

**ASSOCIATION  
OF AMERICAN  
RAILROADS**

219461



June 5, 2007

**Craig F. Rocky**  
Vice President - Policy & Economics

The Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
395 E Street, SW.  
Washington, DC 20423-0001

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JUN 5 - 2007

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Public Record

Dear Mr Williams

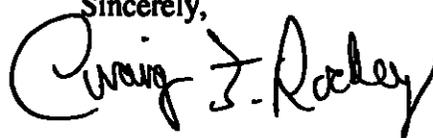
This submission is the AAR forecast of the third quarter 2007 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No 5) (2007-3) *Quarterly Rail Adjustment Factor*. The versions of RCAF-related indices covered in this filing are the All-Inclusive Index (initiated in the second quarter 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 third quarter 2007 results on the fourth quarter 2002 base, and shows the percentage changes from the previous quarter.

	<u>2007Q2</u>	<u>2007Q3</u>	<u>% Change</u>
All-Inclusive Index	119.7	121.8	1.8
Preliminary RCAF	1.197	1.218	1.8
Forecast Error Adjustment	-0.050	-0.021	
RCAF (Unadjusted)	1.147	1.197	4.4
Productivity Adjustment Factor	2.1348	2.1438	
RCAF (Adjusted)	0.537	0.558	3.9
PAF-5	2.2456	2.2562	
RCAF-5	0.511	0.531	3.9

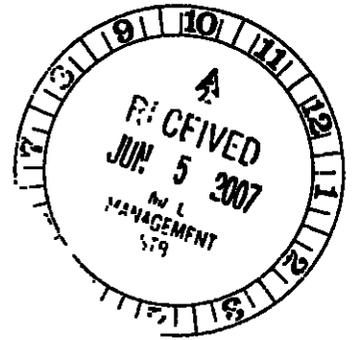
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In its October 3, 1996 decision in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*, the STB noted its intent to publish, in addition to the RCAF (Unadjusted) and RCAF (Adjusted), an RCAF-5 (i.e., a calculation of the productivity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

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 Mac Frampton 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,  
  
Craig F. Rockey

Attachments



**Third Quarter 2007  
All-Inclusive Index**

**Ex Parte No. 290 (Sub-No. 5) (2007-3)**

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

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

**June 5, 2007**

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## Introduction

On January 2, 1985, the Interstate Commerce Commission (ICC) [now the Surface Transportation Board (STB)] adopted the All-Inclusive Index of Railroad Costs as the basis for the Rail Cost Adjustment Factor (RCAF). The quarterly projection of railroad costs, as documented herein, employs the All-Inclusive Index as required by the regulations. Also presented in this submission is the RCAF, both Adjusted and Unadjusted, as required by the ICC in its decision in Ex Parte No. 290 (Sub-No. 4), *Rail Cost Recovery Procedures - Productivity Adjustment*, served March 24, 1989. In addition, the AAR has included (but does not endorse) the RCAF-5, which was instituted by an STB decision served October 3, 1996 in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*. This quarter's projection of railroad costs is for the third quarter 2007.

## 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 previous (2004) weights were used for the fourth quarter of 2005 through the third quarter of 2006. Beginning with the fourth quarter of 2006, the 2005 weights are used. As those familiar with the U.S. economy in 2005 would expect, Fuel, Materials & Supplies, and Interest all increased their weight – especially Fuel. Depreciation also increased in weight. Fuel's expense increase was larger than all others combined, and on a percentage increase basis, Fuel expense grew by nearly 43 percent. Labor, despite a 5.6 percent increase in the amount of expenses, decreased as a percentage of total expenses. The 2005 (current) and 2004 (previous) weights are shown below.

RCAF Weights		
	Previous 2004	Current 2005
Labor	36.0 %	35.3 %
Fuel	12.1	16.0
Materials & Supplies	4.4	4.6
Equipment Rents	8.9	8.2
Depreciation	10.6	11.1
Interest	3.0	3.1
Other	25.0	21.7

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

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

## All-Inclusive Index Third Quarter 2007

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

	2005 Weights	Forecast		Percent Change
		Previous 2007Q2	Current 2007Q3	
1. Labor	35.3%	298.2	298.5	0.1%
2. Fuel	16.0%	235.9	253.9	7.6
3. M&S	4.6%	206.1	212.6	3.2
4. Equipment Rents	8.2%	190.2	192.5	1.2
5. Depreciation	11.1%	200.9	199.9	-0.5
6. Interest	3.1%	96.9	96.9	0.0
7. Other	21.7%	189.8	193.2	1.8
<b>8. Weighted Average</b>				
a. 1980 = 100		234.6	238.7	
b. 1980 = 100 (linked)		230.0	234.0 <sup>1</sup>	
c. 4Q02 = 100		119.7	121.8 <sup>2</sup>	1.8

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<sup>1</sup> To calculate the 1980 = 100 Linked Index  

$$\text{Index}_{80} = (\text{Current Index} / \text{Previous Index}) * \text{the Previous Quarter Linked Index}$$

$$= \quad 238.7 \quad \text{divided by} \quad 234.6 \quad \text{times} \quad 230.0$$

$$= \quad 234.0$$

<sup>2</sup> To calculate the 4Q02 = 100 index:  

$$\text{Index}_{4Q02} = (\text{Current Linked Index} / 4Q02 \text{ Linking Factor}) * 100$$

$$= \quad 234.0 \quad \text{divided by} \quad 192.1 \quad \text{times} \quad 100$$

$$= \quad 121.8$$

4Q97 based index = 135.1  
 4Q92 based index = 149.1  
 4Q87 based index = 177.0

## Forecast vs. Actual All-Inclusive Index First Quarter 2007

As shown below, the first quarter actual index of 117.6 is 2.1 index points below the forecast value of 119.7. Therefore, the forecast error adjustment for third quarter 2007 is -2.1 index points.

	2005 Weights	First Quarter 2007		Amt Difference
		Forecast	Actual	
1. Labor	35.3%	297.4	297.4	
2. Fuel	16.0%	245.9	211.3	
3. M&S	4.6%	207.1	207.1	
4. Equipment Rents <sup>1</sup>	8.2%	188.2	189.0	
5. Depreciation	11.1%	191.6	194.8	
6. Interest	3.1%	96.9	96.9	
7. Other	21.7%	188.6	189.5	
<b>8. Weighted Average</b>				
a. 1980 = 100		234.5	229.6	
b. 1980 = 100 (linked)		229.9	226.0 <sup>2</sup>	
c. 4Q02 = 100 <sup>3</sup>		119.7	117.6	-2.1

**Forecast error** —————> **-2.1 Index points**

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1	2005 Weights	First Quarter 2007	
		Forecast	Actual
Car-Hire	49.2%	176.3	176.5
Lease Rentals	50.8%	188.6	189.5
Weighted Average		182.5	183.1
Weighted Average (linked)		188.2	189.0

<sup>2</sup> Linked actual index = (actual index / previous actual index) x previous linked actual index  

$$226.0 = 229.6 / 229.2 \times 225.6$$

<sup>3</sup> The 4Q02 based indexes are 1980 based indexes divided by the 4Q02 linking factor (192.1/100)  
 4Q97 based indexes are the 1980 based indexes divided by the 4Q97 linking factor (173.2/100)  
 4Q92 based indexes are the 1980 based indexes divided by the 4Q92 linking factor (156.9/100)

# Productivity

On January 31, 2007, the Surface Transportation Board (STB) served a decision in Ex Parte 290 (Sub-No 4) which added the year 2005 to the Productivity Adjustment Factor (PAF) and deleted the year 2000. This creates an average annual productivity change for 2001 through 2005 of 1.7 percent – a 0.2 percentage point decrease from the 2000 through 2004 average of 1.9 percent. The components of this average annual value are shown on the following table in ratio format – therefore, 1.017 is the same as an increase of 1.7 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.

<b>Comparison of Output, Input, &amp; Productivity</b>			
<b>2001 - 2005</b>			
<b>Year</b>	<b>Output Index (1)</b>	<b>Input Index (2)</b>	<b>Productivity<sup>1</sup> Changes (3)</b>
2001	0.971	0.955	1.016
2002	1.012	1.006	1.006
2003	1.039	1.020	1.019
2004	1.033	1.057	0.977
2005	1.021	0.956	1.068
<b>Average</b>			<b>1.017</b>
<b>Previous Average (2000-2004)</b>			<b>1.019</b>

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

<b>Calculation of PAF and PAF-5</b>			
For 2001-2005, use fourth root of avg. productivity change = 1.0042			
For 2000-2004, use fourth root of avg. productivity change = 1.0047			
<b>Quarter</b>	<b>Year</b>	<b>PAF</b>	<b>PAF-5</b>
Q1	2007	2.1259	2.2351 ← 2000-2004
Q2	2007	2.1348	2.2456 ← 2001-2005
Q3	2007	2.1438	2.2562
Q4	2007	2.1528	2.2668
Q1	2008	2.1618	2.2763

## Rail Cost Adjustment Factor Third Quarter 2007

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.

	Previous 2007Q2	Current 2007Q3	Percent Change
All-Inclusive Index <sup>1</sup>	119.7	121.8	1.8
Preliminary RCAF <sup>2</sup>	1.197	1.218	1.8
Forecast Error Adjustment <sup>3</sup>	-0.050	-0.021	
RCAF (Unadjusted) <sup>4</sup>	1.147	1.197	4.4
Productivity Adjustment Factor <sup>5</sup>	2.1348	2.1438	
RCAF (Adjusted) <sup>6</sup>	0.537	0.558	3.9
PAF-5 <sup>7</sup>	2.2456	2.2562	
RCAF-5 <sup>8</sup>	0.511	0.531	3.9

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

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

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

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

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

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

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

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

# **Appendixes**

## Labor Third Quarter 2007

The third quarter 2007 Labor Index increased 0.1 percent from the previous quarter. Increases in wages were offset by lower fringe benefit costs.

***Tentative New National Agreements:*** Tentative new national agreements have been reached with 7 of the 13 major railroad unions, including the American Train Dispatchers Association, the Brotherhood of Locomotive Engineers and Trainmen, the Brotherhood of Maintenance of Way Employees Division, the Brotherhood of Railroad Signalmen, the International Brotherhood of Boilermakers, the National Conference of Firemen and Oilers, and the Sheet Metal Workers' International Association. Because the results of the ratification votes will likely not be known until late June (and the third quarter Rail Cost Adjustment Factor is filed on June 5), these new agreements have *not* been incorporated into the Labor Index. If any of these agreements are ratified, they will be included in the fourth quarter Labor Index, with back pay calculations added at that time to include the impact for the third quarter.

### Wage Index

The Wage Index portion of the Labor Index increased 0.5 percent from the previous quarter. Most national-agreement unions received a 10-cent increase in their cost-of-living allowances. Some of the independent agreements (mostly CN) had 3 percent general wage increases. [Appendix H contains common railroad and union abbreviations.]

***Wage Increases from National Agreements:*** Based on the 2000-round national agreements, all of the national unions will receive a 10-cent increase in their cost-of-living allowance (COLA) on July 1 except the BRS and BMWE. The BRS does not have provisions for COLAs in its current agreement, and the BMWE will receive a five-cent cost-of-living wage adjustment. CSX BLET employees ratified a new independent agreement in April, and will not receive the 10-cent COLA. In addition to its July 1 COLA increase, the IBBM December 2004 National Implementation Agreement has a 34-cent increase effective June 1. The 34 cents has been added to the index effective July 1, and back pay has been added for the month of June.

***Wage Increases from Independent Agreements:*** Ten-cent COLAs were added for all of the Soo Line unions, except their BMWE received 5 cents. CN railroads (B&LE, CC&P, DMIR, DWP, GTW, IC, SSAM, WC) have a mixture of no increases, 10-cent COLAs and 3 percent general wage increases. The BNSF BLET, CSX UTU-Yardmasters, UP dispatchers, and 3 railroads' ATDA dispatchers have all been benchmarked in this index as independent agreements – and they all have had 10-cent COLAs added effective July 1. The new CSX BLET independent agreement has been added to the index, and it includes a 3 percent general wage increase retroactive to January 1.

## Labor

### Third Quarter 2007

**Lump Sums:** The lump sum rate increased by 4.2 cents. One large amount was added for the signing bonus associated with the new CSX independent agreement with the BLET. Two smaller amounts were completely amortized and removed from the rate.

**Back Pay:** The back pay rate decreased by 1.1 cents because of the complete amortization and removal of a large back pay amount related to the SOO BLET. Two amounts were added that helped reduce the amount of the decrease. One month of back pay related to Section 5 of the national IBBM agreement was added. The other amount involved two quarters of back pay relating to the new CSX BLET agreement and its retroactive January 1 wage increase.

**Other:** Other wages contains the amortization of profit sharing payments that the BNSF Railway makes each year to its dispatchers, yardmasters, and engineers. A new (and higher) amortization is for a total of profit sharing payments made in early 2007 for performance in 2006. The previous year's amount has been fully amortized and removed from the rate.

### *Supplements Index*

The Supplements Index is forecast to decrease 0.5 percent from the second quarter filing. Decreases in costs for health & welfare, and employer contributions to 401(k) accounts, caused the decrease.

**Health & Welfare:** The Health & Welfare hourly rate decreased 3.5 cents because of new employee health & welfare cost sharing rates effective July 1.

**Railroad Retirement:** The Railroad Retirement rate had a slight increase because of the increase in wages.

**Unemployment Insurance:** The Unemployment Insurance rate was unchanged for the quarter.

**Other:** The "Other" category is a reflection of all other fringe benefits, and currently contains employer contributions to employee 401(k) accounts, plus employer contributions to employee stock plans that are recorded as fringe benefits. The decrease of 4.5 cents was caused by lower employer contributions – a previous quarter employer contribution by one railroad to an employee stock ownership plan for one large union is not part of the current quarter total.

### Labor Index Calculation

As shown in Table A-1 on the next page, an increase of 0.5 percent in the Wage Index and a 0.5 percent decrease in the Supplements Index combine to cause the Labor Index to increase 0.1 percent. The linked third quarter 2007 index is 298.5.



## Fuel

### Third Quarter 2007

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

Crude oil\* prices have risen since January, and traders may be concerned about recent events in Russia and Nigeria, but the overall trend in the last 10 weeks is somewhat flat. There are currently (June 4) some concerns about the Category 5 hurricane moving northwest in the Arabian Sea, possibly threatening the Persian Gulf and its oil resources

After the first month of the year, locomotive diesel fuel prices increased for three consecutive months, resulting in an April average that is 22 percent higher than January's. Heating oil\*\* followed a similar pattern, with New York Harbor spot prices rising from January's 152.76¢ to April's 186.36¢ – a 22 percent increase. Weekly spot prices for May appear to be slightly higher than April. However, demand for heating oil is taking its seasonal decline as the weather in New England becomes warmer, resulting in lower demand for distillates. On the supply side, distillate stocks are at the high-end of their average range.

The railroads believe that July (third quarter) locomotive diesel fuel prices will be 7.6 percent higher than the April (second quarter) forecast, but 1.2 percent *below* the second quarter price actually experienced. This anomaly was caused by a second quarter forecast that was too low, as forecast models were influenced by the low fuel prices that occurred in January and February.

Forecast Fuel Index	253.9
Change from previous quarter forecast	7.6%
Change from previous quarter actual	-1.2%

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

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

## **Materials & Supplies** **Third Quarter 2007**

The Materials & Supplies Index increased 3.2 percent from the second quarter level. Metal products such as rail and tie plates caused much of the increase. The increase in prices paid by railroads for metal products is not a surprise given the jumps in the Producer Price Indexes for Metals & Products and Iron & Steel. From January to April, those PPI indexes were up 5 and 11 percent, respectively.

2007Q3 Materials & Supplies Index = 212.6

2007Q2 Materials & Supplies Index = 206.1

Difference	6.5 basis points
	or
	3.2 %

## Equipment Rents Third Quarter 2007

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

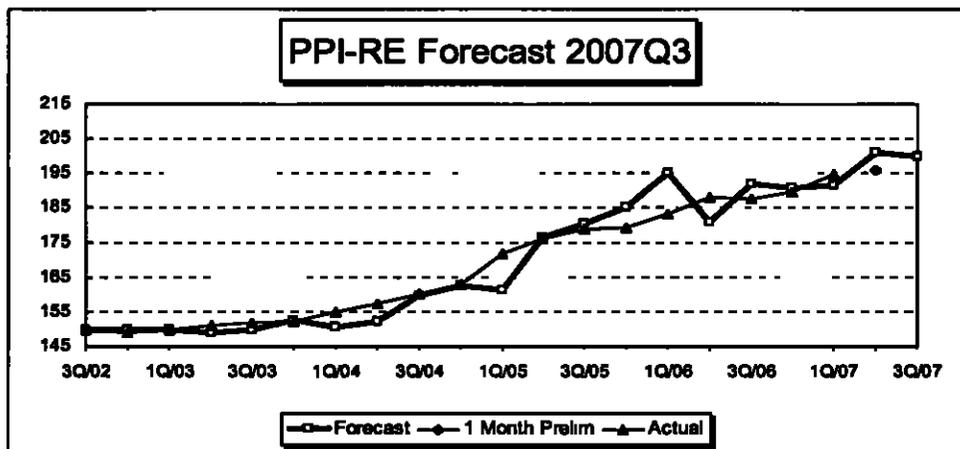
The Car Hire portion of the Index increased 0.5 percent because of higher rates for almost all categories, including railroad-owned cars and privately-owned tank cars. A 1.8 percent increase in the PPI-LF forecast (see Appendix G) used as a proxy for Lease Rentals, combined with the 0.5 percent increase in the Car Hire Index, caused the overall Equipment Rent Index to increase 1.2 percent.

	2005 Weight	2007Q2	2007Q3	Percent Change
Car Hire	49.2%	178.9	179.8	0.5%
Lease Rentals	50.8%	189.8	193.2	1.8
Weighted Average		184.4	186.6	1.2
Weighted Average (Linked)		190.2	192.5	1.2

## Depreciation Third Quarter 2007

The Producer Price Index for Railroad Equipment (PPI-RE) is used to index depreciation expense. The PPI-RE 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 monthly data 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 reflects monthly PPI-RE figures that have not been increasing as rapidly as they were 3 months ago.

Forecast of Depreciation Index (1982=100)	180.7
Forecast of Depreciation Index (1980=100)	199.9
Change from previous quarter forecast	-0.5%
Change from actual first month of previous quarter	1.9%
Change from same quarter of prior year (actual)	6.5%



## Depreciation Third Quarter 2007

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

Recommended model Exponential Smoothing  
 Forecast Model for PPIRE  
 Holt exponential smoothing Linear trend, No seasonality  
 Confidence limits proportional to level

Component	Smoothing Weight	Final Value
Level	0.99994	177.30
Trend	0.07744	0.85169

**Within-Sample Statistics**

Sample size 72	Number of parameters 2
Mean 148.9	Standard deviation 15.04
R-square 0.9924	Adjusted R-square 0.9923
Durbin-Watson 1.838	Ljung-Box(18)=27.06 P=0.9221
Forecast error 1.319	BIC 1.38
MAPE 0.005154	RMSE 1.3
MAD 0.8071	

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

Date	Actual
2006-11	170.300
2006-12	172.700
2007-01	177.200
2007-02	175.100
2007-03	175.900
2007-04	177.300

**Forecasted Values**

Date	2.5 Lower	Forecast	97.5 Upper
2007-05	175.145	178.152	181.158
2007-06	174.583	179.003	183.423
2007-07	174.375	179.855	185.335
2007-08	174.341	180.707	187.073
2007-09	174.416	181.558	188.701
<b>QTR AVG</b>	<b>174.377</b>	<b>180.707</b>	<b>187.036</b>

## Interest

### Third Quarter 2007

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 2006, the Interest Index is based on data for 2005.

#### 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 Obligations - Non-Current
44	Debt in Default - Non-Current
45	Accounts Payable - Affiliated Companies - Non-Current
46	Unamortized Debt Premium - Non-Current

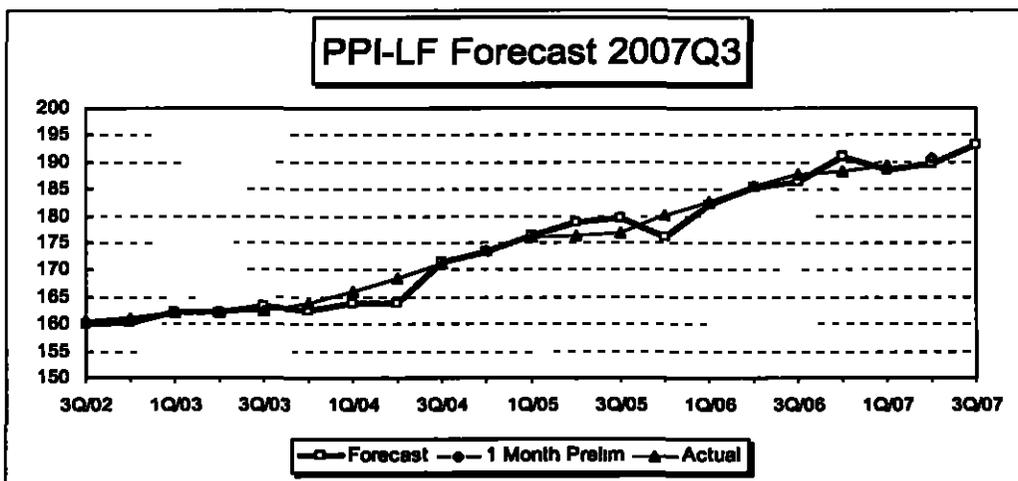
2005	Interest Rate	7.61%
1980	Interest Rate	7.85%
<b>2007Q3</b>	<b>Interest Index</b>	<b>96.9</b>
<b>2007Q2</b>	<b>Interest Index</b>	<b>96.9</b>
	<b>Percent Change</b>	<b>0.0%</b>

## Other Expenses Third Quarter 2007

The Producer Price Index for Industrial Commodities less Fuel 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 reflects monthly PPI-LF figures that increased at higher rates for the four most recent months.

Forecast of Other Expense Index (1982=100)	172.3
Forecast of Other Expense Index (1980=100)	193.2
Change from previous quarter forecast	1.8%
Change from actual first month of previous quarter	1.3%
Change from same quarter of prior year (actual)	2.9%



## Other Expenses Third Quarter 2007

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

Recommended model Exponential Smoothing  
 Forecast Model for PPILF  
 Multiplicative Winters Linear trend, Multiplicative seasonality  
 Confidence limits proportional to indexes

Component	Smoothing Weight	Final Value	Seasonal Indexes			
Level	0.93812	170.25	January - March	1.00016	0.99979	0.99971
Trend	0.34984	0.52337	April - June	0.99973	1.00014	0.99992
Seasonal	0.99967		July - September	1.00006	1.00000	0.99972
			October - December	1.00130	1.00031	0.99916

**Within-Sample Statistics**

Sample size 72	Number of parameters 3
Mean 152.6	Standard deviation 9.499
R-square 0.9982	Adjusted R-square 0.9981
Durbin-Watson 1.41	* Ljung-Box(18)=29.13 P=0.9532
Forecast error 0.4127	BIC 0.4416
MAPE 0.002091	RMSE 0.404
MAD 0.3207	

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

Date	Actual
2006-11	167.800
2006-12	167.900
2007-01	168.400
2007-02	169.000
2007-03	169.600
2007-04	170.200

**Forecasted Values**

Date	2.5 Lower	Forecast	97.5 Upper
2007-05	169.927	170.793	171.658
2007-06	169.883	171.279	172.676
2007-07	170.051	171.827	173.602
2007-08	170.253	172.339	174.425
2007-09	170.458	172.814	175.170
<b>QTR AVG</b>	<b>170.254</b>	<b>172.327</b>	<b>174.399</b>

## Railroad and Union Abbreviations

### Third Quarter 2007

#### ***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 Railway (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 )
SSAM	Sault Saint Marie Bridge Company (Part of CN's Grand Trunk Corp )
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)

## Workpapers Sent to STB for 2007 Q2 RCAF

June 5, 2007



1. Index Calculation Spreadsheet (index\_calc.xls, 2 pages)
2. Summary (of ST and PFTNW Hourly Rates)
3. Taxable wages adjustment calculation
4. National Contracts spreadsheet, 2 sections (2 and 5 pages )
5. National Increase Applicability (2) and U.S. 2005 Benchmark spreadsheets
6. News release from BLET web site about BLET and CSX
7. Signature page from new CSX BLET contract
8. Two circulars from NRLC about July 1 COLA
9. Page from IBBM national agreement
10. 18 pages of independent general wage increase pages from contracts
11. Wall Street Journal - 3 month Treasury Bill Rate
12. 2007/Q3 RCAF Lump Sum Amortization (3 pages)
13. One signing bonus page from new contract
14. 2007/Q3 RCAF Back Pay Amortization (4 pages)
15. 1 page from a new independent contract relating to back pay
16. 2 pages relating to national IBBM back pay
17. Health & Welfare worksheet (3 pages)
18. 2 pages of employee cost sharing info from NRLC for national agreements
19. Railroad Retirement spreadsheet (5 pages)
20. Unemployment Insurance worksheet
21. 2-page SAS run for Unemployment Insurance
22. Eleven pages of information on oil prices
23. Summary of Materials & Supplies
24. Car Hire Spreadsheet (2 pages) plus source data (2 pages)
25. 5 pages of PPI-RE for Depreciation including graph, input/output, and BLS data
26. 5 pages of PPI-LF for Other (and Lease Rentals) incl. graph, input/output, BLS data
27. Forecast Error calculation and workpapers (11 pages)

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**RCAF All-Inclusive Index's Labor Index Based on 2005 Benchmarks**

05 Wts.	3Q/06	3Q/06	% Chg	4Q/06	% Chg	1Q/07	% Chg	2Q/07	% Chg	3Q/07	% Chg
	Original	Rebenchd	fr. Orig								
Straight Time	\$23.975	\$24.155	0.8%	\$24.157	0.8%	\$24.279	0.5%	\$24.285	0.0%	\$24.362	0.3%
PFTNW	\$5.543	\$5.364	-3.2%	\$5.364	-3.2%	\$5.397	0.6%	\$5.399	0.0%	\$5.419	0.4%
<b>Total</b>	<b>\$29.518</b>	<b>\$29.519</b>	<b>0.0%</b>	<b>\$29.521</b>	<b>0.0%</b>	<b>\$29.676</b>	<b>0.5%</b>	<b>\$29.684</b>	<b>0.0%</b>	<b>\$29.781</b>	<b>0.3%</b>
Adjustments											
Lump Sum	\$0.099	\$0.097		\$0.096		\$0.091		\$0.096		\$0.138	
Back Pay	\$0.163	\$0.159		\$0.016		\$0.018		\$0.024		\$0.013	
Other	\$0.165	\$0.161		\$0.161		\$0.161		\$0.161		\$0.176	
<b>Total Wages</b>	<b>\$29.945</b>	<b>\$29.936</b>	<b>0.0%</b>	<b>\$29.794</b>	<b>-0.5%</b>	<b>\$29.946</b>	<b>0.5%</b>	<b>\$29.965</b>	<b>0.1%</b>	<b>\$30.108</b>	<b>0.5%</b>
Pre-Tax Reduction	(\$0.643)	(\$0.658)		(\$0.658)		(\$0.726)		(\$0.727)		(\$0.772)	
<b>Taxable Wages</b>	<b>\$29.302</b>	<b>\$29.278</b>		<b>\$29.136</b>		<b>\$29.220</b>		<b>\$29.238</b>		<b>\$29.336</b>	
H & W	\$5.024	\$5.131	2.1%	\$5.131	2.1%	\$5.551	8.2%	\$5.550	0.0%	\$5.515	-0.6%
RR Ret & Medicare	\$6.203	\$6.312	1.8%	\$6.291	1.4%	\$6.217	-1.2%	\$6.220	0.0%	\$6.235	0.2%
Unemp. Insurance	\$0.170	\$0.173	1.8%	\$0.173	1.8%	\$0.186	7.5%	\$0.186	0.0%	\$0.186	0.0%
Other	\$0.081	\$0.079	-2.5%	\$0.063	-22.2%	\$0.063	0.0%	\$0.130	106.3%	\$0.085	-34.6%
<b>Total</b>	<b>\$11.478</b>	<b>\$11.695</b>	<b>1.9%</b>	<b>\$11.658</b>	<b>1.6%</b>	<b>\$12.017</b>	<b>3.1%</b>	<b>\$12.086</b>	<b>0.6%</b>	<b>\$12.021</b>	<b>-0.5%</b>
Adjustments											
<b>Total Suppl.</b>	<b>\$11.478</b>	<b>\$11.695</b>	<b>1.9%</b>	<b>\$11.658</b>	<b>1.6%</b>	<b>\$12.017</b>	<b>3.1%</b>	<b>\$12.086</b>	<b>0.6%</b>	<b>\$12.021</b>	<b>-0.5%</b>
Total Labor	\$41.423	\$41.631	0.5%	\$41.452	0.1%	\$41.963	1.2%	\$42.051	0.2%	\$42.129	0.2%
Wage Rate Index	0.7240	256.2	0.0%	255.0	-0.5%	256.3	0.5%	256.4	0.0%	257.7	0.5%
Suppl Index	0.2760	424.2	1.9%	430.8	1.6%	444.1	3.1%	446.6	0.6%	444.2	-0.5%
Total Labor Index '04 Wts.	303.0										
Total Labor Index '05 Wts.	302.6	304.8	0.7%	303.5	0.3%	308.1	1.5%	308.9	0.3%	309.2	0.1%
<b>Labor Index (Linked)</b>	<b>292.1</b>			<b>293.0</b>	<b>0.3%</b>	<b>297.4</b>	<b>1.5%</b>	<b>298.2</b>	<b>0.3%</b>	<b>298.5</b>	<b>0.1%</b>

