATES														
Private Superstructures	19.73	19.73	19.73	19.73	19.73	19.73	20.20	20.20	20.20	20.20	20.20	20.20	20.20	20.40
Private Others	22.88	22.88	22.88	22.98	23.21	23.21	23.43	23.43	23.43	23.21	23.21	23.21	23.43	23.21
Private Total	44.10	44.15	45.15	45.28	45.43	45.52	45.60	45.76	45.25	45.30	45.40	45.49	45.72	45.75
Autoracks	38.46	39.46	40.33	40.60	40.88	41.15	40.29	42.15	42.86	43.86	45.44	46.61	49.42	50.13

WEIGHTS	"Old Wts"	"New Wts"
	2010	2011
For RCAF & RCR		
RR-owned Time	0.174	0.170
RR-owned Mileage	0.084	0.078
Privately-owned Cars	0.732	0.738
Autoracks	0.010	0.014
----- Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)		
	2010	2011
Car Hire - U.S.	0.458	0.486
Lease Rentals - U.S.	0.542	0.514
----- 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 05/2013

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	7,713	118	0.080	36
Railroad	Number of Zero-Rated Vehicular Flats	54	.	.	.
Railroad	All Other Cars	489,025	63	0.067	.
Railroad	Number of Zero-Rated Other Cars	22,194	.	.	.
Railroad	Total Railroad Equipment	518,986	.	.	.
	
Private	Vehicular Flats	46,716	80	0.014	47
Private	Number of Zero-Rated Vehicular Flats	16	.	.	.
Private	Covered Hoppers	327,318	0	0.442	.
Private	Number of Zero-Rated Covered Hoppers	9,755	.	.	.
Private	Tanks	314,983	0	0.705	.
Private	Number of Zero-Rated Tanks	8,185	.	.	.
Private	All Other Cars	285,537	73	0.070	.
Private	Number of Zero-Rated Other Cars	30,304	.	.	.
Private	Total Private Equipment	1,022,814	.	.	.

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 2013 As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast →	13Q1	13Q2	13Q3	13Q4	
For Actual →	12Q3	12Q4	13Q1	13Q2	
January 2012	190.1	190.1	190.1	190.1	
February 2012	190.1	190.1	190.1	190.1	
March 2012	190.6	190.6	190.6	190.6	
April 2012	191.8	191.8	191.8	191.8	
May 2012	191.6	191.6	191.6	191.6	
June 2012	191.5	191.5	191.5	191.5	
July 2012	191.7	192.0	192.0	192.0	
August 2012	189.6	190.4	190.4	190.4	
September 2012	190.6	190.9	190.9	190.9	
October 2012	190.8	190.8	194.9	194.9	
November 2012		194.9	193.9	193.9	
December 2012		195.1	194.1	194.1	
January 2013		197.7	197.7	196.0	
February 2013			197.2	195.2	
March 2013			196.0	195.8	
April 2013			196.7	196.7	
May 2013				198.4	
June 2013				198.4	
July 2013				198.4	
Actual Qtr.	190.6	193.6	197.0	197.8	

1980=100

Actual Qtr.	210.8	214.2	217.9	218.8
First Mo. next qtr.	211.1	218.7	217.6	219.5

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

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2012	190.1	190.1	190.6	191.8	191.6	191.5	192.0	190.4	190.9	194.9	193.9	194.1	191.8
2013	196.0	195.2	195.8	196.7(P)	198.4(P)	198.4(P)	198.4(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 2013 As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast →		13Q1	13Q2	13Q3	13Q4
For Actual →		12Q3	12Q4	13Q1	13Q2
January	2012	193.8	193.8	193.8	193.8
February	2012	194.7	194.7	194.7	194.7
March	2012	195.7	195.7	195.7	195.7
April	2012	195.8	195.8	195.8	195.8
May	2012	195.4	195.4	195.4	195.4
June	2012	193.7	193.7	193.7	193.7
July	2012	193.2	193.3	193.3	193.3
August	2012	193.2	193.3	193.3	193.3
September	2012	193.7	193.7	193.7	193.7
October	2012	193.9	193.9	193.9	193.9
November	2012		194.0	194.0	194.0
December	2012		194.4	194.2	194.2
January	2013		195.1	195.1	195.3
February	2013			196.0	196.1
March	2013			196.4	196.1
April	2013			196.2	196.2
May	2013				195.5
June	2013				195.5
July	2013				195.1
Actual Qtr.		193.4	194.1	195.8	195.7

1980=100

Actual Qtr.	216.8	217.6	219.5	219.4
First Mo. next qtr.	217.4	218.7	220.0	218.7

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:  .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2012	193.8	194.7	195.7	195.8	195.4	193.7	193.3	193.3	193.7	193.9	194.0	194.2	194.3
2013	195.3	196.1	196.1	196.2(P)	195.5(P)	195.5(P)	195.1(P)						

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

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AAR 2012 Wage Statistics July 11, 2013 U.S.

