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June 5, 2018

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

Dear Ms. Brown:

This submission is the AAR forecast of the third quarter 2018 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2018-3) *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 third quarter 2018 results and compares to the previous quarter. Both quarters are shown on a 4Q\2017=100 base.

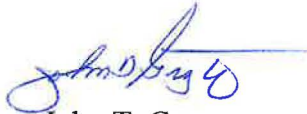
	<u>2018Q2</u>	<u>2018Q3</u>	<u>% Change</u>
All-Inclusive Index	103.9	107.2	3.2
Preliminary RCAF	1.039	1.072	3.2
Forecast Error Adjustment	0.002	-0.011	
RCAF (Unadjusted)	1.041	1.061	1.9
Productivity Adjustment Factor	2.3665	2.3641	
RCAF (Adjusted)	0.440	0.449	2.0
PAF-5	2.5336	2.5298	
RCAF-5	0.411	0.419	1.9

June 5, 2018

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 hand-delivered to Mr. Ramirez's Data Collection and Auditing Team. All work papers are available for STB inspection. Questions should be directed to me or Clyde Crimmel (202 639-2309) of this office.

Sincerely,



John T. Gray

Attachments

**Third Quarter 2018
All-Inclusive Index**

Ex Parte No. 290 (Sub-No. 5) (2018-3)

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

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

June 5, 2018

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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 third quarter 2018. Four more labor unions have new national labor agreements, and all of the new contracts have 2.5 percent general wage increases effective July 1.

Index Weights

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

The 2016 (current) and 2015 (previous) weights are shown below. Weights calculated from 2015 data were used for the fourth quarter of 2016 through the third quarter of 2017. Beginning with the fourth quarter of 2017, weights calculated using 2016 data are used.

Traffic and fuel prices were down again in 2016, causing expenses for most categories to decline. The Fuel and Materials & Supplies categories had double-digit percentage decreases in expenses, and this caused them to be the two categories that had decreases in weights. Depreciation and Interest, the two categories with increased expenses in 2016, had increases in their weights. While Labor, Equipment Rents, and Other all had 5 to 6 percent decreases in expenses, their weights increased because of the larger drops for Fuel and Materials & Supplies. Weights for Labor and Other are the highest they have been since 2004, while Fuel's weight is the lowest it has been since 2003. Depreciation's weight, perhaps pushed by recent spending for Positive Train Control, is the highest it has ever been.

Weights for RCAF's All-Inclusive Index		
	2016	2015
Labor	35.6 %	35.0 %
Fuel	10.7	13.4
Materials & Supplies	5.0	5.4
Equipment Rents	5.9	5.8
Depreciation	15.6	13.9
Interest	2.2	1.9
Other	25.0	24.6
Total	100.0	100.0

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

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

All-Inclusive Index Third Quarter 2018

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.

		Forecast		
	2016 Weights	Previous 2018Q2	Current 2018Q3	Percent Change
1. Labor	35.6%	422.5	434.3	2.8 %
2. Fuel	10.7%	248.9	291.0	16.9
3. M&S	5.0%	258.0	263.7	2.2
4. Equipment Rents	5.9%	228.9	230.5	0.7
5. Depreciation	15.6%	224.6	223.5	-0.5
6. Interest	2.2%	60.5	60.5	0.0
7. Other	25.0%	229.5	231.5	0.9
8. Weighted Average				
a. 1980 = 100		297.2	306.6	
b. 1980 = 100 (linked)		274.9	283.6 ¹	
c. 4Q17 = 100		103.9	107.2 ²	3.2

¹ Index80 = (Current Index / Previous Index) * the Previous Quarter Linked Index
 = (306.6 / 297.2) x 274.9
 = 283.6

² To calculate the 4Q17 = 100 index:
 Index4Q17 = (Current Linked Index / 4Q17 Basing Factor) * 100
 = 283.6 divided by 264.5 times 100
 = 107.2

Indexes based on other periods:

- 4Q12 based index = 283.6 / 297.6 x 100 = 95.3
- 4Q07 based index = 283.6 / 245.9 x 100 = 115.3
- 4Q02 based index = 283.6 / 192.1 x 100 = 147.6
- 4Q97 based index = 283.6 / 173.2 x 100 = 163.7
- 4Q92 based index = 283.6 / 156.9 x 100 = 180.8

Forecast vs. Actual All-Inclusive Index

First Quarter 2018

Because of data availability, the forecast error adjustment has a two-quarter lag from each filing. As shown below, the first quarter actual index of 102.7 is 1.1 index points below the forecast value of 103.8. Therefore, the forecast error adjustment for third quarter 2018 is -1.1 index points.

	2016	First Quarter 2018		Amt
	Weights	Forecast	Actual	Difference
1. Labor	35.6%	423.8	419.6 ¹	
2. Fuel	10.7%	248.4	254.6	
3. M&S	5.0%	251.0	251.0	
4. Equipment Rents ²	5.9%	226.7	227.5	
5. Depreciation	15.6%	226.8	223.8	
6. Interest	2.2%	60.5	60.5	
7. Other	25.0%	226.9	228.5	
8. Weighted Average				
a. 1980 = 100		296.8	296.0	
b. 1980 = 100 (linked)		274.5	271.6 ³	
c. 4Q17 = 100 ⁴		103.8	102.7	-1.1

Forecast error —————→ **-1.1 index points**

¹ This rare occurrence of Labor's actual not being equal to the forecast was caused by a change in health & welfare costs made after the first quarter RCAF filing. For more information, see page 2 of Appendix A in the 2018Q2 RCAF filing submitted March 5, 2018.

²

	2016	First Quarter 2018	
	Weights	Forecast	Actual
Car-Hire	58.3%	207.5	207.1
Lease Rentals	41.7%	226.9	228.5
Weighted Average		215.6	216.0
Weighted Average (linked)		226.7	227.5

³ Linked actual index = (actual index / previous actual index) x previous linked actual index.
271.6 = 296.0 / 291.7 x 267.7

⁴ 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 8, 2018, the Surface Transportation Board (STB) served a decision in Ex Parte 290 (Sub-No. 4) which proposed to adopt -0.4 percent as the geometric average productivity change for the five most recent years available. Their five year rolling geometric average calculation added the year 2016 and removed the year 2011. The components of this average annual value are shown on the following table in ratio format – therefore, 0.996 is the same as a decrease of 0.4 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			
2012 - 2016			
Year	Output Index (1)	Input Index (2)	Productivity Changes (3)
2012	1.007	0.999	1.008
2013	1.022	1.018	1.003
2014	1.055	1.036	1.018
2015	0.913	0.972	0.939
2016	0.955	0.941	1.015
Average			0.996
Previous Average (2011-2015)			0.994

Calculation of PAF and PAF-5			
For 2012-2016, use fourth root of avg. productivity change = 0.9990			
For 2011-2015, use fourth root of avg. productivity change = 0.9985			
Quarter	Year	PAF	PAF-5
Q1	2018	2.3689	2.5374
Q2	2018	2.3665	2.5336
Q3	2018	2.3641	2.5298
Q4	2018	2.3617	2.5260
Q1	2019	2.3593	2.5235

Rail Cost Adjustment Factor

Third Quarter 2018

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 2018Q2	Current 2018Q3	Percent Change
All-Inclusive Index ¹	103.9	107.2	3.2
Preliminary RCAF ²	1.039	1.072	3.2
Forecast Error Adjustment ³	<u>0.002</u>	<u>-0.011</u>	
RCAF (Unadjusted) ⁴	1.041	1.061	1.9
Productivity Adjustment Factor ⁵	<u>2.3665</u>	<u>2.3641</u>	
RCAF (Adjusted) ⁶	0.440	0.449	2.0
PAF-5 ⁷	2.5336	2.5298	
RCAF-5 ⁸	0.411	0.419	1.9

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

Third Quarter 2018

The third quarter 2018 Labor Index increased 2.8 percent from the previous quarter. A general wage increase in the national labor agreements, four new national agreements with back pay, and higher taxable earnings caused most of the change.

Wage Rate Index

The Wage Rate Index portion of the Labor Index is up 3.5 percent. July wage increases were 2.5 percent for the national unions. Back pay was added for four new national labor agreements.

New National Agreements: Four more (BMWE, IBBM, IBEW and SMART-MD¹) new national labor agreements were signed in April and May. The BMWE is one of the largest unions in terms of employees represented. The new contracts follow the same pattern as the others ratified earlier. They have a wage increase, effective January 2015, that was received at that time, and was mutually negotiated to apply as the first increase in the new five-year agreements. The new agreements also have two retroactive (July 2016 and July 2017) wage increases of 2 percent, and a 2.5 percent increase effective July 1, 2018. A future wage increase of 3.0 percent will be added to the July 2019 index. One continuing independent agreement has a provision that says it will copy the general wage increases in any new national agreement, so its wage rate was updated and back pay given.

Wage Increases: All of the new national labor agreements have a 2.5 percent general wage increase scheduled for July 1, 2018.² One national union (IAM) has not ratified a new agreement, so it did not receive the wage increase. The wage increase was also applied to two independent labor agreements that copy the national agreement wage increases. A 3.0 percent wage increase for July was applied to the index for one on-going independent labor agreement.

Lump Sums: The third quarter lump sum rate is unchanged from the previous quarter. One amount was fully amortized and removed, but it was replaced by a bonus of similar size for the new quarter.³

Back Pay: Retroactive wage increases in four new national labor agreements, plus one independent agreement, caused a big increase in the back pay rate. The retroactive wage increases were 2 percent effective July 1, 2016, and 2 percent effective July 1, 2017. These increases, which included one very large employee group (BMWE), caused the back pay rate to rise from \$0.799 to \$1.232. The back pay rate has been close to this high before. After the 2012-round of new labor agreements, the back pay rate in the 2012Q3 RCAF filings was \$1.092. As always, back pay amounts will be removed from the index after they have been amortized for four quarters.³

¹ SMART-Mechanical Division now represents those formerly represented by the SMW. See Appendix H

² The AAR benchmarked independent unions in independent groups in the Q4 rebenchmarking. Since that time, some formerly independent unions for certain railroads have joined national agreements. Although those unions continue to be benchmarked in an independent group for index calculation purposes, their wage rates are being updated by the national agreement wage increases.

³ Index procedure, decided by the Interstate Commerce Commission in 1988, is to amortize lump sums and/or back pay over four quarters using the rates for 13-week (a.k.a. 3-month) U.S. Treasury bills.

Labor

Third Quarter 2018

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 payment total for performance in 2016 that was paid in 2017 has been fully amortized and removed, and has been replaced by the payment total for performance in 2017 that was paid in 2018. The payments in 2018 were higher than the previous year, causing the rate to increase from \$0.136 to \$0.177.

Supplements Index

The Supplements Index increased 1.8 percent. Higher taxable earnings and higher railroad contributions to employee stock and 401(k) plans caused the increase.

Health & Welfare: The 2018Q3 Health & Welfare rate is unchanged.

Railroad Retirement: The Railroad Retirement rate increased 22.1 cents (or 2.6 percent). The change was caused by higher taxable earnings resulting from regularly scheduled July wage increases plus new labor agreements with retroactive wage increases that caused back pay.

Unemployment Insurance: The Unemployment Insurance tax rate increased by one tenth of one cent (\$0.001) from the previous quarter. High taxable earnings caused the increase.

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 third quarter rate increased 9.8 cents as bonus matches and perfect attendance stock awards were paid.

Labor Index Calculation

As shown in Table A-1 on the next page, the 3.5 percent increase in the Wage Rate Index combined with the 1.8 percent increase in the Supplements Index combined to cause the Labor Index to climb 2.8 percent. The linked third quarter 2018 Labor Index is 434.3, which is 2.7 percent higher than one year ago.

Labor

Third Quarter 2018

Table A-1 Labor Index

	2018Q2	2018Q3	Change	
			Percent	Amount
<u>Base Wage</u> – Straight Time & Pay For Time Not Worked	\$40.997	\$41.993	2.4%	\$0.996
Adjustments:				
Lump Sum	0.390	0.390	0.0%	\$0.000
Back Pay	0.799	1.232	54.2%	\$0.433
Other	0.136	0.177	30.1%	\$0.041
Total Wages	<u>42.322</u>	<u>43.792</u>	3.5%	\$1.470
Health & Welfare Benefits	8.101	8.101	0.0%	\$0.000
RR Retirement & Medicare	8.646	8.867	2.6%	\$0.221
Unemployment Insurance	0.364	0.365	0.3%	\$0.001
Other	0.190	0.288	51.6%	\$0.098
Total Supplements	<u>\$17.301</u>	<u>\$17.621</u>	1.8%	\$0.320
Total Labor (as info only)	\$59.623	\$61.413		
Wage Index¹	362.2	374.8	3.5%	
Supplements Index²	639.4	651.2	1.8%	
Total labor Index, 2016 Weights ³	443.1	455.5		
Labor Index (linked)⁴	422.5	434.3	2.8%	

¹ 1980 wage rate \$11.685

² 1980 supplements rate \$2.706

³ 2016 weights: wages, supplements 70.8% 29.2%

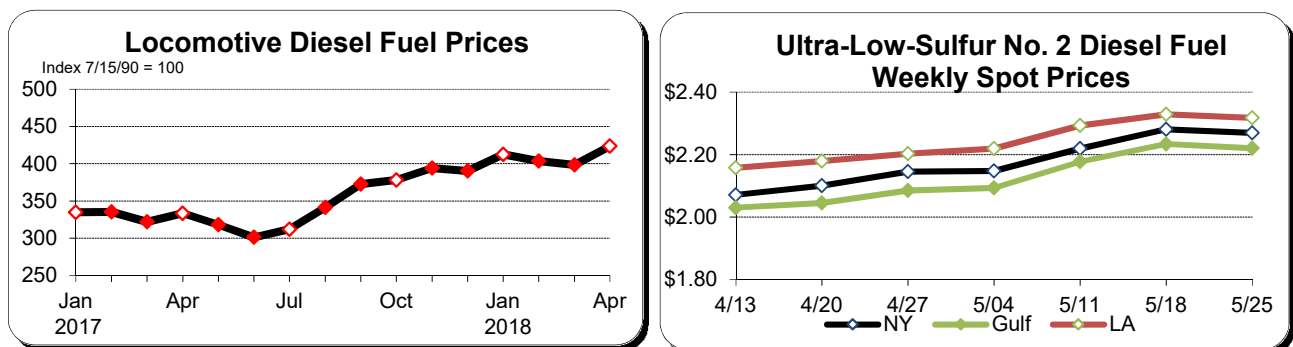
⁴ 2018Q3 linked Index = 2018Q2 linked x (2018Q3 / 2018Q2)
= 422.5 x 455.5 / 443.1

Fuel

Third Quarter 2018

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 has been trending upward since June 2017. While average prices for locomotive diesel fuel are available only through April 2018, data through four weeks of May are available for related fuel types. According to the Energy Information Administration, weekly spot prices for Ultra-Low-Sulfur Diesel Fuel* for the week ended May 25 are 8 to 9 percent higher than they were for April. The chart below (on left) shows the AAR's Monthly Locomotive Diesel Fuel Price Index from January 2017 through April 2018. The second chart (on right) shows recent spot prices for Ultra-Low-Sulfur No. 2 Diesel Fuel as reported by the Energy Information Administration.



Earlier in the month, the U.S. Energy Information Administration increased its crude oil** and gasoline price forecasts for 2018. The reasons cited for the increased crude oil price expectation were "falling global oil inventories, heightened market perceptions of geopolitical risks, and strong global economic growth signals." Railroads also expect higher prices for locomotive diesel fuel. Prices for Q3 (July 2018) are expected to be 11.3 percent higher than the average price railroads actually paid in April. Because the Q2 (April) forecast was too low, the Q3 forecast is 16.9 percent higher than the previous (Q2) forecast.

Forecast Fuel Index (1980 = 100)	291.0
Change from previous quarter forecast	16.9%
Change from previous quarter actual	11.3%

* 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.

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

Materials & Supplies

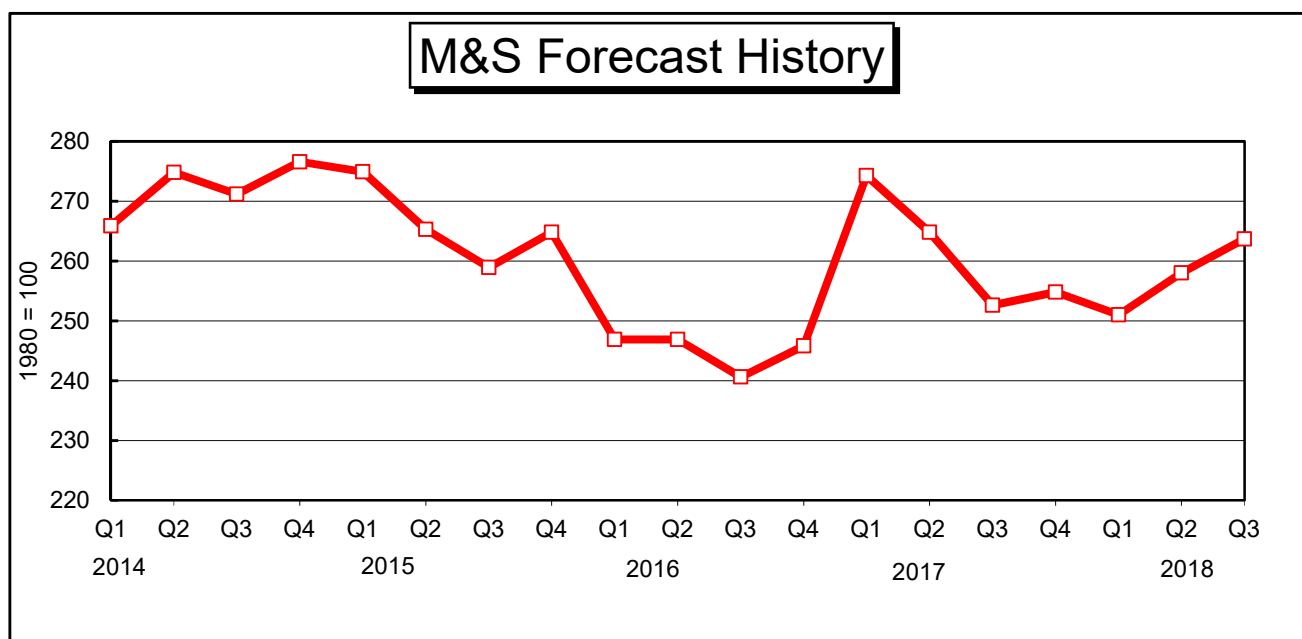
Third Quarter 2018

The third quarter 2018 Materials & Supplies Index is up 2.2 percent from the previous quarter. Prices for Metal Products and Miscellaneous Products were up over 3 percent, while prices for Forest Products were down nearly 3 percent. Despite the overall increase, the Material & Supplies Index remains lower than its values for all of 2014.

2018Q3 Materials & Supplies Index = 263.7

2018Q2 Materials & Supplies Index = 258.0

Difference	5.7 basis points
	or
	2.2 %



Equipment Rents

Third Quarter 2018

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 shows the results of the Equipment Rents Index calculation. The third quarter Car Hire portion of the Index rose 0.6 percent because of higher rates for autoracks and privately-owned cars. A 0.9 percent increase for the projected PPI-LF (See Appendix G) used as a proxy for Lease Rentals, combined with the 0.6 percent increase for Car Hire, caused the Equipment Rents Index to rise 0.7 percent.

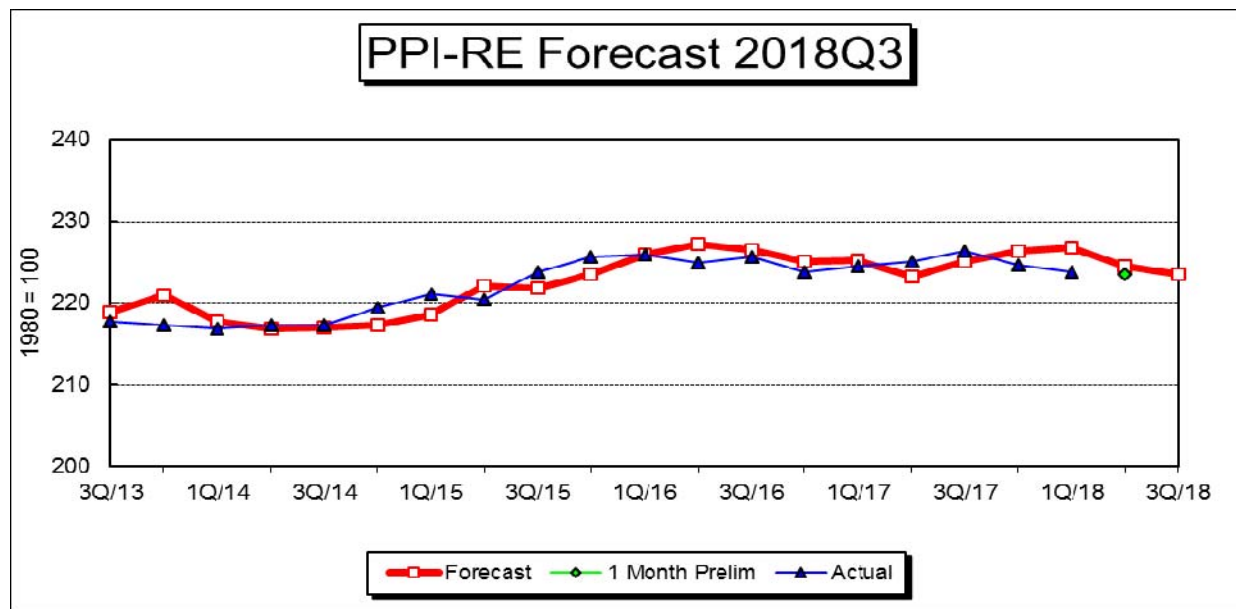
	2016			Percent
	Weight	2018Q2	2018Q3	Change
Car Hire	58.3%	209.2	210.4	0.6 %
Lease Rentals	41.7%	229.5	231.5	0.9
Weighted Average		217.7	219.2	0.7
Weighted Average (Linked)		228.9	230.5	0.7

Depreciation

Third Quarter 2018

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 a 0.5 percent decrease from the previous quarter's forecast, and reflects recent monthly values that have been relatively stable with the exception of January.

Forecast of Depreciation Index (1982=100)	202.0
Forecast of Depreciation Index (1980=100)	223.5
Change from previous quarter forecast	-0.5%
Change from actual first month of previous quarter	0.0%
Change from same quarter of prior year (actual)	-1.2%



Depreciation

Third Quarter 2018

PPI RAILROAD EQUIPMENT

Using rule-based logic, the program narrowed down the choice to exponential smoothing or Box-Jenkins. The program performed an out-of-sample test to select between these two approaches. The cumulative MAD for Exponential smoothing was 1.27, and for Box-Jenkins was 1.21. The rolling out-of-sample test used a maximum horizon of 12 and generated 78 forecasts for each method. Based on the lower Mean Absolute Deviation, Box-Jenkins was selected.

Model Details

Box-Jenkins

ARIMA(1, 1, 0)

Term	Coefficient	Std. Error	t-Statistic	Significance
a[1]	-0.271	0.1142	-2.372	0.9796

Within-Sample Statistics

Sample size	72	No. parameters	1
Mean	199.59	Std. deviation	4.04
R-square	0.94	Adj. R-square	0.94
Durbin-Watson	2.00	Ljung-Box(18)	10.70 P=0.09
Forecast error	1.03	BIC	1.05
MAPE	0.36	SMAPE	0.36
RMSE	1.02	MAD	0.73
MAD/Mean Ratio	0.00		

Actual Values for the Most Recent 6 Periods:

Date	Actual
2017-Nov	201.7
2017-Dec	201.6
2018-Jan	203.1
2018-Feb	201.9
2018-Mar	201.9
2018-Apr	202.0

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2018-May	199.955	201.973	203.991
2018-Jun	199.483	201.980	204.477
2018-Jul	199.002	201.978	204.954
2018-Aug	198.610	201.979	205.348
2018-Sep	198.253	201.979	205.704
QTR AVG	198.622	201.979	205.335

Interest

Third Quarter 2018

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 2016 data, and was updated in the Q4 filing submitted on September 5, 2017. The Interest Index based on 2016 is at an all-time low. Although the index is based on embedded rates instead of entirely on current market conditions, it is no coincidence that rates for U.S. 20-year bonds were also at their lowest over the last 25 years.

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. Line numbers listed below will have some differences from previous years because the Surface Transportation Board changed some of the line numbers and account definitions.

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

2016	Interest Rate	4.75%
1980	Interest Rate	7.85%
2018Q3	Interest Index	60.5
2018Q2	Interest Index	60.5
	Percent Change	0.0%

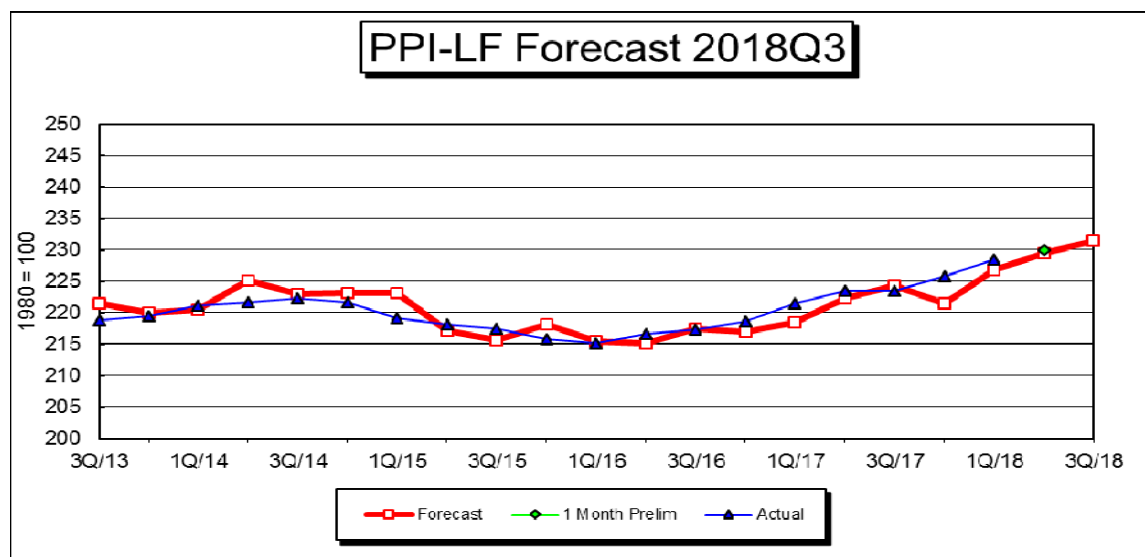
Other Expenses

Third Quarter 2018

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. Monthly PPI-LF figures have been increasing at an accelerating rate, and this is reflected in the forecast.

Forecast of Other Expense Index (1982=100)	206.5
Forecast of Other Expense Index (1980=100)	231.5
Change from previous quarter forecast	0.9%
Change from actual first month of previous quarter	0.7%
Change from same quarter of prior year (actual)	3.6%



Other Expenses

Third Quarter 2018

PPI INDUSTRIAL COMMODITIES LESS FUELS AND RELATED PRODUCTS AND POWER

Using rule-based logic, the program narrowed down the choice to exponential smoothing or Box-Jenkins. An out-of-sample test was used to select between these two approaches.

A rolling out-of-sample test used a maximum horizon of 12 and generated 78 forecasts for each method. The cumulative MAD for Exponential smoothing was 1.52 and for Box-Jenkins was 1.49.

Based on the lower Mean Absolute Deviation, Box-Jenkins was selected.

