

ASSOCIATION
OF AMERICAN
RAILROADS

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Senior Vice President - Policy & Economics

March 5, 2015

237879

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

ENTERED
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March 4, 2015
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Dear Ms. Brown:

This submission is the AAR forecast of the second quarter 2015 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2015-2) *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 second quarter 2015 results on the fourth quarter 2012 base, and shows the percentage changes from the previous quarter.

	<u>2015Q1</u>	<u>2015Q2</u>	<u>% Change</u>
All-Inclusive Index	95.5	91.1	-4.6
Preliminary RCAF	0.955	0.911	-4.6
Forecast Error Adjustment	-0.009	-0.031	
RCAF (Unadjusted)	0.946	0.880	-7.0
Productivity Adjustment Factor	2.3342	2.3382	
RCAF (Adjusted)	0.405	0.376	-7.2
PAF-5	2.4704	2.4766	
RCAF-5	0.383	0.355	-7.3

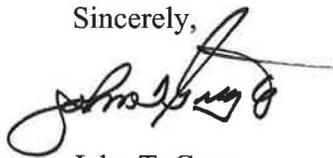
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March 5, 2015

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

Our quarterly non-proprietary work papers underlying this submission are e-filed herewith, in accordance with the ICC's order in Ex Parte No. 290 (Sub-No. 2), *Railroad Cost Recovery Procedures*, served February 8, 1990. We have notified Pedro Ramirez, in the STB office handling this proceeding, of our plan to e-file the submission and non-proprietary work papers. A second copy of the submission and non-proprietary work papers, plus selected highly confidential work papers, will be hand-delivered to 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", with a long horizontal flourish extending to the right.

John T. Gray

Attachments

**Second Quarter 2015
All-Inclusive Index**

Ex Parte No. 290 (Sub-No. 5) (2015-2)

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

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

March 5, 2015

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Introduction

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

This quarter's projection of railroad costs is for the second quarter 2015. The Board's latest productivity adjustment decision, served February 13, 2015, has been utilized to update productivity adjustment factors listed on page 5 herein.

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

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

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

All-Inclusive Index Second 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 2015Q1	Current 2015Q2	
1. Labor	31.6%	401.6	402.8	0.3 %
2. Fuel	22.1%	309.1	251.6	-18.6
3. M&S	4.9%	274.9	265.3	-3.5
4. Equipment Rents	5.4%	213.1	212.1	-0.5
5. Depreciation	12.0%	218.6	222.1	1.6
6. Interest	1.9%	70.6	70.6	0.0
7. Other	22.1%	223.1	217.2	-2.6
8. Weighted Average				
a. 1980 = 100		297.1	283.3	
b. 1980 = 100 (linked)		284.2	271.0 ¹	
c. 4Q12 = 100		95.5	91.1 ²	-4.6

¹ Index80 = (Current Index / Previous Index) * the Previous Quarter Linked Index
= (283.3 / 297.1) x 284.2
= 271.0

² To calculate the 4Q12 = 100 index:

Index4Q12 = (Current Linked Index / 4Q12 Basing Factor) * 100
= 271.0 divided by 297.6 times 100
= 91.1

Indexes based on other periods:

- 4Q07 based index = 271.0 / 245.9 x 100 = 110.2
- 4Q02 based index = 271.0 / 192.1 x 100 = 141.1
- 4Q97 based index = 271.0 / 173.2 x 100 = 156.5
- 4Q92 based index = 271.0 / 156.9 x 100 = 172.7
- 4Q87 based index = 271.0 / 132.2 x 100 = 205.0

Forecast vs. Actual All-Inclusive Index Fourth Quarter 2014

Because of data availability, the forecast error adjustment has a two-quarter lag from each filing. As shown below, the fourth quarter actual index of 95.4 is 3.1 index points below the forecast value of 98.5. Therefore, the forecast error adjustment for second quarter 2015 is -3.1 index points.

	2013 Weights	Fourth Quarter 2014		Amt Difference
		Forecast	Actual	
1. Labor	31.6%	389.7	389.7	
2. Fuel	22.1%	368.8	328.0	
3. M&S	4.9%	276.6	276.6	
4. Equipment Rents ¹	5.4%	213.0	213.1	
5. Depreciation	12.0%	217.4	219.5	
6. Interest	1.9%	70.6	70.6	
7. Other	22.1%	223.2	221.7	
8. Weighted Average				
a. 1980 = 100		306.5	297.4	
b. 1980 = 100 (linked)		293.2	283.9 ²	
c. 4Q12 = 100 ³		98.5	95.4	-3.1

Forecast error \longrightarrow **-3.1 index points**

1	2013 Weights	Fourth Quarter 2014	
		Forecast	Actual
Car-Hire	52.8%	186.2	187.4
Lease Rentals	47.2%	223.2	221.7
Weighted Average		203.7	203.6
Weighted Average (linked)		213.0	213.1

² Linked actual index = (actual index / previous actual index) x previous linked actual index.
 $283.9 = 297.4 / 307.4 \times 293.4$

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

Productivity

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

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

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

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

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

Rail Cost Adjustment Factor Second 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 2015Q1	Current 2015Q2	Percent Change
All-Inclusive Index ¹	95.5	91.1	-4.6
Preliminary RCAF ²	0.955	0.911	-4.6
Forecast Error Adjustment ³	<u>-0.009</u>	<u>-0.031</u>	
RCAF (Unadjusted) ⁴	0.946	0.880	-7.0
Productivity Adjustment Factor ⁵	<u>2.3342</u>	<u>2.3382</u>	
RCAF (Adjusted) ⁶	0.405	0.376	-7.2
PAF-5 ⁷	2.4704	2.4766	
RCAF-5 ⁸	0.383	0.355	-7.3

¹ See All-Inclusive Index on page 3.

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

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

⁴ Preliminary RCAF plus the forecast error adjustment.

⁵ See Productivity on page 5.

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

⁷ See Productivity on page 5.

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

Appendixes

Labor

Second Quarter 2015

The second quarter 2015 Labor Index is forecast to increase 0.3 percent from the previous quarter. Lump sum payments and back pay caused much of the small increase.

Wage Rate Index

The Wage Rate Index portion of the Labor Index increased 0.5 percent. The major changes were higher profit sharing payments in 2015 (for performance in 2014) and back pay amount related to new labor agreements.

Wage Increases: No wage increases are scheduled for the second quarter. Four new independent labor agreements, plus another agreement where the members exercised an option to revert to the national agreement, were added to the index.

Lump Sums: The second quarter lump sum rate increased 9.1 cents from the previous quarter. Three major annual lump sums from early 2014 were fully amortized and removed from the index, but the 2015 versions of these bonuses were higher because of more employees affected, higher earnings in the equation, or higher payouts. Two lump sum amounts were signing bonuses related to new independent labor agreements.

Back Pay: The second quarter back pay rate increased 5.6 cents as the net result of the complete amortization and removal of two amounts from last year plus the addition of four new amounts. The new back pay amounts were related to newly-received labor agreements or (in one small case) newly-received employee cost sharing amounts.

Other: In wages, "Other" contains the amortization of incentive payments that a railroad makes each year to its dispatchers, yardmasters, and engineers. The current amount is for a payment made in early 2014, and it is unchanged. The second quarter 2015 is the last quarter for amortization of the early 2014 payment. The payment made in early 2015 will begin to be amortized with the 2015Q3 submission.

Supplements Index

The Supplements Index was unchanged, as changes in two of the four supplements categories offset each other.

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 one railroad.

Railroad Retirement: The Railroad Retirement rate increased 0.4 percent, or 3.2 cents. The increase was caused by higher taxable earnings.

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

Labor

Second 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 first quarter, the rate decreased 3.2 cents as employers had fewer matching contributions.

Labor Index Calculation

As shown in Table A-1 on the next page, the 0.5 percent increase in the Wage Rate Index and no change in the Supplements Index combined to cause a 0.3 percent increase in the Labor Index. The linked second quarter 2015 index is 402.8.

Labor Second Quarter 2015

Table A-1 Labor Index

	2015Q1	2015Q2	Change	
			Percent	Amount
<u>Base Wage</u> – Straight Time & Pay For Time Not Worked	\$40.039	\$40.102	0.2%	\$0.063
Adjustments:				
Lump Sum	0.316	0.407	28.8%	\$0.091
Back Pay	0.094	0.150	59.6%	\$0.056
Other	0.136	0.136	0.0%	\$0.000
Total Wages	<u>40.585</u>	<u>40.795</u>	0.5%	\$0.210
Health & Welfare Benefits	7.612	7.612	0.0%	\$0.000
RR Retirement & Medicare	8.212	8.244	0.4%	\$0.032
Unemployment Insurance	0.204	0.204	0.0%	\$0.000
Other	0.177	0.145	-18.1%	-\$0.032
Total Supplements	<u>\$16.205</u>	<u>\$16.205</u>	0.0%	\$0.000
Total Labor (as info only)	\$56.790	\$57.000		
Wage Index¹	347.3	349.1	0.5%	
Supplements Index²	598.9	598.9	0.0%	
Total labor Index, 2012 Weights ³	422.5	423.8		
Labor Index (linked)⁴	401.6	402.8	0.3%	

¹ 1980 wage rate \$11.685

² 1980 supplements rate \$2.706

³ 2013 weights: wages, supplements 70.1% 29.9%

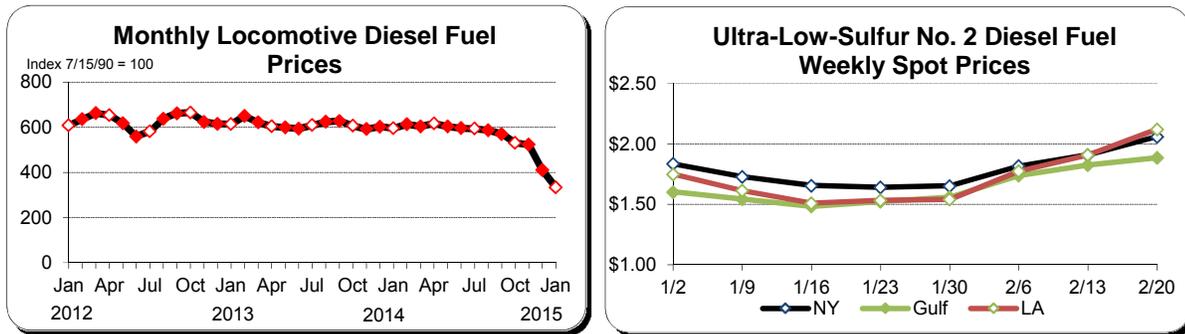
⁴ 2015Q2 linked Index = 2015Q1 linked x (2015Q2 / 2015Q1)
= 401.6 x 423.8 / 422.5

Fuel Second 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 dropped 46 percent from April to January, with the biggest decreases coming in recent months. The chart below (on the left) shows the AAR's Monthly Locomotive Diesel Fuel Price Index from January 2012 through January 2015.

