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Senior Vice President - Policy & Economics

September 5, 2014

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

Dear Ms. Brown:

This submission is the AAR forecast of the fourth quarter 2014 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2014-4) *Quarterly Rail Cost Adjustment Factor*. The versions of RCAF-related indices covered in this filing are: the All-Inclusive Index (initiated in the second quarter of 1985), the Unadjusted RCAF (produced since October 1982), the Adjusted RCAF (first published in the second quarter of 1989), and the RCAF-5 (created by the STB in its Ex Parte No. 290 (Sub-No. 7) decision served October 3, 1996). The table below summarizes the fourth quarter 2014 results on the fourth quarter 2012 base, revised in the 2014Q1 filing, and shows the percentage changes from the previous quarter.

	<u>2014Q3</u>	<u>2014Q4</u>	<u>% Change</u>
All-Inclusive Index	99.5	98.5	-1.0
Preliminary RCAF	0.995	0.985	-1.0
Forecast Error Adjustment	-0.010	-0.008	
RCAF (Unadjusted)	0.985	0.977	-0.8
Productivity Adjustment Factor	2.3226	2.3284	
RCAF (Adjusted)	0.424	0.420	-0.9
PAF-5	2.4588	2.4642	
RCAF-5	0.401	0.396	-1.2

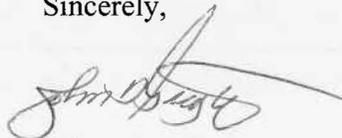
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In its October 3, 1996 decision in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*, the STB noted its intent to publish, in addition to the RCAF (Unadjusted) and RCAF (Adjusted), an RCAF-5 (i.e., a calculation of the productivity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

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

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Gray", written over a light blue horizontal line.

John T. Gray

Attachments

**Fourth Quarter 2014  
All-Inclusive Index**

**Ex Parte No. 290 (Sub-No. 5) (2014-4)**

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

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

**September 5, 2014**

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## Introduction

On January 2, 1985, the Interstate Commerce Commission (ICC) [now the Surface Transportation Board (STB)] adopted the All-Inclusive Index of Railroad Costs as the basis for the Rail Cost Adjustment Factor (RCAF). The quarterly projection of railroad costs, as documented herein, employs the All-Inclusive Index as required by the regulations. Also presented in this submission is the RCAF, both Adjusted and Unadjusted, as required by the ICC in its decision in Ex Parte No. 290 (Sub-No. 4), *Rail Cost Recovery Procedures - Productivity Adjustment*, served March 24, 1989. In addition, the AAR has included (but does not endorse) the RCAF-5, which was instituted by an STB decision served October 3, 1996 in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*. This quarter's projection of railroad costs is for the fourth quarter 2014.

Each year's fourth quarter calculation utilizes new weights, which can be found on page 2. New 2013 annual report and wage statistics data have also been utilized to rebenchmark labor (see Appendix A) and to calculate a new Interest Index (see Appendix F).

## Index Weights

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

The 2013 (current) and 2012 (previous) weights are shown below. Weights calculated from 2012 data were used for the fourth quarter of 2013 through the third quarter of 2014. (Revisions to annual reports caused revisions to the 2012 weights.) Beginning with the fourth quarter of 2014, weights calculated using 2013 data are used. Labor had the biggest increase in weight, as it increased from 31.2 to 31.6 percent of expenses. Weights for Fuel and Equipment Rents decreased by 0.2 percentage points, although the weight for Fuel remains high compared to other years. Weights for Depreciation increased by 0.1 percentage point, Interest decreased by 0.1 percentage point, and the remaining components experienced no change at all.

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

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

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

## All-Inclusive Index Fourth Quarter 2014

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

	2013 Weights	Forecast		Percent Change
		Previous 2014Q3	Current 2014Q4	
1. Labor	31.6%	395.4	389.7	-1.4 %
2. Fuel	22.1%	375.9	368.8	-1.9
3. M&S	4.9%	271.2	276.6	2.0
4. Equipment Rents	5.4%	212.2	213.0	0.4
5. Depreciation	12.0%	217.1	217.4	0.1
6. Interest	1.9%	76.6	70.6	-7.8
7. Other	22.1%	222.9	223.2	0.1
8. Weighted Average				
a. 1980 = 100		309.5	306.5	
b. 1980 = 100 (linked)		296.1	293.2 <sup>1</sup>	
c. 4Q12 = 100		99.5	98.5 <sup>2</sup>	-1.0

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Note: The 309.5 weighted average for 2014Q3 is recalculated with 2013 weights to eliminate any changes in the fourth quarter index that would be caused by changing weights. The Q3 weighted average with 2012 weights is 309.0.

$$\begin{aligned}
 {}^1 \text{ Index}_{80} &= (\text{Current Index} / \text{Previous Index}) * \text{the Previous Quarter Linked Index} \\
 &= (306.5 / 309.5) \times 296.1 \\
 &= 293.2
 \end{aligned}$$

<sup>2</sup> To calculate the 4Q12 = 100 index:

$$\begin{aligned}
 \text{Index}_{4Q12} &= (\text{Current Linked Index} / 4Q12 Basing Factor) * 100 \\
 &= 293.2 \text{ divided by } 297.6 \text{ times } 100 \\
 &= 98.5
 \end{aligned}$$

Indexes based on other periods:

- 4Q07 based index = 293.2 / 245.9 x 100 = 119.2
- 4Q02 based index = 293.2 / 192.1 x 100 = 152.6
- 4Q97 based index = 293.2 / 173.2 x 100 = 169.3
- 4Q92 based index = 293.2 / 156.9 x 100 = 186.9
- 4Q87 based index = 293.2 / 132.2 x 100 = 221.8

## Forecast vs. Actual All-Inclusive Index Second Quarter 2014

Because of data availability, the forecast error adjustment has a two-quarter lag from each filing. As shown below, the second quarter actual index of 98.9 is 0.8 index points below the forecast value of 99.7. Therefore, the forecast error adjustment for fourth quarter 2014 is -0.8 index points.

	2012 Weights	Second Quarter 2014		Amt Difference
		Forecast	Actual	
1. Labor	31.2%	388.1	388.1	
2. Fuel	22.3%	386.2	381.1	
3. M&S	4.9%	274.8	274.8	
4. Equipment Rents <sup>1</sup>	5.6%	212.6	211.6	
5. Depreciation	11.9%	216.9	217.3	
6. Interest	2.0%	76.6	76.6	
7. Other	22.1%	225.2	221.6	
8. Weighted Average				
a. 1980 = 100		309.7	307.8	
b. 1980 = 100 (linked)		296.8	294.4 <sup>2</sup>	
c. 4Q12 = 100 <sup>3</sup>		99.7	98.9	-0.8

**Forecast error**       $\longrightarrow$  **-0.8 index points**

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1	2012 Weights	Second Quarter 2014	
		Forecast	Actual
Car-Hire	48.2%	183.5	184.6
Lease Rentals	51.8%	225.2	221.6
Weighted Average		205.1	203.8
Weighted Average (linked)		212.6	211.6

<sup>2</sup> Linked actual index = (actual index / previous actual index) x previous linked actual index.  
 $294.4 = 307.8 / 303.4 \times 290.2$

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

# Productivity

On March 4, 2014, the Surface Transportation Board (STB) served a decision in Ex Parte 290 (Sub-No. 4) which added the year 2012 to the Productivity Adjustment Factor (PAF) and removed the year 2007. This creates a geometric average annual productivity change, for the five-year period 2008 through 2012, of 1.0 percent per year. The components of this average annual value are shown on the following table in ratio format – therefore, 1.010 is the same as an increase of 1.0 percent.

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

<b>Comparison of Output, Input, &amp; Productivity</b>			
<b>2008 - 2012</b>			
Year	Output Index (1)	Input Index (2)	Productivity <sup>1</sup> Changes (3)
2008	0.990	0.970	1.021
2009	0.847	0.861	0.984
2010	1.109	1.070	1.037
2011	1.041	1.039	1.001
2012	1.007	0.999	1.008
<b>Average</b>			<b>1.010</b>
Previous Average (2007-2011)			1.009

<sup>1</sup> 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.

<b>Calculation of PAF and PAF-5</b>			
For 2008-2012, use fourth root of avg. productivity change = 1.0025			
For 2007-2011, use fourth root of avg. productivity change = 1.0022			
Quarter	Year	PAF	PAF-5
Q1	2014	2.3110	2.4480
Q2	2014	2.3168	2.4534
Q3	2014	2.3226	2.4588
Q4	2014	2.3284	2.4642
Q1	2015	2.3342	2.4704

## Rail Cost Adjustment Factor Fourth Quarter 2014

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

	Previous 2014Q3	Current 2014Q4	Percent Change
All-Inclusive Index <sup>1</sup>	99.5	98.5	-1.0
Preliminary RCAF <sup>2</sup>	0.995	0.985	-1.0
Forecast Error Adjustment <sup>3</sup>	<u>-0.010</u>	<u>-0.008</u>	
RCAF (Unadjusted) <sup>4</sup>	0.985	0.977	-0.8
Productivity Adjustment Factor <sup>5</sup>	<u>2.3226</u>	<u>2.3284</u>	
RCAF (Adjusted) <sup>6</sup>	0.424	0.420	-0.9
PAF-5 <sup>7</sup>	2.4588	2.4642	
RCAF-5 <sup>8</sup>	0.401	0.396	-1.2

<sup>1</sup> See All-Inclusive Index on page 3.

<sup>2</sup> All-Inclusive Index divided by the All-Inclusive Index in the base period (100.0).

<sup>3</sup> 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.

<sup>4</sup> Preliminary RCAF plus the forecast error adjustment.

<sup>5</sup> See Productivity on page 5.

<sup>6</sup> RCAF (Unadjusted) divided by the Productivity Adjustment Factor (PAF).

<sup>7</sup> See Productivity on page 5.

<sup>8</sup> RCAF (Unadjusted) divided by the PAF-5.

# Appendixes

## Labor

### Fourth Quarter 2014

The fourth quarter 2014 Labor Index is forecast to decrease 1.4 percent from the previous quarter. Much of the decrease was caused by rebenchmarking to more recent wage statistics and annual report data.

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

The new benchmark year is 2013, and data for that year replaces data for 2012. The 2013 data underlying the fourth quarter rebenchmarking are obtained from a summary of the railroads' 112-Class Wage Statistics and a summary of the railroads' Annual Report Form R-1 submitted to the Surface Transportation Board.

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

### Wage Rate Index

The Wage Rate Index portion of the Labor Index decreased 1.7 percent. Most of this change was caused by rebenchmarking to 2013 wage statistics.

**Wage Increases:** The base wage rate decreased 1.7 percent because of rebenchmarking. There are no wage increases scheduled for the fourth quarter. Two August independent wage increases are now fully affecting the rate for the fourth quarter.

**Lump Sums:** No new lump sum amounts were added for the fourth quarter, and one very small amount was completely amortized and removed. The decrease of 0.1 cents was caused by rebenchmarking.

**Back Pay:** The fourth quarter back pay rate increased 0.1 cents. Two small amounts were completely amortized and removed, and two new amounts (also small) were added. The new amounts were one quarter of back pay for national-agreement IBBM employees and three quarters of back pay for a small group of non-union employees.

**Other:** In wages, "Other" contains the amortization of incentive payments that a railroad makes each year to its dispatchers, yardmasters, and engineers. Rebenchmarking caused this rate to decrease 0.1 cents.

## Labor

### Fourth Quarter 2014

#### Supplements Index

The Supplements Index decreased 1.1 percent. Although the net result of rebenchmarking was a small decrease in the index, much of the total decrease was caused by lower employer 401(k) matches.

**Health & Welfare:** The Health & Welfare rate increased 4.1 cents (0.5 percent) from the previous quarter. Rebenchmarking to 2013 data caused the entire change.

**Railroad Retirement:** The Railroad Retirement rate decreased 0.8 percent. The change was caused almost entirely by rebenchmarking. Rebenchmarking was the major cause of lower taxable earnings for the quarter, and the Railroad Retirement rate was rebenchmarking to 2013 annual report data and wage statistics.

**Unemployment Insurance:** The Unemployment Insurance rate was unchanged for the fourth quarter. Rebenchmarking did not cause a change in this rate, and taxable earnings were already beyond the maximum taxable amount.

**Other:** The "Other" category is a reflection of all other fringe benefits, and currently contains known employer contributions to employee 401(k) accounts and employer contributions to employee stock plans that are recorded as fringe benefits. For the fourth quarter, the rate decreased 15.7 cents as employers typically have fewer contributions for perfect attendance and other bonus matches.

#### Labor Index Calculation

As shown in Table A-1 on the next page, the 1.7 percent decrease in the Wage Rate Index and the 1.1 percent decrease in the Supplements Index combined to cause a 1.4 percent decrease in the Labor Index. The linked fourth quarter 2014 index of 389.7 is determined by multiplying the third quarter linked index of 395.4 times the change between the fourth quarter labor index (410.0) and the original third quarter labor index recalculated (416.0) using the original third quarter Wage Rate and Supplements indexes weighted with the new 2013 weights. This method eliminates changes caused by the new weights, but captures changes caused by rebenchmarking. Therefore, the purpose of the center "Updated to Reflect..." column in Table A-1 is only to enable the reader to discern the impact of rebenchmarking.

**Labor**  
**Fourth Quarter 2014**  
**Table A-1 Labor Index**

	2014Q3		2014Q4	
	Used in Previous Index Filing	Updated to Reflect 2013 Actual Data	Based on 2013 Data	Pct Chg From Prev. Filing
<u>Base Wage</u> – Straight Time & Pay For Time Not Worked	\$39.639	\$38.964	\$38.974	-1.7%
Adjustments:				
Lump Sum	0.316	0.315	0.315	-0.3%
Back Pay	0.093	0.093	0.094	1.1%
Other	0.137	0.136	0.136	-0.7%
<b>Total Wages</b>	40.185	\$39.508	39.519	-1.7%
Health & Welfare Benefits	7.611	7.652	7.652	0.5%
RR Retirement & Medicare	7.896	7.834	7.835	-0.8%
Unemployment Insurance	0.059	0.059	0.059	0.0%
Other	0.263	0.262	0.106	-59.7%
<b>Total Supplements</b>	\$15.829	\$15.807	\$15.652	-1.1%
Total Labor (a check sum only)	\$56.014	\$55.315	\$55.171	
<b>Wage Index<sup>1</sup></b>	343.9	338.1	338.2	-1.7%
<b>Supplements Index<sup>2</sup></b>	585.0	584.1	578.4	-1.1%
Total labor Index, 2012 Weights <sup>3</sup>	418.2			
Total labor Index, 2013 Weights <sup>4</sup>	416.0	411.7	410.0	
<b>Labor Index (linked)<sup>5</sup></b>	395.4		<b>389.7</b>	-1.4%

<sup>1</sup> 1980 wage rate \$11.685

<sup>2</sup> 1980 supplements rate \$2.706

<sup>3</sup> 2012 weights: wages, supplements 69.2% 30.8%

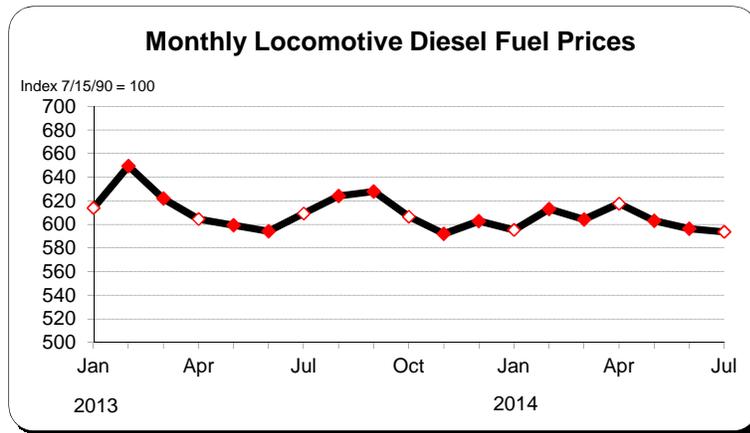
<sup>4</sup> 2013 weights: wages, supplements 70.1% 29.9%

<sup>5</sup> 2014Q4 linked Index = 2014Q3<sub>linked</sub> x (2014Q4<sub>WT2013</sub> / 2014Q3<sub>WT2013</sub>)  
 = 395.4 x 410.0 / 416.0

## Fuel Fourth Quarter 2014

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

Locomotive diesel fuel prices decreased in July, and have been somewhat stable in recent months. The chart below shows the AAR's Monthly Locomotive Diesel Fuel Price Index from January 2013 through July 2014.



While the latest average prices for locomotive diesel fuel are available only through July 2014, data through most of August are available for related fuel types. Weekly crude oil\* futures prices were falling in August, as were spot prices. However, U.S. distillate stocks (which include locomotive diesel fuel and heating oil\*\*) are at the low end of their 5-year range, and distillates may be ready for a seasonal price increase. In 20 of the last 25 years, October prices for both locomotive diesel fuel and heating oil were higher than their prices for July. Railroads believe prices for October 2014 (Q4) will be 1.9 percent lower than the third quarter forecast (represented by July 2014), and 0.7 percent higher than the average price actually paid in July.

Forecast Fuel Index (1980 = 100)	368.8
Change from previous quarter forecast	-1.9%
Change from previous quarter actual	0.7%

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

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

## Materials & Supplies

### Fourth Quarter 2014

The fourth quarter 2014 Materials & Supplies Index increased 2.0 percent from the previous quarter. The change was caused by increases in prices for Miscellaneous Products and Forest Products.

2014Q4 Materials & Supplies Index = 276.6

2014Q3 Materials & Supplies Index = 271.2

Difference	5.4 basis points
	or
	2.0 %

## Equipment Rents Fourth Quarter 2014

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. In this Q4 submission, data from the September 1 CHARM file were not yet available because of a delay in Umler processing. The mid-August CHARM file was used instead. Using data retrieved from the latest CHARM file, an average rate per car is developed. Next, those average rates are grouped into car type categories to create an overall summary of car hire rates. The summary rates are then compared from quarter to quarter to determine the Car Hire Index.

### Lease Rentals

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

### Equipment Rents Index Calculation

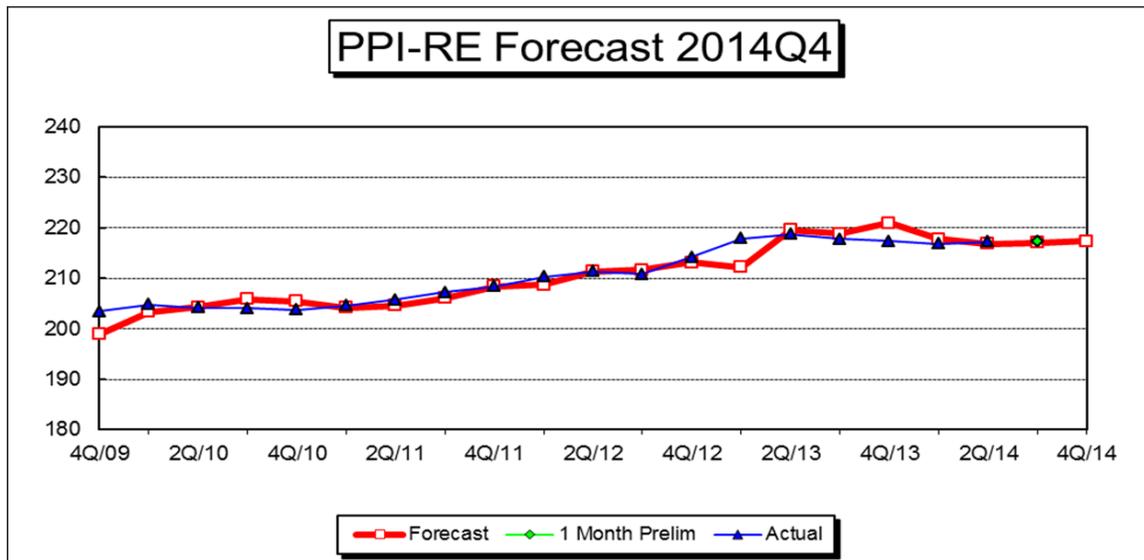
The table below calculates the Equipment Rents Index, and features new weights based on annual report data for 2013. To eliminate any changes caused by the new weights, the third quarter weighted average (but not the linked value) has been recalculated using the new weights. The original third quarter weighted average using 2012 weights is 204.7. The fourth quarter Car Hire portion of the Index increased 0.6 percent because of higher rates for privately-owned cars (especially auto racks and tank cars). A 0.1 percent increase for the projected PPI-LF (See Appendix G) used as a proxy for Lease Rentals, combined with the 0.6 percent increase for Car Hire, caused the Equipment Rent Index to increase 0.4 percent.

	2013 Weight	2014Q3	2014Q4	Percent Change
Car Hire	52.8%	185.1	186.2	0.6 %
Lease Rentals	47.2%	222.9	223.2	0.1
Weighted Average		202.9	203.7	0.4
Weighted Average (Linked)		212.2	213.0	0.4

## Depreciation Fourth Quarter 2014

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

Forecast of Depreciation Index (1982=100)	196.5
Forecast of Depreciation Index (1980=100)	217.4
Change from previous quarter forecast	0.1%
Change from actual first month of previous quarter	0.0%
Change from same quarter of prior year (actual)	0.0%



## Depreciation Fourth Quarter 2014

### PPI RAILROAD EQUIPMENT

Exponential smoothing outperforms Box-Jenkins by 1.024 to 1.097 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  
Simple exponential smoothing: No trend, No seasonality

Component	Smoothing Weight	Final Value
Level	0.77187	196.45

#### Within-Sample Statistics

Sample size 72	Number of parameters 1
Mean 188.6	Standard deviation 5.648
R-square 0.9626	Adjusted R-square 0.9626
Durbin-Watson 2.009	Ljung-Box(18)=11.62 P=0.1339
Forecast error 1.092	BIC 1.117
MAPE 0.003596	RMSE 1.084
MAD 0.6814	

#### Actual Values for the Most Recent 6 Periods:

Date	Actual
2014-02	197.4
2014-03	196.8
2014-04	196.3
2014-05	196.0
2014-06	196.8
2014-07	196.4

#### Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2014-08	194.265	196.455	198.644
2014-09	193.689	196.455	199.221
2014-10	193.213	196.455	199.696
2014-11	192.799	196.455	200.110
2014-12	192.428	196.455	200.482
<b>QTR AVG</b>	192.8133	196.455	200.096

## Interest Fourth Quarter 2014

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

The current Interest Index is based on data from the 2013 Annual Report Form R-1 submitted by each Class I railroad to the Surface Transportation Board at the end of March 2014.

### Interest Expense (Schedule 210)

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

### Average Total Debt (Schedule 200)

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

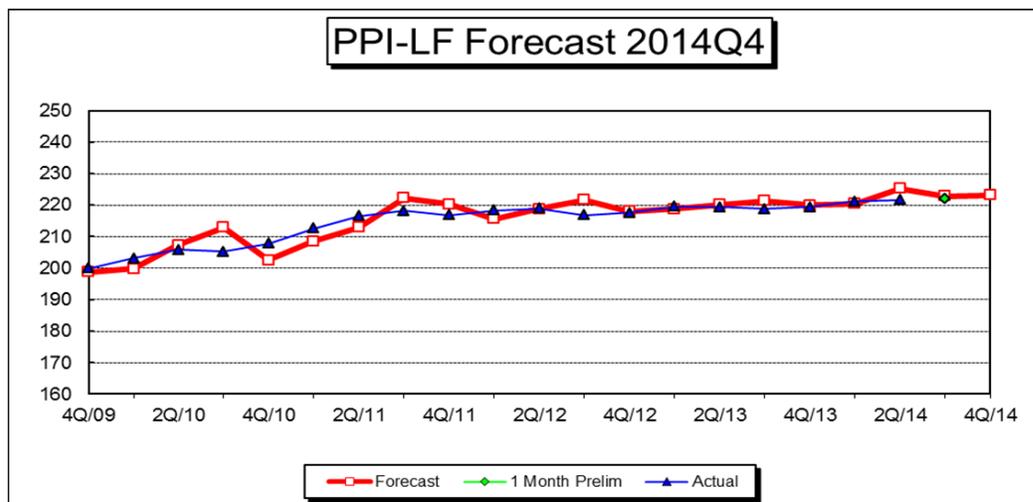
2013	Interest Rate	5.54%
1980	Interest Rate	7.85%
<b>2014Q4</b>	<b>Interest Index</b>	<b>70.6</b>
2014Q3	Interest Index	76.6
	Percent Change	-7.8%

## Other Expenses Fourth Quarter 2014

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

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

Forecast of Other Expense Index (1982=100)	199.1
Forecast of Other Expense Index (1980=100)	223.2
Change from previous quarter forecast	0.1%
Change from actual first month of previous quarter	0.5%
Change from same quarter of prior year (actual)	1.7%



## Other Expenses Fourth Quarter 2014

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

Box-Jenkins outperforms exponential smoothing by 1.185 to 1.732 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is trended and seasonal.