Forecast Model for PPILF

Box-Jenkins

ARIMA(1, 1, 0)

Model Details

Term	Coefficient	Std. Error	t-Statistic	Significance
a[1]	0.7105	0.0765	9.287	1

Within-Sample Statistics

Sample size	72	No. parameters	1
Mean	5.28	Std. deviation	0.02
R-square	0.98	Adj. R-square	0.98
Durbin-Watson	2.16	Ljung-Box(18)	20.7 P=0.71
Forecast error	0	BIC	0.43
MAPE	0.16	SMAPE	0.16
RMSE	0.41	MAD	0.32
MAD/Mean Ratio	0		

Actual Values for the Most Recent 6 Periods:

Date	Actual
2017-Nov	201.5
2017-Dec	201.7
2018-Jan	203.0
2018-Feb	203.8
2018-Mar	204.5
2018-Apr	205.2

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2018-May	204.844	205.699	206.557
2018-Jun	204.361	206.054	207.761
2018-Jul	203.770	206.307	208.875
2018-Aug	203.134	206.486	209.894
2018-Sep	202.490	206.614	210.823
QTR AVG	203.131	206.469	209.864

Railroad and Union Abbreviations

Third Quarter 2018

Railroads

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

Major Unions Involved with Railroads

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

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

BLE	Brotherhood of Locomotive Engineers (predecessor to BLET)
BMWE	Brotherhood of Maintenance of Way Employees (predecessor to BMWED)
BRC	Brotherhood of Railway Carmen (predecessor to TCU-Carmen)
IBFO	International Brotherhood of Firemen and Oilers (predecessor to NCFO)
SMW	Sheet Metal Workers' International Association (see SMART-MD)
UTU	United Transportation Union (merged into SMART)
UTU-YMD	United Transportation Union Yardmaster Department (see SMART-TD)

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

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

AAR Workpapers Sent to STB for 2018 Q3 RCAF

June 5, 2018

1. Index Calculation Spreadsheet (index_calc.xlsx, 2 pages)
2. Summary of ST and PFTNW Hourly Rates (Summary.xlsx)
3. RCAF Taxable Wages adjustment calculation (TaxableRate.xlsx)
4. National Contracts spreadsheet, 2 sections (2 and 5 pages)
5. Wall Street Journal - 13 week Treasury Bill Rate from recent auction (a.k.a. 3-Mo. T-Bill)
6. 2018/Q2 RCAF Lump Sum Amortization summary, public version (1 page)
7. 2018/Q2 RCAF Back Pay Amortization summary, public version (1 page)
8. Back Pay calculation for National BMW (portion for RR benchmarked as national)
9. Back Pay calculation for National SMW/SMART-MD (portion for RR benchmarked as national)
10. Back Pay calculation for National IBEW (portion for RR benchmarked as national)
11. Back Pay calculation for National IBBM (portion for RR benchmarked as national)
Note: calculations for other unions not included herein because of individual RR data
12. Health & Welfare worksheet (1 page)
13. Railroad Retirement spreadsheet (5 pages)
14. Unemployment Insurance Tax worksheet (1 page)
15. 2-page SAS run for 2018 Q2 Unemployment Insurance Tax
16. 4 pages from EIA including fuel price headline and spot prices for various distillates
17. Summary of Materials & Supplies - "U.S. Summary by Composition Category" (1 page)
18. RCAF Car Hire Forecast Spreadsheet for Equipment Rents (2 pages) plus source data page
19. 5 pages of PPI-RE for Depreciation including graph page, input/output, and BLS source data
20. 5 pages of PPI-LF for Other (and Lease Rentals) incl. graph page, input/output, BLS source data
21. Forecast Error calc. and workpapers (14 pages: calc, index actual, 4 labor, fuel, 3 car hire, 2 deprec, 2 other)
22. National Agreement pages relevant to July GWI (ATDA, BLET, BRC, BRS, NCFO, SMART-TD, SMART-TD YD, TCU)
23. New National Labor Agreement pages (GWI, ECS, participants) 21 pages for BMW, IBBM, IBEW, SMW

RCAF All-Inclusive Index's Labor Index Based on 2016 Benchmarks

	16 Wts.	3Q/17	3Q/17 Rebench As Info Only	% Chg	4Q/17	% Chg	1Q/18	% Chg	2Q/18	% Chg	3Q/18	% Chg
Straight Time		\$33.734	\$33.547	-0.6%	\$33.547	-0.6%	\$34.205	2.0%	\$34.331	0.4%	\$35.154	2.4%
PFTNW		\$6.987	\$6.511	-6.8%	\$6.511	-6.8%	\$6.647	2.1%	\$6.666	0.3%	\$6.839	2.6%
Total		\$40.721	\$40.058	-1.6%	\$40.058	-1.6%	\$40.852	2.0%	\$40.997	0.4%	\$41.993	2.4%
Adjustments												
Lump Sum		\$0.284	\$0.311		\$0.312		\$0.313		\$0.390		\$0.390	
Back Pay		\$0.010	\$0.011		\$0.011		\$0.615		\$0.799		\$1.232	
Other		\$0.124	\$0.135		\$0.136		\$0.136		\$0.136		\$0.177	
Total Wages		\$41.139	\$40.515	-1.5%	\$40.517	-1.5%	\$41.916	3.5%	\$42.322	1.0%	\$43.792	3.5%
Pre-Tax Reduction		(\$1.364)	(\$1.361)		(\$1.361)		(\$1.361)		(\$1.361)		(\$1.361)	
Taxable Wages		\$39.775	\$39.154		\$39.156		\$40.555		\$40.961		\$42.431	
H & W		\$8.851	\$8.793	-0.7%	\$8.793	-0.7%	\$8.515	-3.2%	\$8.101	-4.9%	\$8.101	0.0%
RR Ret & Medicare		\$8.554	\$8.344	-2.5%	\$8.345	-2.4%	\$8.584	2.9%	\$8.646	0.7%	\$8.867	2.6%
Unemp. Insurance		\$0.321	\$0.323	0.6%	\$0.323	0.6%	\$0.364	12.7%	\$0.364	0.0%	\$0.365	0.3%
Other		\$0.275	\$0.301	9.5%	\$0.136	-50.5%	\$0.199	46.3%	\$0.190	-4.5%	\$0.288	51.6%
Total		\$18.001	\$17.761	-1.3%	\$17.597	-2.2%	\$17.662	0.4%	\$17.301	-2.0%	\$17.621	1.8%
Adjustments												
Total Supplements		\$18.001	\$17.761	-1.3%	\$17.597	-2.2%	\$17.662	0.4%	\$17.301	-2.0%	\$17.621	1.8%
Total Labor		\$59.140	\$58.276	-1.5%	\$58.114	-1.7%	\$59.578	2.5%	\$59.623	0.1%	\$61.413	3.0%
Wage Rate Index	0.7080	352.1	346.7	-1.5%	346.7	-1.5%	358.7	3.5%	362.2	1.0%	374.8	3.5%
Supplements Index	0.2920	665.2	656.4	-1.3%	650.3	-2.2%	652.7	0.4%	639.4	-2.0%	651.2	1.8%
Total Labor Index '15 Wts.		441.3										
Total Labor Index '16 Wts.		443.5	437.1	-1.4%	435.4	-1.8%	444.5	2.1%	443.1	-0.3%	455.5	2.8%
Labor Index (Linked)		422.8			415.1	-1.8%	423.8	2.1%	422.5	-0.3%	434.3	2.8%

All Inclusive Index and RCAF using 2016 Benchmarks and Weights

			16 Wts.									
	16 Wts.	3Q/17	3Q/17	% Chg	4Q/17	% Chg	1Q/18	% Chg	2Q/18	% Chg	3Q/18	% Chg
Labor	0.356	422.80	422.8	0.0%	415.1	-1.8%	423.8	2.1%	422.5	-0.3%	434.3	2.8%
Fuel	0.107	202.30	202.3	0.0%	215.5	6.5%	248.4	15.3%	248.9	0.2%	291.0	16.9%
M&S	0.050	252.60	252.6	0.0%	254.8	0.9%	251.0	-1.5%	258.0	2.8%	263.7	2.2%
Equip. Rents	0.059	223.80	223.8	0.0%	223.9	0.0%	226.7	1.3%	228.9	1.0%	230.5	0.7%
Depreciation	0.156	225.10	225.1	0.0%	226.3	0.5%	226.8	0.2%	224.6	-1.0%	223.5	-0.5%
Interest	0.022	60.60	60.6	0.0%	60.5	-0.2%	60.5	0.0%	60.5	0.0%	60.5	0.0%
Other	0.250	224.30	224.3	0.0%	221.4	-1.3%	226.9	2.5%	229.5	1.1%	231.5	0.9%
Weighted Avg.	1.000	289.30	290.5	0.4%	288.8	-0.6%	296.8	2.8%	297.2	0.1%	306.6	3.2%
Linked		268.70			267.1	-0.6%	274.5	2.8%	274.9	0.1%	283.6	3.2%
	Basing Factor											
10/1/80 basis	102.7	261.6			260.1	-0.6%	267.3	2.8%	267.7	0.1%	276.1	3.1%
10/1/82	120.9	222.2			220.9	-0.6%	227.0	2.8%	227.4	0.2%	234.6	3.2%
4Q/87	132.2	203.3			202.0	-0.6%	207.6	2.8%	207.9	0.1%	214.5	3.2%
4Q/92	156.9	171.3			170.2	-0.6%	175.0	2.8%	175.2	0.1%	180.8	3.2%
4Q/97	173.2	155.1			154.2	-0.6%	158.5	2.8%	158.7	0.1%	163.7	3.2%
4Q/02	192.1	139.9			139.0	-0.6%	142.9	2.8%	143.1	0.1%	147.6	3.1%
4Q/07	245.9	109.3			108.6	-0.6%	111.6	2.8%	111.8	0.2%	115.3	3.1%
4Q/12	297.6	90.3			89.8	-0.6%	92.2	2.7%	92.4	0.2%	95.3	3.1%
4Q/17 basis	264.5	101.6			101.0	-0.6%	103.8	2.8%	103.9	0.1%	107.2	3.2%
Car Hire	0.583	204.50	204.5	0.0%	206.9	1.2%	207.5	0.3%	209.2	0.8%	210.4	0.6%
Lease Rents	0.417	224.30	224.3	0.0%	221.4	-1.3%	226.9	2.5%	229.5	1.1%	231.5	0.9%
Weighted Avg Eq Rents		212.80	212.8	0.0%	212.9	0.0%	215.6	1.3%	217.7	1.0%	219.2	0.7%
Linked Equipment Rents		223.80			223.9	0.0%	226.7	1.3%	228.9	1.0%	230.5	0.7%
Preliminary RCAF		1.016			1.010	-0.59%	1.038	2.8%	1.039	0.1%	1.072	3.2%
Forecast Error Adj.		0.000			(0.010)		(0.011)		0.002		(0.011)	
RCAF Unadjusted		1.016			1.000	-1.57%	1.027	2.7%	1.041	1.4%	1.061	1.9%
PAF		2.3761			2.3725	-0.15%	2.3689	-0.15%	2.3665	-0.10%	2.3641	-0.1%
RCAF Adjusted		0.428			0.421	-1.64%	0.434	3.1%	0.440	1.4%	0.449	2.0%
PAF-5		2.5323			2.5412	0.35%	2.5374	-0.15%	2.5336	-0.15%	2.5298	-0.15%
RCAF-5		0.401			0.394	-1.75%	0.405	2.8%	0.411	1.5%	0.419	1.9%

On 1/29/2018, the STB ordered AAR to recalculate and refile the RCAF based on a revised productivity number. The PAF originally for 2017Q3 was 2.4072 and for 2017Q4 it was 2.4192. For 2018Q1, the original PAF was 2.4313 and the PAF-5 was 2.5539

Hourly Rate for 2018 Q3

Straight Time and Time Paid For But Not Worked

2018Q3 Straight Time Hourly Rate (from national spreadsheet) **\$34.781**

2.5% GWI for all but 1 union; 4 new agreements with retroactive increases

Adjustments to 2016 base:

Adjustments added 2017 Q1

CN Railroads	A few COLAs and GWIs	0.006
Misc. Indep BLET, dispatchers, yardmasters	No change	0.000
Soo Corp.	No change	0.000

Adjustments added 2017 Q2

CN Railroads	No change	0.000
Misc. Indep BLET, dispatchers, yardmasters	No change	0.000
Soo Corp.	No change	0.000

Adjustments added 2017 Q3

CN Railroads	A few COLAs and GWIs	0.001
Misc. Indep BLET, dispatchers, yardmasters	3% GWI for 1 RR's BLET	0.026
Soo Corp.	No change	0.000

Adjustments added 2017 Q4

CN Railroads	No change	0.000
Misc. Indep BLET, dispatchers, yardmasters	No change	0.000
Soo Corp.	No change	0.000

Adjustments added 2018 Q1

CN Railroads	COLAs for several unions	0.005
Misc. Indep BLET, dispatchers, yardmasters	New contracts for some unions	0.131
Soo Corp.	No change	0.000

Adjustments added 2018 Q2

CN Railroads	New contracts for some unions	0.007
Misc. Indep BLET, dispatchers, yardmasters	One new agreement	0.005
Soo Corp.	No change	0.000

Adjustments added 2018 Q3

CN Railroads	National GWI for some, COLAs for some, nothing for others	0.030
Misc. Indep BLET, dispatchers, yardmasters	All but 1 had GWI, 1 had two retroactive GWI	0.162
Soo Corp.		0.000

Adjusted STHR Total **\$35.154**

Pay For Time Not Worked

PFTNW (from national spreadsheet)		\$6.766
Ratio Adj STHR to Nat STHR	35.154 / 34.781 =	1.01072

Adjusted Pay For Time Not Worked **\$6.839**

Notes:

1. CN Railroads includes B&LE, CC&P, GTW, IC, and WC.
2. The Miscellaneous group consists of Independent (for wages) BLET, and one railroad's dispatchers and yardmasters.
3. Soo Corp. includes SOO, D&H and DM&E.
4. Some railroad units benchmarked as independent have joined the national agreements signed in 2017 and 2018.

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 3Q/2018

U.S. ST Hours = 295,539,752
 Wage Statistics are for 2016

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, SOO, UP)	23,363	(\$228.89)	(\$64,170,684.84)
National BMWF (BNSF, CSX, KCS, NS, SOO, UP)	22,734	(\$228.89)	(\$62,443,023.12)
National BRS (BNSF, CSX, KCS, NS, SOO, UP)	7,335	(\$228.89)	(\$20,146,897.80)
National IAM (BNSF, CSX, KCS, NS, SOO, UP)	6,691	(\$228.89)	(\$18,378,035.88)
National IBBM (BNSF, CSX, KCS, NS, SOO, UP)	863	(\$228.89)	(\$2,370,384.84)
National IBEW (BNSF, CSX, KCS, NS, SOO, UP)	5,522	(\$228.89)	(\$15,167,166.96)
National NCFO (BNSF, CSX, KCS, NS, SOO, UP)	2,395	(\$228.89)	(\$6,578,298.60)
National SMW (BNSF, CSX, KCS, NS, SOO, UP)	975	(\$228.89)	(\$2,678,013.00)
National TCU (BNSF, CSX, KCS, NS, SOO, UP)	4,766	(\$228.89)	(\$13,090,676.88)
National TCU-CAR (BNSF, CSX, KCS, NS, SOO, UP)	8,859	(\$228.89)	(\$24,332,838.12)
National UTU (BNSF, CSX, KCS, NS, SOO, UP)	35,162	(\$228.89)	(\$96,578,762.16)
Yardmasters (BNSF, CSX, KCS, NS, SOO, UP)	1,756	(\$228.89)	(\$4,823,170.08)
National ATDA (wt. avg. BNSF, CSX, KCS, NS, SOO)	1,718	(\$228.89)	(\$4,718,796.24)
Independent CNGT (wt. avg. all union categories)	6,110	(\$226.75)	(\$16,625,310.00)
Independent SLC (wt. avg. all DH & DME union categories)	655	(\$263.86)	(\$2,073,939.60)
Total Union	128,904		(\$354,175,998.12)
All Other @ \$4,016,163.08 total per month			(\$48,193,956.96)
Total			(\$402,369,955.08)

Reduction in Wage Rate Per ST Hour	-\$1.36147490
Deduct this amount from the Wage Rate	-\$1.361

National Contracts U.S.

Straight Time Hourly Rate															Check Sum
Weight	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	
	0.22141	0.03378	0.16351	0.00607	0.05113	0.14649	0.05876	0.01518	0.04268	0.00540	0.03574	0.01429	0.0113	0.19427	1.00000
2016 Avg.	29.073	29.233	32.388	30.323	31.540	27.934	30.046	25.063	30.523	29.630	30.774	41.405	39.629	47.094	454.658
12/31/16	29.073	29.233	32.441	30.323	31.540	27.934	30.046	25.063	30.523	29.630	30.774	41.405	39.629	47.094	454.710
1/1/17	29.073	29.233	32.441	30.323	31.540	27.934	30.046	25.063	30.523	29.630	30.774	41.405	39.629	47.094	
4/1/17	29.073	29.233	32.441	30.323	31.540	27.934	30.046	25.063	30.523	29.630	30.774	41.405	39.629	47.094	
7/1/17	29.073	29.233	32.441	30.323	31.540	27.934	30.046	25.063	30.523	29.630	30.774	41.405	39.629	47.094	
10/1/17	29.073	29.233	32.441	30.323	31.540	27.934	30.046	25.063	30.523	29.630	30.774	41.405	39.629	47.094	
1/1/18	30.181	29.233	32.470	30.323	32.729	27.934	30.046	25.063	30.523	29.630	30.774	42.491	40.691	48.036	
4/1/18	30.181	30.212	32.470	30.323	32.729	27.934	31.176	26.048	30.523	29.630	30.774	42.491	40.691	48.036	
7/1/18	30.892	30.837	32.488	32.303	33.493	29.634	31.901	26.681	30.523	31.462	32.717	43.180	41.366	48.036	

Weighted Straight Time Hourly Rate															Total
	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	
2016 Avg.	6.437	0.988	5.296	0.184	1.613	4.092	1.765	0.380	1.303	0.160	1.100	0.592	0.448	9.149	33.506
12/31/16	6.437	0.988	5.304	0.184	1.613	4.092	1.765	0.380	1.303	0.160	1.100	0.592	0.448	9.149	33.514
1/1/17	6.437	0.988	5.304	0.184	1.613	4.092	1.765	0.380	1.303	0.160	1.100	0.592	0.448	9.149	33.514
4/1/17	6.437	0.988	5.304	0.184	1.613	4.092	1.765	0.380	1.303	0.160	1.100	0.592	0.448	9.149	33.514
7/1/17	6.437	0.988	5.304	0.184	1.613	4.092	1.765	0.380	1.303	0.160	1.100	0.592	0.448	9.149	33.514
10/1/17	6.437	0.988	5.304	0.184	1.613	4.092	1.765	0.380	1.303	0.160	1.100	0.592	0.448	9.149	33.514
1/1/18	6.682	0.988	5.309	0.184	1.673	4.092	1.765	0.380	1.303	0.160	1.100	0.607	0.460	9.332	34.036
4/1/18	6.682	1.021	5.309	0.184	1.673	4.092	1.832	0.395	1.303	0.160	1.100	0.607	0.460	9.332	34.150
7/1/18	6.840	1.042	5.312	0.196	1.712	4.341	1.874	0.405	1.303	0.170	1.169	0.617	0.467	9.332	34.781

Note: The 2016 Average and 12/31/16 Straight Time Hourly Rates are the industry rates, and include all Class I railroad employees. The rates for 1/1/17 through 7/1/18 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 2016 are not shown on this page and are handled separately.

National Contracts U.S.

Pay For Time Not Worked Hourly Rate															Check Sum
Weight	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	
2016 Avg.	0.22141	0.03378	0.16351	0.00607	0.05113	0.14649	0.05876	0.01518	0.04268	0.00540	0.03574	0.01429	0.0113	0.19427	1.00000
12/31/16	10.055	5.553	11.616	4.149	6.356	4.931	4.045	3.036	4.613	4.014	4.805	6.873	8.148	1.297	79.491
1/1/17	10.055	5.553	11.635	4.149	6.356	4.931	4.045	3.036	4.613	4.014	4.805	6.873	8.148	1.297	
4/1/17	10.055	5.553	11.635	4.149	6.356	4.931	4.045	3.036	4.613	4.014	4.805	6.873	8.148	1.297	
7/1/17	10.055	5.553	11.635	4.149	6.356	4.931	4.045	3.036	4.613	4.014	4.805	6.873	8.148	1.297	
10/1/17	10.055	5.553	11.635	4.149	6.356	4.931	4.045	3.036	4.613	4.014	4.805	6.873	8.148	1.297	
1/1/18	10.438	5.553	11.645	4.149	6.596	4.931	4.045	3.036	4.613	4.014	4.805	7.053	8.366	1.323	
4/1/18	10.438	5.739	11.645	4.149	6.596	4.931	4.197	3.156	4.613	4.014	4.805	7.053	8.366	1.323	
7/1/18	10.684	5.858	11.652	4.420	6.750	5.231	4.294	3.232	4.613	4.262	5.108	7.168	8.505	1.323	

Pay For Time Not Worked Hourly Rate															Total
	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	
2016 Avg.	2.226	0.188	1.899	0.025	0.325	0.722	0.238	0.046	0.197	0.022	0.172	0.098	0.092	0.252	6.502
12/31/16	2.226	0.188	1.902	0.025	0.325	0.722	0.238	0.046	0.197	0.022	0.172	0.098	0.092	0.252	6.505
1/1/17	2.226	0.188	1.902	0.025	0.325	0.722	0.238	0.046	0.197	0.022	0.172	0.098	0.092	0.252	6.505
4/1/17	2.226	0.188	1.902	0.025	0.325	0.722	0.238	0.046	0.197	0.022	0.172	0.098	0.092	0.252	6.505
7/1/17	2.226	0.188	1.902	0.025	0.325	0.722	0.238	0.046	0.197	0.022	0.172	0.098	0.092	0.252	6.505
10/1/17	2.226	0.188	1.902	0.025	0.325	0.722	0.238	0.046	0.197	0.022	0.172	0.098	0.092	0.252	6.505
1/1/18	2.311	0.188	1.904	0.025	0.337	0.722	0.238	0.046	0.197	0.022	0.172	0.101	0.095	0.257	6.614
4/1/18	2.311	0.194	1.904	0.025	0.337	0.722	0.247	0.048	0.197	0.022	0.172	0.101	0.095	0.257	6.631
7/1/18	2.365	0.198	1.905	0.027	0.345	0.766	0.252	0.049	0.197	0.023	0.183	0.102	0.096	0.257	6.766

U.S. National Contract

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UTU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2016 Industry Avg.				29.07314	10.05469
12/31/16 Industry Rate				29.07327	10.05474
1/1/17	The 4.04% GWI combines two retroactive GWIs of 2% for 7/1/2016 and 7/1/2017 in the new labor agreement.		94.280%	29.07327	10.05474
4/1/17			94.280%	29.07327	10.05474
7/1/17			94.280%	29.07327	10.05474
10/1/17			94.280%	29.07327	10.05474
1/1/18	4.04%		94.280%	30.18064	10.43772
4/1/18			94.280%	30.18064	10.43772
7/1/18	2.50%		94.280%	30.89200	10.68373

TCU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2016 Industry Avg.				29.23338	5.55310
12/31/16 Industry Rate				29.23338	5.55310
1/1/17			82.842%	29.23338	5.55310
4/1/17			82.842%	29.23338	5.55310
7/1/17			82.842%	29.23338	5.55310
10/1/17			82.842%	29.23338	5.55310
1/1/18			82.842%	29.23338	5.55310
4/1/18	4.04%		82.842%	30.21177	5.73896
7/1/18	2.50%		82.842%	30.83748	5.85781

BLET

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2016 Industry Avg.				32.38830	11.61593
12/31/16 Industry Rate				32.44074	11.63474
1/1/17			2.230%	32.44074	11.63474
4/1/17			2.230%	32.44074	11.63474
7/1/17			2.230%	32.44074	11.63474
10/1/17			2.230%	32.44074	11.63474
1/1/18	4.04%		2.230%	32.46997	11.64522
4/1/18			2.230%	32.46997	11.64522
7/1/18	2.50%		2.230%	32.48807	11.65171

SMWIA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2016 Industry Avg.				30.32327	4.14896
12/31/16 Industry Rate				30.32327	4.14896
1/1/17			98.301%	30.32327	4.14896
4/1/17		New arbitrated agreement effective 5/23/2018. 2.0% GWIs retroactive to 7/1/2016 and 7/1/2017. 2.5% GWI 7/1/2018.	98.301%	30.32327	4.14896
7/1/17			98.301%	30.32327	4.14896
10/1/17			98.301%	30.32327	4.14896
1/1/18			98.301%	30.32327	4.14896
4/1/18			98.301%	30.32327	4.14896
7/1/18	6.641%		98.301%	32.30282	4.41981

BRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2016 Industry Avg.				31.54047	6.35647
12/31/16 Industry Rate				31.54047	6.35647
1/1/17			93.309%	31.54047	6.35647
4/1/17			93.309%	31.54047	6.35647
7/1/17			93.309%	31.54047	6.35647
10/1/17			93.309%	31.54047	6.35647
1/1/18	4.04%		93.309%	32.72944	6.59609
4/1/18			93.309%	32.72944	6.59609
7/1/18	2.50%		93.309%	33.49293	6.74996

BMWE

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2016 Industry Avg.				27.93431	4.93131
12/31/16 Industry Rate				27.93431	4.93131
1/1/17			91.612%	27.93431	4.93131
4/1/17		New arbitrated agreement effective 5/23/2018. 2.0% GWIs retroactive to 7/1/2016 and 7/1/2017. 2.5% GWI 7/1/2018.	91.612%	27.93431	4.93131
7/1/17			91.612%	27.93431	4.93131
10/1/17			91.612%	27.93431	4.93131
1/1/18			91.612%	27.93431	4.93131
4/1/18			91.612%	27.93431	4.93131
7/1/18	6.641%		91.612%	29.63382	5.23133

U.S. National Contract

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TCU-Carmen

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2016 Industry Avg.				30.04585	4.04463
12/31/16 Industry Rate				30.04585	4.04463
1/1/17			93.082%	30.04585	4.04463
4/1/17			93.082%	30.04585	4.04463
7/1/17			93.082%	30.04585	4.04463
10/1/17			93.082%	30.04585	4.04463
1/1/18			93.082%	30.04585	4.04463
4/1/18	4.04%		93.082%	31.17572	4.19673
7/1/18	2.50%		93.082%	31.90120	4.29439

NCFO

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2016 Industry Avg.				25.06329	3.03622
12/31/16 Industry Rate				25.06329	3.03622
1/1/17			97.245%	25.06329	3.03622
4/1/17			97.245%	25.06329	3.03622
7/1/17			97.245%	25.06329	3.03622
10/1/17			97.245%	25.06329	3.03622
1/1/18			97.245%	25.06329	3.03622
4/1/18	4.04%		97.245%	26.04796	3.15550
7/1/18	2.50%		97.245%	26.68122	3.23222

IAM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2016 Industry Avg.				30.52312	4.61283
12/31/16 Industry Rate				30.52312	4.61283
1/1/17			96.130%	30.52312	4.61283
4/1/17			96.130%	30.52312	4.61283
7/1/17			96.130%	30.52312	4.61283
10/1/17			96.130%	30.52312	4.61283
1/1/18			96.130%	30.52312	4.61283
4/1/18			96.130%	30.52312	4.61283
7/1/18			96.130%	30.52312	4.61283

U.S. National Contract

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IBBM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2016 Industry Avg.				29.63043	4.01375
12/31/16 Industry Rate				29.63043	4.01375
1/1/17			93.061%	29.63043	4.01375
4/1/17			93.061%	29.63043	4.01375
7/1/17			93.061%	29.63043	4.01375
10/1/17			93.061%	29.63043	4.01375
1/1/18			93.061%	29.63043	4.01375
4/1/18			93.061%	29.63043	4.01375
7/1/18	6.641%		93.061%	31.46164	4.26180

New contract signed April 13, 2018. 2.0% GWIs retroactive to 7/1/2016 and 7/1/2017. 2.5% GWI 7/1/2018.

IBEW

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2016 Industry Avg.				30.77399	4.80515
12/31/16 Industry Rate				30.77399	4.80515
1/1/17			95.049%	30.77399	4.80515
4/1/17			95.049%	30.77399	4.80515
7/1/17			95.049%	30.77399	4.80515
10/1/17			95.049%	30.77399	4.80515
1/1/18			95.049%	30.77399	4.80515
4/1/18			95.049%	30.77399	4.80515
7/1/18	6.641%		95.049%	32.71651	5.10847

New contract signed May 8, 2018. 2.0% GWIs retroactive to 7/1/2016 and 7/1/2017. 2.5% GWI 7/1/2018.

