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September 4, 2020

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This submission is the AAR forecast of the fourth quarter 2020 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2020-4) *Quarterly Rail Cost Adjustment Factor*. The versions of RCAF-related indices covered in this filing are: the All-Inclusive Index (initiated in the second quarter of 1985), the Unadjusted RCAF (produced since October 1982), the Adjusted RCAF (first published in the second quarter of 1989), and the RCAF-5 (created by the STB in its Ex Parte No. 290 (Sub-No. 7) decision served October 3, 1996). The table below summarizes the fourth quarter 2020 results and compares to the previous quarter. Both quarters are shown on a 4Q\2017=100 base.

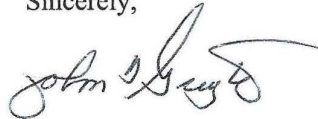
|                                | <u>2020Q3</u> | <u>2020Q4</u> | <u>% Change</u> |
|--------------------------------|---------------|---------------|-----------------|
| All-Inclusive Index            | 99.7          | 101.1         | 1.4             |
| Preliminary RCAF               | 0.997         | 1.011         | 1.4             |
| Forecast Error Adjustment      | -0.008        | -0.070        |                 |
| RCAF (Unadjusted)              | 0.989         | 0.941         | -4.9            |
| Productivity Adjustment Factor | 2.3823        | 2.3883        |                 |
| RCAF (Adjusted)                | 0.415         | 0.394         | -5.1            |
| PAF-5                          | 2.5250        | 2.5280        |                 |
| RCAF-5                         | 0.392         | 0.372         | -5.1            |

September 4, 2020

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

Our quarterly non-proprietary work papers underlying this submission are e-filed herewith, in accordance with the ICC's order in Ex Parte No. 290 (Sub-No. 2), *Railroad Cost Recovery Procedures*, served February 8, 1990. We have notified Pedro Ramirez, in the STB office handling this proceeding, of our plan to e-file the submission and non-proprietary work papers. A second copy of the submission and non-proprietary work papers, plus selected highly confidential work papers, will be provided to Mr. Ramirez's Data Collection and Auditing Team. All work papers are available for STB inspection. Questions should be directed to me or Tiffany Placker (202 639-2381) of this office.

Sincerely,

A handwritten signature in cursive script, appearing to read "John T. Gray".

John T. Gray

Attachments

**Fourth Quarter 2020  
All-Inclusive Index**

**Ex Parte No. 290 (Sub-No. 5) (2020-4)**

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

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

**September 4, 2020**

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# Introduction

On January 2, 1985, the Interstate Commerce Commission (ICC) adopted the All-Inclusive Index 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 the RCAF-5, which was instituted by a Surface Transportation Board decision served October 3, 1996 in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*. The AAR and its members do not believe the additional productivity-adjusted index is required or permitted by the applicable statute, and do not endorse its publication.

This quarter's projection of railroad costs is for the fourth quarter 2020. The All-Inclusive Index utilizes new weights (see page 2), which are based on 2019 Annual Report Form R-1 data. New annual report and wage statistics data have also been utilized to rebenchmark labor (see Appendix A), and the annual report data have also been used to update the Interest Index (see Appendix F).

The ongoing coronavirus pandemic has affected the RCAF, primarily through the fuel component. The uncertainty inherent in this pandemic has made it very difficult to predict from one quarter to the next how much fuel prices may change. For the fourth quarter, the fuel forecast is higher than what was forecasted for the prior quarter. Another layer is added to the RCAF in the form of the forecast error adjustment. This adjustment compares what was forecasted two quarters ago to what the numbers actually were two quarters ago. At the time the second quarter fuel forecasts were due at the end of February, it was entirely unknown how much fuel prices were about to plummet. Unfortunately, fuel prices did plummet in a major way, causing the difference between the forecast and actual for fuel to be very large. This is clearly seen in the unusually large forecast error adjustment for the fourth quarter.

## 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 expense 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 2019 (current) and 2018 (previous) weights are shown below. Weights calculated from 2018 data were used for the fourth quarter of 2019 through the third quarter of 2020. Beginning with the fourth quarter of 2020, weights calculated using 2019 data are used. The component with the biggest change in weight was Fuel, which decreased by 1.7 percentage points. Labor, Materials & Supplies, and Equipment Rents also decreased. The weight for Depreciation, Interest, and Other all increased by 0.9, 0.4, and 1.1 percentage points, respectively.

| <b>Weights for RCAF's All-Inclusive Index</b> |             |             |
|-----------------------------------------------|-------------|-------------|
|                                               | <b>2019</b> | <b>2018</b> |
| Labor                                         | 32.6 %      | 33.0 %      |
| Fuel                                          | 14.2        | 15.9        |
| Materials & Supplies                          | 4.9         | 5.1         |
| Equipment Rents                               | 5.2         | 5.3         |
| Depreciation                                  | 15.9        | 15.0        |
| Interest                                      | 2.5         | 2.1         |
| Other                                         | 24.7        | 23.6        |
| Total                                         | 100.0       | 100.0       |

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

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

## All-Inclusive Index Fourth Quarter 2020

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.

|                        | 2019<br>Weights | Forecast           |                    | Percent<br>Change |
|------------------------|-----------------|--------------------|--------------------|-------------------|
|                        |                 | Previous<br>2020Q3 | Current<br>2020Q4  |                   |
| 1. Labor               | 32.6%           | 442.8              | 437.1              | -1.3 %            |
| 2. Fuel                | 14.2%           | 142.8              | 171.2              | 19.9              |
| 3. M&S                 | 4.9%            | 260.7              | 258.8              | -0.7              |
| 4. Equipment Rents     | 5.2%            | 235.0              | 234.1              | -0.4              |
| 5. Depreciation        | 15.9%           | 226.0              | 226.1              | 0.0               |
| 6. Interest            | 2.5%            | 57.2               | 55.7               | -2.6              |
| 7. Other               | 24.7%           | 224.0              | 232.1              | 3.6               |
| 8. Weighted Average    |                 |                    |                    |                   |
| a. 1980 = 100          |                 | 282.3              | 286.3              |                   |
| b. 1980 = 100 (linked) |                 | 263.7              | 267.4 <sup>1</sup> |                   |
| c. 4Q17 = 100          |                 | 99.7               | 101.1 <sup>2</sup> | 1.4               |

Note: New weights are utilized. The linked index is always unchanged in this linking procedure. However, the 282.3 weighted average for 2020Q3 has been recalculated with 2019 weights to eliminate any changes in the fourth quarter index that would be caused by changing weights. The original Q3 weighted average with 2018 weights was 282.5.

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<sup>1</sup> Index80 = (Current Index / Previous Index) \* the Previous Quarter Linked Index  

$$= (286.3 / 282.3) \times 263.7$$

$$= 267.4$$

<sup>2</sup> To calculate the 4Q17 = 100 index:

$$\text{Index4Q17} = (\text{Current Linked Index} / 4\text{Q17 Basing Factor}) \times 100$$

$$= 267.4 \text{ divided by } 264.5 \text{ times } 100$$

$$= 101.1$$

Indexes based on other periods:

4Q12 based index =  $267.4 / 297.6 \times 100 = 89.9$   
4Q07 based index =  $267.4 / 245.9 \times 100 = 108.7$   
4Q02 based index =  $267.4 / 192.1 \times 100 = 139.2$   
4Q97 based index =  $267.4 / 173.2 \times 100 = 154.4$   
4Q92 based index =  $267.4 / 156.9 \times 100 = 170.4$

## Forecast vs. Actual All-Inclusive Index Second Quarter 2020

Because of data availability, the forecast error adjustment has a two-quarter lag from each filing. As shown below, the second quarter actual index of 98.7 is 7.0 index points below the forecast value of 105.7. Therefore, the forecast error adjustment for fourth quarter 2020 is -7.0 index points.

|                                 | 2018    | Second Quarter 2020 |                    | Amt        |
|---------------------------------|---------|---------------------|--------------------|------------|
|                                 | Weights | Forecast            | Actual             | Difference |
| 1. Labor                        | 33.0%   | 441.9               | 441.9              |            |
| 2. Fuel                         | 15.9%   | 231.2               | 121.7              |            |
| 3. M&S                          | 5.1%    | 266.7               | 266.7              |            |
| 4. Equipment Rents <sup>1</sup> | 5.3%    | 239.4               | 237.9              |            |
| 5. Depreciation                 | 15.0%   | 225.8               | 226.1              |            |
| 6. Interest                     | 2.1%    | 57.2                | 57.2               |            |
| 7. Other                        | 23.6%   | 235.5               | 229.6              |            |
| 8. Weighted Average             |         |                     |                    |            |
| a. 1980 = 100                   |         | 299.5               | 280.7              |            |
| b. 1980 = 100 (linked)          |         | 279.6               | 261.0 <sup>2</sup> |            |
| c. 4Q17 = 100 <sup>3</sup>      |         | 105.7               | 98.7               | -7.0       |

**Forecast error** —————→ **-7.0 index points**

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|                           |         |                     |        |
|---------------------------|---------|---------------------|--------|
| <sup>1</sup>              | 2018    | Second Quarter 2020 |        |
|                           | Weights | Forecast            | Actual |
| Car-Hire                  | 59.1%   | 221.8               | 222.7  |
| Lease Rentals             | 40.9%   | 235.5               | 229.6  |
| Weighted Average          |         | 227.4               | 225.5  |
| Weighted Average (linked) |         | 239.4               | 237.9  |

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

$$261.0 = 280.7 / 300.6 \times 279.5$$

<sup>3</sup> The 4Q17 based indexes are 1980 based indexes divided by the 4Q17 basing factor (264.5/100).  
 Other basing factors are: 4Q12 = 297.6; 4Q07 = 245.9; 4Q02 = 192.1; 4Q97 = 173.2; and 4Q92 = 156.9.

## Productivity

On February 6, 2020, the Surface Transportation Board served a decision which proposed to adopt 1.0 percent as the geometric average productivity change for the five most recent years available. Their five year rolling geometric average calculation added the year 2018 and removed the year 2013. The components of this average annual value are shown on the following table in ratio format – therefore, 1.010 is the same as an increase of 1.0 percent. Productivity changes are calculated by multiplying each of the five productivity changes together and taking the result to the one-fifth power. The productivity adjustment factors (PAF) for each quarter are calculated by increasing the previous quarter's PAF by quarterly versions of the annual rate, which are the fourth root of the geometric average annual growth rate. The difference between the PAF and the PAF-5 is the timing of the five-year productivity trend.

| <b>Comparison of Output, Input, &amp; Productivity</b> |                     |                    |                             |
|--------------------------------------------------------|---------------------|--------------------|-----------------------------|
| <b>2014 - 2018</b>                                     |                     |                    |                             |
| Year                                                   | Output Index<br>(1) | Input Index<br>(2) | Productivity Changes<br>(3) |
| 2014                                                   | 1.055               | 1.036              | 1.018                       |
| 2015                                                   | 0.913               | 0.972              | 0.939                       |
| 2016                                                   | 0.955               | 0.941              | 1.015                       |
| 2017                                                   | 1.045               | 0.992              | 1.053                       |
| 2018                                                   | 1.032               | 1.004              | 1.028                       |
| Average                                                |                     |                    | <b>1.010</b>                |
| Previous Average (2013-2017)                           |                     |                    | 1.005                       |

| <b>Calculation of PAF and PAF-5</b>                                 |      |        |        |
|---------------------------------------------------------------------|------|--------|--------|
| For 2014-2018, use fourth root of avg. productivity change = 1.0025 |      |        |        |
| For 2013-2017, use fourth root of avg. productivity change = 1.0012 |      |        |        |
| Quarter                                                             | Year | PAF    | PAF-5  |
| Q1                                                                  | 2020 | 2.3705 | 2.5190 |
| Q2                                                                  | 2020 | 2.3764 | 2.5220 |
| Q3                                                                  | 2020 | 2.3823 | 2.5250 |
| Q4                                                                  | 2020 | 2.3883 | 2.5280 |
| Q1                                                                  | 2021 | 2.3943 | 2.5343 |

## Rail Cost Adjustment Factor

### Fourth Quarter 2020

Four RCAF values are presented in this filing. Two are not modified for productivity (Preliminary RCAF and RCAF Unadjusted), and two incorporate a productivity calculation (RCAF Adjusted and RCAF-5). The All-Inclusive Index and all four RCAF values, plus the percent change for each, are shown below. Note that beginning with the 2018Q1 index, the All-Inclusive Index was rebased to a 2017Q4=100 basis as required in the applicable statute.

|                                             | Previous<br>2020Q3 | Current<br>2020Q4 | Percent<br>Change |
|---------------------------------------------|--------------------|-------------------|-------------------|
| All-Inclusive Index <sup>1</sup>            | 99.7               | 101.1             | 1.4               |
| Preliminary RCAF <sup>2</sup>               | 0.997              | 1.011             | 1.4               |
| Forecast Error Adjustment <sup>3</sup>      | <u>-0.008</u>      | <u>-0.070</u>     |                   |
| RCAF (Unadjusted) <sup>4</sup>              | 0.989              | 0.941             | -4.9              |
| Productivity Adjustment Factor <sup>5</sup> | <u>2.3823</u>      | <u>2.3883</u>     |                   |
| RCAF (Adjusted) <sup>6</sup>                | 0.415              | 0.394             | -5.1              |
| PAF-5 <sup>7</sup>                          | 2.5250             | 2.5280            |                   |
| RCAF-5 <sup>8</sup>                         | 0.392              | 0.372             | -5.1              |

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

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

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

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

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

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

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

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

# **Appendixes**

## Labor

### Fourth Quarter 2020

The fourth quarter 2020 Labor Index is 1.3 percent lower than the previous quarter.

**Rebenchmarking and Reweighting:** Each year in the fourth quarter, the index is rebenchmarked to newer annual data. The internal weights used to determine the proportion of labor costs represented by wages and supplements are also updated in the fourth quarter. The Labor rate is basically a group of benchmarks from annual data that are updated each quarter using additional information such as labor agreements, payroll taxes, health & welfare rates, and other data. By rebenchmarking the index to newer annual data, the distance between the benchmark year and the current quarter becomes smaller, making the index a more accurate picture of the current reality. The impact of rebenchmarking is captured in the Labor Index, and by itself can cause a change in the index.

The new benchmark year is 2019, and this replaces data for 2018. One of the major data sources underlying the fourth quarter rebenchmarking is the Annual Report Form R-1 submitted to the Surface Transportation Board (STB) by each Class I Railroad. The other major data source is the 112-Class Wage Statistics report received by the AAR from each Class I railroad. The totals in each of the 112-Class Wage Statistics Report matches the corresponding total in the less-detailed Wage Form A&B submitted to the STB. The extra detail allows the AAR to divide the wage statistics by labor union, which enables wage rate updates to be more accurate. Data from the two major sources are used for labor benchmarks, and the annual report data are also used to calculate index weights.

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

### Wage Rate Index

The Wage Rate Index portion of the Labor Index increased by 0.1%.

**Wage Increases:** There are no national agreement wage increases currently scheduled for the fourth quarter. There were several wage increases for independent groups, but they were too small to have an impact on the index.

**Lump Sums:** The fourth quarter lump sum rate increased by 5.1 percent. One amount was fully amortized and removed, but it was replaced by one new similar amount. The change in the lump sum rate was solely caused by rebenchmarking to newer wage statistics data.

## Labor

### Fourth Quarter 2020

**Back Pay:** The back pay rate was unchanged in the fourth quarter. There is currently only one small back pay amount included in the index, and it is so small that it rounds to zero.

**Other:** In wages, "Other" contains the amortization of incentive compensation payments (similar to lump sums) that one railroad makes each year to its dispatchers, yardmasters, and locomotive engineers. The fourth quarter rate is 4.9 percent higher than last quarter, and this change is solely due to rebenchmarking.

### Supplements Index

The Supplements Index decreased by 3.3 percent, mostly the result of the "Other" fringe benefits category.

**Health & Welfare:** The Health & Welfare rate fell by 0.6 percent, and this was solely due to rebenchmarking.

**Railroad Retirement:** The Railroad Retirement rate decreased by 3.7 percent, also the result of rebenchmarking.

**Unemployment Insurance:** The Unemployment Insurance rate fell 1.0 percent due to rebenchmarking.

**Other:** The "Other" category is a reflection of all other fringe benefits, and currently contains known employer contributions to employee 401(k) accounts and employer contributions to employee stock plans that are recorded as fringe benefits. The fourth quarter rate is 19.1 cents (58.2 percent) lower than last quarter. Rebenchmarking was not the cause of this drop.

### Labor Index Calculation

As shown in Table A-1 on the next page, the 0.1 percent increase in the Wage Rate Index and the 3.3 percent decrease in the Supplements Index combined to cause the Labor Index to fall 1.3 percent from the previous quarter. The linked fourth quarter 2020 Labor index is 437.1, which is 1.5 percent lower than one year ago. The linked fourth quarter 2020 index of 437.1 is determined by multiplying the third quarter linked index of 442.8 times the change between the fourth quarter Labor Index (457.5) and the original third quarter Labor Index recalculated using the original third quarter Wage Rate and Supplements indexes weighted with the new 2019 weights (463.5). This method eliminates changes caused by the new weights, but captures changes caused by rebenchmarking. The purpose of the "Updated to Reflect..." column in Table A-1 is only to enable the reader to discern the impact of rebenchmarking.

**Labor**  
**Fourth Quarter 2020**  
**Table A-1 Labor Index**

|                                                               | <b>2020Q3</b>                                |                                                  | <b>2020Q4</b>                 |                                          |
|---------------------------------------------------------------|----------------------------------------------|--------------------------------------------------|-------------------------------|------------------------------------------|
|                                                               | <b>Used in<br/>Previous<br/>Index Filing</b> | <b>Updated to<br/>Reflect New<br/>Benchmarks</b> | <b>Based on<br/>2019 Data</b> | <b>Pct Chg<br/>From Prev.<br/>Filing</b> |
| <u>Base Wage</u> – Straight Time<br>& Pay For Time Not Worked | \$44.457                                     | \$44.468                                         | \$44.468                      | 0.0%                                     |
| Adjustments:                                                  |                                              |                                                  |                               |                                          |
| Lump Sum                                                      | 0.333                                        | 0.350                                            | 0.350                         | 5.1%                                     |
| Back Pay                                                      | 0.000                                        | 0.000                                            | 0.000                         | #DIV/0!                                  |
| Other                                                         | 0.164                                        | 0.172                                            | 0.172                         | 4.9%                                     |
| <b>Total Wages</b>                                            | <u>44.954</u>                                | <u>\$44.990</u>                                  | <u>44.990</u>                 | 0.1%                                     |
| Health & Welfare Benefits                                     | 8.078                                        | 8.030                                            | 8.030                         | -0.6%                                    |
| RR Retirement & Medicare                                      | 9.290                                        | 8.945                                            | 8.945                         | -3.7%                                    |
| Unemployment Insurance                                        | 0.097                                        | 0.096                                            | 0.096                         | -1.0%                                    |
| Other                                                         | 0.328                                        | 0.345                                            | 0.137                         | -58.2%                                   |
| <b>Total Supplements</b>                                      | <u>\$17.793</u>                              | <u>\$17.416</u>                                  | <u>\$17.208</u>               | -3.3%                                    |
| Total Labor (a check sum only)                                | \$62.747                                     | \$62.406                                         | \$62.198                      |                                          |
| <b>Wage Rate Index<sup>1</sup></b>                            | 384.7                                        | 385.0                                            | 385.0                         | 0.1%                                     |
| <b>Supplements Index<sup>2</sup></b>                          | 657.5                                        | 643.6                                            | 635.9                         | -3.3%                                    |
| Total labor Index, 2018 Weights <sup>3</sup>                  | 463.8                                        |                                                  |                               |                                          |
| Total labor Index, 2019 Weights <sup>4</sup>                  | 463.5                                        | 459.7                                            | 457.5                         |                                          |
| <b>Labor Index (linked)<sup>5</sup></b>                       | 442.8                                        |                                                  | <b>437.1</b>                  | -1.3%                                    |

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

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

<sup>3</sup> 2018 weights: wages, supplements 71.0% 29.0%

<sup>4</sup> 2019 weights: wages, supplements 71.1% 28.9%

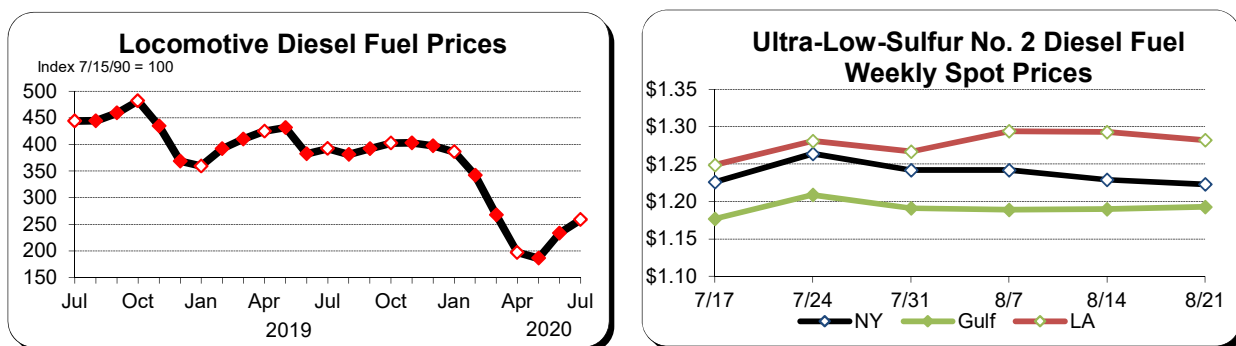
<sup>5</sup> 2020Q4 linked Index = 2020Q3<sub>linked</sub> x (2020Q4<sub>WT2019</sub> / 2020Q3<sub>WT2019</sub>)  
= 442.8 x 457.5 / 463.5

## Fuel

### Fourth Quarter 2020

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

The average locomotive diesel fuel price hit a low point in May but has risen in the most recent two months. While average prices for locomotive diesel fuel are available only through July 2020, data through four weeks of August are available for related fuel types. According to the Energy Information Administration, the daily spot price as of August 24 for Ultra-Low-Sulfur Diesel Fuel\* is less than 1 percent higher than the average for July. The chart below (on left) shows the AAR's Monthly Locomotive Diesel Fuel Price Index through July 2020. The second chart (on right) shows recent spot prices for Ultra-Low-Sulfur No. 2 Diesel Fuel as reported by the Energy Information Administration.



Using information from the EIA, prices have not changed much in August compared to July. Railroads that responded to the AAR's forecast survey expect prices to increase by October (Q4) compared to prices that actually occurred for July (Q3). The fourth quarter 2020 forecast is 19.9 percent higher than the previous quarter forecast, and 7.2% higher than the prior quarter actual.

|                                       |       |
|---------------------------------------|-------|
| Forecast Fuel Index (1980 = 100)      | 171.2 |
| Change from previous quarter forecast | 19.9% |
| Change from previous quarter actual   | 7.2%  |

\* Heating oil, Ultra-Low-Sulfur No. 2 Diesel Fuel, and locomotive diesel fuel are part of a group of closely related products, commonly labeled as distillates, that differ mostly by their sulfur content. Because of these similarities, these fuels are produced together and have similar pricing trends.

## Materials & Supplies

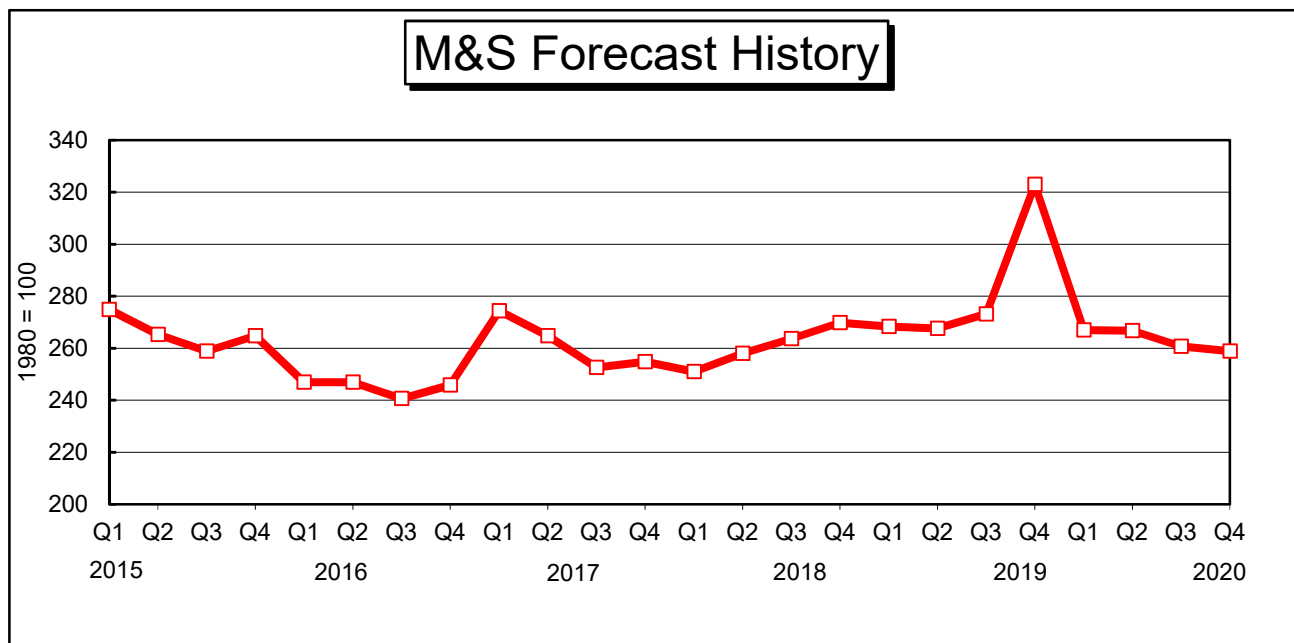
### Fourth Quarter 2020

The fourth quarter 2020 Materials & Supplies Index fell 0.7 percent from the previous quarter. Prices decreased for Miscellaneous Products and Metal Products.

2020Q4 Materials & Supplies Index = 258.8

2020Q3 Materials & Supplies Index = 260.7

|            |                   |
|------------|-------------------|
| Difference | -1.9 basis points |
|            | or                |
|            | -0.7 %            |



## Equipment Rents

### Fourth Quarter 2020

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

#### Car Hire

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

#### Lease Rentals

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

#### Equipment Rents Index Calculation

The table below calculates the Equipment Rents Index, and features new weights based on 2019. To eliminate any changes caused by the new weights, the third quarter weighted average (but not the linked value) has been recalculated using the new weights. The original third quarter weighted average using 2018 weights was 223.2. The fourth quarter Car Hire portion of the Index decreased 3.0 percent because of lower rates for tank cars. A 3.6 percent increase for the projected PPI-LF (See Appendix G) used as a proxy for Lease Rentals, combined with the 3.0 percent decrease for Car Hire, caused the Equipment Rents Index to fall 0.4 percent.

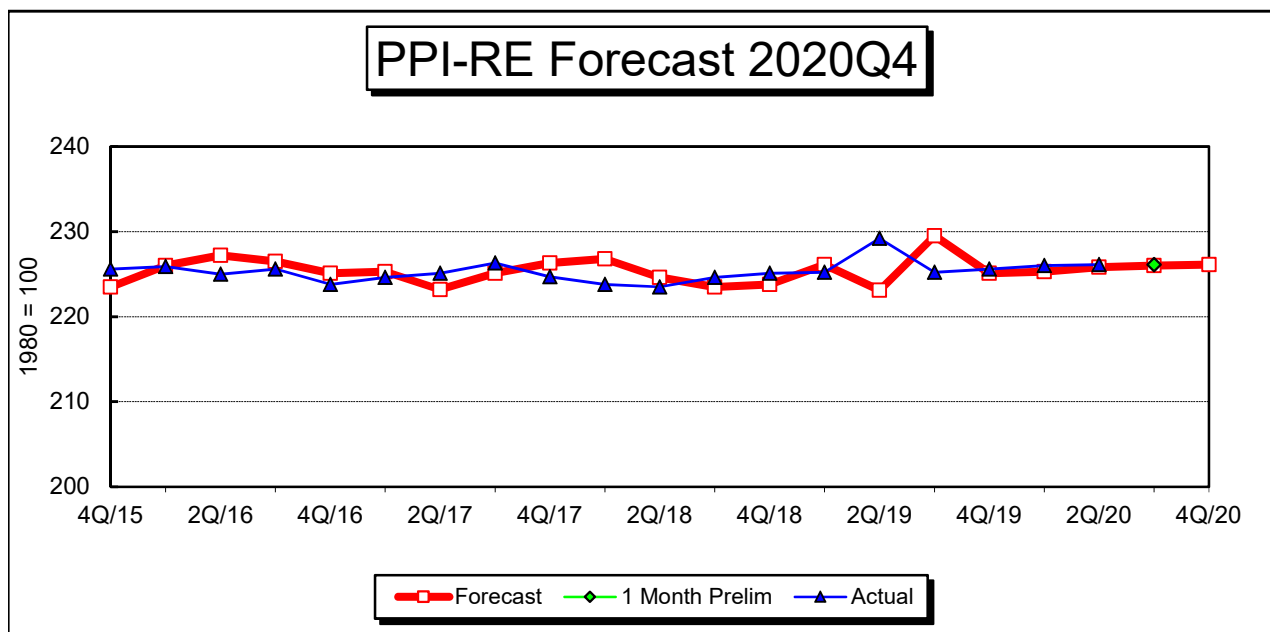
|                           | 2019<br>Weight | 2020Q3 | 2020Q4 | Percent<br>Change |
|---------------------------|----------------|--------|--------|-------------------|
| Car Hire                  | 61.4%          | 222.6  | 215.9  | -3.0 %            |
| Lease Rentals             | 38.6%          | 224.0  | 232.1  | 3.6               |
| Weighted Average          |                | 223.1  | 222.2  | -0.4              |
| Weighted Average (Linked) |                | 235.0  | 234.1  | -0.4              |

## Depreciation

### Fourth Quarter 2020

The Producer Price Index for Railroad Equipment (PPI-RE) is used to index depreciation expense. The PPI-RE is forecast using an ARIMA (Auto-Regressive Integrated Moving Average) process where a statistical package picks the model that best fits the historical data set (see next page), and that model is then used for the forecast. The historical data set contains 6 years of monthly data (a sample size of 72), where the most recent available data point is the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent period available. April and July would be the most recent months available for third and fourth quarter forecasts, respectively. The output from the forecast model is shown on page 2 of this appendix on a 1982=100 basis. The figure forecast by the model is 0.04% (rounds to 0.0%) higher than the previous quarter's forecast.

|                                                    |              |
|----------------------------------------------------|--------------|
| Forecast of Depreciation Index (1982=100)          | 204.4        |
| Forecast of Depreciation Index (1980=100)          | 226.1        |
| Change from previous quarter forecast              | 0.0% = 0.04% |
| Change from actual first month of previous quarter | 0.0% = 0.00% |
| Change from same quarter of prior year (actual)    | 0.2%         |



## Depreciation

### Fourth Quarter 2020

#### PPI RAILROAD EQUIPMENT

##### Expert Analysis

---

Using rule-based logic I have narrowed down the choice to exponential smoothing or Box-Jenkins. I will perform an out-of-sample test to select between these two approaches.

The cumulative MAD for Exponential smoothing was 0.54 and for Box-Jenkins was 1.08. The rolling out-of-sample test used a maximum horizon of 12 and generated 78 forecasts for each method.

Based on the lower MAD, I will use Exponential Smoothing.

##### Model Details

---

###### Expert selection

Simple exponential smoothing: No trend, No seasonality  
NN(0.781)

| Component | Smoothing Wgt | Final Value |
|-----------|---------------|-------------|
| Level     | 0.7812        | 204.4       |

##### Within-Sample Statistics

---

|                |        |                |             |
|----------------|--------|----------------|-------------|
| Sample size    | 72     | No. parameters | 1           |
| Mean           | 202.73 | Std. deviation | 1.67        |
| R-square       | 0.67   | Adj. R-square  | 0.67        |
| Durbin-Watson  | 1.98   | Ljung-Box(18)  | 19.8 P=0.66 |
| Forecast error | 0.95   | BIC            | 0.98        |
| MAPE           | 0.3    | SMAPE          | 0.3         |
| RMSE           | 0.95   | MAD            | 0.6         |
| MAD/Mean Ratio | 0      |                |             |

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

###### Actual

|          |       |
|----------|-------|
| 2020-Feb | 204.3 |
| 2020-Mar | 204.3 |
| 2020-Apr | 204.3 |
| 2020-May | 204.4 |
| 2020-Jun | 204.4 |
| 2020-Jul | 204.4 |

##### Forecasted Values

| 2.5 Lower | Forecast  | 97.5 Upper |            |
|-----------|-----------|------------|------------|
| Date      | 2.5 Lower | Forecast   | 97.5 Upper |
| 2020-Aug  | 202.484   | 204.399    | 206.314    |
| 2020-Sep  | 201.969   | 204.399    | 206.829    |
| 2020-Oct  | 201.546   | 204.399    | 207.252    |
| 2020-Nov  | 201.177   | 204.399    | 207.62     |
| 2020-Dec  | 200.847   | 204.399    | 207.951    |
| QTR AVG   | 201.190   | 204.399    | 207.608    |

## Interest

### Fourth Quarter 2020

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 finalized.* The source data are from a summary of the annual reports (Form R-1) submitted by each of the Class I railroads. Although the data set is received at the end of March, it is not used until the September filing. This enables data to be entered into a database and reviewed – and any revisions made, if necessary, before the data are used in the Index. The current Interest Index is based on 2019 data, and was updated in the Q4 filing submitted on September 4, 2020. The Interest Index based on 2019 decreased to 55.7 from 57.2 in 2018, and is the lowest in recent history.

The R-1 source for interest expense is Schedule 210, column b. The lines currently used are listed below. The source for average total debt is Schedule 200. 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 listed below account for the line number changes effective beginning with the 2016 annual report.

