226114

ASSOCIATION
OF AMERICAN
RAILROADS

John T. Gray
Senior Vice President - Policy & Economics

December 4, 2009

ENTERED
Office of Proceedings
DEC - 4 2009
Part of
Public Record

The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW.
Washington, DC 20423-0001

Dear Ms. Quinlan:

This submission is the AAR forecast of the first quarter 2010 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2010-1) *Quarterly Rail 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 2010 results on the fourth quarter 2007 base, and shows the percentage changes from the previous quarter.

	2009Q4	2010Q1	% Change
All-Inclusive Index	99.8	104.5	4.7
Preliminary RCAF	0.998	1.045	4.7
Forecast Error Adjustment	-0.002	-0.007	
RCAF (Unadjusted)	0.996	1.038	4.2
Productivity Adjustment Factor	2.2122	2.2204	
RCAF (Adjusted)	0.450	0.467	3.8
PAF-5	2.3329	2.3415	
RCAF-5	0.427	0.443	3.7

425 Third Street, SW ◆ Suite 1000 ◆ Washington, DC 20024
Phone (202) 639-2319 ◆ Fax (202) 639-2499 ◆ jgray@aar.org

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.

Two copies of the quarterly non-proprietary workpapers underlying this submission are filed herewith, in accordance with the ICC's order in Ex Parte No. 290 (Sub-No. 2), *Railroad Cost Recovery Procedures,* served February 8, 1990. A third copy of the working papers has been delivered to Paul Aguiar in the STB office handling this proceeding. All workpapers are available for STB inspection. Questions should be directed to me or Clyde Crimmel (202 639-2309) of this office.

Sincerely,

John T. Gray

Attachments

First Quarter 2010
All-Inclusive Index

Ex Parte No. 290 (Sub-No. 5) (2010-1)

Quarterly Rail Cost Adjustment Factor
Surface Transportation Board

Policy and Economics Department
Association of American Railroads

December 4, 2009

Table of Contents

Subject	Page
Introduction	1
Index Weights	2
All-Inclusive Index - First Quarter 2010	3
Forecast vs. Actual All Inclusive Index - Third Quarter 2009	4
Productivity	5
Rail Cost Adjustment Factor - First Quarter 2010	6

Appendices

A Labor

B Fuel

C Materials & Supplies

D Equipment Rents

E Depreciation

F Interest

G Other Expenses

H Railroad and Union Abbreviations

Introduction

On January 2, 1985, the Interstate Commerce Commission (ICC) [now the Surface Transportation Board (STB)] adopted the All-Inclusive Index of Railroad Costs as the basis for the Rail Cost Adjustment Factor (RCAF). The quarterly projection of railroad costs, as documented herein, 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 2010.

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 2008 (current) and 2007 (previous) weights are shown below. The previous (2007) weights were used for the fourth quarter of 2008 through the third quarter of 2009. Beginning with the fourth quarter of 2009, the 2008 weights are used. Comparing 2008 to 2007, the weight for Fuel continued to go up as expected, increasing from 20.3 to 25.2 percent. Although fuel prices were falling at the end of 2008, they were up significantly for the first half of the year, and achieved record highs. The weight for Labor decreased 2.6 percentage points, even though Labor expenses increased in 2008, because the increase in Labor expenses was dwarfed by the huge increase in Fuel expenses. All other changes in weights were by less than 1 percentage point.

RCAF Weights

	Previous 2007	Current 2008
Labor	32.8 %	30.2 %
Fuel	20.3	25.2
Materials & Supplies	5.0	5.1
Equipment Rents	7.2	6.3
Depreciation	11.0	10.4
Interest	2.7	2.3
Other	21.0	20.5

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

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

All-Inclusive Index
First Quarter 2010

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.

	2008 Weights	Forecast Previous 2009Q4	Forecast Current 2010Q1	Percent Change
1. Labor	30.2%	344.8	356.9	3.5 %
2. Fuel	25.2%	234.4	262.6	12.0
3. M&S	5.1%	238.8	242.7	1.6
4. Equipment Rents	6.3%	197.9	198.7	0.4
5. Depreciation	10.4%	198.9	203.3	2.2
6. Interest	2.3%	83.9	83.9	0.0
7. Other	20.5%	198.7	199.8	0.6
8. Weighted Average				
a. 1980 = 100		251.2	262.9	
b. 1980 = 100 (linked)		245.5	256.9 [1]	
c. 4Q07 = 100		99.8	104.5 [2]	4.7

---

[1] To calculate the 1980 = 100 Linked Index:

Index80 = (Current Index / Previous Index) * the Previous Quarter Linked Index

= (262.9 / 251.2) x 245.5

= 256.9

[2] To calculate the 4Q07 = 100 index:

Index4Q07 = (Current Linked Index / 4Q07 Linking Factor) * 100

= 256.9 divided by 245.9 times 100

= 104.5

Indexes based on other periods:

4Q02 based index = 256.9 / 192.1 x 100 = 133.7
4Q97 based index = 256.9 / 173.2 x 100 = 148.3
4Q92 based index = 256.9 / 156.9 x 100 = 163.7
4Q87 based index = 256.9 / 132.2 x 100 = 194.3

Forecast vs. Actual All-Inclusive Index

Third Quarter 2009

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 99.1 is 0.7 index points below the forecast value of 99.8. Therefore, the forecast error adjustment for first quarter 2010 is -0.7 index points.

	2007 Weights	Third Quarter 2009 Forecast	Third Quarter 2009 Actual	Amt Difference
1. Labor	32.8%	347.2	347.2	
2. Fuel	20.3%	231.2	218.3	
3. M&S	5.0%	255.9	255.9	
4. Equipment Rents[1]	7.2%	192.4	196.2	
5. Depreciation	11.0%	206.0	200.2	
6. Interest	2.7%	88.0	88.0	
7. Other	21.0%	191.5	198.0	
8. Weighted Average				
a. 1980 = 100		252.7	251.1	
b. 1980 = 100 (linked)		245.3	243.8 [2]	
c. 4Q07 = 100[3]		99.8	99.1	-0.7

Forecast error ⟶ -0.7 index points

---

[1]

	2007 Weights	Third Quarter 2009 Forecast	Third Quarter 2009 Actual
Car-Hire	43.2%	182.4	182.2
Lease Rentals	56.8%	191.5	198.0
Weighted Average		187.6	191.2
Weighted Average (linked)		192.4	196.2

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

243.8 = 251.1 / 239.8 x 232.8

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

Productivity

On March 20, 2009, the Surface Transportation Board (STB) served a decision in Ex Parte 290 (Sub-No. 4) which modified its earlier decision that added the year 2007 to the Productivity Adjustment Factor (PAF) and deleted the year 2002. The revised decision creates a geometric average annual productivity change for 2003 through 2007 of 1.5 percent per year. The components of this average annual value are shown on the following table in ratio format – therefore, 1.015 is the same as an increase of 1.5 percent. Productivity changes are calculated by dividing the output index by the input index. The average annual rate is calculated by multiplying each of the five productivity changes together and taking the result to the one fifth power. The quarterly productivity adjustment factors (PAF) are calculated by increasing the previous quarter's PAF by quarterly versions of the annual rate which are the fourth root of the average annual growth rate. The difference between the PAF and the PAF-5 is the timing of the 5-year productivity trend.

Comparison of Output, Input, & Productivity

2003 - 2007

Year	Output Index (1)	Input Index (2)	Productivity[1] Changes (3)
2003	1.039	1.020	1.019
2004	1.033	1.057	0.977
2005	1.021	0.956	1.068
2006	1.018	1.024	0.994
2007	1.014	0.996	1.018
Average			1.015
Previous Average (2002-2006)			1.012

[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 2003-2007, use fourth root of avg. productivity change = 1.0037
For 2002-2006, use fourth root of avg. productivity change = 1.0030

Quarter	Year	PAF	PAF-5
Q1	2009	2.1878	2.3120
Q2	2009	2.1959	2.3189
Q3	2009	2.2040	2.3259
Q4	2009	2.2122	2.3329
Q1	2010	2.2204	2.3415

2002-2006

2003-2007

Rail Cost Adjustment Factor
First Quarter 2010

Four RCAF values are presented in this filing. Two are not modified for productivity (Preliminary RCAF and RCAF Unadjusted), and two incorporate a productivity calculation (RCAF Adjusted and RCAF-5). The All-Inclusive Index and all four RCAF values, plus the percent change for each, are shown below. Note that the All-Inclusive Index is on a 2007Q4=100 basis.

	Previous 2009Q4	Current 2010Q1	Percent Change
All-Inclusive Index[1]	99.8	104.5	4.7
Preliminary RCAF[2]	0.998	1.045	4.7
Forecast Error Adjustment[3]	-0.002	-0.007	
RCAF (Unadjusted)[4]	0.996	1.038	4.2
Productivity Adjustment Factor[5]	2.2122	2.2204	
RCAF (Adjusted)[6]	0.450	0.467	3.8
PAF-5[7]	2.3329	2.3415	
RCAF-5[8]	0.427	0.443	3.7

[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 2010

The first quarter 2010 Labor Index is forecast to increase 3.5 percent. Non-union wage increases and new health & welfare premiums were major contributors to the change.

Wage Rate Index

The Wage Rate Index portion of the Labor Index increased 0.4 percent from the previous quarter. Although wage rates were 1 percent higher, the complete amortization and removal of certain lump sum and back pay amounts resulted in a net increase of only 0.4 percent.

Wage Increases: Following past index procedure, non-union employees were assigned a general wage increase equal to the amount most unions received last July. In this case, the increase was 4.5 percent. A small number of independent unions are still receiving cost-of-living allowance increases (20 cents for this period), and one independent union will receive a 5 percent general wage increase effective January 1.

Lump Sums: The lump sum rate dropped primarily because of the complete amortization and removal of a signing bonus and lump sum amount related to last year's new labor agreement between Norfolk Southern and the BLET. [See Appendix H for common railroad and union abbreviations.] That bonus differs from the annual Norfolk Southern Thoroughbred Performance Bonus that is replaced in the index each year with a new bonus as described in the labor agreement.

Back Pay: The back pay rate dropped significantly because of the complete amortization and removal of amounts related to last year's new national labor agreement with the IAM. In addition, three other back pay amounts were also completely amortized and removed.

Other: Other wages contains the amortization of profit sharing payments that the BNSF Railway makes each year to its dispatchers, yardmasters, and engineers. This rate is unchanged.

Supplements Index

New health & welfare premiums and higher unemployment insurance taxes were the major causes of an 8.6 percent increase in the Supplements Index.

Health & Welfare: Significantly higher new health & welfare premiums (see pages 4 and 5 of this appendix) became effective on January 1. The increased premiums were caused primarily by higher than projected furloughs that caused a shortage of funding in the Trust used to pay premiums. Employee health & welfare cost sharing payments also increased effective January 1, and that increase in employee contributions helped offset some of the increase in premiums payable by employers.

Labor
First Quarter 2010

Railroad Retirement: The Railroad Retirement Rate was essentially unchanged, as it decreased by two tenths of a cent. A small increase in total wages combined with an increase in pre-tax employee health & welfare cost sharing resulted in slightly lower taxable earnings. New maximum taxable earnings (see page 4 of this appendix), effective January 1, were unchanged from 2009. Tier I and Tier II tax rates also did not change.

Unemployment Insurance: The unemployment insurance hourly rate increased 6.7 cents. Railroad unemployment insurance rates are experienced-rated by employer and will range from 2.15 (0.65 plus a 1.5 percent surcharge for 2010) to 12 percent. For 2010, the Class I railroads will have an average tax rate of 3.26 percent. The 2010 average tax rate is at its highest level since 2002 and 2003, which was a post recession period with unemployment rates at higher than normal levels. Given today's high unemployment rate, it is not surprising that the average unemployment insurance tax rate has increased. The maximum taxable earnings on monthly employee compensation is unchanged for 2010. Page 4 of this appendix contains average tax rates and maximum taxable earnings for the three most recent years.

Other: The "Other" category is a reflection of all other fringe benefits, and currently contain known employer contributions to employee 401(k) accounts and employer contributions to employee stock plans that are recorded as fringe benefits. The small increase was caused by one railroad's perfect attendence stock award paid twice a year.

Labor Index Calculation

As shown in Table A-1 on the next page, the 0.4 percent increase in the Wage Index and the 8.6 percent increase in the Supplements Index had a combined effect of a 3.5 percent increase in the Labor Index. The linked first quarter 2010 index is 356.9.

Labor

First Quarter 2010

Table A-1 Labor Index

	2009Q4	2010Q1	Change Percent	Change Amount
Base Wage – Straight Time & Pay For Time Not Worked	$35.189	$35.534	1.0%	$0.345
Adjustments:				
Lump Sum	0.319	0.244	-23.5%	-0.075
Back Pay	0.163	0.033	-79.8%	-0.130
Other	0.191	0.191	0.0%	0.000
Total Wages	35.862	36.002	0.4%	0.140
Health & Welfare Benefits	5.798	6.865	18.4%	1.067
RR Retirement & Medicare	7.176	7.174	0.0%	-0.002
Unemployment Insurance	0.208	0.275	32.2%	0.067
Other	0.078	0.087	11.5%	0.009
Total Supplements	$13.260	$14.401	8.6%	1.141
Total Labor	$49.122	$50.403		
Wage Index[1]	306.9	308.1	0.4%	
Supplements Index[2]	490.0	532.2	8.6%	
Total labor Index, 2008 Weights[3]	357.6	370.2		
Labor Index (linked)[4]	**344.8**	**356.9**	3.5%	

[1] 1980 wage rate $11.685

[2] 1980 supplements rate $2.706

[3] 2008 weights: wages, supplements 72.3% 27.7%

[4] 2010Q1 linked Index = 2009Q4 linked x (2010Q1 / 2009Q4)

= 344.8 x 370.2 / 357.6

Labor

First Quarter 2010

Supplement Comparisons

Health and Welfare Rates

Plan	Railroad Contribution Per Employee Per Month			Change	
	2008	2009	2010	'08-'09	'09-'10
Group Health & Life	$1,076.61	$1,112.21	$1,305.91	3.3%	17.4%
Early Retirement Major Medical	110.98	117.56	155.96	5.9%	32.7%
Group Dental	45.72	56.31	57.29	23.2%	1.7%
Group Vision	10.16	10.16	10.41	0.0%	2.5%
Supplemental Sickness					
Maintenance of Way	14.89	14.89	24.90	0.0%	67.2%
Shop Crafts	30.04	30.04	25.71	0.0%	-14.4%
Signalmen	8.55	8.55	8.65	0.0%	1.2%
Yardmasters	33.21	28.89	32.16	-13.0%	11.3%

Railroad Retirement and Medicare

	Earnings Base			Employer Rate		
	2008	2009	2010	2008	2009	2010
Tier I	$102,000	$106,800	$106,800	6.20%	6.20%	6.20%
Tier II	75,900	79,200	79,200	12.10%	12.10%	12.10%
Medicare	no limit	no limit	no limit	1.45%	1.45%	1.45%

Unemployment Insurance

Monthly Taxable Earnings Base			Weighted Avg. Class I Rate		
2008	2009	2010	2008	2009	2010
$1,280	$1,330	$1,330	2.48%	2.47%	3.26%

Labor
First Quarter 2010

NATIONAL RAILWAY LABOR CONFERENCE
EMPLOYEE BENEFITS DEPARTMENT
1901 L STREET, N.W., WASHINGTON, D.C. 20036-3514 ♦♦♦♦ PHONE: (202) 862-7200 FAX: (202) 862-7253

DAVID B. MARCUS
Director Employee Benefits
(202) 862-7244
E-mail: sparks@rrnrlc.org

SUSAN E. PARKS, CEBS
Benefits Administrator
(202) 862-7225
E-mail: sparks@rrnrlc.org

November 9, 2009

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, 2010 are as follows:

Aetna - Supplemental Sickness Plans	
ShopCrafts	$ 25.71
Signalmen	$ 8.65
Maintenance of Way	$ 24.90
Trustmark - Supplemental Sickness Plans	
Yardmasters	$ 32.16
Railroad Employees National Health & Welfare Plan & National Railway Carriers/United Transportation Union H&W Plan	
Non-Hospital Road	$1,305.91
Railroad Employees National Early Retirement Major Medical Benefit Plan	
Non-Hospital Road	$ 155.96
Aetna - National Dental Plan	$ 57.29
VSP - National Vision Plan	$ 10.41

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

Very truly yours,

Susan E. Parks

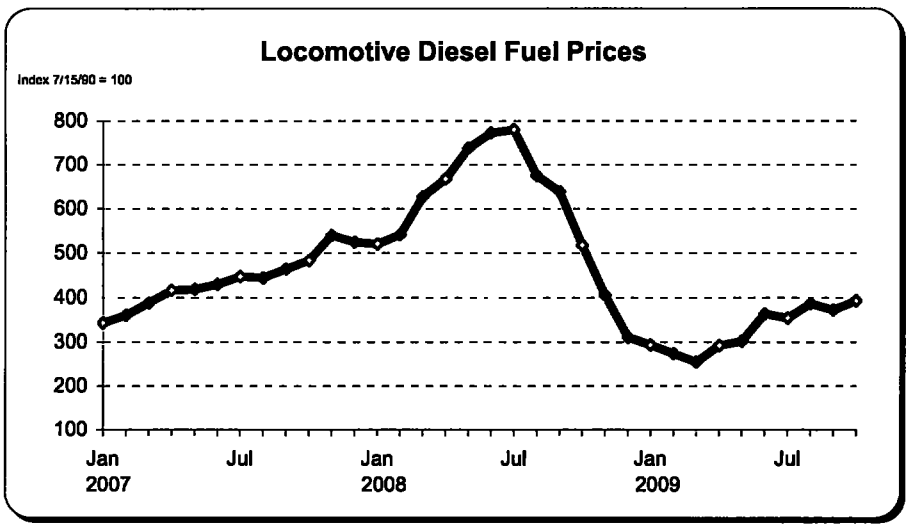
cc: Glen Williams

Fuel

First Quarter 2010

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.

