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John T. Gray

Senior Vice President - Policy & Economics

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

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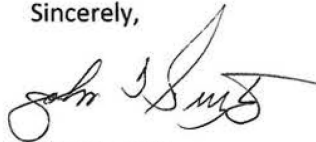
This submission is the AAR forecast of the fourth quarter 2021 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2021-4) *Quarterly Rail Cost Adjustment Factor*. The versions of RCAF-related indices covered in this filing are: the All-Inclusive Index (initiated 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 2021 results and compares to the previous quarter. Both quarters are shown on a 4Q\2017=100 base.

	<u>2021Q3</u>	<u>2021Q4</u>	<u>% Change</u>
All-Inclusive Index	111.3	112.7	1.3
Preliminary RCAF	1.113	1.127	1.3
Forecast Error Adjustment	0.021	0.012	
RCAF (Unadjusted)	1.134	1.139	0.4
Productivity Adjustment Factor	2.4039	2.4087	
RCAF (Adjusted)	0.472	0.473	0.2
PAF-5	2.5470	2.5534	
RCAF-5	0.445	0.446	0.2

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,



John T. Gray

Attachments

**Fourth Quarter 2021
All-Inclusive Index**

Ex Parte No. 290 (Sub-No. 5) (2021-4)

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

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

September 3, 2021

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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 2021. The All-Inclusive Index utilizes new weights (see page 2), which are based on 2020 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).

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 2020 (current) and 2019 (previous) weights are shown below. Weights calculated from 2019 data were used for the fourth quarter of 2020 through the third quarter of 2021. Beginning with the fourth quarter of 2021, weights calculated using 2020 data are used. The component with the biggest change in weight was Fuel, which decreased by 4.5 percentage points. Labor and Materials & Supplies fell by 0.2 and 0.4 percentage points, respectively. Equipment Rents was unchanged. The weight for Depreciation increased 2.6 percentage points, and Other increased by 2.3 percentage points.

Weights for RCAF's All-Inclusive Index		
	2020	2019
Labor	32.4 %	32.6 %
Fuel	9.7	14.2
Materials & Supplies	4.5	4.9
Equipment Rents	5.2	5.2
Depreciation	18.5	15.9
Interest	2.7	2.5
Other	27.0	24.7
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 2021

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.

	2020 Weights	Forecast		Percent Change
		Previous 2021Q3	Current 2021Q4	
1. Labor	32.4%	447.9	454.9	1.6 %
2. Fuel	9.7%	254.5	268.8	5.6
3. M&S	4.5%	277.8	288.8	4.0
4. Equipment Rents	5.2%	250.0	248.4	-0.6
5. Depreciation	18.5%	228.0	227.9	0.0
6. Interest	2.7%	55.7	51.1	-8.3
7. Other	27.0%	278.7	278.1	-0.2
8. Weighted Average				
a. 1980 = 100		314.2	318.0	
b. 1980 = 100 (linked)		294.4	298.0 ¹	
c. 4Q17 = 100		111.3	112.7 ²	1.3

Note: New weights are utilized. The linked index is always unchanged in this linking procedure. However, the 314.2 weighted average for 2021Q3 has been recalculated with 2020 weights to eliminate any changes in the fourth quarter index that would be caused by changing weights. The original Q3 weighted average with 2019 weights was 315.3.

¹
$$\begin{aligned} \text{Index80} &= (\text{Current Index} / \text{Previous Index}) * \text{the Previous Quarter Linked Index} \\ &= (318.0 / 314.2) \times 294.4 \\ &= 298.0 \end{aligned}$$

² To calculate the 4Q17 = 100 index:

$$\begin{aligned} \text{Index4Q17} &= (\text{Current Linked Index} / 4Q17 Basing Factor) * 100 \\ &= 298.0 \text{ divided by } 264.5 \text{ times } 100 \\ &= 112.7 \end{aligned}$$

Indexes based on other periods:

$$\begin{aligned} 4Q12 \text{ based index} &= 298.0 / 297.6 \times 100 = 100.1 \\ 4Q07 \text{ based index} &= 298.0 / 245.9 \times 100 = 121.2 \\ 4Q02 \text{ based index} &= 298.0 / 192.1 \times 100 = 155.1 \\ 4Q97 \text{ based index} &= 298.0 / 173.2 \times 100 = 172.1 \\ 4Q92 \text{ based index} &= 298.0 / 156.9 \times 100 = 189.9 \end{aligned}$$

Forecast vs. Actual All-Inclusive Index

Second Quarter 2021

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 107.9 is 1.2 index points above the forecast value of 106.7. Therefore, the forecast error adjustment for fourth quarter 2021 is 1.2 index points.

	2019	Second Quarter 2021		Amt
	Weights	Forecast	Actual	Difference
1. Labor	32.6%	446.6	446.6	
2. Fuel	14.2%	221.1	236.9	
3. M&S	4.9%	275.0	275.0	
4. Equipment Rents ¹	5.2%	238.4	241.9	
5. Depreciation	15.9%	226.5	227.9	
6. Interest	2.5%	55.7	55.7	
7. Other	24.7%	251.0	257.5	
8. Weighted Average				
a. 1980 = 100		302.3	306.5	
b. 1980 = 100 (linked)		282.3	285.4 ²	
c. 4Q17 = 100 ³		106.7	107.9	1.2

Forecast error  **1.2 index points**

¹	2019	Second Quarter 2021	
	Weights	Forecast	Actual
Car-Hire	61.4%	210.8	211.3
Lease Rentals	38.6%	251.0	257.5
Weighted Average		226.3	229.1
Weighted Average (linked)		238.4	241.9

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

$$285.4 = 306.5 / 297.6 \times 277.1$$

³ 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 19, 2021, the Surface Transportation Board served a decision which proposed to adopt 0.8 percent as the geometric average productivity change for the five most recent years available. Their five year rolling geometric average calculation added the year 2019 and removed the year 2014. The components of this average annual value are shown on the following table in ratio format – therefore, 1.008 is the same as an increase of 0.8 percent. Productivity changes are calculated by multiplying each of the five productivity changes together and taking the result to the one-fifth power. The productivity adjustment factors (PAF) for each quarter are calculated by increasing the previous quarter's PAF by quarterly versions of the annual rate, which are the fourth root of the geometric average annual growth rate. The difference between the PAF and the PAF-5 is the timing of the five-year productivity trend.

Comparison of Output, Input, & Productivity			
2015 - 2019			
Year	Output Index (1)	Input Index (2)	Productivity Changes (3)
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
2019	0.968	0.961	1.007
Average			1.008
Previous Average (2014-2018)			1.010

Calculation of PAF and PAF-5			
For 2015-2019, use fourth root of avg. productivity change = 1.0020			
For 2014-2018, use fourth root of avg. productivity change = 1.0025			
Quarter	Year	PAF	PAF-5
Q1	2021	2.3943	2.5343
Q2	2021	2.3991	2.5406
Q3	2021	2.4039	2.5470
Q4	2021	2.4087	2.5534
Q1	2022	2.4135	2.5585

2014-2018

2015-2019

Rail Cost Adjustment Factor

Fourth Quarter 2021

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 2021Q3	Current 2021Q4	Percent Change
All-Inclusive Index ¹	111.3	112.7	1.3
Preliminary RCAF ²	1.113	1.127	1.3
Forecast Error Adjustment ³	0.021	0.012	
RCAF (Unadjusted) ⁴	1.134	1.139	0.4
Productivity Adjustment Factor ⁵	2.4039	2.4087	
RCAF (Adjusted) ⁶	0.472	0.473	0.2
PAF-5 ⁷	2.5470	2.5534	
RCAF-5 ⁸	0.445	0.446	0.2

¹ See All-Inclusive Index on page 3.

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

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

⁴ Preliminary RCAF plus the forecast error adjustment.

⁵ See Productivity on page 5.

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

⁷ See Productivity on page 5.

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

Appendixes

Labor

Fourth Quarter 2021

The fourth quarter 2021 Labor Index is 1.6 percent higher 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 2020, and this replaces data for 2019. 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 0.5%.

Wage Increases: There are no national wage increases currently scheduled for the fourth quarter. There were a few increases for independent groups that ultimately rounded to zero and did not have an impact on the wage rate index.

Lump Sums: The fourth quarter lump sum rate increased 13.6% (1.7 cents). One amount was fully amortized and removed, and it was replaced by one new similar amount. The change in the lump sum rate was caused mostly by rebenchmarking to newer wage statistics data.

Labor

Fourth Quarter 2021

Back Pay: The back pay rate increased 0.2 cents this quarter, and that was solely caused by rebenchmarking.

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 1.6 cents higher than last quarter, and that was solely caused by rebenchmarking.

Supplements Index

The Supplements Index increased 3 percent this quarter.

Health & Welfare: The Health & Welfare rate increased 4.2 percent, solely the result of rebenchmarking.

Railroad Retirement: The Railroad Retirement rate increased 3.4 percent, solely the result of rebenchmarking.

Unemployment Insurance: The Unemployment Insurance rate increased 4.2 percent, also the result of rebenchmarking to newer wage statistics.

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 12.8 cents 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 0.5 percent increase in the Wage Rate Index and the 3.0 percent increase in the Supplements Index combined to cause the Labor Index to be 1.6 percent higher than the previous quarter. The linked fourth quarter 2021 Labor index is 454.9, which is 4.1 percent higher than one year ago. The linked fourth quarter 2021 index of 454.9 is determined by multiplying the third quarter linked index of 447.9 times the change between the fourth quarter Labor Index (477.3) and the original third quarter Labor Index recalculated using the original third quarter Wage Rate and Supplements indexes weighted with the new 2020 weights (470.0). This method eliminates changes caused by the new weights, but captures changes caused by rebenchmarking. The purpose of the "Updated the Reflect..." column in Table A-1 is only to enable the reader to discern the impact of rebenchmarking.

Labor
Fourth Quarter 2021
Table A-1 Labor Index

	2021Q3		2021Q4	
	Used in Previous Index Filing	Updated to Reflect New Benchmarks	Based on 2020 Data	Pct Chg From Prev. Filing
<u>Base Wage</u> – Straight Time & Pay For Time Not Worked	\$44.477	\$44.665	\$44.665	0.4%
Adjustments:				
Lump Sum	0.125	0.146	0.142	13.6%
Back Pay	0.017	0.019	0.019	11.8%
Other	0.102	0.118	0.118	15.7%
Total Wages	<u>44.721</u>	<u>\$44.948</u>	<u>44.944</u>	0.5%
Health & Welfare Benefits	8.522	8.876	8.876	4.2%
RR Retirement & Medicare	9.012	9.316	9.315	3.4%
Unemployment Insurance	0.569	0.593	0.593	4.2%
Other	0.311	0.362	0.183	-41.2%
Total Supplements	<u>\$18.414</u>	<u>\$19.147</u>	<u>\$18.967</u>	3.0%
Total Labor (a check sum only)	\$63.135	\$64.095	\$63.911	
Wage Rate Index¹	382.7	384.7	384.6	0.5%
Supplements Index²	680.5	707.6	700.9	3.0%
Total labor Index, 2019 Weights ³	468.8			
Total labor Index, 2020 Weights ⁴	470.0	479.3	477.3	
Labor Index (linked)⁵	447.9		454.9	1.6%

¹ 1980 wage rate \$11.685

² 1980 supplements rate \$2.706

³ 2019 weights: wages, supplements 71.1% 28.9%

⁴ 2020 weights: wages, supplements 70.7% 29.3%

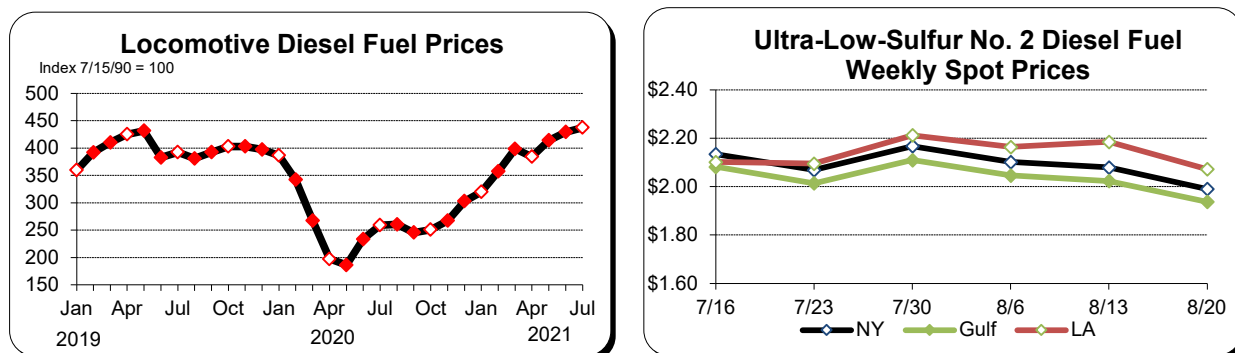
⁵ 2021Q4 linked Index = 2021Q3_{linked} x (2021Q4_{WT2020} / 2021Q3_{WT2020})
= 447.9 x 477.3 / 470.0

Fuel

Fourth Quarter 2021

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 2020 but has, for the most part, risen in the months after. While average prices for locomotive diesel fuel are available only through July 2021, 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 23rd for Ultra-Low-Sulfur Diesel Fuel* is an average of 4.6 percent lower than the average for July. The chart below (on left) shows the AAR's Monthly Locomotive Diesel Fuel Price Index through July 2021. 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 towards the end of August are lower than prices that actually occurred in July. Railroads that responded to the AAR's forecast survey expect prices to decrease by October (Q4) compared to prices that actually occurred for July (Q3). The fourth quarter 2021 forecast is 5.6 percent higher than the previous quarter forecast, but 0.4 percent lower than the prior quarter actual.

Forecast Fuel Index (1980 = 100)	268.8
Change from previous quarter forecast	5.6%
Change from previous quarter actual	-0.4%

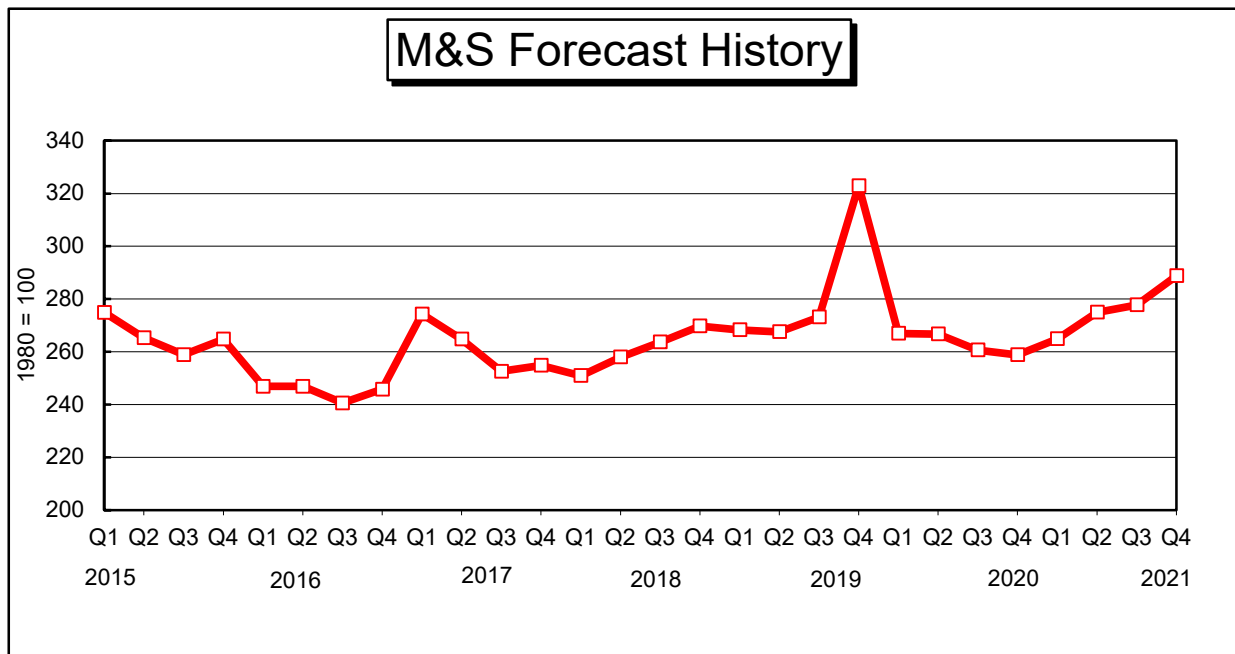
* Heating oil, Ultra-Low-Sulfur No. 2 Diesel Fuel, and locomotive diesel fuel are part of a group of closely related products, commonly labeled as distillates, that differ mostly by their sulfur content. Because of these similarities, these fuels are produced together and have similar pricing trends.

Materials & Supplies

Fourth Quarter 2021

The fourth quarter 2021 Materials & Supplies Index increased 4.0 percent from the previous quarter. Prices increased for all three composition categories: Forest Products, Metal Products, and Miscellaneous Products.

2021Q4	Materials & Supplies Index =	288.8
2021Q3	Materials & Supplies Index =	277.8
Difference		11.0 basis points or 4.0 %



Equipment Rents

Fourth Quarter 2021

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 2020. 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 2019 weights was 237.3. The fourth quarter Car Hire portion of the Index decreased 1.0 percent because of lower rates for privately-owned cars. A 0.2 percent decrease for the projected PPI-LF (See Appendix G) used as a proxy for Lease Rentals, combined with the 1.0 percent decrease for Car Hire, caused the Equipment Rents Index to fall 0.6 percent.

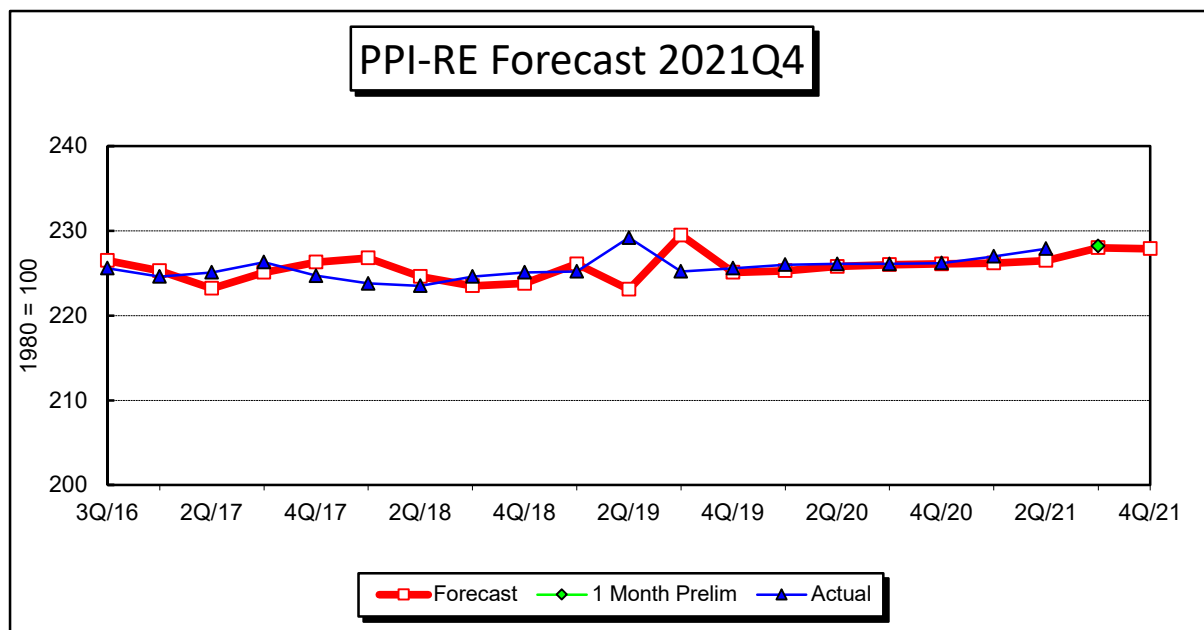
	2020			Percent
	Weight	2021Q3	2021Q4	Change
Car Hire	64.7%	211.2	209.1	-1.0 %
Lease Rentals	35.3%	278.7	278.1	-0.2
Weighted Average		235.0	233.5	-0.6
Weighted Average (Linked)		250.0	248.4	-0.6

Depreciation

Fourth Quarter 2021

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) lower than the previous quarter's forecast.

