



ASSOCIATION
OF AMERICAN
RAILROADS

231445

John T. Gray
Senior Vice President - Policy & Economics

December 5, 2011

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 first quarter 2012 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2012-1) *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 first quarter 2012 results on the fourth quarter 2007 base, and shows the percentage changes from the previous quarter.

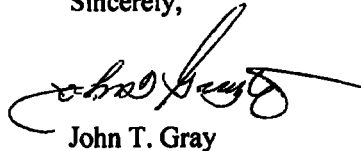
	<u>2011Q4</u>	<u>2012Q1</u>	<u>% Change</u>
All-Inclusive Index	118.2	117.6	-0.5
Preliminary RCAF	1.182	1.176	-0.5
Forecast Error Adjustment	0.026	-0.007	
RCAF (Unadjusted)	1.208	1.169	-3.2
Productivity Adjustment Factor	2.2645	2.2724	
RCAF (Adjusted)	0.533	0.514	-3.6
PAF-5	2.3894	2.3978	
RCAF-5	0.506	0.488	-3.6

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December 5, 2011

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.

We have notified Paul Aguiar, in the STB office handling this proceeding, of our plan to e-file the submission and hand-deliver workpapers. Two copies of the quarterly non-proprietary workpapers underlying this submission are hand-delivered and filed herewith, in accordance with the ICC's order in Ex Parte No. 290 (Sub-No. 2), *Railroad Cost Recovery Procedures*, served February 8, 1990. A third copy of the workpapers has been delivered to Paul Aguiar in the STB office handling this proceeding. All workpapers are available for STB inspection. A small set of highly confidential workpapers essential for rebenchmarking are also included. Benchmarks were recalculated because of a revision made by one railroad to its 2010 wage statistics. Questions should be directed to me or Clyde Crimmel (202 639-2309) of this office.

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Gray", with a stylized flourish extending from the end.

John T. Gray

Attachments

**First Quarter 2012
All-Inclusive Index**

Ex Parte No. 290 (Sub-No. 5) (2012-1)

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

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

December 5, 2011

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Introduction

On January 2, 1985, the Interstate Commerce Commission (ICC) [now the Surface Transportation Board (STB)] adopted the All-Inclusive Index of Railroad Costs as the basis for the Rail Cost Adjustment Factor (RCAF). The quarterly projection of railroad costs, as documented herein, employ the All-Inclusive Index as required by the regulations. Also presented in this submission is the RCAF both Adjusted and Unadjusted, as required by the ICC in its decision in Ex Parte No. 290 (Sub-No. 4), *Rail Cost Recovery Procedures - Productivity Adjustment*, served March 24, 1989. In addition, the AAR has included (but does not endorse) the RCAF-5, which was instituted by an STB decision served October 3, 1996 in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*. This quarter's projection of railroad costs is for the first quarter 2012.

During late October 2011, one railroad revised its 2010 wage statistics that had been used (for the first time) as benchmarks in the 2011Q4 calculation. Following precedent, the AAR has recalculated 2011Q4 (including benchmarks) for the purpose of calculating 2012Q1. The corrected Q4 Labor Index will be used as the "actual" number in the forecast error calculation for the 2012Q2 RCAF, while the original number will be used as the "forecast". Workpapers for the rebenchmarking and the recalculation of Q4 are included with the workpapers for this Q1 submission.

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 2010 (current) and 2009 (previous) weights are shown below. The previous (2009) weights were used for the fourth quarter of 2010 through the third quarter of 2011. Beginning with the fourth quarter of 2011, the 2010 weights are used. The year 2010 was a recovery year from the reduced traffic levels of 2009, and operating expenses increased in every category. Fuel expenses increased by the highest percentage and amount, caused by increased traffic and higher fuel prices. Not surprisingly, Fuel's weight rebounded from 14.9 percent to 18.0 percent. This is the fourth highest weight ever for Fuel. The only other category to have its weight increase was Other, which had the second highest percentage increase in expenses. (Most of Other is purchased services, portions of general & administrative expenses, and property taxes.) Labor's weight decreased from 34.7 to 33.3 percent, despite increases in expenses. Weights for Depreciation and Equipment Rents decreased by 1.1 and 0.9 percentage points, respectively. Changes for the remaining categories were decreases of 0.1 percentage points.

RCAF Weights		
	Previous 2009	Current 2010
Labor	34.7 %	33.3 %
Fuel	14.9	18.0
Materials & Supplies	5.1	5.0
Equipment Rents	7.1	6.2
Depreciation	13.9	12.8
Interest	3.0	2.9
Other	21.3	21.8

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 First Quarter 2012

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.

	2010 Weights	Forecast		Percent Change
		Previous* 2011Q4	Current 2012Q1	
1. Labor	33.3%	373.9	379.4	1.5 %
2. Fuel	18.0%	396.9	387.7	-2.3
3. M&S	5.0%	265.7	263.7	-0.8
4. Equipment Rents	6.2%	205.9	203.4	-1.2
5. Depreciation	12.8%	208.4	208.7	0.1
6. Interest	2.9%	90.6	90.6	0.0
7. Other	21.8%	220.3	215.6	-2.1
8. Weighted Average				
a. 1980 = 100		299.3	298.3	
b. 1980 = 100 (linked)		290.2	289.2 ¹	
c. 4Q07 = 100		118.0	117.6 ²	-0.3

* 2011Q4 has been recalculated on this page for the purpose of calculating 2012Q1. See second paragraph on page 1. The original 4Q07=100 Index was 118.2.

¹ To calculate the 1980 = 100 Linked Index:

$$\begin{aligned} \text{Index}_{80} &= (\text{Current Index} / \text{Previous Index}) * \text{the Previous Quarter Linked Index} \\ &= (298.3 / 299.3) \times 290.2 \\ &= 289.2 \end{aligned}$$

² To calculate the 4Q07 = 100 index:

$$\begin{aligned} \text{Index}_{4Q07} &= (\text{Current Linked Index} / 4Q07 \text{ Linking Factor}) * 100 \\ &= 289.2 \text{ divided by } 245.9 \text{ times } 100 \\ &= 117.6 \end{aligned}$$

Indexes based on other periods

4Q02 based index = 289.2 / 192.1 x 100 = 150.5
4Q97 based index = 289.2 / 173.2 x 100 = 167.0
4Q92 based index = 289.2 / 156.9 x 100 = 184.3
4Q87 based index = 289.2 / 132.2 x 100 = 218.8

Forecast vs. Actual All-Inclusive Index Third Quarter 2011

Because of data availability, the forecast error adjustment has a two-quarter lag from each filing. As shown below, the third quarter actual index of 117.9 is 0.7 index points below the forecast value of 118.6. Therefore, the forecast error adjustment for first quarter 2012 is -0.7 index points.

	2009	Third Quarter 2011		Amt
	Weights	Forecast	Actual	Difference
1. Labor	34.7%	382.1	382.1	
2. Fuel	14.9%	392.3	387.0	
3. M&S	5.1%	257.8	257.9	
4. Equipment Rents ¹	7.1%	208.8	207.0	
5. Depreciation	13.9%	206.1	207.3	
6. Interest	3.0%	84.5	84.5	
7. Other	21.3%	222.3	218.2	
8. Weighted Average				
a. 1980 = 100		297.5	295.9	
b. 1980 = 100 (linked)		291.7	289.8 ²	
c. 4Q07 = 100 ³		118.6	117.9	-0.7

Forecast error —————→ **-0.7 index points**

Note: The Actual M&S figure (257.9) is a correction to the figure (257.8) filed for Q3. See page 2 of STB Ex Parte No. 290 (Sub-No. 5)(2011-4), served September 20, 2011.

¹	2009	Third Quarter 2011	
	Weights	Forecast	Actual
Car-Hire	42.2%	178.9	179.8
Lease Rentals	57.8%	222.3	218.2
Weighted Average		204.0	202.0
Weighted Average (linked)		208.8	207.0

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

$$289.8 = 295.9 / 297.1 \times 291.0$$

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

Productivity

On February 7, 2011, the Surface Transportation Board (STB) served a decision in Ex Parte 290 (Sub-No. 4) which added the year 2009 to the Productivity Adjustment Factor (PAF) and removed the year 2004. This creates a geometric average annual productivity change, for the five-year period 2005 through 2009, of 1.4 percent per year. The components of this average annual value are shown on the following table in ratio format – therefore, 1.014 is the same as an increase of 1.4 percent.

Productivity changes are calculated by multiplying each of the five productivity changes together and taking the result to the one-fifth power. The quarter productivity adjustment factors (PAF) are calculated by increasing the previous quarter's PAF by quarterly versions of the annual rate, which are the fourth root of the 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

2005 - 2009

Year	Output Index (1)	Input Index (2)	Productivity ¹ Changes (3)
2005	1.021	0.956	1.068
2006	1.018	1.024	0.994
2007	1.000	0.996	1.004
2008	0.990	0.970	1.021
2009	0.847	0.861	0.984
Average			1.014
Corrected Previous Avg. (2004-2008)			1.012

¹ The values shown in Column 3 are based on full float calculations and may not exactly match numbers calculated using the rounded numbers displayed in Columns 1 and 2

Calculation of PAF and PAF-5

For 2005-2009, use fourth root of avg. productivity change = 1.0035

For 2004-2008, use fourth root of avg. productivity change = 1.0030

Quarter	Year	PAF	PAF-5	
Q1	2011	2.2409	2.3681	← 2004-2008
Q2	2011	2.2487	2.3752	
Q3	2011	2.2566	2.3823	
Q4	2011	2.2645	2.3894	← 2005-2009
Q1	2012	2.2724	2.3978	

Rail Cost Adjustment Factor

First Quarter 2012

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

	Previous 2011Q4	Current 2012Q1	Percent Change
All-Inclusive Index ¹	118.2	117.6	-0.5
Preliminary RCAF ²	1.182	1.176	-0.5
Forecast Error Adjustment ³	<u>0.026</u>	<u>-0.007</u>	
RCAF (Unadjusted) ⁴	1.208	1.169	-3.2
Productivity Adjustment Factor ⁵	2.2645	<u>2.2724</u>	
RCAF (Adjusted) ⁶	0.533	0.514	-3.6
PAF-5 ⁷	2.3894	2.3978	
RCAF-5 ⁸	0.506	0.488	-3.6

¹ See All-Inclusive Index on page 3.

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

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

⁴ Preliminary RCAF plus the forecast error adjustment.

⁵ See Productivity on page 5.

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

⁷ See Productivity on page 5.

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

Appendixes

Labor

First Quarter 2012

The first quarter 2012 Labor Index is forecast to rise 1.5 percent from its corrected version of Q4. (See second paragraph on page 1.) Two new labor agreements with retroactive wage increases, a non-union wage increase, and independent wage increases were the major contributors to the Q1 increase.

New National Agreements: The United Transportation Union (UTU) and United Transportation Union Yardmasters Department (UTU-YMD) signed new national labor agreements on September 16, 2011. [See Appendix H for common railroad and union abbreviations.] The UTU is the largest union in terms of Class I railroad employees. About 24 percent of all Class I railroad employees are affected by the two agreements, which include retroactive wage increases and bonuses. Although they were signed near the end of the third quarter, the new labor agreements could not be added to the index until this first quarter submission, because the fourth quarter 2011 index had already been submitted earlier in September. The two agreements have similar provisions, and highlights of the new agreements are as follows:

Added to the Index:

- Employee Health & Welfare Cost Sharing monthly rate of \$200.00 retroactive to January 1, 2010;
- Retroactive general wage increase of 2.0 percent effective July 1, 2010;
- Employee Health & Welfare Cost Sharing monthly rate of \$202.90 retroactive to January 1, 2011;
- Cost-of-living allowance of 3 cents already received January 1, 2011, is rolled into wage rate;
- A rate adjustment of 12.5 cents, effective June 30, 2011 – for Yardmasters only;
- Retroactive general wage increase of 2.5 percent effective July 1, 2011;
- Employee Health & Welfare Cost Sharing monthly rate, effective January 1, 2012, at lesser of \$200 or 15 percent of the Carriers' Monthly Payment Rate;

To Be Added to the Index for Q2:

- A Rate Progression Bonus for current employees of \$3,000 or \$1,200 depending on years of service, (railroad details not available in time for December 5 filing);

Future additions to the index

- General wage increase of 3.0 percent effective July 1, 2012;
- General wage increase of 3.0 percent effective July 1, 2013;
- General wage increase of 3.5 percent effective July 1, 2014;
- General wage increase of 3.0 percent effective January 1, 2015;

Labor

First Quarter 2012

Wage Rate Index

The Wage Rate Index portion of the Labor Index increased 2.4 percent from the previous quarter. This increase was caused by the two new labor agreements, a non-union wage increase, a few new independent labor agreements, and a small number of independent increases.

Wage Increases: Two new national labor agreements (discussed on previous page) were added to the index. These contracts had retroactive wage increases of 2 and 2.5 percent, plus bonuses. Following past index procedure, non-union employees were assigned a general wage increase equal to the amount major unions received last July. In this case, the increase is 2.5 percent. (Non-union employees were not assigned any wage increase last year.) A small number of independent unions are still receiving cost-of-living allowance increases (18 cents for this period), and three independent unions will receive a 2.5 percent general wage increase effective January 1.

Lump Sums: The first quarter lump sum rate increased 0.5 cents (or \$0.005). The increase was caused by two independent labor agreements. One lump sum was an annual bonus, while the other was a settlement bonus that was part a new agreement. The UTU and UTU-Yardmaster Rate Progression Bonus was not added to the Q1 index because of lack of information on which of the two possible bonuses were to be received by each eligible employee. This bonus will be added to the 2012Q2 index.

Back Pay: The first quarter back pay rate increased significantly because of the retroactive wage increases for UTU and UTU-Yardmaster employees participating in the new national agreements. In addition, three (much) smaller amounts were added for new independent agreements.

Other: In wages, "Other" contains the amortization of incentive compensation payments that a large railroad makes each year to its dispatchers, yardmasters, and engineers. This rate is unchanged.

Supplements Index

Higher Railroad Retirement and fringe benefit costs caused the small increase in the Supplements Index.

Health & Welfare: Normally, new health & welfare premiums become effective on January 1. Because of labor agreement negotiations, the premiums in effect for 2011 will continue into the first quarter, and will probably be updated April 1. (See pages 5 and 6 of this Appendix.) The Health & Welfare rate decreased by \$0.004, caused mostly new independent agreements with more employee cost sharing.

Railroad Retirement: The Railroad Retirement & Medicare rate increased 2.7 percent because of higher taxable earnings and higher maximum taxable earnings. Tax rates and maximum taxable earnings for 2012 are shown on page 5 of this appendix.

Labor

First Quarter 2012

Unemployment Insurance: Railroad unemployment insurance rates are experienced-rated by employer and will range from 2.15 (0.65 plus a 1.5 percent surcharge for 2012) to 12 percent. For 2012, the Class I railroads will have an average tax rate of 5.00 percent. The 2012 average tax rate is lower than the rate for 2011, as unemployment rates are decreasing. The lower average tax rate caused the decrease in the Unemployment Insurance rate shown on page 4. Page 5 of this appendix contains average tax rates and maximum taxable earnings for the three most recent years.

Other: The "Other" category is a reflection of all other fringe benefits, and currently contain known employer contributions to employee 401(k) accounts and employer contributions to employee stock plans that are recorded as fringe benefits. The hourly rate increased 3.8 cents, as this quarter typically includes one railroad's perfect attendance and individual performance stock awards.

Labor Index Calculation

As shown in Table A-1 on the next page, the 2.4 percent increase in the Wage Index and the 0.4 percent increase in the Supplements Index had a combined effect of a 1.5 percent increase in the Labor Index. The linked first quarter 2012 index is 379.4.

Labor

First Quarter 2012

Table A-1 Labor Index

	2011Q4 revised*	2012Q1	Change	
			Percent	Amount
Base Wage – Straight Time & Pay For Time Not Worked	\$35.086	\$35.633	1.6%	\$0.547
Adjustments:				
Lump Sum	0.221	0.226	2.3%	0.005
Back Pay	0.038	0.347	813.2%	0.309
Other	0.195	0.195	0.0%	0.000
Total Wages	<u>35.540</u>	<u>36.401</u>	2.4%	0.861
Health & Welfare Benefits	8.558	8.554	0.0%	-0.004
RR Retirement & Medicare	7.037	7.228	2.7%	0.191
Unemployment Insurance	0.599	0.433	-27.7%	-0.166
Other	0.096	0.134	39.6%	0.038
Total Supplements	<u>\$16.290</u>	<u>\$16.349</u>	0.4%	0.059
Total Labor	\$51.830	\$52.750		
Wage Index¹	304.2	311.5	2.4%	
Supplements Index²	602.0	604.2	0.4%	
Total labor Index, 2010 Weights³	394.1	399.9		
Labor Index (linked)⁴	373.9	379.4	1.5%	

* One railroad revised its 2010 wage statistics, making it necessary to revise Q4. The forecast error calculation for 2012Q2, which is based on 2011Q4, will use the original number as "forecast" (375.3), and the corrected number as "actual" (373.9).

¹ 1980 wage rate	\$11.685	
² 1980 supplements rate	\$2.706	
³ 2010 weights: wages, supplements	69.8%	30.2%
⁴ 2012Q1 linked Index = 2011Q4 linked x (2012Q1 / 2011Q4)		
	= 373.9	x 399.9 / 394.1

Labor First Quarter 2012

Supplement Comparisons

Health and Welfare Rates

Plan	Railroad Contribution Per Employee Per Month				
	2010	2011	2012	Change	
				'10-'11	'11-'12
Group Health & Life	\$1,305.91	\$1,401.06	unchanged	7.3%	unchanged
Early Retirement Major Medical	155.96	164.41	unchanged	5.4%	unchanged
Group Dental	57.29	59.47	unchanged	3.8%	unchanged
Group Vision	10.41	10.46	unchanged	0.5%	unchanged
Supplemental Sickness					
Maintenance of Way	24.90	36.52	unchanged	46.7%	unchanged
Shop Crafts	25.71	48.28	unchanged	87.8%	unchanged
Signalmen	8.65	25.62	unchanged	196.2%	unchanged
Yardmasters	32.16	33.48	unchanged	4.1%	unchanged

Railroad Retirement and Medicare

	Earnings Base			Employer Rate		
	2010	2011	2012	2010	2011	2012
Tier I	\$106,800	\$106,800	\$110,100	6.20%	6.20%	6.20%
Tier II	79,200	79,200	81,900	12.10%	12.10%	12.10%
Medicare	no limit	no limit	no limit	1.45%	1.45%	1.45%

Unemployment Insurance

Monthly Taxable Earnings Base			Weighted Avg. Class I Rate		
2010	2011	2012	2010	2011	2012
\$1,330	\$1,330	\$1,365	3.26%	7.09%	5.00%

NATIONAL RAILWAY LABOR CONFERENCE EMPLOYEE BENEFITS DEPARTMENT

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November 30, 2011

**CONTINUED PARTICIPATION IN
THE RAILROAD EMPLOYEES NATIONAL HEALTH AND WELFARE PLAN
NATIONAL RAILWAY CARRIERS and UNITED TRANSPORTATION UNION HEALTH & WELFARE PLAN
RAILROAD EMPLOYEES NATIONAL EARLY RETIREMENT MAJOR MEDICAL BENEFIT PLAN
RAILROAD EMPLOYEES NATIONAL DENTAL PLAN
SUPPLEMENTAL SICKNESS BENEFIT PLAN COVERING SHOP CRAFT and SIGNAL EMPLOYEES
MAINTENANCE OF WAY EMPLOYEES SUPPLEMENTAL SICKNESS BENEFIT PLAN
SUPPLEMENTAL SICKNESS BENEFIT PLAN FOR RAILROAD YARDMASTER EMPLOYEES
RAILROAD EMPLOYEES NATIONAL VISION PLAN
EFFECTIVE JANUARY 1, 2012**

CIRCULAR NO. 504-41-49 (NH&W)
CIRCULAR NO. 843-1-19 (NRC/UTU)
CIRCULAR NO. 679-2-46 (ERMA)
CIRCULAR NO. 636-14-35 (DENTAL)
CIRCULAR NO. 592-24-66 (SC SSB)
CIRCULAR NO. 592-24-67 (SIGNAL SSB)
CIRCULAR NO. 597-20-34 (MOW SSB)
CIRCULAR NO. 692-4-30 (YARDMASTER SSB)
CIRCULAR NO. 825-5-19 (VISION)

TO: MEMBER ROADS AND OTHER PARTICIPATING RAILROADS

Our Circulars in these series provide information about the continuation of the Plans named above and the applicable contribution/premium payment rates. This multi-numbered Circular serves to advise that effective January 1, 2012 there will be no adjustment to any of the Payment Rates. The 2011 rates will continue until we notify you otherwise by follow-up Circular. It is projected at this time that 2012 rate changes may be made effective April 1, 2012.