**All Inclusive Index and RCAF**

	05 Wts	3Q/06 04 Wts	3Q/06 05 Wts	% Chg	4Q/06 % Chg	1Q/07 % Chg	2Q/07 % Chg	3Q/07 % Chg
Labor	0.353	292.10	292.1	0.0%	293.0	297.4	298.2	298.5
Fuel	0.160	265.20	265.2	0.0%	287.0	245.9	235.9	253.9
M&S	0.046	197.20	197.2	0.0%	204.3	207.1	206.1	212.6
Equip. Rents	0.082	187.30	187.3	0.0%	189.5	188.2	190.2	192.5
Depreciation	0.111	191.90	191.9	0.0%	190.6	191.6	200.9	199.9
Interest	0.031	92.70	92.7	0.0%	96.9	96.9	96.9	96.9
Other	<u>0.217</u>	186.30	186.3	0.0%	190.9	188.6	189.8	193.2
Weighted Avg.	1.000	232.30	234.6	1.0%	239.9	234.5	234.6	238.7
Linked		230.00			235.2	229.9	230.0	234.0
10/1/80 basis		224.00			229.0	223.9	224.0	227.8
10/1/82		190.20			194.5	190.2	190.2	193.5
4Q/87		174.00			177.9	173.9	174.0	177.0
4Q/92		146.60			149.9	146.5	146.6	149.1
4Q/97		132.80			135.8	132.7	132.8	135.1
4Q/02 basis		119.70			122.4	119.7	119.7	121.8
Car Hire	0.492	177.00	177.0	0.0%	176.5	176.3	178.9	179.8
Lease Rents	0.508	186.30	186.3	0.0%	190.9	188.6	189.8	193.2
Wghted Avg Eq Rents		181.60	181.7	0.1%	183.8	182.5	184.4	186.6
Linked Equipment Rents		187.30			189.5	188.2	190.2	192.5
Preliminary RCAF		1.197			1.224	1.197	1.197	1.218
Forecast Error Adj.		(0.005)			0.026	0.011	(0.050)	(0.021)
RCAF Unadjusted		1.192			1.250	1.208	1.147	1.197
PAF		2.1061			2.1160	2.1259	2.1348	2.1438
RCAF Adjusted		0.566			0.591	0.568	0.537	0.558
PAF-5		2.2087			2.2246	2.2351	2.2456	2.2562
RCAF-5		0.540			0.562	0.540	0.511	0.531

# Hourly Rate for 2007 Q3

## Straight Time and Time Paid For But Not Worked

<b>2007Q3 Straight Time Hourly Rate (from national spreadsheet)</b>		<b>\$24.270</b>
<i>\$0.05 COLA for BMW, no increase for BRS, additional hourly increase \$0.34 for IBBM, and \$.10 for rest</i>		
<b>Adjustments to 2005 base:</b>		
<b>Adjustments added 2006 Q1</b>		
CN Railroads	COLAs, non-union increases, new contracts	0.002
Dispatcher 4 (BNSF, CSX, KCS, NS)	\$0.31 COLA for BNSF and KCS	0.001
Misc. Independent BLET, Yardmasters, Dispatchers	\$0.31 COLA for BNSF BLET and CSX & UP Yardmasters, \$0.15 for UP dispatchers	0.020
SOO Unions	Except ATDA & BLET, \$0.19 COLA for BMW, \$0.31 COLA for all others	0.003
<b>Adjustments added 2006 Q2</b>		
CN Railroads	New contracts	0.000
<b>Adjustments added 2006 Q3</b>		
CN Railroads	Some COLAs and Some 3% GWI	0.004
Dispatcher 4 (BNSF, CSX, KCS, NS)	3% GWI for CSX	0.002
Misc. Independent BLET, Yardmasters, Dispatchers	\$0.01 COLA for BNSF BLET, CSX & UP yardmasters	0.001
SOO Unions	new contract for BLET, \$0.01 COLA for rest	0.006
<b>Adjustments added 2006 Q4</b>		
CN Railroads	COLAs for IC previously unconfirmed	0.002
<b>Adjustments added 2007 Q1</b>		
CN Railroads	Retro GWI for DMIR SMW, DWP BRS, & IC IBBM, and some COLAs	0.002
Dispatcher 4 (BNSF, CSX, KCS, NS)	\$0.15 COLA for BNSF and KCS	0.001
Misc. Independent BLET, Yardmasters, Dispatchers	\$0.01 for UP dispatchers, 2% for NS BLET, \$0.15 for BNSF BLET, CSX & UP yardmasters	0.023
SOO Unions	\$0.08 COLA for BMW, \$0.15 COLA for rest	0.002
<b>Adjustments added 2007 Q2</b>		
CN Railroads	New contracts: retro GWI for DMIR IBBM, GTW BLET, UTU & YMD; IC TCU-CAR	0.006
<b>Adjustments added 2007 Q3</b>		
CN Railroads	3% GWI and \$0.10 COLA for some CN railroads	0.007
Dispatcher 4 (BNSF, CSX, KCS, NS)	\$0.10 COLA for BNSF, CSX and KCS	0.001
Misc. Independent BLET, Yardmasters, Dispatchers	\$0.10 for BNSF BLET, CSX & UP yardmasters, new CSX BLET contract retro GWI	0.008
SOO Unions	\$0.05 COLA for BMW, \$0.10 COLA for rest	0.001
<b>Adjusted STHR Total</b>		<b>\$24.362</b>

### Pay For Time Not Worked

PFTNW (from national spread sheet)		\$5.399
Ratio Adj STHR to Nat STHR	24.362 / 24.270 =	1.00379
<b>Adjusted Pay For Time Not Worked</b>		<b>\$5.419</b>

Note: CN Railroads includes B&LE, CC&P, DMIR, DW&P, GTW, IC, WC, and SSAM

## 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.

Most of the new 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 3Q/2007

U.S. ST Hours = 334,493,612  
 Wage Statistics are for 2005.

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, UP)	27,634	(\$159.27)	(\$52,815,206.16)
National BMWE (BNSF, CSX, KCS, NS, UP)	23,266	\$0.00	\$0.00
National BRS (BNSF, CSX, KCS, NS, UP)	5,641	(\$100.00)	(\$6,769,200.00)
National IAM (BNSF, CSX, KCS, NS, UP)	6,516	(\$132.57)	(\$10,365,913.44)
National IBBM (BNSF, CSX, KCS, NS, UP)	1,190	(\$147.23)	(\$2,102,444.40)
National IBEW (BNSF, CSX, KCS, NS, UP)	4,766	(\$156.97)	(\$8,977,428.24)
National NCFO (BNSF, CSX, KCS, NS, UP)	2,295	(\$156.22)	(\$4,302,298.80)
National SMW (BNSF, CSX, KCS, NS, UP)	1,054	(\$156.23)	(\$1,975,997.04)
National TCU (BNSF, CSX, KCS, NS, UP)	8,681	(\$147.31)	(\$15,345,577.32)
National TCU-CAR (BNSF, CSX, KCS, NS, UP)	10,337	(\$147.73)	(\$18,325,020.12)
National UTU (BNSF, CSX, KCS, NS, UP)	42,709	(\$160.33)	(\$82,170,407.64)
National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,670	(\$156.13)	(\$3,128,845.20)
Indep. Dispatchers (wt avg BNSF, CSX, KCS, NS)	1,754	(\$154.02)	(\$3,241,812.96)
Independent CNGT (wt avg all 104 union categories)	6,044	(\$65.88)	(\$4,778,144.64)
Independent SOO (wt avg all 13 unions)	2,556	(\$112.45)	(\$3,449,066.40)
Independent UP (Yardmasters only)	503	(\$147.31)	(\$889,163.16)
<b>Total Union</b>	<b>146,616</b>		<b>(\$218,636,525.52)</b>
All Other @ \$3,290,694.95 total per month			(\$39,488,339.40)
<b>Total</b>			<b>(\$258,124,864.92)</b>

Reduction in Wage Rate Per ST Hour	-\$0.77168847
Deduct this amount from the Wage Rate	-\$0.772

## National Contracts U.S.

		Straight Time Hourly Rate													
	UTU	TCU	BLE	SMWIA	BRS	BMWE	TCU-CAR	IBFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	
Weight	0.26964	0.0491	0.19925	0.00569	0.03319	0.13430	0.06041	0.01261	0.0363	0.00699	0.02715	0.0131	0.01194	0.14032	1.00000
2005 Avg.	20.228	21.941	21.454	22.561	23.163	19.750	21.026	18.199	20.900	19.048	21.893	31.416	27.321	41.063	329.963
12/31/05	20.301	22.014	21.515	22.636	23.165	19.810	21.102	18.276	21.146	19.123	21.967	31.539	27.392	41.063	331.050
1/1/06	20.595	22.294	21.677	22.939	23.165	19.985	21.389	18.572	21.146	19.416	22.260	31.539	27.524	41.213	
4/1/06	20.595	22.294	21.677	22.939	23.165	19.985	21.389	18.572	21.146	19.416	22.260	31.539	27.524	41.213	
7/1/06	20.605	22.303	21.682	22.949	23.165	19.994	21.398	18.581	21.156	19.426	22.270	31.539	27.529	41.213	
10/1/06	20.605	22.303	21.682	22.949	23.165	19.994	21.398	18.581	21.156	19.426	22.270	31.539	27.529	41.213	
1/1/07	20.748	22.439	21.760	23.095	23.165	20.068	21.537	18.724	21.298	19.568	22.412	31.539	27.592	41.223	
4/1/07	20.748	22.439	21.760	23.095	23.165	20.068	21.537	18.724	21.298	19.568	22.412	31.539	27.592	41.223	
7/1/07	20.843	22.529	21.796	23.193	23.165	20.114	21.629	18.820	21.394	19.984	22.507	31.539	27.635	41.223	

		Weighted Straight Time Hourly Rate											Total		
	UTU	TCU	BLE	SMWIA	BRS	BMWE	TCU-CAR	IBFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2005 Avg.	5.454	1.077	4.275	0.128	0.769	2.652	1.270	0.229	0.759	0.133	0.594	0.411	0.326	5.762	23.842
12/31/05	5.474	1.081	4.287	0.129	0.769	2.660	1.275	0.230	0.768	0.134	0.596	0.413	0.327	5.762	23.905
1/1/06	5.553	1.095	4.319	0.131	0.769	2.684	1.292	0.234	0.768	0.136	0.604	0.413	0.329	5.783	24.109
4/1/06	5.553	1.095	4.319	0.131	0.769	2.684	1.292	0.234	0.768	0.136	0.604	0.413	0.329	5.783	24.109
7/1/06	5.556	1.095	4.320	0.131	0.769	2.685	1.293	0.234	0.768	0.136	0.605	0.413	0.329	5.783	24.115
10/1/06	5.556	1.095	4.320	0.131	0.769	2.685	1.293	0.234	0.768	0.136	0.605	0.413	0.329	5.783	24.116
1/1/07	5.594	1.102	4.336	0.132	0.769	2.695	1.301	0.236	0.773	0.137	0.609	0.413	0.329	5.784	24.210
4/1/07	5.594	1.102	4.336	0.132	0.769	2.695	1.301	0.236	0.773	0.137	0.609	0.413	0.329	5.784	24.210
7/1/07	5.620	1.106	4.343	0.132	0.769	2.701	1.307	0.237	0.777	0.140	0.611	0.413	0.330	5.784	24.270

Note: The 2005 Average and 12/31/05 Straight Time Hourly Rates are the industry rates and include all Class I railroad employees. The rates for 1/1/06 through 7/1/07 are based on the industry year-end rate 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 impact of non-national or independent contract increases after 2005 are not shown on this page and are handled separately.

# National Contracts U.S.

		Pay For Time Not Worked Hourly Rate													
	UTU	TCU	BLE	SMWIA	BRS	BMWE	TCU-CAR	IBFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	
Weight	0.26964	0.0491	0.19925	0.00569	0.03319	0.13430	0.06041	0.01261	0.0363	0.00699	0.02715	0.0131	0.01194	0.14032	1.00000
2005 Avg.	7.252	5.297	7.822	4.079	4.740	3.356	3.506	3.084	4.382	2.651	3.935	5.724	6.878	1.309	64.016
12/31/05	7.278	5.315	7.845	4.093	4.741	3.366	3.519	3.097	4.434	2.661	3.948	5.746	6.896	1.309	
1/1/06	7.384	5.382	7.904	4.148	4.741	3.395	3.567	3.147	4.434	2.702	4.001	5.746	6.930	1.314	
4/1/06	7.384	5.382	7.904	4.148	4.741	3.395	3.567	3.147	4.434	2.702	4.001	5.746	6.930	1.314	
7/1/06	7.387	5.385	7.906	4.149	4.741	3.397	3.568	3.149	4.436	2.703	4.003	5.746	6.931	1.314	
10/1/06	7.387	5.385	7.906	4.149	4.741	3.397	3.568	3.149	4.436	2.703	4.003	5.746	6.931	1.314	
1/1/07	7.439	5.417	7.934	4.176	4.741	3.410	3.591	3.173	4.466	2.723	4.028	5.746	6.947	1.314	
4/1/07	7.439	5.417	7.934	4.176	4.741	3.410	3.591	3.173	4.466	2.723	4.028	5.746	6.947	1.314	
7/1/07	7.473	5.439	7.947	4.194	4.741	3.417	3.607	3.189	4.486	2.781	4.045	5.746	6.958	1.314	

		Pay For Time Not Worked Hourly Rate													
	UTU	TCU	BLE	SMWIA	BRS	BMWE	TCU-CAR	IBFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2005 Avg.	1.956	0.260	1.559	0.023	0.157	0.451	0.212	0.039	0.159	0.019	0.107	0.075	0.082	0.184	5.281
12/31/05	1.963	0.261	1.563	0.023	0.157	0.452	0.213	0.039	0.161	0.019	0.107	0.075	0.082	0.184	5.299
1/1/06	1.991	0.264	1.575	0.024	0.157	0.456	0.215	0.040	0.161	0.019	0.109	0.075	0.083	0.184	5.353
4/1/06	1.991	0.264	1.575	0.024	0.157	0.456	0.215	0.040	0.161	0.019	0.109	0.075	0.083	0.184	5.353
7/1/06	1.992	0.264	1.575	0.024	0.157	0.456	0.216	0.040	0.161	0.019	0.109	0.075	0.083	0.184	5.355
10/1/06	1.992	0.264	1.575	0.024	0.157	0.456	0.216	0.040	0.161	0.019	0.109	0.075	0.083	0.184	5.355
1/1/07	2.006	0.266	1.581	0.024	0.157	0.458	0.217	0.040	0.162	0.019	0.109	0.075	0.083	0.184	5.382
4/1/07	2.006	0.266	1.581	0.024	0.157	0.458	0.217	0.040	0.162	0.019	0.109	0.075	0.083	0.184	5.382
7/1/07	2.015	0.267	1.584	0.024	0.157	0.459	0.218	0.040	0.163	0.019	0.110	0.075	0.083	0.184	5.399

**U.S. National Contract**

**UTU**

	<b>Percentage Increase</b>	<b>Cents Increase</b>	<b>Applicable</b>	<b>ST HR</b>	<b>PFTNW HR</b>
2005 Industry Avg.				20.22797	7.25223
12/31/05 Industry Rate				20.30055	7.27825
1/1/06		0.31000	95.132%	20.59546	7.38398
4/1/06			95.132%	20.59546	7.38398
7/1/06		0.01000	95.132%	20.60497	7.38739
10/1/06			95.132%	20.60497	7.38739
1/1/07		0.15000	95.132%	20.74767	7.43855
4/1/07			95.132%	20.74767	7.43855
7/1/07		0.10000	95.132%	20.84280	7.47266

**TCU**

	<b>Percentage Increase</b>	<b>Cents Increase</b>	<b>Applicable</b>	<b>ST HR</b>	<b>PFTNW HR</b>
2005 Industry Avg.				21.94128	5.29725
12/31/05 Industry Rate				22.01428	5.31487
1/1/06		0.31000	90.304%	22.29423	5.38246
4/1/06			90.304%	22.29423	5.38246
7/1/06		0.01000	90.304%	22.30326	5.38464
10/1/06			90.304%	22.30326	5.38464
1/1/07		0.15000	90.304%	22.43871	5.41734
4/1/07			90.304%	22.43871	5.41734
7/1/07		0.10000	90.304%	22.52902	5.43914

**BLET**

	<b>Percentage Increase</b>	<b>Cents Increase</b>	<b>Applicable</b>	<b>ST HR</b>	<b>PFTNW HR</b>
2005 Industry Avg.				21.45357	7.82234
12/31/05 Industry Rate				21.51532	7.84485
1/1/06		0.31000	52.147%	21.67698	7.90380
4/1/06			52.147%	21.67698	7.90380
7/1/06		0.01000	52.147%	21.68219	7.90570
10/1/06			52.147%	21.68219	7.90570
1/1/07		0.15000	52.147%	21.76041	7.93422
4/1/07			52.147%	21.76041	7.93422
7/1/07		0.10000	35.521%	21.79593	7.94717

CSX has new independent contract with BLET



**U.S. National Contract**

**SMWIA**

	<b>Percentage Increase</b>	<b>Cents Increase</b>	<b>Applicable</b>	<b>ST HR</b>	<b>PFTNW HR</b>
2005 Industry Avg.				22.56101	4.07933
12/31/05 Industry Rate				22.63601	4.09289
1/1/06		0.31000	97.732%	22.93898	4.14768
4/1/06			97.732%	22.93898	4.14768
7/1/06		0.01000	97.732%	22.94875	4.14944
10/1/06			97.732%	22.94875	4.14944
1/1/07		0.15000	97.732%	23.09535	4.17595
4/1/07			97.732%	23.09535	4.17595
7/1/07		0.10000	97.732%	23.19308	4.19362

**BRS**

	<b>Percentage Increase</b>	<b>Cents Increase</b>	<b>Applicable</b>	<b>ST HR</b>	<b>PFTNW HR</b>
2005 Industry Avg.				23.16265	4.74008
12/31/05 Industry Rate				23.16479	4.74052
1/1/06			94.760%	23.16479	4.74052
4/1/06			94.760%	23.16479	4.74052
7/1/06			94.760%	23.16479	4.74052
10/1/06			94.760%	23.16479	4.74052
1/1/07			94.760%	23.16479	4.74052
4/1/07			94.760%	23.16479	4.74052
7/1/07			94.760%	23.16479	4.74052

No COLA provision in BRS 9/24/03 agreement.

**BMWE**

	<b>Percentage Increase</b>	<b>Cents Increase</b>	<b>Applicable</b>	<b>ST HR</b>	<b>PFTNW HR</b>
2005 Industry Avg.				19.75034	3.35557
12/31/05 Industry Rate				19.81007	3.36572
1/1/06		0.19000	92.076%	19.98502	3.39544
4/1/06			92.076%	19.98502	3.39544
7/1/06		0.01000	92.076%	19.99422	3.39701
10/1/06			92.076%	19.99422	3.39701
1/1/07		0.08000	92.076%	20.06788	3.40952
4/1/07			92.076%	20.06788	3.40952
7/1/07		0.05000	92.076%	20.11392	3.41734

**U.S. National Contract**

**TCU-Carmen**

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2005 Industry Avg.				21.02609	3.50629
12/31/05 Industry Rate				21.10246	3.51903
1/1/06		0.31000	92.418%	21.38896	3.56680
4/1/06			92.418%	21.38896	3.56680
7/1/06		0.01000	92.418%	21.39820	3.56834
10/1/06			92.418%	21.39820	3.56834
1/1/07		0.15000	92.418%	21.53682	3.59146
4/1/07			92.418%	21.53682	3.59146
7/1/07		0.10000	92.418%	21.62924	3.60687

**NCFO**

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2005 Industry Avg.				18.19913	3.08388
12/31/05 Industry Rate				18.27575	3.09687
1/1/06		0.31000	95.460%	18.57167	3.14701
4/1/06			95.460%	18.57167	3.14701
7/1/06		0.01000	95.460%	18.58122	3.14863
10/1/06			95.460%	18.58122	3.14863
1/1/07		0.15000	95.460%	18.72441	3.17289
4/1/07			95.460%	18.72441	3.17289
7/1/07		0.10000	95.460%	18.81987	3.18907

**IAM**

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2005 Industry Avg.				20.89959	4.38229
12/31/05 Industry Rate				21.14616	4.43399
1/1/06			95.196%	21.14616	4.43399
4/1/06			95.196%	21.14616	4.43399
7/1/06		0.01000	95.196%	21.15567	4.43599
10/1/06			95.196%	21.15567	4.43599
1/1/07		0.15000	95.196%	21.29847	4.46593
4/1/07			95.196%	21.29847	4.46593
7/1/07		0.10000	95.196%	21.39366	4.48589

No COLA until July

**U.S. National Contract**

**IBBM**

	<b>Percentage Increase</b>	<b>Cents Increase</b>	<b>Applicable</b>	<b>ST HR</b>	<b>PFTNW HR</b>
2005 Industry Avg.				19.04832	2.65075
12/31/05 Industry Rate				19.12331	2.66119
1/1/06		0.31000	94.573%	19.41649	2.70199
4/1/06			94.573%	19.41649	2.70199
7/1/06		0.01000	94.573%	19.42595	2.70331
10/1/06			94.573%	19.42595	2.70331
1/1/07		0.15000	94.573%	19.56781	2.72305
4/1/07			94.573%	19.56781	2.72305
7/1/07		0.44000	94.573%	19.98393	2.78095

12/14/04 contract states effective 6/1/07 wage rate shall be increased \$0.34 per hour.

0.34 + COLA 0.10

**IBEW**

	<b>Percentage Increase</b>	<b>Cents Increase</b>	<b>Applicable</b>	<b>ST HR</b>	<b>PFTNW HR</b>
2005 Industry Avg.				21.89308	3.93493
12/31/05 Industry Rate				21.96679	3.94818
1/1/06		0.31000	94.728%	22.26045	4.00096
4/1/06			94.728%	22.26045	4.00096
7/1/06		0.01000	94.728%	22.26992	4.00266
10/1/06			94.728%	22.26992	4.00266
1/1/07		0.15000	94.728%	22.41201	4.02820
4/1/07			94.728%	22.41201	4.02820
7/1/07		0.10000	94.728%	22.50674	4.04523

**ATDA**

	<b>Percentage Increase</b>	<b>Cents Increase</b>	<b>Applicable</b>	<b>ST HR</b>	<b>PFTNW HR</b>
2005 Industry Avg.				31.41550	5.72356
12/31/05 Industry Rate				31.53881	5.74603
1/1/06			0.000%	31.53881	5.74603
4/1/06			0.000%	31.53881	5.74603
7/1/06			0.000%	31.53881	5.74603
10/1/06			0.000%	31.53881	5.74603
1/1/07			0.000%	31.53881	5.74603
4/1/07			0.000%	31.53881	5.74603
7/1/07			0.000%	31.53881	5.74603

**U.S. National Contract**

**YDMSTRS**

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2005 Industry Avg.				27.32087	6.87842
12/31/05 Industry Rate				27.39229	6.89640
1/1/06		0.31000	42.591%	27.52432	6.92964
4/1/06			42.591%	27.52432	6.92964
7/1/06		0.01000	42.591%	27.52858	6.93071
10/1/06			42.591%	27.52858	6.93071
1/1/07		0.15000	42.591%	27.59247	6.94679
4/1/07			42.591%	27.59247	6.94679
7/1/07		0.10000	42.591%	27.63506	6.95752

**OTHER**

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2005 Industry Avg.				41.06323	1.30874
12/31/05 Industry Rate				41.06323	1.30874
1/1/06		0.15000	100.000%	41.21323	1.31352
4/1/06			100.000%	41.21323	1.31352
7/1/06			100.000%	41.21323	1.31352
10/1/06			100.000%	41.21323	1.31352
1/1/07		0.01000	100.000%	41.22323	1.31384
4/1/07			100.000%	41.22323	1.31384
7/1/07			100.000%	41.22323	1.31384

**Check Sums**

	Increase	Applicable	ST HR	PFTNW HR
2005 AVG			329.96263	64.01567
12/31/05			331.04984	

Should match check sum on National Increase Applicability for U.S. Total page except for 7/1/07 when CSX BLET left national group.

1137.116%

ok matches

ok matches  
ok matches

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

Checks 7/1/07 only. Should match check sum on National Increase Applicability for U.S. Total After New CSX BLET Contract page

1120.490%

ok matches

# National Increase Applicability for U.S. Total After New CSX BLET Contract

Union	Year 2005 ST Hours Pd	Not Part of National Agreements*																U.S.	
		U.S. Total	CSX (E)	BLE (E)	DMIR (E)	GTW (E)	IC (E)	CCP (E)	DWP (E)	SSAM (E)	WC (E)	NS (E)	BNSF (W)	KCS (W)	SOO (W)	UP (W)	ST Hours Pd	Percent National Contract	
UTU	90,194,367	--	36,356	102,790	594,588	1,438,463	143,317	75,479	14,080	642,161	--	--	--	--	1,343,813	--	85,803,320	95.132%	
TCU	16,424,053	--	27,063	127,992	307,008	486,008	26,641	6,621	0	122,956	--	--	--	--	478,159	--	14,831,604	90.304%	
BLET	66,649,368	11,081,305	21,837	64,021	428,921	920,755	107,998	66,739	14,474	553,569	9,662,056	18,958,810	--	--	1,094,546	--	23,674,437	35.521%	
SMW	1,904,797	--	0	4,773	0	34,897	0	0	0	0	--	--	--	3,527	--	1,861,800	97.732%		
BRS	11,103,074	--	9,431	0	107,952	204,349	30,011	11,628	0	105,824	--	--	--	112,661	--	10,521,218	94.760%		
BIMWE	44,921,797	--	64,328	0	442,094	968,038	169,631	0	85,090	894,782	--	--	--	935,489	--	41,362,345	92.076%		
TCU-CAR	20,205,954	--	42,749	63,726	231,738	563,599	27,278	18,544	0	289,942	--	--	--	294,360	--	18,674,018	92.418%		
IBFO	4,216,762	--	3,520	0	31,654	84,164	1,872	0	0	0	--	--	--	70,235	--	4,025,317	95.460%		
IAM	12,143,150	--	9,693	49,046	21,310	281,970	8,753	3,539	0	39,585	--	--	--	169,503	--	11,559,751	95.196%		
IBBM	2,339,252	--	0	6,054	0	56,204	160	0	0	0	--	--	--	64,528	--	2,212,306	94.573%		
IBEW	9,081,793	--	11,757	66,199	32,345	202,038	12,080	3,440	8,822	32,417	--	--	--	109,734	--	8,602,911	94.728%		
ATDA	4,380,534	754,424	0	9,068	28,627	78,159	0	8,148	0	58,179	845,263	1,195,728	68,395	85,308	1,249,234	0	0.000%		
UTU-YMC	3,993,630	1,113,752	0	0	65,939	78,787	0	0	0	44,934	--	--	--	72,232	916,077	1,700,909	42.591%		
OTHER	46,935,141	--	--	--	--	--	--	--	--	--	--	--	--	--	--	46,935,141	100.000%		
<b>TOTAL</b>	<b>334,493,612</b>	<b>12,949,481</b>	<b>226,734</b>	<b>493,659</b>	<b>2,292,177</b>	<b>5,408,431</b>	<b>527,641</b>	<b>194,138</b>	<b>122,466</b>	<b>2,784,349</b>	<b>10,507,319</b>	<b>20,154,538</b>	<b>68,395</b>	<b>4,834,096</b>	<b>2,165,311</b>	<b>271,764,877</b>	<b>1120.490%</b>		

Sum (for proofing)

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

Statistics based on AAR's 2005 112-Class Wage Statistics and knowledge of contracts as of August 2006. Percentages are full float.