Forecast of Depreciation Index (1982=100)	206.0
Forecast of Depreciation Index (1980=100)	227.9
Change from previous quarter forecast	0.0% = -0.04%
Change from actual first month of previous quarter	-0.1% = -0.13%
Change from same quarter of prior year (actual)	0.8%



Depreciation

Fourth Quarter 2021

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 0.96 and for Box-Jenkins was 1.95.
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

Exponential smoothing: No trend, Additive seasonality
NA(0.646, 0.253)

Component	Smoothing Wgt		Final Value
Level	0.646		206.2
Seasonal	0.253		
Seasonal Indexes			
Jan - Mar	-0.1549	0.1339	0.3968
Apr - Jun	-0.1148	-0.1076	-0.008106
Jul - Sep	0.1131	0.3429	-0.1422
Oct - Dec	0.07346	-0.3078	-0.2248

Within-Sample Statistics

Sample size	72	No. parameters	2
Mean	203.61	Std. deviation	1.27
R-square	0.54	Adj. R-square	0.53
Durbin-Watson	1.81	Ljung-Box(18)	21.3 P=0.73
Forecast error	0.87	BIC	0.91
MAPE	0.27	SMAPE	0.27
RMSE	0.85	MAD	0.56
MAD/Mean Ratio	0		

Actual Values for the Most Recent 6 Periods:

Actual

2021-Feb	204.9
2021-Mar	205.8
2021-Apr	206
2021-May	206
2021-Jun	206.1
2021-Jul	206.3

Forecasted Values

2.5 Lower	Forecast	97.5 Upper	
Date	2.5 Lower	Forecast	97.5 Upper
2021-Aug	204.727	206.501	208.275
2021-Sep	203.903	206.016	208.128
2021-Oct	203.828	206.231	208.635
2021-Nov	203.188	205.850	208.513
2021-Dec	203.034	205.933	208.832
QTR AVG	203.350	206.005	208.660

Interest

Fourth Quarter 2021

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 2020 data, and was updated in the Q4 filing submitted on September 3, 2021. The Interest Index based on 2020 decreased from 55.7 in 2019 to 51.1 in 2020, 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

2020	Interest Rate	4.01%
1980	Interest Rate	7.85%
2021Q4	Interest Index	51.1
2021Q3	Interest Index	55.7
	Percent Change	-8.3%

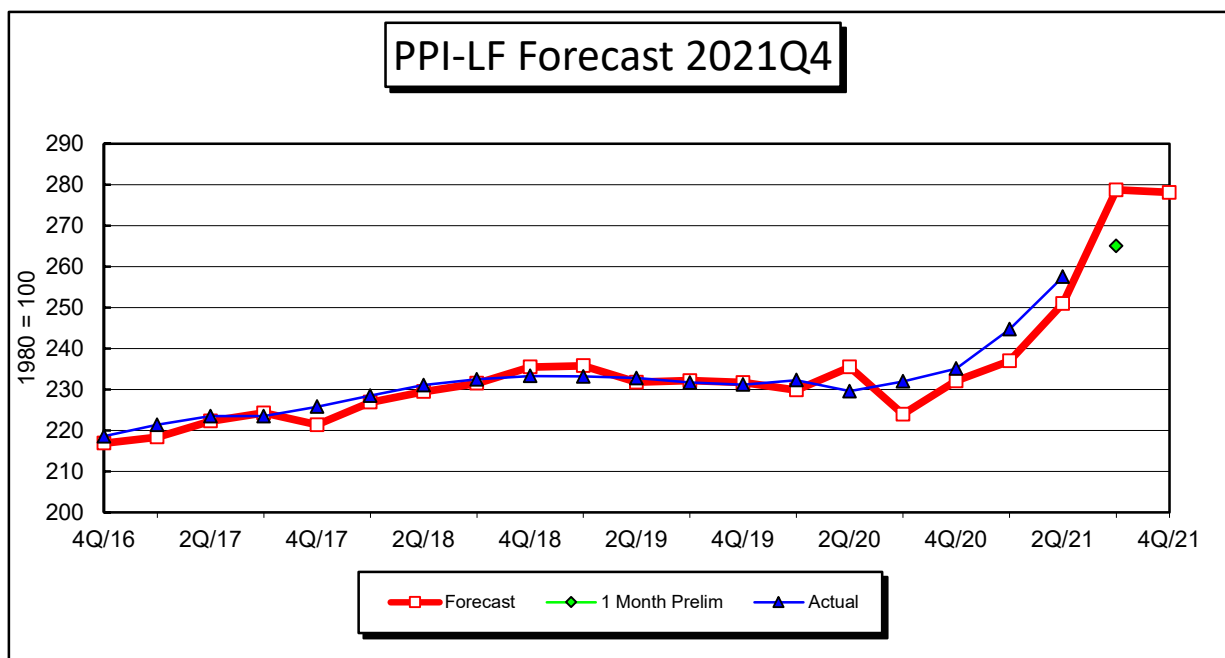
Other Expenses

Fourth Quarter 2021

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 0.2 percent lower than the prior quarter forecast.

Forecast of Other Expense Index (1982=100)	248.1
Forecast of Other Expense Index (1980=100)	278.1
Change from previous quarter forecast	-0.2%
Change from actual first month of previous quarter	4.9%
Change from same quarter of prior year (actual)	18.3%



Other Expenses

Fourth Quarter 2021

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 7.08 and for Box-Jenkins was 10.10.

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

Multiplicative Winters: Linear trend, Multiplicative seasonality
LM(0.950, 0.981, 0.999)

Confidence limits proportional to indexes and level

Component	Smoothing Wgt		Final Value
Level	0.9504		236.5
Trend	0.9813		2.871
Seasonal	0.9992		
Seasonal Indexes			
Jan - Mar	1.001	0.9993	1
Apr - Jun	0.9997	0.9994	0.9997
Jul - Sep	0.9995	1	0.9997
Oct - Dec	1.001	1.001	1

Within-Sample Statistics

Sample size	72	No. parameters	3
Mean	204.32	Std. deviation	9.42
R-square	1	Adj. R-square	1
Durbin-Watson	1.81	Ljung-Box(18)	12.8 P=0.20
Forecast error	0.58	BIC	0.62
MAPE	0.2	SMAPE	0.2
RMSE	0.56	MAD	0.42
MAD/Mean Ratio	0		

Actual Values for the Most Recent 6 Periods:

Actual

2021-Feb	217.5
2021-Mar	221.5
2021-Apr	225.9
2021-May	229.7
2021-Jun	233.6
2021-Jul	236.4

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2021-Aug	238.125	239.501	240.876
2021-Sep	239.255	242.186	245.117
2021-Oct	241.359	245.27	249.18
2021-Nov	243.447	248.137	252.827
2021-Dec	245.533	250.891	256.248
QTR AVG	243.446	248.099	252.752

Railroad and Union Abbreviations

Fourth Quarter 2021

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.)
CMQ	Central Maine & Quebec (Part of Canadian Pacific's U.S. operations, included beginning 2021Q4.)
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 2021 Q4 RCAF

September 3, 2021

- 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. 2020 Benchmark spreadsheet
- 5 . National Increase Applicability spreadsheet for 2020 Benchmark (Public Version)
- 6 . Wall Street Journal - 13 week Treasury Bill Rate from recent auction (a.k.a. 3-Mo. T-Bill)
- 7 . 2021/Q4 RCAF Lump Sum Amortization summary, public version (1 page)
- 8 . 2021/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 2021 Q4 Unemployment Insurance Tax & 2-page run for restated 2021 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 (4 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. 2020 Wage Statistics Summary
2. RCAF Weights based on 2020 data (2 pages)
3. Railroad Retirement & Medicare 2020 Payroll Tax Calculation (2 pages)
4. Railroad Retirement & Medicare 2019 Earnings Distribution (2 pages, latest available from RRB)
5. 2019 and 2020 wage benchmarks for Railroad Retirement and Unemployment Insurance
6. Restated hourly rates for 2021Q1, Q2, and Q3 for wage rate benchmark.

RCAF All-Inclusive Index's Labor Index Based on 2020 Benchmarks

	20 Wts.	3Q/21	3Q/21 Rebenched As Info Only	% Chg	4Q/21	% Chg	1Q/22	% Chg	2Q/22	% Chg	3Q/22	% Chg
Straight Time		\$37.189	\$37.452	0.7%	\$37.452	0.7%		--		--		--
PFTNW		\$7.288	\$7.213	-1.0%	\$7.213	-1.0%		--		--		--
Total		\$44.477	\$44.665	0.4%	\$44.665	0.4%	\$0.000	--	\$0.000	--	\$0.000	--
Adjustments												
Lump Sum		\$0.125	\$0.146		\$0.142							
Back Pay		\$0.017	\$0.019		\$0.019							
Other		\$0.102	\$0.118		\$0.118							
Total Wages		\$44.721	\$44.948	0.5%	\$44.944	0.5%	\$0.000	--	\$0.000	--	\$0.000	--
Pre-Tax Reduction		(\$1.395)	(\$1.440)		(\$1.440)							
Taxable Wages		\$43.326	\$43.508		\$43.504		\$0.000		\$0.000		\$0.000	
H & W		\$8.522	\$8.876	4.2%	\$8.876	4.2%		--		--		--
RR Ret & Medicare		\$9.012	\$9.316	3.4%	\$9.315	3.4%		--		--		--
Unemp. Insurance		\$0.569	\$0.593	4.2%	\$0.593	4.2%		--		--		--
Other		\$0.311	\$0.362	16.4%	\$0.183	-41.2%		--		--		--
Total		\$18.414	\$19.147	4.0%	\$18.967	3.0%	\$0.000	--	\$0.000	--	\$0.000	--
Adjustments												
Total Supplements		\$18.414	\$19.147	4.0%	\$18.967	3.0%	\$0.000	--	\$0.000	--	\$0.000	--
Total Labor		\$63.135	\$64.095	1.5%	\$63.911	1.2%	\$0.000	--	\$0.000	--	\$0.000	--
Wage Rate Index	0.7070	382.7	384.7	0.5%	384.6	0.5%	0.0	--	0.0	--	0.0	--
Supplements Index	0.2930	680.5	707.6	4.0%	700.9	3.0%	0.0	--	0.0	--	0.0	--
Total Labor Index '19 Wts.		468.8										
Total Labor Index '20 Wts.		470.0	479.3	2.0%	477.3	1.6%	0.0	--	0.0	--	0.0	--
Labor Index (Linked)		447.9			454.9	1.6%	0.0	-100.0%	#DIV/0!	--	#DIV/0!	--

All Inclusive Index and RCAF using 2020 Benchmarks and Weights

	20 Wts.	3Q/21	20 Wts. 3Q/21	% Chg	4Q/21	% Chg	1Q/22	% Chg	2Q/22	% Chg	3Q/22	% Chg
Labor	0.324	447.90	447.9	0.0%	454.9	1.6%	0.0	-100.0%	#DIV/0!	--	#DIV/0!	--
Fuel	0.097	254.50	254.5	0.0%	268.8	5.6%		--		--		--
M&S	0.045	277.80	277.8	0.0%	288.8	4.0%		--		--		--
Equip. Rents	0.052	250.00	250.0	0.0%	248.4	-0.6%	0.0	-100.0%	#DIV/0!	--	#DIV/0!	--
Depreciation	0.185	228.00	228.0	0.0%	227.9	0.0%		--		--		--
Interest	0.027	55.70	55.7	0.0%	51.1	-8.3%	51.1	0.0%	51.1	0.0%	51.1	0.0%
Other	0.270	278.70	278.7	0.0%	278.1	-0.2%		--		--		--
Weighted Avg.	1.000	315.30	314.2	-0.3%	318.0	1.2%	1.4	-99.6%	#DIV/0!	--	#DIV/0!	--
Linked		294.40			298.0	1.2%	1.3	-99.6%	#DIV/0!	--	#DIV/0!	--
Basing Factor												
10/1/80 basis	102.7	286.7			290.2	1.2%	1.3	-99.6%	#DIV/0!	--	#DIV/0!	--
10/1/82	120.9	243.5			246.5	1.2%	1.1	-99.6%	#DIV/0!	--	#DIV/0!	--
4Q/87	132.2	222.7			225.4	1.2%	1.0	-99.6%	#DIV/0!	--	#DIV/0!	--
4Q/92	156.9	187.6			189.9	1.2%	0.8	-99.6%	#DIV/0!	--	#DIV/0!	--
4Q/97	173.2	170.0			172.1	1.2%	0.8	-99.5%	#DIV/0!	--	#DIV/0!	--
4Q/02	192.1	153.3			155.1	1.2%	0.7	-99.5%	#DIV/0!	--	#DIV/0!	--
4Q/07	245.9	119.7			121.2	1.3%	0.5	-99.6%	#DIV/0!	--	#DIV/0!	--
4Q/12	297.6	98.9			100.1	1.2%	0.4	-99.6%	#DIV/0!	--	#DIV/0!	--
4Q/17 basis	264.5	111.3			112.7	1.3%	0.5	-99.6%	#DIV/0!	--	#DIV/0!	--
Car Hire	0.647	211.20	211.2	0.0%	209.1	-1.0%		--		--		--
Lease Rents	0.353	278.70	278.7	0.0%	278.1	-0.2%	0.0	--	0.0	--	0.0	--
Weighted Avg Eq Rents		237.30	235.0	-1.0%	233.5	-0.6%	0.0	--	0.0	--	0.0	--
Linked Equipment Rents		250.00			248.4	-0.6%	0.0	-100.0%	#DIV/0!	--	#DIV/0!	--
Preliminary RCAF		1.113			1.127	1.26%	0.005	-99.6%	#DIV/0!	--	#DIV/0!	--
Forecast Error Adj.		0.021			0.012							
RCAF Unadjusted		1.134			1.139	0.44%	0.005	-99.6%	#DIV/0!	--	#DIV/0!	--
PAF		2.4039			2.4087	0.20%		--		--		--
RCAF Adjusted		0.472			0.473	0.21%	#DIV/0!	--	#DIV/0!	--	#DIV/0!	--
PAF-5		2.5470			2.5534	0.25%		--		--		--
RCAF-5		0.445			0.446	0.22%	#DIV/0!	--	#DIV/0!	--	#DIV/0!	--

Hourly Rate for 2021 Q4

Straight Time and Time Paid For But Not Worked

2021Q4 Straight Time Hourly Rate (from national spreadsheet)	\$37.450
Rebenchmark	

Adjustments to 2020 base:

Added 2021 Q1

Miscellaneous Independents	Nothing	0.000
Soo Corp.	A few GWIs	0.001

Added 2021 Q2

Miscellaneous Independents	Nothing	0.000
Soo Corp.	Nothing	0.000

Added 2021 Q3

Miscellaneous Independents	Nothing	0.000
Soo Corp.	A few GWIs	0.001

Added 2021 Q4

Miscellaneous Independents	Nothing	0.000
Soo Corp.	A few GWIs but rounds to zero	0.000

Adjusted STHR Total	\$37.452
----------------------------	-----------------

Pay For Time Not Worked

PFTNW (from national spreadsheet)		\$7.213
Ratio Adj STHR to Nat STHR	37.452 / 37.450 =	1.00005

Adjusted Pay For Time Not Worked	\$7.213
---	----------------

Adjusted STHR + Adjusted Pay For Time Not Worked	\$44.665
---	-----------------

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, DM&E, and CMQ.

National Contracts U.S.

Straight Time Hourly Rate															Check
Weight	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTRS	OTHER	Sum
	0.219418	0.03139	0.169244	0.004842	0.050052	0.16002	0.052721	0.012743	0.041265	0.00436	0.033416	0.021306	0.010707	0.188516	1.00000
2020 Avg.	32.720	31.926	34.937	33.380	35.675	30.832	33.391	28.884	33.755	33.138	33.880	45.331	43.330	54.354	505.533
12/31/20	32.720	31.926	34.937	33.380	35.680	30.832	33.397	28.886	33.757	33.138	33.884	45.331	43.337	54.354	505.557
1/1/21	32.720	31.926	34.937	33.380	35.680	30.832	33.397	28.886	33.757	33.138	33.884	45.331	43.337	54.354	
4/1/21	32.720	31.926	34.937	33.380	35.680	30.832	33.397	28.886	33.757	33.138	33.884	45.331	43.337	54.354	
7/1/21	32.720	31.926	34.937	33.380	35.680	30.832	33.397	28.886	33.757	33.138	33.884	45.331	43.337	54.354	
10/1/21	32.720	31.926	34.937	33.380	35.680	30.832	33.397	28.886	33.757	33.138	33.884	45.331	43.337	54.354	
1/1/22	32.720	31.926	34.937	33.380	35.680	30.832	33.397	28.886	33.757	33.138	33.884	45.331	43.337	54.354	
4/1/22	32.720	31.926	34.937	33.380	35.680	30.832	33.397	28.886	33.757	33.138	33.884	45.331	43.337	54.354	
7/1/22	32.720	31.926	34.937	33.380	35.680	30.832	33.397	28.886	33.757	33.138	33.884	45.331	43.337	54.354	

Weighted Straight Time Hourly Rate															
	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTRS	OTHER	Total
2020 Avg.	7.179	1.002	5.913	0.162	1.786	4.934	1.760	0.368	1.393	0.144	1.132	0.966	0.464	10.247	37.450
12/31/20	7.179	1.002	5.913	0.162	1.786	4.934	1.761	0.368	1.393	0.144	1.132	0.966	0.464	10.247	37.450
1/1/21	7.179	1.002	5.913	0.162	1.786	4.934	1.761	0.368	1.393	0.144	1.132	0.966	0.464	10.247	37.450
4/1/21	7.179	1.002	5.913	0.162	1.786	4.934	1.761	0.368	1.393	0.144	1.132	0.966	0.464	10.247	37.450
7/1/21	7.179	1.002	5.913	0.162	1.786	4.934	1.761	0.368	1.393	0.144	1.132	0.966	0.464	10.247	37.450
10/1/21	7.179	1.002	5.913	0.162	1.786	4.934	1.761	0.368	1.393	0.144	1.132	0.966	0.464	10.247	37.450
1/1/22	7.179	1.002	5.913	0.162	1.786	4.934	1.761	0.368	1.393	0.144	1.132	0.966	0.464	10.247	37.450
4/1/22	7.179	1.002	5.913	0.162	1.786	4.934	1.761	0.368	1.393	0.144	1.132	0.966	0.464	10.247	37.450
7/1/22	7.179	1.002	5.913	0.162	1.786	4.934	1.761	0.368	1.393	0.144	1.132	0.966	0.464	10.247	37.450