After huge price drops in the last half of 2008, locomotive diesel fuel prices began increasing in April 2009. Since that time, fuel prices have been trending upward, and October prices are 34 percent higher than they were in January. At this time (December 1, 2009), the NYMEX daily heating oil price is already 6.5 percent higher than its average for October.* Railroads believe locomotive diesel fuel prices (like heating oil prices, so far) will continue to increase into January 2010 (Q1), and will be 7.6 percent higher than the actual average price paid by the railroads in the fourth quarter (October 2009). Because the RCAF's fourth quarter forecast (October) was too low, the first quarter forecast is a 12 percent increase.



Forecast Fuel Index	262.6
Change from previous quarter forecast	12.0%
Change from previous quarter actual	7.6%

* 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 2010

The first quarter 2010 Materials and Supplies Index increased slightly, although it is still below the levels reached in the first three quarters of 2009. The current quarter's 1.6 percent increase was caused mostly by increases in prices in the Miscellaneous Products category, such as ballast.

2010Q1	Materials & Supplies Index =	242.7
2009Q4	Materials & Supplies Index =	238.8
	Difference	3.9 basis points or 1.6 %

Equipment Rents
First Quarter 2010

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 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 Rent Index Calculation

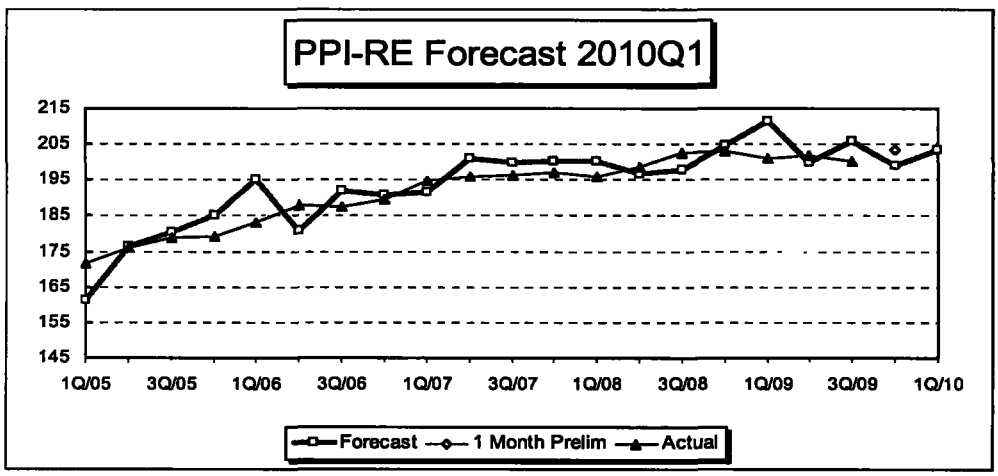
The table below calculates the Equipment Rent Index, which increased 0.4 percent. The Car Hire portion of the Index increased 0.2 percent because of higher rates for privately-owned cars. A 0.6 percent increase for the PPI-LF (See Appendix G) used as a proxy for Lease Rentals, combined with the 0.2 percent increase for Car Hire, caused the Equipment Rent Index to increase 0.4 percent.

	2008 Weight	2009Q4	2010Q1	Percent Change
Car Hire	43.9%	185.5	185.8	0.2 %
Lease Rentals	56.1%	198.7	199.8	0.6
Weighted Average		192.9	193.7	0.4
Weighted Average (Linked)		197.9	198.7	0.4

Depreciation
First Quarter 2010

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

Forecast of Depreciation Index (1982=100)	183.8	
Forecast of Depreciation Index (1980=100)	203.3	
Change from previous quarter forecast	2.2%	
Change from actual first month of previous quarter	0.0%	← → -0.049%
Change from same quarter of prior year (actual)	1.2%	



Depreciation
First Quarter 2010

PPI RAILROAD EQUIPMENT

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

Term	Coefficient	Std. Error	t-Statistic	Significance
A[12]	0.4158	0.1142	3.6418	0.9995

Within-Sample Statistics

Sample size 72	Number of parameters 1
Mean 167.4	Standard deviation 14.22
R-square 0.9893	Adjusted R-square 0.9893
Durbin-Watson 1.856	Ljung-Box(18)=16.16 P=0.4186
Forecast error 1.469	BIC 1.503
MAPE 0.005801	RMSE 1.459
MAD 0.9666	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2009-05	180.000
2009-06	180.000
2009-07	179.600
2009-08	179.600
2009-09	183.900
2009-10	183.900

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2009-11	180.896	183.775	186.654
2009-12	179.329	183.401	187.473
2010-01	178.789	183.775	188.762
2010-02	178.100	183.858	189.617
2010-03	177.338	183.775	190.213
QTR AVG	**178.076**	**183.803**	**189.531**

Interest
First Quarter 2010

The Interstate Commerce Commission, in its decision served February 28, 1989, revised the All-Inclusive Index methodology to include a specific interest component, which is to track changes in the average interest rate from year to year. The interest rate is essentially the embedded cost of debt, i.e., total interest expense divided by average total long term debt. The interest rate is calculated for the most recent year and used until the next year's figures are available. Typically in the fourth quarter filing, the interest rate is updated to the new level. The source for interest expense is Schedule 210, column b, from the R-1 annual report. The lines used from current R-1 annual reports are listed below. The source for average total debt is Schedule 200 from the R-1 annual report. The sums of data from columns b and c (ending and beginning balances) are combined and divided by 2 to compute an average balance. The line numbers are listed below. Beginning with fourth quarter 2009, the Interest Index is based on data for 2008.

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

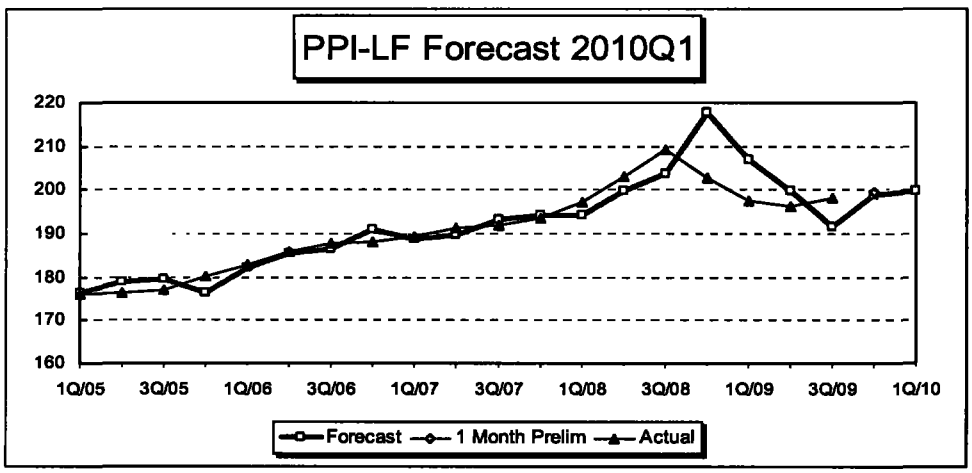
2008	Interest Rate	6.59%
1980	Interest Rate	7.85%
2010Q1	**Interest Index**	**83.9**
2009Q4	Interest Index	83.9
	Percent Change	0.0%

Other Expenses
First Quarter 2010

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

Like the PPI-RE, the PPI-LF is forecast using an ARIMA process on 6 years of monthly data (a sample size of 72) with the most recent available monthly data being the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent month available. April and July would be the most recent months available for third and fourth quarter forecasts respectively. The output from the forecast model is shown on page 2 of this appendix for 1982=100. The figure forecast by the model for the first quarter reflects monthly PPI-LF figures that decreased for nine consecutive months, but now have increased for five consecutive months. The current monthly index is still below its level for most months in 2008.

Forecast of Other Expense Index (1982=100)	178.2
Forecast of Other Expense Index (1980=100)	199.8
Change from previous quarter forecast	0.6%
Change from actual first month of previous quarter	0.3%
Change from same quarter of prior year (actual)	1.1%



Other Expenses
First Quarter 2010

PPI INDUSTRIAL COMMODITIES LESS FUELS AND RELATED PRODUCTS AND POWER

Recommended model: Box-Jenkins
Forecast Model for PPILF
ARIMA(0,2,1)

Term	Coefficient	Std. Error	t-Statistic	Significance
b[1]	0.0111	0.1204	0.0918	0.0729 <-

Insignificant MA terms are harmless.

Within-Sample Statistics

Sample size 72	Number of parameters 1
Mean 166.5	Standard deviation 10.88
R-square 0.9955	Adjusted R-square 0.9955
Durbin-Watson 1.951	Ljung-Box(18)=23.24 P=0.8183
Forecast error 0.7288	BIC 0.7455
MAPE 0.003073	RMSE 0.7237
MAD 0.5237	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2009-05	174.900
2009-06	175.200
2009-07	175.600
2009-08	176.500
2009-09	177.700
2009-10	177.800

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2009-11	176.474	177.912	179.351
2009-12	174.822	178.024	181.227
2010-01	172.788	178.136	183.485
2010-02	170.427	178.248	186.070
2010-03	167.777	178.361	188.944
QTR AVG	**170.331**	**178.248**	**186.166**

Railroad and Union Abbreviations
First Quarter 2010

Railroads

BLE	Bessemer & Lake Erie Railroad (Part of CN's Grand Trunk Corp.)
BNSF	BNSF Railway Company
CC	Chicago, Central & Pacific (Part of CN's Grand Trunk Corp. Sometimes noted as CC&P.)
CN	Canadian National Railway (Commonly known as CN, owns Grand Trunk Corporation.)
CNGT	AAR's abbreviation for Grand Trunk Corporation (Almost all of CN's U.S. operations.)
CP	Canadian Pacific (Also noted as CPR. Owns the U.S. Class I railroad Soo Line.)
CSX	CSX Transportation
DMIR	Duluth, Missabe & Iron Range Company (Part of CN's Grand Trunk Corp.)
DWP	Duluth, Winnipeg & Pacific Railway (Part of CN's Grand Trunk Corp.)
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 (Canadian Pacific Railway's western U.S. operations.)
UP	Union Pacific Railroad
WC	Wisconsin Central and subsidiaries (Part of CN's Grand Trunk Corp.)

Major Unions Involved with Railroads

ATDA	American Train Dispatchers Association
BLET	Brotherhood of Locomotive Engineers and Trainmen Division 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)

226114

Workpapers Sent to STB for 2010 Q1 RCAF

December 4, 2009

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. National Increase Applicability and U.S. 2008 Benchmark spreadsheets
6. Wall Street Journal - 13 week Treasury Bill Rate from latest auction (a.k.a. 3-Mo. T-Bill)
7. 2010/Q1 RCAF Lump Sum Amortization (3 pages)
8. 2010/Q1 RCAF Back Pay Amortization (3 pages)
9. Health & Welfare worksheet (3 pages) and two NRLC memos: new pmt rates, employee cost sharing
10. Railroad Retirement spreadsheet (5 pages)
11. 2010 RR Retirement Tax Rates and Taxable Earnings from Railroad Retirement Board web site
12. Unemployment Insurance worksheet
13. 2-page SAS run for Unemployment Insurance
14. Memo for new Unemployment Insurance Tax Rate for 2010
15. 2010 Unemployment Insurance Tax Rate ranges and Taxable Earnings from RRB web site
16. Summary of Materials & Supplies (one page)
17. Car Hire Spreadsheet (2 pages) plus 2-page source data page for December 1, 2009
18. 4 pages of PPI-RE for Depreciation including graph, input/output, and BLS source data
19. 4 pages of PPI-LF for Other (and Lease Rentals) incl. graph, input/output, BLS source data
20. Forecast Error calculation and workpapers (11 pages: calc, index, fuel, 4 car hire, 2 deprec, 2 other)

RCAF All-Inclusive Index's Labor Index Based on 2008 Benchmarks

	08 Wts.	3Q/09 Original	3Q/09 Rebenched	% Chg	4Q/09	% Chg fr. Orig	1Q/10	% Chg	2Q/10	% Chg	3Q/10	% Chg
Straight Time		$28.088	$28.463	1.3%	$28.467	1.3%	$28.798	1.2%		--		--
PFTNW		$6.399	$6.721	5.0%	$6.722	5.0%	$6.736	0.2%		--		--
Total		$34.487	$35.184	2.0%	$35.189	2.0%	$35.534	1.0%	$0.000	--	$0.000	--
Adjustments												
Lump Sum		$0.311	$0.318		$0.319		$0.244					
Back Pay		$0.923	$0.947		$0.163		$0.033					
Other		$0.186	$0.191		$0.191		$0.191					
Total Wages		**$35.907**	**$36.640**	**2.0%**	**$35.862**	**-0.1%**	**$36.002**	**0.4%**	**$0.000**	--	**$0.000**	--
Pre-Tax Reduction		($1.050)	($1.040)		($1.040)		($1.192)					
Taxable Wages		**$34.857**	**$35.600**		**$34.822**		**$34.810**		**$0.000**		**$0.000**	
H & W		$5.868	$5.798	-1.2%	$5.798	-1.2%	$6.865	18.4%		--		--
RR Ret & Medicare		$7.238	$7.288	0.7%	$7.176	-0.9%	$7.174	0.0%		--		--
Unemp. Insurance		$0.208	$0.208	0.0%	$0.208	0.0%	$0.275	32.2%		--		--
Other		$0.157	$0.161	2.5%	$0.078	-50.3%	$0.087	11.5%		--		--
Total		$13.471	$13.455	-0.1%	$13.260	-1.6%	$14.401	8.6%	$0.000	--	$0.000	--
Adjustments												
Total Suppl.		**$13.471**	**$13.455**	**-0.1%**	**$13.260**	**-1.6%**	**$14.401**	**8.6%**	**$0.000**	--	**$0.000**	--
Total Labor		$49.378	$50.095	1.5%	$49.122	-0.5%	$50.403	2.6%	$0.000	--	$0.000	--
Wage Rate Index	0.7230	307.3	313.6	2.1%	306.9	-0.1%	308.1	0.4%	0.0	--	0.0	--
Suppl Index	0.2770	497.8	497.2	-0.1%	490.0	-1.6%	532.2	8.6%	0.0	--	0.0	--
Total Labor Index '07 Wts.		362.0										
Total Labor Index '08 Wts.		360.1	364.5	1.2%	357.6	-0.7%	370.2	3.5%	0.0	--	0.0	--
Labor Index (Linked)		**347.2**			**344.8**	**-0.7%**	**356.9**	**3.5%**	**0.0**	**######**	**#DIV/0!**	--

All Inclusive Index and RCAF

	08 Wts	3Q/09	3Q/09 08 Wts	% Chg	4Q/09	% Chg	1Q/10	% Chg	2Q/10	% Chg	3Q/10	% Chg
Labor	0.302	347.20	347.2	0.0%	344.8	-0.7%	356.9	3.5%	0.0	######	#DIV/0!	–
Fuel	0.252	231.20	231.2	0.0%	234.4	1.4%	262.6	12.0%		–		–
M&S	0.051	255.90	255.9	0.0%	238.8	-6.7%	242.7	1.6%		–		–
Equip. Rents	0.063	192.40	192.4	0.0%	197.9	2.9%	198.7	0.4%	0.0	######	#DIV/0!	–
Depreciation	0.104	206.00	206.0	0.0%	198.9	-3.4%	203.3	2.2%		–		–
Interest	0.023	88.00	88.0	0.0%	83.9	-4.7%	83.9	0.0%	83.9	0.0%	83.9	0.0%
Other	0.205	191.50	191.5	0.0%	198.7	3.8%	199.8	0.6%		–		–
Weighted Avg.	1.000	252.70	251.0	-0.7%	251.2	0.1%	262.9	4.7%	1.9	-99.3%	#DIV/0!	–
Linked		245.30			245.5	0.1%	256.9	4.6%	1.9	-99.3%	#DIV/0!	–
	Basing Factor											
10/1/80 basis	102.7	238.90			239.0	0.0%	250.1	4.6%	1.9	-99.2%	#DIV/0!	–
10/1/82	120.9	202.90			203.1	0.1%	212.5	4.6%	1.6	-99.2%	#DIV/0!	–
4Q/87	132.2	185.60			185.7	0.1%	194.3	4.6%	1.4	-99.3%	#DIV/0!	–
4Q/92	156.9	156.30			156.5	0.1%	163.7	4.6%	1.2	-99.3%	#DIV/0!	–
4Q/97	173.2	141.60			141.7	0.1%	148.3	4.7%	1.1	-99.3%	#DIV/0!	–
4Q/02	192.1	127.70			127.8	0.1%	133.7	4.6%	1.0	-99.3%	#DIV/0!	–
4Q/07 basis	245.9	99.80			99.8	0.0%	104.5	4.7%	0.8	-99.2%	#DIV/0!	–
Car Hire	0.439	182.40	182.4	0.0%	185.5	1.7%	185.8	0.2%		–		–
Lease Rents	0.561	191.50	191.5	0.0%	198.7	3.8%	199.8	0.6%	0.0	–	0.0	–
Wghted Avg Eq Rents		187.60	187.5	-0.1%	192.9	2.9%	193.7	0.4%	0.0	–	0.0	–
Linked Equipment Rents		192.40			197.9	2.9%	198.7	0.4%	0.0	######	#DIV/0!	–
Preliminary RCAF		0.998			0.998	0.00%	1.045	4.7%	0.008	-99.2%	#DIV/0!	–
Forecast Error Adj.		(0.060)			(0.002)		(0.007)					
RCAF Unadjusted		0.938			0.996	6.18%	1.038	4.2%	0.008	-99.2%	#DIV/0!	–
PAF		2.2040			2.2122	0.37%	2.2204	0.37%		–		–
RCAF Adjusted		0.426			0.450	5.63%	0.467	3.8%	#DIV/0!	–	#DIV/0!	–
PAF-5		2.3259			2.3329	0.30%	2.3415	0.37%		–		–
RCAF-5		0.403			0.427	5.96%	0.443	3.7%	#DIV/0!	–	#DIV/0!	–

Hourly Rate for 2010 Q1
Straight Time and Time Paid For But Not Worked

2010Q1 Straight Time Hourly Rate (from national spreadsheet)		$28.627
4.5 percent general wage increase for non-union		
Adjustments to 2008 base:		
Adjustments added 2009 Q1		
CN Railroads	3% GWI for GTW BMWE and WC BRS, COLA for WC&DMIR&DWP BMWE, 4% for non-unions	0.004
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	4% for UP ATDA as non-union	0.006
SOO	COLA for BMWE	0.001
Adjustments added 2009 Q2		
CN Railroads	No change	0.000
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	No change	0.000
SOO	No change	0.000
Adjustments added 2009 Q3		
CN Railroads	New BLE BMWE and WC BLET, GWI for most of rest	0.026
Dispatcher 4 (BNSF, CSX, KCS, NS)	4 5% G W.I. for BNSF and KCS, 4% for CSX	0.009
Misc. Independent BLET, Yardmasters, Dispatchers	4 5% G W I. for BNSF BLET, CSX & UP UTU-YMD, 5% G W.I. for NS BLET	0.090
SOO	New BMWE with retro GWI, 4.5% G.W.I. for rest unions	0.021
Adjustments added 2009 Q4		
CN Railroads	New WC UTU-YMD with 1 retro wage increase	0.004
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	No change	0.000
SOO	No change	0.000
Adjustments added 2010 Q1		
CN Railroads	Mostly non-union wage increases	0.002
Dispatcher 4 (BNSF, CSX, KCS, NS)	5% GWI for CSX ATDA-East (30% total)	0.001
Misc. Independent BLET, Yardmasters, Dispatchers	4.5% GWI for non-union UP dispatchers	0.007
SOO	No change	0.000
Adjusted STHR Total		**$28.798**

Pay For Time Not Worked

PFTNW (from national spreadsheet)		$6.696
Ratio Adj STHR to Nat STHR	28.798 / 28.627 =	1.00597
Adjusted Pay For Time Not Worked		**$6.736**

Notes:

1. CN Railroads includes B&LE, CC&P, DMIR, DW&P, GTW, IC, and WC
2. "Dispatcher 4" was benchmarked based on 2008 Wage Statistics as independent, even though the new national ATDA contract was signed September 1, 2007.

