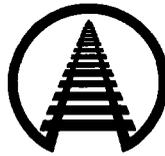


231962



ASSOCIATION
OF AMERICAN
RAILROADS

John T. Gray
Senior Vice President - Policy & Economics

March 5, 2012

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

ENTERED
Office of Proceedings

MAR 05 2012

Part of
Public Record

Dear Ms. Brown:

This submission is the AAR forecast of the second quarter 2012 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2012-2) *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 2012 results on the fourth quarter 2007 base, and shows the percentage changes from the previous quarter.

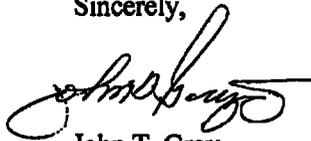
	<u>2012Q1</u>	<u>2012Q2</u>	<u>% Change</u>
All-Inclusive Index	117.6	120.7	2.6
Preliminary RCAF	1.176	1.207	2.6
Forecast Error Adjustment	-0.007	-0.022	
RCAF (Unadjusted)	1.169	1.185	1.4
Productivity Adjustment Factor	2.2724	2.2769	
RCAF (Adjusted)	0.514	0.520	1.2
PAF-5	2.3978	2.4062	
RCAF-5	0.488	0.492	0.8

Page 2
March 5, 2012

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

We have notified Paul Aguiar, in the STB office handling this proceeding, of our plan to e-file the submission and hand-deliver workpapers. A copy of the quarterly non-proprietary workpapers underlying this submission will be hand-delivered and 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. A second copy of the workpapers has been delivered to the STB office handling this proceeding. All workpapers are available for STB inspection. Questions should be directed to me or Clyde Crimmel (202 639-2309) of this office.

Sincerely,



John T. Gray

Attachments

**Second Quarter 2012
All-Inclusive Index**

Ex Parte No. 290 (Sub-No. 5) (2012-2)

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

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

March 5, 2012

Table of Contents

Subject	Page
Introduction	1
Index Weights	2
All-Inclusive Index - Second Quarter 2012	3
Forecast vs. Actual All Inclusive Index - Fourth Quarter 2011	4
Productivity	5
Rail Cost Adjustment Factor - Second Quarter 2012	6
Appendices	
A Labor	
B Fuel	
C Materials & Supplies	
D Equipment Rents	
E Depreciation	
F Interest	
G Other Expenses	
H Railroad and Union Abbreviations	

Introduction

On January 2, 1985, the Interstate Commerce Commission (ICC) [now the Surface Transportation Board (STB)] adopted the All-Inclusive Index of Railroad Costs as the basis for the Rail Cost Adjustment Factor (RCAF). The quarterly projection of railroad costs, as documented herein, employ the All-Inclusive Index as required by the regulations. Also presented in this submission is the RCAF both Adjusted and Unadjusted, as required by the ICC in its decision in Ex Parte No. 290 (Sub-No. 4), *Rail Cost Recovery Procedures - Productivity Adjustment*, served March 24, 1989. In addition, the AAR has included (but does not endorse) the RCAF-5, which was instituted by an STB decision served October 3, 1996 in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*. This quarter's projection of railroad costs is for the second quarter 2012. The STB's February decision regarding the change in railroad productivity has been included where appropriate.

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 2010 (current) and 2009 (previous) weights are shown below. The previous (2009) weights were used for the fourth quarter of 2010 through the third quarter of 2011. Beginning with the fourth quarter of 2011, the 2010 weights are used. The year 2010 was a recovery year from the reduced traffic levels of 2009, and operating expenses increased in every category. Fuel expenses increased by the highest percentage and amount, caused by increased traffic and higher fuel prices. Not surprisingly, Fuel's weight rebounded from 14.9 percent to 18.0 percent. This is the fourth highest weight ever for Fuel. The only other category to have its weight increase was Other, which had the second highest percentage increase in expenses. (Most of Other is purchased services, portions of general & administrative expenses, and property taxes.) Labor's weight decreased from 34.7 to 33.3 percent, despite increases in expenses. Weights for Depreciation and Equipment Rents decreased by 1.1 and 0.9 percentage points, respectively. Changes for the remaining categories were decreases of 0.1 percentage points.

RCAF Weights		
	Previous 2009	Current 2010
Labor	34.7 %	33.3 %
Fuel	14.9	18.0
Materials & Supplies	5.1	5.0
Equipment Rents	7.1	6.2
Depreciation	13.9	12.8
Interest	3.0	2.9
Other	21.3	21.8

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

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

Forecast vs. Actual All-Inclusive Index Fourth Quarter 2011

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 116.0 is 2.2 index points below the forecast value of 118.2. Therefore, the forecast error adjustment for second quarter 2012 is -2.2 index points.

	2010 Weights	Fourth Quarter 2011		Amt Difference
		Forecast	Actual	
1. Labor	33.3%	375.3	373.9 ¹	
2. Fuel	18.0%	396.9	375.4	
3. M&S	5.0%	265.7	265.7	
4. Equipment Rents ²	6.2%	205.9	204.2	
5. Depreciation	12.8%	208.4	208.4	
6. Interest	2.9%	90.6	90.6	
7. Other	21.8%	220.3	216.9	
8. Weighted Average				
a. 1980 = 100		299.8	294.6	
b. 1980 = 100 (linked) ³		290.6	285.3 ⁴	
c. 4Q07 = 100 ⁵		118.2	116.0	-2.2

Forecast error \longrightarrow **-2.2 index points**

¹ One railroad revised its 2010 wage statistics in late October 2011, making it necessary to revise Q4. The forecast error calculation for 2012Q2, which is based on 2011Q4, will use the original number as "forecast" (375.3), and the corrected number as "actual" (373.9). See page 2 of STB Ex Parte No. 290 (Sub-No. 5)(2012-1), served December 20, 2011.

	2010 Weights	Fourth Quarter 2011	
		Forecast	Actual
Car-Hire	45.8%	175.2	175.5
Lease Rentals	54.2%	220.3	216.9
Weighted Average		199.6	197.9
Weighted Average (linked)		205.9	204.2

³ The standard linking procedure has been used to eliminate any changes to indexes that would be caused by updating weights. The Q3 unlinked weighted averages for the All-Inclusive Indexes (forecast and actual) and for Equipment Rents (forecast and actual) were recalculated using the new (2010) weights.

⁴ Linked actual index = (actual index / previous actual index) x previous linked actual index.
 $285.3 = 294.6 / 299.2 \times 289.8$

⁵ The 4Q07 based indexes are 1980 based indexes divided by the 4Q07 linking factor (245.9/100). Other linking factors are: 4Q02 = 192.1; 4Q97 = 173.2; 4Q92 = 156.9; and 4Q87 = 132.2.

Productivity

On February 6, 2012, the Surface Transportation Board (STB) served a decision in Ex Parte 290 (Sub-No. 4) which added the year 2010 to the Productivity Adjustment Factor (PAF) and removed the year 2005. This creates a geometric average annual productivity change, for the five-year period 2006 through 2010, of 0.8 percent per year. The components of this average annual value are shown on the following table in ratio format – therefore, 1.008 is the same as an increase of 0.8 percent.

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

Comparison of Output, Input, & Productivity			
2006 - 2010			
Year	Output Index (1)	Input Index (2)	Productivity¹ Changes (3)
2006	1.018	1.024	0.994
2007	1.000	0.996	1.004
2008	0.990	0.970	1.021
2009	0.847	0.861	0.984
2010	1.109	1.070	1.036
Average			1.008
Previous Average (2005-2009)			1.014

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 2006-2010, use fourth root of avg. productivity change = 1.0020			
For 2005-2009, use fourth root of avg. productivity change = 1.0035			
Quarter	Year	PAF	PAF-5
Q1	2012	2.2724	2.3978
Q2	2012	2.2769	2.4062
Q3	2012	2.2815	2.4146
Q4	2012	2.2861	2.4231
Q1	2013	2.2907	2.4279

Rail Cost Adjustment Factor Second Quarter 2012

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 the All-Inclusive Index is on a 2007Q4=100 basis.

	Previous 2012Q1	Current 2012Q2	Percent Change
All-Inclusive Index ¹	117.6	120.7	2.6
Preliminary RCAF ²	1.176	1.207	2.6
Forecast Error Adjustment ³	<u>-0.007</u>	<u>-0.022</u>	
RCAF (Unadjusted) ⁴	1.169	1.185	1.4
Productivity Adjustment Factor ⁵	<u>2.2724</u>	<u>2.2769</u>	
RCAF (Adjusted) ⁶	0.514	0.520	1.2
PAF-5 ⁷	2.3978	2.4062	
RCAF-5 ⁸	0.488	0.492	0.8

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 2012

The second quarter 2012 Labor Index is forecast to rise 1.7 percent from the previous quarter. New national labor agreements were added to the index, causing the increase.

New National Agreements: Ten new national labor agreements were added to the labor index. Counting the two national agreements added in 2012Q1, all possible new labor agreements for the national unions except the BMWED have been included in the index. (See Appendix H for union and railroad abbreviations.) The ten unions added to the index for this quarter are listed below.

- American Train Dispatchers Association (ATDA)
- Brotherhood of Locomotive Engineers and Trainmen (BLET)
- Brotherhood of Railroad Signalmen (BRS)
- International Association of Machinists and Aerospace Workers (IAM)
- International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths.... (IBBM)
- International Brotherhood of Electrical Workers (IBEW)
- National Conference of Firemen and Oilers (NCFO)
- Sheet Metal Workers' International Association (SMW)
- Transportation Communication International Union (TCU)
- Brotherhood of Railway Carmen Division of the TCU (TCU-Carmen)

The new labor agreements typically feature two retroactive wage increases of 2.0 and 2.5 percent (which cause back pay) and a lump sum payment. Because of the complexity of the lump sum calculations for members of the BLET, lump sum payments for that union will not be added to the index until 2012Q3.

Wage Rate Index

The Wage Rate Index portion of the Labor Index increased 2.4 percent from the previous quarter. Much of this increase was caused by new labor agreements.

Wage Increases: Ten new national labor agreements (discussed above) were added to the index. These contracts had retroactive wage increases of 2 and 2.5 percent, plus bonuses. One of the unions (IAM) kept one of two cost-of-living adjustments. Increases in the national agreement for the BLET were "diluted" because many of the railroads have independent agreements with their locomotive engineers for wage purposes.

Lump Sums: The second quarter lump sum rate increased 18.8 cents (or \$0.188). The increase was caused by national and independent labor agreements. The UTU and UTU-Yardmaster Rate Progression Bonus was not added to the Q1 index because of lack of information. This bonus has been added to the 2012Q2 index. Lump sum payments for 9 of the 10 newest labor agreements were also added to the index. The lump sum payments for the 10th union, BLET, are more difficult to determine, so they will not be added to the index until 2012Q3. Two railroads independently make annual performance bonus payments to their locomotive engineers. The net result of the removal of the 2011 performance bonus payments (which were completely amortized), and the addition of new payments for 2012, was an increase.

Labor

Second Quarter 2012

Back Pay: The second quarter back pay rate more than doubled because of the retroactive wage increases for employees participating in the 10 new national agreements. As always, index procedure dictates that back pay amounts are amortized over 4 quarters instead of applied entirely in one quarter.

Other: In wages, "Other" contains the amortization of incentive compensation payments that a large railroad makes each year to its dispatchers, yardmasters, and engineers. This rate is unchanged. This quarter is the fourth quarter for amortization of the 2011 payment. For 2012Q3, the 2011 payment will be removed from the index and replaced by the 2012 payment.

Supplements Index

The impact of higher taxable earnings on Railroad Retirement costs caused the 0.8 percent increase in the Supplements Index.

Health & Welfare: Normally, new health & welfare premiums become effective on January 1. Because of labor agreement negotiations, the premiums in effect for 2011 will continue into the first and second quarters, but will be updated sometime this year (possibly causing back pay if employee cost sharing is affected). The Health & Welfare rate is unchanged from the first quarter.

Railroad Retirement: The Railroad Retirement & Medicare rate increased 1.9 percent because of higher taxable earnings.

Unemployment Insurance: The Unemployment Insurance rate is unchanged despite higher taxable earnings because of relatively low maximum taxable earnings.

Other: The "Other" category is a reflection of all other fringe benefits, and currently contain known employer contributions to employee 401(k) accounts and employer contributions to employee stock plans that are recorded as fringe benefits. The hourly rate is similar to the previous quarter, decreasing only 0.1 cents.

Labor Index Calculation

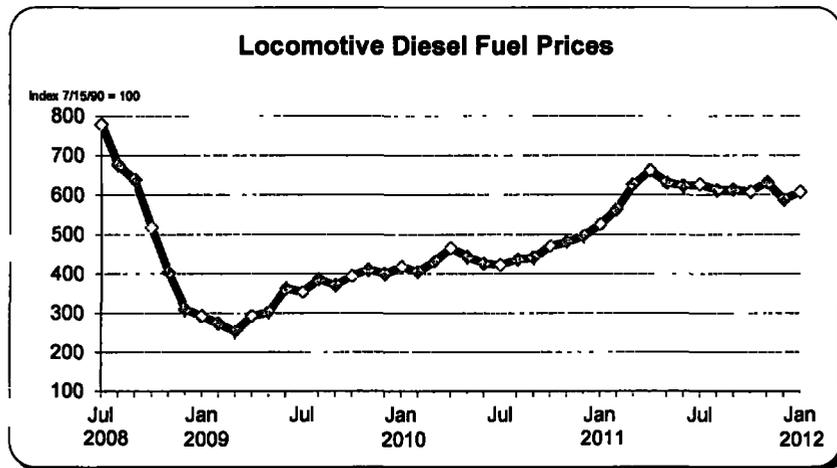
As shown in Table A-1 on the next page, the 2.4 percent increase in the Wage Index and the 0.8 percent increase in the Supplements Index had a combined effect of a 1.7 percent increase in the Labor Index. The linked second quarter 2012 index is 385.8.

Fuel Second Quarter 2012

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.

Locomotive diesel fuel prices for 2011 reached a peak in April, continuing a trend upward that began after March 2009 (with a few "dips"). The latest locomotive diesel fuel prices available are for January, and its average continues a "leveling off" trend with a small increase. While average prices for locomotive diesel fuel are not currently available for February, the Energy Information Administration has posted averages for heating oil for the first four weeks of the month, and they are higher than their January average.* Crude oil spot prices for West Texas Intermediate were also higher in February than January.** The current political situation in Iran has caused concerns about oil supply, and positive economic numbers from China and the United States indicate stronger demand. On-highway diesel fuel prices have also been rising in recent weeks.

Railroads believe locomotive diesel fuel prices for April 2012 (Q2) will be 9.0 percent higher than the first quarter prices actually paid in January (which represents Q1). However, because the first quarter forecast (made in early December) was too high, the second quarter 2012 forecast is only 5.6 percent higher than the previous quarter.



Forecast Fuel Index	409.4
Change from previous quarter forecast	5.6%
Change from previous quarter actual	9.0%

* Heating oil and locomotive diesel fuel are part of a group of closely related products, commonly labeled as distillates, that differ mostly by their sulfur content. Because of these similarities, these fuels are produced together and have similar pricing trends.

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

Materials & Supplies
Second Quarter 2012

The second quarter 2012 Materials & Supplies Index increased 3.9 percent from its first quarter value. The increase was caused by higher prices paid in the Miscellaneous Products category, which contains items such as ballast, creosote, lube oil, and others. The net result of changes in prices for the Forest Products and Metal Products categories was almost no change.

2012Q2 Materials & Supplies Index =	274.1
2012Q1 Materials & Supplies Index =	<u>263.7</u>
Difference	10.4 basis points or 3.9 %

Equipment Rents Second Quarter 2012

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

Car Hire

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

Lease Rentals

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

Equipment Rents Index Calculation

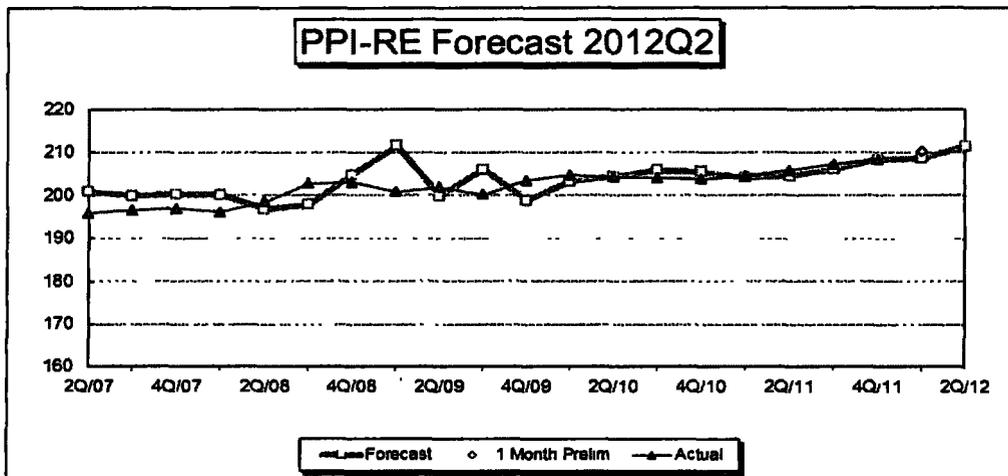
The table below calculates the Equipment Rent Index, which increased 0.7 percent. The second quarter Car Hire portion of the Index decreased 0.4 percent because of lower rates for railroad-owned cars and autoracks. A 1.5 percent increase for the PPI-LF (See Appendix G) used as a proxy for Lease Rentals, combined with the 0.4 percent decrease for Car Hire, caused the Equipment Rent Index to increase 0.7 percent.

	2010 Weight	2012Q1	2012Q2	Percent Change
Car Hire	45.8%	175.5	174.8	-0.4 %
Lease Rentals	54.2%	215.6	218.8	1.5
Weighted Average		197.2	198.6	0.7
Weighted Average (Linked)		203.4	204.8	0.7

Depreciation Second Quarter 2012

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

Forecast of Depreciation Index (1982=100)	191.1
Forecast of Depreciation Index (1980=100)	211.4
Change from previous quarter forecast	1.3%
Change from actual first month of previous quarter	0.6%
Change from same quarter of prior year (actual)	2.7%



Depreciation Second Quarter 2012

PPI RAILROAD EQUIPMENT

Recommended model: Exponential Smoothing

Forecast Model for PPIRE

Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing Weight	Final Value
Level	0.83173	189.90
Trend	0.01861	0.29950

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 180.2	Standard deviation 5.828
R-square 0.9678	Adjusted R-square 0.9674
Durbin-Watson 2.037	Ljung-Box(18)=22.2 P=0.7766
Forecast error 1.053	BIC 1.102
MAPE 0.004121	RMSE 1.038
MAD 0.7369	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2011-08	187.400
2011-09	187.500
2011-10	187.500
2011-11	187.700
2011-12	189.900
2012-01	189.900

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2012-02	188.037	190.196	192.355
2012-03	187.665	190.495	193.325
2012-04	187.425	190.795	194.164
2012-05	187.260	191.094	194.928
2012-06	187.146	191.394	195.642
QTR AVG	187.277	191.094	194.911

**Interest
Second Quarter 2012**

The Interstate Commerce Commission, in its decision served February 28, 1989, revised the All-Inclusive Index methodology to include a specific interest component, which is to track changes in the average interest rate from year to year. The interest rate is essentially the embedded cost of debt, i.e., total interest expense divided by average total long term debt. The interest rate is calculated for the most recent year and used until the next year's figures are available. Typically in the fourth quarter filing, the interest rate is updated to the new level. The source for interest expense is Schedule 210, column b, from the R-1 annual report. The lines used from current R-1 annual reports are listed below. The source for average total debt is Schedule 200 from the R-1 annual report. The sums of data from columns b and c (ending and beginning balances) are combined and divided by 2 to compute an average balance. The line numbers are listed below. Beginning with fourth quarter 2011, the Interest Index is based on data for 2010.

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

Interest Expense (Schedule 210)

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

Average Total Debt (Schedule 200)

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

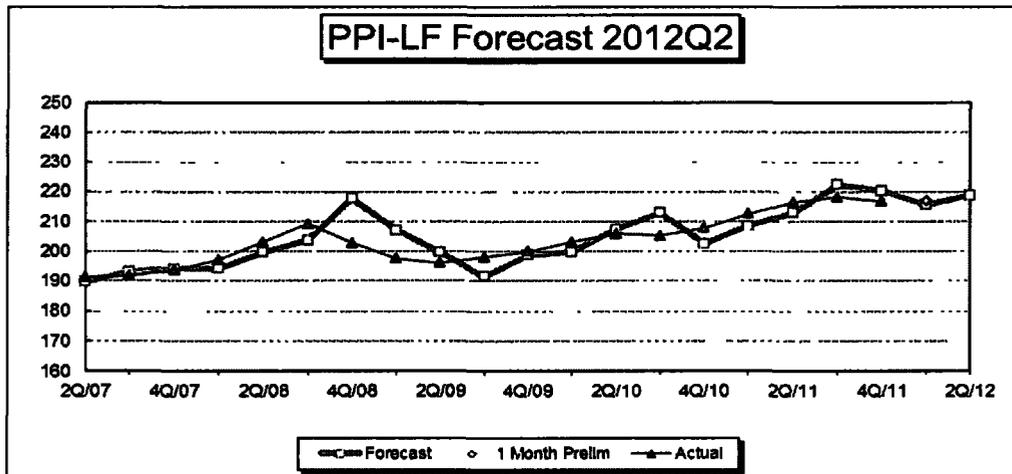
2010	Interest Rate	7.11%
1980	Interest Rate	7.85%
2012Q2	Interest Index	90.6
2012Q1	Interest Index	90.6
	Percent Change	0.0%

Other Expenses Second Quarter 2012

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

Like the PPI-RE, the PPI-LF is forecast using an ARIMA process on 6 years of monthly data (a sample size of 72) with the most recent available monthly data being the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent month available. April and July would be the most recent months available for third and fourth quarter forecasts respectively. The output from the forecast model is shown on page 2 of this appendix for 1982=100. The figure forecast by the model for the second quarter reflects recent monthly PPI-LF figures that were decreasing until the latest month, which increased by the largest percentage since July 2011.