Note: The 2020 Average and 12/31/20 Straight Time Hourly Rates are the industry rates, and include all Class I railroad employees. The rates for 1/1/21 through 7/1/22 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 2020 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	YDMSTRS	OTHER	1.00000
2020 Avg.	0.219418	0.03139	0.169244	0.004842	0.050052	0.16002	0.052721	0.012743	0.041265	0.00436	0.033416	0.021306	0.010707	0.188516	89.098
12/31/20	11.314	4.708	12.808	5.374	8.212	4.825	4.814	4.067	5.128	4.331	5.914	7.488	8.970	1.147	
1/1/21	11.314	4.708	12.808	5.374	8.213	4.825	4.814	4.067	5.128	4.331	5.914	7.488	8.972	1.147	
4/1/21	11.314	4.708	12.808	5.374	8.213	4.825	4.814	4.067	5.128	4.331	5.914	7.488	8.972	1.147	
7/1/21	11.314	4.708	12.808	5.374	8.213	4.825	4.814	4.067	5.128	4.331	5.914	7.488	8.972	1.147	
10/1/21	11.314	4.708	12.808	5.374	8.213	4.825	4.814	4.067	5.128	4.331	5.914	7.488	8.972	1.147	
1/1/22	11.314	4.708	12.808	5.374	8.213	4.825	4.814	4.067	5.128	4.331	5.914	7.488	8.972	1.147	
4/1/22	11.314	4.708	12.808	5.374	8.213	4.825	4.814	4.067	5.128	4.331	5.914	7.488	8.972	1.147	
7/1/22	11.314	4.708	12.808	5.374	8.213	4.825	4.814	4.067	5.128	4.331	5.914	7.488	8.972	1.147	

Pay For Time Not Worked Hourly Rate															
	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTRS	OTHER	Total
2020 Avg.	2.482	0.148	2.168	0.026	0.411	0.772	0.254	0.052	0.212	0.019	0.198	0.160	0.096	0.216	7.212
12/31/20	2.482	0.148	2.168	0.026	0.411	0.772	0.254	0.052	0.212	0.019	0.198	0.160	0.096	0.216	7.213
1/1/21	2.482	0.148	2.168	0.026	0.411	0.772	0.254	0.052	0.212	0.019	0.198	0.160	0.096	0.216	7.213
4/1/21	2.482	0.148	2.168	0.026	0.411	0.772	0.254	0.052	0.212	0.019	0.198	0.160	0.096	0.216	7.213
7/1/21	2.482	0.148	2.168	0.026	0.411	0.772	0.254	0.052	0.212	0.019	0.198	0.160	0.096	0.216	7.213
10/1/21	2.482	0.148	2.168	0.026	0.411	0.772	0.254	0.052	0.212	0.019	0.198	0.160	0.096	0.216	7.213
1/1/22	2.482	0.148	2.168	0.026	0.411	0.772	0.254	0.052	0.212	0.019	0.198	0.160	0.096	0.216	7.213
4/1/22	2.482	0.148	2.168	0.026	0.411	0.772	0.254	0.052	0.212	0.019	0.198	0.160	0.096	0.216	7.213
7/1/22	2.482	0.148	2.168	0.026	0.411	0.772	0.254	0.052	0.212	0.019	0.198	0.160	0.096	0.216	7.213

U.S. National Contract

UTU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2020 Industry Avg.				32.72007	11.31387
12/31/20 Industry Rate				32.72007	11.31387
1/1/21			93.628%	32.72007	11.31387
4/1/21			93.628%	32.72007	11.31387
7/1/21			93.628%	32.72007	11.31387
10/1/21			93.628%	32.72007	11.31387
1/1/22			93.628%	32.72007	11.31387
4/1/22			93.628%	32.72007	11.31387
7/1/22			93.628%	32.72007	11.31387

TCU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2020 Industry Avg.				31.92598	4.70821
12/31/20 Industry Rate				31.92598	4.70821
1/1/21			97.830%	31.92598	4.70821
4/1/21			97.830%	31.92598	4.70821
7/1/21			97.830%	31.92598	4.70821
10/1/21			97.830%	31.92598	4.70821
1/1/22			97.830%	31.92598	4.70821
4/1/22			97.830%	31.92598	4.70821
7/1/22			97.830%	31.92598	4.70821

BLET

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2020 Industry Avg.				34.93658	12.80776
12/31/20 Industry Rate				34.93658	12.80776
1/1/21			63.923%	34.93658	12.80776
4/1/21			63.923%	34.93658	12.80776
7/1/21			63.923%	34.93658	12.80776
10/1/21			63.923%	34.93658	12.80776
1/1/22			63.923%	34.93658	12.80776
4/1/22			63.923%	34.93658	12.80776
7/1/22			63.923%	34.93658	12.80776

SMWIA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2020 Industry Avg.				33.37959	5.37374
12/31/20 Industry Rate				33.37959	5.37374
1/1/21			100.000%	33.37959	5.37374
4/1/21			100.000%	33.37959	5.37374
7/1/21			100.000%	33.37959	5.37374
10/1/21			100.000%	33.37959	5.37374
1/1/22			100.000%	33.37959	5.37374
4/1/22			100.000%	33.37959	5.37374
7/1/22			100.000%	33.37959	5.37374

BRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2020 Industry Avg.				35.67541	8.21198
12/31/20 Industry Rate				35.67960	8.21295
1/1/21			98.091%	35.67960	8.21295
4/1/21			98.091%	35.67960	8.21295
7/1/21			98.091%	35.67960	8.21295
10/1/21			98.091%	35.67960	8.21295
1/1/22			98.091%	35.67960	8.21295
4/1/22			98.091%	35.67960	8.21295
7/1/22			98.091%	35.67960	8.21295

BMWE

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2020 Industry Avg.				30.83204	4.82474
12/31/20 Industry Rate				30.83204	4.82474
1/1/21			97.380%	30.83204	4.82474
4/1/21			97.380%	30.83204	4.82474
7/1/21			97.380%	30.83204	4.82474
10/1/21			97.380%	30.83204	4.82474
1/1/22			97.380%	30.83204	4.82474
4/1/22			97.380%	30.83204	4.82474
7/1/22			97.380%	30.83204	4.82474

U.S. National Contract

TCU-Carmen

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2020 Industry Avg.				33.39062	4.81360
12/31/20 Industry Rate				33.39670	4.81448
1/1/21			98.321%	33.39670	4.81448
4/1/21			98.321%	33.39670	4.81448
7/1/21			98.321%	33.39670	4.81448
10/1/21			98.321%	33.39670	4.81448
1/1/22			98.321%	33.39670	4.81448
4/1/22			98.321%	33.39670	4.81448
7/1/22			98.321%	33.39670	4.81448

NCFO

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2020 Industry Avg.				28.88391	4.06721
12/31/20 Industry Rate				28.88569	4.06746
1/1/21			99.060%	28.88569	4.06746
4/1/21			99.060%	28.88569	4.06746
7/1/21			99.060%	28.88569	4.06746
10/1/21			99.060%	28.88569	4.06746
1/1/22			99.060%	28.88569	4.06746
4/1/22			99.060%	28.88569	4.06746
7/1/22			99.060%	28.88569	4.06746

IAM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2020 Industry Avg.				33.75459	5.12765
12/31/20 Industry Rate				33.75713	5.12804
1/1/21			98.942%	33.75713	5.12804
4/1/21			98.942%	33.75713	5.12804
7/1/21			98.942%	33.75713	5.12804
10/1/21			98.942%	33.75713	5.12804
1/1/22			98.942%	33.75713	5.12804
4/1/22			98.942%	33.75713	5.12804
7/1/22			98.942%	33.75713	5.12804

U.S. National Contract

IBBM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2020 Industry Avg.				33.13831	4.33053
12/31/20 Industry Rate				33.13831	4.33053
1/1/21			93.731%	33.13831	4.33053
4/1/21			93.731%	33.13831	4.33053
7/1/21			93.731%	33.13831	4.33053
10/1/21			93.731%	33.13831	4.33053
1/1/22			93.731%	33.13831	4.33053
4/1/22			93.731%	33.13831	4.33053
7/1/22			93.731%	33.13831	4.33053

IBEW

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2020 Industry Avg.				33.88044	5.91369
12/31/20 Industry Rate				33.88356	5.91423
1/1/21			98.655%	33.88356	5.91423
4/1/21			98.655%	33.88356	5.91423
7/1/21			98.655%	33.88356	5.91423
10/1/21			98.655%	33.88356	5.91423
1/1/22			98.655%	33.88356	5.91423
4/1/22			98.655%	33.88356	5.91423
7/1/22			98.655%	33.88356	5.91423

ATDA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2020 Industry Avg.				45.33094	7.48787
12/31/20 Industry Rate				45.33094	7.48787
1/1/21			73.011%	45.33094	7.48787
4/1/21			73.011%	45.33094	7.48787
7/1/21			73.011%	45.33094	7.48787
10/1/21			73.011%	45.33094	7.48787
1/1/22			73.011%	45.33094	7.48787
4/1/22			73.011%	45.33094	7.48787
7/1/22			73.011%	45.33094	7.48787

YDMSTRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2020 Industry Avg.				43.33045	8.97042
12/31/20 Industry Rate				43.33694	8.97177
1/1/21			65.927%	43.33694	8.97177
4/1/21			65.927%	43.33694	8.97177
7/1/21			65.927%	43.33694	8.97177
10/1/21			65.927%	43.33694	8.97177
1/1/22			65.927%	43.33694	8.97177
4/1/22			65.927%	43.33694	8.97177
7/1/22			65.927%	43.33694	8.97177

OTHER

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2020 Industry Avg.				54.35410	1.14687
12/31/20 Industry Rate				54.35410	1.14687
1/1/21			100.000%	54.35410	1.14687
4/1/21			100.000%	54.35410	1.14687
7/1/21			100.000%	54.35410	1.14687
10/1/21			100.000%	54.35410	1.14687
1/1/22			100.000%	54.35410	1.14687
4/1/22			100.000%	54.35410	1.14687
7/1/22			100.000%	54.35410	1.14687

Check Sums

	Increase	Applicable	ST HR	PFTNW HR
2020 AVG			505.53303	89.09816
12/31/20			505.55724	
		1278.498%		
		ok matches	ok matches	ok matches
			ok matches	

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

1278.498%

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

U.S. 2020 Benchmark

	From AAR 112-Class Wage Statistics & Survey				ST \$ Adjusted to Exclude Lump Sums	2020 Average Hourly Rates		12/31/2020 ST HR	ST Hrs. 2020 Weights
	ST Hrs.	ST \$	PFTNW \$	Union L. Sum		ST wo LS	PFTNW		
UTU	51,208,363	\$1,699,655,073	\$579,364,857	\$24,114,090	\$1,675,540,983	\$32.720	\$11.314	\$32.72007	0.21942
TCU	7,325,776	240,818,558	34,491,314	6,935,953	233,882,605	31.926	4.708	\$31.92598	0.03139
BLET	39,498,603	1,503,330,321	505,888,601	123,384,187	1,379,946,134	34.937	12.808	\$34.93658	0.16924
SMWIA	1,130,030	37,853,020	6,072,493	133,079	37,719,941	33.380	5.374	\$33.37959	0.00484
BRS	11,681,184	419,081,107	95,925,647	2,350,115	416,730,992	35.675	8.212	\$35.67960	0.05005
BMWE	37,346,434	1,159,915,807	180,186,791	8,448,897	1,151,466,910	30.832	4.825	\$30.83204	0.16002
TCU-CAR	12,304,057	412,987,799	59,226,809	2,147,694	410,840,105	33.391	4.814	\$33.39670	0.05272
NCFO	2,973,948	86,417,439	12,095,666	518,204	85,899,235	28.884	4.067	\$28.88569	0.01274
IAM	9,630,468	326,596,304	49,381,695	1,523,840	325,072,464	33.755	5.128	\$33.75713	0.04126
IBBM	1,017,599	33,850,931	4,406,748	129,424	33,721,507	33.138	4.331	\$33.13831	0.00436
IBEW	7,798,603	265,781,893	46,118,517	1,561,765	264,220,128	33.880	5.914	\$33.88356	0.03342
ATDA	4,972,535	228,671,595	37,233,717	3,261,907	225,409,688	45.331	7.488	\$45.33094	0.02131
UTU-YMD	2,498,816	110,665,602	22,415,434	2,390,784	108,274,818	43.330	8.970	\$43.33694	0.01071
OTHER	43,996,294	2,391,379,134	50,457,859	0	2,391,379,134	54.354	1.147	\$54.35410	0.18852
AAR 112 Total	233,382,710	8,917,004,583	1,683,266,148	176,899,939	8,740,104,644	37.450	7.212	37.450	1.00000
Sum (for proofing)						505.53303	89.09816	505.55724	

Year-End Figures are calculated, based on 2020 WS-112 and union contracts, in YearEnd2020.xlsx exhibited in document titled "Year-End 2020 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 2020	Not Part of National Agreements*														U.S.	Percent
	U.S. Total ST Hours Pd	CSX	BLE	GTW	IC	CCP	WC	NS	BNSF	KCS	SOO	DH	DME	CMQ	UP	National Increase ST Hours Pd	
UTU	51,208,363	--	X	X	X	X	X	--	--	--	X	X	X	X	--	47,945,539	93.628%
TCU	7,325,776	--	--	--	--	--	--	--	--	--	X	X	X	X	--	7,166,807	97.830%
BLET	39,498,603	X	X	X	X	X	X	X	--	--	X	X	X	X	--	25,248,646	63.923%
SMW	1,130,030	--	X	X	--	X	X	--	--	--	X	X	X	X	--	1,130,030	100.000%
BRS	11,681,184	--	--	--	--	--	--	--	--	--	X	X	X	X	--	11,458,176	98.091%
BMWE	37,346,434	--	--	--	--	--	--	--	--	--	X	X	X	X	--	36,367,935	97.380%
TCU-CAR	12,304,057	--	--	--	--	--	--	--	--	--	X	X	X	X	--	12,097,445	98.321%
NCFO	2,973,948	--	--	--	--	--	X	--	--	--	X	X	X	X	--	2,945,986	99.060%
IAM	9,630,468	--	--	--	--	--	--	--	--	--	X	X	X	X	--	9,528,544	98.942%
IBBM	1,017,599	--	X	X	--	X	X	--	--	--	X	X	X	X	--	953,808	93.731%
IBEW	7,798,603	--	--	--	--	--	--	--	--	--	X	X	X	X	--	7,693,674	98.655%
ATDA	4,972,535	--	X	--	X	X	--	--	--	--	X	X	X	X	X	3,630,501	73.011%
UTU-YMD	2,498,816	--	X	X	X	X	X	--	--	--	X	X	X	X	X	1,647,385	65.927%
OTHER	43,996,294	--	--	--	--	--	--	--	--	--	--	--	--	--	--	43,996,294	100.000%
TOTAL	233,382,710															211,810,770	
Sum (for proofing)																	1278.498%

Percentages are full float.

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DTCC GCF Repo Index

	LATEST	VALUE TRADED (BILLIONS)	52-WEEK	
			HIGH	LOW
Treasury	0.056	56.520	0.132	-0.008
MBS	0.060	28.406	0.143	0.002

Secondary Market

Tuesday, August 24, 2021

Fannie Mae 30-year Mortgage Yields

	LATEST	WK AGO	52-WEEK	
			HIGH	LOW
30 days	2.343	2.323	2.622	1.836
60 days	2.380	2.358	2.674	1.875

U.S. Government Rates

Tuesday, August 24, 2021

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

	LATEST	WK AGO	52-WEEK	
			HIGH	LOW
	0.25	0.25	0.25	0.25

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

	LATEST	WK AGO	52-WEEK	
			HIGH	LOW
Effective rate	0.09	0.10	0.10	0.06
Target rate	0.00-0.25	0.00-0.25	0.00-0.25	0.00-0.25
High	0.1000	0.1500	0.1500	0.0700
Low	0.0500	0.0200	0.0900	0.0000
Bid	0.0700	0.0500	0.0900	0.0100
Offer	0.0900	0.0700	0.1200	0.0500

Treasury Bill Auction

	LATEST	WK AGO	52-WEEK	
			HIGH	LOW
4 weeks	0.040	0.045	0.090	0.000
13 weeks	0.055	0.070	0.115	0.015
26 weeks	0.050	0.050	0.125	0.030

Weekly Survey

Thursday, August 19, 2021

Freddie Mac

	LATEST	WK AGO	52-WEEK	
			HIGH	LOW
30-year fixed	2.86	2.87		2.99
15-year fixed	2.16	2.15		2.54
Five-year ARM	2.43	2.44		2.91

**RCAF Lump Sum Amortization
2021/Q4**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours
NS - BLET 2020Q3 PPI	2020Q4	2021Q1				233,382,710
NS - BLET 2020Q4 PPI	2021Q1	2021Q2				233,382,710
NS - BLET 2021 Ave PPI	2021Q1	2021Q2				233,382,710
NS - BLET 2021 TPB	2021Q1	2021Q2				233,382,710
NS - BLET 2021Q1 PPI	2021Q2	2021Q3				233,382,710
NS - BLET 2021Q2 PPI	2021Q3	2021Q4				233,382,710
Total			\$33,101,491	0.14183		

Should be slightly less
than amortized amount.

Fell out

NS - BLET 2020Q2 PPI	2020Q3	2020Q4				271,399,487
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Interest Rate

2020/Q2	1.505
2020/Q3	0.130
2020/Q4	0.100
2021/Q1	0.085
2021/Q2	0.030
2021/Q3	0.015
2021/Q4	0.055
2022/Q1	
2022/Q2	
2022/Q3	
2022/Q4	
2023/Q1	

Lump Sum Adjustment for 2021/Q4	→ 0.141873 or 0.142
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**RCAF Back Pay Amortization
2021/Q4**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr.	U.S. ST Hours	
DME - BMW	2020Q4	2021Q1				233,382,710	2020
DME - all unions 2021	2021Q1	2021Q2				233,382,710	2020
Total			\$4,532,271	0.01941991			

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

2020/Q2	1.505
2020/Q3	0.130
2020/Q4	0.100
2021/Q1	0.085
2021/Q2	0.030
2021/Q3	0.015
2021/Q4	0.055
2021/Q1	
2021/Q2	
2021/Q3	
2021/Q4	
2022/Q1	
2022/Q2	

Back Pay Adjustment for 2021/Q4

→ 0.01943

or

0.019

Health and Welfare 2021Q4

	Employees Receiving			Total	
	Pay 2020	Monthly Contribution 2020 Avg. 2021		2020 Avg.	2021
1. All Employees					
a. Group health	123,991	\$1,606.79	\$1,697.55	\$199,227,498.89	\$210,480,922.05
b. Group dental	123,991	63.67	63.67	7,894,506.97	7,894,506.97
c. Early retirement major medical	123,991	114.37	116.94	14,180,850.67	14,499,507.54
d. Group vision	123,991	8.44	8.51	1,046,484.04	1,055,163.41
2. Supplemental Sickness					
a. Signalmen	6,266	38.31	45.05	240,050.46	282,283.30
b. Shopcrafts	17,630	61.93	87.74	1,091,825.90	1,546,856.20
c. MOW	20,538	39.94	39.94	820,287.72	820,287.72
d. Yardmasters	1,455	54.00	60.48	78,570.00	87,998.40
3. Short-Term Disability					
a. Engineers (CSX, KCS, SOO, UP)	9,101	40.00	40.00	364,040.00	364,040.00
4. Monthly Total Premiums				224,944,114.65	237,031,565.59
5. Monthly Employee Contributions To H&W					
a. National ATDA (BNSF, CSX, KCS, NS, SOO, GTW, WC)	1,566	(\$228.89)	(\$228.89)	(\$358,441.74)	(358,441.74)
b. National BLET (BNSF, CSX, KCS, NS, UP, SOO, DH)	18,803	(\$228.89)	(\$228.89)	(\$4,303,818.67)	(4,303,818.67)
c. National BMW (All except SOO, DME, DH)	19,988	(\$228.89)	(\$228.89)	(\$4,575,053.32)	(4,575,053.32)
d. National BRS (All except DME)	6,236	(\$228.89)	(\$228.89)	(\$1,427,358.04)	(1,427,358.04)
e. National IAM (BNSF, CSX, KCS, NS, SOO, UP)	5,268	(\$228.89)	(\$228.89)	(\$1,205,792.52)	(1,205,792.52)
f. National IBBM (BNSF, CSX, KCS, NS, SOO, UP, IC)	574	(\$228.89)	(\$228.89)	(\$131,382.86)	(131,382.86)
g. National IBEW (All except DME)	4,304	(\$228.89)	(\$228.89)	(\$985,142.56)	(985,142.56)
h. National NCFO (All except DME and DH)	1,675	(\$228.89)	(\$228.89)	(\$383,390.75)	(383,390.75)
i. National SMW (BNSF, CSX, KCS, NS, UP, IC)	644	(\$228.89)	(\$228.89)	(\$147,405.16)	(147,405.16)
j. National TCU (All except DME and DH)	4,107	(\$228.89)	(\$228.89)	(\$940,051.23)	(940,051.23)
k. National TCU-CAR (All except DME)	6,780	(\$228.89)	(\$228.89)	(\$1,551,874.20)	(1,551,874.20)
l. National UTU (BNSF, CSX, KCS, NS, UP, SOO, DH)	28,368	(\$228.89)	(\$228.89)	(\$6,493,151.52)	(6,493,151.52)
m. Yardmasters (BNSF, CSX, KCS, NS, UP*, SOO, DH)	1,359	(\$228.89)	(\$228.89)	(\$311,061.51)	(311,061.51)
n. Misc Indep (DME, CMQ, portions of DH & SOO, portions of CN)	3,454	(\$230.17)	(\$233.30)	(\$794,992.43)	(805,826.16)
Total Major Union	103,126			(\$23,608,916.51)	(\$23,619,750.24)
All Other Employee Contributions*				(\$4,380,345.50)	(\$4,380,345.50)
6. Net Employer Monthly Payments				\$196,954,852.65	\$209,031,469.86
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments					1.06132
8. H&W hourly rate for base year 2020				\$8.363	
9. H&W hourly rate for projected quarter					\$8.876