ATDA (dispatchers) are independent for each railroad.

IC & UP dispatchers are non-union, and given same increases as non-union, but handled independently.

Pre-2007Q3

National Increase Applicability for U.S. Total

Union	Year 2005 ST Hours Pd	Not Part of National Agreements*															U.S. National Increase	ST Hours Pd	Percent National Contract
		CSX (E)	BLE (E)	DMIR (E)	GTTW (E)	IC (E)	CCP (E)	DWP (E)	SSAM (E)	WC (E)	NS (E)	BNSF (W)	KCS (W)	SOO (W)	UP (W)				
UTU	90,194,367	--	36,356	102,790	594,588	1,439,463	143,317	75,479	14,080	642,161	--	--	--	1,343,813	--	65,803,320	95.132%		
TCU	16,424,063	--	27,063	127,992	307,009	495,008	26,641	6,621	0	122,956	--	--	--	478,159	--	14,831,604	90.304%		
BLET	66,649,368	--	21,637	64,021	428,921	920,755	107,898	66,739	14,474	553,569	9,662,056	18,958,810	--	1,094,546	--	34,755,742	52.147%		
SMW	1,904,797	--	0	4,773	0	34,897	0	0	0	0	--	--	--	3,527	--	1,861,600	97.732%		
BRS	11,103,074	--	9,431	0	107,952	204,349	30,011	11,628	0	105,824	--	--	--	112,661	--	10,521,218	94.760%		
BMWE	44,921,797	--	64,328	0	442,094	968,038	169,631	0	85,090	894,782	--	--	--	995,489	--	41,362,345	92.076%		
TCU-CAR	20,205,954	--	42,749	63,726	231,738	563,599	27,278	18,544	0	289,942	--	--	--	294,360	--	18,874,018	92.418%		
IBFO	4,216,762	--	3,520	49,046	31,654	84,164	1,872	0	0	0	--	--	--	70,235	--	4,025,317	95.460%		
IAM	12,143,150	--	9,693	66,189	21,310	281,970	8,753	3,539	0	39,585	--	--	--	169,503	--	11,559,751	95.186%		
IBBM	2,399,252	--	11,757	66,189	32,345	56,204	160	0	0	0	--	--	--	64,528	--	2,212,306	94.573%		
IBEW	9,081,733	--	11,757	66,189	32,345	202,038	12,080	3,440	8,822	32,417	--	--	--	108,734	--	8,602,911	94.728%		
ATDA	4,380,534	754,424	0	9,068	28,627	78,159	0	8,148	0	58,179	845,263	1,195,728	68,395	85,309	1,249,234	0	0.000%		
UTU-YMC	3,993,630	1,113,752	0	0	65,939	79,787	0	0	0	44,934	--	--	--	72,232	916,077	1,700,908	42.591%		
OTHER	46,935,141	--	--	--	--	--	--	--	--	--	--	--	--	--	46,935,141	100.000%			
TOTAL	334,493,612	1,868,176	226,734	493,659	2,292,177	5,408,431	527,641	194,138	122,466	2,764,349	10,507,319	20,154,538	68,395	4,834,096	2,165,311	282,846,182	1137.116%		

Sum (for proofing)

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

Statistics based on AAR's 2005 112-Class Wage Statistics and knowledge of contracts as of August 2006. Percentages are full float.

ATDA (dispatchers) are independent for each railroad.

IC & UP dispatchers are non-union, and given same increases as non-union, but handled independently.

## U.S. 2005 Benchmark

	From AAR 112-Class Wage Statistics & Survey				ST \$ Adjusted to Exclude Lump Sums		2005 Average Hourly Rates		12/31/2005		ST Hrs. 2005 Weights
	ST Hrs.	ST \$	PFTNW \$	Union L. Sum	Lump Sums	ST wo LS	PFTNW	ST HR	ST HR	ST HR	Weights
UTU	90,194,367	\$1,825,366,789	\$654,109,982	\$917,829	\$1,824,448,960	\$20,228	\$7,252	\$20,301	\$20,301	0.26964	
TCU	16,424,053	364,269,952	87,002,269	3,905,233	360,364,719	21,941	5,297	22,014	22,014	0.04910	
BLET	66,649,368	1,511,496,099	521,354,022	81,629,058	1,429,867,041	21,454	7,822	21,515	21,515	0.19925	
SMWIA	1,904,797	42,974,139	7,770,303	0	42,974,139	22,561	4,079	22,636	22,636	0.00569	
BRS	11,103,074	257,267,875	52,629,466	91,236	257,176,639	23,163	4,740	23,165	23,165	0.03319	
BMWE	44,921,797	887,429,972	150,738,214	209,227	887,220,745	19,750	3,356	19,810	19,810	0.13430	
TCU-CAR	20,205,954	424,972,679	70,847,972	120,422	424,852,257	21,026	3,506	21,102	21,102	0.06041	
NCFO	4,216,762	76,867,417	13,004,000	126,034	76,741,383	18,199	3,084	18,276	18,276	0.01261	
IAM	12,143,150	254,305,740	53,214,830	518,921	253,786,819	20,900	4,382	21,146	21,146	0.03630	
IBBM	2,339,252	44,803,446	6,200,783	244,627	44,558,819	19,048	2,651	19,123	19,123	0.00699	
IBEW	9,081,733	198,893,592	35,735,989	66,513	198,827,079	21,893	3,935	21,967	21,967	0.02715	
ATDA	4,380,534	143,012,091	25,072,248	5,395,416	137,616,675	31,416	5,724	31,539	31,539	0.01310	
UTU-YMD	3,993,630	110,858,820	27,469,849	1,749,359	109,109,461	27,321	6,878	27,392	27,392	0.01194	
OTHER	46,935,141	1,927,308,668	61,426,017	0	1,927,308,668	41,063	1,309	41,063	41,063	0.14032	
<b>AAR 112 Total</b>	<b>334,493,612</b>	<b>8,069,827,279</b>	<b>1,766,575,944</b>	<b>94,973,875</b>	<b>7,974,853,404</b>	<b>23,842</b>	<b>5,281</b>	<b>23,905</b>	<b>23,905</b>	<b>1.00000</b>	
Sum (for proofing)						329.96263	64.01567	331.04984			

Year-End Figures are calculated, based on 2005 ws-112 and union contracts, in YearEnd2005\_final.xls exhibited in document titled "Year-End 2005 ST Hourly Rates for U.S." The ST Hours Weights and the Hourly Rates are full float.



# Brotherhood of Locomotive Engineers and Trainmen

A Division of the Rail Conference of the International Brotherhood of Teamsters

## BLET members ratify CSX 'single system' agreement

CLEVELAND, April 16 — Members of the Brotherhood of Locomotive Engineers and Trainmen have ratified a single system agreement with CSX Transportation, according to National Secretary-Treasurer William Walpert, whose office was responsible for the vote count.

The new single system agreement unifies work rules and pay across three of the four BLET general committees at CSX. NST Walpert said the contract was ratified by a vote of 1,580 for and 1,113 against.

Vice President Paul Sorrow, who headed negotiations, thanked everyone for voting on the agreement. He also thanked General Chairmen Tony Smith (CSX Eastern Lines), Don Moates (CSX Western Lines), and Rick Finamore (CSX Northern Lines) for finally bringing the negotiations to a conclusion. (The Conrail SAA/CSXT Northern District GCA is not a party to the agreement.)

In approving the agreement, BLET members opted for a Performance Bonus Program instead of traditional general wage increases. While engineers will receive a 3 percent wage increase and a \$2,500 signing bonus, future pay increases are tied to company performance. If CSX Corp. reaches its financial goals, then engineers will receive a 6 percent bonus of their 2007 earnings, an 8 percent bonus of their 2008 earnings, and a 10 percent bonus of their 2009 earnings.

"We believe our members will make more money under the Performance Bonus Program than general wage increases, and this agreement with present more opportunities for our membership in the future," said BLET Vice President Paul Sorrow.

BLET National President Don Hahs congratulated all officers involved in negotiations and thanked all the members who voted.

"The Performance Bonus Program is very similar to the program the BLET negotiated on Norfolk Southern a few years ago," President Hahs said. "It has been well received by the majority of our members there and we believe the case will be the same for our CSX Brothers and Sisters."

President Hahs said that if engineers are unhappy with the Performance Bonus Program, then there is a snap back provision that allows them to convert to general wage increases that are part of the tentative BLET National Agreement.

Vice President Sorrow again thanked everyone for voting. "More than 51 percent of eligible voters cast ballots on the contract," Sorrow said. "I am pleased with that high level of voter turnout."

Monday, April 16, 2007  
[bentley@ble.org](mailto:bentley@ble.org)

<http://www.ble.org/pr/news/newsflash.asp?id=4452>

© 2006 Brotherhood of Locomotive Engineers and Trainmen  
<http://www.ble.org>

J. If any Article of this Agreement is determined to be illegal, invalid, or unenforceable under any present or future law by a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby. It is the intention of the parties that, if any such provision is held to be illegal or unenforceable, there will be added in lieu thereof a provision that is similar in terms to such provision as is possible to be legal, valid and enforceable.

SIGNED AT JACKSONVILLE, FLORIDA THIS 25<sup>th</sup> day of April, 2007

For CSX Transportation, Inc.

Rick Hiel  
Rick Hiel  
Director-CSXT Labor Relations

Steven Friedman  
Steven Friedman  
Director-CSXT Labor Relations

Myron Becker  
Myron Becker  
Director-CSXT Labor Relations

APPROVED: CSX Transportation, Inc.

David Ingoldsby  
David Ingoldsby  
Assistant Vice President-Labor Relations

Stephen Crable  
Stephen Crable  
Vice President-Labor Relations

Robert F. Allen  
Robert F. Allen  
Chairman-National Carrier's Conference Committee

WITNESSED

Howard Emerick  
Howard Emerick

For the employees represented by the Brotherhood of Locomotive Engineers & Trainmen

Tony Smith  
Tony Smith  
BLEET General Chairman-Former SCL

Don Moates  
Don Moates  
BLEET General Chairman-Former L&N, C&O

Rick Finamore  
Rick Finamore  
BLEET General Chairman-Former B&O

APPROVED: Brotherhood of Locomotive Engineers & Trainmen

Paul Sorrow  
Paul Sorrow  
National Vice President

# 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@nrlc.org

April 23, 2007

**July 1, 2007 Cost-of-Living Allowance**  
**Under 2000-Round National Agreements**  
**BLE, UTU, UTU-Yardmasters, TCU-Clerks,**  
**TCU-Carmen, IBB, NCF&O, IBEW, IAM, SMWIA**

CIRCULAR NO. 831-16 (BLE)  
CIRCULAR NO. 832-16 (UTU and YARDMASTERS)  
CIRCULAR NO. 834-14 (CLERKS)  
CIRCULAR NO. 837-14 (CARMEN)  
CIRCULAR NO. 838-14 (IBB)  
CIRCULAR NO. 839-12 (NCF&O)  
CIRCULAR NO. 840-14 (IBEW)  
CIRCULAR NO. 841-11 (IAM)  
CIRCULAR NO. 842-13 (SMWIA)

**TO MEMBER ROADS:**

The 2000-Round National Agreements with the above-referenced organizations provide for a cost-of-living allowance to be payable on July 1, 2007. The COL adjustment will be ten cents, calculated on the basis of the change in the CPI-W for the measurement period September 2006 to March 2007.

This COL adjustment will be rolled into basic rates of pay.



H. Glen Williams, Jr.

# NATIONAL RAILWAY LABOR CONFERENCE

## ECONOMIC RESEARCH DEPARTMENT

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

April 23, 2007

**July 1, 2007 Cost-of-Living Allowance**  
**Under the May 31, 2001 BMW National Agreement**

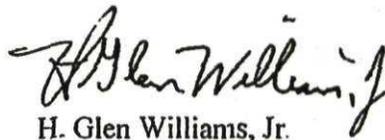
CIRCULAR NO. 835-14

**TO MEMBER ROADS:**

The National Agreement with the Brotherhood of Maintenance of Way Employees provides in Article II, Part B, Section 1 for a cost-of-living wage adjustment to be payable on July 1, 2007. This wage adjustment will be five (5) cents.

The 5 cents will be added to the existing 39 cent COL allowance for a total COL allowance of 44 cents effective July 1, 2007.

Calculated on the basis of the change in the CPI-W for the measurement period September 2006 to March 2007, the gross COL adjustment is 10 cents. Article II, Part B, Section 2 provides that such COL amount is subject to reduction by the lesser of (x) 50% of the increase in the carriers' 2007 payment rate for health benefits over the 2006 rate (on an hourly basis) and (y) one-half of the COL amount. Fifty percent of the 2007 increase in BMW health benefits is 22.6 cents, which is more than one-half of the COL amount. Therefore the July 1, 2007 COL wage adjustment is 10 cents minus 5 cents, or 5 cents net.



H. Glen Williams, Jr.

IBBM  
National Agreement  
Supplemental

provisions is amended by raising such limit to \$10,000,000.

### SECTION 5 - RATE ADJUSTMENT

Effective June 1, 2007, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees on carriers covered by the 2002 National Agreement for Wages & Rules and Health & Welfare shall be increased in the amount of \$.34 per hour.

### SECTION 6 - SIDE LETTERS

The 2002 National Agreement is amended by adding Side Letter Nos. 7 through 12 attached hereto.

**SIGNED AT WASHINGTON, D.C. THIS 14<sup>th</sup> DAY OF  
DECEMBER, 2004.**

**FOR THE PARTICIPATING  
CARRIERS REPRESENTED BY  
NATIONAL CARRIERS'  
CONFERENCE COMMITTEE:**

  
\_\_\_\_\_  
Robert F. Allen  
Chairman

**FOR THE EMPLOYEES  
REPRESENTED BY THE  
INTERNATIONAL BRO.  
OF BOILERMAKERS  
AND BLACKSMITHS:**

  
\_\_\_\_\_  
Alan M. Scheer  
Director - Railroad Division

**AGREEMENT BETWEEN**  
**CANADIAN NATIONAL (CN)**  
**BESSEMER AND LAKE ERIE RAILROAD COMPANY (B&LE)**  
**AND**  
**NATIONAL CONFERENCE OF FIREMEN AND OILERS**  
**SERVICE EMPLOYEES INTERNATIONAL UNION (NCF&O)**

**IT IS AGREED:**

**ARTICLE I - RATES OF PAY**

- A. Effective July 1, 2005, the rates of pay in effect on June 30, 2005 are increased by three percent (3%).
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006 are increased by three percent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007 are increased by three percent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008 are increased by four percent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009 are increased by three percent (3%).
- F. Rates of pay resulting from the application of paragraphs A through E, which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

**ARTICLE II - COST-OF-LIVING ALLOWANCE AND ADJUSTMENTS THERETO**  
**AFTER JANUARY 1, 2010**

**Section 1 - Cost of Living Allowance and Effective Dates of Adjustments**

- (a) A cost-of-living allowance will be payable in the manner set forth in and subject to the provisions of this Article, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S.

**AGREEMENT BETWEEN**  
**CANADIAN NATIONAL (CN)**  
**CHICAGO, CENTRAL AND PACIFIC RAILROAD (CCP)**  
**AND**  
**BROTHERHOOD RAILWAY CARMEN DIVISION**  
**TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION**

**IT IS AGREED:**

**ARTICLE I – TERMS AND CONDITIONS OF AGREEMENT**

Unless otherwise specified in this agreement:

- A. Effective 11:59 p.m., October 31, 2005, the terms and conditions contained in the Agreement between the Chicago, Central and Pacific Railroad and the Brotherhood Railway Carmen Division Transportation Communications International Union are eliminated in their entirety.
- B. Effective 12:01 a.m. November 1, 2005, employees subject to the agreement between Chicago, Central and Pacific Railroad will become subject to the terms and conditions contained in the agreement between the Illinois Central Railroad Company and the Railway Carmen Division Transportation Communications International Union, with the following exception:

The provision related to “Employee Protection/Contracting Out/Employment Level” will not be applicable to employees covered by the new CCP/BRC Agreement.
- C. It is understood that the Company may continue to outside contract work to the extent presently permissible by the existing terms and conditions of the previous CCP/BRC Agreement.

**ARTICLE II – RATES OF PAY**

- A. Effective July 1, 2005, rates of pay for Carmen covered by this Agreement will be increased to \$21.91.
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006, are increased by three per cent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007, are increased by three per cent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008, are increased by four per cent (4%).

**AGREEMENT BETWEEN**

**CANADIAN NATIONAL (CN)  
BESSEMER AND LAKE ERIE RAILROAD COMPANY (B&LE)  
CHICAGO, CENTRAL AND PACIFIC RAILROAD (CCP)  
DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY (DMIR)  
DULUTH, WINNIPEG AND PACIFIC RAILWAY COMPANY (DWP)  
GRAND TRUNK WESTERN RAILROAD COMPANY (GTW)  
ILLINOIS CENTRAL RAILROAD COMPANY (IC)  
WISCONSIN CENTRAL TRANSPORTATION CORPORATION (WC)**

**AND**

**THE INTERNATIONAL ASSOCIATION OF MACHINISTS  
AND AEROSPACE WORKERS (IAMAW)**

**IT IS AGREED:**

**ARTICLE I - RATES OF PAY**

- A. Effective July 1, 2005, the rate of pay for all machinists subject to this Agreement shall be \$21.34 per hour.
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006 are increased by three percent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007 are increased by three percent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008 are increased by four percent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009 are increased by three percent (3%).
- F. Rates of pay resulting from the application of paragraphs B through E, which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

**AGREEMENT BETWEEN**

**DULUTH, MISSABE & IRON RANGE RAILWAY COMPANY (DMIR)**

**AND**

**THE INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS (IBB&B)**

**IT IS AGREED:**

**ARTICLE I - RATES OF PAY**

- A. Effective July 1, 2005, all rates of pay in effect on June 30, 2005 are increased by three percent (3%).
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006 are increased by three percent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007 are increased by three percent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008 are increased by four percent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009 are increased by three percent (3%).
- F. Rates of pay resulting from the application of paragraphs A through E, which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

**ARTICLE II - COST-OF-LIVING ALLOWANCE AND ADJUSTMENTS THERETO AFTER JANUARY 1, 2010**

**Section 1 - Cost of Living Allowance and Effective Dates of Adjustments**

- (a) A cost-of-living allowance will be payable in the manner set forth in and subject to the provisions of this Article, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the BLS CPI. The first such cost-of-living allowance shall be payable effective July 1, 2010 based, subject to paragraph (d), on the BLS CPI for September 2009 as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto

**AGREEMENT BETWEEN**  
**CANADIAN NATIONAL (CN)**  
**DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY (DMIR)**  
**AND**  
**NATIONAL CONFERENCE OF FIREMEN AND OILERS**  
**SERVICE EMPLOYEES INTERNATIONAL UNION (NCF&O)**

**IT IS AGREED:**

**ARTICLE I - RATES OF PAY**

- A. Effective July 1, 2005, the rates of pay in effect on June 30, 2005 are increased by three percent (3%).
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006 are increased by three percent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007 are increased by three percent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008 are increased by four percent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009 are increased by three percent (3%).
- F. Rates of pay resulting from the application of paragraphs A through E, which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

**ARTICLE II - COST-OF-LIVING ALLOWANCE AND ADJUSTMENTS THERETO**  
**AFTER JANUARY 1, 2010**

**Section 1 - Cost of Living Allowance and Effective Dates of Adjustments**

- (a) A cost-of-living allowance will be payable in the manner set forth in and subject to the provisions of this Article, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S.

**AGREEMENT BETWEEN**

**DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY (DMIR)**

**AND**

**SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION (SMWIA)**

**IT IS AGREED:**

**ARTICLE I - RATES OF PAY**

- A. Effective July 1, 2005, the rates of pay in effect on June 30, 2005 are increased by three percent (3%).
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006 are increased by three percent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007 are increased by three percent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008 are increased by four percent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009 are increased by three percent (3%).
- F. Rates of pay resulting from the application of paragraphs A through E, which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

**ARTICLE II - COST-OF-LIVING ALLOWANCE AND ADJUSTMENTS THERETO  
AFTER JANUARY 1, 2010**

**Section 1 - Cost of Living Allowance and Effective Dates of Adjustments**

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# **AGREEMENT**

between the

**DULUTH, WINNIPEG AND PACIFIC RAILWAY COMPANY  
(DWP)**

**AND**

its employees represented by the

**BROTHERHOOD OF RAILROAD SIGNALMEN (BRS)**

**IT IS AGREED:**

## **ARTICLE I - RATES OF PAY**

- A. Effective July 1, 2005, all rates of pay in effect on June 30, 2005 are increased by three percent (3%).
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006 are increased by three percent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007 are increased by three percent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008 are increased by four percent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009 are increased by three percent (3%).
- F. Rates of pay resulting from the application of paragraphs A through E, which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

## **ARTICLE II - COST-OF-LIVING ALLOWANCE AND ADJUSTMENTS THEREAFTER JANUARY 1, 2010**

**AGREEMENT BETWEEN  
CANADIAN NATIONAL (CN)  
DULUTH WINNIPEG AND PACIFIC RAILWAY COMPANY (DWP)  
AND SYSTEM COUNCIL NO. 16 OF THE  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**

**IT IS AGREED:**

**ARTICLE I - RATES OF PAY**

- A. Effective July 1, 2005, all rates of pay in effect on June 30, 2005 are increased by three percent (3%).
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006 are increased by three percent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007 are increased by three percent (3%).
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**ARTICLE II - COST-OF-LIVING ALLOWANCE AND ADJUSTMENTS THERETO  
AFTER JANUARY 1, 2010**

**Section 1 - Cost of Living Allowance and Effective Dates of Adjustments**

- (a) A cost-of-living allowance will be payable in the manner set forth in and subject to the provisions of this Article, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the BLS CPI. The first such cost-of-living allowance shall be payable effective July 1, 2010 based, subject to paragraph (d), on the BLS CPI for September 2009 as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective measurement periods

**AGREEMENT BETWEEN**  
**CANADIAN NATIONAL (CN)**  
**GRAND TRUNK WESTERN RAILROAD COMPANY (GTW)**  
  
**AND**  
  
**NATIONAL CONFERENCE OF FIREMEN AND OILERS**  
**SERVICE EMPLOYEES INTERNATIONAL UNION (NCF&O)**

**IT IS AGREED:**

**ARTICLE I - RATES OF PAY**

- A. Effective July 1, 2005, the rates of pay in effect on June 30, 2005 are increased by three percent (3%).
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006 are increased by three percent (3%).
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**ARTICLE II - COST-OF-LIVING ALLOWANCE AND ADJUSTMENTS THERETO**  
**AFTER JANUARY 1, 2010**

**Section 1 - Cost of Living Allowance and Effective Dates of Adjustments**

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# **AGREEMENT**

between the

**CANADIAN NATIONAL (CN)  
GRAND TRUNK WESTERN RAILROAD INCORPORATED  
(GTW)**

**AND**

its employees represented by the

**BROTHERHOOD OF RAILROAD SIGNALMEN (BRS)**

**IT IS AGREED:**

## **ARTICLE I - RATES OF PAY**

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- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006 are increased by three percent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007 are increased by three percent (3%).
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- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009 are increased by three percent (3%).
- F. Rates of pay resulting from the application of paragraphs A through E, which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

### Term of Contract

The Collective Bargaining Agreement signed February 2, 2004 covering employees (on the former GTW) represented by the Brotherhood of Locomotive Engineers and Trainmen (BLE&T) will be renewed for a period of five years commencing August 1, 2005.

#### I. WAGES

**Amend Articles 5, and 11, and amend all provisions in conflict to reflect the following:**

Paragraph A

- i) Effective August 1, 2005, a wage increase of 3% on the rate of pay in effect on July 31, 2005.
- ii) Effective August 1, 2006, a wage increase of 3% on the rate of pay in effect on July 31, 2006.
- iii) Effective August 1, 2007, a wage increase of 3% on the rate of pay in effect on July 31, 2007.
- iv) Effective August 1, 2008, a wage increase of 3% on the rate of pay in effect on July 31, 2008.
- v) Effective August 1, 2009, a wage increase of 4% on the rate of pay in effect on July 31, 2009.

**Modify Question & Answer #2, Paragraph C to Article 5 Wages and all provisions in conflict to reflect the following:**

**Question:** When does overtime apply in the application of working on an assigned rest day?

**Answer:** In the application of this provision, overtime applies when you are called to work or deadhead at your home terminal. Overtime also applies to a return trip or deadhead, on your day off, out of your away from home terminal, if you were first called at your home terminal on your rest day. Furthermore, for the purpose of overtime under this provision, an Engineer's rest day will commence for overtime pay purposes when his assignment completes its' last tour of duty of the assigned work week prior to the Engineer's scheduled rest day(s), without regard to the number of days the Engineer actually protected.

#### II. WORK RULES -

##### GUARANTEED EXTRA BOARD

**Amend Article 8, Section 1, Paragraph E, and amend all provisions in conflict to reflect the following:**

Rules and Benefits effective upon ratification, or as otherwise indicated

August 17, 2006

**Term of Contract**

The Collective Agreement dated June 2, 2004 covering employees (on the former GTW) represented by the United Transportation Union (UTU) will be renewed for a period of five years commencing August 1, 2005.

**I. Wages**

**Amend Articles 5, and 11, and amend all provisions in conflict to reflect the following:**

Paragraph A

- i) Effective August 1, 2005, a wage increase of 3% on the rate of pay in effect on July 31, 2005.
- ii) Effective August 1, 2006, a wage increase of 3% on the rate of pay in effect on July 31, 2006.
- iii) Effective August 1, 2007, a wage increase of 3% on the rate of pay in effect on July 31, 2007.
- iv) Effective August 1, 2008, a wage increase of 3% on the rate of pay in effect on July 31, 2008.
- v) Effective August 1, 2009, a wage increase of 4% on the rate of pay in effect on July 31, 2009.

**II. WORK RULES –**

**1. SENIORITY**

**Amend Article 7, Section 8, Paragraph C, and amend all provisions in conflict to reflect the following:**

Employees who established seniority between June 2, 2004 and August 17, 2006 will be provided protection against furlough, but may be required to work in a location in another seniority district not to exceed a 100 mile radius from their initial Seniority District location. Their initial seniority date will be dovetailed into the district where required at that point in time.