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

Term	Coefficient	Std. Error	t-Statistic	Significance
a[1]	0.7469	0.0787	9.4964	1.0000
A[12]	0.4226	0.0962	4.3932	1.0000

#### *Within-Sample Statistics*

Sample size 72	Number of parameters 2
Mean 189	Standard deviation 7.663
R-square 0.9933	Adjusted R-square 0.9932
Durbin-Watson 1.848	Ljung-Box(18)=11.4 P=0.1235
Forecast error 0.6326	BIC 0.6619
MAPE 0.002534	RMSE 0.6237
MAD 0.477	

#### *Actual Values for the Most Recent 6 Periods:*

Date	Actual
2014-02	197.6
2014-03	197.3
2014-04	197.9
2014-05	197.5
2014-06	197.6
2014-07	198.0

#### *Forecasted Values*

Date	2.5 Lower	Forecast	97.5 Upper
2014-08	197.173	198.404	199.635
2014-09	196.112	198.590	201.068
2014-10	195.151	198.919	202.686
2014-11	194.070	199.112	204.153
2014-12	193.120	199.393	205.667
<b>QTR AVG</b>	194.114	199.141	204.169

## Railroad and Union Abbreviations

### Fourth Quarter 2014

#### *Railroads*

BLE	Bessemer & Lake Erie Railroad (Part of CN's Grand Trunk Corp.)
BNSF	BNSF Railway Company
CC	Chicago, Central & Pacific (Part of CN's Grand Trunk Corp. Sometimes noted as CC&P.)
CN	Canadian National Railway (Commonly known as CN, owns Grand Trunk Corporation.)
CNGT	AAR's abbreviation for Grand Trunk Corporation (Almost all of CN's U.S. operations.)
CP	Canadian Pacific (Also noted as CPR. Owns the U.S. Class I railroad Soo Line.)
CPSL	AAR's abbreviation for Soo Line Corporation (CP's U.S. operations including SOO, D&H, and DME.)
CSX	CSX Transportation
D&H	Delaware & Hudson (Canadian Pacific's U.S. operations, included beginning 2011Q4.)
DME	Dakota, Minnesota & Eastern (Canadian Pacific's U.S. operations, included beginning 2011Q4.)
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)

# AAR Workpapers Sent to STB for 2014 Q4 RCAF

September 5, 2014

1. Index Calculation Spreadsheet (index\_calc.xlsx, 2 pages)
2. Summary of ST and PFTNW Hourly Rates (Summary.xls)
3. RCAF Taxable Wages adjustment calculation (TaxableRate.xls)
4. National Contracts spreadsheet, 2 sections (2 and 5 pages )
5. U.S. 2013 Benchmark spreadsheet
6. National Increase Applicability spreadsheet for 2013 Benchmark (Public Version)
7. Wall Street Journal - 13 week Treasury Bill Rate from latest auction (a.k.a. 3-Mo. T-Bill)
8. 2014/Q4 RCAF Lump Sum Amortization summary, public version (1 page)
9. 2014/Q4 RCAF Back Pay Amortization summary, public version (1 page)
10. Health & Welfare worksheet (1 page)
11. Railroad Retirement spreadsheet (5 pages)
12. Unemployment Insurance worksheet (1 page)
13. 2-page SAS run for Q4 Unemployment Insurance and 2 pages for Q3 (as info only)
14. EIA's This Week in Petroleum summary, Distillate summary, and spot prices for Heating Oil (8 pages)
15. Summary of Materials & Supplies (one page)
16. Car Hire Spreadsheet (2 pages) plus source data page
17. 4 pages of PPI-RE for Depreciation including graph, input/output, and BLS source data
18. Interest Index calculation
19. 4 pages of PPI-LF for Other (and Lease Rentals) incl. graph, input/output, BLS source data
20. Forecast Error calc. and workpapers (10 pages: calc, index actual, fuel, 3 car hire, 2 deprec, 2 other)

## Benchmarking Data

1. 2013 Wage Statistics Summary
2. RCAF Weights based on 2013 data (2 pages)
3. Railroad Retirement & Medicare 2013 Payroll Tax Calculation (2 pages)
4. Railroad Retirement & Medicare 2012 Earnings Distribution (2 pages, latest available data from RRB)

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

	13 Wts.	3Q/14	3Q/14 Rebenched As Info Only	% Chg	4Q/14	% Chg	1Q/15	% Chg	2Q/15	% Chg	3Q/15	% Chg
Straight Time		\$32.585	\$32.156	-1.3%	\$32.165 ✓	-1.3%		--		--		--
PFTNW		\$7.054	\$6.808	-3.5%	\$6.809 ✓	-3.5%		--		--		--
<b>Total</b>		<b>\$39.639</b>	<b>\$38.964</b>	<b>-1.7%</b>	<b>\$38.974</b>	<b>-1.7%</b>	<b>\$0.000</b>	<b>--</b>	<b>\$0.000</b>	<b>--</b>	<b>\$0.000</b>	<b>--</b>
Adjustments												
Lump Sum		\$0.316	\$0.315		\$0.315 ✓							
Back Pay		\$0.093	\$0.093		\$0.094 ✓							
Other		\$0.137	\$0.136		\$0.136 ✓							
<b>Total Wages</b>		<b>\$40.185</b>	<b>\$39.508</b>	<b>-1.7%</b>	<b>\$39.519</b>	<b>-1.7%</b>	<b>\$0.000</b>	<b>--</b>	<b>\$0.000</b>	<b>--</b>	<b>\$0.000</b>	<b>--</b>
Pre-Tax Reduction		(\$1.169)	(\$1.200)		(\$1.200) ✓							
<b>Taxable Wages</b>		<b>\$39.016</b>	<b>\$38.308</b>		<b>\$38.319</b>		<b>\$0.000</b>		<b>\$0.000</b>		<b>\$0.000</b>	
H & W		\$7.611	\$7.652	0.5%	\$7.652 ✓	0.5%		--		--		--
RR Ret & Medicare		\$7.896	\$7.834	-0.8%	\$7.835 ✓	-0.8%		--		--		--
Unemp. Insurance		\$0.059	\$0.059	0.0%	\$0.059 ✓	0.0%		--		--		--
Other		\$0.263	\$0.262	-0.4%	\$0.106 ✓	-59.7%		--		--		--
<b>Total</b>		<b>\$15.829</b>	<b>\$15.807</b>	<b>-0.1%</b>	<b>\$15.652</b>	<b>-1.1%</b>	<b>\$0.000</b>	<b>--</b>	<b>\$0.000</b>	<b>--</b>	<b>\$0.000</b>	<b>--</b>
Adjustments												
<b>Total Supplements</b>		<b>\$15.829</b>	<b>\$15.807</b>	<b>-0.1%</b>	<b>\$15.652</b>	<b>-1.1%</b>	<b>\$0.000</b>	<b>--</b>	<b>\$0.000</b>	<b>--</b>	<b>\$0.000</b>	<b>--</b>
<b>Total Labor</b>		<b>\$56.014</b>	<b>\$55.315</b>	<b>-1.2%</b>	<b>\$55.171</b>	<b>-1.5%</b>	<b>\$0.000</b>	<b>--</b>	<b>\$0.000</b>	<b>--</b>	<b>\$0.000</b>	<b>--</b>
Wage Rate Index	0.7010 ✓	343.9	338.1	-1.7%	338.2	-1.7%	0.0	--	0.0	--	0.0	--
Supplements Index	0.2990 ✓	585.0	584.1	-0.2%	578.4	-1.1%	0.0	--	0.0	--	0.0	--
Total Labor Index '12 Wts.		418.2										
Total Labor Index '13 Wts.		416.0	411.7	-1.0%	410.0	-1.4%	0.0	--	0.0	--	0.0	--
<b>Labor Index (Linked)</b>		<b>395.4</b>			<b>389.7</b>	<b>-1.4%</b>	<b>0.0</b>	<b>#####</b>	<b>#DIV/0!</b>	<b>--</b>	<b>#DIV/0!</b>	<b>--</b>

**All Inclusive Index and RCAF using 2013 Benchmarks and Weights**

	13 Wts	3Q/14	13 Wts 3Q/14	% Chg	4Q/14	% Chg	1Q/15	% Chg	2Q/15	% Chg	3Q/15	% Chg
Labor	0.316	395.40	395.4	0.0%	389.7	-1.4%	0.0 #####		#DIV/0!	--	#DIV/0!	--
Fuel	0.221	375.90	375.9	0.0%	368.8 ✓	-1.9%	--		--	--	--	--
M&S	0.049	271.20	271.2	0.0%	276.6 ✓	2.0%	--		--	--	--	--
Equip. Rents	0.054	212.20	212.2	0.0%	213.0	0.4%	0.0 #####		#DIV/0!	--	#DIV/0!	--
Depreciation	0.120	217.10	217.1	0.0%	217.4 ✓	0.1%	--		--	--	--	--
Interest	0.019	76.60	76.6	0.0%	70.6 ✓	-7.8%	70.6	0.0%	70.6	0.0%	70.6	0.0%
Other	0.221	222.90	222.9	0.0%	223.2 ✓	0.1%	--		--	--	--	--
<b>Weighted Avg.</b>	<b>1.000</b>	<b>309.00 ✓</b>	<b>309.5</b>	<b>0.2%</b>	<b>306.5</b>	<b>-1.0%</b>	<b>1.3</b>	<b>-99.6%</b>	<b>#DIV/0!</b>	<b>--</b>	<b>#DIV/0!</b>	<b>--</b>
Linked	Basing Factor	296.10 ✓			293.2	-1.0%	1.2	-99.6%	#DIV/0!	--	#DIV/0!	--
10/1/80 basis	102.7	288.3			285.5	-1.0%	1.2	-99.6%	#DIV/0!	--	#DIV/0!	--
10/1/82	120.9	244.9			242.5	-1.0%	1.0	-99.6%	#DIV/0!	--	#DIV/0!	--
4Q/87	132.2	224.0			221.8	-1.0%	0.9	-99.6%	#DIV/0!	--	#DIV/0!	--
4Q/92	156.9	188.7			186.9	-1.0%	0.8	-99.6%	#DIV/0!	--	#DIV/0!	--
4Q/97	173.2	171.0			169.3	-1.0%	0.7	-99.6%	#DIV/0!	--	#DIV/0!	--
4Q/02	192.1	154.1			152.6	-1.0%	0.6	-99.6%	#DIV/0!	--	#DIV/0!	--
4Q/07	245.9	120.4			119.2	-1.0%	0.5	-99.6%	#DIV/0!	--	#DIV/0!	--
4Q/12 basis	297.6	99.5 ✓			98.5	-1.0%	0.4	-99.6%	#DIV/0!	--	#DIV/0!	--
Car Hire	0.528 ✓	185.10 ✓	185.1	0.0%	186.2 ✓	0.6%	--		--	--	--	--
Lease Rents	0.472 ✓	222.90 ✓	222.9	0.0%	223.2	0.1%	0.0	--	0.0	--	0.0	--
Wghted Avg Eq Rents		204.70 ✓	202.9	-0.9%	203.7	0.4%	0.0	--	0.0	--	0.0	--
Linked Equipment Rents		212.20 ✓			213.0	0.4%	0.0 #####		#DIV/0!	--	#DIV/0!	--
Preliminary RCAF		0.995			0.985	-1.01%	0.004	-99.6%	#DIV/0!	--	#DIV/0!	--
Forecast Error Adj.		(0.010) ✓			(0.008)							
RCAF Unadjusted		0.985 ✓			0.977	-0.81%	0.004	-99.6%	#DIV/0!	--	#DIV/0!	--
PAF		2.3226 ✓			2.3284	0.25%	--		--	--	--	--
RCAF Adjusted		0.424 ✓			0.420	-0.94%	#DIV/0!	--	#DIV/0!	--	#DIV/0!	--
PAF-5		2.4588 ✓			2.4642	0.22%	--		--	--	--	--
RCAF-5		0.401 ✓			0.396	-1.25%	#DIV/0!	--	#DIV/0!	--	#DIV/0!	--

# Hourly Rate for 2014 Q4

## Straight Time and Time Paid For But Not Worked

2014Q4 Straight Time Hourly Rate (from national spreadsheet) \$31.862

**Adjustments to 2013 base:**

**Adjustments added 2014 Q1**

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

**Adjustments added 2014 Q2**

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

**Adjustments added 2014 Q3**

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

**Adjustments added 2014 Q4**

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

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**Adjusted STHR Total** **\$32.165**

### Pay For Time Not Worked

PFTNW (from national spreadsheet)		\$6.745
Ratio Adj STHR to Nat STHR	32.165 / 31.862 =	1.00951

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**Adjusted Pay For Time Not Worked** **\$6.809**

Notes:

1. CN Railroads includes B&LE, CC&P, DMIR, DW&P, EJE, GTW, IC, and WC. Although DMIR and DW&P were consolidated effective January 1, 2012, some of the employees of those former railroads still have separate labor agreements.
2. The Miscellaneous group consists of independent (for wages) BLET, dispatchers, UTU and yardmasters.
3. Soo Corp. includes DH and DME only, since Soo Line participates in national agreements.

## RCAF Taxable Wages

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

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

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

### Reduction Calculation for 4Q/2014

U.S. ST Hours =

314,226,409 ✓

Wage Statistics are for 2013.

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, SOO, UP)	25,778 ✓	(\$198.00)	(\$61,248,528.00)
National BMW E (BNSF, CSX, KCS, NS, SOO, UP)	23,977	(\$198.00)	(\$56,969,352.00)
National BRS (BNSF, CSX, KCS, NS, SOO, UP)	7,388	(\$198.00)	(\$17,553,888.00)
National IAM (BNSF, CSX, KCS, NS, SOO, UP)	6,748	(\$198.00)	(\$16,033,248.00)
National IBBM (BNSF, CSX, KCS, NS, SOO, UP)	1,194	(\$198.00)	(\$2,836,944.00)
National IBEW (BNSF, CSX, KCS, NS, SOO, UP)	5,519	(\$198.00)	(\$13,113,144.00)
National NCFO (BNSF, CSX, KCS, NS, SOO, UP)	2,326	(\$198.00)	(\$5,526,576.00)
National SMW (BNSF, CSX, KCS, NS, SOO, UP)	986	(\$198.00)	(\$2,342,736.00)
National TCU (BNSF, CSX, KCS, NS, SOO, UP)	5,480	(\$198.00)	(\$13,020,480.00)
National TCU-CAR (BNSF, CSX, KCS, NS, SOO, UP)	9,279	(\$198.00)	(\$22,046,904.00)
National UTU (BNSF, CSX, KCS, NS, SOO, UP)	39,230	(\$198.00)	(\$93,210,480.00)
Yardmasters (BNSF, CSX, KCS, NS, SOO, UP)	1,899 ✓	(\$198.00)	(\$4,512,024.00)
National ATDA (wt. avg. BNSF, CSX, KCS, NS, SOO)	1,871 ✓	(\$198.00)	(\$4,445,496.00)
Independent CNGT (wt. avg. all union categories)	6,247 ✓	(\$195.97)	(\$14,690,695.08)
Independent SLC (wt. avg. all DH & DME union categories)	1,186 ✓	(\$173.93)	(\$2,475,371.76)
<b>Total Union</b>	<b>139,108 ✓</b>		<b>(\$330,025,866.84)</b>
<b>All Other @ \$3,925,131.05 total per month ✓</b>			<b>(\$47,101,572.60)</b>
<b>Total</b>			<b>(\$377,127,439.44) ✓</b>

Reduction in Wage Rate Per ST Hour	-\$1.20017742
Deduct this amount from the Wage Rate	<b>-\$1.200</b>

## National Contracts U.S.

Straight Time Hourly Rate															Check Sum
Weight	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	
2013 Avg.	26.394	26.969	29.955	27.735	28.682	25.442	27.654	23.075	28.120	26.002	28.368	36.480	45.621	44.313	424.809
12/31/13	26.727	27.364	30.165	28.145	29.099	25.796	28.061	23.415	28.534	26.386	28.786	36.850	46.258	44.313	429.899
1/1/14	26.727	27.364	30.165	28.145	29.099	25.796	28.061	23.415	28.534	26.386	28.786	36.850	46.258	45.642	
4/1/14	26.727	27.364	30.165	28.145	29.099	25.796	28.061	23.415	28.534	26.386	28.786	36.850	46.258	45.642	
7/1/14	27.201	28.273	30.211	29.199	30.149	26.711	29.065	24.281	29.578	26.386	29.835	37.579	47.686	45.642	
10/1/14	27.201	28.273	30.211	29.199	30.149	26.711	29.065	24.281	29.578	27.351	29.835	37.579	47.686	45.642	
1/1/15	27.201	28.273	30.211	29.199	30.149	26.711	29.065	24.281	29.578	27.351	29.835	37.579	47.686	45.642	
4/1/15	27.201	28.273	30.211	29.199	30.149	26.711	29.065	24.281	29.578	27.351	29.835	37.579	47.686	45.642	
7/1/15	27.201	28.273	30.211	29.199	30.149	26.711	29.065	24.281	29.578	27.351	29.835	37.579	47.686	45.642	

Weighted Straight Time Hourly Rate															
	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2013 Avg.	6.099	0.954	5.157	0.159	1.368	3.709	1.583	0.318	1.141	0.182	0.946	0.557	0.408	8.244	30.825
12/31/13	6.176	0.968	5.193	0.161	1.388	3.761	1.606	0.322	1.158	0.184	0.960	0.562	0.414	8.244	31.098
1/1/14	6.176	0.968	5.193	0.161	1.388	3.761	1.606	0.322	1.158	0.184	0.960	0.562	0.414	8.491	31.346
4/1/14	6.176	0.968	5.193	0.161	1.388	3.761	1.606	0.322	1.158	0.184	0.960	0.562	0.414	8.491	31.346
7/1/14	6.285	1.000	5.201	0.167	1.438	3.894	1.664	0.334	1.200	0.184	0.995	0.573	0.427	8.491	31.855
10/1/14	6.285	1.000	5.201	0.167	1.438	3.894	1.664	0.334	1.200	0.191	0.995	0.573	0.427	8.491	31.862
1/1/15	6.285	1.000	5.201	0.167	1.438	3.894	1.664	0.334	1.200	0.191	0.995	0.573	0.427	8.491	31.862
4/1/15	6.285	1.000	5.201	0.167	1.438	3.894	1.664	0.334	1.200	0.191	0.995	0.573	0.427	8.491	31.862
7/1/15	6.285	1.000	5.201	0.167	1.438	3.894	1.664	0.334	1.200	0.191	0.995	0.573	0.427	8.491	31.862

Note: The 2013 Average and 12/31/13 Straight Time Hourly Rates are the industry rates, and include all Class I railroad employees. The rates for 1/1/14 through 7/1/15 are based on the industry year-end rates updated by NATIONAL UNION wage increases using contract information. These national increases are diluted using "percent national" ratios to account for non-national union contracts. The impacts of non-national (or independent contract) increases after 2013 are not shown on this page and are handled separately.

## National Contracts U.S.

### Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Check Sum
Weight	0.23107	0.03537	0.17217	0.00574	0.04768	0.14579	0.05723	0.01377	0.04059	0.00699	0.03336	0.01526	0.00895	0.18604	1.00000
2013 Avg.	10.687	4.250	10.878	3.941	6.392	4.750	4.107	2.939	4.338	3.542	4.555	6.220	9.525	1.227	77.352
12/31/13	10.821	4.312	10.954	3.999	6.485	4.816	4.168	2.983	4.402	3.594	4.622	6.283	9.659	1.227	
1/1/14	10.821	4.312	10.954	3.999	6.485	4.816	4.168	2.983	4.402	3.594	4.622	6.283	9.659	1.264	
4/1/14	10.821	4.312	10.954	3.999	6.485	4.816	4.168	2.983	4.402	3.594	4.622	6.283	9.659	1.264	
7/1/14	11.013	4.455	10.971	4.149	6.719	4.987	4.317	3.093	4.563	3.594	4.791	6.408	9.957	1.264	
10/1/14	11.013	4.455	10.971	4.149	6.719	4.987	4.317	3.093	4.563	3.726	4.791	6.408	9.957	1.264	
1/1/15	11.013	4.455	10.971	4.149	6.719	4.987	4.317	3.093	4.563	3.726	4.791	6.408	9.957	1.264	
4/1/15	11.013	4.455	10.971	4.149	6.719	4.987	4.317	3.093	4.563	3.726	4.791	6.408	9.957	1.264	
7/1/15	11.013	4.455	10.971	4.149	6.719	4.987	4.317	3.093	4.563	3.726	4.791	6.408	9.957	1.264	

### Pay For Time Not Worked Hourly Rate

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

**U.S. National Contract**

**UTU**

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

**TCU**

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

**BLET**

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

SMWIA

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

BRS

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

BMWE

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

**U.S. National Contract**

**TCU-Carmen**

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

**NCFO**

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

**IAM**

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

**U.S. National Contract**

**IBBM**

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

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

**IBEW**

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

**ATDA**

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

**YDMSTRS**

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

**OTHER**

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

**Check Sums**

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

## U.S. 2013 Benchmark

	From AAR 112-Class Wage Statistics & Survey				ST \$ Adjusted	2013 Average		12/31/2013	ST Hrs.
	ST Hrs.	ST \$	PFTNW \$	Union L. Sum	to Exclude Lump Sums	ST wo LS	Hourly Rates PFTNW	ST HR	2013 Weights
UTU	72,608,285	\$1,958,122,684	\$775,957,756	\$41,671,257	\$1,916,451,427	\$26.394	\$10.687	\$26.72676	0.23107 ✓
TCU	11,112,775	308,658,428	47,226,629	8,960,644	299,697,784	26.969	4.250	\$27.36429	0.03537
BLET	54,099,136	1,736,979,937	588,480,206	116,424,557	1,620,555,380	29.955	10.878	\$30.16532	0.17217
SMWIA	1,802,471	50,011,921	7,103,080	19,996	49,991,925	27.735	3.941	\$28.14510	0.00574 ✓
BRS	14,982,801	430,214,188	95,774,068	472,396	429,741,792	28.682	6.392	\$29.09946	0.04768 ✓
BMWE	45,812,537	1,168,156,850	217,620,219	2,613,432	1,165,543,418	25.442	4.750	\$25.79632	0.14579
TCU-CAR	17,984,648	497,849,794	73,865,409	506,638	497,343,156	27.654	4.107	\$28.06123	0.05723 ✓
NCFO	4,327,891	99,921,614	12,720,637	56,456	99,865,158	23.075	2.939	\$23.41496	0.01377 ✓
IAM	12,753,635	358,820,794	55,326,837	187,291	358,633,503	28.120	4.338	\$28.53383	0.04059 ✓
IBBM	2,195,388	57,133,498	7,775,976	49,491	57,084,007	26.002	3.542	\$26.38565	0.00699 ✓
IBEW	10,482,627	297,728,852	47,748,683	357,267	297,371,585	28.368	4.555	\$28.78551	0.03336 ✓
ATDA	4,794,417	182,542,249	29,821,635	7,644,313	174,897,936	36.480	6.220	\$36.84994	0.01526 ✓
UTU-YMD	2,812,320	131,063,869	26,788,603	2,764,132	128,299,737	45.621	9.525	\$46.25823	0.00895 ✓
OTHER	58,457,478	2,590,400,218	71,733,120		2,590,400,218	44.313	1.227	\$44.31256	0.18604 ✓
<b>AAR 112 Total</b>	<b>314,226,409</b>	<b>9,867,604,896</b>	<b>2,057,942,858</b>	<b>181,727,870</b>	<b>9,685,877,026</b>	<b>30.825</b>	<b>6.549</b>	<b>31.098</b>	<b>1.00000</b>
Sum (for proofing)						424.80872	77.35181	429.89916	

Year-End Figures are calculated, based on 2013 WS-112 and union contracts, in YearEnd2013.xlsx exhibited in document titled "Year-End 2013 ST Hourly Rates for U.S."  
 The ST Hours Weights and the Hourly Rates are full float.

