

ASSOCIATION
OF AMERICAN
RAILROADS

John T. Gray
Senior Vice President - Policy & Economics

237166

December 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

ENTERED
Office of Proceedings
December 5, 2014
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Public Record

Dear Ms. Brown:

This submission is the AAR forecast of the first quarter 2015 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2015-1) *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 first quarter 2015 results on the fourth quarter 2012 base, and shows the percentage changes from the previous quarter.

	<u>2014Q4</u>	<u>2015Q1</u>	<u>% Change</u>
All-Inclusive Index	98.5	95.5	-3.0
Preliminary RCAF	0.985	0.955	-3.0
Forecast Error Adjustment	-0.008	-0.009	
RCAF (Unadjusted)	0.977	0.946	-3.2
Productivity Adjustment Factor	2.3284	2.3342	
RCAF (Adjusted)	0.420	0.405	-3.6
PAF-5	2.4642	2.4704	
RCAF-5	0.396	0.383	-3.3

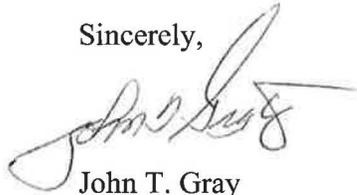
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December 5, 2014

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", with a stylized flourish extending to the right.

John T. Gray

Attachments

**First Quarter 2015
All-Inclusive Index**

Ex Parte No. 290 (Sub-No. 5) (2015-1)

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

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

December 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 first quarter 2015.

Index Weights

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

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

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

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 First Quarter 2015

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

	2013 Weights	Forecast		Percent Change
		Previous 2014Q4	Current 2015Q1	
1. Labor	31.6%	389.7	401.6	3.1 %
2. Fuel	22.1%	368.8	309.1	-16.2
3. M&S	4.9%	276.6	274.9	-0.6
4. Equipment Rents	5.4%	213.0	213.1	0.0
5. Depreciation	12.0%	217.4	218.6	0.6
6. Interest	1.9%	70.6	70.6	0.0
7. Other	22.1%	223.2	223.1	0.0
8. Weighted Average				
a. 1980 = 100		306.5	297.1	
b. 1980 = 100 (linked)		293.2	284.2 ¹	
c. 4Q12 = 100		98.5	95.5 ²	-3.0

¹ Index80 = (Current Index / Previous Index) * the Previous Quarter Linked Index
= (297.1 / 306.5) x 293.2
= 284.2

² To calculate the 4Q12 = 100 index:
Index4Q12 = (Current Linked Index / 4Q12 Basing Factor) * 100
= 284.2 divided by 297.6 times 100
= 95.5

Indexes based on other periods:

- 4Q07 based index = 284.2 / 245.9 x 100 = 115.6
- 4Q02 based index = 284.2 / 192.1 x 100 = 147.9
- 4Q97 based index = 284.2 / 173.2 x 100 = 164.1
- 4Q92 based index = 284.2 / 156.9 x 100 = 181.1
- 4Q87 based index = 284.2 / 132.2 x 100 = 215.0

Forecast vs. Actual All-Inclusive Index Third Quarter 2014

Because of data availability, the forecast error adjustment has a two-quarter lag from each filing. As shown below, the third quarter actual index of 98.6 is 0.9 index points below the forecast value of 99.5. Therefore, the forecast error adjustment for first quarter 2015 is -0.9 index points.

	2012 Weights	Third Quarter 2014		Amt Difference
		Forecast	Actual	
1. Labor	31.2%	395.4	395.4	
2. Fuel	22.3%	375.9	366.4	
3. M&S	4.9%	271.2	271.2	
4. Equipment Rents ¹	5.6%	212.2	212.7	
5. Depreciation	11.9%	217.1	217.4	
6. Interest	2.0%	76.6	76.6	
7. Other	22.1%	222.9	222.3	
8. Weighted Average				
a. 1980 = 100		309.0	306.8	
b. 1980 = 100 (linked)		296.1	293.4 ²	
c. 4Q12 = 100 ³		99.5	98.6	-0.9

Forecast error \longrightarrow **-0.9 index points**

1	2012 Weights	Third Quarter 2014	
		Forecast	Actual
Car-Hire	48.2%	185.1	186.1
Lease Rentals	51.8%	222.9	222.3
Weighted Average		204.7	204.9
Weighted Average (linked)		212.2	212.7

² Linked actual index = (actual index / previous actual index) x previous linked actual index.
 $293.4 = 306.8 / 307.8 \times 294.4$

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

Productivity

On 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.

Comparison of Output, Input, & Productivity			
2008 - 2012			
Year	Output Index (1)	Input Index (2)	Productivity ¹ 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
Average			1.010
Previous Average (2007-2011)			1.009

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

Calculation of PAF and PAF-5			
For 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 First Quarter 2015

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

	Previous 2014Q4	Current 2015Q1	Percent Change
All-Inclusive Index ¹	98.5	95.5	-3.0
Preliminary RCAF ²	0.985	0.955	-3.0
Forecast Error Adjustment ³	<u>-0.008</u>	<u>-0.009</u>	
RCAF (Unadjusted) ⁴	0.977	0.946	-3.2
Productivity Adjustment Factor ⁵	<u>2.3284</u>	<u>2.3342</u>	
RCAF (Adjusted) ⁶	0.420	0.405	-3.6
PAF-5 ⁷	2.4642	2.4704	
RCAF-5 ⁸	0.396	0.383	-3.3

¹ See All-Inclusive Index on page 3.

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

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

⁴ Preliminary RCAF plus the forecast error adjustment.

⁵ See Productivity on page 5.

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

⁷ See Productivity on page 5.

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

Appendixes

Labor

First Quarter 2015

The first quarter 2015 Labor Index is forecast to increase 3.1 percent from the previous quarter. Wage increases and new fringe benefit rates had major impacts on the index.

Wage Rate Index

The Wage Rate Index portion of the Labor Index increased 2.7 percent. Most railroad employees will receive a general wage increase effective January 1.

Wage Increases: Following past index procedure, non-union employees were assigned a general wage increase (3.8 percent) similar to the increase received by most unions last July. The non-union wage increase is effective January 1. Participants in the national labor agreements will receive a 3.0 percent general wage increase effective January 1. Many independent labor agreements also contain general wage increases effective January 1. These increases are typically 3 percent. A few new independent agreements between the railroads and some of the larger unions are currently being negotiated. If ratified, those agreements could have January wage increases that have not been added to the 2015Q1 Index – and will have to be added to the Q2 Index with back pay. Because of the independent contracts under negotiation, and some independent contracts that do not have a January 1 increase, the base wage portion of the Wage Rate Index increased only 2.7 percent.

Lump Sums: Two lump sum amounts were completely amortized and removed. One of the lump sums removed was an annual performance bonus that was replaced with this year's higher amount, which caused the increase of 0.1 cents.

Back Pay: There no changes to the back pay rate.

Other: In wages, "Other" contains the amortization of incentive payments that a railroad makes each year to its dispatchers, yardmasters, and engineers. There are no changes for this quarter.

Supplements Index

The Supplements Index increased 3.5 percent. New health insurance premiums were incorporated into the rate effective January 1. New payroll tax rates and maximum taxable earnings effective in 2015 were also utilized.

Health & Welfare: The Health & Welfare rate decreased 4.0 cents (0.5 percent) from the previous quarter. Slightly lower employer contributions (lower premiums) will go into effect January 1. (See pages 4 and 5 of this appendix.) Employee health & welfare cost sharing was unchanged.

Railroad Retirement: The Railroad Retirement rate increased 4.8 percent, 37.7 cents. The increase was caused by a combination of higher taxable earnings, higher maximum taxable earnings, and a higher Tier II tax rate (for employers) – all effective January 1. Page 4 of this appendix lists tax rates and maximum taxable earnings for 2013 through 2015.

Labor

First Quarter 2015

Unemployment Insurance: The Unemployment Insurance rate jumped 14.5 cents because of higher maximum taxable earnings and a higher tax rate effective January 1. Rates and taxable earnings are shown on page 4 of this appendix. Basic tax rates range from a minimum of 0.65 percent to a maximum of 12 percent. However, if the Railroad Unemployment Insurance Account balance falls below a certain threshold, a surcharge can be imposed. For 2015, a surcharge of 1.5 percent will be used – meaning that the weighted average Class I railroad rate will be 2.31 percent compared to only 0.68 percent for 2014. There were no surcharges in 2013 and 2014. Page 4 of this appendix lists tax rates and maximum taxable earnings for 2013 through 2015.

Other: The "Other" category is a reflection of all other fringe benefits, and currently contains known employer contributions to employee 401(k) accounts and employer contributions to employee stock plans that are recorded as fringe benefits. For the first quarter, the rate increased 7.1 cents as employers typically have more contributions for awards, performance, and other bonus matches.

Labor Index Calculation

As shown in Table A-1 on the next page, the 2.7 percent increase in the Wage Rate Index and the 3.5 percent increase in the Supplements Index combined to cause a 3.1 percent increase in the Labor Index. The linked first quarter 2015 index is 401.6.

Labor First Quarter 2015

Table A-1 Labor Index

	2014Q4	2015Q1	Change	
			Percent	Amount
<u>Base Wage</u> – Straight Time & Pay For Time Not Worked	\$38.974	\$40.039	2.7%	\$1.065
Adjustments:				
Lump Sum	0.315	0.316	0.3%	\$0.001
Back Pay	0.094	0.094	0.0%	\$0.000
Other	0.136	0.136	0.0%	\$0.000
Total Wages	<u>\$39.519</u>	<u>40.585</u>	2.7%	\$1.066
Health & Welfare Benefits	7.652	7.612	-0.5%	-\$0.040
RR Retirement & Medicare	7.835	8.212	4.8%	\$0.377
Unemployment Insurance	0.059	0.204	245.8%	\$0.145
Other	0.106	0.177	67.0%	\$0.071
Total Supplements	<u>\$15.652</u>	<u>\$16.205</u>	3.5%	\$0.553
Total Labor (as info only)	\$55.171	\$56.790		
Wage Index¹	338.2	347.3	2.7%	
Supplements Index²	578.4	598.9	3.5%	
Total labor Index, 2012 Weights ³	410.0	422.5		
Labor Index (linked)⁴	389.7	401.6	3.1%	

¹ 1980 wage rate \$11.685

² 1980 supplements rate \$2.706

³ 2013 weights: wages, supplements 70.1% 29.9%

⁴ 2015Q1 linked Index = 2014Q4 linked x (2015Q1 / 2014Q4)
= 389.7 x 422.5 / 410.0

Labor
First Quarter 2015

Supplement Comparisons

Health and Welfare Rates

Plan	Railroad Contribution Per Employee Per Month				
	2013	2014	2015	Change	
				'13-'14	'14-'15
Group Health & Welfare	\$1,350.36	\$1,285.74	\$1,298.28	-4.8%	1.0%
Early Retirement Major Medical	139.04	127.92	109.90	-8.0%	-14.1%
Group Dental	55.90	53.00	50.83	-5.2%	-4.1%
Group Vision	8.37	8.39	8.41	0.2%	0.2%
Supplemental Sickness					
Maintenance of Way	32.87	32.87	32.87	0.0%	0.0%
Shop Crafts	48.28	48.28	53.18	0.0%	10.1%
Signalmen	30.74	30.74	30.74	0.0%	0.0%
Yardmasters	34.95	34.96	34.78	0.0%	-0.5%

Railroad Retirement and Medicare

	Earnings Base			Employer Rate		
	2013	2014	2015	2013	2014	2015
Tier I	\$113,700	\$117,000	\$118,500	6.20%	6.20%	6.20%
Tier II	84,300	87,000	88,200	12.60%	12.60%	13.10%
Medicare	no limit	no limit	no limit	1.45%	1.45%	1.45%

Unemployment Insurance

Monthly Taxable Earnings Base			Weighted Avg. Class I Rate		
2013	2014	2015	2013	2014	2015
\$1,405	\$1,440	\$1,455	0.67%	0.68%	2.31%

Labor
First Quarter 2015

NATIONAL RAILWAY LABOR CONFERENCE
EMPLOYEE BENEFITS DEPARTMENT

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November 19, 2014

Mr. Clyde Crimmel
Director Statistical Information
Policy & Communications Department
AAR-5th Floor
50 F Street N.W.
Washington, D.C. 20009

Dear Mr. Crimmel:

The revised employer Payment Rates which are effective January 1, 2015 are as follows:

Railroad Employees National Health & Welfare Plan & National Railway Carriers/United Transportation Union H&W Plan Non-Hospital Road	\$1,298.28
Railroad Employees National Early Retirement Major Medical Benefit Plan Non-Hospital Road	\$ 109.90
Aetna - National Dental Plan	\$ 50.83
Aetna - Supplemental Sickness Plans	
ShopCrafts	\$ 53.18
Signalmen (no change)	\$ 30.74
Maintenance of Way (no change)	\$ 32.87
Trustmark - Supplemental Sickness Plans Yardmasters	\$ 34.78
EyeMed - National Vision Plan	\$ 8.41

If you have any questions or need clarification, please contact me.

Very truly yours,



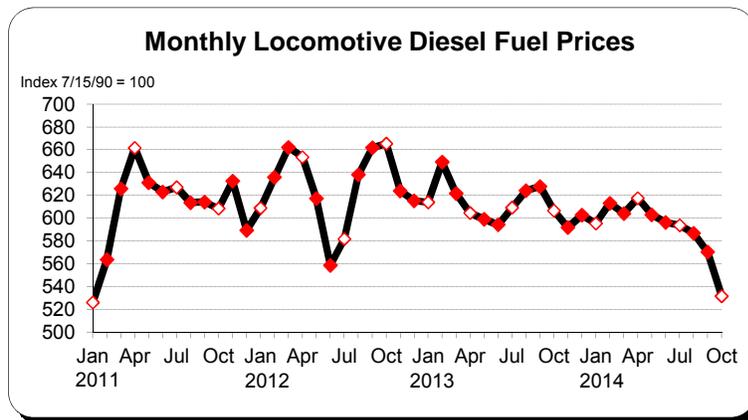
Susan E. Parks

cc: Glen Williams

Fuel First Quarter 2015

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

Locomotive diesel fuel prices have decreased for 6 consecutive months, and are at their lowest level since January 2011. The chart below shows the AAR's Monthly Locomotive Diesel Fuel Price Index from January 2011 through October 2014.



While the latest average prices for locomotive diesel fuel are available only through October 2014, data through most of November are available for related fuel types. Weekly crude oil* spot prices continued falling from October through November, as did spot prices for Heating Oil.** The current supply of crude oil is close to the peak of its 5-year range, and this is believed to be in excess of current demand. The Organization of the Petroleum Exporting Countries (OPEC) recently announced that it plans to make no changes to its output target – allowing prices to decrease. Their decision may signal a desire to keep their market share and make things difficult for higher-cost non-OPEC producers – a "price war". Lower oil prices should also increase demand. As a result, railroads expect January locomotive diesel fuel prices to be lower than those for October – despite low distillate stocks.

Forecast Fuel Index (1980 = 100)	309.1
Change from previous quarter forecast	-16.2%
Change from previous quarter actual	-5.8%

* 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

First Quarter 2015

The first quarter 2015 Materials & Supplies Index decreased 0.6 percent from the previous quarter. The change was caused by decreases in prices for Metal Products and for Miscellaneous Products.

2015Q1 Materials & Supplies Index = 274.9

2014Q4 Materials & Supplies Index = 276.6

Difference -1.7 basis points
or
-0.6 %

Equipment Rents First Quarter 2015

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

Car Hire

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

Lease Rentals

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

Equipment Rents Index Calculation

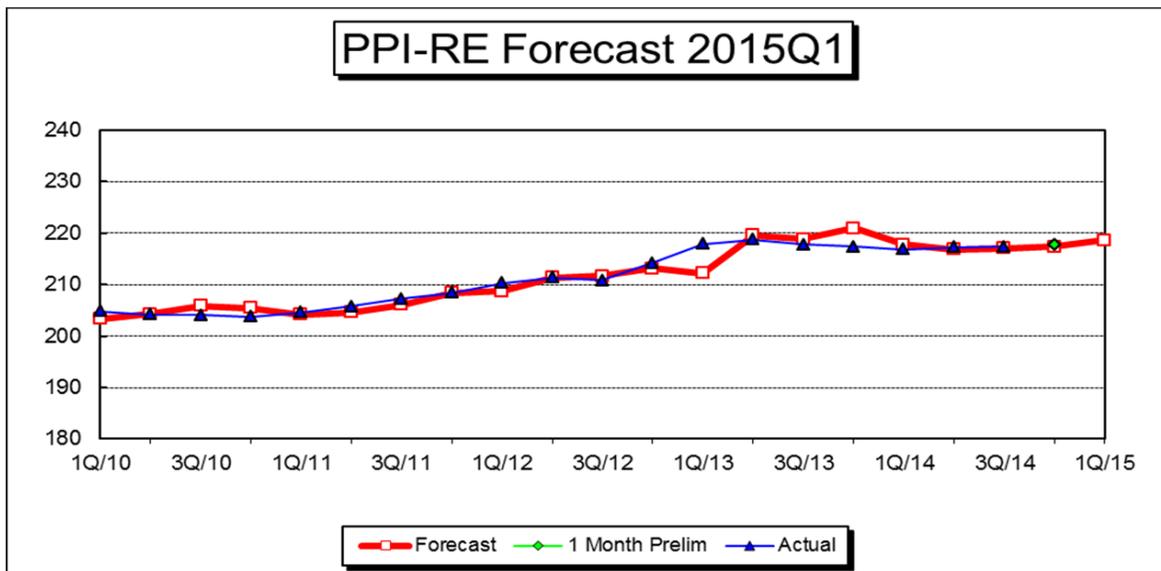
The table below calculates the Equipment Rents Index. The first quarter Car Hire portion of the Index increased 0.2 percent mostly because of higher rates for privately-owned cars tank cars. The projected PPI-LF (See Appendix G) used as a proxy for Lease Rentals decreased by only 0.1 index points. As a percentage, this decrease is 0.0448 percent – rounded to 0.0 in the table below. Using the rounded indices and combining the 0.2 percent increase for Car Hire with the 0.0448 percent decrease in Lease Rentals results in an increase in the Equipment Rent Index of slightly less than 0.05 percent – rounded to 0.0 in the table below.

	2013	2014Q4	2015Q1	Percent
	Weight			Change
Car Hire	52.8%	186.2	186.6	0.2 %
Lease Rentals	47.2%	223.2	223.1	0.0
Weighted Average		203.7	203.8	0.0
Weighted Average (Linked)		213.0	213.1	0.0

Depreciation First Quarter 2015

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

Forecast of Depreciation Index (1982=100)	197.6
Forecast of Depreciation Index (1980=100)	218.6
Change from previous quarter forecast	0.6%
Change from actual first month of previous quarter	0.4%
Change from same quarter of prior year (actual)	0.8%



Depreciation First Quarter 2015

PPI RAILROAD EQUIPMENT

Exponential smoothing outperforms Box-Jenkins by 0.735 to 0.764 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is trended and nonseasonal.