While the latest average prices for locomotive diesel fuel are available only through January 2015, data through most of February are available for related fuel types. Spot prices for crude oil,* heating oil,** and Ultra-Low-Sulfur Diesel Fuel** have been increasing in February, contrary to the trend over the last six months. In addition, inventories for distillates are down. From January 16 to February 20, spot prices for New York Harbor Ultra-Low-Sulfur No. 2 Diesel have increased 24.5 percent. Similar prices for the Gulf Coast have increased 27.1 percent. Prices in California are up 40.4 percent, as a recent refinery explosion has caused additional upward movement in prices.



Thus, the railroads expect Q2 (April) locomotive diesel fuel prices to be higher than the prices they actually paid in January – they are probably already up 20 to 40 percent. However, their Q1 (January) forecast, made around December 1 before the price drop accelerated, was too conservative in its expected decrease in fuel prices. This causes the Q2 forecast to be 18.6 percent *below* the Q1 forecast, but *higher* than the price actually paid in Q1.

Forecast Fuel Index (1980 = 100)	251.6
Change from previous quarter forecast	-18.6%
Change from previous quarter actual	22.2%

* 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

Second Quarter 2015

The second quarter 2015 Materials & Supplies Index decreased 3.5 percent from the previous quarter. The change was caused mostly by decreases in prices for items in the Miscellaneous Products category. Among the 13 items included in this category are ballast, locomotive lube oil, creosote, two types of batteries, air brake hoses, containerized drinking water, filters, and other items.

2015Q2 Materials & Supplies Index = 265.3

2015Q1 Materials & Supplies Index = 274.9

Difference -9.6 basis points
or
-3.5 %

Equipment Rents Second 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

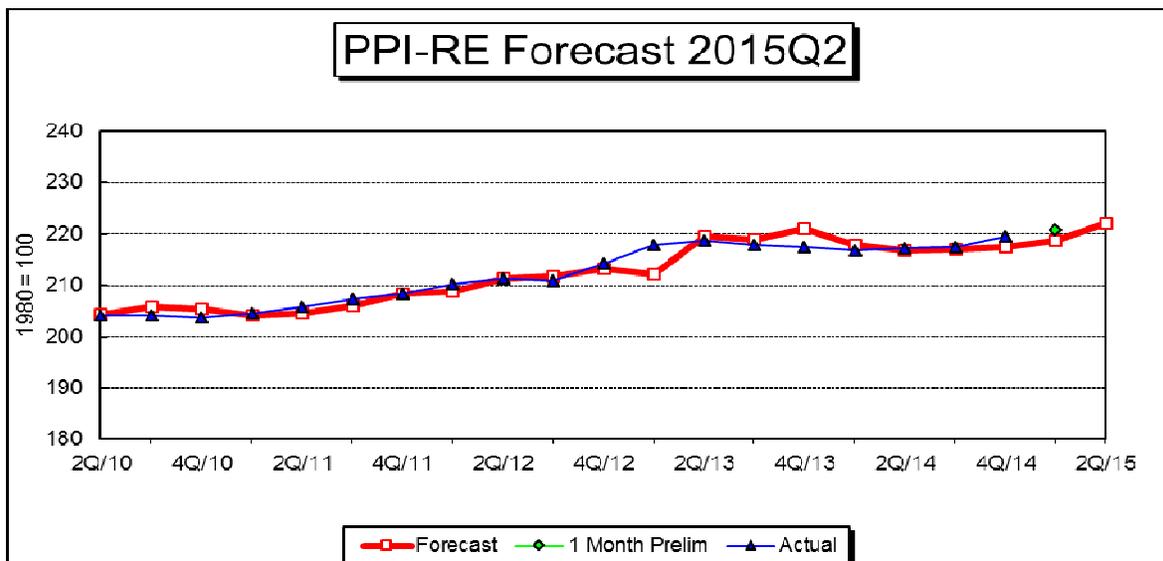
The table below calculates the Equipment Rents Index. The second quarter Car Hire portion of the Index increased 1.8 percent as the latest rates available increased in all four major categories. A 2.6 percent decrease in the projected PPI-LF (See Appendix G) used as a proxy for Lease Rentals, combined with the 1.8 percent increase for Car Hire, caused the Equipment Rent Index to decrease 0.5 percent.

	2013 Weight	2015Q1	2015Q2	Percent Change
Car Hire	52.8%	186.6	190.0	1.8 %
Lease Rentals	47.2%	223.1	217.2	-2.6
Weighted Average		203.8	202.8	-0.5
Weighted Average (Linked)		213.1	212.1	-0.5

Depreciation Second 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 PPI-RE figures that have been up and down during recent months, but with an upward trend. Forecasts for recent quarters that were too low may have added to the amount of increase.

Forecast of Depreciation Index (1982=100)	200.8
Forecast of Depreciation Index (1980=100)	222.1
Change from previous quarter forecast	1.6%
Change from actual first month of previous quarter	0.5%
Change from same quarter of prior year (actual)	2.2%



Depreciation Second Quarter 2015

PPI RAILROAD EQUIPMENT

Exponential smoothing outperforms Box-Jenkins by 1.554 to 1.595 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	0.58755	199.82
Trend	0.01736	0.23918

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 190	Standard deviation 5.91
R-square 0.9614	Adjusted R-square 0.9609
Durbin-Watson 1.901	Ljung-Box(18)=11 P=0.1055
Forecast error 1.169	BIC 1.223
MAPE 0.003956	RMSE 1.152
MAD 0.7552	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2014-08	197.9
2014-09	198.3
2014-10	196.8
2014-11	196.9
2014-12	201.4
2015-01	199.7

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2015-02	197.667	200.064	202.461
2015-03	197.511	200.303	203.095
2015-04	197.404	200.542	203.681
2015-05	197.331	200.781	204.231
2015-06	197.285	201.020	204.756
QTR AVG	197.340	200.781	204.2227

Interest Second 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.

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 Obligatons - Non-Current
44	Debt in Default - Non-Current
45	Accounts Payable: Affiliated Companies - Non-Current
46	Unamortized Debt Premium - Non-Current

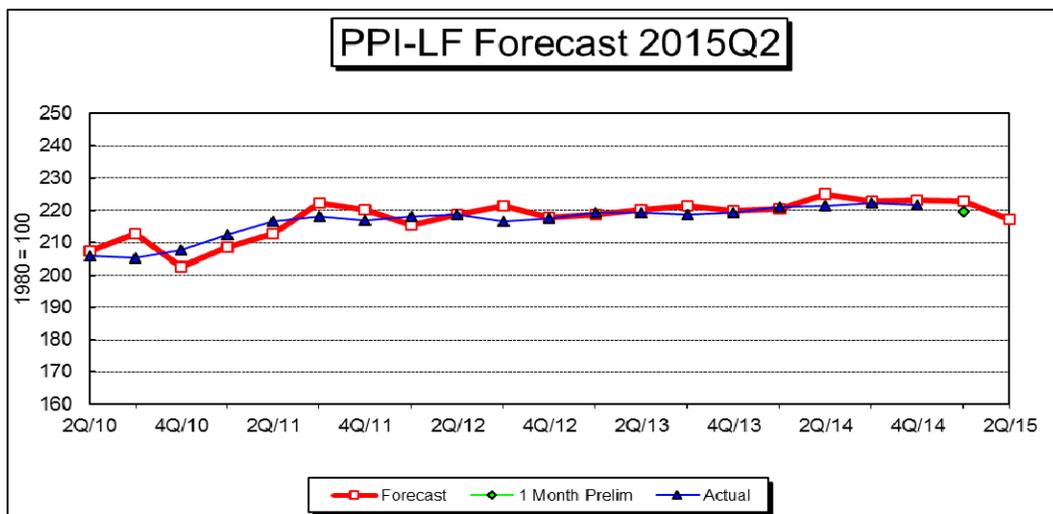
2013	Interest Rate	5.54%
1980	Interest Rate	7.85%
2015Q2	Interest Index	70.6
2015Q1	Interest Index	70.6
	Percent Change	0.0%

Other Expenses Second 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 January PPI-LF is lower than it was one year ago. The forecast reflects the lower January PPI-LF figure and three consecutive monthly decreases.

Forecast of Other Expense Index (1982=100)	193.7
Forecast of Other Expense Index (1980=100)	217.2
Change from previous quarter forecast	-2.6%
Change from actual first month of previous quarter	-1.2%
Change from same quarter of prior year (actual)	-2.0%



Other Expenses Second Quarter 2015

PPI INDUSTRIAL COMMODITIES LESS FUELS AND RELATED PRODUCTS AND POWER

Box-Jenkins outperforms exponential smoothing by 1.057 to 2.417 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is nonstationary and nonseasonal.

Recommended model: Box-Jenkins
Forecast Model for PPILF
ARIMA(1,1,0)*(1,0,0)

Term	Coefficient	Std. Error	t-Statistic	Significance
a[1]	0.6851	0.0898	7.6262	1.0000
A[12]	0.3232	0.1152	2.8052	0.9935

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 190.3	Standard deviation 7.601
R-square 0.995	Adjusted R-square 0.9949
Durbin-Watson 1.909	Ljung-Box(18)=14.13 P=0.2796
Forecast error 0.5416	BIC 0.5667
MAPE 0.002175	RMSE 0.534
MAD 0.4142	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2014-08	198.4
2014-09	198.3
2014-10	198.5
2014-11	197.8
2014-12	197.2
2015-01	196.1

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2015-02	194.134	195.188	196.242
2015-03	192.312	194.377	196.443
2015-04	190.948	194.018	197.087
2015-05	189.621	193.650	197.680
2015-06	188.522	193.453	198.384
QTR AVG	189.697	193.707	197.717

Railroad and Union Abbreviations

Second 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 (Canadian Pacific's U.S. operations, included beginning 2011Q4.)
DME	Dakota, Minnesota & Eastern (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 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
SMW	Sheet Metal Workers' International Association
TCU	Transportation Communication International Union
TCU-Carmen	Brotherhood of Railway Carmen Division of the Transportation Communications International Union
UTU	United Transportation Union
UTU-Yard	United Transportation Union Yardmaster Department (also noted as UTU-YMD)

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

BLE	Brotherhood of Locomotive Engineers (predecessor to BLET)
BMWE	Brotherhood of Maintenance of Way Employees (predecessor to BMWED)
BRC	Brotherhood of Railway Carmen (predecessor to TCU-Carmen)
IBFO	International Brotherhood of Firemen and Oilers (predecessor to NCFO)