Union	Employees	Straight Time		PFTNW	Union Lump
	Paid	Hours	Comp.	Comp.	Sums
UTU	42,065	73,420,877	1,898,577,077	769,970,315	35,934,899
TCU	6,564	11,379,967	302,745,672	50,907,221	8,043,231
BLET	27,588	53,913,317	1,694,668,426	583,609,746	123,318,804
SMW	1,027	1,845,558	49,360,851	7,277,461	526,708
BRS	7,595	14,257,636	403,267,144	92,717,134	3,306,736
BMWE	25,936	45,888,371	1,141,561,980	217,284,477	15,339,042
TCU-CAR	9,974	18,193,331	488,319,297	73,116,600	5,239,860
NCFO	2,451	4,410,432	98,003,806	13,367,720	946,811
IAM	7,081	12,736,362	348,477,596	57,418,360	4,105,548
IBBM	1,209	2,156,515	52,697,745	7,141,293	403,311
IBEW	5,721	10,313,187	283,369,606	49,568,229	3,057,704
ATDA	2,593	4,640,880	175,823,198	32,197,662	7,732,191
UTU-YMD	2,021	2,904,824	125,701,546	28,271,496	1,694,057
OTHER	26,913	56,734,496	2,584,751,739	77,965,445	
Total	168,738	312,795,753	\$9,647,325,683	\$2,060,813,159	\$209,648,902
ST Comp less Union Lump Sums			\$9,437,676,781		

Checks

OK Match	OK Match	OK Match	OK Match
Total including non-union			\$607,926,906

RCAF Weights

	U.S.	East	West	2012	2011	Amt Chg	2010	2009	2008
Labor	\$16,026,085	\$6,478,697	\$9,547,388	31.2%	31.3%	-0.1%	33.3%	34.7%	30.2%
Fuel	11,480,653	3,306,228	8,174,425	22.4%	22.5%	-0.1%	18.0%	14.9%	25.2%
Mat & Sup.	2,508,163	1,027,936	1,480,227	4.9%	5.1%	-0.2%	5.0%	5.1%	5.1%
Equip. Rents	2,900,408	801,413	2,098,995	5.6%	5.6%	0.0%	6.2%	7.1%	6.3%
Depreciation	6,206,925	2,198,461	4,008,464	12.1%	11.6%	0.5%	12.8%	13.9%	10.4%
Interest	974,308	546,603	427,705	1.9%	2.5%	-0.6%	2.9%	3.0%	2.3%
Other	11,258,220	5,086,433	6,171,787	21.9%	21.4%	0.5%	21.8%	21.3%	20.5%
Total	\$51,354,762	\$19,445,771	\$31,908,991	100.0%	100.0%		100.0%	100.0%	100.0%

Check Enter US from R-1 sum Bolded number was adjusted to force rounded numbers to add to 100.0%.

410 620f	50,380,454	50,380,454
Interest	974,308	
Total	51,354,762	
	ok	

Other	U.S.	East	West	2012	2011	Amt Chg.
Purch Service	\$7,401,236	\$3,214,255	\$4,186,981	14.4%	14.0%	0.4%
Taxes	1,088,180	375,536	712,644	2.1%	2.0%	0.1%
Cas & Insuran	599,430	272,620	326,810	1.2%	1.4%	-0.2%
Loss & Dam	78,127	32,281	45,846	0.2%	0.2%	0.0%
Gen & Admn	2,091,247	1,191,741	899,506	4.1%	3.9%	0.1%
Total	\$11,258,220	\$5,086,433	\$6,171,787	21.9%	21.4%	0.5%