Recommended model: Exponential Smoothing

Forecast Model for PPIRE

Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing Weight	Final Value
Level	0.67564	196.88
Trend	0.01519	0.18901

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 189.2	Standard deviation 5.719
R-square 0.9665	Adjusted R-square 0.9661
Durbin-Watson 1.962	Ljung-Box(18)=8.724 P=0.0342
Forecast error 1.053	BIC 1.102
MAPE 0.003488	RMSE 1.039
MAD 0.6617	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2014-05	196.7
2014-06	196.8
2014-07	196.4
2014-08	196.2
2014-09	197.0
2014-10	196.8

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2014-11	194.912	197.072	199.232
2014-12	194.641	197.261	199.881
2015-01	194.440	197.450	200.460
2015-02	194.284	197.639	200.994
2015-03	194.161	197.828	201.496
QTR AVG	194.295	197.639	200.9833

Interest First Quarter 2015

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

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

Interest Expense (Schedule 210)

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

Average Total Debt (Schedule 200)

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

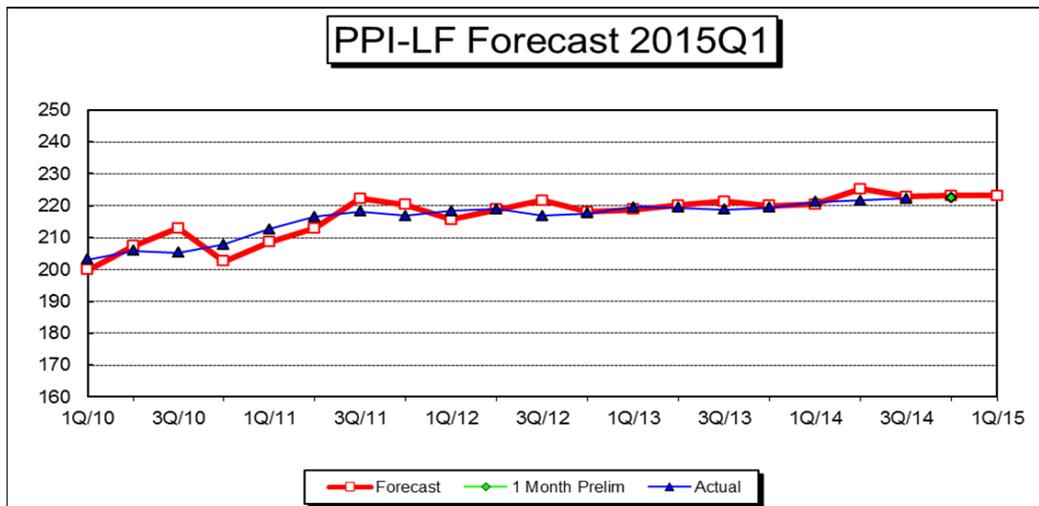
2013	Interest Rate	5.54%
1980	Interest Rate	7.85%
2015Q1	Interest Index	70.6
2014Q4	Interest Index	70.6
	Percent Change	0.0%

Other Expenses First Quarter 2015

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

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

Forecast of Other Expense Index (1982=100)	199.0
Forecast of Other Expense Index (1980=100)	223.1
Change from previous quarter forecast	0.0%
Change from actual first month of previous quarter	0.3%
Change from same quarter of prior year (actual)	0.9%



Other Expenses First Quarter 2015

PPI INDUSTRIAL COMMODITIES LESS FUELS AND RELATED PRODUCTS AND POWER

Box-Jenkins outperforms exponential smoothing by 1.109 to 1.249 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is nonstationary and nonseasonal.

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

Term	Coefficient	Std. Error	t-Statistic	Significance
a[1]	0.7357	0.0697	10.5613	1.0000
A[12]	0.3764	0.1030	3.6560	0.9995

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 189.5	Standard deviation 7.849
R-square 0.9951	Adjusted R-square 0.995
Durbin-Watson 2.164	Ljung-Box(18)=11.42 P=0.1243
Forecast error 0.555	BIC 0.5807
MAPE 0.002235	RMSE 0.5472
MAD 0.4219	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2014-05	197.6
2014-06	197.7
2014-07	198.0
2014-08	198.3
2014-09	198.5
2014-10	198.5

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2014-11	197.374	198.455	199.535
2014-12	196.380	198.544	200.708
2015-01	195.713	198.988	202.264
2015-02	194.738	199.106	203.474
2015-03	193.551	198.969	204.387
QTR AVG	194.667	199.021	203.375

Railroad and Union Abbreviations

First Quarter 2015

Railroads

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

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

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

Major Unions Involved with Railroads

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

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

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

Workpapers Sent to STB for 2015 Q1 RCAF

December 5, 2014

1. Index Calculation Spreadsheet (index_calc.xls, 2 pages)
2. Summary of ST and PFTNW Hourly Rates (Summary.xls)
3. RCAF Taxable Wages adjustment calculation (TaxableRate.xls)
4. National Contracts spreadsheet, 2 sections (2 and 5 pages)
5. Relevant pages from national agreements showing January 1, 2015 GWI (13 pages)
6. Wall Street Journal - 13 week Treasury Bill Rate from latest auction (a.k.a. 3-Mo. T-Bill)
7. 2015/Q1 RCAF Lump Sum Amortization summary, public version (1 page)
8. 2015/Q1 RCAF Back Pay Amortization summary, public version (1 page)
9. Health & Welfare worksheet (3 pages)
10. Health & Welfare employer payment rates memo from NRLC
11. NRLC Health & Welfare circulars concerning employee cost sharing (2 pages)
12. Railroad Retirement spreadsheet (5 pages)
13. Railroad Retirement tax rates and maximum earnings for 2015 from RR Retirement Board
14. Railroad Retirement Tier II tax rate from Federal Register
15. Unemployment Insurance worksheet
16. 2-page SAS run for Q1 Unemployment Insurance
17. Unemployment Insurance maximum earnings and tax rate ranges for 2015 from RR Retirement Board
18. Memo for new Unemployment insurance tax rate average for 2015
19. Railroad Unemployment Insurance tax rates and maximum earnings for 2015 from RR Retirement Board
20. EIA's Spot Prices (1 page) & This Week in Petroleum, Distillate section (13 pages)
21. Summary of Materials & Supplies (one page)
22. Car Hire Spreadsheet (2 pages) plus source data page for December 2014
23. 4 pages of PPI-RE for Depreciation including graph, input/output, and BLS source data
24. 4 pages of PPI-LF for Other (and Lease Rentals) incl. graph, input/output, BLS source data
25. Forecast Error calc. and workpapers (10 pages: calc, index, fuel, 3 car hire, 2 deprec, 2 other)

All Inclusive Index and RCAF using 2013 Benchmarks and Weights

	13 Wts	3Q/14	13 Wts 3Q/14	% Chg	4Q/14	% Chg	1Q/15	% Chg	2Q/15	% Chg	3Q/15	% Chg
Labor	0.316	395.40	395.4	0.0%	389.7	-1.4%	401.6	3.1%	0.0	#####	#DIV/0!	--
Fuel	0.221	375.90	375.9	0.0%	368.8	-1.9%	309.1	-16.2%	--	--	--	--
M&S	0.049	271.20	271.2	0.0%	276.6	2.0%	274.9	-0.6%	--	--	--	--
Equip. Rents	0.054	212.20	212.2	0.0%	213.0	0.4%	213.1	0.0%	0.0	#####	#DIV/0!	--
Depreciation	0.120	217.10	217.1	0.0%	217.4	0.1%	218.6	0.6%	--	--	--	--
Interest	0.019	76.60	76.6	0.0%	70.6	-7.8%	70.6	0.0%	70.6	0.0%	70.6	0.0%
Other	0.221	222.90	222.9	0.0%	223.2	0.1%	223.1	0.0%	--	--	--	--
Weighted Avg.	1.000	309.00	309.5	0.2%	306.5	-1.0%	297.1	-3.1%	1.3	-99.6%	#DIV/0!	--
Linked	Basing Factor	296.10			293.2	-1.0%	284.2	-3.1%	1.2	-99.6%	#DIV/0!	--
10/1/80 basis	102.7	288.3			285.5	-1.0%	276.7	-3.1%	1.2	-99.6%	#DIV/0!	--
10/1/82	120.9	244.9			242.5	-1.0%	235.1	-3.1%	1.0	-99.6%	#DIV/0!	--
4Q/87	132.2	224.0			221.8	-1.0%	215.0	-3.1%	0.9	-99.6%	#DIV/0!	--
4Q/92	156.9	188.7			186.9	-1.0%	181.1	-3.1%	0.8	-99.6%	#DIV/0!	--
4Q/97	173.2	171.0			169.3	-1.0%	164.1	-3.1%	0.7	-99.6%	#DIV/0!	--
4Q/02	192.1	154.1			152.6	-1.0%	147.9	-3.1%	0.6	-99.6%	#DIV/0!	--
4Q/07	245.9	120.4			119.2	-1.0%	115.6	-3.0%	0.5	-99.6%	#DIV/0!	--
4Q/12 basis	297.6	99.5			98.5	-1.0%	95.5	-3.0%	0.4	-99.6%	#DIV/0!	--
Car Hire	0.528	185.10	185.1	0.0%	186.2	0.6%	186.6	0.2%	--	--	--	--
Lease Rents	0.472	222.90	222.9	0.0%	223.2	0.1%	223.1	0.0%	0.0	--	0.0	--
Weighted Avg Eq Rents		204.70	202.9	-0.9%	203.7	0.4%	203.8	0.0%	0.0	--	0.0	--
Linked Equipment Rents		212.20			213.0	0.4%	213.1	0.0%	0.0	#####	#DIV/0!	--
Preliminary RCAF		0.995			0.985	-1.01%	0.955	-3.0%	0.004	-99.6%	#DIV/0!	--
Forecast Error Adj.		(0.010)			(0.008)		(0.009)					
RCAF Unadjusted		0.985			0.977	-0.81%	0.946	-3.2%	0.004	-99.6%	#DIV/0!	--
PAF		2.3226			2.3284	0.25%	2.3342	0.25%	--	--	--	--
RCAF Adjusted		0.424			0.420	-0.94%	0.405	-3.6%	#DIV/0!	--	#DIV/0!	--
PAF-5		2.4588			2.4642	0.22%	2.4704	0.25%	--	--	--	--
RCAF-5		0.401			0.396	-1.25%	0.383	-3.3%	#DIV/0!	--	#DIV/0!	--

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

	13 Wts.	3Q/14	3Q/14 Rebenchd As Info Only	% Chg	4Q/14	% Chg	1Q/15	% Chg	2Q/15	% Chg	3Q/15	% Chg
Straight Time		\$32.585	\$32.156	-1.3%	\$32.165	-1.3%	\$33.087 ✓	2.9%		--		--
PFTNW		\$7.054	\$6.808	-3.5%	\$6.809	-3.5%	\$6.952 ✓	2.1%		--		--
Total		\$39.639	\$38.964	-1.7%	\$38.974	-1.7%	\$40.039	2.7%	\$0.000	--	\$0.000	--
Adjustments												
Lump Sum		\$0.316	\$0.315		\$0.315		\$0.316 ✓					
Back Pay		\$0.093	\$0.093		\$0.094		\$0.094 ✓					
Other		\$0.137	\$0.136		\$0.136		\$0.136 ✓					
Total Wages		\$40.185	\$39.508	-1.7%	\$39.519	-1.7%	\$40.585	2.7%	\$0.000	--	\$0.000	--
Pre-Tax Reduction		(\$1.169)	(\$1.200)		(\$1.200)		(\$1.200) ✓					
Taxable Wages		\$39.016	\$38.308		\$38.319		\$39.385		\$0.000		\$0.000	
H & W		\$7.611	\$7.652	0.5%	\$7.652	0.5%	\$7.612 ✓	-0.5%		--		--
RR Ret & Medicare		\$7.896	\$7.834	-0.8%	\$7.835	-0.8%	\$8.212 ✓	4.8%		--		--
Unemp. Insurance		\$0.059	\$0.059	0.0%	\$0.059	0.0%	\$0.204	245.8%		--		--
Other		\$0.263	\$0.262	-0.4%	\$0.106	-59.7%	\$0.177	67.0%		--		--
Total		\$15.829	\$15.807	-0.1%	\$15.652	-1.1%	\$16.205	3.5%	\$0.000	--	\$0.000	--
Adjustments												
Total Supplements		\$15.829	\$15.807	-0.1%	\$15.652	-1.1%	\$16.205	3.5%	\$0.000	--	\$0.000	--
Total Labor		\$56.014	\$55.315	-1.2%	\$55.171	-1.5%	\$56.790	2.9%	\$0.000	--	\$0.000	--
Wage Rate Index	0.7010	343.9	338.1	-1.7%	338.2	-1.7%	347.3	2.7%	0.0	--	0.0	--
Supplements Index	0.2990	585.0	584.1	-0.2%	578.4	-1.1%	598.9	3.5%	0.0	--	0.0	--
Total Labor Index '12 Wts.		418.2										
Total Labor Index '13 Wts.		416.0	411.7	-1.0%	410.0	-1.4%	422.5	3.0%	0.0	--	0.0	--
Labor Index (Linked)		395.4			389.7	-1.4%	401.6	3.1%	0.0	#####	#DIV/0!	--

Hourly Rate for 2015 Q1

Straight Time and Time Paid For But Not Worked

2015Q1 Straight Time Hourly Rate (from national spreadsheet) \$32.613
 3% GWI for national unions, 3.8% non-union GWI

Adjustments to 2013 base:

Adjustments added 2014 Q1

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

Adjustments added 2014 Q2

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

Adjustments added 2014 Q3

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

Adjustments added 2014 Q4

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

Adjustments added 2015 Q1

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

Adjusted STHR Total **\$33.087**

Pay For Time Not Worked

PFTNW (from national spreadsheet)		\$6.852
Ratio Adj STHR to Nat STHR	33.087 / 32.613 =	1.01453

Adjusted Pay For Time Not Worked **\$6.952**

Notes:

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

RCAF Taxable Wages

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

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

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

Reduction Calculation for 1Q/2015

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

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

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

National Contracts U.S.

Straight Time Hourly Rate

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

Weighted Straight Time Hourly Rate

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

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

National Contracts U.S.

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Check Sum
Weight	0.23107	0.03537	0.17217	0.00574	0.04768	0.14579	0.05723	0.01377	0.04059	0.00699	0.03336	0.01526	0.00895	0.18604	1.00000
2013 Avg.	10.687	4.250	10.878	3.941	6.392	4.750	4.107	2.939	4.338	3.542	4.555	6.220	9.525	1.227	77.352
12/31/13	10.821	4.312	10.954	3.999	6.485	4.816	4.168	2.983	4.402	3.594	4.622	6.283	9.659	1.227	
1/1/14	10.821	4.312	10.954	3.999	6.485	4.816	4.168	2.983	4.402	3.594	4.622	6.283	9.659	1.264	
4/1/14	10.821	4.312	10.954	3.999	6.485	4.816	4.168	2.983	4.402	3.594	4.622	6.283	9.659	1.264	
7/1/14	11.013	4.455	10.971	4.149	6.719	4.987	4.317	3.093	4.563	3.594	4.791	6.408	9.957	1.264	
10/1/14	11.013	4.455	10.971	4.149	6.719	4.987	4.317	3.093	4.563	3.726	4.791	6.408	9.957	1.264	
1/1/15	11.181	4.572	10.984	4.271	6.910	5.127	4.439	3.183	4.695	3.833	4.928	6.508	10.220	1.312	
4/1/15	11.181	4.572	10.984	4.271	6.910	5.127	4.439	3.183	4.695	3.833	4.928	6.508	10.220	1.312	
7/1/15	11.181	4.572	10.984	4.271	6.910	5.127	4.439	3.183	4.695	3.833	4.928	6.508	10.220	1.312	

Pay For Time Not Worked Hourly Rate

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

U.S. National Contract

UTU

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

TCU

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

BLET

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

U.S. National Contract

SMWIA

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

BRS

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

BMWE

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

U.S. National Contract

TCU-Carmen

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

NCFO

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

IAM

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

U.S. National Contract

IBBM

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

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

IBEW

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

ATDA

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

YDMSTRS

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

OTHER

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

Check Sums

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

Section 6 – Sixth General Wage Increase (for other than Dining Car Stewards)

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

Section 7 - Standard Rates

The standard basic daily rates of pay produced by application of the increases provided for in this Article are set forth in Appendix 1, which is a part of this Agreement.

Section 8 - Application of Wage Increases

(a) The adjustments provided for in this Article will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money, but will apply to mileage rates of pay for miles run in excess of the number of miles comprising a basic day.

(b) In engine service and in train and yard ground service, miscellaneous rates based upon hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be adjusted in the same manner as heretofore increased under previous wage agreements.

(c) In determining new hourly rates, fractions of a cent will be disposed of by applying the next higher quarter of a cent.

(d) Daily earnings minima shall be changed by the amount of the respective daily adjustments.

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

Section 6 - Sixth General Wage Increase

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

ARTICLE II – LUMP SUM PAYMENT

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

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

Section 2 - Second General Wage Increase

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

Section 3 - Third General Wage Increase

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

Section 4 – Fourth General Wage Increase

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

Section 5 – Fifth General Wage Increase

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

Section 6 – Sixth General Wage Increase

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

Section 3 - Third General Wage Increase

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

Section 4 - Fourth General Wage Increase

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

Section 5 - Fifth General Wage Increase

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

Section 6 - Sixth General Wage Increase

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

Section 3 - Third General Wage Increase

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

Section 4 - Fourth General Wage Increase

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

Section 5 – Fifth General Wage Increase

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

Section 6 – Sixth General Wage Increase

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

Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

Section 5 - Fifth General Wage Increase

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

Section 6 - Sixth General Wage Increase

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

ARTICLE II – LUMP SUM PAYMENT

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

Section 5 - Fifth General Wage Increase

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

Section 6 - Sixth General Wage Increase

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

ARTICLE II – LUMP SUM PAYMENT

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

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

this increase irrespective of the method of payment.

Section 3 - Third General Wage Increase

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

Section 4 - Fourth General Wage Increase

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

Section 5 - Fifth General Wage Increase

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

Section 6 - Sixth General Wage Increase

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

Section 6 - Sixth General Wage Increase

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

ARTICLE II – LUMP SUM PAYMENT

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

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

ARTICLE III - COST-OF-LIVING PAYMENTS

Section 1

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

Section 3 - Third General Wage Increase

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

Section 4 - Fourth General Wage Increase

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

Section 5 - Fifth General Wage Increase

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

Section 6 - Sixth General Wage Increase

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

Section 3 - Third General Wage Increase

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

Section 4 - Fourth General Wage Increase

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

Section 5 - Fifth General Wage Increase

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

Section 6 - Sixth General Wage Increase

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

ARTICLE II - LUMP SUM PAYMENT

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

adjustment shall be made.

Section 4 – Fourth General Wage Increase

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

Section 5 – Fifth General Wage Increase

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

Section 6 – Sixth General Wage Increase

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

ARTICLE II – LUMP SUM PAYMENT

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

three (3) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 4 – Fourth General Wage Increase

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

Section 5 – Fifth General Wage Increase

Effective July 1, 2014, all standard basic daily rates of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased by three-and-one-half (3-1/2) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 6 – Sixth General Wage Increase

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

Section 7 – Application of Wage Increases

Special allowances not included in fixed daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments will not be increased.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

THE WALL STREET JOURNAL

0.020%

WSJ.com/Heard

NAV	Net Chg	YTD % Ret	Fund	NAV	Net Chg	YTD % Ret	Fund	NAV	Net Chg	YTD % Ret	Fund	NAV	Net Chg	YTD % Ret
15.47	-0.03	5.9	GrwthAdmI	54.35	+0.31	14.5	WelltnAdmI	70.81	+0.14	10.1	WellsI	26.18	...	7.8
4.50	...	2.2	HlthCareAdmI	96.75	+0.76	28.2	WndsAdmI	76.78	+0.25	12.7	Welltn	41.00	+0.09	10.0
4.52	...	1.4	HYCorAdmI	6.03	+0.01	5.1	VANGUARD FDS				WndsrlI	40.75	+0.10	12.1
4.49	...	2.1	InfProAd	26.42	+0.02	4.7	DivdGro	23.64	+0.04	11.9	VANGUARD INDEX FDS			
NA	...	NA	InfGrAdmI	73.59	+0.43	-0.8	GNMA	10.81	+0.01	6.2	500	191.50	+0.55	13.9
17.89	...	5.2	ITBondAdmI	11.50	+0.01	6.4	HlthCare r	229.27	+1.79	28.2	ExtndInstPl	166.11	+1.36	7.3
10.89	...	5.4	ITGradeAdmI	9.91	+0.01	5.6	IntlGr	23.12	+0.14	-0.9	TotIntI	16.35	+0.05	-0.1
35.77	+0.08	9.5	LTGradeAdmI	10.60	+0.01	14.6	IntlVal	36.82	+0.13	-1.5	TotSt	51.93	+0.20	12.6
35.96	+0.08	9.7	MidCpAdmI	154.81	+0.70	13.7	LifeGro	29.57	+0.09	8.2	VANGUARD INSTL FDS			
35.10	+0.13	6.2	MultAdmI	14.21	...	6.5	LifeMod	24.63	+0.07	7.7	DevMktsIndst	12.76	+0.06	-1.8
35.72	+0.14	6.5	MultAdmI	11.06	-0.01	1.9	Prncp r	109.00	+0.40	18.1	ExtndInst	67.30	+0.55	7.3
13.50	+0.03	8.3	MuShtAdmI	15.86	...	0.8	STAR	30.18	+0.09	7.0	GrwthInst	54.35	+0.31	14.5
39.43	+0.03	3.7	PrncpAdmI	113.11	+0.41	18.2	STGr	25.64	+0.08	8.1	InPrSel	10.76	+0.01	4.7
39.05	+0.04	4.0	REITAdmI	112.58	+0.31	26.0	STIGrade	10.72	...	1.9	Instld	190.29	+0.55	14.0
36.31	+0.23	-4.8	SmCapAdmI	56.49	+0.49	7.2	TgtRe2015	15.82	+0.04	7.1	InstStPlus	47.13	+0.18	12.8
41.41	+0.15	14.1	STBondAdmI	10.53	+0.01	1.5	TgtRe2020	29.19	+0.07	7.7	MidCplnst	34.20	+0.15	13.7
NA	...	NA	STIGradeAdmI	10.72	...	2.0	TgtRe2025	17.00	+0.05	7.9	MidCplstPl	168.69	+0.76	13.7
NA	...	NA	TotBdAdmI	10.86	...	5.3	TgtRe2030	29.88	+0.09	8.1	SmCapInst	56.49	+0.49	7.2
NA	...	NA	TotIntAdmI	27.35	+0.09	...	TgtRe2035	18.39	+0.06	8.3	TotBdInst	10.86	...	5.3
NA	...	NA	ValAdmI	51.96	+0.20	12.7	TgtRe2040	30.70	+0.10	8.4	TotBdInstPl	10.86	...	5.3
NA	...	NA	WdsrlAdmI	72.33	+0.18	12.2	TgtRe2045	19.26	+0.07	8.4	TotIntInst	109.38	+0.35	...
NA	...	NA	WellsIAdmI	63.42	+0.01	7.9	TgtRetInc	13.07	+0.02	5.8	TotIntInstPl	109.40	+0.35	...
71.31	+0.34	12.1				TotIntBdInsv	10.51	+0.01	7.4	TotStInst	51.97	+0.21	12.8	
25.34	+0.16	-3.7												