* Non-union employee contributions net of opt-outs. The \$23,608,916.51 in major union contributions, plus \$4,380,345.50 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 – 18th Street, South, Suite 750, Arlington, VA 22202 ~~~ PHONE: (571) 336-7600

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

Eureka Norment
National Health Plan Manager
(571) 336-7629
Email: Enorment@rrnrlc.org

November 17, 2020

Ms. Tiffany Placker (tplacker@aar.org)
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, 2021 are as follows:

Railroad Employees National Health & Welfare Plan & National Railway Carriers/United Transportation Union H&W Plan Non-Hospital Road	\$1,697.55
Railroad Employees National Early Retirement Major Medical Benefit Plan Non-Hospital Road	\$ 116.94
Aetna - National Dental Plan	\$ 63.67
Aetna - Supplemental Sickness Plans	
ShopCrafts	\$ 87.74
Signalmen	\$ 45.05
Maintenance of Way	\$ 39.94
Trustmark - Supplemental Sickness Plans Yardmasters	\$ 60.48
EyeMed - National Vision Plan	\$ 8.51

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

Very truly yours,

Eureka Norment

cc: Deena Beshir, AAR (dbeshir@aar.org)

NATIONAL RAILWAY LABOR CONFERENCE

EMPLOYEE BENEFITS DEPARTMENT

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

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

Susan E. Parks, CEBS
Benefits Administrator
(571) 336-7625
Email: sparks@rnrnlc.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 & National Railway Carriers/United Transportation Union H&W Plan Non-Hospital Road	\$1,606.79
Railroad Employees National Early Retirement Major Medical Benefit Plan 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 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

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/2021

U.S. ST Hours = 233,382,710
Wage Statistics are for 2020

Union Group	Employees	Mo. Rate	Annual \$
National ATDA (BNSF, CSX, KCS, NS, SOO, GTW, WC)	1,566	(\$228.89)	(\$4,301,300.88)
National BLET (BNSF, CSX, KCS, NS, UP, SOO, DH)	18,803	(\$228.89)	(\$51,645,824.04)
National BMWE (All except SOO, DME, DH)	19,988	(\$228.89)	(\$54,900,639.84)
National BRS (All except DME)	6,236	(\$228.89)	(\$17,128,296.48)
National IAM (BNSF, CSX, KCS, NS, SOO, UP)	5,268	(\$228.89)	(\$14,469,510.24)
National IBBM (BNSF, CSX, KCS, NS, SOO, UP, IC)	574	(\$228.89)	(\$1,576,594.32)
National IBEW (All except DME)	4,304	(\$228.89)	(\$11,821,710.72)
National NCFO (All except DME and WC)	1,675	(\$228.89)	(\$4,600,689.00)
National SMW (BNSF, CSX, KCS, NS, UP, IC)	644	(\$228.89)	(\$1,768,861.92)
National TCU (All except DME and DH)	4,107	(\$228.89)	(\$11,280,614.76)
National TCU-CAR (All except DME)	6,780	(\$228.89)	(\$18,622,490.40)
National UTU (BNSF, CSX, KCS, NS, UP, SOO, DH)	28,368	(\$228.89)	(\$77,917,818.24)
Yardmasters (BNSF, CSX, KCS, NS, UP, SOO, DH)	1,359	(\$228.89)	(\$3,732,738.12)
Misc Indep (DME, CMQ, portions of DH & SOO, portions of CN)	3,454	(\$233.30)	(\$9,669,818.40)
Total Union	103,126		(\$283,436,907.36)
All Other @ \$4,380,345.49 total per month			(\$52,564,145.88)
Total			(\$336,001,053.24)

Reduction in Wage Rate Per ST Hour	-\$1.43969985
Deduct this amount from the Wage Rate	-\$1.440

Railroad Retirement and Medicare for RCAF

Inputs:

RRB Earnings Distribution Year	2019	Tier I Maximum Taxable Earnings for 2021	142,800
Wage Statistics Year	2020	Tier II Maximum Taxable Earnings for 2021	106,200
Current Year	2021	Medicare Maximum Taxable Earnings for 2021	no limit
Employees Receiving Pay*	123,991	Tier I Employer Tax Rate for 2021	6.20%
* from 2020 final wage statistics		Tier II Employer Tax Rate for 2021	13.10%
		Medicare Employer Tax Rate for 2021	1.45%

USA RCAF	Wage Rate	Update Factor	Railroad Retirement Tax	Hourly Rate
2019	\$43.000			
2020	\$43.981	1.02281	\$564,946,478	\$9.281
1Q/2021	\$43.850	1.01977	\$570,199,294	\$9.367
2Q/2021	\$43.592	1.01377	\$567,840,689	\$9.329
3Q/2021	\$43.508	1.01181	\$567,072,771	\$9.316
4Q/2021	\$43.504	1.01172	\$567,036,204	\$9.315

Railroad Retirement & Medicare, U.S.

From 2019 Earnings Distribution			1Q/2021 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	\$29,625	1.335 %	1,655	\$30,211	\$7,553	\$7,553	\$7,553	\$7,553	\$12,501,754	\$12,501,754	\$12,501,754	
41,700 - 43,699	\$42,987	0.321	398	43,837	10,959	10,959	10,959	10,959	4,361,878	4,361,878	4,361,878	
43,700 - 45,699	\$44,680	0.588	729	45,563	11,391	11,391	11,391	11,391	8,304,659	8,304,659	8,304,659	
45,700 - 47,699	\$46,762	0.374	464	47,686	11,922	11,922	11,922	11,922	5,528,356	5,528,356	5,528,356	
47,700 - 49,699	\$48,651	0.427	529	49,613	12,403	12,403	12,403	12,403	6,566,757	6,566,757	6,566,757	
49,700 - 51,699	\$50,543	0.908	1,126	51,542	12,886	12,886	12,886	12,886	14,507,019	14,507,019	14,507,019	
51,700 - 53,699	\$52,897	0.855	1,060	53,943	13,486	13,486	13,486	13,486	14,296,459	14,296,459	14,296,459	
53,700 - 55,699	\$54,523	1.122	1,391	55,601	13,900	13,900	13,900	13,900	19,337,660	19,337,660	19,337,660	
55,700 - 57,699	\$56,596	1.282	1,590	57,715	14,429	14,429	14,429	14,429	22,935,334	22,935,334	22,935,334	
57,700 - 59,699	\$58,698	1.656	2,053	59,858	14,965	14,965	14,965	14,965	30,726,631	30,726,631	30,726,631	
59,700 - 61,699	\$60,693	2.350	2,914	61,893	15,473	15,473	15,473	15,473	45,085,592	45,085,592	45,085,592	
61,700 - 63,699	\$62,631	2.457	3,046	63,869	15,967	15,967	15,967	15,967	48,643,612	48,643,612	48,643,612	
63,700 - 65,699	\$64,778	3.259	4,041	66,058	16,515	16,515	16,515	16,515	66,733,393	66,733,393	66,733,393	
65,700 - 67,699	\$66,760	3.686	4,570	68,080	17,020	17,020	17,020	17,020	77,786,275	77,786,275	77,786,275	
67,700 - 69,699	\$68,621	3.686	4,570	69,977	17,494	17,494	17,494	17,494	79,954,643	79,954,643	79,954,643	
69,700 - 71,699	\$70,651	2.885	3,577	72,048	18,012	18,012	18,012	18,012	64,431,085	64,431,085	64,431,085	
71,700 - 73,699	\$72,674	3.098	3,841	74,111	18,528	18,528	18,528	18,528	71,169,152	71,169,152	71,169,152	
73,700 - 75,699	\$74,697	2.244	2,782	76,174	19,043	19,043	19,043	19,043	52,985,535	52,985,535	52,985,535	
75,700 - 77,699	\$76,615	3.472	4,305	78,129	19,532	19,532	19,532	19,532	84,086,221	84,086,221	84,086,221	
77,700 - 79,699	\$78,710	3.632	4,503	80,266	20,066	20,066	20,066	20,066	90,366,418	90,366,418	90,366,418	
79,700 - 81,699	\$80,668	3.739	4,636	82,263	20,566	20,566	20,566	20,566	95,342,836	95,342,836	95,342,836	
81,700 - 83,699	\$82,706	3.526	4,372	84,341	21,085	21,085	21,085	21,085	92,182,958	92,182,958	92,182,958	
83,700 - 85,699	\$84,707	3.205	3,974	86,381	21,595	21,595	21,595	21,595	85,818,051	85,818,051	85,818,051	
85,700 - 87,699	\$86,537	3.098	3,841	88,248	22,062	22,062	22,062	22,062	84,745,093	84,745,093	84,745,093	
87,700 - 89,699	\$88,699	2.671	3,312	90,452	22,613	22,613	22,613	22,613	74,890,016	74,890,016	74,890,016	
89,700 - 91,699	\$90,625	3.312	4,107	92,416	23,104	23,104	23,104	23,104	94,878,904	94,878,904	94,878,904	
91,700 - 93,699	\$92,881	2.297	2,848	94,717	23,679	23,679	23,679	23,679	67,440,253	67,440,253	67,440,253	
93,700 - 95,699	\$94,749	1.816	2,252	96,622	24,155	24,155	24,155	24,155	54,390,342	54,390,342	54,390,342	
95,700 - 97,699	\$96,731	2.350	2,914	98,643	24,661	24,661	24,661	24,661	71,856,300	71,856,300	71,856,300	
97,700 - 99,699	\$98,711	2.030	2,517	100,662	25,166	25,166	25,166	25,166	63,342,165	63,342,165	63,342,165	
99,700 - 101,699	\$100,745	1.923	2,384	102,736	25,684	25,684	25,684	25,684	61,239,847	61,239,847	61,239,847	
101,700 - 103,699	\$102,687	1.976	2,450	104,717	26,179	26,179	26,179	26,179	64,140,704	64,140,704	64,140,704	
103,700 - 105,699	\$104,713	2.297	2,848	106,783	26,696	26,696	26,550	26,696	76,031,387	75,616,345	76,031,387	
105,700 - 107,699	\$106,735	2.137	2,650	108,845	27,211	27,211	26,550	27,211	72,101,233	70,349,208	72,101,233	
107,700 - 109,699	\$108,566	2.297	2,848	110,712	27,678	27,678	26,550	27,678	78,829,023	75,616,345	78,829,023	
109,700 - 111,699	\$110,604	1.603	1,988	112,790	28,198	28,198	26,550	28,198	56,044,845	52,770,136	56,044,845	
111,700 - 113,699	\$112,537	1.496	1,855	114,762	28,690	28,690	26,550	28,690	53,217,962	49,247,737	53,217,962	
113,700 - 115,699	\$114,692	1.549	1,921	116,959	29,240	29,240	26,550	29,240	56,158,546	50,992,477	56,158,546	
\$115,700 - over	\$150,555	17.041	21,129	153,531	38,383	35,700	26,550	38,383	754,316,235	560,983,083	811,001,342	
TOTAL	\$92,816	100.000	123,991						2,877,275,135	2,666,151,234	2,933,960,242	
									Employer Tax Rate	6.20%	13.10%	
									Quarterly Payment	\$178,391,058	\$349,265,812	
											\$42,542,424	
									Total Tier I, Tier II, and Medicare Paid this Quarter		\$570,199,294	

Railroad Retirement & Medicare, U.S.

From 2019 Earnings Distribution			2Q/2021 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	\$29,625	1.335 %	1,655	\$30,033	\$7,508	\$7,508	\$7,508	\$7,508	\$12,428,197	\$12,428,197	\$12,428,197	
41,700 - 43,699	\$42,987	0.321	398	43,579	10,895	10,895	10,895	10,895	4,336,214	4,336,214	4,336,214	
43,700 - 45,699	\$44,680	0.588	729	45,295	11,324	11,324	11,324	11,324	8,255,797	8,255,797	8,255,797	
45,700 - 47,699	\$46,762	0.374	464	47,406	11,851	11,851	11,851	11,851	5,495,829	5,495,829	5,495,829	
47,700 - 49,699	\$48,651	0.427	529	49,321	12,330	12,330	12,330	12,330	6,528,120	6,528,120	6,528,120	
49,700 - 51,699	\$50,543	0.908	1,126	51,239	12,810	12,810	12,810	12,810	14,421,664	14,421,664	14,421,664	
51,700 - 53,699	\$52,897	0.855	1,060	53,625	13,406	13,406	13,406	13,406	14,212,343	14,212,343	14,212,343	
53,700 - 55,699	\$54,523	1.122	1,391	55,274	13,818	13,818	13,818	13,818	19,223,883	19,223,883	19,223,883	
55,700 - 57,699	\$56,596	1.282	1,590	57,375	14,344	14,344	14,344	14,344	22,800,390	22,800,390	22,800,390	
57,700 - 59,699	\$58,698	1.656	2,053	59,506	14,877	14,877	14,877	14,877	30,545,845	30,545,845	30,545,845	
59,700 - 61,699	\$60,693	2.350	2,914	61,529	15,382	15,382	15,382	15,382	44,820,323	44,820,323	44,820,323	
61,700 - 63,699	\$62,631	2.457	3,046	63,493	15,873	15,873	15,873	15,873	48,357,408	48,357,408	48,357,408	
63,700 - 65,699	\$64,778	3.259	4,041	65,670	16,417	16,417	16,417	16,417	66,340,754	66,340,754	66,340,754	
65,700 - 67,699	\$66,760	3.686	4,570	67,679	16,920	16,920	16,920	16,920	77,328,604	77,328,604	77,328,604	
67,700 - 69,699	\$68,621	3.686	4,570	69,566	17,391	17,391	17,391	17,391	79,484,214	79,484,214	79,484,214	
69,700 - 71,699	\$70,651	2.885	3,577	71,624	17,906	17,906	17,906	17,906	64,051,992	64,051,992	64,051,992	
71,700 - 73,699	\$72,674	3.098	3,841	73,675	18,419	18,419	18,419	18,419	70,750,415	70,750,415	70,750,415	
73,700 - 75,699	\$74,697	2.244	2,782	75,725	18,931	18,931	18,931	18,931	52,673,785	52,673,785	52,673,785	
75,700 - 77,699	\$76,615	3.472	4,305	77,670	19,417	19,417	19,417	19,417	83,591,484	83,591,484	83,591,484	
77,700 - 79,699	\$78,710	3.632	4,503	79,794	19,948	19,948	19,948	19,948	89,834,729	89,834,729	89,834,729	
79,700 - 81,699	\$80,668	3.739	4,636	81,779	20,445	20,445	20,445	20,445	94,781,868	94,781,868	94,781,868	
81,700 - 83,699	\$82,706	3.526	4,372	83,845	20,961	20,961	20,961	20,961	91,640,581	91,640,581	91,640,581	
83,700 - 85,699	\$84,707	3.205	3,974	85,873	21,468	21,468	21,468	21,468	85,313,124	85,313,124	85,313,124	
85,700 - 87,699	\$86,537	3.098	3,841	87,728	21,932	21,932	21,932	21,932	84,246,479	84,246,479	84,246,479	
87,700 - 89,699	\$88,699	2.671	3,312	89,920	22,480	22,480	22,480	22,480	74,449,386	74,449,386	74,449,386	
89,700 - 91,699	\$90,625	3.312	4,107	91,873	22,968	22,968	22,968	22,968	94,320,666	94,320,666	94,320,666	
91,700 - 93,699	\$92,881	2.297	2,848	94,160	23,540	23,540	23,540	23,540	67,043,455	67,043,455	67,043,455	
93,700 - 95,699	\$94,749	1.816	2,252	96,053	24,013	24,013	24,013	24,013	54,070,326	54,070,326	54,070,326	
95,700 - 97,699	\$96,731	2.350	2,914	98,063	24,516	24,516	24,516	24,516	71,433,520	71,433,520	71,433,520	
97,700 - 99,699	\$98,711	2.030	2,517	100,070	25,017	25,017	25,017	25,017	62,969,479	62,969,479	62,969,479	
99,700 - 101,699	\$100,745	1.923	2,384	102,132	25,533	25,533	25,533	25,533	60,879,531	60,879,531	60,879,531	
101,700 - 103,699	\$102,687	1.976	2,450	104,101	26,025	26,025	26,025	26,025	63,763,319	63,763,319	63,763,319	
103,700 - 105,699	\$104,713	2.297	2,848	106,155	26,539	26,539	26,550	26,539	75,584,041	75,616,345	75,584,041	
105,700 - 107,699	\$106,735	2.137	2,650	108,204	27,051	27,051	26,550	27,051	71,677,011	70,349,208	71,677,011	
107,700 - 109,699	\$108,566	2.297	2,848	110,061	27,515	27,515	26,550	27,515	78,365,217	75,616,345	78,365,217	
109,700 - 111,699	\$110,604	1.603	1,988	112,127	28,032	28,032	26,550	28,032	55,715,094	52,770,136	55,715,094	
111,700 - 113,699	\$112,537	1.496	1,855	114,086	28,522	28,522	26,550	28,522	52,904,844	49,247,737	52,904,844	
113,700 - 115,699	\$114,692	1.549	1,921	116,271	29,068	29,068	26,550	29,068	55,828,127	50,992,477	55,828,127	
\$115,700 - over	\$150,555	17.041	21,129	152,628	38,157	35,700	26,550	38,157	<u>754,316,235</u>	<u>560,983,083</u>	<u>806,229,658</u>	
TOTAL		100.000	123,991				Total Taxable Earnings			2,864,784,293	2,655,969,054	2,916,697,716
							Employer Tax Rate			6.20%	13.10%	1.45%
							Quarterly Payment			\$177,616,626	\$347,931,946	\$42,292,117
Total Tier I, Tier II, and Medicare Paid this Quarter												\$567,840,689

Railroad Retirement & Medicare, U.S.