RCR and RCAF Internal Weights

	U.S.	East	West	U.S. 2012	East 2012	West 2012	U.S. 2011	Amt Diff
Labor								
Wages	11,125,896	4,361,411	6,764,485	69.4%	67.3%	70.9%	68.5%	0.9%
Wage Supplem	4,900,189	2,117,286	2,782,903	30.6%	32.7%	29.1%	31.5%	-0.9%
Total	16,026,085	6,478,697	9,547,388	100.0%	100.0%	100.0%	100.0%	
	ok	ok	ok					

Depreciation (RCR)

Road	4,131,938	1,547,249	2,584,689	66.6%	70.4%	64.5%	67.5%	-0.9%
Locomotive	1,146,485	309,336	837,149	18.5%	14.1%	20.9%	17.6%	0.9%
Freight Car	332,223	186,962	145,261	5.3%	8.5%	3.6%	5.2%	0.1%
Other Equip.	596,279	154,914	441,365	9.6%	7.0%	11.0%	9.7%	-0.1%
Total	6,206,925	2,198,461	4,008,464	100.0%	100.0%	100.0%	100.0%	
Check	ok	ok	ok					

Deprec - Other (RCR)

Locomotive	1,146,485	309,336	837,149	77.5%	62.3%	85.2%	77.2%	0.3%
Freight Car	332,223	186,962	145,261	22.5%	37.7%	14.8%	22.8%	-0.3%
Total	1,478,708	496,298	982,410	100.0%	100.0%	100.0%	100.0%	

Equip. Rents

Car Hire	1,398,523	586,248	812,275	48.2%	73.2%	38.7%	48.6%	-0.4%
Lease Rents	1,501,885	215,165	1,286,720	51.8%	26.8%	61.3%	51.4%	0.4%
Total	2,900,408	801,413	2,098,995	100.0%	100.0%	100.0%	100.0%	
Check	ok	ok	ok					

Interest (RCR)

Road	156,256,879	59,634,994	96,621,885	82.6%	78.2%	85.6%	83.4%	-0.8%
Locomotive	22,074,869	9,643,408	12,431,461	11.7%	12.7%	11.0%	11.0%	0.7%
Freight Car	10,796,693	6,962,793	3,833,900	5.7%	9.1%	3.4%	5.6%	0.1%
Total	189,128,441	76,241,195	112,887,246	100.0%	100.0%	100.0%	100.0%	
from Sch. 352B	ok	ok	ok					

Car Hire

RR Time excl Autork	205,862			14.8%			17.0%	-2.2%
RR Mileage excl Auto	99,197			7.1%			7.8%	-0.7%
Private excl Autorack	1,062,376			76.4%			73.8%	2.6%
Autorack	23,611			1.7%			1.4%	0.3%
Total	1,391,046			100.0%			100.0%	
from Sch. 414	ok							

Car Hire, Adjusted to eliminate negative numbers

RR Time excl Autork	205,862			14.8%			17.0%	-2.2%
RR Mileage excl Auto	99,197			7.1%			7.8%	-0.7%
Private excl Autorack	1,062,376			76.4%			73.8%	2.6%
Autorack	23,611			1.7%			1.4%	0.3%
Total	1,391,046			100.0%			100.0%	

Note: These numbers are all rounded to 3 digits after the decimal or 1 digit after the decimal for a percentage. In the event that the rounded percentages do not sum to 100.0%, the number that is closest to rounding in the other direction will be changed to force a 100.0% total. The number is identified by a **bold font**.

Railroad Retirement and Medicare Benchmark for U.S.

Inputs:

RRB Earnings Distribution Year	2011	RR Retirement Tier I Maximum Taxable Earnings for 2012	\$110,100
Wage Statistics Year*	2012	RR Retirement Tier II Maximum Taxable Earnings for 2012	\$81,900
Employees Receiving Pay*	168,738 ✓	Medicare Maximum Taxable Earnings for 2012	no limit
		Tier I Employer Tax Rate for 2012	6.20%
		Tier II Employer Tax Rate for 2012	12.10%
		Medicare Employer Tax Rate for 2012	1.45%

* Preliminary Wage Statistics for benchmark used for RCR in March & June

(Info Only)

USA	ST+PFTNW Hrly Rate	Update Factor	RR Ret. Tax Paid	Hourly Rate	
2011	\$34.752				
2012	\$36.269	1.04365	\$597,921,143	\$7.191	Hourly rate from SUPPL2012.xls

Railroad Retirement and Medicare Benchmark for U.S.