Borrowing Benchmarks

Money Rates

November 24, 2014

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

	Oct. index level	CHG FROM (%)	Sept. '14	Oct. '13
U.S. consumer price index	237.433	-0.25	1.7	
All items	237.433	-0.25	1.7	
Core	239.413	0.24	1.8	

International rates

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

Prime rates

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

Overnight repurchase

	Latest	Week ago	52-WEEK High	52-WEEK Low
U.S.	0.14	0.05	0.24	0.00
Euro zone	-0.05	-0.05	0.41	-0.06

U.S. government rates

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

Federal funds

	Effective rate	High	Low	Bid	Offer
Effective rate	0.1200	0.1100	0.1800	0.0800	
High	0.3125	0.3125	0.5160	0.3125	
Low	0.0700	0.0700	0.0800	0.0100	
Bid	0.0800	0.0800	0.0900	0.0000	
Offer	0.1000	0.1000	0.2800	0.0400	

Treasury bill auction

	4 weeks	13 weeks	26 weeks
4 weeks	0.035	0.045	0.130
13 weeks	0.020	0.025	0.095
26 weeks	0.070	0.070	0.110

Secondary market

Freddie Mac

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

Fannie Mae

	30-year mortgage yields	30 days	60 days
30-year mortgage yields		3.562	3.556
30 days	3.562	3.556	4.205
60 days	3.608	3.603	4.255

Bankers acceptance

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

Other short-term rates

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

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

Exchange-Traded Portfolios | WSJ.com/ETFResearch

Largest 100 exchange-traded funds, latest session

Monday, November 24, 2014

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
Alerian MLPETF	AMPL	18.62	-0.64	4.7
Guggenheim SP500EqW	RSP	80.36	0.35	12.8
iShIntermCredBd	CIJ	109.63	0.02	1.6
iShL-3YCreditBond	CSU	105.31	0.07	-0.1
iSharesTIPSBondETF	TIP	113.15	0.08	3.0
iShCoreHDividend	HDV	77.63	-0.41	10.5
iShCoreMSCIEngMk	IEMG	50.37	-0.69	1.1
iShCoreS&P500ETF	IUV	208.68	0.31	12.4
iShCoreS&PMDcp	IJM	145.34	0.68	8.6
iShCoreS&PMScpETF	IJS	112.59	1.16	3.2
iShCoreUSAggBd	AGG	109.94	0.04	3.3
iShIntlSelDividend	IDV	36.22	0.39	-4.5
iShSelectDividend	DVY	78.82	-0.04	10.5
iShU.S.RealEstate	IYR	76.02	0.29	20.5
iShU.S.Technology	IYW	105.51	0.75	19.3
iSharesGold	IAU	11.59	-0.26	-0.8
iShiBoxx\$InVGrCpBd	LQD	118.85	0.16	4.1
iShiBoxx\$HYCpBd	HYG	91.74	-0.01	-1.2
iSharesJPMUSDEmgBd	EMB	114.03	0.02	5.4
iShMBSETF	MBB	109.44	0.05	4.7
iShMSCIAWIETF	ACWI	60.59	0.25	5.2
iShMSCIBrazilCap	EWZ	42.64	-2.98	-4.6
iSharesMSCIEAFEETF	EFA	64.15	0.58	-4.4
iShMSCIEngMarkets	EEM	42.09	-0.82	0.7
iSharesMSCIEUETF	EZU	38.54	1.55	-6.9
iShMSCIGermanyETF	EWJ	28.37	1.41	-10.7
iShMSCIJapanETF	EWJ	11.66	0.21	-3.9
iShMSCISouthKorea	EWY	56.83	0.07	-12.1
iShNasdaqBiotech	IYB	300.15	1.74	32.2
iShRussell1000Gwth	IWF	96.73	0.52	12.5
iShRussell1000ETF	IWB	115.62	0.35	12.1
iShRussell1000Val	IWD	104.95	0.14	11.4

Lipper Indexes

Stock-Fund Indexes	PRELIM CLOSE	PREV CLOSE	WKG	YTD	DEC. 31
Large-Cap Growth	6552.73	+0.54	+1.65	+11.03	
Large-Cap Core	4668.62	+0.25	+1.42	+11.71	
Large-Cap Value	20288.87	+0.23	+1.43	+11.41	
Multi-Cap Growth	6229.84	+0.60	+1.95	+11.44	
Multi-Cap Core	15717.52	+0.43	+1.59	+10.49	
Multi-Cap Value	8565.56	+0.24	+1.50	+10.09	
Mid-Cap Growth	1667.00	+0.82	+2.16	+8.44	
Mid-Cap Core	1631.51	+0.55	+1.86	+9.13	
Mid-Cap Value	2502.29	+0.51	+1.82	+9.24	
Small-Cap Growth	1163.55	+1.27	+2.13	+1.09	
Small-Cap Core	941.48	+0.99	+1.77	+3.39	
Small-Cap Value	1481.32	+0.75	+1.52	+2.52	
Equity Income Fd	9012.19	+0.11	+1.22	+11.24	
Science and Tech Fd	1488.75	+0.69	+1.43	+11.62	
International Fund	1560.23	+0.38	+1.84	-0.84	

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
iShRussell2000Gwth	IWO	139.83	1.46	3.2
iShRussell2000ETF	IWM	117.97	1.19	2.3
iShRussell2000Val	IWN	100.93	1.00	1.4
iShRussell3000ETF	IWN	123.09	0.41	11.2
iShRussellMid-Cap	IWR	167.96	0.50	12.0
iShRussellIMCValue	IWS	74.05	0.30	12.7
iSharesS&P100ETF	IOE	92.03	0.17	11.8
iShS&PM400Growth	IJK	161.25	0.83	7.4
iShS&P500Growth	IWG	112.84	0.48	14.3
iShS&P500ValueETF	IVE	94.25	0.11	10.3
iSharesUSPreferred	PFF	39.94	0.08	8.4
iShSilverTr	SLV	15.78	-0.06	-15.7
iShL-3YTreasuryBd	SHY	84.71	0.01	0.4
iSh7-10YTre				

**RCAF Lump Sum Amortization
2015/Q1**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours	
CSX - BLET 2014	2014Q1	2014Q2	\$99,308,413	0.31604		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 ¹	2014Q1	2014Q3				314,226,409	2013
CSX - ATDA-East 2014	2014Q1	2015Q1				314,226,409	2013
Total			\$99,308,413	0.31604			

Should be slightly less than amortized amount.

Fell out

CSX - ATDA-East	2013Q1	2014Q1				314,226,409	2013
CSX - Huntington Shop	2013Q4	2014Q1				314,226,409	2013

Interest Rate

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

Lump Sum Adjustment for 2015/Q1 → **0.316096**
or
0.316

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

**RCAF Back Pay Amortization
2015/Q1**

	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 ¹	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 2013
Total			\$29,534,982	0.09399268		

Should be slightly less than amortized amount.

Fell out

None.

Interest Rate

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

Back Pay Adjustment for 2015/Q1 → **0.09401**
or
0.094

¹ 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		2015	Total 2013 Avg.	Total 2015
	Receiving				
	Pay 2013	Monthly Contribution 2013 Avg.			
1. All Employees					
a. Group health	167,042	\$1,350.36	\$1,298.28	\$225,566,835.12	\$216,867,287.76
b. Group dental	167,042	55.90	50.83	9,337,647.80	8,490,744.86
c. Early retirement major medical	167,042	139.04	109.90	23,225,519.68	18,357,915.80
d. Group vision	167,042	8.37	8.41	1,398,141.54	1,404,823.22
2. Supplemental Sickness					
a. Signalmen	7,784	30.74	30.74	239,280.16	239,280.16
b. Shopcrafts	24,851	48.28	53.18	1,199,806.28	1,321,576.18
c. MOW	25,672	32.87	32.87	843,838.64	843,838.64
d. Yardmasters	2,048	34.95	34.78	71,577.60	71,229.44
3. Short-Term Disability					
a. Engineers (CSX, KCS, SOO, UP)	13,549	40.00	40.00	541,960.00	541,960.00
4. Monthly Total Premiums				262,424,606.82	248,138,656.06
5. Monthly Employee Contributions To H&W					
a. National BLET (BNSF, CSX, KCS, NS, SOO, UP)	25,778	(\$198.00)	(\$198.00)	(\$5,104,044.00)	(5,104,044.00)
b. National BMW (BNSF, CSX, KCS, NS, SOO, UP)	23,977	(\$198.00)	(\$198.00)	(\$4,747,446.00)	(4,747,446.00)
c. National BRS (BNSF, CSX, KCS, NS, SOO, UP)	7,388	(\$198.00)	(\$198.00)	(\$1,462,824.00)	(1,462,824.00)
d. National IAM (BNSF, CSX, KCS, NS, SOO, UP)	6,748	(\$198.00)	(\$198.00)	(\$1,336,104.00)	(1,336,104.00)
e. National IBBM (BNSF, CSX, KCS, NS, SOO, UP)	1,194	(\$198.00)	(\$198.00)	(\$236,412.00)	(236,412.00)
f. National IBEW (BNSF, CSX, KCS, NS, SOO, UP)	5,519	(\$198.00)	(\$198.00)	(\$1,092,762.00)	(1,092,762.00)
g. National NCFO (BNSF, CSX, KCS, NS, SOO, UP)	2,326	(\$198.00)	(\$198.00)	(\$460,548.00)	(460,548.00)
h. National SMW (BNSF, CSX, KCS, NS, SOO, UP)	986	(\$198.00)	(\$198.00)	(\$195,228.00)	(195,228.00)
i. National TCU (BNSF, CSX, KCS, NS, SOO, UP)	5,480	(\$198.00)	(\$198.00)	(\$1,085,040.00)	(1,085,040.00)
j. National TCU-CAR (BNSF, CSX, KCS, NS, SOO, UP)	9,279	(\$198.00)	(\$198.00)	(\$1,837,242.00)	(1,837,242.00)
k. National UTU (BNSF, CSX, KCS, NS, SOO, UP)	39,230	(\$198.00)	(\$198.00)	(\$7,767,540.00)	(7,767,540.00)
l. Yardmasters (BNSF, CSX, KCS, NS, SOO, UP)	1,899	(\$198.00)	(\$198.00)	(\$376,002.00)	(376,002.00)
m. National ATDA (wt. avg. BNSF, CSX, KCS, NS, SOO)	1,871	(\$198.00)	(\$198.00)	(\$370,458.00)	(\$370,458.00)
n. Independent CNGT (wt avg all union categories)	6,247	(\$163.72)	(\$195.97)	(\$1,022,758.84)	(1,224,224.59)
o. Independent SLC (wt avg all DH & DME union categories)	1,186	(\$166.26)	(\$173.93)	(\$197,184.36)	(206,280.98)
p.					
Total Major Union	139,108			(\$27,291,593.20)	(\$27,502,155.57)
All Other Employee Contributions*				(\$3,925,131.05)	(\$3,925,131.05)
6. Net Employer Monthly Payments				\$231,207,882.57	\$216,711,369.44
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments					0.93730
8. H&W hourly rate for base year 2013				\$8.121	
9. H&W hourly rate for projected quarter					\$7.612

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

Health and Welfare

Employer H&W Contribution

		2013 Pd.	East	West
Supplemental Sickness Plan:		Employees		
a. Signalmen	BRS	7,784	3,507	4,277
b. Shopcrafts	Total	24,851	10,181	14,670
	IBEW	5,749	2,194	3,555
	IBBM	1,238	361	877
	TCU-Car	9,849	4,474	5,375
	IAM	7,014	2,621	4,393
	SMW	1,001	531	470
c. MOW	BMWED	25,672	10,023	15,649
d. Yardmasters	UTU-YMD	2,048	1,164	884

Short-Term Disability Contribution:

a. Engineers	Total BLET	13,549	5,060	8,489
	CSX			
	KCS			
	UP			
	SOO			
	<hr/>			

Sources/Notes:

Employee counts are from the 112-Class Wage Statistics. Monthly H&W premiums are from the NRLC, contracts, or the railroads. Projected quarter H&W Cost Sharing amounts are from the NRLC, union contracts, or pertinent railroads. Base year average monthly Cost Sharing amounts are from an AAR survey, NRLC, contracts, pertinent railroads. H&W hourly rate for base year benchmark is based on annual report and wage data. H&W rate for projected year is the benchmark figure updated by the ratio of projected year net payments to the base year. All Other employee contributions is the difference between total employee contributions for the base year and all known union amounts -- resulting in a non-union amount plus any adjustments caused by either opt-outs from union agreements or independent cost sharing agreements (if any) unknown to the AAR.

Health and Welfare

Employee H&W Cost Sharing

Group	Railroads	Contract Source
a. BLET	BNSF, CSX, KCS, UP NS	NRLC Circular No. 504-101-30 dated May 8, 2012 Article XVI Section 2, same as national
b. BMWE	BNSF, CSX, KCS, NS, UP	NRLC Circular No. 504-101-30 dated May 8, 2012
c. BRS	BNSF, CSX, KCS, NS, UP	NRLC Circular No. 504-101-30 dated May 8, 2012
d. IAM	BNSF, CSX, KCS, NS, UP	NRLC Circular No. 504-101-31 dated May 8, 2012
e. IBBM	BNSF, CSX, KCS, NS, UP	NRLC Circular No. 504-101-30 dated May 8, 2012
f. IBEW	BNSF, CSX, KCS, NS, UP	NRLC Circular No. 504-101-30 dated May 8, 2012
g. NCFO	BNSF, CSX, KCS, NS, UP	NRLC Circular No. 504-101-30 dated May 8, 2012
h. SMW	BNSF, CSX, KCS, NS, UP	NRLC Circular No. 504-101-30 dated May 8, 2012
i. TCU	BNSF, CSX, KCS, NS, UP	NRLC Circular No. 504-101-30 dated May 8, 2012
j. TCU-Carmen	BNSF, CSX, KCS, NS, UP	NRLC Circular No. 504-101-30 dated May 8, 2012
k. UTU	BNSF, CSX, KCS, NS, UP	NRLC Circular No. 504-101-30 dated May 8, 2012
l. Yardmasters	BNSF, CSX, KCS, NS UP	NRLC Circular No. 504-101-30 dated May 8, 2012 Article IV Part B Section 1 (c)
m. Dispatchers	BNSF, CSX, KCS, NS	NRLC Circular No. 504-101-30 dated May 8, 2012
n. Independent CNGT	all unions	Labor agreements and CN e-mail
o. Indep. SLC (D&H and DME)	all unions	Provided by Canadian Pacific Railway

Soo Line Railroad is now in all national agreements per CP e-mail.

NATIONAL RAILWAY LABOR CONFERENCE

EMPLOYEE BENEFITS DEPARTMENT

1901 L STREET, N.W., WASHINGTON, D.C. 20036-3514 ~~~ PHONE: (202) 862-7200 FAX: (202) 466-1815

DAVID B. MARCUS
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SUSAN E. PARKS, CEBS
Benefits Administrator
(202) 862-7225
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November 19, 2014

Mr. Clyde Crimmel
Director Statistical Information
Policy & Communications Department
AAR-5th Floor
50 F Street N.W.
Washington, D.C. 20009

Dear Mr. Crimmel:

The revised employer Payment Rates which are effective January 1, 2015 are as follows:

Railroad Employees National Health & Welfare Plan & National Railway Carriers/United Transportation Union H&W Plan Non-Hospital Road	\$1,298.28
Railroad Employees National Early Retirement Major Medical Benefit Plan Non-Hospital Road	\$ 109.90
Aetna - National Dental Plan	\$ 50.83
Aetna - Supplemental Sickness Plans	
ShopCrafts	\$ 53.18
Signalmen (no change)	\$ 30.74
Maintenance of Way (no change)	\$ 32.87
Trustmark - Supplemental Sickness Plans Yardmasters	\$ 34.78
EyeMed - National Vision Plan	\$ 8.41

If you have any questions or need clarification, please contact me.

Very truly yours,



Susan E. Parks

cc: Glen Williams

NATIONAL RAILWAY LABOR CONFERENCE

ECONOMIC RESEARCH DEPARTMENT

1901 L STREET, N.W., WASHINGTON, D.C. 20036-3514 ♦ PHONE: (202) 862-7200 FAX: (202) 862-7253

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

May 8, 2012

Health and Welfare Contributions Under 2010-Round National Agreements

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

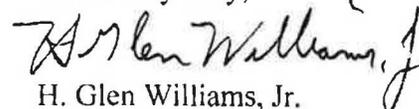
TO MEMBER ROADS:

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

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

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

Yours very truly,



H. Glen Williams, Jr.

NATIONAL RAILWAY LABOR CONFERENCE

ECONOMIC RESEARCH DEPARTMENT

1901 L STREET, N.W., WASHINGTON, D.C. 20036-3514 ♦ PHONE: (202) 862-7200 FAX: (202) 862-7253

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

May 8, 2012

Health and Welfare Contributions
Under the January 11, 2012 IAM National Agreement

Circular No. 504-101-31 (H&W)
Circular No. 862-3 (IAM)

TO MEMBER ROADS:

This refers to NRLC Circular 504-101-29-1 / 848-1-1, in which we advised that NRLC would provide further guidance on proper employee cost-sharing once the employee monthly contribution amounts were set for 2012. Those rates have now been established.

Effective **January 1, 2012**, the employee monthly cost-share amount is **\$200.00**, as provided in Article IV, Part B, Section 1(c) of the January 11, 2012 IAM National Agreement. This amount is applicable January 1, 2012 through June 30, 2012. In the event that qualifying IAM-represented employees have contributed more than the monthly \$200.00 cost-sharing amount in 2012, that additional amount should be credited or refunded to those employees.

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

Yours very truly,



H. Glen Williams, Jr.

Railroad Retirement and Medicare for RCAF

Inputs:

RRB Earnings Distribution Year	2012	Tier I Maximum Taxable Earnings for 2015	118,500 ✓
Wage Statistics Year	2013	Tier II Maximum Taxable Earnings for 2015	88,200 ✓
Current Year	2015	Medicare Maximum Taxable Earnings for 2015	no limit ✓
Employees Receiving Pay*	167,042	Tier I Employer Tax Rate for 2015	6.20% ✓
* from 2013 wage statistics		Tier II Employer Tax Rate for 2015	13.10% ✓
		Medicare Employer Tax Rate for 2015	1.45% ✓

USA RCAF	Wage Rate	Update Factor	Railroad Retirement Tax	Hourly Rate	
2012	\$36.269				
2013	\$36.760 ✓	1.01354	\$610,839,129 ✓	\$7.536	hourly rate from SUPPL2013.xlsx
1Q/2015	\$39.385 ✓	1.08591	\$665,648,104	\$8.212	Rate = Taxable Rate
2Q/2015		0.00000	--	\$0.000	
3Q/2015		0.00000	--	\$0.000	
4Q/2015		0.00000	--	\$0.000	

Railroad Retirement & Medicare, U.S.

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

Railroad Retirement & Medicare, U.S.