Workpapers Sent to STB for 2015 Q2 RCAF

March 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 latest auction (a.k.a. 3-Mo. T-Bill)
6. 2015/Q2 RCAF Lump Sum Amortization summary, public version (1 page)
7. 2015/Q2 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 Q2 Unemployment Insurance
12. EIA's *This Week in Petroleum* report for February 25, 2015 (6 pages)
13. EIA spot price download for Ultra-Low-Sulfur No. 2 Diesel Fuel
14. Summary of Materials & Supplies (one page)
15. Car Hire Spreadsheet (2 pages) plus source data page for March 1, 2015
16. 4 pages of PPI-RE for Depreciation including graph, input/output, and BLS source data
17. 4 pages of PPI-LF for Other (and Lease Rentals) incl. graph, input/output, BLS source data
18. 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%		--
PFTNW		\$7.054	\$6.808	-3.5%	\$6.809	-3.5%	\$6.952	2.1%	\$6.963	0.2%		--
Total		\$39.639	\$38.964	-1.7%	\$38.974	-1.7%	\$40.039	2.7%	\$40.102	0.2%	\$0.000	--
Adjustments												
Lump Sum		\$0.316	\$0.315		\$0.315		\$0.316		\$0.407			
Back Pay		\$0.093	\$0.093		\$0.094		\$0.094		\$0.150			
Other		\$0.137	\$0.136		\$0.136		\$0.136		\$0.136			
Total Wages		\$40.185	\$39.508	-1.7%	\$39.519	-1.7%	\$40.585	2.7%	\$40.795	0.5%	\$0.000	--
Pre-Tax Reduction		(\$1.169)	(\$1.200)		(\$1.200)		(\$1.200)		(\$1.200)			
Taxable Wages		\$39.016	\$38.308		\$38.319		\$39.385		\$39.595		\$0.000	
H & W		\$7.611	\$7.652	0.5%	\$7.652	0.5%	\$7.612	-0.5%	\$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%		--
Unemp. Insurance		\$0.059	\$0.059	0.0%	\$0.059	0.0%	\$0.204	245.8%	\$0.204	0.0%		--
Other		\$0.263	\$0.262	-0.4%	\$0.106	-59.7%	\$0.177	67.0%	\$0.145	-18.1%		--
Total		\$15.829	\$15.807	-0.1%	\$15.652	-1.1%	\$16.205	3.5%	\$16.205	0.0%	\$0.000	--
Adjustments												
Total Supplements		\$15.829	\$15.807	-0.1%	\$15.652	-1.1%	\$16.205	3.5%	\$16.205	0.0%	\$0.000	--
Total Labor		\$56.014	\$55.315	-1.2%	\$55.171	-1.5%	\$56.790	2.9%	\$57.000	0.4%	\$0.000	--
Wage Rate Index	0.7010	343.9	338.1	-1.7%	338.2	-1.7%	347.3	2.7%	349.1	0.5%	0.0	--
Supplements Index	0.2990	585.0	584.1	-0.2%	578.4	-1.1%	598.9	3.5%	598.9	0.0%	0.0	--
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%	0.0	--
Labor Index (Linked)		395.4			389.7	-1.4%	401.6	3.1%	402.8	0.3%	0.0	-100.0%

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%	0.0	-100.0%
Fuel	0.221	375.90	375.9	0.0%	368.8	-1.9%	309.1	-16.2%	251.6	-18.6%		--
M&S	0.049	271.20	271.2	0.0%	276.6	2.0%	274.9	-0.6%	265.3	-3.5%		--
Equip. Rents	0.054	212.20	212.2	0.0%	213.0	0.4%	213.1	0.0%	212.1	-0.5%	0.0	-100.0%
Depreciation	0.120	217.10	217.1	0.0%	217.4	0.1%	218.6	0.6%	222.1	1.6%		--
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%		--
Weighted Avg.	1.000	309.00	309.5	0.2%	306.5	-1.0%	297.1	-3.1%	283.3	-4.6%	1.3	-99.5%
Linked	Basing Factor	296.10			293.2	-1.0%	284.2	-3.1%	271.0	-4.6%	1.2	-99.6%
10/1/80 basis	102.7	288.3			285.5	-1.0%	276.7	-3.1%	263.9	-4.6%	1.2	-99.5%
10/1/82	120.9	244.9			242.5	-1.0%	235.1	-3.1%	224.2	-4.6%	1.0	-99.6%
4Q/87	132.2	224.0			221.8	-1.0%	215.0	-3.1%	205.0	-4.7%	0.9	-99.6%
4Q/92	156.9	188.7			186.9	-1.0%	181.1	-3.1%	172.7	-4.6%	0.8	-99.5%
4Q/97	173.2	171.0			169.3	-1.0%	164.1	-3.1%	156.5	-4.6%	0.7	-99.6%
4Q/02	192.1	154.1			152.6	-1.0%	147.9	-3.1%	141.1	-4.6%	0.6	-99.6%
4Q/07	245.9	120.4			119.2	-1.0%	115.6	-3.0%	110.2	-4.7%	0.5	-99.5%
4Q/12 basis	297.6	99.5			98.5	-1.0%	95.5	-3.0%	91.1	-4.6%	0.4	-99.6%
Car Hire	0.528	185.10	185.1	0.0%	186.2	0.6%	186.6	0.2%	190.0	1.8%		--
Lease Rents	0.472	222.90	222.9	0.0%	223.2	0.1%	223.1	0.0%	217.2	-2.6%	0.0	--
Weighted Avg Eq Rents		204.70	202.9	-0.9%	203.7	0.4%	203.8	0.0%	202.8	-0.5%	0.0	--
Linked Equipment Rents		212.20			213.0	0.4%	213.1	0.0%	212.1	-0.5%	0.0	-100.0%
Preliminary RCAF		0.995			0.985	-1.01%	0.955	-3.0%	0.911	-4.6%	0.004	-99.6%
Forecast Error Adj.		(0.010)			(0.008)		(0.009)		(0.031)			
RCAF Unadjusted		0.985			0.977	-0.81%	0.946	-3.2%	0.880	-7.0%	0.004	-99.5%
PAF		2.3226			2.3284	0.25%	2.3342	0.25%	2.3382	0.17%		--
RCAF Adjusted		0.424			0.420	-0.94%	0.405	-3.6%	0.376	-7.2%	#DIV/0!	--
PAF-5		2.4588			2.4642	0.22%	2.4704	0.25%	2.4766	0.25%		--
RCAF-5		0.401			0.396	-1.25%	0.383	-3.3%	0.355	-7.3%	#DIV/0!	--

Hourly Rate for 2015 Q2

Straight Time and Time Paid For But Not Worked

2015Q2 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

Adjusted STHR Total **\$33.139**

Pay For Time Not Worked

PFTNW (from national spreadsheet)	\$6.852
Ratio Adj STHR to Nat STHR 33.139 / 32.613 =	1.01613

Adjusted Pay For Time Not Worked **\$6.963**

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 2Q/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	(\$195.97)	(\$14,690,695.08)
Independent SLC (wt avg all DH & DME union categories)	1,186	(\$179.27)	(\$2,551,370.64)
Total Union	139,108		(\$330,101,865.72)
All Other @ \$3,925,131.05 total per month			(\$47,101,572.60)
Total			(\$377,203,438.32)

Reduction in Wage Rate Per ST Hour	-\$1.20041928
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

Money Rates

WSJ 2/24/15 0.020%

February 23, 2015

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

Inflation

	Dec. Index level	CHG FROM (%)	Nov. '14	Dec. '13
consumer price index				
Items	234.812	-0.57	0.8	
Core	238.775	-0.20	1.6	

International rates

	Latest	Week ago	52-WEEK High	Low
Prime rates				
U.S.	3.25	3.25	3.25	3.25
Canada	2.85	2.85	3.00	2.85
Euro zone	0.05	0.05	0.25	0.05
Japan	1.475	1.475	1.475	1.475
Switzerland	0.50	0.50	0.51	0.50
Britain	0.50	0.50	0.50	0.50
Australia	2.25	2.25	2.50	2.25

Overnight repurchase

U.S.	0.09	0.16	0.29	0.00
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U.S. government rates

	Latest	Week ago	52-WEEK High	Low
Discount	0.75	0.75	0.75	0.75
Federal funds				
Effective rate	0.1300	0.1300	0.1800	0.0800
High	0.3125	0.3125	0.5160	0.2500
Low	0.0300	0.0500	0.0800	0.0100
Bid	0.0400	0.1100	0.1200	0.0000
Offer	0.0600	0.1300	0.2800	0.0400

Treasury bill auction

4 weeks	0.010	0.015	0.060	0.000
13 weeks	0.020	0.020	0.055	0.010
26 weeks	0.065	0.085	0.155	0.040

Notes on data:

Prime rate is effective December 16, 2008. **Discount rate** is effective February 19, 2010. **U.S. prime rate** is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks; **Other prime rate** is not directly comparable; lending practices vary widely by location; **Discount rate** is the charge on loans to depository institutions by the New York Federal Reserve Banks; **Federal-funds rate** is on reserves traded among commercial banks for overnight use in amounts of \$1 million or more; **Call money rate** is the charge on loans to brokers on stock-exchange collateral; **Commercial Paper (AA financial)** is from the Federal Reserve and is presented with a one-day lag. **Libor** is the Intercontinental Exchange Benchmark Administration Ltd average of interbank offered rates for dollar deposits in the London market; **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Futures on the DTCC GCF Repo Index** are traded on NYSE Liffe US.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; SIX Financial Information; General Electric Capital Corp.; Tullett Prebon Information, Ltd.

Syndicated Loans: Past Week's Biggest Movers

Syndicated loans are corporate loans that are bought or traded by a group of banks and/or institutional investors. Investment-grade loans are investment-grade or unrated loans priced at or below the London interbank offered rate (Libor) plus 150 basis points (or 1.5 percentage points). Leveraged loans are speculative-grade or unrated loans priced at or above Libor plus 151 basis points. Below are the biggest gainers and losers among widely-quoted syndicated loans in secondary trading in the week ended Friday among the 209 loans with five or more bids. All loans listed are B-term, or sold to institutional investors.