## National Increase Applicability for U.S. Total

Union	Year 2013	Not Part of National Agreements*													U.S.	Percent	
	U.S. Total	CSX	BLE	GTW	IC	CCP	WC	NS	BNSF	KCS	SOO	DH	DME	UP	ST Hours Pd	National Increase	National Contract
UTU	72,608,285	X	X	X	X	X	X	--	X	--	--	X	X	--	36,785,382	50.663%	
TCU	11,112,775	--	X	X	X	X	X	--	--	--	--	X	X	--	9,710,167	87.378%	
BLET	54,099,136	X	X	X	X	X	X	X	X	--	--	X	X	X	2,154,863	3.983%	
SMW	1,802,471	--	X	X	X	X	X	--	--	--	--	X	X	--	1,775,770	98.519%	
BRS	14,982,801	--	X	X	X	X	X	--	--	--	--	X	X	--	14,221,892	94.921%	
BMWE	45,812,537	--	X	X	X	X	X	--	--	--	--	X	X	--	42,768,021	93.354%	
TCU-CAR	17,984,648	--	X	X	X	X	X	--	--	--	--	X	X	--	16,922,357	94.093%	
NCFO	4,327,891	--	X	X	X	X	X	--	--	--	--	X	X	--	4,212,496	97.334%	
IAM	12,753,635	--	X	X	X	X	X	--	--	--	--	X	X	--	12,279,413	96.282%	
IBBM	2,195,388	--	X	X	X	X	X	--	--	--	--	X	X	--	2,114,578	96.319%	
IBEW	10,482,627	--	X	X	X	X	X	--	--	--	--	X	X	--	10,057,335	95.943%	
ATDA	4,794,417	X	X	X	X	X	X	--	--	--	--	X	X	X	2,496,144	52.064%	
UTU-YMD	2,812,320	--	X	X	X	X	X	--	--	--	--	X	X	X	2,479,899	88.180%	
OTHER	58,457,478	--	--	--	--	--	--	--	--	--	--	--	--	--	58,457,478	100.000%	
<b>TOTAL</b>	<b>314,226,409</b>														<b>216,435,795</b>		
Sum (for proofing)																	1149.033%

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

Statistics based on AAR's 2013 112-Class Wage Statistics and knowledge of contracts as of July 2014.

Percentages are full float.

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

MARKETS  
com

0.030%

Apex Tool Group	B2/B
Arch Coal Inc	B1/B+
Atlantic Broadband	Baa3/BB
Cablevision Systems Corp	Baa3/BB+
Caesars Entertainment Inc	B2/B+
Caesars Entertainment Inc	B2/CCC+
Caesars Entertainment Inc	Caaz2/CCC-
Cequel Communications Holdings	Ba2/BB-
Cinemark	Ba1/BB+
DuPont Performance Coatings	B1/B+
Fortescue Metals Group Ltd	Baa3/BBB-
Gates Group	B2/B+
Getty Images Inc	B2/B
Go Daddy Group	Ba3/B
Hamilton Sundstrand Industrial	B1/B+
Ineos Group Plc	Ba3/BB-
JC Penney	B2/B-
Mallinckrodt Group Inc	Ba2/BB+
MultiPlan Inc	B1/B
PQ Corp	B2/B+
SuperValu	B1/B+
Transdigm	Ba3/B
Walter Energy Inc	B3/B-

Note: These are the averages of indicative bid prices provided by dealers. All ratings are for specific loans and not for the company. These prices are offers to trade; rather they are estimated values provided by dealers.

Money Rates

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

	July index level	CHG FROM (%)	June '14	July '13
--	------------------	--------------	----------	----------

U.S. consumer price index

All items	238.250	-0.04	2.0
Core	238.138	-0.01	1.9

International rates

	Latest	Week ago	-52-WEEK- High	Low
<b>Prime rates</b>				
U.S.	3.25	3.25	3.25	3.25
Canada	3.00	3.00	3.00	3.00
Eurozone	0.15	0.15	0.50	0.15
Japan	1.475	1.475	1.475	1.475
Switzerland	0.50	0.50	0.50	0.50
Britain	0.50	0.50	0.50	0.50
Australia	2.50	2.50	2.50	2.50

Overnight repurchase

U.S.	0.09	0.08	0.23	-0.01
Eurozone	-0.01	0.00	0.41	-0.01

U.S. government rates

Discount	0.75	0.75	0.75	0.75
----------	------	------	------	------

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

Federal funds

Effective rate	0.1200	0.1100	0.1800	0.0900
High	0.3125	0.3125	0.3750	0.2800
Low	0.0500	0.0500	0.3000	0.0200
Bid	0.0700	0.0700	0.5000	0.0000
Offer	0.2800	0.1000	0.2800	0.0500

Treasury bill auction

4 weeks	0.035	0.040	0.350	0.000
13 weeks	0.030	0.030	0.130	0.010
26 weeks	0.050	0.050	0.150	0.030

Secondary market

Freddie Mac

30-year mortgage yields				
30 days	n.a.	n.a.	n.a.	n.a.
60 days	n.a.	n.a.	n.a.	n.a.

Fannie Mae

30-year mortgage yields				
30 days	3.717	3.707	4.350	3.658
60 days	3.758	3.748	4.396	3.696

Bankers acceptance

30 days	0.15	0.15	0.23	0.15
60 days	0.19	0.19	0.28	0.19
90 days	0.23	0.23	0.28	0.23
120 days	0.25	0.25	0.33	0.25
150 days	0.28	0.28	0.38	0.28
180 days	0.38	0.38	0.38	0.38

Other short-term rates

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

Call money

	2.00	2.00	2.00	2.00
--	------	------	------	------

Commercial paper

30 to 44 days	0.06	---	---	---
45 to 59 days	0.07	---	---	---
60 to 74 days	0.08	---	---	---
75 to 89 days	0.10	---	---	---
90 to 119 days	0.13	---	---	---
120 to 149 days	0.16	---	---	---
150 to 179 days	n.q.	---	---	---
180 to 209 days	0.20	---	---	---
210 to 239 days	0.21	---	---	---
240 to 270 days	0.22	---	---	---

Commercial paper (AA financial)

90 days	0.14	0.12	0.26	0.06
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Notes on data:

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

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

Lipper Indexes

Stock-Fund Indexes	PERCENT CHANGE FROM				Stock-Fund Indexes	PERCENT CHANGE FROM			
	PRELIM CLOSE	PREV CLOSE	WK AGO	DEC. 31		PRELIM CLOSE	PREV CLOSE	WK AGO	DEC. 31
Large-Cap Growth	6324.27	+0.31	+1.18	+7.16	Science and Tech Fd	1446.65	+0.02	+1.09	+8.46
Large-Cap Core	4520.53	+0.43	+1.17	+8.17	International Fund	1609.47	+0.57	+0.60	+7.29

August 25, 2014

	Latest	Week ago	-52-WEEK- High	Low
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Euro commercial paper

30 day	n.q.	n.q.	0.20	0.20
Two month	n.q.	0.08	0.22	0.08
Three month	n.q.	0.12	0.24	0.10
Four month	n.q.	n.q.	0.28	0.12
Five month	n.q.	0.18	0.30	0.14
Six month	n.q.	0.22	0.33	0.19

London interbank offered rate, or Libor

One month	0.1500	0.1550	0.1840	0.14775
Three month	0.2380	0.2320	0.2620	0.2225
Six month	0.3305	0.3265	0.3960	0.3190
One year	0.5650	0.5510	0.6750	0.5330

Euro Libor

One month	0.071	0.079	0.249	0.071
Three month	0.151	0.158	0.321	0.151
Six month	0.249	0.259	0.417	0.248
One year	0.412	0.423	0.579	0.412

Euro interbank offered rate (Euribor)

One month	0.074	0.089	0.269	0.074
Three month	0.175	0.196	0.347	0.175
Six month	0.274	0.297	0.444	0.274
One year	0.448	0.474	0.621	0.224

Hibor

One month	0.211	0.214	0.250	0.204
Three month	0.362	0.365	0.386	0.324
Six month	0.538	0.534	0.551	0.384
One year	0.842	0.841	0.874	0.412

	Latest	Value Traded	-52-WEEK- High	Low
--	--------	--------------	----------------	-----

DTCC GCF Repo Index

Treasury	0.084	124,990	0.255	0.010
MBS	0.096	88,340	0.286	0.019

	Latest	Change	Open Interest	Implied Rate
--	--------	--------	---------------	--------------

DTCC GCF Repo Index Futures

Treasury Aug	99.905	unch.	6920	0.095
Treasury Sep	99.885	unch.	12941	0.115
Treasury Oct	99.905	unch.	5718	0.095

	LATEST Offer	Week ago Bid	52-WEEK- High	Low
--	--------------	--------------	---------------	-----

Eurodollars (mid rates)

One month	0.10	0.20	0.15	0.16	0.15
Two month	0.12	0.25	0.19	0.19	0.19
Three month	0.15	0.30	0.23	0.25	0.23
Four month	0.20	0.30	0.25	0.38	0.25
Five month	0.20	0.35	0.28	0.33	0.28
Six month	0.25	0.50	0.38	0.53	0.38

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PUBLIC NOTICES

Louisiana Housing Corporation Issues Two Requests for Proposals: (1) Master Servicer and (2) Housing Program Underwriter

The Louisiana Housing Corporation is issuing two (2) Requests for Proposals (RFPs) to obtain competitive proposals from qualified organizations or firms to (1) serve as the Master Servicer and to provide other related services for the Corporation and (2) to serve as the Bond Underwriter and to provide other related services for the Corporation.

Please note that each RFP is considered a separate solicitation for proposals and as such all proposals must be submitted individually. These RFPs are available in electronic form at <http://www.lhca.gov>. The RFPs are also available in printed form by submitting a written request to the RFP Coordinator. Written requests and questions must be directed to the RFP Coordinator using the information listed below.

Proposals must be delivered in hard copy (printed) to the RFP Coordinator designated above, by no later than 4:00 PM Central Time on September 22, 2014. Proposers mailing their proposals should allow sufficient mail delivery time to ensure receipt of their proposal by the date/time specified above. Fax or e-mail submissions are not acceptable and will not be considered.

Proposals may be mailed through the U.S. Postal Service or delivered by hand or courier to the address below:

Louisiana Housing Corporation  
2415 Quail Drive  
Baton Rouge, LA 70808  
(225)763-8700  
Attn: Brad Sweazy

is. Treasury yields are per annum, on inflation-indexed issues that are adjusted to weekly Federal Reserve release H.15.

	WEEK ENDED	-52-WEEK-		
	Aug 22	Aug 15	High	Low

20-year	2.93	2.95	3.69	2.93
---------	------	------	------	------

Treasury yields (secondary market)

1-month	0.03	0.04	0.24	0.01
3-month	0.03	0.04	0.08	0.01
6-month	0.06	0.05	0.11	0.03

Treasury inflation-protected securities

5-year	-0.19	-0.26	0.05	-0.45
7-year	0.14	0.13	0.60	0.06
10-year	0.24	0.19	0.85	0.19
20-year	0.65	0.64	1.35	0.64
Long-term avg	0.64	0.62	1.29	0.62

Interest rate swaps

1-year	0.32	0.31	0.35	0.26
2-year	0.68	0.65	0.72	0.38
3-year	1.11	1.08	1.18	0.64
4-year	1.48	1.45	1.56	1.02
5-year	1.77	1.74	1.90	1.44
7-year	2.17	2.16	2.53	2.07
10-year	2.56	2.56	3.10	2.56
30-year	3.18	3.19	3.89	3.18

Corporate bonds, Moody's seasoned

Aaa	4.08	4.08	4.70	4.08
Baa	4.70	4.71	5.55	4.68

State and local bonds

	4.21	4.24	5.03	4.24
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Eurodollars

1 month	0.17	0.17	0.22	0.17
3 month	0.24	0.24	0.28	0.24
6 month	0.36	0.36	0.42	0.36

days ended Wednesday, weighted according to rates on quoted offer rates interpolated from sales by dealers or the Depository Trust Company; CD rates are discounted and certificates of deposit; Discount window primary advances extended under the Federal Reserve's primary for seven days ended Wednesday, August 20, 2014.

RCAF Lump Sum Amortization  
2014/Q4

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours	
CSX - ATDA-East	2013Q1	2014Q1				314,226,409	2013
CSX - Huntington Shop	2013Q4	2014Q1				314,226,409	2013
CSX - BLET 2014	2014Q1	2014Q2				314,226,409	2013
CSX - UTU-CSRA 2014	2014Q1	2014Q2				314,226,409	2013
NS - BLET 2014	2014Q1	2014Q2				314,226,409	2013
CNGT new contracts <sup>1</sup>	2014Q1	2014Q3				314,226,409	2013
<b>Total</b>			\$98,943,239	0.31488			
<div style="border: 1px solid black; padding: 5px; display: inline-block;">Should be slightly less than amortized amount.</div>							
<b>Fell out</b>							
GTW-BRS	2013Q3	2013Q4				314,226,409	2013

Interest Rate

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

Lump Sum Adjustment for 2014/Q4 → 0.314942  
or  
0.315

<sup>1</sup> B&LE BMW, B&LE BRS, GTW BMW, WC BMW, IC&CCP BMW

RCAF Back Pay Amortization  
2014/Q4

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr.	U.S. ST Hours	
DME - all unions 2014	2014Q1	2014Q2				314,226,409	2013
NS - ATDA	2014Q1	2014Q2				314,226,409	2013
CNGT <sup>1</sup>	various	2014Q3				314,226,409	2013
DME Non-Union	2014Q1	2014Q4				314,226,409	2013
IBBM	2014Q3	2014Q4		\$604,149	0.00192265	0.00769	314,226,409
Total			\$29,534,982	0.09399268			
<div style="border: 1px solid black; padding: 5px; display: inline-block; margin-top: 10px;">                 Should be slightly less than amortized amount.             </div>							
<b>Fell out</b>							
EJE - UTU-YMD	2012Q4	2013Q4				314,226,409	2013
GTW - BRS	2013Q3	2013Q4				314,226,409	2013

Interest Rate

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

Back Pay Adjustment for 2014/Q4 → 0.09401  
or  
0.094

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

## Health and Welfare

	Employees Receiving				
	Pay	Monthly Contribution		Total	Total
	2013	2013 Avg.	2014	2013 Avg.	2014
<b>1. All Employees</b>					
a. Group health	167,042	\$1,350.36	\$1,285.74	\$225,566,835.12	\$214,772,581.08
b. Group dental	167,042	55.90	53.00	9,337,647.80	8,853,226.00
c. Early retirement major medical	167,042	139.04	127.92	23,225,519.68	21,368,012.64
d. Group vision	167,042	8.37	8.39	1,398,141.54	1,401,482.38
<b>2. Supplemental Sickness</b>					
a. Signalmen	7,784	30.74	30.74	239,280.16	239,280.16
b. Shopcrafts	24,851	48.28	48.28	1,199,806.28	1,199,806.28
c. MOW	25,672	32.87	32.87	843,838.64	843,838.64
d. Yardmasters	2,048	34.95	34.96	71,577.60	71,598.08
<b>3. Short-Term Disability</b>					
a. Engineers (CSX, KCS, SOO, UP)	13,549	40.00	40.00	541,960.00	541,960.00
<b>4. Monthly Total Premiums</b>				262,424,606.82	249,291,785.26
<b>5. Monthly Employee Contributions To H&amp;W</b>					
a. National BLET (BNSF, CSX, KCS, NS, SOO, UP)	25,778	(\$198.00)	(\$198.00)	(\$5,104,044.00)	(5,104,044.00)
b. National BMW E (BNSF, CSX, KCS, NS, SOO, UP)	23,977	(\$198.00)	(\$198.00)	(\$4,747,446.00)	(4,747,446.00)
c. National BRS (BNSF, CSX, KCS, NS, SOO, UP)	7,388	(\$198.00)	(\$198.00)	(\$1,462,824.00)	(1,462,824.00)
d. National IAM (BNSF, CSX, KCS, NS, SOO, UP)	6,748	(\$198.00)	(\$198.00)	(\$1,336,104.00)	(1,336,104.00)
e. National IBBM (BNSF, CSX, KCS, NS, SOO, UP)	1,194	(\$198.00)	(\$198.00)	(\$236,412.00)	(236,412.00)
f. National IBEW (BNSF, CSX, KCS, NS, SOO, UP)	5,519	(\$198.00)	(\$198.00)	(\$1,092,762.00)	(1,092,762.00)
g. National NCFO (BNSF, CSX, KCS, NS, SOO, UP)	2,326	(\$198.00)	(\$198.00)	(\$460,548.00)	(460,548.00)
h. National SMW (BNSF, CSX, KCS, NS, SOO, UP)	986	(\$198.00)	(\$198.00)	(\$195,228.00)	(195,228.00)
i. National TCU (BNSF, CSX, KCS, NS, SOO, UP)	5,480	(\$198.00)	(\$198.00)	(\$1,085,040.00)	(1,085,040.00)
j. National TCU-CAR (BNSF, CSX, KCS, NS, SOO, UP)	9,279	(\$198.00)	(\$198.00)	(\$1,837,242.00)	(1,837,242.00)
k. National UTU (BNSF, CSX, KCS, NS, SOO, UP)	39,230	(\$198.00)	(\$198.00)	(\$7,767,540.00)	(7,767,540.00)
l. Yardmasters (BNSF, CSX, KCS, NS, SOO, UP)	1,899	(\$198.00)	(\$198.00)	(\$376,002.00)	(376,002.00)
m. National ATDA (wt. avg. BNSF, CSX, KCS, NS, SOO)	1,871	(\$198.00)	(\$198.00)	(\$370,458.00)	(\$370,458.00)
n. Independent CNGT (wt avg all union categories)	6,247	(\$163.72)	(\$195.97)	(\$1,022,758.84)	(1,224,224.59)
o. Independent SLC (wt avg all DH & DME union categories)	1,186	(\$166.26)	(\$173.93)	(\$197,184.36)	(206,280.98)
p.					
<b>Total Major Union</b>	139,108			(\$27,291,593.20)	(\$27,502,155.57)
<b>All Other Employee Contributions*</b>				(\$3,925,131.05)	(\$3,925,131.05)
<b>6. Net Employer Monthly Payments</b>				\$231,207,882.57	\$217,864,498.64
<b>7. Ratio Projected Year to Base Year, Based on Net Monthly Payments</b>					0.94229
<b>8. H&amp;W hourly rate for base year 2013</b>				\$8.121	
<b>9. H&amp;W hourly rate for projected quarter</b>					\$7.652

\* Non-union employee contributions net of opt-outs. The \$27,291,593.20 in major union contributions, plus \$3,925,131.05 in all other employee contributions, totals to the 12-month average of the total employee contributions reported to the AAR in its WF survey.

## Railroad Retirement and Medicare for RCAF

**Inputs:**

RRB Earnings Distribution Year	2012	Tier I Maximum Taxable Earnings for 2014	117,000
Wage Statistics Year	2013	Tier II Maximum Taxable Earnings for 2014	87,000
Current Year	2014	Medicare Maximum Taxable Earnings for 2014	no limit
Employees Receiving Pay*	167,042	Tier I Employer Tax Rate for 2014	6.20%
* from 2013 wage statistics		Tier II Employer Tax Rate for 2014	12.60%
		Medicare Employer Tax Rate for 2014	1.45%

USA RCAF	Wage Rate	Update Factor	Railroad Retirement Tax	Hourly Rate	
2012	\$36.269				
2013	\$36.760 ✓	1.01354	\$610,839,129 ✓	\$7.536 ✓	hourly rate from SUPPL2013.xlsx
1Q/2014	\$37.240 ✓	1.02677	\$621,676,668	\$7.670	Rate = Taxable Rate
2Q/2014	\$37.436 ✓	1.03218	\$624,126,949	\$7.700	
3Q/2014	\$38.308 ✓	1.05622	\$634,958,355	\$7.834	
4Q/2014	\$38.319 ✓	1.05652	\$635,063,564	<b>\$7.835</b>	

Railroad Retirement & Medicare, U.S.