#### 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 |                                                                    |
| 29   | Current Liabilities, Loans and Notes Payable                       |
| 38   | Equipment Obligations and Other Long Term Debt Due Within One Year |
| 40   | Non-Current Liabilities: Funded Debt Unmatured                     |
| 41   | Non-Current Liabilities: Equipment Obligations                     |
| 42   | Non-Current Liabilities: Capitalized Lease Obligations             |
| 43   | Non-Current Liabilities: Debt in Default                           |
| 44   | Non-Current Liabilities: Accounts Payable: Affiliated Companies    |
| 45   | Non-Current Liabilities: Unamortized Debt Premium                  |

|               |                       |             |
|---------------|-----------------------|-------------|
| 2019          | Interest Rate         | 4.37%       |
| 1980          | Interest Rate         | 7.85%       |
| <b>2020Q4</b> | <b>Interest Index</b> | <b>55.7</b> |
| 2020Q3        | Interest Index        | 57.2        |
|               | Percent Change        | -2.6%       |

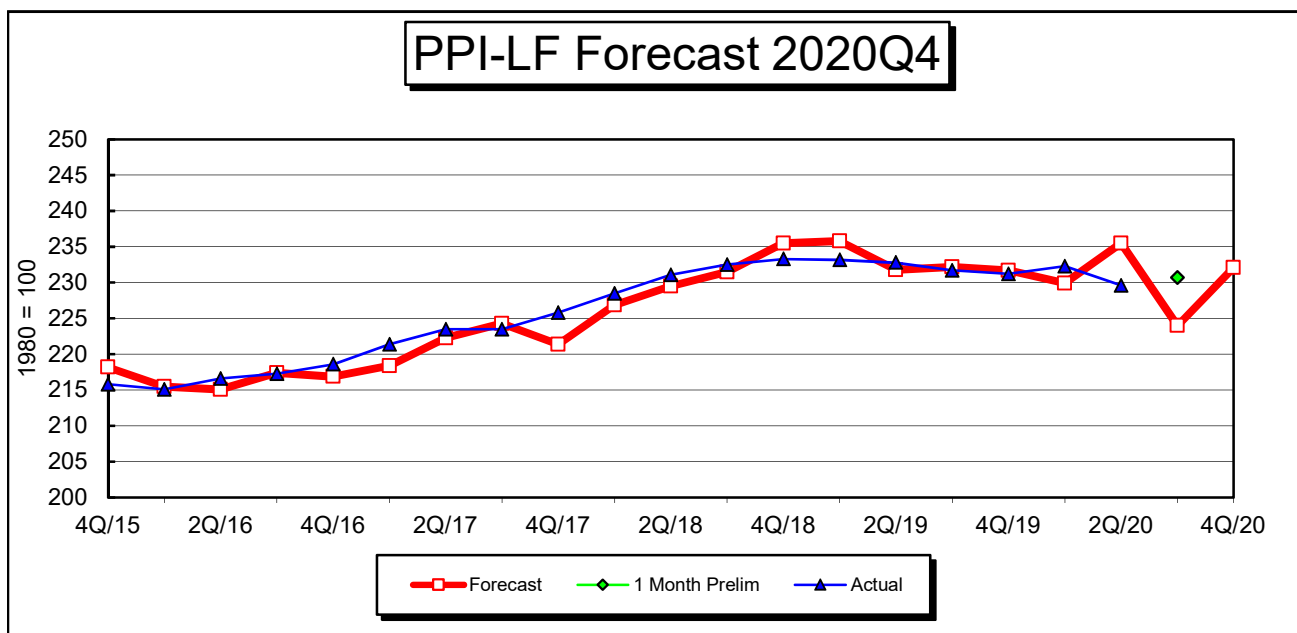
## Other Expenses

### Fourth Quarter 2020

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

Like the PPI-RE, the PPI-LF is forecast using an ARIMA process on 6 years of monthly data (a sample size of 72) with the most recent available monthly data being the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent month available. April and July would be the most recent months available for third and fourth quarter forecasts, respectively. The output from the forecast model is shown on page 2 of this appendix for 1982=100. The figure forecast by the model is 3.6 percent higher than the prior quarter forecast.

|                                                    |       |
|----------------------------------------------------|-------|
| Forecast of Other Expense Index (1982=100)         | 207.0 |
| Forecast of Other Expense Index (1980=100)         | 232.1 |
| Change from previous quarter forecast              | 3.6%  |
| Change from actual first month of previous quarter | 0.6%  |
| Change from same quarter of prior year (actual)    | 0.4%  |



## Other Expenses

### Fourth Quarter 2020

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

##### Expert Analysis

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Using rule-based logic I have narrowed down the choice to exponential smoothing or Box-Jenkins  
I will perform an out-of-sample test to select between these two approaches

The cumulative MAD for Exponential smoothing was 1.57 and for Box-Jenkins was 1.41.  
The rolling out-of-sample test used a maximum horizon of 12 and generated 78 forecasts for each method

Based on the lower MAD, I will use Box-Jenkins.

##### Model Details

---

###### Expert selection

###### Box-Jenkins

ARIMA(1, 1, 0)\*(1, 0, 0)

| Term         | Coefficient   | Std. Error    | t-Statistic  | Significance |
|--------------|---------------|---------------|--------------|--------------|
| a[1]         | 0.6694        | 0.09052       | 7.395        | 1            |
| <b>A[12]</b> | <b>0.6462</b> | <b>0.1271</b> | <b>5.084</b> | <b>1</b>     |

##### Within-Sample Statistics

---

|                |        |                |            |
|----------------|--------|----------------|------------|
| Sample size    | 72     | No. parameters | 2          |
| Mean           | 200.58 | Std. deviation | 5.83       |
| R-square       | 0.99   | Adj. R-square  | 0.99       |
| Durbin-Watson  | 1.9    | Ljung-Box(18)  | 8.9 P=0.04 |
| Forecast error | 0.44   | BIC            | 0.46       |
| MAPE           | 0.16   | SMAPE          | 0.16       |
| RMSE           | 0.44   | MAD            | 0.32       |
| MAD/Mean Ratio | 0      |                |            |

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

###### Actual

|          |       |
|----------|-------|
| 2020-Feb | 207.1 |
| 2020-Mar | 207.1 |
| 2020-Apr | 205.1 |
| 2020-May | 204.4 |
| 2020-Jun | 205.0 |
| 2020-Jul | 205.8 |

##### Forecasted Values

| Date           | 2.5 Lower      | Forecast       | 97.5 Upper     |
|----------------|----------------|----------------|----------------|
| 2020-Aug       | 205.301        | 206.164        | 207.026        |
| 2020-Sep       | 204.643        | 206.321        | 208            |
| 2020-Oct       | 204.378        | 206.859        | 209.339        |
| 2020-Nov       | 203.74         | 206.98         | 210.22         |
| 2020-Dec       | 203.092        | 207.041        | 210.990        |
| <b>QTR AVG</b> | <b>203.737</b> | <b>206.960</b> | <b>210.183</b> |

## Railroad and Union Abbreviations

### Fourth Quarter 2020

#### ***Railroads***

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

#### ***Major Unions Involved with Railroads***

|            |                                                                                                            |
|------------|------------------------------------------------------------------------------------------------------------|
| ATDA       | American Train Dispatchers Association                                                                     |
| BLET       | Brotherhood of Locomotive Engineers and Trainmen Div. of the International Brotherhood of Teamsters        |
| BMWED      | Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters         |
| BRS        | Brotherhood of Railroad Signalmen                                                                          |
| IAM        | International Association of Machinists and Aerospace Workers                                              |
| IBBM       | International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers              |
| IBEW       | International Brotherhood of Electrical Workers                                                            |
| NCFO       | National Conference of Firemen and Oilers                                                                  |
| SMART-TD   | International Association of Sheet Metal, Air, Rail, and Transportation Workers - Transportation Division* |
| SMART-MD   | International Association of Sheet Metal, Air, Rail, and Transportation Workers - Mechanical Division**    |
| TCU        | Transportation Communication International Union                                                           |
| TCU-Carmen | Brotherhood of Railway Carmen Division of the Transportation Communications International Union            |

#### ***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) |
| SMW     | Sheet Metal Workers' International Association (see SMART-MD)         |
| UTU     | United Transportation Union (merged into SMART)                       |
| UTU-YMD | United Transportation Union Yardmaster Department (see SMART-TD)      |

\* Represents employees formerly represented by the UTU (conductors and brakemen) and also has a separate yardmasters department.

\*\* Represents employees formerly represented by the SMW (steel workers)

# **AAR Workpapers Sent to STB for 2020 Q4 RCAF**

September 4, 2020

- 1 . Index Calculation Spreadsheet (index\_calc.xlsx, 2 pages)
- 2 . Summary of ST and PFTNW Hourly Rates (Summary.xlsx)
- 3 . National Contracts spreadsheet, 2 sections (2 and 5 pages )
- 4 . U.S. 2019 Benchmark spreadsheet
- 5 . National Increase Applicability spreadsheet for 2019 Benchmark (Public Version)
- 6 . Wall Street Journal - 13 week Treasury Bill Rate from recent auction (a.k.a. 3-Mo. T-Bill)
- 7 . 2020/Q4 RCAF Lump Sum Amortization summary, public version (1 page)
- 8 . 2020/Q4 RCAF Back Pay Amortization summary, public version (1 page)
- 9 . Health & Welfare worksheet (1 page), 2 payment rate pages from NRLC
- 10 . RCAF Taxable Wages adjustment calculation (TaxableRate.xlsx)
- 11 . Railroad Retirement spreadsheet (5 pages)
- 12 . Unemployment Insurance Tax worksheet (1 page)
- 13 . 2-page SAS run for 2020 Q4 Unemployment Insurance Tax & 2-page run for restated 2020 Q3
- 14 . 2 pages from EIA spot prices
- 15 . Summary of Materials & Supplies - "U.S. Summary by Composition Category" (1 page)
- 16 . RCAF Car Hire Forecast Spreadsheet for Equipment Rents (2 pages) plus source data page
- 17 . 6 pages of PPI-RE for Depreciation including graph page, input/output, and BLS source data
- 18 . Interest Index calculation (1 page) using AAR's R-1 summary (5 pages)
- 19 . 6 pages of PPI-LF for Other (and Lease Rentals) incl. graph page, input/output, BLS source data
- 20 . Forecast Error calc. and workpapers (10 pages: calc, index actual, fuel, 3 car hire, 2 deprec, 2 other)

## **Benchmarking Data**

1. 2019 Wage Statistics Summary
2. RCAF Weights based on 2019 data (2 pages)
3. Railroad Retirement & Medicare 2019 Payroll Tax Calculation (2 pages)
4. Railroad Retirement & Medicare 2018 Earnings Distribution (2 pages, latest available from RRB)
5. 2018 and 2019 wage benchmarks for Railroad Retirement and Unemployment Insurance
6. Restated hourly rates for 2020Q1, Q2, and Q3 for wage rate benchmark.

# RCAF All-Inclusive Index's Labor Index Based on 2019 Benchmarks

|                             | 19 Wts. | 3Q/20           | 3Q/20<br>Rebench<br>As Info Only | % Chg        | 4Q/20           | % Chg        | 1Q/21          | % Chg        | 2Q/21          | % Chg | 3Q/21          | % Chg |
|-----------------------------|---------|-----------------|----------------------------------|--------------|-----------------|--------------|----------------|--------------|----------------|-------|----------------|-------|
| Straight Time               |         | \$37.225        | \$37.182                         | -0.1%        | \$37.182        | -0.1%        |                | --           |                | --    |                | --    |
| PFTNW                       |         | \$7.232         | \$7.286                          | 0.7%         | \$7.286         | 0.7%         |                | --           |                | --    |                | --    |
| Total                       |         | \$44.457        | \$44.468                         | 0.0%         | \$44.468        | 0.0%         | \$0.000        | --           | \$0.000        | --    | \$0.000        | --    |
| Adjustments                 |         |                 |                                  |              |                 |              |                |              |                |       |                |       |
| Lump Sum                    |         | \$0.333         | \$0.350                          |              | \$0.350         |              |                |              |                |       |                |       |
| Back Pay                    |         | \$0.000         | \$0.000                          |              | \$0.000         |              |                |              |                |       |                |       |
| Other                       |         | \$0.164         | \$0.172                          |              | \$0.172         |              |                |              |                |       |                |       |
| <b>Total Wages</b>          |         | <b>\$44.954</b> | <b>\$44.990</b>                  | <b>0.1%</b>  | <b>\$44.990</b> | <b>0.1%</b>  | <b>\$0.000</b> | --           | <b>\$0.000</b> | --    | <b>\$0.000</b> | --    |
| Pre-Tax Reduction           |         | (\$1.382)       | (\$1.394)                        |              | (\$1.394)       |              |                |              |                |       |                |       |
| <b>Taxable Wages</b>        |         | <b>\$43.572</b> | <b>\$43.596</b>                  |              | <b>\$43.596</b> |              | <b>\$0.000</b> |              | <b>\$0.000</b> |       | <b>\$0.000</b> |       |
| H & W                       |         | \$8.078         | \$8.030                          | -0.6%        | \$8.030         | -0.6%        |                | --           |                | --    |                | --    |
| RR Ret & Medicare           |         | \$9.290         | \$8.945                          | -3.7%        | \$8.945         | -3.7%        |                | --           |                | --    |                | --    |
| Unemp. Insurance            |         | \$0.097         | \$0.096                          | -1.0%        | \$0.096         | -1.0%        |                | --           |                | --    |                | --    |
| Other                       |         | \$0.328         | \$0.345                          | 5.2%         | \$0.137         | -58.2%       |                | --           |                | --    |                | --    |
| Total                       |         | \$17.793        | \$17.416                         | -2.1%        | \$17.208        | -3.3%        | \$0.000        | --           | \$0.000        | --    | \$0.000        | --    |
| Adjustments                 |         |                 |                                  |              |                 |              |                |              |                |       |                |       |
| <b>Total Supplements</b>    |         | <b>\$17.793</b> | <b>\$17.416</b>                  | <b>-2.1%</b> | <b>\$17.208</b> | <b>-3.3%</b> | <b>\$0.000</b> | --           | <b>\$0.000</b> | --    | <b>\$0.000</b> | --    |
| Total Labor                 |         | \$62.747        | \$62.406                         | -0.5%        | \$62.198        | -0.9%        | \$0.000        | --           | \$0.000        | --    | \$0.000        | --    |
| Wage Rate Index             | 0.7110  | 384.7           | 385.0                            | 0.1%         | 385.0           | 0.1%         | 0.0            | --           | 0.0            | --    | 0.0            | --    |
| Supplements Index           | 0.2890  | 657.5           | 643.6                            | -2.1%        | 635.9           | -3.3%        | 0.0            | --           | 0.0            | --    | 0.0            | --    |
| Total Labor Index '18 Wts.  |         | 463.8           |                                  |              |                 |              |                |              |                |       |                |       |
| Total Labor Index '19 Wts.  |         | 463.5           | 459.7                            | -0.8%        | 457.5           | -1.3%        | 0.0            | --           | 0.0            | --    | 0.0            | --    |
| <b>Labor Index (Linked)</b> |         | <b>442.8</b>    |                                  |              | <b>437.1</b>    | <b>-1.3%</b> | <b>0.0</b>     | <b>#####</b> | <b>#DIV/0!</b> | --    | <b>#DIV/0!</b> | --    |

# All Inclusive Index and RCAF using 2019 Benchmarks and Weights

|                        | 19 Wts.       | 3Q/20   | 19 Wts.<br>3Q/20 | % Chg | 4Q/20   | % Chg  | 1Q/21   | % Chg  | 2Q/21   | % Chg | 3Q/21   | % Chg |
|------------------------|---------------|---------|------------------|-------|---------|--------|---------|--------|---------|-------|---------|-------|
| Labor                  | 0.326         | 442.80  | 442.8            | 0.0%  | 437.1   | -1.3%  | 0.0     | #####  | #DIV/0! | --    | #DIV/0! | --    |
| Fuel                   | 0.142         | 142.80  | 142.8            | 0.0%  | 171.2   | 19.9%  |         | --     |         | --    |         | --    |
| M&S                    | 0.049         | 260.70  | 260.7            | 0.0%  | 258.8   | -0.7%  |         | --     |         | --    |         | --    |
| Equip. Rents           | 0.052         | 235.00  | 235.0            | 0.0%  | 234.1   | -0.4%  | 0.0     | #####  | #DIV/0! | --    | #DIV/0! | --    |
| Depreciation           | 0.159         | 226.00  | 226.0            | 0.0%  | 226.1   | 0.0%   |         | --     |         | --    |         | --    |
| Interest               | 0.025         | 57.20   | 57.2             | 0.0%  | 55.7    | -2.6%  | 55.7    | 0.0%   | 55.7    | 0.0%  | 55.7    | 0.0%  |
| Other                  | 0.247         | 224.00  | 224.0            | 0.0%  | 232.1   | 3.6%   |         | --     |         | --    |         | --    |
| Weighted Avg.          | 1.000         | 282.50  | 282.3            | -0.1% | 286.3   | 1.4%   | 1.4     | -99.5% | #DIV/0! | --    | #DIV/0! | --    |
| Linked                 |               | 263.70  |                  |       | 267.4   | 1.4%   | 1.3     | -99.5% | #DIV/0! | --    | #DIV/0! | --    |
|                        | Basing Factor |         |                  |       |         |        |         |        |         |       |         |       |
| 10/1/80 basis          | 102.7         | 256.8   |                  |       | 260.4   | 1.4%   | 1.3     | -99.5% | #DIV/0! | --    | #DIV/0! | --    |
| 10/1/82                | 120.9         | 218.1   |                  |       | 221.2   | 1.4%   | 1.1     | -99.5% | #DIV/0! | --    | #DIV/0! | --    |
| 4Q/87                  | 132.2         | 199.5   |                  |       | 202.3   | 1.4%   | 1.0     | -99.5% | #DIV/0! | --    | #DIV/0! | --    |
| 4Q/92                  | 156.9         | 168.1   |                  |       | 170.4   | 1.4%   | 0.8     | -99.5% | #DIV/0! | --    | #DIV/0! | --    |
| 4Q/97                  | 173.2         | 152.3   |                  |       | 154.4   | 1.4%   | 0.8     | -99.5% | #DIV/0! | --    | #DIV/0! | --    |
| 4Q/02                  | 192.1         | 137.3   |                  |       | 139.2   | 1.4%   | 0.7     | -99.5% | #DIV/0! | --    | #DIV/0! | --    |
| 4Q/07                  | 245.9         | 107.2   |                  |       | 108.7   | 1.4%   | 0.5     | -99.5% | #DIV/0! | --    | #DIV/0! | --    |
| 4Q/12                  | 297.6         | 88.6    |                  |       | 89.9    | 1.5%   | 0.4     | -99.6% | #DIV/0! | --    | #DIV/0! | --    |
| 4Q/17 basis            | 264.5         | 99.7    |                  |       | 101.1   | 1.4%   | 0.5     | -99.5% | #DIV/0! | --    | #DIV/0! | --    |
| Car Hire               | 0.614         | 222.60  | 222.6            | 0.0%  | 215.9   | -3.0%  |         | --     |         | --    |         | --    |
| Lease Rents            | 0.386         | 224.00  | 224.0            | 0.0%  | 232.1   | 3.6%   | 0.0     | --     | 0.0     | --    | 0.0     | --    |
| Weighted Avg Eq Rents  |               | 223.20  | 223.1            | 0.0%  | 222.2   | -0.4%  | 0.0     | --     | 0.0     | --    | 0.0     | --    |
| Linked Equipment Rents |               | 235.00  |                  |       | 234.1   | -0.4%  | 0.0     | #####  | #DIV/0! | --    | #DIV/0! | --    |
| Preliminary RCAF       |               | 0.997   |                  |       | 1.011   | 1.40%  | 0.005   | -99.5% | #DIV/0! | --    | #DIV/0! | --    |
| Forecast Error Adj.    |               | (0.008) |                  |       | (0.070) |        |         |        |         |       |         |       |
| RCAF Unadjusted        |               | 0.989   |                  |       | 0.941   | -4.85% | 0.005   | -99.5% | #DIV/0! | --    | #DIV/0! | --    |
| PAF                    |               | 2.3823  |                  |       | 2.3883  | 0.25%  |         | --     |         | --    |         | --    |
| RCAF Adjusted          |               | 0.415   |                  |       | 0.394   | -5.06% | #DIV/0! | --     | #DIV/0! | --    | #DIV/0! | --    |
| PAF-5                  |               | 2.5250  |                  |       | 2.5280  | 0.12%  |         | --     |         | --    |         | --    |
| RCAF-5                 |               | 0.392   |                  |       | 0.372   | -5.10% | #DIV/0! | --     | #DIV/0! | --    | #DIV/0! | --    |

# Hourly Rate for 2020 Q4

## Straight Time and Time Paid For But Not Worked

**2020Q4 Straight Time Hourly Rate (from national spreadsheet)** \$37.175  
 Rebenchmark

**Adjustments to 2019 base:**

**Added 2020 Q1**

|                            |                           |       |
|----------------------------|---------------------------|-------|
| Miscellaneous Independents | Non-Union GWI             | 0.006 |
| Soo Corp.                  | 3 GWIs but rounds to zero | 0.000 |

**Added 2020 Q2**

|                            |         |       |
|----------------------------|---------|-------|
| Miscellaneous Independents | nothing | 0.000 |
| Soo Corp.                  | nothing | 0.000 |

**Added 2020 Q3**

|                            |           |       |
|----------------------------|-----------|-------|
| Miscellaneous Independents | nothing   | 0.000 |
| Soo Corp.                  | Four GWIs | 0.001 |

**Added 2020 Q4**

|                            |                           |       |
|----------------------------|---------------------------|-------|
| Miscellaneous Independents | Nothing                   | 0.000 |
| Soo Corp.                  | 4 GWIs but rounds to zero | 0.000 |

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**Adjusted STHR Total** **\$37.182**

**Pay For Time Not Worked**

|                                   |                   |         |
|-----------------------------------|-------------------|---------|
| PFTNW (from national spreadsheet) |                   | \$7.285 |
| Ratio Adj STHR to Nat STHR        | 37.182 / 37.175 = | 1.00019 |

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**Adjusted Pay For Time Not Worked** **\$7.286**

**Adjusted STHR + Adjusted Pay For Time Not Worked** **\$44.468**

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**Notes:**

1. Miscellaneous Independent is mostly trainmen, yardmasters, and non-union plus CN's IAM employees.  
Includes 20 union groups with employees and 5 non-union groups with employees.
2. Soo Corp. includes SOO, D&H and DM&E.

## National Contracts U.S.

| Straight Time Hourly Rate |         |         |         |         |         |         |         |         |        |         |         |         |         |         | Check Sum |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|--------|---------|---------|---------|---------|---------|-----------|
| Weight                    | UTU     | TCU     | BLET    | SMWIA   | BRS     | BMWE    | TCU-CAR | NCFO    | IAM    | IBBM    | IBEW    | ATDA    | YDMSTR  | OTHER   |           |
|                           | 0.23747 | 0.03067 | 0.17754 | 0.00531 | 0.04689 | 0.14639 | 0.05497 | 0.01371 | 0.0416 | 0.00791 | 0.03326 | 0.01948 | 0.01057 | 0.17424 | 1.00000   |
| 2019 Avg.                 | 31.400  | 31.531  | 33.551  | 32.837  | 35.094  | 30.342  | 32.717  | 27.414  | 33.061 | 31.103  | 33.248  | 44.050  | 42.900  | 55.342  | 494.590   |
| 12/31/19                  | 31.829  | 31.987  | 34.069  | 33.322  | 35.608  | 30.778  | 33.229  | 27.817  | 33.567 | 31.546  | 33.736  | 44.540  | 43.500  | 55.342  | 500.872   |
| 1/1/20                    | 31.829  | 31.987  | 34.069  | 33.322  | 35.608  | 30.778  | 33.229  | 27.817  | 33.567 | 31.546  | 33.736  | 44.540  | 43.500  | 57.002  |           |
| 4/1/20                    | 31.829  | 31.987  | 34.069  | 33.322  | 35.608  | 30.778  | 33.229  | 27.817  | 33.567 | 31.546  | 33.736  | 44.540  | 43.500  | 57.002  |           |
| 7/1/20                    | 31.829  | 31.987  | 34.069  | 33.322  | 35.608  | 30.778  | 33.229  | 27.817  | 33.567 | 31.546  | 33.736  | 44.540  | 43.500  | 57.002  |           |
| 10/1/20                   | 31.829  | 31.987  | 34.069  | 33.322  | 35.608  | 30.778  | 33.229  | 27.817  | 33.567 | 31.546  | 33.736  | 44.540  | 43.500  | 57.002  |           |
| 1/1/21                    | 31.829  | 31.987  | 34.069  | 33.322  | 35.608  | 30.778  | 33.229  | 27.817  | 33.567 | 31.546  | 33.736  | 44.540  | 43.500  | 57.002  |           |
| 4/1/21                    | 31.829  | 31.987  | 34.069  | 33.322  | 35.608  | 30.778  | 33.229  | 27.817  | 33.567 | 31.546  | 33.736  | 44.540  | 43.500  | 57.002  |           |
| 7/1/21                    | 31.829  | 31.987  | 34.069  | 33.322  | 35.608  | 30.778  | 33.229  | 27.817  | 33.567 | 31.546  | 33.736  | 44.540  | 43.500  | 57.002  |           |

| Weighted Straight Time Hourly Rate |       |       |       |       |       |       |         |       |       |       |       |       |        |       |        |
|------------------------------------|-------|-------|-------|-------|-------|-------|---------|-------|-------|-------|-------|-------|--------|-------|--------|
|                                    | UTU   | TCU   | BLET  | SMWIA | BRS   | BMWE  | TCU-CAR | NCFO  | IAM   | IBBM  | IBEW  | ATDA  | YDMSTR | OTHER | Total  |
| 2019 Avg.                          | 7.457 | 0.967 | 5.957 | 0.174 | 1.646 | 4.442 | 1.798   | 0.376 | 1.375 | 0.246 | 1.106 | 0.858 | 0.454  | 9.643 | 36.497 |
| 12/31/19                           | 7.559 | 0.981 | 6.049 | 0.177 | 1.670 | 4.505 | 1.826   | 0.381 | 1.396 | 0.250 | 1.122 | 0.868 | 0.460  | 9.643 | 36.886 |
| 1/1/20                             | 7.559 | 0.981 | 6.049 | 0.177 | 1.670 | 4.505 | 1.826   | 0.381 | 1.396 | 0.250 | 1.122 | 0.868 | 0.460  | 9.932 | 37.175 |
| 4/1/20                             | 7.559 | 0.981 | 6.049 | 0.177 | 1.670 | 4.505 | 1.826   | 0.381 | 1.396 | 0.250 | 1.122 | 0.868 | 0.460  | 9.932 | 37.175 |
| 7/1/20                             | 7.559 | 0.981 | 6.049 | 0.177 | 1.670 | 4.505 | 1.826   | 0.381 | 1.396 | 0.250 | 1.122 | 0.868 | 0.460  | 9.932 | 37.175 |
| 10/1/20                            | 7.559 | 0.981 | 6.049 | 0.177 | 1.670 | 4.505 | 1.826   | 0.381 | 1.396 | 0.250 | 1.122 | 0.868 | 0.460  | 9.932 | 37.175 |
| 1/1/21                             | 7.559 | 0.981 | 6.049 | 0.177 | 1.670 | 4.505 | 1.826   | 0.381 | 1.396 | 0.250 | 1.122 | 0.868 | 0.460  | 9.932 | 37.175 |
| 4/1/21                             | 7.559 | 0.981 | 6.049 | 0.177 | 1.670 | 4.505 | 1.826   | 0.381 | 1.396 | 0.250 | 1.122 | 0.868 | 0.460  | 9.932 | 37.175 |
| 7/1/21                             | 7.559 | 0.981 | 6.049 | 0.177 | 1.670 | 4.505 | 1.826   | 0.381 | 1.396 | 0.250 | 1.122 | 0.868 | 0.460  | 9.932 | 37.175 |

Note: The 2019 Average and 12/31/19 Straight Time Hourly Rates are the industry rates, and include all Class I railroad employees. The rates for 1/1/20 through 7/1/21 are based on the industry year-end rates updated by NATIONAL UNION wage increases using contract information. These national increases are diluted using "percent national" ratios to account for non-national union contracts. The impacts of non-national (or independent contract) increases after 2019 are not shown on this page and are handled separately.

## National Contracts U.S.

| Pay For Time Not Worked Hourly Rate |        |       |        |       |       |       |         |       |       |       |       |       |        |       | Check Sum |
|-------------------------------------|--------|-------|--------|-------|-------|-------|---------|-------|-------|-------|-------|-------|--------|-------|-----------|
| Weight                              | UTU    | TCU   | BLET   | SMWIA | BRS   | BMWE  | TCU-CAR | NCFO  | IAM   | IBBM  | IBEW  | ATDA  | YDMSTR | OTHER | 1.00000   |
| 2019 Avg.                           | 10.499 | 4.400 | 12.740 | 4.873 | 7.734 | 5.172 | 4.366   | 3.460 | 5.254 | 3.040 | 5.501 | 6.962 | 8.283  | 1.182 | 83.468    |
| 12/31/19                            | 10.643 | 4.464 | 12.937 | 4.945 | 7.848 | 5.247 | 4.434   | 3.511 | 5.335 | 3.084 | 5.582 | 7.040 | 8.398  | 1.182 |           |
| 1/1/20                              | 10.643 | 4.464 | 12.937 | 4.945 | 7.848 | 5.247 | 4.434   | 3.511 | 5.335 | 3.084 | 5.582 | 7.040 | 8.398  | 1.218 |           |
| 4/1/20                              | 10.643 | 4.464 | 12.937 | 4.945 | 7.848 | 5.247 | 4.434   | 3.511 | 5.335 | 3.084 | 5.582 | 7.040 | 8.398  | 1.218 |           |
| 7/1/20                              | 10.643 | 4.464 | 12.937 | 4.945 | 7.848 | 5.247 | 4.434   | 3.511 | 5.335 | 3.084 | 5.582 | 7.040 | 8.398  | 1.218 |           |
| 10/1/20                             | 10.643 | 4.464 | 12.937 | 4.945 | 7.848 | 5.247 | 4.434   | 3.511 | 5.335 | 3.084 | 5.582 | 7.040 | 8.398  | 1.218 |           |
| 1/1/21                              | 10.643 | 4.464 | 12.937 | 4.945 | 7.848 | 5.247 | 4.434   | 3.511 | 5.335 | 3.084 | 5.582 | 7.040 | 8.398  | 1.218 |           |
| 4/1/21                              | 10.643 | 4.464 | 12.937 | 4.945 | 7.848 | 5.247 | 4.434   | 3.511 | 5.335 | 3.084 | 5.582 | 7.040 | 8.398  | 1.218 |           |
| 7/1/21                              | 10.643 | 4.464 | 12.937 | 4.945 | 7.848 | 5.247 | 4.434   | 3.511 | 5.335 | 3.084 | 5.582 | 7.040 | 8.398  | 1.218 |           |

| Pay For Time Not Worked Hourly Rate |       |       |       |       |       |       |         |       |       |       |       |       |        |       |       |
|-------------------------------------|-------|-------|-------|-------|-------|-------|---------|-------|-------|-------|-------|-------|--------|-------|-------|
|                                     | UTU   | TCU   | BLET  | SMWIA | BRS   | BMWE  | TCU-CAR | NCFO  | IAM   | IBBM  | IBEW  | ATDA  | YDMSTR | OTHER | Total |
| 2019 Avg.                           | 2.493 | 0.135 | 2.262 | 0.026 | 0.363 | 0.757 | 0.240   | 0.047 | 0.219 | 0.024 | 0.183 | 0.136 | 0.088  | 0.206 | 7.178 |
| 12/31/19                            | 2.527 | 0.137 | 2.297 | 0.026 | 0.368 | 0.768 | 0.244   | 0.048 | 0.222 | 0.024 | 0.186 | 0.137 | 0.089  | 0.206 | 7.279 |
| 1/1/20                              | 2.527 | 0.137 | 2.297 | 0.026 | 0.368 | 0.768 | 0.244   | 0.048 | 0.222 | 0.024 | 0.186 | 0.137 | 0.089  | 0.212 | 7.285 |
| 4/1/20                              | 2.527 | 0.137 | 2.297 | 0.026 | 0.368 | 0.768 | 0.244   | 0.048 | 0.222 | 0.024 | 0.186 | 0.137 | 0.089  | 0.212 | 7.285 |
| 7/1/20                              | 2.527 | 0.137 | 2.297 | 0.026 | 0.368 | 0.768 | 0.244   | 0.048 | 0.222 | 0.024 | 0.186 | 0.137 | 0.089  | 0.212 | 7.285 |
| 10/1/20                             | 2.527 | 0.137 | 2.297 | 0.026 | 0.368 | 0.768 | 0.244   | 0.048 | 0.222 | 0.024 | 0.186 | 0.137 | 0.089  | 0.212 | 7.285 |
| 1/1/21                              | 2.527 | 0.137 | 2.297 | 0.026 | 0.368 | 0.768 | 0.244   | 0.048 | 0.222 | 0.024 | 0.186 | 0.137 | 0.089  | 0.212 | 7.285 |
| 4/1/21                              | 2.527 | 0.137 | 2.297 | 0.026 | 0.368 | 0.768 | 0.244   | 0.048 | 0.222 | 0.024 | 0.186 | 0.137 | 0.089  | 0.212 | 7.285 |
| 7/1/21                              | 2.527 | 0.137 | 2.297 | 0.026 | 0.368 | 0.768 | 0.244   | 0.048 | 0.222 | 0.024 | 0.186 | 0.137 | 0.089  | 0.212 | 7.285 |

# U.S. National Contract

## UTU

|                        | Percentage<br>Increase | Cents<br>Increase | Applicable | ST HR    | PFTNW<br>HR |
|------------------------|------------------------|-------------------|------------|----------|-------------|
| 2019 Industry Avg.     |                        |                   |            | 31.40017 | 10.49929    |
| 12/31/19 Industry Rate |                        |                   |            | 31.82936 | 10.64279    |
| 1/1/20                 |                        |                   | 93.044%    | 31.82936 | 10.64279    |
| 4/1/20                 |                        |                   | 93.044%    | 31.82936 | 10.64279    |
| 7/1/20                 |                        |                   | 93.044%    | 31.82936 | 10.64279    |
| 10/1/20                |                        |                   | 93.044%    | 31.82936 | 10.64279    |
| 1/1/21                 |                        |                   | 93.044%    | 31.82936 | 10.64279    |
| 4/1/21                 |                        |                   | 93.044%    | 31.82936 | 10.64279    |
| 7/1/21                 |                        |                   | 93.044%    | 31.82936 | 10.64279    |

## TCU

|                        | Percentage<br>Increase | Cents<br>Increase | Applicable | ST HR    | PFTNW<br>HR |
|------------------------|------------------------|-------------------|------------|----------|-------------|
| 2019 Industry Avg.     |                        |                   |            | 31.53087 | 4.40030     |
| 12/31/19 Industry Rate |                        |                   |            | 31.98742 | 4.46402     |
| 1/1/20                 |                        |                   | 97.808%    | 31.98742 | 4.46402     |
| 4/1/20                 |                        |                   | 97.808%    | 31.98742 | 4.46402     |
| 7/1/20                 |                        |                   | 97.808%    | 31.98742 | 4.46402     |
| 10/1/20                |                        |                   | 97.808%    | 31.98742 | 4.46402     |
| 1/1/21                 |                        |                   | 97.808%    | 31.98742 | 4.46402     |
| 4/1/21                 |                        |                   | 97.808%    | 31.98742 | 4.46402     |
| 7/1/21                 |                        |                   | 97.808%    | 31.98742 | 4.46402     |

## BLET

|                        | Percentage<br>Increase | Cents<br>Increase | Applicable | ST HR    | PFTNW<br>HR |
|------------------------|------------------------|-------------------|------------|----------|-------------|
| 2019 Industry Avg.     |                        |                   |            | 33.55141 | 12.74048    |
| 12/31/19 Industry Rate |                        |                   |            | 34.06933 | 12.93715    |
| 1/1/20                 |                        |                   | 63.534%    | 34.06933 | 12.93715    |
| 4/1/20                 |                        |                   | 63.534%    | 34.06933 | 12.93715    |
| 7/1/20                 |                        |                   | 63.534%    | 34.06933 | 12.93715    |
| 10/1/20                |                        |                   | 63.534%    | 34.06933 | 12.93715    |
| 1/1/21                 |                        |                   | 63.534%    | 34.06933 | 12.93715    |
| 4/1/21                 |                        |                   | 63.534%    | 34.06933 | 12.93715    |
| 7/1/21                 |                        |                   | 63.534%    | 34.06933 | 12.93715    |

