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Senior Vice President - Policy & Economics

June 5, 2015

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

Dear Ms. Brown:

This submission is the AAR forecast of the third quarter 2015 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2015-3) *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 third quarter 2015 results on the fourth quarter 2012 base, and shows the percentage changes from the previous quarter.

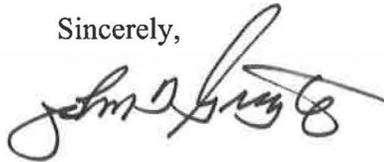
	<u>2015Q2</u>	<u>2015Q3</u>	<u>% Change</u>
All-Inclusive Index	91.1	90.6	-0.5
Preliminary RCAF	0.911	0.906	-0.5
Forecast Error Adjustment	-0.031	-0.077	
RCAF (Unadjusted)	0.880	0.829	-5.8
Productivity Adjustment Factor	2.3382	2.3422	
RCAF (Adjusted)	0.376	0.354	-5.9
PAF-5	2.4766	2.4828	
RCAF-5	0.355	0.334	-5.9

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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.

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

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Gray", written in a cursive style.

John T. Gray

Attachments

**Third Quarter 2015
All-Inclusive Index**

Ex Parte No. 290 (Sub-No. 5) (2015-3)

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

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

June 5, 2015

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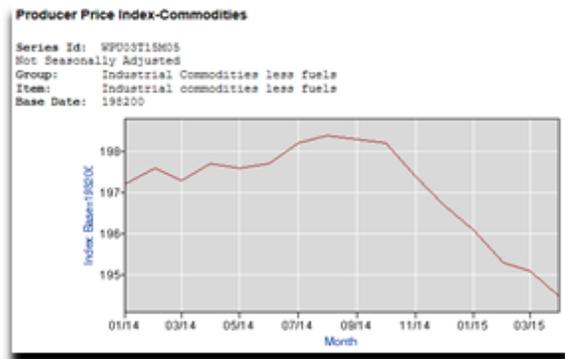
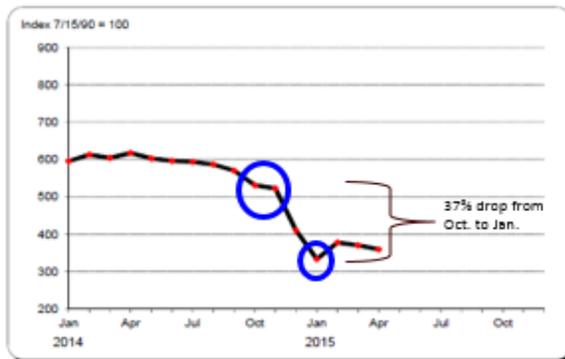
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Introduction

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

This quarter's projection of railroad costs is for the third quarter 2015. The forecast error adjustment, which is based on comparisons for the first quarter 2015, is the largest forecast error adjustment since the second quarter of 2009. Fuel was the major contributor to the large decrease, as actual fuel prices fell at a much faster rate (see chart below) than in the months (October and November) before the forecast was made. The PPI-Less Fuel, used as a proxy for All Other and part of Equipment Rents, has also been continuously falling since September.

Locomotive Diesel Fuel Prices Through April 2015



Index Weights

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

The 2013 (current) and 2012 (previous) weights are shown below. Weights calculated from 2012 data were used for the fourth quarter of 2013 through the third quarter of 2014. (Revisions to annual reports caused revisions to the 2012 weights.) Beginning with the fourth quarter of 2014, weights calculated using 2013 data are used. Labor had the biggest increase in weight, as it increased from 31.2 to 31.6 percent of expenses. Weights for Fuel and Equipment Rents decreased by 0.2 percentage points, although the weight for Fuel remains high compared to other years. Weights for Depreciation increased by 0.1 percentage point, Interest decreased by 0.1 percentage point, and the remaining components experienced no change at all. During October 2014, the STB ordered one railroad to make a small revision to Schedule 410 of its 2013 annual report. However, the change had no impact on the weights calculated earlier in August.

Weights for RCAF's All-Inclusive Index		
	2012	2013
Labor	31.2 %	31.6 %
Fuel	22.3	22.1
Materials & Supplies	4.9	4.9
Equipment Rents	5.6	5.4
Depreciation	11.9	12.0
Interest	2.0	1.9
Other	<u>22.1</u>	<u>22.1</u>
Total	100.0	100.0

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

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

All-Inclusive Index Third Quarter 2015

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.

	2013 Weights	Forecast		Percent Change
		Previous 2015Q2	Current 2015Q3	
1. Labor	31.6%	402.8	404.3	0.4 %
2. Fuel	22.1%	251.6	246.1	-2.2
3. M&S	4.9%	265.3	258.9	-2.4
4. Equipment Rents	5.4%	212.1	212.2	0.0
5. Depreciation	12.0%	222.1	221.8	-0.1
6. Interest	1.9%	70.6	70.6	0.0
7. Other	22.1%	217.2	215.6	-0.7
8. Weighted Average				
a. 1980 = 100		283.3	281.9	
b. 1980 = 100 (linked)		271.0	269.7 ¹	
c. 4Q12 = 100		91.1	90.6 ²	-0.5

¹ Index80 = (Current Index / Previous Index) * the Previous Quarter Linked Index
= (281.9 / 283.3) x 271.0
= 269.7

² To calculate the 4Q12 = 100 index:
Index4Q12 = (Current Linked Index / 4Q12 Basing Factor) * 100
= 269.7 divided by 297.6 times 100
= 90.6

Indexes based on other periods:
4Q07 based index = 269.7 / 245.9 x 100 = 109.7
4Q02 based index = 269.7 / 192.1 x 100 = 140.4
4Q97 based index = 269.7 / 173.2 x 100 = 155.7
4Q92 based index = 269.7 / 156.9 x 100 = 171.9
4Q87 based index = 269.7 / 132.2 x 100 = 204.0

Forecast vs. Actual All-Inclusive Index First Quarter 2015

Because of data availability, the forecast error adjustment has a two-quarter lag from each filing. As shown below, the first quarter actual index of 87.8 is 7.7 index points below the forecast value of 95.5. Therefore, the forecast error adjustment for third quarter 2015 is -7.7 index points.

	2013 Weights	First Quarter 2015		Amt Difference
		Forecast	Actual	
1. Labor	31.6%	401.6	401.6	
2. Fuel	22.1%	309.1	205.9	
3. M&S	4.9%	274.9	274.9	
4. Equipment Rents ¹	5.4%	213.1	212.6	
5. Depreciation	12.0%	218.6	221.1	
6. Interest	1.9%	70.6	70.6	
7. Other	22.1%	223.1	219.2	
8. Weighted Average				
a. 1980 = 100		297.1	273.7	
b. 1980 = 100 (linked)		284.2	261.3 ²	
c. 4Q12 = 100 ³		95.5	87.8	-7.7

Forecast error \longrightarrow **-7.7 index points**

1	2013 Weights	First Quarter 2015	
		Forecast	Actual
Car-Hire	52.8%	186.6	188.7
Lease Rentals	47.2%	223.1	219.2
Weighted Average		203.8	203.1
Weighted Average (linked)		213.1	212.6

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

$$261.3 = 273.7 / 297.4 \times 283.9$$

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

Productivity

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

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

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

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

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

2008-2012

2009-2013

Rail Cost Adjustment Factor

Third Quarter 2015

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 2015Q2	Current 2015Q3	Percent Change
All-Inclusive Index ¹	91.1	90.6	-0.5
Preliminary RCAF ²	0.911	0.906	-0.5
Forecast Error Adjustment ³	<u>-0.031</u>	<u>-0.077</u>	
RCAF (Unadjusted) ⁴	0.880	0.829	-5.8
Productivity Adjustment Factor ⁵	<u>2.3382</u>	<u>2.3422</u>	
RCAF (Adjusted) ⁶	0.376	0.354	-5.9
PAF-5 ⁷	2.4766	2.4828	
RCAF-5 ⁸	0.355	0.334	-5.9

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

Third Quarter 2015

The third quarter 2015 Labor Index is forecast to increase 0.4 percent from the previous quarter. Employer contributions to 401(k) plans and employee stock plans caused the small increase.

Wage Rate Index

The Wage Rate Index portion of the Labor Index decreased 0.1 index points, which rounds to a 0.0 percent change. A few general wage increases and a higher profit sharing payment were offset by a lower rate for back pay.

Wage Increases: No wage increases are scheduled for the third quarter in the national labor agreements. Two new independent labor agreements were added to the index, and a small number of independent labor agreements have general wage increases scheduled for July or August.

Lump Sums: The third quarter lump sum rate decreased 0.2 cents from the previous quarter. One small lump sum was fully amortized and removed from the index. No new lump sums were added.

Back Pay: The third quarter back pay rate decreased 5.6 cents as the net result of the complete amortization and removal of a large amount from last year involving a total of seven new (at the time) labor agreements. Although two new back pay amounts were added to the rate, they were much smaller than the one removed.

Other: In wages, "Other" contains the amortization of incentive payments that a railroad makes each year to its dispatchers, yardmasters, and engineers. The current incentive payment amount is for a payment made in early 2015 for performance in 2014. This is the first quarter of amortization for the payment made in 2015, and the resulting rate is 18.4 percent (or 2.5 cents) higher than the previous quarter. This new incentive payment amount is 18 percent higher than the payment made in 2014, although it is lower than the payment made in early 2013.

Supplements Index

The Supplements Index increased 0.9 percent because of higher employer contributions to 401(k) and stock plans.

Health & Welfare: The Health & Welfare rate rounded to the same number for the current quarter. Small changes to employee health & welfare cost sharing were made for a new labor agreement for one railroad.

Railroad Retirement: The Railroad Retirement rate decreased 0.2 cents, which rounds to a change of 0.0 percent. Taxable earnings were lower by 1.4 cents.

Unemployment Insurance: The Unemployment Insurance rate was unchanged from the previous quarter.

Labor

Third Quarter 2015

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 third quarter, the rate increased 15.1 cents because of one railroad's annual bonus match 401(k) contribution, and another railroad's annual employee stock contribution.

Labor Index Calculation

As shown in Table A-1 on the next page, the 0.0 percent change in the Wage Rate Index and a 0.9 percent increase in the Supplements Index combined to cause a 0.4 percent increase in the Labor Index. The linked third quarter 2015 index is 404.3.

Labor Third Quarter 2015

Table A-1 Labor Index

	2015Q2	2015Q3	Change	
			Percent	Amount
<u>Base Wage</u> – Straight Time & Pay For Time Not Worked	\$40.102	\$40.121	0.0%	\$0.019
Adjustments:				
Lump Sum	0.407	0.405	-0.5%	-\$0.002
Back Pay	0.150	0.094	-37.3%	-\$0.056
Other	0.136	0.161	18.4%	\$0.025
Total Wages	<u>40.795</u>	<u>40.781</u>	0.0%	-\$0.014
Health & Welfare Benefits	7.612	7.612	0.0%	\$0.000
RR Retirement & Medicare	8.244	8.242	0.0%	-\$0.002
Unemployment Insurance	0.204	0.204	0.0%	\$0.000
Other	0.145	0.296	104.1%	\$0.151
Total Supplements	<u>\$16.205</u>	<u>\$16.354</u>	0.9%	\$0.149
Total Labor (as info only)	\$57.000	\$57.135		
Wage Index¹	349.1	349.0	0.0%	
Supplements Index²	598.9	604.4	0.9%	
Total labor Index, 2012 Weights ³	423.8	425.4		
Labor Index (linked)⁴	402.8	404.3	0.4%	

¹ 1980 wage rate \$11.685

² 1980 supplements rate \$2.706

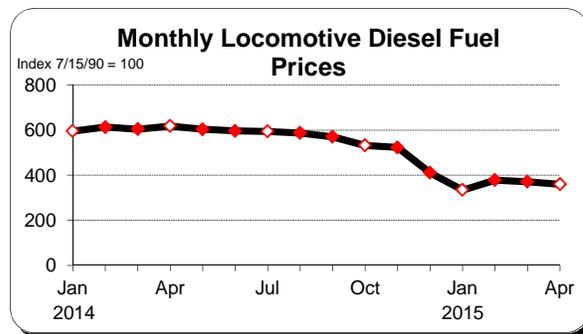
³ 2013 weights: wages, supplements 70.1% 29.9%

⁴ 2015Q3 linked Index = 2015Q2 linked x (2015Q3 / 2015Q2)
= 402.8 x 425.4 / 423.8

Fuel Third Quarter 2015

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

Locomotive diesel fuel prices had some huge decreases near the end of 2014, but the April 2015 average price is higher than that for January. The chart below shows the AAR's Monthly Locomotive Diesel Fuel Price Index from January 2014 through April 2015.



While the latest average prices for locomotive diesel fuel are available only through April 2015, data through most of May are available for related fuel types. Weekly spot prices for crude oil,* heating oil,** and Ultra-Low-Sulfur Diesel Fuel** have all increased from 4/17/2015 to 5/29/2015, according to the Energy Information Administration. Increases ranged from 2.4 to 6.5 percent. Futures prices are up too.

Thus, the railroads expect Q3 (July) locomotive diesel fuel prices to be down only 2.2 percent from the previous quarter forecast, as prices are expected to continue to trend upward for the next month or two. This equates to July prices 10.9 percent higher than the average price railroads actually paid in April.

Forecast Fuel Index (1980 = 100)	246.1
Change from previous quarter forecast	-2.2%
Change from previous quarter actual	10.9%

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

Materials & Supplies Third Quarter 2015

The third quarter 2015 Materials & Supplies Index decreased 2.4 percent from the previous quarter. The decrease was caused by lower prices for items in both the Metals Products and Miscellaneous Products categories.

Items in the Metals Products category include rail, wheel sets, tie plates, bearings, turbocharger screens, and various other parts for locomotives and freight cars. Among the 13 items included in the Miscellaneous Products category are ballast, locomotive lube oil, creosote, two types of batteries, air brake hoses, containerized drinking water, and filters.