ATDA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2016 Industry Avg.				41.40520	6.87293
12/31/16 Industry Rate				41.40520	6.87293
1/1/17			64.908%	41.40520	6.87293
4/1/17			64.908%	41.40520	6.87293
7/1/17			64.908%	41.40520	6.87293
10/1/17			64.908%	41.40520	6.87293
1/1/18	4.04%		64.908%	42.49097	7.05316
4/1/18			64.908%	42.49097	7.05316
7/1/18	2.50%		64.908%	43.18048	7.16762

YDMSTRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2016 Industry Avg.				39.62949	8.14812
12/31/16 Industry Rate				39.62949	8.14812
1/1/17			66.322%	39.62949	8.14812
4/1/17			66.322%	39.62949	8.14812
7/1/17			66.322%	39.62949	8.14812
10/1/17			66.322%	39.62949	8.14812
1/1/18	4.04%		66.322%	40.69133	8.36644
4/1/18			66.322%	40.69133	8.36644
7/1/18	2.50%		66.322%	41.36602	8.50516

OTHER

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2016 Industry Avg.				47.09367	1.29707
12/31/16 Industry Rate				47.09367	1.29707
1/1/17			100.000%	47.09367	1.29707
4/1/17			100.000%	47.09367	1.29707
7/1/17			100.000%	47.09367	1.29707
10/1/17			100.000%	47.09367	1.29707
1/1/18	2.00%		100.000%	48.03555	1.32302
4/1/18			100.000%	48.03555	1.32302
7/1/18			100.000%	48.03555	1.32302

Check Sums

	Increase	Applicable	ST HR	PFTNW HR
2016 AVG			454.65790	79.49118
12/31/16			454.71048	

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

1168.372%

ok matches

ok matches

ok matches

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

ok matches

Borrowing Benchmarks | WSJ.com/bonds

Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation			
April index level	Chg From (%)	March '18	April '17

U.S. consumer price index

All items	250.546	0.40	2.5
Core	257.025	0.16	2.1

International rates			
	Week ago	-52-Week-High	-52-Week-Low

Prime rates

U.S.	4.75	4.75	4.75	4.00
Canada	3.45	3.45	3.45	2.70
Japan	1.475	1.475	1.475	1.475

Policy Rates

Eurozone	0.00	0.00	0.00	0.00
Switzerland	0.50	0.50	0.50	0.50

	Latest	Week ago	-52-WEEK-High	Low
Britain	0.50	0.50	0.50	0.25
Australia	1.50	1.50	1.50	1.50

Overnight repurchase

U.S.	1.70	1.74	2.18	0.76
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U.S. government rates

Discount

	2.25	2.25	2.25	1.50
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Federal funds

Effective rate	1.7300	1.7300	1.7300	0.8600
High	1.9500	1.9500	1.9500	1.0625
Low	1.7000	1.6900	1.7100	0.7500
Bid	1.7000	1.6800	1.7200	0.8200
Offer	1.7100	1.7200	1.7400	0.8300

	Week ago	-52-Week-High	-52-Week-Low
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Treasury bill auction

4 weeks	1.655	1.660	1.720	0.695
13 weeks	1.895	1.890	1.895	0.920
26 weeks	2.080	2.035	2.080	1.050

Secondary market

Fannie Mae

30-year mortgage yields				
30 days	4.303	4.209	4.344	3.253
60 days	4.330	4.236	4.371	3.281

Other short-term rates

	Week ago	-52-Week-High	-52-Week-Low
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Call money

	3.50	3.50	3.50	2.75
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Commercial paper (AA financial)

90 days	2.23	1.85	2.31	1.04
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Libor

One month	1.96125	1.93375	1.96125	1.02356
Three month	2.33000	2.33000	2.36906	1.18867
Six month	2.49675	2.50063	2.52375	1.41350
One year	2.76523	2.75748	2.78031	1.69511

Euro Libor

One month	-0.399	-0.397	-0.397	-0.420
Three month	-0.353	-0.351	-0.351	-0.389
Six month	-0.311	-0.314	-0.277	-0.339
One year	-0.232	-0.240	-0.146	-0.263

Euro interbank offered rate (Eunbor)

One month	-0.370	-0.371	-0.366	-0.374
Three month	-0.325	-0.326	-0.325	-0.332
Six month	-0.270	-0.271	-0.250	-0.279
One year	-0.187	-0.190	-0.129	-0.194

	Value	-52-Week-High	-52-Week-Low
Latest	Traded	High	Low

DTCC GCF Repo Index

Treasury	1.715	51.980	2.068	0.791
MBS	1.736	82.710	1.971	0.794

DTCC GCF Repo Index Futures

Treasury May	98.218	0.002	1192	1.783
Treasury Jun	98.040	unch.	849	1.960
Treasury July	97.930	-0.005	581	2.070

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective March 22, 2018. Other prime rates aren't directly comparable; lending practices vary widely by location. Discount rate is effective March 22, 2018. DTCC GCF Repo Index is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. Federal funds rates are Tullett Prebon rates as of 5:30 p.m. ET. Futures on the DTCC GCF Repo Index are traded on NYSE Life US.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; SIX Financial Information; Tullett Prebon Information, Ltd.

Global Government Bonds

Yields and spreads over or under U.S. Treasury selected other countries; arrows indicate whether

Coupon (%)	Maturity, in years	Country	Latest	-1	0	1	2	3	Yield
2.375	U.S. 2	2.574							
2.875	10	3.065							
4.500	Australia 2	2.045							
2.250	10	2.899							
0.000	France 2	-0.493							
0.750	10	0.825							
0.000	Germany 2	-0.620							
0.500	10	0.522							
0.350	Italy 2	0.276							
2.000	10	2.416							
0.100	Japan 2	-0.136							
0.100	10	0.056							
1.400	Spain 2	-0.291							
1.400	10	1.500							
2.000	U.K. 2	0.804							
4.250	10	1.477							

Corporate Debt

in that same company's share price.

Investment-grade spreads that tightened

Issuer	Symbol	Coupon (%)	Yield
Morgan Stanley	MS	3.750	Fe
Citigroup	C	6.300	M
Best Buy	BBY	5.500	Mar
Charles Schwab	SCHW	3.200	Ja
MPLX	MPLX	4.700	Ap
Travelers	TRV	6.250	Jul
BAE Systems Holdings	BALN	2.850	De
General Electric	GE	5.000	Ja

And spreads that widened the most

Royal Bank of Scotland	RBS	7.500	Aug
UniCredit SpA	UCGIM	5.861	Jul
Intesa Sanpaolo SpA	ISPM	5.017	Jul
Deutsche Bank AG	DB	4.875	C
American Express Credit	AXP	2.375	M
Bank of New York Mellon	BK	2.450	Nc
Citibank NA	C	2.125	O
Discovery Communications	DISCA	4.900	Mar

High-yield Issues with the biggest

Issuer	Symbol	Coupon (%)	Yield
Mattel	MAT	4.350	C
Vertiv	CORTNP	9.250	O
Intelsat Luxembourg S.A.	INTEL	7.750	J
Hanesbrands	HBI	4.875	M
EP Energy	EPENEG	8.000	Fe
Cedar Fair	FUN	5.375	Ap
Neiman Marcus	NMGM	9.500	O
DISH DBS	DISH	5.000	Mar

And with the biggest price decrease

PetSmart	PETM	5.875	J
Telecom Italia SpA	TITIM	5.303	M
Wind Tre SpA	WINTRE	5.000	Ja
Mattel	MAT	6.750	De
Chemours	CC	5.375	M
ENSCO	ESV	5.750	C
WeWork	WEWORK	7.875	N

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year Treasury Note. Data are for the most active issue of bonds with maturities of

Key Interest Rates

Data are annualized on a 360-day basis. Treasury yields are per annum, on actively traded noninflation and inflation-indexed issues that are adjusted to constant maturities. Data are from weekly Federal Reserve release H.15.

Week Ended — 52-Week —				Week Ended — 52-Week —			
May 18	May 11	High	Low	May 18	May 11	High	Low

Federal funds (effective)

	1.70	1.70	1.70	0.90
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Commercial paper

Nonfinancial				
1-month	1.81	1.79	1.86	0.84
2-month	1.92	1.90	1.92	0.89
3-month	2.01	2.02	2.04	0.96

Financial

1-month	1.86	1.79	1.86	0.95
2-month	2.03	1.97	2.05	0.99
3-month	2.20	2.15	2.28	1.04

Discount window primary credit

	2.25	2.25	2.25	1.50
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Conventional mortgages

	n.a.	n.a.	n.a.	n.a.
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Treasury yields at constant maturities

1-month	1.69	1.69	1.71	0.72
3-month	1.92	1.89	1.92	0.91
6-month	2.09	2.05	2.09	1.02
1-year	2.31	2.27	2.31	1.10
2-year	2.57	2.52	2.57	1.28
3-year	2.73	2.67	2.73	1.40
5-year	2.91	2.82	2.91	1.65
7-year	3.03	2.93	3.03	1.90
10-year	3.07	2.97	3.07	2.07
20-year	3.14	3.04	3.14	2.43

Treasury yields (secondary market)

1-month	1.65	1.65	1.68	0.70
3-month	1.88	1.85	1.88	0.90
6-month	2.04	2.00	2.04	1.00

TIPS

5-year	0.76	0.70	0.76	0.02
7-year	0.89	0.80	0.89	0.23
10-year	0.91	0.81	0.91	0.28
20-year	0.98	0.89	0.98	0.60
Long-term avg	1.00	0.91	1.00	0.65

Interest rate swaps

1-year	n.a.	n.a.	n.a.	n.a.
2-year	n.a.	n.a.	n.a.	n.a.
3-year	n.a.	n.a.	n.a.	n.a.
4-year	n.a.	n.a.	n.a.	n.a.
5-year	n.a.	n.a.	n.a.	n.a.
7-year	n.a.	n.a.	n.a.	n.a.
10-year	n.a.	n.a.	n.a.	n.a.
30-year	n.a.	n.a.	n.a.	n.a.

Corporate bonds, Moody's seasoned

Aaa	n.a.	n.a.	n.a.	n.a.
Baa	n.a.	n.a.	n.a.	n.a.

State and local bonds

	n.a.	n.a.	n.a.	n.a.
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Eurodollars

1 month	n.a.	n.a.	n.a.	n.a.
3 month	n.a.	n.a.	n.a.	n.a.
6 month	n.a.	n.a.	n.a.	n.a.

Notes on data:

Federal funds rate is an average for the seven days ended Wednesday, weighted according to rates on broker trades. Commercial paper rates are discounted offer rates interpolated from sales by discounted averages of dealer bid rates on nationally traded certificates of deposit. Discount window primary credit rate is charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program; rate is average for seven days ended Wednesday. Inflation-indexed long-term TIPS average is indexed and is based on the unweighted average bid yields for all TIPS with remaining terms to maturity of 10 years or more. Swap rates are International Swaps and Derivatives Association (ISDA(R)) mid-market par rates for a fixed-rate payer, who in return receives three-month Libor, and are based on rates collected at 11:00 a.m. ET by Garban InterCapital PLC. Source is Reuters; Moody's triple-AAA rates are averages of industrial bonds only; Muni rates are Thursday quotes based on the Bond Buyer Index for general obligation, 20 years to maturity, mixed quality debt; Mortgage rates are contract rates on commitments for fixed-rate first mortgages.

Sources: Federal Reserve; for additional information on these rate data and their derivation, please see, www.federalreserve.gov/releases/h15/data.htm

RCAF Lump Sum Amortization 2018/Q3

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours
NS - BLET 2017Q2 PPI	2017Q3	2017Q4				295,539,752
NS - BLET 2017Q3 PPI	2017Q4	2018Q1				295,539,752
CSX - BLET 2018	2018Q1	2018Q2				295,539,752
KCS 2018Q2	2017Q4	2018Q2				295,539,752
NS - BLET 2017Q4 PPI	2018Q1	2018Q2				295,539,752
NS - BLET 2018 Ave PPI	2018Q1	2018Q2				295,539,752
NS - BLET 2018 TPB	2018Q1	2018Q2				295,539,752
NS - BLET 2018Q1 PPI	2018Q2	2018Q3				295,539,752
Total			\$113,900,141	0.38540		

Should be slightly less
than amortized amount.

Fell out

NS - BLET 2017Q1 PPI	2017Q2	2017Q3				295,539,752
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Interest Rate

2017/Q1	0.480
2017/Q2	0.540
2017/Q3	0.920
2017/Q4	1.070
2018/Q1	1.285
2018/Q2	1.570
2018/Q3	1.880
2018/Q4	
2019/Q1	
2019/Q2	
2019/Q3	
2019/Q4	

Lump Sum Adjustment for 2018/Q3	→ 0.389750 or 0.390
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RCAF Back Pay Amortization 2018/Q3

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr.	U.S. ST Hours	
National UTU-YMD 2017	2018Q1	2018Q1	\$4,335,581	0.01467004	0.05868	295,539,752	2016
National UTU 2017	2018Q1	2018Q1	\$96,372,104	0.32608847	1.30435	295,539,752	2016
National BRS 2017	2018Q1	2018Q1	\$22,525,654	0.07621869	0.30487	295,539,752	2016
National BLET 2017	2018Q1	2018Q1	\$51,247,884	0.17340437	0.69362	295,539,752	2016
National ATDA 2017	2018Q1	2018Q1	\$5,926,972	0.02005474	0.08022	295,539,752	2016
National BRC (TCU-CAR) 2018	2018Q2	2018Q2	\$28,888,465	0.09774815	0.39099	295,539,752	2016
National TCU 2018	2018Q2	2018Q2	\$16,365,434	0.05537473	0.22150	295,539,752	2016
National NCFO 2017	2018Q2	2018Q2	\$6,257,945	0.02117463	0.08470	295,539,752	2016
DME - all unions 2018	2018Q1	2018Q2				295,539,752	2016
UP Yardmasters 2018	2018Q2	2018Q2				295,539,752	2016
National IBBM 2018	2018Q2	2018Q3	\$2,965,203	0.01003318	0.04013	295,539,752	2016
CSX BLET 2017	2018Q1	2018Q3				295,539,752	2016
National IBEW 2018	2018Q2	2018Q3	\$22,468,731	0.07602609	0.30410	295,539,752	2016
National SMW 2018	2018Q2	2018Q3	\$3,424,677	0.01158787	0.04635	295,539,752	2016
National BMW 2018	2018Q2	2018Q3	\$76,685,654	0.25947661	1.03791	295,539,752	2016
Total			\$360,217,218	1.21884523			

Should be slightly less
than amortized amount.

Fell out

Nono.

Notes:

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

Interest Rate

2017/Q1	0.480
2017/Q2	0.540
2017/Q3	0.920
2017/Q4	1.070
2018/Q1	1.285
2018/Q2	1.570
2018/Q3	1.880
2018/Q4	
2019/Q1	
2019/Q2	
2019/Q3	
2019/Q4	

Back Pay Adjustment for 2018/Q3

1.23244

or

1.232

Back Pay for National BMWWE Added to RCAF 2018Q3

National BMWWE arbitrated agreement effective 5/23/2018

Employees Paid 22,267 2016 Wage Statistics
 ST Hours Paid 39,661,350 2016 Wage Statistics and benchmark
 2016 ST Hourly Rate \$27.83617 2016 Wage Statistics and benchmark
 2016 PFTNW Hry Rt \$5.06334 2016 Wage Statistics and benchmark
 Ratio PFTNW/STHR 0.1818978 calc. from wage statistics
 STHR 12/31/2016 \$27.83617 from YearEnd2016.xlsx (no increase in 2016)

7/1/16 G.W.I. 2.00% new contract, ARTICLE I Section 2
 7/1/17 G.W.I. 2.00% new contract, ARTICLE I Section 3

Includes all railroads benchmarked as "national" in the RCAF labor benchmarks (BNSF, CSX, KCS, NS, & UP). CN's railroads are benchmarked as independent although they are now in this national agreement, so backpay for them is calculated separately.

No H&W offset since the cost sharing amounts are the same at the end of the old contract and in this new contract.

Qtr.	Total Hourly Rate in 2017 Contract			Total Hourly Rate Paid			Difference	Wage Back Pay \$	H&W Offset \$	Net Back Pay \$
	ST	PFTNW	Total	ST	PFTNW	Total				
2016Q1	\$27.8362	\$5.0633	\$32.8995	\$27.8362	\$5.0633	\$32.8995	\$0.0000	\$0.00	\$0.00	\$0.00
2016Q2	27.8362	5.0633	32.8995	27.8362	5.0633	32.8995	0.0000	\$0.00	\$0.00	0.00
2016Q3	28.3929	5.1646	33.5575	27.8362	5.0633	32.8995	0.6580	\$6,524,194.56	\$0.00	6,524,194.56
2016Q4	28.3929	5.1646	33.5575	27.8362	5.0633	32.8995	0.6580	\$6,524,194.56	\$0.00	6,524,194.56
2017Q1	28.3929	5.1646	33.5575	27.8362	5.0633	32.8995	0.6580	\$6,524,194.56	\$0.00	6,524,194.56
2017Q2	28.3929	5.1646	33.5575	27.8362	5.0633	32.8995	0.6580	\$6,524,194.56	\$0.00	6,524,194.56
2017Q3	28.9608	5.2679	34.2286	27.8362	5.0633	32.8995	1.3291	\$13,178,873.01	\$0.00	13,178,873.01
2017Q4	28.9608	5.2679	34.2286	27.8362	5.0633	32.8995	1.3291	\$13,178,873.01	\$0.00	13,178,873.01
2018Q1	28.9608	5.2679	34.2286	27.8362	5.0633	32.8995	1.3291	\$13,178,873.01	\$0.00	13,178,873.01
2018Q2	28.9608	5.2679	34.2286	27.8362	5.0633	32.8995	1.3291	\$13,178,873.01	\$0.00	13,178,873.01
Total										\$78,812,270.28
Article II Section 3 reduce back pay by \$292.96 per employee:							(\$292.96 x 22,267 employees)			6,523,340.32
Net Back Pay										\$72,288,929.96

Back Pay for National SMW Added to RCAF 2018Q3

National SMW arbitrated agreement effective 5/23/2018

SMART-Mechanical Division

Employees Paid 975
 ST Hours Paid 1,763,686 2016 Wage Statistics and benchmark
 2016 ST Hourly Rate \$30.32388 2016 Wage Statistics and benchmark
 2016 PFTNW Hrlly Rt \$4.15986 2016 Wage Statistics and benchmark
 Ratio PFTNW/STHR 0.1371811 calc. from wage statistics
 STHR 12/31/2016 \$30.32388 from YearEnd2016.xlsx (no increase in 2016)

7/1/16 G.W.I. 2.00% new contract, ARTICLE I Section 2
 7/1/17 G.W.I. 2.00% new contract, ARTICLE I Section 3

Includes all railroads benchmarked as "national" in the RCAF labor benchmarks (BNSF, CSX, KCS, NS, & UP). IC is benchmarked as independent although they are now in this national agreement, so backpay for them is calculated separately.

No H&W offset since the cost sharing amounts are the same at the end of the old contract and in this new contract.

Qtr.	Total Hourly Rate in 2017 Contract			Total Hourly Rate Paid			Difference	Wage	H&W	Net
	ST	PFTNW	Total	ST	PFTNW	Total		Back Pay \$	Offset \$	Back Pay \$
2016Q1	\$30.3239	\$4.1599	\$34.4837	\$30.3239	\$4.1599	\$34.4837	\$0.0000	\$0.00	\$0.00	\$0.00
2016Q2	30.3239	4.1599	34.4837	30.3239	4.1599	34.4837	0.0000	\$0.00	\$0.00	0.00
2016Q3	30.9304	4.2431	35.1734	30.3239	4.1599	34.4837	0.6897	\$304,092.47	\$0.00	304,092.47
2016Q4	30.9304	4.2431	35.1734	30.3239	4.1599	34.4837	0.6897	\$304,092.47	\$0.00	304,092.47
2017Q1	30.9304	4.2431	35.1734	30.3239	4.1599	34.4837	0.6897	\$304,092.47	\$0.00	304,092.47
2017Q2	30.9304	4.2431	35.1734	30.3239	4.1599	34.4837	0.6897	\$304,092.47	\$0.00	304,092.47
2017Q3	31.5490	4.3279	35.8769	30.3239	4.1599	34.4837	1.3931	\$614,266.80	\$0.00	614,266.80
2017Q4	31.5490	4.3279	35.8769	30.3239	4.1599	34.4837	1.3931	\$614,266.80	\$0.00	614,266.80
2018Q1	31.5490	4.3279	35.8769	30.3239	4.1599	34.4837	1.3931	\$614,266.80	\$0.00	614,266.80
2018Q2	31.5490	4.3279	35.8769	30.3239	4.1599	34.4837	1.3931	\$614,266.80	\$0.00	614,266.80
Total										\$3,673,437.10
Article II Section 3 reduce back pay by \$292.96 per employee:							(\$292.96 x 975 employees)			285,636.00
Net Back Pay										\$3,387,801.10

Back Pay for National IBEW Added to RCAF 2018Q3

National IBEW New Contract Signed 5/8/2018

Employees Paid 5.481
 ST Hours Paid 10,038,485 2016 Wage Statistics and benchmark
 2016 ST Hourly Rate \$30.72367 2016 Wage Statistics and benchmark
 2016 PFTNW Hly Rt \$4.81698 2016 Wage Statistics and benchmark
 Ratio PFTNW/STHR 0.1567841 calc. from wage statistics
 STHR 12/31/2016 \$30.72367 from YearEnd2016.xlsx (no increase in 2016)

7/1/16 G.W.I. 2.00% new contract, ARTICLE I Section 2
 7/1/17 G.W.I. 2.00% new contract, ARTICLE I Section 3

Includes all railroads benchmarked as "national" in the RCAF labor benchmarks (BNSF, CSX, KCS, NS, & UP). B&LE, GTW, IC, CC&P, and WC are benchmarked as independent although they are now in this national agreement, so backpay for them is calculated separately.

No H&W offset since the cost sharing amounts are the same at the end of the old contract and in this new contract.

Qtr.	Total Hourly Rate in 2017 Contract			Total Hourly Rate Paid			Difference	Wage	H&W	Net
	ST	PFTNW	Total	ST	PFTNW	Total		Back Pay \$	Offset \$	Back Pay \$
2016Q1	\$30.7237	\$4.8170	\$35.5406	\$30.7237	\$4.8170	\$35.5406	\$0.0000	\$0.00	\$0.00	\$0.00
2016Q2	30.7237	4.8170	35.5406	30.7237	4.8170	35.5406	0.0000	\$0.00	\$0.00	0.00
2016Q3	31.3381	4.9133	36.2515	30.7237	4.8170	35.5406	0.7108	\$1,783,871.28	\$0.00	1,783,871.28
2016Q4	31.3381	4.9133	36.2515	30.7237	4.8170	35.5406	0.7108	\$1,783,871.28	\$0.00	1,783,871.28
2017Q1	31.3381	4.9133	36.2515	30.7237	4.8170	35.5406	0.7108	\$1,783,871.28	\$0.00	1,783,871.28
2017Q2	31.3381	4.9133	36.2515	30.7237	4.8170	35.5406	0.7108	\$1,783,871.28	\$0.00	1,783,871.28
2017Q3	31.9649	5.0116	36.9765	30.7237	4.8170	35.5406	1.4358	\$3,603,420.00	\$0.00	3,603,420.00
2017Q4	31.9649	5.0116	36.9765	30.7237	4.8170	35.5406	1.4358	\$3,603,420.00	\$0.00	3,603,420.00
2018Q1	31.9649	5.0116	36.9765	30.7237	4.8170	35.5406	1.4358	\$3,603,420.00	\$0.00	3,603,420.00
2018Q2	31.9649	5.0116	36.9765	30.7237	4.8170	35.5406	1.4358	\$3,603,420.00	\$0.00	3,603,420.00
Total										\$21,549,165.12

Back Pay for National IBBM Added to RCAF 2018Q3

National IBBM New Contract Signed 4/13/2018

Employees Paid 824
 ST Hours Paid 1,485,311 2016 Wage Statistics and benchmark
 2016 ST Hourly Rate \$29.51281 2016 Wage Statistics and benchmark
 2016 PFTNW Hrly Rt \$3.98286 2016 Wage Statistics and benchmark
 Ratio PFTNW/STHR 0.1349537 calc. from wage statistics
 STHR 12/31/2016 \$29.51281 from YearEnd2016.xlsx (no increase in 2016)

7/1/16 G.W.I. 2.00% new contract, ARTICLE I Section 2
 7/1/17 G.W.I. 2.00% new contract, ARTICLE I Section 3

Includes all railroads benchmarked as "national" in the RCAF labor benchmarks (BNSF, CSX, KCS, NS, & UP). IC is benchmarked as independent although they are now in this national agreement, so backpay for them is calculated separately.

No H&W offset since the cost sharing amounts are the same at the end of the old contract and in this new contract.

Qtr.	Total Hourly Rate in 2017 Contract			Total Hourly Rate Paid			Difference	Wage	H&W	Net
	ST	PFTNW	Total	ST	PFTNW	Total		Back Pay \$	Offset \$	Back Pay \$
2016Q1	\$29.5128	\$3.9829	\$33.4957	\$29.5128	\$3.9829	\$33.4957	\$0.0000	\$0.00	\$0.00	\$0.00
2016Q2	29.5128	3.9829	33.4957	29.5128	3.9829	33.4957	0.0000	\$0.00	\$0.00	0.00
2016Q3	30.1031	4.0625	34.1656	29.5128	3.9829	33.4957	0.6699	\$248,757.42	\$0.00	248,757.42
2016Q4	30.1031	4.0625	34.1656	29.5128	3.9829	33.4957	0.6699	\$248,757.42	\$0.00	248,757.42
2017Q1	30.1031	4.0625	34.1656	29.5128	3.9829	33.4957	0.6699	\$248,757.42	\$0.00	248,757.42
2017Q2	30.1031	4.0625	34.1656	29.5128	3.9829	33.4957	0.6699	\$248,757.42	\$0.00	248,757.42
2017Q3	30.7051	4.1438	34.8489	29.5128	3.9829	33.4957	1.3532	\$502,489.98	\$0.00	502,489.98
2017Q4	30.7051	4.1438	34.8489	29.5128	3.9829	33.4957	1.3532	\$502,489.98	\$0.00	502,489.98
2018Q1	30.7051	4.1438	34.8489	29.5128	3.9829	33.4957	1.3532	\$502,489.98	\$0.00	502,489.98
2018Q2	30.7051	4.1438	34.8489	29.5128	3.9829	33.4957	1.3532	\$502,489.98	\$0.00	502,489.98
Total										\$3,004,989.57
Side Lettter #4 reduce back pay by \$105 per employee:										86,520.00
Net Back Pay										\$2,918,469.57

2018Q3 ST Hourly Rate = 30.7051 × 1.025 = 31.47275

Health and Welfare 2018Q3

	Employees Receiving		Monthly Contribution 2018	Total 2016 Avg.	Total 2018
	Pay 2016	2016 Avg.			
1. All Employees					
a. Group health	156,278	\$1,481.05	\$1,584.71	\$231,455,531.90	\$247,655,309.38
b. Group dental	156,278	56.97	63.67	8,903,157.66	9,950,220.26
c. Early retirement major medical	156,278	134.70	135.96	21,050,646.60	21,247,556.88
d. Group vision	156,278	8.41	8.44	1,314,297.98	1,318,986.32
2. Supplemental Sickness					
a. Signalmen	7,773	29.48	44.34	229,148.04	344,654.82
b. Shopcrafts	23,960	49.11	75.48	1,176,675.60	1,808,500.80
c. MOW	24,275	32.87	51.63	797,919.25	1,253,318.25
d. Yardmasters	1,874	34.22	34.22	64,128.28	64,128.28
3. Short-Term Disability					
a. Engineers (CSX, KCS, SOO, UP)	11,930	40.00	40.00	477,200.00	477,200.00
4. Monthly Total Premiums				265,468,705.31	284,119,874.99
5. Monthly Employee Contributions To H&W					
a. National BLET (BNSF, CSX, KCS, NS, SOO, UP)	23,363	(\$213.45)	(\$228.89)	(\$4,986,832.35)	(5,347,557.07)
b. National BMW (BNSF, CSX, KCS, NS, SOO, UP)	22,734	(\$213.45)	(\$228.89)	(\$4,852,572.30)	(5,203,585.26)
c. National BRS (BNSF, CSX, KCS, NS, SOO, UP)	7,335	(\$213.45)	(\$228.89)	(\$1,565,655.75)	(1,678,908.15)
d. National IAM (BNSF, CSX, KCS, NS, SOO, UP)	6,691	(\$213.45)	(\$228.89)	(\$1,428,193.95)	(1,531,502.99)
e. National IBBM (BNSF, CSX, KCS, NS, SOO, UP)	863	(\$213.45)	(\$228.89)	(\$184,207.35)	(197,532.07)
f. National IBEW (BNSF, CSX, KCS, NS, SOO, UP)	5,522	(\$213.45)	(\$228.89)	(\$1,178,670.90)	(1,263,930.58)
g. National NCFO (BNSF, CSX, KCS, NS, SOO, UP)	2,395	(\$213.45)	(\$228.89)	(\$511,212.75)	(548,191.55)
h. National SMW (BNSF, CSX, KCS, NS, SOO, UP)	975	(\$213.45)	(\$228.89)	(\$208,113.75)	(223,167.75)
i. National TCU (BNSF, CSX, KCS, NS, SOO, UP)	4,766	(\$213.45)	(\$228.89)	(\$1,017,302.70)	(1,090,889.74)
j. National TCU-CAR (BNSF, CSX, KCS, NS, SOO, UP)	8,859	(\$213.45)	(\$228.89)	(\$1,890,953.55)	(2,027,736.51)
k. National UTU (BNSF, CSX, KCS, NS, SOO, UP)	35,162	(\$213.45)	(\$228.89)	(\$7,505,328.90)	(8,048,230.18)
l. Yardmasters (BNSF, CSX, KCS, NS, SOO, UP)	1,756	(\$213.45)	(\$228.89)	(\$374,818.20)	(401,930.84)
m. National ATDA (wt. avg. BNSF, CSX, KCS, NS, SOO)	1,718	(\$213.45)	(\$228.89)	(\$366,707.10)	(\$393,233.02)
n. Independent CNGT (wt. avg. all union categories)	6,110	(\$211.84)	(\$226.75)	(\$1,294,342.40)	(1,385,442.50)
o. Independent SLC (wt. avg. all DH & DME union categories)	655	(\$228.06)	(\$263.86)	(\$149,379.30)	(172,828.30)
p.					
Total Major Union	128,904			(\$27,514,291.25)	(\$29,514,666.51)
All Other Employee Contributions*				(\$4,016,163.08)	(\$4,016,163.08)
6. Net Employer Monthly Payments				\$233,938,250.98	\$250,589,045.40
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments					1.07118
8. H&W hourly rate for base year 2016				\$7.563	
9. H&W hourly rate for projected quarter					\$8.101

* Non-union employee contributions net of opt-outs. The \$27,514,291.25 in major union contributions, plus \$4,016,163.08 in all other employee contributions, totals to the 12-month average of the total employee contributions reported to the AAR in its WF survey.