**AGREEMENT BETWEEN**

**ILLINOIS CENTRAL RAILROAD COMPANY (IC)**

**AND**

**BROTHERHOOD RAILWAY CARMEN DIVISION  
TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION**

**IT IS AGREED:**

**ARTICLE I - RATES OF PAY**

- A. Effective July 1, 2005, all rates of pay in effect on June 30, 2005, are increased by three per cent (3%).
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006, are increased by three per cent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007, are increased by three per cent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008, are increased by four per cent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009, are increased by three per cent (3%).
- F. Rates of pay resulting from the application of A through E, which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

**ARTICLE II - COST-OF-LIVING ALLOWANCE AND ADJUSTMENTS THERETO  
AFTER JANUARY 1, 2010**

**Section 1 - Cost of Living Allowance and Effective Dates of Adjustments**

- (a) A cost-of-living allowance will be payable in the manner set forth in and subject to the provisions of this Article, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the BLS CPI. The first such cost-of-living allowance shall be payable effective July 1, 2010 based, subject to paragraph (d), on the BLS CPI for September 2009, as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (d)(iii), according to the formula set forth in paragraph (e).

**AGREEMENT BETWEEN**  
**ILLINOIS CENTRAL RAILROAD COMPANY (IC)**

**AND**

**THE INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP  
BUILDERS, BLACKSMITHS, FORGERS AND HELPERS (IBB&B)**

**IT IS AGREED:**

**ARTICLE I - RATES OF PAY**

- A. Effective July 1, 2005, all rates of pay in effect on June 30, 2005 are increased by three percent (3%).
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006 are increased by three percent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007 are increased by three percent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008 are increased by four percent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009 are increased by three percent (3%).
- F. Rates of pay resulting from the application of paragraphs A through E, which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

**ARTICLE II - COST-OF-LIVING ALLOWANCE AND ADJUSTMENTS THERETO  
AFTER JANUARY 1, 2010**

**Section I - Cost of Living Allowance and Effective Dates of Adjustments**

- (a) A cost-of-living allowance will be payable in the manner set forth in and subject to the provisions of this Article, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the BLS CPI. The first such cost-of-living allowance shall be payable effective July 1, 2010 based, subject to paragraph (d), on the BLS CPI for September 2009 as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto

**AGREEMENT BETWEEN**

**CANADIAN NATIONAL (CN)  
CHICAGO, CENTRAL AND PACIFIC RAILROAD (CCP)  
ILLINOIS CENTRAL RAILROAD COMPANY (IC)**

**AND**

**NATIONAL CONFERENCE OF FIREMEN AND OILERS  
SERVICE EMPLOYEES INTERNATIONAL UNION (NCF&O)**

**IT IS AGREED:**

**ARTICLE I - RATES OF PAY**

- A. Effective July 1, 2006, the basic rates of pay in effect on June 30, 2006 are increased by three percent (3%).
- B. Effective July 1, 2007, all rates of pay in effect on June 30, 2007 are increased by three percent (3%).
- C. Effective July 1, 2008, all rates of pay in effect on June 30, 2008 are increased by four percent (4%).
- D. Effective July 1, 2009, all rates of pay in effect on June 30, 2009 are increased by three percent (3%).
- E. Rates of pay resulting from the application of paragraphs A through D, which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

**ARTICLE II - COST-OF-LIVING ALLOWANCE AND ADJUSTMENTS THERETO  
AFTER JANUARY 1, 2010**

**Section 1 - Cost of Living Allowance and Effective Dates of Adjustments**

- (a) A cost-of-living allowance will be payable in the manner set forth in and subject to the provisions of this Article, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the BLS CPI. The first such cost-of-living allowance shall be payable effective July 1, 2010 based, subject to paragraph (d), on the BLS CPI for September 2009 as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective measurement periods

**AGREEMENT BETWEEN**  
**CANADIAN NATIONAL (CN)**  
**WISCONSIN CENTRAL TRANSPORTATION CORPORATION (WC)**  
**AND**  
**BROTHERHOOD RAILWAY CARMEN DIVISION**  
**TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION**

**IT IS AGREED:**

**ARTICLE I – TERMS AND CONDITIONS OF AGREEMENT**

Unless otherwise specified in this agreement:

- A. Effective 11:59 p.m., December 31, 2005, the terms and conditions contained in the Agreement between the Wisconsin Central Transportation Corporation and the Brotherhood Railway Carmen Division Transportation Communications International Union are eliminated in their entirety.
- B. Effective 12:01 a.m. January 1, 2006, employees subject to the agreement between the Wisconsin Central Transportation Corporation will become subject to the terms and conditions contained in the agreement between the Illinois Central Railroad Company and the Railway Carmen Division Transportation Communications International Union, with the following exception:
  - The provision related to “Employee Protection/Contracting Out/Employment Level” will not be applicable to employees covered by the new WC/BRC Agreement.
- C. It is understood that the Company may continue to outside contract work to the extent presently permissible by the existing terms and conditions of the previous WC/BRC Agreement.

**ARTICLE II – RATES OF PAY**

- A. Effective July 1, 2005, all rates of pay in effect on June 30, 2005 are increased by three per cent (3%).
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006 are increased by three per cent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007 are increased by three per cent (3%).

WC & SSAM

BMW E

ATTACHMENT A

Pay Grades	3% GWI			
	Pay Rate July 1, 2004	Pay Rate July 1, 2005	Pay Rate July 1, 2006	Pay Rate July 1, 2007
1	\$ 24.00	\$ 24.72	\$ 25.46	\$ 26.22
2	\$ 22.00	\$ 22.66	\$ 23.34	\$ 24.04
3	\$ 21.00	\$ 21.63	\$ 22.28	\$ 22.95
4	\$ 20.00	\$ 20.60	\$ 21.22	\$ 21.86
5	\$ 19.00	\$ 19.57	\$ 20.16	\$ 20.76
6	\$ 18.00	\$ 18.54	\$ 19.10	\$ 19.67
7	\$ 17.50	\$ 18.03	\$ 18.57	\$ 19.13

Pay Grade	Positions
1	Lead Mechanics
2	Mobile Foreman Structures, Mobile Foreman Track, Track Inspector, Ore Dock Remote Operator, Welder
3	Boom Truck, Brandt Truck, Headquartered Foreman Structures, Headquartered Foreman Track, Jimbo Crane, Lead Tamper, Locomotive Crane, Ore Dock Mechanic/Loader, Rail Pickup Unit (RPU), Relief Operator, Structures Electrician, Structures Plumber, Super Gopher, Tractor Trailer, Truck Crane, Undercutter, Work Equipment Mechanic
4	Assistant Foreman Structures, Assistant Foreman Track, Backup Tamper, Ballast Regulator, Brush Cutter, Jet Snowblower, Loader, Lube Truck Driver, Snow Fighter, Soo Bridge Operator, Speed Swing, Spikers, Structures Carpenter, Tandem Axle Truck Driver, Thermite Welder, Tie Inserter Production, Yard Cleaner
5	Backhoe, Dozer, Grader, Tie Inserter 925-Loram, Welder Helper, Work Equipment Mechanic Helper
6	Adzer, Anchor Cribber, Anchor Knocker, Anchor Tight, Bolt Machine, Bus Driver, Cribber, Dual Anchor, Fuel Truck Driver, Grabber/Spike Puller, Heater, Plater, Recycle Operator, Scarifier, Scrap Picker, Self-Feeding Anchor Machine, Self-Propelled Adzer-Cribber, Tie Crane, Tie Plugger, Tractor
7	Bridge Tender, Bridgeman, Crane Helper, Trackman, Yard Cleaner Helper

**II: WAGES, RULES AND WORKING CONDITIONS**

- A. On the effective date of this agreement, all agreements covering wages, rules and working conditions in effect between the BMWWE and DMIR, BMWWE and M&M, and BMWWE and DWP are dissolved.
- B. On the effective date of this agreement, all employees working under agreements covering wages, rules, and working conditions in effect between the BMWWE and DMIR, BMWWE and M&M, and BMWWE and DWP will be subject to the agreement in effect between the BMWWE and WC covering wages, rules and working conditions, subject to the modifications contained herein.
1. BMWWE/WC Agreement rules relating to the selection of forces and assignment to positions are modified as indicated in Article I of this Agreement.
  2. Effective 12:01 AM, January 1, 2005, Rule 4 Paragraphs A and B of the BMWWE/WC agreement is amended as follows:

***"RULE 04 - SENIORITY TERRITORY***

\* \* \* \* \*

- A. *The seniority territory for employees covered by this agreement shall be those portions of the former Wisconsin Central, Duluth, Winnipeg & Pacific, Duluth, Missabe & Iron Range, and Minnesota and Manitoba railroads, located within the United States, which are owned and maintained by the Canadian National Railway.*
  - B. *Employees may exercise their seniority to any position under his agreement consistent with the terms of the agreement and subject to the prior rights provisions of paragraphs C and D below and the Implementing Agreement dated December 8, 2004."*
3. Effective 12:01 AM, January 1, 2005, Rule 13 Paragraphs E, G and I of the BMWWE/WC agreement are amended as follows:

## ARTICLE 1 - RATES OF PAY

A. On effective date of this agreement, all locomotive engineer rates of pay, including extra board guarantees, will increase by three percent (3%), retroactive to January 1, 2007. The back pay will be paid no later than sixty (60) days from the date BLET informs CSXT that the Single System Agreement has been ratified. Rates of pay will be shown in the Rate Schedules in the Appendix.

B. In computing the increase above, three percent (3%) shall be applied to the standard basic daily rates of pay applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic rate of pay. The adjustments provided for in this Article will apply to mileage rates of pay for overmiles, and will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money:

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

## ARTICLE 2 - SIGNING BONUS

A. In consideration of the rule modifications contained in this BLET Single System Agreement (SSA), a certified locomotive engineer who has an active employment relationship with CSXT under this Agreement thirty (30) days prior to the date that the Single System Agreement is signed will receive a signing bonus payment of two thousand, five hundred dollars (\$2500.00) as described herein upon successful ratification of the Single System Agreement.

B. Engineer trainees on the effective date of this Agreement will be entitled to this signing bonus payment upon engineer certification.

C. The bonus payment will be paid no later than sixty (60) days from the date BLET informs CSXT that the Single System Agreement has been ratified. The bonus payment shall be subject to withholdings for applicable state, federal and local taxes.

D. An employee receiving a signing bonus under this Single System Agreement will not be eligible for a signing bonus under another Collective Bargaining Agreement. Engineers paid a signing bonus under this Single System Agreement have no right to a second signing bonus, lump or retroactive payment, under a different Collective Bargaining Agreement, unless that payment exceeds the bonus described here. In such case, if the employee is eligible under both Collective Bargaining Agreements, he will receive no less than the money represented by the greater bonus.

4.775%

**THE WALL STREET JOURNAL.**

the way for bargain hunters, mostly central banks, to come back into the market.

He noted, however, that Treasury investors are still in a wait-and-see mode, with little data scheduled for release early this week to persuade them to commit either way. Treasury yields are going to have to gain more than a few hundredths of a percentage point, Mr. Evans added, "to really demonstrate that it's safe to go back into the water for anything other than a trade right now."

Still, trading activity was lim-

**Treasury Plans Sale Today**

WASHINGTON—The Treasury plans to raise \$11 billion in new cash with the sale today of about \$19 billion in four-week bills to redeem \$8 billion in maturing bills.

The sale amount is up from last week's auction, when the Treasury sold \$14 billion in four-week bills.

The bills will mature on June 21. The Cusip number is 912795ZM6. Noncompetitive tenders for the bills, available in minimum \$1,000 denominations, must be received by noon EDT today, and competitive tenders by 1 p.m.

**AUCTION RESULTS**

Here are the details of yesterday's auction by the Treasury of 13-week and 26-week bills. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Applications	\$38,294,759,000	\$34,217,469,000
Accepted bids	\$15,000,069,000	\$13,000,144,000
Accepted noncomp	\$1,968,234,000	\$1,815,469,000
Accepted firm non	\$125,000,000	\$380,000,000
Auction price (Rate)	98.792296 (4.775%)	97.554917 (4.818%)
Coupon equivalent	4.914%	5.813%
Bids at market yield	44.54%	58.23%
Cusip number	912795ZM4	912795ZM8

Both issues are dated May 24. The 13-week bills mature Aug. 23, and the 26-week bills mature Nov. 23.

**New Stock Listings**

NEW YORK—The New York Stock Exchange last week had four new listings, all initial public offerings, while the Nasdaq Stock Market had five new listings, including three IPOs.

The Big Board began trading the IPOs of CAI International Inc., a San Francisco intermodal freight container leasing and management company, under the symbol CAP; Continental Resources Inc., an Enid, Okla., independent oil and natural-gas exploration and production company, CLR; Skilled Healthcare Group Inc., a Foothill Ranch, Calif., operator of nursing facilities and rehabilitation-therapy centers, SKH; and Trimas Corp., a Bloomfield Hills, Mich., manufacturer of products used in commercial, industrial and consumer markets, TRS.

The Nasdaq Global Market began trading the IPOs of EnerNOC Inc., of Boston, ENOC; Insulet Corp., of Bedford, Mass., PODD; and Pinnacle Gas Resources Inc., of Sheridan, Wyo., PINN. The Nasdaq Global Market also began trading the common shares of Terremark Worldwide Inc., of Miami, TMRK.

The Nasdaq Capital Market also began trading the common shares of American

**BORROWING BENCHMARKS**

**Money Rates**

May 21, 2007

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**

	April index level	CHG FROM (%)	
		March '07	April '06
<b>U.S. consumer price index</b>			
All items	206.7	0.6	2.6
Core	210.3	0.2	2.3

**International rates**

	Latest	Week ago	-52-WEEK-	
			High	Low
<b>Prime rates</b>				
Canada	6.00	6.00	6.00	5.75
Euro zone	3.75	3.75	3.75	2.50
Japan	1.875	1.875	1.875	1.375
Switzerland	4.34	3.99	4.34	2.74
Britain	5.50	5.50	5.50	4.50
Australia	6.25	6.25	6.25	5.75
Hong Kong	8.00	8.00	8.25	8.00

**Overnight repurchase**

	U.S.	U.K. (BBA)	Euro zone
U.S.	5.13	5.12	5.28
U.K. (BBA)	5.523	5.555	5.555
Euro zone	3.82	3.82	3.87

**U.S. government rates**

Discount	6.25	6.25	6.25	6.00
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**Federal funds**

	Effective rate	High	Low	Bid	Offer
Effective rate	5.24	5.27	5.42	4.90	
High	5.3750	5.5000	7.0000	5.1250	
Low	5.1900	5.1875	5.2500	3.0000	
Bid	5.2500	5.2500	6.7500	3.0000	
Offer	5.3125	5.2813	7.0000	4.0000	

**Treasury bill auction**

	4 weeks	13 weeks	26 weeks
4 weeks	4.665	4.640	5.175
13 weeks	4.775	4.730	5.035
26 weeks	4.810	4.735	5.110

**Secondary market**

**Freddie Mac**

30-year mortgage yields				
30 days	6.15	6.04	6.71	5.81
60 days	6.16	6.06	6.75	5.82
One-year RNY	3.375	3.375	3.375	3.375

**Constant maturity debt index**

	Three months	Six months	One year
Three months	5.263	5.263	5.449
Six months	5.277	5.275	5.597
One year	5.195	5.167	5.616

**Fannie Mae**

30-year mortgage yields				
30 days	6.260	6.164	6.792	5.913
60 days	6.280	6.176	6.821	5.924

**Bankers acceptances**

	30 days	60 days	90 days	120 days	150 days	180 days
30 days	5.29	5.29	5.38	5.04		
60 days	5.29	5.29	5.43	5.11		
90 days	5.30	5.30	5.49	5.17		
120 days	5.31	5.31	5.51	5.20		
150 days	5.32	5.31	5.56	5.23		
180 days	5.32	5.31	5.60	5.21		

**Notes on data:**

U.S. prime rate and discount rate are effective June 29, 2006. U.S. prime rate is the base rate on corporate loans posted by at least 75% of the 30 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

**Other short-term rates**

	Latest	Week ago	-52-WEEK-	
			High	Low
<b>Call money</b>	7.00	7.00	7.00	6.75

**Commercial paper**

	Latest	Week ago	-52-WEEK-	
			High	Low
30 days	5.23	...	...	...
31 to 59 days	5.21	...	...	...
60 to 72 days	5.23	...	...	...
73 to 91 days	5.22	...	...	...
92 to 120 days	5.20	...	...	...
121 to 150 days	5.18	...	...	...
151 to 182 days	5.16	...	...	...
183 to 210 days	5.15	...	...	...
211 to 240 days	5.13	...	...	...
241 to 270 days	5.10	...	...	...

**Dealer commercial paper**

	Latest	Week ago	-52-WEEK-	
			High	Low
30 days	5.26	5.26	5.36	5.01
60 days	5.28	5.28	5.41	5.05
90 days	5.27	5.29	5.46	5.08

**Euro commercial paper**

	U.S.	U.K. (BBA)	Euro zone
30 day	3.87	3.85	3.88
Two month	3.97	3.95	3.98
Three month	4.02	4.01	4.03
Four month	4.06	4.04	4.06
Five month	4.11	4.08	4.11
Six month	4.16	4.11	4.16

**London interbank offered rate, or Libor**

	U.S.	U.K. (BBA)	Euro zone
One month	5.32000	5.32000	5.42000
Three month	5.36000	5.36000	5.52000
Six month	5.37563	5.36500	5.64000
One year	5.36688	5.32000	5.76625

**Euro Libor**

	U.S.	U.K. (BBA)	Euro zone
One month	3.942	3.892	3.942
Three month	4.080	4.062	4.080
Six month	4.214	4.170	4.214
One year	4.400	4.330	4.400

**Euro interbank offered rate (Euribor)**

	U.S.	U.K. (BBA)	Euro zone
One month	3.938	3.890	3.938
Three month	4.078	4.063	4.078
Six month	4.214	4.172	4.214
One year	4.401	4.331	4.401

**Hibor**

	U.S.	U.K. (BBA)	Euro zone
One month	4.366	4.394	4.680
Three month	4.376	4.339	4.701
Six month	4.381	4.339	4.933
One year	4.459	4.383	5.135

**Asian dollars**

	U.S.	U.K. (BBA)	Euro zone
One month	5.333	5.330	5.425
Three month	5.360	5.360	5.525
Six month	5.376	5.370	5.637
One year	5.366	5.328	5.766

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

**Eurodollars (mid rates)**

	U.S.	U.K. (BBA)	Euro zone
One month	5.28	5.29	5.39
Two month	5.30	5.32	5.44
Three month	5.30	5.31	5.51
Four month	5.30	5.32	5.54
Five month	5.31	5.33	5.57
Six month	5.31	5.32	5.62

	U.S.	U.K. (BBA)	Euro zone
	4.590		
	4.849		
	6.070		
	3.791		
	4.646		
	4.460		
	4.400		
	4.380		
	1.833		
	4.400		
	4.840		
	7.565		

In U.S. - dollar terms Euro-zone bonds  
dexes; Merrill Lynch; Lehman Brothers; J.P.Morgan

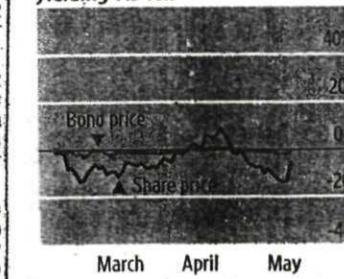
**0-year government bonds in the latest session**

READ UNDER/OVER U.S. TREASURYS, in basis points		
Latest	Chg from prev	Year ago
142.6	3.5	7.4
119.3	5.2	6.7
-43.6	1.1	8.7
-46.8	2.8	7.2
-54.2	1.8	16.4
-47.7	1.5	10.9
392.4	2.2	11.5
-314.5	2.2	12.2
-76.9	2.7	14.6
-58.0	5.2	14.6
-210.2	4.6	14.6
-182.9	5.1	14.6
81.5	3.7	14.6
35.8	0.9	14.6

Source: Reuters

sometimes anticipate moves in the news.

nk-rated) 7.000% notes due Mar. 10, 2014, yielding 9.346%



In basis points	STOCK PERFORMANCE	
	Last week	Close (\$)
78	54.18	0.26
111	77.92	0.62
n.a.	60.10	0.50
n.a.	27.54	0.04
54	36.31	0.30
55	...	...
125	40.49	-1.84
n.a.	52.07	-0.59

2007/Q3 RCAF Lump Sum Amortization

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours	
DMIR - SMW	2007Q1	2007Q1	\$3,000	0.00001	0.00004	334,493,612	2005
DWP - BRS	2006Q4	2007Q1	\$6,000	0.00002	0.00007	334,493,612	2005
DMIR - IBBM	2007Q1	2007Q2	\$4,000	0.00001	0.00005	334,493,612	2005
IC - TCU-CAR	2007Q1	2007Q2	\$226,500	0.00068	0.00271	334,493,612	2005
NS - BLET & ATDA	2007Q1	2007Q2	\$30,264,380	0.09048	0.36191	334,493,612	2005
CSX - BLET	2007Q3	2007Q3	\$14,435,000	0.04315	0.17262	334,493,612	2005
Total				0.13435			
				<div style="border: 1px solid black; padding: 2px; display: inline-block;">Should be slightly less than amortized amount.</div>			
<b>Fell out</b>							
SOO - BLET	2006Q1	2006Q3	\$480,900	0.00144	0.00575	334,493,612	2005
SSAM - BMW	2005Q4	2006Q3	\$130,284	0.00039	0.00156	334,493,612	2005

Interest Rate

2005/Q1	2.155
2005/Q2	2.540
2005/Q3	2.895
2005/Q4	3.460
2006/Q1	3.940
2006/Q2	4.440
2006/Q3	4.705
2006/Q4	4.975
2007/Q1	4.940
2007/Q2	5.035
2007/Q3	4.775
2007/Q4	

Lump Sum Adjustment for 2007 Q3	→ 0.138412 or 0.138
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**SCHEDULE: DMIR SMW**

Added 2007Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00004			
2007/Q1	4	4.940	1.2350	\$0.00003	\$0.00001	\$0.00000	\$0.00001
2007/Q2	3	5.035	1.2588	\$0.00002	\$0.00001	\$0.00000	\$0.00001
2007/Q3	2	4.775	1.1938	\$0.00001	\$0.00001	\$0.00000	\$0.00001
2007/Q4	1		0.0000	\$0.00000	\$0.00001	\$0.00000	\$0.00001

**SCHEDULE: DWP BRS**

Added 2007Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00007			
2007/Q1	4	4.940	1.2350	\$0.00005	\$0.00002	\$0.00000	\$0.00002
2007/Q2	3	5.035	1.2588	\$0.00004	\$0.00002	\$0.00000	\$0.00002
2007/Q3	2	4.775	1.1938	\$0.00002	\$0.00002	\$0.00000	\$0.00002
2007/Q4	1		0.0000	\$0.00000	\$0.00002	\$0.00000	\$0.00002

**SCHEDULE: DMIR IBBM**

Added 2007Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00005			
2007/Q2	4	5.035	1.2588	\$0.00004	\$0.00001	\$0.00000	\$0.00001
2007/Q3	3	4.775	1.1938	\$0.00002	\$0.00001	\$0.00000	\$0.00001
2007/Q4	2		0.0000	\$0.00001	\$0.00001	\$0.00000	\$0.00001
2008/Q1	1		0.0000	\$0.00000	\$0.00001	\$0.00000	\$0.00001

**SCHEDULE: IC TCU-CAR**

Added 2007Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00271			
2007/Q2	4	5.035	1.2588	\$0.00204	\$0.00070	\$0.00003	\$0.00066
2007/Q3	3	4.775	1.1938	\$0.00137	<b>\$0.00070</b>	\$0.00002	\$0.00067
2007/Q4	2		0.0000	\$0.00069	\$0.00069	\$0.00000	\$0.00069
2008/Q1	1		0.0000	\$0.00000	\$0.00069	\$0.00000	\$0.00069

**SCHEDULE: NS BLET & ATDA (Thoroughbred Performance Bonus)**

Added 2007Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.36191			
2007/Q2	4	5.035	1.2588	\$0.27313	\$0.09334	\$0.00456	\$0.08879
2007/Q3	3	4.775	1.1938	\$0.18316	<b>\$0.09322</b>	\$0.00326	\$0.08996
2007/Q4	2		0.0000	\$0.09158	\$0.09158	\$0.00000	\$0.09158
2008/Q1	1		0.0000	\$0.00000	\$0.09158	\$0.00000	\$0.09158

**SCHEDULE: CSX BLET**

Added 2007Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.17262			
2007/Q3	4	4.775	1.1938	\$0.13023	<b>\$0.04445</b>	\$0.00206	\$0.04239
2007/Q4	3		0.0000	\$0.08682	\$0.04341	\$0.00000	\$0.04341
2008/Q1	2		0.0000	\$0.04341	\$0.04341	\$0.00000	\$0.04341
2008/Q2	1		0.0000	\$0.00000	\$0.04341	\$0.00000	\$0.04341

**ARTICLE 1 - RATES OF PAY**

A. On effective date of this agreement, all locomotive engineer rates of pay, including extra board guarantees, will increase by three percent (3%), retroactive to January 1, 2007. The back pay will be paid no later than sixty (60) days from the date BLET informs CSXT that the Single System Agreement has been ratified. Rates of pay will be shown in the Rate Schedules in the Appendix.

B. In computing the increase above, three percent (3%) shall be applied to the standard basic daily rates of pay applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic rate of pay. The adjustments provided for in this Article will apply to mileage rates of pay for overmiles, and will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money:

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

**ARTICLE 2 - SIGNING BONUS**

A. In consideration of the rule modifications contained in this BLET Single System Agreement (SSA), a certified locomotive engineer who has an active employment relationship with CSXT under this Agreement thirty (30) days prior to the date that the Single System Agreement is signed will receive a signing bonus payment of two thousand, five hundred dollars (\$2500.00) as described herein upon successful ratification of the Single System Agreement.

B. Engineer trainees on the effective date of this Agreement will be entitled to this signing bonus payment upon engineer certification.

C. The bonus payment will be paid no later than sixty (60) days from the date BLET informs CSXT that the Single System Agreement has been ratified. The bonus payment shall be subject to withholdings for applicable state, federal and local taxes.

D. An employee receiving a signing bonus under this Single System Agreement will not be eligible for a signing bonus under another Collective Bargaining Agreement. Engineers paid a signing bonus under this Single System Agreement have no right to a second signing bonus, lump or retroactive payment, under a different Collective Bargaining Agreement, unless that payment exceeds the bonus described here. In such case, if the employee is eligible under both Collective Bargaining Agreements, he will receive no less than the money represented by the greater bonus.

2007/Q3 RCAF Back Pay Amortization

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr.	U.S. ST Hours	
IC various	2006/Q1	2006/Q4	\$587,093	0.00175517	0.00702	334,493,612	2005
IC - IBBM	2006/Q4	2007Q1	\$42,252	0.00012632	0.00051	334,493,612	2005
DMIR - SMW	2007Q1	2007Q1	\$3,577	0.00001069	0.00004	334,493,612	2005
DWP - BRS	2006/Q4	2007Q1	\$19,668	0.00005880	0.00024	334,493,612	2005
BLE - UTU	2006/Q3	2007Q1	(\$16,809)	-0.00005025	-0.00020	334,493,612	2005
GTC/CN - various <sup>1</sup>	2007Q1	2007Q2	\$3,003,130	0.00897814	0.03591	334,493,612	2005
CSX - BLET	2007Q2	2007Q3	\$477,940	0.00142885	0.00572	334,493,612	2005
National IBBM	2007Q2	2007Q3	\$71,390	0.00021343	0.00085	334,493,612	2005
Total				0.01252			

Should be slightly less than amortized amount.