2012 payment due dates for the NH&W Plan, the NRC/UTU Plan, ERMA, and Dental will be:

<u>Payment Month</u>	<u>Due Date</u>	<u>Payment Month</u>	<u>Due Date</u>
January	01/17/12	July	07/16/12
February	02/15/12	August	08/15/12
March	03/15/12	September	09/13/12
April	04/16/12	October	10/15/12
May	05/15/12	November	11/15/12
June	06/14/12	December	12/13/12

Late payment charges will accrue with respect to payments received after the payment dates listed above. When sending an EFT, your Monthly Payment Report form should be faxed to 860-702-5336, Attn. Sue Skidgel. **Please note, any EFT received without a signed Monthly Payment Report form, or any Monthly Payment Report form received without payment, cannot be processed. Wires must be received at JP Morgan Chase Manhattan Bank no later than 3:00pm eastern time on or before the Due Date or a late charge could apply.**

Most railroads make a single, aggregate, monthly payment that our collection agent (United Healthcare) divides into contributions to the National Health and Welfare Plan, the NRC/UTU Plan, the Railroad Employees National Early Retirement Major Medical Benefit Plan ("ERMA") and the Railroad Employees National Vision Plan. The National

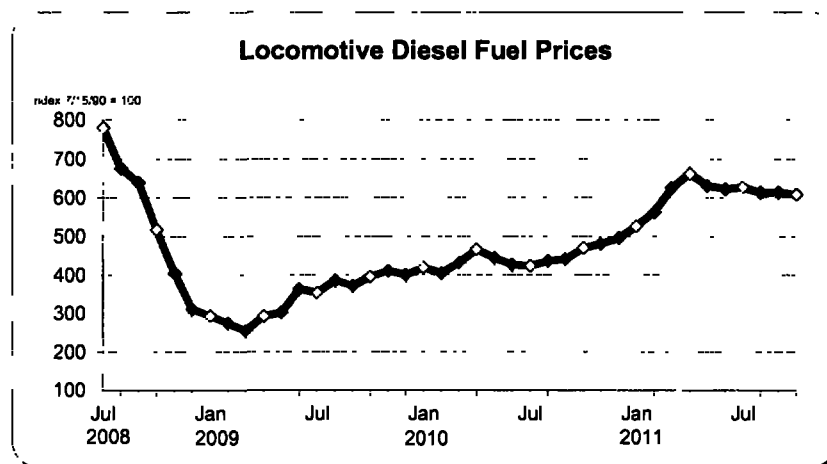
Fuel

First Quarter 2012

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.

Locomotive diesel fuel prices for 2011 reached a peak in April, continuing a trend upward that began after March 2009 (with a few "dips"). The latest locomotive diesel fuel prices available are for October, and its average continues a "leveling off" trend with a small decline. While average prices for locomotive diesel fuel are not currently available for November, the Energy Information Administration has posted averages for heating oil for the first four weeks of the month.* November prices for heating oil were higher than their October average, and inventories of all distillates were near the lowest portion of their average range. Crude oil spot prices for West Texas Intermediate were also higher in November than October, but prices for crude oil in Europe were lower.**

Railroads believe locomotive diesel fuel prices for January 2012(Q1) will be 3.2 percent higher than the fourth quarter prices actually paid in October (which represents Q4). However, because the fourth quarter forecast (made in early September) was too high, the first quarter 2012 forecast is 2.3 percent lower than the previous quarter.



Forecast Fuel Index	387.7
Change from previous quarter forecast	-2.3%
Change from previous quarter actual	3.2%

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

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

Materials & Supplies

First Quarter 2012

The first quarter 2012 Materials & Supplies Index decreased 0.8 percent from its fourth quarter value. The decrease was caused by lower prices paid in the Miscellaneous Products category (ballast, creosote, lube oil, and others), which offset modest increases in the other categories.

2012Q1 Materials & Supplies Index = 263.7

2011Q4 Materials & Supplies Index = 265.7

Difference	-2.0 basis points
	or
	-0.8 %

Equipment Rents

First Quarter 2012

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

Car Hire

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

Lease Rentals

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

Equipment Rents Index Calculation

The table below calculates the Equipment Rent Index, which decreased 1.2 percent. The first quarter Car Hire portion of the Index increased 0.2 percent because of higher rates for privately-owned cars. A 2.1 percent decrease for the PPI-LF (See Appendix G) used as a proxy for Lease Rentals, combined with the 0.2 percent increase for Car Hire, caused the Equipment Rent Index to decrease 1.2 percent.

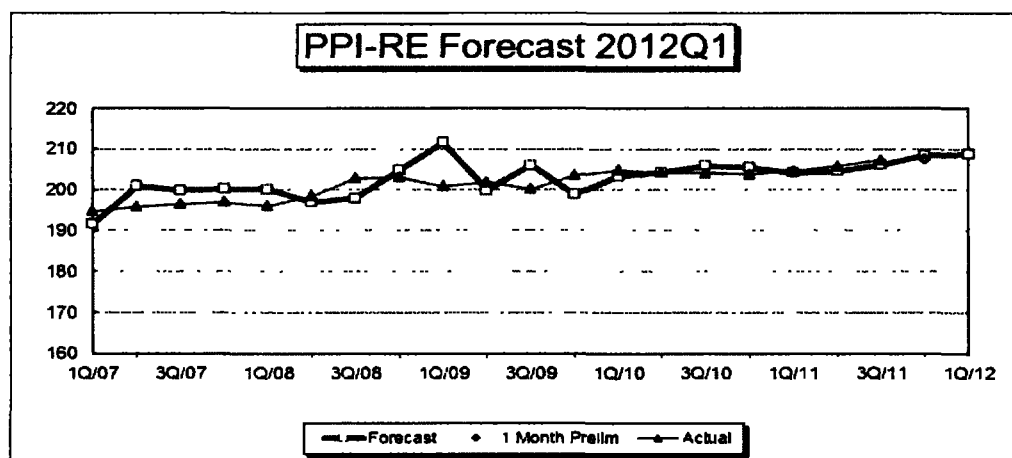
	2010 Weight	2011Q4	2012Q1	Percent Change
Car Hire	45.8%	175.2	175.5	0.2 %
Lease Rentals	54.2%	220.3	215.6	-2.1
Weighted Average		199.6	197.2	-1.2
Weighted Average (Linked)		205.9	203.4	-1.2

Depreciation

First Quarter 2012

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

Forecast of Depreciation Index (1982=100)	188.7
Forecast of Depreciation Index (1980=100)	208.7
Change from previous quarter forecast	0.1%
Change from actual first month of previous quarter	0.6%
Change from same quarter of prior year (actual)	2.0%



Depreciation

First Quarter 2012

PPI RAILROAD EQUIPMENT

Recommended model: Exponential Smoothing

Forecast Model for PPIRE

Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing Weight	Final Value
Level	0.89598	187.52
Trend	0.02734	0.28493

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 179.1	Standard deviation 6.503
R-square 0.9738	Adjusted R-square 0.9734
Durbin-Watson 2.026	Ljung-Box(18)=21.42 P=0.7415
Forecast error 1.061	BIC 1.11
MAPE 0.004307	RMSE 1.046
MAD 0.7655	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2011-05	186.700
2011-06	186.800
2011-07	187.400
2011-08	187.400
2011-09	187.400
2011-10	187.500

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2011-11	185.633	187.808	189.984
2011-12	185.136	188.093	191.050
2012-01	184.807	188.378	191.949
2012-02	184.569	188.663	192.757
2012-03	184.390	188.948	193.506
QTR AVG	184.589	188.663	192.737

Interest

First Quarter 2012

The Interstate Commerce Commission, in its decision served February 28, 1989, revised the All-Inclusive Index methodology to include a specific interest component, which is to track changes in the average interest rate from year to year. The interest rate is essentially the embedded cost of debt, i.e., total interest expense divided by average total long term debt. The interest rate is calculated for the most recent year and used until the next year's figures are available. Typically in the fourth quarter filing, the interest rate is updated to the new level. The source for interest expense is Schedule 210, column b, from the R-1 annual report. The lines used from current R-1 annual reports are listed below. The source for average total debt is Schedule 200 from the R-1 annual report. The sums of data from columns b and c (ending and beginning balances) are combined and divided by 2 to compute an average balance. The line numbers are listed below. Beginning with fourth quarter 2011, the Interest Index is based on data for 2010.

The interest index is the latest year's interest rate divided by 7.85 percent, which was the interest rate in the 1980 base period.

Interest Expense (Schedule 210)

Line	
42	Total Fixed Charges
44	Contingent Interest
less	
22	Release of Premium on Funded Debt

Average Total Debt (Schedule 200)

Line	
30	Current Loans and Notes Payable
39	Equipment Obligations and Other Long Term Debt Due Within One Year
41	Funded Debt Unmatured - Non-Current
42	Equipment Obligations - Non-Current
43	Capitalized Lease Obligations - Non-Current
44	Debt in Default - Non-Current
45	Accounts Payable: Affiliated Companies - Non-Current
46	Unamortized Debt Premium - Non-Current

2010	Interest Rate	7.11%
1980	Interest Rate	7.85%
2012Q1	Interest Index	90.6
2011Q4	Interest Index	90.6
	Percent Change	0.0%

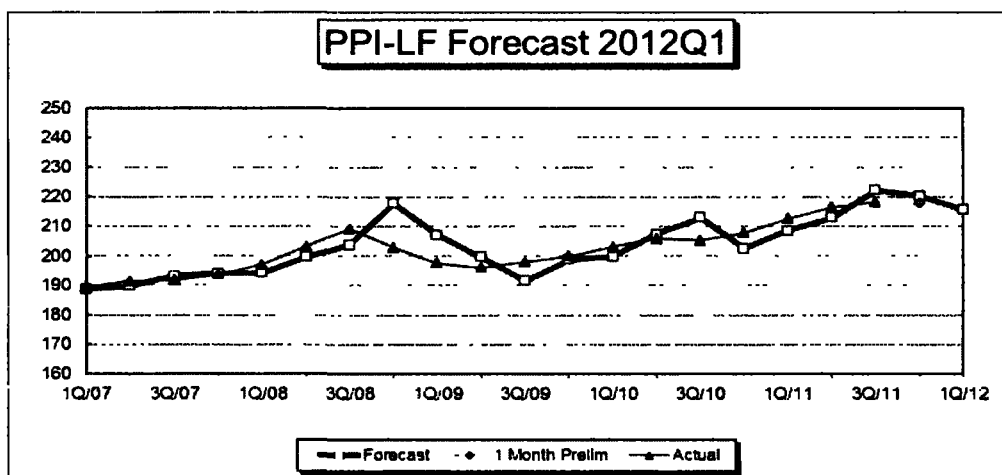
Other Expenses

First Quarter 2012

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

Like the PPI-RE, the PPI-LF is forecast using an ARIMA process on 6 years of monthly data (a sample size of 72) with the most recent available monthly data being the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent month available. April and July would be the most recent months available for third and fourth quarter forecasts respectively. The output from the forecast model is shown on page 2 of this appendix for 1982=100. The figure forecast by the model for the first quarter reflects recent monthly PPI-LF figures that have lower rates of increase compared to early 2011.

Forecast of Other Expense Index (1982=100)	192.3
Forecast of Other Expense Index (1980=100)	215.6
Change from previous quarter forecast	-2.1%
Change from actual first month of previous quarter	-1.0%
Change from same quarter of prior year (actual)	1.4%



Other Expenses First Quarter 2012

PPI INDUSTRIAL COMMODITIES LESS FUELS AND RELATED PRODUCTS AND POWER

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

Term	Coefficient	Std. Error	t-Statistic	Significance
b[1]	0.0275	0.1186	0.2320	0.1827 <-

Insignificant MA terms are harmless.

Within-Sample Statistics

Sample size 72	Number of parameters 1
Mean 5.178	Standard deviation 0.05123
R-square 0.9933	Adjusted R-square 0.9933
Durbin-Watson 1.971	Ljung-Box(18)=18.18 P=0.5558
Forecast error 0.004208	BIC 0.7634
MAPE 0.003133	RMSE 0.7548
MAD 0.5633	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2011-05	193.700
2011-06	193.900
2011-07	194.500
2011-08	194.500
2011-09	194.700
2011-10	194.200

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2011-11	192.118	193.720	195.336
2011-12	189.725	193.242	196.824
2012-01	186.957	192.765	198.752
2012-02	183.890	192.288	201.071
2012-03	180.577	191.813	203.749
QTR AVG	183.808	192.289	201.191

Railroad and Union Abbreviations

First Quarter 2012

Railroads

BLE	Bessemer & Lake Erie Railroad (Part of CN's Grand Trunk Corp.)
BNSF	BNSF Railway Company
CC	Chicago, Central & Pacific (Part of CN's Grand Trunk Corp. Sometimes noted as CC&P.)
CN	Canadian National Railway (Commonly known as CN, owns Grand Trunk Corporation.)
CNGT	AAR's abbreviation for Grand Trunk Corporation (Almost all of CN's U.S. operations.)
CP	Canadian Pacific (Also noted as CPR. Owns the U.S. Class I railroad Soo Line.)
CSX	CSX Transportation
D&H	Delaware & Hudson (Canadian Pacific's U.S. operations, to be included beginning 2011Q4.)
DME	Dakota, Minnesota & Eastern (Canadian Pacific's U.S. operations, to be included beginning 2011Q4.)
DMIR	Duluth, Missabe & Iron Range Company (Part of CN's Grand Trunk Corp.)
DWP	Duluth, Winnipeg & Pacific Railway (Part of CN's Grand Trunk Corp.)
EJE	Elgin, Joliet & Eastern Railway (Part of CN's Grand Trunk Corp.)
GTW	Grand Trunk Western Railroad (Part of CN's Grand Trunk Corp.)
IC	Illinois Central Railroad (Part of CN's Grand Trunk Corp.)
KCS	Kansas City Southern Railway
NS	Norfolk Southern Combined Railroad Subsidiaries (a.k.a. Norfolk Southern Railway or NS Rail)
SOO	Soo Line Railroad (the largest 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
SMW	Sheet Metal Workers' International Association
TCU	Transportation Communication International Union
TCU-Carmen	Brotherhood of Railway Carmen Division of the Transportation Communications International Union
UTU	United Transportation Union
UTU-Yard	United Transportation Union Yardmaster Department (also noted as UTU-YMD)

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

BLE	Brotherhood of Locomotive Engineers (predecessor to BLET)
BMWE	Brotherhood of Maintenance of Way Employees (predecessor to BMWED)
BRC	Brotherhood of Railway Carmen (predecessor to TCU-Carmen)
IBFO	International Brotherhood of Firemen and Oilers (predecessor to NCFO)

Workpapers Sent to STB for 2012 Q1 RCAF

December 5, 2011

1002 9 330

1. Index Calculation Spreadsheet (index_calc.xls, 2 pages)
2. Summary of ST and PFTNW Hourly Rates (Summary.xls)
3. RCAF Taxable Wages adjustment calculation (TaxableRate.xls)
4. National Contracts spreadsheet, 2 sections (2 and 5 pages)
5. U.S. 2010 Benchmark spreadsheet with revised wage statistics
6. National Increase Applicability spreadsheet for 2010 Benchmark (Public Version)
7. Four pages from new national labor agreements with general wage increases
8. Wall Street Journal - 13 week Treasury Bill Rate from latest auction (a.k.a 3-Mo T-Bill)
9. 2012/Q1 RCAF Lump Sum Amortization (public summary page)
10. 2012/Q1 RCAF Back Pay Amortization (public summary page)
11. 13 pages from new national contracts relevant to back pay calculation
12. Health & Welfare worksheet (1 page) and memo
13. Railroad Retirement spreadsheet (5 pages)
14. Two-page press release from RRB with info for 2012 RR Retirement and Unemployment Insurance
15. Unemployment Insurance worksheet
16. 2-page SAS run for Unemployment Insurance
17. Memo for new Unemployment Insurance Tax Rate for 2012
18. Seven pages of fuel information from Energy Information Administration
19. Summary of Materials & Supplies (one page)
20. Car Hire Spreadsheet (2 pages) plus 2-pages of source data from December 1, 2011
21. 5 pages of PPI-RE for Depreciation including graph, input/output, and BLS source data
22. 5 pages of PPI-LF for Other (and Lease Rentals) incl. graph, BLS source data, input/output
23. Forecast Error calculation & workpapers (11 pages: calc, index, fuel, M&S, 4 car hire, 2 deprec, 2 other)

Highly Confidential Data

1. Summary of back pay calculations for national UTU and UTU-YMD
2. Back pay calculations for railroads benchmarked as national agreement UTU and UTU-YMD
3. UTU and UTU-YMD calculations for rate used in Natwage spreadsheet
4. Lump Sum Amortization spreadsheet
5. Back pay amortization spreadsheet
6. Six pages from independent labor agreements with general wage increases plus two memos

RCAF All-Inclusive Index's Labor Index Based on Revised 2010 Benchmarks

10 Wts.		3Q/11 Original	3Q/11 Rebenchd	% Chg	4Q/11 See Note	% Chg fr. Orig	1Q/12	% Chg	2Q/12	% Chg	3Q/12	% Chg
Straight Time PFTNW		\$28.732	\$28.188	-1.9%	\$28.188	-1.9%	\$28.627	1.6%		--		--
		\$7.471	\$6.898	-7.7%	\$6.898	-7.7%	\$7.006	1.6%		--		--
	Total	\$36.203	\$35.086	-3.1%	\$35.086	-3.1%	\$35.633	1.6%	\$0.000	--	\$0.000	--
Adjustments Lump Sum Back Pay Other		\$0.228	\$0.224		\$0.221		\$0.226					
		\$0.038	\$0.038		\$0.038		\$0.347					
		\$0.199	\$0.195		\$0.195		\$0.195					
Total Wages		\$36.668	\$35.543	-3.1%	\$35.540	-3.1%	\$36.401	2.4%	\$0.000	--	\$0.000	--
Pre-Tax Reduction		(\$1.246)	(\$1.193)		(\$1.193)		(\$1.196)					
Taxable Wages		\$35.422	\$34.350		\$34.347		\$35.205		\$0.000		\$0.000	
H & W		\$8.631	\$8.558	-0.8%	\$8.558	-0.8%	\$8.554	0.0%		--		--
RR Ret & Medicare		\$7.002	\$7.038	0.5%	\$7.037	0.5%	\$7.228	2.7%		--		--
Unemp. Insurance		\$0.606	\$0.599	-1.2%	\$0.599	-1.2%	\$0.433	-27.7%		--		--
Other		\$0.217	\$0.213	-1.8%	\$0.096	-55.8%	\$0.134	39.6%		--		--
Total		\$16.456	\$16.408	-0.3%	\$16.290	-1.0%	\$16.349	0.4%	\$0.000	--	\$0.000	--
Adjustments												
Total Suppl.		\$16.456	\$16.408	-0.3%	\$16.290	-1.0%	\$16.349	0.4%	\$0.000	--	\$0.000	--
Total Labor		\$53.124	\$51.951	-2.2%	\$51.830	-2.4%	\$52.750	1.8%	\$0.000	--	\$0.000	--
Wage Rate Index	0.6980	313.8	304.2	-3.1%	304.2	-3.1%	311.5	2.4%	0.0	--	0.0	--
Suppl Index	0.3020	608.1	606.4	-0.3%	602.0	-1.0%	604.2	0.4%	0.0	--	0.0	--
Total Labor Index '09 Wts.		401.8										
Total Labor Index '10 Wts.		402.7	395.5	-1.8%	394.1	-2.1%	399.9	1.5%	0.0	--	0.0	--
Labor Index (Linked)		382.1			373.9	-2.1%	379.4	1.5%	0.0	#####	#DIV/0!	--

All Inclusive Index and RCAF

	10 Wts	3Q/11 Revised	3Q/11 10 Wts	% Chg	4Q/11 See Note	% Chg	1Q/12	% Chg	2Q/12	% Chg	3Q/12	% Chg
Labor	0.333	382.10	382.1	0.0%	373.9	-2.1%	379.4	1.5%	0.0 #####	0.0 #####	#DIV/0!	--
Fuel	0.180	392.30	392.3	0.0%	396.9	1.2%	387.7	-2.3%	--	--	--	--
M&S	0.050	257.90	257.9	0.0%	265.7	3.0%	263.7	-0.8%	--	--	--	--
Equip Rents	0.062	208.80	208.8	0.0%	205.9	-1.4%	203.4	-1.2%	0.0 #####	0.0 #####	#DIV/0!	--
Depreciation	0.128	206.10	206.1	0.0%	208.4	1.1%	208.7	0.1%	--	--	--	--
Interest	0.029	84.50	84.5	0.0%	90.6	7.2%	90.6	0.0%	90.6 0.0%	90.6 0.0%	90.6	0.0%
Other	0.218	222.30	222.3	0.0%	220.3	-0.9%	215.6	-2.1%	--	--	--	--
Weighted Avg.	1.000	297.60	301.0	1.1%	299.3	-0.6%	298.3	-0.3%	2.6 -99.1%	2.6 -99.1%	#DIV/0!	--
Linked		291.80			290.2	-0.5%	289.2	-0.3%	2.5 -99.1%	2.5 -99.1%	#DIV/0!	--
10/1/80 basis					282.6	-0.5%	281.6	-0.4%	2.4 -99.1%	2.4 -99.1%	#DIV/0!	--
10/1/82	102.7	284.10			240.0	-0.6%	239.2	-0.3%	2.1 -99.1%	2.1 -99.1%	#DIV/0!	--
4Q/87	120.9	241.40			219.5	-0.5%	218.8	-0.3%	1.9 -99.1%	1.9 -99.1%	#DIV/0!	--
4Q/92	132.2	220.70			185.0	-0.5%	184.3	-0.4%	1.6 -99.1%	1.6 -99.1%	#DIV/0!	--
4Q/97	156.9	186.00			167.6	-0.5%	167.0	-0.4%	1.4 -99.2%	1.4 -99.2%	#DIV/0!	--
4Q/02	173.2	168.50			151.1	-0.5%	150.5	-0.4%	1.3 -99.1%	1.3 -99.1%	#DIV/0!	--
4Q/07 basis	192.1	151.90			118.0	-0.6%	117.6	-0.3%	1.0 -99.1%	1.0 -99.1%	#DIV/0!	--
245.9		118.70										
Car Hire	0.458	178.90	178.9	0.0%	175.2	-2.1%	175.5	0.2%	--	--	--	--
Lease Rents	0.542	222.30	222.3	0.0%	220.3	-0.9%	215.6	-2.1%	0.0	0.0	0.0	--
Wghted Avg Eq Rents		204.00	202.4	-0.8%	199.6	-1.4%	197.2	-1.2%	0.0	0.0	0.0	--
Linked Equipment Rents		208.80			205.9	-1.4%	203.4	-1.2%	0.0 #####	0.0 #####	#DIV/0!	--
Preliminary RCAF		1.187			1.180	-0.59%	1.176	-0.3%	0.010 -99.1%	0.010 -99.1%	#DIV/0!	--
Forecast Error Adj		0.020			0.026		(0.007)					
RCAF Unadjusted		1.207			1.206	-0.08%	1.169	-3.1%	0.010 -99.1%	0.010 -99.1%	#DIV/0!	--
PAF		2.2566			2.2645	0.35%	2.2724	0.35%				
RCAF Adjusted		0.535			0.533	-0.37%	0.514	-3.6%	#DIV/0!	#DIV/0!	#DIV/0!	--
PAF-5		2.3823			2.3894	0.30%	2.3978	0.35%				
RCAF-5		0.507			0.505	-0.39%	0.488	-3.4%	#DIV/0!	#DIV/0!	#DIV/0!	--
r - revised					0.506							

Note During October 2011, one railroad revised its 2010 wage statistics. For 2012Q1 calculation purposes, 2011Q4 has been recalculated using the revised benchmark statistics. The 2012Q2 forecast error calculation, which uses 2011Q4, will use the original Labor number (375.3) for forecast, and the corrected number (373.9) for actual.