Forecast of Other Expense Index (1982=100)	195.2
Forecast of Other Expense Index (1980=100)	218.8
Change from previous quarter forecast	1.5%
Change from actual first month of previous quarter	0.9%
Change from same quarter of prior year (actual)	1.0%



Other Expenses Second Quarter 2012

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

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

Component	Smoothing Weight	Final Value
Level	1.00000	193.50
Trend	0.03165	0.41556

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 178.9	Standard deviation 9.004
R-square 0.9863	Adjusted R-square 0.9861
Durbin-Watson 0.5422	**Ljung-Box(18)=104.1 P=1
Forecast error 1.062	BIC 1.111
MAPE 0.004016	RMSE 1.047
MAD 0.7251	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2011-08	194.500
2011-09	194.600
2011-10	194.200
2011-11	193.400
2011-12	193.000
2012-01	193.500

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2012-02	191.738	193.916	196.093
2012-03	191.203	194.331	197.459
2012-04	190.896	194.747	198.597
2012-05	190.704	195.162	199.620
2012-06	190.586	195.578	200.570
QTR AVG	190.729	195.162	199.596

Railroad and Union Abbreviations Second Quarter 2012

Railroads

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

Major Unions Involved with Railroads

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

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

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

Workpapers Sent to STB for 2012 Q2 RCAF

March 5, 2012

RECEIVED
MAR 5 2012
MANAGEMENT
STB

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. New ST Hourly Rate for National Contracts Spreadsheet (10 unions/pages)
6. Wall Street Journal - 13 week Treasury Bill Rate from latest auction (a.k.a. 3-Mo. T-Bill)
7. 2012/Q1 RCAF Lump Sum Amortization (public summary page)
8. Summary of national agreement Lump Sums for 9 unions
9. 2012/Q1 RCAF Back Pay Amortization (public summary page)
10. Summary of national agreement Back Pay for 10 unions
11. Health & Welfare worksheet (1 page)
12. Railroad Retirement spreadsheet (5 pages)
13. Unemployment Insurance worksheet
14. 2-page SAS run for Unemployment Insurance
15. Four pages of fuel information from Energy Information Administration
16. Summary of Materials & Supplies (one page)
17. Car Hire Spreadsheet (2 pages) plus source data (2 page on 1 page) from March 1, 2012
18. 4 pages of PPI-RE for Depreciation including graph, input/output, and BLS source data
19. 4 pages of PPI-LF for Other (and Lease Rentals) incl. graph, BLS source data, input/output
20. Forecast Error calc. & workpapers (12 pages: calc, index, labor, fuel, M&S, 4 car hire, 2 deprec, 2 other)
21. Relevant pages for new national labor agreements for wages, lump sums, H&W (47 pages)

Highly Confidential Data

1. National Increase Applicability for U.S. Total (before new labor agreements)
2. National Increase Applicability for U.S. Total (after new labor agreements)
3. New ST Hourly Rate for National Contracts Spreadsheet with detail (9 unions/pages)
4. Lump Sum Amortization spreadsheet (4 pages)
5. Lump Sum calculations for 8 unions using railroads benchmarked as national agreement
6. Pages from Independent labor agreements for performance bonus (4 pages)
6. Back pay amortization spreadsheet (4 pages)
7. Back pay and current wage rate calculations for railroads benchmarked as national agreement (9 pages)

RCAF All-Inclusive Index's Labor Index Based on Revised* 2010 Benchmarks

	10 Wts.	3Q/11 Original	3Q/11 Rebench	% Chg	4Q/11 See Note	% Chg fr. Orig	1Q/12	% Chg	2Q/12	% Chg	3Q/12	% Chg
Straight Time		\$28.732	\$28.188	-1.9%	\$28.188	-1.9%	\$28.627	1.6%	\$28.896	0.9%		--
PFTNW		\$7.471	\$6.898	-7.7%	\$6.898	-7.7%	\$7.006	1.6%	\$7.060	0.8%		--
Total		\$36.203	\$35.086	-3.1%	\$35.086	-3.1%	\$35.633	1.6%	\$35.956	0.9%	\$0.000	--
Adjustments												
Lump Sum		\$0.228	\$0.224		\$0.221		\$0.226		\$0.414			
Back Pay		\$0.038	\$0.038		\$0.038		\$0.347		\$0.707			
Other		\$0.199	\$0.195		\$0.195		\$0.195		\$0.195			
Total Wages		\$36.668	\$35.543	-3.1%	\$35.540	-3.1%	\$36.401	2.4%	\$37.272	2.4%	\$0.000	--
Pre-Tax Reduction		(\$1.246)	(\$1.193)		(\$1.193)		(\$1.196)		(\$1.196)			
Taxable Wages		\$35.422	\$34.350		\$34.347		\$35.205		\$36.076		\$0.000	
H & W		\$8.631	\$8.558	-0.8%	\$8.558	-0.8%	\$8.554	0.0%	\$8.554	0.0%		--
RR Ret & Medicare		\$7.002	\$7.038	0.5%	\$7.037	0.5%	\$7.228	2.7%	\$7.363	1.9%		--
Unemp. Insurance		\$0.606	\$0.599	-1.2%	\$0.599	-1.2%	\$0.433	-27.7%	\$0.433	0.0%		--
Other		\$0.217	\$0.213	-1.8%	\$0.096	-55.8%	\$0.134	39.6%	\$0.133	-0.7%		--
Total		\$16.456	\$16.408	-0.3%	\$16.290	-1.0%	\$16.349	0.4%	\$16.483	0.8%	\$0.000	--
Adjustments												
Total Suppl.		\$16.456	\$16.408	-0.3%	\$16.290	-1.0%	\$16.349	0.4%	\$16.483	0.8%	\$0.000	--
Total Labor		\$53.124	\$51.951	-2.2%	\$51.830	-2.4%	\$52.750	1.8%	\$53.755	1.9%	\$0.000	--
Wage Rate Index	0.6980	313.8	304.2	-3.1%	304.2	-3.1%	311.5	2.4%	319.0	2.4%	0.0	--
Suppl Index	0.3020	608.1	606.4	-0.3%	602.0	-1.0%	604.2	0.4%	609.1	0.8%	0.0	--
Total Labor Index '09 Wts.		401.8										
Total Labor Index '10 Wts.		402.7	395.5	-1.8%	394.1	-2.1%	399.9	1.5%	406.6	1.7%	0.0	--
Labor Index (Linked)		382.1			373.9	-2.1%	379.4	1.5%	385.8	1.7%	0.0	#####

* Benchmarks were revised during November 2011, and first used in the 2012Q1 filing. 2011Q4 was recalculated at that time.

All Inclusive Index and RCAF

	10 Wts	3Q/11 Revised	3Q/11 10 Wts	% Chg	4Q/11	% Chg	1Q/12	% Chg	2Q/12	% Chg	3Q/12	% Chg
Labor	0.333	382.10	382.1	0.0%	373.9	-2.1%	379.4	1.5%	385.8	1.7%	0.0	###
Fuel	0.180	392.30	392.3	0.0%	396.9	1.2%	387.7	-2.3%	409.4	5.6%	--	--
M&S	0.050	257.90	257.9	0.0%	265.7	3.0%	263.7	-0.8%	274.1	3.9%	--	--
Equip. Rents	0.062	208.80	208.8	0.0%	205.9	-1.4%	203.4	-1.2%	204.8	0.7%	0.0	###
Depreciation	0.128	206.10	206.1	0.0%	208.4	1.1%	208.7	0.1%	211.4	1.3%	--	--
Interest	0.029	84.50	84.5	0.0%	90.6	7.2%	90.6	0.0%	90.6	0.0%	90.6	0.0%
Other	0.218	222.30	222.3	0.0%	220.3	-0.9%	215.6	-2.1%	218.8	1.5%	--	--
Weighted Avg.	1.000	297.60	301.0	1.1%	299.3	-0.6%	298.3	-0.3%	306.0	2.6%	2.6	-99.2%
Linked		291.80			290.2	-0.5%	289.2	-0.3%	296.7	2.6%	2.5	-99.2%
	Basing Factor											
10/1/80 basis	102.7	284.10			282.6	-0.5%	281.6	-0.4%	288.9	2.6%	2.4	-99.2%
10/1/82	120.9	241.40			240.0	-0.6%	239.2	-0.3%	245.4	2.6%	2.1	-99.1%
4Q/87	132.2	220.70			219.5	-0.5%	218.8	-0.3%	224.4	2.6%	1.9	-99.2%
4Q/92	156.9	186.00			185.0	-0.5%	184.3	-0.4%	189.1	2.6%	1.6	-99.2%
4Q/97	173.2	168.50			167.6	-0.5%	167.0	-0.4%	171.3	2.6%	1.4	-99.2%
4Q/02	192.1	151.90			151.1	-0.5%	150.5	-0.4%	154.5	2.7%	1.3	-99.2%
4Q/07 basis	245.9	118.70			118.0	-0.6%	117.6	-0.3%	120.7	2.6%	1.0	-99.2%
Car Hire	0.458	178.90	178.9	0.0%	175.2	-2.1%	175.5	0.2%	174.8	-0.4%	--	--
Lease Rents	0.542	222.30	222.3	0.0%	220.3	-0.9%	215.6	-2.1%	218.8	1.5%	0.0	--
Wghted Avg Eq Rents		204.00	202.4	-0.8%	199.6	-1.4%	197.2	-1.2%	198.6	0.7%	0.0	--
Linked Equipment Rents		208.80			205.9	-1.4%	203.4	-1.2%	204.8	0.7%	0.0	###
Preliminary RCAF		1.187			1.180	-0.59%	1.176	-0.3%	1.207	2.6%	0.010	-99.2%
Forecast Error Adj.		0.020			0.026		(0.007)		(0.022)			
RCAF Unadjusted		1.207			1.206	-0.08%	1.169	-3.1%	1.185	1.4%	0.010	-99.2%
PAF		2.2566			2.2645	0.35%	2.2724	0.35%	2.2769	0.20%		
RCAF Adjusted		0.535			0.533	-0.37%	0.514	-3.6%	0.520	1.2%	#DIV/0!	--
PAF-5		2.3823			2.3894	0.30%	2.3978	0.35%	2.4062	0.35%		
RCAF-5		0.507			0.505	-0.39%	0.488	-3.4%	0.492	0.8%	#DIV/0!	--
r - revised												

Note. During October 2011, one railroad revised its 2010 wage statistics. For 2012Q1 calculation purposes, 2011Q4 has been recalculated using the revised benchmark statistics. The 2012Q2 forecast error calculation, which uses 2011Q4, will use the original Labor number (375.3) for forecast, and the corrected number (373.9) for actual.

Hourly Rate for 2012 Q2

Straight Time and Time Paid For But Not Worked

2012Q2 Straight Time Hourly Rate (from national spreadsheet)

\$28.711 ✓

Ten* national new agreements were added with two retroactive general wage increases

Adjustments to 2010 base:

Adjustments added 2011 Q1

CN Railroads	\$0.03 COLA for most unions	0.001
Dispatcher 4 (BNSF, CSX, KCS, NS)	2.5% GWI for CSX ATDA-East	0.001
MISC. Independent BLET, Yardmasters, Dispatchers	2% GWI for BNSD BLET, 2 5% GWI for CSX BLET, \$0 03 COLA for CSX UTU-YMD	0.041
Soo Corp.	\$0 03 for SOO IAM, UTU and UTU-YMD, 3 13% for DME BLET, 3 06% for DME UTU	0.002

Adjustments added 2011 Q2

CN Railroads	No change	0.000
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
MISC. Independent BLET, Yardmasters, Dispatchers	No change	0.000
Soo Corp.	No change	0.000

Adjustments added 2011 Q3

CN Railroads	\$0.28 COLA for most unions	0.009
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
MISC. Independent BLET, Yardmasters, Dispatchers	5% GWI for NS BLET, \$0.28 COLA for CSX UTU-YMD	0.040
Soo Corp.	\$0 28 for DH and SOO IAM, UTU and UTU-YMD	0.001

Adjustments added 2011 Q4

CN Railroads	2% GWI for DMIR UTU, but no impact	0.000
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
MISC. Independent BLET, Yardmasters, Dispatchers	No change	0.000
Soo Corp.	DME BRS new contract with retro GWIs, but no impact	0.000

Adjustments added 2012 Q1

CN Railroads	DMIR BLET new contract, \$0 18 for most unions, 2 5% GWI for non-unions	0.007
Dispatcher 4 (BNSF, CSX, KCS, NS)	2 5% GWI for CSX ATDA-East	0.001
MISC. Independent BLET, Yardmasters, Dispatchers	2 5% GWI for BNSF & CSX BLET and UP ATDA (non-union), new contract for CSX UTU-YMD	0.056
Soo Corp.	3% - 3 DME unions, \$0 18 - DH & SOO IAM, new UTU & YMD - DH & SOO, 2 5% - non-unions	0.007

Adjustments added 2012 Q2

CN Railroads	No change	0.000 ✓
Dispatcher 4 (BNSF, CSX, KCS, NS)	New national contract with retro 2 GWIs	0.010 ✓
MISC. Independent BLET, Yardmasters, Dispatchers	No change	0.000 ✓
Soo Corp.	Soo Line participates in all 10 new national contracts with 2 retro GWIs	0.009 ✓

Adjusted STHR Total **\$28.896**

Pay For Time Not Worked

PFTNW (from national spreadsheet) \$7.015 ✓
 Ratio Adj STHR to Nat STHR 28.896 / 28.711 = 1.00644

Adjusted Pay For Time Not Worked **\$7.060**

Notes:

1. CN Railroads includes B&LE, CC&P, DMIR, DW&P, EJE, GTW, IC, and WC
 2. "Dispatcher 4" was benchmarked based on 2010 Wage Statistics as independent, even though the new national ATDA contract was signed February 6, 2012.
 3. Soo Corp. includes DH, DME and Soo Line.
- * ATDA, BLET, BRS, IAM, IBBM, IBEW, NCFO, SMW, TCU and TCU-CAR.

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/2012

U.S. ST Hours = 290,805,945
 Wage Statistics are for 2010.

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, UP)	23,721	(\$200.00)	(\$56,930,400.00)
National BMW (BNSF, CSX, KCS, NS, UP)	22,631	(\$200.00)	(\$54,314,400.00)
National BRS (BNSF, CSX, KCS, NS, UP)	6,180	(\$200.00)	(\$14,832,000.00)
National IAM (BNSF, CSX, KCS, NS, UP)	6,509	(\$200.00)	(\$15,621,600.00)
National IBBM (BNSF, CSX, KCS, NS, UP)	837	(\$200.00)	(\$2,008,800.00)
National IBEW (BNSF, CSX, KCS, NS, UP)	4,939	(\$200.00)	(\$11,853,600.00)
National NCFO (BNSF, CSX, KCS, NS, UP)	2,215	(\$200.00)	(\$5,316,000.00)
National SMW (BNSF, CSX, KCS, NS, UP)	963	(\$200.00)	(\$2,311,200.00)
National TCU (BNSF, CSX, KCS, NS, UP)	6,026	(\$200.00)	(\$14,462,400.00)
National TCU-CAR (BNSF, CSX, KCS, NS, UP)	9,235	(\$200.00)	(\$22,164,000.00)
National UTU (BNSF, CSX, KCS, NS, UP)	35,762	(\$200.00)	(\$85,828,800.00)
National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,481	(\$200.00)	(\$3,554,400.00)
Indep. Dispatchers (wt avg BNSF, CSX, KCS, NS)	1,708	(\$200.00)	(\$4,099,200.00)
Independent CNGT (wt avg all 104 union categories)	5,971	(\$122.73)	(\$8,793,849.96)
Independent SOO (wt avg all 13 unions)	3,593	(\$187.51)	(\$8,084,681.16)
Independent UP (Yardmasters only)	417	(\$200.00)	(\$1,000,800.00)
Total Union	132,188		(\$311,176,131.12)
All Other @ \$2,868,948.60 total per month			(\$34,427,383.20)
Total			(\$345,603,514.32)

Reduction in Wage Rate Per ST Hour	-\$1.18843346
Deduct this amount from the Wage Rate	-\$1.188

National Contracts U.S.

		Straight Time Hourly Rate											Check Sum		
	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	
Weight	0.23386	0.03979	0.17115	0.00599	0.04396	0.15442	0.06165	0.01397	0.04162	0.00599	0.03179	0.01456	0.01146	0.16979	1.00000
2010 Avg.	24.404	25.011	26.495	25.044	25.606	22.667	24.931	20.994	25.392	22.894	25.634	37.231	33.857	42.489	382.649
12/31/10	24.410	25.015	26.565	25.045	25.610	22.671	24.934	20.996	25.394	22.895	25.636	37.231	33.857	42.489	382.747
1/1/11	24.438	25.015	26.565	25.045	25.610	22.671	24.934	20.996	25.422	22.895	25.636	37.231	33.871	42.489	
4/1/11	24.438	25.015	26.565	25.045	25.610	22.671	24.934	20.996	25.422	22.895	25.636	37.231	33.871	42.489	
7/1/11	24.700	25.015	26.565	25.045	25.610	22.671	24.934	20.996	25.689	22.895	25.636	37.231	34.007	42.489	
10/1/11	24.700	25.015	26.565	25.045	25.610	22.671	24.934	20.996	25.689	22.895	25.636	37.231	34.007	42.489	
1/1/12	25.473	25.015	26.565	25.045	25.610	22.671	24.934	20.996	25.689	22.895	25.636	37.231	34.618	43.552	
4/1/12	25.473	26.000	26.587	26.161	26.699	22.671	25.991	21.909	26.525	23.754	26.738	37.231	34.618	43.552	
7/1/12	25.473	26.000	26.587	26.161	26.699	22.671	25.991	21.909	26.525	23.754	26.738	37.231	34.618	43.552	

		Weighted Straight Time Hourly Rate													
	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2010 Avg.	5.707	0.995	4.535	0.150	1.126	3.500	1.537	0.293	1.057	0.137	0.815	0.542	0.388	7.214	27.996
12/31/10	5.708	0.995	4.547	0.150	1.126	3.501	1.537	0.293	1.057	0.137	0.815	0.542	0.388	7.214	28.011
1/1/11	5.715	0.995	4.547	0.150	1.126	3.501	1.537	0.293	1.058	0.137	0.815	0.542	0.388	7.214	28.019
4/1/11	5.715	0.995	4.547	0.150	1.126	3.501	1.537	0.293	1.058	0.137	0.815	0.542	0.388	7.214	28.019
7/1/11	5.776	0.995	4.547	0.150	1.126	3.501	1.537	0.293	1.069	0.137	0.815	0.542	0.390	7.214	28.093
10/1/11	5.776	0.995	4.547	0.150	1.126	3.501	1.537	0.293	1.069	0.137	0.815	0.542	0.390	7.214	28.093
1/1/12	5.957	0.995	4.547	0.150	1.126	3.501	1.537	0.293	1.069	0.137	0.815	0.542	0.397	7.394	28.461
4/1/12	5.957	1.034	4.550	0.157	1.174	3.501	1.602	0.306	1.104	0.142	0.850	0.542	0.397	7.394	28.711
7/1/12	5.957	1.034	4.550	0.157	1.174	3.501	1.602	0.306	1.104	0.142	0.850	0.542	0.397	7.394	28.711

Note: The 2010 Average and 12/31/10 Straight Time Hourly Rates are the industry rates, and include all Class I railroad employees. The rates for 1/1/11 through 7/1/12 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 2010 are not shown on this page and are handled separately.

National Contracts U.S.

Pay For Time Not Worked Hourly Rate														Check Sum	
UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Sum	
Weight	0.23386	0.03979	0.17115	0.00599	0.04396	0.06165	0.01397	0.04162	0.00599	0.03179	0.01456	0.01146	0.16979	1.00000	
2010 Avg.	10.802	5.662	11.146	4.239	5.678	4.390	3.663	4.808	3.735	5.105	6.970	9.476	1.813	81.875	
12/31/10	10.805	5.663	11.176	4.240	5.678	4.391	3.663	4.809	3.735	5.105	6.970	9.476	1.813		
1/1/11	10.817	5.663	11.176	4.240	5.678	4.391	3.663	4.814	3.735	5.105	6.970	9.481	1.813		
4/1/11	10.817	5.663	11.176	4.240	5.678	4.391	3.663	4.814	3.735	5.105	6.970	9.481	1.813		
7/1/11	10.933	5.663	11.176	4.240	5.678	4.391	3.663	4.865	3.735	5.105	6.970	9.518	1.813		
10/1/11	10.933	5.663	11.176	4.240	5.678	4.391	3.663	4.865	3.735	5.105	6.970	9.518	1.813		
1/1/12	11.275	5.663	11.176	4.240	5.678	4.391	3.663	4.865	3.735	5.105	6.970	9.689	1.859		
4/1/12	11.275	5.886	11.185	4.428	5.920	4.391	3.822	5.023	3.875	5.324	6.970	9.689	1.859		
7/1/12	11.275	5.886	11.185	4.428	5.920	4.391	3.822	5.023	3.875	5.324	6.970	9.689	1.859		

Pay For Time Not Worked Hourly Rate														Total	
UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total	
2010 Avg.	2.526	0.225	1.908	0.025	0.250	0.678	0.270	0.051	0.200	0.162	0.101	0.109	0.308	6.836	
12/31/10	2.527	0.225	1.913	0.025	0.250	0.678	0.271	0.051	0.200	0.162	0.101	0.109	0.308	6.842	
1/1/11	2.530	0.225	1.913	0.025	0.250	0.678	0.271	0.051	0.200	0.162	0.101	0.109	0.308	6.846	
4/1/11	2.530	0.225	1.913	0.025	0.250	0.678	0.271	0.051	0.200	0.162	0.101	0.109	0.308	6.846	
7/1/11	2.557	0.225	1.913	0.025	0.250	0.678	0.271	0.051	0.202	0.162	0.101	0.109	0.308	6.875	
10/1/11	2.557	0.225	1.913	0.025	0.250	0.678	0.271	0.051	0.202	0.162	0.101	0.109	0.308	6.875	
1/1/12	2.637	0.225	1.913	0.025	0.250	0.678	0.271	0.051	0.202	0.162	0.101	0.111	0.316	6.965	
4/1/12	2.637	0.234	1.914	0.027	0.260	0.678	0.282	0.053	0.209	0.169	0.101	0.111	0.316	7.015	
7/1/12	2.637	0.234	1.914	0.027	0.260	0.678	0.282	0.053	0.209	0.169	0.101	0.111	0.316	7.015	

UTU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg.				24.40450	10.80230
12/31/10 Industry Rate				24.40985	10.80466
1/1/11		0.03000	93.685%	24.43795	10.81711
4/1/11			93.685%	24.43795	10.81711
7/1/11		0.28000	93.685%	24.70027	10.93322
10/1/11			93.685%	24.70027	10.93322
1/1/12			93.685%	25.47331	11.27539
4/1/12			93.685%	25.47331	11.27539
7/1/12			93.685%	25.47331	11.27539

New contract adds a retro 2% GWI on 7/1/10 and retains \$0.03 on 1/1/11, but replaced \$0.28 with 2.5% GWI on 7/1/11.

TCU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg.				25.01061	5.66224
12/31/10 Industry Rate				25.01466	5.66316
1/1/11			87.282%	25.01466	5.66316
4/1/11			87.282%	25.01466	5.66316
7/1/11			87.282%	25.01466	5.66316
10/1/11			87.282%	25.01466	5.66316
1/1/12			87.282%	25.01466	5.66316
4/1/12			87.282%	25.99984	5.88620
7/1/12			87.282%	25.99984	5.88620

New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.