**Fell out**

CCP - TCU	2006/Q3	2006/Q3	(\$46,471)	-0.00013893	-0.00056	334,493,612	2005
SOO - BLET	2006/Q3	2006/Q3	\$4,124,260	0.01232986	0.04932	334,493,612	2005

**Interest Rate**

2005/Q1	2.155
2005/Q2	2.540
2005/Q3	2.895
2005/Q4	3.460
2006/Q1	3.940
2006/Q2	4.440
2006/Q3	4.705
2006/Q4	4.975
2007/Q1	4.940
2007/Q2	5.035
2007/Q3	4.775
2007/Q4	

Back Pay Adjustment for 2007 Q3 → 0.01290  
or  
0.013

<sup>1</sup> BLET - BLE; IBBM - DMIR; BLET, UTU, UTU-YMD - GTW, and TCU-CAR - IC

**SCHEDULE: IC BMW, BRS, IBBM, IBEW, SMW, TCU, TCU-CAR**  
 Added 2006Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qty Int Rate	Principal Balance After Payment	Qty Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00702			
2006/Q4	4	4.975	1.2438	\$0.00530	\$0.00181	\$0.00009	\$0.00172
2007/Q1	3	4.940	1.2350	\$0.00355	\$0.00181	\$0.00007	\$0.00174
2007/Q2	2	5.035	1.2588	\$0.00179	\$0.00181	\$0.00004	\$0.00177
2007/Q3	1	4.775	1.1938	(\$0.00000)	<b>\$0.00181</b>	\$0.00002	\$0.00179

**SCHEDULE: IC IBBM**  
 Added 2007Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qty Int Rate	Principal Balance After Payment	Qty Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00051			
2007/Q1	4	4.940	1.2350	\$0.00038	\$0.00013	\$0.00001	\$0.00012
2007/Q2	3	5.035	1.2588	\$0.00026	\$0.00013	\$0.00000	\$0.00013
2007/Q3	2	4.775	1.1938	\$0.00013	<b>\$0.00013</b>	\$0.00000	\$0.00013
2007/Q4	1		0.0000	\$0.00000	\$0.00013	\$0.00000	\$0.00013

**SCHEDULE: DMIR SMW**  
 Added 2007Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qty Int Rate	Principal Balance After Payment	Qty Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00004			
2007/Q1	4	4.940	1.2350	\$0.00003	\$0.00001	\$0.00000	\$0.00001
2007/Q2	3	5.035	1.2588	\$0.00002	\$0.00001	\$0.00000	\$0.00001
2007/Q3	2	4.775	1.1938	\$0.00001	<b>\$0.00001</b>	\$0.00000	\$0.00001
2007/Q4	1		0.0000	\$0.00000	\$0.00001	\$0.00000	\$0.00001

**SCHEDULE: DWP BRS**

Added 2007Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qty Int Rate	Principal Balance After Payment	Qty Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00024			
2007/Q1	4	4.940	1.2350	\$0.00018	\$0.00006	\$0.00000	\$0.00006
2007/Q2	3	5.035	1.2588	\$0.00012	\$0.00006	\$0.00000	\$0.00006
2007/Q3	2	4.775	1.1938	\$0.00006	<b>\$0.00006</b>	\$0.00000	\$0.00006
2007/Q4	1		0.0000	\$0.00000	\$0.00006	\$0.00000	\$0.00006

**SCHEDULE: BLE UTU**

Added 2007Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qty Int Rate	Principal Balance After Payment	Qty Payment	Interest Payment	Principal Payment
Lump Sum				(\$0.00020)			
2007/Q1	4	4.940	1.2350	(\$0.00015)	(\$0.00005)	(\$0.00000)	(\$0.00005)
2007/Q2	3	5.035	1.2588	(\$0.00010)	(\$0.00005)	(\$0.00000)	(\$0.00005)
2007/Q3	2	4.775	1.1938	(\$0.00005)	<b>(\$0.00005)</b>	(\$0.00000)	(\$0.00005)
2007/Q4	1		0.0000	\$0.00000	(\$0.00005)	\$0.00000	(\$0.00005)

**SCHEDULE: BLE BLET(UTU), DMIR IBBM, GTW BLET, GTW UTU, GTW UTU-YMD, IC TCU-CAR**

Added 2007Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qty Int Rate	Principal Balance After Payment	Qty Payment	Interest Payment	Principal Payment
Lump Sum				\$0.03591			
2007/Q2	4	5.035	1.2588	\$0.02710	\$0.00926	\$0.00045	\$0.00881
2007/Q3	3	4.775	1.1938	\$0.01818	<b>\$0.00925</b>	\$0.00032	\$0.00893
2007/Q4	2		0.0000	\$0.00909	\$0.00909	\$0.00000	\$0.00909
2008/Q1	1		0.0000	\$0.00000	\$0.00909	\$0.00000	\$0.00909

**SCHEDULE: CSX BLET**

Added 2007Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00572			
2007/Q3	4	4.775	1.1938	\$0.00431	\$0.00147	\$0.00007	\$0.00140
2007/Q4	3		0.0000	\$0.00287	\$0.00144	\$0.00000	\$0.00144
2008/Q1	2		0.0000	\$0.00144	\$0.00144	\$0.00000	\$0.00144
2008/Q2	1		0.0000	\$0.00000	\$0.00144	\$0.00000	\$0.00144

**SCHEDULE: National IBBM**

Added 2007Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00085			
2007/Q3	4	4.775	1.1938	\$0.00064	\$0.00022	\$0.00001	\$0.00021
2007/Q4	3		0.0000	\$0.00043	\$0.00021	\$0.00000	\$0.00021
2008/Q1	2		0.0000	\$0.00021	\$0.00021	\$0.00000	\$0.00021
2008/Q2	1		0.0000	\$0.00000	\$0.00021	\$0.00000	\$0.00021

**ARTICLE 1 - RATES OF PAY**

A. On effective date of this agreement, all locomotive engineer rates of pay, including extra board guarantees, will increase by three percent (3%), retroactive to January 1, 2007. The back pay will be paid no later than sixty (60) days from the date BLET informs CSXT that the Single System Agreement has been ratified. Rates of pay will be shown in the Rate Schedules in the Appendix.

B. In computing the increase above, three percent (3%) shall be applied to the standard basic daily rates of pay applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic rate of pay. The adjustments provided for in this Article will apply to mileage rates of pay for overmiles, and will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money:

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

**ARTICLE 2 - SIGNING BONUS**

A. In consideration of the rule modifications contained in this BLET Single System Agreement (SSA), a certified locomotive engineer who has an active employment relationship with CSXT under this Agreement thirty (30) days prior to the date that the Single System Agreement is signed will receive a signing bonus payment of two thousand, five hundred dollars (\$2500.00) as described herein upon successful ratification of the Single System Agreement.

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D. An employee receiving a signing bonus under this Single System Agreement will not be eligible for a signing bonus under another Collective Bargaining Agreement. Engineers paid a signing bonus under this Single System Agreement have no right to a second signing bonus, lump or retroactive payment, under a different Collective Bargaining Agreement, unless that payment exceeds the bonus described here. In such case, if the employee is eligible under both Collective Bargaining Agreements, he will receive no less than the money represented by the greater bonus.

## Backpay for National IBBM Added to RCAF 2007Q3

National IBBM agreement signed 12/14/04

### SECTION 5 - RATE ADJUSTMENT

"Effective June 1, 2007, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees.....shall be increased in the amount of \$0.34 per hour."

### 2005 Wage Statistics for National IBBM:

2005 ST Hourly Rate	\$18.89637
2005 PFTNW HR	\$2.62502
Ratio PFTNW/STHR	0.1389168

Union	Period	No. of Months	ST Hours	GWI Hr. Rate	ST Amount	PFTNW Amount	Total Period Amount
IBBM	6/1/07-6/30/07	1	2,212,306	\$0.34	\$62,682.00	\$8,707.59	\$71,389.59
Total Backpay							<b>\$71,389.59</b>

IBBM  
National Agreement  
Supplemental 2004

provisions is amended by raising such limit to \$10,000,000.

**SECTION 5 – RATE ADJUSTMENT**

Effective June 1, 2007, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees on carriers covered by the 2002 National Agreement for Wages & Rules and Health & Welfare shall be increased in the amount of \$.34 per hour.

**SECTION 6 – SIDE LETTERS**

The 2002 National Agreement is amended by adding Side Letter Nos. 7 through 12 attached hereto.

**SIGNED AT WASHINGTON, D.C. THIS 14<sup>th</sup> DAY OF  
DECEMBER, 2004.**

**FOR THE PARTICIPATING  
CARRIERS REPRESENTED BY  
NATIONAL CARRIERS'  
CONFERENCE COMMITTEE:**



Robert F. Allen  
Chairman

**FOR THE EMPLOYEES  
REPRESENTED BY THE  
INTERNATIONAL BRO.  
OF BOILERMAKERS  
AND BLACKSMITHS:**



Alan M. Scheer  
Director – Railroad Division

## Health and Welfare

	Employees Receiving		Monthly Contribution		Total	Total
	Pay			2005 Avg.	2007	
	2005	2005 Avg.	2007	2005 Avg.	2007	
<b>1. All Employees</b>						
a. Group health	170,499	\$948.19	\$1,097.66	\$161,665,446.81	\$187,149,932.34	
b. Group dental	170,499	47.20	47.14	8,047,552.80	8,037,322.86	
c. Early retirement major medical	170,499	90.57	89.06	15,442,094.43	15,184,640.94	
d. Group vision	170,499	10.84	10.70	1,848,209.16	1,824,339.30	
<b>2. Supplemental Sickness</b>						
a. Signalmen	5,958	32.00	32.06	190,656.00	191,013.48	
b. Shopcrafts	25,344	61.00	61.06	1,545,984.00	1,547,504.64	
c. MOW	25,221	36.00	36.06	907,956.00	909,469.26	
d. Yardmasters	2,331	44.48	41.13	103,682.88	95,874.03	
<b>3. Short-Term Disability</b>						
a. Engineers (CSX, KCS, UP)	15,873	40.00	40.00	634,920.00	634,920.00	
b. Engineers (SOO)	487	0.00	40.00	0.00	19,480.00	
<b>4. Monthly Total Premiums</b>				190,386,502.08	215,594,496.85	
<b>5. Monthly Employee Contributions To H&amp;W</b>						
a. National BLET (BNSF, CSX, KCS, NS, UP)	27,634	(\$96.61)	(\$159.27)	(\$2,669,720.74)	(\$4,401,267.18)	
b. National BMW (BNSF, CSX, KCS, NS, UP)	23,266	\$0.00	\$0.00	\$0.00	0.00	
c. National BRS (BNSF, CSX, KCS, NS, UP)	5,641	(\$100.00)	(\$100.00)	(\$564,100.00)	(564,100.00)	
d. National IAM (BNSF, CSX, KCS, NS, UP)	6,516	(\$35.37)	(\$132.57)	(\$230,470.92)	(863,826.12)	
e. National IBBM (BNSF, CSX, KCS, NS, UP)	1,190	(\$94.38)	(\$147.23)	(\$112,312.20)	(175,203.70)	
f. National IBEW (BNSF, CSX, KCS, NS, UP)	4,766	(\$103.06)	(\$156.97)	(\$491,183.96)	(748,119.02)	
g. National NCFO (BNSF, CSX, KCS, NS, UP)	2,295	(\$78.06)	(\$156.22)	(\$179,147.70)	(358,524.90)	
h. National SMW (BNSF, CSX, KCS, NS, UP)	1,054	(\$78.06)	(\$156.23)	(\$82,275.24)	(164,666.42)	
i. National TCU (BNSF, CSX, KCS, NS, UP)	8,681	(\$94.43)	(\$147.31)	(\$819,746.83)	(1,278,798.11)	
j. National TCU-CAR (BNSF, CSX, KCS, NS, UP)	10,337	(\$94.43)	(\$147.73)	(\$976,122.91)	(1,527,085.01)	
k. National UTU (BNSF, CSX, KCS, NS, UP)	42,709	(\$103.06)	(\$160.33)	(\$4,401,589.54)	(6,847,533.97)	
l. National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,670	(\$103.06)	(\$156.13)	(\$172,110.20)	(260,737.10)	
m. Indep. Dispatchers (wt. avg. BNSF, CSX, KCS, NS)	1,754	(\$97.21)	(\$154.02)	(\$170,506.34)	(270,151.08)	
n. Independent CNGT (wt. avg. all 104 union categories)	6,044	(\$42.21)	(\$65.88)	(\$255,117.24)	(398,178.72)	
o. Independent SOO (weighted average all 13 unions)	2,556	(\$50.64)	(\$112.45)	(\$129,435.84)	(287,422.20)	
p. Independent UP (Yardmasters only)	503	(\$94.38)	(\$147.31)	(\$47,473.14)	(74,096.93)	
<b>Total Major Union</b>	146,616			(\$11,301,312.80)	(\$18,219,710.46)	
<b>All Other Employee Contributions*</b>				(\$3,290,694.95)	(\$3,290,694.95)	
<b>6. Net Employer Monthly Payments</b>				\$175,794,494.33	\$194,084,091.44	
<b>7. Ratio Projected Year to Base Year, Based on Net Monthly Payments</b>					1.10404	
<b>8. H&amp;W hourly rate for base year</b>				\$4.995		
<b>9. H&amp;W hourly rate for projected quarter</b>					<b>\$5.515</b>	

\* Mostly non-union employee contributions.

## Health and Welfare

### Employer H&W Contribution

		2005 Pd.	East	West
<b>Supplemental Sickness Plan:</b>		Employees		
a. Signalmen	BRS	5,958	2,652	3,306
b. Shopcrafts	Total	25,344	10,648	14,696
	IBEW	5,025	1,892	3,133
	IBBM	1,259	341	918
	TCU-Car	11,142	5,241	5,901
	IAM	6,840	2,598	4,242
	SMW	1,078	576	502
c. MOW	BMWED	25,221	9,572	15,649
d. Yardmasters	UTU-YMD	2,331	1,351	980
<b>Short-Term Disability Contribution:</b>				
a. Engineers	Total BLET	15,873	5,774	10,099
	CSX	5,774		
	KCS	484		
	UP	9,615		
b. Engineers	SOO	487		

### 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	CSX, KCS, UP BNSF NS	Article IV Part B Section 1 (i) Article III Part B Section 1 (i) Article IX Sections 2 & 3
b. BMWE	BNSF, CSX, KCS, NS, UP	None -- wage increases offset
c. BRS	BNSF, CSX, KCS, NS, UP	Article III Part B Section 1 (d)
d. IAM	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (e)
e. IBBM	BNSF, CSX, KCS, NS, UP	Supplemental, SECTION 3 Part B Section 1 (f)
f. IBEW	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (i)
g. NCFO	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (i)
h. SMW	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (i)
i. TCU	BNSF, CSX, KCS, NS, UP	Article III Part B Section 1 (i)
j. TCU-Carmen	BNSF, CSX, KCS, NS, UP	Article III Part B Section 1 (i)
k. UTU	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (g)
l. UTU-YMD	BNSF, KCS, NS CSX	Article IV Part B Section 1 (g) Side Letter #1
m. Indep. Dispatchers	BNSF CSX KCS NS	Article III Part B Section 1 (f) SECTION III Part B Section 1 (i) Article II Part B Section 1 (i) App. A Part B Sec 1 (i) and H&W Side Letter H
n. Independent CN	all union categories incl. \$0 agrmnts	
o. Independent SOO	all unions	Provided by Canadian Pacific Railway
p. Independent UP yardmasters		Article III Part B Section 1 (i)

# NATIONAL RAILWAY LABOR CONFERENCE

## ECONOMIC RESEARCH DEPARTMENT

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April 30, 2007

**July 1, 2007 Health and Welfare Contributions**  
**Under 2000 Round National Agreements**  
**BLE, UTU, UTU-Yardmasters, BRS,**  
**TCU-Clerks, TCU-Carmen, IAM, IBB, NCFO, IBEW, SMW**

CIRCULAR NO. 504-101-11 (H&W)  
CIRCULAR NO. 831-8-6 (BLE)  
CIRCULAR NO. 832-10-7 (UTU, including YARDMASTERS)  
CIRCULAR NO. 834-9-6 (TCU CLERKS)  
CIRCULAR NO. 836-8-6 (BRS)  
CIRCULAR NO. 837-9-6 (TCU CARMEN)  
CIRCULAR NO. 838-9-6 (IBB)  
CIRCULAR NO. 839-8-6 (NCFO)  
CIRCULAR NO. 840-9-7 (IBEW)  
CIRCULAR NO. 841-8-6 (IAM)  
CIRCULAR NO. 842-9-6 (SMW)  
CIRCULAR NO. 843-10-8 (UTU H&W)

### TO MEMBER ROADS:

The 2000 Round National Agreements with the above-referenced organizations provide for employee cost-sharing contributions to be adjusted on July 1, 2007. The applicable National Agreement sections and the entire amount of the monthly contributions effective July 1, 2007 are as follows:

Organization	2000 Round National Agreement Reference	Monthly Contribution
BLET	Article IV, Part B, Sect. 1 (g)	\$159.27
UTU	Article IV, Part B, Sect. 1 (e) of the Nov. 6, 2003 Supplemental Agreement	\$160.33
UTU-Yardmasters	Article IV, Part B, Sect. 1 (e) of Document B of the Nov. 6, 2003 Supplemental Agreement	\$156.13
TCU Clerks	Article III, Part B, Sect. 1 (g)	\$147.31
TCU Carmen	Article III, Part B, Sect. 1 (g)	\$147.73
BRS	Article III, Part B, Sect. 1 (d)	\$100.00

Organization	2000 Round National Agreement Reference	Monthly Contribution
IAM	Article IV, Part B, Sect. 1 (e)	\$132.57
IBB	Article IV, Part B, Sect. 1 (d)	\$147.23
IBEW	Article IV, Part B, Sect. 1 (g)	\$156.97
NCFO	Article IV, Part B, Sect. 1 (g)	\$156.22
SMW	Article IV, Part B, Sect. 1 (g)	\$156.23

NOTES:

ATDA's agreements for the 2000 round that have an ATDA employee cost-sharing contribution provision substantively identical to any of the provisions referenced above should be applied to increase the current employee cost-sharing amount by \$9.13 effective July 1, 2007.

BMWE's July 1, 2007 COLA (NRLC Circular No. 835-14) reflects the contributions for employees represented by that organization.

BRS-represented employees are not subject to an increase in contributions after July 1, 2004, per Article III, Part B.



H. Glen Williams, Jr.

# Railroad Retirement and Medicare

Employees Receiving Pay 170,499 (2005 Benchmark, 2004 RRB Distribution)  
 Tier I Maximum 97,500 (Year = 2007)  
 Tier II Maximum 72,600 (Year = 2007)  
 Medicare Maximum no limit (Year = 2007)  
 Tier I Tax Rate 6.20% (Year = 2007)  
 Tier II Tax Rate 12.10% (Year = 2007)  
 Medicare Tax Rate 1.45% (Year = 2007)

USA RCAF	Rate	Factor	RR Ret Tax	Hourly Rate
2004	\$28.151			
2005	\$28.884	1.02604	\$510,710,802	\$6,169
1Q/2007	\$29.220	1.03797	\$514,668,349	\$6.217
2Q/2007	\$29.238	1.03861	\$514,902,237	\$6.220
3Q/2007	\$29.336	1.04209	\$516,175,628	\$6.235
4Q/2007		0.00000	\$0	\$0.000

RR Ret Tax from RR\_Retirement\_05annual.xls, Hourly rate from SUPPL2005.xls  
Rate = Taxable Rate

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2005	Avg Annual Earnings (2004 RRB Stats)	Estimated Avg. Annual Earnings	Avg City Earnings	Tier I		Tier II		Medicare Taxable	Tier I		Tier II		Medicare Tot Tax Emrg	
						Taxable	Tier I Taxable	Taxable	Tier II Taxable		Tot Tax Emrgs	Tot Tax Emrg	Tot Tax Emrg	Tot Tax Emrg		
\$0 - 21699	0.442	754	\$12,023	\$12,480	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$2,351,166	\$2,351,166
21700 - 23699	0.147	251	\$22,279	23,125	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781	1,448,976	1,448,976
23700 - 25699	0.098	167	\$24,280	25,202	6,301	6,301	6,301	6,301	6,301	6,301	6,301	6,301	6,301	6,301	1,052,745	1,052,745
25700 - 27699	0.147	251	\$26,084	27,075	6,769	6,769	6,769	6,769	6,769	6,769	6,769	6,769	6,769	6,769	1,696,445	1,696,445
27700 - 29699	0.393	670	\$28,966	30,066	7,516	7,516	7,516	7,516	7,516	7,516	7,516	7,516	7,516	7,516	5,036,505	5,036,505
29700 - 31699	0.393	670	\$30,903	32,077	8,019	8,019	8,019	8,019	8,019	8,019	8,019	8,019	8,019	8,019	5,373,304	5,373,304
31700 - 33699	0.442	754	\$32,523	33,758	8,440	8,440	8,440	8,440	8,440	8,440	8,440	8,440	8,440	8,440	6,360,058	6,360,058
33700 - 35699	0.982	1,674	\$34,820	36,142	9,036	9,036	9,036	9,036	9,036	9,036	9,036	9,036	9,036	9,036	15,128,243	15,128,243
35700 - 37699	1.081	1,843	\$36,792	38,189	9,547	9,547	9,547	9,547	9,547	9,547	9,547	9,547	9,547	9,547	17,596,542	17,596,542
37700 - 39699	2.407	4,104	\$38,771	40,243	10,061	10,061	10,061	10,061	10,061	10,061	10,061	10,061	10,061	10,061	41,288,711	41,288,711
39700 - 41699	3.684	6,281	\$40,821	42,371	10,593	10,593	10,593	10,593	10,593	10,593	10,593	10,593	10,593	10,593	66,535,204	66,535,204
41700 - 43699	5.059	8,626	\$42,623	44,242	11,060	11,060	11,060	11,060	11,060	11,060	11,060	11,060	11,060	11,060	95,401,878	95,401,878
43700 - 45699	6.336	10,803	\$44,646	46,341	11,585	11,585	11,585	11,585	11,585	11,585	11,585	11,585	11,585	11,585	125,154,351	125,154,351
45700 - 47699	5.648	9,630	\$46,659	48,431	12,108	12,108	12,108	12,108	12,108	12,108	12,108	12,108	12,108	12,108	116,594,575	116,594,575
47700 - 49699	5.010	8,542	\$48,690	50,539	12,635	12,635	12,635	12,635	12,635	12,635	12,635	12,635	12,635	12,635	107,925,913	107,925,913
49700 - 51699	4.371	7,453	\$50,748	52,675	13,169	13,169	13,169	13,169	13,169	13,169	13,169	13,169	13,169	13,169	98,140,432	98,140,432
51700 - 53699	4.322	7,369	\$52,763	54,767	13,692	13,692	13,692	13,692	13,692	13,692	13,692	13,692	13,692	13,692	100,893,334	100,893,334
53700 - 55699	4.273	7,285	\$54,568	56,640	14,160	14,160	14,160	14,160	14,160	14,160	14,160	14,160	14,160	14,160	103,161,859	103,161,859
55700 - 57699	4.077	6,951	\$56,625	58,775	14,694	14,694	14,694	14,694	14,694	14,694	14,694	14,694	14,694	14,694	102,140,306	102,140,306
57700 - 59699	3.487	5,945	\$58,558	60,782	15,195	15,195	15,195	15,195	15,195	15,195	15,195	15,195	15,195	15,195	90,341,316	90,341,316
59700 - 61699	3.978	6,782	\$60,811	63,120	15,780	15,780	15,780	15,780	15,780	15,780	15,780	15,780	15,780	15,780	107,027,444	107,027,444
61700 - 63699	3.094	5,275	\$62,674	65,054	16,263	16,263	16,263	16,263	16,263	16,263	16,263	16,263	16,263	16,263	85,793,810	85,793,810
63700 - 65699	3.684	6,281	\$64,677	67,133	16,783	16,783	16,783	16,783	16,783	16,783	16,783	16,783	16,783	16,783	105,418,715	105,418,715
65700 - 67699	3.045	5,192	\$66,763	69,298	17,325	17,325	17,325	17,325	17,325	17,325	17,325	17,325	17,325	17,325	89,943,829	89,943,829
67700 - 69699	3.536	6,029	\$68,663	71,270	17,818	17,818	17,818	17,818	17,818	17,818	17,818	17,818	17,818	17,818	107,419,533	107,419,533
69700 - 71699	2.701	4,605	\$70,716	73,401	18,350	18,350	18,350	18,350	18,350	18,350	18,350	18,350	18,350	18,350	84,506,575	84,506,575
71700 - 73699	2.210	3,768	\$72,765	75,528	18,882	18,882	18,882	18,882	18,882	18,882	18,882	18,882	18,882	18,882	71,148,056	71,148,056
73700 - 75699	2.259	3,852	\$74,718	77,555	19,389	19,389	19,389	19,389	19,389	19,389	19,389	19,389	19,389	19,389	69,906,039	69,906,039
75700 - 77699	2.014	3,434	\$76,805	79,722	19,930	19,930	19,930	19,930	19,930	19,930	19,930	19,930	19,930	19,930	62,324,375	62,324,375
77700 - 79699	1.424	2,428	\$78,562	81,545	20,386	20,386	20,386	20,386	20,386	20,386	20,386	20,386	20,386	20,386	44,066,490	44,066,490
79700 - 81699	1.424	2,428	\$80,845	83,915	20,979	20,979	20,979	20,979	20,979	20,979	20,979	20,979	20,979	20,979	50,934,422	50,934,422
81700 - 83699	1.768	3,014	\$82,696	85,836	21,459	21,459	21,459	21,459	21,459	21,459	21,459	21,459	21,459	21,459	64,686,700	64,686,700
83700 - 85699	1.621	2,764	\$84,537	87,747	21,937	21,937	21,937	21,937	21,937	21,937	21,937	21,937	21,937	21,937	60,628,675	60,628,675
85700 - 87699	1.621	2,764	\$86,720	90,013	22,503	22,503	22,503	22,503	22,503	22,503	22,503	22,503	22,503	22,503	62,194,290	62,194,290
87700 - 89699	1.916	3,267	\$88,564	91,927	22,982	22,982	22,982	22,982	22,982	22,982	22,982	22,982	22,982	22,982	75,075,971	75,075,971
89700 - 91699	0.884	1,507	\$90,772	94,219	23,555	23,555	23,555	23,555	23,555	23,555	23,555	23,555	23,555	23,555	35,501,966	35,501,966
91700 - 93699	1.031	1,758	\$92,678	96,197	24,049	24,049	24,049	24,049	24,049	24,049	24,049	24,049	24,049	24,049	31,904,881	31,904,881
93700 - 95699	0.688	1,173	\$94,631	98,224	24,375	24,375	24,375	24,375	24,375	24,375	24,375	24,375	24,375	24,375	21,290,551	21,290,551
95700 - over	8.303	14,157	\$128,358	133,232	33,308	33,308	33,308	33,308	33,308	33,308	33,308	33,308	33,308	33,308	256,941,055	256,941,055
TOTAL	100.000000	170,499	\$64,171	\$64,171	170,499	170,499	170,499	170,499	170,499	170,499	170,499	170,499	170,499	170,499	2,523,383,651	2,523,383,651
															0.0145	0.121
															\$168,171,685	\$305,329,422
															\$41,167,242	\$514,668,349

Tier I & II Taxable 2,712,446,532 2,523,383,651 0.062 0.121  
 Qty Pmt \$168,171,685 \$305,329,422 \$41,167,242  
 Tier I & II & Medicare \$514,668,349

Railroad Retirement & Medicare, U.S.