From 2019 Earnings Distribution			3Q/2021 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	\$29,625	1.335 %	1,655	\$29,975	\$7,494	\$7,494	\$7,494	\$7,494	\$12,404,249	\$12,404,249	\$12,404,249
41,700 - 43,699	\$42,987	0.321	398	43,495	10,874	10,874	10,874	10,874	4,327,858	4,327,858	4,327,858
43,700 - 45,699	\$44,680	0.588	729	45,208	11,302	11,302	11,302	11,302	8,239,888	8,239,888	8,239,888
45,700 - 47,699	\$46,762	0.374	464	47,314	11,829	11,829	11,829	11,829	5,485,238	5,485,238	5,485,238
47,700 - 49,699	\$48,651	0.427	529	49,226	12,306	12,306	12,306	12,306	6,515,541	6,515,541	6,515,541
49,700 - 51,699	\$50,543	0.908	1,126	51,140	12,785	12,785	12,785	12,785	14,393,874	14,393,874	14,393,874
51,700 - 53,699	\$52,897	0.855	1,060	53,522	13,380	13,380	13,380	13,380	14,184,956	14,184,956	14,184,956
53,700 - 55,699	\$54,523	1.122	1,391	55,167	13,792	13,792	13,792	13,792	19,186,839	19,186,839	19,186,839
55,700 - 57,699	\$56,596	1.282	1,590	57,265	14,316	14,316	14,316	14,316	22,756,454	22,756,454	22,756,454
57,700 - 59,699	\$58,698	1.656	2,053	59,391	14,848	14,848	14,848	14,848	30,486,985	30,486,985	30,486,985
59,700 - 61,699	\$60,693	2.350	2,914	61,410	15,353	15,353	15,353	15,353	44,733,956	44,733,956	44,733,956
61,700 - 63,699	\$62,631	2.457	3,046	63,371	15,843	15,843	15,843	15,843	48,264,225	48,264,225	48,264,225
63,700 - 65,699	\$64,778	3.259	4,041	65,543	16,386	16,386	16,386	16,386	66,212,919	66,212,919	66,212,919
65,700 - 67,699	\$66,760	3.686	4,570	67,549	16,887	16,887	16,887	16,887	77,179,595	77,179,595	77,179,595
67,700 - 69,699	\$68,621	3.686	4,570	69,432	17,358	17,358	17,358	17,358	79,331,051	79,331,051	79,331,051
69,700 - 71,699	\$70,651	2.885	3,577	71,486	17,871	17,871	17,871	17,871	63,928,567	63,928,567	63,928,567
71,700 - 73,699	\$72,674	3.098	3,841	73,533	18,383	18,383	18,383	18,383	70,614,081	70,614,081	70,614,081
73,700 - 75,699	\$74,697	2.244	2,782	75,579	18,895	18,895	18,895	18,895	52,572,284	52,572,284	52,572,284
75,700 - 77,699	\$76,615	3.472	4,305	77,520	19,380	19,380	19,380	19,380	83,430,406	83,430,406	83,430,406
77,700 - 79,699	\$78,710	3.632	4,503	79,640	19,910	19,910	19,910	19,910	89,661,621	89,661,621	89,661,621
79,700 - 81,699	\$80,668	3.739	4,636	81,621	20,405	20,405	20,405	20,405	94,599,228	94,599,228	94,599,228
81,700 - 83,699	\$82,706	3.526	4,372	83,683	20,921	20,921	20,921	20,921	91,463,994	91,463,994	91,463,994
83,700 - 85,699	\$84,707	3.205	3,974	85,708	21,427	21,427	21,427	21,427	85,148,729	85,148,729	85,148,729
85,700 - 87,699	\$86,537	3.098	3,841	87,559	21,890	21,890	21,890	21,890	84,084,140	84,084,140	84,084,140
87,700 - 89,699	\$88,699	2.671	3,312	89,747	22,437	22,437	22,437	22,437	74,305,925	74,305,925	74,305,925
89,700 - 91,699	\$90,625	3.312	4,107	91,696	22,924	22,924	22,924	22,924	94,138,914	94,138,914	94,138,914
91,700 - 93,699	\$92,881	2.297	2,848	93,978	23,495	23,495	23,495	23,495	66,914,265	66,914,265	66,914,265
93,700 - 95,699	\$94,749	1.816	2,252	95,868	23,967	23,967	23,967	23,967	53,966,135	53,966,135	53,966,135
95,700 - 97,699	\$96,731	2.350	2,914	97,874	24,468	24,468	24,468	24,468	71,295,870	71,295,870	71,295,870
97,700 - 99,699	\$98,711	2.030	2,517	99,877	24,969	24,969	24,969	24,969	62,848,139	62,848,139	62,848,139
99,700 - 101,699	\$100,745	1.923	2,384	101,935	25,484	25,484	25,484	25,484	60,762,218	60,762,218	60,762,218
101,700 - 103,699	\$102,687	1.976	2,450	103,900	25,975	25,975	25,975	25,975	63,640,450	63,640,450	63,640,450
103,700 - 105,699	\$104,713	2.297	2,848	105,950	26,488	26,488	26,550	26,488	75,438,394	75,438,394	75,438,394
105,700 - 107,699	\$106,735	2.137	2,650	107,996	26,999	26,999	26,550	26,999	71,538,892	70,349,208	71,538,892
107,700 - 109,699	\$108,566	2.297	2,848	109,849	27,462	27,462	26,550	27,462	78,214,211	75,616,345	78,214,211
109,700 - 111,699	\$110,604	1.603	1,988	111,911	27,978	27,978	26,550	27,978	55,607,733	52,770,136	55,607,733
111,700 - 113,699	\$112,537	1.496	1,855	113,867	28,467	28,467	26,550	28,467	52,802,898	49,247,737	52,802,898
113,700 - 115,699	\$114,692	1.549	1,921	116,047	29,012	29,012	26,550	29,012	55,720,548	50,992,477	55,720,548
\$115,700 - over	\$150,555	17.041	21,129	152,334	38,083	35,700	26,550	38,083	<u>754,316,235</u>	<u>560,983,083</u>	<u>804,676,087</u>
TOTAL		100.000	123,991						2,860,717,508	2,652,653,926	2,911,077,359
									Employer Tax Rate	6.20%	13.10%
									Quarterly Payment	\$177,364,485	\$347,497,664
											\$42,210,622

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

\$567,072,771

Railroad Retirement & Medicare, U.S.

From 2019 Earnings Distribution			4Q/2021 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	\$29,625	1.335 %	1,655	\$29,972	\$7,493	\$7,493	\$7,493	\$7,493	\$12,403,108	\$12,403,108	\$12,403,108	
41,700 - 43,699	\$42,987	0.321	398	43,491	10,873	10,873	10,873	10,873	4,327,460	4,327,460	4,327,460	
43,700 - 45,699	\$44,680	0.588	729	45,204	11,301	11,301	11,301	11,301	8,239,131	8,239,131	8,239,131	
45,700 - 47,699	\$46,762	0.374	464	47,310	11,828	11,828	11,828	11,828	5,484,734	5,484,734	5,484,734	
47,700 - 49,699	\$48,651	0.427	529	49,221	12,305	12,305	12,305	12,305	6,514,942	6,514,942	6,514,942	
49,700 - 51,699	\$50,543	0.908	1,126	51,135	12,784	12,784	12,784	12,784	14,392,551	14,392,551	14,392,551	
51,700 - 53,699	\$52,897	0.855	1,060	53,517	13,379	13,379	13,379	13,379	14,183,652	14,183,652	14,183,652	
53,700 - 55,699	\$54,523	1.122	1,391	55,162	13,791	13,791	13,791	13,791	19,185,075	19,185,075	19,185,075	
55,700 - 57,699	\$56,596	1.282	1,590	57,259	14,315	14,315	14,315	14,315	22,754,362	22,754,362	22,754,362	
57,700 - 59,699	\$58,698	1.656	2,053	59,386	14,846	14,846	14,846	14,846	30,484,182	30,484,182	30,484,182	
59,700 - 61,699	\$60,693	2.350	2,914	61,404	15,351	15,351	15,351	15,351	44,729,843	44,729,843	44,729,843	
61,700 - 63,699	\$62,631	2.457	3,046	63,365	15,841	15,841	15,841	15,841	48,259,788	48,259,788	48,259,788	
63,700 - 65,699	\$64,778	3.259	4,041	65,537	16,384	16,384	16,384	16,384	66,206,831	66,206,831	66,206,831	
65,700 - 67,699	\$66,760	3.686	4,570	67,542	16,886	16,886	16,886	16,886	77,172,499	77,172,499	77,172,499	
67,700 - 69,699	\$68,621	3.686	4,570	69,425	17,356	17,356	17,356	17,356	79,323,758	79,323,758	79,323,758	
69,700 - 71,699	\$70,651	2.885	3,577	71,479	17,870	17,870	17,870	17,870	63,922,689	63,922,689	63,922,689	
71,700 - 73,699	\$72,674	3.098	3,841	73,526	18,381	18,381	18,381	18,381	70,607,589	70,607,589	70,607,589	
73,700 - 75,699	\$74,697	2.244	2,782	75,573	18,893	18,893	18,893	18,893	52,567,451	52,567,451	52,567,451	
75,700 - 77,699	\$76,615	3.472	4,305	77,513	19,378	19,378	19,378	19,378	83,422,736	83,422,736	83,422,736	
77,700 - 79,699	\$78,710	3.632	4,503	79,633	19,908	19,908	19,908	19,908	89,653,378	89,653,378	89,653,378	
79,700 - 81,699	\$80,668	3.739	4,636	81,614	20,403	20,403	20,403	20,403	94,590,530	94,590,530	94,590,530	
81,700 - 83,699	\$82,706	3.526	4,372	83,675	20,919	20,919	20,919	20,919	91,455,585	91,455,585	91,455,585	
83,700 - 85,699	\$84,707	3.205	3,974	85,700	21,425	21,425	21,425	21,425	85,140,901	85,140,901	85,140,901	
85,700 - 87,699	\$86,537	3.098	3,841	87,551	21,888	21,888	21,888	21,888	84,076,409	84,076,409	84,076,409	
87,700 - 89,699	\$88,699	2.671	3,312	89,739	22,435	22,435	22,435	22,435	74,299,094	74,299,094	74,299,094	
89,700 - 91,699	\$90,625	3.312	4,107	91,687	22,922	22,922	22,922	22,922	94,130,259	94,130,259	94,130,259	
91,700 - 93,699	\$92,881	2.297	2,848	93,970	23,492	23,492	23,492	23,492	66,908,113	66,908,113	66,908,113	
93,700 - 95,699	\$94,749	1.816	2,252	95,860	23,965	23,965	23,965	23,965	53,961,173	53,961,173	53,961,173	
95,700 - 97,699	\$96,731	2.350	2,914	97,865	24,466	24,466	24,466	24,466	71,289,316	71,289,316	71,289,316	
97,700 - 99,699	\$98,711	2.030	2,517	99,868	24,967	24,967	24,967	24,967	62,842,361	62,842,361	62,842,361	
99,700 - 101,699	\$100,745	1.923	2,384	101,926	25,481	25,481	25,481	25,481	60,756,632	60,756,632	60,756,632	
101,700 - 103,699	\$102,687	1.976	2,450	103,891	25,973	25,973	25,973	25,973	63,634,599	63,634,599	63,634,599	
103,700 - 105,699	\$104,713	2.297	2,848	105,940	26,485	26,485	26,550	26,485	75,431,458	75,616,345	75,431,458	
105,700 - 107,699	\$106,735	2.137	2,650	107,986	26,997	26,997	26,550	26,997	71,532,315	70,349,208	71,532,315	
107,700 - 109,699	\$108,566	2.297	2,848	109,838	27,460	27,460	26,550	27,460	78,207,020	75,616,345	78,207,020	
109,700 - 111,699	\$110,604	1.603	1,988	111,900	27,975	27,975	26,550	27,975	55,602,621	52,770,136	55,602,621	
111,700 - 113,699	\$112,537	1.496	1,855	113,856	28,464	28,464	26,550	28,464	52,798,044	49,247,737	52,798,044	
113,700 - 115,699	\$114,692	1.549	1,921	116,036	29,009	29,009	26,550	29,009	55,715,425	50,992,477	55,715,425	
\$115,700 - over	\$150,555	17.041	21,129	152,320	38,080	35,700	26,550	38,080	<u>754,316,235</u>	<u>560,983,083</u>	<u>804,602,107</u>	
TOTAL		100.000	123,991						Total Taxable Earnings	2,860,523,851	2,652,496,063	2,910,809,723
									Employer Tax Rate	6.20%	13.10%	1.45%
									Quarterly Payment	\$177,352,479	\$347,476,984	\$42,206,741
Total Tier I, Tier II, and Medicare Paid this Quarter											\$567,036,204	

RCAF Unemployment Insurance Tax

	Unemployment Ins.			RRB	Factor	Avg. Ann.	Un. Ins.
	Tax	Earnings	Hourly	Sample	To Update	Taxable	Hourly
	Rate	Base	Earnings	Year	RRB Sample	Earnings	Rate
			\$39.231	(2016)			
2017 Avg.	3.37%	\$18,540	\$39.599		1.009380	\$17,625.49	\$0.319
3Q/18 reb.	3.76%	\$18,720	\$42.946		1.094696	\$17,832.94	\$0.360
4Q/18	3.76%	\$18,720	\$42.976		1.095460	\$17,833.29	\$0.360
1Q/19	3.38%	\$19,260	\$42.805		1.091101	\$18,330.97	\$0.333
2Q/19	3.38%	\$19,260	\$42.756		1.089852	\$18,330.37	\$0.333
3Q/19	3.38%	\$19,260	\$43.306		1.103872	\$18,336.98	\$0.333
			\$39.599	(2017)			
2018 Avg.	3.76%	\$18,720	\$41.687		1.052729	\$17,600.87	\$0.347
3Q/19 reb.	3.38%	\$19,260	\$43.672		1.102856	\$18,120.16	\$0.321
4Q/19	3.38%	\$19,260	\$43.660		1.102553	\$18,119.99	\$0.321
1Q/20	0.99%	\$19,860	\$43.839		1.107073	\$18,666.82	\$0.097
2Q/20	0.99%	\$19,860	\$43.626		1.101694	\$18,663.57	\$0.097
3Q/20	0.99%	\$19,860	\$43.572		1.100331	\$18,662.74	\$0.097
			\$41.687	(2018)			
2019 Avg.	3.38%	\$19,260	\$43.000		1.031497	\$17,742.46	\$0.318
3Q/20 reb.	0.99%	\$19,860	\$43.596		1.045794	\$18,283.51	\$0.096
4Q/20	0.99%	\$19,860	\$43.596		1.045794	\$18,283.51	\$0.096
1Q/21	5.69%	\$20,520	\$43.620		1.046369	\$18,867.16	\$0.569
2Q/21	5.69%	\$20,520	\$43.397		1.041020	\$18,863.22	\$0.569
3Q/21	5.69%	\$20,520	\$43.326		1.039317	\$18,861.96	\$0.569
			\$43.000	(2019)			
2020 Avg.	0.99%	\$19,860	\$43.981		1.022814	\$18,813.21	\$0.100
3Q/21 reb.	5.69%	\$20,520	\$43.508		1.011814	\$19,413.47	\$0.593
4Q/21	5.69%	\$20,520	\$43.504		1.011721	\$19,413.42	\$0.593
1Q/22					0.000000		\$0.000
2Q/22					0.000000		\$0.000
3Q/22					0.000000		\$0.000

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

The SAS System
TOTAL GROSS EARNINGS AND AVERAGE GROSS EARNINGS-2019 RRB File

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2410	45339832.42	18813.21
QTRLY_US	2410	46786334.78	19413.42

The SAS System
Factors and Caps 2020 and 2021Q4

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2410	2464.98	1.0228140
FactorQ	2410	2438.25	1.0117210
Capa	2410	47862600.00	19860.00
Capq	2410	49453200.00	20520.00

The SAS System
TOTAL GROSS EARNINGS AND AVERAGE GROSS EARNINGS-2019 RRB File

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2410	45339832.42	18813.21
QTRLY_US	2410	46786465.00	19413.47

The SAS System
Factors and Caps 2020 and 2021Q3 Rebase

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2410	2464.98	1.0228140
FactorQ	2410	2438.47	1.0118140
Capa	2410	47862600.00	19860.00
Capq	2410	49453200.00	20520.00



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Spot Prices

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

Period:

Download Series History	Definitions, Sources & Notes							
Product by Area	 	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	View History
Crude Oil								
WTI - Cushing, Oklahoma	☐	59.04	62.33	61.72	65.17	71.38	72.49	1986-2021
Brent - Europe	☐	62.28	65.41	64.81	68.53	73.16	75.17	1987-2021
Conventional Gasoline								
New York Harbor, Regular	☐	1.761	1.986	1.988	2.116	2.167	2.257	1986-2021
U.S. Gulf Coast, Regular	☐	1.686	1.945	1.958	2.038	2.118	2.205	1986-2021
RBOB Regular Gasoline								
Los Angeles	☐	1.822	2.066	2.099	2.239	2.311	2.361	2003-2021
No. 2 Heating Oil								
New York Harbor	☐	1.670	1.704	1.704	1.834	1.911	1.947	1986-2021
Ultra-Low-Sulfur No. 2 Diesel Fuel								
New York Harbor	☐	1.788	1.853	1.861	2.024	2.121	2.127	2006-2021
U.S. Gulf Coast	☐	1.744	1.824	1.813	1.971	2.068	2.071	2006-2021
Los Angeles	☐	1.835	1.936	1.897	2.020	2.077	2.124	1996-2021
Kerosene-Type Jet Fuel								
U.S. Gulf Coast	☐	1.601	1.661	1.669	1.752	1.857	1.887	1990-2021
Propane								
Mont Belvieu, Texas	☐	0.905	0.922	0.823	0.816	0.965	1.090	1992-2021

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.

Release Date: 8/25/2021

Next Release Date: 9/1/2021



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Spot Prices

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

Period: Weekly ▼

Product by Area	Graph Clear	07/16/21	07/23/21	07/30/21	08/06/21	08/13/21	08/20/21	View History
Crude Oil								
WTI - Cushing, Oklahoma	☐	73.19	69.68	72.75	69.50	68.33	65.05	1986-2021
Brent - Europe	☐	75.80	72.20	75.75	72.26	71.09	68.08	1987-2021
Conventional Gasoline								
New York Harbor, Regular	☐	2.268	2.204	2.330	2.282	2.284	2.122	1986-2021
U.S. Gulf Coast, Regular	☐	2.214	2.135	2.268	2.216	2.221	2.063	1986-2021
RBOB Regular Gasoline								
Los Angeles	☐	2.339	2.299	2.462	2.374	2.344	2.187	2003-2021
No. 2 Heating Oil								
New York Harbor	☐	1.962	1.892	1.989	1.919	1.881	1.789	1986-2021
Ultra-Low-Sulfur No. 2 Diesel Fuel								
New York Harbor	☐	2.134	2.069	2.167	2.102	2.079	1.990	2006-2021
U.S. Gulf Coast	☐	2.082	2.014	2.110	2.046	2.023	1.937	2006-2021
Los Angeles	☐	2.102	2.095	2.212	2.164	2.185	2.072	1996-2021
Kerosene-Type Jet Fuel								
U.S. Gulf Coast	☐	1.902	1.842	1.918	1.832	1.819	1.735	1990-2021
Propane								
Mont Belvieu, Texas	☐	1.097	1.065	1.097	1.094	1.116	1.123	1992-2021

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.

Release Date: 8/25/2021

Next Release Date: 9/1/2021

U.S.