Name	Loan rating Moody's/S&P	Coupon/Interest (Libor + basis pts)	Maturity	Average bid (pct. pts.)	Weekly chg (pct. pts.)
Academy Sports & Outdoors	B1/B	L+325	July 20, '18	99.70	0.54
Bombardier Recreational Products	B1/BB-	L+300	Jan. 15, '19	98.35	0.62
Borgata	B2/B+	L+575	Aug. 15, '18	100.40	0.63
EMI Music Publishing	Ba3/BB-	L+275	Feb. 13, '18	99.60	0.47
Energy & Exploration Partners	N.R./N.R.	L+675	Jan. 14, '19	81.60	0.93
First Data Corp	B1/BB-	L+350	March 15, '18	99.75	0.85
First Data Corp	B1/BB-	L+350	Sept. 15, '18	99.77	0.87
First Data Corp	B1/N.R.	L+400	March 13, '21	99.98	0.60
Hub International LTD	B1/B	L+325	Oct. 2, '20	98.68	0.72
Ineos Group Plc	Ba3/BB-	L+275	May 2, '18	99.36	0.64
Mallinckrodt Group Inc	Ba2/BB+	L+275	Feb. 25, '21	98.94	0.78
MGM Resorts	Ba2/BB	L+250	Dec. 20, '19	99.45	0.63
Micro Focus International Plc	B1/BB-	L+425	Sept. 17, '21	98.08	0.51
MultiPlan Inc	B1/B	L+300	March 14, '21	99.18	0.71
Neiman Marcus Group Inc	B2/N.R.	L+300	Oct. 16, '20	99.04	0.91
Next Energy	Baa3/BB+	L+200	July 1, '18	99.85	0.64
Inc	B2/B	L+325	Jan. 14, '21	98.40	0.53
Professional Gaming	Ba1/BB+	L+250	Oct. 16, '20	98.42	0.46
Petco Animal Supplies	Ba3/B+	L+300	Nov. 24, '17	99.39	0.49
Post Holdings	Ba1/BB-	L+325	May 29, '21	100.00	0.69
Reynolds Group	B1/B+	L+300	Dec. 15, '18	100.00	0.44
Sabre Holdings Corp	Ba3/B+	L+325	Feb. 19, '19	99.78	0.56
Station Casinos	B1/B+	L+325	March 1, '20	99.45	0.66
Tronox Inc	Ba2/BBB-	L+300	March 15, '20	99.75	0.66
Univar NV	B3/B+	L+350	June 30, '17	99.15	1.03

Note: These are the averages of indicative bid prices provided by bank-loan traders and expressed as a percentage of the par value of the loan.

2.000	U.K. 2	0.396 ▲
2.750	10	1.799 ▲

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Legal Notices

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CLASS ACTION

Legal Notice

If you purchased Shell Eggs or Egg Products in the United States directly from any producer through December 19, 2014, you can join a proposed class action.

This legal notice is to inform you of proposed Settlements and Defendants NuCal Foods, Inc. ("NuCal"), Hillandale Pa., and Hillandale-Gettysburg, Inc. ("Hillandale-Gettysburg"), reached in the class action lawsuit *In re Processed Egg Products*, Case No. 08-md-02002, pending in the United States District of Pennsylvania.

Who is included in the Settlements?

The Settlement "Classes" include all persons and entities who purchased Shell Eggs and Egg Products in the United States from the producer from January 1, 2000 through December 19, 2014.

What is this case about?

Plaintiffs claim that Defendants conspired to limit the supply of Shell Eggs and Egg Products, which raised the price of Shell Eggs and Egg Products in violation of the Sherman Antitrust Act, a federal statute that unreasonably restrain competition. The Settlements resolve Plaintiffs' allegations.

What do the Settlements provide?

Under the Settlements, Plaintiffs will release all claims against Defendants NuCal, Hillandale Farms East, Inc., Hillandale-Gettysburg, Hillandale Farms East, Inc., exchange, NuCal will pay \$1,425,000, and Hillandale-Gettysburg will collectively pay \$3,000,000, into a settlement fund. Plaintiffs also will receive documents and information that will aid in their analysis and prosecution of the Settlements.

What do I do now?

If you are a Class Member your legal rights are preserved. You may choose to make a claim.

Participate in the Settlements: No action is required to participate in the Settlements. If the Court grants final approval to the Settlements, you will be bound by the terms of the Settlements. By remaining in the Settlements, you will give up any potential claims that you may have against Defendants NuCal, Hillandale Farms East, Inc., Hillandale-Gettysburg, Hillandale Farms East, Inc., exchange, NuCal will pay \$1,425,000, and Hillandale-Gettysburg will collectively pay \$3,000,000, into a settlement fund. Plaintiffs also will receive documents and information that will aid in their analysis and prosecution of the Settlements.

Ask to be excluded: If you wish to exclude yourself from the Settlements, you must formally exclude yourself from the Settlements by filing a letter to the Claims Administrator postmarked on or before the deadline.

Object: You may notify the Court that you object to the Settlements by filing a statement of your objection(s) to the Court, Plaintiff's Counsel postmarked by May 22, 2015. Detailed instructions on how to object are on the settlement website.

Who represents you?

The Court appointed Steven A. Asher of Weinstein King & Associates, LLP, as Class Counsel for Plaintiffs. Plaintiff's Counsel is Steven D. Susman of Susman Godfrey LLP as Interim Class Counsel. You do not have to pay them or anyone else to participate in the Settlements at your own expense.

When will the Court decide whether to approve the Settlements?

At 10:00 a.m. on June 22, 2015, at the United States District Court for the District of Pennsylvania, Philadelphia, hearing to determine the fairness and adequacy of the Settlements. You may appear at the hearing, but are not required to do so.

Please note that the Court may change the date and time of the Settlement Class Members are advised to check www.settlement.com for any updates.

How can I learn more?

This notice is only a summary. For more information, please visit www.settlement.com.

**RCAF Lump Sum Amortization
2015/Q2**

	Quarter of Payment	Quarter Amortization Began	Annual Amount	1 Quarter Per ST Hour	U.S. ST Hours
CNGT new contracts ¹	2014Q1	2014Q3			314,226,409 2013
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			\$127,815,455	0.40676	

Should be slightly less than amortized amount.

Fell out

CSX - BLET 2014	2014Q1	2014Q2			314,226,409 2013
CSX - UTU-CSRA 2014	2014Q1	2014Q2			314,226,409 2013
NS - BLET 2014	2014Q1	2014Q2			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	
2015/Q4	

Lump Sum Adjustment for 2015/Q2 → **0.406813**
or
0.407

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

**RCAF Back Pay Amortization
2015/Q2**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr.	U.S. ST Hours
CNGT ¹	various	2014Q3				314,226,409 2013
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 ²	various	2015Q2				314,226,409 2013
Total			\$47,154,147	0.15006424		
Fell out						
DME - all unions 2014	2014Q1	2014Q2				314,226,409 2013
NS - ATDA	2014Q1	2014Q2				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	
2015/Q4	

Back Pay Adjustment for 2015/Q2 → **0.15008**
or
0.150

¹ BMW for B&LE, GTW, IC&CCP, & WC; B&LE's BRS and UTU (includes engineers normally in BLET); IC & CCP's BLET.

² B&LE's TCU, IC&CCP's UTU, & WC's BLET

Health and Welfare

	Employees Receiving		Total		Total	
	Pay	Monthly Contribution		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)	(\$195.97)	(\$1,022,758.84)	(1,224,224.59)	
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)	(\$27,508,488.81)	
All Other Employee Contributions*				(\$3,925,131.05)	(\$3,925,131.05)	
6. Net Employer Monthly Payments				\$231,207,882.57	\$216,705,036.20	
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments					0.93727	
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		0.00000	--	\$0.000	
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 Qlty 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									
									Total Taxable Earnings	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 Qtly Earnings	Tier I	Tier II	Medicare	Total Taxable Earnings (Taxable x Employees)			
						Taxable	Taxable	Taxable	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	Tier II	Medicare	Total Taxable Earnings (Taxable x Employees)				
						Taxable	Taxable	Taxable	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	911	0	0	3,770,823	0	0	
83,700 - 85,699	\$84,669	2.088	3,488	0	0	0	1,994	0	0	6,955,335	0	0	
85,700 - 87,699	\$86,797	2.331	3,894	0	0	0	3,153	0	0	12,275,671	0	0	
87,700 - 89,699	\$88,709	2.186	3,652	0	0	0	4,194	0	0	15,312,952	0	0	
89,700 - 91,699	\$90,771	2.088	3,488	0	0	0	5,316	0	0	18,541,773	0	0	
91,700 - 93,699	\$92,530	2.040	3,408	0	0	0	6,274	0	0	21,378,722	0	0	
93,700 - 95,699	\$94,738	2.331	3,894	0	0	0	7,476	0	0	29,108,794	0	0	
95,700 - 97,699	\$96,800	1.263	2,110	0	0	0	8,598	0	0	18,140,260	0	0	
97,700 - 99,699	\$98,700	1.700	2,840	0	0	0	9,633	0	0	27,354,129	0	0	
99,700 - 101,699	\$100,624	1.117	1,866	0	0	0	10,680	0	0	19,927,636	0	0	
101,700 - 103,699	\$102,617	1.408	2,352	0	0	0	11,765	0	0	27,671,031	0	0	
103,700 - 105,699	\$104,530	0.680	1,136	0	0	0	12,807	0	0	14,546,813	0	0	
105,700 - 107,699	\$106,666	1.214	2,028	0	0	0	13,969	0	0	28,328,466	0	0	
107,700 - 109,699	\$109,001	0.826	1,380	0	0	91	15,241	0	125,027	21,028,496	0	0	
109,700 - 111,699	\$110,656	0.826	1,380	0	0	992	16,142	0	1,368,182	22,271,651	0	0	
111,700 - 113,699	\$112,585	0.729	1,218	0	0	2,042	17,192	0	2,486,324	20,935,028	0	0	
113,700 - 115,699	\$114,537	0.729	1,218	0	0	3,104	18,254	0	3,780,385	22,229,088	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							325,015,898	565,911,499	0	
										Employer Tax Rate	6.20%	13.10%	1.45%
										Quarterly Payment	\$20,150,986	\$74,134,406	\$0

Total Tier I, Tier II, and Medicare Paid this Quarter **\$94,285,392**

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 Qlty Earnings	Tier I	Tier II	Medicare	Total Taxable Earnings (Taxable x Employees)			
						Taxable	Taxable	Taxable	Tier I	Tier II	Medicare	
\$0 - 41,699	\$33,750	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	0	0	0	0	0	0
83,700 - 85,699	\$84,669	2.088	3,488	0	0	0	0	0	0	0	0	0
85,700 - 87,699	\$86,797	2.331	3,894	0	0	0	0	0	0	0	0	0
87,700 - 89,699	\$88,709	2.186	3,652	0	0	0	0	0	0	0	0	0
89,700 - 91,699	\$90,771	2.088	3,488	0	0	0	0	0	0	0	0	0
91,700 - 93,699	\$92,530	2.040	3,408	0	0	0	0	0	0	0	0	0
93,700 - 95,699	\$94,738	2.331	3,894	0	0	0	0	0	0	0	0	0
95,700 - 97,699	\$96,800	1.263	2,110	0	0	0	0	0	0	0	0	0
97,700 - 99,699	\$98,700	1.700	2,840	0	0	0	0	0	0	0	0	0
99,700 - 101,699	\$100,624	1.117	1,866	0	0	0	0	0	0	0	0	0
101,700 - 103,699	\$102,617	1.408	2,352	0	0	0	0	0	0	0	0	0
103,700 - 105,699	\$104,530	0.680	1,136	0	0	0	0	0	0	0	0	0
105,700 - 107,699	\$106,666	1.214	2,028	0	0	0	0	0	0	0	0	0
107,700 - 109,699	\$109,001	0.826	1,380	0	0	0	0	0	0	0	0	0
109,700 - 111,699	\$110,656	0.826	1,380	0	0	0	0	0	0	0	0	0
111,700 - 113,699	\$112,585	0.729	1,218	0	0	0	0	0	0	0	0	0
113,700 - 115,699	\$114,537	0.729	1,218	0	0	0	0	0	0	0	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						317,255,980	236,134,831	0	0
									Employer Tax Rate	6.20%	13.10%	1.45%
									Quarterly Payment	\$19,669,871	\$30,933,663	\$0