Hourly Rate for 2012 Q1

Straight Time and Time Paid For But Not Worked

2012Q1 Straight Time Hourly Rate (from national spreadsheet)

\$28.461

National UTU and UTU-YMD new agreements were added, 2.5% wage increase for non-union

Adjustments to 2010 base:

Adjustments added 2011 Q1

CN Railroads	\$0.03 COLA for most unions	0.001
Dispatcher 4 (BNSF, CSX, KCS, NS)	2.5% GWI for CSX ATDA-East	0.001
Misc. Independent BLET, Yardmasters, Dispatchers	2% GWI for BNSF BLET, 2.5% GWI for CSX BLET, \$0.03 COLA for CSX UTU-YMD	0.041
Soo Corp.	\$0.03 for SOO IAM, UTU and UTU-YMD, 3.13% for DME BLET, 3.06% for DME LTU	0.002

Adjustments added 2011 Q2

CN Railroads	No change	0.000
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	No change	0.000
Soo Corp.	No change	0.000

Adjustments added 2011 Q3

CN Railroads	\$0.28 COLA for most unions	0.009
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	5% GWI for NS BLET, \$0.28 COLA for CSX UTU-YMD	0.040
Soo Corp.	\$0.28 for DH and SOO IAM, UTU and UTU-YMD	0.001

Adjustments added 2011 Q4

CN Railroads	2% GWI for DMIR UTU, but no impact	0.000
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	No change	0.000
Soo Corp.	DME BRS new contract with retro GWIs, but no impact	0.000

Adjustments added 2012 Q1

CN Railroads	DMIR BLET new contract, \$0.18 for most unions, 2.5% GWI for non-unions	0.007
Dispatcher 4 (BNSF, CSX, KCS, NS)	2.5% GWI for CSX ATDA-East	0.001
Misc. Independent BLET, Yardmasters, Dispatchers	2.5% GWI for BNSF & CSX BLET and UP ATDA (non-union), new contract for CSX UTU-YMD	0.056
Soo Corp.	3% - 3 DME unions, \$0.18 - DH & SOO IAM, new UTU & YMD - DH & SOO, 2.5% - non-unions	0.007

Adjusted STHR Total

\$28.627

Pay For Time Not Worked

PFTNW (from national spreadsheet)	\$6.965
Ratio Adj STHR to Nat STHR	28.627 / 28.461 = 1.00583

Adjusted Pay For Time Not Worked

\$7.006

Notes:

1. CN Railroads includes B&LE, CC&P, DMIR, DW&P, EJE, GTW, IC, and WC
2. "Dispatcher 4" was benchmarked based on 2010 Wage Statistics as independent, even though the new national ATDA contract was signed September 1, 2007.
3. Soo Corp. includes DH, DME and Soo Line.

RCAF Taxable Wages

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

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

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

Reduction Calculation for 1Q/2012

U.S. ST Hours = 290,805.945
 Wage Statistics are for 2010.

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, UP)	23,721	(\$200.00)	(\$56,930,400.00)
National BMWE (BNSF, CSX, KCS, NS, UP)	22,631	(\$200.00)	(\$54,314,400.00)
National BRS (BNSF, CSX, KCS, NS, UP)	6,180	(\$200.00)	(\$14,832,000.00)
National IAM (BNSF, CSX, KCS, NS, UP)	6,509	(\$229.31)	(\$17,910,945.48)
National IBBM (BNSF, CSX, KCS, NS, UP)	837	(\$200.00)	(\$2,008,800.00)
National IBEW (BNSF, CSX, KCS, NS, UP)	4,939	(\$200.00)	(\$11,853,600.00)
National NCFO (BNSF, CSX, KCS, NS, UP)	2,215	(\$200.00)	(\$5,316,000.00)
National SMW (BNSF, CSX, KCS, NS, UP)	963	(\$200.00)	(\$2,311,200.00)
National TCU (BNSF, CSX, KCS, NS, UP)	6,026	(\$200.00)	(\$14,462,400.00)
National TCU-CAR (BNSF, CSX, KCS, NS, UP)	9,235	(\$200.00)	(\$22,164,000.00)
National UTU (BNSF, CSX, KCS, NS, UP)	35,762	(\$200.00)	(\$85,828,800.00)
National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,481	(\$200.00)	(\$3,554,400.00)
Indep. Dispatchers (wt avg BNSF, CSX, KCS, NS)	1,708	(\$200.00)	(\$4,099,200.00)
Independent CNGT (wt avg all 104 union categories)	5,971	(\$122.73)	(\$8,793,849.96)
Independent SOO (wt avg all 13 unions)	3,593	(\$188.21)	(\$8,114,862.36)
Independent UP (Yardmasters only)	417	(\$200.00)	(\$1,000,800.00)
Total Union	132,188		(\$313,495,657.80)
All Other @ \$2,868.948.60 total per month			(\$34,427,383.20)
Total			(\$347,923,041.00)

Reduction in Wage Rate Per ST Hour	-\$1.19640966
Deduct this amount from the Wage Rate	-\$1.196

National Contracts U.S.

Straight Time Hourly Rate															Check
	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Sum
Weight	0.23386	0.03979	0.17115	0.00599	0.04396	0.15442	0.06165	0.01397	0.04162	0.00599	0.03179	0.01456	0.01146	0.16979	1.00000
2010 Avg.	24.404	25.011	26.495	25.044	25.606	22.667	24.931	20.994	25.392	22.894	25.634	37.231	33.857	42.489	382.649
12/31/10	24.410	25.015	26.565	25.045	25.610	22.671	24.934	20.996	25.394	22.895	25.636	37.231	33.857	42.489	382.747
1/1/11	24.438	25.015	26.565	25.045	25.610	22.671	24.934	20.996	25.422	22.895	25.636	37.231	33.871	42.489	
4/1/11	24.438	25.015	26.565	25.045	25.610	22.671	24.934	20.996	25.422	22.895	25.636	37.231	33.871	42.489	
7/1/11	24.700	25.015	26.565	25.045	25.610	22.671	24.934	20.996	25.689	22.895	25.636	37.231	34.007	42.489	
10/1/11	24.700	25.015	26.565	25.045	25.610	22.671	24.934	20.996	25.689	22.895	25.636	37.231	34.007	42.489	
1/1/12	25.473	25.015	26.565	25.045	25.610	22.671	24.934	20.996	25.689	22.895	25.636	37.231	34.618	43.552	
4/1/12	25.473	25.015	26.565	25.045	25.610	22.671	24.934	20.996	25.689	22.895	25.636	37.231	34.618	43.552	
7/1/12	25.473	25.015	26.565	25.045	25.610	22.671	24.934	20.996	25.689	22.895	25.636	37.231	34.618	43.552	

Weighted Straight Time Hourly Rate														
UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2010 Avg.	5.707	0.995	4.535	0.150	1.126	3.500	1.537	0.293	1.057	0.137	0.815	0.542	0.388	7.214
12/31/10	5.708	0.995	4.547	0.150	1.126	3.501	1.537	0.293	1.057	0.137	0.815	0.542	0.388	7.214
1/1/11	5.715	0.995	4.547	0.150	1.126	3.501	1.537	0.293	1.058	0.137	0.815	0.542	0.388	7.214
4/1/11	5.715	0.995	4.547	0.150	1.126	3.501	1.537	0.293	1.058	0.137	0.815	0.542	0.388	7.214
7/1/11	5.776	0.995	4.547	0.150	1.126	3.501	1.537	0.293	1.069	0.137	0.815	0.542	0.390	7.214
10/1/11	5.776	0.995	4.547	0.150	1.126	3.501	1.537	0.293	1.069	0.137	0.815	0.542	0.390	7.214
1/1/12	5.957	0.995	4.547	0.150	1.126	3.501	1.537	0.293	1.069	0.137	0.815	0.542	0.397	7.394
4/1/12	5.957	0.995	4.547	0.150	1.126	3.501	1.537	0.293	1.069	0.137	0.815	0.542	0.397	7.394
7/1/12	5.957	0.995	4.547	0.150	1.126	3.501	1.537	0.293	1.069	0.137	0.815	0.542	0.397	7.394

Note: The 2010 Average and 12/31/10 Straight Time Hourly Rates are the industry rates, and include all Class I railroad employees. The rates for 1/1/11 through 7/1/12 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 2010 are not shown on this page and are handled separately.

National Contracts U.S.

Pay For Time Not Worked Hourly Rate														Check Sum
	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER
Weight	0.23386	0.03979	0.17115	0.00599	0.04396	0.15442	0.06165	0.01397	0.04162	0.00599	0.03179	0.01456	0.01146	0.16979
2010 Avg	10.802	5.662	11.146	4.239	5.678	4.390	4.387	3.663	4.808	3.735	5.105	6.970	9.476	1.813
12/31/10	10.805	5.663	11.176	4.240	5.678	4.391	4.388	3.663	4.809	3.735	5.105	6.970	9.476	1.813
1/1/11	10.817	5.663	11.176	4.240	5.678	4.391	4.388	3.663	4.814	3.735	5.105	6.970	9.481	1.813
4/1/11	10.817	5.663	11.176	4.240	5.678	4.391	4.388	3.663	4.814	3.735	5.105	6.970	9.481	1.813
7/1/11	10.933	5.663	11.176	4.240	5.678	4.391	4.388	3.663	4.865	3.735	5.105	6.970	9.518	1.813
10/1/11	10.933	5.663	11.176	4.240	5.678	4.391	4.388	3.663	4.865	3.735	5.105	6.970	9.518	1.813
1/1/12	11.275	5.663	11.176	4.240	5.678	4.391	4.388	3.663	4.865	3.735	5.105	6.970	9.689	1.859
4/1/12	11.275	5.663	11.176	4.240	5.678	4.391	4.388	3.663	4.865	3.735	5.105	6.970	9.689	1.859
7/1/12	11.275	5.663	11.176	4.240	5.678	4.391	4.388	3.663	4.865	3.735	5.105	6.970	9.689	1.859

Pay For Time Not Worked Hourly Rate

UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2010 Avg.	2.526	0.225	1.908	0.025	0.250	0.678	0.270	0.051	0.200	0.022	0.162	0.101	0.109	0.308
12/31/10	2.527	0.225	1.913	0.025	0.250	0.678	0.271	0.051	0.200	0.022	0.162	0.101	0.109	0.308
1/1/11	2.530	0.225	1.913	0.025	0.250	0.678	0.271	0.051	0.200	0.022	0.162	0.101	0.109	0.308
4/1/11	2.530	0.225	1.913	0.025	0.250	0.678	0.271	0.051	0.200	0.022	0.162	0.101	0.109	0.308
7/1/11	2.557	0.225	1.913	0.025	0.250	0.678	0.271	0.051	0.202	0.022	0.162	0.101	0.109	0.308
10/1/11	2.557	0.225	1.913	0.025	0.250	0.678	0.271	0.051	0.202	0.022	0.162	0.101	0.109	0.308
1/1/12	2.637	0.225	1.913	0.025	0.250	0.678	0.271	0.051	0.202	0.022	0.162	0.101	0.111	0.316
4/1/12	2.637	0.225	1.913	0.025	0.250	0.678	0.271	0.051	0.202	0.022	0.162	0.101	0.111	0.316
7/1/12	2.637	0.225	1.913	0.025	0.250	0.678	0.271	0.051	0.202	0.022	0.162	0.101	0.111	0.316

U.S. National Contract

UTU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg.				24 40450	10.80230
12/31/10 Industry Rate				24 40985	10.80466
1/1/11		0 03000	93 685%	24.43795	10 81711
4/1/11			93 685%	24.43795	10.81711
7/1/11		0 28000	93 685%	24.70027	10.93322
10/1/11			93.685%	24 70027	10.93322
1/1/12			93 685%	25.47331	11 27539
4/1/12			93 685%	25 47331	11.27539
7/1/12			93 685%	25 47331	11.27539

New contract adds a retro 2% GWI on 7/1/10 and retains \$0 03 on 1/1/11, but replaced \$0 28 with 2 5% GWI on 7/1/11

TCU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg				25 01061	5.66224
12/31/10 Industry Rate				25 01466	5 66316
1/1/11			87 282%	25 01466	5.66316
4/1/11			87.282%	25.01466	5 66316
7/1/11			87 282%	25.01466	5.66316
10/1/11			87.282%	25 01466	5.66316
1/1/12			87 282%	25.01466	5 66316
4/1/12			87 282%	25.01466	5 66316
7/1/12			87 282%	25 01466	5 66316

BLET

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg.				26.49472	11.14646
12/31/10 Industry Rate				26.56504	11 17605
1/1/11			31 771%	26.56504	11.17605
4/1/11			31.771%	26.56504	11 17605
7/1/11			31.771%	26.56504	11 17605
10/1/11			31.771%	26.56504	11.17605
1/1/12			31 771%	26 56504	11 17605
4/1/12			31 771%	26.56504	11 17605
7/1/12			31.771%	26 56504	11 17605

U.S. National Contract

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SMWIA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg				25.04430	4 23948
12/31/10 Industry Rate				25.04525	4 23964
1/1/11			97.892%	25.04525	4.23964
4/1/11			97.892%	25.04525	4.23964
7/1/11			97.892%	25.04525	4.23964
10/1/11			97.892%	25.04525	4.23964
1/1/12			97.892%	25.04525	4.23964
4/1/12			97.892%	25.04525	4.23964
7/1/12			97.892%	25.04525	4.23964

BRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg				25.60561	5.67750
12/31/10 Industry Rate				25.60954	5.67837
1/1/11			89.449%	25.60954	5.67837
4/1/11			89.449%	25.60954	5.67837
7/1/11			89.449%	25.60954	5.67837
10/1/11			89.449%	25.60954	5.67837
1/1/12			89.449%	25.60954	5.67837
4/1/12			89.449%	25.60954	5.67837
7/1/12			89.449%	25.60954	5.67837

BMWE

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg				22.66677	4.38963
12/31/10 Industry Rate				22.67144	4.39053
1/1/11			90.916%	22.67144	4.39053
4/1/11			90.916%	22.67144	4.39053
7/1/11			90.916%	22.67144	4.39053
10/1/11			90.916%	22.67144	4.39053
1/1/12			90.916%	22.67144	4.39053
4/1/12			90.916%	22.67144	4.39053
7/1/12			90.916%	22.67144	4.39053

U.S. National Contract

TCU-Carmen

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg				24.93128	4 38721
12/31/10 Industry Rate				24.93405	4 38770
1/1/11			92.622%	24 93405	4 38770
4/1/11			92 622%	24.93405	4 38770
7/1/11			92.622%	24.93405	4.38770
10/1/11			92 622%	24.93405	4 38770
1/1/12			92 622%	24 93405	4 38770
4/1/12			92 622%	24 93405	4 38770
7/1/12			92.622%	24.93405	4 38770

NCFO

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg				20 99427	3 66274
12/31/10 Industry Rate				20.99551	3.66296
1/1/11			95.630%	20.99551	3.66296
4/1/11			95.630%	20.99551	3 66296
7/1/11			95 630%	20.99551	3.66296
10/1/11			95 630%	20.99551	3.66296
1/1/12			95.630%	20.99551	3 66296
4/1/12			95 630%	20.99551	3 66296
7/1/12			95 630%	20.99551	3 66296

IAM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg				25 39199	4 80847
12/31/10 Industry Rate				25 39360	4.80878
1/1/11		0.03000	95.211%	25.42216	4.81419
4/1/11			95.211%	25.42216	4.81419
7/1/11	IAM 1/1/12 COLA suspended in anticipation of new agreement.	0.28000	95.211%	25 68875	4.86467
10/1/11			95.211%	25.68875	4.86467
1/1/12			95 211%	25 68875	4.86467
4/1/12			95 211%	25.68875	4 86467
7/1/12			95 211%	25.68875	4 86467

IBBM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg				22.89370	3.73487
12/31/10 Industry Rate				22 89536	3 73514
1/1/11			82 653%	22 89536	3.73514
4/1/11			82 653%	22.89536	3 73514
7/1/11			82 653%	22 89536	3 73514
10/1/11			82 653%	22 89536	3 73514
1/1/12			82 653%	22.89536	3.73514
4/1/12			82 653%	22.89536	3 73514
7/1/12			82.653%	22 89536	3.73514

IBEW

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg				25 63436	5.10474
12/31/10 Industry Rate				25 63628	5 10513
1/1/11			94.567%	25.63628	5.10513
4/1/11			94 567%	25.63628	5 10513
7/1/11			94 567%	25.63628	5 10513
10/1/11			94.567%	25.63628	5 10513
1/1/12			94 567%	25.63628	5 10513
4/1/12			94.567%	25 63628	5 10513
7/1/12			94 567%	25 63628	5 10513

ATDA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg.				37 23059	6.96992
12/31/10 Industry Rate				37.23059	6 96992
1/1/11			0 000%	37.23059	6 96992
4/1/11			0.000%	37.23059	6 96992
7/1/11			0.000%	37.23059	6.96992
10/1/11			0.000%	37 23059	6 96992
1/1/12			0.000%	37.23059	6 96992
4/1/12			0 000%	37.23059	6.96992
7/1/12			0 000%	37.23059	6 96992

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

YDMSTRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg.				33.85682	9.47643
12/31/10 Industry Rate				33.85682	9.47643
1/1/11		0.03000	48.470%	33.87136	9.48050
4/1/11			48.470%	33.87136	9.48050
7/1/11		0.28000	48.470%	34.00708	9.51849
10/1/11			48.470%	34.00708	9.51849
1/1/12			48.470%	34.61781	9.68943
4/1/12			48.470%	34.61781	9.68943
7/1/12			48.470%	34.61781	9.68943

New contract adds a retro 2% GWI on 7/1/10 and retains \$0.03 on 1/1/11, but replaces \$0.28 on 7/1/11 with a special adjustment of \$0.125 on 6/30/11 and 2.5% GWI on 7/1/11

OTHER

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2010 Industry Avg				42.48936	1.81331
12/31/10 Industry Rate				42.48936	1.81331
1/1/11			100.000%	42.48936	1.81331
4/1/11			100.000%	42.48936	1.81331
7/1/11			100.000%	42.48936	1.81331
10/1/11			100.000%	42.48936	1.81331
1/1/12	2.50%		100.000%	43.55159	1.85864
4/1/12			100.000%	43.55159	1.85864
7/1/12			100.000%	43.55159	1.85864

Check Sums

	Increase	Applicable	ST HR	PFTNW HR
2010 AVG			382.64888	81.87532
12/31/10			382.74734	
		1100.148%		
		ok matches	ok matches	ok matches
			ok matches	