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/2010

U.S. ST Hours = 322,915,071

Wage Statistics are for 2008.

Union Group	Employees	Mo. Rate	Annual $
National BLET (BNSF, CSX, KCS, NS, UP)	27,033	($200.00)	($64,879,200.00)
National BMWE (BNSF, CSX, KCS, NS, UP)	24,330	($200.00)	($58,392,000.00)
National BRS (BNSF, CSX, KCS, NS, UP)	6,265	($200.00)	($15,036,000.00)
National IAM (BNSF, CSX, KCS, NS, UP)	6,838	($200.00)	($16,411,200.00)
National IBBM (BNSF, CSX, KCS, NS, UP)	1,012	($200.00)	($2,428,800.00)
National IBEW (BNSF, CSX, KCS, NS, UP)	5,119	($200.00)	($12,285,600.00)
National NCFO (BNSF, CSX, KCS, NS, UP)	2,466	($200.00)	($5,918,400.00)
National SMW (BNSF, CSX, KCS, NS, UP)	1,038	($200.00)	($2,491,200.00)
National TCU (BNSF, CSX, KCS, NS, UP)	6,863	($200.00)	($16,471,200.00)
National TCU-CAR (BNSF, CSX, KCS, NS, UP)	10,467	($200.00)	($25,120,800.00)
National UTU (BNSF, CSX, KCS, NS, UP)	42,698	($200.00)	($102,475,200.00)
National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,701	($200.00)	($4,082,400.00)
Indep. Dispatchers (wt avg BNSF, CSX, KCS, NS)	1,845	($200.00)	($4,428,000.00)
Independent CNGT (wt avg all 104 union categories)	5,917	($107.74)	($7,649,970.96)
Independent SOO (wt avg all 13 unions)	2,359	($200.00)	($5,661,600.00)
Independent UP (Yardmasters only)	22	($200.00)	($52,800.00)
Total Union	145,973		($343,784,370.96)
All Other @ $3,424,986.86 total per month			($41,099,842.32)
Total			($384,884,213.28)

Reduction in Wage Rate Per ST Hour	-$1.19190539
Deduct this amount from the Wage Rate	-$1.192

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	0.25331	0.04116	0.179	0.0059	0.03797	0.14505	0.06311	0.0141	0.03989	0.00609	0.03034	0.01364	0.00976	0.16065	1.00000
2008 Avg.	23.391	23.949	25.376	23.621	25.553	22.283	23.161	19.295	23.557	21.757	24.037	34.958	28.753	42.802	362.492
12/31/08	23.847	24.414	25.688	24.085	26.047	22.706	23.618	19.673	24.047	22.184	24.507	35.254	29.284	42.802	368.155
1/1/09	23.847	24.414	25.688	24.085	26.047	22.706	23.618	19.673	24.047	22.184	24.507	35.254	29.284	44.514	
4/1/09	23.847	24.414	25.688	24.085	26.047	22.706	23.618	19.673	24.047	22.184	24.507	35.254	29.284	44.514	
7/1/09	24.866	25.394	26.068	25.144	27.159	23.655	24.606	20.527	25.082	23.125	25.559	35.254	30.016	44.514	
10/1/09	24.866	25.394	26.068	25.144	27.159	23.655	24.606	20.527	25.082	23.125	25.559	35.254	30.016	44.514	
1/1/10	24.866	25.394	26.068	25.144	27.159	23.655	24.606	20.527	25.082	23.125	25.559	35.254	30.016	46.517	
4/1/10	24.866	25.394	26.068	25.144	27.159	23.655	24.606	20.527	25.082	23.125	25.559	35.254	30.016	46.517	
7/1/10	24.866	25.394	26.068	25.144	27.159	23.655	24.606	20.527	25.082	23.125	25.559	35.254	30.016	46.517	

Weighted Straight Time Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2008 Avg.	5.925	0.986	4.542	0.139	0.970	3.232	1.462	0.272	0.940	0.133	0.729	0.477	0.281	6.876	**26.964**
12/31/08	6.041	1.005	4.598	0.142	0.989	3.294	1.491	0.277	0.959	0.135	0.744	0.481	0.286	6.876	**27.318**
1/1/09	6.041	1.005	4.598	0.142	0.989	3.294	1.491	0.277	0.959	0.135	0.744	0.481	0.286	7.151	**27.593**
4/1/09	6.041	1.005	4.598	0.142	0.989	3.294	1.491	0.277	0.959	0.135	0.744	0.481	0.286	7.151	**27.593**
7/1/09	6.299	1.045	4.666	0.148	1.031	3.431	1.553	0.290	1.000	0.141	0.776	0.481	0.293	7.151	**28.306**
10/1/09	6.299	1.045	4.666	0.148	1.031	3.431	1.553	0.290	1.000	0.141	0.776	0.481	0.293	7.151	**28.306**
1/1/10	6.299	1.045	4.666	0.148	1.031	3.431	1.553	0.290	1.000	0.141	0.776	0.481	0.293	7.473	**28.627**
4/1/10	6.299	1.045	4.666	0.148	1.031	3.431	1.553	0.290	1.000	0.141	0.776	0.481	0.293	7.473	**28.627**
7/1/10	6.299	1.045	4.666	0.148	1.031	3.431	1.553	0.290	1.000	0.141	0.776	0.481	0.293	7.473	**28.627**

Note: The 2008 Average and 12/31/08 Straight Time Hourly Rates are the industry rates, and include all Class I railroad employees. The rates for 1/1/09 through 7/1/10 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 2008 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	
Weight	0.25331	0.04116	0.179	0.0059	0.03797	0.14505	0.06311	0.0141	0.03989	0.00609	0.03034	0.01364	0.00976	0.16065	1.00000
2008 Avg.	9.976	4.923	9.991	3.952	5.451	3.879	3.944	3.154	4.062	5.705	4.284	7.132	9.709	1.480	77.642
12/31/08	10.171	5.019	10.113	4.030	5.557	3.953	4.021	3.216	4.146	5.816	4.368	7.192	9.888	1.480	
1/1/09	10.171	5.019	10.113	4.030	5.557	3.953	4.021	3.216	4.146	5.816	4.368	7.192	9.888	1.540	
4/1/09	10.171	5.019	10.113	4.030	5.557	3.953	4.021	3.216	4.146	5.816	4.368	7.192	9.888	1.540	
7/1/09	10.605	5.220	10.263	4.207	5.794	4.118	4.190	3.355	4.325	6.063	4.556	7.192	10.136	1.540	
10/1/09	10.605	5.220	10.263	4.207	5.794	4.118	4.190	3.355	4.325	6.063	4.556	7.192	10.136	1.540	
1/1/10	10.605	5.220	10.263	4.207	5.794	4.118	4.190	3.355	4.325	6.063	4.556	7.192	10.136	1.609	
4/1/10	10.605	5.220	10.263	4.207	5.794	4.118	4.190	3.355	4.325	6.063	4.556	7.192	10.136	1.609	
7/1/10	10.605	5.220	10.263	4.207	5.794	4.118	4.190	3.355	4.325	6.063	4.556	7.192	10.136	1.609	

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2008 Avg.	2.527	0.203	1.788	0.023	0.207	0.563	0.249	0.044	0.162	0.035	0.130	0.097	0.095	0.238	**6.361**
12/31/08	2.576	0.207	1.810	0.024	0.211	0.573	0.254	0.045	0.165	0.035	0.133	0.098	0.097	0.238	**6.466**
1/1/09	2.576	0.207	1.810	0.024	0.211	0.573	0.254	0.045	0.165	0.035	0.133	0.098	0.097	0.247	**6.476**
4/1/09	2.576	0.207	1.810	0.024	0.211	0.573	0.254	0.045	0.165	0.035	0.133	0.098	0.097	0.247	**6.476**
7/1/09	2.686	0.215	1.837	0.025	0.220	0.597	0.264	0.047	0.173	0.037	0.138	0.098	0.099	0.247	**6.684**
10/1/09	2.686	0.215	1.837	0.025	0.220	0.597	0.264	0.047	0.173	0.037	0.138	0.098	0.099	0.247	**6.684**
1/1/10	2.686	0.215	1.837	0.025	0.220	0.597	0.264	0.047	0.173	0.037	0.138	0.098	0.099	0.258	**6.696**
4/1/10	2.686	0.215	1.837	0.025	0.220	0.597	0.264	0.047	0.173	0.037	0.138	0.098	0.099	0.258	**6.696**
7/1/10	2.686	0.215	1.837	0.025	0.220	0.597	0.264	0.047	0.173	0.037	0.138	0.098	0.099	0.258	**6.696**

U.S. National Contract

UTU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				23.39120	9.97628
12/31/08 Industry Rate				23.84680	10.17059
1/1/09			94.951%	23.84680	10.17059
4/1/09			94.951%	23.84680	10.17059
7/1/09	4.50%		94.951%	24.86573	10.60516
10/1/09			94.951%	24.86573	10.60516
1/1/10			94.951%	24.86573	10.60516
4/1/10			94.951%	24.86573	10.60516
7/1/10			94.951%	24.86573	10.60516

TCU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				23.94923	4.92321
12/31/08 Industry Rate				24.41374	5.01870
1/1/09			89.195%	24.41374	5.01870
4/1/09			89.195%	24.41374	5.01870
7/1/09	4.50%		89.195%	25.39365	5.22014
10/1/09			89.195%	25.39365	5.22014
1/1/10			89.195%	25.39365	5.22014
4/1/10			89.195%	25.39365	5.22014
7/1/10			89.195%	25.39365	5.22014

BLET

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				25.37580	9.99057
12/31/08 Industry Rate				25.68761	10.11333
1/1/09			32.914%	25.68761	10.11333
4/1/09			32.914%	25.68761	10.11333
7/1/09	4.50%		32.914%	26.06808	10.26312
10/1/09			32.914%	26.06808	10.26312
1/1/10			32.914%	26.06808	10.26312
4/1/10			32.914%	26.06808	10.26312
7/1/10			32.914%	26.06808	10.26312

U.S. National Contract

SMWIA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				23.62136	3.95243
12/31/08 Industry Rate				24.08453	4.02993
1/1/09			97.773%	24.08453	4.02993
4/1/09			97.773%	24.08453	4.02993
7/1/09	4.50%		97.773%	25.14420	4.20724
10/1/09			97.773%	25.14420	4.20724
1/1/10			97.773%	25.14420	4.20724
4/1/10			97.773%	25.14420	4.20724
7/1/10			97.773%	25.14420	4.20724

BRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				25.55267	5.45120
12/31/08 Industry Rate				26.04748	5.55676
1/1/09			94.844%	26.04748	5.55676
4/1/09			94.844%	26.04748	5.55676
7/1/09	4.50%		94.844%	27.15917	5.79392
10/1/09			94.844%	27.15917	5.79392
1/1/10			94.844%	27.15917	5.79392
4/1/10			94.844%	27.15917	5.79392
7/1/10			94.844%	27.15917	5.79392

BMWE

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				22.28288	3.87899
12/31/08 Industry Rate				22.70594	3.95264
1/1/09			92.841%	22.70594	3.95264
4/1/09			92.841%	22.70594	3.95264
7/1/09	4.50%		92.841%	23.65456	4.11777
10/1/09			92.841%	23.65456	4.11777
1/1/10			92.841%	23.65456	4.11777
4/1/10			92.841%	23.65456	4.11777
7/1/10			92.841%	23.65456	4.11777

U.S. National Contract

TCU-Carmen

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				23.16080	3.94353
12/31/08 Industry Rate				23.61778	4.02134
1/1/09			92.995%	23.61778	4.02134
4/1/09			92.995%	23.61778	4.02134
7/1/09	4.50%		92.995%	24.60613	4.18962
10/1/09			92.995%	24.60613	4.18962
1/1/10			92.995%	24.60613	4.18962
4/1/10			92.995%	24.60613	4.18962
7/1/10			92.995%	24.60613	4.18962

NCFO

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				19.29513	3.15370
12/31/08 Industry Rate				19.67347	3.21554
1/1/09			96.432%	19.67347	3.21554
4/1/09			96.432%	19.67347	3.21554
7/1/09	4.50%		96.432%	20.52718	3.35508
10/1/09			96.432%	20.52718	3.35508
1/1/10			96.432%	20.52718	3.35508
4/1/10			96.432%	20.52718	3.35508
7/1/10			96.432%	20.52718	3.35508

IAM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				23.55668	4.06186
12/31/08 Industry Rate				24.04707	4.14642
1/1/09			95.616%	24.04707	4.14642
4/1/09			95.616%	24.04707	4.14642
7/1/09	4.50%		95.616%	25.08175	4.32483
10/1/09			95.616%	25.08175	4.32483
1/1/10			95.616%	25.08175	4.32483
4/1/10			95.616%	25.08175	4.32483
7/1/10			95.616%	25.08175	4.32483

U.S. National Contract

IBBM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				21.75733	5.70456
12/31/08 Industry Rate				22.18363	5.81633
1/1/09			94.321%	22.18363	5.81633
4/1/09			94.321%	22.18363	5.81633
7/1/09	4.50%		94.321%	23.12520	6.06320
10/1/09			94.321%	23.12520	6.06320
1/1/10			94.321%	23.12520	6.06320
4/1/10			94.321%	23.12520	6.06320
7/1/10			94.321%	23.12520	6.06320

IBEW

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				24.03698	4.28436
12/31/08 Industry Rate				24.50749	4.36822
1/1/09			95.333%	24.50749	4.36822
4/1/09			95.333%	24.50749	4.36822
7/1/09	4.50%		95.333%	25.55886	4.55562
10/1/09			95.333%	25.55886	4.55562
1/1/10			95.333%	25.55886	4.55562
4/1/10			95.333%	25.55886	4.55562
7/1/10			95.333%	25.55886	4.55562

ATDA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				34.95760	7.13204
12/31/08 Industry Rate				35.25372	7.19246
1/1/09			0.000%	35.25372	7.19246
4/1/09			0.000%	35.25372	7.19246
7/1/09			0.000%	35.25372	7.19246
10/1/09			0.000%	35.25372	7.19246
1/1/10			0.000%	35.25372	7.19246
4/1/10			0.000%	35.25372	7.19246
7/1/10			0.000%	35.25372	7.19246

Each railroad has been benchmarked as independent even though a national agreement was signed 9/1/07.