Total Tier I, Tier II, and Medicare Paid this Quarter **\$50,603,534**

RCAF Unemployment Insurance Tax

	Unemployment Ins.		Hourly Earnings	RRB Sample Year	Factor To Update RRB Sample	Avg. Ann. Taxable Earnings	Un. Ins. Hourly Rate
	Tax Rate	Earnings Base					
			\$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					0.000000		\$0.000

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

TOTAL GROSS EARNINGS AND AVERAGE GROSS EARNINGS-2012 RRB File

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2740	42684085.80	15578.13
QTRLY_US	2740	44266828.00	16155.78

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2740	2777.09	1.0135380 ✓
FactorQ	2740	2991.27	1.0917040 ✓
Capa	2740	46196400.00	16860.00 ✓
Capq	2740	47840400.00	17460.00 ✓

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ANALYSIS

CRUDE OIL

GASOLINE

DISTILLATE

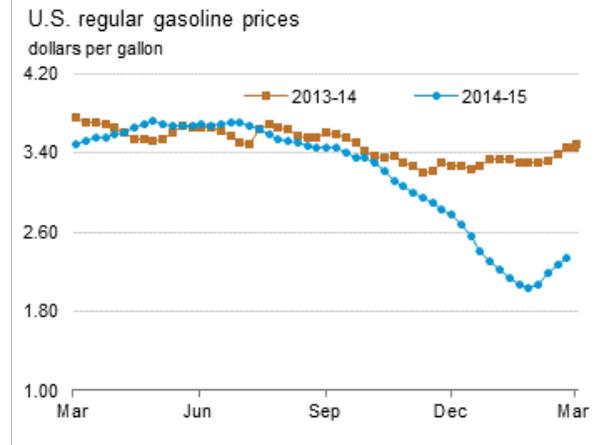
PROPANE

Potential market implications of outage at ExxonMobil's Torrance, California refinery

On February 18, an explosion and fire occurred at the ExxonMobil refinery in Torrance, California. The Torrance refinery, the third-largest refinery in southern California, has about 20% of the region's fluid catalytic cracking (FCC) capacity and is an important source of gasoline and distillate supply. Based on publicly available information, it can be estimated that Torrance produces about 117,000 barrels per day (bbl/d) of gasoline (about 15-20% of southern California's supply) and about 50,000 bbl/d of distillate and jet fuel (about 10% of southern California supply).

Unplanned refinery outages can have noticeable impacts on liquid fuel markets, disrupting supplies of gasoline and distillate, particularly in regions that are tightly balanced, such as Petroleum Administration for Defense District (PADD) 5 (West Coast). While refineries make arrangements for alternative sources of supply during periods of planned maintenance to ensure that supply obligations are met, it sometimes takes days or weeks for markets to adjust to the sudden loss of production when an unexpected outage occurs. As a result, unplanned outages often result in a reduction in supply that causes prices to increase, sometimes dramatically. The severity and duration of these price spikes depend on how quickly the refinery issue can be resolved and how soon supply from alternative sources can reach the affected market. The recent incident at

Retail prices (dollars per gallon)

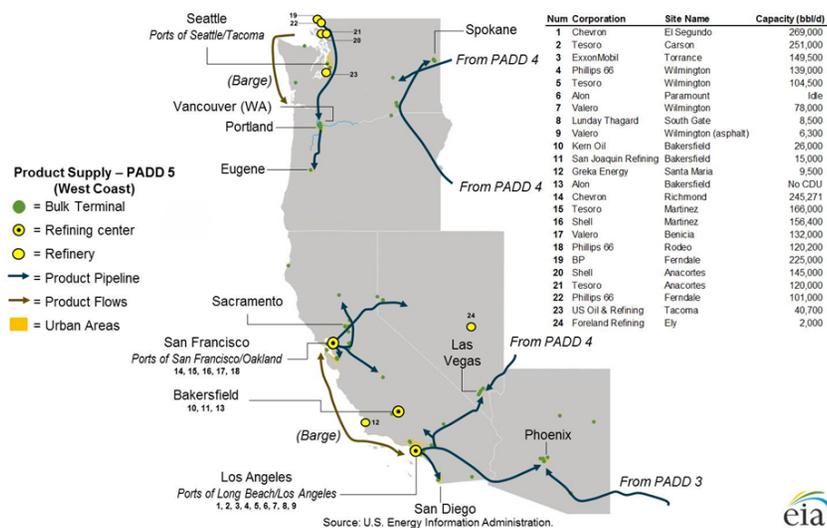


	Retail prices	Change from last	
	02/23/15	Week	Year
<input checked="" type="checkbox"/> Gasoline	2.332	0.058 ▲	-1.112 ▼
<input checked="" type="checkbox"/> Diesel	2.900	0.035 ▲	-1.117 ▼
<input checked="" type="checkbox"/> Heating Oil	3.185	0.147 ▲	-1.057 ▼
<input checked="" type="checkbox"/> Propane	2.353	-0.003 ▼	-1.124 ▼

Exxon's Torrance refinery in southern California is a case in point.

PADD 5 is relatively isolated from other U.S. markets and located far from international sources of supply, so the region is very dependent on in-region production to meet demand. Additionally, California's more-restrictive gasoline specifications (CARBOB) limit the availability of supply from other markets. Mainland PADD 5 has three distinct supply/demand centers (Figure 1) and is geographically separated from other markets by mountains to the east and the Pacific Ocean to the west. As a result, moving product to southern California requires long lead times.

Figure 1. West Coast petroleum product supply map

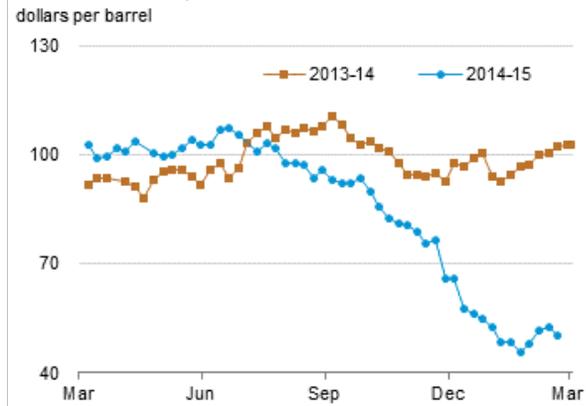


West Coast product markets reacted immediately to the potential loss of supply from the Torrance refinery. Spot prices in Los Angeles (LA) for CARBOB (California Reformulated Blendstock for Oxygenate Blending) gasoline increased \$0.22 to \$2.02 per gallon (gal) between February 17 and February 23. Spot CARBOB prices increased from \$0.25 premium above the New York Mercantile Exchange (Nymex) Reformulated Blendstock for Oxygenate Blending (RBOB) front month futures contract, a standard pricing basis for gasoline, to \$0.41 above over the same time.

This rapid price response is not unusual and is similar to what happened following past unplanned outages. During a series of West Coast supply

Futures prices (dollars per gallon*)

Crude oil futures price contract 1



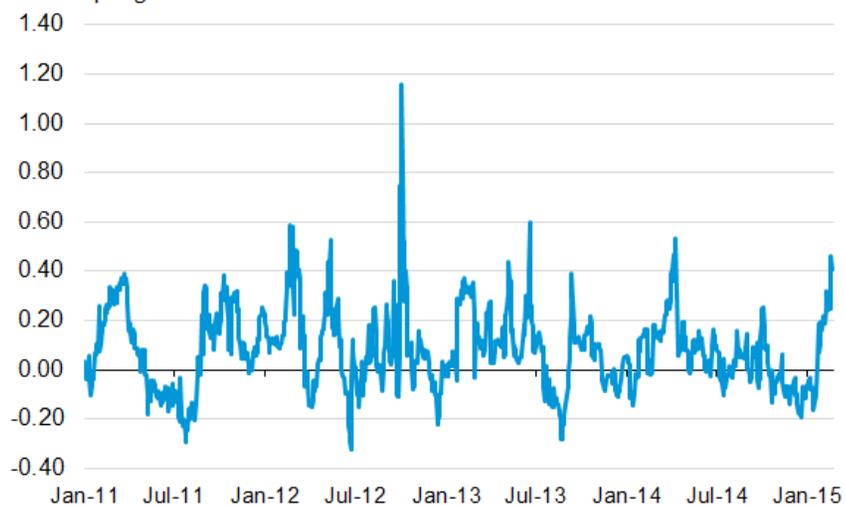
	Futures prices	Change from last	
	02/20/15	Week	Year
Crude oil	50.34	-2.44 ↓	-51.86 ↓
Gasoline	1.641	0.015 ↑	-1.192 ↓
Heating oil	2.112	0.141 ↑	-0.987 ↓

*Note: Crude oil price in dollars per barrel.

Stocks (million barrels)

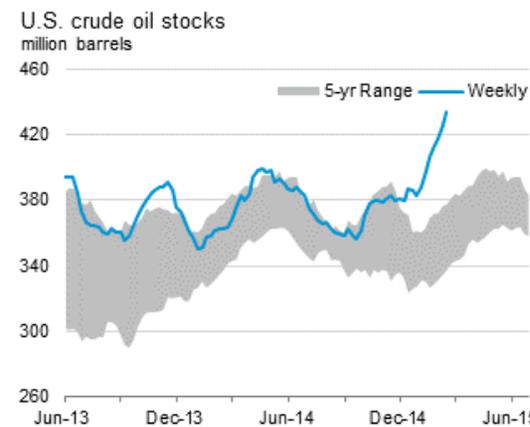
disruptions in 2012, LA-CARBOB spot prices spiked higher to \$1.16/gal over the Nymex RBOB front month contract (Figure 2). The 2012 spot price spikes, as well as price spikes during supply disruptions in California in 2008 and 2009, resulted in price increases that persisted for an average of eight weeks and took, on average, two weeks to be passed through to retail prices.

Figure 2. LA CARBOB minus front month NYH RBOB
dollars per gallon



Source: U.S. Energy Information Administration, based on Thomson Reuters.

On February 23, average regular retail gasoline prices in California were \$0.63/gal higher than the U.S. average, at \$2.96/gal. California retail gasoline prices are typically \$0.30-\$0.40/gal above the national average retail gasoline



	Stocks 02/20/15	Change from last	
		Week	Year
Crude oil	434.1	8.4 ↑	71.7 ↑
Gasoline	240.0	-3.1 ↓	9.4 ↑
Distillate	124.7	-2.7 ↓	11.6 ↑
Propane	59.238	-2.227 ↓	32.562 ↑

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price. PADD 5 as a whole had an average price of \$2.76/gal.