2015Q3 Materials & Supplies Index = 258.9

2015Q2 Materials & Supplies Index = 265.3

Difference	-6.4 basis points
	or
	-2.4 %

Equipment Rents Third Quarter 2015

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

Car Hire

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

Lease Rentals

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

Equipment Rents Index Calculation

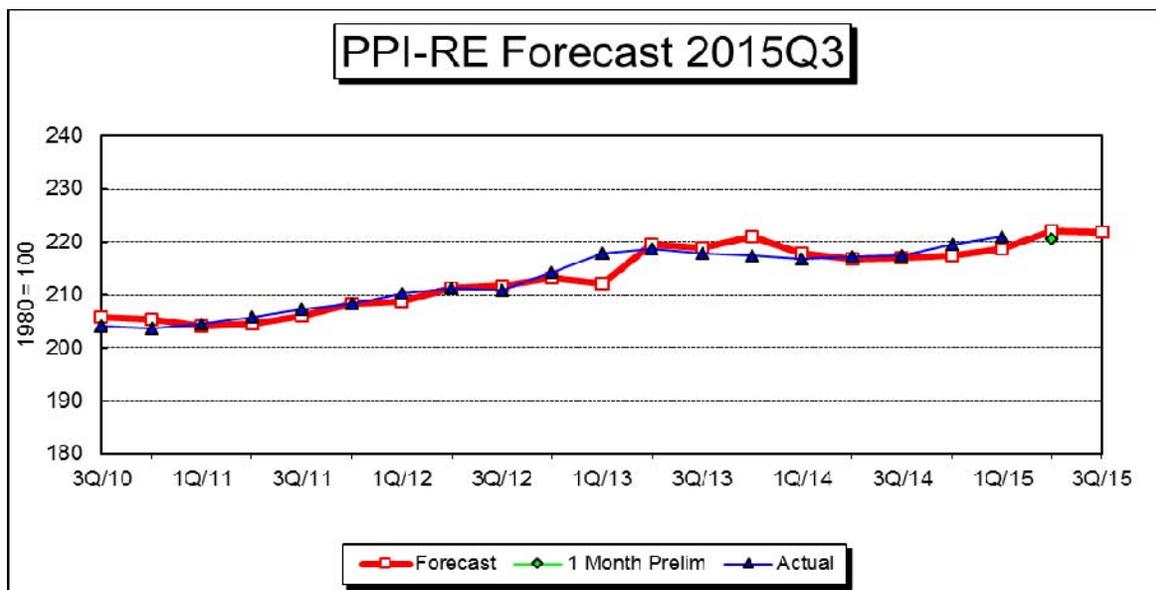
The table below calculates the Equipment Rents Index. The third quarter Car Hire portion of the Index increased 0.8 percent as the latest rates for privately owned cars were higher compared to three months ago. A 0.7 percent decrease in the projected PPI-LF (See Appendix G) used as a proxy for Lease Rentals, combined with the 0.8 percent increase for Car Hire, caused the Equipment Rents Index to increase slightly less than 0.05 percent – rounded to 0.0 percent in the table below.

	2013 Weight	2015Q2	2015Q3	Percent Change
Car Hire	52.8%	190.0	191.6	0.8 %
Lease Rentals	47.2%	217.2	215.6	-0.7
Weighted Average		202.8	202.9	0.0
Weighted Average (Linked)		212.1	212.2	0.0

Depreciation Third Quarter 2015

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 where March and April are down to the same value as October.

Forecast of Depreciation Index (1982=100)	200.5
Forecast of Depreciation Index (1980=100)	221.8
Change from previous quarter forecast	-0.1%
Change from actual first month of previous quarter	0.6%
Change from same quarter of prior year (actual)	2.0%



Depreciation Third Quarter 2015

PPI RAILROAD EQUIPMENT

Exponential smoothing outperforms Box-Jenkins by 0.808 to 1.628 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12. For Box-Jenkins, I used a log transform.

Series is trended and nonseasonal.

Recommended model: Exponential Smoothing

Forecast Model for PPIRE

Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing Weight	Final Value
Level	0.67061	199.54
Trend	0.01808	0.24367

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 190.8	Standard deviation 6.041
R-square 0.9737	Adjusted R-square 0.9734
Durbin-Watson 1.941	Ljung-Box(18)=10.35 P=0.08016
Forecast error 0.986	BIC 1.032
MAPE 0.003326	RMSE 0.9722
MAD 0.6386	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2014-11	199.9
2014-12	199.5
2015-01	199.7
2015-02	200.7
2015-03	199.3
2015-04	199.3

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2015-05	197.762	199.784	201.806
2015-06	197.580	200.028	202.476
2015-07	197.461	200.272	203.082
2015-08	197.384	200.515	203.647
2015-09	197.337	200.759	204.181
QTR AVG	197.394	200.515	203.6367

Interest Third Quarter 2015

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.

The current Interest Index is based on data from the 2013 Annual Report Form R-1 submitted by each Class I railroad to the Surface Transportation Board at the end of March 2014. This index will be updated using data from the Class I railroads' 2014 Annual Report Form R-1 in the Q4 filing to be submitted on September 5, 2015.

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

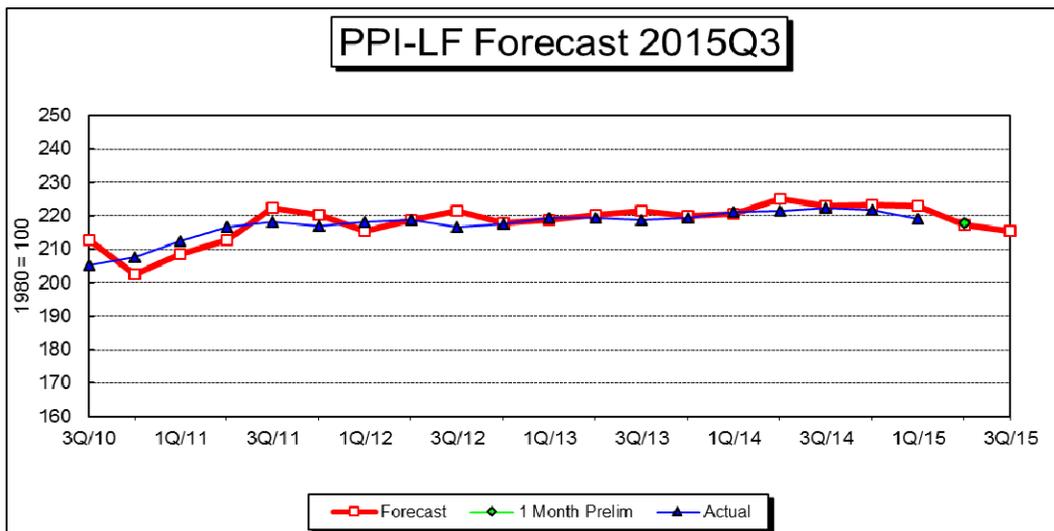
2013	Interest Rate	5.54%
1980	Interest Rate	7.85%
2015Q3	Interest Index	70.6
2015Q2	Interest Index	70.6
	Percent Change	0.0%

Other Expenses Third Quarter 2015

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 forecast reflects monthly PPI-LF figures that have decreased every month since September 2014.

Forecast of Other Expense Index (1982=100)	192.3
Forecast of Other Expense Index (1980=100)	215.6
Change from previous quarter forecast	-0.7%
Change from actual first month of previous quarter	-1.1%
Change from same quarter of prior year (actual)	-3.0%



Other Expenses Third Quarter 2015

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

Exponential smoothing outperforms Box-Jenkins by 1.903 to 2.042 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	0.99999	194.50
Trend	0.80279	-0.54305

Sample size 72	Number of parameters 2
Mean 191.1	Standard deviation 6.972
R-square 0.9926	Adjusted R-square 0.9925
Durbin-Watson 1.933	Ljung-Box(18)=36.11 P=0.9932
Forecast error 0.6054	BIC 0.6334
MAPE 0.002422	RMSE 0.5969
MAD 0.4629	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2014-11	197.4
2014-12	196.7
2015-01	196.1
2015-02	195.3
2015-03	195.1
2015-04	194.5

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2015-05	192.715	193.957	195.198
2015-06	190.854	193.414	195.973
2015-07	189.471	192.871	196.271
2015-08	188.257	192.328	196.398
2015-09	187.139	191.785	196.430
QTR AVG	188.289	192.328	196.366

Railroad and Union Abbreviations

Third Quarter 2015

Railroads

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

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

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

Major Unions Involved with Railroads

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

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

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

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

Workpapers Sent to STB for 2015 Q3 RCAF

June 5, 2015

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. Wall Street Journal - 13 week Treasury Bill Rate from auction (a.k.a. 3-Mo. T-Bill)
6. 2015/Q3 RCAF Lump Sum Amortization summary, public version (1 page)
7. 2015/Q3 RCAF Back Pay Amortization summary, public version (1 page)
8. Health & Welfare worksheet (1 page)
9. Railroad Retirement spreadsheet (5 pages)
10. Unemployment Insurance Tax worksheet
11. 2-page SAS run for Q3 Unemployment Insurance
12. 2 Spot Price pages from EIA
13. Summary of Materials & Supplies (one page)
14. Car Hire Spreadsheet (2 pages) plus source data page for June 1, 2015
15. 4 pages of PPI-RE for Depreciation including graph, input/output, and BLS source data
16. 4 pages of PPI-LF for Other (and Lease Rentals) incl. graph, input/output, BLS source data
17. Forecast Error calc. and workpapers (10 pages: calc, index, fuel, 3 car hire, 2 deprec, 2 other)

RCAF All-Inclusive Index's Labor Index Based on 2013 Benchmarks

	13 Wts.	3Q/14	3Q/14 Rebenched As Info Only	% Chg	4Q/14	% Chg	1Q/15	% Chg	2Q/15	% Chg	3Q/15	% Chg
Straight Time		\$32.585	\$32.156	-1.3%	\$32.165	-1.3%	\$33.087	2.9%	\$33.139	0.2%	\$33.155	0.0%
PFTNW		\$7.054	\$6.808	-3.5%	\$6.809	-3.5%	\$6.952	2.1%	\$6.963	0.2%	\$6.966	0.0%
Total		\$39.639	\$38.964	-1.7%	\$38.974	-1.7%	\$40.039	2.7%	\$40.102	0.2%	\$40.121	0.0%
Adjustments												
Lump Sum		\$0.316	\$0.315		\$0.315		\$0.316		\$0.407		\$0.405	
Back Pay		\$0.093	\$0.093		\$0.094		\$0.094		\$0.150		\$0.094	
Other		\$0.137	\$0.136		\$0.136		\$0.136		\$0.136		\$0.161	
Total Wages		\$40.185	\$39.508	-1.7%	\$39.519	-1.7%	\$40.585	2.7%	\$40.795	0.5%	\$40.781	0.0%
Pre-Tax Reduction		(\$1.169)	(\$1.200)		(\$1.200)		(\$1.200)		(\$1.200)		(\$1.200)	
Taxable Wages		\$39.016	\$38.308		\$38.319		\$39.385		\$39.595		\$39.581	
H & W		\$7.611	\$7.652	0.5%	\$7.652	0.5%	\$7.612	-0.5%	\$7.612	0.0%	\$7.612	0.0%
RR Ret & Medicare		\$7.896	\$7.834	-0.8%	\$7.835	-0.8%	\$8.212	4.8%	\$8.244	0.4%	\$8.242	0.0%
Unemp. Insurance		\$0.059	\$0.059	0.0%	\$0.059	0.0%	\$0.204	245.8%	\$0.204	0.0%	\$0.204	0.0%
Other		\$0.263	\$0.262	-0.4%	\$0.106	-59.7%	\$0.177	67.0%	\$0.145	-18.1%	\$0.296	104.1%
Total		\$15.829	\$15.807	-0.1%	\$15.652	-1.1%	\$16.205	3.5%	\$16.205	0.0%	\$16.354	0.9%
Adjustments												
Total Supplements		\$15.829	\$15.807	-0.1%	\$15.652	-1.1%	\$16.205	3.5%	\$16.205	0.0%	\$16.354	0.9%
Total Labor		\$56.014	\$55.315	-1.2%	\$55.171	-1.5%	\$56.790	2.9%	\$57.000	0.4%	\$57.135	0.2%
Wage Rate Index	0.7010	343.9	338.1	-1.7%	338.2	-1.7%	347.3	2.7%	349.1	0.5%	349.0	0.0%
Supplements Index	0.2990	585.0	584.1	-0.2%	578.4	-1.1%	598.9	3.5%	598.9	0.0%	604.4	0.9%
Total Labor Index '12 Wts.		418.2										
Total Labor Index '13 Wts.		416.0	411.7	-1.0%	410.0	-1.4%	422.5	3.0%	423.8	0.3%	425.4	0.4%
Labor Index (Linked)		395.4			389.7	-1.4%	401.6	3.1%	402.8	0.3%	404.3	0.4%

All Inclusive Index and RCAF using 2013 Benchmarks and Weights

	13 Wts	3Q/14	13 Wts 3Q/14	% Chg	4Q/14	% Chg	1Q/15	% Chg	2Q/15	% Chg	3Q/15	% Chg
Labor	0.316	395.40	395.4	0.0%	389.7	-1.4%	401.6	3.1%	402.8	0.3%	404.3	0.4%
Fuel	0.221	375.90	375.9	0.0%	368.8	-1.9%	309.1	-16.2%	251.6	-18.6%	246.1	-2.2%
M&S	0.049	271.20	271.2	0.0%	276.6	2.0%	274.9	-0.6%	265.3	-3.5%	258.9	-2.4%
Equip. Rents	0.054	212.20	212.2	0.0%	213.0	0.4%	213.1	0.0%	212.1	-0.5%	212.2	0.0%
Depreciation	0.120	217.10	217.1	0.0%	217.4	0.1%	218.6	0.6%	222.1	1.6%	221.8	-0.1%
Interest	0.019	76.60	76.6	0.0%	70.6	-7.8%	70.6	0.0%	70.6	0.0%	70.6	0.0%
Other	0.221	222.90	222.9	0.0%	223.2	0.1%	223.1	0.0%	217.2	-2.6%	215.6	-0.7%
Weighted Avg.	1.000	309.00	309.5	0.2%	306.5	-1.0%	297.1	-3.1%	283.3	-4.6%	281.9	-0.5%
Linked	Basing Factor	296.10			293.2	-1.0%	284.2	-3.1%	271.0	-4.6%	269.7	-0.5%
10/1/80 basis	102.7	288.3			285.5	-1.0%	276.7	-3.1%	263.9	-4.6%	262.6	-0.5%
10/1/82	120.9	244.9			242.5	-1.0%	235.1	-3.1%	224.2	-4.6%	223.1	-0.5%
4Q/87	132.2	224.0			221.8	-1.0%	215.0	-3.1%	205.0	-4.7%	204.0	-0.5%
4Q/92	156.9	188.7			186.9	-1.0%	181.1	-3.1%	172.7	-4.6%	171.9	-0.5%
4Q/97	173.2	171.0			169.3	-1.0%	164.1	-3.1%	156.5	-4.6%	155.7	-0.5%
4Q/02	192.1	154.1			152.6	-1.0%	147.9	-3.1%	141.1	-4.6%	140.4	-0.5%
4Q/07	245.9	120.4			119.2	-1.0%	115.6	-3.0%	110.2	-4.7%	109.7	-0.5%
4Q/12 basis	297.6	99.5			98.5	-1.0%	95.5	-3.0%	91.1	-4.6%	90.6	-0.5%
Car Hire	0.528	185.10	185.1	0.0%	186.2	0.6%	186.6	0.2%	190.0	1.8%	191.6	0.8%
Lease Rents	0.472	222.90	222.9	0.0%	223.2	0.1%	223.1	0.0%	217.2	-2.6%	215.6	-0.7%
Weighted Avg Eq Rents		204.70	202.9	-0.9%	203.7	0.4%	203.8	0.0%	202.8	-0.5%	202.9	0.0%
Linked Equipment Rents		212.20			213.0	0.4%	213.1	0.0%	212.1	-0.5%	212.2	0.0%
Preliminary RCAF		0.995			0.985	-1.01%	0.955	-3.0%	0.911	-4.6%	0.906	-0.5%
Forecast Error Adj.		(0.010)			(0.008)		(0.009)		(0.031)		(0.077)	
RCAF Unadjusted		0.985			0.977	-0.81%	0.946	-3.2%	0.880	-7.0%	0.829	-5.8%
PAF		2.3226			2.3284	0.25%	2.3342	0.25%	2.3382	0.17%	2.3422	0.2%
RCAF Adjusted		0.424			0.420	-0.94%	0.405	-3.6%	0.376	-7.2%	0.354	-5.9%
PAF-5		2.4588			2.4642	0.22%	2.4704	0.25%	2.4766	0.25%	2.4828	0.25%
RCAF-5		0.401			0.396	-1.25%	0.383	-3.3%	0.355	-7.3%	0.334	-5.9%