U.S. National Contract

YDMSTRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				28.75297	9.70919
12/31/08 Industry Rate				29.28383	9.88845
1/1/09			55.570%	29.28383	9.88845
4/1/09			55.570%	29.28383	9.88845
7/1/09	4.50%		55.570%	30.01611	10.13572
10/1/09			55.570%	30.01611	10.13572
1/1/10			55.570%	30.01611	10.13572
4/1/10			55.570%	30.01611	10.13572
7/1/10			55.570%	30.01611	10.13572

OTHER

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2008 Industry Avg.				42.80152	1.48043
12/31/08 Industry Rate				42.80152	1.48043
1/1/09	4.00%		100.000%	44.51358	1.53965
4/1/09			100.000%	44.51358	1.53965
7/1/09			100.000%	44.51358	1.53965
10/1/09			100.000%	44.51358	1.53965
1/1/10	4.50%		100.000%	46.51670	1.60893
4/1/10			100.000%	46.51670	1.60893
7/1/10			100.000%	46.51670	1.60893

Check Sums

	Increase	Applicable	ST HR	PFTNW HR
2008 AVG			362.49216	77.64235
12/31/08			368.15461	
		1132.785%		
		ok matches	ok matches	ok matches
			ok matches	

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

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

0.060 %

BORROWING BENCHMARKS

Money Rates

November 30, 2009

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. '09	Oct. '08
U.S. consumer price index			
All items	216.177	0.1	-0.2
Core	220.731	0.3	1.7

International rates

	Latest	Week ago	52-WEEK High	52-WEEK Low
Prime rates				
U.S.	3.25	3.25	4.00	3.25
Canada	2.25	2.25	4.00	2.25
Euro zone	1.00	1.00	3.25	1.00
Japan	1.475	1.475	1.675	1.475
Switzerland	0.55	0.52	2.09	0.51
Britain	0.50	0.50	3.00	0.50
Australia	3.50	3.50	5.25	3.00
Hong Kong	5.25	5.20	5.25	5.00
Overnight repurchase				
U.S.	0.20	0.13	0.33	0.05
U.K. (BBA)	0.475	0.482	2.867	0.407
Euro zone	0.36	0.35	2.88	0.31

U.S. government rates

	Latest	Week ago	52-WEEK High	52-WEEK Low
Discount	0.50	0.50	1.25	0.50
Federal funds				
Effective rate	0.14	0.12	0.67	0.09
High	0.4000	0.3800	1.2500	0.2500
Low	0.0500	0.0500	0.3000	0.0000
Bid	0.1000	0.1000	1.2500	0.0000
Offer	0.1500	0.1500	1.0000	0.0200
Treasury bill auction				
4 weeks	0.060	0.050	0.285	0.000
13 weeks	0.060	0.040	0.340	0.005
26 weeks	0.150	0.140	0.495	0.140

Secondary market

	Latest	Week ago	52-WEEK High	52-WEEK Low
Freddie Mac				
30-year mortgage yields				
30 days	4.34	4.50	5.95	3.98
60 days	4.42	4.57	5.55	4.14
One-year RNY	2.500	2.500	3.375	2.500
Fannie Mae				
30-year mortgage yields				
30 days	4.339	4.521	5.502	4.099
60 days	4.414	4.593	5.591	4.186
Bankers acceptance				
30 days	0.22	0.22	2.25	0.21
60 days	0.25	0.25	2.38	0.23
90 days	0.26	0.26	2.45	0.25
120 days	0.28	0.28	2.63	0.26
150 days	0.33	0.33	2.75	0.31
180 days	0.36	0.36	2.88	0.35

Other short-term rates

	Latest	Week ago	52-WEEK High	52-WEEK Low
Call money	2.00	2.00	2.75	2.00
Commercial paper				
30 to 31 days	0.16	—	—	—
32 to 34 days	0.10	—	—	—
35 to 58 days	0.10	—	—	—
59 to 89 days	0.16	—	—	—
90 to 119 days	0.18	—	—	—
120 to 149 days	0.21	—	—	—
150 to 179 days	0.25	—	—	—
180 to 239 days	0.27	—	—	—
240 to 270 days	0.29	—	—	—
Dealer commercial paper				
30 days	0.20	0.21	1.99	0.20
60 days	0.21	0.22	2.19	0.21
90 days	0.22	0.23	2.39	0.22

	Latest	Week ago	52-WEEK High	52-WEEK Low
Euro commercial paper				
30 day	0.43	0.32	3.30	0.10
Two month	0.45	0.44	3.60	0.18
Three month	0.50	0.49	3.67	0.39
Four month	0.55	0.53	3.69	0.43
Five month	0.61	0.61	3.73	0.55
Six month	0.72	0.72	3.74	0.65
London interbank offered rate, or Libor				
One month	0.23531	0.23594	1.91125	0.23406
Three month	0.25656	0.26188	2.22000	0.25438
Six month	0.48813	0.48563	2.60625	0.47625
One year	1.01750	1.02000	2.79500	1.00313
New York Funding Rate				
One month	0.2381	0.2294	2.0091	0.2262
Three month	0.2713	0.2669	2.3364	0.2556
Libor Swaps (USD)				
Two year	0.994	1.052	2.137	0.994
Three year	1.523	1.644	2.596	1.523
Five year	2.331	2.488	3.511	1.903
Ten year	3.300	3.473	4.325	2.304
20 year	3.914	4.063	4.602	2.438
30 year	4.028	4.174	4.594	2.365
Euro Libor				
One month	0.443	0.404	3.524	0.386
Three month	0.680	0.676	3.824	0.669
Six month	0.980	0.976	3.864	0.975
One year	1.220	1.220	3.925	1.211
Euro interbank offered rate (Euribor)				
One month	0.472	0.434	3.523	0.422
Three month	0.719	0.715	3.816	0.714
Six month	0.995	0.991	3.859	0.987
One year	1.234	1.233	3.921	1.222
Hibor				
One month	0.051	0.068	1.651	0.051
Three month	0.101	0.120	2.142	0.101
Six month	0.269	0.308	2.500	0.269
One year	0.549	0.588	2.651	0.549
Asian dollars				
One month	0.240	0.243	1.925	0.240
Three month	0.266	0.273	2.245	0.266
Six month	0.485	0.496	2.618	0.480
One year	1.023	1.043	2.788	1.009

	LATEST Offer	LATEST Bid	Week ago	52-WEEK high	52-WEEK low
Eurodollars (mid rates)					
One month	0.20	0.40	0.30	2.08	0.30
Two month	0.30	0.50	0.40	2.25	0.35
Three month	0.40	0.60	0.50	2.50	0.40
Four month	0.35	0.55	0.45	2.70	0.45
Five month	0.35	0.55	0.45	2.70	0.45
Six month	0.45	0.65	0.55	2.88	0.50

Notes on data:
U.S. prime rate and discount rate are effective December 16, 2008. **U.S. prime rate** is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks. **Other prime rates** aren't directly comparable; lending practices vary widely by location. **Discount rate** is the charge on loans to depository institutions by the New York Federal Reserve Bank. **Federal-funds rate** is on reserves traded among commercial banks for overnight use in amounts of $1 million or more. **Call money rate** is the charge on loans to brokers on stock-exchange collateral. **Dealer commercial paper rates** are for high-grade unsecured notes sold through dealers by major corporations. **Freddie Mac RNY** is the required net yield for the one-year 2% rate-capped ARM. **Libor** is the British Bankers' Association average of interbank offered rates for dollar deposits in the London market. **Libor Swaps** quoted are mid-market, semi-annual swap rates and pay the floating 3-month Libor rate. **New York Funding Rate** is the survey-based average of unsecured bank funding costs.

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

Reuters Group PLC is the primary data provider for several statistical tables in The Wall Street Journal, including foreign stock quotations, futures and foreign exchange tables. Reuters real-time data feeds are used to calculate various Dow Jones Indexes.

Syndicated Loans: Past Week's Biggest Movers

Syndicated loans are corporate loans that are bought or traded by a group of banks and/or institutional investors. Investment-grade loans are investment-grade or unrated loans priced at or below the London interbank offered rate (Libor) plus 150 basis points (or 1.5 percentage points). Leveraged loans are speculative-grade or unrated loans priced at or above Libor plus 151 basis points. Below are the biggest gainers and losers among widely-quoted syndicated loans in secondary trading in the week ended Friday among the 173 loans with five or more bids. All loans listed are B-term, or sold to institutional investors.

Name	Loan rating Moody's/S&P	Coupon/Interest (Libor + basis pts)	Maturity	Average bid (pct. pts.)	Weekly chg (pct. pts.)
Affinion Group	Ba2/BB	L+250	March 1, '12	94.46	+3.49
Alaska Communications Systems	Ba3/BB-	L+275	Feb. 1, '12	93.70	+0.60
Cedar Fair LP	Ba3/BB-	L+400	Aug. 30, '12	93.47	+0.53
Commscope Inc	Ba2/BB	L+250	Nov 6, '14	95.33	+0.50
Covanta Energy Corp	Ba1/BB	L+150	Feb 9, '14	97.80	+0.78

*Constrained indexes limit individual issuer concentrations to 2
** EMBI Global Index

Global Government Bonds: Ma

Yields and spreads over or under U.S. Treasu
selected other countries; arrows indicate wh

Coupon (%)	Country/ Maturity, in years	Latest(●)	0 1.5 3 4.5 6
0.750	U.S. 2	0.663 ▼	●
3.375	10	3.192 ▼	●
5.750	Australia 2	4.300 ▼	●
4.500	10	5.273 ▼	●
1.250	Canada 2	1.095 ▼	●
3.750	10	3.334 ▼	●
1.250	Germany 2	1.284 ▼	●
3.250	10	3.151 △	●
0.300	Japan 2	0.231 ▼	●
1.300	10	1.261 △	●
5.250	Sweden 2	0.540 ▼	●
4.250	10	3.199 ▼	●
4.000	Switzerland 2	0.391 ▼	●
3.000	10	2.852 ▼	●
3.250	U.K. 2	1.183 ▼	●
4.500	10	3.519 ▼	●

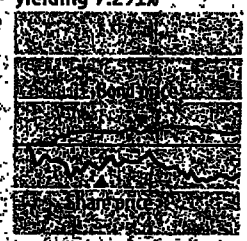
Corporate Debt

Price moves by a company's debt in the credit
same company's share price. Here's a look at

Investment-Grade

Citigroup: 8.125% notes due Jul. 15
yielding 7.291%

Bank bonds were under pressure amid concern over a debt-payment suspension by Middle East developer Dubai World.



Investment-grade spreads that tighten

Issuer	Symbol	Coupon (%)
Citigroup	C	8.500
HSBC Finance	HSBC	6.375
Empresa Distribuidora Y Comercial Norte S.A.	EDNAR	10.500
Daimler North America	DAIGR	7.300
General Electric Capital	GE	5.450
Morgan Stanley	MS	4.750
Pemex Project Funding Master Trust	PEMEX	5.750
Kroger	KR	6.400

And spreads that widened the most

Principal Life Income Fundings Trusts	PRINFG	5.300
General Electric Capital	GE	5.875
HSBC Finance	HSBC	5.500
Hewlett-Packard	HPQ	4.750
Pemex Project Funding Master Trust	PEMEX	6.625
Morgan Stanley	MS	6.000
Petrobras International Finance	PETBRA	7.875
Altria	MO	9.250

High-yield issues with the biggest price

Issuer	Symbol	Coupon (%)
HCA	HCA	6.500
Clear Channel Communications	CCU	11.000

RCAF Lump Sum Amortization
2010/Q1

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours	
NS - BLET & ATDA	2009Q2	2009Q2	$45,772,356	0.14175	0.56699	322,915,071	2008
CSX - BLET	2009Q2	2009Q2	$31,695,082	0.09815	0.39261	322,915,071	2008
CNGT - various[1]	Various	2009Q3	$158,500	0.00049	0.00196	322,915,071	2008
CSX - ATDA-East	2009Q1	2009Q4	$1,036,970	0.00321	0.01285	322,915,071	2008
				0.00000	0.00000	322,915,071	2008
				0.00000	0.00000	322,915,071	2008
Total			$78,662,908	0.24360			
Fell out							
IC and CCP - TCU	2008Q3	2009Q1	$282,000	0.00087	0.00349	322,915,071	2008
NS - BLET	2008Q4	2009Q1	$23,876,000	0.07394	0.29576	322,915,071	2008

Should be slightly less than amortized amount.

Interest Rate	
2008/Q1	3.390
2008/Q2	2.160
2008/Q3	1.870
.008/Q4	1.710
2009/Q1	0.150
2009/Q2	0.300
2009/Q3	0.175
2009/Q4	0.150
2010/Q1	0.060
2010/Q2	
2010/Q3	
2010/Q4	

Lump Sum Adjustment for 2010/Q1 → **0.243828 or 0.244**

[1] DMIR TCU and WC IBEW

SCHEDULE: NS BLET & ATDA
Added 2009Q2

	Periods Remain-ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				$0.56699			
2009/Q2	4	0.300	0.0750	$0.42540	$0.14201	$0.00043	$0.14159
2009/Q3	3	0.175	0.0438	$0.28366	$0.14192	$0.00019	$0.14174
2009/Q4	2	0.150	0.0375	$0.14186	$0.14191	$0.00011	$0.14180
2010/Q1	1	0.060	0.0150	$0.00000	**$0.14188**	$0.00002	$0.14186

SCHEDULE: CSX BLET
Added 2009Q2

	Periods Remain-ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				$0.39261			
2009/Q2	4	0.300	0.0750	$0.29457	$0.09834	$0.00029	$0.09804
2009/Q3	3	0.175	0.0438	$0.19642	$0.09828	$0.00013	$0.09815
2009/Q4	2	0.150	0.0375	$0.09823	$0.09827	$0.00007	$0.09819
2010/Q1	1	0.060	0.0150	$0.00000	**$0.09824**	$0.00001	$0.09823

SCHEDULE: DMIR TCU and WC IBEW
Added 2009Q3

	Periods Remain-ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				$0.00196			
2009/Q3	4	0.175	0.0438	$0.00147	$0.00049	$0.00000	$0.00049
2009/Q4	3	0.150	0.0375	$0.00098	$0.00049	$0.00000	$0.00049
2010/Q1	2	0.060	0.0150	$0.00049	**$0.00049**	$0.00000	$0.00049
2010/Q2	1		0.0000	$0.00000	$0.00049	$0.00000	$0.00049

SCHEDULE: CSX-East ATDA
Added 2009Q4

	Periods Remain-ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				$0.01285			
2009/Q4	4	0.150	0.0375	$0.00964	$0.00321	$0.00000	$0.00321
2010/Q1	3	0.060	0.0150	$0.00642	$0.00321	$0.00000	$0.00321
2010/Q2	2		0.0000	$0.00321	$0.00321	$0.00000	$0.00321
2010/Q3	1		0.0000	$0.00000	$0.00321	$0.00000	$0.00321

RCAF Back Pay Amortization
2010/Q1

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr.	U.S. ST Hours	
GTW - BMWE (ECS offset)	2009Q2	2009Q2	($124,812)	-0.00038652	-0.00155	322,915,071	2008
GTC/CN - 4 unions[2]	Various	2009Q3	$8,138,167	0.02520219	0.10081	322,915,071	2008
SOO - BMWE	2009Q2	2009Q3	$2,699,783	0.00836066	0.03344	322,915,071	2008
WC - UTU-YMD	2007Q4	2009Q4	($67,010)	-0.00020752	-0.00083	322,915,071	2008
GTC/CN - 3 unions[3]	Various	2010Q1	($24,650)	-0.00007634	-0.00031	322,915,071	2008
				0.00000000	0.00000	322,915,071	2008
				0.00000000	0.00000	322,915,071	2008
				0.00000000	0.00000	322,915,071	2008
Total			$10,621,478	0.03289248			
Fell out							
National IAM	2008Q4	2009Q1	$31,263,259	0.09681573	0.38726	322,915,071	2008
SOO - IAM& UTU	2008Q3	2009Q1	$3,239,631	0.01003246	0.04013	322,915,071	2008
GTC/CN - various[1]	Various	2009Q1	$2,147,112	0.00664915	0.02660	322,915,071	2008
CSX - UTU-YMD (national)	2008Q3	2009Q1	$5,362,086	0.01660525	0.06642	322,915,071	2008

Should be slightly less than amortized amount.

Interest Rate	
2008/Q1	3.390
2008/Q2	2.160
2008/Q3	1.870
2008/Q4	1.710
2009/Q1	0.150
2009/Q2	0.300
2009/Q3	0.175
2009/Q4	0.150
2010/Q1	0.060
2010/Q2	
2010/Q3	
2010/Q4	

Back Pay Adjustment for 2010/Q1 → **0.03291 or 0.033**

[1] DMIR IBEW and UTU; IC and CCP TCU
[2] BLE BMWE; DMIR TCU; WC BLET and IBEW
[3] BLE BMWE, DMIR BLET and UTU

SCHEDULE: GTW BMWE (ECS offset)
Added 2009Q2

	Periods Remain-ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				($0.00155)			
2009/Q2	4	0.300	0.0750	($0.00116)	($0.00039)	($0.00000)	($0.00039)
2009/Q3	3	0.175	0.0438	($0.00077)	($0.00039)	($0.00000)	($0.00039)
2009/Q4	2	0.150	0.0375	($0.00039)	($0.00039)	($0.00000)	($0.00039)
2010/Q1	1	0.060	0.0150	($0.00000)	($0.00039)	($0.00000)	($0.00039)

SCHEDULE: BLE BMWE; DMIR TCU; WC BLET and IBEW
Added 2009Q3

	Periods Remain-ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				$0.10081			
2009/Q3	4	0.175	0.0438	$0.07562	$0.02523	$0.00004	$0.02519
2009/Q4	3	0.150	0.0375	$0.05042	$0.02523	$0.00003	$0.02520
2010/Q1	2	0.060	0.0150	$0.02521	$0.02522	$0.00001	$0.02521
2010/Q2	1		0.0000	$0.00000	$0.02521	$0.00000	$0.02521

SCHEDULE: SOO BMWE
Added 2009Q3

	Periods Remain-ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				$0.03344			
2009/Q3	4	0.175	0.0438	$0.02509	$0.00837	$0.00001	$0.00836
2009/Q4	3	0.150	0.0375	$0.01673	$0.00837	$0.00001	$0.00836
2010/Q1	2	0.060	0.0150	$0.00836	$0.00837	$0.00000	$0.00836
2010/Q2	1		0.0000	$0.00000	$0.00836	$0.00000	$0.00836

SCHEDULE: WC UTU-YMD
Added 2009Q4

	Periods Remain-ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				($0.00083)			
2009/Q4	4	0.150	0.0375	($0.00062)	($0.00021)	($0.00000)	($0.00021)
2010/Q1	3	0.060	0.0150	($0.00042)	**($0.00021)**	($0.00000)	($0.00021)
2010/Q2	2		0.0000	($0.00021)	($0.00021)	$0.00000	($0.00021)
2010/Q3	1		0.0000	$0.00000	($0.00021)	$0.00000	($0.00021)

SCHEDULE: BLET BMWE, DMIR BLET and UTU
Added 2010Q1

	Periods Remain-ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				($0.00031)			
2009/Q4	4	0.150	0.0375	($0.00023)	($0.00008)	($0.00000)	($0.00008)
2010/Q1	3	0.060	0.0150	($0.00015)	**($0.00008)**	($0.00000)	($0.00008)
2010/Q2	2		0.0000	($0.00008)	($0.00008)	$0.00000	($0.00008)
2010/Q3	1		0.0000	$0.00000	($0.00008)	$0.00000	($0.00008)