From 2012 Earnings Distribution			1Q/2014 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	\$33,750	4.368 %	7,296	\$34,654	\$8,663	\$8,663	\$8,663	\$8,663	\$63,211,513	\$63,211,513	\$63,211,513	
41,700 - 43,699	\$42,853	0.729	1,218	44,000	11,000	11,000	11,000	11,000	13,395,180	13,395,180	13,395,180	
43,700 - 45,699	\$44,826	1.360	2,272	46,026	11,507	11,507	11,507	11,507	26,140,186	26,140,186	26,140,186	
45,700 - 47,699	\$46,721	1.506	2,516	47,972	11,993	11,993	11,993	11,993	30,170,109	30,170,109	30,170,109	
47,700 - 49,699	\$48,772	2.040	3,408	50,078	12,519	12,519	12,519	12,519	42,661,931	42,661,931	42,661,931	
49,700 - 51,699	\$50,656	2.720	4,544	52,012	13,003	13,003	13,003	13,003	59,079,876	59,079,876	59,079,876	
51,700 - 53,699	\$52,684	2.963	4,949	54,094	13,524	13,524	13,524	13,524	66,934,523	66,934,523	66,934,523	
53,700 - 55,699	\$54,760	3.497	5,841	56,226	14,057	14,057	14,057	14,057	82,110,529	82,110,529	82,110,529	
55,700 - 57,699	\$56,829	4.274	7,139	58,350	14,588	14,588	14,588	14,588	104,146,412	104,146,412	104,146,412	
57,700 - 59,699	\$58,815	4.225	7,058	60,390	15,097	15,097	15,097	15,097	106,550,280	106,550,280	106,550,280	
59,700 - 61,699	\$60,730	4.711	7,869	62,356	15,589	15,589	15,589	15,589	122,675,028	122,675,028	122,675,028	
61,700 - 63,699	\$62,884	3.934	6,571	64,568	16,142	16,142	16,142	16,142	106,075,306	106,075,306	106,075,306	
63,700 - 65,699	\$64,738	4.274	7,139	66,471	16,618	16,618	16,618	16,618	118,640,666	118,640,666	118,640,666	
65,700 - 67,699	\$66,739	3.837	6,409	68,526	17,131	17,131	17,131	17,131	109,802,259	109,802,259	109,802,259	
67,700 - 69,699	\$68,843	3.011	5,030	70,686	17,672	17,672	17,672	17,672	88,881,285	88,881,285	88,881,285	
69,700 - 71,699	\$70,677	3.594	6,003	72,569	18,142	18,142	18,142	18,142	108,917,073	108,917,073	108,917,073	
71,700 - 73,699	\$72,719	3.643	6,085	74,666	18,666	18,666	18,666	18,666	113,591,766	113,591,766	113,591,766	
73,700 - 75,699	\$74,689	3.448	5,760	76,689	19,172	19,172	19,172	19,172	110,424,053	110,424,053	110,424,053	
75,700 - 77,699	\$76,701	3.594	6,003	78,754	19,689	19,689	19,689	19,689	118,200,382	118,200,382	118,200,382	
77,700 - 79,699	\$78,696	2.671	4,462	80,803	20,201	20,201	20,201	20,201	90,129,368	90,129,368	90,129,368	
79,700 - 81,699	\$80,830	3.157	5,274	82,994	20,748	20,748	20,748	20,748	109,417,539	109,417,539	109,417,539	
81,700 - 83,699	\$82,680	2.477	4,138	84,894	21,223	21,223	21,223	21,223	87,814,505	87,814,505	87,814,505	
83,700 - 85,699	\$84,669	2.088	3,488	86,936	21,734	21,734	21,734	21,734	75,804,451	75,804,451	75,804,451	
85,700 - 87,699	\$86,797	2.331	3,894	89,121	22,280	22,280	21,750	22,280	86,753,453	84,689,041	86,753,453	
87,700 - 89,699	\$88,709	2.186	3,652	91,084	22,771	22,771	21,750	22,771	83,149,113	79,420,954	83,149,113	
89,700 - 91,699	\$90,771	2.088	3,488	93,201	23,300	23,300	21,750	23,300	81,267,593	75,860,454	81,267,593	
91,700 - 93,699	\$92,530	2.040	3,408	95,007	23,752	23,752	21,750	23,752	80,938,008	74,116,535	80,938,008	
93,700 - 95,699	\$94,738	2.331	3,894	97,274	24,319	24,319	21,750	24,319	94,690,469	84,689,041	94,690,469	
95,700 - 97,699	\$96,800	1.263	2,110	99,392	24,848	24,848	21,750	24,848	52,422,592	45,886,855	52,422,592	
97,700 - 99,699	\$98,700	1.700	2,840	101,342	25,336	25,336	21,750	25,336	71,945,868	61,763,780	71,945,868	
99,700 - 101,699	\$100,624	1.117	1,866	103,318	25,829	25,829	21,750	25,829	48,194,173	40,582,436	48,194,173	
101,700 - 103,699	\$102,617	1.408	2,352	105,364	26,341	26,341	21,750	26,341	61,952,916	51,154,942	61,952,916	
103,700 - 105,699	\$104,530	0.680	1,136	107,328	26,832	26,832	21,750	26,832	30,478,223	24,705,512	30,478,223	
105,700 - 107,699	\$106,666	1.214	2,028	109,522	27,380	27,380	21,750	27,380	55,524,477	44,106,605	55,524,477	
107,700 - 109,699	\$109,001	0.826	1,380	111,919	27,980	27,980	21,750	27,980	38,605,600	30,009,931	38,605,600	
109,700 - 111,699	\$110,656	0.826	1,380	113,619	28,405	28,405	21,750	28,405	39,191,763	30,009,931	39,191,763	
111,700 - 113,699	\$112,585	0.729	1,218	115,599	28,900	28,900	21,750	28,900	35,192,315	26,485,762	35,192,315	
113,700 - 115,699	\$114,537	0.729	1,218	117,603	29,401	29,250	21,750	29,401	35,618,783	26,485,762	35,802,480	
\$115,700 - over	\$257,126	6.411	10,709	264,010	66,002	29,250	21,750	66,002	<u>313,240,082</u>	<u>232,922,112</u>	<u>706,824,429</u>	
TOTAL	\$82,972	100.000	167,042						Total Taxable Earnings	3,163,939,647	2,967,663,872	3,557,707,691
									Employer Tax Rate	6.20%	12.60%	1.45%
									Quarterly Payment	\$196,164,258	\$373,925,648	\$51,586,762
									Total Tier I, Tier II, and Medicare Paid this Quarter			\$621,676,668

Railroad Retirement & Medicare, U.S.

From 2012 Earnings Distribution			2Q/2014 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)	Tier I	Tier II	Medicare
\$0 - 41,699	\$33,750	4.368 %	7,296	\$34,836	\$8,709	\$8,709	\$8,709	\$8,709	\$63,544,205	\$63,544,205	\$63,544,205	
41,700 - 43,699	\$42,853	0.729	1,218	44,232	11,058	11,058	11,058	11,058	13,465,681	13,465,681	13,465,681	
43,700 - 45,699	\$44,826	1.360	2,272	46,268	11,567	11,567	11,567	11,567	26,277,766	26,277,766	26,277,766	
45,700 - 47,699	\$46,721	1.506	2,516	48,224	12,056	12,056	12,056	12,056	30,328,899	30,328,899	30,328,899	
47,700 - 49,699	\$48,772	2.040	3,408	50,341	12,585	12,585	12,585	12,585	42,886,468	42,886,468	42,886,468	
49,700 - 51,699	\$50,656	2.720	4,544	52,286	13,071	13,071	13,071	13,071	59,390,823	59,390,823	59,390,823	
51,700 - 53,699	\$52,684	2.963	4,949	54,379	13,595	13,595	13,595	13,595	67,286,810	67,286,810	67,286,810	
53,700 - 55,699	\$54,760	3.497	5,841	56,522	14,130	14,130	14,130	14,130	82,542,690	82,542,690	82,542,690	
55,700 - 57,699	\$56,829	4.274	7,139	58,658	14,664	14,664	14,664	14,664	104,694,551	104,694,551	104,694,551	
57,700 - 59,699	\$58,815	4.225	7,058	60,707	15,177	15,177	15,177	15,177	107,111,071	107,111,071	107,111,071	
59,700 - 61,699	\$60,730	4.711	7,869	62,684	15,671	15,671	15,671	15,671	123,320,686	123,320,686	123,320,686	
61,700 - 63,699	\$62,884	3.934	6,571	64,907	16,227	16,227	16,227	16,227	106,633,598	106,633,598	106,633,598	
63,700 - 65,699	\$64,738	4.274	7,139	66,821	16,705	16,705	16,705	16,705	119,265,091	119,265,091	119,265,091	
65,700 - 67,699	\$66,739	3.837	6,409	68,886	17,222	17,222	17,222	17,222	110,380,166	110,380,166	110,380,166	
67,700 - 69,699	\$68,843	3.011	5,030	71,058	17,765	17,765	17,765	17,765	89,349,081	89,349,081	89,349,081	
69,700 - 71,699	\$70,677	3.594	6,003	72,951	18,238	18,238	18,238	18,238	109,490,320	109,490,320	109,490,320	
71,700 - 73,699	\$72,719	3.643	6,085	75,059	18,765	18,765	18,765	18,765	114,189,617	114,189,617	114,189,617	
73,700 - 75,699	\$74,689	3.448	5,760	77,092	19,273	19,273	19,273	19,273	111,005,232	111,005,232	111,005,232	
75,700 - 77,699	\$76,701	3.594	6,003	79,169	19,792	19,792	19,792	19,792	118,822,489	118,822,489	118,822,489	
77,700 - 79,699	\$78,696	2.671	4,462	81,228	20,307	20,307	20,307	20,307	90,603,733	90,603,733	90,603,733	
79,700 - 81,699	\$80,830	3.157	5,274	83,431	20,858	20,858	20,858	20,858	109,993,421	109,993,421	109,993,421	
81,700 - 83,699	\$82,680	2.477	4,138	85,340	21,335	21,335	21,335	21,335	88,276,686	88,276,686	88,276,686	
83,700 - 85,699	\$84,669	2.088	3,488	87,393	21,848	21,848	21,766	21,848	76,203,422	75,916,457	76,203,422	
85,700 - 87,699	\$86,797	2.331	3,894	89,590	22,397	22,397	21,750	22,397	87,210,050	84,689,041	87,210,050	
87,700 - 89,699	\$88,709	2.186	3,652	91,563	22,891	22,891	21,750	22,891	83,586,740	79,420,954	83,586,740	
89,700 - 91,699	\$90,771	2.088	3,488	93,692	23,423	23,423	21,750	23,423	81,695,317	75,860,454	81,695,317	
91,700 - 93,699	\$92,530	2.040	3,408	95,507	23,877	23,877	21,750	23,877	81,363,997	74,116,535	81,363,997	
93,700 - 95,699	\$94,738	2.331	3,894	97,786	24,447	24,447	21,750	24,447	95,188,840	84,689,041	95,188,840	
95,700 - 97,699	\$96,800	1.263	2,110	99,915	24,979	24,979	21,750	24,979	52,698,500	45,886,855	52,698,500	
97,700 - 99,699	\$98,700	1.700	2,840	101,876	25,469	25,469	21,750	25,469	72,324,530	61,763,780	72,324,530	
99,700 - 101,699	\$100,624	1.117	1,866	103,862	25,965	25,965	21,750	25,965	48,447,826	40,582,436	48,447,826	
101,700 - 103,699	\$102,617	1.408	2,352	105,919	26,480	26,480	21,750	26,480	62,278,984	51,154,942	62,278,984	
103,700 - 105,699	\$104,530	0.680	1,136	107,893	26,973	26,973	21,750	26,973	30,638,635	24,705,512	30,638,635	
105,700 - 107,699	\$106,666	1.214	2,028	110,098	27,525	27,525	21,750	27,525	55,816,711	44,106,605	55,816,711	
107,700 - 109,699	\$109,001	0.826	1,380	112,508	28,127	28,127	21,750	28,127	38,808,788	30,009,931	38,808,788	
109,700 - 111,699	\$110,656	0.826	1,380	114,216	28,554	28,554	21,750	28,554	39,398,035	30,009,931	39,398,035	
111,700 - 113,699	\$112,585	0.729	1,218	116,208	29,052	29,052	21,750	29,052	35,377,538	26,485,762	35,377,538	
113,700 - 115,699	\$114,537	0.729	1,218	118,222	29,556	29,250	21,750	29,556	35,618,783	26,485,762	35,990,914	
\$115,700 - over	\$257,126	6.411	10,709	265,399	66,350	29,250	21,750	66,350	<u>313,240,082</u>	<u>232,922,112</u>	<u>710,544,558</u>	
TOTAL		100.000	167,042						Total Taxable Earnings	3,178,755,861	2,977,665,193	3,576,432,469
									Employer Tax Rate	6.20%	12.60%	1.45%
									Quarterly Payment	\$197,062,863	\$375,185,814	\$51,858,271
									Total Tier I, Tier II, and Medicare Paid this Quarter			\$624,126,949

Railroad Retirement & Medicare, U.S.

From 2012 Earnings Distribution			3Q/2014 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	\$33,750	4.368 %	7,296	\$35,647	\$8,912	\$8,912	\$8,912	\$8,912	\$65,024,346	\$65,024,346	\$65,024,346	\$65,024,346
41,700 - 43,699	\$42,853	0.729	1,218	45,262	11,316	11,316	11,316	11,316	13,779,338	13,779,338	13,779,338	13,779,338
43,700 - 45,699	\$44,826	1.360	2,272	47,346	11,837	11,837	11,837	11,837	26,889,856	26,889,856	26,889,856	26,889,856
45,700 - 47,699	\$46,721	1.506	2,516	49,348	12,337	12,337	12,337	12,337	31,035,353	31,035,353	31,035,353	31,035,353
47,700 - 49,699	\$48,772	2.040	3,408	51,514	12,878	12,878	12,878	12,878	43,885,426	43,885,426	43,885,426	43,885,426
49,700 - 51,699	\$50,656	2.720	4,544	53,504	13,376	13,376	13,376	13,376	60,774,219	60,774,219	60,774,219	60,774,219
51,700 - 53,699	\$52,684	2.963	4,949	55,646	13,911	13,911	13,911	13,911	68,854,128	68,854,128	68,854,128	68,854,128
53,700 - 55,699	\$54,760	3.497	5,841	57,839	14,460	14,460	14,460	14,460	84,465,364	84,465,364	84,465,364	84,465,364
55,700 - 57,699	\$56,829	4.274	7,139	60,024	15,006	15,006	15,006	15,006	107,133,210	107,133,210	107,133,210	107,133,210
57,700 - 59,699	\$58,815	4.225	7,058	62,122	15,530	15,530	15,530	15,530	109,606,018	109,606,018	109,606,018	109,606,018
59,700 - 61,699	\$60,730	4.711	7,869	64,144	16,036	16,036	16,036	16,036	126,193,206	126,193,206	126,193,206	126,193,206
61,700 - 63,699	\$62,884	3.934	6,571	66,419	16,605	16,605	16,605	16,605	109,117,423	109,117,423	109,117,423	109,117,423
63,700 - 65,699	\$64,738	4.274	7,139	68,377	17,094	17,094	17,094	17,094	122,043,143	122,043,143	122,043,143	122,043,143
65,700 - 67,699	\$66,739	3.837	6,409	70,491	17,623	17,623	17,623	17,623	112,951,260	112,951,260	112,951,260	112,951,260
67,700 - 69,699	\$68,843	3.011	5,030	72,713	18,178	18,178	18,178	18,178	91,430,297	91,430,297	91,430,297	91,430,297
69,700 - 71,699	\$70,677	3.594	6,003	74,650	18,663	18,663	18,663	18,663	112,040,688	112,040,688	112,040,688	112,040,688
71,700 - 73,699	\$72,719	3.643	6,085	76,807	19,202	19,202	19,202	19,202	116,849,446	116,849,446	116,849,446	116,849,446
73,700 - 75,699	\$74,689	3.448	5,760	78,888	19,722	19,722	19,722	19,722	113,590,887	113,590,887	113,590,887	113,590,887
75,700 - 77,699	\$76,701	3.594	6,003	81,013	20,253	20,253	20,253	20,253	121,590,232	121,590,232	121,590,232	121,590,232
77,700 - 79,699	\$78,696	2.671	4,462	83,120	20,780	20,780	20,780	20,780	92,714,174	92,714,174	92,714,174	92,714,174
79,700 - 81,699	\$80,830	3.157	5,274	85,374	21,344	21,344	21,344	21,344	112,555,507	112,555,507	112,555,507	112,555,507
81,700 - 83,699	\$82,680	2.477	4,138	87,328	21,832	21,832	21,832	21,832	90,332,923	90,332,923	90,332,923	90,332,923
83,700 - 85,699	\$84,669	2.088	3,488	89,429	22,357	22,357	21,750	22,357	77,978,434	75,860,454	77,978,434	77,978,434
85,700 - 87,699	\$86,797	2.331	3,894	91,677	22,919	22,919	21,750	22,919	89,241,441	84,689,041	89,241,441	89,241,441
87,700 - 89,699	\$88,709	2.186	3,652	93,696	23,424	23,424	21,750	23,424	85,533,733	79,420,954	85,533,733	85,533,733
89,700 - 91,699	\$90,771	2.088	3,488	95,874	23,969	23,969	21,750	23,969	83,598,253	75,860,454	83,598,253	83,598,253
91,700 - 93,699	\$92,530	2.040	3,408	97,732	24,433	24,433	21,750	24,433	83,259,216	74,116,535	83,259,216	83,259,216
93,700 - 95,699	\$94,738	2.331	3,894	100,064	25,016	25,016	21,750	25,016	97,406,082	84,689,041	97,406,082	97,406,082
95,700 - 97,699	\$96,800	1.263	2,110	102,242	25,560	25,560	21,750	25,560	53,926,011	45,886,855	53,926,011	53,926,011
97,700 - 99,699	\$98,700	1.700	2,840	104,249	26,062	26,062	21,750	26,062	74,009,192	61,763,780	74,009,192	74,009,192
99,700 - 101,699	\$100,624	1.117	1,866	106,281	26,570	26,570	21,750	26,570	49,576,326	40,582,436	49,576,326	49,576,326
101,700 - 103,699	\$102,617	1.408	2,352	108,386	27,097	27,097	21,750	27,097	63,729,653	51,154,942	63,729,653	63,729,653
103,700 - 105,699	\$104,530	0.680	1,136	110,407	27,602	27,602	21,750	27,602	31,352,303	24,705,512	31,352,303	31,352,303
105,700 - 107,699	\$106,666	1.214	2,028	112,663	28,166	28,166	21,750	28,166	57,116,855	44,106,605	57,116,855	57,116,855
107,700 - 109,699	\$109,001	0.826	1,380	115,129	28,782	28,782	21,750	28,782	39,712,764	30,009,931	39,712,764	39,712,764
109,700 - 111,699	\$110,656	0.826	1,380	116,877	29,219	29,219	21,750	29,219	40,315,737	30,009,931	40,315,737	40,315,737
111,700 - 113,699	\$112,585	0.729	1,218	118,914	29,729	29,729	21,750	29,729	36,201,590	26,485,762	36,201,590	36,201,590
113,700 - 115,699	\$114,537	0.729	1,218	120,976	30,244	30,244	21,750	30,244	35,618,783	26,485,762	36,829,254	36,829,254
\$115,700 - over	\$257,126	6.411	10,709	271,581	67,895	67,895	21,750	67,895	<u>313,240,082</u>	<u>232,922,112</u>	<u>727,095,334</u>	<u>727,095,334</u>
TOTAL		100.000	167,042						Total Taxable Earnings	3,244,672,898	3,021,606,549	3,659,738,621
									Employer Tax Rate	6.20%	12.60%	1.45%
									Quarterly Payment	\$201,169,720	\$380,722,425	\$53,066,210
									Total Tier I, Tier II, and Medicare Paid this Quarter			\$634,958,355

Railroad Retirement & Medicare, U.S.

From 2012 Earnings Distribution			4Q/2014 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtlly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
									Tier I	Tier II	Medicare	
\$0 - 41,699	\$33,750	4.368 %	7,296	\$35,658	\$8,914	\$8,914	\$8,914	\$8,914	\$65,043,018	\$65,043,018	\$65,043,018	
41,700 - 43,699	\$42,853	0.729	1,218	45,275	11,319	11,319	11,319	11,319	13,783,294	13,783,294	13,783,294	
43,700 - 45,699	\$44,826	1.360	2,272	47,360	11,840	11,840	11,840	11,840	26,897,578	26,897,578	26,897,578	
45,700 - 47,699	\$46,721	1.506	2,516	49,362	12,340	12,340	12,340	12,340	31,044,265	31,044,265	31,044,265	
47,700 - 49,699	\$48,772	2.040	3,408	51,529	12,882	12,882	12,882	12,882	43,898,028	43,898,028	43,898,028	
49,700 - 51,699	\$50,656	2.720	4,544	53,519	13,380	13,380	13,380	13,380	60,791,670	60,791,670	60,791,670	
51,700 - 53,699	\$52,684	2.963	4,949	55,662	13,915	13,915	13,915	13,915	68,873,899	68,873,899	68,873,899	
53,700 - 55,699	\$54,760	3.497	5,841	57,855	14,464	14,464	14,464	14,464	84,489,618	84,489,618	84,489,618	
55,700 - 57,699	\$56,829	4.274	7,139	60,041	15,010	15,010	15,010	15,010	107,163,973	107,163,973	107,163,973	
57,700 - 59,699	\$58,815	4.225	7,058	62,139	15,535	15,535	15,535	15,535	109,637,491	109,637,491	109,637,491	
59,700 - 61,699	\$60,730	4.711	7,869	64,163	16,041	16,041	16,041	16,041	126,229,441	126,229,441	126,229,441	
61,700 - 63,699	\$62,884	3.934	6,571	66,438	16,610	16,610	16,610	16,610	109,148,756	109,148,756	109,148,756	
63,700 - 65,699	\$64,738	4.274	7,139	68,397	17,099	17,099	17,099	17,099	122,078,187	122,078,187	122,078,187	
65,700 - 67,699	\$66,739	3.837	6,409	70,511	17,628	17,628	17,628	17,628	112,983,694	112,983,694	112,983,694	
67,700 - 69,699	\$68,843	3.011	5,030	72,734	18,184	18,184	18,184	18,184	91,456,551	91,456,551	91,456,551	
69,700 - 71,699	\$70,677	3.594	6,003	74,672	18,668	18,668	18,668	18,668	112,072,860	112,072,860	112,072,860	
71,700 - 73,699	\$72,719	3.643	6,085	76,829	19,207	19,207	19,207	19,207	116,882,999	116,882,999	116,882,999	
73,700 - 75,699	\$74,689	3.448	5,760	78,911	19,728	19,728	19,728	19,728	113,623,504	113,623,504	113,623,504	
75,700 - 77,699	\$76,701	3.594	6,003	81,036	20,259	20,259	20,259	20,259	121,625,146	121,625,146	121,625,146	
77,700 - 79,699	\$78,696	2.671	4,462	83,144	20,786	20,786	20,786	20,786	92,740,797	92,740,797	92,740,797	
79,700 - 81,699	\$80,830	3.157	5,274	85,399	21,350	21,350	21,350	21,350	112,587,827	112,587,827	112,587,827	
81,700 - 83,699	\$82,680	2.477	4,138	87,353	21,838	21,838	21,838	21,838	90,358,861	90,358,861	90,358,861	
83,700 - 85,699	\$84,669	2.088	3,488	89,455	22,364	22,364	21,750	22,364	78,000,826	75,860,454	78,000,826	
85,700 - 87,699	\$86,797	2.331	3,894	91,703	22,926	22,926	21,750	22,926	89,267,067	84,689,041	89,267,067	
87,700 - 89,699	\$88,709	2.186	3,652	93,723	23,431	23,431	21,750	23,431	85,558,294	79,420,954	85,558,294	
89,700 - 91,699	\$90,771	2.088	3,488	95,902	23,975	23,975	21,750	23,975	83,622,258	75,860,454	83,622,258	
91,700 - 93,699	\$92,530	2.040	3,408	97,760	24,440	24,440	21,750	24,440	83,283,124	74,116,535	83,283,124	
93,700 - 95,699	\$94,738	2.331	3,894	100,093	25,023	25,023	21,750	25,023	97,434,051	84,689,041	97,434,051	
95,700 - 97,699	\$96,800	1.263	2,110	102,271	25,568	25,568	21,750	25,568	53,941,496	45,886,855	53,941,496	
97,700 - 99,699	\$98,700	1.700	2,840	104,279	26,070	26,070	21,750	26,070	74,030,443	61,763,780	74,030,443	
99,700 - 101,699	\$100,624	1.117	1,866	106,311	26,578	26,578	21,750	26,578	49,590,562	40,582,436	49,590,562	
101,700 - 103,699	\$102,617	1.408	2,352	108,417	27,104	27,104	21,750	27,104	63,747,953	51,154,942	63,747,953	
103,700 - 105,699	\$104,530	0.680	1,136	110,438	27,610	27,610	21,750	27,610	31,361,306	24,705,512	31,361,306	
105,700 - 107,699	\$106,666	1.214	2,028	112,695	28,174	28,174	21,750	28,174	57,133,256	44,106,605	57,133,256	
107,700 - 109,699	\$109,001	0.826	1,380	115,162	28,790	28,790	21,750	28,790	39,724,168	30,009,931	39,724,168	
109,700 - 111,699	\$110,656	0.826	1,380	116,911	29,228	29,228	21,750	29,228	40,327,313	30,009,931	40,327,313	
111,700 - 113,699	\$112,585	0.729	1,218	118,949	29,737	29,320	21,750	29,737	35,703,689	26,485,762	36,211,985	
113,700 - 115,699	\$114,537	0.729	1,218	121,011	30,253	29,250	21,750	30,253	35,618,783	26,485,762	36,839,829	
\$115,700 - over	\$257,126	6.411	10,709	271,659	67,915	29,250	21,750	67,915	<u>313,240,082</u>	<u>232,922,112</u>	<u>727,304,117</u>	
TOTAL		100.000	167,042						Total Taxable Earnings	3,244,996,124	3,022,161,561	3,660,789,501
									Employer Tax Rate	6.20%	12.60%	1.45%
									Quarterly Payment	\$201,189,760	\$380,792,357	\$53,081,448
									Total Tier I, Tier II, and Medicare Paid this Quarter			\$635,063,564