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

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

U.S. 2010 Benchmark

	From AAR 112-Class Wage Statistics & Survey					ST \$ Adjusted to Exclude Lump Sums	2010 Average Hourly Rates		12/31/2010 ST HR	ST Hrs. 2010 Weights
	ST Hrs.	ST \$	PFTNW \$	Union L. Sum	ST wo LS					
					PFTNW		ST HR			
UTU	68,007,056	\$1,666,310,042	\$734,632,447	\$6,631,986	\$1,659,678,056	\$24,404	\$10,802	24.40985	0.23386	
TCU	11,569,762	292,340,789	65,510,825	2,973,993	289,366,796	25,011	5,662	25.01466	0.03979	
BLET	49,772,211	1,375,844,700	554,784,181	57,143,936	1,318,700,764	26,495	11,146	26.56504	0.17115	
SMWIA	1,742,114	43,631,743	7,385,654	1,715	43,630,028	25,044	4,239	25.04525	0.00599	
BRS	12,783,711	327,413,133	72,579,555	78,375	327,334,758	25,606	5,678	25.60954	0.04396	
BMWE	44,906,089	1,022,477,823	197,120,964	4,601,925	1,017,875,898	22,667	4,390	22.67144	0.15442	
TCU-CAR	17,928,967	447,089,418	78,658,216	97,298	446,992,120	24,931	4,387	24.93405	0.06165	
NCFO	4,061,973	85,298,787	14,877,963	20,609	85,278,178	20,994	3,663	20.99551	0.01397	
IAM	12,104,449	307,486,166	58,203,938	130,093	307,356,073	25,392	4,808	25.39360	0.04162	
IBBM	1,743,321	40,029,277	6,511,085	118,201	39,911,076	22,894	3,735	22.89536	0.00599	
IBEW	9,245,072	237,341,388	47,193,732	349,927	236,991,461	25,634	5,105	25.63628	0.03179	
ATDA	4,234,813	161,906,451	29,516,306	4,241,878	157,664,573	37,231	6,970	37.23059	0.01456	
UTU-YMD	3,331,804	113,724,918	31,573,619	920,634	112,804,284	33,857	9,476	33.85682	0.01146	
OTHER	49,374,603	2,097,895,153	89,531,279	0	2,097,895,153	42,489	1,813	42.48936	0.16979	
AAR 112 Total	290,805,945	8,218,789,788	1,988,079,764	77,310,570	8,141,479,218	27,996	6,836	28.011	1.00000	
Sum (for proofing)						382,64888	81,87532	382,74734		

Year-End Figures are calculated, based on 2010 WS-112 and union contracts, in YearEnd2010.xlsx exhibited in document titled "Year-End 2010 ST Hourly Rates for U.S."
The ST Hours Weights and the Hourly Rates are full float

National Increase Applicability for U.S. Total

Union	Year 2010	Not Part of National Agreements*																	U.S.	Percent National Contract
	U.S. Total	ST Hours Pd	CSX	BLE	DMIR	GTW	IC	CCP	DWP	EJE	WC	NS	BNSF	KCS	SOO	DH	DME	UP	National Increase	
UTU		68,007,056	--	X	X	X	X	X	X	X	X	--	--	--	X	X	X	--	63,712,554	93.685%
TCU		11,569,762	--	X	X	X	X	X	X	X	X	--	--	--	X	X	X	--	10,098,376	87.282%
BLET		49,772,211	X	X	X	X	X	X	X	X	X	X	X	--	X	X	X	--	15,812,936	31.771%
SMW		1,742,114	--	X	X	X	X	X	X	X	X	--	--	--	X	X	X	--	1,705,383	97.892%
BRS		12,783,711	--	X	X	X	X	X	X	X	X	--	--	--	X	X	X	--	11,434,878	89.449%
BMWE		44,906,089	--	X	X	X	X	X	X	X	X	--	--	--	X	X	X	--	40,826,807	90.916%
TCU-CAR		17,928,967	--	X	X	X	X	X	X	X	X	--	--	--	X	X	X	--	16,606,088	92.622%
IBFO		4,061,973	--	X	X	X	X	X	X	X	X	--	--	--	X	X	X	--	3,884,479	95.630%
IAM		12,104,449	--	X	X	X	X	X	X	X	X	--	--	--	X	X	X	--	11,524,802	95.211%
IBBM		1,743,321	--	X	X	X	X	X	X	X	X	--	--	--	X	X	X	--	1,440,901	82.653%
IBEW		9,245,072	--	X	X	X	X	X	X	X	X	--	--	--	X	X	X	--	8,742,785	94.567%
ATDA		4,234,813	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	0	0.000%
UTU-YMD		3,331,804	X	X	X	X	X	X	X	X	X	--	--	--	X	X	X	X	1,614,928	48.470%
OTHER		49,374,603	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	49,374,603	100.000%
TOTAL		290,805,945																	236,779,520	
Sum (for proofing)																				1100.148%

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

Statistics based on AAR's 2010 112-Class Wage Statistics and knowledge of contracts as of August 2011

Percentages are full float

ATDA (dispatchers) are independent for each railroad Although BNSF, CSX, and KCS are participating in a national agreement, they are benchmarked as independent NS is participating for H&W only UP is non-union

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

DH & DME are added to 2010 benchmark for SOO Corp which includes DH, DME & SOO

Document "A"

AGREEMENT

THIS AGREEMENT, made this 16th day of September, 2011, 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 (other than Yardmasters) of such carriers shown thereon and represented by the United Transportation Union, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase (for other than Dining Car Stewards)

✓ (a) Effective July 1, 2010, all standard basic daily rates of pay for employees represented by the United Transportation Union in effect on June 30, 2010 shall be increased by two (2) percent.

(b) In computing the increase for enginemen under paragraph (a) above, two (2) percent shall be applied to the standard basic daily rates of pay applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic 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 2 - Second General Wage Increase (for other than Dining Car Stewards)

✓ Effective July 1, 2011, all standard basic daily rates of pay in effect on June 30, 2011 for employees represented by the United Transportation Union shall be increased by two-and-one-half (2-1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 3 - Third General Wage Increase (for other than Dining Car Stewards)

Effective July 1, 2012, all standard basic daily rates of pay in effect on June 30, 2012 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 4 – Fourth General Wage Increase (for other than Dining Car Stewards)

Effective July 1, 2013, all standard basic daily rates of pay in effect on June 30, 2013 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 5 – Fifth General Wage Increase (for other than Dining Car Stewards)

Effective July 1, 2014, all standard basic daily rates of pay in effect on June 30, 2014 for employees represented by the United Transportation Union shall be increased by three-and-one-half (3-1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Document "B"
(Yardmasters)

AGREEMENT

THIS AGREEMENT, made this 16th day of September, 2011, 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 Yardmasters Department, United Transportation Union, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

Effective July 1, 2010, all standard basic daily rates of pay for employees covered by this Agreement in effect on June 30, 2010 shall be increased by two (2) percent. ✓

Section 2 - Second General Wage Increase

Effective July 1, 2011, all standard basic daily rates of pay in effect on June 30, 2011 for employees covered by this Agreement shall be increased by two-and-one-half (2-1/2) percent, computed and applied in the same manner prescribed in Section 1 above. ✓

Section 3 - Third General Wage Increase

Effective July 1, 2012, all standard basic daily rates of pay in effect on June 30, 2012 for employees covered by this Agreement shall be increased by

- (f) Any calendar month in which an employee does not render compensated service due to furlough, voluntary absence, suspension, or dismissal shall not count toward completion of the forty-eight (48) month period.
- (g) Service scale/rate progression rules as described in Section 1(b) of this Article that are in effect on the date of this Agreement on a carrier covered by this Section shall be preserved without change and applied to new employees unless the authorized employee representative gives written notice to the Carrier of the organization's election to apply this Section to new employees in lieu of such existing rules. Such election must be made no later than fifteen (15) calendar days after the date of this Agreement.

ARTICLE VI – SPECIAL WAGE ADJUSTMENT

Effective June 30, 2011, all standard basic daily and monthly rates of pay for employees covered by this Agreement shall be increased by 12.5 cents per hour.



ARTICLE VII – LOCAL DISCUSSIONS

Section 1

The parties believe that conclusion of national bargaining should not preclude or discourage opportunities for voluntary on-property discussions on matters of mutual interest on carriers covered by this Article. The national discussions have identified and highlighted specific areas that appear especially suited for constructive and creative attention at the individual carrier level in a manner that could provide substantial value to both sides. Those topics are listed in Section 2 and a process for commencing local discussions is set forth in Section 3.

Borrowing Benchmarks

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

	Oct index level	CHG FROM Sept '11	Oct '10
U.S. consumer price index			
All items	226.421	-0.2	3.5
Core	226.743	0.2	2.1

International rates

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
Prime rates				
U.S.	3.25	3.25	3.25	3.25
Canada	3.00	3.00	3.00	3.00
Euro zone	1.25	1.25	1.50	1.00
Japan	1.475	1.475	1.475	1.475
Switzerland	0.53	0.50	0.65	0.50
Britain	0.50	0.50	0.50	0.50
Australia	4.50	4.50	4.75	4.50

Overnight repurchase

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
U.S.	0.11	0.10	0.33	0.02
U.K. (EBA)	0.482	0.495	0.562	0.450
Euro zone	0.36	0.45	1.59	0.33

U.S. government rates

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
Discount				
	0.75	0.75	0.75	0.75

Federal funds

	Effective rate	0.09	0.08	0.21	0.05
High	0.3750	0.3750	0.5000	0.2700	
Low	0.0100	0.0100	0.1500	0.0100	
Bid	0.0500	0.0600	0.2000	0.0100	
Offer	0.1000	0.2800	0.3750	0.0500	

Treasury bill auction

	4 weeks	13 weeks	26 weeks
4 weeks	0.020	0.005	0.175
13 weeks	0.030	0.015	0.180
26 weeks	0.070	0.050	0.225

Secondary market

Freddie Mac

	30-day mortgage yields
30 days	3.43
60 days	3.49

Fannie Mae

	30-day mortgage yields
30 days	3.591
60 days	3.634

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
Bankers acceptance				
30 days	0.23	0.23	0.30	0.17
60 days	0.28	0.28	0.30	0.19
90 days	0.28	0.28	0.30	0.20
120 days	0.33	-0.33	0.33	0.23
150 days	0.38	0.38	0.38	0.25
180 days	0.38	0.38	0.43	0.33

Other short-term rates

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
Call money				
	2.00	2.00	2.00	2.00

Commercial paper

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
30 to 32 days	0.08			
33 to 69 days	0.03			
70 to 89 days	0.08			
90 to 119 days	0.18			
120 to 149 days	0.27			
150 to 179 days	0.32			
180 to 270 days	0.37			

Dealer commercial paper

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
30 days	n.q.	n.q.	0.25	0.12
60 days	n.q.	n.q.	0.27	0.15
90 days	n.q.	n.q.	0.30	0.18

Euro commercial paper

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
30 day	n.q.	n.q.	n.q.	n.q.
Two month	n.q.	n.q.	n.q.	n.q.
Three month	0.95	0.95	1.41	0.70
Four month	1.02	1.02	1.47	0.75
Five month	1.10	1.10	1.55	0.85
Six month	1.20	1.20	1.65	0.94

London interbank offered rate, or Libor

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
One month	0.26000	0.25667	0.26575	0.18505
Three month	0.52306	0.49500	0.52306	0.24500

Notes on data:

U.S. prime rate is effective December 16, 2008. Discount rate is effective February 19, 2010. U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks. Other prime rates aren't directly comparable, lending practices vary widely by location. Discount rate is the charge on loans to depository institutions by the New York Federal Reserve Bank. Federal funds rate is on reserves traded among commercial banks for overnight use in amounts of \$1 million or more. Call money rate is the charge on loans to brokers on stock-exchange collateral. Dealer commercial paper rates are for high-grade unsecured notes sold through dealers by major corporations. Libor is the British Bank Association average of interbank offered rates for dollar deposits in the London market. Libor Swap rates are mid-market, semi-annual swap rates and pay the floating 3-month Libor rate.

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

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
Nov 28				
3 month	0.73972	0.70611	0.73972	
One year	1.06044	1.02589	1.06044	

New York Funding Rate

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
One month	0.3025	0.3067	0.3371	
Three month	0.5552	0.5430	0.5552	

Libor Swaps (USD)

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
Two year	0.800	0.807	1.048	
Three year	0.904	0.910	1.633	
Five year	1.349	1.346	2.614	
Ten year	2.157	2.155	3.829	
20 year	2.571	2.601	4.434	
30 year	2.634	2.680	4.542	

Euro Libor

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
One month	1.132	1.138	1.414	
Three month	1.418	1.414	1.560	
Six month	1.660	1.651	1.805	
One year	2.020	2.003	2.178	

Euro interbank offered rate (Euribor)

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
One month	1.197	1.199	1.470	
Three month	1.477	1.467	1.615	
Six month	1.707	1.694	1.831	
One year	2.044	2.029	2.201	

Hibor

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
One month	0.230	0.220	0.301	
Three month	0.300	0.289	0.320	
Six month	0.464	0.466	0.470	
One year	0.823	0.827	0.830	

Eurodollars (mid rates)

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
One month	0.12	0.25	0.19	0.30
Two month	0.12	0.25	0.19	0.33
Three month	0.20	0.30	0.25	0.38
Four month	0.30	0.45	0.38	0.40
Five month	0.25	0.40	0.33	0.43
Six month	0.45	0.60	0.53	0.53

be to ation.

MONEY YOU COULD BE
EXCHANGE-TRADED FUND
CAPITAL GAINS INCURRED
IN 2003, THIS PROCESS HAS
CONTRIBUTIONS ON 99% OF OUR
FROM TODAY TO LEARN ABOUT
OWNERSHARES QQQ.

The best situation for your clients
is the ability to avoid a bad one.

redemption to the funds in Creation Unit
aggregations only, typically consisting of
10,000 shares.
PowerShares® is a registered trademark of
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An investor should consider the Fund's

Syndicated Loans: Past Week's Biggest Movers

Syndicated loans are corporate loans that are bought or traded by a group of banks and/or institutional investors. Investment-grade loans are investment-grade or unrated loans priced at or below the London interbank offered rate (Libor) plus 150 basis points (or 1.5 percentage points). Leveraged loans are speculative-grade or unrated loans priced at or above Libor plus 151 basis points. Below are the biggest gainers and losers among widely-quoted syndicated loans in secondary trading in the week ended Friday among the 114 loans with five or more bids. All loans listed are B-term, or sold to institutional investors.

Name	Loan rating Moody's/S&P	Coupon/interest (Libor + basis pts)	Maturity	Average bid (pct pts)	Week (pct)
AES Corp	Ba1/BB+	L+325	May 28, '18	99.03	-0.1
Ameristar Casinos	Ba3/BB+	L+300	April 6, '18	99.75	-0.1
Burlington Coat Factory Warehouse	B3/B-	L+475	Feb. 18, '17	97.14	-0.1
Calpine Corp	B1/BB-	L+325	May 31, '17	96.88	-1.1
CDW	N R / B	L+300	Oct. 12, '14	96.40	-0.1
Claire's Stores	B3/B	L+275	May 29, '14	84.42	-1.1
Community Health	Ba3/BB	L+225	July 25, '14	97.09	-0.1
Community Health	Ba3/BB	L+350	July 25, '17	96.85	-0.1
Del Monte	Ba3/B	L+300	Feb. 16, '18	95.80	-1.1
Dunkin Brands	B2/B+	L+300	Nov. 23, '17	98.79	-0.1
Dynegy Inc	B2/B	L+775	Aug. 25, '16	100.83	-0.1
Gymboree Corp	B1/B	L+412.5	Feb. 23, '18	90.58	-2.1
Harrah's Operating	B3/B	L+750	Oct. 23, '16	98.33	-0.1
Hertz	Ba1/BB	L+275	March 4, '18	98.38	-0.1
IMS Healthcare	Ba3/BB	L+325	Aug. 31, '17	99.33	-0.1

**RCAF Lump Sum Amortization
2012/Q1**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours	
NS - BLET & ATDA	2011Q1	2011Q2				290,805,945	2010
CSX - BLET	2011Q1	2011Q2				290,805,945	2010
BLE - BRS	2011Q1	2011Q2				290,805,945	2010
CNGT - various ¹	2011Q3	2011Q3				290,805,945	2010
DMIR - UTU	2010Q4	2011Q3				290,805,945	2010
CSX - ATDA-East	2011Q1	2012Q1				290,805,945	2010
DMIR - BLET	2011Q3	2012Q1				290,805,945	2010
Total			\$65,822,302	0.22634			

Should be slightly less
than amortized amount.

Fell out

None

Interest Rate

2011/Q1	0.175
2011/Q2	0.145
2011/Q3	0.060
2011/Q4	0.015
2012/Q1	0.030
2012/Q2	
2012/Q3	
2012/Q4	
2013/Q1	
2013/Q2	
2013/Q3	
2013/Q4	

Lump Sum Adjustment for 2012/Q1	→ 0.226422
	or
	0.226

¹ BLE BMW, IAM, IBEW, NCFO, TCU, TCU-CAR, UTU; DMIR IAM, IBBM, IBEW, SMW, TCU, TCU-CAR, UTU

**RCAF Back Pay Amortization
2012/Q1**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr.	U.S. ST Hours	
IC&CCP - BLET	Various	2011Q2	.			290,805,945	2010
DMIR - UTU	2010Q3	2011Q3				290,805,945	2010
DMIR - UTU (wage increase)	2010Q3	2011Q4				290,805,945	2010
National - UTU & UTU-YMD	2011Q3	2012Q1	\$88,459,353	0.30418688	1.21675	290,805,945	2010
DMIR - BLET	2011Q3	2012Q1				290,805,945	2010
DME - BRS	2011Q3	2012Q1				290,805,945	2010
DH - UTU and UTU-YMD	2011Q3	2012Q1				290,805,945	2010
Total			\$100,872,234	0.34687129			

Should be slightly less
than amortized amount.

Fell out
None

Interest Rate

2011/Q1	0.175
2011/Q2	0.145
2011/Q3	0.060
2011/Q4	0.015
2012/Q1	0.030
2012/Q2	
2012/Q3	
2012/Q4	
2013/Q1	
2013/Q2	
2013/Q3	
2013/Q4	

Back Pay Adjustment for 2012/Q1	0.34694 or 0.347
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Document "A"

AGREEMENT

THIS AGREEMENT, made this 16th day of September, 2011, 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 (other than Yardmasters) of such carriers shown thereon and represented by the United Transportation Union, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase (for other than Dining Car Stewards)

(a) Effective July 1, 2010, all standard basic daily rates of pay for employees represented by the United Transportation Union in effect on June 30, 2010 shall be increased by two (2) percent.

(b) In computing the increase for enginemen under paragraph (a) above, two (2) percent shall be applied to the standard basic daily rates of pay applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic 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 2 - Second General Wage Increase (for other than Dining Car Stewards)

Effective July 1, 2011, all standard basic daily rates of pay in effect on June 30, 2011 for employees represented by the United Transportation Union shall be increased by two-and-one-half (2-1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 3 - Third General Wage Increase (for other than Dining Car Stewards)

Effective July 1, 2012, all standard basic daily rates of pay in effect on June 30, 2012 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 4 – Fourth General Wage Increase (for other than Dining Car Stewards)

Effective July 1, 2013, all standard basic daily rates of pay in effect on June 30, 2013 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 5 – Fifth General Wage Increase (for other than Dining Car Stewards)

Effective July 1, 2014, all standard basic daily rates of pay in effect on June 30, 2014 for employees represented by the United Transportation Union shall be increased by three-and-one-half (3-1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

the prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Step Therapy Program and/or Quantity/Duration Limits Program, as the case may be.

- (3) Retirees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM's Personalized Medicine and/or Generic Rx Advantage Program then in effect.

(b) The design changes contained in this Section shall become effective on January 1, 2012 or as soon thereafter as practicable, and shall apply only to individuals who become eligible for ERMA coverage on or after January 1, 2012.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be \$200.00.

(b) Effective January 1, 2011, the employee monthly cost-sharing contribution amount shall be \$202.90.

(c) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to the lesser of 15% of the Carriers' Monthly Payment Rate for 2012 or \$200.00.

Section 3 - Method of Making Employee Cost-Sharing Contributions

Employee cost-sharing contributions will be made for the employee by the employee's employer. The employer shall deduct the amount of such employee contributions from the employee's wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee.

Part C - Rescission of Side Letter

Section 1

Side Letter #7 to the parties' July 1, 2008 Mediation Agreement (Case No. A-13369, Document "A") is rescinded.

ARTICLE IV – SERVICE SCALE

Section 1 – Rate Progression Bonus for Current Employees

Any employees of a carrier covered by this Article who, on the date of this Agreement, have completed training for entry into train service and were subject on or after May 1, 2011 to compensation at a reduced rate pursuant to then-applicable service scale/rate progression rules as described below, shall receive one-time bonus payments as provided herein:

- (a) An employee covered by this Section subject to five (5) year service scale/rate progression pursuant to Article VI, Section 3 of the August 20, 2002 UTU National Agreement or counterpart local rules shall be paid a bonus of \$3,000.

- (b) An employee covered by this Section subject to (i) service scale/rate progression rules of a lesser duration than five (5) years, or (ii) service scale/rate progression rules, but compensated at the full (100%) rate of the position when working in promoted status, shall be paid a bonus of \$1,200.
- (c) The one-time bonuses provided in Sections 1 (a) and (b) above shall be paid within 90 days after the date of this Agreement.
- (d) There shall be no duplication or pyramiding of rate progression bonuses paid under this Section with rate progression bonuses paid under any other agreement.

Section 2 – Rate Progression Applicable To New Employees

Each carrier covered by this Article who, on the date of this Agreement, has five (5) year service scale/rate progression rules in effect, shall amend such rules in accordance with this Section. Such revised rules shall be applicable to all employees who enter train or engine service in any class of service or job classification after the date of this Agreement.