2010Q1
Health and Welfare

	Employees Receiving Pay 2008	Monthly Contribution 2008 Avg.	Monthly Contribution 2010	Total 2008 Avg.	Total 2010
1. All Employees					
a. Group health	172,294	$1,076.61	$1,305.91	$185,493,443.34	$225,000,457.54
b. Group dental	172,294	45.72	57.29	7,877,281.68	9,870,723.26
c. Early retirement major medical	172,294	110.98	155.96	19,121,188.12	26,870,972.24
d. Group vision	172,294	10.16	10.41	1,750,507.04	1,793,580.54
2. Supplemental Sickness					
a. Signalmen	6,613	8.55	8.65	56,541.15	57,202.45
b. Shopcrafts	25,821	30.04	25.71	775,662.84	663,857.91
c. MOW	26,204	14.89	24.90	390,177.56	652,479.60
d. Yardmasters	1,881	33.21	32.16	62,468.01	60,492.96
3. Short-Term Disability					
a. Engineers (CSX; KCS, UP)	14,620	40.00	40.00	584,800.00	584,800.00
b. Engineers (SOO, $40 began 2Q 2006)	456	40.00	40.00	18,240.00	18,240.00
4. Monthly Total Premiums				216,130,309.74	265,572,806.50
5. Monthly Employee Contributions To H&W					
a. National BLET (BNSF, CSX, KCS, NS, UP)	27,033	($166.25)	($200.00)	($4,494,236.25)	($5,406,600.00)
b. National BMWE (BNSF, CSX, KCS, NS, UP)	24,330	($166.25)	($200.00)	($4,044,862.50)	(4,866,000.00)
c. National BRS (BNSF, CSX, KCS, NS, UP)	6,265	($166.25)	($200.00)	($1,041,556.25)	(1,253,000.00)
d. National IAM (BNSF, CSX, KCS, NS, UP)	6,838	($158.69)	($200.00)	($1,085,122.22)	(1,367,600.00)
e. National IBBM (BNSF, CSX, KCS, NS, UP)	1,012	($166.25)	($200.00)	($168,245.00)	(202,400.00)
f. National IBEW (BNSF, CSX, KCS, NS, UP)	5,119	($166.25)	($200.00)	($851,033.75)	(1,023,800.00)
g. National NCFO (BNSF, CSX, KCS, NS, UP)	2,466	($166.25)	($200.00)	($409,972.50)	(493,200.00)
h. National SMW (BNSF, CSX, KCS, NS, UP)	1,038	($166.25)	($200.00)	($172,567.50)	(207,600.00)
i. National TCU (BNSF, CSX, KCS, NS, UP)	6,863	($166.25)	($200.00)	($1,140,973.75)	(1,372,600.00)
j. National TCU-CAR (BNSF, CSX, KCS, NS, UP)	10,467	($166.25)	($200.00)	($1,740,138.75)	(2,093,400.00)
k. National UTU (BNSF, CSX, KCS, NS, UP)	42,698	($168.35)	($200.00)	($7,188,208.30)	(8,539,600.00)
l. National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,701	($168.35)	($200.00)	($286,363.35)	(340,200.00)
m. National ATDA (wt. avg. BNSF, KCS, NS, & CSX*)	1,845	($165.00)	($200.00)	($304,425.00)	(369,000.00)
n. Independent CNGT (wt avg all 104 union categories)	5,917	($92.65)	($107.74)	($548,210.05)	(637,497.58)
o. Independent SOO (weighted average all 13 unions)	2,359	($129.96)	($200.00)	($306,575.64)	(471,800.00)
p. Independent UP (Yardmasters only)	22	($164.75)	($200.00)	($3,624.50)	(4,400.00)
Total Major Union	145,973			($23,786,115.31)	($28,648,697.58)
All Other Employee Contributions**				($3,424,986.86)	($3,424,986.86)
6. Net Employer Monthly Payments				$188,919,207.57	$233,499,122.06
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments					1.23597
8. H&W hourly rate for base year				$5.554	
9. H&W hourly rate for projected quarter					$6.865

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

** Mostly non-union employee contributions. The $23,786,115.31 in major union contributions, plus $3,424,986.86 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

Supplemental Sickness Plan:		2008 Pd. Employees	East	West
a. Signalmen	BRS	6,613	2,904	3,709
b. Shopcrafts	Total	25,821	10,626	15,195
	IBEW	5,365	1,967	3,398
	IBBM	1,075	308	767
	TCU-Car	11,173	5,174	5,999
	IAM	7,146	2,612	4,534
	SMW	1,062	565	497
c. MOW	BMWED	26,204	10,164	16,040
d. Yardmasters	UTU-YMD	1,881	1,376	505
Short-Term Disability Contribution:				
a. Engineers	Total BLET	14,620	5,543	9,077
	CSX	5,543		
	KCS	546		
	UP	8,531		
b. Engineers	SOO	456		

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	Article IV Part B Section 1 (c)
	NS	Article XVI Section 2, same as national
b. BMWE	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (c)
c. BRS	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (c)
d. IAM	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (c)
e. IBBM	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (c)
f. IBEW	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (c)
g. NCFO	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (c)
h. SMW	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (c)
i. TCU	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (c)
j. TCU-Carmen	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (c)
k. UTU	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (c)
l. UTU-YMD	BNSF, CSX, KCS, NS	Article IV Part B Section 1 (c)
m. Dispatchers	BNSF, CSX, KCS, NS	Article IV Part B Section 1 (c)
n. Independent CNGT	all union categories incl. $0 agrmnts	
o. Independent SOO	all unions	Provided by Canadian Pacific Railway
p. Independent UP yardmasters		Article IV Part B Section 1 (c)

NATIONAL RAILWAY LABOR CONFERENCE
EMPLOYEE BENEFITS DEPARTMENT

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

DAVID B. MARCUS
Director Employee Benefits
(202) 862-7244
E-mail: sparks@rrnrlc.org

SUSAN E. PARKS, CEBS
Benefits Administrator
(202) 862-7225
E-mail: sparks@rrnrlc.org

November 9, 2009

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, 2010 are as follows:

Aetna - Supplemental Sickness Plans	
ShopCrafts	$ 25.71
Signalmen	$ 8.65
Maintenance of Way	$ 24.90
Trustmark - Supplemental Sickness Plans	
Yardmasters	$ 32.16
Railroad Employees National Health & Welfare Plan & National Railway Carriers/United Transportation Union H&W Plan	
Non-Hospital Road	$1,305.91
Railroad Employees National Early Retirement Major Medical Benefit Plan	
Non-Hospital Road	$ 155.96
Aetna - National Dental Plan	$ 57.29
VSP - National Vision Plan	$ 10.41

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

November 5, 2009

Health and Welfare Contributions
Under 2004 Round National Agreements
ATDA, BLET, BMWE, BRS, IAM, IBB,
IBEW, NCFO, SMW, TCU, BRC, UTU, YDM

CIRCULAR NO. 504-101-24 (H&W)
CIRCULAR NO. 844-5 (ATDA)
CIRCULAR NO. 845-8 (BLET)
CIRCULAR NO. 846-6 (BMWE)
CIRCULAR NO. 847-6 (BRS)
CIRCULAR NO. 848-5 (IAM)
CIRCULAR NO. 849-8 (IBB)
CIRCULAR NO. 850-5 (IBEW)
CIRCULAR NO. 851-8 (NCFO)
CIRCULAR NO. 852-8 (SMW)
CIRCULAR NO. 853-5 (TCU)
CIRCULAR NO. 854-5 (BRC)
CIRCULAR NO. 855-5 (UTU/YDM)

TO MEMBER ROADS:

The 2004 Round National Agreements with the above-referenced organizations changed the method of calculating employee health and welfare cost-sharing contributions. Those agreements set employee cost-sharing effective January 1, 2010 as the lesser of 15% of the carriers' 2010 "Monthly Payment Rate" (as defined) or $200. See Article IV (Article III for BRS) Part B of the agreements.

Effective January 1, 2010, the employee cost-sharing contribution under the applicable agreements will be capped at $200 per month.

H. Glen Williams, Jr.

Railroad Retirement and Medicare

Employees Receiving Pay	172,294	(2008 Benchmark, 2007 RRB Distribution)
Tier I Maximum	106,800	(Year = 2010)
Tier II Maximum	79,200	(Year = 2010)
Medicare Maximum	no limit	(Year = 2010)
Tier I Tax Rate	6.20%	(Year = 2010)
Tier II Tax Rate	12.10%	(Year = 2010)
Medicare Tax Rate	1.45%	(Year = 2010)

USA RCAF	Rate	Factor	RR Ret Tax	Hourly Rate	
2007	$30.806				
2008	$32.537	1.05619	$559,200,955	$6.755	RR Ret Tax from RR_Retirement_08annual.xls, Hourly rate from SUPPL2008.xls
1Q/2010	$34.810	1.12997	$593,903,622	$7.174	Rate = Taxable Rate
2Q/2010		0.00000	$0	$0.000	
3Q/2010		0.00000	$0	$0.000	
4Q/2010		0.00000	$0	$0.000	

Railroad Retirement & Medicare, U.S. 1Q/2010

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2008	Avg Annual Earnings (2007 RRB Stats)	Estimated Avg. Annual Earnings	Avg Qtly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	1Q/2010 Tier I Tot Tax Emgs	1Q/2010 Tier II Tot Tax Emg	1Q/2010 Medicare Tot Tax Emg
$0 - 21699	0.416	717	$8,597	$9,714	$2,429	$2,429	$2,429	$2,429	$1,740,681	$1,740,681	$1,740,681
21700 - 23699	0.046	79	$21,950	24,803	6,201	6,201	6,201	6,201	491,441	491,441	491,441
23700 - 25699	0.093	160	$24,743	27,959	6,990	6,990	6,990	6,990	1,119,990	1,119,990	1,119,990
25700 - 27699	0.185	319	$27,005	30,515	7,629	7,629	7,629	7,629	2,431,615	2,431,615	2,431,615
27700 - 29699	0.139	239	$28,634	32,356	8,089	8,089	8,089	8,089	1,937,206	1,937,206	1,937,206
29700 - 31699	0.370	637	$30,598	34,575	8,644	8,644	8,644	8,644	5,510,280	5,510,280	5,510,280
31700 - 33699	0.509	877	$32,918	37,197	9,299	9,299	9,299	9,299	8,155,115	8,155,115	8,155,115
33700 - 35699	1.157	1,993	$34,798	39,321	9,830	9,830	9,830	9,830	19,595,959	19,595,959	19,595,959
35700 - 37699	1.249	2,152	$36,958	41,762	10,440	10,440	10,440	10,440	22,467,243	22,467,243	22,467,243
37700 - 39699	1.064	1,833	$38,770	43,809	10,952	10,952	10,952	10,952	20,077,808	20,077,808	20,077,808
39700 - 41699	1.620	2,791	$40,791	46,093	11,523	11,523	11,523	11,523	32,163,125	32,163,125	32,163,125
41700 - 43699	3.054	5,262	$42,838	48,406	12,101	12,101	12,101	12,101	63,676,194	63,676,194	63,676,194
43700 - 45699	3.239	5,581	$44,701	50,511	12,628	12,628	12,628	12,628	70,470,453	70,470,453	70,470,453
45700 - 47699	5.183	8,930	$46,788	52,869	13,217	13,217	13,217	13,217	118,030,586	118,030,586	118,030,586
47700 - 49699	4.859	8,372	$48,828	55,174	13,794	13,794	13,794	13,794	115,476,792	115,476,792	115,476,792
49700 - 51699	5.044	8,691	$50,721	57,313	14,328	14,328	14,328	14,328	124,520,759	124,520,759	124,520,759
51700 - 53699	5.507	9,488	$52,702	59,552	14,888	14,888	14,888	14,888	141,260,600	141,260,600	141,260,600
53700 - 55699	3.887	6,697	$54,652	61,755	15,439	15,439	15,439	15,439	103,394,985	103,394,985	103,394,985
55700 - 57699	4.489	7,734	$56,747	64,123	16,031	16,031	16,031	16,031	123,985,640	123,985,640	123,985,640
57700 - 59699	4.165	7,176	$58,680	66,307	16,577	16,577	16,577	16,577	118,955,352	118,955,352	118,955,352
59700 - 61699	3.795	6,539	$60,668	68,553	17,138	17,138	17,138	17,138	112,059,926	112,059,926	112,059,926
61700 - 63699	3.378	5,820	$62,676	70,822	17,706	17,706	17,706	17,706	103,048,053	103,048,053	103,048,053
63700 - 65699	3.517	6,060	$64,618	73,017	18,254	18,254	18,254	18,254	110,612,639	110,612,639	110,612,639
65700 - 67699	3.008	5,183	$66,733	75,407	18,852	18,852	18,852	18,852	97,700,628	97,700,628	97,700,628
67700 - 69699	3.332	5,741	$68,641	77,563	19,391	19,391	19,391	19,391	111,318,532	111,318,532	111,318,532
69700 - 71699	2.915	5,022	$70,641	79,823	19,956	19,956	19,800	19,956	100,224,586	99,442,928	100,224,586
71700 - 73699	2.776	4,783	$72,631	82,071	20,518	20,518	19,800	20,518	98,134,194	94,701,053	98,134,194
73700 - 75699	2.175	3,747	$74,664	84,368	21,092	21,092	19,800	21,092	79,040,447	74,198,411	79,040,447
75700 - 77699	1.990	3,429	$76,668	86,633	21,658	21,658	19,800	21,658	74,258,485	67,887,282	74,258,485
77700 - 79699	2.082	3,587	$78,663	88,887	22,222	22,222	19,800	22,222	79,713,175	71,025,789	79,713,175
79700 - 81699	2.082	3,587	$80,749	91,244	22,811	22,811	19,800	22,811	81,827,023	71,025,789	81,827,023
81700 - 83699	1.897	3,268	$82,733	93,486	23,372	23,372	19,800	23,372	76,387,972	64,714,660	76,387,972
83700 - 85699	1.805	3,110	$84,822	95,847	23,962	23,962	19,800	23,962	74,518,583	61,576,153	74,518,583
85700 - 87699	1.712	2,950	$86,633	97,893	24,473	24,473	19,800	24,473	72,188,163	58,403,531	72,188,163
87700 - 89699	1.666	2,870	$88,609	100,126	25,031	25,031	19,800	25,031	71,850,816	56,834,277	71,850,816
89700 - 91699	1.388	2,391	$90,672	102,457	25,614	25,614	19,800	25,614	61,254,999	47,350,526	61,254,999
91700 - 93699	1.249	2,152	$92,524	104,550	26,137	26,137	19,800	26,137	56,246,527	42,608,651	56,246,527
93700 - 95699	1.018	1,754	$94,554	106,844	26,711	26,700	19,800	26,711	46,830,543	34,728,268	46,849,672
95700 - over	*11.940*	20,572	$142,633	161,172	40,293	26,700	19,800	40,293	549,269,826	407,323,691	828,902,059
TOTAL	100.000000	172,294	$70,505					Total Taxable	3,151,946,940	2,882,022,610	3,431,598,302
								Tax Rate	0.062	0.121	0.0145
								Qtly Pmt	$195,420,710	$348,724,736	$49,758,175
								Tier I & II & Medicare			$593,903,622

Railroad Retirement & Medicare, U.S. 2Q/2010

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2008	Avg Annual Earnings (2007 RRB Stats)	Estimated Avg. Annual Earnings	Avg Qtly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	2Q/2010 Tier I Tot Tax Emgs	2Q/2010 Tier II Tot Tax Emg	2Q/2010 Medicare Tot Tax Emg
$0 - 21699	0.416	717	$8,597	$0	$0	$0	$0	$0	$0	$0	$0
21700 - 23699	0.046	79	$21,950	0	0	0	0	0	0	0	0
23700 - 25699	0.093	160	$24,743	0	0	0	0	0	0	0	0
25700 - 27699	0.185	319	$27,005	0	0	0	0	0	0	0	0
27700 - 29699	0.139	239	$28,634	0	0	0	0	0	0	0	0
29700 - 31699	0.370	637	$30,598	0	0	0	0	0	0	0	0
31700 - 33699	0.509	877	$32,918	0	0	0	0	0	0	0	0
33700 - 35699	1.157	1,993	$34,798	0	0	0	0	0	0	0	0
35700 - 37699	1.249	2,152	$36,958	0	0	0	0	0	0	0	0
37700 - 39699	1.064	1,833	$38,770	0	0	0	0	0	0	0	0
39700 - 41699	1.620	2,791	$40,791	0	0	0	0	0	0	0	0
41700 - 43699	3.054	5,262	$42,838	0	0	0	0	0	0	0	0
43700 - 45699	3.239	5,581	$44,701	0	0	0	0	0	0	0	0
45700 - 47699	5.183	8,930	$46,788	0	0	0	0	0	0	0	0
47700 - 49699	4.859	8,372	$48,828	0	0	0	0	0	0	0	0
49700 - 51699	5.044	8,691	$50,721	0	0	0	0	0	0	0	0
51700 - 53699	5.507	9,488	$52,702	0	0	0	0	0	0	0	0
53700 - 55699	3.887	6,697	$54,652	0	0	0	0	0	0	0	0
55700 - 57699	4.489	7,734	$56,747	0	0	0	0	0	0	0	0
57700 - 59699	4.165	7,176	$58,680	0	0	0	0	0	0	0	0
59700 - 61699	3.795	6,539	$60,668	0	0	0	0	0	0	0	0
61700 - 63699	3.378	5,820	$62,676	0	0	0	0	0	0	0	0
63700 - 65699	3.517	6,060	$64,618	0	0	0	0	0	0	0	0
65700 - 67699	3.008	5,183	$66,733	0	0	0	0	0	0	0	0
67700 - 69699	3.332	5,741	$68,641	0	0	0	0	0	0	0	0
69700 - 71699	2.915	5,022	$70,641	0	0	0	156	0	0	781,658	0
71700 - 73699	2.776	4,783	$72,631	0	0	0	718	0	0	3,433,142	0
73700 - 75699	2.175	3,747	$74,664	0	0	0	1,292	0	0	4,842,036	0
75700 - 77699	1.990	3,429	$76,668	0	0	0	1,858	0	0	6,371,203	0
77700 - 79699	2.082	3,587	$78,663	0	0	0	2,422	0	0	8,687,385	0
79700 - 81699	2.082	3,587	$80,749	0	0	0	3,011	0	0	10,801,234	0
81700 - 83699	1.897	3,268	$82,733	0	0	0	3,572	0	0	11,673,311	0
83700 - 85699	1.805	3,110	$84,822	0	0	0	4,162	0	0	12,942,431	0
85700 - 87699	1.712	2,950	$86,633	0	0	0	4,673	0	0	13,784,632	0
87700 - 89699	1.666	2,870	$88,609	0	0	0	5,231	0	0	15,016,539	0
89700 - 91699	1.388	2,391	$90,672	0	0	0	5,814	0	0	13,904,473	0
91700 - 93699	1.249	2,152	$92,524	0	0	0	6,337	0	0	13,637,876	0
93700 - 95699	1.018	1,754	$94,554	0	0	11	6,911	0	19,129	12,121,405	0
95700 - over	11.940	20,572	$142,633	0	0	13,593	19,800	0	279,632,233	407,323,691	0
TOTAL	100.000	172,294						Total Taxable	279,651,362	535,321,016	0
								Tax Rate	0.062	0.121	0.0145
								Qtly Pmt	$17,338,384	$64,773,843	$0
								Tier I & II & Medicare			$82,112,227