## RCAF Unemployment Insurance Tax

	Unemployment Ins.		Hourly Earnings	RRB Sample Year	Factor To Update RRB Sample	Avg. Ann. Taxable Earnings	Un. Ins. Hourly Rate
	Tax Rate	Earnings Base					
			\$34.444	(2009)			
2010 Avg.	3.26%	\$15,960	\$33.913		0.984584	\$15,048.19	\$0.273
<b>3Q/11 reb</b>	7.10%	\$15,960	\$34.350		0.997271	\$15,055.23	\$0.595
4Q/11	7.10%	\$15,960	\$34.347		0.997184	\$15,055.18	\$0.595
1Q/12	5.00%	\$16,380	\$35.205		1.022094	\$15,450.63	\$0.430
2Q/12	5.00%	\$16,380	\$36.076		1.047381	\$15,464.39	\$0.430
3Q/12	5.00%	\$16,380	\$37.569		1.090727	\$15,487.33	\$0.431
			\$33.913	(2010)			
2011 Avg.	7.10%	\$15,960	\$34.752		1.024740	\$15,110.68	\$0.595
<b>3Q/12 reb</b>	5.00%	\$16,380	\$37.546		1.107127	\$15,534.63	\$0.431
4Q/12	5.00%	\$16,380	\$37.613		1.109103	\$15,535.53	\$0.431
1Q/13	0.67%	\$16,860	\$37.771		1.113762	\$15,978.07	\$0.059
2Q/13	0.67%	\$16,860	\$37.144		1.095273	\$15,969.12	\$0.059
3Q/13	0.67%	\$16,860	\$37.532		1.106714	\$15,974.73	\$0.059
			\$34.752	(2011)			
2012 Avg.	5.00%	\$16,380	\$36.269		1.043652	\$15,446.41	\$0.411
<b>3Q/13 reb.</b>	0.67%	\$16,860	\$37.587		1.081578	\$15,902.69	\$0.057
4Q/13	0.67%	\$16,860	\$37.545		1.080369	\$15,902.09	\$0.057
1Q/14	0.68%	\$17,280	\$37.908		1.090815	\$16,289.96	\$0.059
2Q/14	0.68%	\$17,280	\$38.121		1.096944	\$16,293.07	\$0.059
3Q/14	0.68%	\$17,280	\$39.016		1.122698	\$16,305.78	\$0.059
			\$36.269	(2012)			
2013 Avg.	0.67%	\$16,860	\$36.760		1.013538	\$15,578.13	\$0.057
<b>3Q/14 reb.</b>	0.68%	\$17,280	\$38.308		1.056219	\$15,976.08	\$0.059
4Q/14	0.68%	\$17,280	\$38.319		1.056522	\$15,976.25	<b>\$0.059</b>
1Q/15					0.000000		\$0.000
2Q/15					0.000000		\$0.000
3Q/15					0.000000		\$0.000

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

TOTAL GROSS EARNINGS AND AVERAGE GROSS EARNINGS-2012 RRB File

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2740	42684085.80	15578.13
QTRLY_US	2740	43774924.89	15976.25

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2740	2777.09	1.0135380
FactorQ	2740	2894.87	1.0565220
Capa	2740	46196400.00	16860.00
Capq	2740	47347200.00	17280.00

TOTAL GROSS EARNINGS AND AVERAGE GROSS EARNINGS-2012 RRB File

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2740	42684085.80	15578.13
QTRLY_US	2740	43774465.25	15976.08

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2740	2777.09	1.0135380 ✓
FactorQ	2740	2894.04	1.0562190 ✓
Capa	2740	46196400.00	16860.00 ✓
Capq	2740	47347200.00	17280.00 ✓

# PETROLEUM & OTHER LIQUIDS

OVERVIEW DATA ANALYSIS & PROJECTIONS

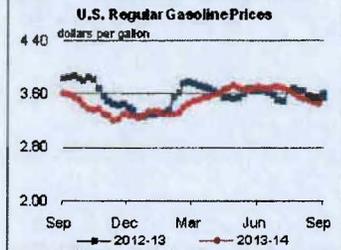
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## This Week In Petroleum

### Summary

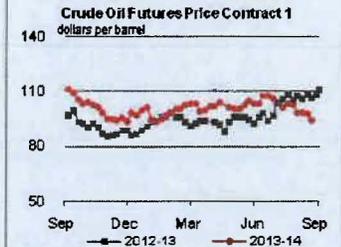
Scroll over labels below to see different charts.

#### Retail Prices (Dollars per Gallon)



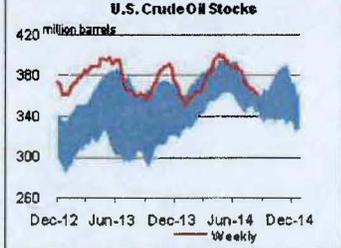
Retail Prices	Change From Last
08/25/14	Week Year
Gasoline	3.454 -0.018 -0.098
Diesel Fuel	3.821 -0.014 -0.092

#### Futures Prices (Dollars per Gallon\*)



Futures Prices	Change From Last
08/22/14	Week Year
Crude Oil	93.65 -3.70 -12.77
Gasoline	2.738 0.039 -0.269
Heating Oil	2.828 -0.020 -0.267

#### Stocks (Million Barrels)



Stocks	Change From Last
08/22/14	Week Year
Crude Oil	360.5 -2.1 -1.6
Gasoline	212.3 -1.0 -5.5
Distillate	122.8 1.3 -6.2
Propane	74.709 1.879 12.637

In its *August Short-Term Energy Outlook*, EIA forecasts that the U.S. average retail price of gasoline will decline modestly through the end of the year, reaching a monthly average low of \$3.30/gal in December. Gasoline prices often fall after Labor Day as seasonal demand wanes and the market shifts to winter fuel specifications, which make greater use of low-cost fuel components. In recent years, gasoline crack spreads have been very weak in the fourth quarter after refineries emerge from autumn maintenance and begin supplying gasoline to a market with relatively low demand. This weakness has generally translated into lower retail prices. As always, the forecast is subject to considerable uncertainty. For example, either unplanned refinery outages or unanticipated Brent crude oil price increases, which might result from numerous factors, could result in higher gasoline prices than are currently expected.

#### U.S. gasoline and diesel fuel prices fall

The U.S. average retail price of regular gasoline decreased two cents to \$3.45 per gallon as of August 25, 2014, ten cents lower than last year at this time. The East Coast and Gulf Coast prices both decreased three cents, to \$3.40 per gallon and \$3.24 per gallon, respectively. The West Coast price fell two cents to \$3.83 per gallon. The Rocky Mountain price

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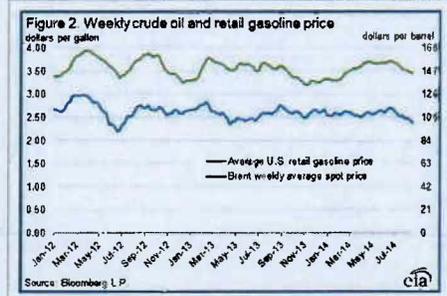
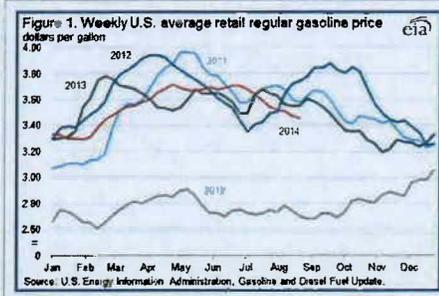
Complete History XLS  
Analysis Text History  
RSS feed

### Crude Oil

Released: August 27, 2014  
Next Release: September 4, 2014

## U.S. retail gasoline prices fall heading into Labor Day, following crude prices lower

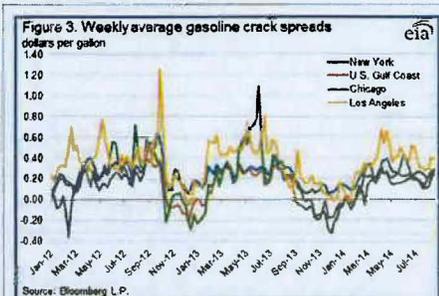
The U.S. average retail price for regular gasoline was \$3.45/gallon (gal) this past Monday, the lowest price on the Monday before Labor Day since 2010 (Figure 1). The average price at the pump is now 25 cents/gal lower than it was at the end of June. A lower North Sea Brent crude oil price is the main driver of the decline in the gasoline price. The current price of Brent is lower than it was both in June 2014 and heading into the Labor Day weekend last year (Figure 2).



The recent decline in gasoline prices largely reflects movements in crude oil prices. In June of this year, Brent spot prices reached their year-to-date maximum level of \$115/barrel (bbl), well above the average of \$102/bbl through the first 22 days of the current month and \$100/bbl on August 22. Current Brent prices are below their August average level over the past 3 years, which ranged between \$110-\$113/bbl. In 2010, crude oil prices were much lower because the global economy was just beginning to recover from the 2008-09 recession that reduced oil demand growth.

The recent reduction in the Brent spot price likely reflects the market's perception of reduced risk for Iraqi oil exports and news reports of increasing Libyan oil exports. Additionally, some economic indicators released over the summer suggest that global demand growth may be weaker than expected. Finally, the end of the third quarter and early fourth quarter mark the autumn turnaround season for refineries, and reduced crude buying ahead of cuts in refinery runs is likely putting some downward pressure on prices.

In addition to changes in the price of crude oil, changes in retail gasoline prices are also affected by changes in wholesale gasoline crack spreads (the difference between the price of wholesale gasoline and the price of crude oil). Crack spreads reflect gasoline market conditions, such as the gasoline supply/demand balance. Gasoline crack spreads east of the Rockies have been stable over the summer, remaining near June levels, and as a result have had little impact on changes in retail prices (Figure 3). In New York Harbor, the U.S. Gulf Coast, and Chicago, crack spreads dipped in late July as U.S. refineries, particularly in the Midwest and Gulf Coast, ran at record levels, increasing supplies of gasoline available to the market. However, those declines were erased in August because of operational glitches in fluid catalytic cracking (FCC) units at several refineries. The FCC unit is important for the production of gasoline and the recent malfunctions have reduced gasoline supply and contributed to lower total U.S. gasoline inventories. Inventories have declined 5.9 million barrels in the past three weeks. However, declining crude oil prices have more than offset the modest increase in crack spreads.



Regional retail gasoline prices in the United States vary significantly. Prices are lowest on the Gulf Coast at an average of \$3.24/gal, while prices are highest on the West Coast at an average of \$3.83/gal. It is common for the Gulf Coast and West Coast to have the lowest and highest regional prices, respectively. Gulf Coast prices are often low compared with prices in other locations because the Gulf Coast is home to half of the U.S. refining capacity, produces more gasoline than it consumes, and does not rely on supply transferred from other U.S. regions or imported from the global market. West Coast prices are often higher than those in other areas of the country because of the more restrictive gasoline specifications in California, the region's dominant market. California specification gasoline is difficult and more costly to produce. As of August 25, Rocky Mountain prices averaged \$3.65/gal and East Coast and Midwest prices both averaged \$3.40/gal.

decreased one cent to \$3.65 per gallon. The Midwest price gained less than a penny to remain at \$3.40 per gallon this week.

The national average diesel fuel price shed a penny to total \$3.82 per gallon, nine cents lower than last year at this time. The East Coast price decreased two cents to \$3.86 per gallon, as did the Midwest price which moved lower to \$3.76 per gallon. The Gulf Coast and the West Coast both fell one cent to \$3.73 per gallon and \$4.01 per gallon, respectively. The Rocky Mountain price gained less than a penny to \$3.88 per gallon.

### **Propane inventories continue to rise**

U.S. propane stocks increased by 1.9 million barrels last week to 74.7 million barrels as of August 22, 2014, 12.6 million barrels (20.4%) higher than a year ago. Gulf Coast inventories increased by 1.0 million barrels and Midwest inventories increased by 0.6 million barrels. East Coast inventories and Rocky Mountain/ West Coast inventories both increased by 0.1 million barrels. Propylene non-fuel-use inventories represented 5.0% 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.

# PETROLEUM & OTHER LIQUIDS

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## This Week In Petroleum

[Complete History XLS](#)  
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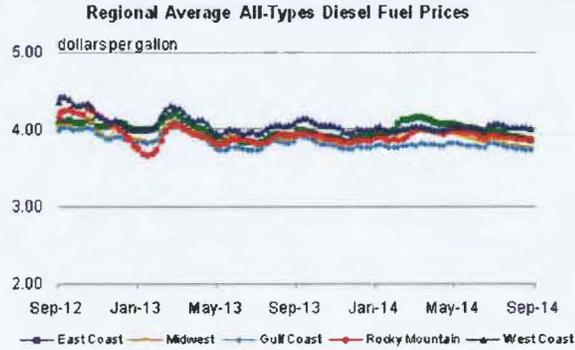
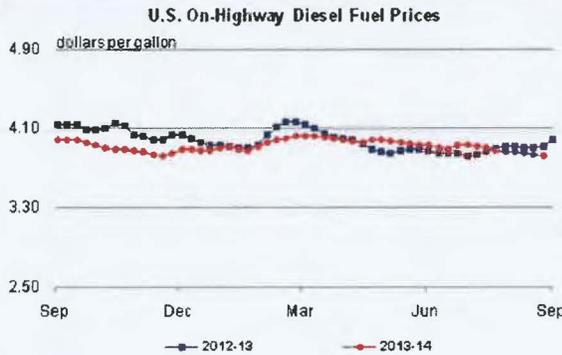
Summary Crude Oil Gasoline Distillate Propane  
Prices Stocks Production Imports Demand

### Residential Heating Oil Prices (Dollars per Gallon)

Residential Heating Oil Prices		<a href="#">more data</a>
Note: The Heating Season is Over. Data for residential and wholesale prices for heating oil and propane will return in October 2014.		

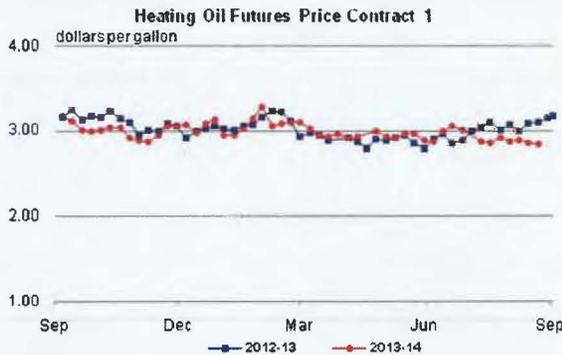
### On-Highway Diesel Fuel Prices (Dollars per Gallon)

On-Highway Diesel Fuel Prices		<a href="#">more data</a>						
	Most Recent	Year Ago						
	07/14/14	07/21/14	07/28/14	08/04/14	08/11/14	08/18/14	08/25/14	08/26/13
U.S.	3.894	3.869	3.858	3.853	3.843	3.835	3.821	3.913
East Coast (PADD 1)	3.961	3.928	3.910	3.906	3.887	3.875	3.855	3.925
New England (PADD 1A)	4.078	4.052	4.044	4.019	3.982	3.971	3.955	4.044
Central Atlantic (PADD 1B)	4.051	4.014	3.993	3.989	3.974	3.960	3.935	3.980
Lower Atlantic (PADD 1C)	3.866	3.836	3.817	3.817	3.800	3.788	3.771	3.862
Midwest (PADD 2)	3.837	3.810	3.801	3.798	3.787	3.780	3.763	3.884
Gulf Coast (PADD 3)	3.787	3.773	3.767	3.754	3.750	3.739	3.732	3.829
Rocky Mountain (PADD 4)	3.896	3.889	3.888	3.877	3.876	3.871	3.875	3.927
West Coast (PADD 5)	4.052	4.026	4.017	4.016	4.016	4.015	4.010	4.072
California	4.119	4.096	4.090	4.087	4.084	4.086	4.084	4.156



### Heating Oil Futures Prices (Dollars per Gallon)

Heating Oil Futures Prices		<a href="#">more data</a>						
	Most Recent	Year Ago						
	07/11/14	07/18/14	07/25/14	08/01/14	08/08/14	08/15/14	08/22/14	08/23/13
Contract 1	2.861	2.845	2.916	2.866	2.877	2.848	2.828	3.095
Contract 2	2.873	2.857	2.924	2.875	2.884	2.854	2.834	3.099
Contract 3	2.885	2.871	2.932	2.884	2.892	2.862	2.841	3.097
Contract 4	2.897	2.885	2.943	2.893	2.899	2.871	2.848	3.091

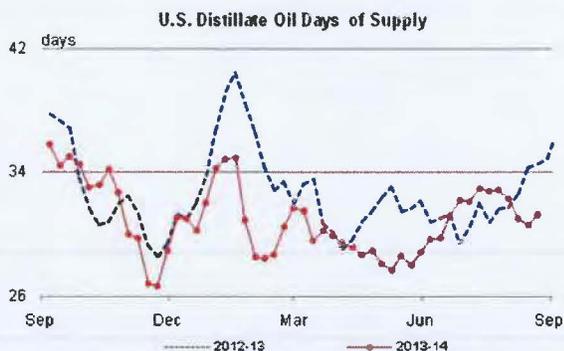
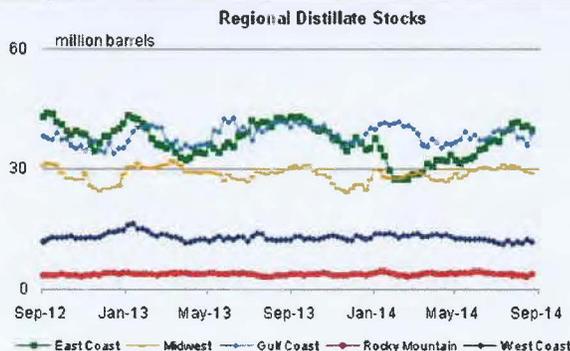
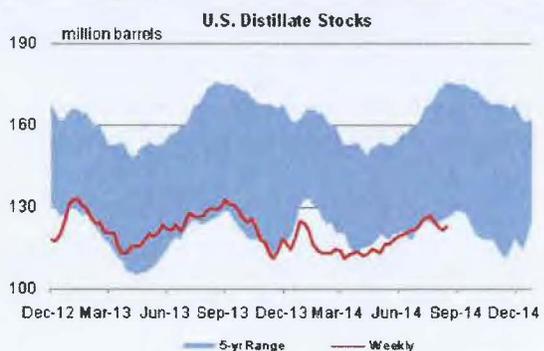


### Distillate Stocks (Million Barrels) and Days of Supply

Total Distillate Stocks		<a href="#">more data</a>						
	Most Recent	Year Ago						
	07/11/14	07/18/14	07/25/14	08/01/14	08/08/14	08/15/14	08/22/14	08/23/13
U.S.	124.3	125.9	126.7	124.9	122.5	121.5	122.8	129.0
East Coast (PADD 1)	38.9	39.6	41.3	41.7	40.3	40.8	39.8	42.0
New England (PADD 1A)	4.1	4.3	4.2	4.6	5.0	5.0	4.9	4.9
Central Atlantic (PADD 1B)	20.3	22.5	23.7	23.4	22.9	22.7	22.2	25.8
Lower Atlantic (PADD 1C)	14.6	12.8	13.4	13.6	12.5	13.1	12.6	11.3
Midwest (PADD 2)	31.0	30.6	30.8	30.4	29.8	29.2	28.8	29.8
Gulf Coast (PADD 3)	39.5	40.1	39.9	37.8	37.7	36.1	38.9	41.6

Rocky Mountain (PADD 4)	3.7	3.6	3.5	3.3	3.3	3.2	3.6	3.4	
West Coast (PADD 5)	11.2	12.1	11.2	11.8	11.4	12.3	11.7	12.3	
<b>15 ppm sulfur and Under Stocks</b> <span style="float: right;">more data</span>									
	Most Recent							Year Ago	
	07/11/14	07/18/14	07/25/14	08/01/14	08/08/14	08/15/14	08/22/14	08/23/13	
U.S.	106.4	108.2	109.2	108.1	105.6	104.5	105.4	107.4	
East Coast (PADD 1)	30.2	31.0	32.2	33.2	31.9	32.0	31.1	30.7	
New England (PADD 1A)	1.9	2.1	2.0	2.1	2.3	2.3	2.2	1.8	
Central Atlantic (PADD 1B)	14.7	17.1	18.0	18.5	18.4	18.3	17.6	19.1	
Lower Atlantic (PADD 1C)	13.7	11.8	12.2	12.6	11.1	11.4	11.2	9.8	
Midwest (PADD 2)	30.2	29.8	30.0	29.6	28.9	28.5	28.1	28.5	
Gulf Coast (PADD 3)	32.4	33.2	33.6	31.5	31.3	30.0	32.5	33.9	
Rocky Mountain (PADD 4)	3.4	3.3	3.3	3.1	3.1	2.9	3.3	3.0	
West Coast (PADD 5)	10.1	10.8	10.0	10.6	10.3	11.1	10.5	11.2	
<b>Greater than 15 ppm to 500 ppm sulfur Stocks</b> <span style="float: right;">more data</span>									
	Most Recent							Year Ago	
	07/11/14	07/18/14	07/25/14	08/01/14	08/08/14	08/15/14	08/22/14	08/23/13	
U.S.	4.0	4.1	3.8	3.3	3.0	2.7	3.0	4.6	
East Coast (PADD 1)	1.6	1.5	1.4	1.1	0.8	0.9	1.0	1.3	
New England (PADD 1A)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	
Central Atlantic (PADD 1B)	1.1	1.0	0.9	0.5	0.2	0.3	0.4	0.9	
Lower Atlantic (PADD 1C)	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	
Midwest (PADD 2)	0.4	0.4	0.5	0.5	0.5	0.4	0.4	0.6	
Gulf Coast (PADD 3)	1.6	1.9	1.5	1.4	1.4	1.1	1.2	2.3	
Rocky Mountain (PADD 4)	0.1	0.1	0.1	0.2	0.2	0.1	0.2	0.2	
West Coast (PADD 5)	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.3	
<b>Greater than 500 ppm sulfur Stocks</b> <span style="float: right;">more data</span>									
	Most Recent							Year Ago	
	07/11/14	07/18/14	07/25/14	08/01/14	08/08/14	08/15/14	08/22/14	08/23/13	
U.S.	13.9	13.6	13.7	13.5	13.9	14.3	14.4	17.0	
East Coast (PADD 1)	7.1	7.0	7.7	7.4	7.6	7.8	7.7	10.0	
New England (PADD 1A)	2.0	2.0	2.0	2.4	2.5	2.5	2.5	3.1	
Central Atlantic (PADD 1B)	4.6	4.5	4.9	4.4	4.2	4.0	4.3	5.7	
Lower Atlantic (PADD 1C)	0.5	0.6	0.8	0.6	0.9	1.3	0.9	1.1	
Midwest (PADD 2)	0.4	0.3	0.3	0.3	0.4	0.4	0.3	0.6	
Gulf Coast (PADD 3)	5.4	5.1	4.8	4.8	5.0	5.0	5.3	5.4	
Rocky Mountain (PADD 4)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	
West Coast (PADD 5)	0.9	1.0	0.9	0.9	0.9	1.0	1.1	0.8	
<b>Days of Supply (number of days)</b> <span style="float: right;">more data</span>									
	Most Recent							Year Ago	
	07/11/14	07/18/14	07/25/14	08/01/14	08/08/14	08/15/14	08/22/14	08/23/13	
U.S.	32.9	32.7	32.8	32.2	31.0	30.6	31.3	34.5	