The most immediate source of replacement product supply on the West Coast is regional inventories. As of February 20, diesel fuel inventories in PADD 5 are above the five-year average, and as a result supply is likely to be adequate assuming no additional disruptions or increases in demand. As of February 20, total PADD 5 gasoline inventories were just under 31 million barrels, sufficient to supply approximately 20 days of demand. However, EIA does not collect product inventories below the PADD level, and therefore does not know the inventory held in southern California. In addition, product exports from the region, to the extent they meet CARBOB specifications (and not all do), could be diverted to meet local demand.

Replacement supply could also reach southern California from a variety of locations outside the region, with differing logistical limitations and lead times. Potential sources of alternative product supply include refineries in northern California and the Pacific Northwest, the U.S. Gulf Coast (USGC), and imports.

Refineries in northern California as well as Tesoro's Anacortes refinery and BP's Cherry Point refinery in Washington State can produce CARBOB. In addition, some refineries along the U.S. Gulf Coast (USGC), a region that produces more gasoline than is consumed locally, and can also produce CARBOB. Resupply from these refineries, which would require a U.S. coast-wise compliant vessel, could take three to four weeks to reach southern California, taking into account both the time needed to manufacture and deliver CARBOB. CARBOB may also be available from SK Energy's refinery in South Korea. Shipping product from Asia could take about four weeks.

EIA will continue to monitor West Coast product prices as the market responds to the unexpected loss of supply. As with previous disruptions, prices should stabilize as more information about the severity and duration of the expected outage becomes available.

Gasoline and diesel fuel prices increase

The U.S. average price of retail gasoline rose six cents from the week prior to \$2.33 per gallon as of February 23, 2015, down \$1.11 per gallon from the same time last year. The West Coast price increased 14 cents to \$2.76 per gallon. East Coast and Rocky Mountain prices rose five cents, to \$2.30 per gallon and \$2.04 per gallon, respectively. Midwest and Gulf Coast prices increased four cents, to \$2.27 per gallon and \$2.11 per gallon, respectively.

The U.S. average price of diesel fuel increased four cents to \$2.90 per gallon, \$1.12 per gallon less than the same time last year. Only the Rocky Mountain price decreased, falling by a penny to \$2.76 per gallon. The West Coast price increased seven cents to \$3.07 per gallon. The East Coast price rose five cents to \$3.01 per gallon, followed by the Midwest price which rose three cents to \$2.83 per gallon. The Gulf Coast price increased by a penny to \$2.80 per gallon.

Propane inventories fall

U.S. propane stocks decreased by 2.2 million barrels last week to 59.2 million barrels as of February 20, 2015, 32.6 million barrels (122.1%) higher than a year ago. Gulf Coast inventories decreased by 1.0 million barrels and East Coast inventories decreased by 0.7 million barrels. Midwest inventories decreased by 0.5 million barrels while Rocky Mountain/West Coast inventories remained unchanged. Propylene non-fuel-use inventories represented 7.5% of total propane inventories.

Residential heating oil price increases while residential propane price decreases

As of February 23, 2015, residential heating oil prices averaged nearly \$3.19 per gallon, almost 15 cents per gallon higher than last week, and \$1.06 per gallon less than last year's price for the same week. Wholesale heating oil prices averaged \$2.30 per gallon, nearly 19 cents per gallon higher than last week and almost \$1.09 per gallon lower when compared to the same time last year.

Residential propane prices averaged \$2.35 per gallon, less than 1 cent per gallon lower than last week, and \$1.12 per gallon less than the price at the same time last year. The average wholesale propane price increased by almost 3 cents per gallon this week to 75 cents per gallon, \$1.09 per gallon lower than the February 24, 2014 price.

For questions about This Week in Petroleum, contact the Petroleum Markets Team at 202-586-0786.

Tags: California, diesel, gasoline, inventories, liquid fuels, maintenance, oil/petroleum, refining & processing, retail prices

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	A	B	C	D
1	Back to Contents	Data 5: Ultra-Low-Sulfur No. 2 Diesel Fuel		
2	Sourcekey	EER_EPD2DXL0_Pf4_Y35NY_DPG	EER_EPD2DXL0_Pf4_RGC_DPG	EER_EPD2DC_Pf4_Y05LA_DPG
		Weekly New York Harbor Ultra-Low Sulfur No 2 Diesel Spot Price (Dollars per Gallon)	Weekly U.S. Gulf Coast Ultra-Low Sulfur No 2 Diesel Spot Price (Dollars per Gallon)	Weekly Los Angeles, CA Ultra-Low Sulfur CARB Diesel Spot Price (Dollars per Gallon)
3	Date			
71	Oct 31, 2014	2.503	2.455	2.544
72	Nov 07, 2014	2.473	2.425	2.506
73	Nov 14, 2014	2.453	2.356	2.456
74	Nov 21, 2014	2.419	2.266	2.361
75	Nov 28, 2014	2.363	2.182	2.282
76	Dec 05, 2014	2.177	1.999	2.093
77	Dec 12, 2014	2.095	1.859	1.93
78	Dec 19, 2014	2.012	1.698	1.794
79	Dec 26, 2014	1.948	1.664	1.835
80	Jan 02, 2015	1.836	1.603	1.75
81	Jan 09, 2015	1.729	1.543	1.615
82	Jan 16, 2015	1.655	1.484	1.511
83	Jan 23, 2015	1.641	1.523	1.533
84	Jan 30, 2015	1.653	1.56	1.541
85	Feb 06, 2015	1.818	1.738	1.776
86	Feb 13, 2015	1.908	1.825	1.909
87	Feb 20, 2015	2.061	1.886	2.122
	Change			
	1/16/2014 to			
88	2/20/2015	24.5%	27.1%	40.4%

EIA data downloaded 3/3/2015

AAR MATERIALS AND SUPPLIES INDEX
Region By Composition
First Quarter 2015
March 3, 2015

United States by Composition Category - Summary

Composition Category	Weight	Previous Quarter Index	Current Quarter Index	Relative Of Change
Forest Products	.1133	314.54	316.99	1.0078
Metal Products	.6243	191.43	190.03	.9927
Miscellaneous Products	.2624	384.93	353.13	.9174
U.S. By Composition	--	256.16	247.21	.9651
U.S. By Composition (Linked)	--	259.06	250.02	.9651
United States (1977=100) Linking Factor: 1.423	--	368.64	355.78	.9651
United States (1980=100) Linking Factor: 1.061	--	274.86	265.27	.9651

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	--
RR-OWNED MILEAGE	4.69	6.80	6.80	6.70	6.80	--
PRIVATELY-OWNED CARS	25.47	47.34	47.69	48.03	48.95	--
AUTORACKS	47.00	62.93	65.55	66.29	68.05	--
INDEX						
RR-OWNED TIME	100.0	206.5	206.5	203.2	206.5	--
RR-OWNED MILEAGE	100.0	145.0	145.0	142.9	145.0	--
PRIVATELY-OWNED CARS	100.0	185.9	187.3	188.6	192.2	--
AUTORACKS	100.0	133.9	139.5	141.0	144.8	--
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	--
CAR HIRE INDEX (LINKED)	100.0	185.1	186.2	186.6	190.0	--

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					
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 03/2015

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	7,958	119	0.079	49
Railroad	Number of Zero-Rated Vehicular Flats	22	.	.	.
Railroad	All Other Cars	457,499	64	0.068	.
Railroad	Number of Zero-Rated Other Cars	19,899	.	.	.
Railroad	Total Railroad Equipment	485,378	.	.	.
	
Private	Vehicular Flats	51,458	80	0.016	71
Private	Number of Zero-Rated Vehicular Flats	66	.	.	.
Private	Covered Hoppers	350,930	0	0.445	.
Private	Number of Zero-Rated Covered Hoppers	10,386	.	.	.
Private	Tanks	366,756	0	0.769	.
Private	Number of Zero-Rated Tanks	8,463	.	.	.
Private	All Other Cars	289,851	74	0.076	.
Private	Number of Zero-Rated Other Cars	29,014	.	.	.
Private	Total Private Equipment	1,106,924	.	.	.

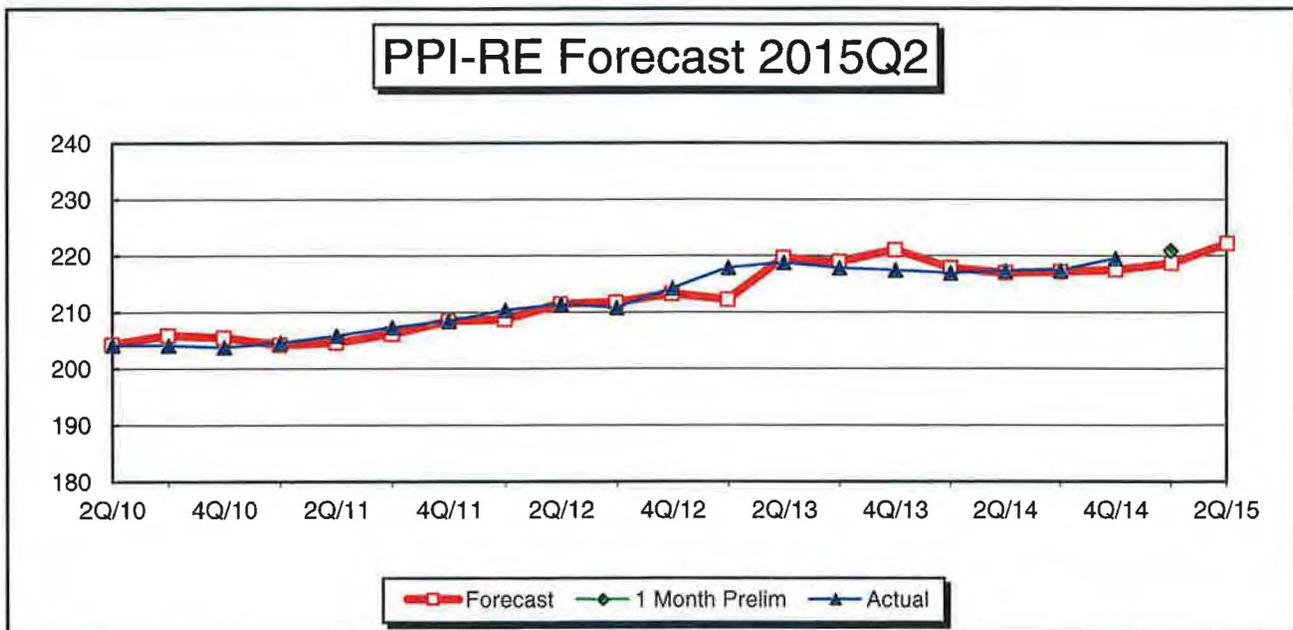
Notes
This report excludes these car types: D (Locomotives), M (MoW, EOTs, etc.), U (Containers), Z (Trailers).
All TTX equipment (including ABOX, RBOX, GONX) is contained in the Private section of report.
Equipment can be zero rated due to owners supplying incorrect or insufficient information to the 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
2Q/10	204.3	204.2	
3Q/10	205.9	204.1	
4Q/10	205.5	203.8	
1Q/11	204.2	204.6	
2Q/11	204.6	205.8	
3Q/11	206.1	207.3	
4Q/11	208.4	208.4	
1Q/12	208.7	210.3	
2Q/12	211.4	211.4	
3Q/12	211.7	210.8	
4Q/12	213.2	214.2	
1Q/13	212.2	217.9	
2Q/13	219.6	218.8	
3Q/13	218.9	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		220.9
2Q/15	222.1		

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	197.3	218.3	0.5%			
Midpoint	200.8	222.1	2.2%	0.5%	1.2%	1.6%
High	204.2	225.9	4.0%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2015Q2\5Deprec\FPre_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

Length 72 Minimum 179.900 Maximum 201.400
Mean 189.979 Standard deviation 5.910

Classical decomposition (multiplicative)
Trend-cycle: 96.19% Seasonal: 0.80% Irregular: 3.02%

Log transform recommended for Box-Jenkins.