Summary by Composition Category

	MS-2020		Prev. Idx	2021Q3		Calculation		Relative of Change
	MS Amount	Weight		Cur Idx		Prev. Idx	Cur Idx	
Forest Products	764,805,082	0.1690	343.47	352.71		58.05	59.61	
Metal Products	2,633,534,885	0.5820	178.98	190.04		104.17	110.60	
Misc. Products	1,126,753,341	0.2490	415.18	425.31		103.38	105.90	
Total	4,525,093,308	1.0000	265.60	276.11				1.0396
Total Linked			261.79	272.16				
'77 = 100 Link Fact.= 1.423			372.53	387.28				
'80 = 100 Link Fact.= 1.061			277.76	288.76				

As info only	Change
Forest Products	2.69%
Metal Products	6.18%
Misc. Products	2.44%
Total ('80=100)	3.96%
Rounded 80 Indices	4.0%
Rounded 77 Indices	4.0%

Car Hire for RCAF - 2020 Weights

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

		1980	June 3Q/21	Sept. 4Q/21	Dec. 1Q/22	Mar. 2Q/22	June 3Q/22
RATE							
RR-OWNED TIME		31.00	65.00	66.00	--	--	--
RR-OWNED MILEAGE		4.69	6.60	6.60	--	--	--
PRIVATELY-OWNED CARS		25.47	55.83	55.17	--	--	--
AUTORACKS		47.00	84.91	85.08	--	--	--
INDEX							
RR-OWNED TIME		100.0	209.7	212.9	--	--	--
RR-OWNED MILEAGE		100.0	140.7	140.7	--	--	--
PRIVATELY-OWNED CARS		100.0	219.2	216.6	--	--	--
AUTORACKS		100.0	180.7	181.0	--	--	--
CAR HIRE INDEX (old wts)	2019	100.0	214.0	--	--	--	--
CAR HIRE INDEX (new wts)	2020	100.0	214.3	212.2	--	--	--
CAR HIRE INDEX (LINKED)		100.0	211.2	209.1	--	--	--

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

	2021 (first day of month)						2022 (first day of month)							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Railroad Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	11,180	11,157	11,138											
Rate (in cents)														
Superstructures #3 - Auto Rack	94.0	95.0	95.0											
All other #1 - Time	65.0	65.0	66.0											
All other #2 - Mileage	6.6	6.6	6.6											
Private Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	53,299	53,262	53,225											
Covered Hoppers	432,640	433,233	433,686											
Tank Cars	421,980	422,998	423,421											
Others	294,153	293,445	292,806											
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	83.0	83.0	83.0											
Covered Hoppers #2 - Mileage	45.1	45.1	45.2											
Tank Cars #2 - Mileage	88.7	88.7	86.1											
Others #1 -Time	102.0	102.0	103.0											
Others #2 - Mileage	8.5	8.5	8.5											
AVERAGE RATES														
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	31.14	31.14	31.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Total	55.93	55.97	55.17	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Autoracks	84.91	85.08	85.08	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Car Hire Weights	"Old Wts" "New Wts"	
	2019	2020
For RCAF & RCR		
RR-owned Time	0.040	0.052
RR-owned Mileage	0.042	0.039
Privately-owned Cars	0.879	0.874
Autoracks	0.039	0.035
----- Check sum	1.000	1.000

Weights for Equipment Rents		
(not used in Car Hire calculation)		
	2019	2020
Car Hire - U.S.	0.614	0.647
Lease Rentals - U.S.	0.386	0.353
----- Check sum	1.000	1.000

Notes:

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

CHARM Process - Car Hire Rate Report

Average Car Rental Rates for 09/2021

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	11,138	109	0.059	95
Railroad	Number of Zero-Rated Vehicular Flats	88	.	.	.
Railroad	All Other Cars	365,755	66	0.066	.
Railroad	Number of Zero-Rated Other Cars	12,810	.	.	.
Railroad	Total Railroad Equipment	389,791	.	.	.
		.	.	.	.
Private	Vehicular Flats	53,225	86	0.010	83
Private	Number of Zero-Rated Vehicular Flats	56	.	.	.
Private	Covered Hoppers	433,686	0	0.452	.
Private	Number of Zero-Rated Covered Hoppers	14,046	.	.	.
Private	Tanks	423,421	0	0.861	.
Private	Number of Zero-Rated Tanks	15,027	.	.	.
Private	All Other Cars	292,806	103	0.085	.
Private	Number of Zero-Rated Other Cars	21,757	.	.	.
Private	Total Private Equipment	1,254,024	.	.	.

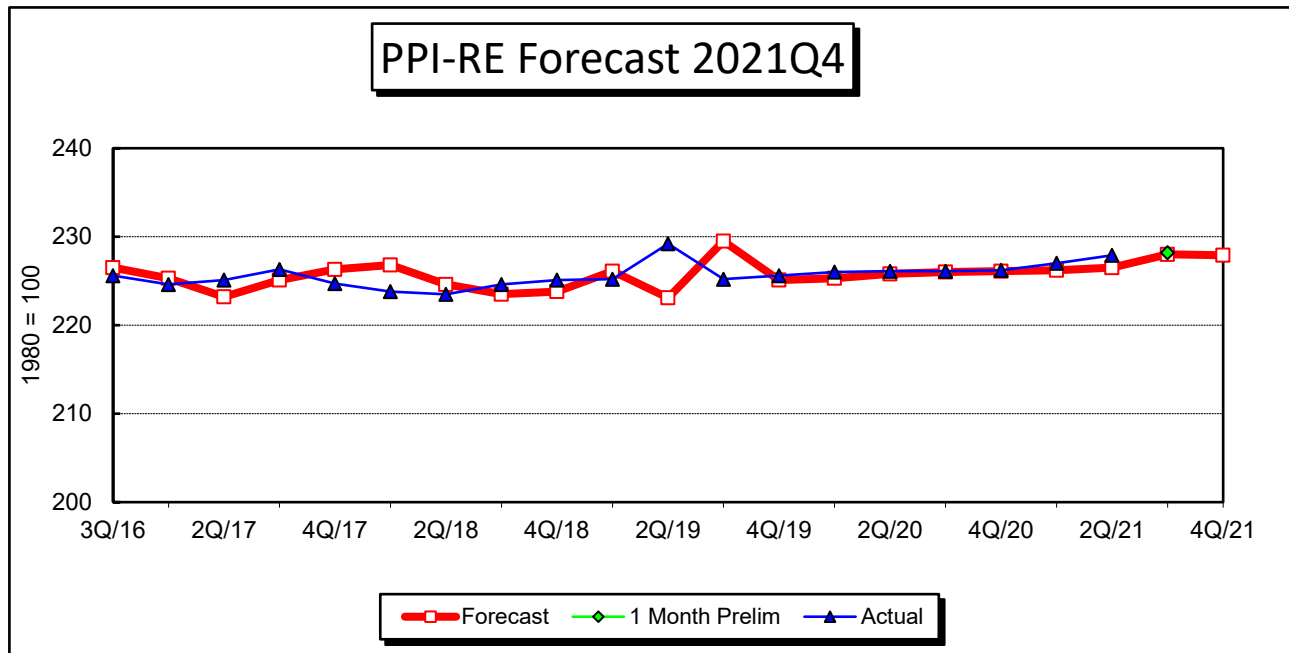
Notes
This report excludes these car types: D (Locomotives), M (MoW, EOTs, etc.), U (Containers), Z (Trailers).
All TTX equipment (including ABOX, RBOX, GONX) is contained in the Private section of report.
Equipment can be zero rated due to owners supplying incorrect or insufficient information to the 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
3Q/16	226.5	225.6	
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	226.2	
1Q/21	226.2	227.0	
2Q/21	226.5	227.9	
3Q/21	228.0		228.2
4Q/21	227.9		

1980 Base

	PPI-RE Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2021Q4						
Low	203.4	225.0	-0.5%			
Midpoint	206.0	227.9	0.8%	-0.1%	0.0%	0.0%
High	208.7	230.9	2.1%			



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 0.96 and for Box-Jenkins was 1.95.
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

Exponential smoothing: No trend, Additive seasonality
NA(0.646, 0.253)

Component	Smoothing Wgt		Final Value
Level	0.646		206.2
Seasonal	0.253		
Seasonal Indexes			
Jan - Mar	-0.1549	0.1339	0.3968
Apr - Jun	-0.1148	-0.1076	-0.008106
Jul - Sep	0.1131	0.3429	-0.1422
Oct - Dec	0.07346	-0.3078	-0.2248

Within-Sample Statistics

Sample size	72	No. parameters	2
Mean	203.61	Std. deviation	1.27
R-square	0.54	Adj. R-square	0.53
Durbin-Watson	1.81	Ljung-Box(18)	21.3 P=0.73
Forecast error	0.87	BIC	0.91
MAPE	0.27	SMAPE	0.27
RMSE	0.85	MAD	0.56
MAD/Mean Ratio	0		

Actual Values for the Most Recent 6 Periods:

Actual

2021-Feb	204.9
2021-Mar	205.8
2021-Apr	206
2021-May	206
2021-Jun	206.1
2021-Jul	206.3

Forecasted Values

2.5 Lower	Forecast	97.5 Upper	
Date	2.5 Lower	Forecast	97.5 Upper
2021-Aug	204.727	206.501	208.275
2021-Sep	203.903	206.016	208.128
2021-Oct	203.828	206.231	208.635
2021-Nov	203.188	205.850	208.513
2021-Dec	203.034	205.933	208.832
QTR AVG	203.350	206.005	208.660

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 0.96 and for Box-Jenkins was 1.95.
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

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NA(0.646, 0.253)

Component	Smoothing Wgt		Final Value
Level	0.646		206.2
Seasonal	0.253		
Seasonal Indexes			
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Forecast error	0.87	BIC	0.91
MAPE	0.27	SMAPE	0.27
RMSE	0.85	MAD	0.56
MAD/Mean Ratio	0		

Historic Data

Date	Historic
2015-Aug	202.8
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

Depreciation

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

Depreciation

2020-Jul	204.4
2020-Aug	204.4
2020-Sep	204.4
2020-Oct	204.4
2020-Nov	204.4
2020-Dec	204.6
2021-Jan	204.9
2021-Feb	204.9
2021-Mar	205.8
2021-Apr	206
2021-May	206
2021-Jun	206.1
2021-Jul	206.3

Forecast Data

Date	2.5 Lower	Forecast	97.5 Upper
2021-Aug	204.727	206.501	208.275
2021-Sep	203.903	206.016	208.128
2021-Oct	203.828	206.231	208.635
2021-Nov	203.188	205.85	208.513
2021-Dec	203.034	205.933	208.832
2022-Jan	202.886	206.003	209.12
2022-Feb	202.971	206.292	209.613
2022-Mar	203.041	206.555	210.068
2022-Apr	202.347	206.043	209.739
2022-May	202.181	206.05	209.92
2022-Jun	202.114	206.15	210.185
2022-Jul	202.076	206.271	210.466



Databases, Tables & Calculators by Subject

Change Output Options:

From: 2020 To: 2021

☐ include graphs ☐ include annual averages

[More Formatting Options](#)

Data extracted on: August 16, 2021 (7:38:37 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
2020	204.3	204.3	204.3	204.4	204.4	204.4	204.4	204.4	204.4	204.4	204.4	204.6
2021	204.9	204.9	205.8	206.0(P)	206.0(P)	206.1(P)	206.3(P)					

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

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

Schedule 210		2020
Line	Item	Col. (b)
42	Total Fixed Charges	\$1,164,524
44	Contingent interest on funded debt	0
22	Less: Release of Premiums on funded debt	3,035
Total Interest		\$1,161,489

Schedule 200		(close of year)	(beg. of year)
Line	Item	Col. (b)	Col. (c)
29	Current Liabilities, Loans and Notes Payable	\$0	\$0
38	Equip. Obs & Other LT Debt due Within One Yr	973,023	888,156
40	Funded Debt Unmatured	860,684	1,262,037
41	Equipment Obligations	1,400,694	1,483,715
42	Capitalized Lease Obligations	504,743	873,913
43	Debt in Default	0	0
44	Accounts Payable: Affiliated Companies	24,711,803	24,937,454
45	Unamortized Debt Premium	26,928	36,804
Total Debt		\$28,477,875	\$29,482,079

Total Interest for 2020	\$1,161,489
Average Debt for 2020	\$28,979,977
Embedded Interest Rate for 2020	4.01%
Embedded Interest Rate for 1980	7.85%
Interest Rate Index (1980 = 100)	51.1

Schedule 200 Comparative Statement of Financial Position (Balance Sheet) (\$000) with new line numbering
Class I Railroad U.S. Total
b=close of year c=beginning of year

Obs	Year	Sched	LineNo	Label	colb	colc	LineNo
1	2020	200	1	Cash and Cash Equivalent	2,051,355	1,400,197	1
2	2020	200	2	Temporary Cash Investmnt	46,678	81,206	2
3	2020	200	3	Special Deposits	0	0	3
4	2020	200	4	a/r loan and notes	367	400	4
5	2020	200	5	a/r interline	280,083	305,139	5
6	2020	200	6	a/r customers	3,152,701	3,507,640	6
7	2020	200	7	a/r other	764,479	646,339	7
8	2020	200	8	a/r accrued	879,278	934,197	8
9	2020	200	9	a/r from affiliates	31,853,346	28,399,923	9
10	2020	200	10	a/r less allow uncollect	114,263	147,424	10
11	2020	200	11	Wkg Funds Prepmnt DIT dr	473,718	452,935	11
12	2020	200	12	Materials and Supplies	2,245,410	2,336,440	12
13	2020	200	13	Other Current Assets	104,868	182,395	13
14	2020	200	14	Total Current Assets	41,738,020	38,099,387	14
15	2020	200	15	OA Special Funds	216,068	222,109	15
16	2020	200	16	Invest Advan Affiliates	6,579,197	6,683,743	16
17	2020	200	17	Other inv and advances	7,986	9,284	17
18	2020	200	18	Prop Used in non Carrier19	1,571,821	1,577,016	18
19	2020	200	19	Other Assets 20	20,725,573	21,740,924	19
20	2020	200	20	Other Deferred Debits 21	1,636,251	1,591,069	20
21	2020	200	21	Accum Def Income Tax Dr 22	0	0	21
22	2020	200	22	Total Other Assets 23	30,736,896	31,824,145	22
23	2020	200	23	R&E Road 24	213,548,276	208,326,936	23
24	2020	200	24	R&E Equipment 25	52,843,880	53,716,634	24
25	2020	200	25	R&E Unallocated items 26	2,848,524	3,286,511	25
26	2020	200	26	R&E Accum Depreciation 27	(67,380,482)	(64,713,254)	26
27	2020	200	27	Net Road and Equipment 28	201,860,198	200,616,827	27
28	2020	200	28	Total Assets 29	274,335,114	270,540,359	28
29	2020	200	29	CL loan & notes payable 30	0	0	29
30	2020	200	30	CL a/p interline 31	162,466	133,717	30
31	2020	200	31	CL audited accts & wages32	511,334	638,258	31
32	2020	200	32	CL other accounts payable33	596,008	802,733	32
33	2020	200	33	CL int and dividends pbl34	48,594	59,182	33
34	2020	200	34	CL payable to affil. 35	2,346,337	2,514,402	34
35	2020	200	35	CL accrued a/p 36	5,629,814	6,458,114	35
36	2020	200	36	CL taxes accrued 37	2,478,859	2,050,581	36
37	2020	200	37	CL other current liabil.38	795,059	922,801	37
38	2020	200	38	CL Eq Obs & LTD due w1yr39	973,023	888,156	38
39	2020	200	39	Total Current Liabilit. 40	13,541,494	14,467,944	39
40	2020	200	40	NC Funded debt unmatured41	860,684	1,262,037	40
41	2020	200	41	NC Equipment obligations42	1,400,694	1,483,715	41
42	2020	200	42	NC Capitalized lease obs43	504,743	873,913	42
43	2020	200	43	NC Debt in Default 44	0	0	43

44	2020	200	44	NC a/p Affiliates 45	24,711,803	24,937,454	44
45	2020	200	45	NC Unamortized debt prem46	26,928	36,804	45
46	2020	200	46	NC Interest in Default 47	0	0	46
47	2020	200	47	NC Deferr rev - xfr gov 48	330,373	316,641	47
48	2020	200	48	NC Accum Def Inc Tax Cr 49	44,724,056	43,840,693	48
49	2020	200	49	NC Otr LT Liab & Def Cr 50	12,157,884	12,500,730	49
50	2020	200	50	Total Non Current Liab. 51	84,717,165	85,251,987	50
51	2020	200	51	Sh Eq Total Capital Stk52	405,488	405,488	51
52	2020	200	52	Sh Eq Common Stock 53	384,488	384,488	52
53	2020	200	53	Sh Eq Preferred Stock 54	21,000	21,000	53
54	2020	200	54	Sh Eq Discnt on Cap Stk55	0	0	54
55	2020	200	55	Sh Eq Additnl Capital 56	62,263,374	62,099,084	55
56	2020	200	56	Sh Eq Ret Earn Appropri57	0	0	56
57	2020	200	57	Sh Eq Ret Earn Unapprop58	115,130,228	109,644,658	57
58	2020	200	58	Sh Eq Less Treasury Stk60	3,787	3,787	58
59	2020	200	59	Accum Otr Comp Income NU	(2,047,271)	(1,650,577)	59
60	2020	200	60	Total Stockhldr Equity61	175,748,032	170,494,866	60
61	2020	200	61	Non-controlling interestNU	328,423	325,562	61
62	2020	200	62	Total Equity (L.61+62)NU	176,076,455	170,820,428	62
63	2020	200	63	Total Liab. and Equity 62	274,335,114	270,540,359	63

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

[illegible]