# U.S. National Contract

## SMWIA

|                        | Percentage<br>Increase | Cents<br>Increase | Applicable | ST HR    | PFTNW<br>HR |
|------------------------|------------------------|-------------------|------------|----------|-------------|
| 2019 Industry Avg.     |                        |                   |            | 32.83703 | 4.87274     |
| 12/31/19 Industry Rate |                        |                   |            | 33.32231 | 4.94475     |
| 1/1/20                 |                        |                   | 100.000%   | 33.32231 | 4.94475     |
| 4/1/20                 |                        |                   | 100.000%   | 33.32231 | 4.94475     |
| 7/1/20                 |                        |                   | 100.000%   | 33.32231 | 4.94475     |
| 10/1/20                |                        |                   | 100.000%   | 33.32231 | 4.94475     |
| 1/1/21                 |                        |                   | 100.000%   | 33.32231 | 4.94475     |
| 4/1/21                 |                        |                   | 100.000%   | 33.32231 | 4.94475     |
| 7/1/21                 |                        |                   | 100.000%   | 33.32231 | 4.94475     |

## BRS

|                        | Percentage<br>Increase | Cents<br>Increase | Applicable | ST HR    | PFTNW<br>HR |
|------------------------|------------------------|-------------------|------------|----------|-------------|
| 2019 Industry Avg.     |                        |                   |            | 35.09406 | 7.73430     |
| 12/31/19 Industry Rate |                        |                   |            | 35.60827 | 7.84762     |
| 1/1/20                 |                        |                   | 98.237%    | 35.60827 | 7.84762     |
| 4/1/20                 |                        |                   | 98.237%    | 35.60827 | 7.84762     |
| 7/1/20                 |                        |                   | 98.237%    | 35.60827 | 7.84762     |
| 10/1/20                |                        |                   | 98.237%    | 35.60827 | 7.84762     |
| 1/1/21                 |                        |                   | 98.237%    | 35.60827 | 7.84762     |
| 4/1/21                 |                        |                   | 98.237%    | 35.60827 | 7.84762     |
| 7/1/21                 |                        |                   | 98.237%    | 35.60827 | 7.84762     |

## BMWE

|                        | Percentage<br>Increase | Cents<br>Increase | Applicable | ST HR    | PFTNW<br>HR |
|------------------------|------------------------|-------------------|------------|----------|-------------|
| 2019 Industry Avg.     |                        |                   |            | 30.34229 | 5.17244     |
| 12/31/19 Industry Rate |                        |                   |            | 30.77817 | 5.24674     |
| 1/1/20                 |                        |                   | 97.448%    | 30.77817 | 5.24674     |
| 4/1/20                 |                        |                   | 97.448%    | 30.77817 | 5.24674     |
| 7/1/20                 |                        |                   | 97.448%    | 30.77817 | 5.24674     |
| 10/1/20                |                        |                   | 97.448%    | 30.77817 | 5.24674     |
| 1/1/21                 |                        |                   | 97.448%    | 30.77817 | 5.24674     |
| 4/1/21                 |                        |                   | 97.448%    | 30.77817 | 5.24674     |
| 7/1/21                 |                        |                   | 97.448%    | 30.77817 | 5.24674     |

# U.S. National Contract

## TCU-Carmen

|                        | Percentage<br>Increase | Cents<br>Increase | Applicable | ST HR    | PFTNW<br>HR |
|------------------------|------------------------|-------------------|------------|----------|-------------|
| 2019 Industry Avg.     |                        |                   |            | 32.71673 | 4.36590     |
| 12/31/19 Industry Rate |                        |                   |            | 33.22917 | 4.43428     |
| 1/1/20                 |                        |                   | 98.465%    | 33.22917 | 4.43428     |
| 4/1/20                 |                        |                   | 98.465%    | 33.22917 | 4.43428     |
| 7/1/20                 |                        |                   | 98.465%    | 33.22917 | 4.43428     |
| 10/1/20                |                        |                   | 98.465%    | 33.22917 | 4.43428     |
| 1/1/21                 |                        |                   | 98.465%    | 33.22917 | 4.43428     |
| 4/1/21                 |                        |                   | 98.465%    | 33.22917 | 4.43428     |
| 7/1/21                 |                        |                   | 98.465%    | 33.22917 | 4.43428     |

## NCFO

|                        | Percentage<br>Increase | Cents<br>Increase | Applicable | ST HR    | PFTNW<br>HR |
|------------------------|------------------------|-------------------|------------|----------|-------------|
| 2019 Industry Avg.     |                        |                   |            | 27.41365 | 3.45986     |
| 12/31/19 Industry Rate |                        |                   |            | 27.81716 | 3.51078     |
| 1/1/20                 |                        |                   | 99.232%    | 27.81716 | 3.51078     |
| 4/1/20                 |                        |                   | 99.232%    | 27.81716 | 3.51078     |
| 7/1/20                 |                        |                   | 99.232%    | 27.81716 | 3.51078     |
| 10/1/20                |                        |                   | 99.232%    | 27.81716 | 3.51078     |
| 1/1/21                 |                        |                   | 99.232%    | 27.81716 | 3.51078     |
| 4/1/21                 |                        |                   | 99.232%    | 27.81716 | 3.51078     |
| 7/1/21                 |                        |                   | 99.232%    | 27.81716 | 3.51078     |

## IAM

|                        | Percentage<br>Increase | Cents<br>Increase | Applicable | ST HR    | PFTNW<br>HR |
|------------------------|------------------------|-------------------|------------|----------|-------------|
| 2019 Industry Avg.     |                        |                   |            | 33.06126 | 5.25420     |
| 12/31/19 Industry Rate |                        |                   |            | 33.56718 | 5.33460     |
| 1/1/20                 |                        |                   | 99.023%    | 33.56718 | 5.33460     |
| 4/1/20                 |                        |                   | 99.023%    | 33.56718 | 5.33460     |
| 7/1/20                 |                        |                   | 99.023%    | 33.56718 | 5.33460     |
| 10/1/20                |                        |                   | 99.023%    | 33.56718 | 5.33460     |
| 1/1/21                 |                        |                   | 99.023%    | 33.56718 | 5.33460     |
| 4/1/21                 |                        |                   | 99.023%    | 33.56718 | 5.33460     |
| 7/1/21                 |                        |                   | 99.023%    | 33.56718 | 5.33460     |

# U.S. National Contract

## IBBM

|                        | Percentage<br>Increase | Cents<br>Increase | Applicable | ST HR    | PFTNW<br>HR |
|------------------------|------------------------|-------------------|------------|----------|-------------|
| 2019 Industry Avg.     |                        |                   |            | 31.10303 | 3.04023     |
| 12/31/19 Industry Rate |                        |                   |            | 31.54601 | 3.08353     |
| 1/1/20                 |                        |                   | 96.522%    | 31.54601 | 3.08353     |
| 4/1/20                 |                        |                   | 96.522%    | 31.54601 | 3.08353     |
| 7/1/20                 |                        |                   | 96.522%    | 31.54601 | 3.08353     |
| 10/1/20                |                        |                   | 96.522%    | 31.54601 | 3.08353     |
| 1/1/21                 |                        |                   | 96.522%    | 31.54601 | 3.08353     |
| 4/1/21                 |                        |                   | 96.522%    | 31.54601 | 3.08353     |
| 7/1/21                 |                        |                   | 96.522%    | 31.54601 | 3.08353     |

## IBEW

|                        | Percentage<br>Increase | Cents<br>Increase | Applicable | ST HR    | PFTNW<br>HR |
|------------------------|------------------------|-------------------|------------|----------|-------------|
| 2019 Industry Avg.     |                        |                   |            | 33.24761 | 5.50105     |
| 12/31/19 Industry Rate |                        |                   |            | 33.73571 | 5.58181     |
| 1/1/20                 |                        |                   | 98.776%    | 33.73571 | 5.58181     |
| 4/1/20                 |                        |                   | 98.776%    | 33.73571 | 5.58181     |
| 7/1/20                 |                        |                   | 98.776%    | 33.73571 | 5.58181     |
| 10/1/20                |                        |                   | 98.776%    | 33.73571 | 5.58181     |
| 1/1/21                 |                        |                   | 98.776%    | 33.73571 | 5.58181     |
| 4/1/21                 |                        |                   | 98.776%    | 33.73571 | 5.58181     |
| 7/1/21                 |                        |                   | 98.776%    | 33.73571 | 5.58181     |

## ATDA

|                        | Percentage<br>Increase | Cents<br>Increase | Applicable | ST HR    | PFTNW<br>HR |
|------------------------|------------------------|-------------------|------------|----------|-------------|
| 2019 Industry Avg.     |                        |                   |            | 44.05027 | 6.96227     |
| 12/31/19 Industry Rate |                        |                   |            | 44.54014 | 7.03969     |
| 1/1/20                 |                        |                   | 70.664%    | 44.54014 | 7.03969     |
| 4/1/20                 |                        |                   | 70.664%    | 44.54014 | 7.03969     |
| 7/1/20                 |                        |                   | 70.664%    | 44.54014 | 7.03969     |
| 10/1/20                |                        |                   | 70.664%    | 44.54014 | 7.03969     |
| 1/1/21                 |                        |                   | 70.664%    | 44.54014 | 7.03969     |
| 4/1/21                 |                        |                   | 70.664%    | 44.54014 | 7.03969     |
| 7/1/21                 |                        |                   | 70.664%    | 44.54014 | 7.03969     |

YDMSTRS

|                        | Percentage<br>Increase | Cents<br>Increase | Applicable | ST HR    | PFTNW<br>HR |
|------------------------|------------------------|-------------------|------------|----------|-------------|
| 2019 Industry Avg.     |                        |                   |            | 42.89998 | 8.28253     |
| 12/31/19 Industry Rate |                        |                   |            | 43.50011 | 8.39840     |
| 1/1/20                 |                        |                   | 66.274%    | 43.50011 | 8.39840     |
| 4/1/20                 |                        |                   | 66.274%    | 43.50011 | 8.39840     |
| 7/1/20                 |                        |                   | 66.274%    | 43.50011 | 8.39840     |
| 10/1/20                |                        |                   | 66.274%    | 43.50011 | 8.39840     |
| 1/1/21                 |                        |                   | 66.274%    | 43.50011 | 8.39840     |
| 4/1/21                 |                        |                   | 66.274%    | 43.50011 | 8.39840     |
| 7/1/21                 |                        |                   | 66.274%    | 43.50011 | 8.39840     |

OTHER

|                        | Percentage<br>Increase | Cents<br>Increase | Applicable | ST HR    | PFTNW<br>HR |
|------------------------|------------------------|-------------------|------------|----------|-------------|
| 2019 Industry Avg.     |                        |                   |            | 55.34156 | 1.18210     |
| 12/31/19 Industry Rate |                        |                   |            | 55.34156 | 1.18210     |
| 1/1/20                 | 3.00%                  |                   | 100.000%   | 57.00180 | 1.21756     |
| 4/1/20                 |                        |                   | 100.000%   | 57.00180 | 1.21756     |
| 7/1/20                 |                        |                   | 100.000%   | 57.00180 | 1.21756     |
| 10/1/20                |                        |                   | 100.000%   | 57.00180 | 1.21756     |
| 1/1/21                 |                        |                   | 100.000%   | 57.00180 | 1.21756     |
| 4/1/21                 |                        |                   | 100.000%   | 57.00180 | 1.21756     |
| 7/1/21                 |                        |                   | 100.000%   | 57.00180 | 1.21756     |

Check Sums

|          | Increase | Applicable | ST HR      | PFTNW<br>HR |
|----------|----------|------------|------------|-------------|
| 2018 AVG |          |            | 494.58991  | 83.46768    |
| 12/31/18 |          |            | 500.87188  |             |
|          |          | 1279.026%  |            |             |
|          |          | ok matches | ok matches | ok matches  |
|          |          |            | ok matches |             |

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

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

## U.S. 2019 Benchmark

|                    | From AAR 112-Class Wage Statistics & Survey |                 |               |              | ST \$ Adjusted<br>to Exclude | 2019 Average<br>Hourly Rates |          | 12/31/2019 | ST Hrs.         |
|--------------------|---------------------------------------------|-----------------|---------------|--------------|------------------------------|------------------------------|----------|------------|-----------------|
|                    | ST Hrs.                                     | ST \$           | PFTNW \$      | Union L. Sum | Lump Sums                    | ST wo LS                     | PFTNW    | ST HR      | 2019<br>Weights |
| UTU                | 64,449,606                                  | \$2,040,030,857 | \$676,674,785 | \$16,302,555 | \$2,023,728,302              | \$31.400                     | \$10.499 | \$31.82936 | 0.23747         |
| TCU                | 8,324,274                                   | 274,579,734     | 36,629,315    | 12,108,152   | 262,471,582                  | 31.531                       | 4.400    | \$31.98742 | 0.03067         |
| BLET               | 48,185,429                                  | 1,773,210,921   | 613,905,311   | 156,521,901  | 1,616,689,020                | 33.551                       | 12.740   | \$34.06933 | 0.17754         |
| SMWIA              | 1,439,998                                   | 47,307,434      | 7,016,735     | 22,177       | 47,285,257                   | 32.837                       | 4.873    | \$33.32231 | 0.00531         |
| BRS                | 12,725,597                                  | 447,254,021     | 98,423,551    | 661,120      | 446,592,901                  | 35.094                       | 7.734    | \$35.60827 | 0.04689         |
| BMWE               | 39,729,106                                  | 1,207,793,321   | 205,496,419   | 2,321,356    | 1,205,471,965                | 30.342                       | 5.172    | \$30.77817 | 0.14639         |
| TCU-CAR            | 14,917,490                                  | 488,388,151     | 65,128,248    | 336,650      | 488,051,501                  | 32.717                       | 4.366    | \$33.22917 | 0.05497         |
| NCFO               | 3,721,747                                   | 102,061,344     | 12,876,712    | 34,668       | 102,026,676                  | 27.414                       | 3.460    | \$27.81716 | 0.01371         |
| IAM                | 11,289,069                                  | 373,531,996     | 59,315,036    | 301,149      | 373,230,847                  | 33.061                       | 5.254    | \$33.56718 | 0.04160         |
| IBBM               | 2,146,953                                   | 66,811,803      | 6,527,237     | 35,063       | 66,776,740                   | 31.103                       | 3.040    | \$31.54601 | 0.00791         |
| IBEW               | 9,026,156                                   | 300,495,769     | 49,653,331    | 397,686      | 300,098,083                  | 33.248                       | 5.501    | \$33.73571 | 0.03326         |
| ATDA               | 5,286,172                                   | 236,674,366     | 36,803,741    | 3,817,065    | 232,857,301                  | 44.050                       | 6.962    | \$44.54014 | 0.01948         |
| UTU-YMD            | 2,869,889                                   | 125,362,491     | 23,769,952    | 2,244,304    | 123,118,187                  | 42.900                       | 8.283    | \$43.50011 | 0.01057         |
| OTHER              | 47,288,001                                  | 2,616,991,535   | 55,899,025    | 0            | 2,616,991,535                | 55.342                       | 1.182    | \$55.34156 | 0.17424         |
| AAR 112 Total      | 271,399,487                                 | 10,100,493,743  | 1,948,119,398 | 195,103,846  | 9,905,389,897                | 36.497                       | 7.178    | 36.886     | 1.00000         |
| Sum (for proofing) |                                             |                 |               |              |                              | 494.58991                    | 83.46768 | 500.87188  |                 |

Year-End Figures are calculated, based on 2019 WS-112 and union contracts, in YearEnd2019.xlsx exhibited in document titled "Year-End 2019 ST Hourly Rates for U.S."  
The ST Hours Weights and the Hourly Rates are full float.

## National Increase Applicability for U.S. Total

| Union              | Year 2019                 | Not Part of National Agreements* |     |     |    |     |    |    |      |     |     |    |     |    | U.S.                                | Percent   |
|--------------------|---------------------------|----------------------------------|-----|-----|----|-----|----|----|------|-----|-----|----|-----|----|-------------------------------------|-----------|
|                    | U.S. Total<br>ST Hours Pd | CSX                              | BLE | GTW | IC | CCP | WC | NS | BNSF | KCS | SOO | DH | DME | UP | National<br>Increase<br>ST Hours Pd |           |
| UTU                | 64,449,606                | --                               | X   | X   | X  | X   | X  | -- | --   | --  | X   | X  | X   | -- | 59,966,616                          | 93.044%   |
| TCU                | 8,324,274                 | --                               | --  | --  | -- | --  | -- | -- | --   | --  | X   | X  | X   | -- | 8,141,822                           | 97.808%   |
| BLET               | 48,185,429                | X                                | X   | X   | X  | X   | X  | X  | --   | --  | X   | X  | X   | -- | 30,614,099                          | 63.534%   |
| SMW                | 1,439,998                 | --                               | --  | X   | -- | X   | X  | -- | --   | --  | X   | X  | X   | -- | 1,439,998                           | 100.000%  |
| BRS                | 12,725,597                | --                               | --  | --  | -- | --  | -- | -- | --   | --  | X   | X  | X   | -- | 12,501,247                          | 98.237%   |
| BMWE               | 39,729,106                | --                               | --  | --  | -- | --  | -- | -- | --   | --  | X   | X  | X   | -- | 38,715,333                          | 97.448%   |
| TCU-CAR            | 14,917,490                | --                               | --  | --  | -- | --  | -- | -- | --   | --  | X   | X  | X   | -- | 14,688,441                          | 98.465%   |
| NCFO               | 3,721,747                 | --                               | --  | --  | -- | --  | X  | -- | --   | --  | X   | X  | X   | -- | 3,693,151                           | 99.232%   |
| IAM                | 11,289,069                | --                               | --  | --  | -- | --  | -- | -- | --   | --  | X   | X  | X   | -- | 11,178,736                          | 99.023%   |
| IBBM               | 2,146,953                 | --                               | X   | X   | -- | X   | X  | -- | --   | --  | X   | X  | X   | -- | 2,072,280                           | 96.522%   |
| IBEW               | 9,026,156                 | --                               | --  | --  | -- | --  | -- | -- | --   | --  | X   | X  | X   | -- | 8,915,705                           | 98.776%   |
| ATDA               | 5,286,172                 | --                               | X   | --  | X  | X   | -- | -- | --   | --  | X   | X  | X   | X  | 3,735,418                           | 70.664%   |
| UTU-YMD            | 2,869,889                 | --                               | X   | X   | X  | X   | X  | -- | --   | --  | X   | X  | X   | X  | 1,901,985                           | 66.274%   |
| OTHER              | 47,288,001                | --                               | --  | --  | -- | --  | -- | -- | --   | --  | --  | -- | --  | -- | 47,288,001                          | 100.000%  |
| TOTAL              | 271,399,487               |                                  |     |     |    |     |    |    |      |     |     |    |     |    | 244,852,832                         |           |
| Sum (for proofing) |                           |                                  |     |     |    |     |    |    |      |     |     |    |     |    |                                     | 1279.026% |

Percentages are full float.



|          | LATEST       | VALUE TRADED (BILLIONS) | HIGH  | LOW   |
|----------|--------------|-------------------------|-------|-------|
| Treasury | <b>0.107</b> | 27.200                  | 6.007 | 0.002 |
| MBS      | <b>0.129</b> | 88.550                  | 6.699 | 0.011 |

**Secondary Market**

Tuesday, August 25, 2020

**Fannie Mae 30-year Mortgage Yields**

|         | LATEST       | WK AGO | 52-WEEK |       |
|---------|--------------|--------|---------|-------|
|         |              |        | HIGH    | LOW   |
| 30 days | <b>1.863</b> | 1.833  | 3.388   | 1.751 |
| 60 days | <b>1.918</b> | 1.885  | 3.403   | 1.804 |

**U.S. Government Rates**

Tuesday, August 25, 2020

**Discount Rates [Effective Date: 3/16/20]**

|  | LATEST      | WK AGO | 52-WEEK |      |
|--|-------------|--------|---------|------|
|  |             |        | HIGH    | LOW  |
|  | <b>0.25</b> | 0.25   | 2.75    | 0.25 |

**Federal Funds [Effective Date: 3/16/20]**

|                | LATEST           | WK AGO    | 52-WEEK   |           |
|----------------|------------------|-----------|-----------|-----------|
|                |                  |           | HIGH      | LOW       |
| Effective rate | <b>0.09</b>      | 0.10      | 2.36      | 0.06      |
| Target rate    | <b>0.00-0.25</b> | 0.00-0.25 | 2.00-2.25 | 0.00-0.25 |
| High           | <b>0.1000</b>    | 0.1100    | 3.0000    | 0.1000    |
| Low            | <b>0.0500</b>    | 0.0500    | 2.0500    | 0.0100    |
| Bid            | <b>0.0800</b>    | 0.0800    | 2.1200    | 0.0100    |
| Offer          | <b>0.1100</b>    | 0.1000    | 2.5000    | 0.0500    |

**Treasury Bill Auction**

|          | LATEST       | WK AGO | 52-WEEK |       |
|----------|--------------|--------|---------|-------|
|          |              |        | HIGH    | LOW   |
| 4 weeks  | <b>0.080</b> | 0.085  | 2.060   | 0.000 |
| 13 weeks | <b>0.100</b> | 0.105  | 1.950   | 0.000 |
| 26 weeks | <b>0.120</b> | 0.120  | 1.870   | 0.080 |

**Weekly Survey**

Thursday, August 20, 2020

**Freddie Mac**

|               | LATEST      | WK AGO | 52-WEEK  |  |
|---------------|-------------|--------|----------|--|
|               |             |        | YEAR AGO |  |
| 30-year fixed | <b>2.99</b> | 2.96   | 3.55     |  |
| 15-year fixed | <b>2.54</b> | 2.46   | 3.03     |  |
| Five-year ARM | <b>2.91</b> | 2.90   | 3.32     |  |

**U.S. prime rate** is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective 3/16/20. **Other prime rates** aren't directly comparable; lending practices vary widely

**RCAF Lump Sum Amortization  
2020/Q4**

|                        | <b>Quarter<br/>of<br/>Payment</b> | <b>Quarter<br/>Amortization<br/>Began</b> | <b>Amount</b>       | <b>Annual<br/>Per ST Hour</b> | <b>1 Quarter<br/>Per ST Hour</b> | <b>U.S.<br/>ST Hours</b> |
|------------------------|-----------------------------------|-------------------------------------------|---------------------|-------------------------------|----------------------------------|--------------------------|
| NS - BLET 2019Q3 PPI   | 2019Q4                            | 2020Q1                                    |                     |                               |                                  | 271,399,487              |
| CSX - BLET 2020        | 2020Q1                            | 2020Q2                                    |                     |                               |                                  | 271,399,487              |
| NS - BLET 2019Q4 PPI   | 2020Q1                            | 2020Q2                                    |                     |                               |                                  | 271,399,487              |
| NS - BLET 2020 Ave PPI | 2020Q1                            | 2020Q2                                    |                     |                               |                                  | 271,399,487              |
| NS - BLET 2020 TPB     | 2020Q1                            | 2020Q2                                    |                     |                               |                                  | 271,399,487              |
| NS - BLET 2020Q1 PPI   | 2020Q2                            | 2020Q3                                    |                     |                               |                                  | 271,399,487              |
| NS - BLET 2020Q2 PPI   | 2020Q3                            | 2020Q4                                    |                     |                               |                                  | 271,399,487              |
| <b>Total</b>           |                                   |                                           | <b>\$94,825,266</b> | <b>0.34939</b>                |                                  |                          |

Should be slightly less  
than amortized amount.

**Fell out**

|                      |        |        |  |  |  |             |
|----------------------|--------|--------|--|--|--|-------------|
| NS - BLET 2019Q2 PPI | 2019Q3 | 2019Q4 |  |  |  | 285,497,928 |
|----------------------|--------|--------|--|--|--|-------------|

**Interest Rate**

|         |       |
|---------|-------|
| 2018/Q3 | 1.880 |
| 2018/Q4 | 2.080 |
| 2019/Q1 | 2.370 |
| 2019/Q2 | 2.405 |
| 2019/Q3 | 2.335 |
| 2019/Q4 | 1.950 |
| 2020/Q1 | 1.560 |
| 2020/Q2 | 1.505 |
| 2020/Q3 | 0.130 |
| 2020/Q4 | 0.100 |
| 2021/Q1 |       |
| 2021/Q2 |       |

|                                        |                   |
|----------------------------------------|-------------------|
| <b>Lump Sum Adjustment for 2020/Q4</b> | <b>→ 0.350210</b> |
|                                        | <b>or</b>         |
|                                        | <b>0.350</b>      |

**RCAF Back Pay Amortization  
2020/Q4**

|                       | Quarter<br>of<br>Payment | Quarter<br>Amortization<br>Began | Amount | Annual<br>Per ST Hour | 1 Quarter<br>Per ST Hr. | U.S.<br>ST Hours |      |
|-----------------------|--------------------------|----------------------------------|--------|-----------------------|-------------------------|------------------|------|
| DME - all unions 2020 | 2020Q1                   | 2020Q2                           |        |                       |                         | 271,399,487      | 2019 |
| Total                 |                          |                                  |        |                       |                         |                  |      |

Should be slightly less  
than amortized amount.

**Fell out**

None

**Notes:**

"UTU" is now called SMART-TD (Transportation Division), and SMW is now called SMART-MD (Mechanical Division)

CN railroads 2018Q4 = IC BLET, CCP BLET, GTW UTU, GTW UTU-YMD, WC UTU-YMD

CP railroads 2018Q4 = DH BRC, DH IAM, SOO NCFO, SOO IBEW, SOO BRS, SOO UTU-YDM

CP railroads 2019Q3 = DME IAM, SOO IAM, SOO BRC

## Interest Rate

|         |       |
|---------|-------|
| 2018/Q2 | 1.570 |
| 2018/Q3 | 1.880 |
| 2018/Q4 | 2.080 |
| 2019/Q1 | 2.370 |
| 2019/Q2 | 2.405 |
| 2019/Q3 | 2.335 |
| 2019/Q4 | 1.950 |
| 2020/Q1 | 1.560 |
| 2020/Q2 | 1.505 |
| 2020/Q3 | 0.130 |
| 2020/Q4 | 0.100 |
| 2021/Q1 |       |
| 2021/Q2 |       |

Back Pay Adjustment for 2020/Q4

→ -0.00002

or

0.000

## Health and Welfare 2020Q4

|                                                                     | Employees<br>Receiving |                                           |            | Total             |                   |
|---------------------------------------------------------------------|------------------------|-------------------------------------------|------------|-------------------|-------------------|
|                                                                     | Pay<br>2019            | Monthly Contribution<br>2019 Avg.    2020 |            | 2019 Avg.         | 2020              |
| 1. All Employees                                                    |                        |                                           |            |                   |                   |
| a. Group health                                                     | 142,449                | \$1,607.55                                | \$1,606.79 | \$228,993,889.95  | \$228,885,628.71  |
| b. Group dental                                                     | 142,449                | 63.67                                     | 63.67      | 9,069,727.83      | 9,069,727.83      |
| c. Early retirement major medical                                   | 142,449                | 129.38                                    | 114.37     | 18,430,051.62     | 16,291,892.13     |
| d. Group vision                                                     | 142,449                | 8.44                                      | 8.44       | 1,202,269.56      | 1,202,269.56      |
| 2. Supplemental Sickness                                            |                        |                                           |            |                   |                   |
| a. Signalmen                                                        | 6,773                  | 41.32                                     | 38.31      | 279,860.36        | 259,473.63        |
| b. Shopcrafts                                                       | 21,324                 | 67.87                                     | 61.93      | 1,447,259.88      | 1,320,595.32      |
| c. MOW                                                              | 21,940                 | 44.82                                     | 39.94      | 983,350.80        | 876,283.60        |
| d. Yardmasters                                                      | 1,608                  | 45.75                                     | 54.00      | 73,566.00         | 86,832.00         |
| 3. Short-Term Disability                                            |                        |                                           |            |                   |                   |
| a. Engineers (CSX, KCS, SOO, UP)                                    | 10,898                 | 40.00                                     | 40.00      | 435,920.00        | 435,920.00        |
| 4. Monthly Total Premiums                                           |                        |                                           |            | 260,915,896.00    | 258,428,622.78    |
| 5. Monthly Employee Contributions To H&W                            |                        |                                           |            |                   |                   |
| a. National ATDA (BNSF, CSX, KCS, NS, SOO, GTW, WC)                 | 1,615                  | (\$228.89)                                | (\$228.89) | (\$369,657.35)    | (369,657.35)      |
| b. National BLET (BNSF, CSX, KCS, NS, UP, SOO, DH)                  | 22,803                 | (\$228.89)                                | (\$228.89) | (\$5,219,378.67)  | (5,219,378.67)    |
| c. National BMW (All except SOO, DME, DH)                           | 21,373                 | (\$228.89)                                | (\$228.89) | (\$4,892,065.97)  | (4,892,065.97)    |
| d. National BRS (All except DME)                                    | 6,744                  | (\$228.89)                                | (\$228.89) | (\$1,543,634.16)  | (1,543,634.16)    |
| e. National IAM (BNSF, CSX, KCS, NS, SOO, UP)                       | 6,226                  | (\$228.89)                                | (\$228.89) | (\$1,425,069.14)  | (1,425,069.14)    |
| f. National IBBM (BNSF, CSX, KCS, NS, SOO, UP, IC)                  | 1,142                  | (\$228.89)                                | (\$228.89) | (\$261,392.38)    | (261,392.38)      |
| g. National IBEW (All except DME)                                   | 4,970                  | (\$228.89)                                | (\$228.89) | (\$1,137,583.30)  | (1,137,583.30)    |
| h. National NCFO (All except DME and WC)                            | 2,057                  | (\$228.89)                                | (\$228.89) | (\$470,826.73)    | (470,826.73)      |
| i. National SMW (BNSF, CSX, KCS, NS, UP, IC)                        | 808                    | (\$228.89)                                | (\$228.89) | (\$184,943.12)    | (184,943.12)      |
| j. National TCU (All except DME and DH)                             | 4,580                  | (\$228.89)                                | (\$228.89) | (\$1,048,316.20)  | (1,048,316.20)    |
| k. National TCU-CAR (All except DME)                                | 8,109                  | (\$228.89)                                | (\$228.89) | (\$1,856,069.01)  | (1,856,069.01)    |
| l. National UTU (BNSF, CSX, KCS, NS, UP, SOO, DH)                   | 34,204                 | (\$228.89)                                | (\$228.89) | (\$7,828,953.56)  | (7,828,953.56)    |
| m. Yardmasters (BNSF, CSX, KCS, NS, UP*, SOO, DH)                   | 1,505                  | (\$228.89)                                | (\$228.89) | (\$344,479.45)    | (\$344,479.45)    |
| n. Misc Indep (DME, portions of DH & SOO, portions of CN)           | 3,873                  | (\$231.92)                                | (\$232.35) | (\$898,225.17)    | (899,877.78)      |
| Total Major Union                                                   | 120,009                |                                           |            | (\$27,480,594.21) | (\$27,482,246.82) |
| All Other Employee Contributions*                                   |                        |                                           |            | (\$4,042,480.71)  | (\$4,042,480.71)  |
| 6. Net Employer Monthly Payments                                    |                        |                                           |            | \$229,392,821.08  | \$226,903,895.25  |
| 7. Ratio Projected Year to Base Year, Based on Net Monthly Payments |                        |                                           |            |                   | 0.98915           |
| 8. H&W hourly rate for base year 2019                               |                        |                                           |            | \$8.118           |                   |
| 9. H&W hourly rate for projected quarter                            |                        |                                           |            |                   | \$8.030           |

\* Non-union employee contributions net of opt-outs. The \$27,480,594.21 in major union contributions, plus \$4,042,480.71 in all other employee contributions, totals to the 12-month average of the total employee contributions reported to the AAR in its WF survey.