- (a) Rates of pay, additives, and other applicable elements of compensation for employees covered by this Section will be 75% of the applicable full rate and will increase in increments as provided below for each year of active service, which shall consist of a period of 365 calendar days in which the employee performs a total of 80 or more tours of duty:
 - (i) 75% during the first year of active service;
 - (ii) 80% during the second year of active service;

- (iii) 85% during the third year of active service;
 - (iv) 90% during the fourth year of active service;
 - (v) 100% on and after completion of the fourth year of active service.
- (b) Rules in effect on the date of the Agreement regarding rate progression adjustment upon promotion to conductor/foreman or engineer (on a carrier where UTU represents engineers) shall be preserved and applied without change to employees covered by this Section.
- (c) Service scale/rate progression rules as described in Section 1(b) of this Article that are in effect on the date of this Agreement on a carrier covered by this Section shall be preserved without change and applied to new employees unless the authorized employee representative gives written notice to the Carrier of the organization's election to apply this Section to new employees in lieu of such existing rules. Such election must be made no later than fifteen (15) calendar days after the date of this Agreement.

ARTICLE V – FRA CERTIFICATION ALLOWANCE

Section 1

Effective July 1, 2012, or the effective date of the Federal Railroad Administration (FRA) regulations establishing conductor certification requirements, whichever is later, employees on carriers covered by this Article shall be paid a \$5.00 certification allowance for each start on a

ARTICLE I – WAGES

Q1 – Will the General Wage Increases provided for in this agreement be applied to the Remote Control Operation payment of 46 minutes provided for in the August 20, 2002 Remote Control Agreement?

A1 – Yes.

Q2 – Is the 3 cent per hour cost-of-living adjustment paid on January 1, 2011 rolled-in to the basic daily and mileage rates of pay and subject to all future general wage increases to be applied subsequent to that date?

A2 – Yes.

Q3 – An employee performs compensated service after July 1, 2010, is in dismissed/suspended status on the date of the agreement, and is subsequently reinstated with all rights unimpaired. Would that employee be entitled to the retroactive portion of the wage increases provided for in the agreement on the compensated service that he/she performed?

A3 – Yes

Q4: Will an employee who has been dismissed/suspended between July 1, 2010 and the effective date of this Agreement, who is subsequently reinstated/suspension removed or overturned by arbitration award, with all rights unimpaired and pay for time and benefits lost, have the retroactive pay increases applied to his/her payment for time lost?

A4: Yes, if and to the extent consistent with the Award.

Q5 - Will the railroad provide detailed documentation on the calculation of back pay to the employee upon receipt of such request by the employee.

A5 - The carriers have agreed to the following arrangement: any employee who believes his/her back pay computation is incorrect may make a written request through his/her General Chairperson for information regarding that computation. If the General Chairman concludes that the request has good cause, he/she will submit it to the carrier and a carrier representative will respond. The request must be made to the carrier within thirty (30) days after receipt of such pay. Disagreements between the parties may be referred to their respective national bargaining representatives—the President of UTU and the Chairman of the NCCC

Document "B"
(Yardmasters)

AGREEMENT

THIS AGREEMENT, made this 16th day of September, 2011, 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 Yardmasters Department, United Transportation Union, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

Effective July 1, 2010, all standard basic daily rates of pay for employees covered by this Agreement in effect on June 30, 2010 shall be increased by two (2) percent.

Section 2 - Second General Wage Increase

Effective July 1, 2011, all standard basic daily rates of pay in effect on June 30, 2011 for employees covered by this Agreement shall be increased by two-and-one-half (2-1/2) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 3 - Third General Wage Increase

Effective July 1, 2012, all standard basic daily rates of pay in effect on June 30, 2012 for employees covered by this Agreement shall be increased by

three (3) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 4 – Fourth General Wage Increase

Effective July 1, 2013, all standard basic daily rates of pay in effect on June 30, 2013 for employees covered by this Agreement shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 5 – Fifth General Wage Increase

Effective July 1, 2014, all standard basic daily rates of pay in effect on June 30, 2014 for employees covered by this Agreement shall be increased by three-and-one-half (3-1/2) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 6 – Sixth General Wage Increase

Effective January 1, 2015, all standard basic daily rates of pay in effect on December 31, 2014 for employees covered by this Agreement shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 7 – 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.

the prescription drugs in the therapeutic drug categories shown on Exhibit C hereto as subject to such Step Therapy Program and/or Quantity/Duration Limits Program, as the case may be.

- (3) Retirees and their covered dependents may, on a wholly voluntary basis and in accordance with program criteria, participate in the PBM's Personalized Medicine and/or Generic Rx Advantage Program then in effect.

(b) The design changes contained in this Section shall become effective on January 1, 2012 or as soon thereafter as practicable, and shall apply only to individuals who become eligible for ERMA coverage on or after January 1, 2012.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be \$200.00.

(b) Effective January 1, 2011, the employee monthly cost-sharing contribution amount shall be \$202.71.

(c) Effective January 1, 2012, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to the lesser of 15% of the Carriers' Monthly Payment Rate for 2012 or \$200.00.

monthly benefit under this Plan for employees who have exhausted their sickness benefit under the RUIA will be \$3,333.00. For disabilities lasting less than a month, and for any residual days of disability lasting more than an exact number of months, benefits will be paid on a calendar day's basis at 1/30 of the monthly benefit rate.

(b) If the RUIA should be so amended as to increase daily benefit rates thereunder for days of sickness and the sum of 21.75 times the average daily benefit for Yardmasters under the RUIA as so amended plus the amount of the \$1,941.00 monthly benefit should exceed \$3,502.00, the amount of the monthly benefit shall be reduced to the extent that the sum of the amount of the reduced monthly benefit plus 21.75 times the average daily benefit for yardmasters under the amended RUIA will not exceed \$3,502.00. 'The average daily benefit for Yardmasters under the RUIA as so amended' for purposes of this Paragraph 4(b) is the benefit which would be payable to a Yardmaster who had worked full time in his base year and whose monthly rate of pay at the December 31, 2009 wage level was \$5,003.00."

Section 2 – Adjustment of Plan Benefits During Agreement Term

Effective December 31, 2014, the benefits provided under the Plan shall be adjusted so as to restore the same ratio of benefits to rates of pay as existed on the effective date of this Article.

ARTICLE V – SERVICE SCALE

Section 1 – Rate Progression Bonus for Current Employees

Any employees of a carrier covered by this Article who, on the date of this Agreement, have completed training for entry into yardmaster service and were subject on or after May 1, 2011 to compensation at a reduced rate

pursuant to then-applicable service scale/rate progression rules as described below, shall receive one-time bonus payments as provided herein:

- (a) An employee covered by this Section subject to five (5) year service scale/rate progression pursuant to Article V, Section 3 of the August 20, 2002 UTU National Agreement (Document "B") or counterpart local rules shall be paid a bonus of \$3,000.
- (b) An employee covered by this Section subject to (i) service scale/rate progression rules of a lesser duration than five (5) years, or (ii) service scale/rate progression rules, but compensated at the full (100%) rate of the position when working in promoted status, shall be paid a bonus of \$1,200.
- (c) The one-time bonuses provided in Sections 1 (a) and (b) above shall be paid within 90 days after the date of this Agreement.
- (d) There shall be no duplication or pyramiding of the rate progression bonuses paid to employees under this Section with rate progression bonuses paid under any other agreement.

Section 2 – Rate Progression Applicable To New Employees

Each carrier covered by this Article who, on the date of this Agreement, has five (5) year service scale/rate progression rules in effect, shall amend such rules in accordance with this Section. Such revised rules shall be applicable to all employees who enter service after the date of this Agreement on positions covered by an agreement with the organization signatory hereto.

- (a) Employees subject to this Section shall be paid in accordance with the following four-step progression for all service performed:

- (f) Any calendar month in which an employee does not render compensated service due to furlough, voluntary absence, suspension, or dismissal shall not count toward completion of the forty-eight (48) month period.
- (g) Service scale/rate progression rules as described in Section 1(b) of this Article that are in effect on the date of this Agreement on a carrier covered by this Section shall be preserved without change and applied to new employees unless the authorized employee representative gives written notice to the Carrier of the organization's election to apply this Section to new employees in lieu of such existing rules. Such election must be made no later than fifteen (15) calendar days after the date of this Agreement.

ARTICLE VI – SPECIAL WAGE ADJUSTMENT

Effective June 30, 2011, all standard basic daily and monthly rates of pay for employees covered by this Agreement shall be increased by 12.5 cents per hour.

ARTICLE VII – LOCAL DISCUSSIONS

Section 1

The parties believe that conclusion of national bargaining should not preclude or discourage opportunities for voluntary on-property discussions on matters of mutual interest on carriers covered by this Article. The national discussions have identified and highlighted specific areas that appear especially suited for constructive and creative attention at the individual carrier level in a manner that could provide substantial value to both sides. Those topics are listed in Section 2 and a process for commencing local discussions is set forth in Section 3.

2012Q1
Health and Welfare

Page 1 of 3 - U.S.

	Employees Receiving		Total	
	Pay 2010*	Monthly Contribution 2010 Avg. 2011**	2010 Avg	Total 2011**
1. All Employees				
a. Group health	157,672	\$1,305.91 \$1,401.06	\$205,905,441.52	\$220,907,932.32
b. Group dental	157,672	57.29 59.47	9,033,028.88	9,376,753.84
c. Early retirement major medical	157,672	155.96 164.41	24,590,525.12	25,922,853.52
d. Group vision	157,672	10.41 10.46	1,641,365.52	1,649,249.12
2. Supplemental Sickness				
a. Signalmen	6,620	8.65 25.62	57,263.00	169,604.40
b. Shopcrafts	23,910	25.71 48.28	614,726.10	1,154,374.80
c. MOW	24,891	24.90 36.52	619,785.90	909,019.32
d. Yardmasters	2,060	32.16 33.48	66,249.60	68,968.80
3. Short-Term Disability				
a. Engineers (CSX, KCS, SOO, UP)	13,265	40.00 40.00	530,600.00	530,600.00
4. Monthly Total Premiums			243,058,985.64	260,689,356.12
5. Monthly Employee Contributions To H&W				
a. National BLET (BNSF, CSX, KCS, NS, UP)	23,721	(\$200.00) (\$200.00)	(\$4,744,200.00)	(\$4,744,200.00)
b. National BMWV (BNSF, CSX, KCS, NS, UP)	22,631	(\$200.00) (\$200.00)	(\$4,526,200.00)	(\$4,526,200.00)
c. National BRS (BNSF, CSX, KCS, NS, UP)	6,180	(\$200.00) (\$200.00)	(\$1,236,000.00)	(\$1,236,000.00)
d. National IAM (BNSF, CSX, KCS, NS, UP)	6,509	(\$200.00) (\$229.31)	(\$1,301,800.00)	(\$1,492,578.79)
e. National IBBM (BNSF, CSX, KCS, NS, UP)	837	(\$200.00) (\$200.00)	(\$167,400.00)	(\$167,400.00)
f. National IBEW (BNSF, CSX, KCS, NS, UP)	4,939	(\$200.00) (\$200.00)	(\$987,800.00)	(\$987,800.00)
g. National NCFO (BNSF, CSX, KCS, NS, UP)	2,215	(\$200.00) (\$200.00)	(\$443,000.00)	(\$443,000.00)
h. National SMW (BNSF, CSX, KCS, NS, UP)	963	(\$200.00) (\$200.00)	(\$192,600.00)	(\$192,600.00)
i. National TCU (BNSF, CSX, KCS, NS, UP)	6,026	(\$200.00) (\$200.00)	(\$1,205,200.00)	(\$1,205,200.00)
j. National TCU-CAR (BNSF, CSX, KCS, NS, UP)	9,235	(\$200.00) (\$200.00)	(\$1,847,000.00)	(\$1,847,000.00)
k. National UTU (BNSF, CSX, KCS, NS, UP)	35,762	(\$200.00) (\$200.00)	(\$7,152,400.00)	(\$7,152,400.00)
l. National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,481	(\$200.00) (\$200.00)	(\$296,200.00)	(\$296,200.00)
m. National ATDA (BNSF, KCS, NS, & CSX***)	1,708	(\$200.00) (\$200.00)	(\$341,600.00)	(\$341,600.00)
n. Independent CNGT (wt avg all 104 union categories)	5,971	(\$117.48) (\$122.73)	(\$701,473.08)	(\$732,820.83)
o. Independent SLC (weighted average all 39 unions)	3,593	(\$170.55) (\$188.21)	(\$612,786.15)	(\$676,238.53)
p. Independent UP (Yardmasters only)	417	(\$200.00) (\$200.00)	(\$83,400.00)	(\$83,400.00)
Total Major Union	132,188		(\$25,839,059.23)	(\$26,124,638.15)
All Other Employee Contributions****			(\$2,868,948.60)	(\$2,868,948.60)
6. Net Employer Monthly Payments			\$214,350,977.81	\$231,695,769.37
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments				1.08092
8. H&W hourly rate for base year 2010 revised*			\$7.914	
9. H&W hourly rate for projected quarter				\$8.554

* 2010 Wage Statistics, including employee counts, hours, and amount paid, have been revised

** 2011 Employer contribution rates will be used for 2012Q1. See 11/15/2012 memo.

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

**** Mostly non-union employee contributions. The \$25,839,059.23 in major union contributions, plus \$2,868,948.60 in all other employee contributions, totals to the 12-month average of the total employee contributions reported to the AAR in its WF survey.



ASSOCIATION OF AMERICAN RAILROADS

MEMORANDUM

TO: File
FROM: Clyde Crimmel
cc: Shou-Lien Liu
DATE: November 17, 2011
RE: Health & Welfare rates for 2012

For over ten years, railroad employer payment rates negotiated by the National Railway Labor Conference (NRLC) for health & welfare have been updated effective January 1. Currently, the NRLC is negotiating with numerous labor unions after the Presidential Emergency Board released labor agreement recommendations.

Yesterday, Susan Parks, benefits administrator for the NRLC, notified us that their tentative plan is for the health & welfare (including dental and vision) rates to remain the same for January. New rates will probably be negotiated in January or February, and may go into effect on April 1, 2012.

Railroad Retirement and Medicare for RCAF

Inputs:

RRB Earnings Distribution Year	2009	Tier I Maximum Taxable Earnings for 2012	110,100
Wage Statistics Year	2010	Tier II Maximum Taxable Earnings for 2012	81,900
Current Year	2012	Medicare Maximum Taxable Earnings for 2012	no limit
Employees Receiving Pay*	157,672	Tier I Employer Tax Rate for 2012	6.20%
* from 2010 wage statistics		Tier II Employer Tax Rate for 2012	12.10%
		Medicare Employer Tax Rate for 2012	1.45%

Note: 2010 has been rebenchmarked using revised 2010 wage statistics

USA RCAF	Wage		Update Factor	Railroad Retirement Tax		Hourly Rate	
	Rate			Rate		Rate	
2009	\$34.444					\$6.970	hourly rate from SUPPL2010Nov.xlsx
2010	\$33.913	0.98458		\$505,455,821		\$7.228	Rate = Taxable Rate
1Q/2012	\$35.205	1.02209		\$524,157,640		\$0.000	
2Q/2012		0.00000	--	--		\$0.000	
3Q/2012		0.00000	--	--		\$0.000	
4Q/2012		0.00000	--	--		\$0.000	

Railroad Retirement & Medicare, U.S.

From 2009 Earnings Distribution

Earnings Groups	Avg Ann. Earnings	% of Total Employees
\$0 - 41,699	\$31,535	5.178
41,700 - 43,699	\$42,795	1.873
43,700 - 45,699	\$44,897	1.429
45,700 - 47,699	\$46,735	2.267
47,700 - 49,699	\$48,824	4.830
49,700 - 51,699	\$50,661	6.555
51,700 - 53,699	\$52,641	4.781
53,700 - 55,699	\$54,711	5.224
55,700 - 57,699	\$56,595	4.879
57,700 - 59,699	\$58,774	4.189
59,700 - 61,699	\$60,748	3.499
61,700 - 63,699	\$62,594	4.041
63,700 - 65,699	\$64,703	3.647
65,700 - 67,699	\$66,652	3.302
67,700 - 69,699	\$68,715	3.450
69,700 - 71,699	\$70,674	3.006
71,700 - 73,699	\$72,704	3.056
73,700 - 75,699	\$74,721	3.056
75,700 - 77,699	\$76,655	1.922
77,700 - 79,699	\$78,829	1.971
79,700 - 81,699	\$80,635	2.070
81,700 - 83,699	\$82,752	2.760
83,700 - 85,699	\$84,688	2.316
85,700 - 87,699	\$86,725	2.021
87,700 - 89,699	\$88,638	1.676
89,700 - 91,699	\$90,443	1.577
91,700 - 93,699	\$92,780	1.084
93,700 - 95,699	\$94,604	1.626
95,700 - 97,699	\$96,820	1.281
97,700 - 99,699	\$98,732	0.887
99,700 - 101,699	\$100,935	0.789
101,700 - 103,699	\$102,598	0.936
103,700 - 105,699	\$104,735	0.591
105,700 - 107,699	\$106,640	1.134
107,700 - 109,699	\$108,961	0.444
109,700 - 111,699	\$110,834	0.493
111,700 - 113,699	\$112,939	0.591
113,700 - 115,699	\$114,910	0.197
\$115,700 - over	\$181,384	5.372
TOTAL	\$72,148	100.000

1Q/2012 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info

Employees Recvg. Pay	Annual Earnings	Avg Qtrly Earnings	Tier I			Tier II			Total Taxable Earnings (Taxable x Employees)		
			Taxable	Taxable	Taxable	Taxable	Taxable	Taxable	Tier I	Tier II	Medicare
8,164	\$32,232	\$8,058	\$8,058	\$8,058	\$8,058	\$8,058	\$8,058	\$8,058	\$65,787,023	\$65,787,023	\$65,787,023
2,953	43,741	10,935	10,935	10,935	10,935	10,935	10,935	10,935	32,293,578	32,293,578	32,293,578
2,253	45,889	11,472	11,472	11,472	11,472	11,472	11,472	11,472	25,848,474	25,848,474	25,848,474
3,574	47,768	11,942	11,942	11,942	11,942	11,942	11,942	11,942	42,685,377	42,685,377	42,685,377
7,616	49,903	12,476	12,476	12,476	12,476	12,476	12,476	12,476	95,009,239	95,009,239	95,009,239
10,335	51,780	12,945	12,945	12,945	12,945	12,945	12,945	12,945	133,792,512	133,792,512	133,792,512
7,538	53,804	13,451	13,451	13,451	13,451	13,451	13,451	13,451	101,397,729	101,397,729	101,397,729
8,237	55,920	13,980	13,980	13,980	13,980	13,980	13,980	13,980	115,149,796	115,149,796	115,149,796
7,693	57,845	14,461	14,461	14,461	14,461	14,461	14,461	14,461	111,248,518	111,248,518	111,248,518
6,605	60,073	15,018	15,018	15,018	15,018	15,018	15,018	15,018	99,192,986	99,192,986	99,192,986
5,517	62,000	15,523	15,523	15,523	15,523	15,523	15,523	15,523	85,636,967	85,636,967	85,636,967
6,372	63,977	15,994	15,994	15,994	15,994	15,994	15,994	15,994	101,907,679	101,907,679	101,907,679
5,750	66,133	16,533	16,533	16,533	16,533	16,533	16,533	16,533	95,070,447	95,070,447	95,070,447
5,206	68,125	17,031	17,031	17,031	17,031	17,031	17,031	17,031	88,669,775	88,669,775	88,669,775
5,440	70,233	17,558	17,558	17,558	17,558	17,558	17,558	17,558	95,511,573	95,511,573	95,511,573
4,740	72,235	18,059	18,059	18,059	18,059	18,059	18,059	18,059	85,592,163	85,592,163	85,592,163
4,818	74,310	18,578	18,578	18,578	18,578	18,578	18,578	18,578	89,515,246	89,515,246	89,515,246
4,818	76,372	19,093	19,093	19,093	19,093	19,093	19,093	19,093	91,998,634	91,998,634	91,998,634
3,030	78,349	19,587	19,587	19,587	19,587	19,587	19,587	19,587	59,357,995	59,357,995	59,357,995
3,108	80,571	20,143	20,143	20,143	20,143	20,143	20,143	20,143	62,597,645	62,597,645	62,597,645
3,264	82,417	20,604	20,604	20,604	20,604	20,604	20,604	20,604	67,247,987	67,247,987	67,247,987
4,352	84,580	21,145	21,145	21,145	21,145	21,145	21,145	21,145	92,018,031	92,018,031	92,018,031
3,652	86,559	21,640	21,640	21,640	21,640	21,640	21,640	21,640	79,021,594	79,021,594	79,021,594
3,187	88,641	22,160	22,160	22,160	22,160	22,160	22,160	22,160	70,614,839	70,614,839	70,614,839
2,643	90,596	22,649	22,649	22,649	22,649	22,649	22,649	22,649	59,852,089	59,852,089	59,852,089
2,486	92,441	23,110	23,110	23,110	23,110	23,110	23,110	23,110	57,463,491	57,463,491	57,463,491
1,709	94,830	23,707	23,707	23,707	23,707	23,707	23,707	23,707	40,519,960	40,519,960	40,519,960
2,564	96,694	24,174	24,174	24,174	24,174	24,174	24,174	24,174	61,974,837	61,974,837	61,974,837
2,020	98,959	24,740	24,740	24,740	24,740	24,740	24,740	24,740	49,968,874	49,968,874	49,968,874
1,399	100,913	25,228	25,228	25,228	25,228	25,228	25,228	25,228	35,283,114	35,283,114	35,283,114
1,244	103,165	25,791	25,791	25,791	25,791	25,791	25,791	25,791	32,085,155	32,085,155	32,085,155
1,476	104,865	26,216	26,216	26,216	26,216	26,216	26,216	26,216	38,690,122	38,690,122	38,690,122
932	107,049	26,762	26,762	26,762	26,762	26,762	26,762	26,762	24,938,175	24,938,175	24,938,175
1,788	108,996	27,249	27,249	27,249	27,249	27,249	27,249	27,249	48,721,264	48,721,264	48,721,264
700	111,368	27,842	27,842	27,842	27,842	27,842	27,842	27,842	36,609,310	36,609,310	36,609,310
777	113,283	28,321	28,321	28,321	28,321	28,321	28,321	28,321	14,333,804	14,333,804	14,333,804
932	115,434	28,859	28,859	28,859	28,859	28,859	28,859	28,859	15,915,688	15,915,688	15,915,688
311	117,449	29,362	29,362	29,362	29,362	29,362	29,362	29,362	19,079,455	19,079,455	19,079,455
8,470	185,391	46,348	27,525	27,525	27,525	27,525	27,525	27,525	6,359,818	6,359,818	6,359,818
157,672			27,525	27,525	27,525	27,525	27,525	27,525	233,140,599	233,140,599	233,140,599
			Total Taxable Earnings			2,744,667,138			2,577,193,014	2,906,753,273	
			Employer Tax Rate			6.20%			12.10%	1.45%	
			Quarterly Payment			\$170,169,363			\$311,840,355	\$42,147,922	

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

\$524,157,640

Railroad Retirement & Medicare, U.S.