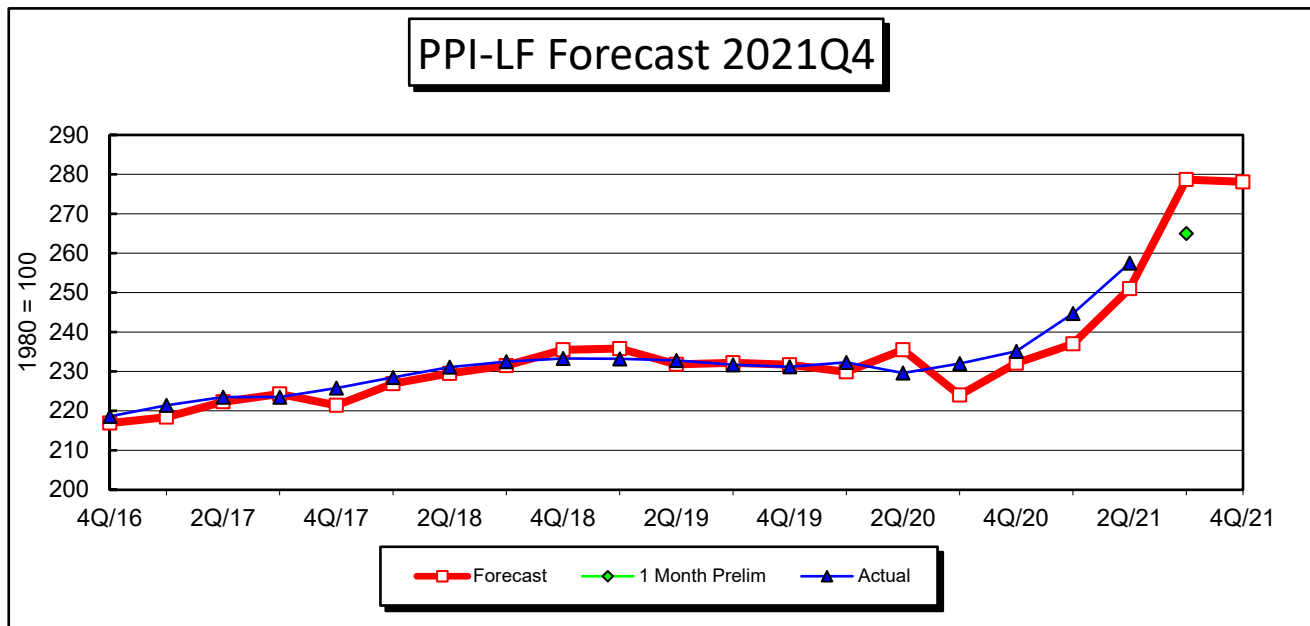
43	2020	210	43	Income aft fixed charges	23,723,487	26,950,978	0	0	43
44	2020	210	44	Contingent Interest	0	0	0	0	44
45	2020	210	45	Unusual item (dr) cr	0	0	0	0	45
46	2020	210	46	Income from Cont Op BT	23,723,487	26,950,978	0	0	46
47	2020	210	47	Fed Income taxes on ord	3,705,586	3,765,097	0	0	47
48	2020	210	48	State Inc taxes on ord	802,797	817,035	0	0	48
49	2020	210	49	Other Inc taxes on ord	20,544	(95,261)	0	0	49
50	2020	210	50	Prov for deferred taxes	944,743	1,870,696	0	0	50
51	2020	210	51	Total Prov for Inc Taxes	5,473,670	6,357,567	0	0	51
52	2020	210	52	Income from Contin Ops	18,249,817	20,593,411	0	0	52
53	2020	210	53	Inc from discount ops	0	0	0	0	53
54	2020	210	54	Gain on disposal dis ops	0	0	0	0	54
55	2020	210	55	Income before Extraord	18,249,817	20,593,411	0	0	55
56	2020	210	56	Extraordinary Items	0	0	0	0	56
57	2020	210	57	Inc Tax on Extraord Item	0	0	0	0	57
58	2020	210	58	Def Taxes Extraord Item	0	0	0	0	58
59	2020	210	59	Total Extraordinary Item	0	0	0	0	59
60	2020	210	60	Rent for lease rd n eq 66	0	0	0	0	60
61	2020	210	61	Net Income (L.55,59,60)	18,249,817	20,593,411	0	0	61
62	2020	210	62	Less NI to Non Ctl Int NU	2,190	1,952	0	0	62
63	2020	210	63	Net Income to Rep RR NU	18,247,627	20,591,459	0	0	63
64	2020	210	66	Net Rev from Rwy Ops 62	23,247,507	25,515,073	0	0	66
65	2020	210	67	Inc taxes on ord inc 63	4,528,927	4,486,871	0	0	67
66	2020	210	68	Prov for deferred tax 64	944,743	1,870,696	0	0	68
67	2020	210	69	Inc fr lease rd and eq 65	60,128	71,706	0	0	69
68	2020	210	70		60,468	61,440	0	0	70
69	2020	210	71	Net Railway Op Income 67	17,774,177	19,147,240	0	0	71

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

	Forecast	Actual	1 Month Prelim
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	232.0	
4Q/20	232.1	235.1	
1Q/21	237.0	244.7	
2Q/21	251.0	257.5	
3Q/21	278.7		265.0
4Q/21	278.1		

1980 Base

	PPI-LF Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2021Q4						
Low	243.4	272.9	16.1%			
Midpoint	248.1	278.1	18.3%	4.9%	8.0%	-0.2%
High	252.8	283.4	20.5%			



**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 7.08 and for Box-Jenkins was 10.10.
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

Multiplicative Winters: Linear trend, Multiplicative seasonality

LM(0.950, 0.981, 0.999)

Confidence limits proportional to indexes and level

Component	Smoothing Wgt		Final Value
Level	0.9504		236.5
Trend	0.9813		2.871
Seasonal	0.9992		
Seasonal Indexes			
Jan - Mar	1.001	0.9993	1
Apr - Jun	0.9997	0.9994	0.9997
Jul - Sep	0.9995	1	0.9997
Oct - Dec	1.001	1.001	1

Within-Sample Statistics

Sample size	72	No. parameters	3
Mean	204.32	Std. deviation	9.42
R-square	1	Adj. R-square	1
Durbin-Watson	1.81	Ljung-Box(18)	12.8 P=0.20
Forecast error	0.58	BIC	0.62
MAPE	0.2	SMAPE	0.2
RMSE	0.56	MAD	0.42
MAD/Mean Ratio	0		

Actual Values for the Most Recent 6 Periods:

Actual

2021-Feb	217.5
2021-Mar	221.5
2021-Apr	225.9
2021-May	229.7
2021-Jun	233.6
2021-Jul	236.4

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2021-Aug	238.125	239.501	240.876
2021-Sep	239.255	242.186	245.117
2021-Oct	241.359	245.27	249.18
2021-Nov	243.447	248.137	252.827
2021-Dec	245.533	250.891	256.248
QTR AVG	243.446	248.099	252.752

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.

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MAPE	0.2	SMAPE	0.2
RMSE	0.56	MAD	0.42
MAD/Mean Ratio	0		

Historic Data

Date	Historic
2015-Aug	193.9
2015-Sep	193.1
2015-Oct	192.9
2015-Nov	192.3
2015-Dec	191.9
2016-Jan	191.9

Other

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
2020-Jan	207.2
2020-Feb	207.1
2020-Mar	207.1
2020-Apr	205.2

Other

2020-May	204.4
2020-Jun	205
2020-Jul	205.8
2020-Aug	207
2020-Sep	208.1
2020-Oct	208.7
2020-Nov	209.2
2020-Dec	211.5
2021-Jan	214.9
2021-Feb	217.5
2021-Mar	221.5
2021-Apr	225.9
2021-May	229.7
2021-Jun	233.6
2021-Jul	236.4

Forecast Data

Date	2.5 Lower	Forecast	97.5 Upper
2021-Aug	238.125	239.501	240.876
2021-Sep	239.255	242.186	245.117
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2021-Nov	243.447	248.137	252.827
2021-Dec	245.533	250.891	256.248
2022-Jan	248.026	253.976	259.926
2022-Feb	249.935	256.424	262.913
2022-Mar	252.521	259.506	266.492
2022-Apr	254.821	262.271	269.721
2022-May	257.19	265.076	272.962
2022-Jun	259.726	268.026	276.325
2022-Jul	262.143	270.836	279.53



Databases, Tables & Calculators by Subject

Change Output Options:

From: 2020 To: 2021

☐ include graphs ☐ include annual averages

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Data extracted on: August 16, 2021 (8:01:43 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
2020	207.2	207.1	207.1	205.2	204.4	205.0	205.8	207.0	208.1	208.7	209.2	211.5
2021	214.9	217.5	221.5	225.9(P)	229.7(P)	233.6(P)	236.4(P)					

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

U.S. BUREAU OF LABOR STATISTICS Postal Square Building 2 Massachusetts Avenue NE Washington, DC 20212-0001

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Forecast Error Calculation

	2019	Second Quarter 2021		Difference		Notes
		2021Q2	2021Q2	Pt.	Pct.	
	Weight	Forecast	Actual			
Labor	32.6%	446.6	446.6	0.0	0%	* actual=forecast
Fuel	14.2%	221.1	236.9	15.8	7%	from 1st month of quarter
M&S	4.9%	275.0	275.0	0.0	0%	* actual=forecast
Equip Rents	5.2%	238.4	241.9	3.5	1%	from Equipment Rents below
Depreciation	15.9%	226.5	227.9	1.4	1%	PPI-RE
Interest	2.5%	55.7	55.7	0.0	0%	* actual=forecast
Other	24.7%	251.0	257.5	6.5	3%	PPI-LF
Weighted Avg	100.0%					
1980 = 100		302.3	306.5			calculated
1980 = 100 (linked)		282.3	285.4			calculated
4Q17 = 100	2.645	106.7	107.9			calculated
4Q12 = 100	2.976	94.9	95.9			calculated
4Q07 = 100	2.459	114.8	116.1			calculated
4Q02 = 100	1.921	147.0	148.6			calculated
4Q97 = 100	1.732	163.0	164.8			calculated
Forecast Error	→	1.2				calculated
						0.012 = RCAF adj.
<u>Prior Quarter</u>						
1980 = 100		290.9	297.6 **			
1980 = 100 (linked)		271.7	277.1			
4Q17 = 100		102.7	104.8			calculated
4Q12 = 100		91.3	93.1			calculated
4Q07 = 100		110.5	112.7			calculated
4Q02 = 100		141.4	144.2			calculated
4Q97 = 100		156.9	160.0			calculated
<u>Equipment Rents</u>						
Car Hire	61.4%	210.8	211.3			from Equipment Rents/CHARM
Lease Rentals	38.6%	251.0	257.5			(equals PPI-LF from above)
Weighted Average		226.3	229.1			calculated
Linked		238.4	241.9			calculated
<u>Prior Quarter</u>						
Weighted Average		224.4	226.8 **			
Linked		236.4	239.5			
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

PPI-RE	206.00	206.00	206.10	0.9040
PPI-LF	225.90	229.70	233.60	0.8920

RCAF Fuel (Actual All-Inclusive Index)

April 2021

Monthly Report

	April 2021 Price (cents) (1)	1/1/81 Price (cents) (2)	1/91 New Method Linking Factors (3)	April 2021 Index 1/1/81=100 (4)	Linking Factor 1980=100 (5)	April 2021 1980=100 Current Index (6)
U.S.	193.91	89.34	99.415	215.78	1.096	236.49

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

(6) = (4) x (5)

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

	April 2021 1980=100 Current Index	Adjustment Factor	April 2021 1980=100 Linked Index
U.S.	236.49	1.00192	236.94 ←

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

Car Hire for RCAF - 2019 Weights

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

		1980	Aug 3Q/20	Nov 4Q/20	Feb 1Q/21	May 2Q/21	Aug 3Q/21
RATE							
RR-OWNED TIME		31.00	65.00	65.00	65.00	65.00	65.00
RR-OWNED MILEAGE		4.69	6.60	6.60	6.60	6.60	6.60
PRIVATELY-OWNED CARS		25.47	59.37	57.23	57.21	55.85	55.97
AUTORACKS		47.00	86.93	87.56	84.10	84.08	85.08
INDEX							
RR-OWNED TIME		100.0	209.7	209.7	209.7	209.7	209.7
RR-OWNED MILEAGE		100.0	140.7	140.7	140.7	140.7	140.7
PRIVATELY-OWNED CARS		100.0	233.1	224.7	224.6	219.3	219.7
AUTORACKS		100.0	185.0	186.3	178.9	178.9	181.0
CAR HIRE INDEX (old wts)	2018	100.0	226.7	--	--	--	--
CAR HIRE INDEX (new wts)	2019	100.0	226.4	219.1	218.7	214.0	214.5
CAR HIRE INDEX (LINKED)		100.0	223.5	216.3	215.9	211.3	211.8

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
Railroad Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	11,533	11,511	11,471	11,454	11,286	11,313	11,335	11,342	11,323	11,284	11,232	11,215	11,180	11,157
Rate (in cents)														
Superstructures #3 - Auto Rack	96.0	96.0	96.0	96.0	95.0	95.0	94.0	94.0	94.0	94.0	94.0	94.0	94.0	95.0
All other #1 - Time	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0
All other #2 - Mileage	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6
Private Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	54,099	54,029	53,937	53,847	53,774	53,702	53,638	53,591	53,552	53,500	53,427	53,461	53,299	53,262
Covered Hoppers	433,856	434,193	434,236	434,187	433,113	433,042	432,151	432,666	432,708	433,590	433,438	433,482	432,640	433,233
Tank Cars	423,965	423,766	423,859	424,177	422,993	423,827	424,233	423,774	423,357	424,130	421,756	422,114	421,980	422,998
Others	299,225	298,544	297,753	298,033	296,888	295,883	296,327	295,521	295,229	294,524	293,923	295,284	294,153	293,445
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	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Superstructures #3 - Auto Rack	85.0	85.0	85.0	86.0	86.0	86.0	82.0	82.0	82.0	82.0	82.0	83.0	83.0	83.0
Covered Hoppers #2 - Mileage	44.9	44.9	45.0	45.0	45.0	45.0	44.9	44.9	44.9	45.0	45.0	45.0	45.1	45.1
Tank Cars #2 - Mileage	99.1	99.1	92.6	92.7	92.8	92.8	92.4	92.5	88.3	88.4	88.6	88.6	88.7	88.7
Others #1 -Time	101.0	101.0	101.0	101.0	101.0	102.0	101.0	102.0	102.0	102.0	102.0	102.0	102.0	102.0
Others #2 - Mileage	8.4	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
AVERAGE RATES														
Private Superstructures	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	21.21
Private Others	30.82	30.92	30.92	30.92	30.92	31.14	30.92	31.14	31.14	31.14	31.14	31.14	31.14	31.14
Private Total	59.34	59.37	57.15	57.19	57.23	57.33	57.12	57.21	55.73	55.83	55.85	55.83	55.93	55.97
Autoracks	86.93	86.93	86.93	87.75	87.56	87.57	84.09	84.10	84.09	84.09	84.08	84.91	84.91	85.08

Car Hire Weights	"Old Wts" "New Wts"	
	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	1.000	1.000

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

Notes:

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

CHARM Process - Car Hire Rate Report

Average Car Rental Rates for 05/2021

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	11,232	108	0.058	94
Railroad	Number of Zero-Rated Vehicular Flats	135	.	.	.
Railroad	All Other Cars	370,566	65	0.066	.
Railroad	Number of Zero-Rated Other Cars	14,867	.	.	.
Railroad	Total Railroad Equipment	396,800	.	.	.
		.	.	.	.
Private	Vehicular Flats	53,427	86	0.010	82
Private	Number of Zero-Rated Vehicular Flats	60	.	.	.
Private	Covered Hoppers	433,438	0	0.450	.
Private	Number of Zero-Rated Covered Hoppers	14,379	.	.	.
Private	Tanks	421,756	0	0.886	.
Private	Number of Zero-Rated Tanks	17,178	.	.	.
Private	All Other Cars	293,923	102	0.085	.
Private	Number of Zero-Rated Other Cars	22,850	.	.	.
Private	Total Private Equipment	1,257,011	.	.	.

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

RCAF - Depreciation

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

		Forecast Year 2021			
		As reported at end of month 82=100			
		Nov.	Feb.	May	Aug.
For Forecast	→	21Q1	21Q2	21Q3	21Q4
For Actual	→	20Q3	20Q4	21Q1	21Q2
January	2020	204.3	204.3	204.3	204.3
February	2020	204.3	204.3	204.3	204.3
March	2020	204.3	204.3	204.3	204.3
April	2020	204.4	204.4	204.4	204.4
May	2020	204.4	204.4	204.4	204.4
June	2020	204.4	204.4	204.4	204.4
July	2020	204.4	204.4	204.4	204.4
August	2020	204.4	204.4	204.4	204.4
September	2020	204.4	204.4	204.4	204.4
October	2020	204.4	204.4	204.4	204.4
November	2020		204.4	204.4	204.4
December	2020		204.6	204.6	204.6
January	2021		204.9	204.9	204.9
February	2021			204.9	204.9
March	2021			205.9	205.8
April	2021			206.0	206.0
May	2021				206.0
June	2021				206.1
July	2021				206.3
Actual Qtr.		204.4	204.5	205.2	206.0

1980=100

Actual Qtr.	226.1	226.2	227.0	227.9
First Mo. next qtr.	226.1	226.7	227.9	228.2

0.904 =1980



Databases, Tables & Calculators by Subject

Change Output Options:

From: 2020 To: 2021

☐ include graphs ☐ include annual averages

[More Formatting Options](#)

Data extracted on: August 16, 2021 (7:38:37 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
2020	204.3	204.3	204.3	204.4	204.4	204.4	204.4	204.4	204.4	204.4	204.4	204.6
2021	204.9	204.9	205.8	206.0(P)	206.0(P)	206.1(P)	206.3(P)					

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

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RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

		Forecast Year 2021			
		As reported at end of month 82=100			
		Nov.	Feb.	May	Aug.
For Forecast	→	21Q1	21Q2	21Q3	21Q4
For Actual	→	20Q3	20Q4	21Q1	21Q2
January	2020	207.2	207.2	207.2	207.2
February	2020	207.1	207.1	207.1	207.1
March	2020	207.1	207.1	207.1	207.1
April	2020	205.2	205.2	205.2	205.2
May	2020	204.4	204.4	204.4	204.4
June	2020	205.0	205.0	205.0	205.0
July	2020	205.8	205.8	205.8	205.8
August	2020	206.5	207.0	207.0	207.0
September	2020	208.4	208.1	208.1	208.1
October	2020	208.8	208.8	208.7	208.7
November	2020		209.2	209.2	209.2
December	2020		211.0	211.5	211.5
January	2021		214.5	214.5	214.9
February	2021			216.8	217.5
March	2021			221.7	221.5
April	2021			225.9	225.9
May	2021				229.7
June	2021				233.6
July	2021				236.4
Actual Qtr.		206.9	209.7	217.7	229.7

1980=100

Actual Qtr.	232.0	235.1	244.1	257.5
First Mo. next qtr.	234.1	240.5	253.3	265.0

0.892 =1980



Databases, Tables & Calculators by Subject

Change Output Options:

From: 2020 To: 2021

☐ include graphs ☐ include annual averages

[More Formatting Options](#)

Data extracted on: August 16, 2021 (8:01:43 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
2020	207.2	207.1	207.1	205.2	204.4	205.0	205.8	207.0	208.1	208.7	209.2	211.5
2021	214.9	217.5	221.5	225.9(P)	229.7(P)	233.6(P)	236.4(P)					

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

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All-Inclusive Index (Actual) - 2019 Weights

	19 Wts	3Q/20 18 Wts	3Q/20 19 Wts	% Chg.	4Q/20 19 Wts	% Chg.	1Q/21 19 Wts	% Chg.	2Q/21 19 Wts	% Chg.	3Q/21 19 Wts	% Chg.
Labor	32.6%	442.8	442.8	0.0%	437.1	-1.3%	448.9	2.7%	446.6	-0.5%		NA
Fuel	14.2%	159.7	159.7	0.0%	154.9	-3.0%	197.2	27.3%	236.9	20.1%		NA
M&S	4.9%	260.7	260.7	0.0%	258.8	-0.7%	264.9	2.4%	275.0	3.8%		NA
Equipment Rents	5.2%	239.5	239.5	0.0%	236.1	-1.4%	239.5	1.4%	241.9	1.0%	0.0	NA
Depreciation	15.9%	226.1	226.1	0.0%	226.2	0.0%	227.0	0.4%	227.9	0.4%		NA
Interest	2.5%	57.2	57.2	0.0%	55.7	-2.6%	55.7	0.0%	55.7	0.0%	55.7	0.0%
Other	24.7%	232.0	232.0	0.0%	235.1	1.3%	244.1	3.8%	257.5	5.5%		NA
	1.0000											
Weighted Avg.		287.4	286.9	-0.2%	284.9	-0.7%	297.6	4.5%	306.5	3.0%	1.4	NA
Linked		267.2			265.3	-0.7%	277.1	4.4%	285.4	3.0%	1.3	NA
10/1/80	1.027	260.2			258.3	-0.7%	269.8	4.5%	277.9	3.0%	1.3	NA
10/1/82	1.209	221.0			219.4	-0.7%	229.2	4.5%	236.1	3.0%	1.1	NA
4Q/87	1.322	202.1			200.7	-0.7%	209.6	4.4%	215.9	3.0%	1.0	NA
4Q/92	1.569	170.3			169.1	-0.7%	176.6	4.4%	181.9	3.0%	0.8	NA
4Q/97	1.732	154.3			153.2	-0.7%	160.0	4.4%	164.8	3.0%	0.8	NA
4Q/02	1.921	139.1			138.1	-0.7%	144.2	4.4%	148.6	3.1%	0.7	NA
4Q/07	2.459	108.7			107.9	-0.7%	112.7	4.4%	116.1	3.0%	0.5	NA
4Q/12	2.976	89.8			89.1	-0.8%	93.1	4.5%	95.9	3.0%	0.4	NA
4Q/17	2.645	101.0			100.3	-0.7%	104.8	4.5%	107.9	3.0%	0.5	NA
Equipment Rents												
Car Hire	61.4%	223.5	223.5	0.0%	216.3	-3.2%	215.9	-0.2%	211.3	-2.1%		NA
Lease Rentals	38.6%	232.0	232.0	0.0%	235.1	1.3%	244.1	3.8%	257.5	5.5%	0.0	NA
	1.0000											
ER Weighted Avg		227.0	226.8	-0.1%	223.6	-1.4%	226.8	1.4%	229.1	1.0%	0.0	NA
ER Linked		239.5			236.1	-1.4%	239.5	1.4%	241.9	1.0%	0.0	NA

AAR 2020 7/20/2021 U.S.