# NATIONAL RAILWAY LABOR CONFERENCE

## EMPLOYEE BENEFITS DEPARTMENT

251 – 18<sup>th</sup> Street, South, Suite 750, Arlington, VA 22202 ~~~ PHONE: (571) 336-7600

David B. Marcus  
Director Employee Benefits  
(571) 336-7596  
Email: dmarcus@rmrlc.org

Susan E. Parks, CEBS  
Benefits Administrator  
(571) 336-7625  
Email: sparks@rmrlc.org

November 14, 2019

Ms. Tiffany Placker  
Economist  
Association of American Railroads  
425 Third Street, SW, Suite 1000  
Washington, D.C. 20024

Dear Ms. Placker:

The revised employer Payment Rates which are effective January 1, 2020 are as follows:

|                                                                                                                                            |            |
|--------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Railroad Employees National Health & Welfare Plan &<br>National Railway Carriers/United Transportation Union H&W Plan<br>Non-Hospital Road | \$1,606.79 |
| Railroad Employees National Early Retirement<br>Major Medical Benefit Plan<br>Non-Hospital Road                                            | \$ 114.37  |
| Aetna - National Dental Plan                                                                                                               | \$ 63.67   |
| Aetna - Supplemental Sickness Plans                                                                                                        |            |
| ShopCrafts                                                                                                                                 | \$ 61.93   |
| Signalmen                                                                                                                                  | \$ 38.31   |
| Maintenance of Way                                                                                                                         | \$ 39.94   |
| Trustmark - Supplemental Sickness Plans<br>Yardmasters                                                                                     | \$ 54.00   |
| EyeMed - National Vision Plan                                                                                                              | \$ 8.44    |

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

Very truly yours,



Susan E. Parks

cc: Glen Williams  
Clyde Crimmel

# NATIONAL RAILWAY LABOR CONFERENCE

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November 1, 2018

Ms. Tiffany Placker  
Economist  
Association of American Railroads  
425 Third Street, SW, Suite 1000  
Washington, D.C. 20024

Dear Ms. Placker:

The revised employer Payment Rates which are effective January 1, 2019 are as follows:

|                                                                                                                                            |            |
|--------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Railroad Employees National Health & Welfare Plan &<br>National Railway Carriers/United Transportation Union H&W Plan<br>Non-Hospital Road | \$1,607.55 |
| Railroad Employees National Early Retirement<br>Major Medical Benefit Plan<br>Non-Hospital Road                                            | \$ 129.38  |
| Aetna - National Dental Plan                                                                                                               | \$ 63.67   |
| Aetna - Supplemental Sickness Plans                                                                                                        |            |
| ShopCrafts                                                                                                                                 | \$ 67.87   |
| Signalmen                                                                                                                                  | \$ 41.32   |
| Maintenance of Way                                                                                                                         | \$ 44.82   |
| Trustmark - Supplemental Sickness Plans<br>Yardmasters                                                                                     | \$ 45.75   |
| EyeMed - National Vision Plan                                                                                                              | \$ 8.44    |

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

Very truly yours,



Susan E. Parks

cc: Glen Williams

## RCAF Taxable Wages

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

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

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

### Reduction Calculation for 4Q/2020

U.S. ST Hours = 271,399,487  
 Wage Statistics are for 2019

| Union Group                                            | Employees      | Mo. Rate   | Annual \$                 |
|--------------------------------------------------------|----------------|------------|---------------------------|
| National ATDA (BNSF, CSX, KCS, NS, SOO, GTW, WC)       | 1,615          | (\$228.89) | (\$4,435,888.20)          |
| National BLET (BNSF, CSX, KCS, NS, UP, SOO, DH)        | 22,803         | (\$228.89) | (\$62,632,544.04)         |
| National BMW (All except SOO, DME, DH)                 | 21,373         | (\$228.89) | (\$58,704,791.64)         |
| National BRS (All except DME)                          | 6,744          | (\$228.89) | (\$18,523,609.92)         |
| National IAM (BNSF, CSX, KCS, NS, SOO, UP)             | 6,226          | (\$228.89) | (\$17,100,829.68)         |
| National IBBM (BNSF, CSX, KCS, NS, SOO, UP, IC)        | 1,142          | (\$228.89) | (\$3,136,708.56)          |
| National IBEW (All except DME)                         | 4,970          | (\$228.89) | (\$13,650,999.60)         |
| National NCFO (All except DME and WC)                  | 2,057          | (\$228.89) | (\$5,649,920.76)          |
| National SMW (BNSF, CSX, KCS, NS, UP, IC)              | 808            | (\$228.89) | (\$2,219,317.44)          |
| National TCU (All except DME and DH)                   | 4,580          | (\$228.89) | (\$12,579,794.40)         |
| National TCU-CAR (All except DME)                      | 8,109          | (\$228.89) | (\$22,272,828.12)         |
| National UTU (BNSF, CSX, KCS, NS, UP, SOO, DH)         | 34,204         | (\$228.89) | (\$93,947,442.72)         |
| Yardmasters (BNSF, CSX, KCS, NS, UP, SOO, DH)          | 1,505          | (\$228.89) | (\$4,133,753.40)          |
| Misc Indep (DME, portions of DH & SOO, portions of CN) | 3,873          | (\$232.35) | (\$10,798,698.60)         |
| <b>Total Union</b>                                     | <b>120,009</b> |            | <b>(\$329,787,127.08)</b> |
| <b>All Other @ \$4,050,907.61 total per month</b>      |                |            | <b>(\$48,610,891.32)</b>  |
| <b>Total</b>                                           |                |            | <b>(\$378,398,018.40)</b> |

|                                       |                 |
|---------------------------------------|-----------------|
| Reduction in Wage Rate Per ST Hour    | -\$1.39424736   |
| Deduct this amount from the Wage Rate | <b>-\$1.394</b> |

## Railroad Retirement and Medicare for RCAF

### Inputs:

|                                   |         |                                            |          |
|-----------------------------------|---------|--------------------------------------------|----------|
| RRB Earnings Distribution Year    | 2018    | Tier I Maximum Taxable Earnings for 2020   | 137,700  |
| Wage Statistics Year              | 2019    | Tier II Maximum Taxable Earnings for 2020  | 102,300  |
| Current Year                      | 2020    | Medicare Maximum Taxable Earnings for 2020 | no limit |
| Employees Receiving Pay*          | 142,449 | Tier I Employer Tax Rate for 2020          | 6.20%    |
| * from 2019 final wage statistics |         | Tier II Employer Tax Rate for 2020         | 13.10%   |
|                                   |         | Medicare Employer Tax Rate for 2020        | 1.45%    |

| USA RCAF | Wage<br>Rate | Update<br>Factor | Railroad<br>Retirement Tax | Hourly<br>Rate |
|----------|--------------|------------------|----------------------------|----------------|
| 2018     | \$41.687     |                  |                            |                |
| 2019     | \$43.000     | 1.03150          | \$647,882,921              | \$8.758        |
| 1Q/2020  | \$43.877     | 1.05253          | \$664,558,748              | \$8.983        |
| 2Q/2020  | \$43.654     | 1.04718          | \$662,289,246              | \$8.953        |
| 3Q/2020  | \$43.596     | 1.04579          | \$661,698,972              | \$8.945        |
| 4Q/2020  | \$43.596     | 1.04579          | \$661,698,972              | <b>\$8.945</b> |

Railroad Retirement & Medicare, U.S.

| From 2018 Earnings Distribution                       |                   |                      | 1Q/2020 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info |                 |                    |                |                 |                  |                                              |               |               |  |
|-------------------------------------------------------|-------------------|----------------------|--------------------------------------------------------------------------------------------------------------|-----------------|--------------------|----------------|-----------------|------------------|----------------------------------------------|---------------|---------------|--|
| Earnings Groups                                       | Avg Ann. Earnings | % of Total Employees | Employees Recvg. Pay                                                                                         | Annual Earnings | Avg Qtrly Earnings | Tier I Taxable | Tier II Taxable | Medicare Taxable | Total Taxable Earnings (Taxable x Employees) |               |               |  |
|                                                       |                   |                      |                                                                                                              |                 |                    |                |                 |                  | Tier I                                       | Tier II       | Medicare      |  |
| \$0 - 41,699                                          | \$27,759          | 1.052                | 1,499                                                                                                        | \$29,217        | \$7,304            | \$7,304        | \$7,304         | \$7,304          | \$10,945,995                                 | \$10,945,995  | \$10,945,995  |  |
| 41,700 - 43,699                                       | \$42,886          | 0.473                | 674                                                                                                          | 45,139          | 11,285             | 11,285         | 11,285          | 11,285           | 7,603,479                                    | 7,603,479     | 7,603,479     |  |
| 43,700 - 45,699                                       | \$44,794          | 0.368                | 524                                                                                                          | 47,147          | 11,787             | 11,787         | 11,787          | 11,787           | 6,178,789                                    | 6,178,789     | 6,178,789     |  |
| 45,700 - 47,699                                       | \$46,360          | 0.579                | 825                                                                                                          | 48,795          | 12,199             | 12,199         | 12,199          | 12,199           | 10,061,383                                   | 10,061,383    | 10,061,383    |  |
| 47,700 - 49,699                                       | \$48,585          | 0.631                | 899                                                                                                          | 51,137          | 12,784             | 12,784         | 12,784          | 12,784           | 11,491,250                                   | 11,491,250    | 11,491,250    |  |
| 49,700 - 51,699                                       | \$50,995          | 0.631                | 899                                                                                                          | 53,674          | 13,418             | 13,418         | 13,418          | 13,418           | 12,061,259                                   | 12,061,259    | 12,061,259    |  |
| 51,700 - 53,699                                       | \$52,927          | 1.105                | 1,574                                                                                                        | 55,707          | 13,927             | 13,927         | 13,927          | 13,927           | 21,921,752                                   | 21,921,752    | 21,921,752    |  |
| 53,700 - 55,699                                       | \$54,762          | 1.105                | 1,574                                                                                                        | 57,639          | 14,410             | 14,410         | 14,410          | 14,410           | 22,681,787                                   | 22,681,787    | 22,681,787    |  |
| 55,700 - 57,699                                       | \$56,774          | 1.420                | 2,023                                                                                                        | 59,757          | 14,939             | 14,939         | 14,939          | 14,939           | 30,218,544                                   | 30,218,544    | 30,218,544    |  |
| 57,700 - 59,699                                       | \$58,646          | 0.999                | 1,423                                                                                                        | 61,727          | 15,432             | 15,432         | 15,432          | 15,432           | 21,960,366                                   | 21,960,366    | 21,960,366    |  |
| 59,700 - 61,699                                       | \$60,905          | 1.894                | 2,698                                                                                                        | 64,105          | 16,026             | 16,026         | 16,026          | 16,026           | 43,238,301                                   | 43,238,301    | 43,238,301    |  |
| 61,700 - 63,699                                       | \$62,663          | 2.578                | 3,672                                                                                                        | 65,955          | 16,489             | 16,489         | 16,489          | 16,489           | 60,552,181                                   | 60,552,181    | 60,552,181    |  |
| 63,700 - 65,699                                       | \$64,661          | 3.051                | 4,346                                                                                                        | 68,058          | 17,014             | 17,014         | 17,014          | 17,014           | 73,946,959                                   | 73,946,959    | 73,946,959    |  |
| 65,700 - 67,699                                       | \$66,705          | 3.524                | 5,020                                                                                                        | 70,209          | 17,552             | 17,552         | 17,552          | 17,552           | 88,110,971                                   | 88,110,971    | 88,110,971    |  |
| 67,700 - 69,699                                       | \$68,607          | 3.524                | 5,020                                                                                                        | 72,211          | 18,053             | 18,053         | 18,053          | 18,053           | 90,623,332                                   | 90,623,332    | 90,623,332    |  |
| 69,700 - 71,699                                       | \$70,683          | 3.630                | 5,171                                                                                                        | 74,396          | 18,599             | 18,599         | 18,599          | 18,599           | 96,173,915                                   | 96,173,915    | 96,173,915    |  |
| 71,700 - 73,699                                       | \$72,689          | 3.261                | 4,645                                                                                                        | 76,508          | 19,127             | 19,127         | 19,127          | 19,127           | 88,849,541                                   | 88,849,541    | 88,849,541    |  |
| 73,700 - 75,699                                       | \$74,731          | 2.998                | 4,271                                                                                                        | 78,657          | 19,664             | 19,664         | 19,664          | 19,664           | 83,978,501                                   | 83,978,501    | 83,978,501    |  |
| 75,700 - 77,699                                       | \$76,815          | 2.893                | 4,121                                                                                                        | 80,850          | 20,213             | 20,213         | 20,213          | 20,213           | 83,297,154                                   | 83,297,154    | 83,297,154    |  |
| 77,700 - 79,699                                       | \$78,625          | 3.893                | 5,546                                                                                                        | 82,756          | 20,689             | 20,689         | 20,689          | 20,689           | 114,730,995                                  | 114,730,995   | 114,730,995   |  |
| 79,700 - 81,699                                       | \$80,695          | 3.156                | 4,496                                                                                                        | 84,934          | 21,234             | 21,234         | 21,234          | 21,234           | 95,459,536                                   | 95,459,536    | 95,459,536    |  |
| 81,700 - 83,699                                       | \$82,632          | 3.261                | 4,645                                                                                                        | 86,973          | 21,743             | 21,743         | 21,743          | 21,743           | 101,003,113                                  | 101,003,113   | 101,003,113   |  |
| 83,700 - 85,699                                       | \$84,635          | 3.051                | 4,346                                                                                                        | 89,081          | 22,270             | 22,270         | 22,270          | 22,270           | 96,789,424                                   | 96,789,424    | 96,789,424    |  |
| 85,700 - 87,699                                       | \$86,708          | 3.156                | 4,496                                                                                                        | 91,263          | 22,816             | 22,816         | 22,816          | 22,816           | 102,572,717                                  | 102,572,717   | 102,572,717   |  |
| 87,700 - 89,699                                       | \$88,593          | 2.946                | 4,197                                                                                                        | 93,247          | 23,312             | 23,312         | 23,312          | 23,312           | 97,829,053                                   | 97,829,053    | 97,829,053    |  |
| 89,700 - 91,699                                       | \$90,613          | 3.051                | 4,346                                                                                                        | 95,373          | 23,843             | 23,843         | 23,843          | 23,843           | 103,625,923                                  | 103,625,923   | 103,625,923   |  |
| 91,700 - 93,699                                       | \$92,672          | 2.578                | 3,672                                                                                                        | 97,540          | 24,385             | 24,385         | 24,385          | 24,385           | 89,550,321                                   | 89,550,321    | 89,550,321    |  |
| 93,700 - 95,699                                       | \$94,637          | 2.735                | 3,896                                                                                                        | 99,609          | 24,902             | 24,902         | 24,902          | 24,902           | 97,018,374                                   | 97,018,374    | 97,018,374    |  |
| 95,700 - 97,699                                       | \$96,662          | 2.104                | 2,997                                                                                                        | 101,740         | 25,435             | 25,435         | 25,435          | 25,435           | 76,231,982                                   | 76,231,982    | 76,231,982    |  |
| 97,700 - 99,699                                       | \$98,587          | 2.209                | 3,147                                                                                                        | 103,766         | 25,942             | 25,942         | 25,575          | 25,942           | 81,630,238                                   | 80,476,812    | 81,630,238    |  |
| 99,700 - 101,699                                      | \$100,672         | 2.209                | 3,147                                                                                                        | 105,961         | 26,490             | 26,490         | 25,575          | 26,490           | 83,356,623                                   | 80,476,812    | 83,356,623    |  |
| 101,700 - 103,699                                     | \$102,671         | 2.104                | 2,997                                                                                                        | 108,065         | 27,016             | 27,016         | 25,575          | 27,016           | 80,970,948                                   | 76,651,522    | 80,970,948    |  |
| 103,700 - 105,699                                     | \$104,782         | 1.999                | 2,848                                                                                                        | 110,287         | 27,572             | 27,572         | 25,575          | 27,572           | 78,511,843                                   | 72,826,232    | 78,511,843    |  |
| 105,700 - 107,699                                     | \$106,674         | 2.157                | 3,073                                                                                                        | 112,278         | 28,070             | 28,070         | 25,575          | 28,070           | 86,247,084                                   | 78,582,383    | 86,247,084    |  |
| 107,700 - 109,699                                     | \$108,720         | 2.052                | 2,923                                                                                                        | 114,432         | 28,608             | 28,608         | 25,575          | 28,608           | 83,622,375                                   | 74,757,093    | 83,622,375    |  |
| 109,700 - 111,699                                     | \$110,896         | 1.105                | 1,574                                                                                                        | 116,722         | 29,180             | 29,180         | 25,575          | 29,180           | 45,931,841                                   | 40,256,622    | 45,931,841    |  |
| 111,700 - 113,699                                     | \$112,783         | 1.420                | 2,023                                                                                                        | 118,708         | 29,677             | 29,677         | 25,575          | 29,677           | 60,029,909                                   | 51,732,491    | 60,029,909    |  |
| 113,700 - 115,699                                     | \$114,721         | 1.315                | 1,873                                                                                                        | 120,748         | 30,187             | 30,187         | 25,575          | 30,187           | 56,546,324                                   | 47,907,201    | 56,546,324    |  |
| \$115,700 - over                                      | \$152,731         | 17.783               | 25,332                                                                                                       | 160,755         | 40,189             | 34,425         | 25,575          | 40,189           | 872,043,968                                  | 647,858,373   | 1,018,047,217 |  |
| TOTAL                                                 | \$93,738          | 100.000              | 142,449                                                                                                      |                 |                    |                |                 |                  |                                              |               |               |  |
| Total Taxable Earnings                                |                   |                      |                                                                                                              |                 |                    |                |                 |                  | 3,367,598,052                                | 3,090,232,439 | 3,513,601,301 |  |
| Employer Tax Rate                                     |                   |                      |                                                                                                              |                 |                    |                |                 |                  | 6.20%                                        | 13.10%        | 1.45%         |  |
| Quarterly Payment                                     |                   |                      |                                                                                                              |                 |                    |                |                 |                  | \$208,791,079                                | \$404,820,449 | \$50,947,219  |  |
| Total Tier I, Tier II, and Medicare Paid this Quarter |                   |                      |                                                                                                              |                 |                    |                |                 |                  |                                              |               | \$664,558,748 |  |

Railroad Retirement & Medicare, U.S.

| From 2018 Earnings Distribution                       |                   |                      | 2Q/2020 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info |                 |                   |                |                 |                  |                                              |               |               |
|-------------------------------------------------------|-------------------|----------------------|--------------------------------------------------------------------------------------------------------------|-----------------|-------------------|----------------|-----------------|------------------|----------------------------------------------|---------------|---------------|
| Earnings Groups                                       | Avg Ann. Earnings | % of Total Employees | Employees Recvg. Pay                                                                                         | Annual Earnings | Avg Qtly Earnings | Tier I Taxable | Tier II Taxable | Medicare Taxable | Total Taxable Earnings (Taxable x Employees) |               |               |
|                                                       |                   |                      |                                                                                                              |                 |                   |                |                 |                  | Tier I                                       | Tier II       | Medicare      |
| \$0 - 41,699                                          | \$27,759          | 1.052                | 1,499                                                                                                        | \$29,069        | \$7,267           | \$7,267        | \$7,267         | \$7,267          | \$10,890,363                                 | \$10,890,363  | \$10,890,363  |
| 41,700 - 43,699                                       | \$42,886          | 0.473                | 674                                                                                                          | 44,910          | 11,227            | 11,227         | 11,227          | 11,227           | 7,564,836                                    | 7,564,836     | 7,564,836     |
| 43,700 - 45,699                                       | \$44,794          | 0.368                | 524                                                                                                          | 46,908          | 11,727            | 11,727         | 11,727          | 11,727           | 6,147,386                                    | 6,147,386     | 6,147,386     |
| 45,700 - 47,699                                       | \$46,360          | 0.579                | 825                                                                                                          | 48,547          | 12,137            | 12,137         | 12,137          | 12,137           | 10,010,247                                   | 10,010,247    | 10,010,247    |
| 47,700 - 49,699                                       | \$48,585          | 0.631                | 899                                                                                                          | 50,877          | 12,719            | 12,719         | 12,719          | 12,719           | 11,432,847                                   | 11,432,847    | 11,432,847    |
| 49,700 - 51,699                                       | \$50,995          | 0.631                | 899                                                                                                          | 53,401          | 13,350            | 13,350         | 13,350          | 13,350           | 11,999,959                                   | 11,999,959    | 11,999,959    |
| 51,700 - 53,699                                       | \$52,927          | 1.105                | 1,574                                                                                                        | 55,424          | 13,856            | 13,856         | 13,856          | 13,856           | 21,810,337                                   | 21,810,337    | 21,810,337    |
| 53,700 - 55,699                                       | \$54,762          | 1.105                | 1,574                                                                                                        | 57,346          | 14,336            | 14,336         | 14,336          | 14,336           | 22,566,510                                   | 22,566,510    | 22,566,510    |
| 55,700 - 57,699                                       | \$56,774          | 1.420                | 2,023                                                                                                        | 59,453          | 14,863            | 14,863         | 14,863          | 14,863           | 30,064,962                                   | 30,064,962    | 30,064,962    |
| 57,700 - 59,699                                       | \$58,646          | 0.999                | 1,423                                                                                                        | 61,413          | 15,353            | 15,353         | 15,353          | 15,353           | 21,848,755                                   | 21,848,755    | 21,848,755    |
| 59,700 - 61,699                                       | \$60,905          | 1.894                | 2,698                                                                                                        | 63,779          | 15,945            | 15,945         | 15,945          | 15,945           | 43,018,547                                   | 43,018,547    | 43,018,547    |
| 61,700 - 63,699                                       | \$62,663          | 2.578                | 3,672                                                                                                        | 65,620          | 16,405            | 16,405         | 16,405          | 16,405           | 60,244,432                                   | 60,244,432    | 60,244,432    |
| 63,700 - 65,699                                       | \$64,661          | 3.051                | 4,346                                                                                                        | 67,712          | 16,928            | 16,928         | 16,928          | 16,928           | 73,571,132                                   | 73,571,132    | 73,571,132    |
| 65,700 - 67,699                                       | \$66,705          | 3.524                | 5,020                                                                                                        | 69,852          | 17,463            | 17,463         | 17,463          | 17,463           | 87,663,156                                   | 87,663,156    | 87,663,156    |
| 67,700 - 69,699                                       | \$68,607          | 3.524                | 5,020                                                                                                        | 71,844          | 17,961            | 17,961         | 17,961          | 17,961           | 90,162,749                                   | 90,162,749    | 90,162,749    |
| 69,700 - 71,699                                       | \$70,683          | 3.630                | 5,171                                                                                                        | 74,018          | 18,505            | 18,505         | 18,505          | 18,505           | 95,685,122                                   | 95,685,122    | 95,685,122    |
| 71,700 - 73,699                                       | \$72,689          | 3.261                | 4,645                                                                                                        | 76,119          | 19,030            | 19,030         | 19,030          | 19,030           | 88,397,973                                   | 88,397,973    | 88,397,973    |
| 73,700 - 75,699                                       | \$74,731          | 2.998                | 4,271                                                                                                        | 78,257          | 19,564            | 19,564         | 19,564          | 19,564           | 83,551,690                                   | 83,551,690    | 83,551,690    |
| 75,700 - 77,699                                       | \$76,815          | 2.893                | 4,121                                                                                                        | 80,440          | 20,110            | 20,110         | 20,110          | 20,110           | 82,873,806                                   | 82,873,806    | 82,873,806    |
| 77,700 - 79,699                                       | \$78,625          | 3.893                | 5,546                                                                                                        | 82,335          | 20,584            | 20,584         | 20,584          | 20,584           | 114,147,887                                  | 114,147,887   | 114,147,887   |
| 79,700 - 81,699                                       | \$80,695          | 3.156                | 4,496                                                                                                        | 84,503          | 21,126            | 21,126         | 21,126          | 21,126           | 94,974,373                                   | 94,974,373    | 94,974,373    |
| 81,700 - 83,699                                       | \$82,632          | 3.261                | 4,645                                                                                                        | 86,531          | 21,633            | 21,633         | 21,633          | 21,633           | 100,489,776                                  | 100,489,776   | 100,489,776   |
| 83,700 - 85,699                                       | \$84,635          | 3.051                | 4,346                                                                                                        | 88,629          | 22,157            | 22,157         | 22,157          | 22,157           | 96,297,502                                   | 96,297,502    | 96,297,502    |
| 85,700 - 87,699                                       | \$86,708          | 3.156                | 4,496                                                                                                        | 90,799          | 22,700            | 22,700         | 22,700          | 22,700           | 102,051,403                                  | 102,051,403   | 102,051,403   |
| 87,700 - 89,699                                       | \$88,593          | 2.946                | 4,197                                                                                                        | 92,773          | 23,193            | 23,193         | 23,193          | 23,193           | 97,331,847                                   | 97,331,847    | 97,331,847    |
| 89,700 - 91,699                                       | \$90,613          | 3.051                | 4,346                                                                                                        | 94,889          | 23,722            | 23,722         | 23,722          | 23,722           | 103,099,256                                  | 103,099,256   | 103,099,256   |
| 91,700 - 93,699                                       | \$92,672          | 2.578                | 3,672                                                                                                        | 97,045          | 24,261            | 24,261         | 24,261          | 24,261           | 89,095,191                                   | 89,095,191    | 89,095,191    |
| 93,700 - 95,699                                       | \$94,637          | 2.735                | 3,896                                                                                                        | 99,102          | 24,776            | 24,776         | 24,776          | 24,776           | 96,525,289                                   | 96,525,289    | 96,525,289    |
| 95,700 - 97,699                                       | \$96,662          | 2.104                | 2,997                                                                                                        | 101,223         | 25,306            | 25,306         | 25,306          | 25,306           | 75,844,541                                   | 75,844,541    | 75,844,541    |
| 97,700 - 99,699                                       | \$98,587          | 2.209                | 3,147                                                                                                        | 103,239         | 25,810            | 25,810         | 25,575          | 25,810           | 81,215,362                                   | 80,476,812    | 81,215,362    |
| 99,700 - 101,699                                      | \$100,672         | 2.209                | 3,147                                                                                                        | 105,422         | 26,356            | 26,356         | 25,575          | 26,356           | 82,932,972                                   | 80,476,812    | 82,932,972    |
| 101,700 - 103,699                                     | \$102,671         | 2.104                | 2,997                                                                                                        | 107,516         | 26,879            | 26,879         | 25,575          | 26,879           | 80,559,422                                   | 76,651,522    | 80,559,422    |
| 103,700 - 105,699                                     | \$104,782         | 1.999                | 2,848                                                                                                        | 109,726         | 27,432            | 27,432         | 25,575          | 27,432           | 78,112,816                                   | 72,826,232    | 78,112,816    |
| 105,700 - 107,699                                     | \$106,674         | 2.157                | 3,073                                                                                                        | 111,707         | 27,927            | 27,927         | 25,575          | 27,927           | 85,808,743                                   | 78,582,383    | 85,808,743    |
| 107,700 - 109,699                                     | \$108,720         | 2.052                | 2,923                                                                                                        | 113,850         | 28,462            | 28,462         | 25,575          | 28,462           | 83,197,373                                   | 74,757,093    | 83,197,373    |
| 109,700 - 111,699                                     | \$110,896         | 1.105                | 1,574                                                                                                        | 116,129         | 29,032            | 29,032         | 25,575          | 29,032           | 45,698,398                                   | 40,256,622    | 45,698,398    |
| 111,700 - 113,699                                     | \$112,783         | 1.420                | 2,023                                                                                                        | 118,105         | 29,526            | 29,526         | 25,575          | 29,526           | 59,724,813                                   | 51,732,491    | 59,724,813    |
| 113,700 - 115,699                                     | \$114,721         | 1.315                | 1,873                                                                                                        | 120,134         | 30,034            | 30,034         | 25,575          | 30,034           | 56,258,933                                   | 47,907,201    | 56,258,933    |
| \$115,700 - over                                      | \$152,731         | 17.783               | 25,332                                                                                                       | 159,938         | 39,984            | 34,425         | 25,575          | 39,984           | 872,043,968                                  | 647,858,373   | 1,012,873,104 |
| TOTAL                                                 |                   | 100.000              | 142,449                                                                                                      |                 |                   |                |                 |                  |                                              |               |               |
| Total Taxable Earnings                                |                   |                      |                                                                                                              |                 |                   |                |                 |                  | 3,354,914,675                                | 3,080,887,414 | 3,495,743,811 |
| Employer Tax Rate                                     |                   |                      |                                                                                                              |                 |                   |                |                 |                  | 6.20%                                        | 13.10%        | 1.45%         |
| Quarterly Payment                                     |                   |                      |                                                                                                              |                 |                   |                |                 |                  | \$208,004,710                                | \$403,596,251 | \$50,688,285  |
| Total Tier I, Tier II, and Medicare Paid this Quarter |                   |                      |                                                                                                              |                 |                   |                |                 |                  |                                              |               | \$662,289,246 |

Railroad Retirement & Medicare, U.S.

| From 2018 Earnings Distribution                       |                   |                      | 3Q/2020 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info |                 |                    |                |                 |                  |                                              |               |               |
|-------------------------------------------------------|-------------------|----------------------|--------------------------------------------------------------------------------------------------------------|-----------------|--------------------|----------------|-----------------|------------------|----------------------------------------------|---------------|---------------|
| Earnings Groups                                       | Avg Ann. Earnings | % of Total Employees | Employees Recvg. Pay                                                                                         | Annual Earnings | Avg Qtlly Earnings | Tier I Taxable | Tier II Taxable | Medicare Taxable | Total Taxable Earnings (Taxable x Employees) |               |               |
|                                                       |                   |                      |                                                                                                              |                 |                    |                |                 |                  | Tier I                                       | Tier II       | Medicare      |
| \$0 - 41,699                                          | \$27,759          | 1.052                | 1,499                                                                                                        | \$29,030        | \$7,258            | \$7,258        | \$7,258         | \$7,258          | \$10,875,894                                 | \$10,875,894  | \$10,875,894  |
| 41,700 - 43,699                                       | \$42,886          | 0.473                | 674                                                                                                          | 44,850          | 11,212             | 11,212         | 11,212          | 11,212           | 7,554,785                                    | 7,554,785     | 7,554,785     |
| 43,700 - 45,699                                       | \$44,794          | 0.368                | 524                                                                                                          | 46,845          | 11,711             | 11,711         | 11,711          | 11,711           | 6,139,218                                    | 6,139,218     | 6,139,218     |
| 45,700 - 47,699                                       | \$46,360          | 0.579                | 825                                                                                                          | 48,483          | 12,121             | 12,121         | 12,121          | 12,121           | 9,996,947                                    | 9,996,947     | 9,996,947     |
| 47,700 - 49,699                                       | \$48,585          | 0.631                | 899                                                                                                          | 50,810          | 12,702             | 12,702         | 12,702          | 12,702           | 11,417,657                                   | 11,417,657    | 11,417,657    |
| 49,700 - 51,699                                       | \$50,995          | 0.631                | 899                                                                                                          | 53,330          | 13,333             | 13,333         | 13,333          | 13,333           | 11,984,016                                   | 11,984,016    | 11,984,016    |
| 51,700 - 53,699                                       | \$52,927          | 1.105                | 1,574                                                                                                        | 55,351          | 13,838             | 13,838         | 13,838          | 13,838           | 21,781,359                                   | 21,781,359    | 21,781,359    |
| 53,700 - 55,699                                       | \$54,762          | 1.105                | 1,574                                                                                                        | 57,270          | 14,317             | 14,317         | 14,317          | 14,317           | 22,536,527                                   | 22,536,527    | 22,536,527    |
| 55,700 - 57,699                                       | \$56,774          | 1.420                | 2,023                                                                                                        | 59,374          | 14,843             | 14,843         | 14,843          | 14,843           | 30,025,016                                   | 30,025,016    | 30,025,016    |
| 57,700 - 59,699                                       | \$58,646          | 0.999                | 1,423                                                                                                        | 61,332          | 15,333             | 15,333         | 15,333          | 15,333           | 21,819,726                                   | 21,819,726    | 21,819,726    |
| 59,700 - 61,699                                       | \$60,905          | 1.894                | 2,698                                                                                                        | 63,694          | 15,924             | 15,924         | 15,924          | 15,924           | 42,961,391                                   | 42,961,391    | 42,961,391    |
| 61,700 - 63,699                                       | \$62,663          | 2.578                | 3,672                                                                                                        | 65,533          | 16,383             | 16,383         | 16,383          | 16,383           | 60,164,389                                   | 60,164,389    | 60,164,389    |
| 63,700 - 65,699                                       | \$64,661          | 3.051                | 4,346                                                                                                        | 67,622          | 16,906             | 16,906         | 16,906          | 16,906           | 73,473,383                                   | 73,473,383    | 73,473,383    |
| 65,700 - 67,699                                       | \$66,705          | 3.524                | 5,020                                                                                                        | 69,760          | 17,440             | 17,440         | 17,440          | 17,440           | 87,546,684                                   | 87,546,684    | 87,546,684    |
| 67,700 - 69,699                                       | \$68,607          | 3.524                | 5,020                                                                                                        | 71,749          | 17,937             | 17,937         | 17,937          | 17,937           | 90,042,956                                   | 90,042,956    | 90,042,956    |
| 69,700 - 71,699                                       | \$70,683          | 3.630                | 5,171                                                                                                        | 73,920          | 18,480             | 18,480         | 18,480          | 18,480           | 95,557,992                                   | 95,557,992    | 95,557,992    |
| 71,700 - 73,699                                       | \$72,689          | 3.261                | 4,645                                                                                                        | 76,018          | 19,004             | 19,004         | 19,004          | 19,004           | 88,280,525                                   | 88,280,525    | 88,280,525    |
| 73,700 - 75,699                                       | \$74,731          | 2.998                | 4,271                                                                                                        | 78,153          | 19,538             | 19,538         | 19,538          | 19,538           | 83,440,681                                   | 83,440,681    | 83,440,681    |
| 75,700 - 77,699                                       | \$76,815          | 2.893                | 4,121                                                                                                        | 80,333          | 20,083             | 20,083         | 20,083          | 20,083           | 82,763,697                                   | 82,763,697    | 82,763,697    |
| 77,700 - 79,699                                       | \$78,625          | 3.893                | 5,546                                                                                                        | 82,226          | 20,556             | 20,556         | 20,556          | 20,556           | 113,996,227                                  | 113,996,227   | 113,996,227   |
| 79,700 - 81,699                                       | \$80,695          | 3.156                | 4,496                                                                                                        | 84,390          | 21,098             | 21,098         | 21,098          | 21,098           | 94,848,187                                   | 94,848,187    | 94,848,187    |
| 81,700 - 83,699                                       | \$82,632          | 3.261                | 4,645                                                                                                        | 86,416          | 21,604             | 21,604         | 21,604          | 21,604           | 100,356,262                                  | 100,356,262   | 100,356,262   |
| 83,700 - 85,699                                       | \$84,635          | 3.051                | 4,346                                                                                                        | 88,511          | 22,128             | 22,128         | 22,128          | 22,128           | 96,169,558                                   | 96,169,558    | 96,169,558    |
| 85,700 - 87,699                                       | \$86,708          | 3.156                | 4,496                                                                                                        | 90,679          | 22,670             | 22,670         | 22,670          | 22,670           | 101,915,814                                  | 101,915,814   | 101,915,814   |
| 87,700 - 89,699                                       | \$88,593          | 2.946                | 4,197                                                                                                        | 92,650          | 23,162             | 23,162         | 23,162          | 23,162           | 97,202,529                                   | 97,202,529    | 97,202,529    |
| 89,700 - 91,699                                       | \$90,613          | 3.051                | 4,346                                                                                                        | 94,763          | 23,691             | 23,691         | 23,691          | 23,691           | 102,962,275                                  | 102,962,275   | 102,962,275   |
| 91,700 - 93,699                                       | \$92,672          | 2.578                | 3,672                                                                                                        | 96,916          | 24,229             | 24,229         | 24,229          | 24,229           | 88,976,817                                   | 88,976,817    | 88,976,817    |
| 93,700 - 95,699                                       | \$94,637          | 2.735                | 3,896                                                                                                        | 98,971          | 24,743             | 24,743         | 24,743          | 24,743           | 96,397,043                                   | 96,397,043    | 96,397,043    |
| 95,700 - 97,699                                       | \$96,662          | 2.104                | 2,997                                                                                                        | 101,089         | 25,272             | 25,272         | 25,272          | 25,272           | 75,743,772                                   | 75,743,772    | 75,743,772    |
| 97,700 - 99,699                                       | \$98,587          | 2.209                | 3,147                                                                                                        | 103,102         | 25,775             | 25,775         | 25,775          | 25,775           | 81,107,456                                   | 80,476,812    | 81,107,456    |
| 99,700 - 101,699                                      | \$100,672         | 2.209                | 3,147                                                                                                        | 105,282         | 26,321             | 26,321         | 25,575          | 26,321           | 82,822,785                                   | 80,476,812    | 82,822,785    |
| 101,700 - 103,699                                     | \$102,671         | 2.104                | 2,997                                                                                                        | 107,373         | 26,843             | 26,843         | 25,575          | 26,843           | 80,452,389                                   | 76,651,522    | 80,452,389    |
| 103,700 - 105,699                                     | \$104,782         | 1.999                | 2,848                                                                                                        | 109,580         | 27,395             | 27,395         | 25,575          | 27,395           | 78,009,033                                   | 72,826,232    | 78,009,033    |
| 105,700 - 107,699                                     | \$106,674         | 2.157                | 3,073                                                                                                        | 111,559         | 27,890             | 27,890         | 25,575          | 27,890           | 85,694,735                                   | 78,582,383    | 85,694,735    |
| 107,700 - 109,699                                     | \$108,720         | 2.052                | 2,923                                                                                                        | 113,699         | 28,425             | 28,425         | 25,575          | 28,425           | 83,086,835                                   | 74,757,093    | 83,086,835    |
| 109,700 - 111,699                                     | \$110,896         | 1.105                | 1,574                                                                                                        | 115,974         | 28,994             | 28,994         | 25,575          | 28,994           | 45,637,682                                   | 40,256,622    | 45,637,682    |
| 111,700 - 113,699                                     | \$112,783         | 1.420                | 2,023                                                                                                        | 117,948         | 29,487             | 29,487         | 25,575          | 29,487           | 59,645,461                                   | 51,732,491    | 59,645,461    |
| 113,700 - 115,699                                     | \$114,721         | 1.315                | 1,873                                                                                                        | 119,974         | 29,994             | 29,994         | 25,575          | 29,994           | 56,184,186                                   | 47,907,201    | 56,184,186    |
| \$115,700 - over                                      | \$152,731         | 17.783               | 25,332                                                                                                       | 159,725         | 39,931             | 34,425         | 25,575          | 39,931           | 872,043,968                                  | 647,858,373   | 1,011,527,371 |
| TOTAL                                                 |                   | 100.000              | 142,449                                                                                                      |                 |                    |                |                 |                  |                                              |               |               |
| Total Taxable Earnings                                |                   |                      |                                                                                                              |                 |                    |                |                 |                  | 3,351,615,859                                | 3,078,456,870 | 3,491,099,262 |
| Employer Tax Rate                                     |                   |                      |                                                                                                              |                 |                    |                |                 |                  | 6.20%                                        | 13.10%        | 1.45%         |
| Quarterly Payment                                     |                   |                      |                                                                                                              |                 |                    |                |                 |                  | \$207,800,183                                | \$403,277,850 | \$50,620,939  |
| Total Tier I, Tier II, and Medicare Paid this Quarter |                   |                      |                                                                                                              |                 |                    |                |                 |                  |                                              | \$661,698,972 |               |