Railroad Retirement & Medicare, U.S. 3Q/2010

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2008	Avg Annual Earnings (2007 RRB Stats)	Estimated Avg. Annual Earnings	Avg Qtly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emg	Medicare Tot Tax Emg
				3Q/2010							
$0 - 21699	0.416	717	$8,597	$0	$0	$0	$0	$0	$0	$0	$0
21700 - 23699	0.046	79	$21,950	0	0	0	0	0	0	0	0
23700 - 25699	0.093	160	$24,743	0	0	0	0	0	0	0	0
25700 - 27699	0.185	319	$27,005	0	0	0	0	0	0	0	0
27700 - 29699	0.139	239	$28,634	0	0	0	0	0	0	0	0
29700 - 31699	0.370	637	$30,598	0	0	0	0	0	0	0	0
31700 - 33699	0.509	877	$32,918	0	0	0	0	0	0	0	0
33700 - 35699	1.157	1,993	$34,798	0	0	0	0	0	0	0	0
35700 - 37699	1.249	2,152	$36,958	0	0	0	0	0	0	0	0
37700 - 39699	1.064	1,833	$38,770	0	0	0	0	0	0	0	0
39700 - 41699	1.620	2,791	$40,791	0	0	0	0	0	0	0	0
41700 - 43699	3.054	5,262	$42,838	0	0	0	0	0	0	0	0
43700 - 45699	3.239	5,581	$44,701	0	0	0	0	0	0	0	0
45700 - 47699	5.183	8,930	$46,788	0	0	0	0	0	0	0	0
47700 - 49699	4.859	8,372	$48,828	0	0	0	0	0	0	0	0
49700 - 51699	5.044	8,691	$50,721	0	0	0	0	0	0	0	0
51700 - 53699	5.507	9,488	$52,702	0	0	0	0	0	0	0	0
53700 - 55699	3.887	6,697	$54,652	0	0	0	0	0	0	0	0
55700 - 57699	4.489	7,734	$56,747	0	0	0	0	0	0	0	0
57700 - 59699	4.165	7,176	$58,680	0	0	0	0	0	0	0	0
59700 - 61699	3.795	6,539	$60,668	0	0	0	0	0	0	0	0
61700 - 63699	3.378	5,820	$62,676	0	0	0	0	0	0	0	0
63700 - 65699	3.517	6,060	$64,618	0	0	0	0	0	0	0	0
65700 - 67699	3.008	5,183	$66,733	0	0	0	0	0	0	0	0
67700 - 69699	3.332	5,741	$68,641	0	0	0	0	0	0	0	0
69700 - 71699	2.915	5,022	$70,641	0	0	0	0	0	0	0	0
71700 - 73699	2.776	4,783	$72,631	0	0	0	0	0	0	0	0
73700 - 75699	2.175	3,747	$74,664	0	0	0	0	0	0	0	0
75700 - 77699	1.990	3,429	$76,668	0	0	0	0	0	0	0	0
77700 - 79699	2.082	3,587	$78,663	0	0	0	0	0	0	0	0
79700 - 81699	2.082	3,587	$80,749	0	0	0	0	0	0	0	0
81700 - 83699	1.897	3,268	$82,733	0	0	0	0	0	0	0	0
83700 - 85699	1.805	3,110	$84,822	0	0	0	0	0	0	0	0
85700 - 87699	1.712	2,950	$86,633	0	0	0	0	0	0	0	0
87700 - 89699	1.666	2,870	$88,609	0	0	0	0	0	0	0	0
89700 - 91699	1.388	2,391	$90,672	0	0	0	0	0	0	0	0
91700 - 93699	1.249	2,152	$92,524	0	0	0	0	0	0	0	0
93700 - 95699	1.018	1,754	$94,554	0	0	0	0	0	0	0	0
95700 - over	11.940	20,572	$142,633	0	0	0	693	0	0	14,254,676	0
TOTAL	100.000	172,294						Total Taxable	0	14,254,676	0
								Tax Rate	0.062	0.121	0.0145
								Qtly Pmt	$0	$1,724,816	$0
								Tier I & II & Medicare			$1,724,816

Railroad Retirement & Medicare, U.S. 4Q/2010

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2008	Avg Annual Earnings (2007 RRB Stats)	Estimated Avg. Annual Earnings	Avg Qtly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emg	Medicare Tot Tax Emg
								4Q/2010			
$0 - 4999	0.416	717	$8,597	$0	$0	$0	$0	$0	$0	$0	$0
5000 - 9999	0.046	79	$21,950	0	0	0	0	0	0	0	0
10000 - 12499	0.093	160	$24,743	0	0	0	0	0	0	0	0
12500 - 14999	0.185	319	$27,005	0	0	0	0	0	0	0	0
15000 - 17499	0.139	239	$28,634	0	0	0	0	0	0	0	0
17500 - 19999	0.370	637	$30,598	0	0	0	0	0	0	0	0
20000 - 22499	0.509	877	$32,918	0	0	0	0	0	0	0	0
22500 - 24999	1.157	1,993	$34,798	0	0	0	0	0	0	0	0
25000 - 27499	1.249	2,152	$36,958	0	0	0	0	0	0	0	0
27500 - 29999	1.064	1,833	$38,770	0	0	0	0	0	0	0	0
30000 - 32499	1.620	2,791	$40,791	0	0	0	0	0	0	0	0
32500 - 34999	3.054	5,262	$42,838	0	0	0	0	0	0	0	0
35000 - 37499	3.239	5,581	$44,701	0	0	0	0	0	0	0	0
37500 - 39999	5.183	8,930	$46,788	0	0	0	0	0	0	0	0
40000 - 42499	4.859	8,372	$48,828	0	0	0	0	0	0	0	0
42500 - 44999	5.044	8,691	$50,721	0	0	0	0	0	0	0	0
45000 - 47499	5.507	9,488	$52,702	0	0	0	0	0	0	0	0
47500 - 49999	3.887	6,697	$54,652	0	0	0	0	0	0	0	0
50000 - 52499	4.489	7,734	$56,747	0	0	0	0	0	0	0	0
52500 - 54999	4.165	7,176	$58,680	0	0	0	0	0	0	0	0
55000 - 57499	3.795	6,539	$60,668	0	0	0	0	0	0	0	0
57500 - 59999	3.378	5,820	$62,676	0	0	0	0	0	0	0	0
60000 - 62499	3.517	6,060	$64,618	0	0	0	0	0	0	0	0
62500 - 64999	3.008	5,183	$66,733	0	0	0	0	0	0	0	0
65000 - 67499	3.332	5,741	$68,641	0	0	0	0	0	0	0	0
67500 - 69999	2.915	5,022	$70,641	0	0	0	0	0	0	0	0
70000 - 72499	2.776	4,783	$72,631	0	0	0	0	0	0	0	0
72500 - 74999	2.175	3,747	$74,664	0	0	0	0	0	0	0	0
75000 - 77499	1.990	3,429	$76,668	0	0	0	0	0	0	0	0
77500 - 79999	2.082	3,587	$78,663	0	0	0	0	0	0	0	0
80000 - 84999	2.082	3,587	$80,749	0	0	0	0	0	0	0	0
85000 - 89999	1.897	3,268	$82,733	0	0	0	0	0	0	0	0
90000 - 94999	1.805	3,110	$84,822	0	0	0	0	0	0	0	0
95000 - 99999	1.712	2,950	$86,633	0	0	0	0	0	0	0	0
100000 - 104999	1.666	2,870	$88,609	0	0	0	0	0	0	0	0
105000 - 109999	1.388	2,391	$90,672	0	0	0	0	0	0	0	0
110000 - 114999	1.249	2,152	$92,524	0	0	0	0	0	0	0	0
115000 - 119999	1.018	1,754	$94,554	0	0	0	0	0	0	0	0
120000 - 124999	11.940	20,572	$142,633	0	0	0	0	0	0	0	0
TOTAL	100.000	172,294						Total Taxable	0	0	0
								Tax Rate	0.062	0.121	0.0145
								Qtly Pmt	$0	$0	$0
								Tier I & II & Medicare			$0

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

Period	Railroad Retirement: Maximum earnings base [3]		Railroad Retirement: Tax rate (percent) [3]			Railroad Unemployment Insurance				Unemployment Repayment Tax [4]	
			Tier 1	Tier 2							
	Tier 1 [7]	Tier 2	Employer & employee each	Employer	Employee	Maximum monthly taxable earnings	Employer tax rate [5] (percent)	Surcharge or (pooled credit)	New employer tax rate (percent)	Maximum taxable earnings	Employer tax rate (percent)
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 and later	[2]	[2]	7.65	[8]	[8]	[2]	[5]	[5]	[5]		

efore 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.

2 Based on automatic adjustments in proportion to increases in average earnings levels.

3 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.

4 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.

5 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.

6 Taxes are paid only by employers. The supplemental annuity tax was repealed for calendar years after 2001.

7 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.

8 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.

U.S. Railroad Retirement Board
Bureau of the Actuary
November 2009

RCAF Unemployment Insurance Tax

	Unemployment Ins. Tax Rate	Unemployment Ins. Earnings Base	Hourly Earnings	RRB Sample Year	Factor To Update RRB Sample	Avg. Ann. Taxable Earnings	Un. Ins. Hourly Rate
			$28.151	(2004)			
2005 Avg.	2.29%	$13,800	$28.884		1.026038	$12,810.75	$0.162
4Q/06	2.36%	$14,340	$29.136		1.034990	$13,295.94	$0.173
1Q/07	2.47%	$14,760	$29.220		1.037974	$13,670.56	$0.186
2Q/07	2.47%	$14,760	$29.238		1.038613	$13,670.92	$0.186
3Q/07	2.47%	$14,760	$29.336		1.042094	$13,672.83	$0.186
			$28.884	(2005)			
2006 Avg.	2.36%	$14,340	$29.465		1.020115	$13,053.43	$0.173
4Q/07	2.47%	$14,760	$30.476		1.055117	$13,438.69	$0.186
1Q/08	2.48%	$15,360	$31.071		1.075717	$13,972.06	$0.195
2Q/08	2.48%	$15,360	$31.090		1.076374	$13,972.45	$0.195
3Q/08	2.48%	$15,360	$31.594		1.093824	$13,982.57	$0.195
			$29.465	(2006)			
2007 Avg.	2.47%	$14,760	$30.806		1.045512	$13,903.99	$0.192
3Q/08 reb.	2.48%	$15,360	$32.327		1.097132	$14,473.48	$0.201
4Q/08	2.48%	$15,360	$33.207		1.126998	$14,487.09	$0.201
1Q/09	2.47%	$15,960	$33.561		1.139012	$15,038.39	$0.208
2Q/09	2.47%	$15,960	$33.672		1.142780	$15,040.15	$0.208
3Q/09	2.47%	$15,960	$34.857		1.182997	$15,058.23	$0.208
			$30.806	(2007)			
2008 Avg.	2.48%	$15,360	$32.537		1.056190	$14,329.53	$0.201
3Q/09 reb.	2.47%	$15,960	$35.600		1.155619	$14,914.18	$0.208
4Q/09	2.47%	$15,960	$34.822		1.130364	$14,903.49	$0.208
1Q/10	3.26%	$15,960	$34.810		1.129975	$14,903.32	**$0.275**
2Q/10							
3Q/10							

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.

2005 rate changes from 2.28% to 2.29% because rebenchmarking to 2004 (and later) wage statistics and annual report data adds BL&E and DMIR to the railroad group.

TOTAL GROSS EARNINGS AND AVERAGE GROSS EARNINGS-2007 RRB File

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2806	40208655.30	14329.53
QTRLY_US	2806	41818712.49	14903.32

Factors and Caps 2008 and 2010Q1

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2806	2963.67	1.0561900
FactorQ	2806	3170.71	1.1299750
Capa	2806	43100160.00	15360.00
Capq	2806	44783760.00	15960.00

ASSOCIATION OF
AMERICAN RAILROADS

MEMORANDUM

TO: File

FROM: Shou-Lien Liu

cc: Clyde Crimmel

DATE: November 17, 2009

RE: Unemployment Insurance Tax Rate for 2010

Unemployment Insurance rates for 2010 can range from a minimum of 0.65 percent to a maximum of 12 percent on monthly earnings up to $1,330. A 1.5 percentage point surcharge will be in effect for 2010, 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 November 17 e-mail that the weighted average 2010 Unemployment Insurance rate for Class I railroads is **3.26 percent**, and the rate is 3.25 percent if Dakota, Minnesota & Eastern Railroad Corporation (DME) is included. In addition, she said since Iowa, Chicago & Eastern Railroad Corporation (ICE) is a subsidiary of Dakota, Minnesota & Eastern Railroad Corporation, and the Elgin Joliet & Eastern Railway (EJE) is a subsidiary of Transtar, Inc., for experience rating purposes, ICE and EJE were not given an individual contribution rate. She also said that Gateway Eastern Railway Company was added to the Class I railroad list since it is included in Kansas City Southern's reports to the STB.

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

Period	Railroad Retirement: Maximum earnings base [3]		Railroad Retirement: Tax rate (percent) [3]			Railroad Unemployment Insurance				Unemployment Repayment Tax [4]	
			Tier 1	Tier 2							
	Tier 1 [7]	Tier 2	Employer & employee each	Employer	Employee	Maximum monthly taxable earnings	Employer tax rate [5] (percent)	Surcharge or (pooled credit)	New employer tax rate (percent)	Maximum taxable earnings	Employer tax rate (percent)
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	[8]	[8]	1,330	2.15 - 12.0	1.5	2.51		
2011 and later	[2]	[2]	7.65	[8]	[8]	[2]	[5]	[5]	[5]		

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.

2 Based on automatic adjustments in proportion to increases in average earnings levels.

3 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.

4 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.

5 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.

6 Taxes are paid only by employers. The supplemental annuity tax was repealed for calendar years after 2001.

7 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.

8 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.

U.S. Railroad Retirement Board
Bureau of the Actuary
October 2009

www.rrb.gov

AAR MATERIALS AND SUPPLIES INDEX
Region By Composition
Fourth Quarter 2009
December 1, 2009

United States by Composition Category - Summary

Composition Category	Weight	Previous Quarter Index	Current Quarter Index	Relative Of Change
Forest Products	.1050	263.30	253.95	.9645
Metal Products	.6389	184.85	185.29	1.0024
Miscellaneous Products	.2561	294.33	311.28	1.0576
U.S. By Composition	--	221.13	224.76	1.0164
U.S. By Composition (Linked)	--	225.08	228.77	1.0164
United States (1977=100) Linking Factor: 1.423	--	320.29	325.54	1.0164
United States (1980=100) Linking Factor: 1.061	--	238.81	242.72	1.0164

Car Hire for RCAF

RCAF (Forecast)

	1980	June 3Q/09	Sept. 4Q/09	Dec. 1Q/10	Mar. 2Q/10	June 3Q/10
RATE						
RR-OWNED TIME	31.00	67.00	67.00	67.00	--	--
RR-OWNED MILEAGE	4.69	7.20	7.20	7.20	--	--
PRIVATELY-OWNED CARS	25.47	45.80	46.90	47.02	--	--
AUTORACKS	47.00	50.49	51.27	51.07	--	--
INDEX						
RR-OWNED TIME	100.0	216.1	216.1	216.1	--	--
RR-OWNED MILEAGE	100.0	153.5	153.5	153.5	--	--
PRIVATELY-OWNED CARS	100.0	179.8	184.1	184.6	--	--
AUTORACKS	100.0	107.4	109.1	108.7	--	--
CAR HIRE INDEX (old wts) 2007	100.0	183.3	--	--	--	--
CAR HIRE INDEX (new wts) 2008	100.0	182.8	185.9	186.2	--	--
CAR HIRE INDEX (LINKED)	100.0	182.4	185.5	**185.8**	--	--

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

Note: Indexes are rounded, rates are full float.