Union	Employees	Straight Time		PFTNW	Union Lump
	Paid	Hours	Comp.	Comp.	Sums
UTU	30,014	51,208,363	1,699,655,073	579,364,857	24,114,090
TCU	4,113	7,325,776	240,818,558	34,491,314	6,935,953
BLET	19,912	39,498,603	1,503,330,321	505,888,601	123,384,187
SMW	644	1,130,030	37,853,020	6,072,493	133,079
BRS	6,266	11,681,184	419,081,107	95,925,647	2,350,115
BMWE	20,538	37,346,434	1,159,915,807	180,186,791	8,448,897
TCU-CAR	6,808	12,304,057	412,987,799	59,226,809	2,147,694
NCFO	1,678	2,973,948	86,417,439	12,095,666	518,204
IAM	5,282	9,630,468	326,596,304	49,381,695	1,523,840
IBBM	577	1,017,599	33,850,931	4,406,748	129,424
IBEW	4,319	7,798,603	265,781,893	46,118,517	1,561,765
ATDA	2,087	4,972,535	228,671,595	37,233,717	3,261,907
UTU-YMD	1,455	2,498,816	110,665,602	22,415,434	2,390,784
OTHER	20,298	43,996,294	2,391,379,134	50,457,859	
Total	123,991	233,382,710	\$8,917,004,583	\$1,683,266,148	\$176,899,939
ST Comp less Union Lump Sums			\$8,740,104,644		

Checks

OK Match	OK Match	OK Match	OK Match
Total including non-union			\$540,365,712

US less E+W s.b. 0

0 0 0 0 0

RCAF Weights

	U.S.	2020	2019	Amt Chg	2018	2017 Revised	2016
Labor	\$14,164,582	32.4%	32.6%	-0.2%	33.0%	34.8%	35.6%
Fuel	4,255,403	9.7%	14.2%	-4.5%	15.9%	12.9%	10.7%
Mat & Sup.	1,974,779	4.5%	4.9%	-0.4%	5.1%	4.9%	5.0%
Equip. Rents	2,267,577	5.2%	5.2%	0.0%	5.3%	5.7%	5.9%
Depreciation	8,104,314	18.5%	15.9%	2.6%	15.0%	15.7%	15.6%
Interest	1,159,118	2.7%	2.5%	0.2%	2.1%	2.1%	2.2%
Other	11,836,231	27.0%	24.7%	2.3%	23.6%	23.9%	25.0%
Total	\$43,762,004	100.0%	100.0%		100.0%	100.0%	100.0%

Check

410 620f	42,602,886
Interest	1,159,118
Total	43,762,004
	ok

key this cell only

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

Analysis of Other -- as info only

Other	U.S.	2020	2019	Amt Chg.
Purch Service	\$8,029,472	18.3%	17.4%	1.0%
Taxes	1,587,197	3.6%	3.1%	0.6%
Cas & Insuran	559,240	1.3%	1.3%	0.0%
Loss & Dam	97,661	0.2%	0.3%	0.0%
Gen & Admn	1,562,661	3.6%	2.7%	0.8%
Total	\$11,836,231	27.0%	24.7%	2.3%

RCAF Internal Weights

	U.S.	2020	2019	Amt Diff
Labor				
Wages	10,008,875	70.7%	71.1%	-0.4%
Wage Supplem	4,155,707	29.3%	28.9%	0.4%
Total	14,164,582	100.0%	100.0%	
Check	ok			

Equip. Rents				
Car Hire	1,466,388	64.7%	61.4%	3.3%
Lease Rents	801,189	35.3%	38.6%	-3.3%
Total	2,267,577	100.0%	100.0%	
Check	ok			

Car Hire				
RR Time excl Autork	77,762	5.2%	4.0%	1.2%
RR Mileage excl Auto	57,370	3.9%	4.2%	-0.3%
Private excl Autorack	1,292,718	87.4%	87.9%	-0.5%
Autorack	51,373	3.5%	3.9%	-0.4%
Total	1,479,223	100.0%	100.0%	
from Sch. 414	ok			

Car Hire, Adjusted to eliminate negative numbers				
RR Time excl Autork	77,762	5.2%	4.0%	1.2%
RR Mileage excl Auto	57,370	3.9%	4.2%	-0.3%
Private excl Autorack	1,292,718	87.4%	87.9%	-0.5%
Autorack	51,373	3.5%	3.9%	-0.4%
Total	1,479,223	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	2019	RR Retirement Tier I Maximum Taxable Earnings for 2020	\$137,700
Wage Statistics Year	2020	RR Retirement Tier II Maximum Taxable Earnings for 2020	\$102,300
Employees Receiving Pay	123,991	Medicare Maximum Taxable Earnings for 2020	no limit
		Tier I Employer Tax Rate for 2020	6.20%
		Tier II Employer Tax Rate for 2020	13.10%
		Medicare Employer Tax Rate for 2020	1.45%

(Info Only)(Info Only)

USA	Taxable Rate	Update Factor	RR Ret. Tax Paid	Hourly Rate	
2019	\$43.000				
2020	\$43.981	1.02281	\$564,946,478	\$9.281	Hourly rate from Supplements spreadsheet

Railroad Retirement and Medicare Benchmark for U.S.

From 2019 RRB Earnings Distribution			Quarterly Average for Benchmark Year 2020 (using updated 2019 Earnings Distribution with data for 2020)									
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	\$29,625	1.335	1,655	\$30,301	\$7,575	7,575	\$7,575	\$7,575	\$12,539,029	\$12,539,029	\$12,539,029	
41,700 - 43,699	\$42,987	0.321	398	\$43,967	10,992	10,992	10,992	10,992	4,374,883	4,374,883	4,374,883	
43,700 - 45,699	\$44,680	0.588	729	\$45,699	11,425	11,425	11,425	11,425	8,329,420	8,329,420	8,329,420	
45,700 - 47,699	\$46,762	0.374	464	\$47,829	11,957	11,957	11,957	11,957	5,544,839	5,544,839	5,544,839	
47,700 - 49,699	\$48,651	0.427	529	\$49,761	12,440	12,440	12,440	12,440	6,586,337	6,586,337	6,586,337	
49,700 - 51,699	\$50,543	0.908	1,126	\$51,696	12,924	12,924	12,924	12,924	14,550,273	14,550,273	14,550,273	
51,700 - 53,699	\$52,897	0.855	1,060	\$54,103	13,526	13,526	13,526	13,526	14,339,085	14,339,085	14,339,085	
53,700 - 55,699	\$54,523	1.122	1,391	\$55,767	13,942	13,942	13,942	13,942	19,395,317	19,395,317	19,395,317	
55,700 - 57,699	\$56,596	1.282	1,590	\$57,887	14,472	14,472	14,472	14,472	23,003,719	23,003,719	23,003,719	
57,700 - 59,699	\$58,698	1.656	2,053	\$60,037	15,009	15,009	15,009	15,009	30,818,246	30,818,246	30,818,246	
59,700 - 61,699	\$60,693	2.350	2,914	\$62,077	15,519	15,519	15,519	15,519	45,220,020	45,220,020	45,220,020	
61,700 - 63,699	\$62,631	2.457	3,046	\$64,059	16,015	16,015	16,015	16,015	48,788,649	48,788,649	48,788,649	
63,700 - 65,699	\$64,778	3.259	4,041	\$66,255	16,564	16,564	16,564	16,564	66,932,367	66,932,367	66,932,367	
65,700 - 67,699	\$66,760	3.686	4,570	\$68,283	17,071	17,071	17,071	17,071	78,018,203	78,018,203	78,018,203	
67,700 - 69,699	\$68,621	3.686	4,570	\$70,186	17,547	17,547	17,547	17,547	80,193,037	80,193,037	80,193,037	
69,700 - 71,699	\$70,651	2.885	3,577	\$72,262	18,066	18,066	18,066	18,066	64,623,194	64,623,194	64,623,194	
71,700 - 73,699	\$72,674	3.098	3,841	\$74,332	18,583	18,583	18,583	18,583	71,381,351	71,381,351	71,381,351	
73,700 - 75,699	\$74,697	2.244	2,782	\$76,401	19,100	19,100	19,100	19,100	53,143,518	53,143,518	53,143,518	
75,700 - 77,699	\$76,615	3.472	4,305	\$78,362	19,591	19,591	19,591	19,591	84,336,934	84,336,934	84,336,934	
77,700 - 79,699	\$78,710	3.632	4,503	\$80,505	20,126	20,126	20,126	20,126	90,635,855	90,635,855	90,635,855	
79,700 - 81,699	\$80,668	3.739	4,636	\$82,508	20,627	20,627	20,627	20,627	95,627,112	95,627,112	95,627,112	
81,700 - 83,699	\$82,706	3.526	4,372	\$84,592	21,148	21,148	21,148	21,148	92,457,812	92,457,812	92,457,812	
83,700 - 85,699	\$84,707	3.205	3,974	\$86,639	21,660	21,660	21,660	21,660	86,073,928	86,073,928	86,073,928	
85,700 - 87,699	\$86,537	3.098	3,841	\$88,511	22,128	22,128	22,128	22,128	84,997,770	84,997,770	84,997,770	
87,700 - 89,699	\$88,699	2.671	3,312	\$90,722	22,681	22,681	22,681	22,681	75,113,309	75,113,309	75,113,309	
89,700 - 91,699	\$90,625	3.312	4,107	\$92,692	23,173	23,173	23,173	23,173	95,161,797	95,161,797	95,161,797	
91,700 - 93,699	\$92,881	2.297	2,848	\$94,999	23,750	23,750	23,750	23,750	67,641,334	67,641,334	67,641,334	
93,700 - 95,699	\$94,749	1.816	2,252	\$96,910	24,228	24,228	24,228	24,228	54,552,513	54,552,513	54,552,513	
95,700 - 97,699	\$96,731	2.350	2,914	\$98,937	24,734	24,734	24,734	24,734	72,070,548	72,070,548	72,070,548	
97,700 - 99,699	\$98,711	2.030	2,517	\$100,962	25,241	25,241	25,241	25,241	63,531,027	63,531,027	63,531,027	
99,700 - 101,699	\$100,745	1.923	2,384	\$103,043	25,761	25,761	25,575	25,761	61,422,441	60,979,673	61,422,441	
101,700 - 103,699	\$102,687	1.976	2,450	\$105,029	26,257	26,257	25,575	26,257	64,331,946	62,660,340	64,331,946	
103,700 - 105,699	\$104,713	2.297	2,848	\$107,101	26,775	26,775	25,575	26,775	76,258,083	72,839,474	76,258,083	
105,700 - 107,699	\$106,735	2.137	2,650	\$109,169	27,292	27,292	25,575	27,292	72,316,211	67,765,762	72,316,211	
107,700 - 109,699	\$108,566	2.297	2,848	\$111,042	27,761	27,761	25,575	27,761	79,064,061	72,839,474	79,064,061	
109,700 - 111,699	\$110,604	1.603	1,988	\$113,127	28,282	28,282	25,575	28,282	56,211,949	50,832,249	56,211,949	
111,700 - 113,699	\$112,537	1.496	1,855	\$115,104	28,776	28,776	25,575	28,776	53,376,638	47,439,205	53,376,638	
113,700 - 115,699	\$114,692	1.549	1,921	\$117,308	29,327	29,327	25,575	29,327	56,325,989	49,119,872	56,325,989	
\$115,700 - over	\$150,555	17.041	21,129	\$153,989	38,497	34,425	25,575	38,497	727,376,370	540,382,009	813,419,436	
TOTAL			100.000	123,991				Total Taxable Earn'gs.	\$2,856,665,114	\$2,634,839,483	\$2,942,708,179	
								Employer Tax Rate	6.20%	13.10%	1.45%	
								Employer Payment	\$177,113,237	\$345,163,972	\$42,669,269	
								Total Tier I & II & Medicare			\$564,946,478	

The SAS System

RRB 2019 EARNINGS DATA

Annual Salary Range	Number of Employees	Gross Salary	Average Salary (Group)	Group Employment % Total Employment	Cumulative Employees	Cumulative Salary	Average Salary (Cumulative)	Cumulative % Total Employment
\$ 0 TO \$41,699	25	\$740,633	\$29,625	1.335	25	\$740,633	\$29,625	1.335
\$41,700 TO \$43,699	6	\$257,922	\$42,987	0.321	31	\$998,555	\$32,211	1.656
\$43,700 TO \$45,699	11	\$491,478	\$44,680	0.588	42	\$1,490,033	\$35,477	2.244
\$45,700 TO \$47,699	7	\$327,335	\$46,762	0.374	49	\$1,817,368	\$37,089	2.618
\$47,700 TO \$49,699	8	\$389,205	\$48,651	0.427	57	\$2,206,573	\$38,712	3.045
\$49,700 TO \$51,699	17	\$859,237	\$50,543	0.908	74	\$3,065,810	\$41,430	3.953
\$51,700 TO \$53,699	16	\$846,349	\$52,897	0.855	90	\$3,912,159	\$43,468	4.808
\$53,700 TO \$55,699	21	\$1,144,983	\$54,523	1.122	111	\$5,057,142	\$45,560	5.929
\$55,700 TO \$57,699	24	\$1,358,306	\$56,596	1.282	135	\$6,415,448	\$47,522	7.212
\$57,700 TO \$59,699	31	\$1,819,646	\$58,698	1.656	166	\$8,235,094	\$49,609	8.868
\$59,700 TO \$61,699	44	\$2,670,485	\$60,693	2.350	210	\$10,905,579	\$51,931	11.218
\$61,700 TO \$63,699	46	\$2,881,006	\$62,631	2.457	256	\$13,786,585	\$53,854	13.675
\$63,700 TO \$65,699	61	\$3,951,428	\$64,778	3.259	317	\$17,738,013	\$55,956	16.934
\$65,700 TO \$67,699	69	\$4,606,453	\$66,760	3.686	386	\$22,344,466	\$57,887	20.620
\$67,700 TO \$69,699	69	\$4,734,831	\$68,621	3.686	455	\$27,079,297	\$59,515	24.306
\$69,700 TO \$71,699	54	\$3,815,135	\$70,651	2.885	509	\$30,894,432	\$60,696	27.190
\$71,700 TO \$73,699	58	\$4,215,067	\$72,674	3.098	567	\$35,109,499	\$61,922	30.288
\$73,700 TO \$75,699	42	\$3,137,262	\$74,697	2.244	609	\$38,246,761	\$62,803	32.532
\$75,700 TO \$77,699	65	\$4,980,005	\$76,615	3.472	674	\$43,226,766	\$64,135	36.004
\$77,700 TO \$79,699	68	\$5,352,265	\$78,710	3.632	742	\$48,579,031	\$65,470	39.637
\$79,700 TO \$81,699	70	\$5,646,740	\$80,668	3.739	812	\$54,225,771	\$66,781	43.376
\$81,700 TO \$83,699	66	\$5,458,626	\$82,706	3.526	878	\$59,684,397	\$67,978	46.902
\$83,700 TO \$85,699	60	\$5,082,435	\$84,707	3.205	938	\$64,766,832	\$69,048	50.107

\$85,700 TO \$87,699	58	\$5,019,151	\$86,537	3.098	996	\$69,785,983	\$70,066	53.205
\$87,700 TO \$89,699	50	\$4,434,969	\$88,699	2.671	1,046	\$74,220,952	\$70,957	55.876
\$89,700 TO \$91,699	62	\$5,618,750	\$90,625	3.312	1,108	\$79,839,702	\$72,057	59.188
\$91,700 TO \$93,699	43	\$3,993,882	\$92,881	2.297	1,151	\$83,833,584	\$72,835	61.485
\$93,700 TO \$95,699	34	\$3,221,469	\$94,749	1.816	1,185	\$87,055,053	\$73,464	63.301
\$95,700 TO \$97,699	44	\$4,256,166	\$96,731	2.350	1,229	\$91,311,219	\$74,297	65.652
\$97,700 TO \$99,699	38	\$3,751,013	\$98,711	2.030	1,267	\$95,062,232	\$75,029	67.682
\$99,700 TO \$101,699	36	\$3,626,802	\$100,745	1.923	1,303	\$98,689,034	\$75,740	69.605
\$101,700 TO \$103,699	37	\$3,799,425	\$102,687	1.976	1,340	\$102,488,459	\$76,484	71.581
\$103,700 TO \$105,699	43	\$4,502,646	\$104,713	2.297	1,383	\$106,991,105	\$77,362	73.878
\$105,700 TO \$107,699	40	\$4,269,400	\$106,735	2.137	1,423	\$111,260,505	\$78,187	76.015
\$107,700 TO \$109,699	43	\$4,668,347	\$108,566	2.297	1,466	\$115,928,852	\$79,078	78.312
\$109,700 TO \$111,699	30	\$3,318,122	\$110,604	1.603	1,496	\$119,246,974	\$79,711	79.915
\$111,700 TO \$113,699	28	\$3,151,029	\$112,537	1.496	1,524	\$122,398,003	\$80,314	81.410
\$113,700 TO \$115,699	29	\$3,326,076	\$114,692	1.549	1,553	\$125,724,079	\$80,956	82.959
\$115,700 AND OVER	319	\$48,026,944	\$150,555	17.041	1,872	\$173,751,023	\$92,816	100.000
TOTAL	1,872	\$173,751,023	\$92,816	100.000	1,872	\$173,751,023	\$92,816	100.000

2020 RR Retirement Benchmarking

From "Wage Statistics"

2020 ST Comp. Incl. Lump Sums
2020 PFTNW

U.S.

\$8,917,004,583

\$1,683,266,148

TOTAL

\$10,600,270,731

Pre Tax Emp H&W Cost Sharing

\$335,871,144

ST Hours Paid For

233,382,710

ST Hourly Rate

\$38.208

PFTNW Hourly Rate

\$7.212

ST + PFTNW Hourly Rate

\$45.420

Pre-Tax Contributions

(\$1.439)

Taxable Rate

\$43.981

Figures are from Wage Statistics, Year 2020, 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.

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	
TOTAL	\$12,048,613,141	
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	\$44.394	
Pre-Tax Contributions	(\$1.394)	
Taxable Rate	\$43.000	

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.

Restated Hourly Rate to New Wage Rate Benchmark

U.S.	STHR	+ PFTNW	= Wages	Lump Sums	Back Pay	Other	Adjusted Wages	Pre-Tax Wages	Taxable Wages
1Q/21	\$37.451	\$7.213	\$44.664	\$0.405	\$0.020	\$0.201	\$45.290	-\$1.440	\$43.850
2Q/21	\$37.451	\$7.213	\$44.664	\$0.148	\$0.019	\$0.201	\$45.032	-\$1.440	\$43.592
3Q/21	\$37.452	\$7.213	\$44.665	\$0.146	\$0.019	\$0.118	\$44.948	-\$1.440	\$43.508

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.