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

Exponential smoothing outperforms Box-Jenkins by 1.554 to 1.595 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	0.58755	199.82
Trend	0.01736	0.23918

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 190	Standard deviation 5.91
R-square 0.9614	Adjusted R-square 0.9609
Durbin-watson 1.901	Ljung-Box(18)=11 P=0.1055
Forecast error 1.169	BIC 1.223
MAPE 0.003956	RMSE 1.152
MAD 0.7552	

Forecast Report
Mon Feb 23 14:58:06 2015
Exponential Smoothing model for PPIRE
Analysis of Historic Fit Set

Date	Historic
2009-02	181.800
2009-03	181.600
2009-04	183.100
2009-05	180.000
2009-06	180.000
2009-07	179.900
2009-08	179.900
2009-09	183.800
2009-10	183.600
2009-11	183.600
2009-12	184.400
2010-01	184.500
2010-02	184.700
2010-03	184.500
2010-04	184.500
2010-05	184.600
2010-06	184.600
2010-07	184.500
2010-08	184.500
2010-09	184.500
2010-10	184.200
2010-11	184.200
2010-12	184.200
2011-01	184.900

re_ppi.txt

2011-02	185.100
2011-03	187.000
2011-04	186.600
2011-05	186.700
2011-06	186.800
2011-07	187.300
2011-08	187.400
2011-09	187.500
2011-10	187.500
2011-11	187.700
2011-12	189.900
2012-01	190.100
2012-02	190.100
2012-03	190.600
2012-04	191.800
2012-05	191.600
2012-06	191.500
2012-07	192.000
2012-08	190.400
2012-09	190.900
2012-10	194.900
2012-11	193.900
2012-12	194.100
2013-01	196.000
2013-02	195.200
2013-03	195.800
2013-04	195.200
2013-05	198.100
2013-06	196.300
2013-07	195.400
2013-08	194.500
2013-09	194.600
2013-10	195.100
2013-11	195.200
2013-12	196.900
2014-01	196.000
2014-02	197.400
2014-03	196.800
2014-04	196.200
2014-05	196.700
2014-06	196.800
2014-07	197.800
2014-08	197.900
2014-09	198.300
2014-10	196.800
2014-11	196.900
2014-12	201.400
2015-01	199.700

Forecasted values

Date	2.5 Lower	Forecast	97.5 Upper
2015-02	197.667	200.064	202.461
2015-03	197.511	200.303	203.095
2015-04	197.404	200.542	203.681
2015-05	197.331	200.781	204.231
2015-06	197.285	201.020	204.756
2015-07	197.259	201.260	205.261
2015-08	197.249	201.499	205.749
2015-09	197.253	201.738	206.223
2015-10	197.269	201.977	206.685
2015-11	197.295	202.216	207.138
2015-12	197.330	202.456	207.581
2016-01	197.373	202.695	208.017

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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	Annual
2014	196.0	197.4	196.8	196.2	196.7	196.8	197.8	197.9	198.3	196.8(P)	196.9(P)	201.4(P)	197.3(P)
2015	199.7(P)												

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

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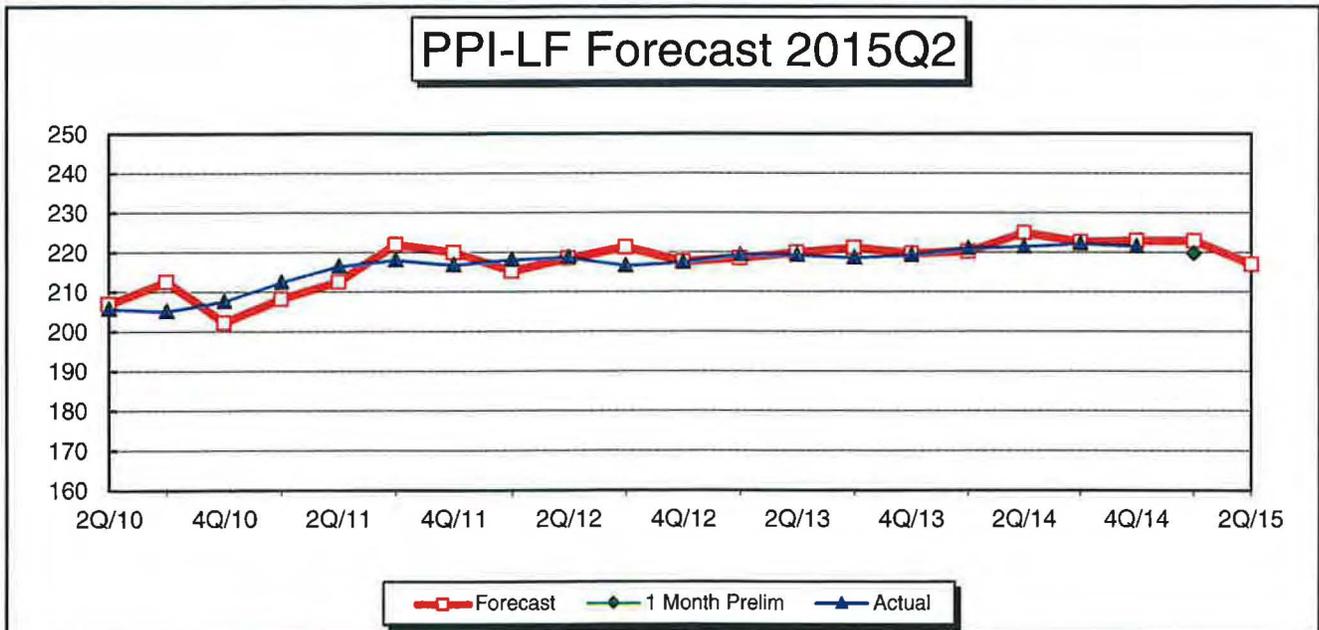
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PPI-LF Forecast (for Other and Lease Rentals Components)

	Forecast	Actual	1 Month Prelim
2Q/10	207.3	205.9	
3Q/10	212.9	205.3	
4Q/10	202.6	207.8	
1Q/11	208.6	212.6	
2Q/11	212.9	216.6	
3Q/11	222.3	218.2	
4Q/11	220.3	216.9	
1Q/12	215.6	218.3	
2Q/12	218.8	218.9	
3Q/12	221.6	216.8	
4Q/12	218.0	217.6	
1Q/13	218.8	219.5	
2Q/13	220.2	219.4	
3Q/13	221.4	218.8	
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		219.8
2Q/15	217.2		

1980 Base

	PPI-LF Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2014Q4						
Low	189.7	212.7	-4.0%			
Midpoint	193.7	217.2	-2.0%	-1.2%	-2.0%	-2.6%
High	197.7	221.7	0.0%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2015Q2\70ther\FPIf_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPILF

Length 72 Minimum 174.900 Maximum 198.500
 Mean 190.319 Standard deviation 7.601

Classical decomposition (multiplicative)
 Trend-cycle: 98.03% Seasonal: 0.44% Irregular: 1.53%

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

Box-Jenkins outperforms exponential smoothing by 1.057 to 2.417 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is nonstationary and seasonal.

Recommended model: Box-Jenkins
 Forecast Model for PPILF
 ARIMA(1,1,0)*(1,0,0)

Term	Coefficient	Std. Error	t-Statistic	Significance
a[1]	0.6851	0.0898	7.6262	1.0000
A[12]	0.3232	0.1152	2.8052	0.9935

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 190.3	Standard deviation 7.601
R-square 0.995	Adjusted R-square 0.9949
Durbin-watson 1.909	Ljung-Box(18)=14.13 P=0.2796
Forecast error 0.5416	BIC 0.5667
MAPE 0.002175	RMSE 0.534
MAD 0.4142	

Forecast Report
 Mon Feb 23 15:00:12 2015
 Box-Jenkins model for PPILF
 Analysis of Historic Fit Set

Date	Historic
2009-02 ✓	176.100 ✓
2009-03	175.600
2009-04	175.000
2009-05	174.900
2009-06	175.200
2009-07	175.500
2009-08	176.600
2009-09	177.200
2009-10	177.700
2009-11	178.100
2009-12	178.900
2010-01	180.200
2010-02	181.200
2010-03	182.400
2010-04	183.800
2010-05	184.000
2010-06	183.100
2010-07	182.700
2010-08	183.100
2010-09	183.500
2010-10	184.600
2010-11	185.400
2010-12	186.300
2011-01	188.600
2011-02	190.200
2011-03	191.200
2011-04	193.000
2011-05	193.700

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2011-06	193.900
2011-07	194.600
2011-08	194.500
2011-09	194.600
2011-10	193.900
2011-11	193.200
2011-12	192.700
2012-01	193.800
2012-02	194.700
2012-03	195.700
2012-04	195.800
2012-05	195.400
2012-06	193.700
2012-07	193.300
2012-08	193.300
2012-09	193.700
2012-10	193.900
2012-11	194.000
2012-12	194.200
2013-01	195.300
2013-02	196.100
2013-03	196.100
2013-04	195.900
2013-05	195.500
2013-06	195.400
2013-07	195.200
2013-08	195.300
2013-09	195.100
2013-10	195.400
2013-11	195.500
2013-12	195.900
2014-01	197.200 ✓
2014-02	197.600 ✓
2014-03	197.300 ✓
2014-04	197.700 ✓
2014-05	197.600 ✓
2014-06	197.700 ✓
2014-07	198.200 ✓
2014-08	198.400 ✓
2014-09	198.300 ✓
2014-10	198.500 ✓
2014-11	197.800 ✓
2014-12	197.200 ✓
2015-01	196.100 ✓