Railroad Retirement & Medicare, U.S.

| From 2018 Earnings Distribution |                   |                      | 4Q/2020 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info |                 |                   |                |                 |                        |                                              |               |               |
|---------------------------------|-------------------|----------------------|--------------------------------------------------------------------------------------------------------------|-----------------|-------------------|----------------|-----------------|------------------------|----------------------------------------------|---------------|---------------|
| Earnings Groups                 | Avg Ann. Earnings | % of Total Employees | Employees Recvg. Pay                                                                                         | Annual Earnings | Avg Qtly Earnings | Tier I Taxable | Tier II Taxable | Medicare Taxable       | Total Taxable Earnings (Taxable x Employees) |               |               |
|                                 |                   |                      |                                                                                                              |                 |                   |                |                 |                        | Tier I                                       | Tier II       | Medicare      |
| \$0 - 41,699                    | \$27,759          | 1.052                | % 1,499                                                                                                      | \$29,030        | \$7,258           | \$7,258        | \$7,258         | \$7,258                | \$10,875,894                                 | \$10,875,894  | \$10,875,894  |
| 41,700 - 43,699                 | \$42,886          | 0.473                | 674                                                                                                          | 44,850          | 11,212            | 11,212         | 11,212          | 11,212                 | 7,554,785                                    | 7,554,785     | 7,554,785     |
| 43,700 - 45,699                 | \$44,794          | 0.368                | 524                                                                                                          | 46,845          | 11,711            | 11,711         | 11,711          | 11,711                 | 6,139,218                                    | 6,139,218     | 6,139,218     |
| 45,700 - 47,699                 | \$46,360          | 0.579                | 825                                                                                                          | 48,483          | 12,121            | 12,121         | 12,121          | 12,121                 | 9,996,947                                    | 9,996,947     | 9,996,947     |
| 47,700 - 49,699                 | \$48,585          | 0.631                | 899                                                                                                          | 50,810          | 12,702            | 12,702         | 12,702          | 12,702                 | 11,417,657                                   | 11,417,657    | 11,417,657    |
| 49,700 - 51,699                 | \$50,995          | 0.631                | 899                                                                                                          | 53,330          | 13,333            | 13,333         | 13,333          | 13,333                 | 11,984,016                                   | 11,984,016    | 11,984,016    |
| 51,700 - 53,699                 | \$52,927          | 1.105                | 1,574                                                                                                        | 55,351          | 13,838            | 13,838         | 13,838          | 13,838                 | 21,781,359                                   | 21,781,359    | 21,781,359    |
| 53,700 - 55,699                 | \$54,762          | 1.105                | 1,574                                                                                                        | 57,270          | 14,317            | 14,317         | 14,317          | 14,317                 | 22,536,527                                   | 22,536,527    | 22,536,527    |
| 55,700 - 57,699                 | \$56,774          | 1.420                | 2,023                                                                                                        | 59,374          | 14,843            | 14,843         | 14,843          | 14,843                 | 30,025,016                                   | 30,025,016    | 30,025,016    |
| 57,700 - 59,699                 | \$58,646          | 0.999                | 1,423                                                                                                        | 61,332          | 15,333            | 15,333         | 15,333          | 15,333                 | 21,819,726                                   | 21,819,726    | 21,819,726    |
| 59,700 - 61,699                 | \$60,905          | 1.894                | 2,698                                                                                                        | 63,694          | 15,924            | 15,924         | 15,924          | 15,924                 | 42,961,391                                   | 42,961,391    | 42,961,391    |
| 61,700 - 63,699                 | \$62,663          | 2.578                | 3,672                                                                                                        | 65,533          | 16,383            | 16,383         | 16,383          | 16,383                 | 60,164,389                                   | 60,164,389    | 60,164,389    |
| 63,700 - 65,699                 | \$64,661          | 3.051                | 4,346                                                                                                        | 67,622          | 16,906            | 16,906         | 16,906          | 16,906                 | 73,473,383                                   | 73,473,383    | 73,473,383    |
| 65,700 - 67,699                 | \$66,705          | 3.524                | 5,020                                                                                                        | 69,760          | 17,440            | 17,440         | 17,440          | 17,440                 | 87,546,684                                   | 87,546,684    | 87,546,684    |
| 67,700 - 69,699                 | \$68,607          | 3.524                | 5,020                                                                                                        | 71,749          | 17,937            | 17,937         | 17,937          | 17,937                 | 90,042,956                                   | 90,042,956    | 90,042,956    |
| 69,700 - 71,699                 | \$70,683          | 3.630                | 5,171                                                                                                        | 73,920          | 18,480            | 18,480         | 18,480          | 18,480                 | 95,557,992                                   | 95,557,992    | 95,557,992    |
| 71,700 - 73,699                 | \$72,689          | 3.261                | 4,645                                                                                                        | 76,018          | 19,004            | 19,004         | 19,004          | 19,004                 | 88,280,525                                   | 88,280,525    | 88,280,525    |
| 73,700 - 75,699                 | \$74,731          | 2.998                | 4,271                                                                                                        | 78,153          | 19,538            | 19,538         | 19,538          | 19,538                 | 83,440,681                                   | 83,440,681    | 83,440,681    |
| 75,700 - 77,699                 | \$76,815          | 2.893                | 4,121                                                                                                        | 80,333          | 20,083            | 20,083         | 20,083          | 20,083                 | 82,763,697                                   | 82,763,697    | 82,763,697    |
| 77,700 - 79,699                 | \$78,625          | 3.893                | 5,546                                                                                                        | 82,226          | 20,556            | 20,556         | 20,556          | 20,556                 | 113,996,227                                  | 113,996,227   | 113,996,227   |
| 79,700 - 81,699                 | \$80,695          | 3.156                | 4,496                                                                                                        | 84,390          | 21,098            | 21,098         | 21,098          | 21,098                 | 94,848,187                                   | 94,848,187    | 94,848,187    |
| 81,700 - 83,699                 | \$82,632          | 3.261                | 4,645                                                                                                        | 86,416          | 21,604            | 21,604         | 21,604          | 21,604                 | 100,356,262                                  | 100,356,262   | 100,356,262   |
| 83,700 - 85,699                 | \$84,635          | 3.051                | 4,346                                                                                                        | 88,511          | 22,128            | 22,128         | 22,128          | 22,128                 | 96,169,558                                   | 96,169,558    | 96,169,558    |
| 85,700 - 87,699                 | \$86,708          | 3.156                | 4,496                                                                                                        | 90,679          | 22,670            | 22,670         | 22,670          | 22,670                 | 101,915,814                                  | 101,915,814   | 101,915,814   |
| 87,700 - 89,699                 | \$88,593          | 2.946                | 4,197                                                                                                        | 92,650          | 23,162            | 23,162         | 23,162          | 23,162                 | 97,202,529                                   | 97,202,529    | 97,202,529    |
| 89,700 - 91,699                 | \$90,613          | 3.051                | 4,346                                                                                                        | 94,763          | 23,691            | 23,691         | 23,691          | 23,691                 | 102,962,275                                  | 102,962,275   | 102,962,275   |
| 91,700 - 93,699                 | \$92,672          | 2.578                | 3,672                                                                                                        | 96,916          | 24,229            | 24,229         | 24,229          | 24,229                 | 88,976,817                                   | 88,976,817    | 88,976,817    |
| 93,700 - 95,699                 | \$94,637          | 2.735                | 3,896                                                                                                        | 98,971          | 24,743            | 24,743         | 24,743          | 24,743                 | 96,397,043                                   | 96,397,043    | 96,397,043    |
| 95,700 - 97,699                 | \$96,662          | 2.104                | 2,997                                                                                                        | 101,089         | 25,272            | 25,272         | 25,272          | 25,272                 | 75,743,772                                   | 75,743,772    | 75,743,772    |
| 97,700 - 99,699                 | \$98,587          | 2.209                | 3,147                                                                                                        | 103,102         | 25,775            | 25,775         | 25,575          | 25,775                 | 81,107,456                                   | 80,476,812    | 81,107,456    |
| 99,700 - 101,699                | \$100,672         | 2.209                | 3,147                                                                                                        | 105,282         | 26,321            | 26,321         | 25,575          | 26,321                 | 82,822,785                                   | 80,476,812    | 82,822,785    |
| 101,700 - 103,699               | \$102,671         | 2.104                | 2,997                                                                                                        | 107,373         | 26,843            | 26,843         | 25,575          | 26,843                 | 80,452,389                                   | 76,651,522    | 80,452,389    |
| 103,700 - 105,699               | \$104,782         | 1.999                | 2,848                                                                                                        | 109,580         | 27,395            | 27,395         | 25,575          | 27,395                 | 78,009,033                                   | 72,826,232    | 78,009,033    |
| 105,700 - 107,699               | \$106,674         | 2.157                | 3,073                                                                                                        | 111,559         | 27,890            | 27,890         | 25,575          | 27,890                 | 85,694,735                                   | 78,582,383    | 85,694,735    |
| 107,700 - 109,699               | \$108,720         | 2.052                | 2,923                                                                                                        | 113,699         | 28,425            | 28,425         | 25,575          | 28,425                 | 83,086,835                                   | 74,757,093    | 83,086,835    |
| 109,700 - 111,699               | \$110,896         | 1.105                | 1,574                                                                                                        | 115,974         | 28,994            | 28,994         | 25,575          | 28,994                 | 45,637,682                                   | 40,256,622    | 45,637,682    |
| 111,700 - 113,699               | \$112,783         | 1.420                | 2,023                                                                                                        | 117,948         | 29,487            | 29,487         | 25,575          | 29,487                 | 59,645,461                                   | 51,732,491    | 59,645,461    |
| 113,700 - 115,699               | \$114,721         | 1.315                | 1,873                                                                                                        | 119,974         | 29,994            | 29,994         | 25,575          | 29,994                 | 56,184,186                                   | 47,907,201    | 56,184,186    |
| \$115,700 - over                | \$152,731         | 17.783               | 25,332                                                                                                       | 159,725         | 39,931            | 34,425         | 25,575          | 39,931                 | 872,043,968                                  | 647,858,373   | 1,011,527,371 |
| TOTAL                           |                   | 100.000              | 142,449                                                                                                      |                 |                   |                |                 | Total Taxable Earnings | 3,351,615,859                                | 3,078,456,870 | 3,491,099,262 |
|                                 |                   |                      |                                                                                                              |                 |                   |                |                 | Employer Tax Rate      | 6.20%                                        | 13.10%        | 1.45%         |
|                                 |                   |                      |                                                                                                              |                 |                   |                |                 | Quarterly Payment      | \$207,800,183                                | \$403,277,850 | \$50,620,939  |

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

**\$661,698,972**

## RCAF Unemployment Insurance Tax

|                   | Unemployment Ins.<br>Tax<br>Rate | Earnings<br>Base | Hourly<br>Earnings | RRB<br>Sample<br>Year | Factor<br>To Update<br>RRB Sample | Avg. Ann.<br>Taxable<br>Earnings | Un. Ins.<br>Hourly<br>Rate |
|-------------------|----------------------------------|------------------|--------------------|-----------------------|-----------------------------------|----------------------------------|----------------------------|
|                   |                                  |                  | \$39.887           | (2015)                |                                   |                                  |                            |
| 2016 Avg.         | 2.73%                            | \$17,460         | \$39.231           |                       | 0.983554                          | \$16,664.96                      | \$0.247                    |
| <b>3Q/17 reb.</b> | 3.37%                            | \$18,540         | \$39.154           |                       | 0.981623                          | \$17,655.72                      | <b>\$0.323</b>             |
| 4Q/17             | 3.37%                            | \$18,540         | \$39.156           |                       | 0.981673                          | \$17,655.75                      | <b>\$0.323</b>             |
| 1Q/18             | 3.76%                            | \$18,720         | \$40.555           |                       | 1.016747                          | \$17,843.78                      | <b>\$0.364</b>             |
| 2Q/18             | 3.76%                            | \$18,720         | \$40.961           |                       | 1.026926                          | \$17,850.31                      | <b>\$0.364</b>             |
| 3Q/18             | 3.76%                            | \$18,720         | \$42.431           |                       | 1.063780                          | \$17,873.30                      | <b>\$0.365</b>             |
|                   |                                  |                  | \$39.231           | (2016)                |                                   |                                  |                            |
| 2017 Avg.         | 3.37%                            | \$18,540         | \$39.599           |                       | 1.009380                          | \$17,625.49                      | \$0.319                    |
| <b>3Q/18 reb.</b> | 3.76%                            | \$18,720         | \$42.946           |                       | 1.094696                          | \$17,832.94                      | <b>\$0.360</b>             |
| 4Q/18             | 3.76%                            | \$18,720         | \$42.976           |                       | 1.095460                          | \$17,833.29                      | <b>\$0.360</b>             |
| 1Q/19             | 3.38%                            | \$19,260         | \$42.805           |                       | 1.091101                          | \$18,330.97                      | <b>\$0.333</b>             |
| 2Q/19             | 3.38%                            | \$19,260         | \$42.756           |                       | 1.089852                          | \$18,330.37                      | <b>\$0.333</b>             |
| 3Q/19             | 3.38%                            | \$19,260         | \$43.306           |                       | 1.103872                          | \$18,336.98                      | <b>\$0.333</b>             |
|                   |                                  |                  | \$39.599           | (2017)                |                                   |                                  |                            |
| 2018 Avg.         | 3.76%                            | \$18,720         | \$41.687           |                       | 1.052729                          | \$17,600.87                      | \$0.347                    |
| <b>3Q/19 reb.</b> | 3.38%                            | \$19,260         | \$43.672           |                       | 1.102856                          | \$18,120.16                      | <b>\$0.321</b>             |
| 4Q/19             | 3.38%                            | \$19,260         | \$43.660           |                       | 1.102553                          | \$18,119.99                      | <b>\$0.321</b>             |
| 1Q/20             | 0.99%                            | \$19,860         | \$43.839           |                       | 1.107073                          | \$18,666.82                      | <b>\$0.097</b>             |
| 2Q/20             | 0.99%                            | \$19,860         | \$43.626           |                       | 1.101694                          | \$18,663.57                      | <b>\$0.097</b>             |
| 3Q/20             | 0.99%                            | \$19,860         | \$43.572           |                       | 1.100331                          | \$18,662.74                      | <b>\$0.097</b>             |
|                   |                                  |                  | \$41.687           | (2018)                |                                   |                                  |                            |
| 2019 Avg.         | 3.38%                            | \$19,260         | \$43.000           |                       | 1.031497                          | \$17,742.46                      | \$0.318                    |
| <b>3Q/20 reb.</b> | 0.99%                            | \$19,860         | \$43.596           |                       | 1.045794                          | \$18,283.51                      | <b>\$0.096</b>             |
| 4Q/20             | 0.99%                            | \$19,860         | \$43.596           |                       | 1.045794                          | \$18,283.51                      | <b>\$0.096</b>             |
| 1Q/21             |                                  |                  |                    |                       | 0.000000                          |                                  | <b>\$0.000</b>             |
| 2Q/21             |                                  |                  |                    |                       | 0.000000                          |                                  | <b>\$0.000</b>             |
| 3Q/21             |                                  |                  |                    |                       | 0.000000                          |                                  | <b>\$0.000</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.

The MEANS Procedure

| Variable | N    | Sum         | Mean     |
|----------|------|-------------|----------|
| ANUAL_US | 2591 | 45970708.66 | 17742.46 |
| QTRLY_US | 2591 | 47372584.59 | 18283.51 |

The MEANS Procedure

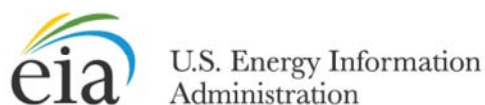
| Variable | N    | Sum         | Mean      |
|----------|------|-------------|-----------|
| FactorA  | 2591 | 2672.61     | 1.0314970 |
| FactorQ  | 2591 | 2709.65     | 1.0457940 |
| Capa     | 2591 | 49902660.00 | 19260.00  |
| Capq     | 2591 | 51457260.00 | 19860.00  |

The MEANS Procedure

| Variable | N    | Sum         | Mean     |
|----------|------|-------------|----------|
| ANUAL_US | 2591 | 45970708.66 | 17742.46 |
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### Spot Prices

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

Period: Weekly ▼

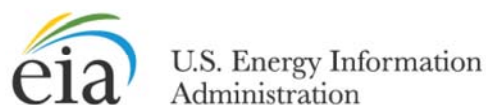
| Product by Area                           | <span>Graph</span><br><span>Clear</span> | 07/17/20 | 07/24/20 | 07/31/20 | 08/07/20 | 08/14/20 | 08/21/20 | View History              |
|-------------------------------------------|------------------------------------------|----------|----------|----------|----------|----------|----------|---------------------------|
| <b>Crude Oil</b>                          |                                          |          |          |          |          |          |          |                           |
| WTI - Cushing, Oklahoma                   | <input type="checkbox"/>                 | 40.57    | 41.34    | 40.69    | 41.57    | 42.08    | 42.73    | <a href="#">1986-2020</a> |
| Brent - Europe                            | <input type="checkbox"/>                 | 43.40    | 43.57    | 43.22    | 44.36    | 44.54    | 44.79    | <a href="#">1987-2020</a> |
| <b>Conventional Gasoline</b>              |                                          |          |          |          |          |          |          |                           |
| New York Harbor, Regular                  | <input type="checkbox"/>                 | 1.221    | 1.238    | 1.200    | 1.186    | 1.212    | 1.274    | <a href="#">1986-2020</a> |
| U.S. Gulf Coast, Regular                  | <input type="checkbox"/>                 | 1.143    | 1.182    | 1.153    | 1.145    | 1.174    | 1.268    | <a href="#">1986-2020</a> |
| <b>RBOB Regular Gasoline</b>              |                                          |          |          |          |          |          |          |                           |
| Los Angeles                               | <input type="checkbox"/>                 | 1.310    | 1.309    | 1.355    | 1.329    | 1.351    | 1.470    | <a href="#">2003-2020</a> |
| <b>No. 2 Heating Oil</b>                  |                                          |          |          |          |          |          |          |                           |
| New York Harbor                           | <input type="checkbox"/>                 | 1.172    | 1.209    | 1.189    | 1.193    | 1.182    | 1.176    | <a href="#">1986-2020</a> |
| <b>Ultra-Low-Sulfur No. 2 Diesel Fuel</b> |                                          |          |          |          |          |          |          |                           |
| New York Harbor                           | <input type="checkbox"/>                 | 1.226    | 1.264    | 1.242    | 1.242    | 1.229    | 1.223    | <a href="#">2006-2020</a> |
| U.S. Gulf Coast                           | <input type="checkbox"/>                 | 1.177    | 1.209    | 1.191    | 1.189    | 1.190    | 1.193    | <a href="#">2006-2020</a> |
| Los Angeles                               | <input type="checkbox"/>                 | 1.249    | 1.281    | 1.267    | 1.294    | 1.293    | 1.282    | <a href="#">1996-2020</a> |
| <b>Kerosene-Type Jet Fuel</b>             |                                          |          |          |          |          |          |          |                           |
| U.S. Gulf Coast                           | <input type="checkbox"/>                 | 1.074    | 1.106    | 1.104    | 1.111    | 1.110    | 1.102    | <a href="#">1990-2020</a> |
| <b>Propane</b>                            |                                          |          |          |          |          |          |          |                           |
| Mont Belvieu, Texas                       | <input type="checkbox"/>                 | 0.483    | 0.512    | 0.495    | 0.503    | 0.503    | 0.507    | <a href="#">1992-2020</a> |

Click on the source key icon to learn how to download series into Excel, or to embed a chart or map on your website.

- = No Data Reported; -- = Not Applicable; **NA** = Not Available; **W** = Withheld to avoid disclosure of individual company data.**Notes:** Weekly, monthly, and annual prices are calculated by EIA from daily data by taking an unweighted average of the daily closing spot prices for a given product over the specified time period. See Definitions, Sources, and Notes link above for more information on this table.

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Next Release Date: 9/2/2020



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### Spot Prices

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

Period: Monthly ▼

| Product by Area                           | Graph<br>Clear           | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | View<br>History           |
|-------------------------------------------|--------------------------|--------|--------|--------|--------|--------|--------|---------------------------|
| <b>Crude Oil</b>                          |                          |        |        |        |        |        |        |                           |
| WTI - Cushing, Oklahoma                   | <input type="checkbox"/> | 50.54  | 29.21  | 16.55  | 28.56  | 38.31  | 40.71  | <a href="#">1986-2020</a> |
| Brent - Europe                            | <input type="checkbox"/> | 55.66  | 32.01  | 18.38  | 29.38  | 40.27  | 43.24  | <a href="#">1987-2020</a> |
| <b>Conventional Gasoline</b>              |                          |        |        |        |        |        |        |                           |
| New York Harbor, Regular                  | <input type="checkbox"/> | 1.580  | 0.891  | 0.593  | 0.876  | 1.121  | 1.220  | <a href="#">1986-2020</a> |
| U.S. Gulf Coast, Regular                  | <input type="checkbox"/> | 1.453  | 0.838  | 0.546  | 0.830  | 1.095  | 1.166  | <a href="#">1986-2020</a> |
| <b>RBOB Regular Gasoline</b>              |                          |        |        |        |        |        |        |                           |
| Los Angeles                               | <input type="checkbox"/> | 1.851  | 0.930  | 0.469  | 1.032  | 1.301  | 1.328  | <a href="#">2003-2020</a> |
| <b>No. 2 Heating Oil</b>                  |                          |        |        |        |        |        |        |                           |
| New York Harbor                           | <input type="checkbox"/> | 1.589  | 1.156  | 0.852  | 0.843  | 1.073  | 1.187  | <a href="#">1986-2020</a> |
| <b>Ultra-Low-Sulfur No. 2 Diesel Fuel</b> |                          |        |        |        |        |        |        |                           |
| New York Harbor                           | <input type="checkbox"/> | 1.622  | 1.190  | 0.880  | 0.887  | 1.124  | 1.240  | <a href="#">2006-2020</a> |
| U.S. Gulf Coast                           | <input type="checkbox"/> | 1.552  | 1.124  | 0.804  | 0.838  | 1.083  | 1.190  | <a href="#">2006-2020</a> |
| Los Angeles                               | <input type="checkbox"/> | 1.751  | 1.271  | 0.823  | 0.911  | 1.182  | 1.262  | <a href="#">1996-2020</a> |
| <b>Kerosene-Type Jet Fuel</b>             |                          |        |        |        |        |        |        |                           |
| U.S. Gulf Coast                           | <input type="checkbox"/> | 1.509  | 0.953  | 0.606  | 0.686  | 0.983  | 1.084  | <a href="#">1990-2020</a> |
| <b>Propane</b>                            |                          |        |        |        |        |        |        |                           |
| Mont Belvieu, Texas                       | <input type="checkbox"/> | 0.397  | 0.292  | 0.327  | 0.417  | 0.496  | 0.491  | <a href="#">1992-2020</a> |

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Release Date: 8/26/2020

Next Release Date: 9/2/2020

**U.S.**

**Summary by Composition Category**

|                             | MS-2019       |        | Prev. Idx | 2020Q3        |  | Calculation |         | Relative<br>of Change |
|-----------------------------|---------------|--------|-----------|---------------|--|-------------|---------|-----------------------|
|                             | MS Amount     | Weight |           | Cur Idx       |  | Prev. Idx   | Cur Idx |                       |
| Forest Products             | 686,303,392   | 0.1290 | 338.37    | 350.45        |  | 43.65       | 45.21   |                       |
| Metal Products              | 3,292,182,021 | 0.6186 | 163.03    | 160.80        |  | 100.85      | 99.47   |                       |
| Misc. Products              | 1,343,286,824 | 0.2524 | 394.74    | 387.28        |  | 99.63       | 97.75   |                       |
| Total                       | 5,321,772,237 | 1.0000 | 244.13    | 242.43        |  |             |         | 0.9930                |
| Total Linked                |               |        | 245.67    | <b>243.95</b> |  |             |         |                       |
| '77 = 100 Link Fact.= 1.423 |               |        | 349.59    | 347.14        |  |             |         |                       |
| '80 = 100 Link Fact.= 1.061 |               |        | 260.66    | 258.83        |  |             |         |                       |

| As info only       | Change        |
|--------------------|---------------|
| Forest Products    | 3.57%         |
| Metal Products     | -1.37%        |
| Misc. Products     | <u>-1.89%</u> |
| Total ('80=100)    | -0.70%        |
| Rounded 80 Indices | -0.7%         |
| Rounded 77 Indices | -0.7%         |

## Car Hire for RCAF - 2019 Weights

### Car Hire Index used in RCAF's All-Inclusive Index (Forecast)

|                               | 1980  | June<br>3Q/20 | Sept.<br>4Q/20 | Dec.<br>1Q/21 | Mar.<br>2Q/21 | June<br>3Q/21 |
|-------------------------------|-------|---------------|----------------|---------------|---------------|---------------|
| <b>RATE</b>                   |       |               |                |               |               |               |
| RR-OWNED TIME                 | 31.00 | 64.00         | 65.00          | --            | --            | --            |
| RR-OWNED MILEAGE              | 4.69  | 6.60          | 6.60           | --            | --            | --            |
| PRIVATELY-OWNED CARS          | 25.47 | 59.16         | 57.15          | --            | --            | --            |
| AUTORACKS                     | 47.00 | 86.93         | 86.93          | --            | --            | --            |
| <b>INDEX</b>                  |       |               |                |               |               |               |
| RR-OWNED TIME                 | 100.0 | 206.5         | 209.7          | --            | --            | --            |
| RR-OWNED MILEAGE              | 100.0 | 140.7         | 140.7          | --            | --            | --            |
| PRIVATELY-OWNED CARS          | 100.0 | 232.3         | 224.4          | --            | --            | --            |
| AUTORACKS                     | 100.0 | 185.0         | 185.0          | --            | --            | --            |
| CAR HIRE INDEX (old wts) 2018 | 100.0 | 225.8         | --             | --            | --            | --            |
| CAR HIRE INDEX (new wts) 2019 | 100.0 | 225.6         | 218.8          | --            | --            | --            |
| CAR HIRE INDEX (LINKED)       | 100.0 | 222.6         | 215.9          | --            | --            | --            |

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.

**Car Hire Data From CHARM**

|                                    | 2020 (first day of month) |              |              |                |                |                | 2021 (first day of month) |                |                |                |                |                |                |                |
|------------------------------------|---------------------------|--------------|--------------|----------------|----------------|----------------|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                    | Jul                       | Aug          | Sep          | Oct            | Nov            | Dec            | Jan                       | Feb            | Mar            | Apr            | May            | Jun            | Jul            | Aug            |
| <b>Railroad Equipment</b>          |                           |              |              |                |                |                |                           |                |                |                |                |                |                |                |
| No. of Cars (cars with rates only) |                           |              |              |                |                |                |                           |                |                |                |                |                |                |                |
| Superstructures (Vehicular Flats)  | 11,533                    | 11,511       | 11,471       |                |                |                |                           |                |                |                |                |                |                |                |
| Rate (in cents)                    |                           |              |              |                |                |                |                           |                |                |                |                |                |                |                |
| Superstructures #3 - Auto Rack     | 96.0                      | 96.0         | 96.0         |                |                |                |                           |                |                |                |                |                |                |                |
| <b>All other #1 - Time</b>         | <b>65.0</b>               | <b>65.0</b>  | <b>65.0</b>  |                |                |                |                           |                |                |                |                |                |                |                |
| <b>All other #2 - Mileage</b>      | <b>6.6</b>                | <b>6.6</b>   | <b>6.6</b>   |                |                |                |                           |                |                |                |                |                |                |                |
| <b>Private Equipment</b>           |                           |              |              |                |                |                |                           |                |                |                |                |                |                |                |
| No. of Cars (cars with rates only) |                           |              |              |                |                |                |                           |                |                |                |                |                |                |                |
| Superstructures (Vehicular Flats)  | 54,099                    | 54,029       | 53,937       |                |                |                |                           |                |                |                |                |                |                |                |
| Covered Hoppers                    | 433,856                   | 434,193      | 434,236      |                |                |                |                           |                |                |                |                |                |                |                |
| Tank Cars                          | 423,965                   | 423,766      | 423,859      |                |                |                |                           |                |                |                |                |                |                |                |
| Others                             | 299,225                   | 298,544      | 297,753      |                |                |                |                           |                |                |                |                |                |                |                |
| Rate (in cents)                    |                           |              |              |                |                |                |                           |                |                |                |                |                |                |                |
| Superstructures #1 - Time          | 86.0                      | 86.0         | 86.0         |                |                |                |                           |                |                |                |                |                |                |                |
| Superstructures #2 - Mileage       | 1.0                       | 1.0          | 1.0          |                |                |                |                           |                |                |                |                |                |                |                |
| Superstructures #3 - Auto Rack     | 85.0                      | 85.0         | 85.0         |                |                |                |                           |                |                |                |                |                |                |                |
| Covered Hoppers #2 - Mileage       | 44.9                      | 44.9         | 45.0         |                |                |                |                           |                |                |                |                |                |                |                |
| Tank Cars #2 - Mileage             | 99.1                      | 99.1         | 92.6         |                |                |                |                           |                |                |                |                |                |                |                |
| Others #1 -Time                    | 101.0                     | 101.0        | 101.0        |                |                |                |                           |                |                |                |                |                |                |                |
| Others #2 - Mileage                | 8.4                       | 8.5          | 8.5          |                |                |                |                           |                |                |                |                |                |                |                |
| <b>AVERAGE RATES</b>               |                           |              |              |                |                |                |                           |                |                |                |                |                |                |                |
| Private Superstructures            | 21.21                     | 21.21        | 21.21        | 0.00           | 0.00           | 0.00           | 0.00                      | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Private Others                     | 30.82                     | 30.92        | 30.92        | 0.00           | 0.00           | 0.00           | 0.00                      | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| <b>Private Total</b>               | <b>59.34</b>              | <b>59.37</b> | <b>57.15</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b>            | <b>#DIV/0!</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b> |
| <b>Autoracks</b>                   | <b>86.93</b>              | <b>86.93</b> | <b>86.93</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b>            | <b>#DIV/0!</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b> | <b>#DIV/0!</b> |

| <b>Car Hire Weights</b> | <b>"Old Wts" New Wts"</b> |              |
|-------------------------|---------------------------|--------------|
|                         | 2018                      | 2019         |
| For RCAF & RCR          |                           |              |
| RR-owned Time           | 0.052                     | 0.040        |
| RR-owned Mileage        | 0.034                     | 0.042        |
| Privately-owned Cars    | 0.871                     | 0.879        |
| Autoracks               | 0.043                     | 0.039        |
| ----- Check sum         | <b>1.000</b>              | <b>1.000</b> |

| <b>Weights for Equipment Rents</b> |              |              |
|------------------------------------|--------------|--------------|
| (not used in Car Hire calculation) |              |              |
|                                    | <b>2018</b>  | <b>2019</b>  |
| Car Hire - U.S.                    | 0.591        | 0.614        |
| Lease Rentals - U.S.               | 0.409        | 0.386        |
| ----- Check sum                    | <b>1.000</b> | <b>1.000</b> |

**Notes:**

The Car Hire Index and Lease Rentals Index are weighed together to calculate the Equipment Rents Index

CHARM is the Car Hire Accounting Rate Master

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

## CHARM Process - Car Hire Rate Report

### Average Car Rental Rates for 09/2020

| Ownership | Car Group                            | Car Count | Time Rate<br>(cents/hour) | Mileage<br>Rate<br>(\$/mile) | Auto Rack<br>Rate<br>(cents/hour) |
|-----------|--------------------------------------|-----------|---------------------------|------------------------------|-----------------------------------|
| Railroad  | Vehicular Flats                      | 11,471    | 108                       | 0.060                        | 96                                |
| Railroad  | Number of Zero-Rated Vehicular Flats | 84        | .                         | .                            | .                                 |
| Railroad  | All Other Cars                       | 382,414   | 65                        | 0.066                        | .                                 |
| Railroad  | Number of Zero-Rated Other Cars      | 15,520    | .                         | .                            | .                                 |
| Railroad  | Total Railroad Equipment             | 409,489   | .                         | .                            | .                                 |
|           |                                      | .         | .                         | .                            | .                                 |
| Private   | Vehicular Flats                      | 53,937    | 86                        | 0.010                        | 85                                |
| Private   | Number of Zero-Rated Vehicular Flats | 35        | .                         | .                            | .                                 |
| Private   | Covered Hoppers                      | 434,236   | 0                         | 0.450                        | .                                 |
| Private   | Number of Zero-Rated Covered Hoppers | 14,822    | .                         | .                            | .                                 |
| Private   | Tanks                                | 423,859   | 0                         | 0.926                        | .                                 |
| Private   | Number of Zero-Rated Tanks           | 15,501    | .                         | .                            | .                                 |
| Private   | All Other Cars                       | 297,753   | 101                       | 0.085                        | .                                 |
| Private   | Number of Zero-Rated Other Cars      | 23,498    | .                         | .                            | .                                 |
| Private   | Total Private Equipment              | 1,263,641 | .                         | .                            | .                                 |

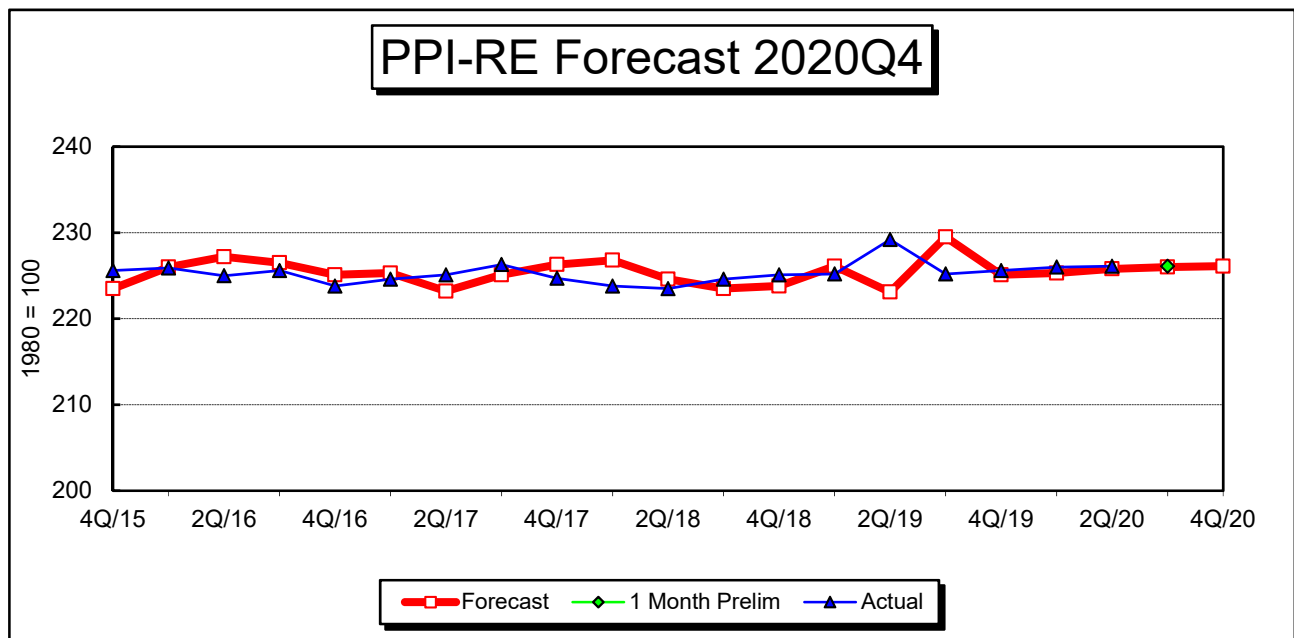
| Notes                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------|
| This report excludes these car types: D (Locomotives),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

## PPI-RE Forecast (for Depreciation Component)

|       | Forecast | Actual | 1 Month Prelim |
|-------|----------|--------|----------------|
| 4Q/15 | 223.5    | 225.6  |                |
| 1Q/16 | 226.0    | 225.9  |                |
| 2Q/16 | 227.2    | 225    |                |
| 3Q/16 | 226.5    | 225.6  |                |
| 4Q/16 | 225.1    | 223.8  |                |
| 1Q/17 | 225.3    | 224.6  |                |
| 2Q/17 | 223.2    | 225.1  |                |
| 3Q/17 | 225.1    | 226.3  |                |
| 4Q/17 | 226.3    | 224.7  |                |
| 1Q/18 | 226.8    | 223.8  |                |
| 2Q/18 | 224.6    | 223.5  |                |
| 3Q/18 | 223.5    | 224.6  |                |
| 4Q/18 | 223.8    | 225.1  |                |
| 1Q/19 | 226.1    | 225.2  |                |
| 2Q/19 | 223.1    | 229.2  |                |
| 3Q/19 | 229.5    | 225.2  |                |
| 4Q/19 | 225.1    | 225.6  |                |
| 1Q/20 | 225.3    | 226.0  |                |
| 2Q/20 | 225.8    | 226.1  |                |
| 3Q/20 | 226.0    |        | 226.1          |
| 4Q/20 | 226.1    |        |                |

1980 Base

|          | PPI-RE Forecast |          | Percent Change |                     |                     |                   |
|----------|-----------------|----------|----------------|---------------------|---------------------|-------------------|
|          | (82=100)        | (80=100) | Yr Ago Actual  | Latest Month Actual | 2nd Prev Qtr Actual | Previous Forecast |
| 2020Q4   |                 |          |                |                     |                     |                   |
| Low      | 201.2           | 222.6    | -1.3%          |                     |                     |                   |
| Midpoint | 204.4           | 226.1    | 0.2%           | 0.0%                | 0.0%                | 0.0%              |
| High     | 207.6           | 229.6    | 1.8%           |                     |                     |                   |



## PPI RAILROAD EQUIPMENT

### Expert Analysis

---

Using rule-based logic I have narrowed down the choice to exponential smoothing or Box-Jenkins.  
I will perform an out-of-sample test to select between these two approaches.