From 2011 RRB Earnings Distribution			Quarterly Average for Benchmark Year 2012 (using updated 2011 Earnings Distribution with data for 2012)									
Earnings Groups	Avg Annual Earnings	% of Total Employees	Employees Receivg. Pay	Avg. Annual Earnings	Avg. Qtrly. Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
									Tier I	Tier II	Medicare	
\$0 - 41,699	\$33,375	3.646	6,152	\$34,832	\$8,708	8,708	\$8,708	\$8,708	\$53,573,081	\$53,573,081	\$53,573,081	
41,700 - 43,699	\$42,514	0.999	1,686	\$44,370	11,092	11,092	11,092	11,092	18,698,473	18,698,473	18,698,473	
43,700 - 45,699	\$44,810	1.399	2,361	\$46,766	11,692	11,692	11,692	11,692	27,599,508	27,599,508	27,599,508	
45,700 - 47,699	\$46,792	1.698	2,865	\$48,835	12,209	12,209	12,209	12,209	34,979,853	34,979,853	34,979,853	
47,700 - 49,699	\$48,727	2.448	4,131	\$50,854	12,714	12,714	12,714	12,714	52,515,774	52,515,774	52,515,774	
49,700 - 51,699	\$50,786	4.745	8,007	\$53,003	13,251	13,251	13,251	13,251	106,093,532	106,093,532	106,093,532	
51,700 - 53,699	\$52,645	4.745	8,007	\$54,943	13,736	13,736	13,736	13,736	109,977,041	109,977,041	109,977,041	
53,700 - 55,699	\$54,730	4.595	7,754	\$57,119	14,280	14,280	14,280	14,280	110,718,361	110,718,361	110,718,361	
55,700 - 57,699	\$56,656	4.645	7,838	\$59,129	14,782	14,782	14,782	14,782	115,861,811	115,861,811	115,861,811	
57,700 - 59,699	\$58,651	3.447	5,816	\$61,211	15,303	15,303	15,303	15,303	89,007,251	89,007,251	89,007,251	
59,700 - 61,699	\$60,693	4.695	7,922	\$63,342	15,836	15,836	15,836	15,836	125,453,530	125,453,530	125,453,530	
61,700 - 63,699	\$62,782	3.447	5,816	\$65,523	16,381	16,381	16,381	16,381	95,276,351	95,276,351	95,276,351	
63,700 - 65,699	\$64,658	4.146	6,996	\$67,480	16,870	16,870	16,870	16,870	118,021,260	118,021,260	118,021,260	
65,700 - 67,699	\$66,749	3.447	5,816	\$69,663	17,416	17,416	17,416	17,416	101,296,568	101,296,568	101,296,568	
67,700 - 69,699	\$68,665	3.097	5,226	\$71,662	17,916	17,916	17,916	17,916	93,623,595	93,623,595	93,623,595	
69,700 - 71,699	\$70,790	3.197	5,395	\$73,880	18,470	18,470	18,470	18,470	99,637,594	99,637,594	99,637,594	
71,700 - 73,699	\$72,701	3.097	5,226	\$75,875	18,969	18,969	18,969	18,969	99,126,614	99,126,614	99,126,614	
73,700 - 75,699	\$74,838	2.547	4,298	\$78,105	19,526	19,526	19,526	19,526	83,918,904	83,918,904	83,918,904	
75,700 - 77,699	\$76,812	2.947	4,973	\$80,165	20,041	20,041	20,041	20,041	99,659,314	99,659,314	99,659,314	