Equipment Rents Data From CHARM

	2009 (first day of month)						2010 (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)	9,269	9,276	9,275	9,314	9,248	9,239								
Rate (in cents)														
Superstructures #3 - Auto Rack	21.0	21.0	21.0	20.0	20.0	20.0								
All other #1 - Time	**67.0**	**67.0**	**67.0**	**67.0**	**67.0**	**67.0**								
All other #2 - Mileage	**7.2**	**7.2**	**7.2**	**7.2**	**7.2**	**7.2**								
Private Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	49,413	49,130	48,952	48,776	48,533	48,399								
Covered Hoppers	339,231	338,505	338,948	337,548	335,536	334,357								
Tank Cars	313,946	313,234	313,605	312,685	311,553	311,463								
Others	308,148	308,917	307,863	306,370	309,260	308,655								
Rate (in cents)														
Superstructures #1 - Time	78.0	78.0	78.0	76.0	78.0	78.0								
Superstructures #2 - Mileage	0.8	0.8	0.8	0.8	0.8	0.8								
Superstructures #3 - Auto Rack	56.0	57.0	57.0	57.0	57.0	57.0								
Covered Hoppers #2 - Mileage	44.2	44.3	44.3	44.4	44.4	44.5								
Tank Cars #2 - Mileage	76.6	76.7	80.3	80.4	80.5	80.6								
Others #1 -Time	61.0	61.0	61.0	60.0	61.0	61.0								
Others #2 - Mileage	6.6	6.6	6.6	6.6	6.7	6.7								
AVERAGE RATES														
Private Superstructures	19.13	19.13	19.13	18.66	19.13	19.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Others	20.14	20.14	20.14	19.92	20.24	20.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Total	**45.70**	**45.74**	**46.90**	**46.89**	**46.94**	**47.02**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**
Autoracks	**50.47**	**51.28**	**51.27**	**51.07**	**51.08**	**51.07**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**

WEIGHTS	"Old Wts" 2007	"New Wts" 2008
For RCAF & RCR		
RR-owned Time	0.169	0.179
RR-owned Mileage	0.100	0.100
Privately-owned Cars	0.731	0.709
Autoracks	0.000	0.012
------- Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)	2007	2008
Car Hire - U.S.	0.432	0.439
Lease Rentals - U.S.	0.568	0.561
------- 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.

AVERAGE RATE FOR 12/09

CAR GROUP	CAR COUNT	CAR RENTAL RATES TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	9,239	135 ¢/HR	.080 $/MILE	20 ¢/HR
0NO. OF ZERO RATED VEH. FLATS 2/	161			
-ALL OTHER CARS	618,765	67 ¢/HR	.072 $/MILE	
0NO. OF ZERO RATED "OTHER" CARS 2/	35,016			
0 TOTAL:	663,181			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:
CAR TYPE D - LOCOMOTIVES
CAR TYPE M - MAINTENANCE OF WAY,SCALE,PASSENGER,CABOOSE AND EOT DEVICE
CAR TYPE U - CONTAINERS
CAR TYPE Z - TRAILERS

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

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

AVERAGE RATE FOR 12/09

CAR GROUP	CAR COUNT	CAR RENTAL RATES TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	48,399	78 ¢/HR	.008 $/MILE	57 ¢/HR
0NO. OF ZERO RATED VEH. FLATS 2/	8			
-COVERED HOPPERS	334,357	0 ¢/HR	.445 $/MILE	
0NO. OF ZERO RATED COVERED HOPPERS 2/	9,746			
-TANKS	311,463	2 ¢/HR	.806 $/MILE	
0NO. OF ZERO RATED TANKS 2/	9,061			
-ALL OTHER CARS	308,655	61 ¢/HR	.067 $/MILE	
0NO. OF ZERO RATED "OTHER" CARS 2/	35,448			
0 TOTAL:	1,057,137			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:
CAR TYPE D - LOCOMOTIVES
CAR TYPE M - MAINTENANCE OF WAY,SCALE,PASSENGER,CABOOSE AND EOT DEVICE
CAR TYPE U - CONTAINERS
CAR TYPE Z - TRAILERS

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

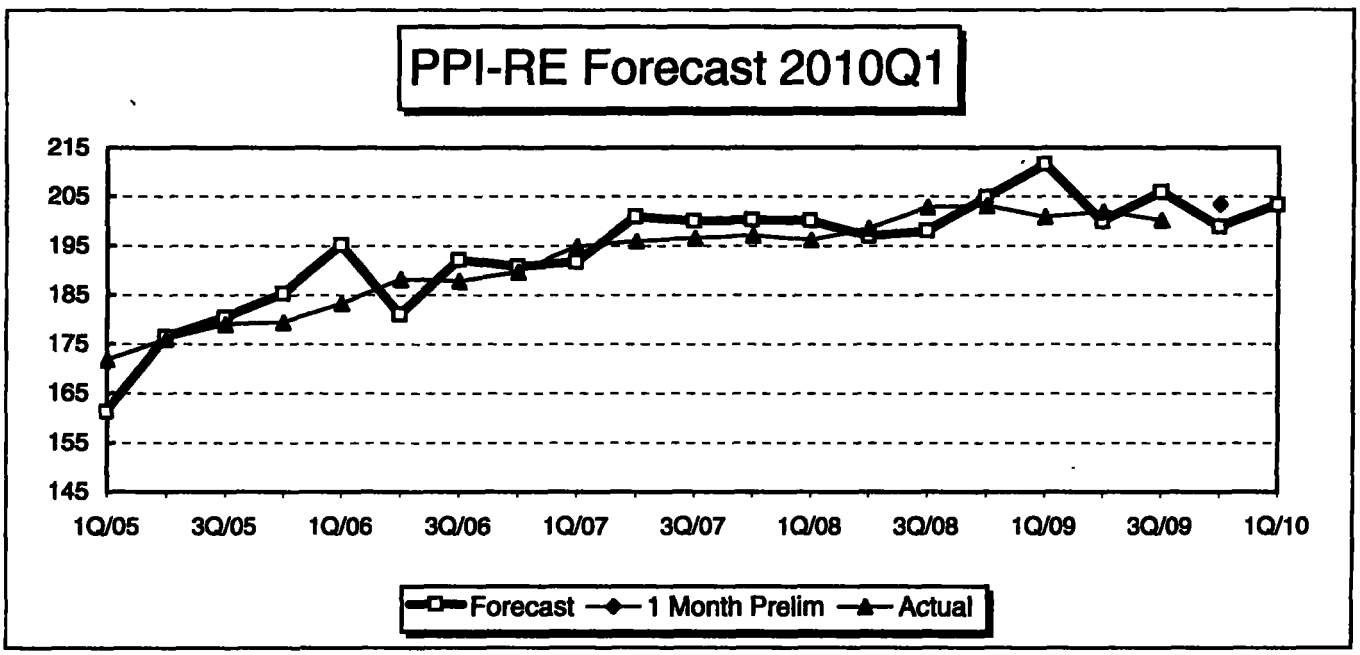
-2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6). THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS.

PPI-RE Forecast (for Depreciation Component)

	Forecast	Actual	1 Month Prelim
1Q/05	161.3	171.7	
2Q/05	176.3	175.9	
3Q/05	180.3	178.9	
4Q/05	185.1	179.4	
1Q/06	195.0	183.1	
2Q/06	180.9	188.1	
3Q/06	191.9	187.7	
4Q/06	190.6	189.6	
1Q/07	191.6	194.8	
2Q/07	200.9	195.9	
3Q/07	199.9	196.5	
4Q/07	200.2	197.0	
1Q/08	200.1	196.1	
2Q/08	196.9	198.5	
3Q/08	197.9	202.8	
4Q/08	204.8	203.1	
1Q/09	211.6	200.9	
2Q/09	199.9	201.9	
3Q/09	206.0	200.2	
4Q/09	198.9		203.4
1Q/10	203.3		

1980 Base

	PPI-RE Forecast		Percent Change			
2010Q1	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
Low	178.1	197.0	-1.9%			
Midpoint	183.8	**203.3**	**1.2%**	**0.0%**	**1.5%**	**2.2%**
High	189.5	209.6	4.3%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2010Q1\5Deprec\FPre_ppi..xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

Length 72 Minimum 137.300 Maximum 183.900
Mean 167.401 Standard deviation 14.225

Classical decomposition (multiplicative)
Trend-cycle: 98.06% Seasonal: 0.43% Irregular: 1.51%

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

Box-Jenkins outperforms exponential smoothing by 1.627 to 3.069 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is nonstationary and seasonal.

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

Term	Coefficient	Std. Error	t-Statistic	Significance
A[12]	0.4158	0.1142	3.6418	0.9995

Within-Sample Statistics

Sample size 72	Number of parameters 1
Mean 167.4	Standard deviation 14.22
R-square 0.9893	Adjusted R-square 0.9893
Durbin-Watson 1.856	Ljung-Box(18)=16.16 P=0.4186
Forecast error 1.469	BIC 1.503
MAPE 0.005801	RMSE 1.459
MAD 0.9666	

Forecast Report
Wed Nov 18 10:56:19 2009
Box-Jenkins model for PPIRE
Analysis of Historic Fit Set

Date	Historic
2003-11	137.700
2003-12	137.300
2004-01	137.900
2004-02	140.100
2004-03	142.200
2004-04	142.800
2004-05	143.500
2004-06	143.700
2004-07	143.200
2004-08	143.500
2004-09	144.200
2004-10	145.000
2004-11	147.000
2004-12	153.200
2005-01	153.400
2005-02	156.000
2005-03	161.600
2005-04	161.100
2005-05	161.300
2005-06	161.200
2005-07	161.500
2005-08	161.800
2005-09	161.800
2005-10	161.700
2005-11	161.900
2005-12	162.200
2006-01	164.200
2006-02	165.500
2006-03	168.200
2006-04	168.200
2006-05	169.600
2006-06	171.300
2006-07	170.600
2006-08	170.900

2006-09	170.400
2006-10	170.200
2006-11	170.300
2006-12	172.700
2007-01	173.900
2007-02	175.600
2007-03	176.100
2007-04	174.200
2007-05	175.600
2007-06	176.400
2007-07	177.400
2007-08	177.400
2007-09	177.900
2007-10	177.500
2007-11	177.700
2007-12	177.500
2008-01	178.400
2008-02	178.200
2008-03	177.600
2008-04	178.700
2008-05	178.000
2008-06	181.200
2008-07	180.800
2008-08	181.700
2008-09	182.900
2008-10	181.900
2008-11	181.600
2008-12	180.700
2009-01	181.600
2009-02	181.800
2009-03	181.600
2009-04	183.100
2009-05	180.000
2009-06	180.000
2009-07	179.600
2009-08	179.600
2009-09	183.900
2009-10	183.900

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2009-11	180.896	183.775	186.654
2009-12	179.329	183.401	187.473
2010-01	178.789	183.775	188.762
2010-02	178.100	183.858	189.617
2010-03	177.338	183.775	190.213
2010-04	177.347	184.399	191.451
2010-05	175.493	183.110	190.727
2010-06	174.967	183.110	191.253
2010-07	174.307	182.944	191.581
2010-08	173.839	182.944	192.048
2010-09	175.183	184.732	194.280
2010-10	174.758	184.732	194.705

Databases

FONT SIZE:

Change Output Options: From: 2008 To: 2009 GO

include graphs

More Formatting Options

Data extracted on: November 17, 2009 (1:47:50 PM)

Producer Price Index-Commodities

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

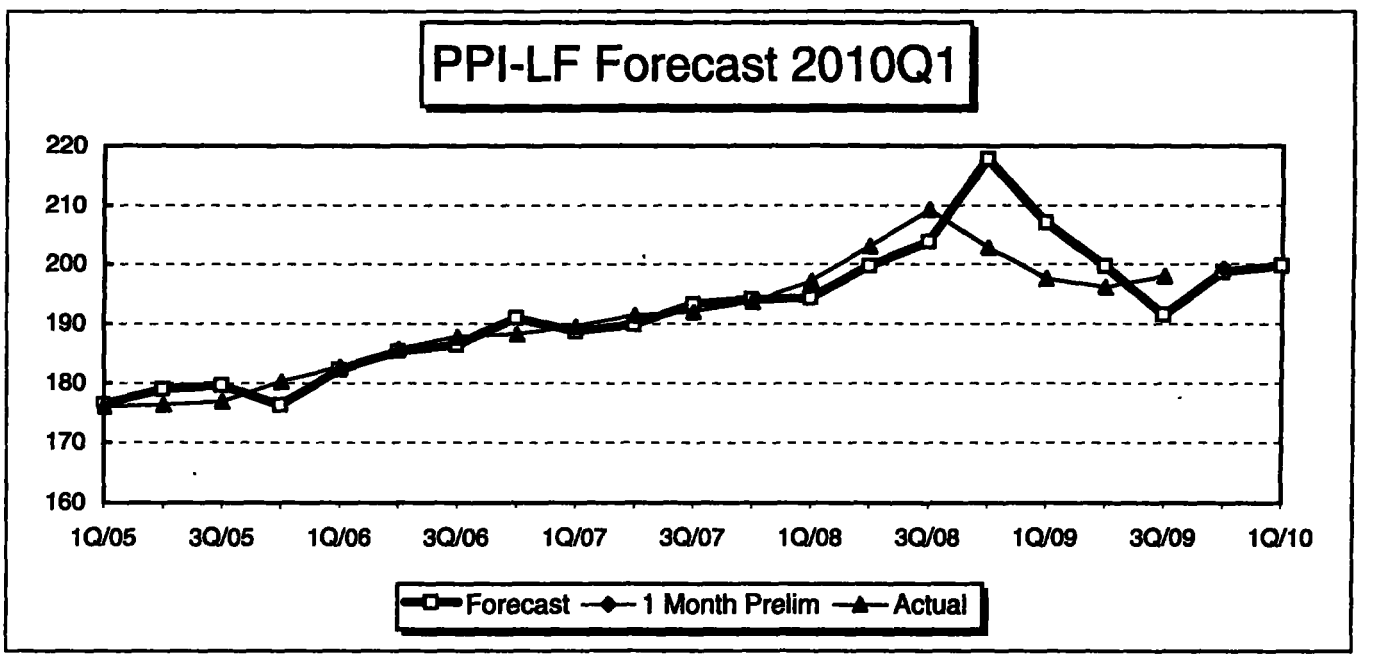
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2008	178.4	178.2	177.6	178.7	178.0	181.2	180.8	181.7	182.9	181.9	181.6	180.7	180.2
2009	181.6	181.8	181.6	183.1	180.0	180.0	179.6(P)	179.6(P)	183.9(P)	183.9(P)			
P : Preliminary. All indexes are subject to revision four months after original publication.													

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

	Forecast	Actual	1 Month Prelim
1Q/05	176.3	176.0	
2Q/05	178.9	176.3	
3Q/05	179.5	176.8	
4Q/05	176.2	180.2	
1Q/06	182.1	182.7	
2Q/06	185.3	185.7	
3Q/06	186.3	187.7	
4Q/06	190.9	188.2	
1Q/07	188.6	189.5	
2Q/07	189.8	191.4	
3Q/07	193.2	191.9	
4Q/07	194.1	193.7	
1Q/08	194.3	197.1	
2Q/08	199.7	203.1	
3Q/08	203.8	209.2	
4Q/08	217.8	202.8	
1Q/09	207.0	197.6	
2Q/09	199.7	196.1	
3Q/09	191.5	198.0	
4Q/09	198.7		199.3
1Q/10	199.8		

1980 Base

	PPI-LF Forecast		Percent Change			
2010Q1	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
Low	170.3	190.9	-3.4%			
Midpoint	178.2	199.8	1.1%	0.3%	0.9%	0.6%
High	186.2	208.7	5.6%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2010Q1\7Other\FPlf_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPILF

Length 72 Minimum 146.100 Maximum 186.600
Mean 166.486 Standard deviation 10.883

Classical decomposition (multiplicative)
Trend-cycle: 97.57% Seasonal: 0.48% Irregular: 1.95%

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

Box-Jenkins outperforms exponential smoothing by 3.481 to 6.890 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is trended and seasonal.

Recommended model: Box-Jenkins
Forecast Model for PPILF
ARIMA(0,2,1)

Term	Coefficient	Std. Error	t-Statistic	Significance
b[1]	0.0111	0.1204	0.0918	0.0729 <-

Insignificant MA terms are harmless.