Railroad Retirement and Medicare for RCAF

Inputs:

RRB Earnings Distribution Year	2015	Tier I Maximum Taxable Earnings for 2018	128,700
Wage Statistics Year	2016	Tier II Maximum Taxable Earnings for 2018	95,400
Current Year	2018	Medicare Maximum Taxable Earnings for 2018	no limit
Employees Receiving Pay*	156,278	Tier I Employer Tax Rate for 2018	6.20%
* from 2016 wage statistics		Tier II Employer Tax Rate for 2018	13.10%
		Medicare Employer Tax Rate for 2018	1.45%

USA RCAF	Wage Rate	Update Factor	Railroad Retirement Tax	Hourly Rate	
2015	\$39.887				
2016	\$39.231	0.98355	\$626,560,300	\$8.192	hourly rate from SUPPL2016.xlsx
1Q/2018	\$40.555	1.01675	\$656,519,780	\$8.584	Rate = Taxable Rate
2Q/2018	\$40.961	1.02693	\$661,260,249	\$8.646	
3Q/2018	\$42.431	1.06378	\$678,167,286	\$8.867	
4Q/2018		0.00000	--	\$0.000	

Railroad Retirement & Medicare, U.S.

From 2015 Earnings Distribution			1Q/2018 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtrly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
									Tier I	Tier II	Medicare	
\$0 - 41,699	\$32,898	2.073	3,240	\$33,449	\$8,362	\$8,362	\$8,362	\$8,362	\$27,090,666	\$27,090,666	\$27,090,666	
41,700 - 43,699	\$43,084	0.612	956	43,806	10,951	10,951	10,951	10,951	10,474,139	10,474,139	10,474,139	
43,700 - 45,699	\$44,719	0.754	1,178	45,468	11,367	11,367	11,367	11,367	13,394,124	13,394,124	13,394,124	
45,700 - 47,699	\$46,516	0.942	1,472	47,295	11,824	11,824	11,824	11,824	17,406,207	17,406,207	17,406,207	
47,700 - 49,699	\$48,812	1.130	1,766	49,629	12,407	12,407	12,407	12,407	21,910,684	21,910,684	21,910,684	
49,700 - 51,699	\$50,602	1.178	1,841	51,449	12,862	12,862	12,862	12,862	23,679,027	23,679,027	23,679,027	
51,700 - 53,699	\$52,846	1.319	2,061	53,731	13,433	13,433	13,433	13,433	27,689,034	27,689,034	27,689,034	
53,700 - 55,699	\$54,776	1.743	2,724	55,693	13,923	13,923	13,923	13,923	37,926,135	37,926,135	37,926,135	
55,700 - 57,699	\$56,687	2.167	3,387	57,636	14,409	14,409	14,409	14,409	48,797,017	48,797,017	48,797,017	
57,700 - 59,699	\$58,718	1.790	2,797	59,701	14,925	14,925	14,925	14,925	41,751,797	41,751,797	41,751,797	
59,700 - 61,699	\$60,855	3.580	5,595	61,874	15,469	15,469	15,469	15,469	86,542,648	86,542,648	86,542,648	
61,700 - 63,699	\$62,705	4.710	7,361	63,755	15,939	15,939	15,939	15,939	117,320,516	117,320,516	117,320,516	
63,700 - 65,699	\$64,735	3.910	6,110	65,819	16,455	16,455	16,455	16,455	100,546,463	100,546,463	100,546,463	
65,700 - 67,699	\$66,581	3.957	6,184	67,696	16,924	16,924	16,924	16,924	104,656,751	104,656,751	104,656,751	
67,700 - 69,699	\$68,768	3.627	5,668	69,920	17,480	17,480	17,480	17,480	99,079,735	99,079,735	99,079,735	
69,700 - 71,699	\$70,711	3.721	5,815	71,895	17,974	17,974	17,974	17,974	104,519,551	104,519,551	104,519,551	
71,700 - 73,699	\$72,644	3.344	5,226	73,861	18,465	18,465	18,465	18,465	96,497,687	96,497,687	96,497,687	
73,700 - 75,699	\$74,617	3.721	5,815	75,867	18,967	18,967	18,967	18,967	110,293,099	110,293,099	110,293,099	
75,700 - 77,699	\$76,720	3.957	6,184	78,005	19,501	19,501	19,501	19,501	120,593,953	120,593,953	120,593,953	
77,700 - 79,699	\$78,703	2.826	4,416	80,021	20,005	20,005	20,005	20,005	88,351,582	88,351,582	88,351,582	
79,700 - 81,699	\$80,790	2.496	3,901	82,143	20,536	20,536	20,536	20,536	80,103,792	80,103,792	80,103,792	
81,700 - 83,699	\$82,667	2.826	4,416	84,051	21,013	21,013	21,013	21,013	92,801,548	92,801,548	92,801,548	
83,700 - 85,699	\$84,656	2.449	3,827	86,074	21,518	21,518	21,518	21,518	82,356,412	82,356,412	82,356,412	
85,700 - 87,699	\$86,571	3.109	4,859	88,021	22,005	22,005	22,005	22,005	106,916,330	106,916,330	106,916,330	
87,700 - 89,699	\$88,770	2.591	4,049	90,257	22,564	22,564	22,564	22,564	91,365,980	91,365,980	91,365,980	
89,700 - 91,699	\$90,664	2.638	4,123	92,182	23,046	23,046	23,046	23,046	95,008,082	95,008,082	95,008,082	
91,700 - 93,699	\$92,682	2.779	4,343	94,234	23,559	23,559	23,559	23,559	102,313,945	102,313,945	102,313,945	
93,700 - 95,699	\$94,776	2.025	3,165	96,363	24,091	24,091	23,850	24,091	76,238,491	75,476,414	76,238,491	
95,700 - 97,699	\$96,754	1.649	2,577	98,374	24,594	24,594	23,850	24,594	63,378,283	61,462,028	63,378,283	
97,700 - 99,699	\$98,799	3.015	4,712	100,454	25,113	25,113	23,850	25,113	118,328,879	112,375,994	118,328,879	
99,700 - 101,699	\$100,824	2.025	3,165	102,513	25,628	25,628	23,850	25,628	81,103,545	75,476,414	81,103,545	
101,700 - 103,699	\$102,818	1.083	1,692	104,540	26,135	26,135	23,850	26,135	44,233,214	40,365,904	44,233,214	
103,700 - 105,699	\$104,762	1.319	2,061	106,516	26,629	26,629	23,850	26,629	54,890,788	49,162,168	54,890,788	
105,700 - 107,699	\$106,724	2.355	3,680	108,511	27,128	27,128	23,850	27,128	99,839,843	87,776,274	99,839,843	
107,700 - 109,699	\$108,858	1.272	1,988	110,681	27,670	27,670	23,850	27,670	55,004,516	47,410,369	55,004,516	
109,700 - 111,699	\$110,533	1.696	2,650	112,384	28,096	28,096	23,850	28,096	74,467,829	63,213,826	74,467,829	
111,700 - 113,699	\$112,778	0.895	1,399	114,667	28,667	28,667	23,850	28,667	40,095,747	33,358,711	40,095,747	
113,700 - 115,699	\$114,802	1.083	1,692	116,725	29,181	29,181	23,850	29,181	49,388,837	40,365,904	49,388,837	
\$115,700 - over	\$165,875	11.634	18,181	168,653	42,163	32,175	23,850	42,163	584,985,983	433,625,973	766,585,996	
TOTAL	\$87,427	100.000	156,278									
Total Taxable Earnings									3,291,342,857	3,069,456,881	3,472,942,870	
Employer Tax Rate									6.20%	13.10%	1.45%	
Quarterly Payment									\$204,063,257	\$402,098,851	\$50,357,672	
Total Tier I, Tier II, and Medicare Paid this Quarter											\$656,519,780	

Railroad Retirement & Medicare, U.S.

From 2015 Earnings Distribution			2Q/2018 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees	Annual Earnings	Avg Qtrly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
			Recvg. Pay						Tier I	Tier II	Medicare	
\$0 - 41,699	\$32,898	2.073	3,240	\$33,784	\$8,446	\$8,446	\$8,446	\$8,446	\$27,361,873	\$27,361,873	\$27,361,873	
41,700 - 43,699	\$43,084	0.612	956	44,244	11,061	11,061	11,061	11,061	10,578,996	10,578,996	10,578,996	
43,700 - 45,699	\$44,719	0.754	1,178	45,923	11,481	11,481	11,481	11,481	13,528,214	13,528,214	13,528,214	
45,700 - 47,699	\$46,516	0.942	1,472	47,768	11,942	11,942	11,942	11,942	17,580,462	17,580,462	17,580,462	
47,700 - 49,699	\$48,812	1.130	1,766	50,126	12,532	12,532	12,532	12,532	22,130,034	22,130,034	22,130,034	
49,700 - 51,699	\$50,602	1.178	1,841	51,965	12,991	12,991	12,991	12,991	23,916,080	23,916,080	23,916,080	
51,700 - 53,699	\$52,846	1.319	2,061	54,269	13,567	13,567	13,567	13,567	27,966,231	27,966,231	27,966,231	
53,700 - 55,699	\$54,776	1.743	2,724	56,251	14,063	14,063	14,063	14,063	38,305,817	38,305,817	38,305,817	
55,700 - 57,699	\$56,687	2.167	3,387	58,213	14,553	14,553	14,553	14,553	49,285,528	49,285,528	49,285,528	
57,700 - 59,699	\$58,718	1.790	2,797	60,299	15,075	15,075	15,075	15,075	42,169,778	42,169,778	42,169,778	
59,700 - 61,699	\$60,855	3.580	5,595	62,494	15,623	15,623	15,623	15,623	87,409,035	87,409,035	87,409,035	
61,700 - 63,699	\$62,705	4.710	7,361	64,393	16,098	16,098	16,098	16,098	118,495,023	118,495,023	118,495,023	
63,700 - 65,699	\$64,735	3.910	6,110	66,478	16,620	16,620	16,620	16,620	101,553,043	101,553,043	101,553,043	
65,700 - 67,699	\$66,581	3.957	6,184	68,374	17,093	17,093	17,093	17,093	105,704,480	105,704,480	105,704,480	
67,700 - 69,699	\$68,768	3.627	5,668	70,620	17,655	17,655	17,655	17,655	100,071,631	100,071,631	100,071,631	
69,700 - 71,699	\$70,711	3.721	5,815	72,615	18,154	18,154	18,154	18,154	105,565,906	105,565,906	105,565,906	
71,700 - 73,699	\$72,644	3.344	5,226	74,600	18,650	18,650	18,650	18,650	97,463,735	97,463,735	97,463,735	
73,700 - 75,699	\$74,617	3.721	5,815	76,626	19,157	19,157	19,157	19,157	111,397,254	111,397,254	111,397,254	
75,700 - 77,699	\$76,720	3.957	6,184	78,786	19,696	19,696	19,696	19,696	121,801,230	121,801,230	121,801,230	
77,700 - 79,699	\$78,703	2.826	4,416	80,822	20,206	20,206	20,206	20,206	89,236,078	89,236,078	89,236,078	
79,700 - 81,699	\$80,790	2.496	3,901	82,965	20,741	20,741	20,741	20,741	80,905,719	80,905,719	80,905,719	
81,700 - 83,699	\$82,667	2.826	4,416	84,893	21,223	21,223	21,223	21,223	93,730,593	93,730,593	93,730,593	
83,700 - 85,699	\$84,656	2.449	3,827	86,935	21,734	21,734	21,734	21,734	83,180,889	83,180,889	83,180,889	
85,700 - 87,699	\$86,571	3.109	4,859	88,902	22,226	22,226	22,226	22,226	107,986,679	107,986,679	107,986,679	
87,700 - 89,699	\$88,770	2.591	4,049	91,160	22,790	22,790	22,790	22,790	92,280,654	92,280,654	92,280,654	
89,700 - 91,699	\$90,664	2.638	4,123	93,105	23,276	23,276	23,276	23,276	95,959,217	95,959,217	95,959,217	
91,700 - 93,699	\$92,682	2.779	4,343	95,178	23,794	23,794	23,794	23,794	103,338,220	103,338,220	103,338,220	
93,700 - 95,699	\$94,776	2.025	3,165	97,328	24,332	24,332	23,850	24,332	77,001,721	75,476,414	77,001,721	
95,700 - 97,699	\$96,754	1.649	2,577	99,359	24,840	24,840	23,850	24,840	64,012,769	61,462,028	64,012,769	
97,700 - 99,699	\$98,799	3.015	4,712	101,459	25,365	25,365	23,850	25,365	119,513,481	112,375,994	119,513,481	
99,700 - 101,699	\$100,824	2.025	3,165	103,539	25,885	25,885	23,850	25,885	81,915,480	75,476,414	81,915,480	
101,700 - 103,699	\$102,818	1.083	1,692	105,586	26,397	26,397	23,850	26,397	44,676,037	40,365,904	44,676,037	
103,700 - 105,699	\$104,762	1.319	2,061	107,583	26,896	26,896	23,850	26,896	55,440,305	49,162,168	55,440,305	
105,700 - 107,699	\$106,724	2.355	3,680	109,598	27,399	27,399	23,850	27,399	100,839,350	87,776,274	100,839,350	
107,700 - 109,699	\$108,858	1.272	1,988	111,789	27,947	27,947	23,850	27,947	55,555,172	47,410,369	55,555,172	
109,700 - 111,699	\$110,533	1.696	2,650	113,509	28,377	28,377	23,850	28,377	75,213,333	63,213,826	75,213,333	
111,700 - 113,699	\$112,778	0.895	1,399	115,815	28,954	28,954	23,850	28,954	40,497,149	33,358,711	40,497,149	
113,700 - 115,699	\$114,802	1.083	1,692	117,893	29,473	29,473	23,850	29,473	49,883,273	40,365,904	49,883,273	
\$115,700 - over	\$165,875	11.634	18,181	170,341	42,585	32,175	23,850	42,585	584,985,983	433,625,973	774,260,362	
TOTAL		100.000	156,278									
Total Taxable Earnings									3,318,436,456	3,088,972,380	3,507,710,835	
Employer Tax Rate									6.20%	13.10%	1.45%	
Quarterly Payment									\$205,743,060	\$404,655,382	\$50,861,607	
Total Tier I, Tier II, and Medicare Paid this Quarter											\$661,260,249	

Railroad Retirement & Medicare, U.S.

From 2015 Earnings Distribution			3Q/2018 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtrly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
									Tier I	Tier II	Medicare	
\$0 - 41,699	\$32,898	2.073	3,240	\$34,996	\$8,749	\$8,749	\$8,749	\$8,749	\$28,343,831	\$28,343,831	\$28,343,831	
41,700 - 43,699	\$43,084	0.612	956	45,832	11,458	11,458	11,458	11,458	10,958,653	10,958,653	10,958,653	
43,700 - 45,699	\$44,719	0.754	1,178	47,571	11,893	11,893	11,893	11,893	14,013,712	14,013,712	14,013,712	
45,700 - 47,699	\$46,516	0.942	1,472	49,483	12,371	12,371	12,371	12,371	18,211,387	18,211,387	18,211,387	
47,700 - 49,699	\$48,812	1.130	1,766	51,925	12,981	12,981	12,981	12,981	22,924,232	22,924,232	22,924,232	
49,700 - 51,699	\$50,602	1.178	1,841	53,829	13,457	13,457	13,457	13,457	24,774,376	24,774,376	24,774,376	
51,700 - 53,699	\$52,846	1.319	2,061	56,217	14,054	14,054	14,054	14,054	28,969,878	28,969,878	28,969,878	
53,700 - 55,699	\$54,776	1.743	2,724	58,270	14,567	14,567	14,567	14,567	39,680,529	39,680,529	39,680,529	
55,700 - 57,699	\$56,687	2.167	3,387	60,303	15,076	15,076	15,076	15,076	51,054,277	51,054,277	51,054,277	
57,700 - 59,699	\$58,718	1.790	2,797	62,463	15,616	15,616	15,616	15,616	43,683,159	43,683,159	43,683,159	
59,700 - 61,699	\$60,855	3.580	5,595	64,736	16,184	16,184	16,184	16,184	90,545,952	90,545,952	90,545,952	
61,700 - 63,699	\$62,705	4.710	7,361	66,704	16,676	16,676	16,676	16,676	122,747,548	122,747,548	122,747,548	
63,700 - 65,699	\$64,735	3.910	6,110	68,864	17,216	17,216	17,216	17,216	105,197,558	105,197,558	105,197,558	
65,700 - 67,699	\$66,581	3.957	6,184	70,828	17,707	17,707	17,707	17,707	109,497,981	109,497,981	109,497,981	
67,700 - 69,699	\$68,768	3.627	5,668	73,154	18,289	18,289	18,289	18,289	103,662,982	103,662,982	103,662,982	
69,700 - 71,699	\$70,711	3.721	5,815	75,221	18,805	18,805	18,805	18,805	109,354,434	109,354,434	109,354,434	
71,700 - 73,699	\$72,644	3.344	5,226	77,277	19,319	19,319	19,319	19,319	100,961,493	100,961,493	100,961,493	
73,700 - 75,699	\$74,617	3.721	5,815	79,376	19,844	19,844	19,844	19,844	115,395,056	115,395,056	115,395,056	
75,700 - 77,699	\$76,720	3.957	6,184	81,613	20,403	20,403	20,403	20,403	126,172,408	126,172,408	126,172,408	
77,700 - 79,699	\$78,703	2.826	4,416	83,723	20,931	20,931	20,931	20,931	92,438,564	92,438,564	92,438,564	
79,700 - 81,699	\$80,790	2.496	3,901	85,943	21,486	21,486	21,486	21,486	83,809,247	83,809,247	83,809,247	
81,700 - 83,699	\$82,667	2.826	4,416	87,940	21,985	21,985	21,985	21,985	97,094,378	97,094,378	97,094,378	
83,700 - 85,699	\$84,656	2.449	3,827	90,055	22,514	22,514	22,514	22,514	86,166,068	86,166,068	86,166,068	
85,700 - 87,699	\$86,571	3.109	4,859	92,093	23,023	23,023	23,023	23,023	111,862,083	111,862,083	111,862,083	
87,700 - 89,699	\$88,770	2.591	4,049	94,432	23,608	23,608	23,608	23,608	95,592,403	95,592,403	95,592,403	
89,700 - 91,699	\$90,664	2.638	4,123	96,447	24,112	24,112	24,112	24,112	99,402,982	99,402,982	99,402,982	
91,700 - 93,699	\$92,682	2.779	4,343	98,593	24,648	24,648	24,197	24,648	107,046,800	105,087,026	107,046,800	
93,700 - 95,699	\$94,776	2.025	3,165	100,821	25,205	25,205	23,850	25,205	79,765,143	75,476,414	79,765,143	
95,700 - 97,699	\$96,754	1.649	2,577	102,925	25,731	25,731	23,850	25,731	66,310,046	61,462,028	66,310,046	
97,700 - 99,699	\$98,799	3.015	4,712	105,100	26,275	26,275	23,850	26,275	123,802,556	112,375,994	123,802,556	
99,700 - 101,699	\$100,824	2.025	3,165	107,255	26,814	26,814	23,850	26,814	84,855,246	75,476,414	84,855,246	
101,700 - 103,699	\$102,818	1.083	1,692	109,376	27,344	27,344	23,850	27,344	46,279,361	40,365,904	46,279,361	
103,700 - 105,699	\$104,762	1.319	2,061	111,444	27,861	27,861	23,850	27,861	57,429,935	49,162,168	57,429,935	
105,700 - 107,699	\$106,724	2.355	3,680	113,531	28,383	28,383	23,850	28,383	104,458,252	87,776,274	104,458,252	
107,700 - 109,699	\$108,858	1.272	1,988	115,801	28,950	28,950	23,850	28,950	57,548,924	47,410,369	57,548,924	
109,700 - 111,699	\$110,533	1.696	2,650	117,583	29,396	29,396	23,850	29,396	77,912,574	63,213,826	77,912,574	
111,700 - 113,699	\$112,778	0.895	1,399	119,971	29,993	29,993	23,850	29,993	41,950,503	33,358,711	41,950,503	
113,700 - 115,699	\$114,802	1.083	1,692	122,124	30,531	30,531	23,850	30,531	51,673,474	40,365,904	51,673,474	
\$115,700 - over	\$165,875	11.634	18,181	176,455	44,114	32,175	23,850	44,114	584,985,983	433,625,973	802,046,860	
TOTAL		100.000	156,278						3,416,533,968	3,157,672,173	3,633,594,845	
Total Taxable Earnings									6.20%	13.10%	1.45%	
Employer Tax Rate									\$211,825,106	\$413,655,055	\$52,687,125	
Quarterly Payment												
Total Tier I, Tier II, and Medicare Paid this Quarter												\$678,167,286

Railroad Retirement & Medicare, U.S.

From 2015 Earnings Distribution			4Q/2018 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees Recvg. Pay	Annual Earnings	Avg Qtrly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)			
									Tier I	Tier II	Medicare	
\$0 - 41,699	\$32,898	2.073 %	3,240	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41,700 - 43,699	\$43,084	0.612	956	0	0	0	0	0	0	0	0	0
43,700 - 45,699	\$44,719	0.754	1,178	0	0	(0)	(0)	0	(0)	(0)	0	0
45,700 - 47,699	\$46,516	0.942	1,472	0	0	0	0	0	0	0	0	0
47,700 - 49,699	\$48,812	1.130	1,766	0	0	0	0	0	0	0	0	0
49,700 - 51,699	\$50,602	1.178	1,841	0	0	0	0	0	0	0	0	0
51,700 - 53,699	\$52,846	1.319	2,061	0	0	0	0	0	0	0	0	0
53,700 - 55,699	\$54,776	1.743	2,724	0	0	0	0	0	0	0	0	0
55,700 - 57,699	\$56,687	2.167	3,387	0	0	0	0	0	0	0	0	0
57,700 - 59,699	\$58,718	1.790	2,797	0	0	0	0	0	0	0	0	0
59,700 - 61,699	\$60,855	3.580	5,595	0	0	0	0	0	0	0	0	0
61,700 - 63,699	\$62,705	4.710	7,361	0	0	0	0	0	0	0	0	0
63,700 - 65,699	\$64,735	3.910	6,110	0	0	0	0	0	0	0	0	0
65,700 - 67,699	\$66,581	3.957	6,184	0	0	(0)	(0)	0	(0)	(0)	0	0
67,700 - 69,699	\$68,768	3.627	5,668	0	0	0	0	0	0	0	0	0
69,700 - 71,699	\$70,711	3.721	5,815	0	0	0	0	0	0	0	0	0
71,700 - 73,699	\$72,644	3.344	5,226	0	0	0	0	0	0	0	0	0
73,700 - 75,699	\$74,617	3.721	5,815	0	0	0	0	0	0	0	0	0
75,700 - 77,699	\$76,720	3.957	6,184	0	0	0	0	0	0	0	0	0
77,700 - 79,699	\$78,703	2.826	4,416	0	0	0	0	0	0	0	0	0
79,700 - 81,699	\$80,790	2.496	3,901	0	0	0	0	0	0	0	0	0
81,700 - 83,699	\$82,667	2.826	4,416	0	0	0	0	0	0	0	0	0
83,700 - 85,699	\$84,656	2.449	3,827	0	0	0	0	0	0	0	0	0
85,700 - 87,699	\$86,571	3.109	4,859	0	0	0	0	0	0	0	0	0
87,700 - 89,699	\$88,770	2.591	4,049	0	0	0	0	0	0	0	0	0
89,700 - 91,699	\$90,664	2.638	4,123	0	0	0	0	0	0	0	0	0
91,700 - 93,699	\$92,682	2.779	4,343	0	0	0	451	0	0	1,959,775	0	0
93,700 - 95,699	\$94,776	2.025	3,165	0	0	0	2,078	0	0	6,576,115	0	0
95,700 - 97,699	\$96,754	1.649	2,577	0	0	0	3,615	0	0	9,315,016	0	0
97,700 - 99,699	\$98,799	3.015	4,712	0	0	0	5,203	0	0	24,516,936	0	0
99,700 - 101,699	\$100,824	2.025	3,165	0	0	0	6,776	0	0	21,445,031	0	0
101,700 - 103,699	\$102,818	1.083	1,692	0	0	0	8,326	0	0	14,090,899	0	0
103,700 - 105,699	\$104,762	1.319	2,061	0	0	0	9,836	0	0	20,274,524	0	0
105,700 - 107,699	\$106,724	2.355	3,680	0	0	0	11,360	0	0	41,808,624	0	0
107,700 - 109,699	\$108,858	1.272	1,988	0	0	0	13,018	0	0	25,877,504	0	0
109,700 - 111,699	\$110,533	1.696	2,650	0	0	0	14,319	0	0	37,952,258	0	0
111,700 - 113,699	\$112,778	0.895	1,399	0	0	0	16,063	0	0	22,467,266	0	0
113,700 - 115,699	\$114,802	1.083	1,692	0	0	0	17,635	0	0	29,847,871	0	0
\$115,700 - over	\$165,875	11.634	18,181	0	0	32,175	23,850	0	584,985,983	433,625,973	0	0
TOTAL		100.000	156,278						584,985,983	689,757,791	0	0
									Employer Tax Rate			
									6.20%			1.45%
									Quarterly Payment			\$0
									\$36,269,131			\$90,358,271

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

\$126,627,402

RCAF Unemployment Insurance Tax

	<u>Unemployment Ins.</u>			RRB	Factor	Avg. Ann.	Un. Ins.
	<u>Tax</u>	<u>Earnings</u>	<u>Hourly</u>	<u>Sample</u>	<u>To Update</u>	<u>Taxable</u>	<u>Hourly</u>
	<u>Rate</u>	<u>Base</u>	<u>Earnings</u>	<u>Year</u>	<u>RRB Sample</u>	<u>Earnings</u>	<u>Rate</u>
			\$36.269	(2012)			
2013 Avg.	0.67%	\$16,860	\$36.760		1.013538	\$15,578.13	\$0.057
3Q/14 reb.	0.68%	\$17,280	\$38.308		1.056219	\$15,976.08	\$0.059
4Q/14	0.68%	\$17,280	\$38.319		1.056522	\$15,976.25	\$0.059
1Q/15	2.31%	\$17,460	\$39.385		1.085914	\$16,152.67	\$0.204
2Q/15	2.31%	\$17,460	\$39.595		1.091704	\$16,155.78	\$0.204
3Q/15	2.31%	\$17,460	\$39.581		1.091318	\$16,155.57	\$0.204
			\$36.760	(2013)			
2014 Avg.	0.68%	\$17,280	\$38.866		1.057291	\$16,395.26	\$0.059
3Q/15 reb.	2.31%	\$17,460	\$40.503		1.101823	\$16,583.82	\$0.203
4Q/15	2.31%	\$17,460	\$40.590		1.104189	\$16,585.04	\$0.203
1Q/16	2.73%	\$17,460	\$40.888		1.112296	\$16,589.15	\$0.240
2Q/16	2.73%	\$17,460	\$40.731		1.108025	\$16,586.99	\$0.240
3Q/16	2.73%	\$17,460	\$40.545		1.102965	\$16,584.41	\$0.240
			\$38.866	(2014)			
2015 Avg.	2.31%	\$17,460	\$39.887		1.026257	\$16,460.37	\$0.208
3Q/16 reb.	2.73%	\$17,460	\$39.731		1.022244	\$16,458.00	\$0.246
4Q/16	2.73%	\$17,460	\$39.703		1.021523	\$16,457.57	\$0.246
1Q/17	3.37%	\$18,540	\$39.736		1.022372	\$17,436.31	\$0.321
2Q/17	3.37%	\$18,540	\$39.738		1.022424	\$17,436.34	\$0.321
3Q/17	3.37%	\$18,540	\$39.775		1.023376	\$17,436.97	\$0.321
			\$39.887	(2015)			
2016 Avg.	2.73%	\$17,460	\$39.231		0.983554	\$16,664.96	\$0.247
3Q/17 reb.	3.37%	\$18,540	\$39.154		0.981623	\$17,655.72	\$0.323
4Q/17	3.37%	\$18,540	\$39.156		0.981673	\$17,655.75	\$0.323
1Q/18	3.76%	\$18,720	\$40.555		1.016747	\$17,843.78	\$0.364
2Q/18	3.76%	\$18,720	\$40.961		1.026926	\$17,850.31	\$0.364
3Q/18	3.76%	\$18,720	\$42.431		1.063780	\$17,873.30	\$0.365

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

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2752	45861976.95	16664.96
QTRLY_US	2752	49187313.09	17873.30

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2752	2706.74	0.9835540
FactorQ	2752	2927.52	1.0637800
Capa	2752	48049920.00	17460.00
Capq	2752	51517440.00	18720.00

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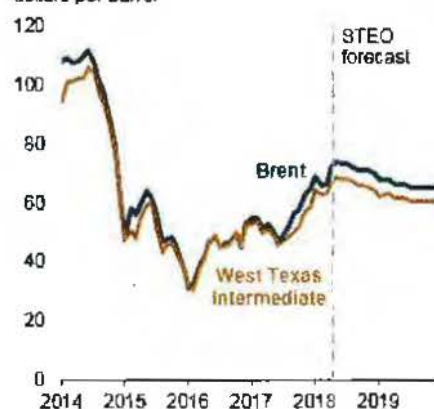
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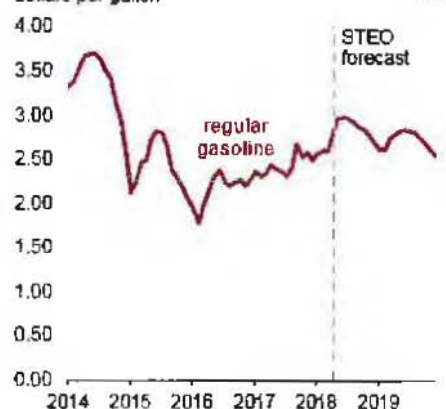
EIA raises crude oil, gasoline price forecasts for 2018

Monthly crude oil and gasoline spot prices (2014-2019)

dollars per barrel



dollars per gallon



Source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, May 2018

EIA's May *Short-Term Energy Outlook* (STEO) forecasts that Brent crude oil prices will average \$71 per barrel (b) in 2018, \$7/b higher than last month's STEO. Correspondingly, EIA's forecast for regular gasoline retail prices increased to an average of \$2.79/gallon (g) in 2018, \$0.15/g higher than last month's STEO. Monthly average Brent crude oil spot prices have increased in 9 of the past 10 months, most recently averaging \$72/b in April.