BLET

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg.				26.49472	11.14646
12/31/10 Industry Rate				26.56504	11.17605
1/1/11			31.771%	26.56504	11.17605
4/1/11			31.771%	26.56504	11.17605
7/1/11			31.771%	26.56504	11.17605
10/1/11			31.771%	26.56504	11.17605
1/1/12			31.771%	26.56504	11.17605
4/1/12			31.771%	26.58705	11.18531
7/1/12			2.012%	26.58705	11.18531

Removal of one additional railroad from the wages portion of the national agreement

SMWIA

Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg.	New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.		25.04430	4.23948
12/31/10 Industry Rate			25.04525	4.23964
1/1/11		97.892%	25.04525	4.23964
4/1/11		97.892%	25.04525	4.23964
7/1/11		97.892%	25.04525	4.23964
10/1/11		97.892%	25.04525	4.23964
1/1/12		97.892%	25.04525	4.23964
4/1/12		97.892%	26.16051	4.42843
7/1/12		97.892%	26.16051	4.42843

BRS

Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg.	New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.		25.60561	5.67750
12/31/10 Industry Rate			25.60954	5.67837
1/1/11		89.449%	25.60954	5.67837
4/1/11		89.449%	25.60954	5.67837
7/1/11		89.449%	25.60954	5.67837
10/1/11		89.449%	25.60954	5.67837
1/1/12		89.449%	25.60954	5.67837
4/1/12		89.449%	26.69927	5.92000
7/1/12		89.449%	26.69927	5.92000

BMWE

Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg.			22.66677	4.38963
12/31/10 Industry Rate			22.67144	4.39053
1/1/11		90.916%	22.67144	4.39053
4/1/11		90.916%	22.67144	4.39053
7/1/11		90.916%	22.67144	4.39053
10/1/11		90.916%	22.67144	4.39053
1/1/12		90.916%	22.67144	4.39053
4/1/12		90.916%	22.67144	4.39053
7/1/12		90.916%	22.67144	4.39053

TCU-Carmen

	Percentage	Cents		ST HR	PFTNW
	Increase	Increase	Applicable		HR
2010 Industry Avg.		New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.		24.93128	4.38721
12/31/10 Industry Rate				24.93405	4.38770
1/1/11			92.622%	24.93405	4.38770
4/1/11			92.622%	24.93405	4.38770
7/1/11			92.622%	24.93405	4.38770
10/1/11			92.622%	24.93405	4.38770
1/1/12			92.622%	24.93405	4.38770
4/1/12			92.622%	25.99107	4.57371
7/1/12			92.622%	25.99107	4.57371

NCFO

	Percentage	Cents		ST HR	PFTNW
	Increase	Increase	Applicable		HR
2010 Industry Avg.		New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.		20.99427	3.66274
12/31/10 Industry Rate				20.99551	3.66296
1/1/11			95.630%	20.99551	3.66296
4/1/11			95.630%	20.99551	3.66296
7/1/11			95.630%	20.99551	3.66296
10/1/11			95.630%	20.99551	3.66296
1/1/12			95.630%	20.99551	3.66296
4/1/12			95.630%	21.90933	3.82239
7/1/12			95.630%	21.90933	3.82239

IAM

	Percentage	Cents		ST HR	PFTNW
	Increase	Increase	Applicable		HR
2010 Industry Avg.		New contract adds a retro 2% GWI on 7/1/10, \$0.03 COLA on 1/1/11 rolled in, and 2.5% GWI on 7/1/11.		25.39199	4.80847
12/31/10 Industry Rate				25.39360	4.80878
1/1/11		0.03000	95.211%	25.42216	4.81419
4/1/11			95.211%	25.42216	4.81419
7/1/11	IAM 1/1/12 COLA suspended in anticipation of new agreement.	0.28000	95.211%	25.68875	4.86467
10/1/11			95.211%	25.68875	4.86467
1/1/12			95.211%	25.68875	4.86467
4/1/12			95.211%	26.52519	5.02307
7/1/12			95.211%	26.52519	5.02307

IBBM

Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg.	New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.		22.89370	3.73487
12/31/10 Industry Rate			22.89536	3.73514
1/1/11		82.653%	22.89536	3.73514
4/1/11		82.653%	22.89536	3.73514
7/1/11		82.653%	22.89536	3.73514
10/1/11		82.653%	22.89536	3.73514
1/1/12		82.653%	22.89536	3.73514
4/1/12		82.653%	23.75433	3.87528
7/1/12		82.653%	23.75433	3.87528

IBEW

Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg.	New contract adds a retro 2% GWI on 7/1/10 and 2.5% GWI on 7/1/11.		25.63436	5.10474
12/31/10 Industry Rate			25.63628	5.10513
1/1/11		94.567%	25.63628	5.10513
4/1/11		94.567%	25.63628	5.10513
7/1/11		94.567%	25.63628	5.10513
10/1/11		94.567%	25.63628	5.10513
1/1/12		94.567%	25.63628	5.10513
4/1/12		94.567%	26.73778	5.32448
7/1/12		94.567%	26.73778	5.32448

ATDA

Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg.			37.23059	6.96992
12/31/10 Industry Rate			37.23059	6.96992
1/1/11		0.000%	37.23059	6.96992
4/1/11		0.000%	37.23059	6.96992
7/1/11	Each railroad has been benchmarked as independent even though a national agreement was signed 9/1/07.		37.23059	6.96992
10/1/11		0.000%	37.23059	6.96992
1/1/12		0.000%	37.23059	6.96992
4/1/12		0.000%	37.23059	6.96992
7/1/12		0.000%	37.23059	6.96992

YDMSTRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg.				33.85682	9.47643
12/31/10 Industry Rate				33.85682	9.47643
1/1/11		0.03000	48.470%	33.87136	9.48050
4/1/11			48.470%	33.87136	9.48050
7/1/11		0.28000	48.470%	34.00708	9.51849
10/1/11			48.470%	34.00708	9.51849
1/1/12			48.470%	34.61781	9.68943
4/1/12			48.470%	34.61781	9.68943
7/1/12			48.470%	34.61781	9.68943

New contract adds a retro 2% GWI on 7/1/10 and retains \$0.03 on 1/1/11, but replaced \$0.28 on 7/1/11 with a special adjustment of \$0.125 on 6/30/11 and 2.5% GWI on 7/1/11

OTHER

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg.				42.48936	1.81331
12/31/10 Industry Rate				42.48936	1.81331
1/1/11			100.000%	42.48936	1.81331
4/1/11			100.000%	42.48936	1.81331
7/1/11			100.000%	42.48936	1.81331
10/1/11			100.000%	42.48936	1.81331
1/1/12	2.50%		100.000%	43.55159	1.85864
4/1/12			100.000%	43.55159	1.85864
7/1/12			100.000%	43.55159	1.85864

Check Sums

	Increase	Applicable	ST HR	PFTNW HR
2010 AVG			382.64888	81.87532
12/31/10			382.74734	
		1100.148%		

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

ok matches

ok matches
ok matches

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

ATDA Straight Time Hourly Rate

National Agreement, for wage purposes, includes 3 railroads plus a portion of another. Additional railroads participate in the national agreement, but only for health & welfare. Currently, all railroads have been benchmarked independently, including railroads participating in the national agreement.

ST Hours

National ATDA (as benchmarked)	0
All Other ATDA ST Hrs Pd	4,234,813
Total	4,234,813

ST Hourly Rate (YearEnd2010.xls)

National ATDA (as benchmarked)	\$0.00000	
Wt'd Avg All Other ATDA	\$37.23059	from YearEnd2010.xlsx, USCalcu2 tab

ST Compensation

National ATDA (as benchmarked)	\$0.00
All other ATDA ST\$	\$157,664,573.00
Total	157,664,573.00

Total ST HR 4/1/12 **\$37.23059**

These are the figures that go into the NatWage spreadsheet beginning with 2012Q2. They include the new national contract wage rates for ATDA as of 2012Q2 (but no railroads are currently benchmarked in the national agreement). Agreements that have not been benchmarked as national are at the 12/31/2010 level, and are updated independently elsewhere.

IAM Straight Time Hourly Rate

National IAM Agreement includes BNSF, CSX, KCS, NS & UP

ST Hours

Nat'l IAM ST Hrs Pd	11,524,802	from 2010 wage statistics
All Other IAM ST Hrs Pd	579,647	from 2010 wage statistics
<u>Total</u>	<u>12,104,449</u>	

ST Hourly Rate (YearEnd2010.xls)

Nat'l IAM 4/1/12 STHR	\$26.63358	see BackpaySum tab
Wt'd Avg All Other IAM	\$24.37015	from YearEnd2010.xlsx, USCalcu2 tab

ST Compensation

Nat'l IAM 4/1/12 ST\$	\$306,946,684.50	calculated using ST Hourly Rate x ST hours
All other IAM ST\$	\$14,126,083.10	calculated using ST Hourly Rate x ST hours
<u>Total</u>	<u>321,072,768</u>	

Total ST HR 4/1/12 \$26.52519 Total ST\$ divided by Total ST Hours Paid

These are the figures that go into the NatWage spreadsheet beginning with 2012Q2. They include the new national contract wage rates for IAM as of 2012Q2. Non-national agreements are at the 12/31/2010 level, and are updated independently elsewhere.

IBBM Straight Time Hourly Rate

National IBBM Agreement includes BNSF, CSX, KCS, NS & UP

ST Hours

Nat'l IBBM ST Hrs Pd	1,440,901	from 2010 wage statistics
All Other IBBM ST Hrs Pd	302,420	from 2010 wage statistics
<u>Total</u>	<u>1,743,321</u>	

ST Hourly Rate (YearEnd2010.xls)

Nat'l IBBM 4/1/12 STHR	\$23.88005	see BackpaySum tab
Wt'd Avg All Other IBBM	\$23.15534	from YearEnd2010.xlsx, USCalcu2 tab

ST Compensation

Nat'l IBBM 4/1/12 ST\$	\$34,408,780.88	calculated using ST Hourly Rate x ST hours
All other IBBM ST\$	\$7,002,637.75	calculated using ST Hourly Rate x ST hours
<u>Total</u>	<u>41,411,419</u>	

Total ST HR 4/1/12 **\$23.75433** Total ST\$ divided by Total ST Hours Paid

These are the figures that go into the NatWage spreadsheet beginning with 2012Q2. They include the new national contract wage rates for IBBM as of 2012Q2. Non-national agreements are at the 12/31/2010 level, and are updated independently elsewhere.

NCFO Straight Time Hourly Rate

National NCFO Agreement includes BNSF, CSX, KCS, NS & UP

ST Hours

Nat'l NCFO ST Hrs Pd	3,884,479	from 2010 wage statistics
All Other NCFO ST Hrs Pd	177,494	from 2010 wage statistics
<u>Total</u>	<u>4,061,973</u>	

ST Hourly Rate (YearEnd2010.xls)

Nat'l NCFO 4/1/12 STHR	\$21.95731	see BackpaySum tab
Wt'd Avg All Other NCFO	\$20.85943	from YearEnd2010.xlsx, USCalcu2 tab

ST Compensation

Nat'l NCFO 4/1/12 ST\$	\$85,292,699.22	calculated using ST Hourly Rate x ST hours
All other NCFO ST\$	\$3,702,423.60	calculated using ST Hourly Rate x ST hours
<u>Total</u>	<u>88,995,123</u>	

Total ST HR 4/1/12 **\$21.90933** Total ST\$ divided by Total ST Hours Paid

These are the figures that go into the NatWage spreadsheet beginning with 2012Q2. They include the new national contract wage rates for NCFO as of 2012Q2. Non-national agreements are at the 12/31/2010 level, and are updated independently elsewhere.

TCU Straight Time Hourly Rate

National TCU Agreement includes BNSF, CSX, KCS, NS & UP

ST Hours

Nat'l TCU ST Hrs Pd	10,098,376	from 2010 wage statistics
All Other TCU ST Hrs Pd	1,471,386	from 2010 wage statistics
Total		

ST Hourly Rate (YearEnd2010.xls)

Nat'l TCU 4/1/12 STHR	\$25.93596	see BackpaySum tab
Wt'd Avg All Other TCU	\$26.43828	from YearEnd2010.xlsx, USCalcu2 tab

ST Compensation

Nat'l TCU 4/1/12 ST\$	\$261,911,029.94	calculated using ST Hourly Rate x ST hours
All other TCU ST\$	\$38,900,912.85	calculated using ST Hourly Rate x ST hours
Total	300,811,943	

Total ST HR 4/1/12	\$25.99984	Total ST\$ divided by Total ST Hours Paid
---------------------------	-------------------	---

These are the figures that go into the NatWage spreadsheet beginning with 2012Q2. They include the new national contract wage rates for TCU as of 2012Q2. Non-national agreements are at the 12/31/2010 level, and are updated independently elsewhere.

TCU-Carmen Straight Time Hourly Rate

National TCU-CAR Agreement includes BNSF, CSX, KCS, NS & UP

ST Hours

Nat'l TCU-CAR ST Hrs Pd	16,606,088	from 2010 wage statistics
All Other TCU-Car ST Hrs Pd	1,322,879	from 2010 wage statistics
<u>Total</u>	<u>17,928,967</u>	

ST Hourly Rate (YearEnd2010.xls)

Nat'l TCU-CAR 4/1/12 STHR	\$26.22319	see BackpaySum tab
Wt'd Avg All Other TCU-Car	\$23.07732	from YearEnd2010.xlsx, USCalcu2 tab

ST Compensation

Nat'l TCU-CAR 4/1/12 ST\$	\$435,464,548.51	calculated using ST Hourly Rate x ST hours
All other TCU-Car ST\$	\$30,528,503.35	calculated using ST Hourly Rate x ST hours
<u>Total</u>	<u>\$465,993,051.86</u>	

Total ST HR 4/1/12	\$25.99107	Total ST\$ divided by Total ST Hours Paid
--------------------	------------	---

These are the figures that go into the NatWage spreadsheet beginning with 2012Q2. They include the new national contract wage rates for TCU-Carmen as of 2012Q2. Non-national agreements are at the 12/31/2010 level, and are updated independently elsewhere.

HOW DO YOU MARI STRA

If you are a marketer
you need real market



FACT

The Intelligence

- Inform strategic marketing plans
- Drive timely, targeted programs
- Assess the market landscape from

Create your marketing advantage

Borrowing Benchmarks

Money Rates

February 27, 2012

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

	Jan. Index Level	CHG FROM (%)	Dec. '11	Jan. '12
U.S. consumer price index	226.665	0.44	2.9	
Core	227.237	0.22	2.3	

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
13 weeks	0.115	0.095	0.145	0.005
26 weeks	0.145	0.130	0.170	0.030

International rates

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
U.S.	3.25	3.25	3.25	3.25
Canada	3.00	3.00	3.00	3.00
Eurozone	1.00	1.00	1.50	1.00
Japan	1.475	1.475	1.475	1.475
Switzerland	0.50	0.50	0.62	0.50
Britain	0.50	0.50	0.50	0.50
Australia	4.25	4.25	4.75	4.25

Overnight repurchase

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
U.S.	0.18	0.11	0.33	0.02
U.K. (BBA)	0.482	0.487	0.557	0.308
Eurozone	0.19	0.19	1.59	0.14

U.S. government rates

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
Discount	0.75	0.75	0.75	0.75

Federal funds

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
Effective rate	0.12	0.10	0.18	0.05
High	0.3750	0.3750	0.5000	0.2500
Low	0.0500	0.0500	0.1200	0.0100
Bid	0.0900	0.1000	0.2500	0.0100
Offer	0.2800	0.2800	0.3750	0.0500

Treasury bill auction

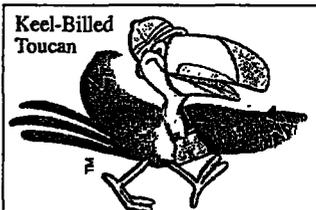
4 weeks	0.060	0.110	0.135	0.000
---------	-------	-------	-------	-------

Redemption Notices

The following is a list of securities called for partial or complete redemption in the week ended Saturday. The notices are taken from advertisements appearing in editions of The Wall Street Journal and aren't meant to be definitive. Inquiries regarding specific issues should be directed to the paying agent or, if none is listed, the issuer.

CORPORATE

Public Storage Inc., will redeem on March 19, all outstanding 6.850% cumulative preferred shares, series Y. Holders of record of the preferred shares, in exchange for each preferred share, will be paid \$25 plus a sum equal to all accrued and unpaid dividends from Jan. 1, 2012 through the redemption date. Trustee is Computershare.



Costa Rica

10 DAYS \$1095 + tax, fees
Rainforests, Beaches, Volcanoes.
Caravan makes it easy to travel. Free brochure.
1-800-Caravan

Secondary market

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
Freddie Mac				
30-year mortgage yields				
30 days	3.41	3.40	4.67	2.92
60 days	3.46	3.45	4.73	3.00

Fannie Mae

30-year mortgage yields				
30 days	3.402	3.363	4.722	3.265
60 days	3.473	3.453	4.774	3.338

Bankers acceptance

30 days	0.23	0.23	0.29	0.17
60 days	0.28	0.28	0.30	0.19
90 days	0.28	0.28	0.30	0.20
120 days	0.33	0.33	0.33	0.23
150 days	0.38	0.38	0.38	0.25
180 days	0.38	0.38	0.43	0.33

Other short-term rates

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
Call money	2.00	2.00	2.00	2.00

Commercial paper

30 to 32 days	0.10	...	...	...
33 to 59 days	0.05	...	...	...
60 to 89 days	0.15	...	...	...
90 to 119 days	0.19	...	...	...
120 to 149 days	0.24	...	...	...
150 to 179 days	0.31	...	...	...
180 to 270 days	0.34	...	...	...

Dealer commercial paper

30 days	n.q.	n.q.	0.25	0.12
60 days	n.q.	n.q.	0.27	0.15
90 days	n.q.	n.q.	0.30	0.18

Euro commercial paper

30 day	n.q.	n.q.	n.q.	n.q.
Two month	n.q.	n.q.	n.q.	n.q.
Three month	0.35	0.35	1.41	0.34

Notes on data:

U.S. prime rate is effective December 16, 2008. Discount rate is effective February 19, 2010. U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks; Other prime rates aren't directly comparable; lending practices vary widely by location. 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; Dealer commercial paper rates are for high-grade unsecured notes sold through dealers by major corporations. Libor is the British Bankers' Association average of interbank offered rates for dollar deposits in the London market; Libor Swaps quoted are mid-market, semi-annual swap rates and pay the floating 3-month Libor rate.

Sources: BofA-Merrill Lynch; Bureau of Labor Statistics; ICAP plc; SIX Telekurs; General Electric Capital Corp.; Tullett Prebon Information, Ltd.

Dividend Changes

Dividend announcements from February 27.

KEY: t: approximate U.S. -dollar amount per American depositary receipt/share before adjustment for foreign taxes when applicable; A: annual; b: payable in Canadian dollars; c: from capital gains; e: corrected; h: from income; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off. Companies in the Dow Jones Industrial Average (I), Dow Jones Utility Average (U) or Dow Jones Transportation Average (T) are so identified

Company/Symbol	Yield (%)	Amount New/Old	Payable/Record	Company/Symbol	Yield (%)	Amount New/Old	Payable/Record
Gold Resrc Corp GORO	..	.05	..	Mar23/Mar12			
Humana Inc HUM	..	.25	..	Apr27/Mar30			
Interpublic Grp IPG	..	.06	..	Mar23/Mar09			
Life Prtns Hldgs LPHT	14.9	..	..	Q Mar15/Mar09	
Lumos Ntwrks LUMS	..	.14	..	Apr12/Mar14			
St Jude Medical STJ	2.1	.23	..	Q Apr30/Mar30			
ZionsBnc Prfd	..	.6875	..	Q Mar15/Mar01			

**RCAF Lump Sum Amortization
2012/Q2**

	Quarter of Payment	Quarter Amortization Began	Annual Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours	
CNGT - various ¹	2011Q3	2011Q3				290,805,945	2010
DMIR - UTU	2010Q4	2011Q3				290,805,945	2010
CSX - ATDA-East	2011Q1	2012Q1				290,805,945	2010
DMIR - BLET	2011Q3	2012Q1				290,805,945	2010
Nat'l - UTU&UTU-YMD	2011Q4	2012Q2	\$24,266,164	0.08344	0.33378	290,805,945	2010
Nat'l - 9 unions	2012Q1	2012Q2	\$17,931,840	0.06166	0.24665	290,805,945	2010
NS - BLET & ATDA	2012Q1	2012Q2				290,805,945	2010
CSX - BLET	2012Q1	2012Q2				290,805,945	2010
Total			\$120,192,039	0.41331			

Should be slightly less than amortized amount.

Fell out

NS - BLET & ATDA	2011Q1	2011Q2				290,805,945	2010
CSX - BLET	2011Q1	2011Q2				290,805,945	2010
BLE - BRS	2011Q1	2011Q2				290,805,945	2010

Interest Rate

11/Q1	0.175
2011/Q2	0.145
2011/Q3	0.060
2011/Q4	0.015
2012/Q1	0.030
2012/Q2	0.115
2012/Q3	
2012/Q4	
2013/Q1	
2013/Q2	
2013/Q3	
2013/Q4	

Lump Sum Adjustment for 2012/Q2 → 0.413602
or
0.414

¹ BLE BMW, IAM, IBEW, NCFO, TCU, TCU-CAR, UTU; DMIR IAM, IBBM, IBEW, SMW, TCU, TCU-CAR, UTU

Lump Sum Payments Added to 2012Q2 RCAF

From Article II of 9 new national agreements

ATDA agreement, signed 2/6/12, 4 railroads	\$688,793.51
BRS agreement, signed 2/6/12, 6 railroads	3,181,400.49
IAM agreement, signed 1/11/12, 6 railroads	3,052,375.08
IBBM agreement, signed 1/17/12, 6 railroads	384,599.72
IBEW agreement, signed 1/5/12, 6 railroads	2,326,525.00
NCFO agreement, signed 1/5/12, 6 railroads	850,288.73
SMW agreement, signed 1/5/12, 6 railroads	439,925.90
TCU agreement, signed 1/4/12, 6 railroads	2,666,567.76
TCU-CAR agreement, signed 1/4/12, 6 railroads	4,341,363.92
Total	\$17,931,840.11

Note: Because of complexities in the provision for the BLET lump sum, it will not be added to the RCAF until 2012Q3.

**RCAF Back Pay Amortization
2012/Q2**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr.	U.S. ST Hours	
DMIR - UTU	2010Q3	2011Q3				290,805,945	2010
DMIR - UTU (wage increase)	2010Q3	2011Q4				290,805,945	2010
National - UTU & UTU-YMD	2011Q3	2012Q1	\$88,459,353	0.30418688	1.21675	290,805,945	2010
DMIR - BLET	2011Q3	2012Q1	\$1,415,895	0.00486887	0.01948	290,805,945	2010
DME - BRS	2011Q3	2012Q1				290,805,945	2010
DH - UTU and UTU-YMD	2011Q3	2012Q1				290,805,945	2010
National - 10 unions	2012Q1	2012Q2	\$114,213,459	0.39274802	1.57099	290,805,945	2010
DH - IAM	2012Q1	2012Q2				290,805,945	2010
Total			\$205,398,924	0.70630923			

Should be slightly less than amortized amount.

Fell out

IC&CCP - BLET	Various	2011Q2				290,805,945	2010
---------------	---------	--------	--	--	--	-------------	------

Interest Rate

2011/Q1	0.175
2011/Q2	0.145
2011/Q3	0.060
2011/Q4	0.015
2012/Q1	0.030
2012/Q2	0.115
2012/Q3	
2012/Q4	
2013/Q1	
2013/Q2	
2013/Q3	
2013/Q4	

Back Pay Adjustment for 2012/Q2	→ 0.70678 or 0.707
---------------------------------	--------------------------

**Backpay for Ten (10) National Labor Agreements
Added to RCAF 2012Q2**

National ATDA agreement was signed on 2/6/12
 National BLET agreement was signed on 1/5/12
 National BRS agreement was signed on 2/6/12
 National IAM agreement was signed on 1/11/12
 National IBBM agreement was signed on 1/17/12
 National IBEW agreement was signed on 1/5/12
 National NCFO agreement was signed on 1/5/12
 National SMW agreement was signed on 1/5/12
 National TCU agreement was signed on 1/4/12
 National TCU-CAR agreement was signed on 1/4/12

Union	Number of railroads included.*	Amount
ATDA	3 railroads plus a portion of another, all benchmarked independent	\$4,636,419.84
BLET	1 railroad benchmarked in national, plus one railroad benchmarked independent	3,563,817.60
BRS	5 railroads benchmarked in national, plus one railroad benchmarked as independent	20,540,616.27
IAM	5 railroads benchmarked in national, plus one railroad benchmarked as independent	16,205,552.29
IBBM	5 railroads benchmarked in national, plus one railroad benchmarked as independent	2,360,172.42
IBEW	5 railroads benchmarked in national, plus one railroad benchmarked as independent	14,704,150.33
NCFO	5 railroads benchmarked in national, plus one railroad benchmarked as independent	5,263,405.27
SMW	5 railroads benchmarked in national, plus one railroad benchmarked as independent	2,708,415.92
TCU	5 railroads benchmarked in national, plus one railroad benchmarked as independent	17,313,899.79
TCU-Car	5 railroads benchmarked in national, plus one railroad benchmarked as independent	26,917,009.35
Total		\$114,213,459.08

*For Rail Cost Adjustment Factor calculation purposes, some railroads have been benchmarked as part of a national agreement group, and some have been benchmarked as independent. Some of the "independents" participate in the national agreement for health & welfare, but not for wages. Since the rebenchmarking made last fall, one independent has joined the national agreements – but is still benchmarked as independent (until the next rebenchmarking). In one case, a railroad that was in a national agreement has become independent for wages purposes. Because of numerous independent dispatcher labor agreements for wages, all railroads were benchmarked as independent for the ATDA, even those participating in the national agreement. Back pay calculations involving groups of railroads have been provided in the work papers sent to the Surface Transportation Board (STB). Back pay calculations involving individual railroads have not been sent to the STB. Individual railroad calculations are on file, and are available to be reviewed by the STB and/or auditors if needed.