The cumulative MAD for Exponential smoothing was 0.54 and for Box-Jenkins was 1.08.  
The rolling out-of-sample test used a maximum horizon of 12 and generated 78 forecasts for each method.

Based on the lower MAD, I will use Exponential Smoothing.

### Model Details

---

#### Expert selection

Simple exponential smoothing: No trend, No seasonality  
NN(0.781)

| Component | Smoothing Wgt | Final Value |
|-----------|---------------|-------------|
| Level     | 0.7812        | 204.4       |

### Within-Sample Statistics

---

|                |        |                |             |
|----------------|--------|----------------|-------------|
| Sample size    | 72     | No. parameters | 1           |
| Mean           | 202.73 | Std. deviation | 1.67        |
| R-square       | 0.67   | Adj. R-square  | 0.67        |
| Durbin-Watson  | 1.98   | Ljung-Box(18)  | 19.8 P=0.66 |
| Forecast error | 0.95   | BIC            | 0.98        |
| MAPE           | 0.3    | SMAPE          | 0.3         |
| RMSE           | 0.95   | MAD            | 0.6         |
| MAD/Mean Ratio | 0      |                |             |

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

#### Actual

---

|          |       |
|----------|-------|
| 2020-Feb | 204.3 |
| 2020-Mar | 204.3 |
| 2020-Apr | 204.3 |
| 2020-May | 204.4 |
| 2020-Jun | 204.4 |
| 2020-Jul | 204.4 |

### Forecasted Values

| 2.5 Lower      | Forecast  | 97.5 Upper |            |
|----------------|-----------|------------|------------|
| Date           | 2.5 Lower | Forecast   | 97.5 Upper |
| 2020-Aug       | 202.484   | 204.399    | 206.314    |
| 2020-Sep       | 201.969   | 204.399    | 206.829    |
| 2020-Oct       | 201.546   | 204.399    | 207.252    |
| 2020-Nov       | 201.177   | 204.399    | 207.62     |
| 2020-Dec       | 200.847   | 204.399    | 207.951    |
| <b>QTR AVG</b> | 201.190   | 204.399    | 207.608    |



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## Databases, Tables & Calculators by Subject

**Change Output Options:**

From:  To:



☐ include graphs ☐ include annual averages

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Data extracted on: August 12, 2020 (10:18:56 AM)

### PPI Commodity Data

**Series Id:** WPU144

Not Seasonally Adjusted

**Series Title:** PPI Commodity data for Transportation equipment-Railroad equipment, not seasonally adjusted

**Group:** Transportation equipment

**Item:** Railroad equipment

**Base Date:** 198200

**Download:** [xlsx](#)

| Year | Jan   | Feb   | Mar   | Apr      | May      | Jun      | Jul      | Aug   | Sep   | Oct   | Nov   | Dec   |
|------|-------|-------|-------|----------|----------|----------|----------|-------|-------|-------|-------|-------|
| 2019 | 202.1 | 203.1 | 206.5 | 203.4    | 203.4    | 203.4    | 203.5    | 203.5 | 203.7 | 203.7 | 203.9 | 204.0 |
| 2020 | 204.3 | 204.3 | 204.3 | 204.3(P) | 204.4(P) | 204.4(P) | 204.4(P) |       |       |       |       |       |

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

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## Depreciation

### Forecast Report for PPIRE

Description: PPIRE

### Expert Analysis

Using rule-based logic I have narrowed down the choice to exponential smoothing or Box-Jenkins.  
I will perform an out-of-sample test to select between these two approaches.

The cumulative MAD for Exponential smoothing was 0.54 and for Box-Jenkins was 1.08.  
The rolling out-of-sample test used a maximum horizon of 12 and generated 78 forecasts for each method.

Based on the lower MAD, I will use Exponential Smoothing.

### Model Details

#### Expert selection

Simple exponential smoothing: No trend, No seasonality

NN(0.781)

| Component | Smoothing Wgt | Final Value |
|-----------|---------------|-------------|
| Level     | 0.7812        | 204.4       |

### Within-Sample Statistics

|                |        |                |             |
|----------------|--------|----------------|-------------|
| Sample size    | 72     | No. parameters | 1           |
| Mean           | 202.73 | Std. deviation | 1.67        |
| R-square       | 0.67   | Adj. R-square  | 0.67        |
| Durbin-Watson  | 1.98   | Ljung-Box(18)  | 19.8 P=0.66 |
| Forecast error | 0.95   | BIC            | 0.98        |
| MAPE           | 0.3    | SMAPE          | 0.3         |
| RMSE           | 0.95   | MAD            | 0.6         |
| MAD/Mean Ratio | 0      |                |             |

### Historic Data

| Date     | Historic |
|----------|----------|
| 2014-Aug | 197.9    |
| 2014-Sep | 198.3    |
| 2014-Oct | 199.3    |
| 2014-Nov | 199.9    |
| 2014-Dec | 199.5    |
| 2015-Jan | 200.8    |
| 2015-Feb | 200.5    |
| 2015-Mar | 199.5    |
| 2015-Apr | 200.5    |
| 2015-May | 200      |
| 2015-Jun | 201.4    |
| 2015-Jul | 201.6    |
| 2015-Aug | 202.8    |

## Depreciation

|          |       |
|----------|-------|
| 2015-Sep | 202.8 |
| 2015-Oct | 204.4 |
| 2015-Nov | 203.9 |
| 2015-Dec | 204.5 |
| 2016-Jan | 204   |
| 2016-Feb | 204.2 |
| 2016-Mar | 203.3 |
| 2016-Apr | 203   |
| 2016-May | 203.5 |
| 2016-Jun | 203.5 |
| 2016-Jul | 203.5 |
| 2016-Aug | 204.4 |
| 2016-Sep | 203.7 |
| 2016-Oct | 203.7 |
| 2016-Nov | 201.5 |
| 2016-Dec | 201.8 |
| 2017-Jan | 201.9 |
| 2017-Feb | 204.1 |
| 2017-Mar | 203.3 |
| 2017-Apr | 203.4 |
| 2017-May | 203.5 |
| 2017-Jun | 204.6 |
| 2017-Jul | 203.6 |
| 2017-Aug | 204.5 |
| 2017-Sep | 203.8 |
| 2017-Oct | 202.8 |
| 2017-Nov | 201.7 |
| 2017-Dec | 201.6 |
| 2018-Jan | 202.1 |
| 2018-Feb | 202.1 |
| 2018-Mar | 202   |
| 2018-Apr | 202.1 |
| 2018-May | 202.1 |
| 2018-Jun | 202.1 |
| 2018-Jul | 204.1 |
| 2018-Aug | 204.1 |
| 2018-Sep | 201.1 |
| 2018-Oct | 201.3 |
| 2018-Nov | 201.3 |
| 2018-Dec | 201.3 |
| 2019-Jan | 202.1 |
| 2019-Feb | 203.1 |
| 2019-Mar | 206.5 |
| 2019-Apr | 203.4 |
| 2019-May | 203.4 |
| 2019-Jun | 203.4 |
| 2019-Jul | 203.5 |
| 2019-Aug | 203.5 |
| 2019-Sep | 203.7 |
| 2019-Oct | 203.7 |
| 2019-Nov | 203.9 |

## Depreciation

|          |       |
|----------|-------|
| 2019-Dec | 204   |
| 2020-Jan | 204.3 |
| 2020-Feb | 204.3 |
| 2020-Mar | 204.3 |
| 2020-Apr | 204.3 |
| 2020-May | 204.4 |
| 2020-Jun | 204.4 |
| 2020-Jul | 204.4 |

## Forecast Data

| Date     | 2.5 Lower | Forecast | 97.5 Upper |
|----------|-----------|----------|------------|
| 2020-Aug | 202.484   | 204.399  | 206.314    |
| 2020-Sep | 201.969   | 204.399  | 206.829    |
| 2020-Oct | 201.546   | 204.399  | 207.252    |
| 2020-Nov | 201.177   | 204.399  | 207.62     |
| 2020-Dec | 200.847   | 204.399  | 207.951    |
| 2021-Jan | 200.545   | 204.399  | 208.253    |
| 2021-Feb | 200.265   | 204.399  | 208.533    |
| 2021-Mar | 200.003   | 204.399  | 208.795    |
| 2021-Apr | 199.755   | 204.399  | 209.043    |
| 2021-May | 199.52    | 204.399  | 209.278    |
| 2021-Jun | 199.296   | 204.399  | 209.502    |
| 2021-Jul | 199.081   | 204.399  | 209.717    |

**Calculation of Interest Rate Index  
for RCAF's All-Inclusive Index  
(\$000)**

| <b>Schedule 210</b>   |                                          | <b>2019</b>        |
|-----------------------|------------------------------------------|--------------------|
| <b>Line</b>           | <b>Item</b>                              | <b>Col. (b)</b>    |
| 42                    | Total Fixed Charges                      | \$1,259,371        |
| 44                    | Contingent interest on funded debt       | 0                  |
| 22                    | Less: Release of Premiums on funded debt | 5,617              |
| <b>Total Interest</b> |                                          | <b>\$1,253,754</b> |

| <b>Schedule 200</b> |                                              | (close of year)     | (beg. of year)      |
|---------------------|----------------------------------------------|---------------------|---------------------|
| <b>Line</b>         | <b>Item</b>                                  | <b>Col. (b)</b>     | <b>Col. (c)</b>     |
| 29                  | Current Liabilities, Loans and Notes Payable | \$0                 | \$0                 |
| 38                  | Equip. Obs & Other LT Debt due Within One Yr | 888,156             | 667,338             |
| 40                  | Funded Debt Unmatured                        | 1,262,037           | 1,453,548           |
| 41                  | Equipment Obligations                        | 1,483,715           | 1,593,572           |
| 42                  | Capitalized Lease Obligations                | 873,913             | 1,033,861           |
| 43                  | Debt in Default                              | 0                   | 0                   |
| 44                  | Accounts Payable: Affiliated Companies       | 24,937,454          | 23,117,128          |
| 45                  | Unamortized Debt Premium                     | 36,804              | 51,827              |
| <b>Total Debt</b>   |                                              | <b>\$29,482,079</b> | <b>\$27,917,274</b> |

|                                         |                     |
|-----------------------------------------|---------------------|
| Total Interest for 2019                 | <b>\$1,253,754</b>  |
| Average Debt for 2019                   | <b>\$28,699,677</b> |
| Embedded Interest Rate for 2019         | <b>4.37%</b>        |
| Embedded Interest Rate for 1980         | <b>7.85%</b>        |
| <b>Interest Rate Index (1980 = 100)</b> | <b>55.7</b>         |

Schedule 200 Comparative Statement of Financial Position (Balance Sheet) (\$000) with new line numbering 1  
Class I Railroad U.S. Total 07:48 Monday, August 31, 2020  
b=close of year c=beginning of year

| Obs | Year | Sched | Line<br>No | Label                      | colb         | colc         | Line<br>No |
|-----|------|-------|------------|----------------------------|--------------|--------------|------------|
| 1   | 2019 | 200   | 1          | Cash and Cash Equivalent   | 1,400,197    | 1,047,023    | 1          |
| 2   | 2019 | 200   | 2          | Temporary Cash Investmnt   | 81,206       | 66,613       | 2          |
| 3   | 2019 | 200   | 3          | Special Deposits           | 0            | 18,218       | 3          |
| 4   | 2019 | 200   | 4          | a/r loan and notes         | 400          | 725          | 4          |
| 5   | 2019 | 200   | 5          | a/r interline              | 305,139      | 370,735      | 5          |
| 6   | 2019 | 200   | 6          | a/r customers              | 3,507,640    | 3,755,691    | 6          |
| 7   | 2019 | 200   | 7          | a/r other                  | 646,339      | 666,381      | 7          |
| 8   | 2019 | 200   | 8          | a/r accrued                | 934,197      | 1,047,968    | 8          |
| 9   | 2019 | 200   | 9          | a/r from affiliates        | 28,399,923   | 21,842,436   | 9          |
| 10  | 2019 | 200   | 10         | a/r less allow uncollect   | 147,424      | 143,099      | 10         |
| 11  | 2019 | 200   | 11         | Wkg Funds Prepmnt DIT dr   | 452,935      | 510,743      | 11         |
| 12  | 2019 | 200   | 12         | Materials and Supplies     | 2,336,440    | 2,286,370    | 12         |
| 13  | 2019 | 200   | 13         | Other Current Assets       | 182,395      | 243,575      | 13         |
| 14  | 2019 | 200   | 14         | Total Current Assets       | 38,099,387   | 31,713,379   | 14         |
| 15  | 2019 | 200   | 15         | OA Special Funds           | 222,109      | 65,720       | 15         |
| 16  | 2019 | 200   | 16         | Invest Advan Affiliates    | 6,683,743    | 6,134,374    | 16         |
| 17  | 2019 | 200   | 17         | Other inv and advances     | 9,284        | 11,229       | 17         |
| 18  | 2019 | 200   | 18         | Prop Used in non Carrier19 | 1,577,016    | 1,611,499    | 18         |
| 19  | 2019 | 200   | 19         | Other Assets 20            | 21,740,924   | 16,307,027   | 19         |
| 20  | 2019 | 200   | 20         | Other Deferred Debits 21   | 1,591,069    | 1,417,335    | 20         |
| 21  | 2019 | 200   | 21         | Accum Def Income Tax Dr 22 | 0            | 810          | 21         |
| 22  | 2019 | 200   | 22         | Total Other Assets 23      | 31,824,145   | 25,547,994   | 22         |
| 23  | 2019 | 200   | 23         | R&E Road 24                | 208,326,936  | 201,743,789  | 23         |
| 24  | 2019 | 200   | 24         | R&E Equipment 25           | 53,716,634   | 53,341,327   | 24         |
| 25  | 2019 | 200   | 25         | R&E Unallocated items 26   | 3,286,511    | 3,263,830    | 25         |
| 26  | 2019 | 200   | 26         | R&E Accum Depreciation 27  | (64,713,254) | (62,097,129) | 26         |
| 27  | 2019 | 200   | 27         | Net Road and Equipment 28  | 200,616,827  | 196,251,817  | 27         |
| 28  | 2019 | 200   | 28         | Total Assets 29            | 270,540,359  | 253,513,190  | 28         |
| 29  | 2019 | 200   | 29         | CL loan & notes payable 30 | 0            | 0            | 29         |
| 30  | 2019 | 200   | 30         | CL a/p interline 31        | 133,717      | 163,611      | 30         |
| 31  | 2019 | 200   | 31         | CL audited accts & wages32 | 638,258      | 777,179      | 31         |

Schedule 200 Comparative Statement of Financial Position (Balance Sheet) (\$000) with new line numbering 2  
Class I Railroad U.S. Total 07:48 Monday, August 31, 2020  
b=close of year c=beginning of year

| Obs | Year | Sched | Line<br>No | Label                       | colb        | colc        | Line<br>No |
|-----|------|-------|------------|-----------------------------|-------------|-------------|------------|
| 32  | 2019 | 200   | 32         | CL other accounts payable33 | 802,733     | 601,897     | 32         |
| 33  | 2019 | 200   | 33         | CL int and dividends pbl34  | 59,182      | 54,502      | 33         |
| 34  | 2019 | 200   | 34         | CL payable to affil. 35     | 2,514,402   | 2,326,622   | 34         |
| 35  | 2019 | 200   | 35         | CL accrued a/p 36           | 6,458,114   | 6,520,669   | 35         |
| 36  | 2019 | 200   | 36         | CL taxes accrued 37         | 2,050,581   | 2,041,661   | 36         |
| 37  | 2019 | 200   | 37         | CL other current liabil.38  | 922,801     | 384,676     | 37         |
| 38  | 2019 | 200   | 38         | CL Eq Obs & LTD due w1yr39  | 888,156     | 667,338     | 38         |
| 39  | 2019 | 200   | 39         | Total Current Liabilit. 40  | 14,467,944  | 13,538,155  | 39         |
| 40  | 2019 | 200   | 40         | NC Funded debt unmatured41  | 1,262,037   | 1,453,548   | 40         |
| 41  | 2019 | 200   | 41         | NC Equipment obligations42  | 1,483,715   | 1,593,572   | 41         |
| 42  | 2019 | 200   | 42         | NC Capitalized lease obs43  | 873,913     | 1,033,861   | 42         |
| 43  | 2019 | 200   | 43         | NC Debt in Default 44       | 0           | 0           | 43         |
| 44  | 2019 | 200   | 44         | NC a/p Affiliates 45        | 24,937,454  | 23,117,128  | 44         |
| 45  | 2019 | 200   | 45         | NC Unamortized debt prem46  | 36,804      | 51,827      | 45         |
| 46  | 2019 | 200   | 46         | NC Interest in Default 47   | 0           | 0           | 46         |
| 47  | 2019 | 200   | 47         | NC Deferr rev - xfr gov 48  | 316,641     | 302,999     | 47         |
| 48  | 2019 | 200   | 48         | NC Accum Def Inc Tax Cr 49  | 43,840,693  | 41,896,242  | 48         |
| 49  | 2019 | 200   | 49         | NC Otr LT Liab & Def Cr 50  | 12,500,730  | 8,379,321   | 49         |
| 50  | 2019 | 200   | 50         | Total Non Current Liab. 51  | 85,251,987  | 77,828,498  | 50         |
| 51  | 2019 | 200   | 51         | Sh Eq Total Capital Stk52   | 405,488     | 405,488     | 51         |
| 52  | 2019 | 200   | 52         | Sh Eq Common Stock 53       | 384,488     | 384,488     | 52         |
| 53  | 2019 | 200   | 53         | Sh Eq Preferred Stock 54    | 21,000      | 21,000      | 53         |
| 54  | 2019 | 200   | 54         | Sh Eq Discnt on Cap Stk55   | 0           | 0           | 54         |
| 55  | 2019 | 200   | 55         | Sh Eq Additnl Capital 56    | 62,099,084  | 61,872,309  | 55         |
| 56  | 2019 | 200   | 56         | Sh Eq Ret Earn Appropri57   | 0           | 0           | 56         |
| 57  | 2019 | 200   | 57         | Sh Eq Ret Earn Unapprop58   | 109,644,658 | 101,343,251 | 57         |
| 58  | 2019 | 200   | 58         | Sh Eq Less Treasury Stk60   | 3,787       | 3,787       | 58         |
| 59  | 2019 | 200   | 59         | Accum Otr Comp Income NU    | (1,650,577) | (1,792,598) | 59         |
| 60  | 2019 | 200   | 60         | Total Stockhldr Equity61    | 170,494,866 | 161,824,663 | 60         |
| 61  | 2019 | 200   | 61         | Non-controlling interestNU  | 325,562     | 321,874     | 61         |
| 62  | 2019 | 200   | 62         | Total Equity (L.61+62)NU    | 170,820,428 | 162,146,537 | 62         |

Schedule 200 Comparative Statement of Financial Position (Balance Sheet) (\$000) with new line numbering 3  
Class I Railroad U.S. Total 07:48 Monday, August 31, 2020  
b=close of year c=beginning of year

| Obs | Year | Sched | Line<br>No | Label                  | colb           | colc        | Line<br>No |
|-----|------|-------|------------|------------------------|----------------|-------------|------------|
| 63  | 2019 | 200   | 63         | Total Liab. and Equity | 62 270,540,359 | 253,513,190 | 63         |

## Schedule 210 Results of Operations (Income Statement) (\$000) with renumbered lines

4

Class I Railroad U.S. Total

07:48 Monday, August 31, 2020

b=current year c=preceding year d=freight-related e=passenger related

| Obs | Year | Sched | Line<br>No | label                    | colb       | colc       | cold       | cole    | Line<br>No |
|-----|------|-------|------------|--------------------------|------------|------------|------------|---------|------------|
| 1   | 2019 | 210   | 1          | Freight                  | 71,299,983 | 73,153,538 | 71,299,983 | 0       | 1          |
| 2   | 2019 | 210   | 2          | Passenger                | 136,901    | 133,206    | 0          | 136,901 | 2          |
| 3   | 2019 | 210   | 3          | Passenger related        | 725        | 702        | 0          | 725     | 3          |
| 4   | 2019 | 210   | 4          | Switching                | 234,659    | 222,595    | 234,659    | 0       | 4          |
| 5   | 2019 | 210   | 5          | Water Transfers          | 183,943    | 221,374    | 183,943    | 0       | 5          |
| 6   | 2019 | 210   | 6          | Demurrage                | 1,011,680  | 936,673    | 1,011,680  | 0       | 6          |
| 7   | 2019 | 210   | 7          | Incidental               | 1,300,050  | 1,386,893  | 1,300,050  | 0       | 7          |
| 8   | 2019 | 210   | 8          | Joint Facility - Credit  | 27,793     | 24,933     | 27,793     | 0       | 8          |
| 9   | 2019 | 210   | 9          | Joint Facility - Debit   | 0          | 0          | 0          | 0       | 9          |
| 10  | 2019 | 210   | 10         | Rwy Op Rev excl xfrs     | 74,195,734 | 76,079,914 | 74,058,108 | 137,626 | 10         |
| 11  | 2019 | 210   | 11         | Transfers from Gov Auth  | 93,817     | 88,034     | 5,658      | 88,159  | 11         |
| 12  | 2019 | 210   | 12         | Amort of Def Xfers f Gov | 10,436     | 9,489      | 10,436     | 0       | 12         |
| 13  | 2019 | 210   | 13         | Total Operating Revenue  | 74,299,987 | 76,177,437 | 74,074,202 | 225,785 | 13         |
| 14  | 2019 | 210   | 14         | Total Operating Expense  | 48,784,914 | 50,806,579 | 48,562,725 | 222,189 | 14         |
| 15  | 2019 | 210   | 15         | Net Revenue from Ops     | 25,515,073 | 25,370,858 | 25,511,477 | 3,596   | 15         |
| 16  | 2019 | 210   | 16         | Rev from prop otc ops    | 32,058     | 31,995     | 0          | 0       | 16         |
| 17  | 2019 | 210   | 17         | Misc rent income         | 291,499    | 272,720    | 0          | 0       | 17         |
| 18  | 2019 | 210   | 18         | Sep Operated Properties  | 0          | 0          | 0          | 0       | 18         |
| 19  | 2019 | 210   | 19         | Dividend Income (cost)   | 23,854     | 22,149     | 0          | 0       | 19         |
| 20  | 2019 | 210   | 20         | Interest Income          | 1,463,024  | 1,491,686  | 0          | 0       | 20         |
| 21  | 2019 | 210   | 21         | Sinking and Other Funds  | 0          | 0          | 0          | 0       | 21         |
| 22  | 2019 | 210   | 22         | Release of prem on debt  | 5,617      | 5,605      | 0          | 0       | 22         |
| 23  | 2019 | 210   | 23         | Reimbursements received  | 0          | 0          | 0          | 0       | 23         |
| 24  | 2019 | 210   | 24         | Misc income              | 550,559    | 546,124    | 0          | 0       | 24         |
| 25  | 2019 | 210   | 25         | Aff Dividends (eq meth)  | 216,245    | 189,060    | 0          | 0       | 25         |
| 26  | 2019 | 210   | 26         | Aff Eq In Undist Earns   | 173,793    | 204,370    | 0          | 0       | 26         |
| 27  | 2019 | 210   | 27         | Total Other Income       | 2,756,649  | 2,763,709  | 0          | 0       | 27         |
| 28  | 2019 | 210   | 28         | Total Income (L. 15, 27) | 28,271,722 | 28,134,567 | 0          | 0       | 28         |
| 29  | 2019 | 210   | 29         | Exp of prop otc ops      | 42,412     | 38,785     | 0          | 0       | 29         |
| 30  | 2019 | 210   | 30         | Misc taxes               | 0          | 0          | 0          | 0       | 30         |
| 31  | 2019 | 210   | 31         | Sep op properties - loss | 0          | 0          | 0          | 0       | 31         |

## Schedule 210 Results of Operations (Income Statement) (\$000) with renumbered lines

5

Class I Railroad U.S. Total

07:48 Monday, August 31, 2020

b=current year c=preceding year d=freight-related e=passenger related

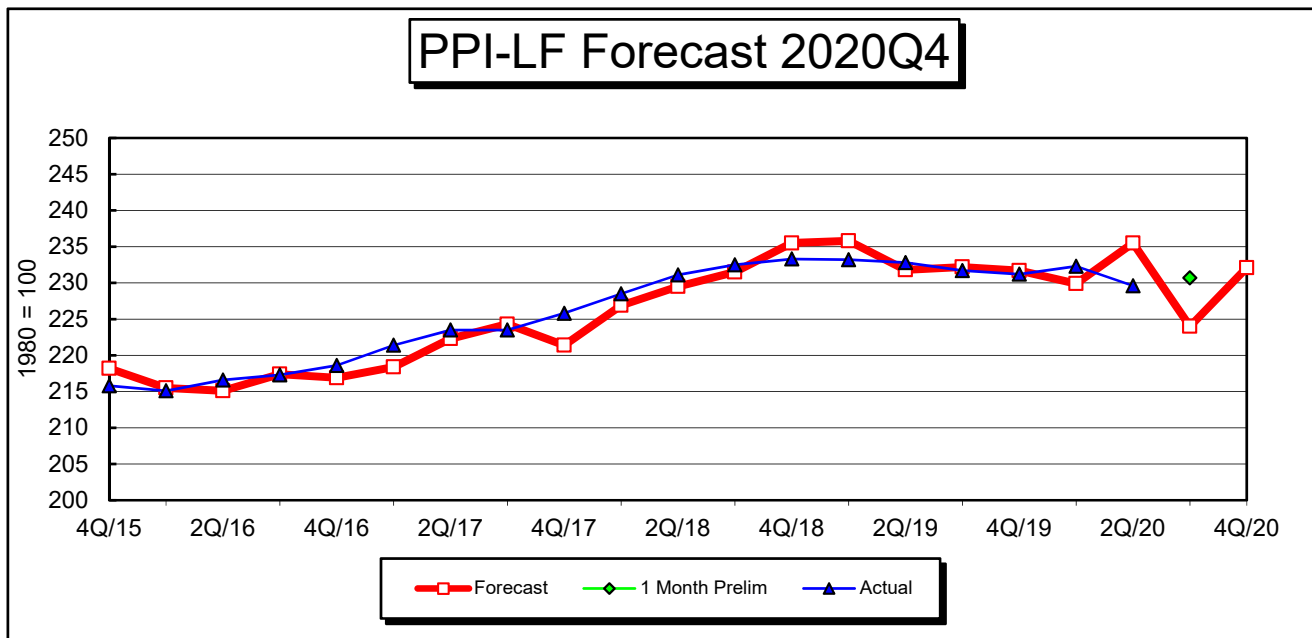
| Obs | Year | Sched | Line<br>No | label                     | colb       | colc       | cold | cole | Line<br>No |
|-----|------|-------|------------|---------------------------|------------|------------|------|------|------------|
| 32  | 2019 | 210   | 32         | Maint of invest organiz   | 0          | 0          | 0    | 0    | 32         |
| 33  | 2019 | 210   | 33         | Income xfrd contracts     | 0          | 0          | 0    | 0    | 33         |
| 34  | 2019 | 210   | 34         | Misc Income Charges       | 18,961     | 191,036    | 0    | 0    | 34         |
| 35  | 2019 | 210   | 35         | Uncollectible accounts    | 0          | 0          | 0    | 0    | 35         |
| 36  | 2019 | 210   | 36         | Total Misc Deductions     | 61,373     | 229,821    | 0    | 0    | 36         |
| 37  | 2019 | 210   | 37         | Income avail for fix chg  | 28,210,349 | 27,904,746 | 0    | 0    | 37         |
| 38  | 2019 | 210   | 38         | Fixed int not in default  | 1,064,921  | 1,035,375  | 0    | 0    | 38         |
| 39  | 2019 | 210   | 39         | Interest in default       | 0          | 0          | 0    | 0    | 39         |
| 40  | 2019 | 210   | 40         | Interest on unfund debt   | 190,572    | 62,461     | 0    | 0    | 40         |
| 41  | 2019 | 210   | 41         | Amort of disc on f debt   | 3,878      | 4,520      | 0    | 0    | 41         |
| 42  | 2019 | 210   | 42         | Total Fixed Charges       | 1,259,371  | 1,102,356  | 0    | 0    | 42         |
| 43  | 2019 | 210   | 43         | Income aft fixed charges  | 26,950,978 | 26,802,390 | 0    | 0    | 43         |
| 44  | 2019 | 210   | 44         | Contingent Interest       | 0          | 1,460      | 0    | 0    | 44         |
| 45  | 2019 | 210   | 45         | Unusual item (dr) cr      | 0          | 0          | 0    | 0    | 45         |
| 46  | 2019 | 210   | 46         | Income from Cont Op BT    | 26,950,978 | 26,800,930 | 0    | 0    | 46         |
| 47  | 2019 | 210   | 47         | Fed Income taxes on ord   | 3,765,097  | 3,904,518  | 0    | 0    | 47         |
| 48  | 2019 | 210   | 48         | State Inc taxes on ord    | 817,035    | 925,176    | 0    | 0    | 48         |
| 49  | 2019 | 210   | 49         | Other Inc taxes on ord    | (95,261)   | 3,604      | 0    | 0    | 49         |
| 50  | 2019 | 210   | 50         | Prov for deferred taxes   | 1,870,696  | 1,422,788  | 0    | 0    | 50         |
| 51  | 2019 | 210   | 51         | Total Prov for Inc Taxes  | 6,357,567  | 6,256,086  | 0    | 0    | 51         |
| 52  | 2019 | 210   | 52         | Income from Contin Ops    | 20,593,411 | 20,544,844 | 0    | 0    | 52         |
| 53  | 2019 | 210   | 53         | Inc from discount ops     | 0          | 0          | 0    | 0    | 53         |
| 54  | 2019 | 210   | 54         | Gain on disposal dis ops  | 0          | 0          | 0    | 0    | 54         |
| 55  | 2019 | 210   | 55         | Income before Extraord    | 20,593,411 | 20,544,844 | 0    | 0    | 55         |
| 56  | 2019 | 210   | 56         | Extraordinary Items       | 0          | 0          | 0    | 0    | 56         |
| 57  | 2019 | 210   | 57         | Inc Tax on Extraord Item  | 0          | 0          | 0    | 0    | 57         |
| 58  | 2019 | 210   | 58         | Def Taxes Extraord Item   | 0          | 0          | 0    | 0    | 58         |
| 59  | 2019 | 210   | 59         | Total Extraordinary Item  | 0          | 0          | 0    | 0    | 59         |
| 60  | 2019 | 210   | 60         | Rent for lease rd n eq 66 | 0          | 0          | 0    | 0    | 60         |
| 61  | 2019 | 210   | 61         | Net Income (L.55,59,60)   | 20,593,411 | 20,544,844 | 0    | 0    | 61         |
| 62  | 2019 | 210   | 62         | Less NI to Non Ctl Int NU | 1,952      | 2,035      | 0    | 0    | 62         |

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

|       | Forecast | Actual | 1 Month Prelim |
|-------|----------|--------|----------------|
| 4Q/15 | 218.2    | 215.8  |                |
| 1Q/16 | 215.5    | 215.1  |                |
| 2Q/16 | 215.1    | 216.6  |                |
| 3Q/16 | 217.4    | 217.3  |                |
| 4Q/16 | 216.9    | 218.6  |                |
| 1Q/17 | 218.4    | 221.4  |                |
| 2Q/17 | 222.3    | 223.5  |                |
| 3Q/17 | 224.3    | 223.5  |                |
| 4Q/17 | 221.4    | 225.8  |                |
| 1Q/18 | 226.9    | 228.5  |                |
| 2Q/18 | 229.5    | 231.1  |                |
| 3Q/18 | 231.5    | 232.5  |                |
| 4Q/18 | 235.5    | 233.3  |                |
| 1Q/19 | 235.8    | 233.2  |                |
| 2Q/19 | 231.8    | 232.8  |                |
| 3Q/19 | 232.2    | 231.7  |                |
| 4Q/19 | 231.7    | 231.2  |                |
| 1Q/20 | 229.9    | 232.3  |                |
| 2Q/20 | 235.5    | 229.6  |                |
| 3Q/20 | 224.0    |        | 230.7          |
| 4Q/20 | 232.1    |        |                |

1980 Base

|          | PPI-LF Forecast |          | Percent Change |                     |                     |                   |
|----------|-----------------|----------|----------------|---------------------|---------------------|-------------------|
|          | (82=100)        | (80=100) | Yr Ago Actual  | Latest Month Actual | 2nd Prev Qtr Actual | Previous Forecast |
| 2020Q4   |                 |          |                |                     |                     |                   |
| Low      | 203.7           | 228.4    | -1.2%          |                     |                     |                   |
| Midpoint | 207.0           | 232.1    | 0.4%           | 0.6%                | 1.1%                | 3.6%              |
| High     | 210.2           | 235.7    | 1.9%           |                     |                     |                   |



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

**Expert Analysis**

---

Using rule-based logic I have narrowed down the choice to exponential smoothing or Box-Jenkins.  
I will perform an out-of-sample test to select between these two approaches.