Hourly Rate for 2015 Q3

Straight Time and Time Paid For But Not Worked

2015Q3 Straight Time Hourly Rate (from national spreadsheet)

\$32.613 ✓

No Change

Adjustments to 2013 base:

Adjustments added 2014 Q1

CN Railroads	\$0.06 COLA for some unions; WC BRS 3.8%; WC&EJE UTU 3%; non-union 3%	0.005
Misc. Indep ATDA, BLET, UTU, YMD	3% for BNSF BLET, CSX ATDA-East & BLET, UP ATDA(non-union); 2% for CSX-CSRA UTU	0.087
Soo Corp.	2% for most DME unions; 0.99% for DME BLET & UTU	0.002

Adjustments added 2014 Q2

CN Railroads	No change	0.000
Misc. Indep ATDA, BLET, UTU, YMD	No change	0.000
Soo Corp.	No change	0.000

Adjustments added 2014 Q3

CN Railroads	3.8% GWI for most unions (3.5% for UTU and UTU-YMD); \$0.10 COLA for some other unions	0.046
Misc. Indep ATDA, BLET, UTU, YMD	3.8% for CSX ATDA-South & UP BLET; 3.5% for CSX UTU & UP UTU-Y; 2% for NS BLET	0.159
Soo Corp.	3.8% GWI for some unions (3.5% for UTU and UTU-YMD)	0.002

Adjustments added 2014 Q4

CN Railroads	Two agreements with an August increase	0.002
Misc. Indep ATDA, BLET, UTU, YMD	No change	0.000
Soo Corp.	No change	0.000

Adjustments added 2015 Q1

CN Railroads	3% GWI for most unions, \$0.07 COLA for others, 3.8% GWI for non-union	0.023
Misc. Indep ATDA, BLET, UTU, YMD	3% for BNSF UTU, CSX ATDA-South, CSX UTU nat'l, UP BLET & UTU-YDM, 3.8% for UP dispatchers	0.146
Soo Corp.	3% for D&H	0.002

Adjustments added 2015 Q2

CN Railroads	New contracts received by AAR	0.027
Misc. Indep ATDA, BLET, UTU, YMD	One new BLET agreement, Snap Back for CSX ATDA East	0.025
Soo Corp.	No change	0.000

Adjustments added 2015 Q3

CN Railroads	New contracts received by AAR, 3% GWI for several BLET and UTU unions	0.013
Misc. Indep ATDA, BLET, UTU, YMD	No change	0.000
Soo Corp.	One new agreement received by AAR	0.003

Adjusted STHR Total

\$33.155

Pay For Time Not Worked

PFTNW (from national spreadsheet)				\$6.852
Ratio Adj STHR to Nat STHR	33.155 /	32.613	=	1.01662

Adjusted Pay For Time Not Worked

\$6.966

Notes:

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

RCAF Taxable Wages

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

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

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

Reduction Calculation for 3Q/2015

U.S. ST Hours = 314,226,409
 Wage Statistics are for 2013.

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, SOO, UP)	25,778	(\$198.00)	(\$61,248,528.00)
National BMWE (BNSF, CSX, KCS, NS, SOO, UP)	23,977	(\$198.00)	(\$56,969,352.00)
National BRS (BNSF, CSX, KCS, NS, SOO, UP)	7,388	(\$198.00)	(\$17,553,888.00)
National IAM (BNSF, CSX, KCS, NS, SOO, UP)	6,748	(\$198.00)	(\$16,033,248.00)
National IBBM (BNSF, CSX, KCS, NS, SOO, UP)	1,194	(\$198.00)	(\$2,836,944.00)
National IBEW (BNSF, CSX, KCS, NS, SOO, UP)	5,519	(\$198.00)	(\$13,113,144.00)
National NCFO (BNSF, CSX, KCS, NS, SOO, UP)	2,326	(\$198.00)	(\$5,526,576.00)
National SMW (BNSF, CSX, KCS, NS, SOO, UP)	986	(\$198.00)	(\$2,342,736.00)
National TCU (BNSF, CSX, KCS, NS, SOO, UP)	5,480	(\$198.00)	(\$13,020,480.00)
National TCU-CAR (BNSF, CSX, KCS, NS, SOO, UP)	9,279	(\$198.00)	(\$22,046,904.00)
National UTU (BNSF, CSX, KCS, NS, SOO, UP)	39,230	(\$198.00)	(\$93,210,480.00)
Yardmasters (BNSF, CSX, KCS, NS, SOO, UP)	1,899	(\$198.00)	(\$4,512,024.00)
National ATDA (wt. avg. BNSF, CSX, KCS, NS, SOO)	1,871	(\$198.00)	(\$4,445,496.00)
Independent CNGT (wt avg all union categories)	6,247	(\$195.86)	(\$14,682,449.04)
Independent SLC (wt avg all DH & DME union categories)	1,186	(\$179.27)	(\$2,551,370.64)
Total Union	139,108		(\$330,093,619.68)
All Other @ \$3,925,131.05 total per month			(\$47,101,572.60)
Total			(\$377,195,192.28)

Reduction in Wage Rate Per ST Hour	-\$1.20039303
Deduct this amount from the Wage Rate	-\$1.200

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	0.23107	0.03537	0.17217	0.00574	0.04768	0.14579	0.05723	0.01377	0.04059	0.00699	0.03336	0.01526	0.00895	0.18604	1.00000
2013 Avg.	26.394	26.969	29.955	27.735	28.682	25.442	27.654	23.075	28.120	26.002	28.368	36.480	45.621	44.313	424.809
12/31/13	26.727	27.364	30.165	28.145	29.099	25.796	28.061	23.415	28.534	26.386	28.786	36.850	46.258	44.313	429.899
1/1/14	26.727	27.364	30.165	28.145	29.099	25.796	28.061	23.415	28.534	26.386	28.786	36.850	46.258	45.642	
4/1/14	26.727	27.364	30.165	28.145	29.099	25.796	28.061	23.415	28.534	26.386	28.786	36.850	46.258	45.642	
7/1/14	27.201	28.273	30.211	29.199	30.149	26.711	29.065	24.281	29.578	26.386	29.835	37.579	47.686	45.642	
10/1/14	27.201	28.273	30.211	29.199	30.149	26.711	29.065	24.281	29.578	27.351	29.835	37.579	47.686	45.642	
1/1/15	27.614	29.014	30.247	30.062	31.008	27.460	29.885	24.990	30.432	28.142	30.694	38.166	48.947	47.376	
4/1/15	27.614	29.014	30.247	30.062	31.008	27.460	29.885	24.990	30.432	28.142	30.694	38.166	48.947	47.376	
7/1/15	27.614	29.014	30.247	30.062	31.008	27.460	29.885	24.990	30.432	28.142	30.694	38.166	48.947	47.376	

Weighted Straight Time Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2013 Avg.	6.099	0.954	5.157	0.159	1.368	3.709	1.583	0.318	1.141	0.182	0.946	0.557	0.408	8.244	30.825
12/31/13	6.176	0.968	5.193	0.161	1.388	3.761	1.606	0.322	1.158	0.184	0.960	0.562	0.414	8.244	31.098
1/1/14	6.176	0.968	5.193	0.161	1.388	3.761	1.606	0.322	1.158	0.184	0.960	0.562	0.414	8.491	31.346
4/1/14	6.176	0.968	5.193	0.161	1.388	3.761	1.606	0.322	1.158	0.184	0.960	0.562	0.414	8.491	31.346
7/1/14	6.285	1.000	5.201	0.167	1.438	3.894	1.664	0.334	1.200	0.184	0.995	0.573	0.427	8.491	31.855
10/1/14	6.285	1.000	5.201	0.167	1.438	3.894	1.664	0.334	1.200	0.191	0.995	0.573	0.427	8.491	31.862
1/1/15	6.381	1.026	5.208	0.172	1.478	4.003	1.710	0.344	1.235	0.197	1.024	0.582	0.438	8.814	32.613
4/1/15	6.381	1.026	5.208	0.172	1.478	4.003	1.710	0.344	1.235	0.197	1.024	0.582	0.438	8.814	32.613
7/1/15	6.381	1.026	5.208	0.172	1.478	4.003	1.710	0.344	1.235	0.197	1.024	0.582	0.438	8.814	32.613

Note: The 2013 Average and 12/31/13 Straight Time Hourly Rates are the industry rates, and include all Class I railroad employees. The rates for 1/1/14 through 7/1/15 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 2013 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	0.23107	0.03537	0.17217	0.00574	0.04768	0.14579	0.05723	0.01377	0.04059	0.00699	0.03336	0.01526	0.00895	0.18604	1.00000
2013 Avg.	10.687	4.250	10.878	3.941	6.392	4.750	4.107	2.939	4.338	3.542	4.555	6.220	9.525	1.227	77.352
12/31/13	10.821	4.312	10.954	3.999	6.485	4.816	4.168	2.983	4.402	3.594	4.622	6.283	9.659	1.227	
1/1/14	10.821	4.312	10.954	3.999	6.485	4.816	4.168	2.983	4.402	3.594	4.622	6.283	9.659	1.264	
4/1/14	10.821	4.312	10.954	3.999	6.485	4.816	4.168	2.983	4.402	3.594	4.622	6.283	9.659	1.264	
7/1/14	11.013	4.455	10.971	4.149	6.719	4.987	4.317	3.093	4.563	3.594	4.791	6.408	9.957	1.264	
10/1/14	11.013	4.455	10.971	4.149	6.719	4.987	4.317	3.093	4.563	3.726	4.791	6.408	9.957	1.264	
1/1/15	11.181	4.572	10.984	4.271	6.910	5.127	4.439	3.183	4.695	3.833	4.928	6.508	10.220	1.312	
4/1/15	11.181	4.572	10.984	4.271	6.910	5.127	4.439	3.183	4.695	3.833	4.928	6.508	10.220	1.312	
7/1/15	11.181	4.572	10.984	4.271	6.910	5.127	4.439	3.183	4.695	3.833	4.928	6.508	10.220	1.312	

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2013 Avg.	2.469	0.150	1.873	0.023	0.305	0.693	0.235	0.040	0.176	0.025	0.152	0.095	0.085	0.228	6.549
12/31/13	2.501	0.152	1.886	0.023	0.309	0.702	0.239	0.041	0.179	0.025	0.154	0.096	0.086	0.228	6.621
1/1/14	2.501	0.152	1.886	0.023	0.309	0.702	0.239	0.041	0.179	0.025	0.154	0.096	0.086	0.235	6.628
4/1/14	2.501	0.152	1.886	0.023	0.309	0.702	0.239	0.041	0.179	0.025	0.154	0.096	0.086	0.235	6.628
7/1/14	2.545	0.158	1.889	0.024	0.320	0.727	0.247	0.043	0.185	0.025	0.160	0.098	0.089	0.235	6.744
10/1/14	2.545	0.158	1.889	0.024	0.320	0.727	0.247	0.043	0.185	0.026	0.160	0.098	0.089	0.235	6.745
1/1/15	2.584	0.162	1.891	0.025	0.330	0.747	0.254	0.044	0.191	0.027	0.164	0.099	0.091	0.244	6.852
4/1/15	2.584	0.162	1.891	0.025	0.330	0.747	0.254	0.044	0.191	0.027	0.164	0.099	0.091	0.244	6.852
7/1/15	2.584	0.162	1.891	0.025	0.330	0.747	0.254	0.044	0.191	0.027	0.164	0.099	0.091	0.244	6.852

U.S. National Contract

UTU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2013 Industry Avg.				26.39439	10.68690
12/31/13 Industry Rate				26.72676	10.82148
1/1/14			50.663%	26.72676	10.82148
4/1/14			50.663%	26.72676	10.82148
7/1/14	3.50%		50.663%	27.20068	11.01337
10/1/14			50.663%	27.20068	11.01337
1/1/15	3.00%		50.663%	27.61410	11.18076
4/1/15			50.663%	27.61410	11.18076
7/1/15			50.663%	27.61410	11.18076

TCU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2013 Industry Avg.				26.96876	4.24976
12/31/13 Industry Rate				27.36429	4.31209
1/1/14			87.378%	27.36429	4.31209
4/1/14			87.378%	27.36429	4.31209
7/1/14	3.80%		87.378%	28.27289	4.45527
10/1/14			87.378%	28.27289	4.45527
1/1/15	3.00%		87.378%	29.01402	4.57205
4/1/15			87.378%	29.01402	4.57205
7/1/15			87.378%	29.01402	4.57205

BLET

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2013 Industry Avg.				29.95529	10.87781
12/31/13 Industry Rate				30.16532	10.95408
1/1/14			3.983%	30.16532	10.95408
4/1/14			3.983%	30.16532	10.95408
7/1/14	3.80%		3.983%	30.21097	10.97066
10/1/14			3.983%	30.21097	10.97066
1/1/15	3.00%		3.983%	30.24707	10.98377
4/1/15			3.983%	30.24707	10.98377
7/1/15			3.983%	30.24707	10.98377

U.S. National Contract

SMWIA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2013 Industry Avg.				27.73522	3.94075
12/31/13 Industry Rate				28.14510	3.99898
1/1/14			98.519%	28.14510	3.99898
4/1/14			98.519%	28.14510	3.99898
7/1/14	3.80%		98.519%	29.19877	4.14869
10/1/14			98.519%	29.19877	4.14869
1/1/15	3.00%		98.519%	30.06175	4.27131
4/1/15			98.519%	30.06175	4.27131
7/1/15			98.519%	30.06175	4.27131

BRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2013 Industry Avg.				28.68234	6.39227
12/31/13 Industry Rate				29.09946	6.48523
1/1/14			94.921%	29.09946	6.48523
4/1/14			94.921%	29.09946	6.48523
7/1/14	3.80%		94.921%	30.14908	6.71915
10/1/14			94.921%	30.14908	6.71915
1/1/15	3.00%		94.921%	31.00762	6.91049
4/1/15			94.921%	31.00762	6.91049
7/1/15			94.921%	31.00762	6.91049

BMWE

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2013 Industry Avg.				25.44158	4.75023
12/31/13 Industry Rate				25.79632	4.81647
1/1/14			93.354%	25.79632	4.81647
4/1/14			93.354%	25.79632	4.81647
7/1/14	3.80%		93.354%	26.71143	4.98733
10/1/14			93.354%	26.71143	4.98733
1/1/15	3.00%		93.354%	27.45952	5.12701
4/1/15			93.354%	27.45952	5.12701
7/1/15			93.354%	27.45952	5.12701

U.S. National Contract

TCU-Carmen

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2013 Industry Avg.				27.65376	4.10714
12/31/13 Industry Rate				28.06123	4.16765
1/1/14			94.093%	28.06123	4.16765
4/1/14			94.093%	28.06123	4.16765
7/1/14	3.80%		94.093%	29.06457	4.31667
10/1/14			94.093%	29.06457	4.31667
1/1/15	3.00%		94.093%	29.88501	4.43852
4/1/15			94.093%	29.88501	4.43852
7/1/15			94.093%	29.88501	4.43852

NCFO

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2013 Industry Avg.				23.07479	2.93922
12/31/13 Industry Rate				23.41496	2.98255
1/1/14			97.334%	23.41496	2.98255
4/1/14			97.334%	23.41496	2.98255
7/1/14	3.80%		97.334%	24.28101	3.09287
10/1/14			97.334%	24.28101	3.09287
1/1/15	3.00%		97.334%	24.99002	3.18318
4/1/15			97.334%	24.99002	3.18318
7/1/15			97.334%	24.99002	3.18318

IAM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2013 Industry Avg.				28.12010	4.33812
12/31/13 Industry Rate				28.53383	4.40195
1/1/14			96.282%	28.53383	4.40195
4/1/14			96.282%	28.53383	4.40195
7/1/14	3.80%		96.282%	29.57780	4.56300
10/1/14			96.282%	29.57780	4.56300
1/1/15	3.00%		96.282%	30.43214	4.69480
4/1/15			96.282%	30.43214	4.69480
7/1/15			96.282%	30.43214	4.69480

U.S. National Contract

IBBM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2013 Industry Avg.				26.00179	3.54196
12/31/13 Industry Rate				26.38565	3.59425
1/1/14			96.319%	26.38565	3.59425
4/1/14			96.319%	26.38565	3.59425
7/1/14			96.319%	26.38565	3.59425
10/1/14	3.80%		96.319%	27.35140	3.72580
1/1/15	3.00%		96.319%	28.14173	3.83346
4/1/15			96.319%	28.14173	3.83346
7/1/15			96.319%	28.14173	3.83346

Note: The IBBM 7/1/2014 GWI was accidentally deleted from the Q3 index. One quarter of back pay has been added to the Q4 index.

IBEW

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2013 Industry Avg.				28.36804	4.55503
12/31/13 Industry Rate				28.78551	4.62206
1/1/14			95.943%	28.78551	4.62206
4/1/14			95.943%	28.78551	4.62206
7/1/14	3.80%		95.943%	29.83498	4.79058
10/1/14			95.943%	29.83498	4.79058
1/1/15	3.00%		95.943%	30.69372	4.92846
4/1/15			95.943%	30.69372	4.92846
7/1/15			95.943%	30.69372	4.92846

ATDA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2013 Industry Avg.				36.47950	6.22008
12/31/13 Industry Rate				36.84994	6.28324
1/1/14			52.064%	36.84994	6.28324
4/1/14			52.064%	36.84994	6.28324
7/1/14	3.80%		52.064%	37.57899	6.40755
10/1/14			52.064%	37.57899	6.40755
1/1/15	3.00%		52.064%	38.16593	6.50763
4/1/15			52.064%	38.16593	6.50763
7/1/15			52.064%	38.16593	6.50763

YDMSTRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2013 Industry Avg.				45.62060	9.52545
12/31/13 Industry Rate				46.25823	9.65858
1/1/14			88.180%	46.25823	9.65858
4/1/14			88.180%	46.25823	9.65858
7/1/14	3.50%		88.180%	47.68590	9.95667
10/1/14			88.180%	47.68590	9.95667
1/1/15	3.00%		88.180%	48.94738	10.22007
4/1/15			88.180%	48.94738	10.22007
7/1/15			88.180%	48.94738	10.22007

OTHER

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2013 Industry Avg.				44.31256	1.22710
12/31/13 Industry Rate				44.31256	1.22710
1/1/14	3.00%		100.000%	45.64193	1.26391
4/1/14			100.000%	45.64193	1.26391
7/1/14			100.000%	45.64193	1.26391
10/1/14			100.000%	45.64193	1.26391
1/1/15	3.80%		100.000%	47.37633	1.31194
4/1/15			100.000%	47.37633	1.31194
7/1/15			100.000%	47.37633	1.31194

Check Sums

	Increase	Applicable	ST HR	PFTNW HR
2013 AVG			424.80872	77.35181
12/31/13			429.89916	All three should match check sums on U.S. Benchmark page.
		1149.033%		
	Should match check sum on National Increase Applicability for U.S. Total page.	ok matches	ok matches	ok matches
			ok matches	

**RCAF Lump Sum Amortization
2015/Q3**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours	
CSX - ATDA-East 2014	2014Q1	2015Q1				314,226,409	2013
NS - BLET new contract	2015Q1	2015Q2				314,226,409	2013
CSX - UTU-CSRA 2015	2015Q1	2015Q2				314,226,409	2013
CSX - BLET 2015	2015Q1	2015Q2				314,226,409	2013
CSX - ATDA-East 2015	2015Q1	2015Q2				314,226,409	2013
BLE - TCU	2015Q1	2015Q2				314,226,409	2013
NS - BLET 2015	2015Q1	2015Q2				314,226,409	2013
Total						\$127,215,100	0.40485
							Should be slightly less than amortized amount.
Fell out							
GNGT new contracts ¹	2014Q1	2014Q3				314,226,409	2013

Interest Rate

2013/Q1	0.100
2013/Q2	0.125
2013/Q3	0.045
2013/Q4	0.040
2014/Q1	0.080
2014/Q2	0.045
2014/Q3	0.025
2014/Q4	0.030
2015/Q1	0.020
2015/Q2	0.020
2015/Q3	0.015
2015/Q4	

Lump Sum Adjustment for 2015/Q3 → **0.404892**
or
0.405

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

RCAF Back Pay Amortization
2015/Q3

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr.	U.S. ST Hours
DME Non-Union	2014Q1	2014Q4				314,226,409 2013
IBBM	2014Q3	2014Q4				314,226,409 2013
DME - all unions 2015	2015Q1	2015Q2				314,226,409 2013
NS - BLET	2015Q1	2015Q2				314,226,409 2013
CSX - ATDA East	2015Q1	2015Q2				314,226,409 2013
CNGT ¹	various	2015Q2				314,226,409 2013
GTW - UTU	2015Q2	2015Q3				314,226,409 2013
DME - North Trainmen ²	2014Q4	2015Q3				314,226,409 2013
Total			\$29,634,859	0.09431053		
Fell out						
CNGT	various	2014Q3				314,226,409 2013

Should be slightly less than amortized amount.

Interest Rate

2013/Q1	0.100
2013/Q2	0.125
2013/Q3	0.045
2013/Q4	0.040
2014/Q1	0.080
2014/Q2	0.045
2014/Q3	0.025
2014/Q4	0.030
2015/Q1	0.020
2015/Q2	0.020
2015/Q3	0.015
2015/Q1	

Back Pay Adjustment for 2015/Q3 → **0.09432**
or
0.094

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

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

Health and Welfare

	Employees Receiving		Monthly Contribution		Total	Total
	Pay			2013 Avg.	2015	
	2013	2013 Avg.	2015	2013 Avg.	2015	
1. All Employees						
a. Group health	167,042	\$1,350.36	\$1,298.28	\$225,566,835.12	\$216,867,287.76	
b. Group dental	167,042	55.90	50.83	9,337,647.80	8,490,744.86	
c. Early retirement major medical	167,042	139.04	109.90	23,225,519.68	18,357,915.80	
d. Group vision	167,042	8.37	8.41	1,398,141.54	1,404,823.22	
2. Supplemental Sickness						
a. Signalmen	7,784	30.74	30.74	239,280.16	239,280.16	
b. Shopcrafts	24,851	48.28	53.18	1,199,806.28	1,321,576.18	
c. MOW	25,672	32.87	32.87	843,838.64	843,838.64	
d. Yardmasters	2,048	34.95	34.78	71,577.60	71,229.44	
3. Short-Term Disability						
a. Engineers (CSX, KCS, SOO, UP)	13,549	40.00	40.00	541,960.00	541,960.00	
4. Monthly Total Premiums				262,424,606.82	248,138,656.06	
5. Monthly Employee Contributions To H&W						
a. National BLET (BNSF, CSX, KCS, NS, SOO, UP)	25,778	(\$198.00)	(\$198.00)	(\$5,104,044.00)	(5,104,044.00)	
b. National BMW (BNSF, CSX, KCS, NS, SOO, UP)	23,977	(\$198.00)	(\$198.00)	(\$4,747,446.00)	(4,747,446.00)	
c. National BRS (BNSF, CSX, KCS, NS, SOO, UP)	7,388	(\$198.00)	(\$198.00)	(\$1,462,824.00)	(1,462,824.00)	
d. National IAM (BNSF, CSX, KCS, NS, SOO, UP)	6,748	(\$198.00)	(\$198.00)	(\$1,336,104.00)	(1,336,104.00)	
e. National IBBM (BNSF, CSX, KCS, NS, SOO, UP)	1,194	(\$198.00)	(\$198.00)	(\$236,412.00)	(236,412.00)	
f. National IBEW (BNSF, CSX, KCS, NS, SOO, UP)	5,519	(\$198.00)	(\$198.00)	(\$1,092,762.00)	(1,092,762.00)	
g. National NCFO (BNSF, CSX, KCS, NS, SOO, UP)	2,326	(\$198.00)	(\$198.00)	(\$460,548.00)	(460,548.00)	
h. National SMW (BNSF, CSX, KCS, NS, SOO, UP)	986	(\$198.00)	(\$198.00)	(\$195,228.00)	(195,228.00)	
i. National TCU (BNSF, CSX, KCS, NS, SOO, UP)	5,480	(\$198.00)	(\$198.00)	(\$1,085,040.00)	(1,085,040.00)	
j. National TCU-CAR (BNSF, CSX, KCS, NS, SOO, UP)	9,279	(\$198.00)	(\$198.00)	(\$1,837,242.00)	(1,837,242.00)	
k. National UTU (BNSF, CSX, KCS, NS, SOO, UP)	39,230	(\$198.00)	(\$198.00)	(\$7,767,540.00)	(7,767,540.00)	
l. Yardmasters (BNSF, CSX, KCS, NS, SOO, UP)	1,899	(\$198.00)	(\$198.00)	(\$376,002.00)	(376,002.00)	
m. National ATDA (wt. avg. BNSF, CSX, KCS, NS, SOO)	1,871	(\$198.00)	(\$198.00)	(\$370,458.00)	(\$370,458.00)	
n. Independent CNGT (wt avg all union categories)	6,247	(\$163.72)	(\$195.86)	(\$1,022,758.84)	(1,223,537.42)	
o. Independent SLC (wt avg all DH & DME union categories)	1,186	(\$166.26)	(\$179.27)	(\$197,184.36)	(212,614.22)	
p.						
Total Major Union	139,108			(\$27,291,593.20)	(\$27,507,801.64)	
All Other Employee Contributions*				(\$3,925,131.05)	(\$3,925,131.05)	
6. Net Employer Monthly Payments				\$231,207,882.57	\$216,705,723.37	
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments					0.93728	
8. H&W hourly rate for base year 2013				\$8.121		
9. H&W hourly rate for projected quarter					\$7.612	

* Non-union employee contributions net of opt-outs. The \$27,291,593.20 in major union contributions, plus \$3,925,131.05 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	2012	Tier I Maximum Taxable Earnings for 2015	118,500
Wage Statistics Year	2013	Tier II Maximum Taxable Earnings for 2015	88,200
Current Year	2015	Medicare Maximum Taxable Earnings for 2015	no limit
Employees Receiving Pay*	167,042	Tier I Employer Tax Rate for 2015	6.20%
* from 2013 wage statistics		Tier II Employer Tax Rate for 2015	13.10%
		Medicare Employer Tax Rate for 2015	1.45%

USA RCAF	Wage Rate	Update Factor	Railroad Retirement Tax	Hourly Rate	
2012	\$36.269				
2013	\$36.760	1.01354	\$610,839,129	\$7.536	hourly rate from SUPPL2013.xlsx
1Q/2015	\$39.385	1.08591	\$665,648,104	\$8.212	Rate = Taxable Rate
2Q/2015	\$39.595	1.09170	\$668,212,634	\$8.244	
3Q/2015	\$39.581	1.09132	\$668,039,175	\$8.242	
4Q/2015		0.00000	--	\$0.000	

Railroad Retirement & Medicare, U.S.