Health and Welfare

	Employees Receiving		Total 2010 Avg.	Total 2011**
	Pay 2010*	Monthly Contribution 2010 Avg. 2011**		
1. All Employees				
a. Group health	157,672	\$1,305.91 \$1,401.06	\$205,905,441.52	\$220,907,932.32
b. Group dental	157,672	57.29 59.47	9,033,028.88	9,376,753.84
c. Early retirement major medical	157,672	155.96 164.41	24,590,525.12	25,922,853.52
d. Group vision	157,672	10.41 10.46	1,641,365.52	1,649,249.12
2. Supplemental Sickness				
a. Signalmen	6,620	8.65 25.62	57,263.00	169,604.40
b. Shopcrafts	23,910	25.71 48.28	614,726.10	1,154,374.80
c. MOW	24,891	24.90 36.52	619,785.90	909,019.32
d. Yardmasters	2,060	32.16 33.48	66,249.60	68,968.80
3. Short-Term Disability				
a. Engineers (CSX, KCS, SOO, UP)	13,265	40.00 40.00	530,600.00	530,600.00
4. Monthly Total Premiums			243,058,985.64	260,689,356.12
5. Monthly Employee Contributions To H&W				
a. National BLET (BNSF, CSX, KCS, NS, UP)	23,721	(\$200.00) (\$200.00)	(\$4,744,200.00)	(\$4,744,200.00)
b. National BMWE (BNSF, CSX, KCS, NS, UP)	22,631	(\$200.00) (\$200.00)	(\$4,526,200.00)	(\$4,526,200.00)
c. National BRS (BNSF, CSX, KCS, NS, UP)	6,180	(\$200.00) (\$200.00)	(\$1,236,000.00)	(\$1,236,000.00)
d. National IAM (BNSF, CSX, KCS, NS, UP)	6,509	(\$200.00) (\$229.31)	(\$1,301,800.00)	(\$1,492,578.79)
e. National IBBM (BNSF, CSX, KCS, NS, UP)	837	(\$200.00) (\$200.00)	(\$167,400.00)	(\$167,400.00)
f. National IBEW (BNSF, CSX, KCS, NS, UP)	4,939	(\$200.00) (\$200.00)	(\$987,800.00)	(\$987,800.00)
g. National NCFO (BNSF, CSX, KCS, NS, UP)	2,215	(\$200.00) (\$200.00)	(\$443,000.00)	(\$443,000.00)
h. National SMW (BNSF, CSX, KCS, NS, UP)	963	(\$200.00) (\$200.00)	(\$192,600.00)	(\$192,600.00)
i. National TCU (BNSF, CSX, KCS, NS, UP)	6,026	(\$200.00) (\$200.00)	(\$1,205,200.00)	(\$1,205,200.00)
j. National TCU-CAR (BNSF, CSX, KCS, NS, UP)	9,235	(\$200.00) (\$200.00)	(\$1,847,000.00)	(\$1,847,000.00)
k. National UTU (BNSF, CSX, KCS, NS, UP)	35,762	(\$200.00) (\$200.00)	(\$7,152,400.00)	(\$7,152,400.00)
l. National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,481	(\$200.00) (\$200.00)	(\$296,200.00)	(\$296,200.00)
m. National ATDA (BNSF, KCS, NS, & CSX***)	1,708	(\$200.00) (\$200.00)	(\$341,600.00)	(\$341,600.00)
n. Independent CNGT (wt avg all 104 union categories)	5,971	(\$117.48) (\$122.73)	(\$701,473.08)	(\$732,820.83)
o. Independent SLC (weighted average all 39 unions)	3,593	(\$170.55) (\$188.09)	(\$612,786.15)	(\$675,807.37)
p. Independent UP (Yardmasters only)	417	(\$200.00) (\$200.00)	(\$83,400.00)	(\$83,400.00)
Total Major Union	132,188		(\$25,839,059.23)	(\$26,124,206.99)
All Other Employee Contributions****			(\$2,868,948.60)	(\$2,868,948.60)
6. Net Employer Monthly Payments			\$214,350,977.81	\$231,696,200.53
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments				1.08092
8. H&W hourly rate for base year 2010 revised*			\$7.914	
9. H&W hourly rate for projected quarter				\$8.554

* 2010 Wage Statistics, including employee counts, hours, and amount paid, were revised November 2011.

** 2011 Employer contribution rates will be used for 2012Q1&Q2. See 11/15/2012 memo.

*** 70% of CSX Dispatchers participate in national agreement for wages, remaining have independent agreement.

**** Mostly non-union employee contributions. The \$25,839,059.23 in major union contributions, plus \$2,868,948.60 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	2009	Tier I Maximum Taxable Earnings for 2012	110,100
Wage Statistics Year	2010	Tier II Maximum Taxable Earnings for 2012	81,900
Current Year	2012	Medicare Maximum Taxable Earnings for 2012	no limit
Employees Receiving Pay*	157,672	Tier I Employer Tax Rate for 2012	6.20%
		Tier II Employer Tax Rate for 2012	12.10%
		Medicare Employer Tax Rate for 2012	1.45%

Note: 2010 was rebenchmarked using revised 2010 wage statistics in November 2011.

USA RCAF	Wage Rate	Update Factor	Railroad Retirement Tax	Hourly Rate
2009	\$34,444			
2010	\$33,913	0.98458	\$505,455,821	\$6.970
1Q/2012	\$35,205	1.02209	\$524,157,640	\$7.228
2Q/2012	\$36,076	1.04738	\$533,948,648	\$7.363
3Q/2012		0.00000	--	\$0.000
4Q/2012		0.00000	--	\$0.000

hourly rate from SUPPL2010Nov.xlsx

Rate = Taxable Rate

Railroad Retirement & Medicare, U.S.

From 2009 Earnings Distribution		1Q/2012 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 Qtrly Earnings	Tier I		Tier II		Total Taxable Earnings (Taxable x Employees)	
							Taxable	Taxable	Taxable	Taxable	Tier I	Tier II	Medicare Taxable	Medicare
\$0 - 41,699	\$31,535	5.178 %	8,164	\$32,232	\$8,058	\$8,058	\$8,058	\$8,058	\$8,058	\$65,787,023	\$65,787,023	\$65,787,023
41,700 - 43,699	\$42,795	1.873	2,953	43,741	10,935	10,935	10,935	10,935	10,935	32,293,578	32,293,578	32,293,578
43,700 - 45,699	\$44,897	1.429	2,253	45,889	11,472	11,472	11,472	11,472	11,472	25,848,474	25,848,474	25,848,474
45,700 - 47,699	\$46,735	2.267	3,574	47,768	11,942	11,942	11,942	11,942	11,942	42,685,377	42,685,377	42,685,377
47,700 - 49,699	\$48,824	4.830	7,616	49,903	12,476	12,476	12,476	12,476	12,476	95,009,239	95,009,239	95,009,239
49,700 - 51,699	\$50,661	6.555	10,335	51,780	12,945	12,945	12,945	12,945	12,945	133,792,512	133,792,512	133,792,512
51,700 - 53,699	\$52,641	4.781	7,538	53,804	13,451	13,451	13,451	13,451	13,451	101,397,729	101,397,729	101,397,729
53,700 - 55,699	\$54,711	5.224	8,237	55,920	13,980	13,980	13,980	13,980	13,980	115,149,796	115,149,796	115,149,796
55,700 - 57,699	\$56,595	4.879	7,693	57,845	14,461	14,461	14,461	14,461	14,461	111,248,518	111,248,518	111,248,518
57,700 - 59,699	\$58,774	4.189	6,605	60,073	15,018	15,018	15,018	15,018	15,018	99,192,986	99,192,986	99,192,986
59,700 - 61,699	\$60,748	3.499	5,517	62,090	15,523	15,523	15,523	15,523	15,523	85,636,967	85,636,967	85,636,967
61,700 - 63,699	\$62,594	4.041	6,372	63,977	15,994	15,994	15,994	15,994	15,994	101,907,679	101,907,679	101,907,679
63,700 - 65,699	\$64,703	3.647	5,750	66,133	16,533	16,533	16,533	16,533	16,533	95,070,447	95,070,447	95,070,447
65,700 - 67,699	\$66,652	3.302	5,206	68,125	17,031	17,031	17,031	17,031	17,031	88,669,775	88,669,775	88,669,775
67,700 - 69,699	\$68,715	3.450	5,440	70,233	17,558	17,558	17,558	17,558	17,558	95,511,573	95,511,573	95,511,573
69,700 - 71,699	\$70,674	3.006	4,740	72,235	18,059	18,059	18,059	18,059	18,059	85,592,163	85,592,163	85,592,163
71,700 - 73,699	\$72,704	3.056	4,818	74,310	18,578	18,578	18,578	18,578	18,578	89,515,246	89,515,246	89,515,246
73,700 - 75,699	\$74,721	3.056	4,818	76,372	19,093	19,093	19,093	19,093	19,093	91,998,634	91,998,634	91,998,634
75,700 - 77,699	\$76,655	1.922	3,030	78,349	19,587	19,587	19,587	19,587	19,587	59,357,995	59,357,995	59,357,995
77,700 - 79,699	\$78,829	1.971	3,108	80,571	20,143	20,143	20,143	20,143	20,143	62,597,645	62,597,645	62,597,645
79,700 - 81,699	\$80,635	2.070	3,264	82,417	20,604	20,604	20,604	20,604	20,604	67,247,987	67,247,987	67,247,987
81,700 - 83,699	\$82,752	2.760	4,352	84,580	21,145	21,145	21,145	21,145	21,145	92,018,031	92,018,031	92,018,031
83,700 - 85,699	\$84,688	2.316	3,652	86,559	21,640	21,640	21,640	21,640	21,640	79,021,594	79,021,594	79,021,594
85,700 - 87,699	\$86,725	2.021	3,187	88,641	22,160	22,160	22,160	22,160	22,160	70,614,839	70,614,839	70,614,839
87,700 - 89,699	\$88,638	1.676	2,643	90,596	22,649	22,649	22,649	22,649	22,649	59,852,089	59,852,089	59,852,089
89,700 - 91,699	\$90,443	1.577	2,486	92,441	23,110	23,110	23,110	23,110	23,110	57,463,491	57,463,491	57,463,491
91,700 - 93,699	\$92,780	1.084	1,709	94,830	23,707	23,707	23,707	23,707	23,707	40,519,960	40,519,960	40,519,960
93,700 - 95,699	\$94,604	1.626	2,564	96,694	24,174	24,174	24,174	24,174	24,174	61,974,837	61,974,837	61,974,837
95,700 - 97,699	\$96,820	1.281	2,020	98,959	24,740	24,740	24,740	24,740	24,740	49,968,874	49,968,874	49,968,874
97,700 - 99,699	\$98,732	0.887	1,399	100,913	25,228	25,228	25,228	25,228	25,228	35,283,114	35,283,114	35,283,114
99,700 - 101,699	\$100,935	0.789	1,244	103,165	25,791	25,791	25,791	25,791	25,791	32,085,155	32,085,155	32,085,155
101,700 - 103,699	\$102,598	0.936	1,476	104,865	26,216	26,216	26,216	26,216	26,216	38,690,122	38,690,122	38,690,122
103,700 - 105,699	\$104,735	0.591	932	107,049	26,762	26,762	26,762	26,762	26,762	24,938,175	24,938,175	24,938,175
105,700 - 107,699	\$106,640	1.134	1,788	108,996	27,249	27,249	27,249	27,249	27,249	48,721,264	48,721,264	48,721,264
107,700 - 109,699	\$108,961	0.444	700	111,368	27,842	27,842	27,842	27,842	27,842	14,333,804	14,333,804	14,333,804
109,700 - 111,699	\$110,834	0.493	777	113,283	28,321	28,321	28,321	28,321	28,321	21,395,814	21,395,814	21,395,814
111,700 - 113,699	\$112,939	0.591	932	115,434	28,859	28,859	28,859	28,859	28,859	19,079,455	19,079,455	19,079,455
113,700 - 115,699	\$114,910	0.197	311	117,449	29,362	29,362	29,362	29,362	29,362	8,549,646	8,549,646	8,549,646
\$115,700 - over	\$181,384	5.372	8,470	185,391	46,348	46,348	46,348	46,348	46,348	233,140,599	233,140,599	392,572,915
TOTAL	\$72,148	100.000	157,672							2,744,667,138	2,744,667,138	2,906,753,273
										6.20%	12.10%	1.45%
										\$170,169,363	\$311,840,355	\$42,147,922

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

\$524,157,640

Railroad Retirement & Medicare, U.S.

From 2009 Earnings Distribution

Earnings Groups	Avg Ann. Earnings	% of Total Employees
\$0 - 41,699	\$31,535	5.178
41,700 - 43,699	\$42,795	1.873
43,700 - 45,699	\$44,897	1.429
45,700 - 47,699	\$46,735	2.267
47,700 - 49,699	\$48,824	4.830
49,700 - 51,699	\$50,661	6.555
51,700 - 53,699	\$52,641	4.781
53,700 - 55,699	\$54,711	5.224
55,700 - 57,699	\$56,595	4.879
57,700 - 59,699	\$58,774	4.189
59,700 - 61,699	\$60,748	3.499
61,700 - 63,699	\$62,594	4.041
63,700 - 65,699	\$64,703	3.647
65,700 - 67,699	\$66,652	3.302
67,700 - 69,699	\$68,715	3.450
69,700 - 71,699	\$70,674	3.006
71,700 - 73,699	\$72,704	3.056
73,700 - 75,699	\$74,721	3.056
75,700 - 77,699	\$76,655	1.922
77,700 - 79,699	\$78,829	1.971
79,700 - 81,699	\$80,635	2.070
81,700 - 83,699	\$82,752	2.760
83,700 - 85,699	\$84,688	2.316
85,700 - 87,699	\$86,725	2.021
87,700 - 89,699	\$88,638	1.676
89,700 - 91,699	\$90,443	1.577
91,700 - 93,699	\$92,780	1.084
93,700 - 95,699	\$94,604	1.626
95,700 - 97,699	\$96,820	1.281
97,700 - 99,699	\$98,732	0.887
99,700 - 101,699	\$100,935	0.789
101,700 - 103,699	\$102,598	0.936
103,700 - 105,699	\$104,735	0.591
105,700 - 107,699	\$106,640	1.134
107,700 - 109,699	\$108,961	0.444
109,700 - 111,699	\$110,834	0.493
111,700 - 113,699	\$112,939	0.591
113,700 - 115,699	\$114,910	0.197
\$115,700 - over	\$181,384	5.372
TOTAL		100.000

2Q/2012 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info

Employees Recvg. Pay	Annual Earnings	Avg Cnty Earnings	Tier I		Tier II		Medicare Taxable		Total Taxable Earnings (Taxable x Employees)		Medicare
			Earnings	Taxable	Earnings	Taxable	Earnings	Taxable	Earnings	Taxable	
8,164	\$33,029	\$8,257	\$8,257	\$8,257	\$8,257	\$8,257	\$8,257	\$8,257	\$67,414,647	\$67,414,647	\$67,414,647
2,953	44,823	11,206	11,206	11,206	11,206	11,206	11,206	11,206	33,092,547	33,092,547	33,092,547
2,253	47,024	11,756	11,756	11,756	11,756	11,756	11,756	11,756	26,487,986	26,487,986	26,487,986
3,574	48,949	12,237	12,237	12,237	12,237	12,237	12,237	12,237	43,741,447	43,741,447	43,741,447
7,616	51,137	12,784	12,784	12,784	12,784	12,784	12,784	12,784	97,359,844	97,359,844	97,359,844
10,335	53,061	13,265	13,265	13,265	13,265	13,265	13,265	13,265	137,102,646	137,102,646	137,102,646
7,538	55,135	13,784	13,784	13,784	13,784	13,784	13,784	13,784	103,906,390	103,906,390	103,906,390
8,237	57,303	14,326	14,326	14,326	14,326	14,326	14,326	14,326	117,998,695	117,998,695	117,998,695
7,693	59,277	14,819	14,819	14,819	14,819	14,819	14,819	14,819	114,000,896	114,000,896	114,000,896
6,605	61,559	15,390	15,390	15,390	15,390	15,390	15,390	15,390	101,647,100	101,647,100	101,647,100
5,517	63,626	15,907	15,907	15,907	15,907	15,907	15,907	15,907	87,755,695	87,755,695	87,755,695
6,372	65,560	16,390	16,390	16,390	16,390	16,390	16,390	16,390	104,428,957	104,428,957	104,428,957
5,750	67,769	16,942	16,942	16,942	16,942	16,942	16,942	16,942	97,422,566	97,422,566	97,422,566
5,206	69,810	17,453	17,453	17,453	17,453	17,453	17,453	17,453	90,863,537	90,863,537	90,863,537
5,440	71,971	17,993	17,993	17,993	17,993	17,993	17,993	17,993	97,874,606	97,874,606	97,874,606
4,740	74,023	18,506	18,506	18,506	18,506	18,506	18,506	18,506	87,709,782	87,709,782	87,709,782
4,818	76,149	19,037	19,037	19,037	19,037	19,037	19,037	19,037	91,729,925	91,729,925	91,729,925
4,818	78,261	19,565	19,565	19,565	19,565	19,565	19,565	19,565	94,274,754	94,274,754	94,274,754
3,030	80,287	20,072	20,072	20,072	20,072	20,072	20,072	20,072	60,826,560	60,826,560	60,826,560
3,108	82,564	20,641	20,641	20,641	20,641	20,641	20,641	20,641	64,146,361	64,146,361	64,146,361
3,264	84,456	21,114	21,114	21,114	21,114	21,114	21,114	21,114	68,911,756	68,911,756	68,911,756
4,352	86,673	21,668	21,668	21,668	21,668	21,668	21,668	21,668	89,102,024	89,102,024	89,102,024
3,652	88,701	22,175	22,175	22,175	22,175	22,175	22,175	22,175	80,976,652	80,976,652	80,976,652
3,187	90,834	22,709	22,709	22,709	22,709	22,709	22,709	22,709	72,361,907	72,361,907	72,361,907
2,643	92,838	23,209	23,209	23,209	23,209	23,209	23,209	23,209	61,332,878	61,332,878	61,332,878
2,486	94,728	23,682	23,682	23,682	23,682	23,682	23,682	23,682	58,885,184	58,885,184	58,885,184
1,709	97,176	24,294	24,294	24,294	24,294	24,294	24,294	24,294	41,522,456	41,522,456	41,522,456
2,564	99,086	24,772	24,772	24,772	24,772	24,772	24,772	24,772	63,508,144	63,508,144	63,508,144
2,020	101,407	25,352	25,352	25,352	25,352	25,352	25,352	25,352	51,205,144	51,205,144	51,205,144
1,399	103,410	25,853	25,853	25,853	25,853	25,853	25,853	25,853	36,156,047	36,156,047	36,156,047
1,244	105,717	26,429	26,429	26,429	26,429	26,429	26,429	26,429	32,878,968	32,878,968	32,878,968
1,476	107,459	26,865	26,865	26,865	26,865	26,865	26,865	26,865	39,647,347	39,647,347	39,647,347
932	109,697	27,424	27,424	27,424	27,424	27,424	27,424	27,424	25,555,166	25,555,166	25,555,166
1,788	111,693	27,923	27,923	27,923	27,923	27,923	27,923	27,923	49,708,163	49,708,163	49,926,667
700	114,124	28,531	28,531	28,531	28,531	28,531	28,531	28,531	14,333,804	14,333,804	19,973,466
777	116,085	29,021	29,021	29,021	29,021	29,021	29,021	29,021	21,395,814	21,395,814	22,558,972
932	118,290	29,573	29,573	29,573	29,573	29,573	29,573	29,573	25,648,938	25,648,938	27,556,928
311	120,355	30,089	30,089	30,089	30,089	30,089	30,089	30,089	8,549,646	8,549,646	9,345,950
8,470	189,978	47,495	47,495	47,495	47,495	47,495	47,495	47,495	233,140,599	233,140,599	402,285,484
157,672									2,804,733,632	2,618,714,599	2,978,668,686
									6.20%	12.10%	1.45%
									\$173,893,485	\$316,864,466	\$43,190,696

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

\$533,948,648

Railroad Retirement & Medicare, U.S.

From 2009 Earnings Distribution		3Q/2012 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 Qtrly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings	Tier I	Tier II	Medicare
				\$0	\$0	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
\$0 - 41,699	\$31,535	5.178	8,164	0	0	0	0	0	0	0	0	0
41,700 - 43,699	\$42,795	1.873	2,953	0	0	0	0	0	0	0	0	0
43,700 - 45,699	\$44,897	1.429	2,253	0	0	0	0	0	0	0	0	0
45,700 - 47,699	\$46,735	2.267	3,574	0	0	0	0	0	0	0	0	0
47,700 - 49,699	\$48,824	4.830	7,616	0	0	0	0	0	0	0	0	0
49,700 - 51,699	\$50,661	6.555	10,335	0	0	0	0	0	0	0	0	0
51,700 - 53,699	\$52,641	4.781	7,538	0	0	0	0	0	0	0	0	0
53,700 - 55,699	\$54,711	5.224	8,237	0	0	0	0	0	0	0	0	0
55,700 - 57,699	\$56,595	4.879	7,693	0	0	0	0	0	0	0	0	0
57,700 - 59,699	\$58,774	4.189	6,605	0	0	0	0	0	0	0	0	0
59,700 - 61,699	\$60,748	3.499	5,517	0	0	0	0	0	0	0	0	0
61,700 - 63,699	\$62,594	4.041	6,372	0	0	0	0	0	0	0	0	0
63,700 - 65,699	\$64,703	3.647	5,750	0	0	0	0	0	0	0	0	0
65,700 - 67,699	\$66,652	3.302	5,206	0	0	0	0	0	0	0	0	0
67,700 - 69,699	\$68,715	3.450	5,440	0	0	0	0	0	0	0	0	0
69,700 - 71,699	\$70,674	3.006	4,740	0	0	0	0	0	0	0	0	0
71,700 - 73,699	\$72,704	3.056	4,818	0	0	0	0	0	0	0	0	0
73,700 - 75,699	\$74,721	3.056	4,818	0	0	0	0	0	0	0	0	0
75,700 - 77,699	\$76,655	1.922	3,030	0	0	0	0	0	0	0	0	0
77,700 - 79,699	\$78,829	1.971	3,108	0	0	0	0	0	0	0	0	0
79,700 - 81,699	\$80,635	2.070	3,264	0	0	0	768	0	0	0	2,506,707	0
81,700 - 83,699	\$82,752	2.760	4,352	0	0	0	1,863	0	0	0	8,108,613	0
83,700 - 85,699	\$84,688	2.316	3,652	0	0	0	2,865	0	0	0	10,461,805	0
85,700 - 87,699	\$86,725	2.021	3,187	0	0	0	3,919	0	0	0	12,487,478	0
87,700 - 89,699	\$88,638	1.676	2,643	0	0	0	4,909	0	0	0	12,971,205	0
89,700 - 91,699	\$90,443	1.577	2,486	0	0	0	5,842	0	0	0	14,527,014	0
91,700 - 93,699	\$92,780	1.084	1,709	0	0	0	7,051	0	0	0	12,052,130	0
93,700 - 95,699	\$94,604	1.626	2,564	0	0	0	7,995	0	0	0	20,497,553	0
95,700 - 97,699	\$96,820	1.281	2,020	0	0	0	9,142	0	0	0	18,464,095	0
97,700 - 99,699	\$98,732	0.887	1,399	0	0	0	10,131	0	0	0	14,168,512	0
99,700 - 101,699	\$100,935	0.789	1,244	0	0	0	11,271	0	0	0	14,021,009	0
101,700 - 103,699	\$102,598	0.936	1,476	0	0	0	12,131	0	0	0	17,903,052	0
103,700 - 105,699	\$104,735	0.591	932	0	0	122	13,237	0	0	0	12,334,431	0
105,700 - 107,699	\$106,640	1.134	1,788	0	0	1,323	14,222	0	218,504	25,429,311	0	0
107,700 - 109,699	\$108,961	0.444	700	0	0	1,323	15,423	0	926,197	10,797,095	0	0
109,700 - 111,699	\$110,834	0.493	777	0	0	2,292	16,392	0	1,781,664	12,741,917	0	0
111,700 - 113,699	\$112,939	0.591	932	0	0	3,381	17,481	0	3,150,660	16,289,626	0	0
113,700 - 115,699	\$114,910	0.197	311	0	0	4,401	18,501	0	1,366,964	5,746,619	0	0
\$115,700 - over	\$181,384	5.372	8,470	0	0	27,525	20,475	0	233,140,599	173,426,113	0	0
TOTAL		100.000	157,672					Total Taxable Earnings	240,584,588	414,934,288	0	0
								Employer Tax Rate	6.20%	12.10%	1.45%	
								Quarterly Payment	\$14,916,244	\$50,207,049		\$0
								Total Tier I, Tier II, and Medicare Paid this Quarter				\$65,123,293

Railroad Retirement & Medicare, U.S.