77,700 - 79,699	\$78,753	2.697	4,551	\$82,191	20,548	20,548	20,475	20,548	93,509,716	93,178,938	93,509,716	
79,700 - 81,699	\$80,646	3.197	5,395	\$84,166	21,042	21,042	20,475	21,042	113,510,007	110,453,490	113,510,007	
81,700 - 83,699	\$82,834	2.547	4,298	\$86,450	21,612	21,612	20,475	21,612	92,885,145	87,996,572	92,885,145	
83,700 - 85,699	\$84,875	2.747	4,635	\$88,580	22,145	22,145	20,475	22,145	102,647,206	94,906,393	102,647,206	
85,700 - 87,699	\$86,750	2.498	4,215	\$90,537	22,634	22,634	20,475	22,634	95,404,883	86,303,666	95,404,883	
87,700 - 89,699	\$88,679	2.198	3,709	\$92,550	23,138	23,138	20,475	23,138	85,813,805	75,938,934	85,813,805	
89,700 - 91,699	\$90,740	1.948	3,287	\$94,701	23,675	23,675	20,475	23,675	77,820,929	67,301,658	77,820,929	
91,700 - 93,699	\$92,712	1.648	2,781	\$96,759	24,190	24,190	20,475	24,190	67,266,966	56,936,926	67,266,966	
93,700 - 95,699	\$94,599	1.499	2,529	\$98,728	24,682	24,682	20,475	24,682	62,430,507	51,789,109	62,430,507	
95,700 - 97,699	\$96,752	1.548	2,612	\$100,975	25,244	25,244	20,475	25,244	65,938,580	53,482,015	65,938,580	
97,700 - 99,699	\$98,551	1.249	2,108	\$102,853	25,713	25,713	20,475	25,713	54,191,623	43,151,833	54,191,623	
99,700 - 101,699	\$100,739	1.099	1,854	\$105,136	26,284	26,284	20,475	26,284	48,742,075	37,969,467	48,742,075	
101,700 - 103,699	\$102,678	1.049	1,770	\$107,160	26,790	26,790	20,475	26,790	47,420,003	36,242,012	47,420,003	
103,700 - 105,699	\$104,824	0.649	1,095	\$109,400	27,350	27,350	20,475	27,350	29,951,192	22,422,369	29,951,192	
105,700 - 107,699	\$106,759	1.249	2,108	\$111,419	27,855	27,525	20,475	27,855	58,009,973	43,151,833	58,705,071	
107,700 - 109,699	\$108,567	0.849	1,433	\$113,306	28,327	27,525	20,475	28,327	39,431,919	29,332,191	40,580,203	
109,700 - 111,699	\$110,850	0.999	1,686	\$115,689	28,922	27,525	20,475	28,922	46,398,689	34,514,556	48,753,957	
111,700 - 113,699	\$112,999	0.599	1,011	\$117,932	29,483	27,525	20,475	29,483	27,820,636	20,694,914	29,799,577	
113,700 - 115,699	\$114,334	0.450	759	\$119,325	29,831	27,525	20,475	29,831	20,900,311	15,547,097	22,651,481	
\$115,700 - over	\$197,340	6.294	10,620	\$205,954	51,489	27,525	20,475	51,489	292,325,677	217,452,070	546,827,751	
TOTAL		100.000	168,738						Total Taxable Earn'gs.	\$3,157,458,254	\$2,913,804,457	\$3,419,889,090
									Employer Tax Rate	6.20%	12.10%	1.45%
									Employer Payment	\$195,762,412	\$352,570,339	\$49,588,392
									Total Tier I & II & Medicare			\$597,921,143