From 2012 Earnings Distribution			1Q/2015 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
									Tier I	Tier II	Medicare	
\$0 - 41,699	\$33,750	4.368 %	7,296	\$36,650	\$9,162	\$9,162	\$9,162	\$9,162	\$66,852,456	\$66,852,456	\$66,852,456	
41,700 - 43,699	\$42,853	0.729	1,218	46,535	11,634	11,634	11,634	11,634	14,166,733	14,166,733	14,166,733	
43,700 - 45,699	\$44,826	1.360	2,272	48,677	12,169	12,169	12,169	12,169	27,645,844	27,645,844	27,645,844	
45,700 - 47,699	\$46,721	1.506	2,516	50,735	12,684	12,684	12,684	12,684	31,907,888	31,907,888	31,907,888	
47,700 - 49,699	\$48,772	2.040	3,408	52,962	13,241	13,241	13,241	13,241	45,119,231	45,119,231	45,119,231	
49,700 - 51,699	\$50,656	2.720	4,544	55,008	13,752	13,752	13,752	13,752	62,482,839	62,482,839	62,482,839	
51,700 - 53,699	\$52,684	2.963	4,949	57,210	14,303	14,303	14,303	14,303	70,789,908	70,789,908	70,789,908	
53,700 - 55,699	\$54,760	3.497	5,841	59,465	14,866	14,866	14,866	14,866	86,840,043	86,840,043	86,840,043	
55,700 - 57,699	\$56,829	4.274	7,139	61,711	15,428	15,428	15,428	15,428	110,145,178	110,145,178	110,145,178	
57,700 - 59,699	\$58,815	4.225	7,058	63,868	15,967	15,967	15,967	15,967	112,687,507	112,687,507	112,687,507	
59,700 - 61,699	\$60,730	4.711	7,869	65,948	16,487	16,487	16,487	16,487	129,741,031	129,741,031	129,741,031	
61,700 - 63,699	\$62,884	3.934	6,571	68,287	17,072	17,072	17,072	17,072	112,185,176	112,185,176	112,185,176	
63,700 - 65,699	\$64,738	4.274	7,139	70,300	17,575	17,575	17,575	17,575	125,474,292	125,474,292	125,474,292	
65,700 - 67,699	\$66,739	3.837	6,409	72,473	18,118	18,118	18,118	18,118	116,126,798	116,126,798	116,126,798	
67,700 - 69,699	\$68,843	3.011	5,030	74,758	18,689	18,689	18,689	18,689	94,000,789	94,000,789	94,000,789	
69,700 - 71,699	\$70,677	3.594	6,003	76,749	19,187	19,187	19,187	19,187	115,190,626	115,190,626	115,190,626	
71,700 - 73,699	\$72,719	3.643	6,085	78,967	19,742	19,742	19,742	19,742	120,134,578	120,134,578	120,134,578	
73,700 - 75,699	\$74,689	3.448	5,760	81,106	20,276	20,276	20,276	20,276	116,784,407	116,784,407	116,784,407	
75,700 - 77,699	\$76,701	3.594	6,003	83,291	20,823	20,823	20,823	20,823	125,008,648	125,008,648	125,008,648	
77,700 - 79,699	\$78,696	2.671	4,462	85,457	21,364	21,364	21,364	21,364	95,320,762	95,320,762	95,320,762	
79,700 - 81,699	\$80,830	3.157	5,274	87,774	21,944	21,944	21,944	21,944	115,719,918	115,719,918	115,719,918	
81,700 - 83,699	\$82,680	2.477	4,138	89,783	22,446	22,446	22,050	22,446	92,872,563	91,234,749	92,872,563	
83,700 - 85,699	\$84,669	2.088	3,488	91,943	22,986	22,986	22,050	22,986	80,170,738	76,906,805	80,170,738	
85,700 - 87,699	\$86,797	2.331	3,894	94,254	23,564	23,564	22,050	23,564	91,750,396	85,857,166	91,750,396	
87,700 - 89,699	\$88,709	2.186	3,652	96,330	24,083	24,083	22,050	24,083	87,938,449	80,516,416	87,938,449	
89,700 - 91,699	\$90,771	2.088	3,488	98,569	24,642	24,642	22,050	24,642	85,948,554	76,906,805	85,948,554	
91,700 - 93,699	\$92,530	2.040	3,408	100,480	25,120	25,120	22,050	25,120	85,599,985	75,138,832	85,599,985	
93,700 - 95,699	\$94,738	2.331	3,894	102,877	25,719	25,719	22,050	25,719	100,144,579	85,857,166	100,144,579	
95,700 - 97,699	\$96,800	1.263	2,110	105,116	26,279	26,279	22,050	26,279	55,442,099	46,519,777	55,442,099	
97,700 - 99,699	\$98,700	1.700	2,840	107,180	26,795	26,795	22,050	26,795	76,089,903	62,615,694	76,089,903	
99,700 - 101,699	\$100,624	1.117	1,866	109,269	27,317	27,317	22,050	27,317	50,970,126	41,142,194	50,970,126	
101,700 - 103,699	\$102,617	1.408	2,352	111,433	27,858	27,858	22,050	27,858	65,521,364	51,860,527	65,521,364	
103,700 - 105,699	\$104,530	0.680	1,136	113,511	28,378	28,378	22,050	28,378	32,233,749	25,046,277	32,233,749	
105,700 - 107,699	\$106,666	1.214	2,028	115,830	28,958	28,958	22,050	28,958	58,722,651	44,714,972	58,722,651	
107,700 - 109,699	\$109,001	0.826	1,380	118,366	29,591	29,591	22,050	29,591	40,829,258	30,423,861	40,829,258	
109,700 - 111,699	\$110,656	0.826	1,380	120,163	30,041	29,625	22,050	30,041	40,875,595	30,423,861	41,449,183	
111,700 - 113,699	\$112,585	0.729	1,218	122,258	30,564	29,625	22,050	30,564	36,075,434	26,851,083	37,219,370	
113,700 - 115,699	\$114,537	0.729	1,218	124,377	31,094	29,625	22,050	31,094	36,075,434	26,851,083	37,864,680	
\$115,700 - over	\$257,126	6.411	10,709	279,217	69,804	29,625	22,050	69,804	317,255,980	236,134,831	747,537,061	
TOTAL	\$82,972	100.000	167,042						3,328,841,511	3,089,326,752	3,762,629,361	
									Employer Tax Rate	6.20%	13.10%	1.45%
									Quarterly Payment	\$206,388,174	\$404,701,804	\$54,558,126
									Total Tier I, Tier II, and Medicare Paid this Quarter			\$665,648,104

Railroad Retirement & Medicare, U.S.

From 2012 Earnings Distribution			2Q/2015 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	\$33,750	4.368 %	7,296	\$36,845	\$9,211	\$9,211	\$9,211	\$9,211	\$67,208,912	\$67,208,912	\$67,208,912	
41,700 - 43,699	\$42,853	0.729	1,218	46,783	11,696	11,696	11,696	11,696	14,242,270	14,242,270	14,242,270	
43,700 - 45,699	\$44,826	1.360	2,272	48,937	12,234	12,234	12,234	12,234	27,793,251	27,793,251	27,793,251	
45,700 - 47,699	\$46,721	1.506	2,516	51,005	12,751	12,751	12,751	12,751	32,078,020	32,078,020	32,078,020	
47,700 - 49,699	\$48,772	2.040	3,408	53,245	13,311	13,311	13,311	13,311	45,359,806	45,359,806	45,359,806	
49,700 - 51,699	\$50,656	2.720	4,544	55,301	13,825	13,825	13,825	13,825	62,815,996	62,815,996	62,815,996	
51,700 - 53,699	\$52,684	2.963	4,949	57,515	14,379	14,379	14,379	14,379	71,167,359	71,167,359	71,167,359	
53,700 - 55,699	\$54,760	3.497	5,841	59,782	14,945	14,945	14,945	14,945	87,303,072	87,303,072	87,303,072	
55,700 - 57,699	\$56,829	4.274	7,139	62,040	15,510	15,510	15,510	15,510	110,732,470	110,732,470	110,732,470	
57,700 - 59,699	\$58,815	4.225	7,058	64,209	16,052	16,052	16,052	16,052	113,288,355	113,288,355	113,288,355	
59,700 - 61,699	\$60,730	4.711	7,869	66,299	16,575	16,575	16,575	16,575	130,432,807	130,432,807	130,432,807	
61,700 - 63,699	\$62,884	3.934	6,571	68,651	17,163	17,163	17,163	17,163	112,783,345	112,783,345	112,783,345	
63,700 - 65,699	\$64,738	4.274	7,139	70,675	17,669	17,669	17,669	17,669	126,143,318	126,143,318	126,143,318	
65,700 - 67,699	\$66,739	3.837	6,409	72,859	18,215	18,215	18,215	18,215	116,745,984	116,745,984	116,745,984	
67,700 - 69,699	\$68,843	3.011	5,030	75,156	18,789	18,789	18,789	18,789	94,502,000	94,502,000	94,502,000	
69,700 - 71,699	\$70,677	3.594	6,003	77,158	19,290	19,290	19,290	19,290	115,804,820	115,804,820	115,804,820	
71,700 - 73,699	\$72,719	3.643	6,085	79,388	19,847	19,847	19,847	19,847	120,775,133	120,775,133	120,775,133	
73,700 - 75,699	\$74,689	3.448	5,760	81,538	20,385	20,385	20,385	20,385	117,407,099	117,407,099	117,407,099	
75,700 - 77,699	\$76,701	3.594	6,003	83,735	20,934	20,934	20,934	20,934	125,675,191	125,675,191	125,675,191	
77,700 - 79,699	\$78,696	2.671	4,462	85,913	21,478	21,478	21,478	21,478	95,829,010	95,829,010	95,829,010	
79,700 - 81,699	\$80,830	3.157	5,274	88,242	22,061	22,061	22,061	22,061	116,336,935	116,336,935	116,336,935	
81,700 - 83,699	\$82,680	2.477	4,138	90,262	22,566	22,566	22,050	22,566	93,367,758	91,234,749	93,367,758	
83,700 - 85,699	\$84,669	2.088	3,488	92,433	23,108	23,108	22,050	23,108	80,598,207	76,906,805	80,598,207	
85,700 - 87,699	\$86,797	2.331	3,894	94,757	23,689	23,689	22,050	23,689	92,239,607	85,857,166	92,239,607	
87,700 - 89,699	\$88,709	2.186	3,652	96,844	24,211	24,211	22,050	24,211	88,407,335	80,516,416	88,407,335	
89,700 - 91,699	\$90,771	2.088	3,488	99,095	24,774	24,774	22,050	24,774	86,406,829	76,906,805	86,406,829	
91,700 - 93,699	\$92,530	2.040	3,408	101,015	25,254	25,254	22,050	25,254	86,056,402	75,138,832	86,056,402	
93,700 - 95,699	\$94,738	2.331	3,894	103,426	25,856	25,856	22,050	25,856	100,678,548	85,857,166	100,678,548	
95,700 - 97,699	\$96,800	1.263	2,110	105,677	26,419	26,419	22,050	26,419	55,737,715	46,519,777	55,737,715	
97,700 - 99,699	\$98,700	1.700	2,840	107,751	26,938	26,938	22,050	26,938	76,495,613	62,615,694	76,495,613	
99,700 - 101,699	\$100,624	1.117	1,866	109,852	27,463	27,463	22,050	27,463	51,241,898	41,142,194	51,241,898	
101,700 - 103,699	\$102,617	1.408	2,352	112,027	28,007	28,007	22,050	28,007	65,870,722	51,860,527	65,870,722	
103,700 - 105,699	\$104,530	0.680	1,136	114,116	28,529	28,529	22,050	28,529	32,405,619	25,046,277	32,405,619	
105,700 - 107,699	\$106,666	1.214	2,028	116,448	29,112	29,112	22,050	29,112	59,035,759	44,714,972	59,035,759	
107,700 - 109,699	\$109,001	0.826	1,380	118,997	29,749	29,749	22,050	29,749	40,921,932	30,423,861	41,046,959	
109,700 - 111,699	\$110,656	0.826	1,380	120,804	30,201	29,625	22,050	30,201	40,875,595	30,423,861	41,670,189	
111,700 - 113,699	\$112,585	0.729	1,218	122,909	30,727	29,625	22,050	30,727	36,075,434	26,851,083	37,417,823	
113,700 - 115,699	\$114,537	0.729	1,218	125,040	31,260	29,625	22,050	31,260	36,075,434	26,851,083	38,066,574	
\$115,700 - over	\$257,126	6.411	10,709	280,705	70,176	29,625	22,050	70,176	<u>317,255,980</u>	<u>236,134,831</u>	<u>751,522,913</u>	
TOTAL		100.000	167,042						Total Taxable Earnings	3,344,171,541	3,099,427,251	3,782,691,623
									Employer Tax Rate	6.20%	13.10%	1.45%
									Quarterly Payment	\$207,338,636	\$406,024,970	\$54,849,029
									Total Tier I, Tier II, and Medicare Paid this Quarter			\$668,212,634

Railroad Retirement & Medicare, U.S.