From 2009 Earnings Distribution				4Q/2012 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 Qtrly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)	Tier I (\$)	Tier II (\$)	Medicare
\$0 - 41,699	\$31,535	5.178	8,164	0	0	0	0	0	0	0	0	0	0
41,700 - 43,699	\$42,795	1.873	2,953	0	0	0	0	0	0	0	0	0	0
43,700 - 45,699	\$44,897	1.429	2,253	0	0	0	0	0	0	0	0	0	0
45,700 - 47,699	\$46,735	2.267	3,574	0	0	0	0	0	0	0	0	0	0
47,700 - 49,699	\$48,824	4.830	7,616	0	0	0	0	0	0	0	0	0	0
49,700 - 51,699	\$50,661	6.555	10,335	0	0	0	0	0	0	0	0	0	0
51,700 - 53,699	\$52,641	4.781	7,538	0	0	0	0	0	0	0	0	0	0
53,700 - 55,699	\$54,711	5.224	8,237	0	0	0	0	0	0	0	0	0	0
55,700 - 57,699	\$56,595	4.879	7,693	0	0	0	0	0	0	0	0	0	0
57,700 - 59,699	\$58,774	4.189	6,605	0	0	0	0	0	0	0	0	0	0
59,700 - 61,699	\$60,748	3.499	5,517	0	0	0	0	0	0	0	0	0	0
61,700 - 63,699	\$62,594	4.041	6,372	0	0	0	0	0	0	0	0	0	0
63,700 - 65,699	\$64,703	3.647	5,750	0	0	0	0	0	0	0	0	0	0
65,700 - 67,699	\$66,652	3.302	5,206	0	0	0	0	0	0	0	0	0	0
67,700 - 69,699	\$68,715	3.450	5,440	0	0	0	0	0	0	0	0	0	0
69,700 - 71,699	\$70,674	3.006	4,740	0	0	0	0	0	0	0	0	0	0
71,700 - 73,699	\$72,704	3.056	4,818	0	0	0	0	0	0	0	0	0	0
73,700 - 75,699	\$74,721	3.056	4,818	0	0	0	0	0	0	0	0	0	0
75,700 - 77,699	\$76,655	1.922	3,030	0	0	0	0	0	0	0	0	0	0
77,700 - 79,699	\$78,829	1.971	3,108	0	0	0	0	0	0	0	0	0	0
79,700 - 81,699	\$80,635	2.070	3,264	0	0	0	0	0	0	0	0	0	0
81,700 - 83,699	\$82,752	2.760	4,352	0	0	0	0	0	0	0	0	0	0
83,700 - 85,699	\$84,688	2.316	3,652	0	0	0	0	0	0	0	0	0	0
85,700 - 87,699	\$86,725	2.021	3,187	0	0	0	0	0	0	0	0	0	0
87,700 - 89,699	\$88,638	1.676	2,643	0	0	0	0	0	0	0	0	0	0
89,700 - 91,699	\$90,443	1.577	2,486	0	0	0	0	0	0	0	0	0	0
91,700 - 93,699	\$92,780	1.084	1,709	0	0	0	0	0	0	0	0	0	0
93,700 - 95,699	\$94,604	1.626	2,564	0	0	0	0	0	0	0	0	0	0
95,700 - 97,699	\$96,820	1.281	2,020	0	0	0	0	0	0	0	0	0	0
97,700 - 99,699	\$98,732	0.887	1,399	0	0	0	0	0	0	0	0	0	0
99,700 - 101,699	\$100,935	0.789	1,244	0	0	0	0	0	0	0	0	0	0
101,700 - 103,699	\$102,598	0.936	1,476	0	0	0	0	0	0	0	0	0	0
103,700 - 105,699	\$104,735	0.591	932	0	0	0	0	0	0	0	0	0	0
105,700 - 107,699	\$106,640	1.134	1,788	0	0	0	0	0	0	0	0	0	0
107,700 - 109,699	\$108,961	0.444	700	0	0	0	0	0	0	0	0	0	0
109,700 - 111,699	\$110,834	0.493	777	0	0	0	0	0	0	0	0	0	0
111,700 - 113,699	\$112,939	0.591	932	0	0	0	0	0	0	0	0	0	0
113,700 - 115,699	\$114,910	0.197	311	0	0	0	0	0	0	0	0	0	0
\$115,700 - over	\$181,384	5.372	8,470	0	0	0	11,267	20,475	0	95,436,601	173,426,113	0	0
TOTAL		100.000	157,672							95,436,601	173,426,113		1.45%
										6.20%	12.10%		
										\$5,917,069	\$20,984,560		\$0

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

\$28,901,629

RCAF Unemployment Insurance Tax

	<u>Unemployment Ins.</u>						
	Tax	Earnings	Hourly	RRB	Factor	Avg. Ann.	Un. Ins.
	Rate	Base	Earnings	Sample	To Update	Taxable	Hourly
				Year	RRB Sample	Earnings	Rate
			\$29.465	(2006)			
2007 Avg.	2.47%	\$14,760	\$30.806		1.045512	\$13,903.99	\$0.192
3Q/08 reb	2.48%	\$15,360	\$32.327		1.097132	\$14,473.48	\$0.201
4Q/08	2.48%	\$15,360	\$33.207		1.126998	\$14,487.09	\$0.201
1Q/09	2.47%	\$15,960	\$33.561		1.139012	\$15,038.39	\$0.208
2Q/09	2.47%	\$15,960	\$33.672		1.142780	\$15,040.15	\$0.208
3Q/09	2.47%	\$15,960	\$34.857		1.182997	\$15,058.23	\$0.208
			\$30.806	(2007)			
2008 Avg.	2.48%	\$15,360	\$32.537		1.056190	\$14,329.53	\$0.201
3Q/09 reb	2.47%	\$15,960	\$35.600		1.155619	\$14,914.18	\$0.208
4Q/09	2.47%	\$15,960	\$34.822		1.130364	\$14,903.49	\$0.208
1Q/10	3.26%	\$15,960	\$34.810		1.129975	\$14,903.32	\$0.275
2Q/10	3.26%	\$15,960	\$34.787		1.129228	\$14,903.00	\$0.275
3Q/10	3.26%	\$15,960	\$34.676		1.125625	\$14,901.45	\$0.275
			\$32.537	(2008)			
2009 Avg.	2.47%	\$15,960	\$34.444		1.058610	\$14,944.60	\$0.211
3Q/10 reb	3.26%	\$15,960	\$35.003		1.075791	\$14,952.41	\$0.279
4Q/10	3.26%	\$15,960	\$35.003		1.075791	\$14,952.41	\$0.279
1Q/11	7.09%	\$15,960	\$35.058		1.077481	\$14,953.17	\$0.606
2Q/11	7.09%	\$15,960	\$35.143		1.080093	\$14,954.33	\$0.606
3Q/11	7.09%	\$15,960	\$35.422		1.088668	\$14,957.95	\$0.606
			\$34.444	(2009)			
2010 Avg.	3.26%	\$15,960	\$33.913		0.984584	\$15,048.19	\$0.275
3Q/11 reb.	7.10%	\$15,960	\$34.350		0.997271	\$15,055.23	\$0.599
4Q/11	7.10%	\$15,960	\$34.347		0.997184	\$15,055.18	\$0.599
1Q/12	5.00%	\$16,380	\$35.205		1.022094	\$15,450.63	\$0.433
2Q/12	5.00%	\$16,380	\$36.084		1.047614	\$15,464.52	\$0.433
3Q/12	5.00%	\$16,380			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-2009 RRB File

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2605	39200541.09	15048.19
QTRLY_US	2605	40285062.75	15464.52

SAS System
as 2010 and

3 Procedure

Sum

2564.84
2729.03
1575800.00
2669900.00



U.S. Energy Information
Administration

PETROLEUM & OTHER LIQUIDS

OVERVIEW **DATA** ANALYSIS & PROJECTIONS

GLOSSARY FAQs

Spot Prices

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

Period: **Weekly**

Product by Area	01/20/12	01/27/12	02/03/12	02/10/12	02/17/12	02/24/12	View History
Crude Oil							
WTI - Cushing, Oklahoma	99.95	99.35	97.80	98.56	101.73	107.18	1986-2012
Brent - Europe	109.60	109.18	111.20	117.21	118.79	123.34	1987-2012
Conventional Gasoline							
New York Harbor, Regular	2.831	2.867	2.910	2.988	3.025	3.113	1986-2012
U.S. Gulf Coast, Regular	2.790	2.827	2.875	2.948	2.988	3.115	1986-2012
RBOB Regular Gasoline							
Los Angeles	2.917	2.950	2.976	3.104	3.266	3.571	2003-2012
No. 2 Heating Oil							
New York Harbor	3.026	3.049	3.071	3.197	3.181	3.270	1986-2012
Ultra-Low-Sulfur No. 2 Diesel Fuel							
New York Harbor	3.053	3.072	3.083	3.213	3.210	3.310	2006-2012
U.S. Gulf Coast	3.009	3.020	3.045	3.157	3.171	3.269	2006-2012
Los Angeles	3.063	3.067	3.080	3.203	3.211	3.361	1995-2012
Kerosene-Type Jet Fuel							
U.S. Gulf Coast	3.073	3.074	3.089	3.202	3.184	3.292	1990-2012
Propane							
Mont Belvieu, Texas	1.286	1.279	1.274	1.229	1.180	1.220	1982-2012

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

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

Release Date: 2/28/2012

Next Release Date: 3/7/2012



U.S. Energy Information
Administration

PETROLEUM & OTHER LIQUIDS

OVERVIEW **DATA** ANALYSIS & PROJECTIONS

GLOSSARY FAQs

Spot Prices

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

Period: Monthly Quarterly Annually

Product by Area	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	View History
Crude Oil							
WTI - Cushing, Oklahoma	86.33	85.52	86.32	97.16	98.56	100.27	1988-2012
Brent - Europe	110.22	112.83	109.55	110.77	107.87	110.69	1987-2012
Conventional Gasoline							
New York Harbor, Regular	2.835	2.768	2.772	2.629	2.634	2.822	1986-2012
U.S. Gulf Coast, Regular	2.801	2.692	2.689	2.539	2.544	2.777	1986-2012
RBOB Regular Gasoline							
Los Angeles	2.839	2.917	2.949	2.737	2.702	2.920	2003-2012
No. 2 Heating Oil							
New York Harbor	2.946	2.921	2.953	3.054	2.891	3.054	1988-2012
Ultra-Low-Sulfur No. 2 Diesel Fuel							
New York Harbor	3.010	2.980	3.008	3.095	2.937	3.080	2008-2012
U.S. Gulf Coast	2.974	2.937	2.960	3.046	2.878	3.034	2006-2012
Los Angeles	2.971	3.011	3.089	3.182	2.910	3.088	1996-2012
Kerosene-Type Jet Fuel							
U.S. Gulf Coast	3.008	2.948	2.968	3.046	2.873	3.087	1990-2012
Propane							
Mont Belvieu, Texas	1.528	1.560	1.472	1.458	1.395	1.294	1992-2012

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

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

Release Date: 2/29/2012

Next Release Date: 3/7/2012



PETROLEUM & OTHER LIQUIDS

OVERVIEW DATA ANALYSIS & PROJECTIONS

GLOSSARY FAQs

This Week In Petroleum

[Release Schedule](#)
[Sign Up for Email Updates](#)
[Summary Printer-Friendly Version](#)

[Complete History XLS](#)
[Analysis Text History](#)
[RSS Feed](#)

Summary

Crude Oil

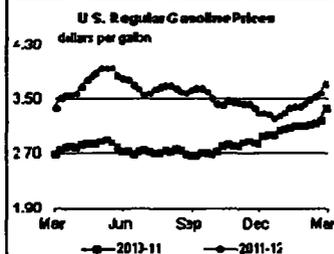
Gasoline

Distillate

Propane

Scroll over labels below to see different charts.

Retail Prices (Dollars per Gallon)



	Retail Prices		Change From Last	
	02/27/12	02/20/12	Week	Year
Gasoline	\$ 2.721	\$ 2.721	↑ 0.130	↑ 0.338
Diesel Fuel	4.051	4.051	↑ 0.091	↑ 0.335
Heating Oil	4.108	4.108	↑ 0.064	↑ 0.353
Propane	2.868	2.868	↑ 0.005	↑ 0.010

Released, February 29, 2012
 Next Release, March 7, 2012

A review of developments in crude oil and product markets over the past two months

Today, EIA released The Availability and Price of Petroleum and Petroleum Products Produced in Countries Other Than Iran, a 60-day recurring report required under Section 1245(d)(4)(A) of Public Law 112-81, the National Defense Authorization Act for Fiscal Year 2012. The Act requires that, not later than 60 days from enactment and every 60 days thereafter, the "Energy Information Administration, in consultation with the Secretary of the Treasury, the Secretary of State, and the Director of National Intelligence, shall submit to Congress a report on the availability and price of petroleum and petroleum products produced in countries other than Iran in the 60-day period preceding the submission of the report."

This report and its future editions are intended to provide information relevant to the President's determination under Section 1245(d)(4)(B) of the Act as to whether the "price and supply of petroleum and petroleum products produced in countries other than Iran is sufficient to permit purchasers of petroleum and petroleum products from Iran to reduce significantly in volume their purchases from Iran."

The statutory language clearly envisions an EIA report that is primarily, if not exclusively, backward looking in nature. Given this focus, it is important to recognize that due to time lags in the collection of production and consumption data nearly all of the petroleum and petroleum product volumes presented in the report for the 60-day period preceding its publication are estimates rather than actual data. In contrast to data on petroleum and petroleum product volumes, price data is available on a real-time or near-real-time basis.

EIA estimates that the world oil market has become increasingly tight over the first two months of this year. Oil prices have risen since the beginning of the year and are currently at a high level. Global liquid fuels consumption is at historically high levels. While the economic outlook, especially in Europe, remains uncertain, continued growth is expected. Unusually cold weather in Europe contributed to tighter markets by increasing the demand for heating oil, particularly during February.

With respect to supply, the world has experienced a number of supply interruptions in the last two months, including production drops in South Sudan, Syria, Yemen, and the North Sea. Both the United States and the European Union (EU) have acted to tighten sanctions against Iran, including measures with both immediate and future effective dates. There is some evidence that these measures may already be causing some adjustments in oil supply patterns. For example, there is emerging evidence that some shipments of Iranian crude oil under existing contracts are being curtailed due to the unwillingness of U.S. and EU insurance providers to cover them, even though the EU sanctions only require existing oil contracts to be completely phased out by July 1, 2012.

Finally, spare crude oil production capacity, while estimated to be higher than during the 2003 to 2008 period, is quite modest by historical standards, especially when measured as a percentage of global oil production and considered in the context of current geopolitical uncertainties, including, but not limited to, the situation in Iran.

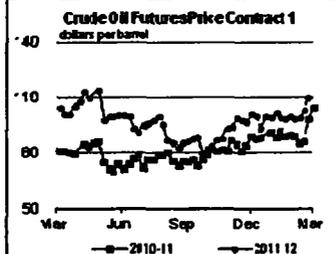
Crude oil prices have been generally rising over the past two months, particularly in recent weeks. This is reflected in price movements on the most commonly traded oil futures contracts. Comparing the 5-day periods ending December 30, 2011 and February 27, 2012, the price of the front month of the New York Mercantile Exchange (NYMEX) light sweet crude oil contract (WTI) rose from \$99.77 per barrel to \$107.66 per barrel. The Brent front month price, which is widely viewed as being more representative of global prices for light sweet crude oil, rose from \$108.04 to \$123.56 over the same period.

For the five days ending February 27, the average price of the June 2012 WTI crude oil futures contract was \$108.64 per barrel and the average price of the June 2012 Brent contract was \$121.91 per barrel. The WTI and Brent prices for June 2012 have increased by about \$8 per barrel and \$15 per barrel respectively since the end of December. Based on implied volatilities calculated from options and futures prices over the 5 days ending February 27, the probability of the June 2012 WTI futures contract expiring above \$120 per barrel is 23 percent, a 4 percentage point increase relative to the same calculation made using price data from the 5-day period ending December 30. Given the higher absolute level and greater upward movement of Brent prices relative to WTI prices over the last two months, the change in the probabilities that the June Brent contract will exceed specified dollar thresholds are higher and have increased more over the past 60 days.

Gasoline prices have also generally been rising over the past two months, particularly in recent weeks. Reformulated blendstock for oxygenate blending (RBOB) is often traded instead of finished motor gasoline that already has been blended with ethanol, since oxygenate blending typically takes place at terminals along the distribution chain.

Comparing the 5-day periods ending December 30, 2011 and February 27, 2012, the price of the front month of the NYMEX RBOB contract, which calls for delivery in New York Harbor, rose from \$2.68 per gallon to \$3.11 per gallon. RBOB prices reflect pricing at the wholesale-level that do not include motor fuel taxes, or costs and profits associated with the distribution and retailing of gasoline. However, increases in RBOB prices are typically reflected in higher pump prices.

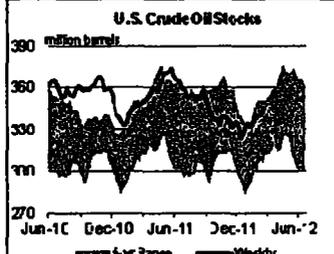
Futures Prices (Dollars per Gallon*)



	Futures Prices		Change From Last	
	02/24/12	02/17/12	Week	Year
Crude Oil	\$109.77	\$109.77	↑ 6.53	↑ 11.89
Gasoline	3.153	3.153	↑ 0.137	↑ 0.413
Heating Oil	3.316	3.316	↑ 0.127	↑ 0.385

*Note: Crude Oil Price in Dollars per Barrel.

Stocks (Million Barrels)



	Stocks		Change From Last	
	02/24/12	02/17/12	Week	Year
Crude Oil	344.9	344.9	↑ 4.2	↓ -1.5
Gasoline	229.9	229.9	↓ -1.6	↓ -4.8
Distillate	141.4	141.4	↓ -2.1	↓ -17.7
Propane	43,900	43,900	↓ -0.984	↑ 15,431

The average price of the June 2012 RBOB futures contract for the 5-day period ending February 27 was \$3.25 per gallon, an increase of 49 cents per gallon from the 5-day period ending December 30. Based on implied volatilities calculated from options and futures prices over the 5 days ending February 27, the probability of the June 2012 RBOB futures contract expiring above \$3.35 per gallon (comparable to a \$4.00 per gallon national average retail price for regular grade gasoline) is 39 percent, a 23 percentage point increase from the result of the same calculation made using data for the 5-day period ending December 30.

A copy of The Availability and Price of Petroleum and Petroleum Products Produced in Countries Other Than Iran is available on the EIA website at <http://www.eia.gov/analysis/requests/ndaa/>

Gasoline prices continue climbing, while the average diesel fuel price passes \$4 per gallon

The U.S. average retail price of regular gasoline jumped 13 cents to \$3.72 per gallon, about 34 cents per gallon higher than last year at this time. Prices were up across all regions, with the largest increase coming on the West Coast for the second consecutive week. The California price has surged more than 45 cents per gallon over the last two weeks. The Rocky Mountain price increased almost 10 cents to reach \$3.20 per gallon, but remains the lowest regional average price in the Nation. Moving eastward, the Gulf Coast average price is \$3.56 per gallon, and in the Midwest regular gasoline averages \$3.62 per gallon. The East Coast price is the closest it has been all year to the national average, at \$3.74 per gallon.

The national average diesel fuel price increased just over 9 cents to reach \$4.05 per gallon, 34 cents per gallon higher than last year at this time. This is the first time since EIA started collecting data that the National diesel price has reached the \$4 per gallon mark in February. The last time the national average retail diesel fuel price exceeded \$4 per gallon was the week of November 21, 2011. The West Coast saw the largest increase in the Nation, as prices increased just over 16 cents to \$4.33 per gallon. The East Coast price averaged \$4.13 per gallon, and the Gulf Coast price hovered just under the \$4 mark at \$3.99 per gallon. Rocky Mountain and Midwest prices remain in close proximity at \$3.92 and \$3.91 per gallon, respectively.

U.S. average residential and wholesale heating fuel prices increase

The U.S. average residential heating oil price increased by 6 cents per gallon during the week ending February 27, 2012 to \$4.11 per gallon. This price is 35 cents per gallon higher than the same time last year. The average wholesale heating oil price increased by 12 cents per gallon over the same period to a price just below \$3.39 per gallon, 34 cents higher than last year at this time.

The average residential propane price increased by less than 1 cent to \$2.87 per gallon during the week ending February 27, 2012, 1 cent per gallon higher than a year ago. The average wholesale propane price increased by 8 cents per gallon to \$1.25 per gallon, 44 cents below the February 26, 2011 price of \$1.69 per gallon.

Propane inventories continue to draw

Propane inventories in the United States were down 1.0 million barrels last week to end at 43.9 million barrels, but remained higher than the year-ago level and the 5-year range. Midwest regional stocks drew 0.7 million barrels and the East Coast regional stocks drew another 0.5 million barrels. Elsewhere, the Gulf Coast region added 0.2 million barrels while the Rocky Mountain/West Coast regional stocks fell by 0.1 million barrels from last week. Propylene non-fuel use inventories represented 10.8 percent of total propane inventories.

Text from the previous editions of *This Week In Petroleum* is accessible through a link at the top right-hand corner of this page.

AAR MATERIALS AND SUPPLIES INDEX
Region By Composition
First Quarter 2012
February 29, 2012

United States by Composition Category - Summary

Composition Category -----	Weight -----	Previous Quarter Index -----	Current Quarter Index -----	Relative Of Change -----
Forest Products	.1093	252.88	255.13	1.0089
Metal Products	.5988	209.72	209.05	.9968
Miscellaneous Products	.2919	331.33	365.62	1.1035
U.S. By Composition	--	249.94	259.79	1.0394
U.S. By Composition (Linked)	--	248.56	258.35	1.0394
United States (1977=100) Linking Factor: 1.423	--	353.70	367.63	1.0394
United States (1980=100) Linking Factor: 1.061	--	263.72 *	274.11	1.0394

* Includes correction for 1 price. Original Index was 263.70,
so rounded version is the same.

Car Hire for RCAF

RCAF (Forecast)

	1980	June 3Q/11	Sept. 4Q/11	Dec. 1Q/12	Mar. 2Q/12	June 3Q/12
RATE						
RR-OWNED TIME	31.00	67.00	67.00	67.00	66.00	--
RR-OWNED MILEAGE	4.69	7.20	7.20	7.20	7.10	--
PRIVATELY-OWNED CARS	25.47	44.68	43.37	43.51	43.57	--
AUTORACKS	47.00	41.30	42.33	41.85	37.46	--
INDEX						
RR-OWNED TIME	100.0	216.1	216.1	216.1	212.9	--
RR-OWNED MILEAGE	100.0	153.5	153.5	153.5	151.4	--
PRIVATELY-OWNED CARS	100.0	175.4	170.3	170.8	171.0	--
AUTORACKS	100.0	87.9	90.1	89.0	79.7	--
CAR HIRE INDEX (old wts) 2009	100.0	179.3	--	--	--	--
CAR HIRE INDEX (new wts) 2010	100.0	179.8	176.1	176.4	175.7	--
CAR HIRE INDEX (LINKED)	100.0	178.9	175.2	175.5	174.8	--

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

Note: Indexes are rounded, rates are full float.

Equipment Rents Data From CHARM

	2012 (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)	10,309	10,132	10,124	10,070	10,054	10,794	7,489	7,423	7,408					
Superstructures (Vehicular Flats)														
Rate (in cents)	20.0	21.0	21.0	21.0	21.0	20.0	28.0	27.0	28.0					
Superstructures #3 - Auto Rack	67.0	67.0	67.0	67.0	67.0	67.0	65.0	66.0	66.0					
All other #1 - Time	7.2	7.2	7.2	7.2	7.2	7.2	7.1	7.1	7.1					
All other #2 - Mileage														
Private Equipment														
No. of Cars (cars with rates only)	46,434	46,336	46,222	46,104	45,960	45,824	45,720	45,645	45,602					
Superstructures (Vehicular Flats)	332,007	331,523	334,180	332,890	332,345	336,974	312,043	313,704	314,908					
Covered Hoppers	305,295	304,829	304,863	305,905	305,104	306,181	296,936	296,845	298,469					
Tank Cars	308,308	306,477	306,394	308,539	307,098	309,432	287,359	286,731	287,028					
Rate (in cents)	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0					
Superstructures #1 - Time	1.2	1.4	1.4	1.4	1.4	1.4	1.4	1.6	1.6					
Superstructures #2 - Mileage	46.0	47.0	47.0	47.0	47.0	47.0	47.0	39.0	39.0					
Superstructures #3 - Auto Rack	43.1	43.2	43.2	43.2	43.2	43.2	43.1	43.2	43.2					
Covered Hoppers #2 - Mileage	74.4	74.5	69.2	69.4	69.4	69.5	69.3	69.5	67.9					
Tank Cars #2 - Mileage	64.0	65.0	65.0	66.0	66.0	66.0	68.0	69.0	69.0					
Others #1 - Time	6.9	7.0	7.0	7.0	7.0	7.0	7.0	7.1	7.1					
Others #2 - Mileage														
AVERAGE RATES														
Private Superstructures	19.53	19.73	19.73	19.73	19.73	19.73	19.73	19.93	19.93	0.00	0.00	0.00	0.00	0.00
Private Others	21.11	21.43	21.43	21.65	21.65	21.65	22.10	22.42	22.42	0.00	0.00	0.00	0.00	0.00
Private Total	44.79	45.00	43.37	43.49	43.50	43.51	43.82	44.03	43.37	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Autotracks	41.28	42.33	42.33	42.34	42.33	41.85	44.33	37.32	37.46	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

	"Old Wis" "New Wis"	
	2009	2010
For RCAF & RCR	0.168	0.174
RR-owned Time	0.084	0.084
RR-owned Mileage	0.735	0.732
Privately-owned Cars	0.013	0.010
Autotracks	1.000	1.000
----- Check sum		

Weights for Equipment Rents (not used in Car Hire calculation)		
	2009	2010
Car Hire - U.S.	0.422	0.456
Lease Rentals - U.S.	0.578	0.542
----- Check sum	1.000	1.000

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

1 PROGRAM: DPRB799
 CURRENT DATE: MARCH 01, 2012

RAILROAD EQUIPMENT 1/		AVERAGE RATE FOR 03/12	
CAR GROUP	CAR COUNT	TIME	AUTO RACK
-VEHICULAR FLATS	7,408	122 ¢/HR	28 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/	143		
-ALL OTHER CARS	510,442		
ONO. OF ZERO RATED "OTHER" CARS 2/	30,531		
0	TOTAL: 548,524		

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:
 CAR TYPE D - LOCOMOTIVES
 CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE
 CAR TYPE U - CONTAINERS
 CAR TYPE Z - TRAILERS
 0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONX) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.
 -2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6). THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS.