2Q/2007

2Q/2007

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2005	Avg Annual Earnings (2004 RRB Stats)	Estimated Avg. Annual Earnings	Avg Qly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emrgs	Tier II Tot Tax Emrg	Medicare Tot Tax Emrg
\$0 - 21699	0.442	754	\$12,023	\$12,487	\$3,122	\$3,122	\$3,122	\$3,122	\$2,352,615	\$2,352,615	\$2,352,615
21700 - 23699	0.147	251	\$22,279	23,139	5,785	5,785	5,785	5,785	1,449,869	1,449,869	1,449,869
23700 - 25699	0.098	167	\$24,280	25,218	6,304	6,304	6,304	6,304	1,053,393	1,053,393	1,053,393
25700 - 27699	0.147	251	\$26,084	27,091	6,773	6,773	6,773	6,773	1,697,490	1,697,490	1,697,490
27700 - 29699	0.383	670	\$28,966	30,084	7,521	7,521	7,521	7,521	5,039,608	5,039,608	5,039,608
29700 - 31699	0.393	670	\$30,903	32,096	8,024	8,024	8,024	8,024	5,376,614	5,376,614	5,376,614
31700 - 33699	0.442	754	\$32,523	33,779	8,445	8,445	8,445	8,445	6,363,976	6,363,976	6,363,976
33700 - 35699	0.982	1,674	\$34,820	36,165	9,041	9,041	9,041	9,041	15,137,562	15,137,562	15,137,562
35700 - 37699	1.081	1,843	\$36,792	38,213	9,553	9,553	9,553	9,553	17,607,381	17,607,381	17,607,381
37700 - 39699	2.407	4,104	\$38,771	40,268	10,067	10,067	10,067	10,067	41,314,145	41,314,145	41,314,145
39700 - 41699	3.684	6,281	\$40,821	42,397	10,599	10,599	10,599	10,599	66,576,190	66,576,190	66,576,190
41700 - 43699	5.059	8,626	\$42,623	44,269	11,067	11,067	11,067	11,067	95,460,647	95,460,647	95,460,647
43700 - 45699	6.336	10,803	\$44,646	46,370	11,592	11,592	11,592	11,592	125,231,448	125,231,448	125,231,448
45700 - 47699	5.648	9,630	\$46,659	48,461	12,115	12,115	12,115	12,115	116,666,399	116,666,399	116,666,399
47700 - 49699	5.010	7,542	\$48,680	50,570	12,643	12,643	12,643	12,643	107,982,397	107,982,397	107,982,397
49700 - 51699	4.371	7,453	\$50,748	52,708	13,177	13,177	13,177	13,177	98,200,889	98,200,889	98,200,889
51700 - 53699	4.322	7,369	\$52,763	54,800	13,700	13,700	13,700	13,700	100,955,486	100,955,486	100,955,486
53700 - 55699	4.273	7,285	\$54,568	56,675	14,169	14,169	14,169	14,169	103,225,408	103,225,408	103,225,408
55700 - 57699	4.077	6,951	\$56,625	58,811	14,703	14,703	14,703	14,703	102,203,226	102,203,226	102,203,226
57700 - 59699	3.487	5,945	\$58,558	60,819	15,205	15,205	15,205	15,205	90,396,968	90,396,968	90,396,968
59700 - 61699	3.978	6,782	\$60,811	63,159	15,790	15,790	15,790	15,790	107,093,375	107,093,375	107,093,375
61700 - 63699	3.094	5,275	\$62,674	65,094	16,274	16,274	16,274	16,274	85,846,660	85,846,660	85,846,660
63700 - 65699	3.684	6,281	\$64,677	67,174	16,794	16,794	16,794	16,794	105,483,655	105,483,655	105,483,655
65700 - 67699	3.045	5,192	\$66,763	69,341	17,335	17,335	17,335	17,335	89,999,235	89,999,235	89,999,235
67700 - 69699	3.536	6,029	\$68,663	71,314	17,829	17,829	17,829	17,829	107,485,705	107,485,705	107,485,705
69700 - 71699	2.701	4,605	\$70,716	73,447	18,362	18,362	18,362	18,362	84,558,633	84,558,633	84,558,633
71700 - 73699	2.210	3,768	\$72,765	75,575	18,894	18,894	18,894	18,894	71,191,884	71,191,884	71,191,884
73700 - 75699	2.259	3,852	\$74,718	77,603	19,401	19,401	19,401	19,401	68,389,706	68,389,706	68,389,706
75700 - 77699	2.014	3,434	\$76,805	79,771	19,943	19,943	19,943	19,943	68,906,039	68,906,039	68,906,039
77700 - 79699	1.424	2,428	\$78,562	81,596	20,399	20,399	20,399	20,399	62,324,375	62,324,375	62,324,375
79700 - 81699	1.424	2,428	\$80,845	83,967	20,992	20,992	20,992	20,992	44,066,490	44,066,490	44,066,490
81700 - 83699	1.768	3,014	\$82,696	85,889	21,472	21,472	21,472	21,472	50,965,799	50,965,799	50,965,799
83700 - 85699	1.621	2,764	\$84,537	87,801	21,950	21,950	21,950	21,950	54,711,765	54,711,765	54,711,765
85700 - 87699	1.621	2,764	\$86,720	90,069	22,517	22,517	22,517	22,517	60,666,023	60,666,023	60,666,023
87700 - 89699	1.916	3,257	\$88,564	91,984	22,996	22,996	22,996	22,996	50,162,767	50,162,767	50,162,767
89700 - 91699	0.884	1,507	\$90,772	94,277	23,569	23,569	23,569	23,569	59,291,709	59,291,709	59,291,709
91700 - 93699	1.031	1,758	\$92,678	96,257	24,064	24,064	24,064	24,064	27,355,893	27,355,893	27,355,893
93700 - 95699	0.688	1,173	\$94,631	98,285	24,375	24,375	24,375	24,375	31,904,881	31,904,881	31,904,881
95700 - over	8.303	14,157	\$128,358	133,314	33,329	33,329	33,329	33,329	21,290,551	21,290,551	21,290,551
TOTAL	100.000	170,499							2,524,368,800	2,524,368,800	2,840,869,088

Total Taxable 2,713,887,264 2,524,368,800 2,840,869,088  
 Tax Rate 0.062 0.121 0.0145  
 Qlty Pmt \$168,261,010 \$305,448,625 \$41,192,602  
 Tier I & II & Medicare \$514,902,237

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2005	Avg Annual Earnings (2004 RRB Stats)	Estimated			Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emrgs	Tier II Tot Tax Emrg	Medicare Tot Tax Emrg
				Avg Annual Earnings	Avg Qtrly Earnings	Avg Qtrly Earnings						
\$0 - 21699	0.442	754	\$12,023	\$12,529	\$3,132	\$3,132	\$3,132	\$3,132	\$2,360,500	\$2,360,500	\$2,360,500	\$2,360,500
21700 - 23699	0.147	251	\$22,279	23,217	5,804	5,804	5,804	5,804	1,454,728	1,454,728	1,454,728	1,454,728
23700 - 25699	0.098	167	\$24,280	25,302	6,326	6,326	6,326	6,326	1,056,924	1,056,924	1,056,924	1,056,924
25700 - 27699	0.147	251	\$26,084	27,182	6,795	6,795	6,795	6,795	1,703,180	1,703,180	1,703,180	1,703,180
27700 - 29699	0.393	670	\$28,966	30,185	7,546	7,546	7,546	7,546	5,056,500	5,056,500	5,056,500	5,056,500
29700 - 31699	0.393	670	\$30,903	32,204	8,051	8,051	8,051	8,051	5,394,636	5,394,636	5,394,636	5,394,636
31700 - 33699	0.442	754	\$32,523	33,892	8,473	8,473	8,473	8,473	6,385,307	6,385,307	6,385,307	6,385,307
33700 - 35699	0.982	1,674	\$34,820	36,286	9,071	9,071	9,071	9,071	15,188,300	15,188,300	15,188,300	15,188,300
35700 - 37699	1.081	1,843	\$36,792	38,341	9,585	9,585	9,585	9,585	17,666,398	17,666,398	17,666,398	17,666,398
37700 - 39699	2.407	4,104	\$38,771	40,403	10,101	10,101	10,101	10,101	41,452,622	41,452,622	41,452,622	41,452,622
39700 - 41699	3.684	6,281	\$40,821	42,539	10,635	10,635	10,635	10,635	66,799,341	66,799,341	66,799,341	66,799,341
41700 - 43699	5.059	8,626	\$42,623	44,417	11,104	11,104	11,104	11,104	95,780,612	95,780,612	95,780,612	95,780,612
43700 - 45699	6.336	10,803	\$44,646	46,525	11,631	11,631	11,631	11,631	125,651,199	125,651,199	125,651,199	125,651,199
45700 - 47699	5.648	9,630	\$46,659	48,623	12,156	12,156	12,156	12,156	117,057,442	117,057,442	117,057,442	117,057,442
47700 - 49699	5.010	8,542	\$48,690	50,740	12,685	12,685	12,685	12,685	108,354,366	108,354,366	108,354,366	108,354,366
49700 - 51699	4.371	7,453	\$50,748	52,884	13,221	13,221	13,221	13,221	98,530,039	98,530,039	98,530,039	98,530,039
51700 - 53699	4.322	7,369	\$52,763	54,984	13,746	13,746	13,746	13,746	101,293,869	101,293,869	101,293,869	101,293,869
53700 - 55699	4.273	7,285	\$54,568	56,865	14,216	14,216	14,216	14,216	103,571,399	103,571,399	103,571,399	103,571,399
55700 - 57699	4.077	6,951	\$56,625	59,009	14,752	14,752	14,752	14,752	102,545,791	102,545,791	102,545,791	102,545,791
57700 - 59699	3.487	5,945	\$58,558	61,023	15,256	15,256	15,256	15,256	90,699,960	90,699,960	90,699,960	90,699,960
59700 - 61699	3.978	6,782	\$60,811	63,371	15,843	15,843	15,843	15,843	107,452,330	107,452,330	107,452,330	107,452,330
61700 - 63699	3.094	5,275	\$62,674	65,312	16,328	16,328	16,328	16,328	86,134,401	86,134,401	86,134,401	86,134,401
63700 - 65699	3.684	6,281	\$64,677	67,400	16,850	16,850	16,850	16,850	105,837,215	105,837,215	105,837,215	105,837,215
65700 - 67699	3.045	5,192	\$66,763	69,573	17,393	17,393	17,393	17,393	90,300,895	90,300,895	90,300,895	90,300,895
67700 - 69699	3.536	6,029	\$68,663	71,553	17,888	17,888	17,888	17,888	107,845,976	107,845,976	107,845,976	107,845,976
69700 - 71699	2.701	4,605	\$70,716	73,693	18,423	18,423	18,423	18,423	84,842,056	84,842,056	84,842,056	84,842,056
71700 - 73699	2.210	3,768	\$72,765	75,828	18,957	18,957	18,957	18,957	71,430,505	71,430,505	71,430,505	71,430,505
73700 - 75699	2.259	3,852	\$74,718	77,863	19,466	19,466	19,466	19,466	68,389,706	68,389,706	68,389,706	68,389,706
75700 - 77699	2.014	3,434	\$76,805	80,038	20,010	20,010	20,010	20,010	62,324,375	62,324,375	62,324,375	62,324,375
77700 - 79699	1.424	2,428	\$78,562	81,869	20,467	20,467	20,467	20,467	44,066,490	44,066,490	44,066,490	44,066,490
79700 - 81699	1.424	2,428	\$80,845	84,248	21,062	21,062	21,062	21,062	51,136,626	51,136,626	51,136,626	51,136,626
81700 - 83699	1.768	3,014	\$82,696	86,177	21,544	21,544	21,544	21,544	54,711,765	54,711,765	54,711,765	54,711,765
83700 - 85699	1.621	2,764	\$84,537	88,096	22,024	22,024	22,024	22,024	60,869,364	60,869,364	60,869,364	60,869,364
85700 - 87699	1.621	2,764	\$86,720	90,370	22,593	22,593	22,593	22,593	62,441,194	62,441,194	62,441,194	62,441,194
87700 - 89699	0.984	3,267	\$88,564	92,292	23,073	23,073	23,073	23,073	59,291,709	59,291,709	59,291,709	59,291,709
89700 - 91699	1.031	1,507	\$90,772	94,593	23,648	23,648	23,648	23,648	27,355,893	27,355,893	27,355,893	27,355,893
91700 - 93699	0.688	1,758	\$92,678	96,579	24,145	24,145	24,145	24,145	31,904,881	31,904,881	31,904,881	31,904,881
93700 - 95699	0.688	1,173	\$94,631	98,614	24,375	24,375	24,375	24,375	28,592,682	28,592,682	28,592,682	28,592,682
95700 - over	8.303	14,157	\$128,358	133,761	24,375	24,375	24,375	24,375	345,065,467	345,065,467	345,065,467	345,065,467
<b>TOTAL</b>	<b>100.000</b>	<b>170,499</b>							<b>2,721,731,250</b>	<b>2,721,731,250</b>	<b>2,528,732,389</b>	<b>2,850,391,120</b>
									<b>0.062</b>	<b>0.121</b>	<b>0.0145</b>	

City Pmt \$166,747,337 \$306,097,619 \$41,330,671  
 Tier I & II Medicare \$516,175,628



## RCAF Unemployment Insurance Tax

	<u>Unemployment Ins.</u>						
	Tax Rate	Earnings Base	Hourly Earnings	RRB Sample Year	Factor To Update RRB Sample	Avg. Ann. Taxable Earnings	Un. Ins. Hourly Rate
			\$26.887	(2001)			
2002 Avg.	3.81%	\$13,200	\$27.258		1.013798	\$12,454.56	\$0.266
4Q/03	4.61%	\$13,440	\$28.088		1.044668	\$12,685.46	\$0.328
1Q/04	2.88%	\$13,560	\$28.090		1.044743	\$12,795.43	\$0.207
2Q/04	2.88%	\$13,560	\$28.478		1.059174	\$12,800.56	\$0.207
3Q/04	2.88%	\$13,560	\$28.760		1.069662	\$12,804.24	\$0.207
			\$27.258	(2002)			
2003 Avg.	4.61%	\$13,440	\$27.952		1.025460	\$12,566.01	\$0.322
4Q/04	2.88%	\$13,560	\$28.834		1.057818	\$12,688.80	\$0.203
1Q/05	2.28%	\$13,800	\$29.332		1.076088	\$12,913.18	\$0.164
2Q/05	2.28%	\$13,800	\$29.115		1.068127	\$12,909.59	\$0.164
3Q/05	2.28%	\$13,800	\$29.408		1.078876	\$12,914.43	\$0.164
			\$27.952	(2003)			
2004 Avg.	2.88%	\$13,560	\$28.151		1.007119	\$12,797.12	\$0.197
4Q/05	2.29%	\$13,800	\$29.157		1.043110	\$13,030.55	\$0.159
1Q/06	2.36%	\$14,340	\$29.277		1.047403	\$13,526.36	\$0.170
2Q/06	2.36%	\$14,340	\$29.255		1.046616	\$13,526.05	\$0.170
3Q/06	2.36%	\$14,340	\$29.302		1.048297	\$13,526.71	\$0.170
			\$28.151	(2004)			
2005 Avg.	2.29%	\$13,800	\$28.884		1.026038	\$12,810.75	\$0.162
<b>3Q/06 reb.</b>	2.36%	\$14,340	\$29.278		1.040034	\$13,298.60	\$0.173
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	<b>\$0.186</b>

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.

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2722	34870859.82	12810.75
QTRLY_US	2722	37217435.05	13672.83

The SAS System  
Factors and Caps 2005 and 2007Q3

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2722	2792.88	1.0260380
FactorQ	2722	2836.58	1.0420940
Capa	2722	37563600.00	13800.00
Capq	2722	40176720.00	14760.00


**Energy Information Administration**  
Official Energy Statistics from the U.S. Government

Home &gt; Petroleum &gt; Navigator

*Petroleum Navigator*

Summary	Prices	Crude Reserves & Production	Refining & Processing	Imports/Exports & Movements	Stocks	Consumption/Sales	Publications & Analysis
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## Spot Prices

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

Period: Monthly 

Product by Area	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	View History
<b>Crude Oil</b>							
WTI - Cushing, Oklahoma	59.08	61.96	54.51	59.28	60.44	63.98	<a href="#">1986-2007</a>
Brent - Europe	58.76	62.47	53.68	57.56	62.05	67.49	<a href="#">1987-2007</a>
<b>Conventional Regular Gasoline</b>							
New York Harbor	158.78	166.99	143.17	164.03	193.76	210.53	<a href="#">1986-2007</a>
U.S. Gulf Coast	156.29	159.68	141.03	161.16	185.03	216.24	<a href="#">1986-2007</a>
Los Angeles	171.81	172.27	159.89	194.19	227.2	243.73	<a href="#">1986-2007</a>
Rotterdam (ARA)	144.66	152.9	136.22	150.19	172.72	198.02	<a href="#">1987-2007</a>
Singapore	149.83	161.47	147.21	160.73	182.83	198.9	<a href="#">1992-2007</a>
<b>Reformulated Regular Gasoline</b>							
New York Harbor							<a href="#">1994-2006</a>
U.S. Gulf Coast							<a href="#">1994-2006</a>
<b>RBOB Regular Gasoline</b>							
New York Harbor	157.58	165.93	142.79	163.4	194.31	217	<a href="#">2005-2007</a>
Gulf Coast	156.08	159.37	140.77	161.76	189.51	224.06	<a href="#">2006-2007</a>
Los Angeles	179.73	180.48	168.19	201.87	237.29	253.05	<a href="#">2003-2007</a>
<b>No. 2 Heating Oil</b>							
New York Harbor	164.82	168.36	152.76	169.31	174.15	186.36	<a href="#">1986-2007</a>
U.S. Gulf Coast	165.32	167.25	150.93	164.23	170.34	183.08	<a href="#">1986-2007</a>
<b>Gasoil</b>							
Rotterdam (ARA)	170.69	173.05	155.56	166.82	173.12	186.52	<a href="#">1986-2007</a>
Singapore	166.69	166.16	157.59	168.15	174.92	190.32	<a href="#">1987-2007</a>
<b>Low-Sulfur No. 2 Diesel Fuel</b>							
New York Harbor	175.53	181.18	162.3	175.19	187.5	202.13	<a href="#">1995-2007</a>
U.S. Gulf Coast	175.14	178.65	161.11	175.42	191.14	203.45	<a href="#">1995-2007</a>
Los Angeles	188.49	199.34	180.36	198.57	202.79	217.6	<a href="#">1986-2007</a>
<b>Kerosene-Type Jet Fuel</b>							
New York Harbor	175.98	183.98	169.16	177.26	188.39	204.28	<a href="#">1990-2007</a>
U.S. Gulf Coast	173.3	180.99	165.42	174.03	184.63	203.62	<a href="#">1990-2007</a>
Los Angeles	188.39	207.04	178.25	185.95	191.96	207.81	<a href="#">1990-2007</a>
Rotterdam (ARA)	176.52	187.07	169.73	177.88	183.85	197.16	<a href="#">1986-2007</a>
Singapore	175.58	184.23	165.99	170.85	178.79	192.51	<a href="#">1986-2007</a>
<b>Residual Fuel Oil</b>							
New York Harbor	100.9	95.6	88.2	95.54	101.49	112.24	<a href="#">1993-2007</a>
U.S. Gulf Coast	94.87	101.63	89.95	102.35	101.18	113.94	<a href="#">1993-2007</a>
Los Angeles	111.9	115.41	113.94	127.11	129.11	130.88	<a href="#">1993-2007</a>
Rotterdam (ARA)	96.08	92.8	89.89	86.63	97.79	105.54	<a href="#">1993-2007</a>
Singapore	100.54	102.7	100.3	109.21	114.03	127.59	<a href="#">1986-2007</a>
<b>Propane</b>							
Mont Belvieu, Texas	95.38	96.63	89.25	97.55	103.71	110.83	<a href="#">1992-2007</a>

Conway, Kansas	95.05	94.42	86.83	96.77	100.47	107.93	1992-2007
Northwest Europe	94.5	98.81	92.58	100.83	100.54	103.47	1989-2007

Last Updated 05/31/2007

Data Reported; -- = Not Applicable; NA = Not Available; W = Withheld to avoid disclosure of individual company data.

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

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**This Week In Petroleum**

Complete History XLS  
PADD Definitions

Summary      Crude Oil      Gasoline      Distillate      Propane  
Prices      Stocks      Production      Imports      Demand

**On-Highway Diesel Fuel Prices (Cents per Gallon)**

Average All-Types Diesel Fuel Prices									more data
	Most Recent							Year Ago	
	04/16/07	04/23/07	04/30/07	05/07/07	05/14/07	05/21/07	05/28/07	05/29/06	
<b>U.S.</b>	287.7	285.1	281.1	279.2	277.3	280.3	281.7	288.2	
<b>East Coast (PADD I)</b>	286.2	283.7	280.0	278.1	275.8	279.8	281.1	287.3	
New England (PADD IA)	287.1	286.4	287.1	287.4	286.6	288.4	288.8	296.6	
Central Atlantic (PADD IB)	288.5	287.7	287.3	286.7	284.3	287.3	288.2	298.7	
Lower Atlantic (PADD IC)	285.2	281.7	276.2	273.5	271.1	275.8	277.3	281.5	
<b>Midwest (PADD II)</b>	286.4	283.1	277.5	275.4	274.0	277.3	278.3	282.4	
<b>Gulf Coast (PADD III)</b>	284.9	281.5	276.6	274.4	271.3	274.7	277.6	279.8	
<b>Rocky Mountain (PADD IV)</b>	298.1	297.8	298.8	299.5	299.8	299.3	298.0	304.4	
<b>West Coast (PADD V)</b>	295.6	295.3	295.2	293.5	291.9	292.1	293.9	316.1	
California	301.5	300.4	298.7	297.4	295.2	295.5	297.5	322.7	

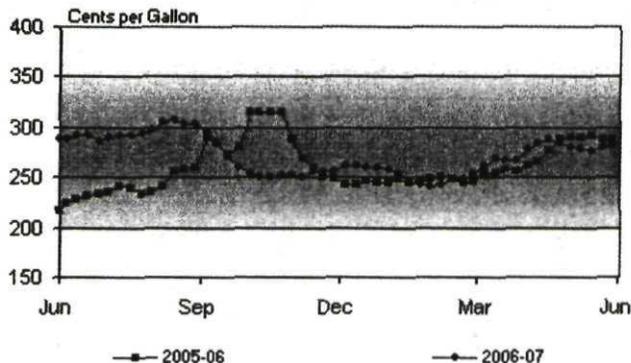
  

Ultra Low Sulfur Diesel Fuel Prices									more data
	Most Recent							Year Ago	
	04/16/07	04/23/07	04/30/07	05/07/07	05/14/07	05/21/07	05/28/07	05/29/06	
<b>U.S.</b>	288.7	286.3	283.1	281.6	279.7	282.2	283.6	NA	
<b>East Coast (PADD I)</b>	287.5	285.0	282.9	281.3	278.7	282.0	283.3	NA	
New England (PADD IA)	286.8	286.2	286.8	287.2	286.4	288.1	288.5	NA	
Central Atlantic (PADD IB)	288.0	287.4	287.1	286.5	284.1	286.9	287.8	NA	
Lower Atlantic (PADD IC)	287.4	283.3	279.8	277.3	274.4	278.2	279.9	NA	
<b>Midwest (PADD II)</b>	287.4	284.7	279.4	277.9	276.2	279.2	280.2	NA	
<b>Gulf Coast (PADD III)</b>	284.2	280.9	276.2	274.3	272.2	275.4	278.2	NA	
<b>Rocky Mountain (PADD IV)</b>	298.6	298.4	299.4	300.2	300.4	300.0	298.6	NA	
<b>West Coast (PADD V)</b>	296.5	296.2	296.1	294.3	292.7	292.8	294.6	NA	
California	301.5	300.4	298.7	297.4	295.2	295.5	297.5	NA	

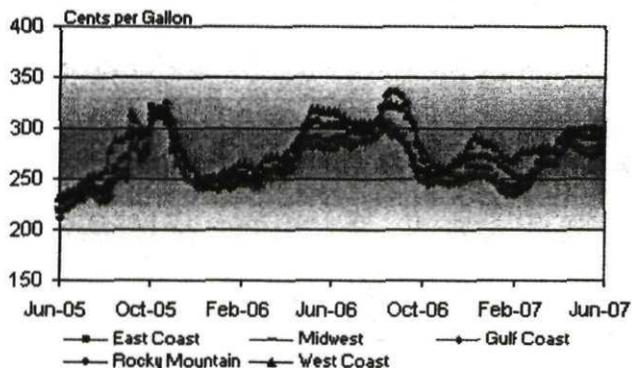
  

Low Sulfur Diesel Fuel Prices									more data
	Most Recent							Year Ago	
	04/16/07	04/23/07	04/30/07	05/07/07	05/14/07	05/21/07	05/28/07	05/29/06	
<b>U.S.</b>	284.5	281.1	274.6	271.6	269.5	274.0	275.2	NA	

U.S. Average All-Types Diesel Fuel Prices



Regional Average All-Types Diesel Fuel Prices



**No. 2 Distillate Spot Prices (Cents per Gallon)**

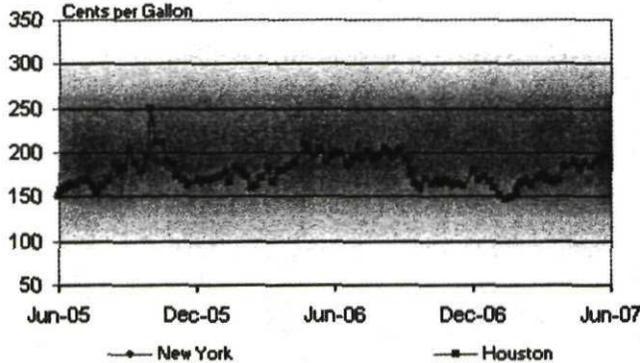
Spot Heating Oil Prices									more data
City	Most Recent							Year Ago	
	04/13/07	04/20/07	04/27/07	05/04/07	05/11/07	05/18/07	05/25/07	05/26/06	
<b>New York</b>	189.7	183.6	191.4	183.5	188.6	191.6	194.2	196.6	
<b>Houston</b>	187.8	180.2	187.8	182.9	189.2	191.8	198.9	195.5	

**Spot Diesel Fuel Prices**

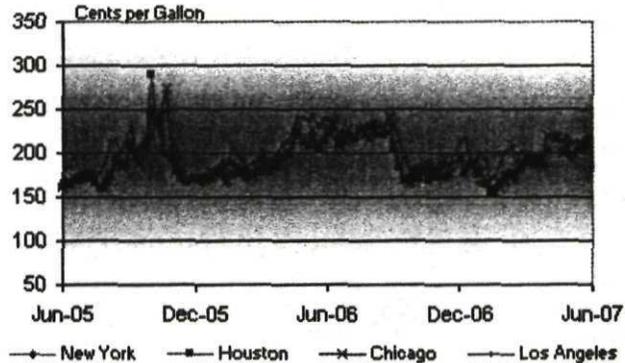
[more data](#)

City	Most Recent							Year Ago
	04/13/07	04/20/07	04/27/07	05/04/07	05/11/07	05/18/07	05/25/07	05/26/06
New York	206.6	199.2	205.0	196.4	200.7	204.1	206.7	214.5
Chicago	217.4	199.8	210.2	200.4	209.7	209.3	213.2	215.5
Houston	214.3	197.7	198.2	194.4	201.0	205.3	206.9	212.9
Los Angeles (CARB)	220.8	212.9	219.8	210.4	213.7	214.1	220.2	239.3

**Spot Heating Oil Prices**



**Spot Diesel Fuel Prices**



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

**Total Distillate Stocks**

[more data](#)

	Most Recent							Year Ago
	04/13/07	04/20/07	04/27/07	05/04/07	05/11/07	05/18/07	05/25/07	05/26/06
U.S.	117.3	117.3	117.1	118.8	119.8	120.3	120.4	118.9
East Coast (PADD I)	41.7	40.2	38.9	40.6	41.3	41.8	42.0	45.8
New England (PADD IA)	7.1	6.6	6.9	7.4	7.7	7.8	6.9	8.4
Central Atlantic (PADD IB)	22.8	21.6	20.7	21.7	22.5	22.7	23.1	26.4
Lower Atlantic (PADD IC)	11.8	11.9	11.4	11.4	11.1	11.3	12.0	11.0
Midwest (PADD II)	28.2	29.3	29.4	28.8	28.7	29.0	28.4	25.9
Gulf Coast (PADD III)	31.9	32.6	33.2	34.0	34.3	33.4	33.5	32.2
Rocky Mountain (PADD IV)	3.0	3.0	3.1	3.3	3.1	3.2	2.8	3.1
West Coast (PADD V)	12.5	12.3	12.6	12.1	12.3	12.8	13.6	11.8

**15 ppm sulfur and Under Stocks**

[more data](#)