From 2012 Earnings Distribution			3Q/2015 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
									Tier I	Tier II	Medicare	
\$0 - 41,699	\$33,750	4.368 %	7,296	\$36,832	\$9,208	\$9,208	\$9,208	\$9,208	\$67,185,148	\$67,185,148	\$67,185,148	
41,700 - 43,699	\$42,853	0.729	1,218	46,766	11,692	11,692	11,692	11,692	14,237,234	14,237,234	14,237,234	
43,700 - 45,699	\$44,826	1.360	2,272	48,919	12,230	12,230	12,230	12,230	27,783,424	27,783,424	27,783,424	
45,700 - 47,699	\$46,721	1.506	2,516	50,987	12,747	12,747	12,747	12,747	32,066,678	32,066,678	32,066,678	
47,700 - 49,699	\$48,772	2.040	3,408	53,226	13,306	13,306	13,306	13,306	45,343,768	45,343,768	45,343,768	
49,700 - 51,699	\$50,656	2.720	4,544	55,282	13,820	13,820	13,820	13,820	62,793,786	62,793,786	62,793,786	
51,700 - 53,699	\$52,684	2.963	4,949	57,495	14,374	14,374	14,374	14,374	71,142,195	71,142,195	71,142,195	
53,700 - 55,699	\$54,760	3.497	5,841	59,761	14,940	14,940	14,940	14,940	87,272,204	87,272,204	87,272,204	
55,700 - 57,699	\$56,829	4.274	7,139	62,018	15,505	15,505	15,505	15,505	110,693,317	110,693,317	110,693,317	
57,700 - 59,699	\$58,815	4.225	7,058	64,186	16,046	16,046	16,046	16,046	113,248,298	113,248,298	113,248,298	
59,700 - 61,699	\$60,730	4.711	7,869	66,276	16,569	16,569	16,569	16,569	130,386,689	130,386,689	130,386,689	
61,700 - 63,699	\$62,884	3.934	6,571	68,626	17,157	17,157	17,157	17,157	112,743,467	112,743,467	112,743,467	
63,700 - 65,699	\$64,738	4.274	7,139	70,650	17,662	17,662	17,662	17,662	126,098,717	126,098,717	126,098,717	
65,700 - 67,699	\$66,739	3.837	6,409	72,833	18,208	18,208	18,208	18,208	116,704,705	116,704,705	116,704,705	
67,700 - 69,699	\$68,843	3.011	5,030	75,130	18,782	18,782	18,782	18,782	94,468,586	94,468,586	94,468,586	
69,700 - 71,699	\$70,677	3.594	6,003	77,131	19,283	19,283	19,283	19,283	115,763,874	115,763,874	115,763,874	
71,700 - 73,699	\$72,719	3.643	6,085	79,360	19,840	19,840	19,840	19,840	120,732,429	120,732,429	120,732,429	
73,700 - 75,699	\$74,689	3.448	5,760	81,509	20,377	20,377	20,377	20,377	117,365,586	117,365,586	117,365,586	
75,700 - 77,699	\$76,701	3.594	6,003	83,705	20,926	20,926	20,926	20,926	125,630,755	125,630,755	125,630,755	
77,700 - 79,699	\$78,696	2.671	4,462	85,882	21,471	21,471	21,471	21,471	95,795,127	95,795,127	95,795,127	
79,700 - 81,699	\$80,830	3.157	5,274	88,211	22,053	22,053	22,053	22,053	116,295,800	116,295,800	116,295,800	
81,700 - 83,699	\$82,680	2.477	4,138	90,230	22,558	22,558	22,050	22,558	93,334,745	91,234,749	93,334,745	
83,700 - 85,699	\$84,669	2.088	3,488	92,401	23,100	23,100	22,050	23,100	80,569,709	76,906,805	80,569,709	
85,700 - 87,699	\$86,797	2.331	3,894	94,723	23,681	23,681	22,050	23,681	92,206,993	85,857,166	92,206,993	
87,700 - 89,699	\$88,709	2.186	3,652	96,810	24,202	24,202	22,050	24,202	88,376,075	80,516,416	88,376,075	
89,700 - 91,699	\$90,771	2.088	3,488	99,060	24,765	24,765	22,050	24,765	86,376,278	76,906,805	86,376,278	
91,700 - 93,699	\$92,530	2.040	3,408	100,980	25,245	25,245	22,050	25,245	86,025,974	75,138,832	86,025,974	
93,700 - 95,699	\$94,738	2.331	3,894	103,389	25,847	25,847	22,050	25,847	100,642,950	85,857,166	100,642,950	
95,700 - 97,699	\$96,800	1.263	2,110	105,640	26,410	26,410	22,050	26,410	55,718,008	46,519,777	55,718,008	
97,700 - 99,699	\$98,700	1.700	2,840	107,713	26,928	26,928	22,050	26,928	76,468,566	62,615,694	76,468,566	
99,700 - 101,699	\$100,624	1.117	1,866	109,813	27,453	27,453	22,050	27,453	51,223,780	41,142,194	51,223,780	
101,700 - 103,699	\$102,617	1.408	2,352	111,988	27,997	27,997	22,050	27,997	65,847,432	51,860,527	65,847,432	
103,700 - 105,699	\$104,530	0.680	1,136	114,075	28,519	28,519	22,050	28,519	32,394,161	25,046,277	32,394,161	
105,700 - 107,699	\$106,666	1.214	2,028	116,406	29,102	29,102	22,050	29,102	59,014,885	44,714,972	59,014,885	
107,700 - 109,699	\$109,001	0.826	1,380	118,955	29,739	29,625	22,050	29,739	40,875,595	30,423,861	41,032,445	
109,700 - 111,699	\$110,656	0.826	1,380	120,761	30,190	29,625	22,050	30,190	40,875,595	30,423,861	41,655,455	
111,700 - 113,699	\$112,585	0.729	1,218	122,866	30,716	29,625	22,050	30,716	36,075,434	26,851,083	37,404,593	
113,700 - 115,699	\$114,537	0.729	1,218	124,996	31,249	29,625	22,050	31,249	36,075,434	26,851,083	38,053,114	
\$115,700 - over	\$257,126	6.411	10,709	280,606	70,152	29,625	22,050	70,152	<u>317,255,980</u>	<u>236,134,831</u>	<u>751,257,190</u>	
TOTAL		100.000	167,042						Total Taxable Earnings	3,343,109,380	3,098,753,885	3,781,354,139
									Employer Tax Rate	6.20%	13.10%	1.45%
									Quarterly Payment	\$207,272,782	\$405,936,759	\$54,829,635
									Total Tier I, Tier II, and Medicare Paid this Quarter			\$668,039,175

Railroad Retirement & Medicare, U.S.

From 2012 Earnings Distribution			4Q/2015 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
									Tier I	Tier II	Medicare	
\$0 - 41,699	\$33,750	4.368 %	7,296	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41,700 - 43,699	\$42,853	0.729	1,218	0	0	0	0	0	0	0	0	0
43,700 - 45,699	\$44,826	1.360	2,272	0	0	0	0	0	0	0	0	0
45,700 - 47,699	\$46,721	1.506	2,516	0	0	0	0	0	0	0	0	0
47,700 - 49,699	\$48,772	2.040	3,408	0	0	0	0	0	0	0	0	0
49,700 - 51,699	\$50,656	2.720	4,544	0	0	0	0	0	0	0	0	0
51,700 - 53,699	\$52,684	2.963	4,949	0	0	0	0	0	0	0	0	0
53,700 - 55,699	\$54,760	3.497	5,841	0	0	0	0	0	0	0	0	0
55,700 - 57,699	\$56,829	4.274	7,139	0	0	0	0	0	0	0	0	0
57,700 - 59,699	\$58,815	4.225	7,058	0	0	0	0	0	0	0	0	0
59,700 - 61,699	\$60,730	4.711	7,869	0	0	0	0	0	0	0	0	0
61,700 - 63,699	\$62,884	3.934	6,571	0	0	0	0	0	0	0	0	0
63,700 - 65,699	\$64,738	4.274	7,139	0	0	0	0	0	0	0	0	0
65,700 - 67,699	\$66,739	3.837	6,409	0	0	0	0	0	0	0	0	0
67,700 - 69,699	\$68,843	3.011	5,030	0	0	0	0	0	0	0	0	0
69,700 - 71,699	\$70,677	3.594	6,003	0	0	(0)	(0)	0	(0)	(0)	0	0
71,700 - 73,699	\$72,719	3.643	6,085	0	0	0	0	0	0	0	0	0
73,700 - 75,699	\$74,689	3.448	5,760	0	0	0	0	0	0	0	0	0
75,700 - 77,699	\$76,701	3.594	6,003	0	0	0	0	0	0	0	0	0
77,700 - 79,699	\$78,696	2.671	4,462	0	0	0	0	0	0	0	0	0
79,700 - 81,699	\$80,830	3.157	5,274	0	0	0	0	0	0	0	0	0
81,700 - 83,699	\$82,680	2.477	4,138	0	0	0	1,419	0	0	5,870,819	0	0
83,700 - 85,699	\$84,669	2.088	3,488	0	0	0	3,044	0	0	10,618,239	0	0
85,700 - 87,699	\$86,797	2.331	3,894	0	0	0	4,783	0	0	18,625,498	0	0
87,700 - 89,699	\$88,709	2.186	3,652	0	0	0	6,346	0	0	23,172,612	0	0
89,700 - 91,699	\$90,771	2.088	3,488	0	0	0	8,031	0	0	28,011,246	0	0
91,700 - 93,699	\$92,530	2.040	3,408	0	0	0	9,469	0	0	32,265,864	0	0
93,700 - 95,699	\$94,738	2.331	3,894	0	0	0	11,273	0	0	43,894,578	0	0
95,700 - 97,699	\$96,800	1.263	2,110	0	0	0	12,958	0	0	27,338,491	0	0
97,700 - 99,699	\$98,700	1.700	2,840	0	0	0	14,511	0	0	41,207,001	0	0
99,700 - 101,699	\$100,624	1.117	1,866	0	0	0	16,083	0	0	30,009,222	0	0
101,700 - 103,699	\$102,617	1.408	2,352	0	0	0	17,712	0	0	41,657,935	0	0
103,700 - 105,699	\$104,530	0.680	1,136	0	0	0	19,275	0	0	21,894,696	0	0
105,700 - 107,699	\$106,666	1.214	2,028	0	0	0	21,021	0	0	42,628,380	0	0
107,700 - 109,699	\$109,001	0.826	1,380	0	0	204	22,050	0	281,877	30,423,861	0	0
109,700 - 111,699	\$110,656	0.826	1,380	0	0	1,557	22,050	0	2,148,042	30,423,861	0	0
111,700 - 113,699	\$112,585	0.729	1,218	0	0	3,133	22,050	0	3,815,483	26,851,083	0	0
113,700 - 115,699	\$114,537	0.729	1,218	0	0	4,728	22,050	0	5,758,065	26,851,083	0	0
\$115,700 - over	\$257,126	6.411	10,709	0	0	29,625	22,050	0	317,255,980	236,134,831	0	0
TOTAL		100.000	167,042						Total Taxable Earnings	329,259,447	717,879,299	0
									Employer Tax Rate	6.20%	13.10%	1.45%
									Quarterly Payment	\$20,414,086	\$94,042,188	\$0

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

\$114,456,274

RCAF Unemployment Insurance Tax

	<u>Unemployment Ins.</u>						
	Tax	Earnings	Hourly	RRB	Factor	Avg. Ann.	Un. Ins.
	Rate	Base	Earnings	Sample	To Update	Taxable	Hourly
				Year	RRB Sample	Earnings	Rate
			\$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	0.68%	\$17,280	\$37.908		1.090815	\$16,289.96	\$0.059
2Q/14	0.68%	\$17,280	\$38.121		1.096944	\$16,293.07	\$0.059
3Q/14	0.68%	\$17,280	\$39.016		1.122698	\$16,305.78	\$0.059
			\$36.269	(2012)			
2013 Avg.	0.67%	\$16,860	\$36.760		1.013538	\$15,578.13	\$0.057
3Q/14 reb.	0.68%	\$17,280	\$38.308		1.056219	\$15,976.08	\$0.059
4Q/14	0.68%	\$17,280	\$38.319		1.056522	\$15,976.25	\$0.059
1Q/15	2.31%	\$17,460	\$39.385		1.085914	\$16,152.67	\$0.204
2Q/15	2.31%	\$17,460	\$39.595		1.091704	\$16,155.78	\$0.204
3Q/15	2.31%	\$17,460	\$39.581		1.091318	\$16,155.57	\$0.204

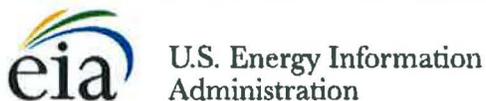
Note: Average Annual Taxable Earnings is calculated from the RRB 1% sample data, by multiplying the average annual earnings in the file times the "Factor", and limiting the amount to the earnings base. Thus, the annual hourly earnings used for the calculation of the Factor is for the RRB sample year,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

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2740	42684085.80	15578.13
QTRLY_US	2740	44266270.37	16155.57

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2740	2777.09	1.0135380 ✓
FactorQ	2740	2990.21	1.0913180 ✓
Capa	2740	46196400.00	16860.00 ✓
Capq	2740	47840400.00	17460.00 ✓



PETROLEUM & OTHER LIQUIDS

OVERVIEW **DATA** ANALYSIS & PROJECTIONS

GLOSSARY › FAQs ›

Spot Prices

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

Period:

Product by Area	Graph	04/24/15	05/01/15	05/08/15	05/15/15	05/22/15	05/29/15	View History
	Clear							
Crude Oil								
WTI - Cushing, Oklahoma	<input type="checkbox"/>	56.14	57.98	59.73	60.01	58.95	58.32	1986-2015
Brent - Europe	<input type="checkbox"/>	61.41	63.49	65.01	64.90	64.31	62.16	1987-2015
Conventional Gasoline								
New York Harbor, Regular	<input type="checkbox"/>	1.847	1.924	1.922	1.937	1.960	1.940	1986-2015
U.S. Gulf Coast, Regular	<input type="checkbox"/>	1.787	1.861	1.850	1.867	1.914	1.898	1986-2015
RBOB Regular Gasoline								
Los Angeles	<input type="checkbox"/>	2.275	2.582	2.458	2.656	2.424	2.291	2003-2015
No. 2 Heating Oil								
New York Harbor	<input type="checkbox"/>	1.778	1.823	1.848	1.857	1.833	1.783	1988-2015
Ultra-Low-Sulfur No. 2 Diesel Fuel								
New York Harbor	<input type="checkbox"/>	1.894	1.949	1.987	1.992	1.963	1.911	2006-2015
U.S. Gulf Coast	<input type="checkbox"/>	1.828	1.891	1.945	1.944	1.913	1.861	2006-2015
Los Angeles	<input type="checkbox"/>	1.881	1.967	2.030	2.065	2.063	2.011	1996-2015
Kerosene-Type Jet Fuel								
U.S. Gulf Coast	<input type="checkbox"/>	1.751	1.806	1.880	1.882	1.836	1.796	1990-2015
Propane								
Mont Belvieu, Texas	<input type="checkbox"/>	0.559	0.554	0.510	0.495	0.446	0.408	1992-2015

4/17/15
54.78 6.5%
1.742 2.4%
1.793 3.8%

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

Notes: Weekly, monthly, and annual prices are calculated by EIA from daily data by taking an unweighted average of the daily closing spot prices for a given product over the specified time period. See Definitions, Sources, and Notes link above for more information on this table.

Release Date: 6/3/2015

Next Release Date: 6/10/2015



PETROLEUM & OTHER LIQUIDS

OVERVIEW DATA ANALYSIS & PROJECTIONS

GLOSSARY FAQs

Spot Prices

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

Period: Weekly

Product by Area	Graph							View History
	Clear	04/17/15	04/24/15	05/01/15	05/08/15	05/15/15	05/22/15	
Crude Oil								
WTI - Cushing, Oklahoma	<input type="checkbox"/>	54.78	56.14	57.98	59.73	60.01	59.95	1986-2015
Brent - Europe	<input type="checkbox"/>	59.12	61.41	63.49	65.01	64.90	64.31	1987-2015
Conventional Gasoline								
New York Harbor, Regular	<input type="checkbox"/>	1.777	1.847	1.924	1.922	1.937	1.960	1986-2015
U.S. Gulf Coast, Regular	<input type="checkbox"/>	1.727	1.787	1.861	1.850	1.887	1.914	1986-2015
RBOB Regular Gasoline								
Los Angeles	<input type="checkbox"/>	2.051	2.275	2.582	2.458	2.656	2.424	2003-2015
No. 2 Heating Oil								
New York Harbor	<input type="checkbox"/>	1.742	1.778	1.823	1.848	1.857	1.833	1986-2015
Ultra-Low-Sulfur No. 2 Diesel Fuel								
New York Harbor	<input type="checkbox"/>	1.856	1.894	1.949	1.987	1.992	1.963	2006-2015
U.S. Gulf Coast	<input type="checkbox"/>	1.793	1.828	1.891	1.945	1.944	1.913	2006-2015
Los Angeles	<input type="checkbox"/>	1.788	1.881	1.967	2.030	2.065	2.063	1996-2015
Kerosene-Type Jet Fuel								
U.S. Gulf Coast	<input type="checkbox"/>	1.723	1.751	1.806	1.880	1.882	1.836	1990-2015
Propane								
Mont Belvieu, Texas	<input type="checkbox"/>	0.560	0.559	0.554	0.510	0.495	0.446	1992-2015

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

Notes: Weekly, monthly, and annual prices are calculated by EIA from daily data by taking an unweighted average of the daily closing spot prices for a given product over the specified time period. See Definitions, Sources, and Notes link above for more information on this table.