1 PROGRAM: DPRB799
 CURRENT DATE: MARCH 01, 2012

PRIVATE EQUIPMENT 1/		AVERAGE RATE FOR 03/12	
CAR GROUP	CAR COUNT	TIME	AUTO RACK
-VEHICULAR FLATS	45,602	78 ¢/HR	39 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/	6		
-COVERED HOPPERS	314,908	0 ¢/HR	
ONO. OF ZERO RATED COVERED HOPPERS 2/	9,436		
-TANKS	298,469	0 ¢/HR	
ONO. OF ZERO RATED TANKS 2/	8,314		
-ALL OTHER CARS	287,028	69 ¢/HR	
ONO. OF ZERO RATED "OTHER" CARS 2/	30,850		
0	TOTAL: 994,613		

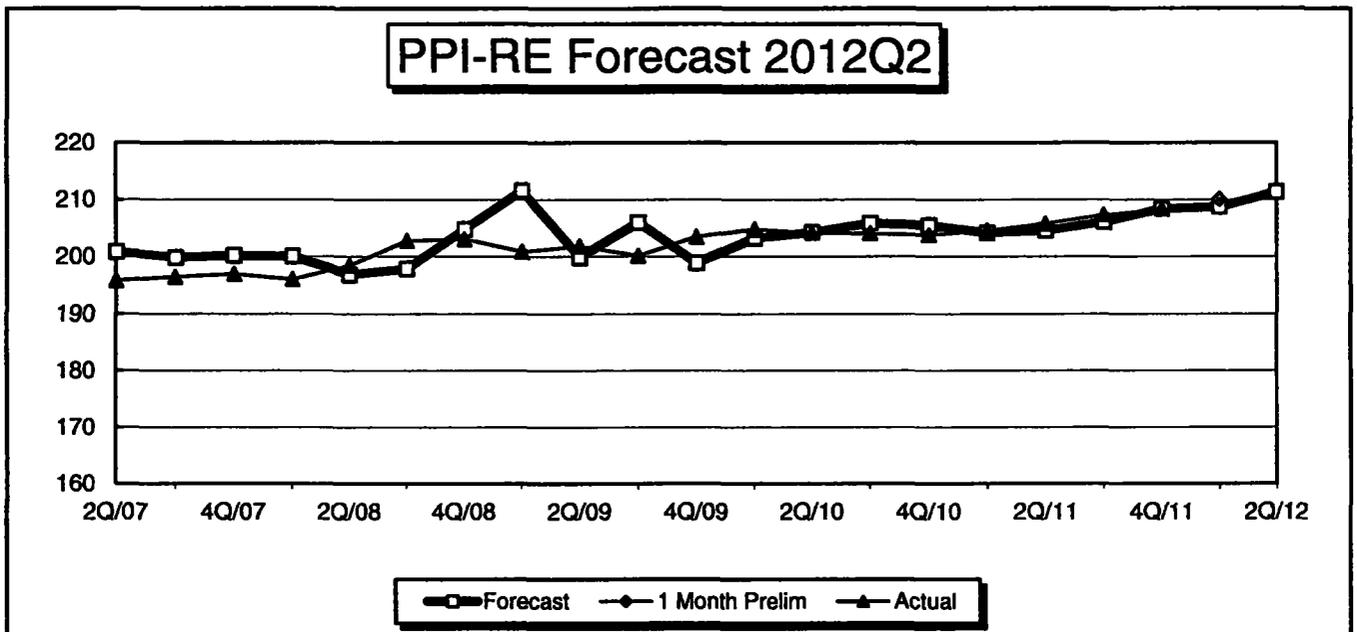
1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:
 CAR TYPE D - LOCOMOTIVES
 CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE
 CAR TYPE U - CONTAINERS
 CAR TYPE Z - TRAILERS
 0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONX) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.
 -2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6). THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS.

PPI-RE Forecast (for Depreciation Component)

	Forecast	Actual	1 Month Prelim
2Q/07	200.9	195.9	
3Q/07	199.9	196.5	
4Q/07	200.2	197.0	
1Q/08	200.1	196.1	
2Q/08	196.9	198.5	
3Q/08	197.9	202.8	
4Q/08	204.8	203.1	
1Q/09	211.6	200.9	
2Q/09	199.9	201.9	
3Q/09	206.0	200.2	
4Q/09	198.9	203.5	
1Q/10	203.3	204.8	
2Q/10	204.3	204.2	
3Q/10	205.9	204.1	
4Q/10	205.5	203.8	
1Q/11	204.2	204.6	
2Q/11	204.6	205.8	
3Q/11	206.1	207.3	
4Q/11	208.4	208.4	
1Q/12	208.7		210.1
2Q/12	211.4		

1980 Base

	PPI-RE Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2012Q2						
Low	187.3	207.2	0.7%			
Midpoint	191.1	211.4	2.7%	0.6%	1.4%	1.3%
High	194.9	215.6	4.8%			



[A to Z Index](#) | [FAQs](#) | [About BLS](#) | [Contact Us](#) | [Subscribe to E-mail Updates](#)

[What's New](#) | [Release Calendar](#) | [Site Map](#)

[Search BLS.gov](#)

[Home](#) | [Subject Areas](#) | [Databases & Tools](#) | [Publications](#) | [Economic Releases](#) | [Beta](#)

Databases, Tables & Calculators by Subject

FONT SIZE:

Change Output Options: From 2011 To: 2012

Include graphs

[More Formatting Options](#) ➡

Data extracted on: February 16, 2012 (2:21:10 PM)

Producer Price Index-Commodities

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

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2011	184.9	185.1	187.0	186.6	186.7	186.8	187.3	187.4	187.5	187.5(P)	187.7(P)	189.9(P)	187.0(P)
2012	189.9(P)												

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

TOOLS

[Areas at a Glance](#)
[Industries at a Glance](#)
[Economic Releases](#)
[Databases & Tables](#)
[Maps](#)

CALCULATORS

[Inflation](#)
[Location Quotient](#)
[Injury And Illness](#)

HELP

[Help & Tutorials](#)
[FAQs](#)
[Glossary](#)
[About BLS](#)
[Contact Us](#)

INFO

[What's New](#)
[Careers @ BLS](#)
[Find It! DOL](#)
[Join our Mailing Lists](#)
[Linking & Copyright Info](#)

RESOURCES

[Inspector General \(OIG\)](#)
[Budget and Performance](#)
[No Fear Act](#)
[USA gov](#)
[Benefits gov](#)
[Disability gov](#)

[Freedom of Information Act](#) | [Privacy & Security Statement](#) | [Disclaimers](#) | [Customer Survey](#) | [Important Web Site Notices](#)

U.S. Bureau of Labor Statistics | Postal Square Building, 2 Massachusetts Avenue, NE Washington, DC 20212-0001
www.bls.gov | Telephone: 1-202-691-5200 | TDD: 1-800-877-8339 | [Contact Us](#)

Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2012Q2\5Deprec\FPre_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

 Length 72 Minimum 165.500 Maximum 189.900
 Mean 180.249 Standard deviation 5.828

Classical decomposition (multiplicative)

Trend-cycle: 94.55% Seasonal: 0.47% Irregular: 4.98%

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

Exponential smoothing outperforms Box-Jenkins by 0.788 to 1.631 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is trended and nonseasonal.

Recommended model: Exponential Smoothing

Forecast Model for PPIRE

Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing weight	Final Value
Level	0.83173	189.90
Trend	0.01861	0.29950

within-sample Statistics

Sample size 72	Number of parameters 2
Mean 180.2	Standard deviation 5.828
R-square 0.9678	Adjusted R-square 0.9674
Durbin-Watson 2.037	Ljung-Box(18)=22.2 P=0.7766
Forecast error 1.053	BIC 1.102
MAPE 0.004121	RMSE 1.038
MAD 0.7369	

Forecast Report

Thu Feb 16 14:35:09 2012

Exponential Smoothing model for PPIRE

Analysis of Historic Fit Set

Date	Historic
2006-02	165.500
2006-03	168.200
2006-04	168.200
2006-05	169.600
2006-06	171.300
2006-07	170.600
2006-08	170.900
2006-09	170.400
2006-10	170.200
2006-11	170.300
2006-12	172.700
2007-01	173.900
2007-02	175.600
2007-03	176.100
2007-04	174.200
2007-05	175.600
2007-06	176.400
2007-07	177.400
2007-08	177.400
2007-09	177.900
2007-10	177.500
2007-11	177.700
2007-12	177.500
2008-01	178.400
2008-02	178.200
2008-03	177.600
2008-04	178.700
2008-05	178.000

re_ppi.txt

2008-06	181.200
2008-07	180.800
2008-08	181.700
2008-09	182.900
2008-10	181.900
2008-11	181.600
2008-12	180.700
2009-01	181.600
2009-02	181.800
2009-03	181.600
2009-04	183.100
2009-05	180.000
2009-06	180.000
2009-07	179.900
2009-08	179.900
2009-09	183.800
2009-10	183.600
2009-11	183.600
2009-12	184.400
2010-01	184.500
2010-02	184.700
2010-03	184.500
2010-04	184.500
2010-05	184.600
2010-06	184.600
2010-07	184.500
2010-08	184.500
2010-09	184.500
2010-10	184.200
2010-11	184.200
2010-12	184.200
2011-01	184.900
2011-02	185.100
2011-03	187.000
2011-04	186.600
2011-05	186.700
2011-06	186.800
2011-07	187.300
2011-08	187.400
2011-09	187.500
2011-10	187.500
2011-11	187.700
2011-12	189.900
2012-01	189.900

Forecasted values

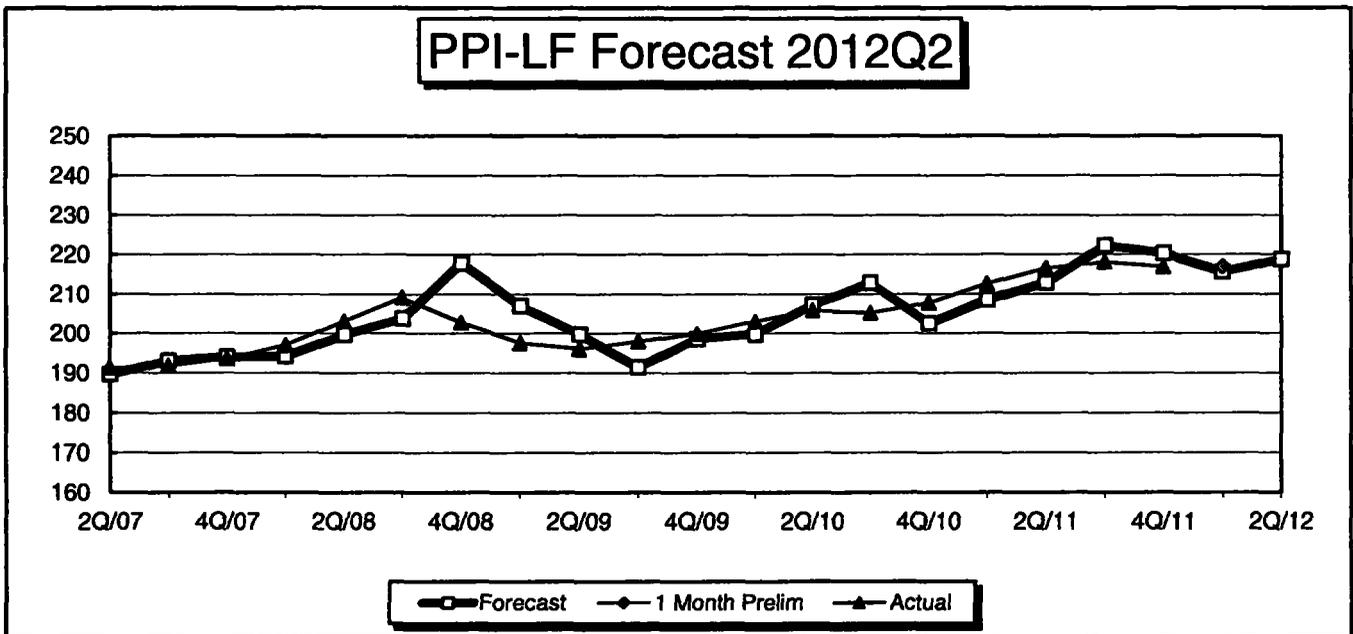
Date	2.5 Lower	Forecast	97.5 Upper
2012-02	188.037	190.196	192.355
2012-03	187.665	190.495	193.325
2012-04	187.425	190.795	194.164
2012-05	187.260	191.094	194.928
2012-06	187.146	191.394	195.642
2012-07	187.068	191.693	196.319
2012-08	187.019	191.993	196.967
2012-09	186.993	192.292	197.592
2012-10	186.985	192.592	198.198
2012-11	186.994	192.891	198.789
2012-12	187.016	193.191	199.365
2013-01	187.051	193.490	199.930

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

	Forecast	Actual	1 Month Prelim
2Q/07	189.8	191.4	
3Q/07	193.2	191.9	
4Q/07	194.1	193.7	
1Q/08	194.3	197.1	
2Q/08	199.7	203.1	
3Q/08	203.8	209.2	
4Q/08	217.8	202.8	
1Q/09	207.0	197.6	
2Q/09	199.7	196.1	
3Q/09	191.5	198.0	
4Q/09	198.7	199.9	
1Q/10	199.8	203.1	
2Q/10	207.3	205.9	
3Q/10	212.9	205.3	
4Q/10	202.6	207.8	
1Q/11	208.6	212.6	
2Q/11	212.9	216.6	
3Q/11	222.3	218.2	
4Q/11	220.3	216.9	
1Q/12	215.6		216.9
2Q/12	218.8		

1980 Base

	PPI-LF Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2012Q2						
Low	190.7	213.8	-1.3%			
Midpoint	195.2	218.8	1.0%	0.9%	0.9%	1.5%
High	199.6	223.8	3.3%			



[A to Z Index](#) | [FAQs](#) | [About BLS](#) | [Contact Us](#) | [Subscribe to E-mail Updates](#)

[What's New](#) | [Release Calendar](#) | [Site Map](#)

[Search BLS.gov](#)

[Home](#) | [Subject Areas](#) | [Databases & Tools](#) | [Publications](#) | [Economic Releases](#) | [Beta](#)

Databases, Tables & Calculators by Subject

FONT SIZE:

Change Output Options: From: 2011 To: 2012

Include graphs

[More Formatting Options](#)

Data extracted on: February 16, 2012 (2:23:17 PM)

Producer Price Index-Commodities

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

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2011	188.6	190.2	191.2	193.0	193.7	193.9	194.6	194.5	194.6	194.2(P)	193.4(P)	193.0(P)	192.9(P)
2012	193.5(P)												

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

TOOLS

[Areas at a Glance](#)
[Industries at a Glance](#)
[Economic Releases](#)
[Databases & Tables](#)
[Maps](#)

CALCULATORS

[Inflation](#)
[Location Quotient](#)
[Injury And Illness](#)

HELP

[Help & Tutorials](#)
[FAQs](#)
[Glossary](#)
[About BLS](#)
[Contact Us](#)

INFO

[What's New](#)
[Careers @ BLS](#)
[Find It! DOL](#)
[Join our Mailing Lists](#)
[Linking & Copyright Info](#)

RESOURCES

[Inspector General \(OIG\)](#)
[Budget and Performance](#)
[No Fear Act](#)
[USA gov](#)
[Benefits gov](#)
[Disability gov](#)

[Freedom of Information Act](#) | [Privacy & Security Statement](#) | [Disclaimers](#) | [Customer Survey](#) | [Important Web Site Notices](#)

U.S. Bureau of Labor Statistics | Postal Square Building, 2 Massachusetts Avenue, NE Washington, DC 20212-0001
www.bls.gov | Telephone: 1-202-691-5200 | TDD: 1-800-877-8339 | [Contact Us](#)

1f_ppi.txt
Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2012Q2\7Other\FPIf_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPILF

Length 72 Minimum 163.200 Maximum 194.600
Mean 178.887 Standard deviation 9.004

Classical decomposition (multiplicative)
Trend-cycle: 96.22% Seasonal: 0.70% Irregular: 3.08%

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

Exponential smoothing outperforms Box-Jenkins by 2.219 to 4.809 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is trended and nonseasonal.

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

Component	Smoothing weight	Final Value
Level	1.00000	193.50
Trend	0.03165	0.41556

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 178.9	Standard deviation 9.004
R-square 0.9863	Adjusted R-square 0.9861
Durbin-Watson 0.5422	** Ljung-Box(18)=104.1 P=1
Forecast error 1.062	BIC 1.111
MAPE 0.004016	RMSE 1.047
MAD 0.7251	

Forecast Report
Thu Feb 16 15:20:20 2012
Exponential Smoothing model for PPILF
Analysis of Historic Fit Set

Date	Historic
2006-02	163.200
2006-03	163.800
2006-04	164.800
2006-05	166.400
2006-06	166.800
2006-07	167.100
2006-08	167.500
2006-09	167.600
2006-10	167.700
2006-11	167.800
2006-12	167.900
2007-01	168.200
2007-02	168.600
2007-03	169.400
2007-04	170.300
2007-05	170.800
2007-06	171.000
2007-07	171.400
2007-08	171.100
2007-09	171.200
2007-10	172.200
2007-11	173.100
2007-12	173.100
2008-01	174.700
2008-02	175.900
2008-03	177.400
2008-04	179.800

lf_ppi.txt

2008-05	181.800
2008-06	183.200
2008-07	185.900
2008-08	186.600
2008-09	186.200
2008-10	183.700
2008-11	179.900
2008-12	177.400
2009-01	176.900
2009-02	176.100
2009-03	175.600
2009-04	175.000
2009-05	174.900
2009-06	175.200
2009-07	175.500
2009-08	176.600
2009-09	177.200
2009-10	177.700
2009-11	178.100
2009-12	178.900
2010-01	180.200
2010-02	181.200
2010-03	182.400
2010-04	183.800
2010-05	184.000
2010-06	183.100
2010-07	182.700
2010-08	183.100
2010-09	183.500
2010-10	184.600
2010-11	185.400
2010-12	186.300
2011-01	188.600
2011-02	190.200
2011-03	191.200
2011-04	193.000
2011-05	193.700
2011-06	193.900
2011-07	194.600
2011-08	194.500
2011-09	194.600
2011-10	194.200
2011-11	193.400
2011-12	193.000
2012-01	193.500

Forecasted values

Date	2.5 Lower	Forecast	97.5 Upper
2012-02	191.738	193.916	196.093
2012-03	191.203	194.331	197.459
2012-04	190.896	194.747	198.597
2012-05	190.704	195.162	199.620
2012-06	190.586	195.578	200.570
2012-07	190.520	195.993	201.467
2012-08	190.492	196.409	202.326
2012-09	190.496	196.824	203.153
2012-10	190.525	197.240	203.955
2012-11	190.575	197.656	204.737
2012-12	190.643	198.071	205.500
2013-01	190.726	198.487	206.247

Forecast Error Calculation

	Fourth Quarter 2011		Pct. Diff.	Notes
	2010	2011Q4		
Labor	Weight	Forecast	Actual	
Fuel	33.3%	375.3	373.9	-1.4
M&S	18.0%	396.9	375.4	-21.5
Equip Rents	5.0%	265.7	265.7	0.0
Depreciation	6.2%	205.9	204.2	-1.7
Interest	12.8%	208.4	208.4	0.0
Other	2.9%	90.6	90.6	0.0
Weighted Avg	21.8%	220.3	216.9	-3.4
	100.0%			
1980 = 100	299.8	294.6		calculated
1980 = 100 (linked)	290.6	285.3		calculated
4Q07 = 100	2.459	118.2	116.0	calculated
4Q02 = 100	1.921	151.3	148.5	calculated
4Q97 = 100	1.732	167.8	164.7	calculated
4Q92 = 100	1.569	185.2	181.8	calculated

Forecast Error → **-2.2** calculated -0.022 = RCAF adj.

Prior Quarter	2010	2011Q4	2011Q4 Actual	Notes
1980 = 100	301.0	299.2	299.2	** Re-calculated using new weights
1980 = 100 (linked)	291.8	289.8	289.8	
4Q07 = 100	118.7	117.9	117.9	calculated
4Q02 = 100	151.9	150.9	150.9	calculated
4Q97 = 100	168.5	167.3	167.3	calculated
4Q92 = 100	186.0	184.7	184.7	calculated

Equipment Rents	2010	2011Q4	2011Q4 Actual	Notes
Car Hire	175.2	175.2	175.5	from Equipment Rents/CHARM
Lease Rentals	220.3	220.3	216.9	(equals PPI-LF from above)
Weighted Average	199.6	199.6	197.9	calculated
Linked	205.9	205.9	204.2	calculated
Prior Quarter	202.4	202.4	200.6	** Re-calculated using new weights
Weighted Average	208.8	208.8	207.0	
Linked				

Sum of Weights ok
 Sum of ER Wt. ok

** if fourth quarter, weighted avg for prior needs to use new weights, linked is ok

All-Inclusive Index (Actual)

	10 Wts	3Q/11 09 Wts	3Q/11 10 Wts	% Chg.	4Q/11 10 Wts	% Chg.	1Q/12 10 Wts	% Chg.	2Q/12 10 Wts	% Chg.	3Q/12 10 Wts	% Chg.
Labor	33.3%	382.1	382.1	0.0%	373.9	-2.1%	NA	NA	NA	NA	NA	NA
Fuel	18.0%	387.0	387.0	0.0%	375.4	-3.0%	NA	NA	NA	NA	NA	NA
M&S	5.0%	257.9	257.9	0.0%	265.7	3.0%	NA	NA	NA	NA	NA	NA
Equipment Rents	6.2%	207.0	207.0	0.0%	204.2	-1.4%	0.0	NA	#DIV/0!	NA	#DIV/0!	NA
Depreciation	12.8%	207.3	207.3	0.0%	208.4	0.5%	90.6	0.0%	90.6	0.0%	90.6	0.0%
Interest	2.9%	84.5	84.5	0.0%	90.6	7.2%	NA	NA	NA	NA	NA	NA
Other	21.8%	218.2	218.2	0.0%	216.9	-0.6%	NA	NA	NA	NA	NA	NA
Weighted Avg.	1.0000	295.9	299.2	1.1%	294.6	-1.5%	2.6	NA	#####	NA	#####	NA
Linked		289.8	285.3	-1.6%	285.3	-1.6%	2.5	NA	#####	NA	#####	NA
10/1/80	1.027	282.2	277.8	-1.6%	277.8	-1.6%	2.4	NA	#DIV/0!	NA	#DIV/0!	NA
10/1/82	1.209	239.7	236.0	-1.5%	236.0	-1.5%	2.1	NA	#DIV/0!	NA	#DIV/0!	NA
4Q/87	1.322	219.2	215.8	-1.6%	215.8	-1.6%	1.9	NA	#DIV/0!	NA	#DIV/0!	NA
4Q/92	1.569	184.7	181.8	-1.6%	181.8	-1.6%	1.6	NA	#DIV/0!	NA	#DIV/0!	NA
4Q/97	1.732	167.3	164.7	-1.6%	164.7	-1.6%	1.4	NA	#DIV/0!	NA	#DIV/0!	NA
4Q/02	1.921	150.9	148.5	-1.6%	148.5	-1.6%	1.3	NA	#DIV/0!	NA	#DIV/0!	NA
4Q/07	2.159	117.9	116.0	-1.6%	116.0	-1.6%	1.0	NA	#####	NA	#####	NA
Equipment Rents												
Car Hire	45.8%	179.8	179.8	0.0%	175.5	-2.4%	NA	NA	NA	NA	NA	NA
Lease Rentals	54.2%	218.2	218.2	0.0%	216.9	-0.6%	0.0	NA	0.0	NA	0.0	NA
ER Weighted Avg	1.0000	202.0	200.6	-0.7%	197.9	-1.3%	0.0	NA	0.0	NA	0.0	NA
ER Linked		207.0	204.2	-1.4%	204.2	-1.4%	0.0	NA	#DIV/0!	NA	#DIV/0!	NA

Note: 2011Q4 Labor Index was corrected from 375.3 filed to 373.9 because of a Wage Stat revision by one railroad. The corrected 373.9 will be used as actual in calculating Forecast Error.