From 2009 Earnings Distribution

Earnings Groups	Avg Ann. Earnings	% of Total Employees	2Q/2012 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
			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	\$31,535	5.178 %	8,164	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41,700 - 43,699	\$42,795	1.873	2,953	0	0	0	0	0	0	0	0	0
43,700 - 45,699	\$44,897	1.429	2,253	0	0	0	0	0	0	0	0	0
45,700 - 47,699	\$46,735	2.267	3,574	0	0	0	0	0	0	0	0	0
47,700 - 49,699	\$48,824	4.830	7,616	0	0	0	0	0	0	0	0	0
49,700 - 51,699	\$50,661	6.555	10,335	0	0	0	0	0	0	0	0	0
51,700 - 53,699	\$52,641	4.781	7,538	0	0	0	0	0	0	0	0	0
53,700 - 55,699	\$54,711	5.224	8,237	0	0	0	0	0	0	0	0	0
55,700 - 57,699	\$56,595	4.879	7,693	0	0	0	0	0	0	0	0	0
57,700 - 59,699	\$58,774	4.189	6,605	0	0	0	0	0	0	0	0	0
59,700 - 61,699	\$60,748	3.499	5,517	0	0	0	0	0	0	0	0	0
61,700 - 63,699	\$62,594	4.041	6,372	0	0	0	0	0	0	0	0	0
63,700 - 65,699	\$64,703	3.617	5,750	0	0	0	0	0	0	0	0	0
65,700 - 67,699	\$66,652	3.302	5,206	0	0	0	0	0	0	0	0	0
67,700 - 69,699	\$68,715	3.450	5,440	0	0	0	0	0	0	0	0	0
69,700 - 71,699	\$70,674	3.006	4,740	0	0	0	0	0	0	0	0	0
71,700 - 73,699	\$72,704	3.056	4,818	0	0	0	0	0	0	0	0	0
73,700 - 75,699	\$74,721	3.056	4,818	0	0	0	0	0	0	0	0	0
75,700 - 77,699	\$76,655	1.922	3,030	0	0	0	0	0	0	0	0	0
77,700 - 79,699	\$78,829	1.971	3,108	0	0	0	0	0	0	0	0	0
79,700 - 81,699	\$80,635	2.070	3,264	0	0	0	129	0	0	0	421,469	0
81,700 - 83,699	\$82,752	2.760	4,352	0	0	0	670	0	0	0	2,916,007	0
83,700 - 85,699	\$84,688	2.316	3,652	0	0	0	1,165	0	0	0	4,253,374	0
85,700 - 87,699	\$86,725	2.021	3,187	0	0	0	1,685	0	0	0	5,370,205	0
87,700 - 89,699	\$88,638	1.676	2,643	0	0	0	2,174	0	0	0	5,745,208	0
89,700 - 91,699	\$90,443	1.577	2,486	0	0	0	2,635	0	0	0	6,552,661	0
91,700 - 93,699	\$92,780	1.084	1,709	0	0	0	3,232	0	0	0	5,524,817	0
93,700 - 95,699	\$94,604	1.626	2,564	0	0	0	3,699	0	0	0	9,482,123	0
95,700 - 97,699	\$96,820	1.281	2,020	0	0	0	4,265	0	0	0	8,613,913	0
97,700 - 99,699	\$98,732	0.887	1,399	0	0	0	4,753	0	0	0	6,047,790	0
99,700 - 101,699	\$100,935	0.789	1,244	0	0	0	5,316	0	0	0	6,613,598	0
101,700 - 103,699	\$102,598	0.936	1,476	0	0	0	5,741	0	0	0	8,472,914	0
103,700 - 105,699	\$104,735	0.591	932	0	0	0	6,287	0	0	0	5,858,720	0
105,700 - 107,699	\$106,640	1.134	1,788	0	0	0	6,774	0	0	0	12,111,954	0
107,700 - 109,699	\$108,961	0.444	700	0	0	317	7,367	0	221,984	0	5,157,433	0
109,700 - 111,699	\$110,834	0.493	777	0	0	796	7,846	0	618,506	0	6,098,633	0
111,700 - 113,699	\$112,939	0.591	932	0	0	1,334	8,384	0	1,242,670	0	7,812,153	0
113,700 - 115,699	\$114,910	0.197	311	0	0	1,837	8,887	0	570,660	0	2,760,488	0
\$115,700 - over	\$181,384	5.372	8,470	0	0	18,823	20,475	0	159,432,315	0	173,426,113	0
TOTAL		100.000	157,672			Total Taxable Earnings	Employer Tax Rate		162,086,136	283,839,571		0
						Quarterly Payment	6.20%		\$10,049,340	12.10%		1.45%
									\$34,344,588			\$0

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

\$44,393,929

Railroad Retirement & Medicare, U.S.

From 2009 Earnings Distribution				3Q/2012 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info										
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees	Employees Recvg. Pay	Annual Earnings	Avg Qly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Total Taxable Earnings (Taxable x Employees)	Tier I	Tier II	Medicare	
\$0 - 41,699	\$31,535	5.178	%	8,164	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
41,700 - 43,699	\$42,795	1.873		2,953	0	0	0	0	0	0	0	0	0	
43,700 - 45,699	\$44,897	1.429		2,253	0	0	0	0	0	0	0	0	0	
45,700 - 47,699	\$46,735	2.267		3,574	0	0	0	0	0	0	0	0	0	
47,700 - 49,699	\$48,824	4.830		7,616	0	0	0	0	0	0	0	0	0	
49,700 - 51,699	\$50,661	6.555		10,335	0	0	0	0	0	0	0	0	0	
51,700 - 53,699	\$52,641	4.781		7,538	0	0	0	0	0	0	0	0	0	
53,700 - 55,699	\$54,711	5.224		8,237	0	0	0	0	0	0	0	0	0	
55,700 - 57,699	\$56,595	4.879		7,693	0	0	0	0	0	0	0	0	0	
57,700 - 59,699	\$58,774	4.189		6,605	0	0	0	0	0	0	0	0	0	
59,700 - 61,699	\$60,748	3.499		5,517	0	0	0	0	0	0	0	0	0	
61,700 - 63,699	\$62,594	4.041		6,372	0	0	0	0	0	0	0	0	0	
63,700 - 65,699	\$64,703	3.647		5,750	0	0	0	0	0	0	0	0	0	
65,700 - 67,699	\$66,652	3.302		5,206	0	0	0	0	0	0	0	0	0	
67,700 - 69,699	\$68,715	3.450		5,440	0	0	0	0	0	0	0	0	0	
69,700 - 71,699	\$70,674	3.006		4,740	0	0	0	0	0	0	0	0	0	
71,700 - 73,699	\$72,704	3.056		4,818	0	0	0	0	0	0	0	0	0	
73,700 - 75,699	\$74,721	3.056		4,818	0	0	0	0	0	0	0	0	0	
75,700 - 77,699	\$76,655	1.922		3,030	0	0	0	0	0	0	0	0	0	
77,700 - 79,699	\$78,829	1.971		3,108	0	0	0	0	0	0	0	0	0	
79,700 - 81,699	\$80,635	2.070		3,264	0	0	0	0	0	0	0	0	0	
81,700 - 83,699	\$82,752	2.760		4,352	0	0	0	0	0	0	0	0	0	
83,700 - 85,699	\$84,688	2.316		3,652	0	0	0	0	0	0	0	0	0	
85,700 - 87,699	\$86,725	2.021		3,187	0	0	0	0	0	0	0	0	0	
87,700 - 89,699	\$88,638	1.676		2,643	0	0	0	0	0	0	0	0	0	
89,700 - 91,699	\$90,443	1.577		2,486	0	0	0	0	0	0	0	0	0	
91,700 - 93,699	\$92,780	1.084		1,709	0	0	0	0	0	0	0	0	0	
93,700 - 95,699	\$94,604	1.626		2,564	0	0	0	0	0	0	0	0	0	
95,700 - 97,699	\$96,820	1.281		2,020	0	0	0	0	0	0	0	0	0	
97,700 - 99,699	\$98,732	0.887		1,399	0	0	0	0	0	0	0	0	0	
99,700 - 101,699	\$100,935	0.789		1,244	0	0	0	0	0	0	0	0	0	
101,700 - 103,699	\$102,598	0.936		1,476	0	0	0	0	0	0	0	0	0	
103,700 - 105,699	\$104,735	0.591		932	0	0	0	0	0	0	0	0	0	
105,700 - 107,699	\$106,640	1.134		1,788	0	0	0	0	0	0	0	0	0	
107,700 - 109,699	\$108,961	0.444		700	0	0	0	0	0	0	0	0	0	
109,700 - 111,699	\$110,834	0.493		777	0	0	0	0	0	0	0	0	0	
111,700 - 113,699	\$112,939	0.591		932	0	0	0	0	0	0	0	0	0	
113,700 - 115,699	\$114,910	0.197		311	0	0	0	0	0	0	0	0	0	
\$115,700 - over	\$181,384	5.372		8,470	0	0	0	5,398	0	45,720.688	0	45,720.688	0	
TOTAL		100.000		157,672			Total Taxable Earnings Employer Tax Rate		6.20%	0	12.10%	45.145%		
Quarterly Payment										\$0	\$5,532,203			\$0

Railroad Retirement & Medicare, U.S.

From 2009 Earnings Distribution				4Q/2012 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	Tier I	Tier II	Medicare
\$0 - 41,699	\$31,535	5.178	%	8,164	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41,700 - 43,699	\$42,795	1.873		2,953	0	0	0	0	0	0	0	0	0
43,700 - 45,699	\$44,897	1.429		2,253	0	0	0	0	0	0	0	0	0
45,700 - 47,699	\$46,735	2.267		3,574	0	0	0	0	0	0	0	0	0
47,700 - 49,699	\$48,824	4.830		7,616	0	0	0	0	0	0	0	0	0
49,700 - 51,699	\$50,661	6.555		10,335	0	0	0	0	0	0	0	0	0
51,700 - 53,699	\$52,641	4.781		7,538	0	0	0	0	0	0	0	0	0
53,700 - 55,699	\$54,711	5.224		8,237	0	0	0	0	0	0	0	0	0
55,700 - 57,699	\$56,595	4.879		7,693	0	0	0	0	0	0	0	0	0
57,700 - 59,699	\$58,774	4.189		6,605	0	0	0	0	0	0	0	0	0
59,700 - 61,699	\$60,748	3.499		5,517	0	0	0	0	0	0	0	0	0
61,700 - 63,699	\$62,594	4.041		6,372	0	0	0	0	0	0	0	0	0
63,700 - 65,699	\$64,703	3.647		5,750	0	0	0	0	0	0	0	0	0
65,700 - 67,699	\$66,652	3.302		5,206	0	0	0	0	0	0	0	0	0
67,700 - 69,699	\$68,715	3.450		5,440	0	0	0	0	0	0	0	0	0
69,700 - 71,699	\$70,674	3.006		4,740	0	0	0	0	0	0	0	0	0
71,700 - 73,699	\$72,704	3.056		4,818	0	0	0	0	0	0	0	0	0
73,700 - 75,699	\$74,721	3.056		4,818	0	0	0	0	0	0	0	0	0
75,700 - 77,699	\$76,655	1.922		3,030	0	0	0	0	0	0	0	0	0
77,700 - 79,699	\$78,829	1.971		3,108	0	0	0	0	0	0	0	0	0
79,700 - 81,699	\$80,635	2.070		3,264	0	0	0	0	0	0	0	0	0
81,700 - 83,699	\$82,752	2.760		4,352	0	0	0	0	0	0	0	0	0
83,700 - 85,699	\$84,688	2.316		3,652	0	0	0	0	0	0	0	0	0
85,700 - 87,699	\$86,725	2.021		3,187	0	0	0	0	0	0	0	0	0
87,700 - 89,699	\$88,638	1.676		2,643	0	0	0	0	0	0	0	0	0
89,700 - 91,699	\$90,443	1.577		2,486	0	0	0	0	0	0	0	0	0
91,700 - 93,699	\$92,780	1.084		1,709	0	0	0	0	0	0	0	0	0
93,700 - 95,699	\$94,604	1.026		2,564	0	0	0	0	0	0	0	0	0
95,700 - 97,699	\$96,820	1.281		2,020	0	0	0	0	0	0	0	0	0
97,700 - 99,699	\$98,732	0.887		1,399	0	0	0	0	0	0	0	0	0
99,700 - 101,699	\$100,935	0.789		1,244	0	0	0	0	0	0	0	0	0
101,700 - 103,699	\$102,598	0.936		1,476	0	0	0	0	0	0	0	0	0
103,700 - 105,699	\$104,735	0.591		932	0	0	0	0	0	0	0	0	0
105,700 - 107,699	\$106,640	1.134		1,788	0	0	0	0	0	0	0	0	0
107,700 - 109,699	\$108,961	0.444		700	0	0	0	0	0	0	0	0	0
109,700 - 111,699	\$110,834	0.493		777	0	0	0	0	0	0	0	0	0
111,700 - 113,699	\$112,939	0.591		932	0	0	0	0	0	0	0	0	0
113,700 - 115,699	\$114,910	0.197		311	0	0	0	0	0	0	0	0	0
\$115,700 - over	\$181,384	5.372		8,470	0	0	0	0	0	0	0	0	0
TOTAL		100.000		157,672			Total Taxable Earnings	Employer Tax Rate	Quarterly Payment	6.20%	12.10%	1.45%	\$0
										Total Tier I, Tier II, and Medicare Paid this Quarter			
										\$0			
										\$0			



RRB News

U.S. Railroad Retirement Board

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No. 11-12

For Immediate Release
November 2011

Railroad Retirement and Unemployment Insurance Taxes in 2012

The amounts of compensation subject to railroad retirement tier I and tier II payroll taxes will increase in 2012. The tier I and tier II tax rates will remain the same on railroad employers. Railroad employees will see their effective tier I rate increase from 5.65 percent to 7.65 percent, while their tier II rate will remain the same. Railroad unemployment insurance tax rates paid by employers will include a 1.5 percent surcharge in 2012.

Tier I and Medicare Tax.--The railroad retirement tier I payroll tax rate on covered rail employers for the year 2012 remains at 7.65 percent. However, railroad employees will see their effective tier I rate increase from 5.65 percent to 7.65 percent. Legislation enacted in 2010 provided for a temporary reduction of 2 percentage points in the social security payroll tax paid by employees, but that is currently scheduled to expire at the end of 2011. The railroad retirement tier I tax rate is the same as the social security tax, and for withholding and reporting purposes is divided into 6.20 percent for retirement and 1.45 percent for Medicare hospital insurance. The maximum amount of an employee's earnings subject to the 6.20 percent rate increases from \$106,800 to \$110,100 in 2012 but there is no maximum on earnings subject to the 1.45 percent Medicare rate.

Tier II Tax.--The railroad retirement tier II tax rate on employees will remain at 3.9 percent in 2012, and the rate on employers will stay at 12.1 percent. The maximum amount of earnings subject to railroad retirement tier II taxes will increase from \$79,200 to \$81,900 in 2012. Tier II tax rates under the 2001 Railroad Retirement and Survivors' Improvement Act are based on an average account benefits ratio reflecting railroad retirement fund levels. Depending on this ratio, the tier II tax rate for employees can be between 0 percent and 4.9 percent, while the tier II rate for employers can range between 8.2 percent and 22.1 percent.

Unemployment Insurance Tax.--Employers, but not employees, also pay railroad unemployment insurance taxes, which are experience-rated by employer. The basic tax rates range from a minimum

(More)

of 0.65 percent to a maximum of 12 percent on monthly compensation up to \$1,365 in 2012, an increase from \$1,330 in 2011. However, the Railroad Unemployment Insurance Act also provides for a surcharge in the event the Railroad Unemployment Insurance Account balance falls below an indexed threshold amount. A surcharge of 2.5 percent applied in 2011. The accrual balance of the Railroad Unemployment Insurance Account was almost \$66.2 million on June 30, 2011. Because the balance was less than the indexed threshold of \$130.2 million, a 1.5 percent surcharge is added to the basic tax rates for 2012, but will not increase the maximum 12 percent rate. A surcharge of 1.5 percent also applied in 2004-2010.

The unemployment insurance tax rates on railroad employers in 2012 therefore will range from 2.15 percent (the minimum basic rate of 0.65 percent plus the 1.5 percent surcharge) to a maximum of 12 percent on monthly compensation up to \$1,365.

The 1.5 percent surcharge will not apply to new employers in 2012. During the year, new employers will pay an initial tax rate of 2.65 percent, which represents the average rate paid by all employers in the period 2008-2010.

For 69 percent of covered employers, the unemployment insurance rate assessed in 2012 will be the minimum 2.15 percent, while 13 percent of employers will pay the maximum of 12 percent.

#

RCAF Unemployment Insurance Tax

	<u>Unemployment Ins.</u>			RRB	Factor	Avg. Ann.	Un. Ins.
	<u>Tax</u>	<u>Earnings</u>	Hourly	Sample	To Update	Taxable	Hourly
	<u>Rate</u>	<u>Base</u>	<u>Earnings</u>	<u>Year</u>	<u>RRB Sample</u>	<u>Earnings</u>	<u>Rate</u>
			\$29.465	(2006)			
2007 Avg.	2.47%	\$14,760	\$30.806		1.045512	\$13,903.99	\$0.192
3Q/08 reb	2.48%	\$15,360	\$32.327		1.097132	\$14,473.48	\$0.201
4Q/08	2.48%	\$15,360	\$33.207		1.126998	\$14,487.09	\$0.201
1Q/09	2.47%	\$15,960	\$33.561		1.139012	\$15,038.39	\$0.208
2Q/09	2.47%	\$15,960	\$33.672		1.142780	\$15,040.15	\$0.208
3Q/09	2.47%	\$15,960	\$34.857		1.182997	\$15,058.23	\$0.208
			\$30.806	(2007)			
2008 Avg.	2.48%	\$15,360	\$32.537		1.056190	\$14,329.53	\$0.201
3Q/09 reb	2.47%	\$15,960	\$35.600		1.155619	\$14,914.18	\$0.208
4Q/09	2.47%	\$15,960	\$34.822		1.130364	\$14,903.49	\$0.208
1Q/10	3.26%	\$15,960	\$34.810		1.129975	\$14,903.32	\$0.275
2Q/10	3.26%	\$15,960	\$34.787		1.129228	\$14,903.00	\$0.275
3Q/10	3.26%	\$15,960	\$34.676		1.125625	\$14,901.45	\$0.275
			\$32.537	(2008)			
2009 Avg.	2.47%	\$15,960	\$34.444		1.058610	\$14,944.60	\$0.211
3Q/10 reb	3.26%	\$15,960	\$35.003		1.075791	\$14,952.41	\$0.279
4Q/10	3.26%	\$15,960	\$35.003		1.075791	\$14,952.41	\$0.279
1Q/11	7.09%	\$15,960	\$35.058		1.077431	\$14,953.17	\$0.606
2Q/11	7.09%	\$15,960	\$35.143		1.080093	\$14,954.33	\$0.606
3Q/11	7.09%	\$15,960	\$35.422		1.088668	\$14,957.95	\$0.606
			\$34.444	(2009)			
2010 Avg.	3.26%	\$15,960	\$33.913		0.984584	\$15,048.19	\$0.275
3Q/11 reb.	7.10%	\$15,960	\$34.350		0.997271	\$15,055.23	\$0.599
4Q/11	7.10%	\$15,960	\$34.347		0.997184	\$15,055.18	\$0.599
1Q/12	5.00%	\$16,380	\$35.205		1.022094	\$15,450.63	\$0.433
2Q/12					0.000000		\$0.000
3Q/12					0.000000		\$0.000

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

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2605	39200541.09	15048.19
QTRLY_US	2605	40248901.99	15450.63

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2605	2564.84	0.9845840
FactorQ	2605	2662.55	1.0220940
Capa	2605	41575800.00	15960.00
Capq	2605	42669900.00	16380.00

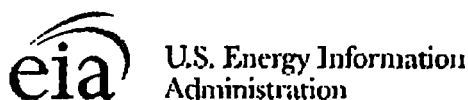


ASSOCIATION OF AMERICAN RAILROADS

MEMORANDUM

TO: File
FROM: Shou-Lien Liu
cc: Clyde Crimmel
DATE: November 10, 2011
RE: Unemployment Insurance Tax Rate for 2012

Unemployment Insurance rates for 2012 can range from a minimum of 0.65 percent to a maximum of 12 percent on monthly earnings up to \$1,365. A 1.5 percentage point surcharge will be in effect for 2012, meaning the minimum tax rate is effectively 2.15 percent. Marla Huddleston, Chief, Division of Benefit and Employment Analysis at the Railroad Retirement Board, said in her November 10 e-mail that the weighted average 2012 Unemployment Insurance rate for Class I railroads is **5.00 percent** which includes Delaware and Hudson Railway (D&H) and Dakota, Minnesota & Eastern Railroad Corporation (DME).