Within-Sample Statistics

Sample size 72	Number of parameters 1
Mean 166.5	Standard deviation 10.88
R-square 0.9955	Adjusted R-square 0.9955
Durbin-Watson 1.951	Ljung-Box(18)=23.24 P=0.8183
Forecast error 0.7288	BIC 0.7455
MAPE 0.003073	RMSE 0.7237
MAD 0.5237	

Forecast Report
Wed Nov 18 16:02:16 2009
Box-Jenkins model for PPILF
Analysis of Historic Fit Set

Date	Historic
2003-11	146.100
2003-12	146.300
2004-01	147.200
2004-02	148.200
2004-03	149.100
2004-04	150.000
2004-05	150.500
2004-06	150.900
2004-07	151.500
2004-08	152.600
2004-09	153.300
2004-10	154.600
2004-11	155.000
2004-12	155.400
2005-01	156.400
2005-02	156.900
2005-03	157.400
2005-04	157.600
2005-05	157.400
2005-06	157.000
2005-07	157.300
2005-08	157.500
2005-09	158.700
2005-10	160.500
2005-11	161.000
2005-12	161.300
2006-01	162.500
2006-02	163.200
2006-03	163.800
2006-04	164.800
2006-05	166.400
2006-06	166.800

2006-07	167.100
2006-08	167.500
2006-09	167.600
2006-10	167.700
2006-11	167.800
2006-12	167.900
2007-01	168.200
2007-02	168.600
2007-03	169.400
2007-04	170.300
2007-05	170.800
2007-06	171.000
2007-07	171.400
2007-08	171.100
2007-09	171.200
2007-10	172.200
2007-11	173.100
2007-12	173.100
2008-01	174.700
2008-02	175.900
2008-03	177.400
2008-04	179.800
2008-05	181.800
2008-06	183.200
2008-07	185.900
2008-08	186.600
2008-09	186.200
2008-10	183.700
2008-11	179.900
2008-12	177.400
2009-01	176.900
2009-02	176.100
2009-03	175.600
2009-04	175.000
2009-05	174.900
2009-06	175.200
2009-07	175.600
2009-08	176.500
2009-09	177.700
2009-10	177.800

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2009-11	176.474	177.912	179.351
2009-12	174.822	178.024	181.227
2010-01	172.788	178.136	183.485
2010-02	170.427	178.248	186.070
2010-03	167.777	178.361	188.944
2010-04	164.866	178.473	192.079
2010-05	161.714	178.585	195.456
2010-06	158.337	178.697	199.057
2010-07	154.749	178.809	202.869
2010-08	150.961	178.921	206.881
2010-09	146.984	179.033	211.083
2010-10	142.825	179.145	215.466

Databases

FONT SIZE:

Change Output Options: From: 2008 To: 2009 GO

include graphs More Formatting Options

Data extracted on: November 17, 2009 (1:56:05 PM)

Producer Price Index-Commodities

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

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2008	174.7	175.9	177.4	179.8	181.8	183.2	185.9	186.6	186.2	183.7	179.9	177.4	181.1
2009	176.9	176.1	175.6	175.0	174.9	175.2	175.6(P)	176.5(P)	177.7(P)	177.8(P)			

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

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

Forecast Error Calculation

	2007 Weight	Third Quarter 2009 2009Q3 Forecast	2009Q3 Actual	Diff					
Labor	32.8%	347.2	347.2	0.0	* actual=forecast				
Fuel	20.3%	231.2	218.3	-12.9	from 1st month of quarter				
M&S	5.0%	255.9	255.9	0.0	* actual=forecast				
Equip Rents	7.2%	192.4	196.2	3.8	from Equipment Rents below				
Depreciation	11.0%	206.0	200.2	-5.8	PPI-RE	179.60	179.60	183.90	0.9040
Interest	2.7%	88.0	88.0	0.0	* actual=forecast				
Other	21.0%	191.5	198.0	6.5	PPI-LF	175.60	176.50	177.70	0.8920
Weighted Avg	100.0%								
1980 = 100		252.7	251.1		calculated				
1980 = 100 (linked)		245.3	243.8		calculated				
4Q07 = 100	2.459	99.8	99.1						
4Q02 = 100	1.921	127.7	126.9		calculated				
4Q97 = 100	1.732	141.6	140.8		calculated				
4Q92 = 100	1.569	156.3	155.4		calculated				
Forecast Error →		**-0.7**			**calculated**				
Prior Quarter									
1980 = 100		240.4	239.8 ***						
1980 = 100 (linked)		233.4	232.8						
4Q07 = 100		94.9	94.7		calculated				
4Q02 = 100		121.5	121.2		calculated				
4Q97 = 100		134.8	134.4		calculated				
4Q92 = 100		148.8	148.4		calculated				
Equipment Rents									
Car Hire	43.2%	182.4	182.2		from UMLER equipment rents				
Lease Rentals	56.8%	191.5	198.0		calculated (equals PPI-LF from above)				
Weighted Average		187.6	191.2		calculated				
Linked		192.4	196.2		calculated				
Prior Quarter									
Weighted Average		192.1	190.1 ***						
Linked		197.0	195.1						

Sum of Weights	ok	***	if fourth quarter, weighted avg for prior needs to use new weights, linked is ok
Sum of ER Wt.	ok		

file: RCAF2010Q1.xls

11/24/2009

All-Inclusive Index (Actual)

	07 Wts	3Q/08 06 Wts	3Q/08 07 Wts	% Chg.	4Q/08 07 Wts	% Chg.	1Q/09 07 Wts	% Chg.	2Q/09 07 Wts	% Chg.	3Q/09 07 Wts	% Chg.
Labor	32.8%	317.2	317.2	0.0%	330.6	4.2%	337.0	1.9%	338.3	0.4%	347.2	2.6%
Fuel	20.3%	481.0	481.0	0.0%	319.4	-33.6%	181.0	-43.3%	180.2	-0.4%	218.3	21.1%
M&S	5.0%	228.3	228.3	0.0%	252.2	10.5%	258.8	2.6%	249.0	-3.8%	255.9	2.8%
Equipment Rents	7.2%	202.7	202.7	0.0%	198.7	-2.0%	194.9	-1.9%	195.1	0.1%	196.2	0.6%
Depreciation	11.0%	202.8	202.8	0.0%	203.1	0.1%	200.9	-1.1%	201.9	0.5%	200.2	-0.8%
Interest	2.7%	90.2	90.2	0.0%	88.0	-2.4%	88.0	0.0%	88.0	0.0%	88.0	0.0%
Other	21.0%	209.2	209.2	0.0%	202.8	-3.1%	197.6	-2.6%	196.1	-0.8%	198.0	1.0%
	1.0000											
Weighted Avg.		**295.2**	**296.4**	**0.4%**	**267.5**	**-9.8%**	**240.2**	**-10.2%**	**239.8**	**-0.2%**	**251.1**	**4.7%**
Linked		**287.8**			**259.7**	**-9.8%**	**233.2**	**-10.2%**	**232.8**	**-0.2%**	**243.8**	**4.7%**
10/1/80	1.027	280.2			252.9	-9.7%	227.1	-10.2%	226.7	-0.2%	237.4	4.7%
10/1/82	1.209	238.0			214.8	-9.7%	192.9	-10.2%	192.6	-0.2%	201.7	4.7%
4Q/87	1.322	217.7			196.4	-9.8%	176.4	-10.2%	176.1	-0.2%	184.4	4.7%
4Q/92	1.569	183.4			165.5	-9.8%	148.6	-10.2%	148.4	-0.1%	155.4	4.7%
4Q/97	1.732	166.2			149.9	-9.8%	134.6	-10.2%	134.4	-0.1%	140.8	4.8%
4Q/02	1.921	149.8			135.2	-9.7%	121.4	-10.2%	121.2	-0.2%	126.9	4.7%
4Q/07	2.159	117.0			**105.6**	**-9.7%**	**94.8**	**-10.2%**	**94.7**	**-0.1%**	**99.1**	**4.6%**
Equipment Rents												
Car Hire	43.2%	182.2	182.2	0.0%	181.6	-0.3%	179.7	-1.0%	182.3	1.4%	182.2	-0.1%
Lease Rentals	56.8%	209.2	209.2	0.0%	202.8	-3.1%	197.6	-2.6%	196.1	-0.8%	198.0	1.0%
	1.0000											
ER Weighted Avg		196.7	197.5	0.4%	193.6	-2.0%	189.9	-1.9%	190.1	0.1%	191.2	0.6%
ER Linked		202.7			198.7	-2.0%	194.9	-1.9%	195.1	0.1%	196.2	0.6%

Impact/Check of weight change	06 Wts	07 Wts
Labor	109.434	104.042
Fuel	92.352	97.643
Material & Supplies	11.415	11.415
Equipment Rents	15.811	14.594
Depreciation	21.497	22.308
Interest	2.435	2.435
Other	42.258	43.932
Weighted Avg	**295.202**	**296.369**
ER Weighted Avg	196.699	197.536

RCAF Fuel (Actual All-Inclusive Index)

July 2009

Average Price for Monthly Report

	July 2009 Price (1)	1/1/81 Price (2)	1/91 New Method Linking Factors (3)	July 2009 Index 1/1/81=100 (4)
U.S.	**178.67**	89.34	99.415	198.82
East	**178.36**	91.56	99.435	193.70
West	**178.79**	87.83	99.416	202.37

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

Fuel Index on 1977 Base and 1980 Base

	July 2009 Index 1/1/81=100 (1)	Linking Factors 1977=100 (2)	Linking Factors 1980=100 (3)	July 2009 Index 1977=100 (4)	July 2009 Index 1980=100 (5)
U.S.	198.82	2.606	1.096	518.12	217.91
East	193.70	2.569	1.134	497.62	219.66
West	202.37	2.639	1.067	534.07	215.93

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

Final Actual All-Iinclusive Index

	1980=100 July 2009 Current Index	Adjustment Factor	July 2009 Linked Index
U.S.	217.91	1.00192	**218.32** ←
East	219.66	1.00621	221.02
West	215.93	1.00024	215.99

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

Car Hire for RCAF

RCAF (Actual)

		1980	Aug 3Q/08	Nov 4Q/08	Feb 1Q/09	May 2Q/09	Aug 3Q/09
RATE							
RR-OWNED TIME		31.00	67.00	67.00	67.00	67.00	67.00
RR-OWNED MILEAGE		4.69	7.20	7.20	7.20	7.20	7.20
PRIVATELY-OWNED CARS		25.47	45.78	45.57	44.89	45.80	45.74
AUTORACKS		47.00	51.86	53.62	50.52	50.70	51.28
INDEX							
RR-OWNED TIME		100.0	216.1	216.1	216.1	216.1	216.1
RR-OWNED MILEAGE		100.0	153.5	153.5	153.5	153.5	153.5
PRIVATELY-OWNED CARS		100.0	179.7	178.9	176.2	179.8	179.6
AUTORACKS		100.0	110.3	114.1	107.5	107.9	109.1
CAR HIRE INDEX (old wts)	2006	100.0	183.4	--	--	--	--
CAR HIRE INDEX (new wts)	2007	100.0	183.2	182.6	180.7	183.3	183.2
CAR HIRE INDEX (LINKED)		100.0	182.2	181.6	179.7	182.3	182.2

Note: Indexes are rounded, rates are full float.

Equipment Rents Data From CHARM

	2008 (first day of month)						2009 (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)	9,319	9,298	9,260	9,236	9,191	9,119	9,029	8,962	8,941	9,203	9,208	9,277	9,269	9,276
Rate (in cents)														
Superstructures #3 - Auto Rack	19.0	19.0	19.0	19.0	19.0	19.0	19.0	20.0	20.0	21.0	22.0	21.0	21.0	21.0
All other #1 - Time	**67.0**	**67.0**	**67.0**	**67.0**	**67.0**	**67.0**	**67.0**	**67.0**	**67.0**	**67.0**	**67.0**	**67.0**	**67.0**	**67.0**
All other #2 - Mileage	**7.2**	**7.2**	**7.2**	**7.2**	**7.2**	**7.2**	**7.2**	**7.2**	**7.2**	**7.2**	**7.2**	**7.2**	**7.2**	**7.2**
Private Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	49,751	49,742	49,703	49,802	49,846	49,904	49,945	49,865	49,842	49,828	49,838	49,613	49,413	49,130
Covered Hoppers	342,056	341,934	342,364	343,455	343,426	342,491	343,062	342,492	341,790	341,893	340,646	339,416	339,231	338,505
Tank Cars	314,047	314,204	315,055	315,796	314,985	313,030	315,209	314,695	315,003	313,904	314,770	314,234	313,946	313,234
Others	297,412	299,033	299,493	301,343	302,182	304,636	305,747	304,116	305,148	304,842	305,042	307,023	308,148	308,917
Rate (in cents)														
Superstructures #1 - Time	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0
Superstructures #2 - Mileage	0.8	0.8	0.8	0.8	1.0	1.0	1.0	1.0	1.0	1.0	0.8	0.8	0.8	0.8
Superstructures #3 - Auto Rack	57.0	58.0	58.0	59.0	60.0	59.0	55.0	56.0	56.0	56.0	56.0	56.0	56.0	57.0
Covered Hoppers #2 - Mileage	44.9	45.0	45.1	45.2	45.2	45.2	43.8	44.0	44.0	44.1	44.1	44.2	44.2	44.3
Tank Cars #2 - Mileage	74.5	74.6	73.8	73.9	74.0	74.1	73.2	73.5	76.2	76.2	76.4	76.5	76.6	76.7
Others #1 -Time	64.0	64.0	64.0	63.0	63.0	63.0	63.0	62.0	62.0	62.0	62.0	62.0	61.0	61.0
Others #2 - Mileage	6.6	6.6	6.6	6.6	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.6	6.6
AVERAGE RATES														
Private Superstructures	19.13	19.13	19.13	19.13	19.33	19.33	19.33	19.33	19.33	19.33	19.13	19.13	19.13	19.13
Private Others	20.81	20.81	20.81	20.59	20.69	20.69	20.69	20.46	20.46	20.46	20.46	20.46	20.14	20.14
Private Total	**45.75**	**45.78**	**45.57**	**45.54**	**45.57**	**45.48**	**44.76**	**44.89**	**45.71**	**45.72**	**45.80**	**45.80**	**45.70**	**45.74**
Autoracks	**51.01**	**51.86**	**51.88**	**52.74**	**53.82**	**52.82**	**49.49**	**50.52**	**50.52**	**50.54**	**50.70**	**50.49**	**50.47**	**51.28**

WEIGHTS	"Old Wts" 2006	"New Wts" 2007
For RCAF & RCR		
RR-owned Time	0.182	0.169
RR-owned Mileage	0.097	0.100
Privately-owned Cars	0.716	0.731
Autoracks	0.005	0.000
------ Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)	2006	2007
Car Hire - U.S.	0.463	0.432
Lease Rentals - U.S.	0.537	0.568
------ 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.

AVERAGE RATE FOR 08/09

CAR GROUP	CAR COUNT	CAR RENTAL RATES TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	9,276	134 ¢/HR	.079 $/MILE	21 ¢/HR
0NO. OF ZERO RATED VEH. FLATS 2/	78			
-ALL OTHER CARS	629,591	67 ¢/HR	.072 $/MILE	
0NO. OF ZERO RATED "OTHER" CARS 2/	37,284			
0 TOTAL:	676,229			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:
CAR TYPE D - LOCOMOTIVES
CAR TYPE M - MAINTENANCE OF WAY,SCALE,PASSENGER,CABOOSE AND EOT DEVICE
CAR TYPE U - CONTAINERS
CAR TYPE Z - TRAILERS

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

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

AVERAGE RATE FOR 08/09

CAR GROUP	CAR COUNT	CAR RENTAL RATES TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	49,130	78 ¢/HR	.008 $/MILE	57 ¢/HR
0NO. OF ZERO RATED VEH. FLATS 2/	7			
-COVERED HOPPERS	338,505	0 ¢/HR	.443 $/MILE	
0NO. OF ZERO RATED COVERED HOPPERS 2/	10,078			
-TANKS	313,234	2 ¢/HR	.767 $/MILE	
0NO. OF ZERO RATED TANKS 2/	10,023			
-ALL OTHER CARS	308,917	61 ¢/HR	.066 $/MILE	
0NO. OF ZERO RATED "OTHER" CARS 2/	34,883			
0 TOTAL:	1,064,777			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:
CAR TYPE D - LOCOMOTIVES
CAR TYPE M - MAINTENANCE OF WAY,SCALE,PASSENGER,CABOOSE AND EOT DEVICE
CAR TYPE U - CONTAINERS
CAR TYPE Z - TRAILERS

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

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

RCAF - Depreciation

Series ID : wpu144
Not Seasonally Adjusted
Group : Transportation equipment
Item : Railroad equipment

		Forecast Year 2010 As reported at end of month 82=100			
		Nov.	**Feb.**	**May**	**Aug.**
For Forecast →		10Q1	10Q2	10Q3	10Q4
For Actual →		**09Q3**	**09Q4**	**10Q1**	**10Q2**
January	2009	181.6	181.6	181.6	181.6
February	2009	181.8	181.8	181.8	181.8
March	2009	181.6	181.6	181.6	181.6
April	2009	183.1	183.1	183.1	183.1
May	2009	180.0	180.0	180.0	180.0
June	2009	180.0	180.0	180.0	180.0
July	2009	**179.6**			
August	2009	**179.6**			
September	2009	**183.9**			
October	2009	183.9			
November	2009				
December	2009				
January	2010				
February	2010				
March	2010				
April	2010				
May	2010				
June	2010				
July	2010				
Actual Qtr.		181.0	NA	NA	NA

1980=100				
Actual Qtr.	**200.2**	NA	NA	NA
First Mo. next qtr.	**203.4**	NA	NA	NA

0.904 =1980

Databases

FONT SIZE:

Change Output Options: From: 2008 To: 2009 GO

include graphs More Formatting Options

Data extracted on: November 17, 2009 (1:47:50 PM)

Producer Price Index-Commodities

For Depreciation

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

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2008	178.4	178.2	177.6	178.7	178.0	181.2	180.8	181.7	182.9	181.9	181.6	180.7	180.2
2009	181.6	181.8	181.6	183.1	180.0	180.0	179.6(P)	179.6(P)	183.9(P)	183.9(P)			
P : Preliminary. All indexes are subject to revision four months after original publication.													

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

RCAF - Other

Series ID : wpu03t15m05
Not Seasonally Adjusted
Group : Industrial Commodities less fuels
Item : Industrial commodities less fuels

		Forecast Year 2010 As reported at end of month 82=100			
		Nov.	**Feb.**	**May**	**Aug.**
For Forecast →		10Q1	10Q2	10Q3	10Q4
For Actual →		**08Q3**	**08Q4**	**09Q1**	**09Q2**
January	2009	176.9	176.9	176.9	176.9
February	2009	176.1	176.1	176.1	176.1
March	2009	175.6	175.6	175.6	175.6
April	2009	175.0	175.0	175.0	175.0
May	2009	174.9	174.9	174.9	174.9
June	2009	175.2	175.2	175.2	175.2
July	2009	**175.6**			
August	2009	**176.5**			
September	2009	**177.7**			
October	2009	177.8			
November	2009				
December	2009				
January	2010				
February	2010				
March	2010				
April	2010				
May	2010				
June	2010				
July	2010				
Actual Qtr.		176.6	NA	NA	NA

1980=100				
Actual Qtr.	**198.0**	NA	NA	NA
First Mo. next qtr.	**199.3**	NA	NA	NA

0.892 =1980

Databases

FONT SIZE:

Change Output Options: From: 2008 To: 2009 GO

include graphs More Formatting Options

Data extracted on: November 17, 2009 (1:56:05 PM)

Producer Price Index-Commodities

For "Other"

Series Id: WPUD2T15M05
Not Seasonally Adjusted
Group: Industrial Commodities less fuels
Item: Industrial commodities less fuels
Base Date: 198200

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2008	174.7	175.9	177.4	179.8	181.8	183.2	185.9	186.6	186.2	183.7	179.9	177.4	181.1
2009	176.9	176.1	175.6	175.0	174.9	175.2	175.6(P)	176.5(P)	177.7(P)	177.8(P)			
P : Preliminary. All indexes are subject to revision four months after original publication.													