From 2012 Earnings Distribution			2Q/2015 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
									Tier I	Tier II	Medicare	
\$0 - 41,699	\$33,750	4.368 %	7,296	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
41,700 - 43,699	\$42,853	0.729	1,218	0	0	0	0	0	0	0	0	
43,700 - 45,699	\$44,826	1.360	2,272	0	0	0	0	0	0	0	0	
45,700 - 47,699	\$46,721	1.506	2,516	0	0	0	0	0	0	0	0	
47,700 - 49,699	\$48,772	2.040	3,408	0	0	0	0	0	0	0	0	
49,700 - 51,699	\$50,656	2.720	4,544	0	0	0	0	0	0	0	0	
51,700 - 53,699	\$52,684	2.963	4,949	0	0	0	0	0	0	0	0	
53,700 - 55,699	\$54,760	3.497	5,841	0	0	0	0	0	0	0	0	
55,700 - 57,699	\$56,829	4.274	7,139	0	0	0	0	0	0	0	0	
57,700 - 59,699	\$58,815	4.225	7,058	0	0	0	0	0	0	0	0	
59,700 - 61,699	\$60,730	4.711	7,869	0	0	0	0	0	0	0	0	
61,700 - 63,699	\$62,884	3.934	6,571	0	0	0	0	0	0	0	0	
63,700 - 65,699	\$64,738	4.274	7,139	0	0	0	0	0	0	0	0	
65,700 - 67,699	\$66,739	3.837	6,409	0	0	0	0	0	0	0	0	
67,700 - 69,699	\$68,843	3.011	5,030	0	0	0	0	0	0	0	0	
69,700 - 71,699	\$70,677	3.594	6,003	0	0	0	0	0	0	0	0	
71,700 - 73,699	\$72,719	3.643	6,085	0	0	0	0	0	0	0	0	
73,700 - 75,699	\$74,689	3.448	5,760	0	0	0	0	0	0	0	0	
75,700 - 77,699	\$76,701	3.594	6,003	0	0	0	0	0	0	0	0	
77,700 - 79,699	\$78,696	2.671	4,462	0	0	0	0	0	0	0	0	
79,700 - 81,699	\$80,830	3.157	5,274	0	0	0	0	0	0	0	0	
81,700 - 83,699	\$82,680	2.477	4,138	0	0	0	396	0	0	1,637,814	0	
83,700 - 85,699	\$84,669	2.088	3,488	0	0	0	936	0	0	3,263,933	0	
85,700 - 87,699	\$86,797	2.331	3,894	0	0	0	1,514	0	0	5,893,230	0	
87,700 - 89,699	\$88,709	2.186	3,652	0	0	0	2,033	0	0	7,422,033	0	
89,700 - 91,699	\$90,771	2.088	3,488	0	0	0	2,592	0	0	9,041,749	0	
91,700 - 93,699	\$92,530	2.040	3,408	0	0	0	3,070	0	0	10,461,152	0	
93,700 - 95,699	\$94,738	2.331	3,894	0	0	0	3,669	0	0	14,287,413	0	
95,700 - 97,699	\$96,800	1.263	2,110	0	0	0	4,229	0	0	8,922,322	0	
97,700 - 99,699	\$98,700	1.700	2,840	0	0	0	4,745	0	0	13,474,210	0	
99,700 - 101,699	\$100,624	1.117	1,866	0	0	0	5,267	0	0	9,827,932	0	
101,700 - 103,699	\$102,617	1.408	2,352	0	0	0	5,808	0	0	13,660,836	0	
103,700 - 105,699	\$104,530	0.680	1,136	0	0	0	6,328	0	0	7,187,472	0	
105,700 - 107,699	\$106,666	1.214	2,028	0	0	0	6,908	0	0	14,007,679	0	
107,700 - 109,699	\$109,001	0.826	1,380	0	0	0	7,541	0	0	10,405,397	0	
109,700 - 111,699	\$110,656	0.826	1,380	0	0	416	7,991	0	573,588	11,025,322	0	
111,700 - 113,699	\$112,585	0.729	1,218	0	0	939	8,514	0	1,143,936	10,368,287	0	
113,700 - 115,699	\$114,537	0.729	1,218	0	0	1,469	9,044	0	1,789,246	11,013,597	0	
\$115,700 - over	\$257,126	6.411	10,709	0	0	29,625	22,050	0	317,255,980	236,134,831	0	
TOTAL		100.000	167,042						Total Taxable Earnings	320,762,749	398,035,210	0
									Employer Tax Rate	6.20%	13.10%	1.45%
									Quarterly Payment	\$19,887,290	\$52,142,613	\$0

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

\$72,029,903

Railroad Retirement & Medicare, U.S.

From 2012 Earnings Distribution			3Q/2015 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info										
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)				
									Tier I	Tier II	Medicare		
\$0 - 41,699	\$33,750	4.368	7,296	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
41,700 - 43,699	\$42,853	0.729	1,218	0	0	0	0	0	0	0	0	0	
43,700 - 45,699	\$44,826	1.360	2,272	0	0	0	0	0	0	0	0	0	
45,700 - 47,699	\$46,721	1.506	2,516	0	0	0	0	0	0	0	0	0	
47,700 - 49,699	\$48,772	2.040	3,408	0	0	0	0	0	0	0	0	0	
49,700 - 51,699	\$50,656	2.720	4,544	0	0	0	0	0	0	0	0	0	
51,700 - 53,699	\$52,684	2.963	4,949	0	0	0	0	0	0	0	0	0	
53,700 - 55,699	\$54,760	3.497	5,841	0	0	0	0	0	0	0	0	0	
55,700 - 57,699	\$56,829	4.274	7,139	0	0	0	0	0	0	0	0	0	
57,700 - 59,699	\$58,815	4.225	7,058	0	0	0	0	0	0	0	0	0	
59,700 - 61,699	\$60,730	4.711	7,869	0	0	0	0	0	0	0	0	0	
61,700 - 63,699	\$62,884	3.934	6,571	0	0	0	0	0	0	0	0	0	
63,700 - 65,699	\$64,738	4.274	7,139	0	0	0	0	0	0	0	0	0	
65,700 - 67,699	\$66,739	3.837	6,409	0	0	0	0	0	0	0	0	0	
67,700 - 69,699	\$68,843	3.011	5,030	0	0	0	0	0	0	0	0	0	
69,700 - 71,699	\$70,677	3.594	6,003	0	0	0	0	0	0	0	0	0	
71,700 - 73,699	\$72,719	3.643	6,085	0	0	0	0	0	0	0	0	0	
73,700 - 75,699	\$74,689	3.448	5,760	0	0	0	0	0	0	0	0	0	
75,700 - 77,699	\$76,701	3.594	6,003	0	0	0	0	0	0	0	0	0	
77,700 - 79,699	\$78,696	2.671	4,462	0	0	0	0	0	0	0	0	0	
79,700 - 81,699	\$80,830	3.157	5,274	0	0	0	0	0	0	0	0	0	
81,700 - 83,699	\$82,680	2.477	4,138	0	0	0	0	0	0	0	0	0	
83,700 - 85,699	\$84,669	2.088	3,488	0	0	0	0	0	0	0	0	0	
85,700 - 87,699	\$86,797	2.331	3,894	0	0	0	0	0	0	0	0	0	
87,700 - 89,699	\$88,709	2.186	3,652	0	0	0	0	0	0	0	0	0	
89,700 - 91,699	\$90,771	2.088	3,488	0	0	0	0	0	0	0	0	0	
91,700 - 93,699	\$92,530	2.040	3,408	0	0	0	0	0	0	0	0	0	
93,700 - 95,699	\$94,738	2.331	3,894	0	0	0	0	0	0	0	0	0	
95,700 - 97,699	\$96,800	1.263	2,110	0	0	0	0	0	0	0	0	0	
97,700 - 99,699	\$98,700	1.700	2,840	0	0	0	0	0	0	0	0	0	
99,700 - 101,699	\$100,624	1.117	1,866	0	0	0	0	0	0	0	0	0	
101,700 - 103,699	\$102,617	1.408	2,352	0	0	0	0	0	0	0	0	0	
103,700 - 105,699	\$104,530	0.680	1,136	0	0	0	0	0	0	0	0	0	
105,700 - 107,699	\$106,666	1.214	2,028	0	0	0	0	0	0	0	0	0	
107,700 - 109,699	\$109,001	0.826	1,380	0	0	0	0	0	0	0	0	0	
109,700 - 111,699	\$110,656	0.826	1,380	0	0	0	0	0	0	0	0	0	
111,700 - 113,699	\$112,585	0.729	1,218	0	0	0	0	0	0	0	0	0	
113,700 - 115,699	\$114,537	0.729	1,218	0	0	0	0	0	0	0	0	0	
\$115,700 - over	\$257,126	6.411	10,709	0	0	10,554	22,050	0	113,025,101	236,134,831	0	0	
TOTAL		100.000	167,042						Total Taxable Earnings	113,025,101	236,134,831	0	
									Employer Tax Rate	6.20%	13.10%	1.45%	
									Quarterly Payment	\$7,007,556	\$30,933,663	\$0	
									Total Tier I, Tier II, and Medicare Paid this Quarter			\$37,941,219	

Railroad Retirement & Medicare, U.S.

From 2012 Earnings Distribution			4Q/2015 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info										
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)				
									Tier I	Tier II	Medicare		
\$0 - 41,699	\$33,750	4.368 %	7,296	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
41,700 - 43,699	\$42,853	0.729	1,218	0	0	0	0	0	0	0	0	0	
43,700 - 45,699	\$44,826	1.360	2,272	0	0	0	0	0	0	0	0	0	
45,700 - 47,699	\$46,721	1.506	2,516	0	0	0	0	0	0	0	0	0	
47,700 - 49,699	\$48,772	2.040	3,408	0	0	0	0	0	0	0	0	0	
49,700 - 51,699	\$50,656	2.720	4,544	0	0	0	0	0	0	0	0	0	
51,700 - 53,699	\$52,684	2.963	4,949	0	0	0	0	0	0	0	0	0	
53,700 - 55,699	\$54,760	3.497	5,841	0	0	0	0	0	0	0	0	0	
55,700 - 57,699	\$56,829	4.274	7,139	0	0	0	0	0	0	0	0	0	
57,700 - 59,699	\$58,815	4.225	7,058	0	0	0	0	0	0	0	0	0	
59,700 - 61,699	\$60,730	4.711	7,869	0	0	0	0	0	0	0	0	0	
61,700 - 63,699	\$62,884	3.934	6,571	0	0	0	0	0	0	0	0	0	
63,700 - 65,699	\$64,738	4.274	7,139	0	0	0	0	0	0	0	0	0	
65,700 - 67,699	\$66,739	3.837	6,409	0	0	0	0	0	0	0	0	0	
67,700 - 69,699	\$68,843	3.011	5,030	0	0	0	0	0	0	0	0	0	
69,700 - 71,699	\$70,677	3.594	6,003	0	0	0	0	0	0	0	0	0	
71,700 - 73,699	\$72,719	3.643	6,085	0	0	0	0	0	0	0	0	0	
73,700 - 75,699	\$74,689	3.448	5,760	0	0	0	0	0	0	0	0	0	
75,700 - 77,699	\$76,701	3.594	6,003	0	0	0	0	0	0	0	0	0	
77,700 - 79,699	\$78,696	2.671	4,462	0	0	0	0	0	0	0	0	0	
79,700 - 81,699	\$80,830	3.157	5,274	0	0	0	0	0	0	0	0	0	
81,700 - 83,699	\$82,680	2.477	4,138	0	0	0	0	0	0	0	0	0	
83,700 - 85,699	\$84,669	2.088	3,488	0	0	0	0	0	0	0	0	0	
85,700 - 87,699	\$86,797	2.331	3,894	0	0	0	0	0	0	0	0	0	
87,700 - 89,699	\$88,709	2.186	3,652	0	0	0	0	0	0	0	0	0	
89,700 - 91,699	\$90,771	2.088	3,488	0	0	0	0	0	0	0	0	0	
91,700 - 93,699	\$92,530	2.040	3,408	0	0	0	0	0	0	0	0	0	
93,700 - 95,699	\$94,738	2.331	3,894	0	0	0	0	0	0	0	0	0	
95,700 - 97,699	\$96,800	1.263	2,110	0	0	0	0	0	0	0	0	0	
97,700 - 99,699	\$98,700	1.700	2,840	0	0	0	0	0	0	0	0	0	
99,700 - 101,699	\$100,624	1.117	1,866	0	0	0	0	0	0	0	0	0	
101,700 - 103,699	\$102,617	1.408	2,352	0	0	0	0	0	0	0	0	0	
103,700 - 105,699	\$104,530	0.680	1,136	0	0	0	0	0	0	0	0	0	
105,700 - 107,699	\$106,666	1.214	2,028	0	0	0	0	0	0	0	0	0	
107,700 - 109,699	\$109,001	0.826	1,380	0	0	0	0	0	0	0	0	0	
109,700 - 111,699	\$110,656	0.826	1,380	0	0	0	0	0	0	0	0	0	
111,700 - 113,699	\$112,585	0.729	1,218	0	0	0	0	0	0	0	0	0	
113,700 - 115,699	\$114,537	0.729	1,218	0	0	0	0	0	0	0	0	0	
\$115,700 - over	\$257,126	6.411	10,709	0	0	0	3,654	0	0	39,132,569	0	0	
TOTAL		100.000	167,042							0	39,132,569	0	
										6.20%	13.10%	1.45%	
										\$0	\$5,126,367	\$0	
Total Tier I, Tier II, and Medicare Paid this Quarter											\$5,126,367		

**Tax Rates and Maximum Taxable Earnings Under Social Security,
Railroad Retirement and Railroad Unemployment Insurance Programs, Continued**

Period	Railroad Retirement					Railroad Unemployment Insurance				Unemployment Repayment	
	Maximum earnings base [5]		Tax rate (percent) [5]			Maximum monthly taxable earnings	Employer tax rate [7] (percent)	Surcharge or (pooled credit)	New employer tax rate (percent)	Tax [6]	
	Tier 1 [9]	Tier 2	Tier 1		Tier 2					Maximum taxable earnings	Employer tax rate (percent)
			Employer & employee each	Employer	Employee						
1991	53,400	39,600	7.65	16.1	4.9	765	5.55 - 12.0	---	8.00	765	4.0
1992	55,500	41,400	7.65	16.1	4.9	785	3.10 - 12.0	(3.12)	8.00	785	4.0
1993	57,600	42,900	7.65	16.1	4.9	810	0.65 - 12.0	(5.31)	7.30	810	4.0
1994	60,600	45,000	7.65	16.1	4.9	840	0.65 - 12.0	(0.22)	6.06		
1995	61,200	45,300	7.65	16.1	4.9	850	0.65 - 12.0	---	4.15		
1996	62,700	46,500	7.65	16.1	4.9	865	0.65 - 12.0	---	2.31		
1997	65,400	48,600	7.65	16.1	4.9	890	0.65 - 12.0	---	1.16		
1998	68,400	50,700	7.65	16.1	4.9	925	2.15 - 12.0	1.5	0.85		
1999	72,600	53,700	7.65	16.1	4.9	970	2.15 - 12.0	1.5	0.92		
2000	76,200	56,700	7.65	16.1	4.9	1,005	0.65 - 12.0	---	1.67		
2001	80,400	59,700	7.65	16.1	4.9	1,050	2.15 - 12.0	1.5	2.59		
2002	84,900	63,000	7.65	15.6	4.9	1,100	3.15 - 12.0	2.5	2.71		
2003	87,000	64,500	7.65	14.2	4.9	1,120	3.15 - 12.0	2.5	2.36		
2004	87,900	65,100	7.65	13.1	4.9	1,130	2.15 - 12.0	1.5	2.38		
2005	90,000	66,900	7.65	12.6	4.4	1,150	2.15 - 12.0	1.5	3.43		
2006	94,200	69,900	7.65	12.6	4.4	1,195	2.15 - 12.0	1.5	4.03		
2007	97,500	72,600	7.65	12.1	3.9	1,230	2.15 - 12.0	1.5	3.75		
2008	102,000	75,900	7.65	12.1	3.9	1,280	2.15 - 12.0	1.5	3.02		
2009	106,800	79,200	7.65	12.1	3.9	1,330	2.15 - 12.0	1.5	2.61		
2010	106,800	79,200	7.65	12.1	3.9	1,330	2.15 - 12.0	1.5	2.51		
2011	106,800	79,200	[2] 7.65	12.1	3.9	1,330	3.15 - 12.0	2.5	2.50		
2012	110,100	81,900	[2] 7.65	12.1	3.9	1,365	2.15 - 12.0	1.5	2.65		
2013	113,700	84,300	[3] 7.65	12.6	4.4	1,405	0.65 - 12.0	---	3.69		
2014	117,000	87,000	[3] 7.65	12.6	4.4	1,440	0.65 - 12.0	---	4.53		
2015	118,500	88,200	[3] 7.65	13.1	4.9	1,455	2.15 - 12.0	1.5	4.09		
2016 and later	[4]	[4]	[3] 7.65	[10]	[10]	[4]	[7]	[7]	[7]		

- 1 Before tax credit. Employees received a credit of 0.3 percent in 1984. The self-employed received a credit of 2.7 percent in 1984, 2.3 percent in 1985 and 2.0 percent in 1986-89. The trust funds received general revenue equivalent to the credits.
- 2 Before payroll tax holiday. In calendar years 2011 and 2012, the tax rate for employees and the self-employed was reduced 2 percentage points. The trust funds received general revenue equivalent to the reduction in revenue.
- 3 Beginning in 2013, employees pay an additional 0.9 percent on earnings above \$200,000 (for those who file an individual return) or \$250,000 (for those who file a joint return). This additional HI tax rate is not reflected in the tax rates shown in the table.
- 4 Based on automatic adjustments in proportion to increases in average earnings levels.
- 5 Earnings bases are monthly through 1984 and annual for 1985 and later. October 1, 1973 was the effective date for the allocation of railroad retirement taxes by tiers, subject to a moratorium for certain railroad labor organizations. The tier 1 tax rate was set equal to the current social security tax rate.
- 6 This temporary tax applied to employers until all pre-October 1985 loans from the Railroad Retirement Account were fully repaid with interest on June 29, 1993. Earnings bases are annual through 1988 and monthly for 1989-1993.
- 7 Taxes are paid only by employer. From 1948 through 1988, the rate for a calendar year was based on a graduated schedule depending on the preceding September 30 account balance (including administration fund). Except for certain commuter railroads, the rate for 1989-1990 was fixed at 8.0 percent. Beginning in 1991, each employer's rate is experienced-based, with a minimum of 0.65 percent and a maximum of 12 percent, or 12.5 percent if a 3.5 percent surcharge applies due to a low account balance.
- 8 Taxes are paid only by employers. The supplemental annuity tax was repealed for calendar years after 2001.
- 9 Beginning in 1991, the portion of the tier 1 tax rate which does not exceed the social security HI tax rate is applied to earnings up to the HI maximum taxable amount. In 1993, a 1.45 percent tax applied to earnings up to \$135,000 and a 6.2 percent tax applied to earnings up to \$57,600.
- 10 Beginning in 2004, the tier 2 tax rate will be determined annually from a tax rate schedule based on the average account benefits ratio. The average account benefits ratio is the average for the 10 fiscal years preceding the calendar year of the ratio of the fair market value of the assets in the Railroad Retirement Account and the National Railroad Retirement Investment Trust as of the close of each fiscal year to the total benefits and administrative expenses paid from those accounts during the fiscal year. Employer tax rates can range from 8.2 percent to 22.1 percent. Employee tax rates can range from 0 percent to 4.9 percent.

Service, Office of Research, Compliance Analysis and Modeling (RAS:R:CAM), 1111 Constitution Ave. NW., K-3rd Floor/006, Washington, DC 20224, Email: kim.bloomquist@irs.gov

FOR FURTHER INFORMATION CONTACT: Copies of the submission(s) may be obtained by calling (202) 927-5331, email at PRA@treasury.gov, or the entire information collection request maybe found at www.reginfo.gov.

Internal Revenue Service

OMB Number: 1545-XXXX.

Type of Review: New Collection.

Title: Pilot Test of Consumer Tipping Survey.

Abstract: The IRS is charged with collecting revenue legally owed to the federal government. One important category of income comes in the form of tips. Previous empirical research has shown income from tips to be significantly underreported, limiting the IRS's ability to collect the proper amount of tax revenue. The IRS believes a new study of consumer tipping practices is needed in order to better understand current tip reporting behavior so tax administrators and policy makers can make the tax system fairer and more efficient. Therefore, the IRS wishes to develop updated estimates of consumer tipping revenue across numerous services where tipping is prevalent.