PETROLEUM & OTHER LIQUIDS

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Summary
Prices

Crude Oil
Stocks

Gasoline
Production

Distillate
Imports

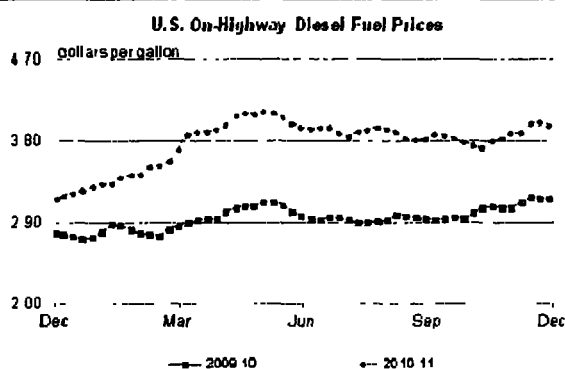
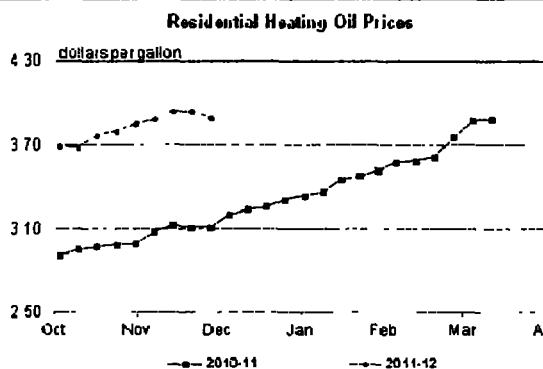
Propane
Demand

Residential Heating Oil Prices (Dollars per Gallon)

	Residential Heating Oil Prices							more data
	Most Recent							Year Ago
	10/17/11	10/24/11	10/31/11	11/07/11	11/14/11	11/21/11	11/28/11	11/29/10
Average	3.768	3.798	3.850	3.877	3.942	3.935	3.895	3.113
East Coast (PADD 1)	3.794	3.820	3.871	3.897	3.959	3.954	3.918	3.132
New England (PADD 1A)	3.760	3.797	3.850	3.880	3.949	3.934	3.900	3.110
Central Atlantic (PADD 1B)	3.865	3.880	3.931	3.951	4.012	4.019	3.973	3.187
Lower Atlantic (PADD 1C)	3.581	3.607	3.648	3.679	3.701	3.687	3.697	2.908
Midwest (PADD 2)	3.436	3.519	3.578	3.624	3.731	3.695	3.603	2.862

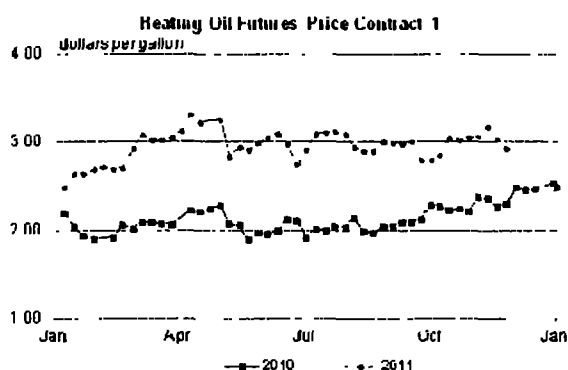
On-Highway Diesel Fuel Prices (Dollars per Gallon)

	On-Highway Diesel Fuel Prices							more data
	Most Recent							Year Ago
	10/17/11	10/24/11	10/31/11	11/07/11	11/14/11	11/21/11	11/28/11	11/29/10
U.S.	3.801	3.825	3.892	3.887	3.987	4.010	3.964	3.162
East Coast (PADD 1)	3.815	3.832	3.886	3.875	3.964	3.984	3.953	3.166
New England (PADD 1A)	3.907	3.925	3.935	3.950	4.030	4.056	4.045	3.237
Central Atlantic (PADD 1B)	3.922	3.946	3.994	3.997	4.085	4.100	4.057	3.288
Lower Atlantic (PADD 1C)	3.761	3.775	3.836	3.816	3.906	3.918	3.882	3.108
Midwest (PADD 2)	3.754	3.782	3.866	3.863	3.987	4.010	3.949	3.144
Gulf Coast (PADD 3)	3.726	3.745	3.808	3.796	3.882	3.903	3.859	3.078
Rocky Mountain (PADD 4)	3.885	3.909	3.959	3.978	4.093	4.144	4.094	3.272
West Coast (PADD 5)	4.010	4.049	4.107	4.109	4.171	4.191	4.142	3.300
California	4.053	4.096	4.163	4.213	4.270	4.271	4.224	3.328



Heating Oil Futures Prices (Dollars per Gallon)

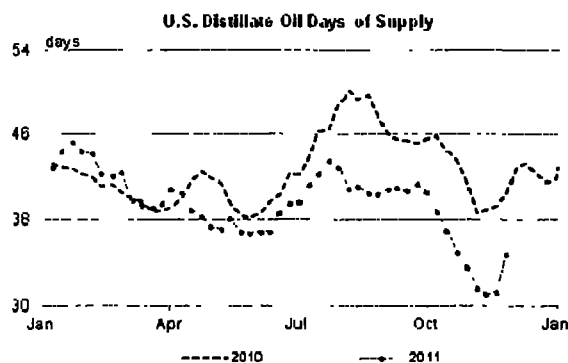
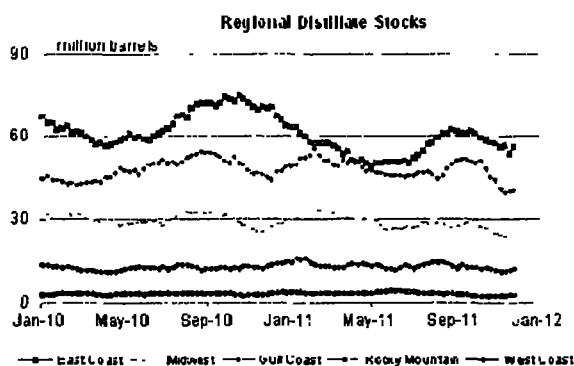
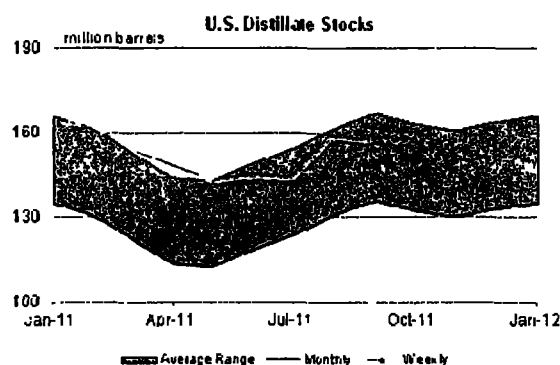
	Heating Oil Futures Prices							more data
	Most Recent							Year Ago
	10/14/11	10/21/11	10/28/11	11/04/11	11/11/11	11/18/11	11/25/11	11/26/10
Contract 1	3.056	3.018	3.059	3.071	3.172	3.033	2.927	2.316
Contract 2	3.047	3.016	3.066	3.070	3.168	3.041	2.941	2.333
Contract 3	3.032	3.002	3.060	3.058	3.153	3.037	2.946	2.343
Contract 4	3.011	2.983	3.047	3.040	3.133	3.022	2.942	2.344



Distillate Stocks (Million Barrels) and Days of Supply

Total Distillate Stocks									more data
	Most Recent							Year Ago	
	10/14/11	10/21/11	10/28/11	11/04/11	11/11/11	11/18/11	11/25/11	11/26/10	
U.S.	149.7	145.5	141.9	135.9	133.7	133.0	138.5	158.1	
East Coast (PADD 1)	59.0	58.3	57.9	56.4	56.7	54.2	56.7	70.4	
New England (PADD 1A)	11.9	11.9	11.9	11.4	11.5	11.0	11.5	13.1	
Central Atlantic (PADD 1B)	34.3	33.9	33.7	32.8	33.0	31.9	33.0	42.7	
Lower Atlantic (PADD 1C)	12.7	12.6	12.2	12.1	12.2	11.4	12.2	14.6	
Midwest (PADD 2)	27.0	26.7	25.2	24.4	23.6	24.1	25.7	26.0	
Gulf Coast (PADD 3)	48.5	45.9	44.7	41.4	39.7	40.3	40.8	45.6	
Rocky Mountain (PADD 4)	2.7	2.5	2.7	2.5	2.6	2.7	2.9	3.0	
West Coast (PADD 5)	12.6	12.1	11.5	11.2	11.0	11.6	12.4	13.0	
15 ppm sulfur and Under Stocks									more data
	Most Recent							Year Ago	
	10/14/11	10/21/11	10/28/11	11/04/11	11/11/11	11/18/11	11/25/11	11/26/10	
U.S.	98.2	94.6	94.1	90.4	87.1	87.9	91.1	95.6	
East Coast (PADD 1)	24.1	23.5	23.0	22.9	22.6	21.2	22.2	24.0	
New England (PADD 1A)	2.5	2.4	2.4	2.3	2.2	1.6	2.0	2.5	
Central Atlantic (PADD 1B)	10.9	10.7	10.9	10.6	10.5	10.5	10.2	10.4	
Lower Atlantic (PADD 1C)	10.7	10.4	9.8	10.0	10.0	9.2	10.0	11.1	
Midwest (PADD 2)	24.5	23.9	22.5	21.9	21.3	21.8	23.5	23.6	
Gulf Coast (PADD 3)	36.7	35.0	36.8	34.1	31.6	32.7	32.4	35.1	
Rocky Mountain (PADD 4)	2.3	2.2	2.3	2.2	2.3	2.4	2.6	2.7	
West Coast (PADD 5)	10.6	10.1	9.5	9.2	9.2	9.8	10.4	10.2	
Greater than 15 ppm to 500 ppm sulfur Stocks									more data
	Most Recent							Year Ago	
	10/14/11	10/21/11	10/28/11	11/04/11	11/11/11	11/18/11	11/25/11	11/26/10	
U.S.	13.2	12.8	9.1	8.8	9.1	8.5	9.0	10.7	
East Coast (PADD 1)	4.1	3.8	3.6	3.2	3.5	3.0	3.3	4.7	
New England (PADD 1A)	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.2	
Central Atlantic (PADD 1B)	3.2	2.9	2.4	2.2	2.5	1.9	2.4	3.1	
Lower Atlantic (PADD 1C)	0.9	0.9	1.1	1.0	0.9	1.0	0.9	1.4	
Midwest (PADD 2)	1.4	1.4	1.3	1.3	1.4	1.4	1.4	1.3	
Gulf Coast (PADD 3)	6.7	6.5	3.2	3.2	3.3	2.9	3.1	3.4	
Rocky Mountain (PADD 4)	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	
West Coast (PADD 5)	0.9	0.9	0.9	0.8	0.8	0.9	0.9	1.2	
Greater than 500 ppm sulfur Stocks									more data
	Most Recent							Year Ago	
	10/14/11	10/21/11	10/28/11	11/04/11	11/11/11	11/18/11	11/25/11	11/26/10	
U.S.	38.3	38.1	38.6	36.7	37.5	36.6	38.4	51.8	
East Coast (PADD 1)	30.8	31.1	31.3	30.2	30.6	30.0	31.1	41.7	
New England (PADD 1A)	9.4	9.4	9.5	9.1	9.3	9.3	9.5	10.4	
Central Atlantic (PADD 1B)	20.3	20.3	20.5	20.0	20.0	19.5	20.4	29.2	
Lower Atlantic (PADD 1C)	1.1	1.4	1.3	1.1	1.3	1.1	1.3	2.1	
Midwest (PADD 2)	1.2	1.4	1.3	1.1	1.0	0.9	0.9	1.2	
Gulf Coast (PADD 3)	5.1	4.4	4.7	4.1	4.8	4.7	5.3	7.1	
Rocky Mountain (PADD 4)	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.2	
West Coast (PADD 5)	1.0	1.0	1.1	1.1	1.0	1.0	1.1	1.6	
Days of Supply (number of days)									more data
	Most Recent							Year Ago	
	10/14/11	10/21/11	10/28/11	11/04/11	11/11/11	11/18/11	11/25/11	11/26/10	
U.S.	37.0	35.1	33.6	31.7	31.2	31.3	34.9	40.4	

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

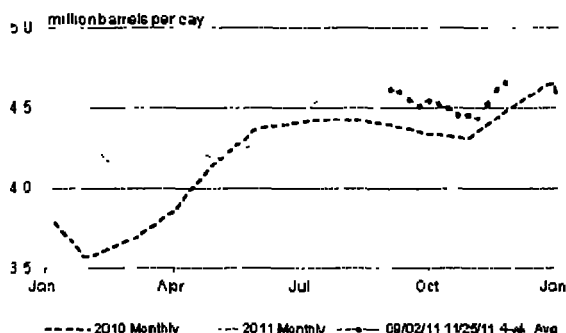


Distillate Production and Imports (Million Barrels per Day)

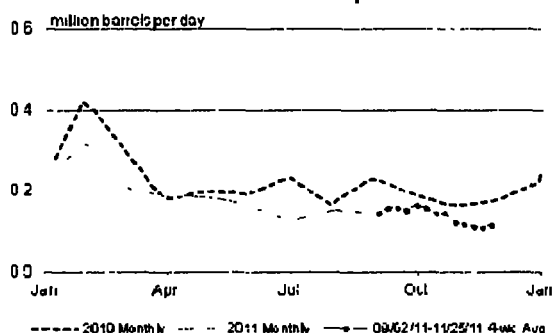
Total Distillate Production									more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago	
	11/11/11	11/18/11	11/25/11	11/26/10	11/11/11	11/18/11	11/25/11	11/26/10	
U.S.	4.529	4.622	4.665	4.308	4.750	4.772	4.827	4.305	
East Coast (PADD 1)	0.389	0.400	0.410	0.283	0.424	0.426	0.431	0.280	
Midwest (PADD 2)	0.965	0.973	1.004	0.935	0.977	0.991	1.123	0.950	
Gulf Coast (PADD 3)	2.492	2.533	2.527	2.390	2.638	2.589	2.502	2.338	
Rocky Mountain (PADD 4)	0.183	0.187	0.190	0.172	0.189	0.194	0.199	0.167	
West Coast (PADD 5)	0.500	0.528	0.534	0.528	0.521	0.571	0.572	0.571	
15 ppm sulfur and Under Production									more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago	
	11/11/11	11/18/11	11/25/11	11/26/10	11/11/11	11/18/11	11/25/11	11/26/10	
U.S.	3.992	4.064	4.100	3.676	4.154	4.213	4.182	3.716	
East Coast (PADD 1)	0.225	0.229	0.227	0.145	0.236	0.262	0.200	0.134	
Midwest (PADD 2)	0.911	0.926	0.960	0.879	0.951	0.944	1.060	0.898	
Gulf Coast (PADD 3)	2.242	2.266	2.261	2.038	2.323	2.312	2.242	2.039	
Rocky Mountain (PADD 4)	0.171	0.173	0.176	0.156	0.175	0.178	0.184	0.151	
West Coast (PADD 5)	0.443	0.469	0.475	0.457	0.469	0.518	0.496	0.495	
Greater than 15 ppm to 500 ppm sulfur Production									more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago	
	11/11/11	11/18/11	11/25/11	11/26/10	11/11/11	11/18/11	11/25/11	11/26/10	
U.S.	0.218	0.219	0.214	0.243	0.222	0.189	0.227	0.196	
East Coast (PADD 1)	0.006	0.001	0.000	0.011	0.014	-0.016	-0.002	0.005	
Midwest (PADD 2)	0.067	0.070	0.070	0.048	0.067	0.069	0.075	0.033	
Gulf Coast (PADD 3)	0.112	0.112	0.110	0.148	0.113	0.093	0.122	0.120	
Rocky Mountain (PADD 4)	0.014	0.015	0.016	0.012	0.015	0.021	0.016	0.012	
West Coast (PADD 5)	0.018	0.021	0.018	0.024	0.013	0.022	0.016	0.028	
Greater than 500 ppm sulfur Production									more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago	
	11/11/11	11/18/11	11/25/11	11/26/10	11/11/11	11/18/11	11/25/11	11/26/10	
U.S.	0.319	0.339	0.351	0.389	0.373	0.369	0.418	0.392	
East Coast (PADD 1)	0.157	0.171	0.182	0.127	0.174	0.180	0.232	0.142	
Midwest (PADD 2)	-0.013	-0.022	-0.025	0.008	-0.041	-0.022	-0.012	0.019	
Gulf Coast (PADD 3)	0.139	0.155	0.156	0.204	0.202	0.185	0.138	0.179	
Rocky Mountain (PADD 4)	-0.002	-0.002	-0.003	0.003	-0.001	-0.005	0.000	0.004	
West Coast (PADD 5)	0.038	0.038	0.041	0.046	0.040	0.031	0.059	0.047	
Distillate Imports									more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago	
	11/11/11	11/18/11	11/25/11	11/26/10	11/11/11	11/18/11	11/25/11	11/26/10	
Total Distillate	0.113	0.110	0.117	0.128	0.082	0.135	0.150	0.112	
15 ppm sulfur and Under	0.072	0.070	0.088	0.088	0.057	0.077	0.143	0.073	

Greater than 15 ppm to 500 ppm sulfur	0.000	0.000	0.000	0.006	0.000	0.000	0.000	0.001
Greater than 500 ppm to 2000 ppm sulfur	0.041	0.040	0.030	0.034	0.025	0.059	0.007	0.039
Greater than 2000 ppm sulfur	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

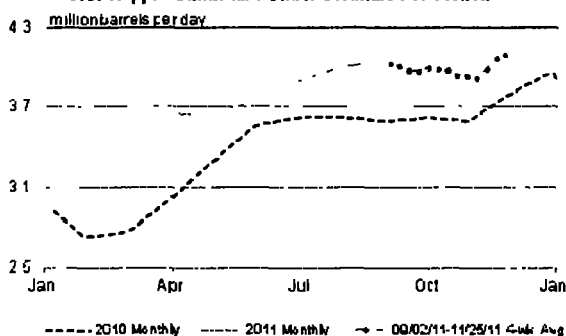
U.S. Distillate Production



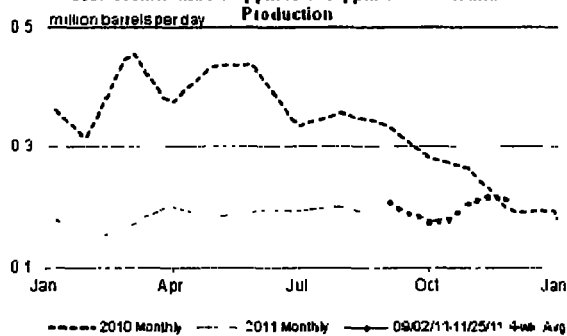
U.S. Distillate Imports



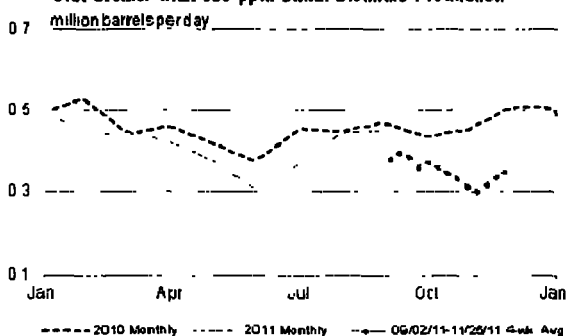
U.S. 15 ppm Sulfur and Under Distillate Production