The cumulative MAD for Exponential smoothing was 1.57 and for Box-Jenkins was 1.41.  
The rolling out-of-sample test used a maximum horizon of 12 and generated 78 forecasts for each method.

Based on the lower MAD, I will use Box-Jenkins.

**Model Details**

---

**Expert selection**

**Box-Jenkins**

**ARIMA(1, 1, 0)\*(1, 0, 0)**

| Term         | Coefficient   | Std. Error    | t-Statistic  | Significance |
|--------------|---------------|---------------|--------------|--------------|
| a[1]         | 0.6694        | 0.09052       | 7.395        | 1            |
| <b>A[12]</b> | <b>0.6462</b> | <b>0.1271</b> | <b>5.084</b> | <b>1</b>     |

**Within-Sample Statistics**

---

|                |        |                |            |
|----------------|--------|----------------|------------|
| Sample size    | 72     | No. parameters | 2          |
| Mean           | 200.58 | Std. deviation | 5.83       |
| R-square       | 0.99   | Adj. R-square  | 0.99       |
| Durbin-Watson  | 1.9    | Ljung-Box(18)  | 8.9 P=0.04 |
| Forecast error | 0.44   | BIC            | 0.46       |
| MAPE           | 0.16   | SMAPE          | 0.16       |
| RMSE           | 0.44   | MAD            | 0.32       |
| MAD/Mean Ratio | 0      |                |            |

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

**Actual**

|          |       |
|----------|-------|
| 2020-Feb | 207.1 |
| 2020-Mar | 207.1 |
| 2020-Apr | 205.1 |
| 2020-May | 204.4 |
| 2020-Jun | 205.0 |
| 2020-Jul | 205.8 |

**Forecasted Values**

| Date           | 2.5 Lower      | Forecast       | 97.5 Upper     |
|----------------|----------------|----------------|----------------|
| 2020-Aug       | 205.301        | 206.164        | 207.026        |
| 2020-Sep       | 204.643        | 206.321        | 208            |
| 2020-Oct       | 204.378        | 206.859        | 209.339        |
| 2020-Nov       | 203.74         | 206.98         | 210.22         |
| 2020-Dec       | 203.092        | 207.041        | 210.990        |
| <b>QTR AVG</b> | <b>203.737</b> | <b>206.960</b> | <b>210.183</b> |



**U.S. BUREAU OF LABOR STATISTICS**

## Databases, Tables & Calculators by Subject

**Change Output Options:**

From:  To:  [GO](#)

☐ include graphs ☐ include annual averages

[More Formatting Options](#)

Data extracted on: August 13, 2020 (7:47:14 AM)

### PPI Commodity Data

**Series Id:** WPU03T15M05

Not Seasonally Adjusted

**Series Title:** PPI Commodity data for Industrial commodities less fuels, not seasonally adjusted

**Group:** Industrial Commodities less fuels

**Item:** Industrial commodities less fuels

**Base Date:** 198200

**Download:** [xlsx](#)

| Year | Jan   | Feb   | Mar   | Apr      | May      | Jun      | Jul      | Aug   | Sep   | Oct   | Nov   | Dec   |
|------|-------|-------|-------|----------|----------|----------|----------|-------|-------|-------|-------|-------|
| 2019 | 208.3 | 208.2 | 208.4 | 208.2    | 207.7    | 207.1    | 206.9    | 206.5 | 206.1 | 206.5 | 206.4 | 206.3 |
| 2020 | 207.2 | 207.1 | 207.1 | 205.1(P) | 204.4(P) | 205.0(P) | 205.8(P) |       |       |       |       |       |

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

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**Forecast Report for PPILF**

Description: PPILF

**Expert Analysis**

Using rule-based logic I have narrowed down the choice to exponential smoothing or Box-Jenkins.  
I will perform an out-of-sample test to select between these two approaches.

The cumulative MAD for Exponential smoothing was 1.57 and for Box-Jenkins was 1.41.  
The rolling out-of-sample test used a maximum horizon of 12 and generated 78 forecasts for each method.

Based on the lower MAD, I will use Box-Jenkins.

**Model Details****Expert selection****Box-Jenkins****ARIMA(1, 1, 0)\*(1, 0, 0)**

| Term  | Coefficient | Std. Error | t-Statistic | Significance |
|-------|-------------|------------|-------------|--------------|
| a[1]  | 0.6694      | 0.09052    | 7.395       | 1            |
| A[12] | 0.6462      | 0.1271     | 5.084       | 1            |

**Within-Sample Statistics**

|                |        |                |            |
|----------------|--------|----------------|------------|
| Sample size    | 72     | No. parameters | 2          |
| Mean           | 200.58 | Std. deviation | 5.83       |
| R-square       | 0.99   | Adj. R-square  | 0.99       |
| Durbin-Watson  | 1.9    | Ljung-Box(18)  | 8.9 P=0.04 |
| Forecast error | 0.44   | BIC            | 0.46       |
| MAPE           | 0.16   | SMAPE          | 0.16       |
| RMSE           | 0.44   | MAD            | 0.32       |
| MAD/Mean Ratio | 0      |                |            |

**Historic Data**

| Date     | Historic |
|----------|----------|
| 2014-Aug | 198.4    |
| 2014-Sep | 198.3    |
| 2014-Oct | 198.2    |
| 2014-Nov | 197.4    |
| 2014-Dec | 196.7    |
| 2015-Jan | 196      |
| 2015-Feb | 195.4    |
| 2015-Mar | 195      |
| 2015-Apr | 194.8    |
| 2015-May | 194.9    |
| 2015-Jun | 195.2    |
| 2015-Jul | 194.9    |
| 2015-Aug | 193.9    |
| 2015-Sep | 193.1    |

## Other

|          |       |
|----------|-------|
| 2015-Oct | 192.9 |
| 2015-Nov | 192.3 |
| 2015-Dec | 191.9 |
| 2016-Jan | 191.9 |
| 2016-Feb | 191.8 |
| 2016-Mar | 192.1 |
| 2016-Apr | 192.8 |
| 2016-May | 193.4 |
| 2016-Jun | 193.7 |
| 2016-Jul | 193.7 |
| 2016-Aug | 194   |
| 2016-Sep | 193.9 |
| 2016-Oct | 194.3 |
| 2016-Nov | 194.9 |
| 2016-Dec | 195.6 |
| 2017-Jan | 196.8 |
| 2017-Feb | 197.8 |
| 2017-Mar | 198.7 |
| 2017-Apr | 199.3 |
| 2017-May | 199.2 |
| 2017-Jun | 199.4 |
| 2017-Jul | 199.2 |
| 2017-Aug | 199.7 |
| 2017-Sep | 200   |
| 2017-Oct | 200.9 |
| 2017-Nov | 201.5 |
| 2017-Dec | 201.7 |
| 2018-Jan | 203   |
| 2018-Feb | 203.8 |
| 2018-Mar | 204.8 |
| 2018-Apr | 205.4 |
| 2018-May | 206.3 |
| 2018-Jun | 207   |
| 2018-Jul | 207.4 |
| 2018-Aug | 207.6 |
| 2018-Sep | 207.9 |
| 2018-Oct | 208.7 |
| 2018-Nov | 208.5 |
| 2018-Dec | 207.8 |
| 2019-Jan | 208.3 |
| 2019-Feb | 208.2 |
| 2019-Mar | 208.4 |
| 2019-Apr | 208.2 |
| 2019-May | 207.7 |
| 2019-Jun | 207.1 |
| 2019-Jul | 206.9 |
| 2019-Aug | 206.5 |
| 2019-Sep | 206.1 |
| 2019-Oct | 206.5 |
| 2019-Nov | 206.4 |
| 2019-Dec | 206.3 |

### Other

|          |       |
|----------|-------|
| 2020-Jan | 207.2 |
| 2020-Feb | 207.1 |
| 2020-Mar | 207.1 |
| 2020-Apr | 205.1 |
| 2020-May | 204.4 |
| 2020-Jun | 205   |
| 2020-Jul | 205.8 |

### Forecast Data

| Date     | 2.5 Lower | Forecast | 97.5 Upper |
|----------|-----------|----------|------------|
| 2020-Aug | 205.301   | 206.164  | 207.026    |
| 2020-Sep | 204.643   | 206.321  | 208        |
| 2020-Oct | 204.378   | 206.859  | 209.339    |
| 2020-Nov | 203.74    | 206.98   | 210.22     |
| 2020-Dec | 203.092   | 207.041  | 210.99     |
| 2021-Jan | 203.098   | 207.706  | 212.314    |
| 2021-Feb | 202.478   | 207.697  | 212.916    |
| 2021-Mar | 201.946   | 207.735  | 213.523    |
| 2021-Apr | 200.147   | 206.467  | 212.788    |
| 2021-May | 199.212   | 206.032  | 212.851    |
| 2021-Jun | 199.14    | 206.431  | 213.721    |
| 2021-Jul | 199.219   | 206.955  | 214.691    |

## Forecast Error Calculation

|                        | 2018   | Second Quarter 2020 |          | Difference |      | Notes                                                         |
|------------------------|--------|---------------------|----------|------------|------|---------------------------------------------------------------|
|                        |        | 2020Q2              | 2020Q2   | Pt.        | Pct. |                                                               |
|                        | Weight | Forecast            | Actual   |            |      |                                                               |
| Labor                  | 33.0%  | 441.9               | 441.9    | 0.0        | 0%   | * actual=forecast                                             |
| Fuel                   | 15.9%  | 231.2               | 121.7    | -109.5     | -47% | from 1st month of quarter                                     |
| M&S                    | 5.1%   | 266.7               | 266.7    | 0.0        | 0%   | * actual=forecast                                             |
| Equip Rents            | 5.3%   | 239.4               | 237.9    | -1.5       | -1%  | from Equipment Rents below                                    |
| Depreciation           | 15.0%  | 225.8               | 226.1    | 0.3        | 0%   | PPI-RE                                                        |
| Interest               | 2.1%   | 57.2                | 57.2     | 0.0        | 0%   | * actual=forecast                                             |
| Other                  | 23.6%  | 235.5               | 229.6    | -5.9       | -3%  | PPI-LF                                                        |
| Weighted Avg           | 100.0% |                     |          |            |      |                                                               |
| 1980 = 100             |        | 299.5               | 280.7    |            |      | calculated                                                    |
| 1980 = 100 (linked)    |        | 279.6               | 261.0    |            |      | calculated                                                    |
| 4Q17 = 100             | 2.645  | 105.7               | 98.7     |            |      | calculated                                                    |
| 4Q12 = 100             | 2.976  | 94.0                | 87.7     |            |      | calculated                                                    |
| 4Q07 = 100             | 2.459  | 113.7               | 106.1    |            |      | calculated                                                    |
| 4Q02 = 100             | 1.921  | 145.5               | 135.9    |            |      | calculated                                                    |
| 4Q97 = 100             | 1.732  | 161.4               | 150.7    |            |      | calculated                                                    |
| Forecast Error         |        | -7.0                |          |            |      | calculated                                                    |
|                        |        |                     |          |            |      | -0.070 = RCAF adj.                                            |
| <u>Prior Quarter</u>   |        |                     |          |            |      |                                                               |
| 1980 = 100             |        | 301.8               | 300.6 ** |            |      |                                                               |
| 1980 = 100 (linked)    |        | 281.7               | 279.5    |            |      |                                                               |
| 4Q17 = 100             |        | 106.5               | 105.7    |            |      | calculated                                                    |
| 4Q12 = 100             |        | 94.7                | 93.9     |            |      | calculated                                                    |
| 4Q07 = 100             |        | 114.6               | 113.7    |            |      | calculated                                                    |
| 4Q02 = 100             |        | 146.6               | 145.5    |            |      | calculated                                                    |
| 4Q97 = 100             |        | 162.6               | 161.4    |            |      | calculated                                                    |
| <u>Equipment Rents</u> |        |                     |          |            |      |                                                               |
| Car Hire               | 59.1%  | 221.8               | 222.7    |            |      | from Equipment Rents/CHARM                                    |
| Lease Rentals          | 40.9%  | 235.5               | 229.6    |            |      | (equals PPI-LF from above)                                    |
| Weighted Average       |        | 227.4               | 225.5    |            |      | calculated                                                    |
| Linked                 |        | 239.4               | 237.9    |            |      | calculated                                                    |
| <u>Prior Quarter</u>   |        |                     |          |            |      |                                                               |
| Weighted Average       |        | 228.1               | 228.5 ** |            |      |                                                               |
| Linked                 |        | 240.1               | 241.1    |            |      |                                                               |
| Sum of Weights         | ok     |                     |          |            |      | ** if fourth quarter, weighted avg for prior needs to use new |
| Sum of ER Wt.          | ok     |                     |          |            |      | weights, linked is ok                                         |

Factors to change from  
1982=100 to 1980 = 100

0.9040

0.8920

### All-Inclusive Index (Actual) - 2018 Weights

|                                      | 18 Wts        | 3Q/19<br>17 Wts | 3Q/19<br>18 Wts | % Chg.       | 4Q/19<br>18 Wts | % Chg. | 1Q/20<br>18 Wts | % Chg. | 2Q/20<br>18 Wts | % Chg. | 3Q/20<br>18 Wts | % Chg. |
|--------------------------------------|---------------|-----------------|-----------------|--------------|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|
| Labor                                | 33.0%         | 444.7           | 444.7           | 0.0%         | 443.8           | -0.2%  | 443.7           | 0.0%   | 441.9           | -0.4%  |                 | NA     |
| Fuel                                 | 15.9%         | 242.0           | 242.0           | 0.0%         | 248.5           | 2.7%   | 238.4           | -4.1%  | 121.7           | -49.0% |                 | NA     |
| M&S                                  | 5.1%          | 273.1           | 273.1           | 0.0%         | 322.9           | 18.2%  | 267.0           | -17.3% | 266.7           | -0.1%  |                 | NA     |
| Equipment Rents                      | 5.3%          | 238.9           | 238.9           | 0.0%         | 241.5           | 1.1%   | 241.1           | -0.2%  | 237.9           | -1.3%  | 0.0             | NA     |
| Depreciation                         | 15.0%         | 225.2           | 225.2           | 0.0%         | 225.6           | 0.2%   | 226.0           | 0.2%   | 226.1           | 0.0%   |                 | NA     |
| Interest                             | 2.1%          | 62.4            | 62.4            | 0.0%         | 57.2            | -8.3%  | 57.2            | 0.0%   | 57.2            | 0.0%   | 57.2            | 0.0%   |
| Other                                | 23.6%         | 231.7           | 231.7           | 0.0%         | 231.2           | -0.2%  | 232.3           | 0.5%   | 229.6           | -1.2%  |                 | NA     |
|                                      | <b>1.0000</b> |                 |                 |              |                 |        |                 |        |                 |        |                 |        |
| Weighted Avg.                        |               | <b>305.0</b>    | <b>301.6</b>    | <b>-1.1%</b> | <b>304.8</b>    | 1.1%   | <b>300.6</b>    | -1.4%  | <b>280.7</b>    | -6.6%  | <b>1.2</b>      | NA     |
| Linked                               |               | <b>280.4</b>    |                 |              | <b>283.4</b>    | 1.1%   | <b>279.5</b>    | -1.4%  | <b>261.0</b>    | -6.6%  | <b>1.1</b>      | NA     |
| 10/1/80                              | <b>1.027</b>  | 273.0           |                 |              | 275.9           | 1.1%   | 272.2           | -1.3%  | 254.1           | -6.6%  | 1.1             | NA     |
| 10/1/82                              | <b>1.209</b>  | 231.9           |                 |              | 234.4           | 1.1%   | 231.2           | -1.4%  | 215.9           | -6.6%  | 0.9             | NA     |
| 4Q/87                                | <b>1.322</b>  | 212.1           |                 |              | 214.4           | 1.1%   | 211.4           | -1.4%  | 197.4           | -6.6%  | 0.8             | NA     |
| 4Q/92                                | <b>1.569</b>  | 178.7           |                 |              | 180.6           | 1.1%   | 178.1           | -1.4%  | 166.3           | -6.6%  | 0.7             | NA     |
| 4Q/97                                | <b>1.732</b>  | 161.9           |                 |              | 163.6           | 1.1%   | 161.4           | -1.3%  | 150.7           | -6.6%  | 0.6             | NA     |
| 4Q/02                                | <b>1.921</b>  | 146.0           |                 |              | 147.5           | 1.0%   | 145.5           | -1.4%  | 135.9           | -6.6%  | 0.6             | NA     |
| 4Q/07                                | <b>2.459</b>  | 114.0           |                 |              | 115.3           | 1.1%   | 113.7           | -1.4%  | 106.1           | -6.7%  | 0.4             | NA     |
| 4Q/12                                | <b>2.976</b>  | 94.2            |                 |              | 95.2            | 1.1%   | 93.9            | -1.4%  | 87.7            | -6.6%  | 0.4             | NA     |
| 4Q/17                                | <b>2.645</b>  | <b>106.0</b>    |                 |              | <b>107.1</b>    | 1.0%   | <b>105.7</b>    | -1.3%  | <b>98.7</b>     | -6.6%  | <b>0.4</b>      | NA     |
| <b>Equipment Rents</b>               |               |                 |                 |              |                 |        |                 |        |                 |        |                 |        |
| Car Hire                             | 59.1%         | 222.8           | 222.8           | 0.0%         | 227.3           | 2.0%   | 225.8           | -0.7%  | 222.7           | -1.4%  |                 | NA     |
| Lease Rentals                        | 40.9%         | 231.7           | 231.7           | 0.0%         | 231.2           | -0.2%  | 232.3           | 0.5%   | 229.6           | -1.2%  | 0.0             | NA     |
|                                      | <b>1.0000</b> |                 |                 |              |                 |        |                 |        |                 |        |                 |        |
| ER Weighted Avg                      |               | 226.3           | 226.4           | 0.0%         | 228.9           | 1.1%   | 228.5           | -0.2%  | 225.5           | -1.3%  | 0.0             | NA     |
| ER Linked                            |               | 238.9           |                 |              | 241.5           | 1.1%   | 241.1           | -0.2%  | 237.9           | -1.3%  | 0.0             | NA     |
| <b>Impact/Check of weight change</b> |               |                 |                 |              |                 |        |                 |        |                 |        |                 |        |
|                                      |               | <u>17 Wts</u>   | <u>18 Wts</u>   |              |                 |        |                 |        |                 |        |                 |        |
| Labor                                |               | 140.970         | 146.751         |              |                 |        |                 |        |                 |        |                 |        |
| Fuel                                 |               | 50.578          | 38.478          |              |                 |        |                 |        |                 |        |                 |        |
| Material & Supplies                  |               | 14.201          | 13.928          |              |                 |        |                 |        |                 |        |                 |        |
| Equipment Rents                      |               | 12.901          | 12.662          |              |                 |        |                 |        |                 |        |                 |        |
| Depreciation                         |               | 28.375          | 33.780          |              |                 |        |                 |        |                 |        |                 |        |
| Interest                             |               | 0.936           | 1.310           |              |                 |        |                 |        |                 |        |                 |        |
| Other                                |               | 52.596          | 54.681          |              |                 |        |                 |        |                 |        |                 |        |
| Weighted Avg.                        |               | <b>300.557</b>  | <b>301.590</b>  |              |                 |        |                 |        |                 |        |                 |        |
| ER Weighted Avg.                     |               | 226.6715        | 226.4401        |              |                 |        |                 |        |                 |        |                 |        |

As info only

# RCAF Fuel (Actual All-Inclusive Index)

April 2020

## Monthly Report

|      | April 2020<br>Price<br>(cents)<br>(1) | 1/1/81<br>Price<br>(cents)<br>(2) | 1/91 New<br>Method<br>Linking<br>Factors<br>(3) | April 2020<br>Index<br>1/1/81=100<br>(4) | Linking<br>Factor<br>1980=100<br>(5) | April 2020<br>1980=100<br>Current Index<br>(6) |
|------|---------------------------------------|-----------------------------------|-------------------------------------------------|------------------------------------------|--------------------------------------|------------------------------------------------|
| U.S. | 99.60                                 | 89.34                             | 99.415                                          | 110.83                                   | 1.096                                | 121.47                                         |

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

(6) = (4) x (5)

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

|      | April 2020<br>1980=100<br>Current<br>Index | Adjustment<br>Factor | April 2020<br>1980=100<br>Linked<br>Index |
|------|--------------------------------------------|----------------------|-------------------------------------------|
| U.S. | 121.47                                     | 1.00192              | 121.70 ←                                  |

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

## Car Hire for RCAF - 2018 Weights

### Car Hire Index used in RCAF's All-Inclusive Index (Actual)

|                          |      | 1980  | Aug<br>3Q/19 | Nov<br>4Q/19 | Feb<br>1Q/20 | May<br>2Q/20 | Aug<br>3Q/20 |
|--------------------------|------|-------|--------------|--------------|--------------|--------------|--------------|
| <b>RATE</b>              |      |       |              |              |              |              |              |
| RR-OWNED TIME            |      | 31.00 | 65.00        | 64.00        | 64.00        | 65.00        | 65.00        |
| RR-OWNED MILEAGE         |      | 4.69  | 6.70         | 6.60         | 6.60         | 6.60         | 6.60         |
| PRIVATELY-OWNED CARS     |      | 25.47 | 59.12        | 60.50        | 60.15        | 59.13        | 59.37        |
| AUTORACKS                |      | 47.00 | 87.56        | 88.58        | 85.10        | 86.93        | 86.93        |
| <b>INDEX</b>             |      |       |              |              |              |              |              |
| RR-OWNED TIME            |      | 100.0 | 209.7        | 206.5        | 206.5        | 209.7        | 209.7        |
| RR-OWNED MILEAGE         |      | 100.0 | 142.9        | 140.7        | 140.7        | 140.7        | 140.7        |
| PRIVATELY-OWNED CARS     |      | 100.0 | 232.1        | 237.5        | 236.2        | 232.2        | 233.1        |
| AUTORACKS                |      | 100.0 | 186.3        | 188.5        | 181.1        | 185.0        | 185.0        |
| CAR HIRE INDEX (old wts) | 2017 | 100.0 | 223.5        | --           | --           | --           | --           |
| CAR HIRE INDEX (new wts) | 2018 | 100.0 | 225.9        | 230.5        | 229.0        | 225.9        | 226.7        |
| CAR HIRE INDEX (LINKED)  |      | 100.0 | 222.8        | 227.3        | 225.8        | 222.7        | 223.5        |

Note: Indexes are rounded, rates are full float.

## CHARM Process - Car Hire Rate Report

### Average Car Rental Rates for 04/2020

| Ownership | Car Group                            | Car Count | Time Rate<br>(cents/hour) | Mileage<br>Rate<br>(\$/mile) | Auto Rack<br>Rate<br>(cents/hour) |
|-----------|--------------------------------------|-----------|---------------------------|------------------------------|-----------------------------------|
| Railroad  | Vehicular Flats                      | 11,554    | 107                       | 0.060                        | 95                                |
| Railroad  | Number of Zero-Rated Vehicular Flats | 69        | .                         | .                            | .                                 |
| Railroad  | All Other Cars                       | 390,232   | 65                        | 0.066                        | .                                 |
| Railroad  | Number of Zero-Rated Other Cars      | 15,899    | .                         | .                            | .                                 |
| Railroad  | Total Railroad Equipment             | 417,754   | .                         | .                            | .                                 |
|           |                                      | .         | .                         | .                            | .                                 |
| Private   | Vehicular Flats                      | 54,381    | 86                        | 0.010                        | 84                                |
| Private   | Number of Zero-Rated Vehicular Flats | 68        | .                         | .                            | .                                 |
| Private   | Covered Hoppers                      | 432,898   | 0                         | 0.446                        | .                                 |
| Private   | Number of Zero-Rated Covered Hoppers | 14,643    | .                         | .                            | .                                 |
| Private   | Tanks                                | 421,805   | 0                         | 0.988                        | .                                 |
| Private   | Number of Zero-Rated Tanks           | 13,535    | .                         | .                            | .                                 |
| Private   | All Other Cars                       | 299,904   | 101                       | 0.084                        | .                                 |
| Private   | Number of Zero-Rated Other Cars      | 22,494    | .                         | .                            | .                                 |
| Private   | Total Private Equipment              | 1,259,728 | .                         | .                            | .                                 |

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

**Car Hire Data From CHARM**

|                                    | 2019 (first day of month) |              |              |              |              |              | 2020 (first day of month) |              |              |              |              |              |              |              |
|------------------------------------|---------------------------|--------------|--------------|--------------|--------------|--------------|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                    | Jul                       | Aug          | Sep          | Oct          | Nov          | Dec          | Jan                       | Feb          | Mar          | Apr          | May          | Jun          | Jul          | Aug          |
| <b>Railroad Equipment</b>          |                           |              |              |              |              |              |                           |              |              |              |              |              |              |              |
| No. of Cars (cars with rates only) |                           |              |              |              |              |              |                           |              |              |              |              |              |              |              |
| Superstructures (Vehicular Flats)  | 11,391                    | 11,521       | 11,621       | 11,664       | 11,637       | 11,621       | 11,591                    | 11,584       | 11,584       | 11,554       | 11,551       | 11,534       | 11,533       | 11,511       |
| Rate (in cents)                    |                           |              |              |              |              |              |                           |              |              |              |              |              |              |              |
| Superstructures #3 - Auto Rack     | 93.0                      | 95.0         | 96.0         | 96.0         | 96.0         | 96.0         | 95.0                      | 95.0         | 95.0         | 95.0         | 96.0         | 96.0         | 96.0         | 96.0         |
| All other #1 - Time                | 65.0                      | 65.0         | 65.0         | 64.0         | 64.0         | 64.0         | 65.0                      | 64.0         | 64.0         | 65.0         | 65.0         | 64.0         | 65.0         | 65.0         |
| All other #2 - Mileage             | 6.7                       | 6.7          | 6.7          | 6.6          | 6.6          | 6.6          | 6.6                       | 6.6          | 6.6          | 6.6          | 6.6          | 6.6          | 6.6          | 6.6          |
| <b>Private Equipment</b>           |                           |              |              |              |              |              |                           |              |              |              |              |              |              |              |
| No. of Cars (cars with rates only) |                           |              |              |              |              |              |                           |              |              |              |              |              |              |              |
| Superstructures (Vehicular Flats)  | 55,167                    | 55,067       | 54,971       | 54,827       | 54,762       | 54,764       | 54,679                    | 54,675       | 54,545       | 54,381       | 54,273       | 54,184       | 54,099       | 54,029       |
| Covered Hoppers                    | 429,934                   | 429,978      | 430,640      | 431,428      | 431,319      | 431,271      | 431,181                   | 431,928      | 432,117      | 432,898      | 433,197      | 433,596      | 433,856      | 434,193      |
| Tank Cars                          | 412,471                   | 413,545      | 414,888      | 415,980      | 417,650      | 418,946      | 419,807                   | 420,151      | 420,683      | 421,805      | 422,588      | 423,336      | 423,965      | 423,766      |
| Others                             | 297,834                   | 297,537      | 298,118      | 298,567      | 299,072      | 299,144      | 299,807                   | 299,402      | 299,469      | 299,904      | 300,037      | 299,849      | 299,225      | 298,544      |
| Rate (in cents)                    |                           |              |              |              |              |              |                           |              |              |              |              |              |              |              |
| Superstructures #1 - Time          | 86.0                      | 86.0         | 86.0         | 86.0         | 86.0         | 86.0         | 86.0                      | 86.0         | 86.0         | 86.0         | 86.0         | 86.0         | 86.0         | 86.0         |
| Superstructures #2 - Mileage       | 1.4                       | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0                       | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          |
| Superstructures #3 - Auto Rack     | 85.0                      | 86.0         | 86.0         | 86.0         | 87.0         | 88.0         | 82.0                      | 83.0         | 83.0         | 84.0         | 85.0         | 85.0         | 85.0         | 85.0         |
| Covered Hoppers #2 - Mileage       | 45.6                      | 45.5         | 45.5         | 45.6         | 45.6         | 45.0         | 44.5                      | 44.6         | 44.6         | 44.6         | 44.7         | 44.7         | 44.9         | 44.9         |
| Tank Cars #2 - Mileage             | 98.6                      | 98.7         | 102.0        | 102.1        | 102.3        | 102.4        | 102.0                     | 102.1        | 98.7         | 98.8         | 98.9         | 98.9         | 99.1         | 99.1         |
| Others #1 -Time                    | 100.0                     | 101.0        | 101.0        | 101.0        | 101.0        | 101.0        | 101.0                     | 101.0        | 101.0        | 101.0        | 101.0        | 101.0        | 101.0        | 101.0        |
| Others #2 - Mileage                | 8.4                       | 8.4          | 8.4          | 8.4          | 8.4          | 8.4          | 8.4                       | 8.4          | 8.4          | 8.4          | 8.4          | 8.4          | 8.4          | 8.5          |
| <b>AVERAGE RATES</b>               |                           |              |              |              |              |              |                           |              |              |              |              |              |              |              |
| Private Superstructures            | 21.61                     | 21.21        | 21.21        | 21.21        | 21.21        | 21.21        | 21.21                     | 21.21        | 21.21        | 21.21        | 21.21        | 21.21        | 21.21        | 21.21        |
| Private Others                     | 30.60                     | 30.82        | 30.82        | 30.82        | 30.82        | 30.82        | 30.82                     | 30.82        | 30.82        | 30.82        | 30.82        | 30.82        | 30.82        | 30.92        |
| <b>Private Total</b>               | <b>59.04</b>              | <b>59.12</b> | <b>60.29</b> | <b>60.38</b> | <b>60.50</b> | <b>60.37</b> | <b>60.07</b>              | <b>60.15</b> | <b>58.98</b> | <b>59.04</b> | <b>59.13</b> | <b>59.16</b> | <b>59.34</b> | <b>59.37</b> |
| <b>Autoracks</b>                   | <b>86.37</b>              | <b>87.56</b> | <b>87.75</b> | <b>87.75</b> | <b>88.58</b> | <b>89.40</b> | <b>84.27</b>              | <b>85.10</b> | <b>85.10</b> | <b>85.93</b> | <b>86.93</b> | <b>86.93</b> | <b>86.93</b> | <b>86.93</b> |

| <b>Car Hire Weights</b> | <b>"Old Wts" New Wts"</b> |              |
|-------------------------|---------------------------|--------------|
|                         | 2017                      | 2018         |
| For RCAF & RCR          |                           |              |
| RR-owned Time           | 0.073                     | 0.052        |
| RR-owned Mileage        | 0.049                     | 0.034        |
| Privately-owned Cars    | 0.822                     | 0.871        |
| Autoracks               | 0.056                     | 0.043        |
| ----- Check sum         | <b>1.000</b>              | <b>1.000</b> |

| <b>Weights for Equipment Rents</b> |              |              |
|------------------------------------|--------------|--------------|
| (not used in Car Hire calculation) |              |              |
|                                    | <b>2017</b>  | <b>2018</b>  |
| Car Hire - U.S.                    | 0.605        | 0.591        |
| Lease Rentals - U.S.               | 0.395        | 0.409        |
| ----- Check sum                    | <b>1.000</b> | <b>1.000</b> |

**Notes:**

The Car Hire Index and Lease Rentals Index are weighed together to calculate the Equipment Rents Index

CHARM is the Car Hire Accounting Rate Master

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.