EIA expects West Texas Intermediate (WTI) crude oil prices to average \$5/b lower than Brent prices in 2018. Even though WTI is a domestic crude benchmark and Brent is an international benchmark, gasoline prices in the United States *tend to follow Brent*. In late April 2018, daily spot prices for Brent crude oil reached \$76/b, the highest level in nearly four years.

Crude oil prices have probably been driven higher for three reasons: falling global oil inventories, heightened market perceptions of geopolitical risks, and strong global economic growth signals.

EIA estimates that global oil inventories fell an average of nearly 0.8 million barrels per day (b/d) in each of the past five quarters (January 2017 through March 2018). Oil inventories for countries within the Organization for Economic Cooperation and Development (OECD) at the end of April were an estimated 3% lower than the previous five-year average (2013–2017) in terms of days of supply, the largest percentage below the five-year average since March 2014.

In April, when EIA developed the May STEO, several geopolitical risks presented sources of uncertainty. These risks, including the re-imposition of oil sanctions against Iran and the upcoming results of May elections in Venezuela, may materialize into actions that remove oil supplies from the global market and, in turn, tighten global oil balances.

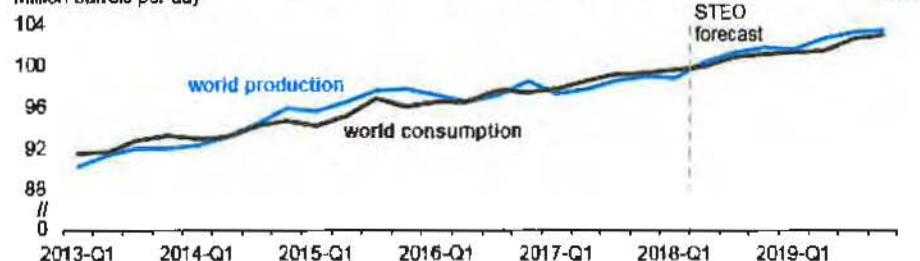
Since the publication of the May STEO, the United States announced that it would withdraw from the Joint Comprehensive Plan of Action with Iran. This news and resulting price movements are not reflected in the May STEO, issued May 8, but EIA will consider these developments when formulating the June STEO.

At the same time, global liquid fuels consumption is quickly increasing. EIA estimates global *oil consumption-weighted gross domestic product (GDP)* growth for 2018 will be at its highest rate since 2012. Greater GDP growth has the potential to increase oil consumption beyond forecasted levels, which could put upward pressure on crude

oil prices, and simultaneously drive systemic market movements in equities, bonds, and other commodities, which are often correlated with movements in crude oil prices.

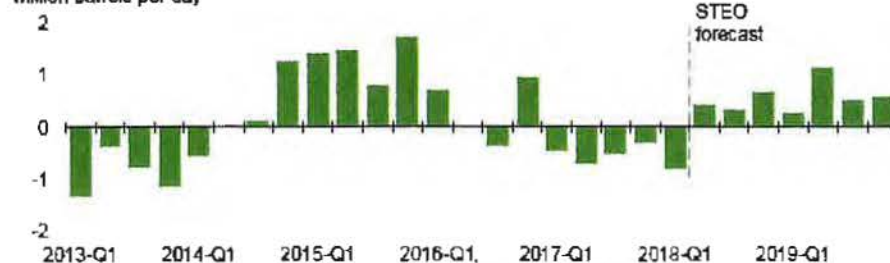
World liquid fuels production and consumption balance (2013-2019)

million barrels per day



Implied stock change (2013-2019)

million barrels per day



Source: U.S. Energy Information Administration. *Short-Term Energy Outlook*, May 2018

More information about EIA's forecasts for near-term energy consumption, production, prices, and more is available in the latest *Short-Term Energy Outlook*.

Principal contributors: Sean Hill, Tim Hess

Tags: Brent, consumption/demand, crude oil, forecasts/projections, gasoline, Iran, liquid fuels, oil/petroleum, production/supply, STEO (Short-Term Energy Outlook), Venezuela, WTI (West Texas Intermediate)

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Spot Prices

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

Period: Weekly

Download Series History		Definitions, Sources & Notes						
Product by Area	Graph	04/20/18	04/27/18	05/04/18	05/11/18	05/18/18	05/25/18	View History
	Data							
Crude Oil								
WTI - Cushing, Oklahoma	☐	67.55	67.91	68.38	70.56	71.30	70.98	1986-2018
Brent - Europe	☐	73.39	74.98	74.42	76.68	78.75	78.59	1987-2018
Conventional Gasoline								
New York Harbor, Regular	☐	2.039	2.073	2.057	2.114	2.181	2.179	1986-2018
U.S. Gulf Coast, Regular	☐	1.991	2.029	2.023	2.072	2.135	2.142	1986-2018
RBOB Regular Gasoline								
Los Angeles	☐	2.210	2.252	2.283	2.349	2.289	2.291	2003-2018
No. 2 Heating Oil								
New York Harbor	☐	2.060	2.103	2.104	2.176	2.234	2.232	1986-2018
Ultra-Low-Sulfur No. 2 Diesel Fuel								
New York Harbor	☐	2.100	2.145	2.147	2.219	2.281	2.270	2006-2018
U.S. Gulf Coast	☐	2.045	2.085	2.093	2.177	2.234	2.220	2006-2018
Los Angeles	☐	2.179	2.203	2.219	2.293	2.329	2.318	1996-2018
Kerosene-Type Jet Fuel								
U.S. Gulf Coast	☐	2.035	2.073	2.076	2.148	2.202	2.192	1990-2018
Propane								
Mont Belvieu, Texas	☐	0.826	0.881	0.906	0.874	0.944	0.940	1992-2018

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Spot Prices

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

Period: Weekly

Download Series History		Definitions, Sources & Notes						
Product by Area		04/13/18	04/20/18	04/27/18	05/04/18	05/11/18	05/18/18	View History
Crude Oil								
WTI - Cushing, Oklahoma	☐	66.02	67.55	67.91	68.38	70.56	71.30	1986-2018
Brent - Europe	☐	71.24	73.39	74.98	74.42	76.68	78.75	1987-2018
Conventional Gasoline								
New York Harbor, Regular	☐	1.967	2.039	2.073	2.057	2.114	2.181	1986-2018
U.S. Gulf Coast, Regular	☐	1.957	1.991	2.029	2.023	2.072	2.135	1986-2018
RBOB Regular Gasoline								
Los Angeles	☐	2.206	2.210	2.252	2.283	2.349	2.289	2003-2018
No. 2 Heating Oil								
New York Harbor	☐	2.032	2.060	2.103	2.104	2.176	2.234	1986-2018
Ultra-Low-Sulfur No. 2 Diesel Fuel								
New York Harbor	☐	2.071	2.100	2.145	2.147	2.219	2.281	2006-2018
U.S. Gulf Coast	☐	2.030	2.045	2.085	2.093	2.177	2.234	2006-2018
Los Angeles	☐	2.158	2.179	2.203	2.219	2.293	2.329	1996-2018
Kerosene-Type Jet Fuel								
U.S. Gulf Coast	☐	2.017	2.035	2.073	2.076	2.148	2.202	1990-2018
Propane								
Mont Belvieu, Texas	☐	0.795	0.826	0.881	0.906	0.874	0.944	1992-2018

Spot Prices

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

Period:

Download Series History		Definitions, Sources & Notes						
Product by Area		Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	View History
Crude Oil								
WTI - Cushing, Oklahoma	☐	56.64	57.88	63.70	62.23	62.72	66.25	1986-2018
Brent - Europe	☐	62.71	64.37	69.08	65.32	66.02	72.11	1987-2018
Conventional Gasoline								
New York Harbor, Regular	☐	1.830	1.757	1.899	1.817	1.834	1.995	1986-2018
U.S. Gulf Coast, Regular	☐	1.757	1.702	1.857	1.765	1.820	1.965	1986-2018
RBOB Regular Gasoline								
Los Angeles	☐	1.836	1.646	1.944	1.877	2.080	2.213	2003-2018
No. 2 Heating Oil								
New York Harbor	☐	1.823	1.863	2.017	1.853	1.874	2.037	1986-2018
Ultra-Low-Sulfur No. 2 Diesel Fuel								
New York Harbor	☐	1.916	1.944	2.074	1.937	1.930	2.079	2006-2018
U.S. Gulf Coast	☐	1.851	1.867	2.996	1.895	1.895	2.029	2006-2018
Los Angeles	☐	1.975	1.907	2.056	1.963	1.996	2.154	1996-2018
Kerosene-Type Jet Fuel								
U.S. Gulf Coast	☐	1.760	1.817	1.952	1.849	1.858	2.015	1990-2018
Propane								
Mont Belvieu, Texas	☐	0.980	0.957	0.904	0.827	0.788	0.821	1992-2018

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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		05/21/18	05/22/18	05/23/18	05/24/18	05/25/18	05/29/18	View History
Crude Oil								
WTI - Cushing, Oklahoma	☐	72.26	72.09	71.85	70.77	67.92	66.80	1986-2018
Brent - Europe	☐	78.34	80.42	78.69	78.90	76.60	74.51	1987-2018
Conventional Gasoline								
New York Harbor, Regular	☐	2.205	2.203	2.199	2.178	2.109	2.079	1986-2018
U.S. Gulf Coast, Regular	☐	2.163	2.161	2.164	2.143	2.079	2.051	1986-2018
RBOB Regular Gasoline								
Los Angeles	☐	2.280	2.321	2.319	2.275	2.259	2.256	2003-2018
No. 2 Heating Oil								
New York Harbor	☐	2.252	2.245	2.260	2.234	2.172	2.153	1986-2018
Ultra-Low-Sulfur No. 2 Diesel Fuel								
New York Harbor	☐	2.292	2.285	2.297	2.266	2.210	2.193	2006-2018
U.S. Gulf Coast	☐	2.242	2.232	2.245	2.222	2.160	2.140	2006-2018
Los Angeles	☐	2.337	2.332	2.342	2.322	2.258	2.260	1996-2018
Kerosene-Type Jet Fuel								
U.S. Gulf Coast	☐	2.207	2.201	2.222	2.197	2.135	2.110	1990-2018
Propane								
Mont Belvieu, Texas	☐	0.941	0.940	0.943	0.950	0.928	0.918	1992-2018

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.

Indices: Weekly, monthly, and annual prices are calculated for EIA from daily data by taking an unweighted average of the daily closing spot prices for a month.

U.S.

Summary by Composition Category

	MS-2017		Prev. Idx	2018Q2		Calculation		Relative of Change
	MS Amount	Weight		Cur Idx		Prev. Idx	Cur Idx	
Forest Products	630,135,452	0.1217	319.84	310.50		38.92	37.79	
Metal Products	3,250,749,429	0.6278	170.62	176.03		107.12	110.51	
Misc. Products	1,296,817,284	0.2505	374.19	386.28		93.73	96.76	
Total	5,177,702,165	1.0000	239.77	245.06				1.0221
Total Linked			243.19	248.56				
'77 = 100 Link Fact.=	1.423		346.06	353.70				
'80 = 100 Link Fact.=	1.061		258.02	263.72				

As Info only	Change
Forest Products	-2.92%
Metal Products	3.17%
Misc. Products	<u>3.23%</u>
Total ('80=100)	2.21%
Rounded 80 Indices	2.2%
Rounded 77 Indices	2.2%

Car Hire for RCAF

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

	1980	June 3Q/17	Sept. 4Q/17	Dec. 1Q/18	Mar. 2Q/18	June 3Q/18
RATE						
RR-OWNED TIME	31.00	64.00	64.00	64.00	64.00	64.00
RR-OWNED MILEAGE	4.69	6.70	6.70	6.70	6.70	6.60
PRIVATELY-OWNED CARS	25.47	53.60	54.31	54.38	55.15	55.51
AUTORACKS	47.00	83.56	84.81	86.65	83.77	84.84
INDEX						
RR-OWNED TIME	100.0	206.5	206.5	206.5	206.5	206.5
RR-OWNED MILEAGE	100.0	142.9	142.9	142.9	142.9	140.7
PRIVATELY-OWNED CARS	100.0	210.4	213.2	213.5	216.5	217.9
AUTORACKS	100.0	177.8	180.4	184.4	178.2	180.5
CAR HIRE INDEX (old wts) 2015	100.0	204.5	--	--	--	--
CAR HIRE INDEX (new wts) 2016	100.0	203.2	205.6	206.2	207.9	209.1
CAR HIRE INDEX (LINKED)	100.0	204.5	206.9	207.5	209.2	210.4

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

Car Hire Data From CHARM	2017 (first day of month)						2018 (first day of month)							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Railroad Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	8,341	8,815	9,030	9,254	9,520	9,614	9,796	9,891	10,098	10,461	10,544	10,629		
Rate (in cents)														
Superstructures #3 - Auto Rack	54.0	62.0	65.0	67.0	71.0	73.0	75.0	75.0	77.0	81.0	84.0	84.0		
All other #1 - Time	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0		
All other #2 - Mileage	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.6	6.6		
Private Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	56,048	56,095	56,066	55,978	55,842	55,875	55,956	55,925	55,813	55,698	55,640	55,590		
Covered Hoppers	397,633	400,103	402,279	403,818	405,332	407,888	411,930	413,529	415,267	416,736	417,748	419,280		
Tank Cars	405,127	405,272	405,476	405,805	405,481	405,753	406,074	406,011	406,019	405,210	405,431	405,733		
Others	291,842	291,943	291,843	292,787	292,671	293,501	293,142	293,781	294,358	294,080	292,168	290,938		
Rate (in cents)														
Superstructures #1 - Time	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0		
Superstructures #2 - Mileage	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4		
Superstructures #3 - Auto Rack	88.0	88.0	88.0	89.0	89.0	89.0	89.0	85.0	85.0	85.0	85.0	85.0		
Covered Hoppers #2 - Mileage	45.5	45.6	45.7	45.8	45.9	45.9	46.0	46.0	45.9	46.0	46.1	46.1		
Tank Cars #2 - Mileage	85.2	85.3	86.8	86.9	87.0	87.0	87.1	87.2	89.4	89.5	89.6	89.7		
Others #1 - Time	87.0	87.0	87.0	87.0	87.0	87.0	88.0	87.0	87.0	88.0	88.0	89.0		
Others #2 - Mileage	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.2		
AVERAGE RATES														
Private Superstructures	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	0.00	0.00
Private Others	27.41	27.41	27.41	27.41	27.41	27.41	27.64	27.41	27.41	27.64	27.64	27.96	0.00	0.00
Private Total	53.70	53.76	54.31	54.36	54.42	54.38	54.50	54.45	55.15	55.25	55.37	55.51	#DIV/0!	#DIV/0!
Autoracks	83.60	84.47	84.81	85.88	86.38	86.65	86.91	83.50	83.77	84.37	84.84	84.84	#DIV/0!	#DIV/0!

Car Hire Weights	"Old Wts" New Wts"	
	2015	2016
For RCAF & RCR		
RR-owned Time	0.124	0.091
RR-owned Mileage	0.062	0.058
Privately-owned Cars	0.776	0.762
Autoracks	0.038	0.089
----- Check sum	1.000	1.000

Weights for Equipment Rents		
(not used in Car Hire calculation)		
	2015	2016
Car Hire - U.S.	0.582	0.583
Lease Rentals - U.S.	0.418	0.417
----- 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 is the Car Hire Accounting Rate Master

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

CHARM Process - Car Hire Rate Report

Average Car Rental Rates for 06/2018

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	10,629	111	0.065	84
Railroad	Number of Zero-Rated Vehicular Flats	129	.	.	.
Railroad	All Other Cars	417,811	64	0.066	.
Railroad	Number of Zero-Rated Other Cars	17,577	.	.	.
Railroad	Total Railroad Equipment	446,146	.	.	.
		.	.	.	.
Private	Vehicular Flats	55,590	84	0.014	85
Private	Number of Zero-Rated Vehicular Flats	88	.	.	.
Private	Covered Hoppers	419,280	0	0.461	.
Private	Number of Zero-Rated Covered Hoppers	13,637	.	.	.
Private	Tanks	405,733	0	0.897	.
Private	Number of Zero-Rated Tanks	8,681	.	.	.
Private	All Other Cars	290,938	89	0.082	.
Private	Number of Zero-Rated Other Cars	27,273	.	.	.
Private	Total Private Equipment	1,221,220	.	.	.

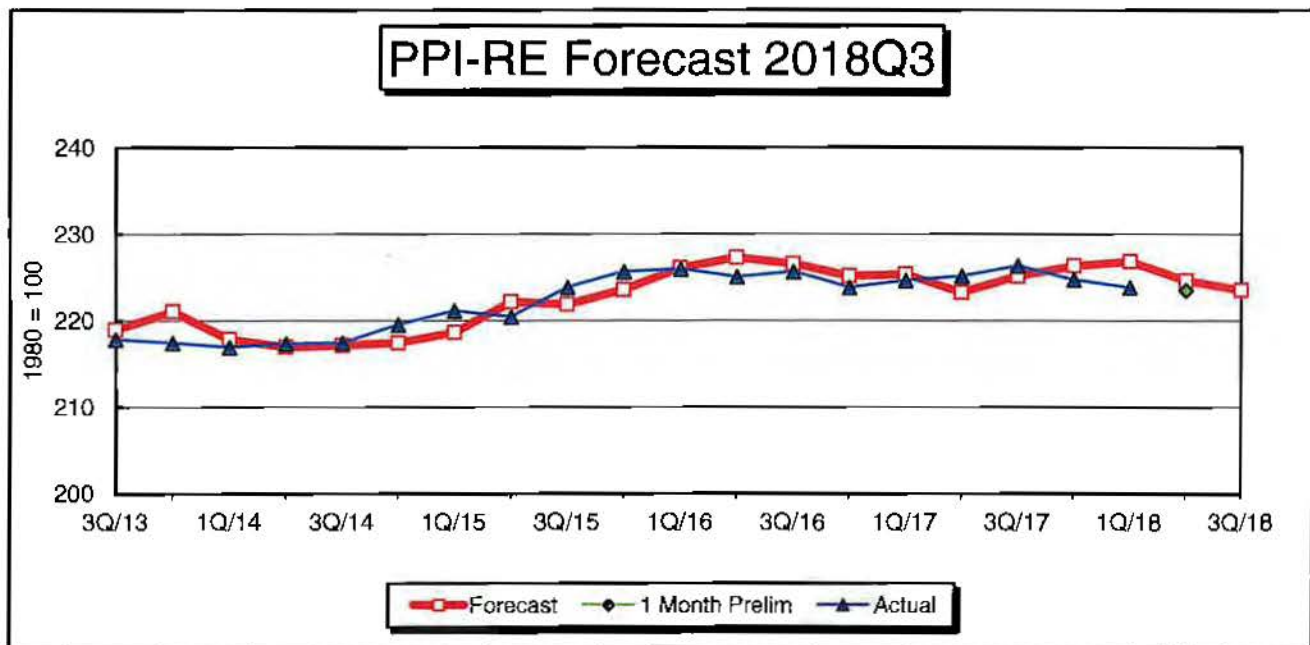
Notes
This report excludes these car types: D (Locomotives), M (MoW, EOTs, etc.), U (Containers), Z (Trailers).
All TTX equipment (including ABOX, RBOX, GONX) is contained in the Private section of report.
Equipment can be zero rated due to owners supplying incorrect or insufficient information to the 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/13	218.9	217.8	
4Q/13	221.0	217.4	
1Q/14	217.8	216.9	
2Q/14	216.9	217.3	
3Q/14	217.1	217.4	
4Q/14	217.4	219.5	
1Q/15	218.6	221.1	
2Q/15	222.1	220.4	
3Q/15	221.8	223.8	
4Q/15	223.5	225.6	
1Q/16	226.0	225.9	
2Q/16	227.2	225.0	
3Q/16	226.5	225.6	
4Q/16	225.1	223.8	
1Q/17	225.3	224.6	
2Q/17	223.2	225.1	
3Q/17	225.1	226.3	
4Q/17	226.3	224.7	
1Q/18	226.8	223.8	
2Q/18	224.6		223.5
3Q/18	223.5		

1980 Base

	PPI-RE Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2018Q2						
Low	198.6	219.7	-2.9%			
Midpoint	202.0	223.5	-1.2%	0.0%	-0.1%	-0.5%
High	205.3	227.1	0.4%			



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 1.27 and for Box-Jenkins was 1.21.
The rolling out-of-sample test used a maximum horizon of 12 and generated 78 forecasts for each method.

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

Model Details**Expert selection**

Box-Jenkins

ARIMA(1, 1, 0)

Term	Coefficient	Std. Error	t-Statistic	Significance
a[1]	-0.271	0.1142	-2.372	0.9796

Within-Sample Statistics

Sample size	72	No. parameters	1
Mean	199.59	Std. deviation	4.04
R-square	0.94	Adj. R-square	0.94
Durbin-Watson	2	Ljung-Box(18)	10.7 P=0.09
Forecast error	1.03	BIC	1.05
MAPE	0.36	SMAPE	0.36
RMSE	1.02	MAD	0.73
MAD/Mean Ratio	0		

Historic Data

Date	Historic
2012-May	191.6
2012-Jun	191.5
2012-Jul	192
2012-Aug	190.4
2012-Sep	190.9
2012-Oct	194.9
2012-Nov	193.9
2012-Dec	194.1
2013-Jan	196
2013-Feb	195.2
2013-Mar	195.8
2013-Apr	195.2
2013-May	198.1
2013-Jun	196.3
2013-Jul	195.4
2013-Aug	194.5
2013-Sep	194.6
2013-Oct	195.1

2013-Nov	195.2
2013-Dec	196.9
2014-Jan	196
2014-Feb	197.4
2014-Mar	196.8
2014-Apr	196.2
2014-May	196.7
2014-Jun	196.8
2014-Jul	197.8
2014-Aug	197.9
2014-Sep	198.3
2014-Oct	199.3
2014-Nov	199.9
2014-Dec	199.5
2015-Jan	200.8
2015-Feb	200.5
2015-Mar	199.5
2015-Apr	200.5
2015-May	200
2015-Jun	201.4
2015-Jul	201.6
2015-Aug	202.8
2015-Sep	202.8
2015-Oct	204.4
2015-Nov	203.9
2015-Dec	204.5
2016-Jan	204
2016-Feb	204.2
2016-Mar	203.3
2016-Apr	203
2016-May	203.5
2016-Jun	203.5
2016-Jul	203.5
2016-Aug	204.4
2016-Sep	203.7
2016-Oct	203.7
2016-Nov	201.5
2016-Dec	201.8
2017-Jan	201.9
2017-Feb	204.1
2017-Mar	203.3
2017-Apr	203.4
2017-May	203.5
2017-Jun	204.6
2017-Jul	203.6
2017-Aug	204.5
2017-Sep	203.8
2017-Oct	202.8
2017-Nov	201.7
2017-Dec	201.6
2018-Jan	203.1
2018-Feb	201.9
2018-Mar	201.9
2018-Apr	202

Forecast Data

Date	2.5 Lower	Forecast	97.5 Upper
2018-May	199.955	201.973	203.991
2018-Jun	199.483	201.98	204.477
2018-Jul	199.002	201.978	204.954
2018-Aug	198.61	201.979	205.348
2018-Sep	198.253	201.979	205.704
2018-Oct	197.93	201.979	206.028
2018-Nov	197.629	201.979	206.328
2018-Dec	197.349	201.979	206.609
2019-Jan	197.084	201.979	206.873
2019-Feb	196.833	201.979	207.124
2019-Mar	196.594	201.979	207.364
2019-Apr	196.365	201.979	207.593

Databases, Tables & Calculators by Subject

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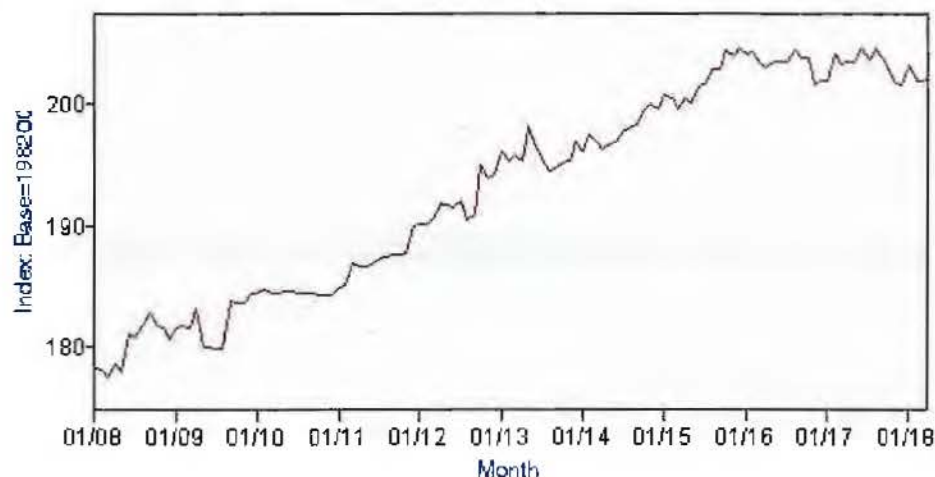
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PPI Commodity Data

Series Id: WPU144
 Not Seasonally Adjusted
Series Title: PPI Commodity data for Transportation equipment-Railroad equipment, not seasonally adjusted
Group: Transportation equipment
Item: Railroad equipment
Base Date: 198200



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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008	178.4	178.2	177.6	178.7	178.0	181.2	180.8	181.7	182.9	181.9	181.6	180.7
2009	181.6	181.8	181.6	183.1	180.0	180.0	179.9	179.9	183.8	183.6	183.6	184.4
2010	184.5	184.7	184.5	184.5	184.6	184.6	184.5	184.5	184.5	184.2	184.2	184.2
2011	184.9	185.1	187.0	186.6	186.7	186.8	187.3	187.4	187.5	187.5	187.7	189.9
2012	190.1	190.1	190.6	191.8	191.6	191.5	192.0	190.4	190.9	194.9	193.9	194.1
2013	196.0	195.2	195.8	195.2	198.1	196.3	195.4	194.5	194.6	195.1	195.2	196.9
2014	196.0	197.4	196.8	196.2	196.7	196.8	197.8	197.9	198.3	199.3	199.9	199.5
2015	200.8	200.5	199.5	200.5	200.0	201.4	201.6	202.8	202.8	204.4	203.9	204.5
2016	204.0	204.2	203.3	203.0	203.5	203.5	203.5	204.4	203.7	203.7	201.5	201.8
2017	201.9	204.1	203.3	203.4	203.5	204.6	203.6	204.5	203.8	202.8	201.7	201.6
2018	203.1(P)	201.9(P)	201.9(P)	202.0(P)								

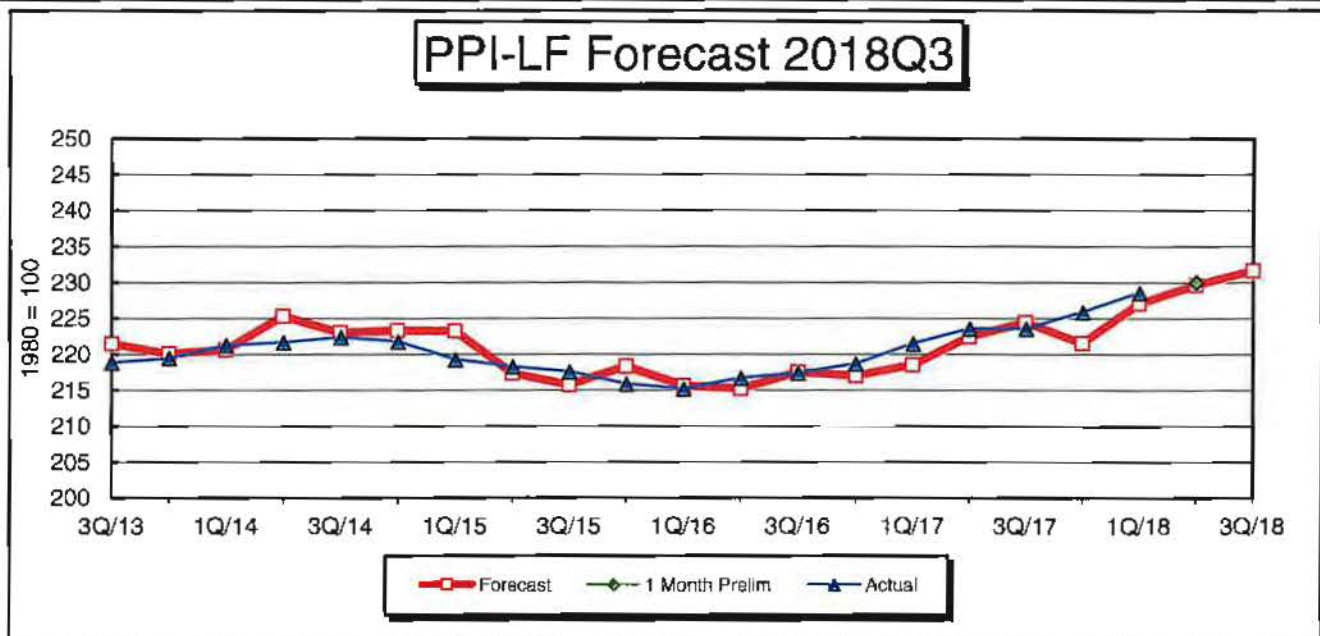
P : Preliminary. All indexes are subject to revision four months after original publication.