In support of this mission, IRS is seeking a standard clearance to conduct a one-month pilot test in preparation for a nation-wide consumer tipping survey. There exists a substantial difference in the cost per response between a probability and non-probability sample. Pilot tests are therefore necessary to determine the relative accuracy and selection bias of tipping data that are collected using these different sampling methodologies in order to determine if there is tradeoff between accuracy and cost. The results of the pilot will be used to determine the sampling method employed in a nation-wide survey.

Affected Public: Individuals.

Estimated Total Annual Burden

Hours: 4,717.

Robert Dahl,

Treasury PRA Clearance Officer.

[FR Doc. 2014-28214 Filed 11-28-14; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Publication of the Tier 2 Tax Rates

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice.

SUMMARY: Publication of the tier 2 tax rates for calendar year 2015 as required by section 3241(d) of the Internal Revenue Code (26 U.S.C. 3241). Tier 2 taxes on railroad employees, employers, and employee representatives are one source of funding for benefits under the Railroad Retirement Act.

DATES: The tier 2 tax rates for calendar year 2015 apply to compensation paid in calendar year 2015.

FOR FURTHER INFORMATION CONTACT: Kathleen Edmondson, CC:TEGE:EOEG:ET1, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC 20224, Telephone Number (202) 317-6798 (not a toll-free number). **TIER 2 TAX RATES:** The tier 2 tax rate for 2015 under section 3201(b) on employees is 4.9 percent of compensation. The tier 2 tax rate for 2015 under section 3221(b) on employers is 13.1 percent of compensation. The tier 2 tax rate for 2015 under section 3211(b) on employee representatives is 13.1 percent of compensation.

Dated: November 21, 2014.

Victoria A. Judson,

Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities).

[FR Doc. 2014-28176 Filed 11-28-14; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF VETERANS AFFAIRS

Loan Guaranty: Assistance to Eligible Individuals in Acquiring Specially Adapted Housing; Cost-of-Construction Index

AGENCY: Department of Veterans Affairs.
ACTION: Notice.

SUMMARY: The U.S. Department of Veterans Affairs (VA) announces that the aggregate amounts of assistance available under the Specially Adapted Housing (SAH) grant program will increase by 4.307 percent for Fiscal Year (FY) 2015.

DATES: December 1, 2014

FOR FURTHER INFORMATION CONTACT: John Bell, III, Assistant Director for Loan Policy and Valuation, Department of Veterans Affairs, 810 Vermont Avenue NW., Washington, DC 20420, (202) 632-8786 (not a toll-free number).

SUPPLEMENTARY INFORMATION: In accordance with 38 U.S.C. 2102(e) and 2102A(b)(2) and 38 CFR 36.4411, the Secretary of Veterans Affairs announces for FY 2015 the aggregate amounts of assistance available to veterans and

servicemembers eligible for SAH program grants.

Public Law 110-289, the Housing and Economic Recovery Act of 2008, authorized the Secretary to increase the aggregate amounts of SAH assistance annually based on a residential home cost-of-construction index. The Secretary uses the Turner Building Cost Index for this purpose.

In the most recent quarter for which the Turner Building Cost Index is available, Quarter 2 FY 2014, the index showed an increase of 4.307 percent over the index value in Quarter 2 FY 2013. Pursuant to 38 CFR 36.4411(a), therefore, the aggregate amounts of assistance for SAH grants made pursuant to 38 U.S.C. 2101(a) or 2101(b) will increase by 4.307 percent for FY 2015.

Public Law 112-154, the Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012, required that the same percentage of increase apply to grants authorized pursuant to 38 U.S.C. 2102A. See 38 U.S.C. 2102A(b)(2). As such, the maximum amount of assistance available under these grants, which are called grants for Temporary Residence Adaptation (TRA grants), will also increase by 4.307 percent for FY 2015.

The increases are effective as of October 1, 2014.

Specially Adapted Housing: Aggregate Amounts of Assistance Available During Fiscal Year 2015

2101(a) Grants and TRA Grants

Effective October 1, 2014, the aggregate amount of assistance available for SAH grants made pursuant to 38 U.S.C. 2101(a) will be \$70,465 during FY 2015. The maximum TRA grant made to an individual who satisfies the eligibility criteria under 38 U.S.C. 2101(a) and 2102A will be \$30,934 during FY 2015.

2101(b) Grants and TRA Grants

Effective as of October 1, 2014, the aggregate amount of assistance available for SAH grants made pursuant to 38 U.S.C. 2101(b) will be \$14,093 during FY 2015. The maximum TRA grant made to an individual who satisfies the eligibility criteria under 38 U.S.C. 2101(b) and 2102A will be \$5,523 during FY 2015.

Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of

RCAF Unemployment Insurance Tax

	<u>Unemployment Ins.</u>			RRB	Factor	Avg. Ann.	Un. Ins.
	<u>Tax</u>	<u>Earnings</u>	Hourly	Sample	To Update	Taxable	Hourly
	Rate	Base	Earnings	Year	RRB Sample	Earnings	Rate
			\$34.444	(2009)			
2010 Avg.	3.26%	\$15,960	\$33.913		0.984584	\$15,048.19	\$0.273
3Q/11 reb	7.10%	\$15,960	\$34.350		0.997271	\$15,055.23	\$0.595
4Q/11	7.10%	\$15,960	\$34.347		0.997184	\$15,055.18	\$0.595
1Q/12	5.00%	\$16,380	\$35.205		1.022094	\$15,450.63	\$0.430
2Q/12	5.00%	\$16,380	\$36.076		1.047381	\$15,464.39	\$0.430
3Q/12	5.00%	\$16,380	\$37.569		1.090727	\$15,487.33	\$0.431
			\$33.913	(2010)			
2011 Avg.	7.10%	\$15,960	\$34.752		1.024740	\$15,110.68	\$0.595
3Q/12 reb	5.00%	\$16,380	\$37.546		1.107127	\$15,534.63	\$0.431
4Q/12	5.00%	\$16,380	\$37.613		1.109103	\$15,535.53	\$0.431
1Q/13	0.67%	\$16,860	\$37.771		1.113762	\$15,978.07	\$0.059
2Q/13	0.67%	\$16,860	\$37.144		1.095273	\$15,969.12	\$0.059
3Q/13	0.67%	\$16,860	\$37.532		1.106714	\$15,974.73	\$0.059
			\$34.752	(2011)			
2012 Avg.	5.00%	\$16,380	\$36.269		1.043652	\$15,446.41	\$0.411
3Q/13 reb.	0.67%	\$16,860	\$37.587		1.081578	\$15,902.69	\$0.057
4Q/13	0.67%	\$16,860	\$37.545		1.080369	\$15,902.09	\$0.057
1Q/14	0.68%	\$17,280	\$37.908		1.090815	\$16,289.96	\$0.059
2Q/14	0.68%	\$17,280	\$38.121		1.096944	\$16,293.07	\$0.059
3Q/14	0.68%	\$17,280	\$39.016		1.122698	\$16,305.78	\$0.059
			\$36.269	(2012)			
2013 Avg.	0.67%	\$16,860	\$36.760		1.013538	\$15,578.13	\$0.057
3Q/14 reb.	0.68%	\$17,280	\$38.308		1.056219	\$15,976.08	\$0.059
4Q/14	0.68%	\$17,280	\$38.319		1.056522	\$15,976.25	\$0.059
1Q/15	2.31%	\$17,460	\$39.385		1.085914	\$16,152.67	\$0.204
2Q/15					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.

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2740	42684085.80	15578.13 ✓
QTRLY_US	2740	44258325.31	16152.67 ✓

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2740	2777.09	1.0135380 ✓
FactorQ	2740	2975.40	1.0859140 ✓
Capa	2740	46196400.00	16860.00 ✓
Capq	2740	47840400.00	17460.00 ✓



ASSOCIATION OF AMERICAN RAILROADS

MEMORANDUM

TO: File
FROM: Tiffany Placker
cc: Clyde Crimmel
DATE: October 28, 2014
RE: Unemployment Insurance Tax Rate for 2015

Unemployment Insurance rates for 2015 can range from a minimum of 0.65 percent to a maximum of 12 percent on monthly earnings up to \$1,455. A 1.5 percentage point surcharge will be in effect for 2015, meaning the minimum tax rate is effectively 2.15 percent. Marla Huddleston, Chief, Division of Benefit and Employment Analysis at the Railroad Retirement Board, said in her October 28 e-mail that the weighted average 2015 Unemployment Insurance rate for Class I railroads is **2.31 percent** which includes Delaware and Hudson Railway (D&H) and Dakota, Minnesota & Eastern Railroad Corporation (DME).

**Tax Rates and Maximum Taxable Earnings Under Social Security,
Railroad Retirement and Railroad Unemployment Insurance Programs, Continued**

Period	Railroad Retirement					Railroad Unemployment Insurance				Unemployment Repayment Tax [6]	
	Maximum earnings base [5]		Tax rate (percent) [5]			Maximum monthly taxable earnings	Employer tax rate [7] (percent)	Surcharge or (pooled credit)	New employer tax rate (percent)	Maximum taxable earnings	Employer tax rate (percent)
	Tier 1 [9]	Tier 2	Tier 1	Tier 2							
			Employer & employee each	Employer	Employee						
1991	53,400	39,600	7.65	16.1	4.9	765	5.55 - 12.0	...	8.00	765	4.0
1992	55,500	41,400	7.65	16.1	4.9	785	3.10 - 12.0	(3.12)	8.00	785	4.0
1993	57,600	42,900	7.65	16.1	4.9	810	0.65 - 12.0	(5.31)	7.30	810	4.0
1994	60,600	45,000	7.65	16.1	4.9	840	0.65 - 12.0	(0.22)	6.06		
1995	61,200	45,300	7.65	16.1	4.9	850	0.65 - 12.0	...	4.15		
1996	62,700	46,500	7.65	16.1	4.9	865	0.65 - 12.0	...	2.31		
1997	65,400	48,600	7.65	16.1	4.9	890	0.65 - 12.0	...	1.16		
1998	68,400	50,700	7.65	16.1	4.9	925	2.15 - 12.0	1.5	0.85		
1999	72,600	53,700	7.65	16.1	4.9	970	2.15 - 12.0	1.5	0.92		
2000	76,200	56,700	7.65	16.1	4.9	1,005	0.65 - 12.0	...	1.67		
2001	80,400	59,700	7.65	16.1	4.9	1,050	2.15 - 12.0	1.5	2.59		
2002	84,900	63,000	7.65	15.6	4.9	1,100	3.15 - 12.0	2.5	2.71		
2003	87,000	64,500	7.65	14.2	4.9	1,120	3.15 - 12.0	2.5	2.36		
2004	87,900	65,100	7.65	13.1	4.9	1,130	2.15 - 12.0	1.5	2.38		
2005	90,000	66,900	7.65	12.6	4.4	1,150	2.15 - 12.0	1.5	3.43		
2006	94,200	69,900	7.65	12.6	4.4	1,195	2.15 - 12.0	1.5	4.03		
2007	97,500	72,600	7.65	12.1	3.9	1,230	2.15 - 12.0	1.5	3.75		
2008	102,000	75,900	7.65	12.1	3.9	1,280	2.15 - 12.0	1.5	3.02		
2009	106,800	79,200	7.65	12.1	3.9	1,330	2.15 - 12.0	1.5	2.61		
2010	106,800	79,200	7.65	12.1	3.9	1,330	2.15 - 12.0	1.5	2.51		
2011	106,800	79,200	[2] 7.65	12.1	3.9	1,330	3.15 - 12.0	2.5	2.50		
2012	110,100	81,900	[2] 7.65	12.1	3.9	1,365	2.15 - 12.0	1.5	2.65		
2013	113,700	84,300	[3] 7.65	12.6	4.4	1,405	0.65 - 12.0	...	3.69		
2014	117,000	87,000	[3] 7.65	12.6	4.4	1,440	0.65 - 12.0	...	4.53		
2015	118,500	88,200	[3] 7.65	[10]	[10]	1,455	2.15 - 12.0	1.5	4.09		
2016 and later	[4]	[4]	[3] 7.65	[10]	[10]	[4]	[7]	[7]	[7]		

- 1 Before tax credit. Employees received a credit of 0.3 percent in 1984. The self-employed received a credit of 2.7 percent in 1984, 2.3 percent in 1985 and 2.0 percent in 1986-89. The trust funds received general revenue equivalent to the credits.
- 2 Before payroll tax holiday. In calendar years 2011 and 2012, the tax rate for employees and the self-employed was reduced 2 percentage points. The trust funds received general revenue equivalent to the reduction in revenue.
- 3 Beginning in 2013, employees pay an additional 0.9 percent on earnings above \$200,000 (for those who file an individual return) or \$250,000 (for those who file a joint return). This additional HI tax rate is not reflected in the tax rates shown in the table.
- 4 Based on automatic adjustments in proportion to increases in average earnings levels.
- 5 Earnings bases are monthly through 1984 and annual for 1985 and later. October 1, 1973 was the effective date for the allocation of railroad retirement taxes by tiers, subject to a moratorium for certain railroad labor organizations. The tier 1 tax rate was set equal to the current social security tax rate.
- 6 This temporary tax applied to employers until all pre-October 1985 loans from the Railroad Retirement Account were fully repaid with interest on June 29, 1993. Earnings bases are annual through 1988 and monthly for 1989-1993.
- 7 Taxes are paid only by employer. From 1948 through 1988, the rate for a calendar year was based on a graduated schedule depending on the preceding September 30 account balance (including administration fund). Except for certain commuter railroads, the rate for 1989-1990 was fixed at 8.0 percent. Beginning in 1991, each employer's rate is experienced-based, with a minimum of 0.65 percent and a maximum of 12 percent, or 12.5 percent if a 3.5 percent surcharge applies due to a low account balance.
- 8 Taxes are paid only by employers. The supplemental annuity tax was repealed for calendar years after 2001.
- 9 Beginning in 1991, the portion of the tier 1 tax rate which does not exceed the social security HI tax rate is applied to earnings up to the HI maximum taxable amount. In 1993, a 1.45 percent tax applied to earnings up to \$135,000 and a 6.2 percent tax applied to earnings up to \$57,600.
- 10 Beginning in 2004, the tier 2 tax rate will be determined annually from a tax rate schedule based on the average account benefits ratio. The average account benefits ratio is the average for the 10 fiscal years preceding the calendar year of the ratio of the fair market value of the assets in the Railroad Retirement Account and the National Railroad Retirement Investment Trust as of the close of each fiscal year to the total benefits and administrative expenses paid from those accounts during the fiscal year. Employer tax rates can range from 8.2 percent to 22.1 percent. Employee tax rates can range from 0 percent to 4.9 percent.

PETROLEUM & OTHER LIQUIDS

OVERVIEW DATA ▾ ANALYSIS & PROJECTIONS ▾

GLOSSARY > FAQs >

Spot Prices

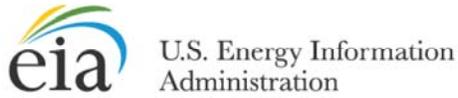
(Crude Oil in Dollars per Barrel, Products in Dollars per Gallon)

Period: Weekly ▾

[Download Series History](#) [Definitions, Sources & Notes](#)

Product by Area	Graph	10/17/14	10/24/14	10/31/14	11/07/14	11/14/14	11/21/14	View History
	Clear							
Crude Oil								
WTI - Cushing, Oklahoma	<input type="checkbox"/>	82.88	82.12	81.29	78.24	76.50	75.38	1986-2014
Brent - Europe	<input type="checkbox"/>	85.50	85.58	85.56	83.04	79.90	77.62	1987-2014
Conventional Gasoline								
New York Harbor, Regular	<input type="checkbox"/>	2.331	2.347	2.302	2.213	2.183	2.151	1986-2014
U.S. Gulf Coast, Regular	<input type="checkbox"/>	2.093	2.056	2.069	2.070	1.994	1.867	1986-2014
RBOB Regular Gasoline								
Los Angeles	<input type="checkbox"/>	2.274	2.192	2.159	2.098	2.082	1.972	2003-2014
No. 2 Heating Oil								
New York Harbor	<input type="checkbox"/>	2.404	2.368	2.348	2.310	2.289	2.226	1986-2014
Ultra-Low-Sulfur No. 2 Diesel Fuel								
New York Harbor	<input type="checkbox"/>	2.492	2.493	2.503	2.473	2.453	2.419	2006-2014
U.S. Gulf Coast	<input type="checkbox"/>	2.467	2.455	2.455	2.425	2.356	2.266	2006-2014
Los Angeles	<input type="checkbox"/>	2.532	2.520	2.544	2.506	2.456	2.361	1996-2014
Kerosene-Type Jet Fuel								
U.S. Gulf Coast	<input type="checkbox"/>	2.428	2.402	2.404	2.395	2.314	2.266	1990-2014
Propane								
Mont Belvieu, Texas	<input type="checkbox"/>	0.915	0.865	0.891	0.862	0.827	0.754	1992-2014

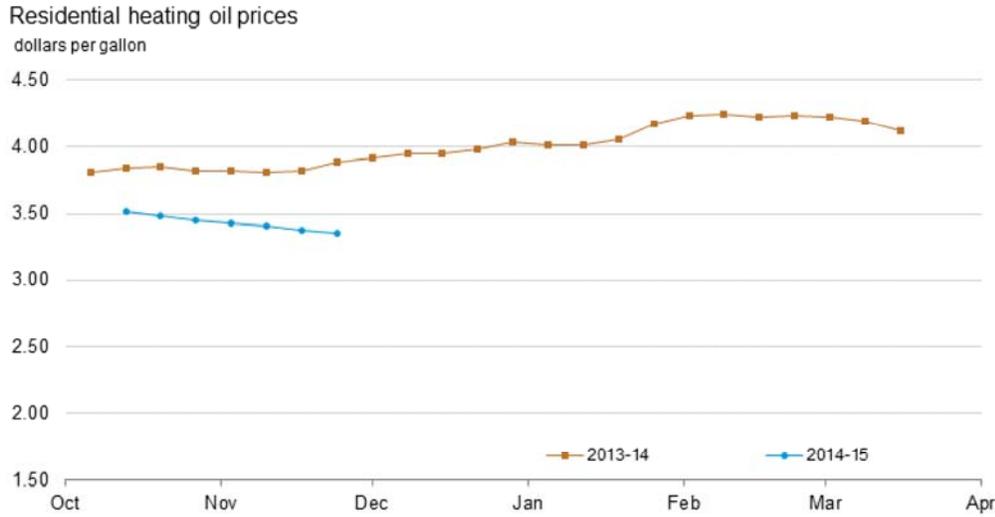
Spot prices retrieved 12/1/2014 16:04



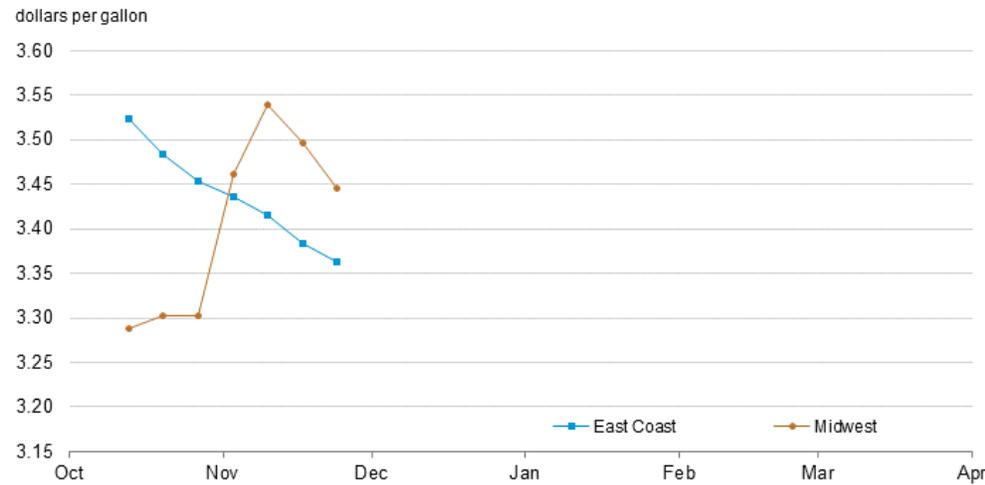
This Week in Petroleum

Release date: Nov. 26, 2014 | Next release date: Dec. 3, 2014

Residential heating oil prices (dollars per gallon)



Regional residential heating oil prices 2014-15



RESIDENTIAL HEATING OIL PRICES (dollars per gallon)

[more price data >](#)