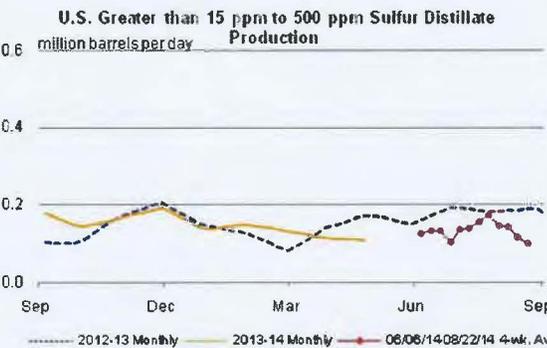
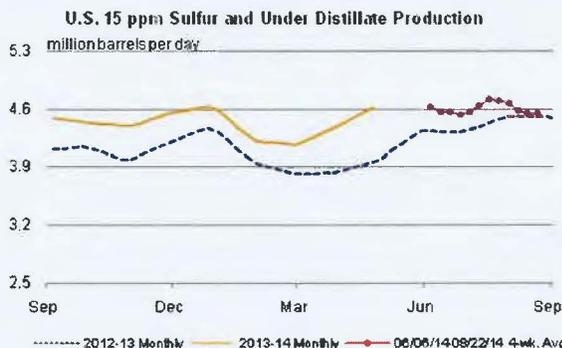
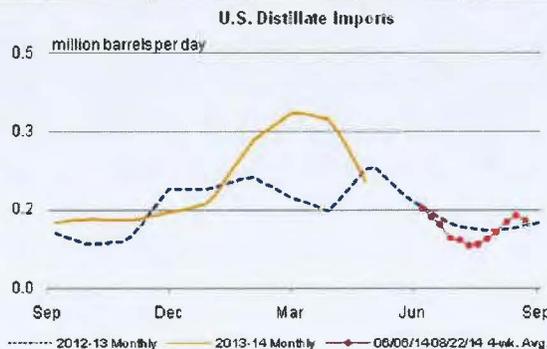
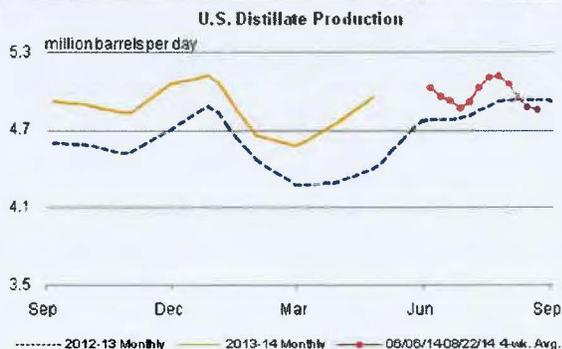
Note: Days of Supply calculated as: U.S. Total Distillate Stocks / Four-Week Average U.S. Distillate Fuel Oil Demand

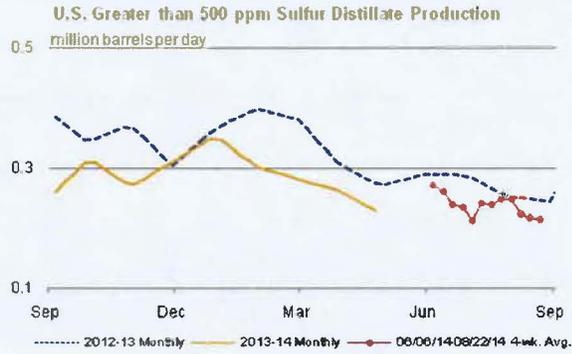


**Distillate Production and Imports (Million Barrels per Day)**

<b>Total Distillate Production</b> <span style="float: right;">more data</span>								
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	08/08/14	08/15/14	08/22/14	08/23/13	08/08/14	08/15/14	08/22/14	08/23/13
U.S.	4.943	4.870	4.853	4.888	4.723	4.913	4.947	4.888
East Coast (PADD 1)	0.355	0.340	0.322	0.354	0.334	0.330	0.314	0.353
Midwest (PADD 2)	1.093	1.045	1.009	1.026	0.941	0.957	1.030	1.021

Gulf Coast (PADD 3)	2.728	2.730	2.772	2.759	2.707	2.878	2.864	2.716
Rocky Mountain (PADD 4)	0.192	0.190	0.196	0.184	0.180	0.186	0.214	0.187
West Coast (PADD 5)	0.575	0.565	0.555	0.565	0.561	0.561	0.526	0.611
<b>15 ppm sulfur and Under Production</b>								<a href="#">more data</a>
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	08/08/14	08/15/14	08/22/14	08/23/13	08/08/14	08/15/14	08/22/14	08/23/13
U.S.	4.580	4.537	4.540	4.547	4.422	4.607	4.613	4.533
East Coast (PADD 1)	0.300	0.308	0.309	0.314	0.312	0.338	0.299	0.321
Midwest (PADD 2)	1.091	1.042	1.010	1.034	0.954	0.954	1.032	1.036
Gulf Coast (PADD 3)	2.456	2.465	2.501	2.465	2.437	2.601	2.576	2.403
Rocky Mountain (PADD 4)	0.190	0.188	0.193	0.186	0.179	0.183	0.207	0.184
West Coast (PADD 5)	0.543	0.535	0.527	0.549	0.540	0.531	0.499	0.589
<b>Greater than 15 ppm to 500 ppm sulfur Production</b>								<a href="#">more data</a>
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	08/08/14	08/15/14	08/22/14	08/23/13	08/08/14	08/15/14	08/22/14	08/23/13
U.S.	0.141	0.116	0.100	0.140	0.093	0.099	0.107	0.130
East Coast (PADD 1)	0.036	0.020	0.006	0.011	0.003	0.005	0.010	0.006
Midwest (PADD 2)	0.010	0.010	0.007	-0.001	0.003	0.006	0.005	-0.003
Gulf Coast (PADD 3)	0.082	0.074	0.076	0.119	0.084	0.071	0.075	0.111
Rocky Mountain (PADD 4)	0.004	0.004	0.004	0.001	0.004	0.003	0.005	0.001
West Coast (PADD 5)	0.010	0.007	0.007	0.010	0.000	0.014	0.014	0.015
<b>Greater than 500 ppm sulfur Production</b>								<a href="#">more data</a>
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	08/08/14	08/15/14	08/22/14	08/23/13	08/08/14	08/15/14	08/22/14	08/23/13
U.S.	0.222	0.216	0.214	0.201	0.208	0.207	0.227	0.226
East Coast (PADD 1)	0.018	0.012	0.007	0.029	0.019	-0.013	0.005	0.025
Midwest (PADD 2)	-0.008	-0.007	-0.008	-0.007	-0.016	-0.003	-0.007	-0.012
Gulf Coast (PADD 3)	0.191	0.191	0.195	0.176	0.186	0.206	0.213	0.202
Rocky Mountain (PADD 4)	-0.002	-0.002	-0.001	-0.003	-0.002	0.000	0.002	0.002
West Coast (PADD 5)	0.022	0.023	0.020	0.006	0.022	0.017	0.014	0.008
<b>Distillate Imports</b>								<a href="#">more data</a>
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	08/08/14	08/15/14	08/22/14	08/23/13	08/08/14	08/15/14	08/22/14	08/23/13
Total Distillate	0.126	0.139	0.127	0.099	0.151	0.142	0.077	0.165
15 ppm sulfur and Under	0.087	0.101	0.091	0.074	0.078	0.114	0.059	0.112
Greater than 15 ppm to 500 ppm sulfur	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Greater than 500 ppm to 2000 ppm sulfur	0.039	0.038	0.036	0.024	0.074	0.028	0.018	0.053
Greater than 2000 ppm sulfur	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000





**Distillate Demand (Million Barrels per Day)**

	Distillate Demand							<a href="#">more data</a>
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	08/08/14	08/15/14	08/22/14	08/23/13	08/08/14	08/15/14	08/22/14	08/23/13
Distillate Fuel Oil	3.954	3.975	3.928	3.735	4.030	4.002	3.645	3.842



NA = Not Available.  
W = Data Withheld.



# PETROLEUM & OTHER LIQUIDS

OVERVIEW DATA ▾ ANALYSIS & PROJECTIONS ▾

GLOSSARY ▾ FAQs ▾

View History:  Daily  Weekly  Monthly  Annual

[Download Data \(XLS File\)](#)

## New York Harbor No. 2 Heating Oil Spot Price FOB

Dollars per Gallon

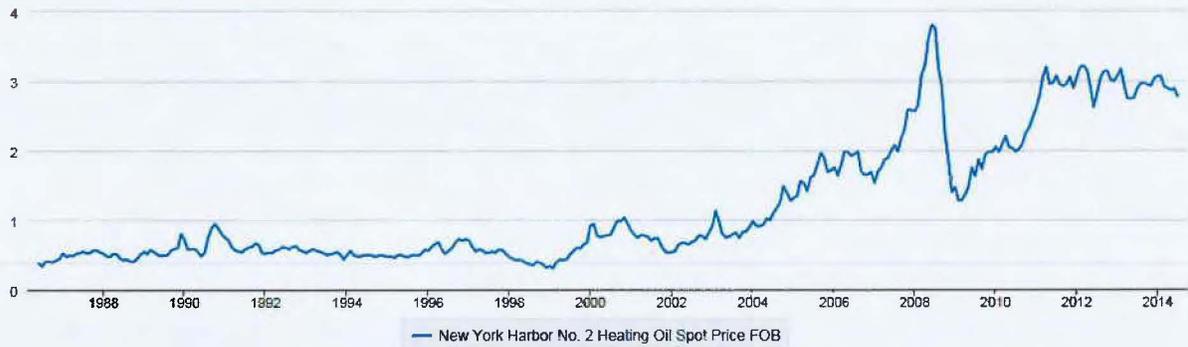


Chart Tools

no analysis applied ▾

**New York Harbor No. 2 Heating Oil Spot Price FOB (Dollars per Gallon)**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1986						0.380	0.334	0.408	0.402	0.394	0.422	0.447
1987	0.521	0.474	0.491	0.485	0.518	0.523	0.547	0.524	0.523	0.563	0.559	0.536
1988	0.518	0.481	0.475	0.515	0.509	0.448	0.477	0.434	0.406	0.407	0.449	0.510

**New York Harbor No. 2 Heating Oil Spot Price FOB (Dollars per Gallon)**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>1986</b>						0.380	0.334	0.408	0.402	0.394	0.422	0.447
<b>1987</b>	0.521	0.474	0.491	0.485	0.518	0.523	0.547	0.524	0.523	0.563	0.559	0.536
<b>1988</b>	0.518	0.481	0.475	0.515	0.509	0.448	0.427	0.434	0.406	0.402	0.449	0.510
<b>1989</b>	0.544	0.513	0.569	0.538	0.507	0.485	0.493	0.498	0.557	0.588	0.593	0.803
<b>1990</b>	0.711	0.575	0.580	0.585	0.539	0.481	0.531	0.753	0.888	0.942	0.873	0.796
<b>1991</b>	0.750	0.706	0.618	0.562	0.550	0.535	0.577	0.605	0.615	0.665	0.643	0.524
<b>1992</b>	0.516	0.532	0.525	0.562	0.576	0.612	0.603	0.582	0.618	0.626	0.566	0.550
<b>1993</b>	0.530	0.559	0.581	0.555	0.545	0.525	0.498	0.508	0.520	0.539	0.502	0.435
<b>1994</b>	0.499	0.557	0.492	0.479	0.479	0.492	0.499	0.495	0.477	0.482	0.494	0.483
<b>1995</b>	0.479	0.476	0.458	0.494	0.501	0.476	0.465	0.491	0.501	0.487	0.517	0.576
<b>1996</b>	0.555	0.614	0.656	0.676	0.576	0.514	0.555	0.603	0.677	0.723	0.701	0.722
<b>1997</b>	0.698	0.611	0.547	0.577	0.563	0.522	0.530	0.540	0.532	0.572	0.564	0.511
<b>1998</b>	0.466	0.443	0.421	0.430	0.411	0.378	0.362	0.345	0.403	0.385	0.359	0.313
<b>1999</b>	0.335	0.304	0.388	0.431	0.423	0.433	0.500	0.548	0.602	0.584	0.648	0.671
<b>2000</b>	0.915	0.937	0.773	0.749	0.760	0.782	0.781	0.893	0.988	0.977	1.032	0.943
<b>2001</b>	0.845	0.785	0.741	0.782	0.772	0.756	0.698	0.734	0.731	0.628	0.548	0.524
<b>2002</b>	0.536	0.541	0.636	0.667	0.666	0.646	0.679	0.701	0.773	0.768	0.720	0.821
<b>2003</b>	0.905	1.129	0.988	0.796	0.741	0.759	0.786	0.816	0.736	0.820	0.835	0.891
<b>2004</b>	0.984	0.913	0.909	0.922	1.018	0.994	1.090	1.167	1.257	1.485	1.384	1.275
<b>2005</b>	1.316	1.343	1.556	1.523	1.413	1.612	1.640	1.804	1.963	1.891	1.689	1.707
<b>2006</b>	1.751	1.639	1.777	1.978	1.972	1.925	1.935	1.984	1.699	1.648	1.648	1.684
<b>2007</b>	1.528	1.693	1.742	1.864	1.884	1.991	2.072	1.984	2.179	2.282	2.586	2.574
<b>2008</b>	2.558	2.644	3.066	3.226	3.615	3.801	3.759	3.169	2.911	2.239	1.843	1.402
<b>2009</b>	1.465	1.279	1.277	1.357	1.473	1.747	1.628	1.865	1.728	1.929	1.981	1.968
<b>2010</b>	2.046	1.978	2.083	2.204	2.040	2.032	1.979	2.016	2.090	2.242	2.320	2.468
<b>2011</b>	2.604	2.770	3.034	3.196	2.952	2.967	3.068	2.946	2.921	2.953	3.054	2.891
<b>2012</b>	3.054	3.196	3.217	3.150	2.913	2.619	2.813	3.045	3.134	3.140	3.009	2.995
<b>2013</b>	3.068	3.168	2.943	2.742	2.739	2.752	2.885	2.958	2.961	2.940	2.923	3.032
<b>2014</b>	3.063	3.061	2.912	2.888	2.860	2.882	2.776					

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

Release Date: 8/27/2014  
 Next Release Date: 9/4/2014

Referring Pages:

- Spot Prices for Crude Oil and Petroleum Products

AAR MATERIALS AND SUPPLIES INDEX  
 Region By Composition  
 Third Quarter 2014  
 September 2, 2014

United States by Composition Category - Summary  
 -----

Composition Category -----	Weight -----	Previous Quarter Index -----	Current Quarter Index -----	Relative Of Change -----
Forest Products	.1133	303.28	308.86	1.0184
Metal Products	.6243	201.53	193.95	.9624
Miscellaneous Products	.2624	352.91	387.57	1.0982
U.S. By Composition	--	252.78	257.77	1.0197
U.S. By Composition (Linked)	--	255.64	260.68	1.0197
United States (1977=100) Linking Factor: 1.423	--	363.78	370.95	1.0197
United States (1980=100) Linking Factor: 1.061	--	271.23	276.58	1.0197

## Car Hire for RCAF

### RCAF (Forecast)

	1980	June 3Q/14	Sept.* 4Q/14	Dec. 1Q/15	Mar. 2Q/15	June 3Q/15
<b>RATE</b>						
RR-OWNED TIME	31.00	64.00	64.00	--	--	--
RR-OWNED MILEAGE	4.69	6.80	6.80	--	--	--
PRIVATELY-OWNED CARS	25.47	47.34	47.69	--	--	--
AUTORACKS	47.00	62.93	65.55	--	--	--
<b>INDEX</b>						
RR-OWNED TIME	100.0	206.5	206.5	--	--	--
RR-OWNED MILEAGE	100.0	145.0	145.0	--	--	--
PRIVATELY-OWNED CARS	100.0	185.9	187.3	--	--	--
AUTORACKS	100.0	133.9	139.5	--	--	--
CAR HIRE INDEX (old wts) 2012	100.0	185.2	--	--	--	--
CAR HIRE INDEX (new wts) 2013	100.0	185.6	186.7	--	--	--
CAR HIRE INDEX (LINKED)	100.0	185.1	<b>186.2</b>	--	--	--

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

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

Note: Indexes are rounded, rates are full float.

**Equipment Rents Data From CHARM**

	2014 (first day of month)						2015 (first day of month)							
	Jul	Aug	Sep*	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
<b>Railroad Equipment</b>														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	8,041 ✓	8,021 ✓	8,010 ✓											
Rate (in cents)														
Superstructures #3 - Auto Rack	50.0 ✓	50.0 ✓	50.0 ✓											
<b>All other #1 - Time</b>	<b>64.0 ✓</b>	<b>64.0 ✓</b>	<b>64.0 ✓</b>											
<b>All other #2 - Mileage</b>	<b>6.8 ✓</b>	<b>6.8 ✓</b>	<b>6.8 ✓</b>											
<b>Private Equipment</b>														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	50,537 ✓	50,765 ✓	50,833 ✓											
Covered Hoppers	341,345 ✓	342,725 ✓	343,226 ✓											
Tank Cars	347,147 ✓	349,889 ✓	351,553 ✓											
Others	288,473 ✓	288,125 ✓	289,183 ✓											
Rate (in cents)														
Superstructures #1 - Time	80.0 ✓	80.0 ✓	80.0 ✓											
Superstructures #2 - Mileage	1.6 ✓	1.6 ✓	1.6 ✓											
Superstructures #3 - Auto Rack	66.0 ✓	67.0 ✓	68.0 ✓											
Covered Hoppers #2 - Mileage	44.2 ✓	44.2 ✓	44.2 ✓											
Tank Cars #2 - Mileage	74.3 ✓	74.5 ✓	74.6 ✓											
Others #1 - Time	74.0 ✓	74.0 ✓	74.0 ✓											
Others #2 - Mileage	7.5 ✓	7.5 ✓	7.5 ✓											
<b>AVERAGE RATES</b>														
Private Superstructures	20.40	20.40	20.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Others	23.93	23.93	23.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Private Total</b>	<b>47.51</b>	<b>47.64</b>	<b>47.69</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
<b>Autoracks</b>	<b>63.80</b>	<b>64.68</b>	<b>65.55</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>

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

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

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

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

**CHARM Process - Car Hire Rate Report**  
**Average Car Rental Rates for 08/2014**

*mid-August Report*

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	8,010	118	0.079	50
Railroad	Number of Zero-Rated Vehicular Flats	22	.	.	.
Railroad	All Other Cars	462,523	64	0.068	.
Railroad	Number of Zero-Rated Other Cars	19,200	.	.	.
Railroad	Total Railroad Equipment	489,755	.	.	.
		.	.	.	.
Private	Vehicular Flats	50,833	80	0.016	68
Private	Number of Zero-Rated Vehicular Flats	110	.	.	.
Private	Covered Hoppers	343,226	0	0.442	.
Private	Number of Zero-Rated Covered Hoppers	10,042	.	.	.
Private	Tanks	351,553	0	0.746	.
Private	Number of Zero-Rated Tanks	7,989	.	.	.
Private	All Other Cars	289,183	74	0.075	.
Private	Number of Zero-Rated Other Cars	28,086	.	.	.
Private	Total Private Equipment	1,081,022	.	.	.

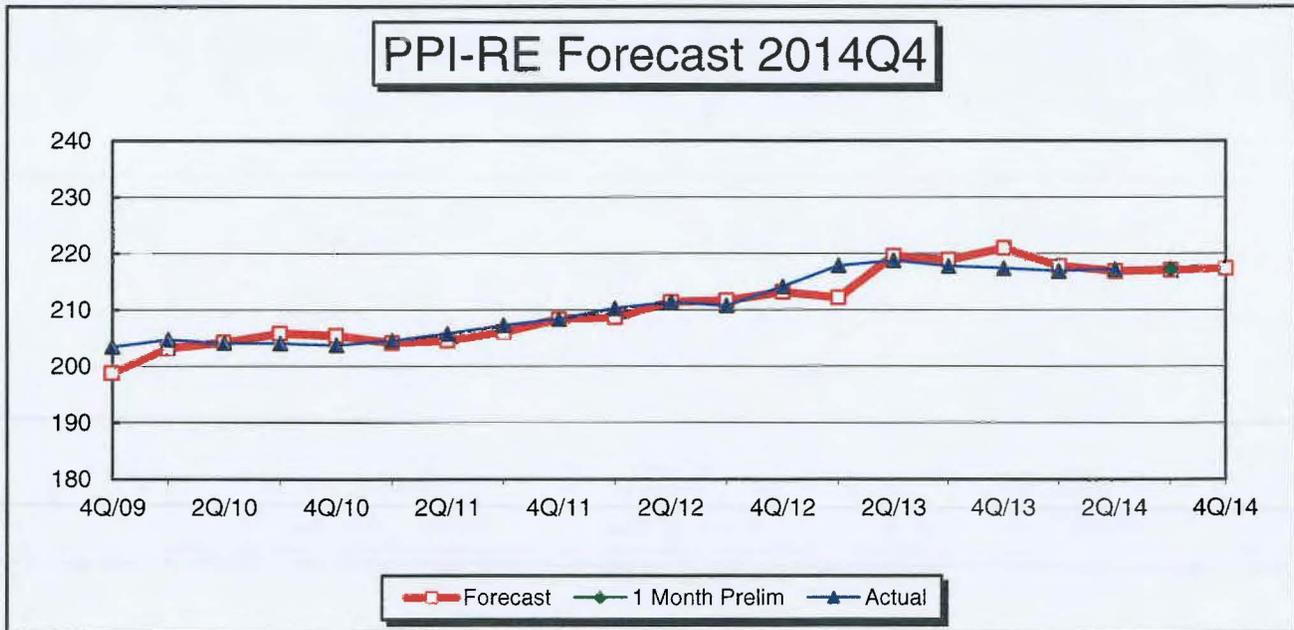
Notes
This report excludes these car types: D (Locomotives), M (MoW, EOTs, etc.), U (Containers), Z (Trailers).
All TTX equipment (including ABOX, RBOX, GONX) is contained in the Private section of report.
Equipment can be zero rated due to owners supplying incorrect or insufficient information to the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

## PPI-RE Forecast (for Depreciation Component)

	Forecast	Actual	1 Month Prelim
4Q/09	198.9	203.5	
1Q/10	203.3	204.8	
2Q/10	204.3	204.2	
3Q/10	205.9	204.1	
4Q/10	205.5	203.8	
1Q/11	204.2	204.6	
2Q/11	204.6	205.8	
3Q/11	206.1	207.3	
4Q/11	208.4	208.4	
1Q/12	208.7	210.3	
2Q/12	211.4	211.4	
3Q/12	211.7	210.8	
4Q/12	213.2	214.2	
1Q/13	212.2	217.9	
2Q/13	219.6	218.8	
3Q/13	218.9	217.8	
4Q/13	221.0	217.4	
1Q/14	217.8	216.9	
2Q/14	216.9	217.3	
3Q/14	217.1		217.3
4Q/14	217.4		

1980 Base

	PPI-RE Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2014Q4						
Low	192.8	213.3	-1.9%			
Midpoint	196.5	217.4	0.0%	0.0%	0.0%	0.1%
High	200.1	221.3	1.8%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2014Q4\5Deprec\FPre\_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

-----  
 Length 72 Minimum 179.900 Maximum 198.100  
 Mean 188.554 Standard deviation 5.648

Classical decomposition (multiplicative)

Trend-cycle: 96.91% Seasonal: 0.61% Irregular: 2.47%

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

Exponential smoothing outperforms Box-Jenkins by 1.024 to 1.097 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

Simple exponential smoothing: No trend, No seasonality

Component	Smoothing weight	Final Value
Level	0.77187	196.45

Within-Sample Statistics

Sample size 72	Number of parameters 1
Mean 188.6	Standard deviation 5.648
R-square 0.9626	Adjusted R-square 0.9626
Durbin-watson 2.009	Ljung-Box(18)=11.62 P=0.1339
Forecast error 1.092	BIC 1.117
MAPE 0.003596	RMSE 1.084
MAD 0.6814	