	Most Recent							Year Ago
	04/13/07	04/20/07	04/27/07	05/04/07	05/11/07	05/18/07	05/25/07	05/26/06
U.S.	57.4	59.5	59.5	60.9	60.3	62.4	64.0	5.9
East Coast (PADD I)	11.7	12.1	12.0	12.9	12.7	13.6	14.4	0.5
New England (PADD IA)	1.5	1.4	1.7	1.9	1.9	1.9	1.8	0.0
Central Atlantic (PADD IB)	5.7	5.7	5.6	6.2	5.9	6.1	7.1	0.4
Lower Atlantic (PADD IC)	4.5	4.9	4.7	4.8	4.8	5.6	5.5	0.1
Midwest (PADD II)	19.0	19.8	20.0	19.9	19.3	20.0	19.1	1.1
Gulf Coast (PADD III)	15.6	16.4	15.9	16.9	17.0	16.9	18.4	2.0
Rocky Mountain (PADD IV)	2.5	2.4	2.5	2.6	2.5	2.7	2.3	0.5
West Coast (PADD V)	8.6	8.7	9.1	8.6	8.6	9.2	9.9	1.9

**Greater than 15 ppm to 500 ppm sulfur Stocks**

[more data](#)

	Most Recent							Year Ago
	04/13/07	04/20/07	04/27/07	05/04/07	05/11/07	05/18/07	05/25/07	05/26/06
U.S.	21.6	22.1	22.8	23.6	23.6	22.9	22.1	67.7
East Coast (PADD I)	6.6	5.9	5.3	6.8	6.3	6.3	7.1	16.3
New England (PADD IA)	0.5	0.5	0.6	0.6	0.5	0.5	0.6	2.3
Central Atlantic (PADD IB)	2.8	2.7	2.3	3.0	2.8	3.1	3.2	7.3
Lower Atlantic (PADD IC)	3.3	2.6	2.4	3.2	3.0	2.6	3.3	6.7
Midwest (PADD II)	5.4	5.7	6.0	5.5	5.9	5.5	5.7	19.4
Gulf Coast (PADD III)	8.1	8.9	9.9	9.6	9.9	9.5	7.6	22.1
Rocky Mountain (PADD IV)	0.4	0.4	0.4	0.4	0.4	0.3	0.3	2.0
West Coast (PADD V)	1.2	1.3	1.2	1.3	1.1	1.3	1.4	7.9

**Greater than 500 ppm sulfur Stocks**

[more data](#)

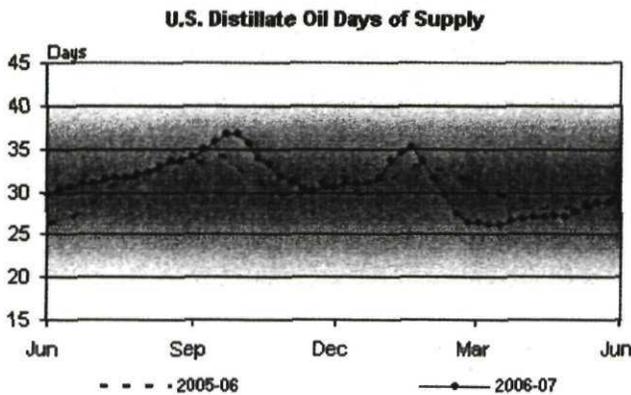
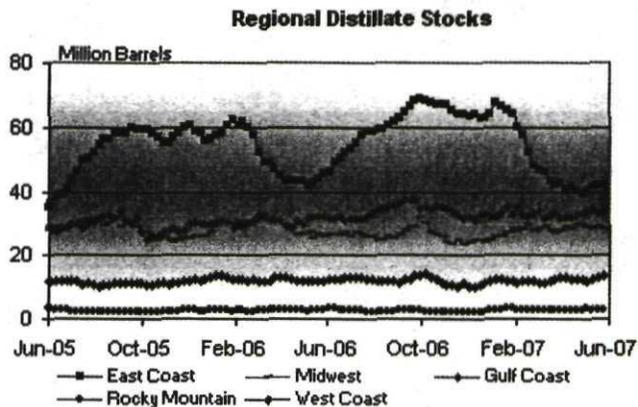
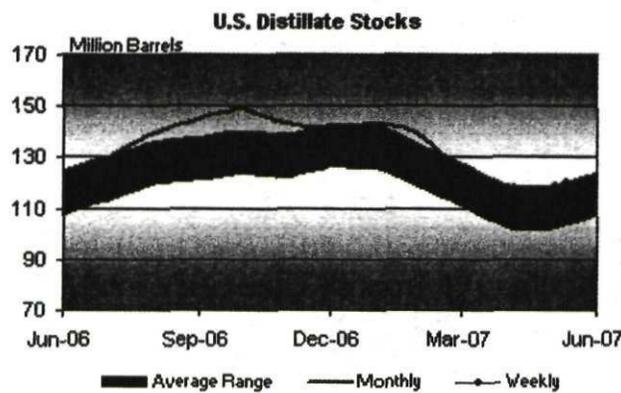
	Most Recent							Year Ago
--	-------------	--	--	--	--	--	--	----------

	04/13/07	04/20/07	04/27/07	05/04/07	05/11/07	05/18/07	05/25/07	05/26/06
<b>U.S.</b>	38.3	35.7	34.8	34.3	35.9	35.0	34.3	45.2
<b>East Coast (PADD I)</b>	23.4	22.3	21.6	20.9	22.3	21.9	20.5	29.0
New England (PADD IA)	5.1	4.7	4.5	4.9	5.3	5.4	4.5	6.1
Central Atlantic (PADD IB)	14.3	13.2	12.9	12.6	13.7	13.4	12.8	18.8
Lower Atlantic (PADD IC)	4.0	4.4	4.3	3.4	3.3	3.1	3.2	4.2
<b>Midwest (PADD II)</b>	3.9	3.7	3.4	3.4	3.5	3.5	3.6	5.4
<b>Gulf Coast (PADD III)</b>	8.2	7.2	7.3	7.5	7.4	7.1	7.6	8.2
<b>Rocky Mountain (PADD IV)</b>	0.2	0.2	0.2	0.3	0.2	0.2	0.3	0.7
<b>West Coast (PADD V)</b>	2.7	2.3	2.2	2.2	2.5	2.3	2.3	2.0

Days of Supply (number of days)								more data
	Most Recent							Year Ago
	04/13/07	04/20/07	04/27/07	05/04/07	05/11/07	05/18/07	05/25/07	05/26/06
<b>U.S.</b>	27.0	27.2	27.1	27.8	28.6	28.8	28.8	29.0

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



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

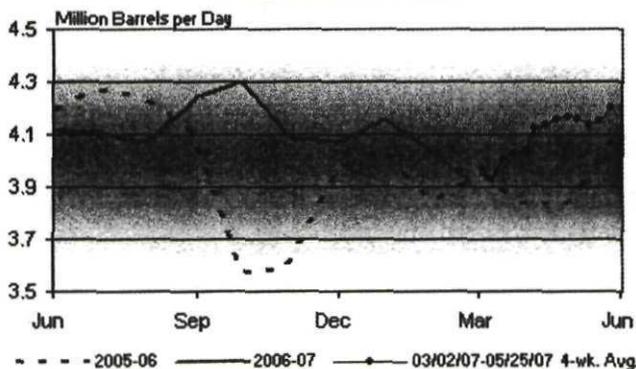
Total Distillate Production								more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/11/07	05/18/07	05/25/07	05/26/06	05/11/07	05/18/07	05/25/07	05/26/06
<b>U.S.</b>	4.134	4.149	4.200	4.027	4.121	4.180	4.294	4.064
<b>East Coast (PADD I)</b>	0.548	0.554	0.569	0.447	0.545	0.555	0.604	0.435
<b>Midwest (PADD II)</b>	0.975	0.984	0.990	0.847	0.960	0.982	1.012	0.858
<b>Gulf Coast (PADD III)</b>	1.891	1.896	1.917	1.992	1.879	1.932	1.965	1.964
<b>Rocky Mountain (PADD IV)</b>	0.155	0.151	0.146	0.182	0.143	0.140	0.150	0.188
<b>West Coast (PADD V)</b>	0.566	0.565	0.578	0.560	0.594	0.571	0.563	0.619

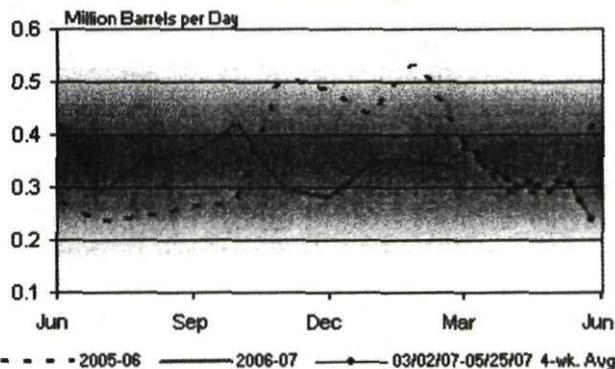
15 ppm sulfur and Under Production								more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/11/07	05/18/07	05/25/07	05/26/06	05/11/07	05/18/07	05/25/07	05/26/06
<b>U.S.</b>	2.743	2.761	2.802	0.342	2.713	2.833	2.891	0.478
<b>East Coast (PADD I)</b>	0.268	0.274	0.278	0.006	0.294	0.284	0.292	0.012
<b>Midwest (PADD II)</b>	0.767	0.769	0.769	0.081	0.719	0.789	0.770	0.119

Gulf Coast (PADD III)	1.117	1.129	1.161	0.128	1.097	1.193	1.224	0.140
Rocky Mountain (PADD IV)	0.135	0.132	0.125	0.010	0.129	0.119	0.123	0.038
West Coast (PADD V)	0.457	0.457	0.469	0.118	0.474	0.448	0.482	0.169
<b>Greater than 15 ppm to 500 ppm sulfur Production</b>								more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/11/07	05/18/07	05/25/07	05/26/06	05/11/07	05/18/07	05/25/07	05/26/06
U.S.	0.649	0.646	0.646	2.619	0.712	0.595	0.630	2.580
East Coast (PADD I)	0.050	0.049	0.057	0.238	0.055	0.047	0.057	0.275
Midwest (PADD II)	0.146	0.142	0.149	0.607	0.174	0.103	0.171	0.572
Gulf Coast (PADD III)	0.420	0.425	0.409	1.307	0.452	0.405	0.375	1.309
Rocky Mountain (PADD IV)	0.011	0.011	0.011	0.134	0.008	0.016	0.013	0.121
West Coast (PADD V)	0.022	0.018	0.020	0.333	0.023	0.024	0.014	0.303
<b>Greater than 500 ppm sulfur Production</b>								more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/11/07	05/18/07	05/25/07	05/26/06	05/11/07	05/18/07	05/25/07	05/26/06
U.S.	0.742	0.743	0.752	1.067	0.696	0.752	0.773	1.006
East Coast (PADD I)	0.230	0.231	0.234	0.204	0.196	0.224	0.255	0.148
Midwest (PADD II)	0.062	0.072	0.072	0.160	0.067	0.090	0.071	0.167
Gulf Coast (PADD III)	0.354	0.342	0.347	0.558	0.330	0.334	0.366	0.515
Rocky Mountain (PADD IV)	0.009	0.009	0.010	0.038	0.006	0.005	0.014	0.029
West Coast (PADD V)	0.088	0.090	0.089	0.108	0.097	0.099	0.067	0.147
<b>Distillate Imports</b>								more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/11/07	05/18/07	05/25/07	05/26/06	05/11/07	05/18/07	05/25/07	05/26/06
Total Distillate	0.306	0.276	0.241	0.373	0.249	0.190	0.198	0.483
15 ppm sulfur and Under	0.218	0.224	0.189	0.064	0.199	0.147	0.176	0.132
Greater than 15 ppm to 500 ppm sulfur	0.040	0.008	0.008	0.148	0.003	0.002	0.003	0.216
Greater than 500 ppm to 2000 ppm sulfur	0.038	0.037	0.037	0.137	0.043	0.035	0.013	0.127
Greater than 2000 ppm sulfur	0.010	0.008	0.008	0.024	0.004	0.006	0.006	0.008

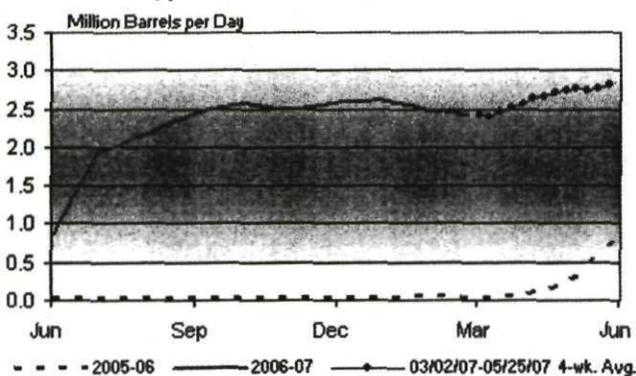
U.S. Distillate Production



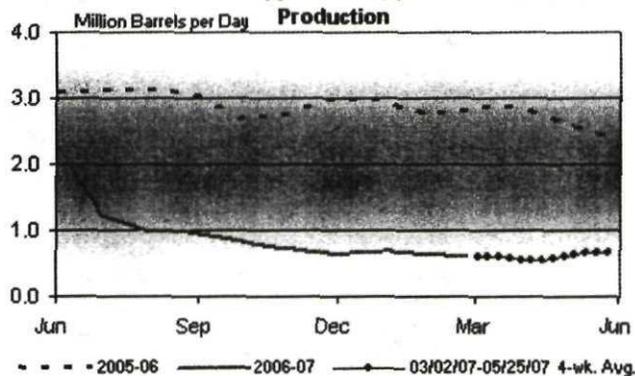
U.S. Distillate Imports



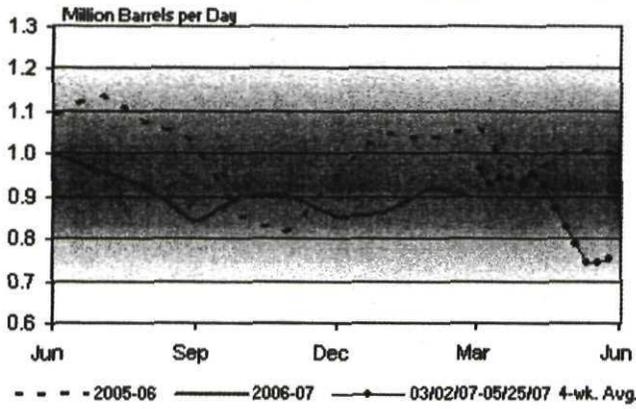
U.S. 15 ppm Sulfur and Under Distillate Production



U.S. Greater than 15 ppm to 500 ppm Sulfur Distillate Production



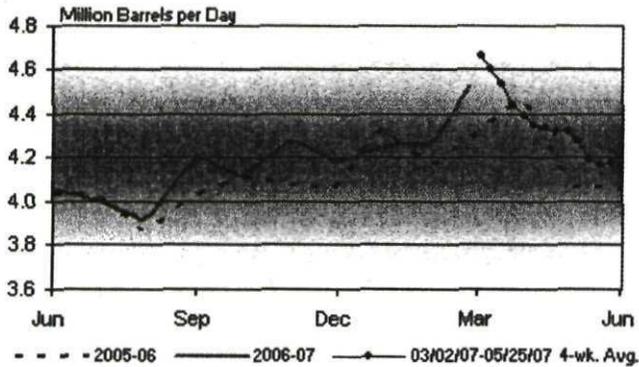
**U.S. Greater than 500 ppm Sulfur Distillate Production**



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

Distillate Demand <a href="#">more data</a>								
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/11/07	05/18/07	05/25/07	05/26/06	05/11/07	05/18/07	05/25/07	05/26/06
Distillate Fuel Oil	4.194	4.169	4.181	4.102	4.092	4.161	4.335	4.142

**U.S. Distillate Demand**



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**YAHOO! NEWS**[Back to Story - Help](#)**AP** Associated Press**Oil prices rise as pump prices fall**

By JOHN WILEN, AP Business Writer

1 hour, 17 minutes ago

Retail gasoline prices continued their slow retreat from their recent highs Monday, but crude oil and gas futures advanced as concerns about refinery capacity persisted.

The average national price of a gallon of gasoline dipped to \$3.158 Monday, down 0.6 cent overnight and off 6.9 cents from its May 24 high, according to AAA and the Oil Price Information Service.

Light, sweet crude for July delivery, however, rose 91 cents to \$65.99 a barrel in midday trading on the New York Mercantile Exchange, while gasoline futures for July rose 0.87 cent to \$2.2533 a gallon on the Nymex.

In other Nymex trading, heating oil futures rose 4.64 cents to \$1.9692 a gallon, and natural gas prices jumped 28.2 cents to \$8.16 per 1,000 cubic feet.

The July Brent crude contract gained \$1.11 to \$70.18 a barrel on the ICE Futures exchange in London.

Markets remain unsettled by tight gasoline supplies in the U.S., analysts said. Those concerns were stoked on Friday by news that BP PLC had told some Canadian suppliers it would not be able to buy all the crude it had contracted to buy for its 420,000 barrel per day Whiting, Ind., refinery.

Parts of that facility have been down since April due to a fire and a power outage. Traders had expected the refinery to be back online in a couple of weeks, said Phil Flynn, an analyst at Alaron Trading Corp. in Chicago. The company is now saying the shuttered parts of the plant will not return to service until late summer.

"That's one of the biggest refineries in the country," Flynn said.

BP officials, however, said the refinery continues to produce near-normal amounts of gasoline. The closed parts of the plant process about 150,000 barrels per day of heavy, sour Canadian crude. The rest of the plant, which processes light, sweet crude, is up and running.

"We're actually increasing gasoline production by optimizing our use of light crude," said BP spokesman Scott Dean.

Flynn said several other bits of news were pulling energy prices in different directions. On one hand, the announcement Saturday of a one-month cease fire by the Movement for the Emancipation of the Niger Delta offered newly inaugurated Nigerian President Umaru Yar'Adua an opening to solve the crisis that has roiled Africa's oil giant, a leading exporter of crude to the United States.

"Maybe there are some hopeful signs for some temporary restraints on further militant attacks and sabotage," said Victor Shum, energy analyst with Purvin & Gertz in Singapore.

Also, Colonial Pipeline Co. on Sunday restarted a gasoline pipeline that connects Atlanta and Greensboro, N.C.

On the other side of the ledger, Flynn said, traders are beginning to worry about Russia, where there are suggestions President Vladimir Putin could revoke a BP oil contract.

There's a rising concern about Russia and their nationalization of natural resources," Flynn said.

Also on traders minds is the Indian Ocean's Tropical Cyclone Gonu, which is threatening the oil-rich Persian Gulf, Flynn said. The storm is also turning some traders' focus to the Atlantic hurricane season, which some forecasts have predicted will be

active.

"We've got the bulk of the hurricane season ahead of us," Flynn said.

Associated Press writers George Jahn, in Vienna, and Derrick Ho, in Singapore, contributed to this report.

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Technorati Profile

Proj: Mercator	2007-06-04 16:00:05	Sat: Kalpana-1
CYCLONE_ARAB_IR	1 6.5 20.0 N 68.7 E	
TIR: No Enhancement		

Recent Entries

- 04/06/07
- 04-06-07 / 1500
- 04/06/07
- Satellite image of Gonu
- 04/06/07
- 04-06-07 / 0900
- 04/06/07
- 03-06-07 / 2100
- 03/06/07
- 03-06-07 / 1500
- 03/06/07
- 03-06-07 / 0900
- 02/06/07
- 02-06-07 / 2100
- 02/06/07
- 02-06-07 / 1500
- 02/06/07
- 02-06-07 / 0900
- 01/06/07
- Special bulletin - TS Barbara 01/06/07 (2100)



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Subject: **04-06-07 / 0900**  
Time: 10:56:44 o'clock BST  
Author: pharmolo

**Arabian Sea**

Tropical cyclone **Gonu** has rapidly intensified, and now has winds of 130 knots, *gusting to 160 knots whilst moving northwest from position 19.2N 64.9E*, 440 miles southeast of Muscat, Oman. The cyclone is expected to gradually weaken as it nears land. There is considerable uncertainty over the future track of Gonu, which could make landfall in Oman, Iran or Pakistan.

Tags: tropical, cyclone, gonu

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# Tropical Cyclones

Summaries of tropical cyclone warnings around the world

- Previous Entries
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## All About Me

These are summaries of advisories issued by the various hurricane monitoring organisations around the world on active tropical cyclones. Please consult your local weather office for news on non-tropical weather systems.

Each entry is headed with date and time (UTC) of the latest advisories.

**ALWAYS CHECK THE OFFICIAL WEBSITES FOR THE LATEST INFO - YOUR LIFE COULD DEPEND ON IT**

04 June 2007

Subject: **04-06-07 / 1500**  
 Time: 16:17:34 o'clock BST  
 Author: pharmolo

### Arabian Sea

Tropical cyclone **Gonu** is currently at peak intensity, with winds of 140 knots, gusting to 170 knots, making it a category 5 hurricane. Position 19.9N 64.1E or 380 miles southeast of Muscat, course northwest 10 knots. The cyclone will slowly weaken over the next 24 hours, then more rapidly. Landfall is expected on 6 June, on the far eastern cape of Oman with winds of 100 knots. Expected time of arrival just after midnight GMT. The storm could divert further north, driving it into the Gulf of Oman; on current course, the system wil reemerge over water after landfall but is not expected to reintensify.

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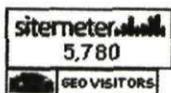
Subject: **Satellite image of Gonu**  
 Time: 10:59:49 o'clock BST  
 Author: pharmolo

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AAR MATERIALS AND SUPPLIES INDEX  
 Region By Composition  
 Second Quarter 2007  
 May 29, 2007

United States by Composition Category - Summary

Composition Category	Weight	Previous Quarter Index	Current Quarter Index	Relative Of Change
Forest Products	.1184	217.66	219.44	1.0082
Metal Products	.6461	163.81	171.90	1.0494
Miscellaneous Products	.2355	246.85	248.95	1.0085
U.S. By Composition	--	189.74	195.67	1.0313
U.S. By Composition (Linked)	--	194.28	200.36	1.0313
United States (1977=100) Linking Factor: 1.423	--	276.46	285.11	1.0313
United States (1980=100) Linking Factor: 1.061	--	206.13	212.58	1.0313

## Car Hire for RCAF

### RCAF (Forecast)

	1980	June 3Q/06	Sept. 4Q/06	Dec. 1Q/07	Mar. 2Q/07	June 3Q/07
<b>RATE</b>						
RR-OWNED TIME	31.00	66.00	66.00	66.00	66.00	67.00
RR-OWNED MILEAGE	4.69	7.30	7.30	7.30	7.30	7.30
PRIVATELY-OWNED CARS	25.47	44.00	43.82	43.76	44.66	44.76
AUTORACKS	47.00	47.31	47.93	48.80	46.08	47.82
<b>INDEX</b>						
RR-OWNED TIME	100.0	212.9	212.9	212.9	212.9	216.1
RR-OWNED MILEAGE	100.0	155.7	155.7	155.7	155.7	155.7
PRIVATELY-OWNED CARS	100.0	172.8	172.0	171.8	175.3	175.8
AUTORACKS	100.0	100.7	102.0	103.8	98.0	101.7
CAR HIRE INDEX (old wts) 2004	100.0	180.5	--	--	--	--
CAR HIRE INDEX (new wts) 2005	100.0	178.5	178.0	177.8	180.4	181.3
CAR HIRE INDEX (LINKED)	100.0	177.0	176.5	176.3	178.9	179.8

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 UMLER

	2006												2007											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug		
<b>Railroad Owned</b>																								
No. of Cars	9,553	9,551	9,625	9,662	9,608	9,598	9,565	8,957	8,650	8,783	8,774	8,606	9,565	8,957	8,650	8,783	8,774	8,606						
Superstructures	17.0	17.0	17.0	17.0	17.0	17.0	16.0	18.0	18.0	17.0	21.0	18.0	16.0	18.0	18.0	17.0	21.0	18.0						
Rate	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0	67.0	67.0	67.0	66.0	66.0	66.0	67.0	67.0	67.0						
All other #1 - Time	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3						
All other #2 - Mileage																								
<b>Privately Owned</b>																								
No. of Cars	48,911	48,912	49,015	49,098	49,155	49,228	49,263	49,273	49,336	49,418	49,461	49,503	49,263	49,273	49,336	49,418	49,461	49,503						
Superstructures	317,763	319,516	320,056	321,161	322,236	323,300	324,210	327,592	329,642	330,403	331,425	333,362	324,210	327,592	329,642	330,403	331,425	333,362						
Covered Hoppers	277,762	276,283	276,772	279,854	279,952	280,290	283,855	285,536	286,993	288,405	289,097	291,194	283,855	285,536	286,993	288,405	289,097	291,194						
Tank Cars	267,750	271,063	274,276	275,750	278,645	279,448	281,387	281,557	282,429	285,423	286,926	288,562	281,387	281,557	282,429	285,423	286,926	288,562						
Others																								
Rate	75.0	75.0	75.0	75.0	75.0	75.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0						
Superstructures #1 - Time	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.6	0.6	0.8	0.8	0.6	0.6	0.6	0.6	0.8	0.8						
Superstructures #2 - Mileage	53.0	53.0	54.0	54.0	55.0	55.0	50.0	50.0	51.0	51.0	52.0	53.0	50.0	50.0	51.0	51.0	52.0	53.0						
Superstructures #3 - Auto Rack	44.5	44.4	44.5	44.5	44.5	44.5	44.0	44.2	44.3	44.3	44.4	44.4	44.0	44.2	44.3	44.3	44.4	44.4						
Covered Hoppers #2 - Mileage	69.8	69.0	69.3	69.4	69.5	69.7	69.3	69.6	72.1	72.2	72.4	72.4	69.3	69.6	72.1	72.2	72.4	72.4						
Tank Cars #2 - Mileage	70.0	69.0	68.0	68.0	67.0	67.0	67.0	68.0	67.0	67.0	66.0	67.0	67.0	68.0	67.0	67.0	66.0	67.0						
Others #1 - Time	6.7	6.7	6.7	6.6	6.6	6.6	6.9	6.9	6.9	6.8	6.9	6.9	6.9	6.9	6.9	6.8	6.9	6.9						
Others #2 - Mileage																								
<b>AVERAGE RATES</b>																								
Private Superstructures	17.63	17.63	17.63	17.63	17.63	17.63	18.46	18.46	18.46	18.46	18.66	18.66	18.46	18.46	18.46	18.46	18.66	18.66						
Private Others	22.24	22.02	21.80	21.70	21.47	21.47	21.77	22.00	21.77	21.57	21.55	21.77	21.77	22.00	21.77	21.57	21.55	21.77						
Private Total	43.92	43.82	43.82	43.81	43.71	43.76	43.65	43.92	44.66	44.63	44.68	44.76	43.65	43.92	44.66	44.63	44.68	44.76						
Autoracks	47.12	47.12	47.93	47.92	48.79	48.80	44.47	45.22	46.08	45.87	47.33	47.82	44.47	45.22	46.08	45.87	47.33	47.82						

	"Old Wts" "New Wts"	
	2004	2005
For RCAF & RCR	0.235	0.181
RR-owned Time	0.099	0.089
RR-owned Mileage	0.666	0.730
Privately-owned Cars	0.000	0.000
Autoracks	1.000	1.000
..... Check sum	1.000	1.000

	Weights for Equipment Rents (not used in Car Hire calculation)	
	2004	2005
Car Hire - U.S.	0.510	0.492
Lease Rentals - U.S.	0.490	0.508
..... 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.

CAR GROUP	CAR COUNT	TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	49,503	76 ¢/HR	.008 \$/MILE	53 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/	10			
-COVERED HOPPERS	333,362	0 ¢/HR	.444 \$/MILE	
ONO. OF ZERO RATED COVERED HOPPERS 2/	10,464			
-TANKS	291,194	4 ¢/HR	.724 \$/MILE	
ONO. OF ZERO RATED TANKS 2/	8,585			
-ALL OTHER CARS	288,562	67 ¢/HR	.069 \$/MILE	
ONO. OF ZERO RATED "OTHER" CARS 2/	39,623			
TOTAL:	1,021,303			

- 0 -
- 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.