	09 Wts	10 Wts
Impact/Check of weight change		
Labor	132.589	127.239
Fuel	57.663	69.660
Material & Supplies	13.153	12.895
Equipment Rents	14.697	12.834
Depreciation	26.815	26.534
Interest	2.535	2.451
Other	46.477	47.568
Weighted Avg.	295.928	299.181
ER Weighted Avg.	201.99334	200.6128

calculated as if a 5-year moving average had been applied consistently from the productivity adjustment's inception in 1989.

The index of railroad input prices, RCAF (Unadjusted), RCAF (Adjusted), and RCAF-5 for the first quarter 2012 are shown in Table A of the Appendix to this decision. Table B shows the third quarter 2011 index and the RCAF calculated on both an actual and a forecasted basis. The difference between the actual calculation and the forecasted calculation is the forecast error adjustment.

In its submission, AAR states that during late October, one railroad revised its 2010 wage statistics that had been used as benchmarks in the fourth quarter 2011 calculation. According to AAR, this revision caused the original fourth quarter Labor index of 375.3 to change, resulting in a corrected Labor index of 373.9. AAR proposes that the Board use the second quarter 2012 forecast error calculation to account for any differences caused by this revision.

The Board has used the forecast error adjustment procedure to remedy similar errors, and we believe it is the best available method to correct the Labor index.² Therefore, we will not restate the fourth quarter 2011 RCAF figures, but will allow the correction to be made using the second quarter 2012 forecast error calculation. As a result, the second quarter 2012 forecast error calculation will include the forecast version of the fourth quarter 2011 Labor index of the original 375.3, and the actual version of the Labor index of the corrected 373.9 index. In the current first quarter 2012 RCAF calculations, the Labor index has been calculated as if the fourth quarter 2011 version had used the corrected price.

We have examined AAR's calculations and we find that AAR has complied with our procedures. We find that the first quarter 2012 RCAF (Unadjusted) is 1.169, a decrease of 3.2% from the fourth quarter 2011 RCAF of 1.208.³ The RCAF (Adjusted) is calculated, in part, using the RCAF (Unadjusted) and a 5-year moving geometric average of productivity change for U.S. Class I railroads from 2005-2009, which is 1.014 (1.4% per year). We find the RCAF (Adjusted) is 0.514, a decrease of 3.6% from the previously reported fourth quarter 2011 RCAF (Adjusted) of 0.533.⁴

² See Quarterly Rail Cost Adjustment Factor, EP 290 (Sub-No. 5) (2011-4), slip op. at 2 (correcting, but not restating, the third quarter 2011 Materials and Supplies index using the first quarter 2012 forecast error calculation); see also Quarterly Rail Cost Adjustment Factor, EP 290 (Sub-No. 5) (2001-1), slip op. at 2 (STB served Dec. 20, 2000) (noting that the forecast error adjustment was the best available method to correct an earlier overstated RCAF calculation and not restating that earlier overstated RCAF).

³ The percent changes for the first quarter 2012 RCAF (Unadjusted), RCAF (Adjusted), and the RCAF-5 are all based on the original fourth quarter 2011 decision.

⁴ The first quarter 2012 RCAF Adjusted (0.514) is calculated by dividing the first quarter 2012 RCAF Unadjusted (1.169) by the first quarter productivity adjustment factor of 2.2724. The first quarter 2012 productivity adjustment factor is calculated by multiplying the fourth quarter 2011 productivity adjustment of 2.2645 by the fourth root (1.0035) of the 2005-2009 annual average productivity growth rate of 1.4%.

RCAF Fuel (Actual All-Inclusive Index)

October 2011

Monthly Report

	October 2011 Price (cents) (1)	1/1/81 Price (cents) (2)	1/91 New Method Linking Factors (3)	October 2011 Index 1/1/81=100 (4)	Linking Factor 1980=100 (5)	October 2011 1980=100 Current Index (6)
U.S.	307.25	89.34	99.415	341.90	1.096	374.72
				(4) = (1) / (2) x (3)		(6) = (4) x (5)

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

	October 2011 1980=100 Current Index	Adjustment Factor	October 2011 1980=100 Linked Index
U.S.	374.72	1.00192	375.44 ←

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

Car Hire for RCAF

RCAF (Actual)

		1980	Aug 3Q/11	Nov 4Q/11	Feb 1Q/12	May 2Q/12	Aug 3Q/12
RATE							
	RR-OWNED TIME	31.00	67.00	67.00	--	--	--
	RR-OWNED MILEAGE	4.69	7.20	7.20	--	--	--
	PRIVATELY-OWNED CARS	25.47	45.00	43.50	--	--	--
	AUTORACKS	47.00	42.33	42.33	--	--	--
INDEX							
	RR-OWNED TIME	100.0	216.1	216.1	--	--	--
	RR-OWNED MILEAGE	100.0	153.5	153.5	--	--	--
	PRIVATELY-OWNED CARS	100.0	176.7	170.8	--	--	--
	AUTORACKS	100.0	90.1	90.1	--	--	--
CAR HIRE INDEX (old wts)	2009	100.0	180.2	--	--	--	--
CAR HIRE INDEX (new wts)	2010	100.0	180.7	176.4	--	--	--
CAR HIRE INDEX (LINKED)		100.0	179.8	175.5	--	--	--

Note: Indexes are rounded, rates are full float.

1 PROGRAM: DPRB799

DATE: NOVEMBER 1, 2011

RAILROAD EQUIPMENT 1/

PAGE NO: 36

AVERAGE RATE FOR 02/12

CAR GROUP	CAR COUNT	TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	10,054	149 ¢/HR	.092 \$/MILE	21 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/	94			
-ALL OTHER CARS	580,773	67 ¢/HR	.072 \$/MILE	
ONO. OF ZERO RATED "OTHER" CARS 2/	32,210			
	TOTAL:			
	623,131			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:

CAR TYPE D - LOCOMOTIVES

CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE

CAR TYPE U - CONTAINERS

CAR TYPE Z - TRAILERS

0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONK) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.

-2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6). THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS.

1 PROGRAM: DRB799

DATE: NOVEMBER 1, 2011

PRIVATE EQUIPMENT 1/

PAGE NO: 79

AVERAGE RATE FOR 02/12

CAR GROUP	CAR COUNT	TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	45,960	78 ¢/HR	.014 \$/MILE	47 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/	9			
-COVERED HOPPERS	332,345	0 ¢/HR	.432 \$/MILE	
ONO. OF ZERO RATED COVERED HOPPERS 2/	10,290			
-TANKS	305,104	0 ¢/HR	.694 \$/MILE	
ONO. OF ZERO RATED TANKS 2/	9,048			
-ALL OTHER CARS	307,098	66 ¢/HR	.070 \$/MILE	
ONO. OF ZERO RATED "OTHER" CARS 2/	32,484			
TOTAL:	1,042,338			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:

- CAR TYPE D - LOCOMOTIVES
- CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE
- CAR TYPE U - CONTAINERS
- CAR TYPE Z - TRAILERS

0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONX) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.

-2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6). THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS.

RCAF - Depreciation

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

Forecast Year 2012 As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast →		12Q1	12Q2	12Q3	12Q4
For Actual →		11Q3	11Q4	12Q1	12Q2
January	2011	184.9	184.9	184.9	184.9
February	2011	185.1	185.1	185.1	185.1
March	2011	187.0	187.0	187.0	187.0
April	2011	186.6	186.6	186.6	186.6
May	2011	186.7	186.7	186.7	186.7
June	2011	186.8	186.8	186.8	186.8
July	2011	187.4	187.3	187.3	187.3
August	2011	187.4	187.4	187.4	187.4
September	2011	187.4	187.5	187.5	187.5
October	2011	187.5	187.5		
November	2011		187.7		
December	2011		189.9		
January	2012		189.9		
February	2012				
March	2012				
April	2012				
May	2012				
June	2012				
July	2012				
Actual Qtr.		187.4	188.4	NA	NA

1980=100

Actual Qtr.	207.3	208.4	NA	NA
First Mo. next qtr.	207.4	210.1	NA	NA

0.904 =1980

[A to Z Index](#) | [FAQs](#) | [About BLS](#) | [Contact Us](#) | [Subscribe to E-mail Updates](#)

[What's New](#) | [Release Calendar](#) | [Site Map](#)

[Search BLS.gov](#)

[Home](#) | [Subject Areas](#) | [Databases & Tools](#) | [Publications](#) | [Economic Releases](#) | [Beta](#)

Databases, Tables & Calculators by Subject

FONT SIZE:

Change Output Options: From 2011 To: 2012

Include graphs

[More Formatting Options](#) ➡

Data extracted on: February 16, 2012 (2:21:10 PM)

Producer Price Index-Commodities

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

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2011	184.9	185.1	187.0	186.6	186.7	186.8	187.3	187.4	187.5	187.5(P)	187.7(P)	189.9(P)	187.0(P)
2012	189.9(P)												

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

TOOLS

[Areas at a Glance](#)
[Industries at a Glance](#)
[Economic Releases](#)
[Databases & Tables](#)
[Maps](#)

CALCULATORS

[Inflation](#)
[Location Quotient](#)
[Injury And Illness](#)

HELP

[Help & Tutorials](#)
[FAQs](#)
[Glossary](#)
[About BLS](#)
[Contact Us](#)

INFO

[What's New](#)
[Careers @ BLS](#)
[Find It! DOL](#)
[Join our Mailing Lists](#)
[Linking & Copyright Info](#)

RESOURCES

[Inspector General \(OIG\)](#)
[Budget and Performance](#)
[No Fear Act](#)
[USA gov](#)
[Benefits gov](#)
[Disability gov](#)

[Freedom of Information Act](#) | [Privacy & Security Statement](#) | [Disclaimers](#) | [Customer Survey](#) | [Important Web Site Notices](#)

U.S. Bureau of Labor Statistics | Postal Square Building, 2 Massachusetts Avenue, NE Washington, DC 20212-0001

www.bls.gov | Telephone: 1-202-691-5200 | TDD: 1-800-877-8339 | [Contact Us](#)

RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

Forecast Year 2012 As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast →		12Q1	12Q2	12Q3	12Q4
For Actual →		11Q3	11Q4	12Q1	12Q2
January	2011	188.6	188.6	188.6	188.6
February	2011	190.2	190.2	190.2	190.2
March	2011	191.2	191.2	191.2	191.2
April	2011	193.0	193.0	193.0	193.0
May	2011	193.7	193.7	193.7	193.7
June	2011	193.9	193.9	193.9	193.9
July	2011	194.5	194.6		
August	2011	194.5	194.5		
September	2011	194.7	194.6		
October	2011	194.2	194.2		
November	2011		193.4		
December	2011		193.0		
January	2012		193.5		
February	2012				
March	2012				
April	2012				
May	2012				
June	2012				
July	2012				
Actual Qtr.		194.6	193.5	NA	NA

1980=100

Actual Qtr.	218.2	216.9	NA	NA
First Mo. next qtr.	217.7	216.9	NA	NA

0.892 =1980

[A to Z Index](#) | [FAQs](#) | [About BLS](#) | [Contact Us](#) | [Subscribe to E-mail Updates](#)

[What's New](#) | [Release Calendar](#) | [Site Map](#)

[Search BLS.gov](#)

[Home](#) | [Subject Areas](#) | [Databases & Tools](#) | [Publications](#) | [Economic Releases](#) | [Beta](#)

Databases, Tables & Calculators by Subject

FONT SIZE:

Change Output Options: From: 2011 To: 2012

Include graphs

[More Formatting Options](#)

Data extracted on: February 16, 2012 (2:23:17 PM)

Producer Price Index-Commodities

Series Id: WPU03T15M05

Not Seasonally Adjusted

Group: Industrial Commodities less fuels

Item: Industrial commodities less fuels

Base Date: 198200

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2011	188.6	190.2	191.2	193.0	193.7	193.9	194.6	194.5	194.6	194.2(P)	193.4(P)	193.0(P)	192.9(P)
2012	193.5(P)												

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

TOOLS

[Areas at a Glance](#)
[Industries at a Glance](#)
[Economic Releases](#)
[Databases & Tables](#)
[Maps](#)

CALCULATORS

[Inflation](#)
[Location Quotient](#)
[Injury And Illness](#)

HELP

[Help & Tutorials](#)
[FAQs](#)
[Glossary](#)
[About BLS](#)
[Contact Us](#)

INFO

[What's New](#)
[Careers @ BLS](#)
[Find It! DOL](#)
[Join our Mailing Lists](#)
[Linking & Copyright Info](#)

RESOURCES

[Inspector General \(OIG\)](#)
[Budget and Performance](#)
[No Fear Act](#)
[USA.gov](#)
[Benefits.gov](#)
[Disability.gov](#)

[Freedom of Information Act](#) | [Privacy & Security Statement](#) | [Disclaimers](#) | [Customer Survey](#) | [Important Web Site Notices](#)

U.S. Bureau of Labor Statistics | Postal Square Building, 2 Massachusetts Avenue, NE Washington, DC 20212-0001

www.bls.gov | Telephone: 1-202-691-5200 | TDD: 1-800-877-8339 | [Contact Us](#)

MEDIATION AGREEMENT

THIS AGREEMENT, made this 6th day of February, 2012, by and between the participating carriers listed in Exhibit A attached hereto and represented by the National Carriers' Conference Committee, and the employees shown thereon and represented by the American Train Dispatchers Association, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

Effective July 1, 2010, each basic monthly rate of pay in effect on June 30, 2010 for employees covered by this Agreement shall be increased in the amount of two (2) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

Section 2 - Second General Wage Increase

Effective July 1, 2011, each basic monthly rate of pay in effect on June 30, 2011 for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2.5) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

Section 3 - Third General Wage Increase

Effective July 1, 2012, each basic monthly rate of pay in effect on June 30, 2012 for employees covered by this Agreement shall be increased in the amount of four-and-three-tenths (4.3) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent

adjustment shall be made.

Section 4 – Fourth General Wage Increase

Effective July 1, 2013, each basic monthly rate of pay in effect on June 30, 2013 for employees covered by this Agreement shall be increased in the amount of three (3) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

Section 5 – Fifth General Wage Increase

Effective July 1, 2014, each basic monthly rate of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased in the amount of three-and-eight-tenths (3.8) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

Section 6 – Sixth General Wage Increase

Effective January 1, 2015, each basic monthly rate of pay in effect on December 31, 2014 for employees covered by this Agreement shall be increased in the amount of three (3) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

ARTICLE II – LUMP SUM PAYMENT

(a) A lump sum payment shall be made to each employee subject to this Agreement who has an employment relationship with the carrier as of the date such lump sum is paid or who has retired or died subsequent to October 31, 2010. Such lump sum shall be paid no later than ninety (90) days after the date of this Agreement. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

(b) The lump sum amount payable to an eligible employee shall be a lump sum equivalent to 1% of straight time earnings paid to that employee for the twelve month period November 1, 2010 through October 31, 2011, after application of the July 1, 2010 and July 1, 2011 general wage increases provided for in Article I.

ARTICLE III - HEALTH AND WELFARE

Part A - Plan Changes

Section 1 - Continuation of Plans

The Railroad Employees National Health and Welfare Plan ("the Plan"), the Railroad Employees National Dental Plan ("the Dental Plan"), the Railroad Employees National Early Retirement Major Medical Benefit Plan ("ERMA"), and the Railroad Employees National Vision Plan ("the Vision Plan"), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

Section 2 - Plan Design Changes

(a) The Plan's Managed Medical Care Program ("MMCP") shall be revised as follows:

- (1) There shall be a separate, stand-alone, Annual Deductible for In-Network Services for which a fixed-dollar copayment does not apply. For the six-month period from July 1 through December 31, 2012, inclusive, this Annual Deductible shall be \$100 per individual and \$200 per family. For calendar year 2013, this Annual Deductible shall be \$150 per individual and \$300 per family. Beginning January 1, 2014, this Annual Deductible shall be \$200 per individual per year and \$400 per family per year.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2010 through December 31, 2011, the employee monthly cost-sharing contribution amount shall be \$200.00.

(b) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to the lesser of 15% of the Carriers' Monthly Payment Rate for 2012 or \$200.00.

(c) The employee monthly cost-sharing contributions amount shall be adjusted, effective July 1, 2016, so as to equal the lesser of 15% of the Carrier's Monthly Payment Rate for 2016 or \$230.00, unless otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article IV.

(d) For purposes of subsections (b) and (c) above, the "Carriers' Monthly Payment Rate" for any year shall mean one twelfth of the sum of what the carriers' monthly payments to –

- (1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
- (2) the Dental Plan for employee and dependent dental benefits and
- (3) the Vision Plan for employee and dependent vision benefits,

would have been during that year, per non-hospital association road employee, in the absence of any employee contributions to such Plans.

EXHIBIT A
(ATDA)

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2009 BY AND ON BEHALF OF SUCH CARRIERS UPON THE AMERICAN TRAIN DISPATCHERS ASSOCIATION, AND NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2009 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES, OF THE AMERICAN TRAIN DISPATCHERS ASSOCIATION UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the American Train Dispatchers Association.

The Belt Railway Company of Chicago
BNSF Railway Company
Consolidated Rail Corporation
CSX Transportation, Inc.

(Selkirk, NY and Indianapolis, IN offices) - 1

Indiana Harbor Belt Railway Company

The Kansas City Southern Railway Company

Norfolk Southern Railway Company - 1

The Alabama Great Southern Railroad Company - 1

The Cincinnati, New Orleans & Texas Pacific Railway Company - 1

Georgia Southern and Florida Railway Company - 1

Northeast Illinois Regional Commuter RR Corp (METRA) - 1

Soo Line Railroad Company d.b.a. Canadian Pacific

Terminal Railroad Association of St. Louis - 1

* * * * *

NOTES:

- 1 - Health & Welfare only

FOR THE CARRIERS:

A. Kenneth Hradia

FOR THE ATDA:

[Signature]

February 6, 2012
Washington, D.C.

MEDIATION AGREEMENT

THIS AGREEMENT, made this 5th day of January, 2012 by and between the participating carriers listed in Exhibit A, attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the Brotherhood of Locomotive Engineers and Trainmen, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

(a) Effective July 1, 2010, all standard basic daily rates of pay for employees represented by the Brotherhood of Locomotive Engineers and Trainmen ("BLET") in effect on June 30, 2010 shall be increased by two (2) percent.

(b) In computing the increase under paragraph (a) above, two (2) percent shall be applied to the standard basic daily rates of pay applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily rate of pay:

Passenger	- 600,000 and less than 650,000 pounds
Freight	- 950,000 and less than 1,000,000 pounds (through freight rates)
Yard Engineers	- Less than 500,000 pounds
Yard Firemen	- Less than 500,000 pounds (separate computation covering five-day rates and other than five-day rates)

Section 2 - Second General Wage Increase

Effective July 1, 2011, all standard basic daily rates of pay in effect on June 30, 2011 for employees represented by the BLET shall be increased by two-and-one-half (2.5) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 3 - Third General Wage Increase

Effective July 1, 2012, all standard basic daily rates of pay in effect on June 30, 2012 for employees represented by the BLET shall be increased by four-and-three-tenths (4.3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 4 - Fourth General Wage Increase

Effective July 1, 2013, all standard basic daily rates of pay in effect on June 30, 2013 for employees represented by the BLET shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 5 - Fifth General Wage Increase

Effective July 1, 2014, all standard basic daily rates of pay in effect on June 30, 2014 for employees represented by the BLET shall be increased by three-and-eight-tenths (3.8) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 6 - Sixth General Wage Increase

Effective January 1, 2015, all standard basic daily rates of pay in effect on December 31, 2014 for employees represented by the BLET shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

without firemen on locomotives on which under the former National Diesel Agreement of 1950 firemen would have been required. Such differential will continue to be applied in the same manner as the local freight differential.

(iii) Daily rates of pay, other than standard, of firemen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of miles equal to or less than the number encompassed in the basic day, which are therefore paid on a daily basis without a mileage component, shall be increased as of the effective dates specified in Sections 1, 2, 3, 4, 5, and 6 hereof by the same respective percentages as set forth therein, computed and applied in the same manner as provided in paragraph (i)(i) above.

(j) Trip Rates established pursuant to Article V of the 2003 BLET Agreement shall be adjusted by application of the general wage increases provided for in this Article I, in the manner set forth in Article V, Part B, Section 4(c)(1) of that Agreement.

ARTICLE II – LUMP SUM PAYMENT

(a) A lump sum payment shall be made to each employee subject to this Agreement who has an employment relationship with the carrier as of the date such lump sum is paid or who has retired or died subsequent to October 31, 2010. Such lump sum shall be paid no later than ninety (90) days after the date of this Agreement. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

(b) The lump sum amount payable to an eligible employee shall be a lump sum equivalent to 1% of straight time earnings paid to that employee for the twelve month period November 1, 2010 through October 31, 2011, after application of the July 1, 2010 and July 1, 2011 general wage increases provided for in Article I.

accordance with the PBM's Temporary Override Program without Prior Authorization.

- (2) Retirees and their covered dependents shall be required to adhere to Step Therapy and Quantity/Duration Limits Programs then in effect of ERMA's PBM with respect to the prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Step Therapy Program and/or Quantity/Duration Limits Program, as the case may be.
- (3) Retirees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM's Personalized Medicine and/or Generic Rx Advantage Program then in effect.

(b) The design changes contained in this Section shall become effective on July 1, 2012, and shall apply only to individuals who become eligible for ERMA coverage on or after July 1, 2012.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2010 through December 31, 2011, the employee monthly cost-sharing contribution amount shall be \$200.00.

(b) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to the lesser of 15% of the Carriers' Monthly Payment Rate for 2012 or \$200.00.

(c) The employee monthly cost-sharing contributions amount shall be adjusted, effective July 1, 2016, so as to equal the lesser of 15% of the Carrier's Monthly Payment Rate for 2016 or \$230.00, unless otherwise

Exhibit A
BLET

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR AFTER NOVEMBER 1, 2009 BY AND ON BEHALF OF SUCH CARRIERS UPON THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN, AND NOTICES SERVED ON OR AFTER NOVEMBER 1, 2009 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Brotherhood of Locomotive Engineers and Trainmen:

The Belt Railway Company of Chicago -1
~~BNSF Railway Company~~ - 1
Consolidated Rail Corporation
CSX Transportation, Inc. -
 ~~CSX Transportation, Inc. (Single-System Agreement)~~ - 1
 Consolidated Rail Corporation (former) - 1
Indiana Harbor Belt Railroad Company
The Kansas City Southern Railway Company
 Kansas City Southern Railway
 Gateway Western Railway
 Louisiana and Arkansas Railway
 MidSouth Rail Corporation
 SouthRail Corporation
 Joint Agency
 The Texas Mexican Railway Company
Longview Switching Company
Portland Terminal Railroad Company
Soo Line Railroad Company d.b.a Canadian Pacific

Union Pacific Railroad Company - 1
Winston Salem Southbound Railway Company

* * * * *

Note:

1 - Health & Welfare only

FOR THE CARRIERS:

**FOR THE BROTHERHOOD OF
LOCOMOTIVE ENGINEERS
AND TRAINMEN:**

A. Kenneth Rubin

W. R. King

January 5, 2012
Washington, D.C.