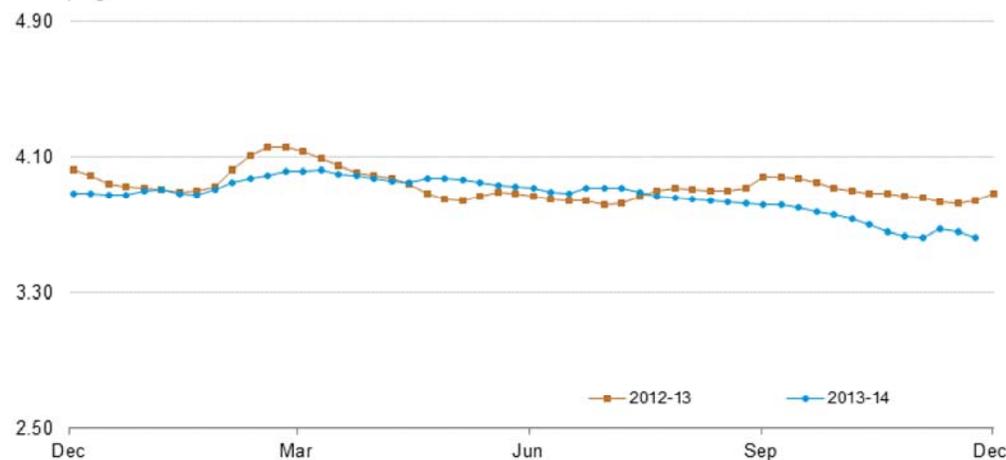
	Year ago	Most recent						
	11/25/13	11/24/14	11/17/14	11/10/14	11/03/14	10/27/14	10/20/14	10/13/14
Average	3.888	3.363	3.383	3.416	3.436	3.453	3.482	3.522
East Coast (PADD 1)	3.891	3.363	3.383	3.415	3.436	3.454	3.483	3.523
New England (PADD 1A)	3.840	3.314	3.327	3.362	3.381	3.407	3.437	3.482
Central Atlantic (PADD 1B)	3.933	3.404	3.430	3.461	3.483	3.495	3.522	3.559
Lower Atlantic	3.641	3.358	3.380	3.384	3.393	3.418	3.454	3.493

	Year ago	Most recent						
	11/25/13	11/24/14	11/17/14	11/10/14	11/03/14	10/27/14	10/20/14	10/13/14
(PADD 1C)								
Midwest (PADD 2)	3.522	3.445	3.496	3.540	3.461	3.302	3.303	3.288

On-highway diesel fuel prices (dollars per gallon)

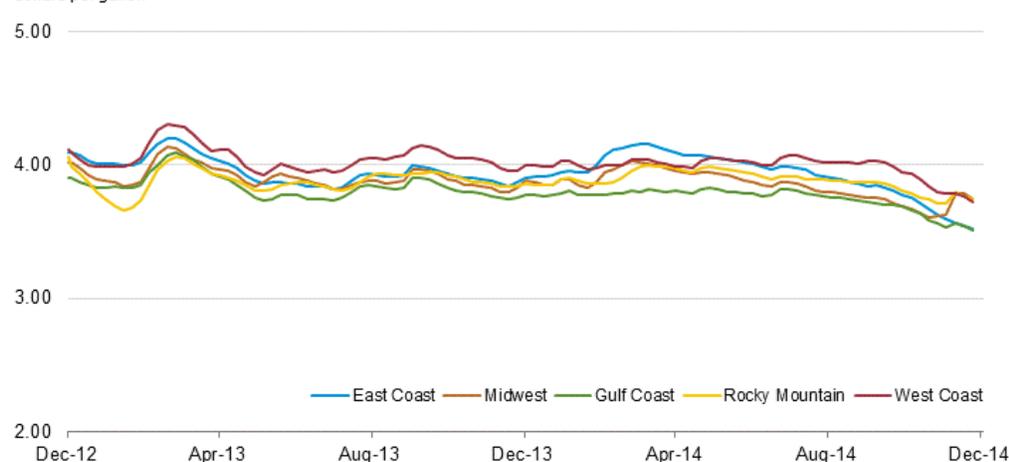
U.S. on-highway diesel fuel prices

dollars per gallon



Regional average all-types diesel fuel prices

dollars per gallon



ON-HIGHWAY DIESEL FUEL PRICES (dollars per gallon)

[more price data >](#)

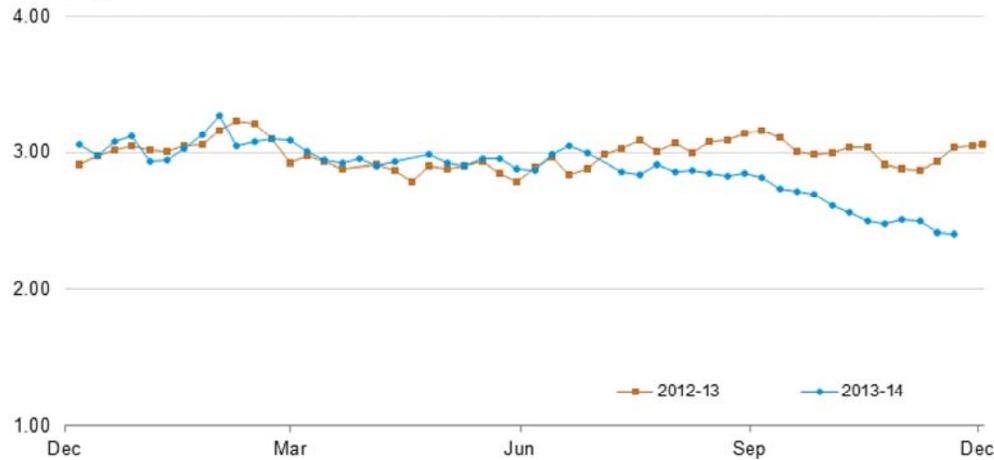
	Year ago	Most recent						
	11/25/13	11/24/14	11/17/14	11/10/14	11/03/14	10/27/14	10/20/14	10/13/14
U.S.	3.844	3.628	3.661	3.677	3.623	3.635	3.656	3.698
East Coast (PADD 1)	3.870	3.520	3.542	3.568	3.597	3.627	3.665	3.714
New England (PADD 1A)	4.003	3.605	3.633	3.659	3.687	3.724	3.751	3.815
Central Atlantic (PADD 1B)	3.919	3.598	3.612	3.634	3.655	3.693	3.737	3.784
Lower Atlantic (PADD 1C)	3.808	3.441	3.469	3.497	3.533	3.555	3.590	3.638
	3.829	3.743	3.786	3.788	3.624	3.611	3.606	3.636

	Year ago	Most recent						
	11/25/13	11/24/14	11/17/14	11/10/14	11/03/14	10/27/14	10/20/14	10/13/14
Midwest (PADD 2)								
Gulf Coast (PADD 3)	3.753	3.511	3.542	3.562	3.532	3.563	3.589	3.637
Rocky Mountain (PADD 4)	3.837	3.740	3.767	3.796	3.713	3.714	3.738	3.750
West Coast (PADD 5)	3.954	3.721	3.762	3.782	3.789	3.799	3.835	3.891
California	4.023	3.753	3.797	3.841	3.861	3.876	3.913	3.965

Heating oil futures prices (dollars per gallon)

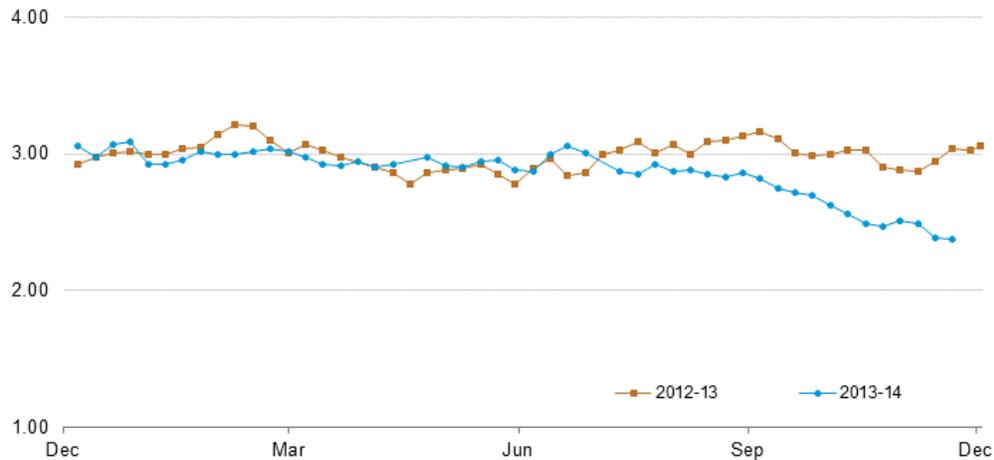
Heating oil futures price contract 1

dollars per gallon



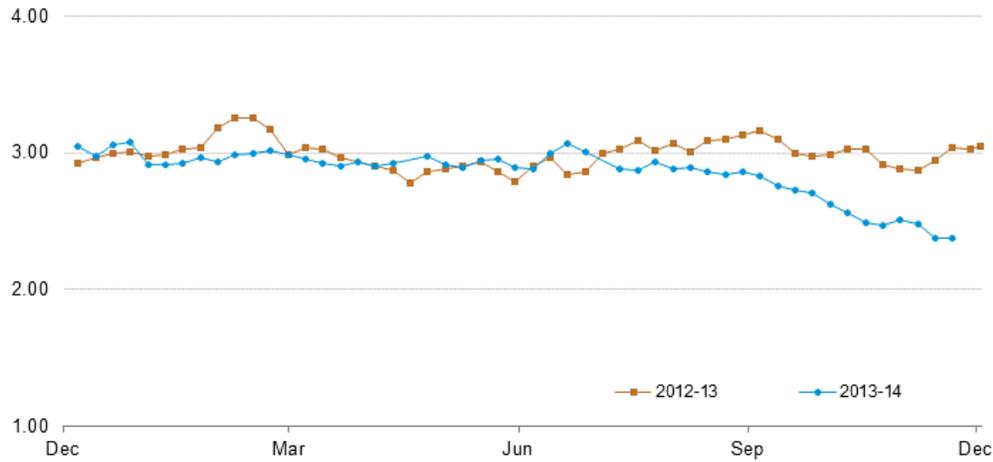
Heating oil futures price contract 2

dollars per gallon



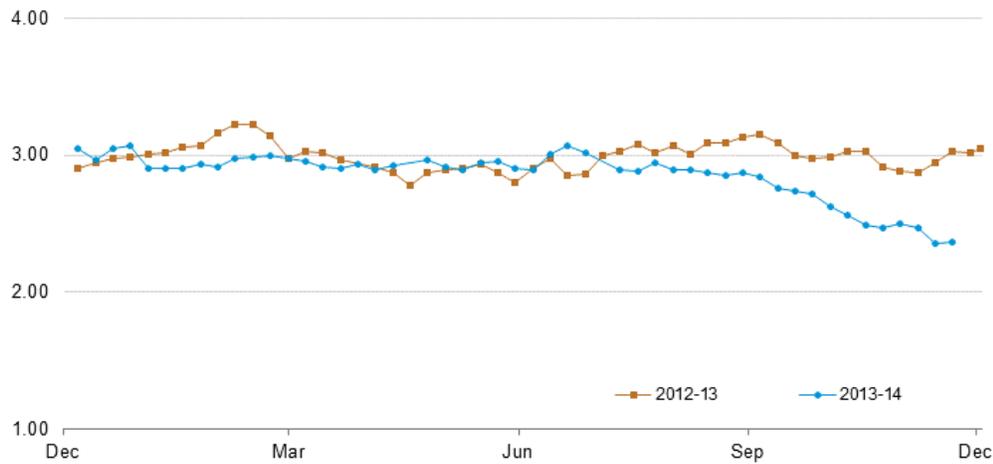
Heating oil futures price contract 3

dollars per gallon



Heating oil futures price contract 4

dollars per gallon



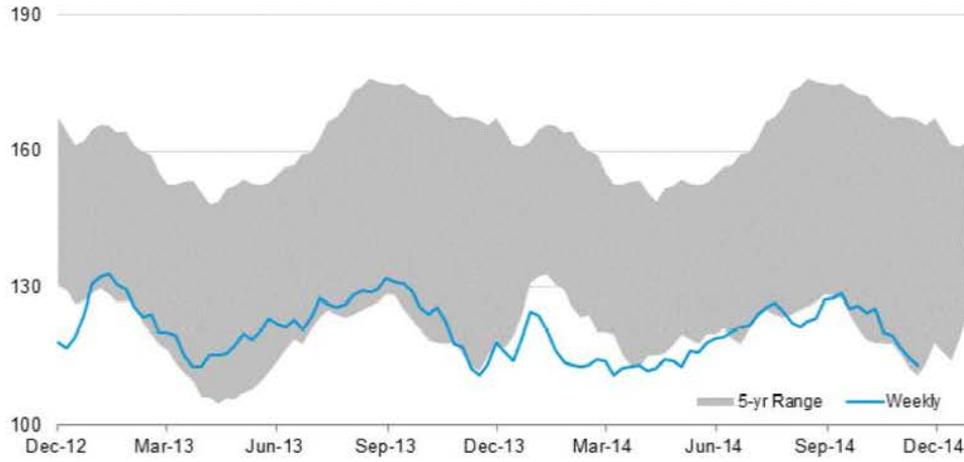
HEATING OIL FUTURES PRICES (dollars per gallon)

[more price data >](#)

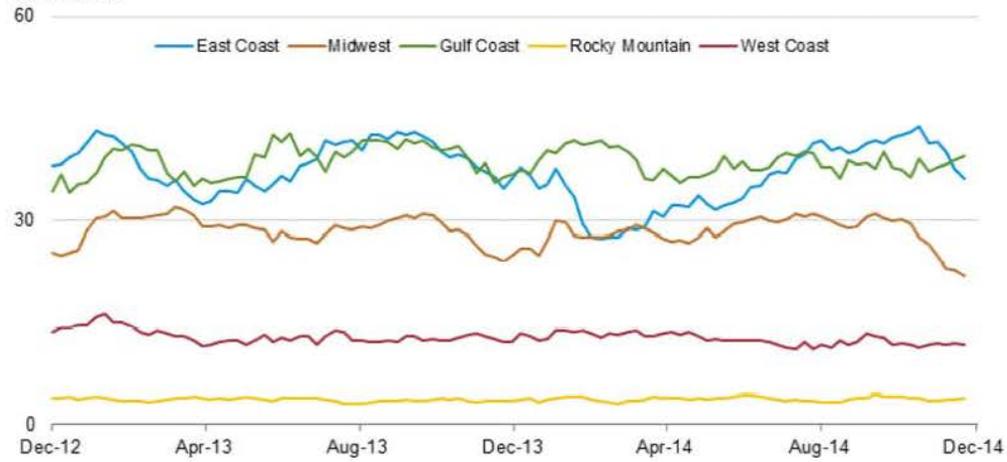
	Year ago	Most recent						
	11/22/13	11/21/14	11/14/14	11/07/14	10/31/14	10/24/14	10/17/14	10/10/14
Contract 1	3.041	2.405	2.416	2.500	2.515	2.482	2.498	2.560
Contract 2	3.039	2.381	2.385	2.489	2.511	2.468	2.490	2.561
Contract 3	3.037	2.372	2.373	2.478	2.507	2.470	2.489	2.564
Contract 4	3.029	2.362	2.361	2.465	2.504	2.471	2.488	2.564

Distillate stocks (million barrels) and days of supply

U.S. distillate stocks
million barrels



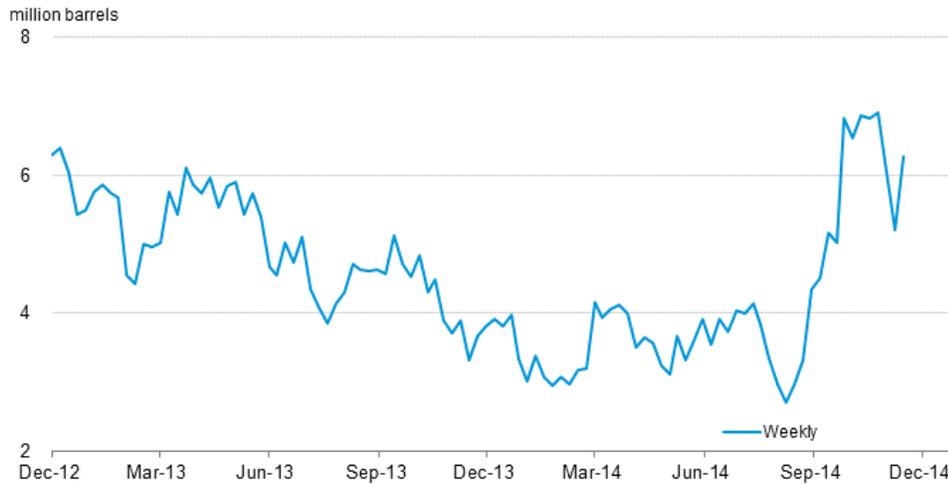
Regional distillate stocks
million barrels



U.S. distillate fuel oil 15 ppm sulfur and under stocks
million barrels



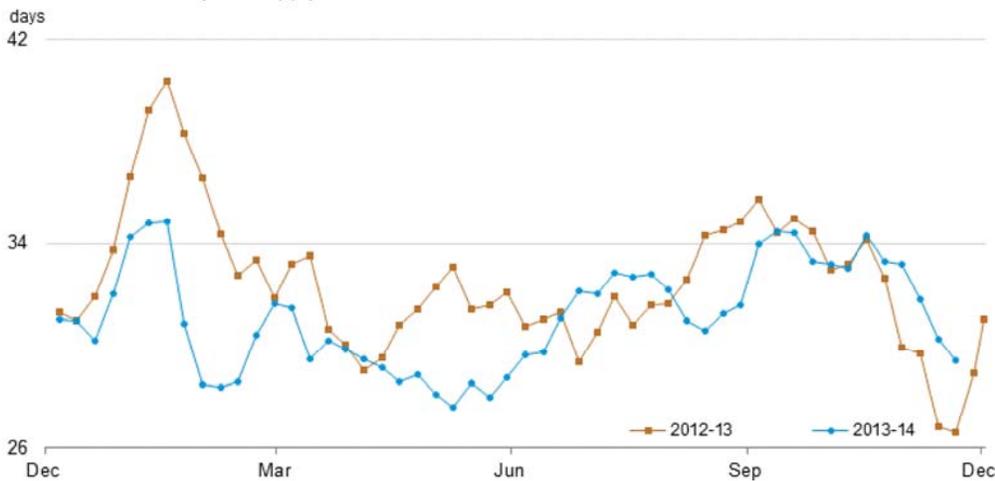
U.S. distillate fuel oil greater than 15 ppm to 500 ppm sulfur stocks



U.S. distillate fuel oil greater than 500 ppm sulfur stocks



U.S. distillate oil days of supply



TOTAL DISTILLATE STOCKS (million barrels)

[more stock data >](#)

	Year ago	Most recent						
	11/22/13	11/21/14	11/14/14	11/07/14	10/31/14	10/24/14	10/17/14	10/10/14
U.S.	110.9	113.1	114.8	116.9	119.7	120.4	125.7	124.6
East Coast (PADD 1)	34.6	36.1	37.5	40.1	41.5	41.3	43.8	43.1
New England (PADD 1A)	7.4	5.8	6.2	6.4	7.2	6.6	6.8	6.6

	Year ago	Most recent						
	11/22/13	11/21/14	11/14/14	11/07/14	10/31/14	10/24/14	10/17/14	10/10/14
Central Atlantic (PADD 1B)	17.1	19.6	21.1	22.3	22.3	21.8	24.0	22.9
Lower Atlantic (PADD 1C)	10.1	10.7	10.1	11.4	11.9	12.9	12.9	13.6
Midwest (PADD 2)	24.2	21.9	22.9	23.1	24.9	26.6	27.6	29.5
Gulf Coast (PADD 3)	36.4	39.5	38.9	38.3	37.7	37.2	39.1	36.3
Rocky Mountain (PADD 4)	3.4	3.8	3.7	3.6	3.5	3.4	3.8	4.0
West Coast (PADD 5)	12.2	11.8	11.9	11.9	12.1	11.9	11.4	11.8