## RCAF - Depreciation

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

|              |      | Forecast Year 2020                 |              |              |              |
|--------------|------|------------------------------------|--------------|--------------|--------------|
|              |      | As reported at end of month 82=100 |              |              |              |
|              |      | Nov.                               | Feb.         | May          | Aug.         |
| For Forecast | →    | 20Q1                               | 20Q2         | 20Q3         | 20Q4         |
| For Actual   | →    | 19Q3                               | 19Q4         | 20Q1         | 20Q2         |
| January      | 2019 | 202.1                              | 202.1        | 202.1        | 202.1        |
| February     | 2019 | 203.1                              | 203.1        | 203.1        | 203.1        |
| March        | 2019 | 206.5                              | 206.5        | 206.5        | 206.5        |
| April        | 2019 | 203.4                              | 203.4        | 203.4        | 203.4        |
| May          | 2019 | 203.4                              | 203.4        | 203.4        | 203.4        |
| June         | 2019 | 203.4                              | 203.4        | 203.4        | 203.4        |
| July         | 2019 | <b>203.5</b>                       | 203.5        | 203.5        | 203.5        |
| August       | 2019 | <b>203.5</b>                       | 203.5        | 203.5        | 203.5        |
| September    | 2019 | <b>203.7</b>                       | 203.7        | 203.7        | 203.7        |
| October      | 2019 | 203.7                              | <b>203.7</b> | 203.7        | 203.7        |
| November     | 2019 |                                    | <b>204.0</b> | 203.9        | 203.9        |
| December     | 2019 |                                    | <b>203.9</b> | 204.0        | 204.0        |
| January      | 2020 |                                    | 204.3        | <b>204.3</b> | 204.3        |
| February     | 2020 |                                    |              | <b>204.3</b> | 204.3        |
| March        | 2020 |                                    |              | <b>204.3</b> | 204.3        |
| April        | 2020 |                                    |              | 204.3        | <b>204.3</b> |
| May          | 2020 |                                    |              |              | <b>204.4</b> |
| June         | 2020 |                                    |              |              | <b>204.4</b> |
| July         | 2020 |                                    |              |              | 204.4        |
| Actual Qtr.  |      | 203.6                              | 203.9        | 204.3        | 204.4        |

1980=100

|                     |       |       |       |              |
|---------------------|-------|-------|-------|--------------|
| Actual Qtr.         | 225.2 | 225.6 | 226.0 | <b>226.1</b> |
| First Mo. next qtr. | 225.3 | 226.0 | 226.0 | <b>226.1</b> |

0.904 =1980



**U.S. BUREAU OF LABOR STATISTICS**

## Databases, Tables & Calculators by Subject

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### PPI Commodity Data

**Series Id:** WPU144

Not Seasonally Adjusted

**Series Title:** PPI Commodity data for Transportation equipment-Railroad equipment, not seasonally adjusted

**Group:** Transportation equipment

**Item:** Railroad equipment

**Base Date:** 198200

**Download:** [xlsx](#)

| Year | Jan   | Feb   | Mar   | Apr      | May      | Jun      | Jul      | Aug   | Sep   | Oct   | Nov   | Dec   |
|------|-------|-------|-------|----------|----------|----------|----------|-------|-------|-------|-------|-------|
| 2019 | 202.1 | 203.1 | 206.5 | 203.4    | 203.4    | 203.4    | 203.5    | 203.5 | 203.7 | 203.7 | 203.9 | 204.0 |
| 2020 | 204.3 | 204.3 | 204.3 | 204.3(P) | 204.4(P) | 204.4(P) | 204.4(P) |       |       |       |       |       |

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

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## RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

|              |      | Forecast Year 2020                 |              |              |              |
|--------------|------|------------------------------------|--------------|--------------|--------------|
|              |      | As reported at end of month 82=100 |              |              |              |
|              |      | Nov.                               | Feb.         | May          | Aug.         |
| For Forecast | →    | 20Q1                               | 20Q2         | 20Q3         | 20Q4         |
| For Actual   | →    | 19Q3                               | 19Q4         | 20Q1         | 20Q2         |
| January      | 2019 | 208.3                              | 208.3        | 208.3        | 208.3        |
| February     | 2019 | 208.2                              | 208.2        | 208.2        | 208.2        |
| March        | 2019 | 208.4                              | 208.4        | 208.4        | 208.4        |
| April        | 2019 | 208.2                              | 208.2        | 208.2        | 208.2        |
| May          | 2019 | 207.7                              | 207.7        | 207.7        | 207.7        |
| June         | 2019 | 207.1                              | 207.1        | 207.1        | 207.1        |
| July         | 2019 | <b>207.3</b>                       | 206.9        | 206.9        | 206.9        |
| August       | 2019 | <b>206.8</b>                       | 206.5        | 206.5        | 206.5        |
| September    | 2019 | <b>206.1</b>                       | 206.1        | 206.1        | 206.1        |
| October      | 2019 | 206.3                              | <b>206.3</b> | 206.5        | 206.5        |
| November     | 2019 |                                    | <b>206.1</b> | 206.4        | 206.4        |
| December     | 2019 |                                    | <b>206.1</b> | 206.3        | 206.3        |
| January      | 2020 |                                    | 207.3        | <b>207.3</b> | 207.2        |
| February     | 2020 |                                    |              | <b>206.9</b> | 207.1        |
| March        | 2020 |                                    |              | <b>207.3</b> | 207.1        |
| April        | 2020 |                                    |              | 205.1        | <b>205.1</b> |
| May          | 2020 |                                    |              |              | <b>204.4</b> |
| June         | 2020 |                                    |              |              | <b>205.0</b> |
| July         | 2020 |                                    |              |              | 205.8        |
| Actual Qtr.  |      | 206.7                              | 206.2        | 207.2        | 204.8        |

1980=100

|                     |       |       |       |              |
|---------------------|-------|-------|-------|--------------|
| Actual Qtr.         | 231.7 | 231.2 | 232.3 | <b>229.6</b> |
| First Mo. next qtr. | 231.3 | 232.4 | 229.9 | <b>230.7</b> |

0.892 =1980



**U.S. BUREAU OF LABOR STATISTICS**

## Databases, Tables & Calculators by Subject

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Data extracted on: August 13, 2020 (7:47:14 AM)

### PPI Commodity Data

**Series Id:** WPU03T15M05

Not Seasonally Adjusted

**Series Title:** PPI Commodity data for Industrial commodities less fuels, not seasonally adjusted

**Group:** Industrial Commodities less fuels

**Item:** Industrial commodities less fuels

**Base Date:** 198200

**Download:** [xlsx](#)

| Year | Jan   | Feb   | Mar   | Apr      | May      | Jun      | Jul      | Aug   | Sep   | Oct   | Nov   | Dec   |
|------|-------|-------|-------|----------|----------|----------|----------|-------|-------|-------|-------|-------|
| 2019 | 208.3 | 208.2 | 208.4 | 208.2    | 207.7    | 207.1    | 206.9    | 206.5 | 206.1 | 206.5 | 206.4 | 206.3 |
| 2020 | 207.2 | 207.1 | 207.1 | 205.1(P) | 204.4(P) | 205.0(P) | 205.8(P) |       |       |       |       |       |

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

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**AAR 2019 7/1/2020  
U.S.**

| Union                        | Employees | Straight Time |                  | PFTNW           | Union Lump    |
|------------------------------|-----------|---------------|------------------|-----------------|---------------|
|                              | Paid      | Hours         | Comp.            | Comp.           | Sums          |
| UTU                          | 36,086    | 64,449,606    | 2,040,030,857    | 676,674,785     | 16,302,555    |
| TCU                          | 4,610     | 8,324,274     | 274,579,734      | 36,629,315      | 12,108,152    |
| BLET                         | 24,051    | 48,185,429    | 1,773,210,921    | 613,905,311     | 156,521,901   |
| SMW                          | 808       | 1,439,998     | 47,307,434       | 7,016,735       | 22,177        |
| BRS                          | 6,773     | 12,725,597    | 447,254,021      | 98,423,551      | 661,120       |
| BMWE                         | 21,940    | 39,729,106    | 1,207,793,321    | 205,496,419     | 2,321,356     |
| TCU-CAR                      | 8,138     | 14,917,490    | 488,388,151      | 65,128,248      | 336,650       |
| NCFO                         | 2,061     | 3,721,747     | 102,061,344      | 12,876,712      | 34,668        |
| IAM                          | 6,241     | 11,289,069    | 373,531,996      | 59,315,036      | 301,149       |
| IBBM                         | 1,153     | 2,146,953     | 66,811,803       | 6,527,237       | 35,063        |
| IBEW                         | 4,984     | 9,026,156     | 300,495,769      | 49,653,331      | 397,686       |
| ATDA                         | 2,189     | 5,286,172     | 236,674,366      | 36,803,741      | 3,817,065     |
| UTU-YMD                      | 1,608     | 2,869,889     | 125,362,491      | 23,769,952      | 2,244,304     |
| OTHER                        | 21,807    | 47,288,001    | 2,616,991,535    | 55,899,025      |               |
| Total                        | 142,449   | 271,399,487   | \$10,100,493,743 | \$1,948,119,398 | \$195,103,846 |
| ST Comp less Union Lump Sums |           |               | \$9,905,389,897  |                 |               |

**Checks**

|                           |          |          |               |
|---------------------------|----------|----------|---------------|
| OK Match                  | OK Match | OK Match | OK Match      |
| Total including non-union |          |          | \$682,296,474 |

US less E+W s.b. 0

0 0 0 0 0

## RCAF Weights

|              | U.S.         | 2019        | 2018   | Amt Chg 017 Revised | 2016   | 2015   |
|--------------|--------------|-------------|--------|---------------------|--------|--------|
| Labor        | \$16,235,575 | 32.6%       | 33.0%  | -0.4%               | 34.8%  | 35.0%  |
| Fuel         | 7,078,411    | 14.2%       | 15.9%  | -1.7%               | 12.9%  | 13.4%  |
| Mat & Sup.   | 2,452,189    | 4.9%        | 5.1%   | -0.2%               | 4.9%   | 5.4%   |
| Equip. Rents | 2,557,679    | <b>5.2%</b> | 5.3%   | -0.1%               | 5.7%   | 5.8%   |
| Depreciation | 7,926,119    | 15.9%       | 15.0%  | 0.9%                | 15.7%  | 13.9%  |
| Interest     | 1,250,791    | 2.5%        | 2.1%   | 0.4%                | 2.1%   | 1.9%   |
| Other        | 12,312,752   | 24.7%       | 23.6%  | 1.1%                | 23.9%  | 25.0%  |
| Total        | \$49,813,516 | 100.0%      | 100.0% |                     | 100.0% | 100.0% |

### Check

|          |            |                    |
|----------|------------|--------------------|
| 410 620f | 48,562,725 | key this cell only |
| Interest | 1,250,791  |                    |
| Total    | 49,813,516 | ok                 |

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

### Analysis of Other -- as info only

| Other         | U.S.         | 2019  | 2018  | Amt Chg. |
|---------------|--------------|-------|-------|----------|
| Purch Service | \$8,656,437  | 17.4% | 16.0% | 1.4%     |
| Taxes         | 1,522,684    | 3.1%  | 2.9%  | 0.2%     |
| Cas & Insuran | 645,645      | 1.3%  | 1.1%  | 0.2%     |
| Loss & Dam    | 127,538      | 0.3%  | 0.2%  | 0.1%     |
| Gen & Admn    | 1,360,448    | 2.7%  | 3.4%  | -0.7%    |
| Total         | \$12,312,752 | 24.7% | 23.6% | 1.1%     |

## RCAF Internal Weights

|                                                         | U.S.       | 2019   | 2018   | Amt Diff |
|---------------------------------------------------------|------------|--------|--------|----------|
| <b>Labor</b>                                            |            |        |        |          |
| Wages                                                   | 11,551,192 | 71.1%  | 71.0%  | 0.1%     |
| Wage Supplem                                            | 4,684,383  | 28.9%  | 29.0%  | -0.1%    |
| Total                                                   | 16,235,575 | 100.0% | 100.0% |          |
| Check                                                   | ok         |        |        |          |
| <b>Equip. Rents</b>                                     |            |        |        |          |
| Car Hire                                                | 1,570,937  | 61.4%  | 59.1%  | 2.3%     |
| Lease Rents                                             | 986,742    | 38.6%  | 40.9%  | -2.3%    |
| Total                                                   | 2,557,679  | 100.0% | 100.0% |          |
| Check                                                   | ok         |        |        |          |
| <b>Car Hire</b>                                         |            |        |        |          |
| RR Time excl Autork                                     | 63,071     | 4.0%   | 5.2%   | -1.2%    |
| RR Mileage excl Auto                                    | 65,431     | 4.2%   | 3.4%   | 0.8%     |
| Private excl Autorack                                   | 1,384,200  | 87.9%  | 87.1%  | 0.8%     |
| Autorack                                                | 61,663     | 3.9%   | 4.3%   | -0.4%    |
| Total                                                   | 1,574,365  | 100.0% | 100.0% |          |
| from Sch. 414                                           | ok         |        |        |          |
| <b>Car Hire, Adjusted to eliminate negative numbers</b> |            |        |        |          |
| RR Time excl Autork                                     | 63,071     | 4.0%   | 5.2%   | -1.2%    |
| RR Mileage excl Auto                                    | 65,431     | 4.2%   | 3.4%   | 0.8%     |
| Private excl Autorack                                   | 1,384,200  | 87.9%  | 87.1%  | 0.8%     |
| Autorack                                                | 61,663     | 3.9%   | 4.3%   | -0.4%    |
| Total                                                   | 1,574,365  | 100.0% | 100.0% |          |

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

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

### Inputs:

|                                |         |                                                         |           |
|--------------------------------|---------|---------------------------------------------------------|-----------|
| RRB Earnings Distribution Year | 2018    | RR Retirement Tier I Maximum Taxable Earnings for 2019  | \$132,900 |
| Wage Statistics Year           | 2019    | RR Retirement Tier II Maximum Taxable Earnings for 2019 | \$98,700  |
| Employees Receiving Pay        | 142,449 | Medicare Maximum Taxable Earnings for 2019              | no limit  |
|                                |         | Tier I Employer Tax Rate for 2019                       | 6.20%     |
|                                |         | Tier II Employer Tax Rate for 2019                      | 13.10%    |
|                                |         | Medicare Employer Tax Rate for 2019                     | 1.45%     |

### (Info Only)

| USA  | Taxable Rate | Update Factor | RR Ret. Tax Paid     | Hourly Rate |
|------|--------------|---------------|----------------------|-------------|
| 2018 | \$41.687     |               |                      |             |
| 2019 | \$43.000     | 1.03150       | <b>\$647,882,921</b> | \$8.758     |

Hourly rate from Supplements spreadsheet

Railroad Retirement and Medicare Benchmark for U.S.

| From 2018 RRB Earnings Distribution |                     |                      | Quarterly Average for Benchmark Year 2019 (using updated 2018 Earnings Distribution with data for 2019) |                      |                      |                |                 |                  |                                              |                 |                 |                      |
|-------------------------------------|---------------------|----------------------|---------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------|-----------------|------------------|----------------------------------------------|-----------------|-----------------|----------------------|
| Earnings Groups                     | Avg Annual Earnings | % of Total Employees | Employees Receivg. Pay                                                                                  | Avg. Annual Earnings | Avg. Qtrly. Earnings | Tier I Taxable | Tier II Taxable | Medicare Taxable | Total Taxable Earnings (Taxable x Employees) |                 |                 |                      |
|                                     |                     |                      |                                                                                                         |                      |                      |                |                 |                  | Tier I                                       | Tier II         | Medicare        |                      |
| \$0 - 41,699                        | \$27,759            | 1.052                | 1,499                                                                                                   | \$28,633             | \$7,158              | 7,158          | \$7,158         | \$7,158          | \$10,727,273                                 | \$10,727,273    | \$10,727,273    |                      |
| 41,700 - 43,699                     | \$42,886            | 0.473                | 674                                                                                                     | \$44,237             | 11,059               | 11,059         | 11,059          | 11,059           | 7,451,547                                    | 7,451,547       | 7,451,547       |                      |
| 43,700 - 45,699                     | \$44,794            | 0.368                | 524                                                                                                     | \$46,205             | 11,551               | 11,551         | 11,551          | 11,551           | 6,055,324                                    | 6,055,324       | 6,055,324       |                      |
| 45,700 - 47,699                     | \$46,360            | 0.579                | 825                                                                                                     | \$47,820             | 11,955               | 11,955         | 11,955          | 11,955           | 9,860,337                                    | 9,860,337       | 9,860,337       |                      |
| 47,700 - 49,699                     | \$48,585            | 0.631                | 899                                                                                                     | \$50,116             | 12,529               | 12,529         | 12,529          | 12,529           | 11,261,632                                   | 11,261,632      | 11,261,632      |                      |
| 49,700 - 51,699                     | \$50,995            | 0.631                | 899                                                                                                     | \$52,601             | 13,150               | 13,150         | 13,150          | 13,150           | 11,820,251                                   | 11,820,251      | 11,820,251      |                      |
| 51,700 - 53,699                     | \$52,927            | 1.105                | 1,574                                                                                                   | \$54,594             | 13,649               | 13,649         | 13,649          | 13,649           | 21,483,712                                   | 21,483,712      | 21,483,712      |                      |
| 53,700 - 55,699                     | \$54,762            | 1.105                | 1,574                                                                                                   | \$56,487             | 14,122               | 14,122         | 14,122          | 14,122           | 22,228,560                                   | 22,228,560      | 22,228,560      |                      |
| 55,700 - 57,699                     | \$56,774            | 1.420                | 2,023                                                                                                   | \$58,563             | 14,641               | 14,641         | 14,641          | 14,641           | 29,614,718                                   | 29,614,718      | 29,614,718      |                      |
| 57,700 - 59,699                     | \$58,646            | 0.999                | 1,423                                                                                                   | \$60,494             | 15,123               | 15,123         | 15,123          | 15,123           | 21,521,555                                   | 21,521,555      | 21,521,555      |                      |
| 59,700 - 61,699                     | \$60,905            | 1.894                | 2,698                                                                                                   | \$62,824             | 15,706               | 15,706         | 15,706          | 15,706           | 42,374,314                                   | 42,374,314      | 42,374,314      |                      |
| 61,700 - 63,699                     | \$62,663            | 2.578                | 3,672                                                                                                   | \$64,637             | 16,159               | 16,159         | 16,159          | 16,159           | 59,342,229                                   | 59,342,229      | 59,342,229      |                      |
| 63,700 - 65,699                     | \$64,661            | 3.051                | 4,346                                                                                                   | \$66,698             | 16,674               | 16,674         | 16,674          | 16,674           | 72,469,353                                   | 72,469,353      | 72,469,353      |                      |
| 65,700 - 67,699                     | \$66,705            | 3.524                | 5,020                                                                                                   | \$68,806             | 17,202               | 17,202         | 17,202          | 17,202           | 86,350,339                                   | 86,350,339      | 86,350,339      |                      |
| 67,700 - 69,699                     | \$68,607            | 3.524                | 5,020                                                                                                   | \$70,768             | 17,692               | 17,692         | 17,692          | 17,692           | 88,812,498                                   | 88,812,498      | 88,812,498      |                      |
| 69,700 - 71,699                     | \$70,683            | 3.630                | 5,171                                                                                                   | \$72,910             | 18,227               | 18,227         | 18,227          | 18,227           | 94,252,170                                   | 94,252,170      | 94,252,170      |                      |
| 71,700 - 73,699                     | \$72,689            | 3.261                | 4,645                                                                                                   | \$74,979             | 18,745               | 18,745         | 18,745          | 18,745           | 87,074,151                                   | 87,074,151      | 87,074,151      |                      |
| 73,700 - 75,699                     | \$74,731            | 2.998                | 4,271                                                                                                   | \$77,085             | 19,271               | 19,271         | 19,271          | 19,271           | 82,300,444                                   | 82,300,444      | 82,300,444      |                      |
| 75,700 - 77,699                     | \$76,815            | 2.893                | 4,121                                                                                                   | \$79,235             | 19,809               | 19,809         | 19,809          | 19,809           | 81,632,712                                   | 81,632,712      | 81,632,712      |                      |
| 77,700 - 79,699                     | \$78,625            | 3.893                | 5,546                                                                                                   | \$81,102             | 20,275               | 20,275         | 20,275          | 20,275           | 112,438,442                                  | 112,438,442     | 112,438,442     |                      |
| 79,700 - 81,699                     | \$80,695            | 3.156                | 4,496                                                                                                   | \$83,237             | 20,809               | 20,809         | 20,809          | 20,809           | 93,552,065                                   | 93,552,065      | 93,552,065      |                      |
| 81,700 - 83,699                     | \$82,632            | 3.261                | 4,645                                                                                                   | \$85,235             | 21,309               | 21,309         | 21,309          | 21,309           | 98,984,871                                   | 98,984,871      | 98,984,871      |                      |
| 83,700 - 85,699                     | \$84,635            | 3.051                | 4,346                                                                                                   | \$87,301             | 21,825               | 21,825         | 21,825          | 21,825           | 94,855,379                                   | 94,855,379      | 94,855,379      |                      |
| 85,700 - 87,699                     | \$86,708            | 3.156                | 4,496                                                                                                   | \$89,440             | 22,360               | 22,360         | 22,360          | 22,360           | 100,523,111                                  | 100,523,111     | 100,523,111     |                      |
| 87,700 - 89,699                     | \$88,593            | 2.946                | 4,197                                                                                                   | \$91,384             | 22,846               | 22,846         | 22,846          | 22,846           | 95,874,234                                   | 95,874,234      | 95,874,234      |                      |
| 89,700 - 91,699                     | \$90,613            | 3.051                | 4,346                                                                                                   | \$93,468             | 23,367               | 23,367         | 23,367          | 23,367           | 101,555,272                                  | 101,555,272     | 101,555,272     |                      |
| 91,700 - 93,699                     | \$92,672            | 2.578                | 3,672                                                                                                   | \$95,591             | 23,898               | 23,898         | 23,898          | 23,898           | 87,760,928                                   | 87,760,928      | 87,760,928      |                      |
| 93,700 - 95,699                     | \$94,637            | 2.735                | 3,896                                                                                                   | \$97,618             | 24,405               | 24,405         | 24,405          | 24,405           | 95,079,755                                   | 95,079,755      | 95,079,755      |                      |
| 95,700 - 97,699                     | \$96,662            | 2.104                | 2,997                                                                                                   | \$99,707             | 24,927               | 24,927         | 24,675          | 24,927           | 74,708,715                                   | 73,954,108      | 74,708,715      |                      |
| 97,700 - 99,699                     | \$98,587            | 2.209                | 3,147                                                                                                   | \$101,693            | 25,423               | 25,423         | 24,675          | 25,423           | 79,999,104                                   | 77,644,783      | 79,999,104      |                      |
| 99,700 - 101,699                    | \$100,672           | 2.209                | 3,147                                                                                                   | \$103,843            | 25,961               | 25,961         | 24,675          | 25,961           | 81,690,992                                   | 77,644,783      | 81,690,992      |                      |
| 101,700 - 103,699                   | \$102,671           | 2.104                | 2,997                                                                                                   | \$105,905            | 26,476               | 26,476         | 24,675          | 26,476           | 79,352,988                                   | 73,954,108      | 79,352,988      |                      |
| 103,700 - 105,699                   | \$104,782           | 1.999                | 2,848                                                                                                   | \$108,083            | 27,021               | 27,021         | 24,675          | 27,021           | 76,943,021                                   | 70,263,432      | 76,943,021      |                      |
| 105,700 - 107,699                   | \$106,674           | 2.157                | 3,073                                                                                                   | \$110,035            | 27,509               | 27,509         | 24,675          | 27,509           | 84,523,697                                   | 75,817,020      | 84,523,697      |                      |
| 107,700 - 109,699                   | \$108,720           | 2.052                | 2,923                                                                                                   | \$112,145            | 28,036               | 28,036         | 24,675          | 28,036           | 81,951,434                                   | 72,126,345      | 81,951,434      |                      |
| 109,700 - 111,699                   | \$110,896           | 1.105                | 1,574                                                                                                   | \$114,390            | 28,597               | 28,597         | 24,675          | 28,597           | 45,014,032                                   | 38,839,966      | 45,014,032      |                      |
| 111,700 - 113,699                   | \$112,783           | 1.420                | 2,023                                                                                                   | \$116,336            | 29,084               | 29,084         | 24,675          | 29,084           | 58,830,392                                   | 49,911,993      | 58,830,392      |                      |
| 113,700 - 115,699                   | \$114,721           | 1.315                | 1,873                                                                                                   | \$118,335            | 29,584               | 29,584         | 24,675          | 29,584           | 55,416,416                                   | 46,221,317      | 55,416,416      |                      |
| \$115,700 - over                    | \$152,731           | <b>17.783</b>        | 25,332                                                                                                  | \$157,542            | 39,386               | 33,225         | 24,675          | 39,386           | 841,645,921                                  | 625,059,837     | 997,704,614     |                      |
| TOTAL                               |                     | 100.000              | 142,449                                                                                                 |                      |                      |                |                 |                  | Total Taxable Earn'gs.                       | \$3,287,333,884 | \$3,008,694,865 | \$3,443,392,577      |
|                                     |                     |                      |                                                                                                         |                      |                      |                |                 |                  | Employer Tax Rate                            | 6.20%           | 13.10%          | 1.45%                |
|                                     |                     |                      |                                                                                                         |                      |                      |                |                 |                  | Employer Payment                             | \$203,814,701   | \$394,139,027   | \$49,929,192         |
|                                     |                     |                      |                                                                                                         |                      |                      |                |                 |                  | Total Tier I & II & Medicare                 |                 |                 | <b>\$647,882,921</b> |

## RRB 2018 EARNINGS DATA

| Annual Salary Range  | Number of<br>Employees | Gross Salary | Average<br>Salary<br>(Group) | Group<br>Employment<br>% Total<br>Employment | Cumulative<br>Employees | Cumulative<br>Salary | Average<br>Salary<br>(Cumulative) | Cumulative<br>% Total<br>Employment |
|----------------------|------------------------|--------------|------------------------------|----------------------------------------------|-------------------------|----------------------|-----------------------------------|-------------------------------------|
| \$ 0 TO \$41,699     | 20                     | \$555,175    | \$27,759                     | 1.052                                        | 20                      | \$555,175            | \$27,759                          | 1.052                               |
| \$41,700 TO \$43,699 | 9                      | \$385,976    | \$42,886                     | 0.473                                        | 29                      | \$941,151            | \$32,453                          | 1.526                               |
| \$43,700 TO \$45,699 | 7                      | \$313,559    | \$44,794                     | 0.368                                        | 36                      | \$1,254,710          | \$34,853                          | 1.894                               |
| \$45,700 TO \$47,699 | 11                     | \$509,965    | \$46,360                     | 0.579                                        | 47                      | \$1,764,675          | \$37,546                          | 2.472                               |
| \$47,700 TO \$49,699 | 12                     | \$583,018    | \$48,585                     | 0.631                                        | 59                      | \$2,347,693          | \$39,791                          | 3.104                               |
| \$49,700 TO \$51,699 | 12                     | \$611,938    | \$50,995                     | 0.631                                        | 71                      | \$2,959,631          | \$41,685                          | 3.735                               |
| \$51,700 TO \$53,699 | 21                     | \$1,111,470  | \$52,927                     | 1.105                                        | 92                      | \$4,071,101          | \$44,251                          | 4.840                               |
| \$53,700 TO \$55,699 | 21                     | \$1,150,008  | \$54,762                     | 1.105                                        | 113                     | \$5,221,109          | \$46,205                          | 5.944                               |
| \$55,700 TO \$57,699 | 27                     | \$1,532,909  | \$56,774                     | 1.420                                        | 140                     | \$6,754,018          | \$48,243                          | 7.365                               |
| \$57,700 TO \$59,699 | 19                     | \$1,114,281  | \$58,646                     | 0.999                                        | 159                     | \$7,868,299          | \$49,486                          | 8.364                               |
| \$59,700 TO \$61,699 | 36                     | \$2,192,562  | \$60,905                     | 1.894                                        | 195                     | \$10,060,861         | \$51,594                          | 10.258                              |
| \$61,700 TO \$63,699 | 49                     | \$3,070,506  | \$62,663                     | 2.578                                        | 244                     | \$13,131,367         | \$53,817                          | 12.835                              |
| \$63,700 TO \$65,699 | 58                     | \$3,750,352  | \$64,661                     | 3.051                                        | 302                     | \$16,881,719         | \$55,900                          | 15.886                              |
| \$65,700 TO \$67,699 | 67                     | \$4,469,212  | \$66,705                     | 3.524                                        | 369                     | \$21,350,931         | \$57,862                          | 19.411                              |
| \$67,700 TO \$69,699 | 67                     | \$4,596,687  | \$68,607                     | 3.524                                        | 436                     | \$25,947,618         | \$59,513                          | 22.935                              |
| \$69,700 TO \$71,699 | 69                     | \$4,877,157  | \$70,683                     | 3.630                                        | 505                     | \$30,824,775         | \$61,039                          | 26.565                              |
| \$71,700 TO \$73,699 | 62                     | \$4,506,739  | \$72,689                     | 3.261                                        | 567                     | \$35,331,514         | \$62,313                          | 29.826                              |
| \$73,700 TO \$75,699 | 57                     | \$4,259,651  | \$74,731                     | 2.998                                        | 624                     | \$39,591,165         | \$63,447                          | 32.825                              |
| \$75,700 TO \$77,699 | 55                     | \$4,224,819  | \$76,815                     | 2.893                                        | 679                     | \$43,815,984         | \$64,530                          | 35.718                              |
| \$77,700 TO \$79,699 | 74                     | \$5,818,285  | \$78,625                     | 3.893                                        | 753                     | \$49,634,269         | \$65,915                          | 39.611                              |
| \$79,700 TO \$81,699 | 60                     | \$4,841,693  | \$80,695                     | 3.156                                        | 813                     | \$54,475,962         | \$67,006                          | 42.767                              |
| \$81,700 TO \$83,699 | 62                     | \$5,123,188  | \$82,632                     | 3.261                                        | 875                     | \$59,599,150         | \$68,113                          | 46.028                              |
| \$83,700 TO \$85,699 | 58                     | \$4,908,838  | \$84,635                     | 3.051                                        | 933                     | \$64,507,988         | \$69,140                          | 49.079                              |
| \$85,700 TO \$87,699 | 60                     | \$5,202,457  | \$86,708                     | 3.156                                        | 993                     | \$69,710,445         | \$70,202                          | 52.236                              |
| \$87,700 TO \$89,699 | 56                     | \$4,961,207  | \$88,593                     | 2.946                                        | 1,049                   | \$74,671,652         | \$71,184                          | 55.181                              |
| \$89,700 TO \$91,699 | 58                     | \$5,255,545  | \$90,613                     | 3.051                                        | 1,107                   | \$79,927,197         | \$72,202                          | 58.233                              |
| \$91,700 TO \$93,699 | 49                     | \$4,540,905  | \$92,672                     | 2.578                                        | 1,156                   | \$84,468,102         | \$73,069                          | 60.810                              |
| \$93,700 TO \$95,699 | 52                     | \$4,921,146  | \$94,637                     | 2.735                                        | 1,208                   | \$89,389,248         | \$73,998                          | 63.546                              |

## RRB 2018 EARNINGS DATA

| Annual Salary Range    | Number of<br>Employees | Gross Salary  | Average<br>Salary<br>(Group) | Group<br>Employment<br>% Total<br>Employment | Cumulative<br>Employees | Cumulative<br>Salary | Average<br>Salary<br>(Cumulative) | Cumulative<br>% Total<br>Employment |
|------------------------|------------------------|---------------|------------------------------|----------------------------------------------|-------------------------|----------------------|-----------------------------------|-------------------------------------|
| \$95,700 TO \$97,699   | 40                     | \$3,866,488   | \$96,662                     | 2.104                                        | 1,248                   | \$93,255,736         | \$74,724                          | 65.650                              |
| \$97,700 TO \$99,699   | 42                     | \$4,140,633   | \$98,587                     | 2.209                                        | 1,290                   | \$97,396,369         | \$75,501                          | 67.859                              |
| \$99,700 TO \$101,699  | 42                     | \$4,228,222   | \$100672                     | 2.209                                        | 1,332                   | \$101,624,591        | \$76,295                          | 70.068                              |
| \$101,700 TO \$103,699 | 40                     | \$4,106,852   | \$102671                     | 2.104                                        | 1,372                   | \$105,731,443        | \$77,064                          | 72.173                              |
| \$103,700 TO \$105,699 | 38                     | \$3,981,707   | \$104782                     | 1.999                                        | 1,410                   | \$109,713,150        | \$77,811                          | 74.171                              |
| \$105,700 TO \$107,699 | 41                     | \$4,373,649   | \$106674                     | 2.157                                        | 1,451                   | \$114,086,799        | \$78,626                          | 76.328                              |
| \$107,700 TO \$109,699 | 39                     | \$4,240,098   | \$108720                     | 2.052                                        | 1,490                   | \$118,326,897        | \$79,414                          | 78.380                              |
| \$109,700 TO \$111,699 | 21                     | \$2,328,810   | \$110896                     | 1.105                                        | 1,511                   | \$120,655,707        | \$79,852                          | 79.484                              |
| \$111,700 TO \$113,699 | 27                     | \$3,045,142   | \$112783                     | 1.420                                        | 1,538                   | \$123,700,849        | \$80,430                          | 80.905                              |
| \$113,700 TO \$115,699 | 25                     | \$2,868,033   | \$114721                     | 1.315                                        | 1,563                   | \$126,568,882        | \$80,978                          | 82.220                              |
| \$115,700 AND OVER     | 338                    | \$51,623,245  | \$152731                     | 17.780                                       | 1,901                   | \$178,192,127        | \$93,736                          | 100.000                             |
| TOTAL                  | 1,901                  | \$178,192,127 | \$93,736                     | 100.000                                      | 1,901                   | \$178,192,127        | \$93,736                          | 100.000                             |

## 2019 RR Retirement Benchmarking

### *From "Wage Statistics"*

### **U.S.**

|                               |                         |
|-------------------------------|-------------------------|
| 2019 ST Comp. Incl. Lump Sums | \$10,100,493,743        |
| 2019 PFTNW                    | \$1,948,119,398         |
| <b>TOTAL</b>                  | <b>\$12,048,613,141</b> |
| Pre Tax Emp H&W Cost Sharing  | \$378,276,899           |
| ST Hours Paid For             | 271,399,487             |
| ST Hourly Rate                | \$37.216                |
| PFTNW Hourly Rate             | \$7.178                 |
| ST + PFTNW Hourly Rate        | <b>\$44.394</b>         |
| Pre-Tax Contributions         | (\$1.394)               |
| Taxable Rate                  | <b>\$43.000</b>         |

Figures are from Wage Statistics, Year 2019, and WF Form.

The hourly rate is used both in Railroad Retirement and Unemployment Insurance.

Pre-Tax Employee H&W Cost Sharing is from the railroads in the new WF.

## 2018 RR Retirement Benchmarking

***From "Wage Statistics"***

**U.S.**

|                               |                         |
|-------------------------------|-------------------------|
| 2018 ST Comp. Incl. Lump Sums | \$10,319,105,582        |
| 2018 PFTNW                    | \$1,977,396,872         |
| <b>TOTAL</b>                  | <b>\$12,296,502,454</b> |
| Pre Tax Emp H&W Cost Sharing  | \$394,782,625           |
| ST Hours Paid For             | 285,497,928             |
| ST Hourly Rate                | \$36.144                |
| PFTNW Hourly Rate             | \$6.926                 |
| ST + PFTNW Hourly Rate        | <b>\$43.070</b>         |
| Pre-Tax Contributions         | (\$1.383)               |
| Taxable Rate                  | <b>\$41.687</b>         |

Figures are from Wage Statistics, Year 2018, and WF Form.

The hourly rate is used both in Railroad Retirement and Unemployment Insurance.

Pre-Tax Employee H&W Cost Sharing is from the railroads in the new WF.

## Restated Hourly Rate to New Wage Rate Benchmark

| U.S.  | STHR     | + PFTNW | = Wages  | Lump<br>Sums | Back<br>Pay | Other   | Adjusted<br>Wages | Pre-Tax<br>Wages | Taxable<br>Wages |
|-------|----------|---------|----------|--------------|-------------|---------|-------------------|------------------|------------------|
| 1Q/20 | \$37.181 | \$7.286 | \$44.467 | \$0.574      | \$0.015     | \$0.215 | \$45.271          | -\$1.394         | \$43.877         |
| 2Q/20 | \$37.181 | \$7.286 | \$44.467 | \$0.351      | \$0.015     | \$0.215 | \$45.048          | -\$1.394         | \$43.654         |
| 3Q/20 | \$37.182 | \$7.286 | \$44.468 | \$0.350      | \$0.000     | \$0.172 | \$44.990          | -\$1.394         | \$43.596         |

1Q, 2Q & 3Q STHR & PFTNW (adjustments included) are from the SUMMARY\_restated.xlsx in the Labor Restatement folder.

Adjustments are the same ones that went into the filings but restated to use new Wage Statistics.

See RCAFlumpsum\_restated.xlsx, RCAFbackpay\_restated.xlsx, BNSFProfitSharing\_restated.xlsx, and TaxableRate\_restated.xlsx.

The Taxable Wages (hourly rate) is used both in Railroad Retirement and Unemployment Insurance.