January 5, 2012

#4

Mr. Dennis Pierce
National President
Brotherhood of Locomotive Engineers & Trainmen
1370 Ontario Street
Cleveland, OH 44113-1702

Dear Mr. Pierce:

This confirms our understanding with respect to Article II – Lump Sum Payment of the Agreement of this date.

Article II provides in pertinent part for payment to a qualified employee of a lump sum “equivalent to 1% of straight time earnings paid to that employee” for a specified time period. In recognition of potential questions of interpretation with regard to the intended application of that formulation to employees covered by operating craft compensation rules, the parties have mutually agreed that the following elements of compensation constitute “straight time earnings” for purposes of Article II (such definition to be applied solely for the purposes of this Agreement).

1. **Straight time pay (elements of pay subject to adjustment for general wage increases, excluding labor protection payments)**
2. **Overmile payments**
3. **Paid time for vacations, holidays, personal leave, and bereavement leave.**

4. Deadhead payments
5. Guarantee payments (make whole, such as guaranteed extra board payments).

Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,



A. Kenneth Gradia

I agree:



Dennis Pierce

MEDIATION AGREEMENT

THIS AGREEMENT, made this 6th day of February, 2012, by and between the participating carriers listed in Exhibit A attached hereto and hereby made a part hereof, and represented by the National Carriers' Conference Committee, and employees of such carriers represented by the Brotherhood of Railroad Signalmen, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

On July 1, 2010, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two (2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) Hourly Rates -

Add 2 percent to the existing hourly rates of pay.

(b) Daily Rates -

Add 2 percent to the existing daily rates of pay.

(c) Weekly Rates -

Add 2 percent to the existing weekly rates of pay.

(d) Monthly Rates -

Add 2 percent to the existing monthly rates of pay.

(e) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) to (d), inclusive, which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) Application of Wage Increase -

The increase in wages provided for in this Section 1 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 2 - Second General Wage Increase

Effective July 1, 2011, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2011 for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 2 shall be applied in the same manner as provided for in Section 1 hereof.

for in Section 1 hereof.

ARTICLE II – LUMP SUM PAYMENT

(a) A lump sum payment shall be made to each employee subject to this Agreement who has an employment relationship with the carrier as of the date such lump sum is paid or who has retired or died subsequent to October 31, 2010. Such lump sum shall be paid no later than ninety (90) days after the date of this Agreement. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

(b) The lump sum amount payable to an eligible employee shall be a lump sum equivalent to 1% of straight time earnings paid to that employee for the twelve month period November 1, 2010 through October 31, 2011, after application of the July 1, 2010 and July 1, 2011 general wage increases provided for in Article I.

ARTICLE III - HEALTH AND WELFARE

Part A - Plan Changes

Section 1 - Continuation of Plans

The Railroad Employees National Health and Welfare Plan ("the Plan"), the Railroad Employees National Dental Plan ("the Dental Plan"), the Railroad Employees National Early Retirement Major Medical Benefit Plan ("ERMA"), and the Railroad Employees National Vision Plan ("the Vision Plan"), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

the prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Step Therapy Program and/or Quantity/Duration Limits Program, as the case may be.

- (3) Retirees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM's Personalized Medicine and/or Generic Rx Advantage Program then in effect.

(b) The design changes contained in this Section shall become effective on July 1, 2012, and shall apply only to individuals who become eligible for ERMA coverage on or after July 1, 2012.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2010 through December 31, 2011, the employee monthly cost-sharing contribution amount shall be \$200.00.

(b) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to the lesser of 15% of the Carriers' Monthly Payment Rate for 2012 or \$200.00.

(c) The employee monthly cost-sharing contributions amount shall be adjusted, effective July 1, 2016, so as to equal the lesser of 15% of the Carrier's Monthly Payment Rate for 2016 or \$230.00, unless otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article VI.

MEDIATION AGREEMENT

THIS AGREEMENT, made this 11th day of January, 2012, by and between the participating carriers listed in Exhibit A attached hereto and represented by the National Carriers' Conference Committee, and the employees shown thereon and represented by the International Association of Machinists and Aerospace Workers, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

On July 1, 2010, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two (2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) **Hourly Rates** -

Add 2 percent to the existing hourly rates of pay.

(b) **Daily Rates** -

Add 2 percent to the existing daily rates of pay.

(c) **Weekly Rates** -

Add 2 percent to the existing weekly rates of pay.

(d) Monthly Rates -

Add 2 percent to the existing monthly rates of pay.

(e) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) to (d), inclusive, above which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) Application of Wage Increase -

The increase in wages provided for in this Section 1 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

(g) COLA Payments -

Any cost-of-living allowance amounts rolled in to basic rates of pay on or after June 30, 2011 pursuant to Article III, Part B of the National IAM Agreement dated October 1, 2008 (or any local counterpart agreement) shall be excluded before application of the general wage increases provided for in this Section 1 and eliminated from basic rates of pay after application of such increases.

Section 2 - Second General Wage Increase

Effective July 1, 2011 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2011 for employees covered by this Agreement shall be increased by two-and-one-half (2.5) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 3 - Third General Wage Increase

Effective July 1, 2012, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2012 for employees covered by this Agreement shall be increased in the amount of four-and-three-tenths (4.3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 4 - Fourth General Wage Increase

Effective July 1, 2013, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2013 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 5 - Fifth General Wage Increase

Effective July 1, 2014, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased in the amount of three-and-eight-tenths (3.8) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 6 - Sixth General Wage Increase

Effective January 1, 2015, all hourly, daily, weekly and monthly rates of pay in effect on December 31, 2014 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

ARTICLE II – LUMP SUM PAYMENT

(a) A lump sum payment shall be made to each employee subject to this Agreement who has an employment relationship with the carrier as of the date such lump sum is paid or who has retired or died subsequent to October 31, 2010. Such lump sum shall be paid no later than ninety (90) days after the date of this Agreement. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

(b) The lump sum amount payable to an eligible employee shall be a lump sum equivalent to 1% of straight time earnings paid to that employee for the twelve month period November 1, 2010 through October 31, 2011, after application of the July 1, 2010 and July 1, 2011 general wage increases provided for in Article I.

ARTICLE III - COST-OF-LIVING PAYMENTS

Section 1

Article III, Part B, of the October 1, 2008 IAM Mediation Agreement (Case No. A-13431) shall be eliminated effective June 30, 2011. All cost-of-living allowance payments made thereunder to employees for periods on and after July 1, 2011 shall be recovered from any retroactive wage increase payments made under Article I of this Agreement.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be \$200.00

(b) Effective January 1, 2011, the employee monthly cost sharing amount shall be \$202.84.

(c) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to the lesser of 15% of the Carriers' Monthly Payment Rate for 2012 or \$200.

(d) The employee monthly cost-sharing contributions amount shall be adjusted, effective July 1, 2016, so as to equal the lesser of 15% of the Carrier's Monthly Payment Rate for 2016 or \$230.00, unless otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article VI.

(e) For purposes of subsections (c) and (d) above, the "Carriers' Monthly Payment Rate" for any year shall mean one twelfth of the sum of what the carriers' monthly payments to –

- (1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
- (2) the Dental Plan for employee and dependent dental benefits and

MEDIATION AGREEMENT

THIS AGREEMENT, made this 17th day of January, 2012, by and between the participating carriers listed in Exhibit A attached hereto and represented by the National Carriers' Conference Committee, and the employees shown thereon and represented by the International Brotherhood of Boilermakers and Blacksmiths, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

On July 1, 2010, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two (2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) **Hourly Rates** -

Add 2 percent to the existing hourly rates of pay.

(b) **Daily Rates** -

Add 2 percent to the existing daily rates of pay.

(c) **Weekly Rates** -

Add 2 percent to the existing weekly rates of pay.

(d) Monthly Rates -

Add 2 percent to the existing monthly rates of pay.

(e) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) to (d), inclusive, above which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) Application of Wage Increase -

The increase in wages provided for in this Section 1 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 2 - Second General Wage Increase

Effective July 1, 2011, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2011 for employees covered by this Agreement shall be increased by two-and-one-half (2.5) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

ARTICLE II – LUMP SUM PAYMENT

(a) A lump sum payment shall be made to each employee subject to this Agreement who has an employment relationship with the carrier as of the date such lump sum is paid or who has retired or died subsequent to October 31, 2010. Such lump sum shall be paid no later than ninety (90) days after the date of this Agreement. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

(b) The lump sum amount payable to an eligible employee shall be a lump sum equivalent to 1% of straight time earnings paid to that employee for the twelve month period November 1, 2010 through October 31, 2011, after application of the July 1, 2010 and July 1, 2011 general wage increases provided for in Article I.

ARTICLE III - HEALTH AND WELFARE

Part A - Plan Changes

Section 1 - Continuation of Plans

The Railroad Employees National Health and Welfare Plan ("the Plan"), the Railroad Employees National Dental Plan ("the Dental Plan"), the Railroad Employees National Early Retirement Major Medical Benefit Plan ("ERMA"), and the Railroad Employees National Vision Plan ("the Vision Plan"), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

Section 2 - Plan Design Changes

(a) The Plan's Managed Medical Care Program ("MMCP") shall be revised as follows:

Program and/or Quantity/Duration Limits Program, as the case may be.

- (3) Retirees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM's Personalized Medicine and/or Generic Rx Advantage Program then in effect.

(b) The design changes contained in this Section shall become effective on July 1, 2012, and shall apply only to individuals who become eligible for ERMA coverage on or after July 1, 2012.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2010 through December 31, 2011, the employee monthly cost-sharing contribution amount shall be \$200.00.

(b) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to the lesser of 15% of the Carriers' Monthly Payment Rate for 2012 or \$200.00.

(c) The employee monthly cost-sharing contributions amount shall be adjusted, effective July 1, 2016, so as to equal the lesser of 15% of the Carrier's Monthly Payment Rate for 2016 or \$230.00, unless otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article V.

(d) For purposes of subsections (b) and (c) above, the "Carriers' Monthly Payment Rate" for any year shall mean one twelfth of the sum of what the carriers' monthly payments to –

MEDIATION AGREEMENT

THIS AGREEMENT, made this 5th day of January, 2012, by and between the participating carriers listed in Exhibit A attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the International Brotherhood of Electrical Workers, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

On July 1, 2010, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two (2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) **Hourly Rates** -

Add 2 percent to the existing hourly rates of pay.

(b) **Daily Rates** -

Add 2 percent to the existing daily rates of pay.

(c) **Weekly Rates** -

Add 2 percent to the existing weekly rates of pay.

(d) **Monthly Rates** -

Add 2 percent to the existing monthly rates of pay.

(e) **Disposition of Fractions** -

Rates of pay resulting from application of paragraphs (a) to (d), inclusive, above which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) **Application of Wage Increase** -

The increase in wages provided for in this Section 1 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly, or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 2 - Second General Wage Increase

Effective July 1, 2011, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2011 for employees covered by this Agreement shall be increased by two-and-one-half (2.5) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 3 - Third General Wage Increase

Effective July 1, 2012, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2012 for employees covered by this Agreement shall be increased in the amount of four-and-three-tenths (4.3) percent applied so as to give effect to this increase irrespective of the method of payment.

Section 4 - Fourth General Wage Increase

Effective July 1, 2013, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2013 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment.

Section 5 - Fifth General Wage Increase

Effective July 1, 2014, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased in the amount of three-and-eight-tenths (3.8) percent applied so as to give effect to this increase irrespective of the method of payment.

Section 6 - Sixth General Wage Increase

Effective January 1, 2015, all hourly, daily, weekly, and monthly rates of pay in effect on December 31, 2014 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment.

ARTICLE II - LUMP SUM PAYMENT

(a) A lump sum payment shall be made to each employee subject to this Agreement who has an employment relationship with the carrier as of the

participate in the PBM's Personalized Medicine and/or Generic Rx Advantage Program then in effect.

(b) The design changes contained in this Section shall become effective on July 1, 2012, and shall apply only to individuals who become eligible for ERMA coverage on or after July 1, 2012.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2010 through December 31, 2011, the employee monthly cost-sharing contribution amount shall be \$200.00.

(b) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to the lesser of 15% of the Carriers' Monthly Payment Rate for 2012 or \$200.00.

(c) The employee monthly cost-sharing contributions amount shall be adjusted, effective July 1, 2016, so as to equal the lesser of 15% of the Carrier's Monthly Payment Rate for 2016 or \$230.00, unless otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article V.

(d) For purposes of subsections (b) and (c) above, the "Carriers' Monthly Payment Rate" for any year shall mean one twelfth of the sum of what the carriers' monthly payments to –

- (1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,

MEDIATION AGREEMENT

THIS AGREEMENT, made this 5th day of January 2012, by and between the participating carriers listed in Exhibit A attached hereto and represented by the National Carriers' Conference Committee, and the employees shown thereon and represented by the National Conference of Firemen and Oilers District, Local 32BJ, Service Employees International Union, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

On July 1, 2010, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two (2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) Hourly Rates -

Add 2 percent to the existing hourly rates of pay.

(b) Daily Rates -

Add 2 percent to the existing daily rates of pay.

(c) Weekly Rates -

Add 2 percent to the existing weekly rates of pay.

(d) Monthly Rates -

Add 2 percent to the existing monthly rates of pay.

(e) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) to (d), inclusive, above which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) Application of Wage Increase -

The increase in wages provided for in this Section 1 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 2 - Second General Wage Increase

Effective July 1, 2011, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2011 for employees covered by this Agreement shall be increased by two-and-one-half (2.5) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to

ARTICLE II – LUMP SUM PAYMENT

(a) A lump sum payment shall be made to each employee subject to this Agreement who has an employment relationship with the carrier as of the date such lump sum is paid or who has retired or died subsequent to October 31, 2010. Such lump sum shall be paid no later than ninety (90) days after the date of this Agreement. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

(b) The lump sum amount payable to an eligible employee shall be a lump sum equivalent to 1% of straight time earnings paid to that employee for the twelve month period November 1, 2010 through October 31, 2011, after application of the July 1, 2010 and July 1, 2011 general wage increases provided for in Article I.

ARTICLE III - HEALTH AND WELFARE

Part A - Plan Changes

Section 1 - Continuation of Plans

The Railroad Employees National Health and Welfare Plan ("the Plan"), the Railroad Employees National Dental Plan ("the Dental Plan"), the Railroad Employees National Early Retirement Major Medical Benefit Plan ("ERMA"), and the Railroad Employees National Vision Plan ("the Vision Plan"), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

Section 2 - Plan Design Changes

(a) The Plan's Managed Medical Care Program ("MMCP") shall be revised as follows:

Program and/or Quantity/Duration Limits Program, as the case may be.

- (3) Retirees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM's Personalized Medicine and/or Generic Rx Advantage Program then in effect.

(b) The design changes contained in this Section shall become effective on July 1, 2012, and shall apply only to individuals who become eligible for ERMA coverage on or after July 1, 2012.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2010 through December 31, 2011, the employee monthly cost-sharing contribution amount shall be \$200.00.

(b) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to the lesser of 15% of the Carriers' Monthly Payment Rate for 2012 or \$200.00.

(c) The employee monthly cost-sharing contributions amount shall be adjusted, effective July 1, 2016, so as to equal the lesser of 15% of the Carrier's Monthly Payment Rate for 2016 or \$230.00, unless otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article V.

(d) For purposes of subsections (b) and (c) above, the "Carriers' Monthly Payment Rate" for any year shall mean one twelfth of the sum of what the carriers' monthly payments to –

MEDIATION AGREEMENT

THIS AGREEMENT, made this 11th day of January, 2012, by and between the participating carriers listed in Exhibit A attached hereto and made a part hereof, represented by the National Carriers' Conference Committee, and the employees shown thereon and represented by the Sheet Metal Workers' International Association, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

On July 1, 2010, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two (2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) Hourly Rates -

Add 2 percent to the existing hourly rates of pay.

(b) Daily Rates -

Add 2 percent to the existing daily rates of pay.

(c) Weekly Rates -

Add 2 percent to the existing weekly rates of pay.

(d) Monthly Rates -

Add 2 percent to the existing monthly rates of pay.

(e) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) to (d), inclusive, above which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) Application of Wage Increase -

The increase in wages provided for in this Section 1 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 2 - Second General Wage Increase

Effective July 1, 2011, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2011 for employees covered by this Agreement shall be increased by two-and-one-half (2.5) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

ARTICLE II – LUMP SUM PAYMENT

(a) A lump sum payment shall be made to each employee subject to this Agreement who has an employment relationship with the carrier as of the date such lump sum is paid or who has retired or died subsequent to October 31, 2010. Such lump sum shall be paid no later than ninety (90) days after the date of this Agreement. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

(b) The lump sum amount payable to an eligible employee shall be a lump sum equivalent to 1% of straight time earnings paid to that employee for the twelve month period November 1, 2010 through October 31, 2011, after application of the July 1, 2010 and July 1, 2011 general wage increases provided for in Article I.

ARTICLE III - HEALTH AND WELFARE

Part A - Plan Changes

Section 1 - Continuation of Plans

The Railroad Employees National Health and Welfare Plan ("the Plan"), the Railroad Employees National Dental Plan ("the Dental Plan"), the Railroad Employees National Early Retirement Major Medical Benefit Plan ("ERMA"), and the Railroad Employees National Vision Plan ("the Vision Plan"), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

Section 2 - Plan Design Changes

(a) The Plan's Managed Medical Care Program ("MMCP") shall be revised as follows:

Program and/or Quantity/Duration Limits Program, as the case may be.

- (3) Retirees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM's Personalized Medicine and/or Generic Rx Advantage Program then in effect.

(b) The design changes contained in this Section shall become effective on July 1, 2012, and shall apply only to individuals who become eligible for ERMA coverage on or after July 1, 2012.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2010 through December 31, 2011, the employee monthly cost-sharing contribution amount shall be \$200.00.

(b) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to the lesser of 15% of the Carriers' Monthly Payment Rate for 2012 or \$200.00.

(c) The employee monthly cost-sharing contributions amount shall be adjusted, effective July 1, 2016, so as to equal the lesser of 15% of the Carrier's Monthly Payment Rate for 2016 or \$230.00, unless otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article V.

(d) For purposes of subsections (b) and (c) above, the "Carriers' Monthly Payment Rate" for any year shall mean one twelfth of the sum of what the carriers' monthly payments to –

MEDIATION AGREEMENT

THIS AGREEMENT, made this 4th day of January, 2012, by and between the participating carriers listed in Exhibit A attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the Transportation Communications Union/IAM, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

On July 1, 2010, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two (2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) **Hourly Rates** -

Add 2 percent to the existing hourly rates of pay.

(b) **Daily Rates** -

Add 2 percent to the existing daily rates of pay.

Section 2 - Second General Wage Increase

Effective July 1, 2011, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2011 for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2.5) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 2 shall be applied in the same manner as provided for in Section 1 hereof.

Section 3 - Third General Wage Increase

Effective July 1, 2012, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2012 for employees covered by this Agreement shall be increased in the amount of four-and-three-tenths (4.3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

Section 4 - Fourth General Wage Increase

Effective July 1, 2013, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2013 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

Section 5 - Fifth General Wage Increase

Effective July 1, 2014, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased in the amount of three-and-eight-tenths (3.8) percent applied so as to give effect to this increase irrespective of the method of

payment. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 1 hereof.

Section 6 - Sixth General Wage Increase

Effective January 1, 2015, all hourly, daily, weekly, and monthly rates of pay in effect on December 31, 2014 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 6 shall be applied in the same manner as provided for in Section 1 hereof.

ARTICLE II – LUMP SUM PAYMENT

(a) A lump sum payment shall be made to each employee subject to this Agreement who has an employment relationship with the carrier as of the date such lump sum is paid or who has retired or died subsequent to October 31, 2010. Such lump sum shall be paid no later than ninety (90) days after the date of this Agreement. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

(b) The lump sum amount payable to an eligible employee shall be a lump sum equivalent to 1% of straight time earnings paid to that employee for the twelve month period November 1, 2010 through October 31, 2011, after application of the July 1, 2010 and July 1, 2011 general wage increases provided for in Article I.

Prior Authorization Program then in effect, before any prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Program shall be dispensed; provided, however, that no more than a three to five-day supply of such a drug may be dispensed at retail in accordance with the PBM's Temporary Override Program without Prior Authorization.

- (2) Retirees and their covered dependents shall be required to adhere to Step Therapy and Quantity/Duration Limits Programs then in effect of ERMA's PBM with respect to the prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Step Therapy Program and/or Quantity/Duration Limits Program, as the case may be.
- (3) Retirees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM's Personalized Medicine and/or Generic Rx Advantage Program then in effect.

(b) The design changes contained in this Section shall become effective on July 1, 2012, and shall apply only to individuals who become eligible for ERMA coverage on or after July 1, 2012.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2010 through December 31, 2011, the employee monthly cost-sharing contribution amount shall be \$200.00.

(b) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a

MEDIATION AGREEMENT

THIS AGREEMENT, made this 4th day of January, 2012, by and between the participating carriers listed in Exhibit A attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the Brotherhood Railway Carmen - Division of Transportation Communications Union/IAM, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

On July 1, 2010, all hourly, daily, weekly, and monthly rates of pay of employees covered by this Agreement other than freight carmen in effect on the preceding day shall be increased in the amount of two (2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. Rates of pay of freight carmen shall be increased by the money amount of increase in the rates of pay of passenger carmen, so that the money differential existing as of the first increase date between the rates of passenger carmen and the rates of freight carmen will be preserved. The increase provided for in this Section 1 shall be applied as follows:

(a) **Hourly Rates -**

Add 2 percent to the existing hourly rates of pay.

Section 2 - Second General Wage Increase

Effective July 1, 2011, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2011, for employees covered by this Agreement shall be increased by two-and-one-half (2.5) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment. Rates of freight carmen shall be increased in the same manner as provided in Section 1 hereof. The increase provided for in this Section 2 shall be applied in the same manner as provided for in Section 1 hereof.

Section 3 - Third General Wage Increase

Effective July 1, 2012, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2012, for employees covered by this Agreement shall be increased in the amount of four-and-three-tenths (4.3) percent applied so as to give effect to this increase irrespective of the method of payment. Rates of freight carmen shall be increased in the same manner as provided in Section 1 hereof. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

Section 4 - Fourth General Wage Increase

Effective July 1, 2013, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2013, for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. Rates of freight carmen shall be increased in the same manner as provided in Section 1 hereof. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

Section 5 - Fifth General Wage Increase

Effective July 1, 2014, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2014, for employees covered by this Agreement shall be increased in the amount of three-and-eight-tenths (3.8) percent applied so as to give effect to this increase irrespective of the method of payment. Rates of freight carmen shall be increased in the same manner as provided in Section 1 hereof. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 1 hereof.

Section 6 - Sixth General Wage Increase

Effective January 1, 2015, all hourly, daily, weekly, and monthly rates of pay in effect on December 31, 2014, for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. Rates of freight carmen shall be increased in the same manner as provided in Section 1 hereof. The increase provided for in this Section 6 shall be applied in the same manner as provided for in Section 1 hereof.

ARTICLE II – LUMP SUM PAYMENT

(a) A lump sum payment shall be made to each employee subject to this Agreement who has an employment relationship with the carrier as of the date such lump sum is paid or who has retired or died subsequent to October 31, 2010. Such lump sum shall be paid no later than ninety (90) days after the date of this Agreement. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

(b) The lump sum amount payable to an eligible employee shall be a lump sum equivalent to 1% of straight time earnings paid to that employee for the twelve month period November 1, 2010 through October 31, 2011, after application of the July 1, 2010 and July 1, 2011 general wage increases

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2010 through December 31, 2011, the employee monthly cost-sharing contribution amount shall be \$200.00.

(b) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to the lesser of 15% of the Carriers' Monthly Payment Rate for 2012 or \$200.00.

(c) The employee monthly cost-sharing contributions amount shall be adjusted, effective July 1, 2016, so as to equal the lesser of 15% of the Carrier's Monthly Payment Rate for 2016 or \$230.00, unless otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article V.

(d) For purposes of subsections (b) and (c) above, the "Carriers' Monthly Payment Rate" for any year shall mean one twelfth of the sum of what the carriers' monthly payments to –

- (1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
- (2) the Dental Plan for employee and dependent dental benefits and
- (3) the Vision Plan for employee and dependent vision benefits,