15 PPM SULFUR AND UNDER STOCKS (*million barrels*)[more stock data >](#)

	Year ago	Most recent						
	11/22/13	11/21/14	11/14/14	11/07/14	10/31/14	10/24/14	10/17/14	10/10/14
U.S.	88.1	89.5	91.2	93.0	96.7	98.5	104.1	103.8
East Coast (PADD 1)	22.0	23.3	24.9	27.0	29.3	30.1	32.6	31.9
New England (PADD 1A)	2.1	1.8	1.9	1.9	2.3	2.1	2.3	2.1
Central Atlantic (PADD 1B)	11.4	13.3	14.8	16.3	17.7	17.1	19.3	17.6
Lower Atlantic (PADD 1C)	8.5	8.2	8.2	8.8	9.3	10.9	11.0	12.2
Midwest (PADD 2)	22.9	21.1	22.2	22.3	24.0	25.7	26.7	28.6
Gulf Coast (PADD 3)	29.4	31.2	30.3	30.0	29.4	28.9	31.0	29.0
Rocky Mountain (PADD 4)	3.1	3.4	3.3	3.2	3.1	3.1	3.5	3.6
West Coast (PADD 5)	10.8	10.5	10.6	10.5	10.8	10.7	10.3	10.6

GREATER THAN 15 PPM TO 500 PPM SULFUR STOCKS (*million barrels*)[more stock data >](#)

	Year ago	Most recent						
	11/22/13	11/21/14	11/14/14	11/07/14	10/31/14	10/24/14	10/17/14	10/10/14
U.S.	3.3	6.3	5.2	6.0	6.9	6.8	6.9	6.5
East Coast (PADD 1)	1.0	3.9	3.4	3.8	4.4	4.2	4.0	4.0
New England (PADD 1A)	0.0	2.2	2.3	2.6	3.0	2.8	2.7	2.7
Central Atlantic (PADD 1B)	0.6	1.2	0.6	0.7	0.8	0.8	0.7	0.8
Lower Atlantic (PADD 1C)	0.3	0.5	0.4	0.5	0.6	0.7	0.6	0.5
Midwest (PADD 2)	0.6	0.3	0.2	0.3	0.5	0.5	0.5	0.5
Gulf Coast (PADD 3)	1.3	1.4	1.1	1.5	1.7	1.8	2.0	1.8
Rocky Mountain (PADD 4)	0.1	0.2	0.2	0.2	0.2	0.1	0.2	0.2

	Year ago	Most recent						
	11/22/13	11/21/14	11/14/14	11/07/14	10/31/14	10/24/14	10/17/14	10/10/14
West Coast (PADD 5)	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.1

GREATER THAN 500 PPM SULFUR STOCKS (million barrels)

[more stock data >](#)

	Year ago	Most recent						
	11/22/13	11/21/14	11/14/14	11/07/14	10/31/14	10/24/14	10/17/14	10/10/14
U.S.	19.4	17.4	18.3	17.8	16.0	15.0	14.7	14.3
East Coast (PADD 1)	11.6	8.9	9.2	9.3	7.7	7.0	7.1	7.2
New England (PADD 1A)	5.3	1.8	2.0	2.0	1.9	1.7	1.8	1.9
Central Atlantic (PADD 1B)	5.1	5.1	5.7	5.3	3.9	3.9	4.0	4.5
Lower Atlantic (PADD 1C)	1.3	2.0	1.4	2.0	2.0	1.3	1.3	0.8
Midwest (PADD 2)	0.7	0.4	0.5	0.4	0.5	0.4	0.5	0.4
Gulf Coast (PADD 3)	5.7	6.9	7.5	6.8	6.6	6.5	6.0	5.5
Rocky Mountain (PADD 4)	0.2	0.1	0.1	0.2	0.2	0.2	0.1	0.1
West Coast (PADD 5)	1.3	1.0	1.0	1.1	1.0	1.0	0.9	1.0

DAYS OF SUPPLY (number of days)

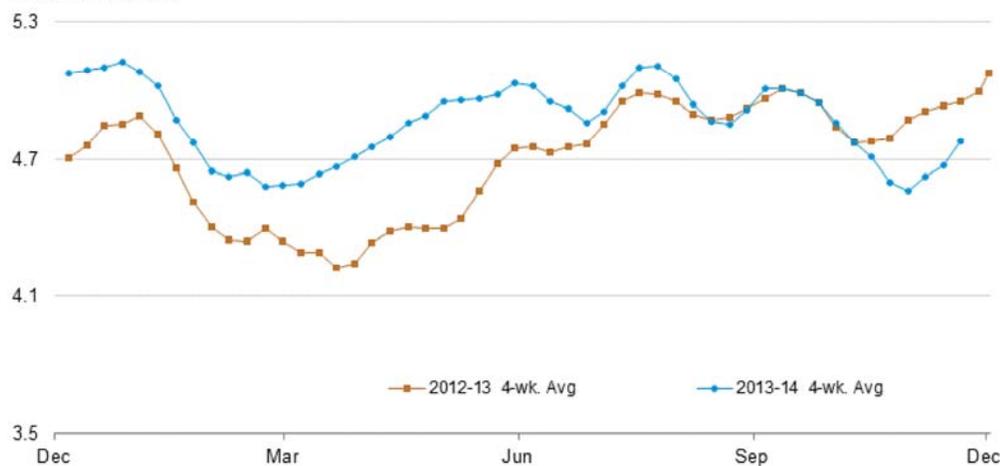
[more supply data >](#)

	Year ago	Most recent						
	11/22/13	11/21/14	11/14/14	11/07/14	10/31/14	10/24/14	10/17/14	10/10/14
U.S.	26.6	29.5	30.3	31.8	33.2	33.3	34.3	33.1

Note: Days of Supply calculated as: U.S. total distillate stocks / Four-week average U.S. distillate fuel oil demand

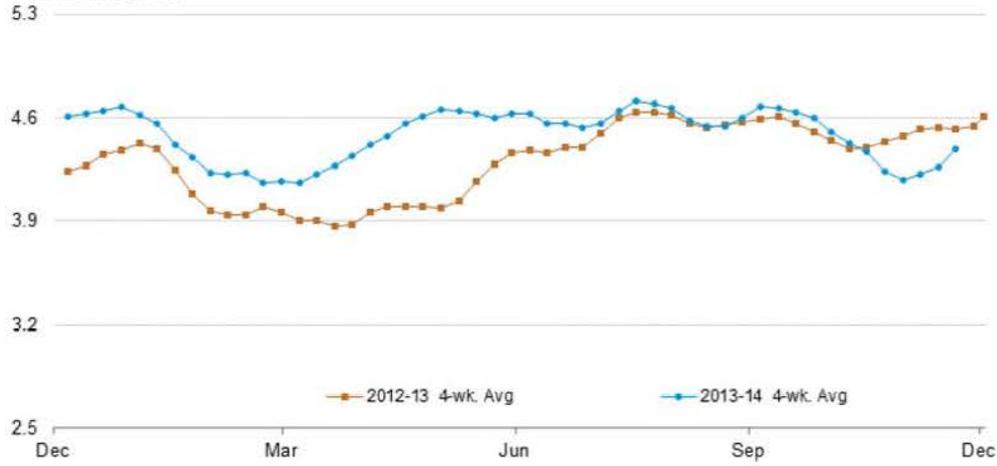
Distillate production and imports (million barrels per day)

U.S. distillate production
million barrels per day



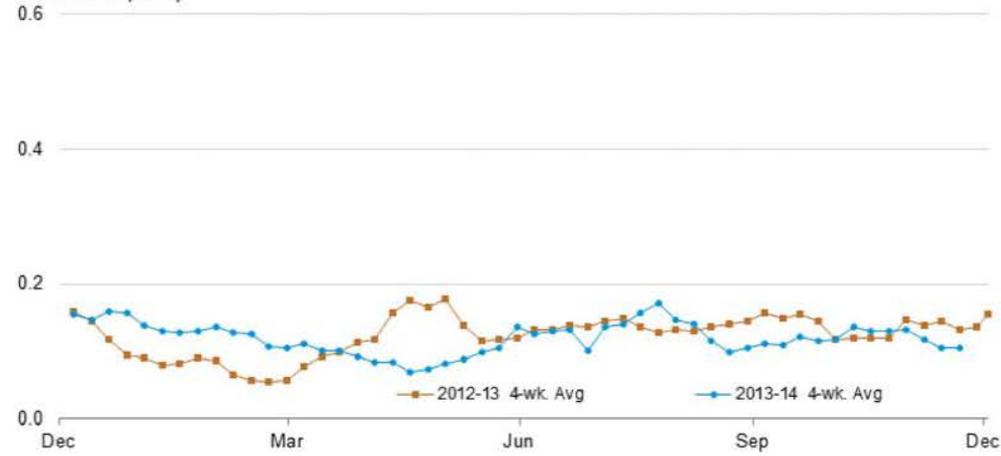
U.S. 15 ppm sulfur and under distillate production

million barrels per day



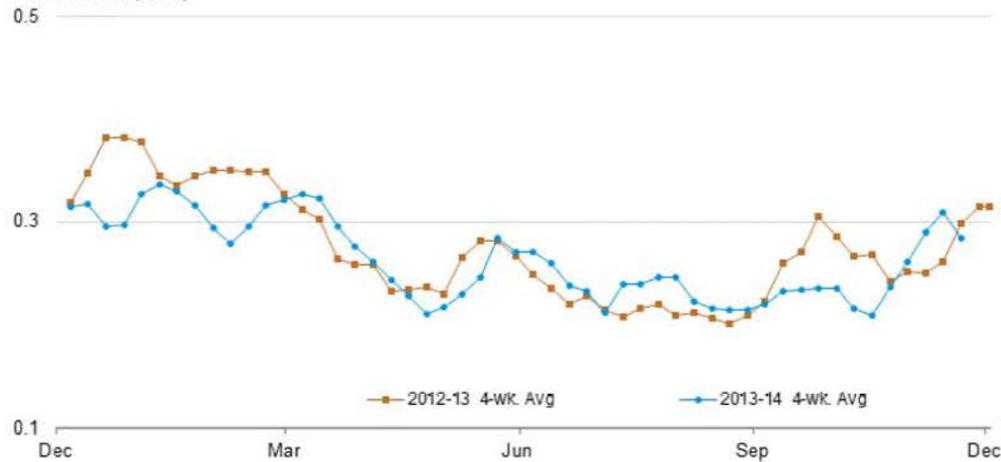
U.S. greater than 15 ppm to 500 ppm sulfur distillate production

million barrels per day



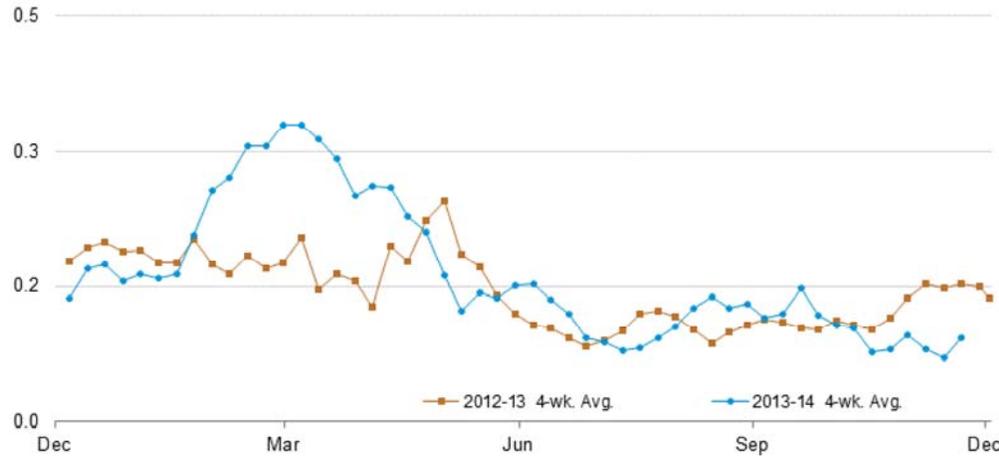
U.S. greater than 500 ppm sulfur distillate production

million barrels per day



U.S. distillate imports

million barrels per day



TOTAL DISTILLATE PRODUCTION (million barrels per day)

[more production data >](#)

	Year ago	Four-week averages			Year ago	Week ending		
	11/22/13	11/21/14	11/14/14	11/07/14	11/22/13	11/21/14	11/14/14	11/07/14
U.S.	4.955	4.781	4.674	4.627	5.022	4.900	4.793	4.822
East Coast (PADD 1)	0.286	0.327	0.333	0.338	0.272	0.307	0.315	0.349
Midwest (PADD 2)	1.098	1.026	0.994	0.984	1.121	1.066	1.021	1.056
Gulf Coast (PADD 3)	2.799	2.597	2.547	2.541	2.828	2.665	2.629	2.602
Rocky Mountain (PADD 4)	0.172	0.207	0.201	0.194	0.192	0.213	0.205	0.207
West Coast (PADD 5)	0.600	0.623	0.598	0.570	0.610	0.649	0.623	0.608

15 PPM SULFUR AND UNDER PRODUCTION (million barrels per day)

[more production data >](#)

	Year ago	Four-week averages			Year ago	Week ending		
	11/22/13	11/21/14	11/14/14	11/07/14	11/22/13	11/21/14	11/14/14	11/07/14
U.S.	4.525	4.390	4.259	4.219	4.553	4.562	4.430	4.420
East Coast (PADD 1)	0.246	0.287	0.298	0.313	0.231	0.268	0.263	0.291
Midwest (PADD 2)	1.099	1.007	0.976	0.966	1.124	1.058	1.005	1.043
Gulf Coast (PADD 3)	2.447	2.311	2.232	2.212	2.476	2.419	2.374	2.308
Rocky Mountain (PADD 4)	0.169	0.207	0.201	0.193	0.182	0.215	0.205	0.207
West Coast (PADD 5)	0.562	0.580	0.553	0.536	0.541	0.602	0.582	0.571

GREATER THAN 15 PPM TO 500 PPM SULFUR PRODUCTION (million barrels per day)

[more production data >](#)

	Year ago	Four-week averages			Year ago	Week ending		
	11/22/13	11/21/14	11/14/14	11/07/14	11/22/13	11/21/14	11/14/14	11/07/14
U.S.	0.132	0.106	0.106	0.118	0.093	0.106	0.080	0.111
East Coast (PADD 1)	0.008	0.013	0.010	0.008	-0.011	0.020	0.018	0.005
Midwest (PADD 2)	0.006	0.005	0.002	0.002	0.003	0.004	0.006	0.001
Gulf Coast (PADD 3)	0.113	0.065	0.073	0.092	0.089	0.057	0.030	0.088
	0.003	0.003	0.002	0.002	0.009	0.001	0.003	0.003

	Year ago	Four-week averages			Year ago	Week ending		
	11/22/13	11/21/14	11/14/14	11/07/14	11/22/13	11/21/14	11/14/14	11/07/14
Rocky Mountain (PADD 4)								
West Coast (PADD 5)	0.002	0.020	0.019	0.014	0.003	0.024	0.022	0.014

GREATER THAN 500 PPM SULFUR PRODUCTION (million barrels per day)

[more production data >](#)

	Year ago	Four-week averages			Year ago	Week ending		
	11/22/13	11/21/14	11/14/14	11/07/14	11/22/13	11/21/14	11/14/14	11/07/14
U.S.	0.298	0.285	0.309	0.290	0.375	0.232	0.284	0.291
East Coast (PADD 1)	0.032	0.027	0.026	0.017	0.053	0.019	0.034	0.053
Midwest (PADD 2)	-0.007	0.014	0.016	0.017	-0.007	0.004	0.010	0.012
Gulf Coast (PADD 3)	0.238	0.222	0.243	0.237	0.262	0.189	0.224	0.206
Rocky Mountain (PADD 4)	-0.001	-0.002	-0.002	-0.001	0.002	-0.003	-0.003	-0.003
West Coast (PADD 5)	0.035	0.024	0.026	0.020	0.065	0.023	0.020	0.023

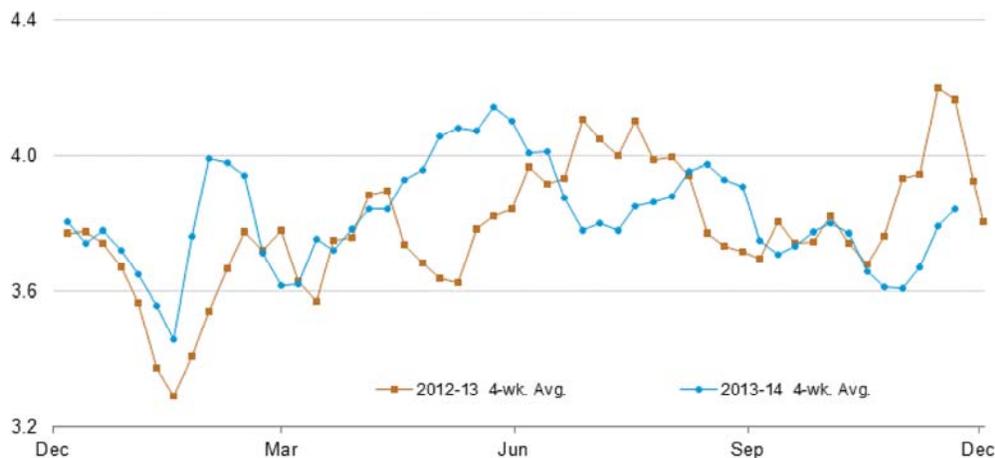
DISTILLATE IMPORTS (million barrels per day)

[more import data >](#)

	Year ago	Four-week averages			Year ago	Week ending		
	11/22/13	11/21/14	11/14/14	11/07/14	11/22/13	11/21/14	11/14/14	11/07/14
Total distillate	0.153	0.093	0.071	0.081	0.158	0.128	0.048	0.086
15 ppm sulfur and under	0.108	0.056	0.052	0.050	0.127	0.051	0.048	0.071
Greater than 15 ppm to 500 ppm sulfur	0.000	0.005	0.000	0.000	0.000	0.021	0.000	0.000
Greater than 500 ppm to 2000 ppm sulfur	0.044	0.031	0.019	0.031	0.030	0.055	0.000	0.015
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)

U.S. distillate demand
million barrels per day



DISTILLATE DEMAND (million barrels per day)

[more production data >](#)

	Year ago	Four-week averages			Year ago	Week ending		
	11/22/13	11/21/14	11/14/14	11/07/14	11/22/13	11/21/14	11/14/14	11/07/14
Distillate fuel oil	4.165	3.840	3.792	3.671	4.024	4.120	3.794	3.967

Abbreviations: NA = Not Available | W = Data Withheld

AAR MATERIALS AND SUPPLIES INDEX
Region By Composition
Fourth Quarter 2014
December 3, 2014

United States by Composition Category - Summary

Composition Category -----	Weight -----	Previous Quarter Index -----	Current Quarter Index -----	Relative Of Change -----
Forest Products	.1133	308.86	314.54	1.0184
Metal Products	.6243	193.95	191.43	.9870
Miscellaneous Products	.2624	387.57	384.93	.9932
U.S. By Composition	--	257.77	256.16	.9938
U.S. By Composition (Linked)	--	260.68	259.06	.9938
United States (1977=100) Linking Factor: 1.423	--	370.95	368.64	.9938
United States (1980=100) Linking Factor: 1.061	--	276.58	274.86	.9938

Car Hire for RCAF

RCAF (Forecast)

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

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

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

Note: Indexes are rounded, rates are full float.

Equipment Rents Data From CHARM

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

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

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

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

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

CHARM Process - Car Hire Rate Report

Average Car Rental Rates for 12/2014

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	7,979	118	0.079	49
Railroad	Number of Zero-Rated Vehicular Flats	12	.	.	.
Railroad	All Other Cars	461,793	63	0.067	.
Railroad	Number of Zero-Rated Other Cars	18,323	.	.	.
Railroad	Total Railroad Equipment	488,107	.	.	.
	
Private	Vehicular Flats	50,975	80	0.016	69
Private	Number of Zero-Rated Vehicular Flats	51	.	.	.
Private	Covered Hoppers	347,618	0	0.441	.
Private	Number of Zero-Rated Covered Hoppers	10,071	.	.	.
Private	Tanks	361,332	0	0.753	.
Private	Number of Zero-Rated Tanks	7,810	.	.	.
Private	All Other Cars	290,933	73	0.075	.
Private	Number of Zero-Rated Other Cars	28,200	.	.	.
Private	Total Private Equipment	1,096,990	.	.	.