2/24/15

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2015-02	194.134	195.188	196.242
2015-03	192.312	194.377	196.443
2015-04	190.948	194.018	197.087
2015-05	189.621	193.650	197.680
2015-06	188.522	193.453	198.384
2015-07	187.685	193.458	199.230
2015-08	186.858	193.415	199.972
2015-09	186.019	193.309	200.598
2015-10	185.347	193.323	201.298
2015-11	184.441	193.062	201.682
2015-12	183.615	192.844	202.073
2016-01	182.667	192.472	202.277

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

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2014	197.2	197.6	197.3	197.7	197.6	197.7	198.2	198.4	198.3	198.5(P)	197.8(P)	197.2(P)	197.8(P)
2015	196.1(P)												

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

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Forecast Error Calculation

	2013 Weight	Fourth Quarter 2014		Difference		Notes			
		2014Q4 Forecast	2014Q4 Actual	Pt.	Pct.				
Labor	31.6%	389.7	389.7	0.0	0%	* actual=forecast			
Fuel	22.1%	368.8	328.0	-40.8	-11%	from 1st month of quarter			
M&S	4.9%	276.6	276.6	0.0	0%	* actual=forecast			
Equip Rents	5.4%	213.0	213.1	0.1	0%	from Equipment Rents below			
Depreciation	12.0%	217.4	219.5	2.1	1%	PPI-RE <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>196.80</td><td>196.90</td><td>201.40</td></tr></table> 0.9040	196.80	196.90	201.40
196.80	196.90	201.40							
Interest	1.9%	70.6	70.6	0.0	0%	* actual=forecast			
Other	22.1%	223.2	221.7	-1.5	-1%	PPI-LF <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>198.50</td><td>197.80</td><td>197.20</td></tr></table> 0.8920	198.50	197.80	197.20
198.50	197.80	197.20							
Weighted Avg	100.0%								
1980 = 100		306.5	297.4			calculated			
1980 = 100 (linked)		293.2	283.9			calculated			
4Q12r = 100	2.976	98.5	95.4			calculated			
4Q07 = 100	2.459	119.2	115.5			calculated			
4Q02 = 100	1.921	152.6	147.8			calculated			
4Q97 = 100	1.732	169.3	163.9			calculated			
4Q92 = 100	1.569	186.9	180.9			calculated			
Forecast Error		-3.1				calculated -0.031 = RCAF adj.			
Prior Quarter									
1980 = 100		309.5	307.4	**		Re-calculated using new weights			
1980 = 100 (linked)		296.1	293.4						
4Q12r = 100		99.5	98.6			calculated			
4Q07 = 100		120.4	119.3			calculated			
4Q02 = 100		154.1	152.7			calculated			
4Q97 = 100		171.0	169.4			calculated			
4Q92 = 100		188.7	187.0			calculated			
Equipment Rents									
Car Hire	52.8%	186.2	187.4			from Equipment Rents/CHARM			
Lease Rentals	47.2%	223.2	221.7			(equals PPI-LF from above)			
Weighted Average		203.7	203.6			calculated			
Linked		213.0	213.1			calculated			
Prior Quarter									
Weighted Average		202.9	203.2	**		Re-calculated using new weights			
Linked		212.2	212.7						
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%		NA		NA		NA
Fuel	22.1%	366.4	366.4	0.0%	328.0	-10.5%		NA		NA		NA
M&S	4.9%	271.2	271.2	0.0%	276.6	2.0%		NA		NA		NA
Equipment Rents	5.4%	212.7	212.7	0.0%	213.1	0.2%	0.0	NA	#DIV/0!	NA	#DIV/0!	NA
Depreciation	12.0%	217.4	217.4	0.0%	219.5	1.0%		NA		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%		NA		NA		NA
	1.0000											
Weighted Avg.		306.8	307.4	0.2%	297.4	-3.3%	1.3	NA	#DIV/0!	NA	#DIV/0!	NA
Linked		293.4			283.9	-3.2%	1.2	NA	#DIV/0!	NA	#DIV/0!	NA
10/1/80	1.027	285.7			276.4	-3.3%	1.2	NA	#DIV/0!	NA	#DIV/0!	NA
10/1/82	1.209	242.7			234.8	-3.3%	1.0	NA	#DIV/0!	NA	#DIV/0!	NA
4Q/87	1.322	221.9			214.8	-3.2%	0.9	NA	#DIV/0!	NA	#DIV/0!	NA
4Q/92	1.569	187.0			180.9	-3.3%	0.8	NA	#DIV/0!	NA	#DIV/0!	NA
4Q/97	1.732	169.4			163.9	-3.2%	0.7	NA	#DIV/0!	NA	#DIV/0!	NA
4Q/02	1.921	152.7			147.8	-3.2%	0.6	NA	#DIV/0!	NA	#DIV/0!	NA
4Q/07	2.459	119.3			115.5	-3.2%	0.5	NA	#DIV/0!	NA	#DIV/0!	NA
4Q/12	2.976	98.6			95.4	-3.2%	0.4	NA	#DIV/0!	NA	#DIV/0!	NA

Equipment Rents

Car Hire	52.8%	186.1	186.1	0.0%	187.4	0.7%		NA		NA		NA
Lease Rentals	47.2%	222.3	222.3	0.0%	221.7	-0.3%	0.0	NA	0.0	NA	0.0	NA
	1.0000											
ER Weighted Avg		204.9	203.2	-0.8%	203.6	0.2%	0.0	NA	0.0	NA	0.0	NA
ER Linked		212.7			213.1	0.2%	0.0	NA	#DIV/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)

October 2014

Monthly Report

	October 2014 Price (cents) (1)	1/1/81 Price (cents) (2)	1/91 New Method Linking Factors (3)	October 2014 Index 1/1/81=100 (4)	Linking Factor 1980=100 (5)	October 2014 1980=100 Current Index (6)
U.S.	268.43	89.34	99.415	298.70	1.096	327.38

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

(6) = (4) x (5)

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

	October 2014 1980=100 Current Index	Adjustment Factor	October 2014 1980=100 Linked Index
U.S.	327.38	1.00192	328.01 ←

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	--	--	--
RR-OWNED MILEAGE	4.69	6.80	6.80	--	--	--
PRIVATELY-OWNED CARS	25.47	47.64	48.05	--	--	--
AUTORACKS	47.00	64.68	66.42	--	--	--
INDEX						
RR-OWNED TIME	100.0	206.5	206.5	--	--	--
RR-OWNED MILEAGE	100.0	145.0	145.0	--	--	--
PRIVATELY-OWNED CARS	100.0	187.1	188.7	--	--	--
AUTORACKS	100.0	137.6	141.3	--	--	--
CAR HIRE INDEX (old wts)	2012	100.0	186.1	--	--	--
CAR HIRE INDEX (new wts)	2013	100.0	186.5	187.8	--	--
CAR HIRE INDEX (LINKED)		100.0	186.1	187.4	--	--

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								
Rate (in cents)														
Superstructures #3 - Auto Rack	50.0	50.0	50.0	50.0	50.0	49.0								
All other #1 - Time	64.0	64.0	64.0	64.0	64.0	63.0								
All other #2 - Mileage	6.8	6.8	6.8	6.8	6.8	6.7								
Private Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	50,537	50,765	50,833	50,885	50,926	50,975								
Covered Hoppers	341,345	342,725	343,226	345,187	346,387	347,618								
Tank Cars	347,147	349,889	351,553	355,908	358,941	361,332								
Others	288,473	288,125	289,183	289,740	290,472	290,933								
Rate (in cents)														
Superstructures #1 - Time	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								
Superstructures #3 - Auto Rack	66.0	67.0	68.0	68.0	69.0	69.0								
Covered Hoppers #2 - Mileage	44.2	44.2	44.2	44.3	44.3	44.1								
Tank Cars #2 - Mileage	74.3	74.5	74.6	75.2	75.3	75.3								
Others #1 - Time	74.0	74.0	74.0	74.0	73.0	73.0								
Others #2 - Mileage	7.5	7.5	7.5	7.5	7.5	7.5								
AVERAGE RATES														
Private Superstructures	20.40	20.40	20.40	20.40	20.40	20.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Others	23.93	23.93	23.93	23.93	23.71	23.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Total	47.51	47.64	47.69	48.02	48.05	48.03	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Autoracks	63.80	64.68	65.55	65.56	66.42	66.29	#DIV/0!	#DIV/0!	#DIV/0!	#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 11/2014

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	7,988	118	0.079	50
Railroad	Number of Zero-Rated Vehicular Flats	14	.	.	.
Railroad	All Other Cars	461,865	64	0.068	.
Railroad	Number of Zero-Rated Other Cars	18,724	.	.	.
Railroad	Total Railroad Equipment	488,591	.	.	.
	
Private	Vehicular Flats	50,926	80	0.016	69
Private	Number of Zero-Rated Vehicular Flats	48	.	.	.
Private	Covered Hoppers	346,387	0	0.443	.
Private	Number of Zero-Rated Covered Hoppers	10,180	.	.	.
Private	Tanks	358,941	0	0.753	.
Private	Number of Zero-Rated Tanks	7,945	.	.	.
Private	All Other Cars	290,472	73	0.075	.
Private	Number of Zero-Rated Other Cars	28,278	.	.	.
Private	Total Private Equipment	1,093,177	.	.	.

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		
August	2014	196.2	197.9		
September	2014	197.0	198.3		
October	2014	196.8	196.8		
November	2014		196.9		
December	2014		201.4		
January	2015		199.7		
February	2015				
March	2015				
April	2015				
May	2015				
June	2015				
July	2015				
Actual Qtr.		196.5	198.4	NA	NA

1980=100

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

0.904 =1980

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Producer Price Index-Commodities

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

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2014	196.0	197.4	196.8	196.2	196.7	196.8	197.8	197.9	198.3	196.8(P)	196.9(P)	201.4(P)	197.3(P)
2015	199.7(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 ✓		
August	2014	198.3	198.4 ✓		
September	2014	198.5	198.3 ✓		
October	2014	198.5	198.5 ✓		
November	2014		197.8 ✓		
December	2014		197.2 ✓		
January	2015		196.1 ✓		
February	2015				
March	2015				
April	2015				
May	2015				
June	2015				
July	2015				
Actual Qtr.		198.3	197.8	NA	NA

1980=100

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

0.892 =1980

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Producer Price Index-Commodities

Series Id: WPU03T15M05

Not Seasonally Adjusted

Group: Industrial Commodities less fuels

Item: Industrial commodities less fuels

Base Date: 198200

Download:  [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2014	197.2	197.6	197.3	197.7	197.6	197.7	198.2	198.4	198.3	198.5(P)	197.8(P)	197.2(P)	197.8(P)
2015	196.1(P)												

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

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