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

	Forecast	Actual	1 Month Prelim
3Q/13	221.4	218.8	
4Q/13	220.0	219.4	
1Q/14	220.5	221.2	
2Q/14	225.2	221.6	
3Q/14	222.9	222.3	
4Q/14	223.2	221.7	
1Q/15	223.1	219.2	
2Q/15	217.2	218.2	
3Q/15	215.6	217.5	
4Q/15	218.2	215.8	
1Q/16	215.5	215.1	
2Q/16	215.1	216.6	
3Q/16	217.4	217.3	
4Q/16	216.9	218.6	
1Q/17	218.4	221.4	
2Q/17	222.3	223.5	
3Q/17	224.3	223.5	
4Q/17	221.4	225.8	
1Q/18	226.9	228.5	
2Q/18	229.5		230.0
3Q/18	231.5		

1980 Base

	PPI-LF Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2018Q2						
Low	203.1	227.7	1.9%			
Midpoint	206.5	231.5	3.6%	0.7%	1.3%	0.9%
High	209.9	235.3	5.3%			



Forecast Report for PPILF

Description: PPILF

Expert Analysis

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

The cumulative MAD for Exponential smoothing was 1.52 and for Box-Jenkins was 1.49. The rolling out-of-sample test used a maximum horizon of 12 and generated 78 forecasts for each method.

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

Model Details**Expert selection**

Box-Jenkins with log transform

ARIMA(1, 1, 0)

Term	Coefficient	Std. Error	t-Statistic	Significance
a[1]	0.7105	0.0765	9.287	1

Within-Sample Statistics

Sample size	72	No. parameters	1
Mean	5.28	Std. deviation	0.02
R-square	0.98	Adj. R-square	0.98
Durbin-Watson	2.16	Ljung-Box(18)	20.7 P=0.71
Forecast error	0	BIC	0.43
MAPE	0.16	SMAPE	0.16
RMSE	0.41	MAD	0.32
MAD/Mean Ratio	0		

Historic Data

Date	Historic
2012-May	195.4
2012-Jun	193.7
2012-Jul	193.3
2012-Aug	193.3
2012-Sep	193.7
2012-Oct	193.9
2012-Nov	194
2012-Dec	194.2
2013-Jan	195.3
2013-Feb	196.1
2013-Mar	196.1
2013-Apr	195.9
2013-May	195.5
2013-Jun	195.4
2013-Jul	195.2
2013-Aug	195.3
2013-Sep	195.1
2013-Oct	195.4

2013-Nov	195.5
2013-Dec	195.9
2014-Jan	197.2
2014-Feb	197.6
2014-Mar	197.3
2014-Apr	197.7
2014-May	197.6
2014-Jun	197.7
2014-Jul	198.2
2014-Aug	198.4
2014-Sep	198.3
2014-Oct	198.2
2014-Nov	197.4
2014-Dec	196.7
2015-Jan	196
2015-Feb	195.4
2015-Mar	195
2015-Apr	194.8
2015-May	194.9
2015-Jun	195.2
2015-Jul	194.9
2015-Aug	193.9
2015-Sep	193.1
2015-Oct	192.9
2015-Nov	192.3
2015-Dec	191.9
2016-Jan	191.9
2016-Feb	191.8
2016-Mar	192.1
2016-Apr	192.8
2016-May	193.4
2016-Jun	193.7
2016-Jul	193.7
2016-Aug	194
2016-Sep	193.9
2016-Oct	194.3
2016-Nov	194.9
2016-Dec	195.6
2017-Jan	196.8
2017-Feb	197.8
2017-Mar	198.7
2017-Apr	199.3
2017-May	199.2
2017-Jun	199.4
2017-Jul	199.2
2017-Aug	199.7
2017-Sep	200
2017-Oct	200.9
2017-Nov	201.5
2017-Dec	201.7
2018-Jan	203
2018-Feb	203.8
2018-Mar	204.5
2018-Apr	205.2

Forecast Data

Date	2.5 Lower	Forecast	97.5 Upper
2018-May	204.844	205.699	206.557
2018-Jun	204.361	206.054	207.761
2018-Jul	203.77	206.307	208.875
2018-Aug	203.134	206.486	209.894
2018-Sep	202.49	206.614	210.823
2018-Oct	201.856	206.705	211.671
2018-Nov	201.242	206.77	212.449
2018-Dec	200.653	206.816	213.168
2019-Jan	200.091	206.848	213.834
2019-Feb	199.555	206.871	214.457
2019-Mar	199.044	206.888	215.041
2019-Apr	198.557	206.9	215.593

Databases, Tables & Calculators by Subject

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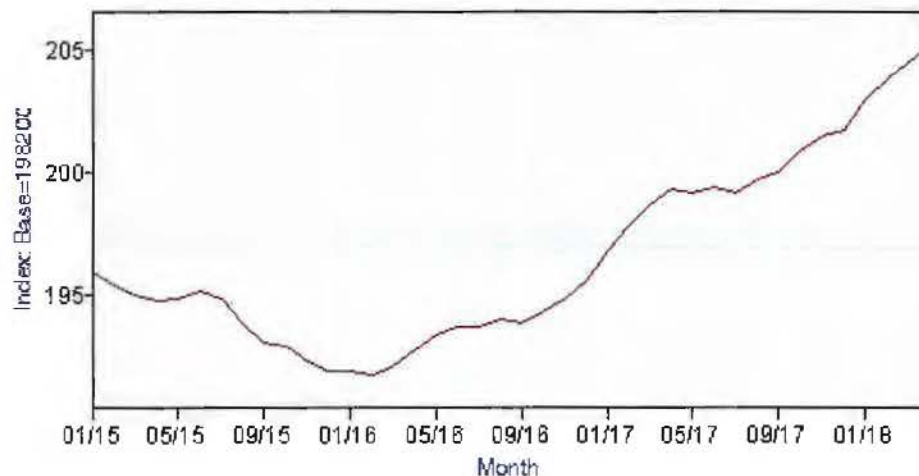
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Data extracted on: May 9, 2018 (1:16:12 PM)

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



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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	196.0	195.4	195.0	194.8	194.9	195.2	194.9	193.9	193.1	192.9	192.3	191.9
2016	191.9	191.8	192.1	192.8	193.4	193.7	193.7	194.0	193.9	194.3	194.9	195.6
2017	196.8	197.8	198.7	199.3	199.2	199.4	199.2	199.7	200.0	200.9	201.5	201.7
2018	203.0(P)	203.8(P)	204.5(P)	205.2(P)								

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

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Forecast Error Calculation

	2016 Weight	First Quarter 2018		Difference		Notes
		2018Q1 Forecast	2018Q1 Actual	Pt.	Pct.	
Labor	35.6%	423.8	419.6	-4.2	-1%	* actual different from forecast this time
Fuel	10.7%	248.4	254.6	6.2	2%	from 1st month of quarter
M&S	5.0%	251.0	251.0	0.0	0%	* actual=forecast
Equip Rents	5.9%	226.7	227.5	0.8	0%	from Equipment Rents below
Depreciation	15.6%	226.8	223.8	-3.0	-1%	PPI-RE 203.10 201.90 201.90 0.9040
Interest	2.2%	60.5	60.5	0.0	0%	* actual=forecast
Other	25.0%	226.9	228.5	1.6	1%	PPI-LF 203.00 203.80 204.50 0.8920
Weighted Avg	100.0%					
1980 = 100		296.8	296.0			calculated
1980 = 100 (linked)		274.5	271.6			calculated
4Q17 = 100	2.645	103.8	102.7			calculated
4Q12 = 100	2.976	92.2	91.3			calculated
4Q07 = 100	2.459	111.6	110.5			calculated
4Q02 = 100	1.921	142.9	141.4			calculated
4Q97 = 100	1.732	158.5	156.8			calculated
Forecast Error		-1.1				calculated -0.011 = RCAF adj.
Prior Quarter						
1980 = 100		288.8	291.7 **			
1980 = 100 (linked)		267.1	267.7			
4Q17 = 100		101.0	101.2			calculated
4Q12 = 100		89.8	90.0			calculated
4Q07 = 100		108.6	108.9			calculated
4Q02 = 100		139.0	139.4			calculated
4Q97 = 100		154.2	154.6			calculated
Equipment Rents						
Car Hire	58.3%	207.5	207.1			from Equipment Rents/CHARM
Lease Rentals	41.7%	226.9	228.5			(equals PPI-LF from above)
Weighted Average		215.6	216.0			calculated
Linked		226.7	227.5			calculated
Prior Quarter						
Weighted Average		212.9	215.1 **			
Linked		223.9	226.6			
Sum of Weights	ok					** if fourth quarter, weighted avg for prior needs to use new weights, linked is ok
Sum of ER Wt.	ok					

Factors to change from
1982=100 to 1980 = 100

All-Inclusive Index (Actual)

	16 Wts	3Q/17 15 Wts	3Q/17 16 Wts	% Chg.	4Q/17 16 Wts	% Chg.	1Q/18 16 Wts	% Chg.	2Q/18 16 Wts	% Chg.	3Q/18 16 Wts	% Chg.
Labor	35.6%	422.8	422.8	0.0%	415.1	-1.8%	419.6	1.1%		NA		NA
Fuel	10.7%	192.4	192.4	0.0%	233.3	21.3%	254.6	9.1%		NA		NA
M&S	5.0%	252.6	252.6	0.0%	254.8	0.9%	251.0	-1.5%		NA		NA
Equipment Rents	5.9%	224.2	224.2	0.0%	226.6	1.1%	227.5	0.4%	128.9	-43.3%	0.0	NA
Depreciation	15.6%	226.3	226.3	0.0%	224.7	-0.7%	223.8	-0.4%		NA		NA
Interest	2.2%	60.6	60.6	0.0%	60.5	-0.2%	60.5	0.0%	60.5	0.0%	60.5	0.0%
Other	25.0%	223.5	223.5	0.0%	225.8	1.0%	228.5	1.2%		NA		NA
	1.0000											
Weighted Avg.		288.0	289.5	0.5%	291.7	0.8%	296.0	1.5%	8.9	NA	1.3	NA
Linked		265.7			267.7	0.8%	271.6	1.5%	8.2	NA	1.2	NA
10/1/80	1.027	258.7			260.7	0.8%	264.5	1.5%	8.0	NA	1.2	NA
10/1/82	1.209	219.8			221.4	0.7%	224.6	1.4%	6.8	NA	1.0	NA
4Q/87	1.322	201.0			202.5	0.7%	205.4	1.4%	6.2	NA	0.9	NA
4Q/92	1.569	169.3			170.6	0.8%	173.1	1.5%	5.2	NA	0.8	NA
4Q/97	1.732	153.4			154.6	0.8%	156.8	1.4%	4.7	NA	0.7	NA
4Q/02	1.921	138.3			139.4	0.8%	141.4	1.4%	4.3	NA	0.6	NA
4Q/07	2.459	108.1			108.9	0.7%	110.5	1.5%	3.3	NA	0.5	NA
4Q/12	2.976	89.3			90.0	0.8%	91.3	1.4%	2.8	NA	0.4	NA
4Q/17	2.645	100.5			101.2	0.7%	102.7	1.5%	3.1	NA	0.5	NA

Equipment Rents

Car Hire	58.3%	205.2	205.2	0.0%	207.5	1.1%	207.1	-0.2%	210.0	1.4%		NA
Lease Rentals	41.7%	223.5	223.5	0.0%	225.8	1.0%	228.5	1.2%	0.0	NA	0.0	NA
	1.0000											
ER Weighted Avg		212.8	212.8	0.0%	215.1	1.1%	216.0	0.4%	122.4	-43.3%	0.0	NA
ER Linked		224.2			226.6	1.1%	227.5	0.4%	128.9	-43.3%	0.0	NA

Impact/Check of weight change	15 Wts	16 Wts
Labor	134.028	150.517
Fuel	40.212	20.587
Material & Supplies	13.135	12.630
Equipment Rents	12.107	13.228
Depreciation	28.514	35.303
Interest	0.909	1.333
Other	50.735	55.875
Weighted Avg.	279.639	289.472
ER Weighted Avg.	213.1605	212.8311

As info only

RCAF All-Inclusive Index's Labor Index Based on 2016 Benchmarks for 2018Q3 Forecast Error Adjustment

	16 Wts.	3Q/17	3Q/17 Rebench As Info Only	% Chg	4Q/17	% Chg	As Filed 1Q/18f	% Chg	H&W Fix 1Q/18a	% Chg vs. AF
Straight Time		\$33.734	\$33.547	-0.6%	\$33.547	-0.6%	\$34.205	2.0%	\$34.205	0.0%
PFTNW		\$6.987	\$6.511	-6.8%	\$6.511	-6.8%	\$6.647	2.1%	\$6.647	0.0%
Total		\$40.721	\$40.058	-1.6%	\$40.058	-1.6%	\$40.852	2.0%	\$40.852	0.0%
Adjustments										
Lump Sum		\$0.284	\$0.311		\$0.312		\$0.313		\$0.313	
Back Pay		\$0.010	\$0.011		\$0.011		\$0.615		\$0.615	
Other		\$0.124	\$0.135		\$0.136		\$0.136		\$0.136	
Total Wages		\$41.139	\$40.515	-1.5%	\$40.517	-1.5%	\$41.916	3.5%	\$41.916	0.0%
Pre-Tax Reduction		(\$1.364)	(\$1.361)		(\$1.361)		(\$1.361)		(\$1.361)	
Taxable Wages		\$39.775	\$39.154		\$39.156		\$40.555		\$40.555	
H & W		\$8.851	\$8.793	-0.7%	\$8.793	-0.7%	\$8.515	-3.2%	\$8.102	-4.9%
RR Ret & Medicare		\$8.554	\$8.344	-2.5%	\$8.345	-2.4%	\$8.584	2.9%	\$8.584	0.0%
Unemp. Insurance		\$0.321	\$0.323	0.6%	\$0.323	0.6%	\$0.364	12.7%	\$0.364	0.0%
Other		\$0.275	\$0.301	9.5%	\$0.136	-50.5%	\$0.199	46.3%	\$0.199	0.0%
Total		\$18.001	\$17.761	-1.3%	\$17.597	-2.2%	\$17.662	0.4%	\$17.249	-2.3%
Adjustments										
Total Supplements		\$18.001	\$17.761	-1.3%	\$17.597	-2.2%	\$17.662	0.4%	\$17.249	-2.3%
Total Labor		\$59.140	\$58.276	-1.5%	\$58.114	-1.7%	\$59.578	2.5%	\$59.165	-0.7%
Wage Rate Index	0.7080	352.1	346.7	-1.5%	346.7	-1.5%	358.7	3.5%	358.7	0.0%
Supplements Index	0.2920	665.2	656.4	-1.3%	650.3	-2.2%	652.7	0.4%	637.4	-2.3%
Total Labor Index '15 Wts.		441.3								
Total Labor Index '16 Wts.		443.5	437.1	-1.4%	435.4	-1.8%	444.5	2.1%	440.1	-1.0%
Labor Index (Linked)		422.8			415.1	-1.8%	423.8	2.1%	419.6	-1.0%

H&W rates were unexpectedly revised downward after the AAR RCAF filing because of the new labor agreements. This will be corrected in the forecast error adjustment.

In the 2018Q3 filing, the Q1 forecast for Labor will be 423.8, while the actual will be 419.6.

$$(440.1/435.4) \times 415.1 = 419.58013 = 419.6$$

Health and Welfare 2018Q1

	Employees Receiving		Monthly Contribution		Total	Total
	Pay 2016	2016 Avg.	2018	2016 Avg.	2018	2018
1. All Employees						
a. Group health	156,278	\$1,481.05	\$1,584.71	\$231,455,531.90	\$247,655,309.38	
b. Group dental	156,278	56.97	63.67	8,903,157.66	9,950,220.26	
c. Early retirement major medical	156,278	134.70	135.96	21,050,646.60	21,247,556.88	
d. Group vision	156,278	8.41	8.44	1,314,297.98	1,318,986.32	
2. Supplemental Sickness						
a. Signalmen	7,773	29.48	44.34	229,148.04	344,654.82	
b. Shopcrafts	23,960	49.11	75.48	1,176,675.60	1,808,500.80	
c. MOW	24,275	32.87	51.63	797,919.25	1,253,318.25	
d. Yardmasters	1,874	34.22	34.22	64,128.28	64,128.28	
3. Short-Term Disability						
a. Engineers (CSX, KCS, SOO, UP)	11,930	40.00	40.00	477,200.00	477,200.00	
4. Monthly Total Premiums				265,468,705.31	284,119,874.99	
5. Monthly Employee Contributions To H&W						
a. National BLET (BNSF, CSX, KCS, NS, SOO, UP)	23,363	(\$213.45)	(\$228.89)	(\$4,986,832.35)	(5,347,557.07)	
b. National BMWE (BNSF, CSX, KCS, NS, SOO, UP)	22,734	(\$213.45)	(\$228.89)	(\$4,852,572.30)	(5,203,585.26)	
c. National BRS (BNSF, CSX, KCS, NS, SOO, UP)	7,335	(\$213.45)	(\$228.89)	(\$1,565,655.75)	(1,678,908.15)	
d. National IAM (BNSF, CSX, KCS, NS, SOO, UP)	6,691	(\$213.45)	(\$228.89)	(\$1,428,193.95)	(1,531,502.99)	
e. National IBBM (BNSF, CSX, KCS, NS, SOO, UP)	863	(\$213.45)	(\$228.89)	(\$184,207.35)	(197,532.07)	
f. National IBEW (BNSF, CSX, KCS, NS, SOO, UP)	5,522	(\$213.45)	(\$228.89)	(\$1,178,670.90)	(1,263,930.58)	
g. National NCFO (BNSF, CSX, KCS, NS, SOO, UP)	2,395	(\$213.45)	(\$228.89)	(\$511,212.75)	(548,191.55)	
h. National SMW (BNSF, CSX, KCS, NS, SOO, UP)	975	(\$213.45)	(\$228.89)	(\$208,113.75)	(223,167.75)	
i. National TCU (BNSF, CSX, KCS, NS, SOO, UP)	4,766	(\$213.45)	(\$228.89)	(\$1,017,302.70)	(1,090,889.74)	
j. National TCU-CAR (BNSF, CSX, KCS, NS, SOO, UP)	8,859	(\$213.45)	(\$228.89)	(\$1,890,953.55)	(2,027,736.51)	
k. National UTU (BNSF, CSX, KCS, NS, SOO, UP)	35,162	(\$213.45)	(\$228.89)	(\$7,505,328.90)	(8,048,230.18)	
l. Yardmasters (BNSF, CSX, KCS, NS, SOO, UP)	1,756	(\$213.45)	(\$228.89)	(\$374,818.20)	(401,930.84)	
m. National ATDA (wt. avg. BNSF, CSX, KCS, NS, SOO)	1,718	(\$213.45)	(\$228.89)	(\$366,707.10)	(\$393,233.02)	
n. Independent CNGT (wt. avg. all union categories)	6,110	(\$211.84)	(\$226.75)	(\$1,294,342.40)	(1,385,442.50)	
o. Independent SLC (wt. avg. all CH & DME union categories)	655	(\$228.06)	(\$238.90)	(\$149,379.30)	(156,479.50)	
p.						
Total Major Union	128,904			(\$27,514,291.25)	(\$29,498,317.71)	
All Other Employee Contributions*				(\$4,016,163.08)	(\$4,016,163.08)	
6. Net Employer Monthly Payments				\$233,938,250.98	\$250,605,394.20	
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments					1.07125	
8. H&W hourly rate for base year 2016				\$7.563		
9. H&W hourly rate for projected quarter					\$8.102	

* Non-union employee contributions net of opt-outs. The \$27,514,291.25 in major union contributions, plus \$4,016,163.08 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@nrrlc.org

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

December 13, 2017

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

Dear Mr. Crimmel:

The revised employer Payment Rates which are effective January 1, 2018 are as follows:

Railroad Employees National Health & Welfare Plan & National Railway Carriers/United Transportation Union H&W Plan Non-Hospital Road	\$1,584.71
Railroad Employees National Early Retirement Major Medical Benefit Plan Non-Hospital Road	\$ 135.96
Aetna - National Dental Plan	\$ 63.67
Aetna - Supplemental Sickness Plans	
ShopCrafts	\$ 75.48
Signalmen	\$ 44.34
Maintenance of Way	\$ 51.63
Trustmark - Supplemental Sickness Plans Yardmasters	\$ 34.22
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

Labor First Quarter 2018

NATIONAL RAILWAY LABOR CONFERENCE EMPLOYEE BENEFITS DEPARTMENT

~~251 - 10th Street, South, Suite 750, Arlington, VA 22202 --- PHONE: (571) 336-7890~~

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Benefits Administrator
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Email: sparks@nrlc.org

November 17, 2017

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

Dear Mr. Crimmel:

The revised employer Payment Rates which are effective January 1, 2018 are as follows:

Railroad Employees National Health & Welfare Plan & National Railway Carriers/United Transportation Union H&W Plan Non-Hospital Road	\$1,662.44
Railroad Employees National Early Retirement Major Medical Benefit Plan Non-Hospital Road	\$ 139.97
Aetna - National Dental Plan	\$ 63.67
Aetna - Supplemental Sickness Plans	
ShopCrafts	\$ 75.48
Signalmen	\$ 44.34
Maintenance of Way	\$ 51.63
Trustmark - Supplemental Sickness Plans Yardmasters	\$ 34.22
EyeMed - National Vision Plan	\$ 8.44

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

Very truly yours,



Susan E. Parks

cc: Glen Williams

RCAF Fuel (Actual All-Inclusive Index)

January 2018

Monthly Report

	January 2018 Price (cents) (1)	1/1/81 Price (cents) (2)	1/91 New Method Linking Factors (3)	January 2018 Index 1/1/81=100 (4)	Linking Factor 1980=100 (5)	January 2018 1980=100 Current Index (6)
U.S.	208.36	89.34	99.415	231.86	1.096	254.12

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

$$(6) = (4) \times (5)$$

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

	January 2018 1980=100 Current Index	Adjustment Factor	January 2018 1980=100 Linked Index
U.S.	254.12	1.00192	254.61 ←

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

Car Hire for RCAF

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

		1980	Aug 3Q/17	Nov 4Q/17	Feb 1Q/18	May 2Q/18	Aug 3Q/18
RATE							
RR-OWNED TIME		31.00	64.00	64.00	64.00	64.00	--
RR-OWNED MILEAGE		4.69	6.70	6.70	6.70	6.60	--
PRIVATELY-OWNED CARS		25.47	53.76	54.42	54.45	55.37	--
AUTORACKS		47.00	84.47	86.38	83.50	84.84	--
INDEX							
RR-OWNED TIME		100.0	206.5	206.5	206.5	206.5	--
RR-OWNED MILEAGE		100.0	142.9	142.9	142.9	140.7	--
PRIVATELY-OWNED CARS		100.0	211.1	213.6	213.8	217.4	--
AUTORACKS		100.0	179.7	183.8	177.7	180.5	--
CAR HIRE INDEX (old wts)	2015	100.0	205.1	--	--	--	--
CAR HIRE INDEX (new wts)	2016	100.0	203.9	206.2	205.8	208.7	--
CAR HIRE INDEX (LINKED)		100.0	205.2	207.5	207.1	210.0	--

Note: Indexes are rounded, rates are full float.

Car Hire Data n CHARM

	2017 (first day of month)						2018 (first day of month)							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Railroad Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	8,341	8,815	9,030	9,254	9,520	9,614	9,796	9,891	10,098	10,461	10,544			
Rate (in cents)														
Superstructures #3 - Auto Rack	54.0	62.0	65.0	67.0	71.0	73.0	75.0	75.0	77.0	81.0	84.0			
All other #1 - Time	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0			
All other #2 - Mileage	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.6			
Private Equipment														
No. of Cars (cars with rates only)														
Superstructures (Vehicular Flats)	56,048	56,095	56,066	55,978	55,842	55,875	55,956	55,925	55,813	55,698	55,640			
Covered Hoppers	397,633	400,103	402,279	403,818	405,332	407,888	411,930	413,529	415,267	416,736	417,748			
Tank Cars	405,127	405,272	405,476	405,805	405,481	405,753	406,074	406,011	406,019	405,210	405,431			
Others	291,842	291,943	291,843	292,787	292,671	293,501	293,142	293,781	294,358	294,080	292,168			
Rate (in cents)														
Superstructures #1 - Time	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0			
Superstructures #2 - Mileage	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4			
Superstructures #3 - Auto Rack	88.0	88.0	88.0	89.0	89.0	89.0	89.0	85.0	85.0	85.0	85.0			
Covered Hoppers #2 - Mileage	45.5	45.6	45.7	45.8	45.9	45.9	46.0	46.0	45.9	46.0	46.1			
Tank Cars #2 - Mileage	85.2	85.3	86.8	86.9	87.0	87.0	87.1	87.2	89.4	89.5	89.6			
Others #1 - Time	87.0	87.0	87.0	87.0	87.0	87.0	88.0	87.0	87.0	88.0	88.0			
Others #2 - Mileage	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1			
AVERAGE RATES														
Private Superstructures	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	0.00	0.00	0.00
Private Others	27.41	27.41	27.41	27.41	27.41	27.41	27.64	27.41	27.41	27.64	27.64	0.00	0.00	0.00
Private Total	53.70	53.76	54.31	54.36	54.42	54.38	54.50	54.45	55.15	55.25	55.37	#DIV/0!	#DIV/0!	#DIV/0!
Autoracks	83.60	84.47	84.81	85.88	86.38	86.65	86.91	83.50	83.77	84.37	84.84	#DIV/0!	#DIV/0!	#DIV/0!