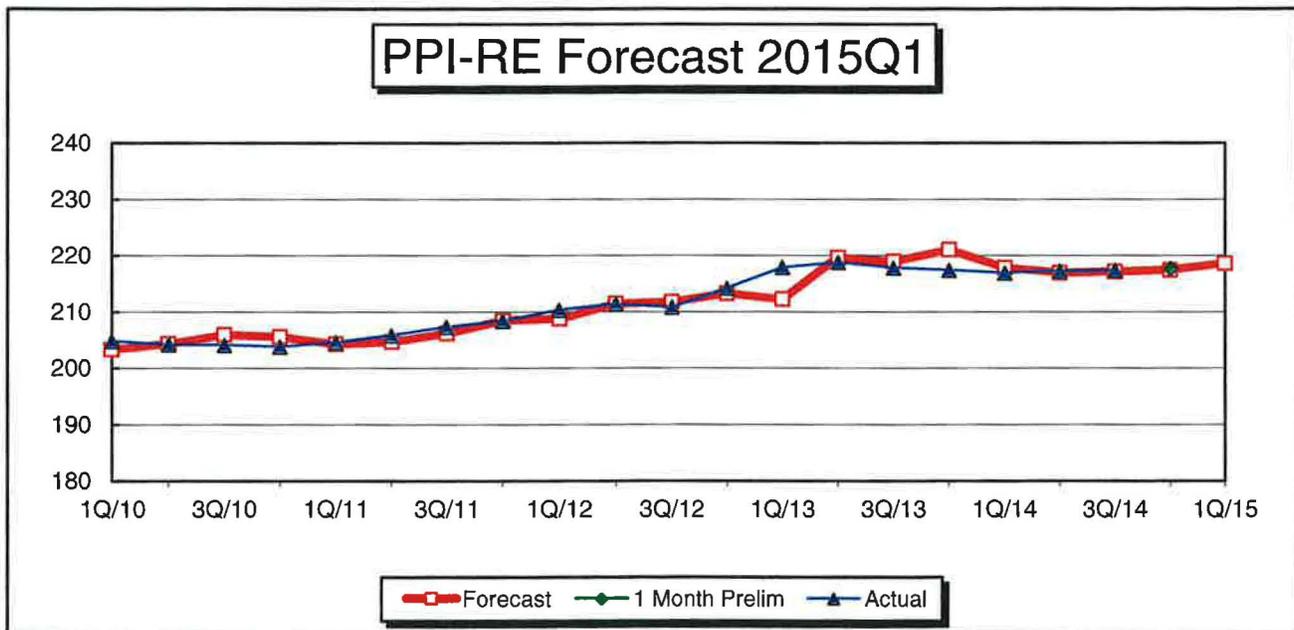
Notes
This report excludes these car types: D (Locomotives), M (MoW, EOTs, etc.), U (Containers), Z (Trailers).
All TTX equipment (including ABOX, RBOX, GONX) is contained in the Private section of report.
Equipment can be zero rated due to owners supplying incorrect or insufficient information to the 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
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	217.4	
4Q/14	217.4		217.7
1Q/15	218.6		

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	194.3	214.9	-0.9%			
Midpoint	197.6	218.6	0.8%	0.4%	0.6%	0.6%
High	201.0	222.3	2.5%			



re_ppi.txt
Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2015Q1\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 189.167 Standard deviation 5.719

Classical decomposition (multiplicative)
Trend-cycle: 97.14% Seasonal: 0.65% Irregular: 2.21%

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

Exponential smoothing outperforms Box-Jenkins by 0.735 to 0.764 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is trended and nonseasonal.

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

Component	Smoothing weight	Final Value
Level	0.67564	196.88
Trend	0.01519	0.18901

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 189.2	Standard deviation 5.719
R-square 0.9665	Adjusted R-square 0.9661
Durbin-watson 1.962	Ljung-Box(18)=8.724 P=0.0342
Forecast error 1.053	BIC 1.102
MAPE 0.003488	RMSE 1.039
MAD 0.6617	

Forecast Report
Tue Nov 18 09:12:21 2014
Exponential Smoothing model for PPIRE
Analysis of Historic Fit Set

Date	Historic
2008-11	181.600
2008-12	180.700
2009-01	181.600
2009-02	181.800
2009-03	181.600
2009-04	183.100
2009-05	180.000
2009-06	180.000
2009-07	179.900
2009-08	179.900
2009-09	183.800
2009-10	183.600
2009-11	183.600
2009-12	184.400
2010-01	184.500
2010-02	184.700
2010-03	184.500
2010-04	184.500
2010-05	184.600
2010-06	184.600
2010-07	184.500
2010-08	184.500
2010-09	184.500
2010-10	184.200
2010-11	184.200
2010-12	184.200

re_ppi.txt

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	196.200
2014-05	196.700
2014-06	196.800
2014-07	196.400
2014-08	196.200
2014-09	197.000
2014-10	196.800

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2014-11	194.912	197.072	199.232
2014-12	194.641	197.261	199.881
2015-01	194.440	197.450	200.460
2015-02	194.284	197.639	200.994
2015-03	194.161	197.828	201.496
2015-04	194.061	198.017	201.973
2015-05	193.982	198.206	202.430
2015-06	193.919	198.395	202.872
2015-07	193.869	198.584	203.300
2015-08	193.830	198.773	203.716
2015-09	193.802	198.962	204.122
2015-10	193.783	199.151	204.520

Databases, Tables & Calculators by Subject

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Producer Price Index-Commodities

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

Download: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	196.2	196.7	196.8	196.4(P)	196.2(P)	197.0(P)	196.8(P)			

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

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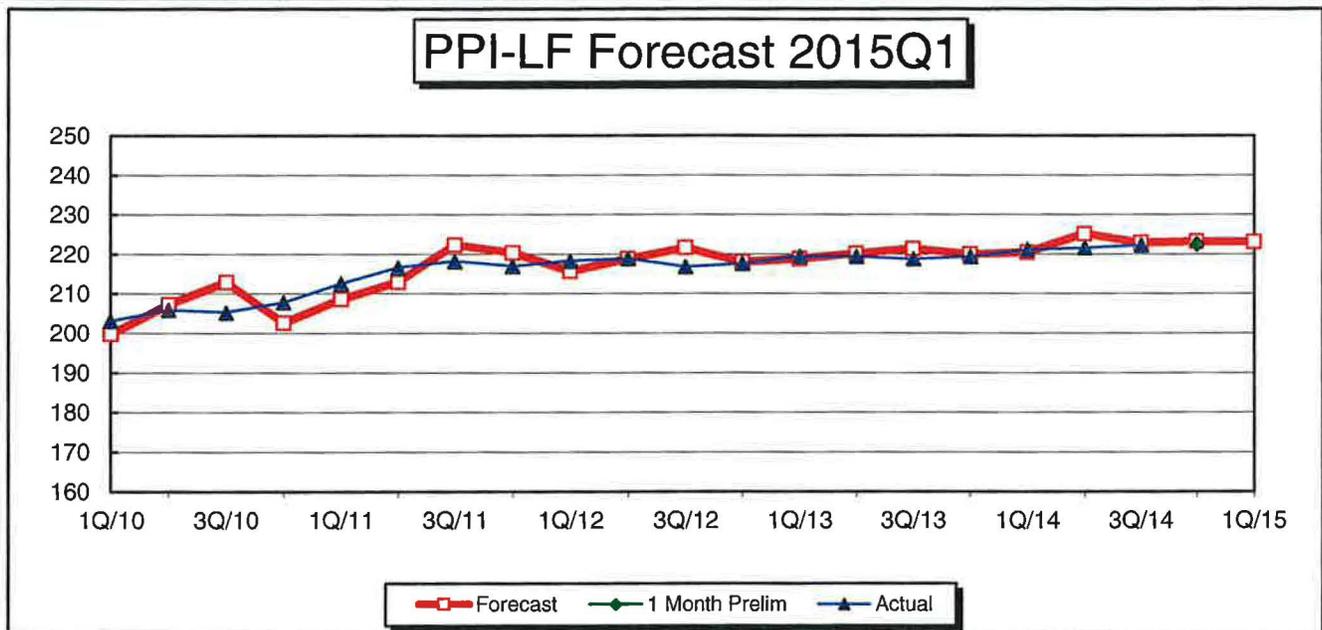
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PPI-LF Forecast (for Other and Lease Rentals Components)

	Forecast	Actual	1 Month Prelim
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	222.3	
4Q/14	223.2		222.5
1Q/15	223.1		

1980 Base

	PPI-LF Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2014Q4						
Low	194.7	218.3	-1.3%			
Midpoint	199.0	223.1	0.9%	0.3%	0.4%	0.0%
High	203.4	228.0	3.1%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2015Q1\7Other\FPI\lf_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPILF

Length 72 Minimum 174.900 Maximum 198.500
 Mean 189.528 Standard deviation 7.849

Classical decomposition (multiplicative)
 Trend-cycle: 98.10% Seasonal: 0.32% Irregular: 1.58%

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

Box-Jenkins outperforms exponential smoothing by 1.109 to 1.249 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is nonstationary and nonseasonal.

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

Term	Coefficient	Std. Error	t-Statistic	Significance
a[1]	0.7357	0.0697	10.5613	1.0000
A[12]	0.3764	0.1030	3.6560	0.9995

Within-sample statistics

Sample size 72	Number of parameters 2
Mean 189.5	Standard deviation 7.849
R-square 0.9951	Adjusted R-square 0.995
Durbin-Watson 2.164	Ljung-Box(18)=11.42 P=0.1243
Forecast error 0.555	BIC 0.5807
MAPE 0.002235	RMSE 0.5472
MAD 0.4219	

Forecast Report
 Tue Nov 18 09:15:56 2014
 Box-Jenkins model for PPILF
 Analysis of Historic Fit Set

Date	Historic
2008-11	179.900
2008-12	177.400
2009-01	176.900
2009-02	176.100
2009-03	175.600
2009-04	175.000
2009-05	174.900
2009-06	175.200
2009-07	175.500
2009-08	176.600
2009-09	177.200
2009-10	177.700
2009-11	178.100
2009-12	178.900
2010-01	180.200
2010-02	181.200
2010-03	182.400
2010-04	183.800
2010-05	184.000
2010-06	183.100
2010-07	182.700
2010-08	183.100
2010-09	183.500
2010-10	184.600
2010-11	185.400
2010-12	186.300
2011-01	188.600

1f_ppi.txt

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	197.700
2014-05	197.600
2014-06	197.700
2014-07	198.000
2014-08	198.300
2014-09	198.500
2014-10	198.500

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2014-11	197.374	198.455	199.535
2014-12	196.380	198.544	200.708
2015-01	195.713	198.988	202.264
2015-02	194.738	199.106	203.474
2015-03	193.551	198.969	204.387
2015-04	192.684	199.101	205.518
2015-05	191.688	199.050	206.413
2015-06	190.822	199.078	207.335
2015-07	190.083	199.184	208.285
2015-08	189.392	199.292	209.192
2015-09	188.706	199.363	210.021
2015-10	187.983	199.361	210.739

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Producer Price Index-Commodities

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

Download:  [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	197.7	197.6	197.7	198.0(P)	198.3(P)	198.5(P)				

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

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Forecast Error Calculation

	2012 Weight	Third Quarter 2014		Pct. Diff.	Notes			
		2014Q3 Forecast	2014Q3 Actual					
Labor	31.2%	395.4	395.4	0.0	* actual=forecast			
Fuel	22.3%	375.9	366.4	-9.5	from 1st month of quarter			
M&S	4.9%	271.2	271.2	0.0	* actual=forecast			
Equip Rents	5.6%	212.2	212.7	0.5	from Equipment Rents below			
Depreciation	11.9%	217.1	217.4	0.3	PPI-RE <table border="1" style="display: inline-table;"><tr><td>196.40</td><td>196.20</td><td>197.00</td></tr></table> 0.9040	196.40	196.20	197.00
196.40	196.20	197.00						
Interest	2.0%	76.6	76.6	0.0	* actual=forecast			
Other	22.1%	222.9	222.3	-0.6	PPI-LF <table border="1" style="display: inline-table;"><tr><td>198.00</td><td>198.30</td><td>198.50</td></tr></table> 0.8920	198.00	198.30	198.50
198.00	198.30	198.50						
Weighted Avg	100.0%							
1980 = 100		309.0	306.8		calculated			
1980 = 100 (linked)		296.1	293.4		calculated			
4Q12r = 100	2.976	99.5	98.6		calculated			
4Q07 = 100	2.459	120.4	119.3		calculated			
4Q02 = 100	1.921	154.1	152.7		calculated			
4Q97 = 100	1.732	171.0	169.4		calculated			
4Q92 = 100	1.569	188.7	187.0		calculated			
Forecast Error →		-0.9			calculated -0.009 = RCAF adj.			
Prior Quarter								
1980 = 100		309.7	307.8 **					
1980 = 100 (linked)		296.8	294.4					
4Q12r = 100		99.7	98.9		calculated			
4Q07 = 100		120.7	119.7		calculated			
4Q02 = 100		154.5	153.3		calculated			
4Q97 = 100		171.4	170.0		calculated			
4Q92 = 100		189.2	187.6		calculated			
Equipment Rents								
Car Hire	48.2%	185.1	186.1		from Equipment Rents/CHARM			
Lease Rentals	51.8%	222.9	222.3		(equals PPI-LF from above)			
Weighted Average		204.7	204.9		calculated			
Linked		212.2	212.7		calculated			
Prior Quarter								
Weighted Average		205.1	203.8 **					
Linked		212.6	211.6					
Sum of Weights	ok				** if fourth quarter, weighted avg for prior needs to use new weights, linked is ok			
Sum of ER Wt.	ok							

All-Inclusive Index (Actual)

Includes All Annual Report Revisions Received Through May 23, 2014

	12 Wts	3Q/13 11 Wts	3Q/13 12 Wts	% Chg.	4Q/13 12 Wts	% Chg.	1Q/14 12 Wts	% Chg.	2Q/14 12 Wts	% Chg.	3Q/14 12 Wts	% Chg.
See Appendix AC, page 4 of RCAF filed 6/5/2014												
Labor	31.2%	391.6	391.6	0.0%	387.2	-1.1%	386.2	-0.3%	388.1	0.5%	395.4	1.9%
Fuel	22.3%	376.0	376.0	0.0%	374.3	-0.5%	367.4	-1.8%	381.1	3.7%	366.4	-3.9%
M&S	4.9%	264.2	264.2	0.0%	261.4	-1.1%	265.9	1.7%	274.8	3.3%	271.2	-1.3%
Equipment Rents	5.6%	207.6	207.6	0.0%	208.0	0.2%	209.7	0.8%	211.6	0.9%	212.7	0.5%
Depreciation	11.9%	217.8	217.8	0.0%	217.4	-0.2%	216.9	-0.2%	217.3	0.2%	217.4	0.0%
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%	222.3	0.3%
	1.0000											
Weighted Avg.		307.1	306.6	-0.2%	304.6	-0.7%	303.4	-0.4%	307.8	1.5%	306.8	-0.3%
Linked		293.2			291.3	-0.6%	290.2	-0.4%	294.4	1.4%	293.4	-0.3%
10/1/80	1.027	285.4			283.6	-0.6%	282.6	-0.4%	286.7	1.5%	285.7	-0.3%
10/1/82	1.209	242.4			240.9	-0.6%	240.0	-0.4%	243.5	1.5%	242.7	-0.3%
4Q/87	1.322	221.7			220.3	-0.6%	219.5	-0.4%	222.7	1.5%	221.9	-0.4%
4Q/92	1.569	186.8			185.7	-0.6%	185.0	-0.4%	187.6	1.4%	187.0	-0.3%
4Q/97	1.732	169.2			168.2	-0.6%	167.6	-0.4%	170.0	1.4%	169.4	-0.4%
4Q/02	1.921	152.6			151.6	-0.7%	151.1	-0.3%	153.3	1.5%	152.7	-0.4%
4Q/07	2.459	119.2			118.5	-0.6%	118.0	-0.4%	119.7	1.4%	119.3	-0.3%
4Q/12	2.976	98.5			97.9	-0.4%	97.5	-0.4%	98.9	1.4%	98.6	-0.3%

Equipment Rents

Car Hire	48.2%	179.7	179.7	0.0%	179.9	0.1%	181.3	0.8%	184.6	1.8%	186.1	0.8%
Lease Rentals	51.8%	218.8	218.8	0.0%	219.4	0.3%	221.2	0.8%	221.6	0.2%	222.3	0.3%
	1.0000											
ER Weighted Avg		199.8	200.0	0.1%	200.4	0.2%	202.0	0.8%	203.8	0.9%	204.9	0.5%
ER Linked		207.6			208.0	0.2%	209.7	0.8%	211.6	0.9%	212.7	0.5%

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
Weighted Avg.	307.135	306.618
ER Weighted Avg.	199.7583	199.9538

RCAF Fuel (Actual All-Inclusive Index)

July 2014

Monthly Report

	July 2014 Price (cents) (1)	1/1/81 Price (cents) (2)	1/91 New Method Linking Factors (3)	July 2014 Index 1/1/81=100 (4)	Linking Factor 1980=100 (5)	July 2014 1980=100 Current Index (6)
U.S.	299.85	89.34	99.415	333.66	1.096	365.70

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

(6) = (4) x (5)

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

	July 2014 1980=100 Current Index	Adjustment Factor	July 2014 1980=100 Linked Index
U.S.	365.70	1.00192	366.40 ←

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
RATE						
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
INDEX						
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
Railroad Equipment														
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
All other #1 - Time	63.0	64.0	64.0	63.0	63.0	63.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0
All other #2 - Mileage	6.7	6.7	6.7	6.7	6.7	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8
Private Equipment														
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
AVERAGE RATES														
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
Private Total	45.72	45.75	45.53	45.67	45.89	46.09	45.93	46.12	46.88	47.08	47.20	47.34	47.51	47.64
Autoracks	49.42	50.13	51.28	52.57	54.28	56.00	55.86	56.73	57.60	59.33	61.05	62.93	63.80	64.68

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 08/2014

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	8,021	118	0.079	50
Railroad	Number of Zero-Rated Vehicular Flats	24	.	.	.
Railroad	All Other Cars	463,027	64	0.068	.
Railroad	Number of Zero-Rated Other Cars	19,476	.	.	.
Railroad	Total Railroad Equipment	490,548	.	.	.
	
Private	Vehicular Flats	50,765	80	0.016	67
Private	Number of Zero-Rated Vehicular Flats	68	.	.	.
Private	Covered Hoppers	342,725	0	0.442	.
Private	Number of Zero-Rated Covered Hoppers	9,988	.	.	.
Private	Tanks	349,889	0	0.745	.
Private	Number of Zero-Rated Tanks	8,173	.	.	.
Private	All Other Cars	288,125	74	0.075	.
Private	Number of Zero-Rated Other Cars	28,769	.	.	.
Private	Total Private Equipment	1,078,502	.	.	.

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

RCAF - Depreciation

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

Forecast Year 2015 As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast →		15Q1	15Q2	15Q3	15Q4
For Actual →		14Q3	14Q4	15Q1	15Q2
January	2014	196.0	196.0	196.0	196.0
February	2014	197.4	197.4	197.4	197.4
March	2014	196.8	196.8	196.8	196.8
April	2014	196.2	196.2	196.2	196.2
May	2014	196.7	196.7	196.7	196.7
June	2014	196.8	196.8	196.8	196.8
July	2014	196.4			
August	2014	196.2			
September	2014	197.0			
October	2014	196.8			
November	2014				
December	2014				
January	2015				
February	2015				
March	2015				
April	2015				
May	2015				
June	2015				
July	2015				
Actual Qtr.		196.5	NA	NA	NA

1980=100

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

0.904 =1980

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Producer Price Index-Commodities

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

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	196.2	196.7	196.8	196.4(P)	196.2(P)	197.0(P)	196.8(P)			

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

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11/18/2014

RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

Forecast Year 2014

As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast →		15Q1	15Q2	15Q3	15Q4
For Actual →		14Q3	14Q4	15Q1	15Q2
January	2014	197.2	197.2	197.2	197.2
February	2014	197.6	197.6	197.6	197.6
March	2014	197.3	197.3	197.3	197.3
April	2014	197.7	197.7	197.7	197.7
May	2014	197.6	197.6	197.6	197.6
June	2014	197.7	197.7	197.7	197.7
July	2014	198.0			
August	2014	198.3			
September	2014	198.5			
October	2014	198.5			
November	2014				
December	2014				
January	2015				
February	2015				
March	2015				
April	2015				
May	2015				
June	2015				
July	2015				
Actual Qtr.		198.3	NA	NA	NA

1980=100

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

0.892 =1980

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Producer Price Index-Commodities

Series Id: WPU03T15M05
 Not Seasonally Adjusted
Group: Industrial Commodities less fuels
Item: Industrial commodities less fuels
Base Date: 199200

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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	197.7	197.6	197.7	198.0(P)	198.3(P)	198.5(P)	198.5(P)			

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

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