RRB 2011 EARNINGS DATA

Annual Salary Range	Number of Employees	Gross Salary	Average Salary (Group)	Group Employment % Total Employment	Cumulative Employees	Cumulative Salary	Average Salary (Cumulative)	Cumulative % Total Employment
\$ 0 TO \$41,699	73	\$2,436,387	\$33,375	3.646	73	\$2,436,387	\$33,375	3.646
\$41,700 TO \$43,699	20	\$850,272	\$42,514	0.999	93	\$3,286,659	\$35,340	4.645
\$43,700 TO \$45,699	28	\$1,254,682	\$44,810	1.399	121	\$4,541,341	\$37,532	6.044
\$45,700 TO \$47,699	34	\$1,590,924	\$46,792	1.698	155	\$6,132,265	\$39,563	7.742
\$47,700 TO \$49,699	49	\$2,387,629	\$48,727	2.448	204	\$8,519,894	\$41,764	10.190
\$49,700 TO \$51,699	95	\$4,824,634	\$50,786	4.745	299	\$13,344,528	\$44,631	14.935
\$51,700 TO \$53,699	95	\$5,001,272	\$52,645	4.745	394	\$18,345,800	\$46,563	19.680
\$53,700 TO \$55,699	92	\$5,035,164	\$54,730	4.595	486	\$23,380,964	\$48,109	24.276
\$55,700 TO \$57,699	93	\$5,269,037	\$56,656	4.645	579	\$28,650,001	\$49,482	28.921
\$57,700 TO \$59,699	69	\$4,046,928	\$58,651	3.447	648	\$32,696,929	\$50,458	32.368
\$59,700 TO \$61,699	94	\$5,705,102	\$60,693	4.695	742	\$38,402,031	\$51,755	37.063
\$61,700 TO \$63,699	69	\$4,331,963	\$62,782	3.447	811	\$42,733,994	\$52,693	40.509
\$63,700 TO \$65,699	83	\$5,366,639	\$64,658	4.146	894	\$48,100,633	\$53,804	44.655
\$65,700 TO \$67,699	69	\$4,605,652	\$66,749	3.447	963	\$52,706,285	\$54,731	48.102
\$67,700 TO \$69,699	62	\$4,257,238	\$68,665	3.097	1,025	\$56,963,523	\$55,574	51.199
\$69,700 TO \$71,699	64	\$4,530,556	\$70,790	3.197	1,089	\$61,494,079	\$56,468	54.396
\$71,700 TO \$73,699	62	\$4,507,483	\$72,701	3.097	1,151	\$66,001,562	\$57,343	57.493
\$73,700 TO \$75,699	51	\$3,816,714	\$74,838	2.547	1,202	\$69,818,276	\$58,085	60.040
\$75,700 TO \$77,699	59	\$4,531,894	\$76,812	2.947	1,261	\$74,350,170	\$58,961	62.987
\$77,700 TO \$79,699	54	\$4,252,651	\$78,753	2.697	1,315	\$78,602,821	\$59,774	65.684
\$79,700 TO \$81,699	64	\$5,161,350	\$80,646	3.197	1,379	\$83,764,171	\$60,743	68.881
\$81,700 TO \$83,699	51	\$4,224,556	\$82,834	2.547	1,430	\$87,988,727	\$61,531	71.429
\$83,700 TO \$85,699	55	\$4,668,110	\$84,875	2.747	1,485	\$92,656,837	\$62,395	74.176
\$85,700 TO \$87,699	50	\$4,337,500	\$86,750	2.498	1,535	\$96,994,337	\$63,188	76.673
\$87,700 TO \$89,699	44	\$3,901,877	\$88,679	2.198	1,579	\$100,896,214	\$63,899	78.871

RRB 2011 EARNINGS DATA

Annual Salary Range	Number of Employees	Gross Salary	Average Salary (Group)	Group Employment % Total Employment	Cumulative Employees	Cumulative Salary	Average Salary (Cumulative)	Cumulative % Total Employment
\$89,700 TO \$91,699	39	\$3,538,841	\$90,740	1.948	1,618	\$104,435,055	\$64,546	80.819
\$91,700 TO \$93,699	33	\$3,059,488	\$92,712	1.648	1,651	\$107,494,543	\$65,109	82.468
\$93,700 TO \$95,699	30	\$2,837,955	\$94,599	1.499	1,681	\$110,332,498	\$65,635	83.966
\$95,700 TO \$97,699	31	\$2,999,308	\$96,752	1.548	1,712	\$113,331,806	\$66,198	85.514
\$97,700 TO \$99,699	25	\$2,463,770	\$98,551	1.249	1,737	\$115,795,576	\$66,664	86.763
\$99,700 TO \$101,699	22	\$2,216,252	\$100739	1.099	1,759	\$118,011,828	\$67,090	87.862
\$101,700 TO \$103,699	21	\$2,156,228	\$102678	1.049	1,780	\$120,168,056	\$67,510	88.911
\$103,700 TO \$105,699	13	\$1,362,718	\$104824	0.649	1,793	\$121,530,774	\$67,781	89.560
\$105,700 TO \$107,699	25	\$2,668,964	\$106759	1.249	1,818	\$124,199,738	\$68,317	90.809
\$107,700 TO \$109,699	17	\$1,845,638	\$108567	0.849	1,835	\$126,045,376	\$68,690	91.658
\$109,700 TO \$111,699	20	\$2,216,994	\$110850	0.999	1,855	\$128,262,370	\$69,144	92.657
\$111,700 TO \$113,699	12	\$1,355,986	\$112999	0.599	1,867	\$129,618,356	\$69,426	93.257
\$113,700 TO \$115,699	9	\$1,029,003	\$114334	0.450	1,876	\$130,647,359	\$69,641	93.706
\$115,700 AND OVER	126	\$24,864,839	\$197340	6.294	2,002	\$155,512,198	\$77,678	100.000
TOTAL	2,002	\$155,512,198	\$77,678	100.000	2,002	\$155,512,198	\$77,678	100.000