Car Hire Weights	"Old Wts" New Wts"	
	2015	2016
For RCAF & RCR		
RR-owned Time	0.124	0.091
RR-owned Mileage	0.062	0.058
Privately-owned Cars	0.776	0.762
Autoracks	0.038	0.089
----- Check sum	1.000	1.000

Weights for Equipment Rents		
(not used in Car Hire calculation)		
	2015	2016
Car Hire - U.S.	0.582	0.583
Lease Rentals - U.S.	0.418	0.417
----- 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 is the Car Hire Accounting Rate Master

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

CHARM Process - C Hire Rate Report

Average Car Rental Rates for 02/2018

Ownership	Car Group	Car Count	Time Rate (cents/hour)	Mileage Rate (\$/mile)	Auto Rack Rate (cents/hour)
Railroad	Vehicular Flats	9,891	113	0.070	75
Railroad	Number of Zero-Rated Vehicular Flats	109	.	.	.
Railroad	All Other Cars	423,700	64	0.067	.
Railroad	Number of Zero-Rated Other Cars	16,673	.	.	.
Railroad	Total Railroad Equipment	450,373	.	.	.
		.	.	.	.
Private	Vehicular Flats	55,925	84	0.014	85
Private	Number of Zero-Rated Vehicular Flats	156	.	.	.
Private	Covered Hoppers	413,529	0	0.460	.
Private	Number of Zero-Rated Covered Hoppers	12,226	.	.	.
Private	Tanks	406,011	0	0.872	.
Private	Number of Zero-Rated Tanks	8,454	.	.	.
Private	All Other Cars	293,781	87	0.081	.
Private	Number of Zero-Rated Other Cars	23,926	.	.	.
Private	Total Private Equipment	1,214,008	.	.	.

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 2018

As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast →		18Q1	18Q2	18Q3	18Q4
For Actual →		17Q3	17Q4	18Q1	18Q2
January	2017	201.9	201.9	201.9	201.9
February	2017	204.1	204.1	204.1	204.1
March	2017	203.3	203.3	203.3	203.3
April	2017	203.4	203.4	203.4	203.4
May	2017	203.5	203.5	203.5	203.5
June	2017	204.6	204.6	204.6	204.6
July	2017	204.6	203.6	203.6	203.6
August	2017	204.6	204.5	204.5	204.5
September	2017	204.6	203.8	203.8	203.8
October	2017	203.9	203.9	202.8	202.8
November	2017		202.8	201.7	201.7
December	2017		202.7	201.6	201.6
January	2018		203.1	203.1	
February	2018			201.9	
March	2018			201.9	
April	2018			202.0	
May	2018				
June	2018				
July	2018				
Actual Qtr.		204.6	203.1	202.3	NA

1980=100

Actual Qtr.	226.3	224.7	223.8	NA
First Mo. next qtr.	225.6	224.7	223.5	NA

0.904 =1980

Databases, Tables & Calculators by Subject

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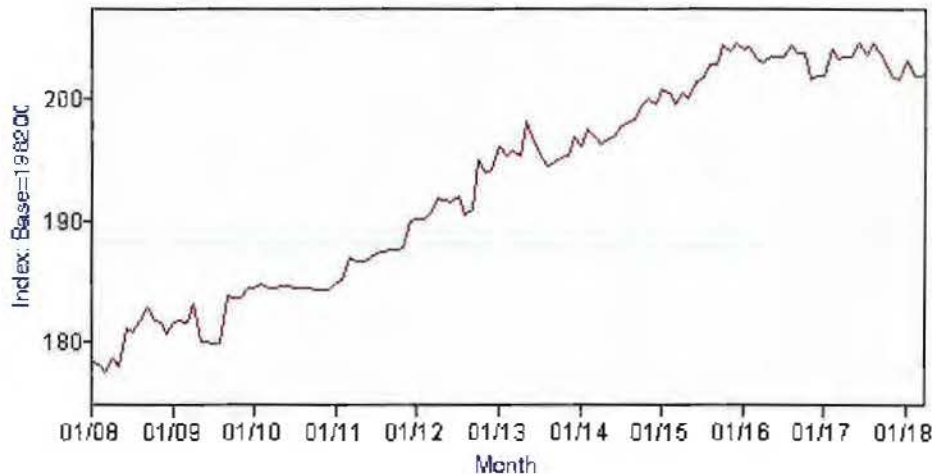
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Data extracted on: May 9, 2018 (2:46:21 PM)

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



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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008	178.4	178.2	177.6	178.7	178.0	181.2	180.8	181.7	182.9	181.9	181.6	180.7
2009	181.6	181.8	181.6	183.1	180.0	180.0	179.9	179.9	183.8	183.6	183.6	184.4
2010	184.5	184.7	184.5	184.5	184.6	184.6	184.5	184.5	184.5	184.2	184.2	184.2
2011	184.9	185.1	187.0	186.6	186.7	186.8	187.3	187.4	187.5	187.5	187.7	189.9
2012	190.1	190.1	190.6	191.8	191.6	191.5	192.0	190.4	190.9	194.9	193.9	194.1
2013	196.0	195.2	195.8	195.2	198.1	196.3	195.4	194.5	194.6	195.1	195.2	196.9
2014	196.0	197.4	196.8	196.2	196.7	196.8	197.8	197.9	198.3	199.3	199.9	199.5
2015	200.8	200.5	199.5	200.5	200.0	201.4	201.6	202.8	202.8	204.4	203.9	204.5
2016	204.0	204.2	203.3	203.0	203.5	203.5	203.5	204.4	203.7	203.7	201.5	201.8
2017	201.9	204.1	203.3	203.4	203.5	204.6	203.6	204.5	203.8	202.8	201.7	201.6
2018	203.1(P)	201.9(P)	201.9(P)	202.0(P)								

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

RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

		Forecast Year 2018			
		As reported at end of month 82=100			
		Nov.	Feb.	May	Aug.
For Forecast	→	18Q1	18Q2	18Q3	18Q4
For Actual	→	17Q3	17Q4	18Q1	18Q2
January	2017	196.8	196.8	196.8	196.8
February	2017	197.8	197.8	197.8	197.8
March	2017	198.7	198.7	198.7	198.7
April	2017	199.3	199.3	199.3	199.3
May	2017	199.2	199.2	199.2	199.2
June	2017	199.4	199.4	199.4	199.4
July	2017	199.0	199.2	199.2	199.2
August	2017	199.5	199.7	199.7	199.7
September	2017	199.7	200.0	200.0	200.0
October	2017	200.9	200.9	200.9	200.9
November	2017		201.4	201.5	201.5
December	2017		201.9	201.7	201.7
January	2018		203.0	203.0	
February	2018			203.8	
March	2018			204.5	
April	2018			205.2	
May	2018				
June	2018				
July	2018				
Actual Qtr.		199.4	201.4	203.8	NA

1980=100

Actual Qtr.	223.5	225.8	228.5	NA
First Mo. next qtr.	225.2	227.6	230.0	NA

0.892 =1980

Databases, Tables & Calculators by Subject

SHARE ON:   

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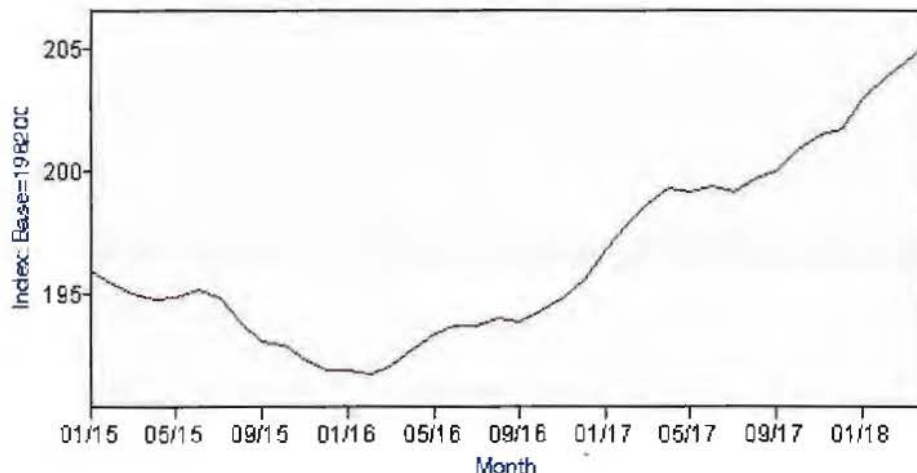
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Data extracted on: May 9, 2018 (1:16:12 PM)

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
2015	196.0	195.4	195.0	194.8	194.9	195.2	194.9	193.9	193.1	192.9	192.3	191.9
2016	191.9	191.8	192.1	192.8	193.4	193.7	193.7	194.0	193.9	194.3	194.9	195.6
2017	196.8	197.8	198.7	199.3	199.2	199.4	199.2	199.7	200.0	200.9	201.5	201.7
2018	203.0(P)	203.8(P)	204.5(P)	205.2(P)								

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

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Budget and Performance

Section 4 – Fourth General Wage Increase

Effective July 1, 2018, each basic monthly rate of pay in effect on June 30, 2018 for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2.5) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

Section 5 – Fifth General Wage Increase

Effective July 1, 2019, each basic monthly rate of pay in effect on June 30, 2019 for employees covered by this Agreement shall be increased in the amount of three (3) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

ARTICLE II - HEALTH AND WELFARE

Part A – Employee Sharing of Plan Costs

Section 1 – Monthly Employee Cost-Sharing Contributions

The employee monthly cost-sharing contribution amount shall be \$228.89 until such time as otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article III.

Section 2 – Other Terms

Existing arrangements regarding the method of making employee cost-sharing contributions on a pre-tax basis shall be continued subject to the provisions of the Railway Labor Act.

Part B – Plan Changes

Section 1 – Continuation of Plans

The Railroad Employees National Health and Welfare Plan ("the Plan"), the Railroad Employees National Dental Plan, the Railroad Employees National Early

EXHIBIT A
(ATDA)

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2014 BY AND ON BEHALF OF SUCH CARRIERS UPON THE AMERICAN TRAIN DISPATCHERS ASSOCIATION, AND NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2014 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES, OF THE AMERICAN TRAIN DISPATCHERS ASSOCIATION UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the American Train Dispatchers Association.

The Belt Railway Company of Chicago

BNSF Railway Company

Consolidated Rail Corporation

CSX Transportation, Inc.

East Agreement

South Agreement

Indiana Harbor Belt Railroad Company

The Kansas City Southern Railway Company

Norfolk Southern Railway Company

The Alabama Great Southern Railroad Company

The Cincinnati, New Orleans & Texas Pacific Railway Company

Georgia Southern and Florida Railway Company

Northeast Illinois Regional Commuter Railroad Corporation (METRA) - 1

Northern Indiana Commuter Transportation District - 1

Soo Line Railroad Company d.b.a. C.P. - 1

Terminal Railroad Association of St. Louis - 1
Wisconsin Central Ltd. d.b.a. C.N.

* * * * *

Notes: 1 - Health & Welfare only

FOR THE CARRIERS:

A. Kenneth Brubaker

FOR THE ATDA:

John J. McCann

December 1, 2017
Washington, D.C.

Nat. BLET

Yard Engineers	- Less than 500,000 pounds
Yard Firemen	- Less than 500,000 pounds

(separate computation covering five-day rates and other than five-day rates)

Section 3 – Third General Wage Increase

Effective July 1, 2017, all standard basic daily rates of pay in effect on June 30, 2017 for employees represented by the BLET shall be increased by two (2) percent, computed and applied in the same manner prescribed in Section 2(b) above.

Section 4 – Fourth General Wage Increase

Effective July 1, 2018 all standard basic daily rates of pay in effect on June 30, 2018 for employees represented by the BLET shall be increased by two-and-one-half (2.5) percent, computed and applied in the same manner prescribed in Section 2(b) above.

Section 5– Fifth General Wage Increase

Effective July 1, 2019, all standard basic daily rates of pay in effect on June 30, 2019 for employees represented by the BLET shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 2(b) above.

Section 6 - Standard Rates

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

Section 7 - Application of Wage Increases

(a) The adjustments provided for in this Article (i) will apply to mileage rates of pay for overmiles, and (ii) will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money.

Exhibit A
BLET

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR AFTER NOVEMBER 1, 2014 BY AND ON BEHALF OF SUCH CARRIERS UPON THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN, AND NOTICES SERVED ON OR AFTER NOVEMBER 1, 2014 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Brotherhood of Locomotive Engineers and Trainmen:

The Belt Railway Company of Chicago
BNSF Railway Company
Consolidated Rail Corporation
CSX Transportation, Inc. - 1
 CSX Transportation, Inc. (Single System Agreement)
Delaware & Hudson Railroad Company d.b.a. C.P. - 1
Indiana Harbor Belt Railroad Company
The Kansas City Southern Railway Company
 Kansas City Southern Railway
 Louisiana and Arkansas Railway
 MidSouth Rail Corporation
 Gateway Western Railway
 SouthRail Corporation
 The Texas Mexican Railway Company
 Joint Agency
Longview Switching Company
Norfolk Southern Railway Company - 1
 The Alabama Great Southern Railroad Company
 Central of Georgia Railroad Company
 The Cincinnati, New Orleans & Texas Pacific Railway Company
 Georgia Southern and Florida Railway Company

Tennessee, Alabama and Georgia Railway Company
Tennessee Railway Company
Northeast Illinois Regional Commuter Railroad Corporation (METRA) - 1
Portland Terminal Railroad Company
Soo Line Railroad Company d.b.a. C.P. - 1
Union Railroad Company - 1
Union Pacific Railroad Company
Winston Salem Southbound Railway Company

Notes:

1 - Health & Welfare only

FOR THE CARRIERS:

A. Kenneth Shaker

**FOR THE BROTHERHOOD OF
LOCOMOTIVE ENGINEERS
AND TRAINMEN:**

[Signature]

**December 1, 2017
Washington, D.C.**

Section 3 – Third General Wage Increase

Effective July 1, 2017, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2017, for employees covered by this Agreement shall be increased by two (2) percent applied so as to give effect to this increase irrespective of the method of payment. Rates of freight carmen shall be increased in the same manner as provided in Section 2 hereof. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 2 hereof.

Section 4 – Fourth General Wage Increase

Effective July 1, 2018, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2018, for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2.5) percent applied so as to give effect to this increase irrespective of the method of payment. Rates of freight carmen shall be increased in the same manner as provided in Section 2 hereof. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 2 hereof.

Section 5 - Fifth General Wage Increase

Effective July 1, 2019, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2019, for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. Rates of freight carmen shall be increased in the same manner as provided in Section 2 hereof. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 2 hereof.

ARTICLE II - HEALTH AND WELFARE**Part A – Employee Sharing of Plan Costs****Section 1 – Monthly Employee Cost-Sharing Contributions**

The employee monthly cost-sharing contribution amount shall be \$228.89 until such time as otherwise mutually agreed by the parties during negotiations

EXHIBIT A
(CARMEN)

RAILROADS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2014 BY AND ON BEHALF OF SUCH CARRIERS UPON THE BROTHERHOOD RAILWAY CARMEN – DIVISION OF TRANSPORTATION-COMMUNICATIONS UNION/IAM, AND NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2014 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE BRC-TCU/IAM UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Brotherhood Railway Carmen – Division of Transportation-Communications Union/IAM.

Alton and Southern Railway Company
The Belt Railway Company of Chicago
Bessemer and Lake Erie Railroad Company d.b.a. C.N.
BNSF Railway Company - 4
Consolidated Rail Corporation - 2
CSX Transportation, Inc.
Delaware & Hudson Railroad Company d.b.a. C.P. - 3
Gary Railway Company – 1
Grand Trunk Western Railroad Company d.b.a. C.N.
Illinois Central Railroad Company and Chicago, Central & Pacific Railroad Company d.b.a. C.N.
Indiana Harbor Belt Railroad Company
The Kansas City Southern Railway Company
 Kansas City Southern Railway
 Louisiana and Arkansas Railway
 MidSouth Rail Corporation
 Gateway Western Railway
 SouthRail Corporation

The Texas Mexican Railway Company
Joint Agency
New Orleans Public Belt Railroad
Norfolk Southern Railway Company
The Alabama Great Southern Railroad Company
Central of Georgia Railroad Company
The Cincinnati, New Orleans & Texas Pacific Railway Company
Georgia Southern and Florida Railway Company
Interstate Railroad Company
Tennessee, Alabama and Georgia Railway Company
Tennessee Railway Company
Northeast Illinois Regional Commuter Railroad Corporation (METRA) - 3
Northern Indiana Commuter Transportation District - 3
Port Terminal Railroad Association
Soo Line Railroad Company d.b.a. C.P. - 3
Terminal Railroad Association of St. Louis
Union Pacific Railroad Company
Western Fruit Express Company
Wisconsin Central Ltd. d.b.a. C.N.

* * * * *

Notes:

- 1 - Health & Welfare only
- 2 - Includes employees represented by the Transport Workers Union of America
- 3 - Health & Welfare and Supplemental Sickness only
- 4 - Excludes any Section 6 Notices covering employees working under or covered by the Train Inspections at Third Parties Agreement effective June 3, 2014, or any similar subsequent agreements.

increased in the amount of two (2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 2 hereof.

Section 4 - Fourth General Wage Increase

Effective July 1, 2018 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2018 for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2.5) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 2 hereof.

Section 5 - Fifth General Wage Increase

Effective July 1, 2019 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2019 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 2 hereof.

ARTICLE II - HEALTH AND WELFARE

Part A - Employee Sharing of Plan Costs

Section 1 - Monthly Employee Cost-Sharing Contributions

The employee monthly cost-sharing contribution amount shall be \$228.89 until such time as otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article III.

Section 2 - Other Terms

Existing arrangements regarding the method of making employee cost-sharing contributions on a pre-tax basis shall be continued subject to the provisions of the Railway Labor Act.

EXHIBIT A
(BRS)

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR AFTER NOVEMBER 1, 2014 BY AND ON BEHALF OF SUCH CARRIERS UPON THE BROTHERHOOD OF RAILROAD SIGNALMEN, AND NOTICES SERVED ON OR AFTER NOVEMBER 1, 2014 UPON SUCH CARRIERS BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE BROTHERHOOD OF RAILROAD SIGNALMEN.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Brotherhood of Railroad Signalmen.

Alton and Southern Railway Company
The Belt Railway Company of Chicago
Bessemer and Lake Erie Railroad Company d.b.a. C.N.
BNSF Railway Company
Consolidated Rail Corporation
CSX Transportation, Inc.
 The Baltimore and Ohio Railroad Company (former)
 The Chesapeake and Ohio Railway Company (former)
 including former Pere Marquette and B&OCT
 CSXT North, including former Monon
 Louisville and Nashville Railroad Company (former)
 including C&EI
 Seaboard Coast Line Railroad Company (former)
 including former AWP, Clinchfield, and RF&P
Delaware & Hudson Railroad Company d.b.a. C.P. - 1
Grand Trunk Western Railroad Company d.b.a. C.N.
Idaho & Sedalia Transportation Company, LLC
Illinois Central Railroad Company and Chicago, Central & Pacific Railroad Company d.b.a. C.N.

Nat. BAS

Indiana Harbor Belt Railroad Company
The Kansas City Southern Railway Company
 Kansas City Southern Railway
 Louisiana and Arkansas Railway
 MidSouth Rail Corporation
 Gateway Western Railway
 SouthRail Corporation
 The Texas Mexican Railway Company
 Joint Agency
Norfolk Southern Railway Company
 The Alabama Great Southern Railroad Company
 Central of Georgia Railroad Company
Northeast Illinois Regional Commuter Railroad Corporation (METRA) - 1
Soo Line Railroad Company d.b.a. C.P. - 1
Terminal Railroad Association of St. Louis
Union Pacific Railroad Company
Wisconsin Central Ltd. d.b.a. C.N.
Wisconsin Central Ltd. as successor to Duluth, Winnipeg & Pacific Railway d.b.a.
C.N.

Notes:

1 Health & Welfare and Supplemental Sickness only

FOR THE CARRIERS:



**December 1, 2017
Washington, D.C.**

**FOR THE BROTHERHOOD OF
RAILROAD SIGNALMEN:**



of payment.

Section 4 – Fourth General Wage Increase

Effective July 1, 2018, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2018 for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2.5) percent applied in the same manner as provided for in Section 2 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 5 – Fifth General Wage Increase

Effective July 1, 2019, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2019 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied in the same manner as provided for in Section 2 hereof and applied so as to give effect to this increase irrespective of the method of payment.

ARTICLE II - HEALTH AND WELFARE

Part A – Employee Sharing of Plan Costs

Section 1 – Monthly Employee Cost-Sharing Contributions

The employee monthly cost-sharing contribution amount shall be \$228.89 until such time as otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article III.

Section 2 – Other Terms

Existing arrangements regarding the method of making employee cost-sharing contributions on a pre-tax basis shall be continued subject to the provisions of the Railway Labor Act.

Part B – Plan Changes

EXHIBIT A
(NCF&O)

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2014 BY AND ON BEHALF OF SUCH CARRIERS UPON THE NATIONAL CONFERENCE OF FIREMEN & OILERS, SEIU, AND NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2014 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES, OF THE NATIONAL CONFERENCE OF FIREMEN & OILERS DISTRICT, LOCAL 32BJ, SEIU UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the National Conference of Firemen & Oilers, SEIU.

Alton & Southern Railway Company
The Belt Railway Company of Chicago
Bessemer and Lake Erie Railroad Company d.b.a. C.N.
BNSF Railway Company
Consolidated Rail Corporation
CSX Transportation, Inc.
Delaware & Hudson Railroad Company d.b.a. C.P. - 1
Grand Trunk Western Railroad Company d.b.a. C.N.
Illinois Central Railroad Company and Chicago, Central & Pacific Railroad Company d.b.a. C.N.
Indiana Harbor Belt Railroad Company
The Kansas City Southern Railway Company
 Kansas City Southern Railway
 Louisiana and Arkansas Railway
 MidSouth Rail Corporation
 Gateway Western Railway
 SouthRail Corporation
 The Texas Mexican Railway Company
 Joint Agency

Norfolk Southern Railway Company
The Alabama Great Southern Railroad Company
Central of Georgia Railroad Company
The Cincinnati, New Orleans & Texas Pacific Railway Company
Georgia Southern and Florida Railway Company
Interstate Railroad Company
Tennessee, Alabama and Georgia Railway Company
Tennessee Railway Company
Northeast Illinois Regional Commuter Railroad Corporation (METRA) - 1
Soo Line Railroad Company d.b.a. C.P. - 1
Terminal Railroad Association of St. Louis
Union Pacific Railroad Company

* * * * *

Notes:

1 - Health & Welfare and Supplemental Sickness only

FOR THE CARRIERS:

**FOR THE NATIONAL CON-
FERENCE OF FIREMEN &
OILERS DISTRICT, LOCAL
32BJ, SEIU:**

A. Kenneth Graden

John H. H. H.

**December 14, 2017
Arlington, VA**

in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily rate of pay:

Passenger	- 600,000 and less than 650,000 pounds
Freight	- 950,000 and less than 1,000,000 pounds (through freight rates)
Yard Engineers	- Less than 500,000 pounds
Yard Firemen	- Less than 500,000 pounds

(separate computation covering five- day
rates and other than five-day rates)

Section 3 - Third General Wage Increase

(for other than Dining Car
Stewards)

Effective July 1, 2017, all standard basic daily rates of pay in effect on June 30, 2017 for employees represented by SMART-TD shall be increased by two (2) percent, computed and applied in the same manner prescribed in Section 2(b) above.

Section 4 - Fourth General Wage Increase

(for other than Dining Car
Stewards)

Effective July 1, 2018 all standard basic daily rates of pay in effect on June 30, 2018 for employees represented by SMART-TD shall be increased by two-and-one-half (2.5) percent, computed and applied in the same manner prescribed in Section 2(b) above.

Section 5 - Fifth General Wage Increase

(for other than Dining Car
Stewards)

Effective July 1, 2019, all standard basic daily rates of pay in effect on June 30, 2019 for employees represented by SMART-TD shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 2(b) above.

Nat. SMART-TD
(UTU)

EXHIBIT A
SMART-TD

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR AFTER NOVEMBER 1, 2014 BY AND ON BEHALF OF SUCH CARRIERS UPON SMART, TRANSPORTATION DIVISION, AND NOTICES SERVED ON OR AFTER NOVEMBER 1, 2014 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF SMART, TRANSPORTATION DIVISION, UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the United Transportation Union:

Alameda Belt Line
Alton & Southern Railway Company
The Belt Railway Company of Chicago
BNSF Railway Company
Central California Traction Company
Consolidated Rail Corporation
CSX Transportation, Inc.
 The Baltimore and Ohio Railroad Company (former)
 The Baltimore and Ohio Chicago Terminal Railroad Company
 Consolidated Southern Region Agreement
Delaware & Hudson Railroad Company d.b.a. C.P. - 1
Indiana Harbor Belt Railroad Company
The Kansas City Southern Railway Company
 Kansas City Southern Railway
 Louisiana and Arkansas Railway
 MidSouth Rail Corporation
 Gateway Western Railway
 SouthRail Corporation

Nat. SMART-TD
(UTU)

Tenn. Rail Corporation
The Texas Mexican Railway Company
Joint Agency
Longview Switching Company
Los Angeles Junction Railway Company
New Orleans Public Belt Railroad
Norfolk & Portsmouth Belt Line Railroad Company
Norfolk Southern Railway Company
The Alabama Great Southern Railroad Company
Central of Georgia Railroad Company
The Cincinnati, New Orleans & Texas Pacific Railway Co.
Georgia Southern and Florida Railway Company
Tennessee, Alabama and Georgia Railway Company
Tennessee Railway Company
Northeast Illinois Regional Commuter Railroad Corporation (METRA) - 1
Northern Indiana Commuter Transportation District - 1
Portland Terminal Railroad Company
Port Terminal Railroad Association
Soo Line Railroad Company d.b.a. C.P. - 1
Terminal Railroad Association of St. Louis - 1
Texas City Terminal Railway Company
Union Pacific Railroad Company
Wichita Terminal Association
Winston-Salem Southbound Railway Company

* * * * *

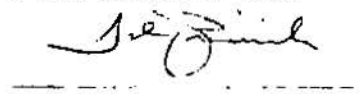
Notes:

1 - Health & Welfare only

FOR THE CARRIERS:



FOR SMART TD:



**December 1, 2017
Washington, D.C.**

Nat. SMART-TO Yardmasters
(UTU-YMO)

Section 4 - Fourth General Wage Increase

Effective July 1, 2018 all standard basic daily rates of pay in effect on June 30, 2018 for employees covered by this Agreement shall be increased by two-and-one-half (2.5) percent, computed and applied in the same manner prescribed in Section 2 above.

Section 5 - Fifth General Wage Increase

Effective July 1, 2019, all standard basic daily rates of pay in effect on June 30, 2019 for employees covered by this Agreement shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 2 above.

Section 6 - Application of Wage Increases

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

ARTICLE II - HEALTH AND WELFARE

Part A – Employee Sharing of Plan Costs

Section 1 – Monthly Employee Cost-Sharing Contributions

The employee monthly cost-sharing contribution amount shall be \$228.89 until such time as otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article IV.

Section 2 – Other Terms

Existing arrangements regarding the method of making employee cost-sharing contributions on a pre-tax basis shall be continued subject to the provisions of the Railway Labor Act.