Forecast Report

Tue Aug 19 14:12:42 2014

Exponential Smoothing model for PPIRE

Analysis of Historic Fit Set

Date	Historic
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

re\_ppi.txt

2010-12	184.200
2011-01	184.900
2011-02	185.100
2011-03	187.000
2011-04	186.600
2011-05	186.700
2011-06	186.800
2011-07	187.300
2011-08	187.400
2011-09	187.500
2011-10	187.500
2011-11	187.700
2011-12	189.900
2012-01	190.100
2012-02	190.100
2012-03	190.600
2012-04	191.800
2012-05	191.600
2012-06	191.500
2012-07	192.000
2012-08	190.400
2012-09	190.900
2012-10	194.900
2012-11	193.900
2012-12	194.100
2013-01	196.000
2013-02	195.200
2013-03	195.800
2013-04	195.200
2013-05	198.100
2013-06	196.300
2013-07	195.400
2013-08	194.500
2013-09	194.600
2013-10	195.100
2013-11	195.200
2013-12	196.900
2014-01	196.000
2014-02	197.400
2014-03	196.800
2014-04	196.300
2014-05	196.000
2014-06	196.800
2014-07	196.400

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2014-08	194.265	196.455	198.644
2014-09	193.689	196.455	199.221
2014-10	193.213	196.455	199.696
2014-11	192.799	196.455	200.110
2014-12	192.428	196.455	200.482
2015-01	192.087	196.455	200.822
2015-02	191.772	196.455	201.138
2015-03	191.476	196.455	201.433
2015-04	191.197	196.455	201.712
2015-05	190.932	196.455	201.977
2015-06	190.679	196.455	202.230
2015-07	190.437	196.455	202.472

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### Producer Price Index-Commodities

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

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2012	190.1	190.1	190.6	191.8	191.6	191.5	192.0	190.4	190.9	194.9	193.9	194.1	191.8
2013	196.0	195.2	195.8	195.2	198.1	196.3	195.4	194.5	194.6	195.1	195.2	196.9	195.7
2014	196.0	197.4	196.8	196.3(P)	196.0(P)	196.8(P)	196.4(P)						

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

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## Calculation of Interest Rate for RCAF

2013	
Sch. 210	Col. b.
L. 42	976,717 ✓
L. 44	7,651 ✓
-L. 22	5,694 ✓
<b>Tot. Interest</b>	<b>978,674</b>

Sch. 200	(close of year) Col b.	(beg. of year) Col c.	Avg.	
L. 30	100,000 ✓	200,000 ✓		
L. 39	964,215 ✓	603,268 ✓		
L. 41	2,612,374 ✓	2,590,956 ✓		
L. 42	556,969 ✓	943,092 ✓		
L. 43	2,376,535 ✓	2,635,612 ✓		
L. 44	0 ✓	0 ✓		
L. 45	11,450,756 ✓	10,251,067 ✓		
L. 46	21,836 ✓	31,601 ✓		
<b>Tot. Debt</b>	<b>18,082,685</b>	<b>17,255,596</b>	<b>17,669,140.5</b>	<b>5.54%</b>

Index (1980=100)

<b>70.6</b>
-------------

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

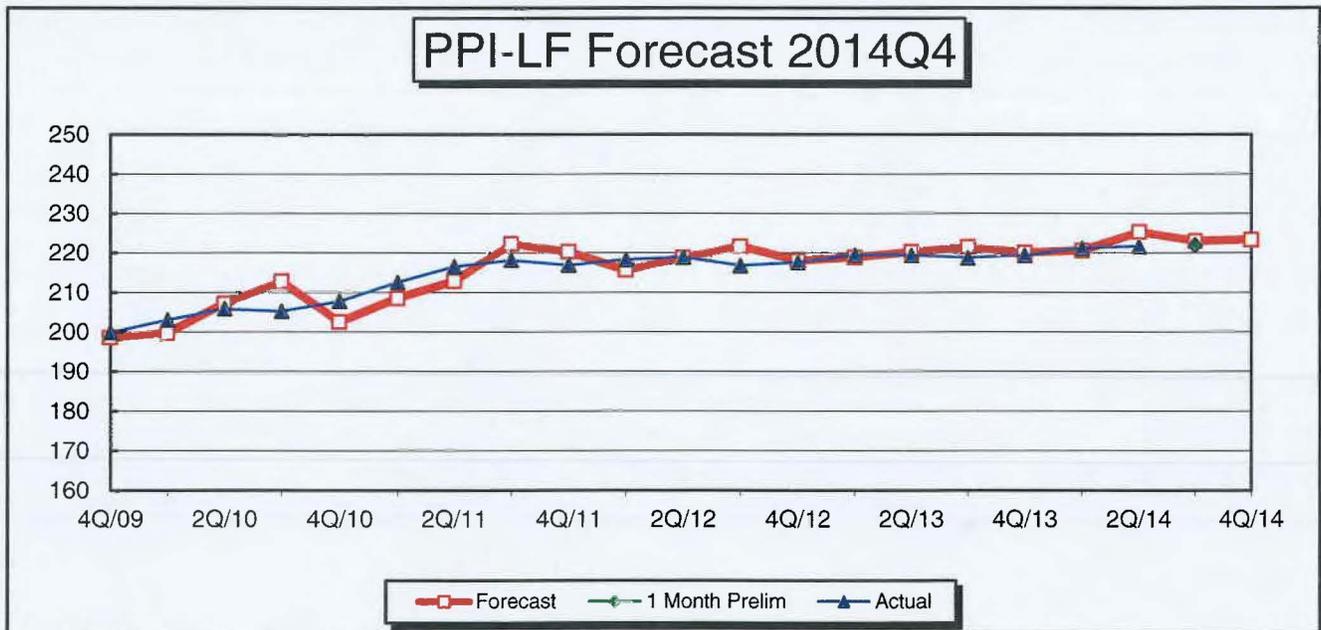
Sch. 200	Col b.	Col c.		
L. 26	56,047	40,480		
L. 34	975,151	1,016,289		
L. 36	4,459,060	4,230,627		
L. 37	6,110,818	5,461,765		
L. 38	1,477,000	1,519,719		
L. 39	207,142	207,142		
L. 40	393,362	279,509		
L. 41	(54,679)	(24,481)		
<b>Tot. Debt</b>	<b>13,623,901</b>	<b>12,731,050</b>		<b>7.85%</b>

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

	Forecast	Actual	1 Month Prelim
4Q/09	198.7 ✓	199.9 ✓	
1Q/10	199.8	203.1	
2Q/10	207.3	205.9	
3Q/10	212.9	205.3	
4Q/10	202.6	207.8	
1Q/11	208.6	212.6	
2Q/11	212.9	216.6	
3Q/11	222.3	218.2	
4Q/11	220.3	216.9	
1Q/12	215.6	218.3	
2Q/12	218.8	218.9	
3Q/12	221.6	216.8	
4Q/12	218.0	217.6	
1Q/13	218.8	219.5	
2Q/13	220.2	219.4	
3Q/13	221.4	218.8	
4Q/13	220.0	219.4	
1Q/14	220.5 ✓	221.2 ✓	
2Q/14	225.2 ✓	221.6 ✓	
3Q/14	222.9 ✓		222.0 ✓
4Q/14	223.2		

1980 Base

	PPI-LF Forecast		Percent Change			
			Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2014Q4	(82=100)	(80=100)				
Low	194.1	217.6	-0.8%			
Midpoint	199.1	<b>223.2</b>	<b>1.7%</b>	<b>0.5%</b>	<b>0.7%</b>	<b>0.1%</b>
High	204.2	228.9	4.3%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2014Q4\7Other\FPIf\_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPILF

-----  
 Length 72 Minimum 174.900 Maximum 198.000  
 Mean 188.989 Standard deviation 7.663

Classical decomposition (multiplicative)  
 Trend-cycle: 94.08% Seasonal: 0.55% Irregular: 5.37%

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

Box-Jenkins outperforms exponential smoothing by 1.185 to 1.732 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is trended and seasonal.

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

Term	Coefficient	Std. Error	t-Statistic	Significance
a[1]	0.7469	0.0787	9.4964	1.0000
A[12]	0.4226	0.0962	4.3932	1.0000

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 189	Standard deviation 7.663
R-square 0.9933	Adjusted R-square 0.9932
Durbin-watson 1.848	Ljung-Box(18)=11.4 P=0.1235
Forecast error 0.6326	BIC 0.6619
MAPE 0.002534	RMSE 0.6237
MAD 0.477	

Forecast Report  
 Tue Aug 19 14:15:01 2014  
 Box-Jenkins model for PPILF  
 Analysis of Historic Fit Set

Date	Historic
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

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2010-12	186.300
2011-01	188.600
2011-02	190.200
2011-03	191.200
2011-04	193.000
2011-05	193.700
2011-06	193.900
2011-07	194.600
2011-08	194.500
2011-09	194.600
2011-10	193.900
2011-11	193.200
2011-12	192.700
2012-01	193.800
2012-02	194.700
2012-03	195.700
2012-04	195.800
2012-05	195.400
2012-06	193.700
2012-07	193.300
2012-08	193.300
2012-09	193.700
2012-10	193.900
2012-11	194.000
2012-12	194.200
2013-01	195.300
2013-02	196.100
2013-03	196.100
2013-04	195.900
2013-05	195.500
2013-06	195.400
2013-07	195.200
2013-08	195.300
2013-09	195.100
2013-10	195.400
2013-11	195.500
2013-12	195.900
2014-01	197.200
2014-02	197.600
2014-03	197.300
2014-04	197.900
2014-05	197.500
2014-06	197.600
2014-07	198.000

Forecasted values

Date	2.5 Lower	Forecast	97.5 Upper
2014-08	197.173	198.404	199.635
2014-09	196.112	198.590	201.068
2014-10	195.151	198.919	202.686
2014-11	194.070	199.112	204.153
2014-12	193.120	199.393	205.667
2015-01	192.576	200.027	207.478
2015-02	191.689	200.259	208.828
2015-03	190.549	200.179	209.809
2015-04	189.833	200.467	211.102
2015-05	188.737	200.325	211.912
2015-06	187.894	200.386	212.879
2015-07	187.216	200.570	213.924

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### Producer Price Index-Commodities

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

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2012	193.8	194.7	195.7	195.8	195.4	193.7	193.3	193.3	193.7	193.9	194.0	194.2	194.3
2013	195.3	196.1	196.1	195.9	195.5	195.4	195.2	195.3	195.1	195.4	195.5	195.9	195.6
2014	197.2	197.6	197.3	197.9(P)	197.5(P)	197.6(P)	198.0(P)						

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

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# Forecast Error Calculation

	2012 Weight	Second Quarter 2014		Pct. Diff.	Notes			
		2014Q2 Forecast	2014Q2 Actual					
Labor	31.2%	388.1	388.1	0.0	* actual=forecast			
Fuel	22.3%	386.2	381.1	-5.1	from 1st month of quarter			
M&S	4.9%	274.8	274.8	0.0	* actual=forecast			
Equip Rents	5.6%	212.6	211.6	-1.0	from Equipment Rents below			
Depreciation	11.9%	216.9	217.3	0.4	PPI-RE <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>196.30</td><td>196.00</td><td>196.80</td></tr></table> 0.9040	196.30	196.00	196.80
196.30	196.00	196.80						
Interest	2.0%	76.6	76.6	0.0	* actual=forecast			
Other	22.1%	225.2	221.6	-3.6	PPI-LF <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>197.90</td><td>197.50</td><td>197.60</td></tr></table> 0.8920	197.90	197.50	197.60
197.90	197.50	197.60						
<b>Weighted Avg</b>	<b>100.0%</b>							
1980 = 100		309.7	307.8		calculated			
1980 = 100 (linked)		296.8	294.4		calculated			
4Q12r = 100	2.976	99.7	98.9		calculated			
4Q07 = 100	2.459	120.7	119.7		calculated			
4Q02 = 100	1.921	154.5	153.3		calculated			
4Q97 = 100	1.732	171.4	170.0		calculated			
4Q92 = 100	1.569	189.2	187.6		calculated			
<b>Forecast Error</b> →		<b>-0.8</b>			calculated -0.008 = RCAF adj.			
<b>Prior Quarter</b>								
1980 = 100		305.7	303.4 **					
1980 = 100 (linked)		293.0	290.2					
4Q12r = 100		98.5	97.5		calculated			
4Q07 = 100		119.2	118.0		calculated			
4Q02 = 100		152.5	151.1		calculated			
4Q97 = 100		169.2	167.6		calculated			
4Q92 = 100		186.7	185.0		calculated			
<b>Equipment Rents</b>								
Car Hire	48.2%	183.5	184.6		from Equipment Rents/CHARM			
Lease Rentals	51.8%	225.2	221.6		(equals PPI-LF from above)			
Weighted Average		205.1	203.8		calculated			
Linked		212.6	211.6		calculated			
<b>Prior Quarter</b>								
Weighted Average		201.3	202.0 **					
Linked		208.7	209.7					
Sum of Weights	ok				** if fourth quarter, weighted avg for prior needs to use new weights, linked is ok			
Sum of ER Wt.	ok							

### All-Inclusive Index (Actual)

**Includes All Annual Report Revisions Received Through May 23, 2014**

	12 Wts	3Q/13	3Q/13	% Chg.	4Q/13	% Chg.	1Q/14	% Chg.	2Q/14	% Chg.	3Q/14	% Chg.
		11 Wts	12 Wts		12 Wts		12 Wts		12 Wts		12 Wts	
Labor	31.2%	391.6	391.6	0.0%	387.2	-1.1%	386.2	-0.3%	388.1	0.5%		NA
Fuel	22.3%	376.0	376.0	0.0%	374.3	-0.5%	367.4	-1.8%	381.1	3.7%		NA
M&S	4.9%	264.2	264.2	0.0%	261.4	-1.1%	265.9	1.7%	274.8	3.3%		NA
Equipment Rents	5.6%	207.6	207.6	0.0%	208.0	0.2%	209.7	0.8%	211.6	0.9%		NA
Depreciation	11.9%	217.8	217.8	0.0%	217.4	-0.2%	216.9	-0.2%	217.3	0.2%		NA
Interest	2.0%	87.3	87.3	0.0%	76.6	-12.3%	76.6	0.0%	76.6	0.0%	76.6	0.0%
Other	22.1%	218.8	218.8	0.0%	219.4	0.3%	221.2	0.8%	221.6	0.2%		NA
	1.0000											
<b>Weighted Avg.</b>		<b>307.1</b>	<b>306.6</b>	<b>-0.2%</b>	<b>304.6</b>	<b>-0.7%</b>	<b>303.4</b>	<b>-0.4%</b>	<b>307.8</b>	<b>1.5%</b>	<b>1.5</b>	<b>NA</b>
<b>Linked</b>		<b>293.2</b>			<b>291.3</b>	<b>-0.6%</b>	<b>290.2</b>	<b>-0.4%</b>	<b>294.4</b>	<b>1.4%</b>	<b>1.4</b>	<b>NA</b>
10/1/80	1.027	285.4			283.6	-0.6%	282.6	-0.4%	286.7	1.5%	1.4	NA
10/1/82	1.209	242.4			240.9	-0.6%	240.0	-0.4%	243.5	1.5%	1.2	NA
4Q/87	1.322	221.7			220.3	-0.6%	219.5	-0.4%	222.7	1.5%	1.1	NA
4Q/92	1.569	186.8			185.7	-0.6%	185.0	-0.4%	187.6	1.4%	0.9	NA
4Q/97	1.732	169.2			168.2	-0.6%	167.6	-0.4%	170.0	1.4%	0.8	NA
4Q/02	1.921	152.6			151.6	-0.7%	151.1	-0.3%	153.3	1.5%	0.7	NA
4Q/07	2.459	119.2			118.5	-0.6%	118.0	-0.4%	119.7	1.4%	0.6	NA
4Q/12	2.976	98.5			97.9		97.5	-0.4%	98.9	1.4%	0.5	NA

#### Equipment Rents

Car Hire	48.2%	179.7	179.7	0.0%	179.9	0.1%	181.3	0.8%	184.6	1.8%		NA
Lease Rentals	51.8%	218.8	218.8	0.0%	219.4	0.3%	221.2	0.8%	221.6	0.2%	0.0	NA
	1.0000											
ER Weighted Avg		199.8	200.0	0.1%	200.4	0.2%	202.0	0.8%	203.8	0.9%	0.0	NA
ER Linked		207.6			208.0	0.2%	209.7	0.8%	211.6	0.9%	0.0	NA

Impact/Check of weight change	11 Wts	12 Wts
Labor	122.962	122.179
Fuel	84.976	83.848
Material & Supplies	13.474	12.946
Equipment Rents	11.626	11.626
Depreciation	25.047	25.918
Interest	2.008	1.746
Other	47.042	48.355
<b>Weighted Avg.</b>	<b>307.135</b>	<b>306.618</b>
ER Weighted Avg.	199.7583	199.9538

# RCAF Fuel (Actual All-Inclusive Index)

April 2014

## Monthly Report

	April 2014 Price (cents) (1)	1/1/81 Price (cents) (2)	1/91 New Method Linking Factors (3)	April 2014 Index 1/1/81=100 (4)	Linking Factor 1980=100 (5)	April 2014 1980=100 Current Index (6)
U.S.	311.88	89.34	99.415	347.05	1.096	380.37

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

(6) = (4) x (5)

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

	April 2014 1980=100 Current Index	Adjustment Factor	April 2014 1980=100 Linked Index
U.S.	380.37	1.00192	381.10 ←

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

## Car Hire for RCAF

### RCAF (Actual)

	1980	Aug 3Q/13	Nov 4Q/13	Feb 1Q/14	May 2Q/14	Aug 3Q/14
<b>RATE</b>						
RR-OWNED TIME	31.00	64.00	63.00	64.00	64.00	64.00
RR-OWNED MILEAGE	4.69	6.70	6.70	6.80	6.80	6.80
PRIVATELY-OWNED CARS	25.47	45.75	45.89	46.12	47.20	47.64
AUTORACKS	47.00	50.13	54.28	56.73	61.05	64.68
<b>INDEX</b>						
RR-OWNED TIME	100.0	206.5	203.2	206.5	206.5	206.5
RR-OWNED MILEAGE	100.0	142.9	142.9	145.0	145.0	145.0
PRIVATELY-OWNED CARS	100.0	179.6	180.2	181.1	185.3	187.1
AUTORACKS	100.0	106.7	115.5	120.7	129.9	137.6
CAR HIRE INDEX (old wts)	2011	100.0	180.3	--	--	--
CAR HIRE INDEX (new wts)	2012	100.0	179.7	179.9	181.3	184.6
CAR HIRE INDEX (LINKED)		100.0	179.7	179.9	181.3	184.6

Note: Indexes are rounded, rates are full float.

Equipment Rents Data From CHARM

	2013 (first day of month)						2014 (first day of month)							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
<b>Railroad Equipment</b>														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	7,972	8,031	8,052	8,104	8,105	8,096	8,082	8,047	8,047	8,044	8,054	8,051	8,041	8,021
Rate (in cents)														
Superstructures #3 - Auto Rack	46.0	45.0	47.0	50.0	50.0	50.0	49.0	49.0	49.0	49.0	49.0	50.0	50.0	50.0
<b>All other #1 - Time</b>	<b>63.0</b>	<b>64.0</b>	<b>64.0</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>64.0</b>	<b>64.0</b>	<b>64.0</b>	<b>64.0</b>	<b>64.0</b>	<b>64.0</b>	<b>64.0</b>	<b>64.0</b>
<b>All other #2 - Mileage</b>	<b>6.7</b>	<b>6.7</b>	<b>6.7</b>	<b>6.7</b>	<b>6.7</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>
<b>Private Equipment</b>														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	47,135	47,454	47,836	48,042	48,308	48,580	48,826	49,026	49,329	49,604	49,904	50,257	50,537	50,765
Covered Hoppers	328,551	329,350	330,108	330,617	331,558	332,747	333,965	333,966	335,508	336,487	337,856	339,779	341,345	342,725
Tank Cars	319,558	321,555	324,039	326,402	328,854	331,419	333,488	334,362	337,243	339,899	342,561	345,073	347,147	349,889
Others	286,245	287,176	287,547	288,000	287,910	288,030	288,335	288,193	288,078	288,020	288,000	288,431	288,473	288,125
Rate (in cents)														
Superstructures #1 - Time	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0
Superstructures #2 - Mileage	1.4	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Superstructures #3 - Auto Rack	50.0	51.0	52.0	53.0	55.0	57.0	57.0	58.0	59.0	61.0	63.0	65.0	66.0	67.0
Covered Hoppers #2 - Mileage	44.3	44.4	44.4	44.5	44.5	44.6	44.1	44.3	44.2	44.2	44.1	44.2	44.2	44.2
Tank Cars #2 - Mileage	70.9	71.0	70.2	70.4	70.6	70.8	70.7	71.0	73.2	73.6	73.8	74.0	74.3	74.5
Others #1 - Time	74.0	73.0	73.0	73.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0
Others #2 - Mileage	7.0	7.0	7.0	7.0	7.1	7.3	7.3	7.3	7.3	7.3	7.4	7.4	7.5	7.5
<b>AVERAGE RATES</b>														
Private Superstructures	20.20	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40
Private Others	23.43	23.21	23.21	23.21	23.53	23.73	23.73	23.73	23.73	23.73	23.83	23.83	23.93	23.93
<b>Private Total</b>	<b>45.72</b>	<b>45.75</b>	<b>45.53</b>	<b>45.67</b>	<b>45.89</b>	<b>46.09</b>	<b>45.93</b>	<b>46.12</b>	<b>46.88</b>	<b>47.08</b>	<b>47.20</b>	<b>47.34</b>	<b>47.51</b>	<b>47.64</b>
<b>Autoracks</b>	<b>49.42</b>	<b>50.13</b>	<b>51.28</b>	<b>52.57</b>	<b>54.28</b>	<b>56.00</b>	<b>55.86</b>	<b>56.73</b>	<b>57.60</b>	<b>59.33</b>	<b>61.05</b>	<b>62.93</b>	<b>63.80</b>	<b>64.68</b>

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

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

## CHARM Process - Car Hire Rate Report

### Average Car Rental Rates for 05/2014

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	8,054	118	0.079	49
Railroad	Number of Zero-Rated Vehicular Flats	28	.	.	.
Railroad	All Other Cars	465,670	64	0.068	.
Railroad	Number of Zero-Rated Other Cars	20,126	.	.	.
Railroad	Total Railroad Equipment	493,878	.	.	.
		.	.	.	.
Private	Vehicular Flats	49,904	80	0.016	63
Private	Number of Zero-Rated Vehicular Flats	24	.	.	.
Private	Covered Hoppers	337,856	0	0.441	.
Private	Number of Zero-Rated Covered Hoppers	10,595	.	.	.
Private	Tanks	342,561	0	0.738	.
Private	Number of Zero-Rated Tanks	8,167	.	.	.
Private	All Other Cars	288,000	74	0.074	.
Private	Number of Zero-Rated Other Cars	29,216	.	.	.
Private	Total Private Equipment	1,066,323	.	.	.

#### Notes

This report excludes these car types: D (Locomotives), M (MoW, EOTs, etc.), U (Containers), Z (Trailers).

All TTX equipment (including ABOX, RBOX, GONX) is contained in the Private section of report.

Equipment can be zero rated due to owners supplying incorrect or insufficient information to the car accounting process.

Zero-rated equipment includes those with Umler Rate\_Indicator of 6 and 0 (zero).

Zero-rated equipment is excluded from the averages shown in this report.

Equipment must be Active in Umler to be included in this report; Pre-registered and Inactive cars are excluded.