1PROGRAM: DPRB799  
 CURRENT DATE: JUNE 01, 2007

RAILROAD EQUIPMENT 1/

PAGE NO: 41

		AVERAGE RATE FOR 06/07		
		CAR RENTAL RATES		
CAR GROUP	CAR COUNT	TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	8,606	117 ¢/HR	.081 \$/MILE	18 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/	147			
-ALL OTHER CARS	698,520	67 ¢/HR	.073 \$/MILE	
ONO. OF ZERO RATED "OTHER" CARS 2/	37,674			
	TOTAL:			
	744,947			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:

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

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

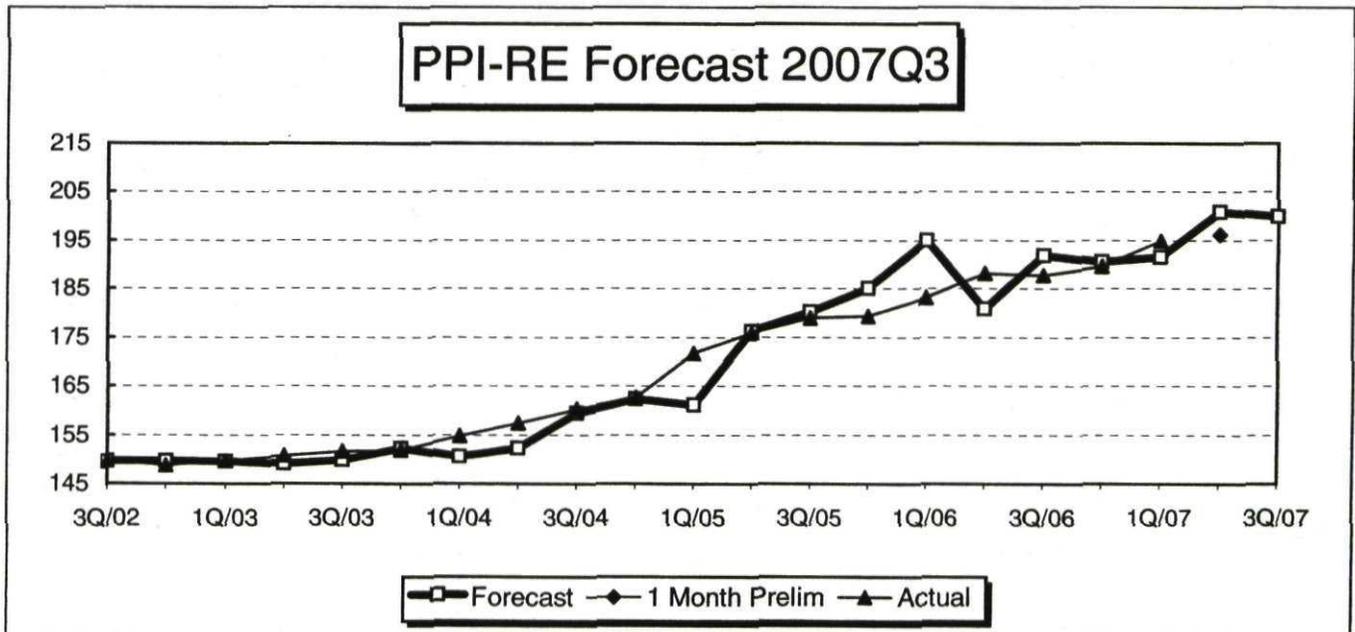
-2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6). THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS.

## PPI-RE Forecast (for Depreciation Component)

	Forecast	Actual	1 Month Prelim
3Q/02	149.7	149.7	
4Q/02	149.7	148.8	
1Q/03	149.6	149.7	
2Q/03	149.1	150.8	
3Q/03	149.9	151.7	
4Q/03	152.4	152.0	
1Q/04	150.7	154.8	
2Q/04	152.3	157.5	
3Q/04	159.6	160.3	
4Q/04	162.4	162.7	
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		196.1
3Q/07	199.9		

1980 Base

	PPI-RE Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2007Q3						
Low	174.4	192.9	2.8%			
Modpoint	180.7	<b>199.9</b>	<b>6.5%</b>	<b>1.9%</b>	<b>2.6%</b>	<b>-0.5%</b>
High	187.0	206.9	10.2%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2007q3\5Deprec\FPre\_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

Length 72 Minimum 134.500 Maximum 177.300  
Mean 148.944 Standard deviation 15.039

Classical decomposition (multiplicative)  
Trend-cycle: 98.74% Seasonal: 0.55% Irregular: 0.70%

Log transform recommended for Box-Jenkins.

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

Exponential smoothing outperforms Box-Jenkins by 2.541 to 2.810 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12. For Box-Jenkins, I used a log transform.

Series is trended and nonseasonal.

Recommended model: Exponential Smoothing  
Forecast Model for PPIRE  
Holt exponential smoothing: Linear trend, No seasonality  
Confidence limits proportional to level

Component	Smoothing Weight	Final Value
Level	0.99994	177.30
Trend	0.07744	0.85169

#### Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 148.9	Standard deviation 15.04
R-square 0.9924	Adjusted R-square 0.9923
Durbin-Watson 1.838	Ljung-Box(18)=27.06 P=0.9221
Forecast error 1.319	BIC 1.38
MAPE 0.005154	RMSE 1.3
MAD 0.8071	

Forecast Report  
Tue May 15 14:56:11 2007  
Exponential Smoothing model for PPIRE  
Analysis of Historic Fit Set

Date	Historic
2001-05	135.600
2001-06	135.700
2001-07	135.100
2001-08	135.100
2001-09	135.000
2001-10	134.600
2001-11	134.500
2001-12	134.500
2002-01	134.900
2002-02	134.600
2002-03	135.100
2002-04	135.000
2002-05	135.200
2002-06	135.400

re\_ppi.txt

2002-07	134.900
2002-08	135.000
2002-09	134.600
2002-10	134.500
2002-11	134.500
2002-12	134.500
2003-01	134.500
2003-02	135.400
2003-03	135.500
2003-04	136.000
2003-05	136.300
2003-06	136.300
2003-07	136.700
2003-08	136.500
2003-09	136.900
2003-10	137.200
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	177.200
2007-02	175.100
2007-03	175.900
2007-04	177.300

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
------	-----------	----------	------------

re\_ppi.txt

2007-05	175.145	178.152	181.158
2007-06	174.583	179.003	183.423
2007-07	174.375	179.855	185.335
2007-08	174.341	180.707	187.073
2007-09	174.416	181.558	188.701
2007-10	174.567	182.410	190.253
2007-11	174.776	183.262	191.747
2007-12	175.031	184.114	193.196
2008-01	175.322	184.965	194.609
2008-02	175.644	185.817	195.990
2008-03	175.992	186.669	197.345
2008-04	176.363	187.520	198.677



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Data extracted on: May 15, 2007 (01:24 PM)

## PPI Commodity Data

### Series Catalog:

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

Base Date : 8200

### Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2006	164.2	165.5	168.2	168.2	169.6	171.3	170.6	170.9	170.4	170.2	170.3	172.7	169.4
2007	177.2(P)	175.1(P)	175.9(P)	177.3(P)									

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

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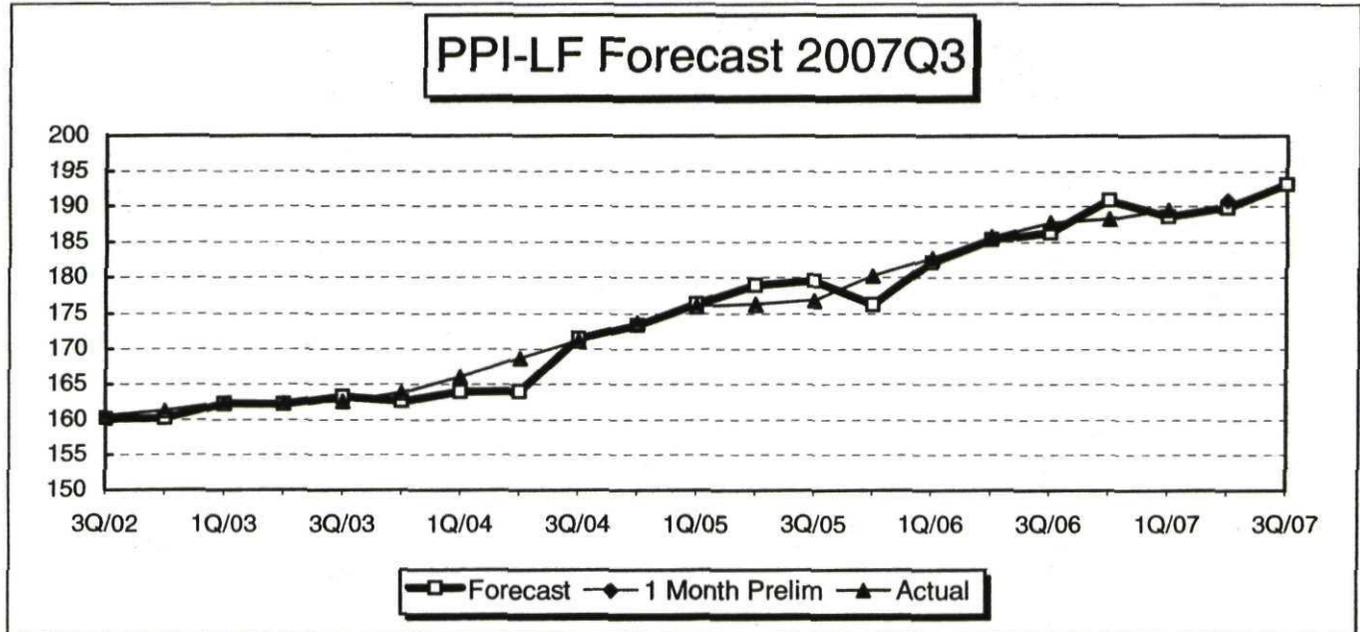
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## PPI-LF Forecast (for Other and Lease Rentals Components)

	Forecast	Actual	1 Month Prelim
3Q/02	160.1	160.5	
4Q/02	160.2	161.2	
1Q/03	162.2	162.3	
2Q/03	162.1	162.3	
3Q/03	163.2	162.6	
4Q/03	162.6	163.8	
1Q/04	163.9	166.0	
2Q/04	163.9	168.6	
3Q/04	171.4	171.1	
4Q/04	173.3	173.7	
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		190.8
3Q/07	193.2		

1980 Base

	PPI-LF Forecast		Yr Ago Actual	Percent Change		
	(82=100)	(80=100)		Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2007Q3						
Low	170.3	190.9	1.7%			
Modpoint	172.3	<b>193.2</b>	<b>2.9%</b>	<b>1.3%</b>	<b>2.0%</b>	<b>1.8%</b>
High	174.4	195.5	4.2%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2007q3\7Other\FP1f\_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPILF

Length 72 Minimum 142.200 Maximum 170.200  
 Mean 152.606 Standard deviation 9.499

Classical decomposition (multiplicative)  
 Trend-cycle: 99.53% Seasonal: 0.11% Irregular: 0.36%

Log transform recommended for Box-Jenkins.

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

Exponential smoothing outperforms Box-Jenkins by 1.947 to 2.043 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12. For Box-Jenkins, I used a log transform.

Series is trended and seasonal.

Recommended model: Exponential Smoothing  
 Forecast Model for PPILF  
 Multiplicative Winters: Linear trend, Multiplicative seasonality  
 Confidence limits proportional to indexes

Component	Smoothing weight	Final Value
Level	0.93812	170.25
Trend	0.34984	0.52337
Seasonal	0.99967	

Seasonal Indexes

Season	Index 1	Index 2	Index 3
January - March	1.00016	0.99979	0.99971
April - June	0.99973	1.00014	0.99992
July - September	1.00006	1.00000	0.99972
October - December	1.00130	1.00031	0.99916

Within-sample Statistics

Sample size 72	Number of parameters 3
Mean 152.6	Standard deviation 9.499
R-square 0.9982	Adjusted R-square 0.9981
Durbin-Watson 1.41	* Ljung-Box(18)=29.13 P=0.9532
Forecast error 0.4127	BIC 0.4416
MAPE 0.002091	RMSE 0.404
MAD 0.3207	

Forecast Report  
 Tue May 15 14:58:10 2007  
 Exponential Smoothing model for PPILF  
 Analysis of Historic Fit Set

Date	Historic
2001-05	143.700
2001-06	143.600
2001-07	143.200
2001-08	142.800
2001-09	142.800
2001-10	142.600

1f\_ppi.txt

2001-11	142.300
2001-12	142.200
2002-01	142.200
2002-02	142.200
2002-03	142.400
2002-04	142.800
2002-05	142.700
2002-06	143.000
2002-07	143.000
2002-08	143.000
2002-09	143.200
2002-10	143.900
2002-11	143.800
2002-12	143.400
2003-01	144.000
2003-02	144.700
2003-03	145.300
2003-04	144.800
2003-05	144.900
2003-06	144.800
2003-07	144.600
2003-08	144.800
2003-09	145.000
2003-10	145.900
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	168.400

lf\_ppi.txt

2007-02 169.000  
2007-03 169.600  
2007-04 170.200

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2007-05	169.927	170.793	171.658
2007-06	169.883	171.279	172.676
2007-07	170.051	171.827	173.602
2007-08	170.253	172.339	174.425
2007-09	170.458	172.814	175.170
2007-10	171.011	173.611	176.210
2007-11	171.142	173.963	176.784
2007-12	171.259	174.286	177.312
2008-01	171.765	174.983	178.202
2008-02	172.042	175.442	178.842
2008-03	172.380	175.952	179.524
2008-04	172.742	176.479	180.215



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**PPI Commodity Data**

**Series Catalog:**

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

Base Date : 8200

**Data:**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2006	162.5	163.2	163.8	164.8	166.4	166.8	167.1	167.5	167.6	167.7	167.8	167.9	166.1
2007	168.4(P)	169.0(P)	169.6(P)	170.2(P)									

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

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# Forecast Error Calculation

	First Quarter 2007		Diff
	2005	2007Q1	
Labor	Weight	Forecast	Actual
Fuel	35.3%	297.4	297.4
M&S	16.0%	245.9	211.3
Equip Rents	4.6%	207.1	207.1
Depreciation	8.2%	188.2	189.0
Interest	11.1%	191.6	194.8
Other	3.1%	96.9	96.9
	21.7%	188.6	189.5
Weighted Avg			
1980 = 100		234.5	229.6
1980 = 100 (linked)		229.9	226.0
4Q02 = 100		119.7	117.6
4Q97 = 100		132.7	130.5
4Q92 = 100		146.5	144.0

Forecast Error → -2.1

Prior Quarter	2005	2007Q1	Diff
1980 = 100		239.9	229.2 ***
1980 = 100 (linked)		235.2	225.6
4Q02 = 100		122.4	117.4
4Q97 = 100		135.8	130.3
4Q92 = 100		149.9	143.8

Equipment Rents	2005	2007Q1	Diff
Car Hire		176.3	176.5
Lease Rentals	49.2%	188.6	189.5
Weighted Average	50.8%	182.5	183.1
Linked		188.2	189.0

Prior Quarter	2005	2007Q1	Diff
Weighted Average		183.8	182.2 ***
Linked		189.5	188.1

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

### All-Inclusive Index (Actual)

	05 Wts	3Q/06 04 Wts	3Q/06 05 Wts	% Chg.	4Q/06 05 Wts	% Chg.	1Q/07 05 Wts	% Chg.	2Q/07 05 Wts	% Chg.	3Q/07 05 Wts	% Chg.
Labor	35.3%	292.1	292.1	0.0%	293.0	0.3%	297.4	1.5%	NA	NA	NA	NA
Fuel	16.0%	273.1	273.1	0.0%	225.1	-17.6%	211.3	-6.1%	NA	NA	NA	NA
M&S	4.6%	197.2	197.2	0.0%	204.3	3.6%	207.1	1.4%	NA	NA	NA	NA
Equipment Rents	8.2%	188.0	188.0	0.0%	188.1	0.1%	189.0	0.5%	0.0	NA	#DIV/0!	NA
Depreciation	11.1%	187.7	187.7	0.0%	189.6	1.0%	194.8	2.7%	96.9	0.0%	96.9	0.0%
Interest	3.1%	92.7	92.7	0.0%	96.9	4.5%	96.9	0.0%	NA	NA	NA	NA
Other	21.7%	187.7	187.7	0.0%	188.2	0.3%	189.5	0.7%	NA	NA	NA	NA
	1.0000											
<b>Weighted Avg.</b>		<b>233.2</b>	<b>235.7</b>	<b>1.1%</b>	<b>229.2</b>	<b>-2.8%</b>	<b>229.6</b>	<b>0.2%</b>	<b>3.0</b>	<b>NA</b>	<b>#DIV/0!</b>	<b>NA</b>
<b>Linked</b>		<b>232.0</b>			<b>225.6</b>	<b>-2.8%</b>	<b>226.0</b>	<b>0.2%</b>	<b>3.0</b>	<b>NA</b>	<b>#DIV/0!</b>	<b>NA</b>
10/1/80		225.9			219.7	-2.7%	220.1	0.2%	2.9	NA	#DIV/0!	NA
10/1/82		191.9			186.6	-2.8%	186.9	0.2%	2.5	NA	#DIV/0!	NA
4Q/87		175.5			170.7	-2.7%	171.0	0.2%	2.3	NA	#DIV/0!	NA
4Q/92		147.9			143.8	-2.8%	144.0	0.1%	1.9	NA	#DIV/0!	NA
4Q/97		133.9			130.3	-2.7%	130.5	0.2%	1.7	NA	#DIV/0!	NA
4Q/02		120.8			117.4	-2.8%	117.6	0.2%	1.6	NA	#DIV/0!	NA
<b>Equipment Rents</b>												
Car Hire	49.2%	176.3	176.3	0.0%	176.0	-0.2%	176.5	0.3%	NA	NA	NA	NA
Lease Rentals	50.8%	187.7	187.7	0.0%	188.2	0.3%	189.5	0.7%	0.0	NA	0.0	NA
	1.0000											
ER Weighted Avg		181.9	182.1	0.1%	182.2	0.1%	183.1	0.5%	0.0	NA	0.0	NA
ER Linked		188.0			188.1	0.1%	189.0	0.5%	0.0	NA	#DIV/0!	NA

	04 Wts	05 Wts
<i>Impact/Check of weight change</i>		
Labor	105.156	103.111
Fuel	33.045	43.696
Material & Supplies	8.677	9.071
Equipment Rents	16.732	15.416
Depreciation	19.896	20.885
Interest	2.781	2.874
Other	46.925	40.731
<b>Weighted Avg.</b>	<b>233.212</b>	<b>235.734</b>
ER Weighted Avg.	181.886	182.0912

# RCAF Fuel (Actual All-Inclusive Index)

January 2007

## Average Price for Monthly Report

	January 2007 Price (1)	1/1/81 Price (2)	1/91 New Method Linking Factors (3)	January 2007 Index 1/1/81=100 (4)
U.S.	172.90	89.34	99.415	192.40
East	160.70	91.56	99.435	174.52
West	177.39	87.83	99.416	200.79

$$(4) = (1) / (2) \times (3)$$

## Fuel Index on 1977 Base and 1980 Base

	January 2007 Index		Linking Factors January 2007		Index
	1/1/81=100 (1)	1977=100 (2)	1980=100 (3)	1977=100 (4)	
U.S.	192.40	2.606	1.096	501.39	210.87
East	174.52	2.569	1.134	448.35	197.91
West	200.79	2.639	1.067	529.89	214.24

$$(4) = (1) \times (2)$$

$$(5) = (1) \times (3)$$

## Final Actual All-inclusive Index

	1980=100 January 2007		January 2007 Linked Index
	Current Index	Adjustment Factor	
U.S.	210.87	1.00192	211.27 ←
East	197.91	1.00621	199.14
West	214.24	1.00024	214.29

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

## Car Hire for RCAF

### RCAF (Actual)

		1980	Aug 3Q/06	Nov. 4Q/06	Feb 1Q/07	May 2Q/07	Aug 3Q/07
<b>RATE</b>							
	RR-OWNED TIME	31.00	66.00	66.00	66.00	0.00	0.00
	RR-OWNED MILEAGE	4.69	7.30	7.30	7.30	0.00	0.00
	PRIVATELY-OWNED CARS	25.47	43.82	43.71	43.92	#DIV/0!	#DIV/0!
	AUTORACKS	47.00	47.12	48.79	45.22	#DIV/0!	#DIV/0!
<b>INDEX</b>							
	RR-OWNED TIME	100.0	212.9	212.9	212.9	0.0	0.0
	RR-OWNED MILEAGE	100.0	155.7	155.7	155.7	0.0	0.0
	PRIVATELY-OWNED CARS	100.0	172.1	171.6	172.4	#DIV/0!	#DIV/0!
	AUTORACKS	100.0	100.3	103.8	96.2	#DIV/0!	#DIV/0!
	CAR HIRE INDEX (old wts)	2004	100.0	180.1	--	--	--
	CAR HIRE INDEX (new wts)	2005	100.0	178.0	177.7	178.2	#DIV/0!
	CAR HIRE INDEX (LINKED)		100.0	176.3	176.0	176.5	NA

Equipment Rents Data From UMLER

	2007												
	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY

Railroad Owned															
No. of Cars															
Superstructures	9,553	9,551	9,625	9,662	9,608	9,598	9,565	8,657	8,650						
Rate	17.0	17.0	17.0	17.0	17.0	17.0	16.0	18.0	18.0						
Superstructures #3 - Auto Rack	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0						
All other #1 - Time	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3						
All other #2 - Mileage															
Privately Owned															
No. of Cars															
Superstructures	48,911	48,912	49,015	49,098	49,155	49,228	49,263	49,273	49,366						
Covered Hoppers	317,763	319,516	320,056	321,161	322,236	323,300	324,210	327,592	329,642						
Tank Cars	277,762	278,283	278,772	279,854	279,952	280,290	283,855	285,536	286,993						
Others	267,750	271,063	274,276	275,750	278,645	279,448	281,387	281,557	282,429						
Rate	75.0	75.0	75.0	75.0	75.0	75.0	76.0	76.0	76.0						
Superstructures #1 - Time	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.6						
Superstructures #2 - Mileage	53.0	53.0	54.0	54.0	55.0	55.0	50.0	50.0	51.0						
Superstructures #3 - Auto Rack	44.5	44.4	44.5	44.5	44.5	44.5	44.0	44.2	44.3						
Covered Hoppers #2 - Mileage	68.8	69.0	69.3	69.4	69.5	69.7	69.3	69.6	72.1						
Tank Cars #2 - Mileage	70.0	69.0	68.0	68.0	67.0	67.0	67.0	68.0	67.0						
Others #1 - Time	6.7	6.7	6.7	6.6	6.6	6.6	6.9	6.9	6.9						
Others #2 - Mileage															

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
AVERAGE RATES																	
Private Superstructures	17.63	17.63	17.63	17.63	17.63	17.63	18.46	18.46	18.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Others	22.24	22.02	21.80	21.70	21.47	21.47	21.77	22.00	21.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Total	43.92	43.82	43.82	43.81	43.71	43.76	43.65	43.92	44.66	#DIV/0!							
Autotracks	47.12	47.12	47.93	47.92	48.79	48.80	44.47	45.22	46.08	#DIV/0!							

	2004	2005
WEIGHTS		
For RCAF & RCR	0.235	0.181
RR-owned Time	0.099	0.089
RR-owned Mileage	0.666	0.730
Privately-owned Cars	0.000	0.000
Autotracks	1.000	1.000
----- Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)		
	2004	2005
Car Hire - U.S.	0.510	0.492
Lease Rentals - U.S.	0.490	0.508
----- 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 02/07

CAR GROUP	CAR COUNT	TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	49,273	76 ¢/HR	.006 \$/MILE	50 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/	16			
-COVERED HOPPERS	327,592	0 ¢/HR	.442 \$/MILE	
ONO. OF ZERO RATED COVERED HOPPERS 2/	10,907			
-TANKS	285,536	4 ¢/HR	.696 \$/MILE	
ONO. OF ZERO RATED TANKS 2/	8,844			
-ALL OTHER CARS	281,557	68 ¢/HR	.069 \$/MILE	
ONO. OF ZERO RATED "OTHER" CARS 2/	41,223			
TOTAL:	1,004,948			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:

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

0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONK) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.  
 -2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6). THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS.

RAILROAD EQUIPMENT 1/

1 PROGRAM: DPRB799  
 CURRENT DATE: FEBRUARY 01, 2007

CAR GROUP		CAR COUNT	TIME	CAR RENTAL RATES		AUTO RACK
				MILEAGE		
-VEHICULAR FLATS		8,657	117 ¢/HR	.081 \$/MILE		18 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/		175				
-ALL OTHER CARS		699,014	66 ¢/HR	.073 \$/MILE		
ONO. OF ZERO RATED "OTHER" CARS 2/		39,626				
TOTAL:		747,472				

AVERAGE RATE FOR 02/07

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 2006

As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
<b>For Forecast</b> →	07Q1	07Q2	07Q3	07Q4	
<b>For Actual</b> →	06Q3	06Q4	07Q1	07Q2	
January 2006	164.2	164.2	164.2	164.2	
February 2006	165.5	165.5	165.5	165.5	
March 2006	168.2	168.2	168.2	168.2	
April 2006	168.2	168.2	168.2	168.2	
May 2006	169.6	169.6	169.6	169.6	
June 2006	171.3	171.3	171.3	171.3	
July 2006	<b>169.3</b>	170.6	170.6	170.6	
August 2006	<b>169.5</b>	170.9	170.9	170.9	
September 2006	<b>170.3</b>	170.4	170.4	170.4	
October 2006	170.6	<b>170.6</b>	170.2	170.2	
November 2006		<b>170.2</b>	170.3	170.3	
December 2006		<b>173.3</b>	172.7	172.7	
January 2007		177.2	<b>177.2</b>		
February 2007			<b>175.1</b>		
March 2007			<b>175.9</b>		
April 2007			177.3		
May 2007					
June 2007					
July 2007					
Actual Qtr.	169.7	171.4	176.1	NA	

1980=100

Actual Qtr.	187.7	189.6	<b>194.8</b>	NA
First Mo. next qtr.	188.7	196.0	<b>196.1</b>	NA

0.904 =1980



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Data extracted on: May 15, 2007 (01:24 PM)

**PPI Commodity Data**

**Series Catalog:**

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

Base Date : 8200

**Data:**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2006	164.2	165.5	168.2	168.2	169.6	171.3	170.6	170.9	170.4	170.2	170.3	172.7	169.4
2007	177.2(P)	175.1(P)	175.9(P)	177.3(P)									

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

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# RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

## Forecast Year 2006

As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
<b>For Forecast</b> →		07Q1	07Q2	07Q3	07Q4
<b>For Actual</b> →		06Q3	06Q4	07Q1	07Q2
January	2006	162.5	162.5	162.5	162.5
February	2006	163.2	163.2	163.2	163.2
March	2006	163.8	163.8	163.8	163.8
April	2006	164.8	164.8	164.8	164.8
May	2006	166.4	166.4	166.4	166.4
June	2006	166.8	166.8	166.8	166.8
July	2006	167.3	167.1	167.1	167.1
August	2006	167.3	167.5	167.5	167.5
September	2006	167.7	167.6	167.6	167.6
October	2006	167.7	167.7	167.7	167.7
November	2006		168.0	167.8	167.8
December	2006		168.1	167.9	167.9
January	2007		168.4	168.4	
February	2007			169.0	
March	2007			169.6	
April	2007			170.2	
May	2007				
June	2007				
July	2007				
Actual Qtr.		167.4	167.9	169.0	NA

1980=100

Actual Qtr.	187.7	188.2	189.5	NA
First Mo. next qtr.	188.0	188.8	190.8	NA

0.892 =1980



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Data extracted on: May 15, 2007 (01:29 PM)

## PPI Commodity Data

### Series Catalog:

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

Base Date : 8200

### Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2006	162.5	163.2	163.8	164.8	166.4	166.8	167.1	167.5	167.6	167.7	167.8	167.9	166.1
2007	168.4(P)	169.0(P)	169.6(P)	170.2(P)									

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

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