Nat. SMART-TD Yardmasters
(U TD-YMD)

Exhibit A
SMART TD - YMD

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR AFTER NOVEMBER 1, 2009 BY AND ON BEHALF OF SUCH CARRIERS UPON SMART, TRANSPORTATION DIVISION, YARDMASTERS DEPARTMENT, AND NOTICES SERVED ON OR AFTER NOVEMBER 1, 2009 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE YARDMASTERS DEPARTMENT – SMART TD, UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Yardmasters Department – SMART TD:

Alton & Southern Railway Company
The Belt Railway Company of Chicago
BNSF Railway Company
Consolidated Rail Corporation
Consolidated Rail Corporation (Mechanical Foremen) - 1
CSX Transportation, Inc.
Delaware & Hudson Railroad Company d.b.a. C.P. - 2
Indiana Harbor Belt Railroad Company
The Kansas City Southern Railway Company
 Kansas City Southern Railway
 Joint Agency
Longview Switching Company
New Orleans Public Belt Railroad
Norfolk & Portsmouth Belt Line Railroad Company
Norfolk Southern Railway Company

*Not. SMART-TD Yardmasters
(UTV-YMD)*

The Alabama Great Southern Railroad Company
Central of Georgia Railroad Company
The Cincinnati, New Orleans & Texas Pacific Railway Co.
Georgia Southern and Florida Railway Company
Tennessee, Alabama and Georgia Railway Company
Tennessee Railway Company
Northeast Illinois Regional Commuter Railroad Corporation (METRA) – 2
Portland Terminal Railroad Company
Port Terminal Railroad Association
Soo Line Railroad Company d.b.a. C.P. - 2
Terminal Railroad Association of St. Louis
Texas City Terminal Railway Company

* * * * *

Notes:

- 1 - Wages & Rules and Health & Welfare only
- 2 - Health & Welfare and Supplemental Sickness only

FOR THE CARRIERS:

A. Kenneth Bradley

**FOR THE YARDMASTERS
DEPARTMENT, SMART TD:**

Joe Smith

**December 1, 2017
Washington, D.C.**

effect on June 30, 2017 for employees covered by this Agreement shall be increased in the amount of two (2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 2 hereof.

Section 4 – Fourth General Wage Increase

Effective July 1, 2018, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2018 for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2.5) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 2 hereof.

Section 5 - Fifth General Wage Increase

Effective July 1, 2019, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2019 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 2 hereof.

ARTICLE II - HEALTH AND WELFARE

Part A – Employee Sharing of Plan Costs

Section 1 – Monthly Employee Cost-Sharing Contributions

The employee monthly cost-sharing contribution amount shall be \$228.89 until such time as otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article III.

Section 2 – Other Terms

Existing arrangements regarding the method of making employee cost-sharing contributions on a pre-tax basis shall be continued subject to the provisions of the Railway Labor Act.

EXHIBIT A
(CLERKS)

RAILROADS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2014 BY AND ON BEHALF OF SUCH CARRIERS UPON THE TRANSPORTATION-COMMUNICATIONS UNION/IAM AND NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2014 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE TRANSPORTATION-COMMUNICATIONS UNION/IAM UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Transportation-Communications Union/IAM.

Alton & Southern Railway Company - 3
The Belt Railway Company of Chicago
Bessemer and Lake Erie Railroad Company d.b.a. C.N.
BNSF Railway Company - 1, 3
Brownsville and Matamoros Bridge Company
Central California Traction Company
Consolidated Rail Corporation
CSX Transportation, Inc.
 The Chesapeake and Ohio Railway Company (former)
 CSXT North (former Conrail)
 Louisville and Nashville Railroad Company (former)
 Seaboard Coast Line Railroad Company (former)
Grand Trunk Western Railroad Company d.b.a. C.N. - 3
Illinois Central Railroad Company and Chicago, Central & Pacific Railroad
 Company d.b.a. C.N.
Indiana Harbor Belt Railroad Company
The Kansas City Southern Railway Company
Kansas City Terminal Railway Company

New Orleans Public Belt Railroad
Norfolk & Portsmouth Belt Line Railroad Company
Norfolk Southern Corporation
Norfolk Southern Railway Company
The Alabama Great Southern Railroad Company
Central of Georgia Railroad Company
The Cincinnati, New Orleans & Texas Pacific Railway Company
Georgia Southern and Florida Railway Company
Tennessee, Alabama and Georgia Railway Company
Northeast Illinois Regional Commuter Railroad Corporation (METRA) – 2
Northern Indiana Commuter Transportation District – 2
Portland Terminal Railroad Company
Port Terminal Railroad Association – 3
Soo Line Railroad Company d.b.a. C.P. - 2
Terminal Railroad Association of St. Louis - 3
Texas City Terminal Railway Company
Union Pacific Railroad Company - 5
Western Fruit Express Company
Wichita Terminal Association
Wisconsin Central Ltd. as successor to Duluth, Missabe & Iron Range Railway and
Duluth, Winnipeg & Pacific Railway d.b.a. C.N.
Winston Salem Southbound Railway Company
Wisconsin Central Ltd. as successor to Duluth, Missabe & Iron Range Railway
d.b.a. C.N. - 4

* * * * *

Notes:

- 1 - Excludes any Section 6 Notices covering intermodal employees working under or covered by the Agreements effective January 5, 2007; January 1, 2009 or January 1, 2010, January 1, 2011, March 1, 2011, July 1, 2011, September 1, 2011, August 27, 2012, January 1, 2014, or any similar subsequent agreements.
- 2 - Health & Welfare only

Nat. BMWED

ARBITRATED AGREEMENT

THIS ARBITRATED AGREEMENT, effective May 23, 2018 pursuant to the Award of Arbitration Board No. 602, by and between the participating carriers listed in Exhibit A and represented by the National Carriers' Conference Committee, and the employees of such carriers represented by the Brotherhood of Maintenance of Way Employees Division-International Brotherhood of Teamsters.

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 – First General Wage Increase

Effective January 1, 2015, all hourly, daily, weekly, and monthly rates of pay in effect on December 31, 2014 for employees represented by the BMWED were increased by three (3) percent pursuant to Article I, Section 6 of the April 25, 2012 National BMWED Agreement. This 3% general wage increase was mutually negotiated to apply as the first-year increase of this five-year Agreement, the term of which runs from January 1, 2015 through December 31, 2019.

Section 2 - Second General Wage Increase

Effective July 1, 2016, all hourly, daily, weekly, and monthly rates of pay of employees covered by this Agreement in effect on June 30, 2016 shall be increased in the amount of two (2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 2 shall be applied as follows:

(a) **Hourly Rates** -

Add 2 percent to the existing hourly rates of pay.

(b) **Daily Rates** -

Add 2 percent to the existing daily rates of pay.

Not. BMW E

(c) Weekly Rates -

Add 2 percent to the existing weekly rates of pay.

(d) Monthly Rates -

Add 2 percent to the existing monthly rates of pay.

(e) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) through (d) above which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) Application of Wage Increase -

The increase in wages provided for in this Section 2 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 3 - Third General Wage Increase

Effective July 1, 2017, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2017 for employees covered by this Agreement shall be increased in the amount of two (2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 2 hereof.

Nat. BMW E

Section 4 - Fourth General Wage Increase

Effective July 1, 2018, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2018 for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2.5) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 2 hereof.

Section 5 - Fifth General Wage Increase

Effective July 1, 2019, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2019 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 2 hereof.

ARTICLE II - HEALTH AND WELFARE

Part A – Employee Sharing of Plan Costs

Section 1 – Monthly Employee Cost-Sharing Contributions

The employee monthly cost-sharing contribution amount shall be \$228.89 until such time as otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article III.

Section 2 – Other Terms

Existing arrangements regarding the method of making employee cost-sharing contributions on a pre-tax basis shall be continued subject to the provisions of the Railway Labor Act.

Part B – Plan Changes

Nat. BMW E

Part E – Effective Date and Definitions

(a) The modifications provided for in this Article shall be effective June 1, 2018.

(b) Any terms used in this Article that are defined in the Plan shall be given the same meaning, unless otherwise provided. A “Specialty Drug”, for purposes of the Medical Channel Management Program described in Exhibit C hereto, or its equivalent, shall include any Prescription Drug classified by the Plan’s Pharmacy Benefit Manager for its general book of business as a specialty drug.

Section 3 – Adjustment for Implementation Delay

The retroactive portion of wage increases payable to each eligible employee under the Arbitrated Agreement shall be reduced by the amount of \$292.96 for the four-month delay (February 2018 through May 2018) in H&W Plan benefits design implementation.

ARTICLE III - GENERAL PROVISIONS

Section 1 - Court Approval

This Agreement is subject to approval of the courts with respect to participating carriers in the hands of receivers or trustees.

Section 2 - Effect of this Agreement

(a) The purpose of this Agreement is to settle the disputes growing out of the notices served upon the organization by the carriers listed in Exhibit A on or subsequent to November 1, 2014 (including any notices outstanding as of that date), and the notices served by the organization signatory hereto upon such carriers on or subsequent to November 1, 2014 (including any notices outstanding as of that date).

Nat. BMWU

May 23, 2018

#1

Mr. Freddie N. Simpson
National President
Brotherhood of Maintenance of Way Employees Division
International Brotherhood of Teamsters
41475 Gardenbrook Road
Novi, MI 48375

Dear Mr. Simpson:

This confirms our mutual understanding with respect to the general wage increases provided for in Article I, Sections 2 and 3 of the Arbitrated Agreement of this date.

The carriers will make all reasonable efforts to pay the retroactive portion of such general wage increases as soon as possible and no later than sixty (60) days after the effective date of this Arbitrated Agreement. The carriers will also implement the general wage increases referenced above on July 1, 2018, or as soon thereafter as practicable.

If a carrier finds it impossible to make such payments by that date, such carrier shall notify you in writing explaining why such payments have not been made and indicating when the payments will be made.

Nat. B M W E

EXHIBIT A
(BMWED)

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR AFTER NOVEMBER 1, 2014 BY AND ON BEHALF OF SUCH CARRIERS UPON THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES DIVISION-IBT, AND NOTICES SERVED ON OR AFTER NOVEMBER 1, 2014 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES DIVISION-IBT, UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Brotherhood of Maintenance of Way Employees Division-IBT.

Alton & Southern Railway Company
The Belt Railway Company of Chicago
Bessemer and Lake Erie Railroad Company d.b.a. C.N.
BNSF Railway Company
Central California Traction Company
Consolidated Rail Corporation
CSX Transportation, Inc.
Grand Trunk Western Railroad Company d.b.a. C.N.
Illinois Central Railroad Company and Chicago, Central & Pacific Railroad Company d.b.a. C.N.
Indiana Harbor Belt Railroad Company - 1
The Kansas City Southern Railway Company
 Kansas City Southern Railway
 Louisiana and Arkansas Railway
 MidSouth Rail Corporation
 Gateway Western Railway
 SouthRail Corporation
 The Texas Mexican Railway Company
 Joint Agency

Nat. B M W E

Los Angeles Junction Railway Company
New Orleans Public Belt Railroad
Norfolk & Portsmouth Belt Line Railroad Company
Norfolk Southern Railway Company
 The Alabama Great Southern Railroad Company
 Central of Georgia Railroad Company
 The Cincinnati, New Orleans & Texas Pacific Railway Company
 Georgia Southern and Florida Railway Company
 Interstate Railroad Company
 Wheelersburg Terminal, LLC
Northeast Illinois Regional Commuter Railroad Corporation (METRA) - 1
Northern Indiana Commuter Transportation District – 1
Portland Terminal Railroad Company
Port Terminal Railroad Association
Terminal Railroad Association of St. Louis
Texas City Terminal Railway Company
Union Pacific Railroad Company
Wichita Terminal Association
Winston Salem Southbound Railway Company
Wisconsin Central Ltd. d.b.a. C.N.

* * * * *

Notes:

1 - Health & Welfare and Supplemental Sickness only

MEDIATION AGREEMENT

THIS AGREEMENT, made this 13th day of April, 2018, by and between the participating carriers listed in Exhibit A attached hereto and represented by the National Carriers' Conference Committee, and the employees shown thereon and represented by the International Brotherhood of Boilermakers and Blacksmiths, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I – WAGES

Section 1 – First General Wage Increase

Effective January 1, 2015, all standard rates of pay in effect on December 31, 2014 for employees represented by the IBB were increased by three (3) percent pursuant to Article I, Section 6 of the January 17, 2012 National IBB Agreement. This 3% general wage increase was mutually negotiated to apply as the first-year increase of this five-year Agreement, the term of which runs from January 1, 2015 through December 31, 2019.

Section 2 – Second General Wage Increase

On July 1, 2016, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two (2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 2 shall be applied as follows:

(a) **Hourly Rates -**

Add 2 percent to the existing hourly rates of pay.

(b) **Daily Rates -**

Add 2 percent to the existing daily rates of pay.

(c) Weekly Rates -

Add 2 percent to the existing weekly rates of pay.

(d) Monthly Rates -

Add 2 percent to the existing monthly rates of pay.

(e) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) to (d), inclusive, above which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) Application of Wage Increase -

The increase in wages provided for in this Section 2 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 3 – Third General Wage Increase

Effective July 1, 2017, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2017 for employees covered by this Agreement shall be increased by two (2) percent applied in the same manner as provided for in Section 2 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 4 – Fourth General Wage Increase

Effective July 1, 2018, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2018 for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2.5) percent applied in the same manner as provided for in Section 2 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 5 - Fifth General Wage Increase

Effective July 1, 2019, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2019 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied in the same manner as provided for in Section 2 hereof and applied so as to give effect to this increase irrespective of the method of payment.

ARTICLE II - HEALTH AND WELFARE

Part A – Employee Sharing of Plan Costs

Section 1 – Monthly Employee Cost-Sharing Contributions

The employee monthly cost-sharing contribution amount shall be \$228.89 until such time as otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article III.

Section 2 – Other Terms

Existing arrangements regarding the method of making employee cost-sharing contributions on a pre-tax basis shall be continued subject to the provisions of the Railway Labor Act.

Part B – Plan Changes

Section 1 – Continuation of Plans

EXHIBIT A
(IBB)

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2014 BY AND ON BEHALF OF SUCH CARRIERS UPON THE INTERNATIONAL BROTHERHOOD OF BOILERMAKERS AND BLACKSMITHS, AND NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2014 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES, OF THE INTERNATIONAL BROTHERHOOD OF BOILERMAKERS AND BLACKSMITHS UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the International Brotherhood of Boilermakers and Blacksmiths.

Alton & Southern Railway Company
The Belt Railway of Chicago
BNSF Railway Company
Consolidated Rail Corporation
CSX Transportation, Inc.
Illinois Central Railroad Company d.b.a. C.N.
Indiana Harbor Belt Railroad Company
The Kansas City Southern Railway Company
 Kansas City Southern Railway
 Louisiana and Arkansas Railway
 MidSouth Rail Corporation
 Gateway Western Railway
 SouthRail Corporation
 Joint Agency
Norfolk Southern Railway Company
 The Alabama Great Southern Railroad Company
 Central of Georgia Railroad Company
 The Cincinnati, New Orleans & Texas Pacific Railway Company
 Georgia Southern and Florida Railway Company

Nat. IBBM

Interstate Railroad Company
Tennessee, Alabama and Georgia Railway Company
Tennessee Railway Company
Soo Line Railroad Company d.b.a. C.P. - 1
Terminal Railroad Association of St. Louis
Union Pacific Railroad Company

* * * * *

Notes:

- 1 - Health & Welfare and Supplemental Sickness only

FOR THE CARRIERS:

A. Kenneth Greder

FOR THE IBB:

Newton B. Jones

April 13, 2018
Washington, D.C.

Nat. IBBM

April 13, 2018

#4

Newton B. Jones
International President
International Brotherhood of Boilermakers
and Blacksmiths
753 State Ave., Suite 570
Kansas City, KS 66101

Dear Mr. Jones:

This refers to the increase in wages provided for in Sections 2 and 3 of Article I of the Agreement of this date ("2018 Agreement") and payment of the retroactive portion of those wage increases to eligible employees.

The parties mutually recognize that the railroads have incurred additional cost due to delay in the implementation and application of the pattern National H&W Plan benefit design changes to the employees covered by the 2018 Agreement, and concur that such delay cost should be taken into account under the terms and conditions of this Agreement. Accordingly, we have mutually agreed that the retroactive wage payment due under the 2018 Agreement to each eligible employee shall be reduced by the amount of \$105.00.

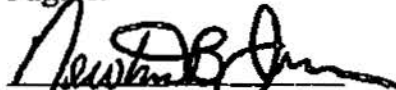
Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,



A. Kenneth Gradia

I agree:


Newton B. Jones

MEDIATION AGREEMENT

THIS AGREEMENT, made this 8th day of May, 2018, by and between the participating carriers listed in Exhibit A attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the International Brotherhood of Electrical Workers, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

Effective January 1, 2015, all hourly, daily, weekly, and monthly rates of pay in effect on December 31, 2014 for employees represented by the IBEW were increased by three (3) percent pursuant to Article 1, Section 6 of the January 5, 2012 National IBEW Agreement. This 3% general wage increase was mutually negotiated to apply as the first-year increase of this five-year Agreement, the term of which runs from January 1, 2015 through December 31, 2019.

Section 2 - Second General Wage Increase

Effective July 1, 2016, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2016 for employees covered by this Agreement shall be increased in the amount of two (2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 2 shall be applied as follows:

(a) **Hourly Rates** -

Add 2 percent to the existing hourly rates of pay.

(b) **Daily Rates** -

Add 2 percent to the existing daily rates of pay.

(c) **Weekly Rates** –

Add 2 percent to the existing weekly rates of pay.

(d) **Monthly Rates** -

Add 2 percent to the existing monthly rates of pay.

(e) **Disposition of Fractions** -

Rates of pay resulting from application of paragraphs (a) to (d), inclusive, above which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) **Application of Wage Increase** -

The increase in wages provided for in this Section 2 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly, or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 3 – Third General Wage Increase

Effective July 1, 2017, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2017 for employees covered by this Agreement shall be increased by two (2) percent applied in the same manner as provided for in Section 2 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 4 - Fourth General Wage Increase

Nat IBEW

Effective July 1, 2018, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2018 for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2.5) percent applied in the same manner as provided for in Section 2 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 5 – Fifth General Wage Increase

Effective July 1, 2019, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2019 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied in the same manner as provided for in Section 2 hereof and applied so as to give effect to this increase irrespective of the method of payment.

ARTICLE II - HEALTH AND WELFARE

Part A – Employee Sharing of Plan Costs

Section 1 – Monthly Employee Cost-Sharing Contributions

The employee monthly cost-sharing contribution amount shall be \$228.89 until such time as otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article III.

Section 2 – Other Terms

Existing arrangements regarding the method of making employee cost-sharing contributions on a pre-tax basis shall be continued subject to the provisions of the Railway Labor Act.

Part B – Plan Changes

Section 1 – Continuation of Plans

The Railroad Employees National Health and Welfare Plan (“the Plan”), the

Not IBEW

Section 2 - Effect of this Agreement

(a) The purpose of this Agreement is to settle the disputes growing out of the notices served upon the organization by the carriers listed in Exhibit A on or subsequent to November 1, 2014 (including any notices outstanding as of that date), and the notices served by the organization signatory hereto upon such carriers on or subsequent to November 1, 2014 (including any notices outstanding as of that date).

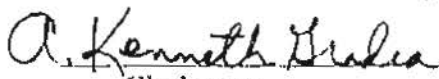
(b) This Agreement shall be construed as a separate agreement by and on behalf of each of said carriers and their employees represented by the organization signatory hereto, and shall remain in effect through December 31, 2019 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) No party to this Agreement shall serve or progress, prior to November 1, 2019 (not to become effective before January 1, 2020), any notice or proposal.

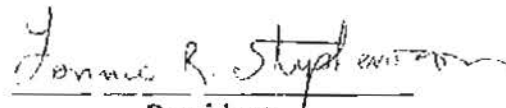
(d) This Article will not bar management and the organization on individual railroads from agreeing upon any subject of mutual interest.

SIGNED AT ARLINGTON, VA., THIS 8th DAY OF MAY, 2018.

**FOR THE PARTICIPATING
CARRIERS LISTED IN
EXHIBIT A REPRESENTED
BY THE NATIONAL CARRIERS'
CONFERENCE COMMITTEE:**


Chairman

**FOR THE EMPLOYEES
REPRESENTED BY THE
INTERNATIONAL BROTHER-
HOOD OF ELECTRICAL
WORKERS:**


President

Xat IBEW

May 8, 2018
#1

Mr. Lonnie R. Stephenson
International President
International Brotherhood of
Electrical Workers
900 Seventh Street, N.W.
Washington, D.C. 20001

Dear Mr. Stephenson:

This confirms our understanding with respect to the general wage increases provided for in Article I, Sections 2 and 3 of the Agreement of this date.

The carriers will make all reasonable efforts to pay the retroactive portion of such general wage increases as soon as possible and no later than sixty (60) days after the date of this Agreement. The carriers will also implement the general wage increases referenced above on June 15, 2018, or as soon thereafter as practicable.

If a carrier finds it impossible to make such retroactive payments and/or implement the referenced general wage increases by the dates specified above, such carrier shall notify you in writing explaining why such payments and/or implementation have not been made and indicating when such action(s) will occur.

Very truly yours,



A. Kenneth Gradia

Nat. FBLEW

EXHIBIT A
(IBEW)

RAILROADS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2014 BY AND ON BEHALF OF SUCH CARRIERS UPON THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AND NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2014 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES, OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the International Brotherhood of Electrical Workers.

The Belt Railway Company of Chicago
Bessemer and Lake Erie Railroad Company d.b.a. C.N.
BNSF Railway Company
Consolidated Rail Corporation
CSX Transportation, Inc.
Delaware & Hudson Railroad Company d.b.a. C.P. - 2
Gary Railway Company - 1
Grand Trunk Western Railroad Company d.b.a. C.N.
Illinois Central Railroad Company and Chicago, Central & Pacific Railroad
Company d.b.a. C.N.
Indiana Harbor Belt Railroad Company
The Kansas City Southern Railway Company
Kansas City Southern Railway
Louisiana and Arkansas Railway
MidSouth Rail Corporation
Gateway Western Railway
SouthRail Corporation
The Texas Mexican Railway Company
Joint Agency
Norfolk Southern Railway Company

Nat. IBEW

The Alabama Great Southern Railroad Company
Central of Georgia Railroad Company
The Cincinnati, New Orleans & Texas Pacific Railway Company
Georgia Southern and Florida Railway Company
Interstate Railroad Company
Tennessee, Alabama and Georgia Railway Company
Tennessee Railway Company
Northeast Illinois Regional Commuter Railroad Corporation (METRA) - 2
Northern Indiana Commuter Transportation District - 2
Soo Line Railroad Company d.b.a. C.P. - 2
Terminal Railroad Association of St. Louis
Union Pacific Railroad Company
Wisconsin Central Ltd. d.b.a. C.N.
Wisconsin Central Ltd. as successor to Duluth, Missabe & Iron Range Railway
d.b.a. C.N.

* * * * *

Notes:

- 1 - Health & Welfare only
- 2 - Health & Welfare and Supplemental Sickness only

FOR THE CARRIERS:

A. Kenneth Hudson

**FOR THE INTERNATIONAL
BROTHERHOOD OF ELEC-
TRICAL WORKERS:**

Lonnie R. Stephenson

**May 8, 2018
ARLINGTON, VA**

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ARBITRATED AGREEMENT

THIS ARBITRATED AGREEMENT, effective May 23, 2018, pursuant to the Award of Arbitration Board No. 602, by and between the participating carriers listed in Exhibit A hereto and represented by the National Carriers' Conference Committee, and the employees of such carriers represented by the International Association of Sheet Metal, Air, Rail and Transportation Workers—Mechanical Division ("SMART-MD").

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 – First General Wage Increase

Effective January 1, 2015, all hourly, daily, weekly, and monthly rates of pay in effect on December 31, 2014 for employees represented by SMART-MD were increased by three (3) percent pursuant to Article I, Section 6 of the January 11, 2012 National SMWIA (now SMART-MD) Agreement. This 3% general wage increase was mutually negotiated to apply as the first-year increase of this five-year Agreement, the term of which runs from January 1, 2015 through December 31, 2019.

Section 2 - Second General Wage Increase

Effective July 1, 2016, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2016 for employees covered by this Agreement shall be increased in the amount of two (2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 2 shall be applied as follows:

(a) **Hourly Rates** -

Add 2 percent to the existing hourly rates of pay.

(b) **Daily Rates** -

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Add 2 percent to the existing daily rates of pay.

(c) Weekly Rates -

Add 2 percent to the existing weekly rates of pay.

(d) Monthly Rates -

Add 2 percent to the existing monthly rates of pay.

(e) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) through (d), inclusive, above which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) Application of Wage Increase -

The increase in wages provided for in this Section 2 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 3 - Third General Wage Increase

Effective July 1, 2017, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2017 for employees covered by this Agreement shall be increased in the amount of two (2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this

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Section 3 shall be applied in the same manner as provided for in Section 2 hereof.

Section 4 - Fourth General Wage Increase

Effective July 1, 2018, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2018 for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2.5) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 2 hereof.

Section 5 - Fifth General Wage Increase

Effective July 1, 2019, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2019 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 2 hereof.

ARTICLE II - HEALTH AND WELFARE

Part A – Employee Sharing of Plan Costs

Section 1 – Monthly Employee Cost-Sharing Contributions

The employee monthly cost-sharing contribution amount shall be \$228.89 until such time as otherwise mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article III.

Section 2 – Other Terms

Existing arrangements regarding the method of making employee cost-sharing contributions on a pre-tax basis shall be continued subject to the provisions of the Railway Labor Act.

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Part E – Effective Date and Definitions

(a) The modifications provided for in this Article shall be effective June 1, 2018.

(b) Any terms used in this Article that are defined in the Plan shall be given the same meaning, unless otherwise provided. A “Specialty Drug”, for purposes of the Medical Channel Management Program described in Exhibit C hereto, or its equivalent, shall include any Prescription Drug classified by the Plan’s Pharmacy Benefit Manager for its general book of business as a specialty drug.

Section 3 – Adjustment for Implementation Delay

The retroactive portion of wage increases payable to each eligible employee under the Arbitrated Agreement shall be reduced by the amount of \$292.96 for the four-month delay (February 2018 through May 2018) in H&W Plan benefits design implementation.

ARTICLE III - GENERAL PROVISIONS

Section 1 - Court Approval

This Agreement is subject to approval of the courts with respect to participating carriers in the hands of receivers or trustees.

Section 2 - Effect of this Agreement

(a) The purpose of this Agreement is to settle the disputes growing out of the notices served upon the organization by the carriers listed in Exhibit A on or subsequent to November 1, 2014 (including any notices outstanding as of that date), and the notices served by the organization signatory hereto upon such carriers on or subsequent to November 1, 2014 (including any notices outstanding as of that date).

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EXHIBIT A
(SMWIA-MD)

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR AFTER NOVEMBER 1, 2014 BY AND ON BEHALF OF SUCH CARRIERS UPON THE INTERNATIONAL ASSOCIATION OF SHEET METAL, AIR, RAIL AND TRANSPORTATION WORKERS--MECHANICAL DIVISION ("SMART-MD"), AND NOTICES SERVED ON OR AFTER NOVEMBER 1, 2014 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF SMART-MD, UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by SMART-MD.

Alton and Southern Railway Company
The Belt Railway Company of Chicago
BNSF Railway Company - 3
Consolidated Rail Corporation
CSX Transportation, Inc.
Gary Railway Company - 1
Illinois Central Railroad Company d.b.a. C.N.
Indiana Harbor Belt Railroad Company
The Kansas City Southern Railway Company
 Kansas City Southern Railway
 Louisiana and Arkansas Railway
 Joint Agency
Norfolk Southern Railway Company
 The Alabama Great Southern Railroad Company
 Central of Georgia Railroad Company
 The Cincinnati, New Orleans & Texas Pacific Railway Company
 Georgia Southern and Florida Railway Company
 Interstate Railroad Company
 Tennessee, Alabama and Georgia Railway Company
 Tennessee Railway Company

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Northeast Illinois Regional Commuter Railroad Corporation (METRA) – 2
Terminal Railroad Association of St. Louis
Union Pacific Railroad Company

* * * * *

Notes:

- 1 - Health & Welfare only
- 2 - Health & Welfare and Supplemental Sickness only
- 3 - Excludes any Section 6 Notices covering employees working under or covered by the In-Source Fort Worth Facility Agreement effective July 28, 2011, or any similar subsequent agreements.

Nat. SMW

May 23, 2018

#1

Mr. Charles J. Fraley
International Representative
SMART-Mechanical Division
1750 New York Avenue, N.W.
Washington, DC 20006

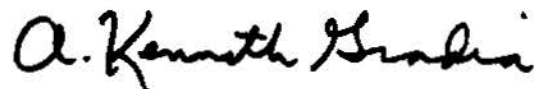
Dear Mr. Fraley:

This confirms our mutual understanding with respect to the general wage increases provided for in Article I, Sections 2 and 3 of the Arbitrated Agreement of this date.

The carriers will make all reasonable efforts to pay the retroactive portion of such general wage increases as soon as possible and no later than sixty (60) days after the effective date of this Arbitrated Agreement. The carriers will also implement the general wage increases referenced above on July 1, 2018, or as soon thereafter as practicable.

If a carrier finds it impossible to make such payments by that date, such carrier shall notify you in writing explaining why such payments have not been made and indicating when the payments will be made.

Very truly yours,



A. Kenneth Gradia