# RCAF - Depreciation

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

## Forecast Year 2014

As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
<b>For Forecast</b>	→	14Q1	14Q2	14Q3	14Q4
<b>For Actual</b>	→	<b>13Q3</b>	<b>13Q4</b>	<b>14Q1</b>	<b>14Q2</b>
January	2013	196.0	196.0	196.0	196.0
February	2013	195.2	195.2	195.2	195.2
March	2013	195.8	195.8	195.8	195.8
April	2013	195.2	195.2	195.2	195.2
May	2013	198.1	198.1	198.1	198.1
June	2013	196.3	196.3	196.3	196.3
July	2013	<b>198.4</b>	195.4	195.4	195.4
August	2013	<b>197.2</b>	194.5	194.5	194.5
September	2013	<b>195.1</b>	194.6	194.6	194.6
October	2013	195.8	<b>195.8</b>	195.1	195.1
November	2013		<b>196.5</b>	195.2	195.2
December	2013		<b>197.3</b>	196.9	196.9
January	2014		196.1	<b>196.1</b>	196.0
February	2014			<b>195.5</b>	197.4
March	2014			<b>196.8</b>	196.8
April	2014			196.3	<b>196.3</b>
May	2014				<b>196.0</b>
June	2014				<b>196.8</b>
July	2014				196.4
Actual Qtr.		196.9	196.5	196.1	196.4

1980=100

Actual Qtr.	217.8	217.4	216.9	<b>217.3</b>
First Mo. next qtr.	216.6	216.9	217.1	<b>217.3</b>

0.904 =1980

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### Producer Price Index-Commodities

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

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2012	190.1	190.1	190.6	191.8	191.6	191.5	192.0	190.4	190.9	194.9	193.9	194.1	191.8
2013	196.0	195.2	195.8	195.2	198.1	196.3	195.4	194.5	194.6	195.1	195.2	196.9	195.7
2014	196.0	197.4	196.8	196.3(P)	196.0(P)	196.8(P)	196.4(P)						

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

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# RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

## Forecast Year 2014

As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
<b>For Forecast</b> →		14Q1	14Q2	14Q3	14Q4
<b>For Actual</b> →		<b>13Q3</b>	<b>13Q4</b>	<b>14Q1</b>	<b>14Q2</b>
January	2013	195.3	195.3	195.3	195.3
February	2013	196.1	196.1	196.1	196.1
March	2013	196.1	196.1	196.1	196.1
April	2013	195.9	195.9	195.9	195.9
May	2013	195.5	195.5	195.5	195.5
June	2013	195.4	195.4	195.4	195.4
July	2013	<b>195.1</b>	195.2	195.2	195.2
August	2013	<b>195.3</b>	195.3	195.3	195.3 ✓
September	2013	<b>195.2</b>	195.1	195.1	195.1 ✓
October	2013	195.6	<b>195.6</b>	195.4	195.4 ✓
November	2013		<b>195.5</b>	195.5	195.5 ✓
December	2013		<b>195.9</b>	195.9	195.9 ✓
January	2014		196.9	<b>196.9</b>	197.2 ✓
February	2014			<b>197.6</b>	197.6 ✓
March	2014			<b>197.4</b>	197.3 ✓
April	2014			197.9	<b>197.9</b> ✓
May	2014				<b>197.5</b> ✓
June	2014				<b>197.6</b> ✓
July	2014				198.0 ✓
Actual Qtr.		195.2	195.7	197.3	197.7

1980=100

Actual Qtr.	218.8	219.4	221.2	<b>221.6</b>
First Mo. next qtr.	219.3	220.7	221.9	<b>222.0</b>

0.892 =1980

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### Producer Price Index-Commodities

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

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2012	193.8	194.7	195.7	195.8	195.4	193.7	193.3	193.3	193.7	193.9	194.0	194.2	194.3
2013	195.3	196.1	196.1	195.9	195.5	195.4	195.2	195.3	195.1	195.4	195.5	195.9	195.6
2014	197.2	197.6	197.3	197.9(P)	197.5(P)	197.6(P)	198.0(P)						

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

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## AAR 2013 Wage Statistics July 17, 2014 U.S.

Union	Employees	Straight Time		PFTNW	Union Lump
	Paid	Hours	Comp.	Comp.	Sums
UTU	41,015	72,608,285	1,958,122,684	775,957,756	41,671,257
TCU	6,238	11,112,775	308,658,428	47,226,629	8,960,644
BLET	27,143	54,099,136	1,736,979,937	588,480,206	116,424,557
SMW	1,001	1,802,471	50,011,921	7,103,080	19,996
BRS	7,784	14,982,801	430,214,188	95,774,068	472,396
BMWE	25,672	45,812,537	1,168,156,850	217,620,219	2,613,432
TCU-CAR	9,849	17,984,648	497,849,794	73,865,409	506,638
NCFO	2,391	4,327,891	99,921,614	12,720,637	56,456
IAM	7,014	12,753,635	358,820,794	55,326,837	187,291
IBBM	1,238	2,195,388	57,133,498	7,775,976	49,491
IBEW	5,749	10,482,627	297,728,852	47,748,683	357,267
ATDA	2,540	4,794,417	182,542,249	29,821,635	7,644,313
UTU-YMD	2,048	2,812,320	131,063,869	26,788,603	2,764,132
OTHER	27,360	58,457,478	2,590,400,218	71,733,120	
Total	167,042	314,226,409	\$9,867,604,896	\$2,057,942,858	\$181,727,870
ST Comp less Union Lump Sums			\$9,685,877,026		

### Checks

OK Match	OK Match	OK Match	OK Match
Total including non-union			\$481,765,394

**RCAF Weights**

	U.S.	East	West	2013	2012	Amt Chg	2011	2010	2009
Labor	\$16,529,706	\$6,652,923	\$9,876,783	31.6%	31.2%	0.4%	31.3%	33.3%	34.7%
Fuel	11,564,900	3,383,265	8,181,635	22.1%	22.3%	-0.2%	22.5%	18.0%	14.9%
Mat & Sup.	2,582,032	1,050,611	1,531,421	4.9%	4.9%	0.0%	5.1%	5.0%	5.1%
Equip. Rents	2,840,237	708,944	2,131,293	5.4%	5.6%	-0.2%	5.6%	6.2%	7.1%
Depreciation	6,301,783	2,246,059	4,055,724	12.0%	11.9%	0.1%	11.6%	12.8%	13.9%
Interest	976,461	623,588	352,873	1.9%	2.0%	-0.1%	2.5%	2.9%	3.0%
Other	11,563,076	5,325,066	6,238,010	22.1%	22.1%	0.0%	21.4%	21.8%	21.3%
<b>Total</b>	<b>\$52,358,195</b>	<b>\$19,990,456</b>	<b>\$32,367,739</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Check

**Bolded number was adjusted to force rounded numbers to add to 100.0%.**

410 620f	51,381,734	key this cell only
Interest	976,461	
Total	52,358,195	
	ok	

<b>Other</b>	U.S.	East	West	2013	2012	Amt Chg.
Purch Service	\$7,972,011	\$3,444,660	\$4,527,351	15.2%	14.6%	0.6%
Taxes	1,137,585	373,417	764,168	2.2%	2.1%	0.1%
Cas & Insuran	509,362	261,624	247,738	1.0%	1.2%	-0.2%
Loss & Dam	103,466	31,068	72,398	0.2%	0.2%	0.0%
Gen & Admn	1,840,652	1,214,297	626,355	3.5%	4.0%	-0.5%
<b>Total</b>	<b>\$11,563,076</b>	<b>\$5,325,066</b>	<b>\$6,238,010</b>	<b>22.1%</b>	<b>22.1%</b>	<b>0.0%</b>

### RCAF Internal Weights

	U.S.	East	West	U.S. 2013	East 2013	West 2013	U.S. 2012	Amt Diff
<b>Labor</b>								
Wages	11,582,816	4,590,050	6,992,766	70.1%	69.0%	70.8%	69.2%	0.9%
Wage Supplem	4,946,890	2,062,873	2,884,017	29.9%	31.0%	29.2%	30.8%	-0.9%
<b>Total</b>	<b>16,529,706</b>	<b>6,652,923</b>	<b>9,876,783</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
	ok	ok	ok					



#### Equip. Rents

Car Hire	1,499,695	598,571	901,124	52.8%	84.4%	42.3%	48.2%	4.6%
Lease Rents	1,340,542	110,373	1,230,169	47.2%	15.6%	57.7%	51.8%	-4.6%
<b>Total</b>	<b>2,840,237</b>	<b>708,944</b>	<b>2,131,293</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
Check	ok	ok	ok					



#### Car Hire

RR Time excl Autork	214,608			14.8%			14.8%	0.0%
RR Mileage excl Autork	104,870			7.2%			7.1%	0.1%
Private excl Autorack	1,118,533			77.2%			76.4%	0.8%
Autorack	11,168			0.8%			1.7%	-0.9%
<b>Total</b>	<b>1,449,179</b>			<b>100.0%</b>			<b>100.0%</b>	
from Sch. 414	ok							

#### Car Hire, Adjusted to eliminate negative numbers

RR Time excl Autork	214,608			14.8%			14.8%	0.0%
RR Mileage excl Autork	104,870			7.2%			7.1%	0.1%
Private excl Autorack	1,118,533			77.2%			76.4%	0.8%
Autorack	11,168			0.8%			1.7%	-0.9%
<b>Total</b>	<b>1,449,179</b>			<b>100.0%</b>			<b>100.0%</b>	

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

## Railroad Retirement and Medicare Benchmark for U.S.

**Inputs:**

RRB Earnings Distribution Year	2012	RR Retirement Tier I Maximum Taxable Earnings for 2013	\$113,700 ✓
Wage Statistics Year	2013	RR Retirement Tier II Maximum Taxable Earnings for 2013	\$84,300 ✓
Employees Receiving Pay	167,042 ✓	Medicare Maximum Taxable Earnings for 2013	no limit
		Tier I Employer Tax Rate for 2013	6.20% ✓
		Tier II Employer Tax Rate for 2013	12.60% ✓
		Medicare Employer Tax Rate for 2013	1.45% ✓

**(Info Only)**

USA	Taxable Rate	Update Factor	RR Ret. Tax Paid	Hourly Rate
2012	\$36.269			
2013	\$36.760	1.01353	<b>\$610,839,129</b>	\$7.536 <span style="color: red;">Hourly rate from Suppl2013</span>

Railroad Retirement and Medicare Benchmark for U.S.

From 2012 RRB Earnings Distribution			Quarterly Average for Benchmark Year 2013 (using updated 2012 Earnings Distribution with data for 2013)									
Earnings Groups	Avg Annual Earnings	% of Total Employees	Employees	Avg. Annual	Avg. Qtrly.	Tier I	Tier II	Medicare	Total Taxable Earnings (Taxable x Employees)			
			Receivg. Pay	Earnings	Earnings	Taxable	Taxable	Taxable	Tier I	Tier II	Medicare	
\$0 - 41,699	\$33,750 ✓	4.368 ✓	7,296	\$34,207	\$8,552	8,552	\$8,552	\$8,552	\$62,396,304	\$62,396,304	\$62,396,304	
41,700 - 43,699	\$42,853	0.729	1,218	\$43,433	10,858	10,858	10,858	10,858	13,222,428	13,222,428	13,222,428	
43,700 - 45,699	\$44,826	1.360	2,272	\$45,433	11,358	11,358	11,358	11,358	25,803,068	25,803,068	25,803,068	
45,700 - 47,699	\$46,721	1.506	2,516	\$47,353	11,838	11,838	11,838	11,838	29,781,019	29,781,019	29,781,019	
47,700 - 49,699	\$48,772	2.040	3,408	\$49,432	12,358	12,358	12,358	12,358	42,111,740	42,111,740	42,111,740	
49,700 - 51,699	\$50,656	2.720	4,544	\$51,341	12,835	12,835	12,835	12,835	58,317,951	58,317,951	58,317,951	
51,700 - 53,699	\$52,684	2.963	4,949	\$53,397	13,349	13,349	13,349	13,349	66,071,300	66,071,300	66,071,300	
53,700 - 55,699	\$54,760	3.497	5,841	\$55,501	13,875	13,875	13,875	13,875	81,051,588	81,051,588	81,051,588	
55,700 - 57,699	\$56,829	4.274	7,139	\$57,598	14,399	14,399	14,399	14,399	102,803,284	102,803,284	102,803,284	
57,700 - 59,699	\$58,815	4.225	7,058	\$59,611	14,903	14,903	14,903	14,903	105,176,151	105,176,151	105,176,151	
59,700 - 61,699	\$60,730	4.711	7,869	\$61,552	15,388	15,388	15,388	15,388	121,092,945	121,092,945	121,092,945	
61,700 - 63,699	\$62,884	3.934	6,571	\$63,735	15,934	15,934	15,934	15,934	104,707,303	104,707,303	104,707,303	
63,700 - 65,699	\$64,738	4.274	7,139	\$65,614	16,403	16,403	16,403	16,403	117,110,613	117,110,613	117,110,613	
65,700 - 67,699	\$66,739	3.837	6,409	\$67,642	16,911	16,911	16,911	16,911	108,386,190	108,386,190	108,386,190	
67,700 - 69,699	\$68,843	3.011	5,030	\$69,774	17,444	17,444	17,444	17,444	87,735,024	87,735,024	87,735,024	
69,700 - 71,699	\$70,677	3.594	6,003	\$71,633	17,908	17,908	17,908	17,908	107,512,420	107,512,420	107,512,420	
71,700 - 73,699	\$72,719	3.643	6,085	\$73,703	18,426	18,426	18,426	18,426	112,126,825	112,126,825	112,126,825	
73,700 - 75,699	\$74,689	3.448	5,760	\$75,700	18,925	18,925	18,925	18,925	108,999,965	108,999,965	108,999,965	
75,700 - 77,699	\$76,701	3.594	6,003	\$77,739	19,435	19,435	19,435	19,435	116,676,007	116,676,007	116,676,007	
77,700 - 79,699	\$78,696	2.671	4,462	\$79,761	19,940	19,940	19,940	19,940	88,967,012	88,967,012	88,967,012	
79,700 - 81,699	\$80,830	3.157	5,274	\$81,924	20,481	20,481	20,481	20,481	108,006,432	108,006,432	108,006,432	
81,700 - 83,699	\$82,680	2.477	4,138	\$83,799	20,950	20,950	20,950	20,950	86,682,002	86,682,002	86,682,002	
83,700 - 85,699	\$84,669	2.088	3,488	\$85,815	21,454	21,454	21,075	21,454	74,826,836	73,506,164	74,826,836	
85,700 - 87,699	\$86,797	2.331	3,894	\$87,971	21,993	21,993	21,075	21,993	85,634,634	82,060,761	85,634,634	
87,700 - 89,699	\$88,709 ✓	2.186 ✓	3,652	\$89,909	22,477	22,477	21,075	22,477	82,076,778	76,956,166	82,076,778	
89,700 - 91,699	\$90,771 ✓	2.088 ✓	3,488	\$91,999	23,000	23,000	21,075	23,000	80,219,522	73,506,164	80,219,522	
91,700 - 93,699	\$92,530 ✓	2.040 ✓	3,408	\$93,782	23,445	23,445	21,075	23,445	79,894,188	71,816,367	79,894,188	
93,700 - 95,699	\$94,738 ✓	2.331 ✓	3,894	\$96,020	24,005	24,005	21,075	24,005	93,469,290	82,060,761	93,469,290	
95,700 - 97,699	\$96,800 ✓	1.263 ✓	2,110	\$98,110	24,527	24,527	21,075	24,527	51,746,522	44,462,780	51,746,522	
97,700 - 99,699	\$98,700 ✓	1.700 ✓	2,840	\$100,035	25,009	25,009	21,075	25,009	71,018,015	59,846,973	71,018,015	
99,700 - 101,699	\$100,624 ✓	1.117 ✓	1,866	\$101,985	25,496	25,496	21,075	25,496	47,572,635	39,322,981	47,572,635	
101,700 - 103,699	\$102,617 ✓	1.408 ✓	2,352	\$104,005	26,001	26,001	21,075	26,001	61,153,938	49,567,375	61,153,938	
103,700 - 105,699	\$104,530 ✓	0.680 ✓	1,136	\$105,944	26,486	26,486	21,075	26,486	30,085,160	23,938,789	30,085,160	
105,700 - 107,699	\$106,666 ✓	1.214 ✓	2,028	\$108,109	27,027	27,027	21,075	27,027	54,808,404	42,737,779	54,808,404	
107,700 - 109,699	\$109,001 ✓	0.826 ✓	1,380	\$110,476	27,619	27,619	21,075	27,619	38,107,722	29,078,588	38,107,722	
109,700 - 111,699	\$110,656 ✓	0.826 ✓	1,380	\$112,153	28,038	28,038	21,075	28,038	38,686,325	29,078,588	38,686,325	
111,700 - 113,699	\$112,585 ✓	0.729 ✓	1,218	\$114,108	28,527	28,425	21,075	28,527	34,614,151	25,663,790	34,738,456	
113,700 - 115,699	\$114,537 ✓	0.729 ✓	1,218	\$116,087	29,022	28,425	21,075	29,022	34,614,151	25,663,790	35,340,752	
\$115,700 - over	\$257,126 ✓	6.411 ✓	10,709	\$260,605	65,151	28,425	21,075	65,151	304,405,105	225,693,495	697,708,844	
<b>TOTAL</b>		<b>100.000</b>	<b>167,042</b>						<b>Total Taxable Earn'gs.</b>	<b>\$3,117,670,945</b>	<b>\$2,909,698,880</b>	<b>\$3,511,825,591</b>
									<b>Employer Tax Rate</b>	<b>6.20%</b>	<b>12.60%</b>	<b>1.45%</b>
									<b>Employer Payment</b>	<b>\$193,295,599</b>	<b>\$366,622,059</b>	<b>\$50,921,471</b>
									<b>Total Tier I &amp; II &amp; Medicare</b>			<b>\$610,839,129</b>

RRB 2012<sup>✓</sup> EARNINGS DATA

Annual Salary Range	Number of Employees	Gross Salary	Average Salary (Group)	Group Employment % Total Employment	Cumulative Employees	Cumulative Salary	Average Salary (Cumulative)	Cumulative % Total Employment
\$ 0 TO \$41,699	90	\$3,037,537	\$33,750	4.371	90	\$3,037,537	\$33,750	4.371
\$41,700 TO \$43,699	15	\$642,791	\$42,853	0.729	105	\$3,680,328	\$35,051	5.100
\$43,700 TO \$45,699	28	\$1,255,132	\$44,826	1.360	133	\$4,935,460	\$37,109	6.459
\$45,700 TO \$47,699	31	\$1,448,340	\$46,721	1.506	164	\$6,383,800	\$38,926	7.965
\$47,700 TO \$49,699	42	\$2,048,429	\$48,772	2.040	206	\$8,432,229	\$40,933	10.005
\$49,700 TO \$51,699	56	\$2,836,743	\$50,656	2.720	262	\$11,268,972	\$43,011	12.725
\$51,700 TO \$53,699	61	\$3,213,748	\$52,684	2.963	323	\$14,482,720	\$44,838	15.687
\$53,700 TO \$55,699	72	\$3,942,701	\$54,760	3.497	395	\$18,425,421	\$46,647	19.184
\$55,700 TO \$57,699	88	\$5,000,936	\$56,829	4.274	483	\$23,426,357	\$48,502	23.458
\$57,700 TO \$59,699	87	\$5,116,891	\$58,815	4.225	570	\$28,543,248	\$50,076	27.683
\$59,700 TO \$61,699	97	\$5,890,774	\$60,730	4.711	667	\$34,434,022	\$51,625	32.394
\$61,700 TO \$63,699	81	\$5,093,579	\$62,884	3.934	748	\$39,527,601	\$52,844	36.328
\$63,700 TO \$65,699	88	\$5,696,920	\$64,738	4.274	836	\$45,224,521	\$54,096	40.602
\$65,700 TO \$67,699	79	\$5,272,387	\$66,739	3.837	915	\$50,496,908	\$55,188	44.439
\$67,700 TO \$69,699	62	\$4,268,277	\$68,843	3.011	977	\$54,765,185	\$56,054	47.450
\$69,700 TO \$71,699	74	\$5,230,099	\$70,677	3.594	1,051	\$59,995,284	\$57,084	51.044
\$71,700 TO \$73,699	75	\$5,453,890	\$72,719	3.643	1,126	\$65,449,174	\$58,125	54.687
\$73,700 TO \$75,699	71	\$5,302,907	\$74,689	3.448	1,197	\$70,752,081	\$59,108	58.135
\$75,700 TO \$77,699	74	\$5,675,838	\$76,701	3.594	1,271	\$76,427,919	\$60,132	61.729
\$77,700 TO \$79,699	55	\$4,328,295	\$78,696	2.671	1,326	\$80,756,214	\$60,902	64.400
\$79,700 TO \$81,699	65	\$5,253,928	\$80,830	3.157	1,391	\$86,010,142	\$61,833	67.557
\$81,700 TO \$83,699	51	\$4,216,689	\$82,680	2.477	1,442	\$90,226,831	\$62,571	70.034
\$83,700 TO \$85,699	43	\$3,640,777	\$84,669	2.088	1,485	\$93,867,608	\$63,211	72.122
\$85,700 TO \$87,699	48	\$4,166,239	\$86,797	2.331	1,533	\$98,033,847	\$63,949	74.454
\$87,700 TO \$89,699	45	\$3,991,897	\$88,709	2.186	1,578	\$102,025,744	\$64,655	76.639

## RRB 2012 EARNINGS DATA

Annual Salary Range	Number of Employees	Gross Salary	Average Salary (Group)	Group Employment % Total Employment	Cumulative Employees	Cumulative Salary	Average Salary (Cumulative)	Cumulative % Total Employment
\$89,700 TO \$91,699	43	\$3,903,170	\$90,771	2.088	1,621	\$105,928,914	\$65,348	78.728
\$91,700 TO \$93,699	42	\$3,886,256	\$92,530	2.040	1,663	\$109,815,170	\$66,034	80.767
\$93,700 TO \$95,699	48	\$4,547,438	\$94,738	2.331	1,711	\$114,362,608	\$66,840	83.099
\$95,700 TO \$97,699	26	\$2,516,809	\$96,800	1.263	1,737	\$116,879,417	\$67,288	84.361
\$97,700 TO \$99,699	35	\$3,454,495	\$98,700	1.700	1,772	\$120,333,912	\$67,909	86.061
\$99,700 TO \$101,699	23	\$2,314,345	\$100624	1.117	1,795	\$122,648,257	\$68,328	87.178
\$101,700 TO \$103,699	29	\$2,975,889	\$102617	1.408	1,824	\$125,624,146	\$68,873	88.587
\$103,700 TO \$105,699	14	\$1,463,424	\$104530	0.680	1,838	\$127,087,570	\$69,144	89.267
\$105,700 TO \$107,699	25	\$2,666,645	\$106666	1.214	1,863	\$129,754,215	\$69,648	90.481
\$107,700 TO \$109,699	17	\$1,853,010	\$109001	0.826	1,880	\$131,607,225	\$70,004	91.306
\$109,700 TO \$111,699	17	\$1,881,144	\$110656	0.826	1,897	\$133,488,369	\$70,368	92.132
\$111,700 TO \$113,699	15	\$1,688,771	\$112585	0.729	1,912	\$135,177,140	\$70,699	92.861
\$113,700 TO \$115,699	15	\$1,718,053	\$114537	0.729	1,927	\$136,895,193	\$71,041	93.589
\$115,700 AND OVER	132	\$33,940,644	\$257126	6.411	2,059	\$170,835,837	\$82,970	100.000
TOTAL	2,059	\$170,835,837	\$82,970	100.000	2,059	\$170,835,837	\$82,970	100.000