Release Date: 5/29/2015

AAR MATERIALS AND SUPPLIES INDEX
Region By Composition
Second Quarter 2015
June 3, 2015

United States by Composition Category - Summary

Composition Category	Weight	Previous Quarter Index	Current Quarter Index	Relative Of Change
Forest Products	.1027	316.99	325.80	1.0278
Metal Products	.6299	190.03	182.71	.9615
Miscellaneous Products	.2674	353.13	344.87	.9766
U.S. By Composition	--	246.68	240.77	.9760
U.S. By Composition (Linked)	--	250.02	244.02	.9760
United States (1977=100) Linking Factor: 1.423	--	355.78	347.24	.9760
United States (1980=100) Linking Factor: 1.061	--	265.27	258.91	.9760

Car Hire for RCAF

RCAF (Forecast)

	1980	June 3Q/14	Sept.* 4Q/14	Dec. 1Q/15	Mar. 2Q/15	June 3Q/15
RATE						
RR-OWNED TIME	31.00	64.00	64.00	63.00	64.00	64.00
RR-OWNED MILEAGE	4.69	6.80	6.80	6.70	6.80	6.70
PRIVATELY-OWNED CARS	25.47	47.34	47.69	48.03	48.95	49.52
AUTORACKS	47.00	62.93	65.55	66.29	68.05	71.57
INDEX						
RR-OWNED TIME	100.0	206.5	206.5	203.2	206.5	206.5
RR-OWNED MILEAGE	100.0	145.0	145.0	142.9	145.0	142.9
PRIVATELY-OWNED CARS	100.0	185.9	187.3	188.6	192.2	194.4
AUTORACKS	100.0	133.9	139.5	141.0	144.8	152.3
CAR HIRE INDEX (old wts) 2012	100.0	185.2	--	--	--	--
CAR HIRE INDEX (new wts) 2013	100.0	185.6	186.7	187.1	190.5	192.1
CAR HIRE INDEX (LINKED)	100.0	185.1	186.2	186.6	190.0	191.6

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.

* Data for mid-August used in lieu of September 1 data.

Note: Indexes are rounded, rates are full float.

Equipment Rents Data From CHARM

	2014 (first day of month)						2015 (first day of month)							
	Jul	Aug	Sep*	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Railroad Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	8,041	8,021	8,010	7,981	7,988	7,979	7,973	7,960	7,958	7,951	7,944	7,900		
Rate (in cents)														
Superstructures #3 - Auto Rack	50.0	50.0	50.0	50.0	50.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0		
All other #1 - Time	64.0	64.0	64.0	64.0	64.0	63.0	64.0	64.0	64.0	64.0	64.0	64.0		
All other #2 - Mileage	6.8	6.8	6.8	6.8	6.8	6.7	6.8	6.8	6.8	6.7	6.7	6.7		
Private Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	50,537	50,765	50,833	50,885	50,326	50,975	51,132	51,338	51,458	51,701	51,850	52,000		
Covered Hoppers	341,345	342,725	343,226	345,187	346,387	347,618	349,066	350,170	350,930	353,450	353,947	359,180		
Tank Cars	347,147	349,889	351,553	355,908	358,341	361,332	363,988	365,720	366,756	369,649	371,119	377,234		
Others	288,473	288,125	289,183	289,740	290,472	290,933	291,328	290,217	289,851	290,078	290,480	291,186		
Rate (in cents)														
Superstructures #1 - Time	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0		
Superstructures #2 - Mileage	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6		
Superstructures #3 - Auto Rack	66.0	67.0	68.0	68.0	69.0	69.0	68.0	69.0	71.0	72.0	73.0	75.0		
Covered Hoppers #2 - Mileage	44.2	44.2	44.2	44.3	44.3	44.1	44.2	44.4	44.5	44.6	44.6	44.6		
Tank Cars #2 - Mileage	74.3	74.5	74.6	75.2	75.3	75.3	75.5	75.8	76.9	77.0	77.6	77.9		
Others #1 - Time	74.0	74.0	74.0	74.0	73.0	73.0	73.0	74.0	74.0	74.0	74.0	74.0		
Others #2 - Mileage	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.6	7.6	7.6	7.6	7.6		
AVERAGE RATES														
Private Superstructures	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	0.00	0.00
Private Others	23.93	23.93	23.93	23.93	23.71	23.71	23.71	24.03	24.03	24.03	24.03	24.03	0.00	0.00
Private Total	47.51	47.64	47.69	48.02	48.05	48.03	48.18	48.50	48.95	49.07	49.30	49.52	#DIV/0!	#DIV/0!
Autoracks	63.80	64.68	65.55	65.56	66.42	66.29	65.44	66.32	68.05	68.93	69.81	71.57	#DIV/0!	#DIV/0!

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

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

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

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

CHARM Process - Car Hire Rate Report
Average Car Rental Rates for 06/2015

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	7,900	122	0.082	49
Railroad	Number of Zero-Rated Vehicular Flats	49	.	.	.
Railroad	All Other Cars	456,804	64	0.067	.
Railroad	Number of Zero-Rated Other Cars	18,868	.	.	.
Railroad	Total Railroad Equipment	483,621	.	.	.
	
Private	Vehicular Flats	52,000	80	0.016	75
Private	Number of Zero-Rated Vehicular Flats	74	.	.	.
Private	Covered Hoppers	359,180	0	0.446	.
Private	Number of Zero-Rated Covered Hoppers	10,406	.	.	.
Private	Tanks	377,234	0	0.779	.
Private	Number of Zero-Rated Tanks	7,908	.	.	.
Private	All Other Cars	291,186	74	0.076	.
Private	Number of Zero-Rated Other Cars	28,009	.	.	.
Private	Total Private Equipment	1,125,997	.	.	.

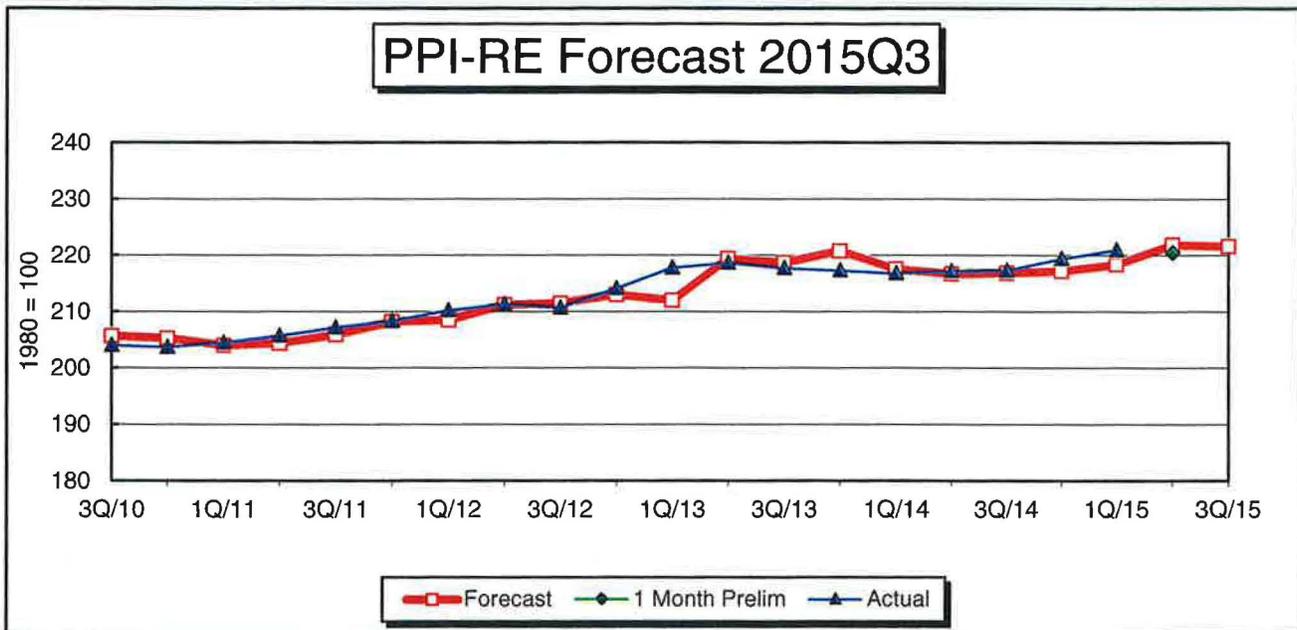
Notes
This report excludes these car types: D (Locomotives), M (MoW, EOTs, etc.), U (Containers), Z (Trailers).
All TTX equipment (including ABOX, RBOX, GONX) is contained in the Private section of report.
Equipment can be zero rated due to owners supplying incorrect or insufficient information to the 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
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	217.8	
4Q/13	221.0	217.4	
1Q/14	217.8	216.9	
2Q/14	216.9	217.3	
3Q/14	217.1	217.4	
4Q/14	217.4	219.5	
1Q/15	218.6	221.1	
2Q/15	222.1		220.5
3Q/15	221.8		

1980 Base

	PPI-RE Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2014Q4						
Low	197.4	218.4	0.5%			
Midpoint	200.5	221.8	2.0%	0.6%	0.3%	-0.1%
High	203.6	225.2	3.6%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2015Q3\5Deprec\FPre_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

Length 72 Minimum 179.900 Maximum 200.700
 Mean 190.762 Standard deviation 6.041

Classical decomposition (multiplicative)
 Trend-cycle: 96.14% Seasonal: 0.88% Irregular: 2.97%

Log transform recommended for Box-Jenkins.

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

Exponential smoothing outperforms Box-Jenkins by 0.808 to 1.628 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12. For Box-Jenkins, I used a log transform.

Series is trended and nonseasonal.

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

Component	Smoothing weight	Final Value
Level	0.67061	199.54
Trend	0.01808	0.24367

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 190.8	Standard deviation 6.041
R-square 0.9737	Adjusted R-square 0.9734
Durbin-watson 1.941	Ljung-Box(18)=10.35 P=0.08016
Forecast error 0.986	BIC 1.032
MAPE 0.003326	RMSE 0.9722
MAD 0.6386	

Forecast Report
 Mon May 18 10:25:51 2015
 Exponential Smoothing model for PPIRE
 Analysis of Historic Fit Set

Date	Historic
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

re_ppi.txt

2011-04	186.600
2011-05	186.700
2011-06	186.800
2011-07	187.300
2011-08	187.400
2011-09	187.500
2011-10	187.500
2011-11	187.700
2011-12	189.900
2012-01	190.100
2012-02	190.100
2012-03	190.600
2012-04	191.800
2012-05	191.600
2012-06	191.500
2012-07	192.000
2012-08	190.400
2012-09	190.900
2012-10	194.900
2012-11	193.900
2012-12	194.100
2013-01	196.000
2013-02	195.200
2013-03	195.800
2013-04	195.200
2013-05	198.100
2013-06	196.300
2013-07	195.400
2013-08	194.500
2013-09	194.600
2013-10	195.100
2013-11	195.200
2013-12	196.900
2014-01	196.000
2014-02	197.400
2014-03	196.800
2014-04	196.200
2014-05	196.700
2014-06	196.800 ✓
2014-07	197.800 ✓
2014-08	197.900 ✓
2014-09	198.300 ✓
2014-10	199.300 ✓
2014-11	199.900 ✓
2014-12	199.500 ✓
2015-01	199.700 ✓
2015-02	200.700 ✓
2015-03	199.300 ✓
2015-04	199.300 ✓

Forecasted values

Date	2.5 Lower	Forecast	97.5 Upper
2015-05	197.762	199.784	201.806
2015-06	197.580	200.028	202.476
2015-07	197.461	200.272	203.082
2015-08	197.384	200.515	203.647
2015-09	197.337	200.759	204.181
2015-10	197.312	201.003	204.693
2015-11	197.306	201.246	205.186
2015-12	197.315	201.490	205.665
2016-01	197.336	201.734	206.131
2016-02	197.368	201.977	206.586
2016-03	197.410	202.221	207.032
2016-04	197.459	202.465	207.470



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Producer Price Index-Commodities

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

Download: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	196.0	197.4	196.8	196.2	196.7	196.8	197.8	197.9	198.3	199.3	199.9	199.5
2015	199.7(P)	200.7(P)	199.3(P)	199.3(P)								

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

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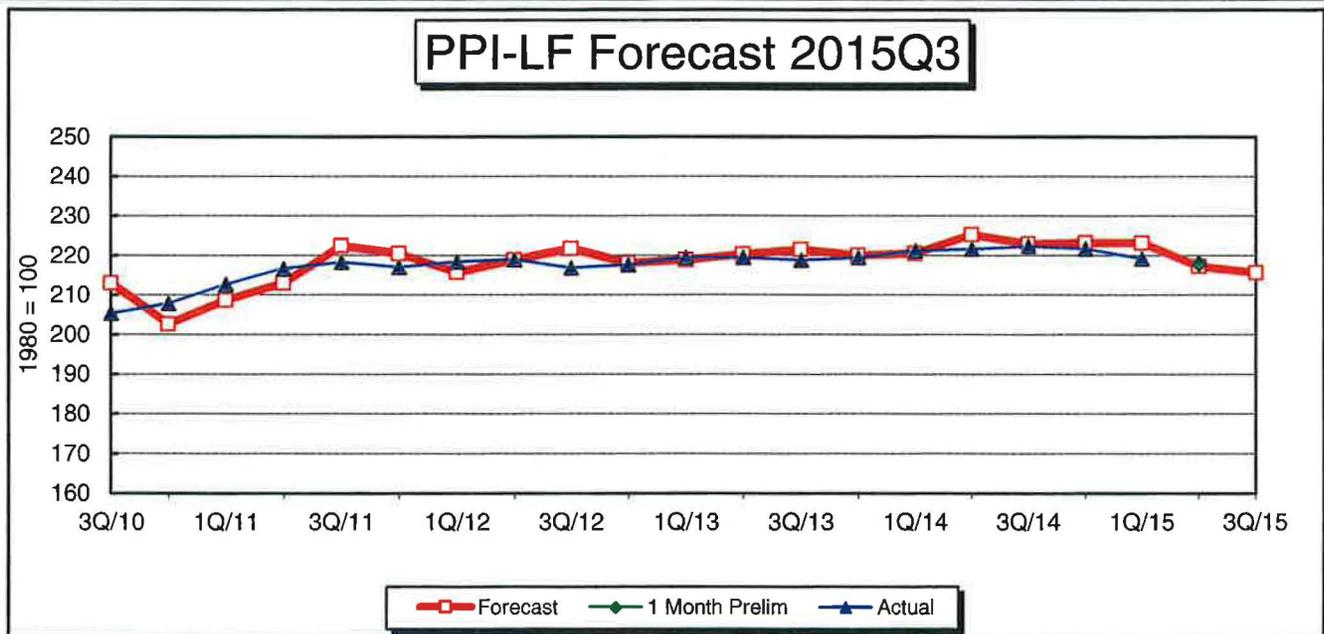
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PPI-LF Forecast (for Other and Lease Rentals Components)

	Forecast	Actual	1 Month Prelim
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	218.8	
4Q/13	220.0	219.4	
1Q/14	220.5	221.2	
2Q/14	225.2	221.6	
3Q/14	222.9	222.3	
4Q/14	223.2	221.7	
1Q/15	223.1	219.2	
2Q/15	217.2		218.0
3Q/15	215.6		

1980 Base

	PPI-LF Forecast		Percent Change			
			Yr Ago	Latest Month	2nd Prev	Previous
2014Q4	(82=100)	(80=100)	Actual	Actual	Qtr Actual	Forecast
Low	188.3	211.1	-5.0%			
Midpoint	192.3	215.6	-3.0%	-1.1%	-1.6%	-0.7%
High	196.4	220.2	-0.9%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2015Q3\70ther\FPIf_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPILF

Length 72 Minimum 174.900 Maximum 198.400
 Mean 191.111 Standard deviation 6.972

Classical decomposition (multiplicative)

Trend-cycle: 96.03% Seasonal: 0.54% Irregular: 3.44%

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

Exponential smoothing outperforms Box-Jenkins by 1.903 to 2.042 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	0.99999	194.50
Trend	0.80279	-0.54305

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 191.1	Standard deviation 6.972
R-square 0.9926	Adjusted R-square 0.9925
Durbin-watson 1.933	** Ljung-Box(18)=36.11 P=0.9932
Forecast error 0.6054	BIC 0.6334
MAPE 0.002422	RMSE 0.5969
MAD 0.4629	

Forecast Report

Mon May 18 10:29:02 2015

Exponential Smoothing model for PPILF

Analysis of Historic Fit Set

Date	Historic
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

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

5-15-2015

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2015-05	192.715	193.957	195.198
2015-06	190.854	193.414	195.973
2015-07	189.471	192.871	196.271
2015-08	188.257	192.328	196.398
2015-09	187.139	191.785	196.430
2015-10	186.085	191.242	196.398
2015-11	185.078	190.699	196.320
2015-12	184.105	190.156	196.206
2016-01	183.162	189.613	196.064
2016-02	182.241	189.069	195.898
2016-03	181.341	188.526	195.712
2016-04	180.457	187.983	195.510

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Producer Price Index-Commodities

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

Download: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	197.2	197.6	197.3	197.7	197.6	197.7	198.2	198.4	198.3	198.2	197.4	196.7
2015	196.1(P)	195.3(P)	195.1(P)	194.5(P)								

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

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Forecast Error Calculation

	2013 Weight	First Quarter 2015		Difference		Notes			
		2015Q1 Forecast	2015Q1 Actual	Pt.	Pct.				
Labor	31.6%	401.6	401.6	0.0	0%	* actual=forecast			
Fuel	22.1%	309.1	205.9	#####	-33%	from 1st month of quarter			
M&S	4.9%	274.9	274.9	0.0	0%	* actual=forecast			
Equip Rents	5.4%	213.1	212.6	-0.5	0%	from Equipment Rents below			
Depreciation	12.0%	218.6	221.1	2.5	1%	PPI-RE <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>199.70</td><td>200.70</td><td>199.30</td></tr></table> 0.9040	199.70	200.70	199.30
199.70	200.70	199.30							
Interest	1.9%	70.6	70.6	0.0	0%	* actual=forecast			
Other	22.1%	223.1	219.2	-3.9	-2%	PPI-LF <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>196.10</td><td>195.30</td><td>195.10</td></tr></table> 0.8920	196.10	195.30	195.10
196.10	195.30	195.10							
Weighted Avg	100.0%								
1980 = 100		297.1	273.7			calculated			
1980 = 100 (linked)		284.2	261.3			calculated			
4Q12r = 100	2.976	95.5	87.8			calculated			
4Q07 = 100	2.459	115.6	106.3			calculated			
4Q02 = 100	1.921	147.9	136.0			calculated			
4Q97 = 100	1.732	164.1	150.9			calculated			
4Q92 = 100	1.569	181.1	166.5			calculated			
Forecast Error →		-7.7				calculated -0.077 = RCAF adj.			
Prior Quarter									
1980 = 100		306.5	297.4 **						
1980 = 100 (linked)		293.2	283.9						
4Q12r = 100		98.5	95.4			calculated			
4Q07 = 100		119.2	115.5			calculated			
4Q02 = 100		152.6	147.8			calculated			
4Q97 = 100		169.3	163.9			calculated			
4Q92 = 100		186.9	180.9			calculated			
Equipment Rents									
Car Hire	52.8%	186.6	188.7			from Equipment Rents/CHARM			
Lease Rentals	47.2%	223.1	219.2			(equals PPI-LF from above)			
Weighted Average		203.8	203.1			calculated			
Linked		213.1	212.6			calculated			
Prior Quarter									
Weighted Average		203.7	203.6 **						
Linked		213.0	213.1						
Sum of Weights	ok					** if fourth quarter, weighted avg for prior needs to use new weights, linked is ok			
Sum of ER Wt.	ok								

All-Inclusive Index (Actual)

	13 Wts	3Q/14 12 Wts	3Q/14 13 Wts	% Chg.	4Q/14 13 Wts	% Chg.	1Q/15 13 Wts	% Chg.	2Q/15 13 Wts	% Chg.	3Q/15 13 Wts	% Chg.
Labor	31.6%	395.4	395.4	0.0%	389.7	-1.4%	401.6	3.1%	402.8	0.3%		NA
Fuel	22.1%	366.4	366.4	0.0%	328.0	-10.5%	205.9	-37.2%		NA		NA
M&S	4.9%	271.2	271.2	0.0%	276.6	2.0%	274.9	-0.6%	265.3	-3.5%		NA
Equipment Rents	5.4%	212.7	212.7	0.0%	213.1	0.2%	212.6	-0.2%	0.0	NA	#DIV/0!	NA
Depreciation	12.0%	217.4	217.4	0.0%	219.5	1.0%	221.1	0.7%		NA		NA
Interest	1.9%	76.6	76.6	0.0%	70.6	-7.8%	70.6	0.0%	70.6	0.0%	70.6	0.0%
Other	22.1%	222.3	222.3	0.0%	221.7	-0.3%	219.2	-1.1%		NA		NA
	1.0000											
Weighted Avg.		306.8	307.4	0.2%	297.4	-3.3%	273.7	-8.0%	141.6	-48.3%	#DIV/0!	NA
Linked		293.4			283.9	-3.2%	261.3	-8.0%	135.2	-48.3%	#DIV/0!	NA
10/1/80	1.027	285.7			276.4	-3.3%	254.4	-8.0%	131.6	-48.3%	#DIV/0!	NA
10/1/82	1.209	242.7			234.8	-3.3%	216.1	-8.0%	111.8	-48.3%	#DIV/0!	NA
4Q/87	1.322	221.9			214.8	-3.2%	197.7	-8.0%	102.3	-48.3%	#DIV/0!	NA
4Q/92	1.569	187.0			180.9	-3.3%	166.5	-8.0%	86.2	-48.2%	#DIV/0!	NA
4Q/97	1.732	169.4			163.9	-3.2%	150.9	-7.9%	78.1	-48.2%	#DIV/0!	NA
4Q/02	1.921	152.7			147.8	-3.2%	136.0	-8.0%	70.4	-48.2%	#DIV/0!	NA
4Q/07	2.459	119.3			115.5	-3.2%	106.3	-8.0%	55.0	-48.3%	#DIV/0!	NA
4Q/12	2.976	98.6			95.4	-3.2%	87.8	-8.0%	45.4	-48.3%	#DIV/0!	NA

Equipment Rents

Car Hire	52.8%	186.1	186.1	0.0%	187.4	0.7%	188.7	0.7%		NA		NA
Lease Rentals	47.2%	222.3	222.3	0.0%	221.7	-0.3%	219.2	-1.1%	0.0	NA	0.0	NA
	1.0000											
ER Weighted Avg		204.9	203.2	-0.8%	203.6	0.2%	203.1	-0.2%	0.0	NA	0.0	NA
ER Linked		212.7			213.1	0.2%	212.6	-0.2%	0.0	NA	#DIV/0!	NA

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

As info only

RCAF Fuel (Actual All-Inclusive Index)

January 2015

Monthly Report

	January 2015 Price (cents) (1)	1/1/81 Price (cents) (2)	1/91 New Method Linking Factors (3)	January 2015 Index 1/1/81=100 (4)	Linking Factor 1980=100 (5)	January 2015 1980=100 Current Index (6)
U.S.	168.51	89.34	99.415	187.51	1.096	205.51

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

(6) = (4) x (5)

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

	January 2015 1980=100 Current Index	Adjustment Factor	January 2015 1980=100 Linked Index
U.S.	205.51	1.00192	205.90 ←

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

RCAF (Actual)

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

Note: Indexes are rounded, rates are full float.

Equipment Rents Data From CHARM

	2014 (first day of month)						2015 (first day of month)							
	Jul	Aug	Sep*	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Railroad Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	8,041	8,021	8,010	7,981	7,988	7,979	7,973	7,960	7,958					
Rate (in cents)														
Superstructures #3 - Auto Rack	50.0	50.0	50.0	50.0	50.0	49.0	49.0	49.0	49.0					
All other #1 - Time	64.0	64.0	64.0	64.0	64.0	63.0	64.0	64.0	64.0					
All other #2 - Mileage	6.8	6.8	6.8	6.8	6.8	6.7	6.8	6.8	6.8					
Private Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	50,537	50,765	50,833	50,885	50,926	50,975	51,132	51,338	51,458					
Covered Hoppers	341,345	342,725	343,226	345,187	346,387	347,618	349,066	350,170	350,930					
Tank Cars	347,147	349,889	351,553	355,908	358,941	361,332	363,988	365,720	366,756					
Others	288,473	288,125	289,183	289,740	290,472	290,933	291,328	290,217	289,851					
Rate (in cents)														
Superstructures #1 - Time	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0					
Superstructures #2 - Mileage	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6					
Superstructures #3 - Auto Rack	66.0	67.0	68.0	68.0	69.0	69.0	68.0	69.0	71.0					
Covered Hoppers #2 - Mileage	44.2	44.2	44.2	44.3	44.3	44.1	44.2	44.4	44.5					
Tank Cars #2 - Mileage	74.3	74.5	74.6	75.2	75.3	75.3	75.5	75.8	76.9					
Others #1 - Time	74.0	74.0	74.0	74.0	73.0	73.0	73.0	74.0	74.0					
Others #2 - Mileage	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.6	7.6					
AVERAGE RATES														
Private Superstructures	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	0.00	0.00	0.00	0.00	0.00
Private Others	23.93	23.93	23.93	23.93	23.71	23.71	23.71	24.03	24.03	0.00	0.00	0.00	0.00	0.00
Private Total	47.51	47.64	47.69	48.02	48.05	48.03	48.18	48.50	48.95	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Autoracks	63.80	64.68	65.55	65.56	66.42	66.29	65.44	66.32	68.05	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

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

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

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

CHARM Process - Car Hire Rate Report
Average Car Rental Rates for 02/2015

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	7,960	119	0.079	49
Railroad	Number of Zero-Rated Vehicular Flats	23	.	.	.
Railroad	All Other Cars	458,738	64	0.068	.
Railroad	Number of Zero-Rated Other Cars	19,892	.	.	.
Railroad	Total Railroad Equipment	486,613	.	.	.
	
Private	Vehicular Flats	51,338	80	0.016	69
Private	Number of Zero-Rated Vehicular Flats	39	.	.	.
Private	Covered Hoppers	350,170	0	0.444	.
Private	Number of Zero-Rated Covered Hoppers	10,504	.	.	.
Private	Tanks	365,720	0	0.758	.
Private	Number of Zero-Rated Tanks	8,598	.	.	.
Private	All Other Cars	290,217	74	0.076	.
Private	Number of Zero-Rated Other Cars	29,064	.	.	.
Private	Total Private Equipment	1,105,650	.	.	.

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 2015

As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast	→	15Q1	15Q2	15Q3	15Q4
For Actual	→	14Q3	14Q4	15Q1	15Q2
January	2014	196.0	196.0	196.0	196.0
February	2014	197.4	197.4	197.4	197.4
March	2014	196.8	196.8	196.8	196.8
April	2014	196.2	196.2	196.2	196.2
May	2014	196.7	196.7	196.7	196.7
June	2014	196.8	196.8	196.8	196.8
July	2014	196.4	197.8	197.8	
August	2014	196.2	197.9	197.9	
September	2014	197.0	198.3	198.3	
October	2014	196.8	196.8	199.3	
November	2014		196.9	199.9	
December	2014		201.4	199.5	
January	2015		199.7	199.7 ✓	
February	2015			200.7 ✓	
March	2015			199.3 ✓	
April	2015			199.3	
May	2015				
June	2015				
July	2015				
Actual Qtr.		196.5	198.4	199.9	NA

1980=100

Actual Qtr.	217.4	219.5	221.1	NA
First Mo. next qtr.	217.7	220.9	220.5	NA

0.904 =1980

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Producer Price Index-Commodities

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

Download:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	196.0	197.4	196.8	196.2	196.7	196.8	197.8	197.9	198.3	199.3	199.9	199.5
2015	199.7(P)	200.7(P)	199.3(P)	199.3(P)								

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

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RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

Forecast Year 2014 As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast	→	15Q1	15Q2	15Q3	15Q4
For Actual	→	14Q3	14Q4	15Q1	15Q2
January	2014	197.2	197.2	197.2	197.2
February	2014	197.6	197.6	197.6	197.6
March	2014	197.3	197.3	197.3	197.3
April	2014	197.7	197.7	197.7	197.7
May	2014	197.6	197.6	197.6	197.6
June	2014	197.7	197.7	197.7	197.7
July	2014	198.0	198.2	198.2	
August	2014	198.3	198.4	198.4	
September	2014	198.5	198.3	198.3	
October	2014	198.5	198.5	198.2	
November	2014		197.8	197.4	
December	2014		197.2	196.7	
January	2015		196.1	196.1	
February	2015			195.3	
March	2015			195.1	
April	2015			194.5	
May	2015				
June	2015				
July	2015				
Actual Qtr.		198.3	197.8	195.5	NA

1980=100

Actual Qtr.	222.3	221.7	219.2	NA
First Mo. next qtr.	222.5	219.8	218.0	NA

0.892 =1980



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Data extracted on: May 15, 2015 (12:05:47 PM)

Producer Price Index-Commodities

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

Download: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	197.2	197.6	197.3	197.7	197.6	197.7	198.2	198.4	198.3	198.2	197.4	196.7
2015	196.1(P)	195.3(P)	195.1(P)	194.5(P)								

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

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