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

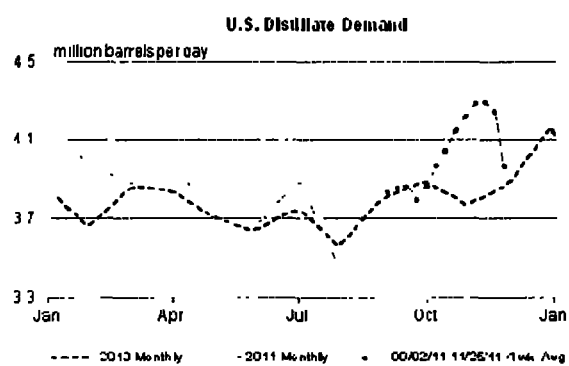


U.S. Greater than 500 ppm Sulfur Distillate Production



Distillate Demand (Million Barrels per Day)

	Distillate Demand							20 more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	11/11/11	11/18/11	11/25/11	11/26/10	11/11/11	11/18/11	11/25/11	11/26/10
Distillate Fuel Oil	4.294	4.249	3.965	3.912	4.189	4.069	3.240	3.668



NA = Not Available
W = Data Withheld



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Spot Prices

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

Period:

Product by Area	10/21/11	10/28/11	11/04/11	11/11/11	11/18/11	11/25/11	View History
Crude Oil							
WTI - Cushing, Oklahoma	86.82	92.32	93.24	96.97	99.32	96.70	1986-2011
Brent - Europe	111.47	111.33	109.84	114.68	110.69	106.67	1987-2011
Conventional Gasoline							
New York Harbor, Regular	2.772	2.744	2.703	2.719	2.577	2.548	1986-2011
U.S. Gulf Coast, Regular	2.693	2.675	2.621	2.633	2.476	2.453	1986-2011
RBOB Regular Gasoline							
Los Angeles	2.968	2.854	2.954	2.892	2.616	2.588	2003-2011
No. 2 Heating Oil							
New York Harbor	3.007	3.045	3.029	3.125	3.105	2.971	1986-2011
Ultra-Low-Sulfur No. 2 Diesel Fuel							
New York Harbor	3.054	3.089	3.073	3.170	3.138	3.011	2006-2011
U.S. Gulf Coast	3.004	3.045	3.040	3.126	3.091	2.953	2006-2011
Los Angeles	3.136	3.178	3.347	3.338	3.138	3.018	1986-2011
Kerosene-Type Jet Fuel							
U.S. Gulf Coast	3.003	3.041	3.027	3.127	3.094	2.954	1990-2011
Propane							
Mont Belvieu, Texas	1.478	1.475	1.450	1.470	1.468	1.450	1992-2011

-- = No Data Reported -- = Not Applicable NA = Not Available W = Withheld to avoid disclosure of individual company data

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

Release Date: 11/30/2011

Next Release Date: 12/7/2011



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Spot Prices

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

Period: [Monthly](#)

Product by Area	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	View History
Crude Oil							
WTI - Cushing, Oklahoma	100.90	96.26	97.40	86.33	85.52	86.32	1986-2011
Brent - Europe	114.99	113.83	116.97	110.22	112.83	109.55	1987-2011
Conventional Gasoline							
New York Harbor, Regular	3.024	2.835	3.021	2.835	2.768	2.772	1986-2011
U.S. Gulf Coast, Regular	3.024	2.789	2.975	2.801	2.692	2.689	1986-2011
RBOB Regular Gasoline							
Los Angeles	3.055	2.861	2.948	2.839	2.917	2.949	2003-2011
No. 2 Heating Oil							
New York Harbor	2.952	2.967	3.068	2.946	2.921	2.955	1981-2011
Ultra-Low-Sulfur No. 2 Diesel Fuel							
New York Harbor	3.035	3.054	3.170	3.010	2.980	3.008	2006-2011
U.S. Gulf Coast	3.001	3.015	3.117	2.974	2.937	2.960	2006-2011
Los Angeles	3.134	3.074	3.116	2.971	3.011	3.089	1996-2011
Kerosene-Type Jet Fuel							
U.S. Gulf Coast	3.085	3.046	3.131	3.008	2.948	2.966	1987-2011
Propane							
Mort Belvieu, Texas	1.521	1.520	1.528	1.528	1.560	1.472	1982-2011

- = No Data Reported, -- = Not Applicable, NA = Not Available, W = Withheld to avoid disclosure of individual company data

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

Release Date: 11/30/2011

Next Release Date: 12/7/2011

AAR MATERIALS AND SUPPLIES INDEX
Region By Composition
Fourth Quarter 2011
November 22, 2011

United States by Composition Category - Summary

Composition Category	Weight	Previous Quarter Index	Current Quarter Index	Relative Of Change
-----	-----	-----	-----	-----
Forest Products	.1093	251.62	252.88	1.0050
Metal Products	.5988	205.97	209.70	1.0181
Miscellaneous Products	.2919	345.86	331.33	.9580
U.S. By Composition	--	251.79	249.93	.9926
U.S. By Composition (Linked)	--	250.39	248.54	.9926
United States (1977=100)	--	356.30	353.67	.9926
Linking Factor: 1.423				
United States (1980=100)	--	265.66	263.70	.9926
Linking Factor: 1.061				

Car Hire for RCAF

RCAF (Forecast)

	1980	June 3Q/11	Sept. 4Q/11	Dec. 1Q/12	Mar. 2Q/12	June 3Q/12
RATE						
RR-OWNED TIME	31.00	67.00	67.00	67.00	--	--
RR-OWNED MILEAGE	4.69	7.20	7.20	7.20	--	--
PRIVATELY-OWNED CARS	25.47	44.68	43.37	43.51	--	--
AUTORACKS	47.00	41.30	42.33	41.85	--	--
INDEX						
RR-OWNED TIME	100.0	216.1	216.1	216.1	--	--
RR-OWNED MILEAGE	100.0	153.5	153.5	153.5	--	--
PRIVATELY-OWNED CARS	100.0	175.4	170.3	170.8	--	--
AUTORACKS	100.0	87.9	90.1	89.0	--	--
CAR HIRE INDEX (old wts) 2009	100.0	179.3	--	--	--	--
CAR HIRE INDEX (new wts) 2010	100.0	179.8	176.1	176.4	--	--
CAR HIRE INDEX (LINKED)	100.0	178.9	175.2	175.5	--	--

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

Note. Indexes are rounded, rates are full float

Equipment Rents Data From CHARM

	2011 (first day of month)						2012 (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)	10,309	10,132	10,124	10,070	11,045	10,794								
Superstructures (Vehicular Flats)														
Rate (in cents)														
Superstructures #3 - Auto Rack	20.0	21.0	21.0	21.0	32.0	20.0								
All other #1 - Time	67.0	67.0	67.0	67.0	67.0	67.0								
All other #2 - Mileage	7.2	7.2	7.2	7.2	7.2	7.2								
Private Equipment														
No. of Cars (cars with rates only)	46,434	46,336	46,222	46,104	45,960	45,824								
Superstructures (Vehicular Flats)	332,007	331,523	334,180	332,890	333,991	336,974								
Covered Hoppers	305,295	304,829	304,863	305,905	305,578	306,181								
Tank Cars	308,308	306,477	306,394	308,539	309,901	309,432								
Others														
Rate (in cents)														
Superstructures #1 - Time	78.0	78.0	78.0	78.0	78.0	78.0								
Superstructures #2 - Mileage	1.2	1.4	1.4	1.4	1.4	1.4								
Superstructures #3 - Auto Rack	46.0	47.0	47.0	47.0	47.0	47.0								
Covered Hoppers #2 - Mileage	43.1	43.2	43.2	43.2	43.2	43.2								
Tank Cars #2 - Mileage	74.4	74.5	69.2	69.4	69.4	69.5								
Others #1 - Time	64.0	65.0	65.0	66.0	66.0	66.0								
Others #2 - Mileage	6.9	7.0	7.0	7.0	7.0	7.0								
AVERAGE RATES														
Private Superstructures	19.53	19.73	19.73	19.73	19.73	19.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Others	21.11	21.43	21.43	21.65	21.65	21.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Total	44.79	45.00	43.37	43.49	43.45	43.51	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Autoracks	41.28	42.33	42.33	42.34	44.09	41.85	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

WEIGHTS	"Old Wts" "New Wts"	
	2009	2010
For RCAF & RCR		
RR-owned Time	0.168	0.174
RR-owned Mileage	0.084	0.084
Privately-owned Cars	0.735	0.732
Autoracks	0.013	0.010
----- Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)		
	2009	2010
Car Hire - U.S.	0.422	0.458
Lease Rentals - U.S.	0.578	0.542
----- Check sum	1.000	1.000

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

file: Equip_Rents10wtsRCAF.xls

AAR Car Hire - Equipment Rents Data Page

12/1/11

		AVERAGE RATE FOR 12/11		
		CAR RENTAL RATES		
CAR GROUP	CAR COUNT	TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS				
ONO. OF ZERO RATED VEH. FLATS 2/	10,794	146 ¢/HR	.093 \$/MILE	20 ¢/HR
-ALL OTHER CARS	584,151			
ONO. OF ZERO RATED "OTHER" CARS 2/	32,063	67 ¢/HR	.072 \$/MILE	
	TOTAL:			
	627,107			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:

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

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

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

		AVERAGE RATE FOR 12/11			

CAR GROUP	CAR COUNT	CAR RENTAL RATES			AUTO RACK
		TIME	MILEAGE		
		-----	-----	-----	-----
-VEHICULAR FLATS	45,824	78 ¢/HR	.014 \$/MILE		47 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/	9				
-COVERED HOPPERS	336,974	0 ¢/HR	.432 \$/MILE		
ONO. OF ZERO RATED COVERED HOPPERS 2/	9,855				
-TANKS	306,181	0 ¢/HR	.695 \$/MILE		
ONO. OF ZERO RATED TANKS 2/	8,928				
-ALL OTHER CARS	309,432	66 ¢/HR	.070 \$/MILE		
ONO. OF ZERO RATED "OTHER" CARS 2/	32,565				

0	TOTAL:	1,049,768			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:

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

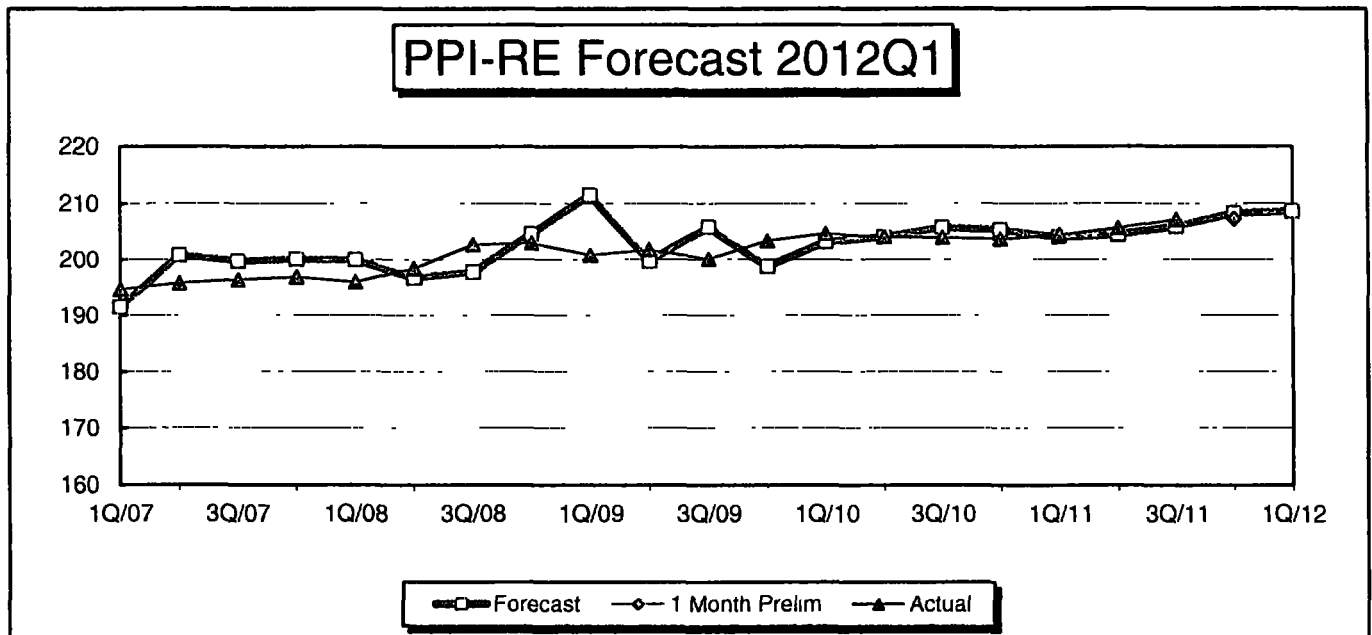
0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONX) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.
 -2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6). THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING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

PPI-RE Forecast (for Depreciation Component)

	Forecast	Actual	1 Month Prelim
1Q/07	191.6	194.8	
2Q/07	200.9	195.9	
3Q/07	199.9	196.5	
4Q/07	200.2	197.0	
1Q/08	200.1	196.1	
2Q/08	196.9	198.5	
3Q/08	197.9	202.8	
4Q/08	204.8	203.1	
1Q/09	211.6	200.9	
2Q/09	199.9	201.9	
3Q/09	206.0	200.2	
4Q/09	198.9	203.5	
1Q/10	203.3	204.8	
2Q/10	204.3	204.2	
3Q/10	205.9	204.1	
4Q/10	205.5	203.8	
1Q/11	204.2	204.6	
2Q/11	204.6	205.8	
3Q/11	206.1	207.3	
4Q/11	208.4		207.4
1Q/12	208.7		

1980 Base

	PPI-RE Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2012Q1						
Low	184.6	204.2	-0.2%			
Midpoint	188.7	208.7	2.0%	0.6%	0.7%	0.1%
High	192.7	213.2	4.2%			



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Producer Price Index-Commodities

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

Download:  [.xls](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	184.4
2011	184.9	185.1	187.0	186.6	186.7	186.8	187.4(P)	187.4(P)	187.4(P)	187.5(P)			

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

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Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2012Q1\5Deprec\FPre_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

Length 72 Minimum 161.900 Maximum 187.500
Mean 179.149 Standard deviation 6.503

Classical decomposition (multiplicative)
Trend-cycle: 92.97% Seasonal: 1.10% Irregular: 5.93%

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

Exponential smoothing outperforms Box-Jenkins by 0.669 to 1.536 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is trended and nonseasonal.

Recommended model: Exponential Smoothing
Forecast Model for PPIRE
Holt exponential smoothing: Linear trend, No seasonality

Component	Smoothing Weight	Final Value
Level	0.89598	187.52
Trend	0.02734	0.28493

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 179.1	Standard deviation 6.503
R-square 0.9738	Adjusted R-square 0.9734
Durbin-Watson 2.026	Ljung-Box(18)=21.42 P=0.7415
Forecast error 1.061	BIC 1.11
MAPE 0.004307	RMSE 1.046
MAD 0.7655	

Forecast Report
Tue Nov 15 11:29:37 2011
Exponential Smoothing model for PPIRE
Analysis of Historic Fit Set

Date	Historic
2005-11	161.900
2005-12	162.200
2006-01	164.200
2006-02	165.500
2006-03	168.200
2006-04	168.200
2006-05	169.600
2006-06	171.300
2006-07	170.600
2006-08	170.900
2006-09	170.400
2006-10	170.200
2006-11	170.300
2006-12	172.700
2007-01	173.900
2007-02	175.600
2007-03	176.100

re_ppi.txt

2007-04	174.200
2007-05	175.600
2007-06	176.400
2007-07	177.400
2007-08	177.400
2007-09	177.900
2007-10	177.500
2007-11	177.700
2007-12	177.500
2008-01	178.400
2008-02	178.200
2008-03	177.600
2008-04	178.700
2008-05	178.000
2008-06	181.200
2008-07	180.800
2008-08	181.700
2008-09	182.900
2008-10	181.900
2008-11	181.600
2008-12	180.700
2009-01	181.600
2009-02	181.800
2009-03	181.600
2009-04	183.100
2009-05	180.000
2009-06	180.000
2009-07	179.900
2009-08	179.900
2009-09	183.800
2009-10	183.600
2009-11	183.600
2009-12	184.400
2010-01	184.500
2010-02	184.700
2010-03	184.500
2010-04	184.500
2010-05	184.600
2010-06	184.600
2010-07	184.500
2010-08	184.500
2010-09	184.500
2010-10	184.200
2010-11	184.200
2010-12	184.200
2011-01	184.900
2011-02	185.100
2011-03	187.000
2011-04	186.600
2011-05	186.700
2011-06	186.800
2011-07	187.400
2011-08	187.400
2011-09	187.400
2011-10	187.500

Forecasted values

Date	2.5 Lower	Forecast	97.5 Upper
2011-11	185.633	187.808	189.984
2011-12	185.136	188.093	191.050
2012-01	184.807	188.378	191.949
2012-02	184.569	188.663	192.757
2012-03	184.390	188.948	193.506

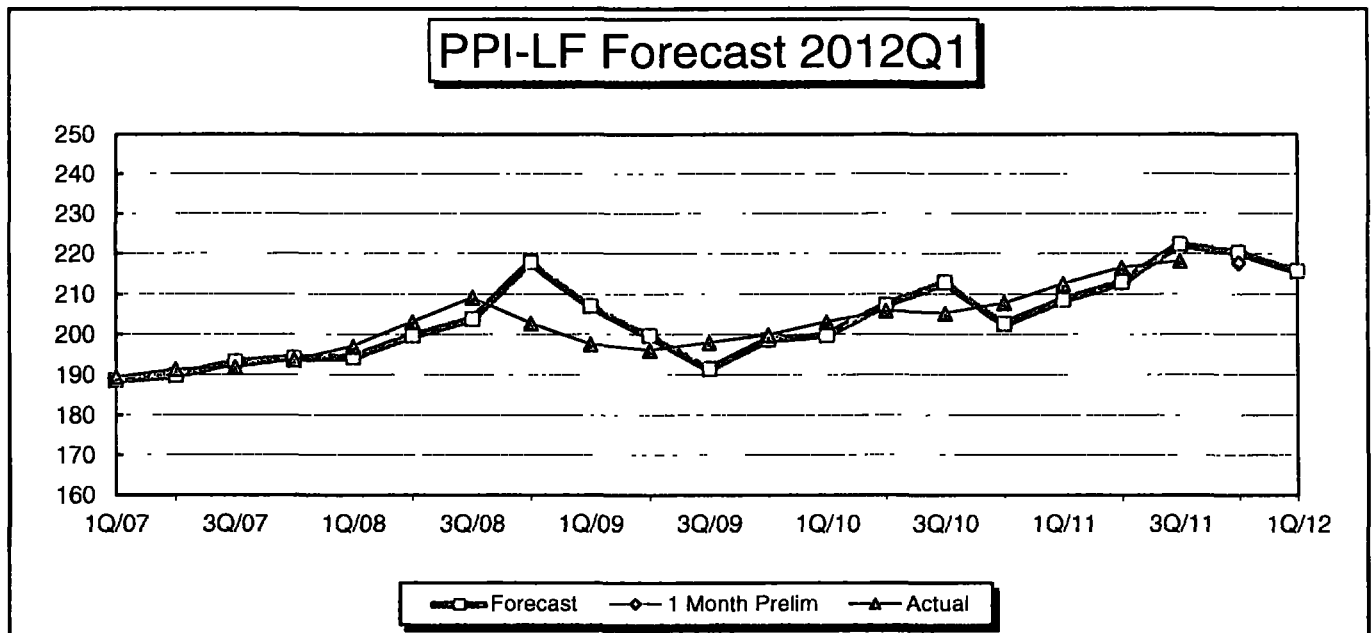
			re_ppi.txt
2012-04	184.255	189.233	194.211
2012-05	184.152	189.518	194.884
2012-06	184.075	189.803	195.530
2012-07	184.020	190.088	196.155
2012-08	183.983	190.373	196.762
2012-09	183.962	190.658	197.353
2012-10	183.954	190.942	197.931

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

	<u>Forecast</u>	<u>Actual</u>	<u>1 Month Prelim</u>
1Q/07	188.6	189.5	
2Q/07	189.8	191.4	
3Q/07	193.2	191.9	
4Q/07	194.1	193.7	
1Q/08	194.3	197.1	
2Q/08	199.7	203.1	
3Q/08	203.8	209.2	
4Q/08	217.8	202.8	
1Q/09	207.0	197.6	
2Q/09	199.7	196.1	
3Q/09	191.5	198.0	
4Q/09	198.7	199.9	
1Q/10	199.8	203.1	
2Q/10	207.3	205.9	
3Q/10	212.9	205.3	
4Q/10	202.6	207.8	
1Q/11	208.6	212.6	
2Q/11	212.9	216.6	
3Q/11	222.3	218.2	
4Q/11	220.3		217.7
1Q/12	215.6		

1980 Base

	<u>PPI-LF Forecast</u>		<u>Percent Change</u>			
	<u>(82=100)</u>	<u>(80=100)</u>	<u>Yr Ago</u>	<u>Latest Month</u>	<u>2nd Prev</u>	<u>Previous</u>
2012Q1			<u>Actual</u>	<u>Actual</u>	<u>Qtr Actual</u>	<u>Forecast</u>
Low	183.8	206.1	-3.1%			
Midpoint	192.3	215.6	1.4%	-1.0%	-1.2%	-2.1%
High	201.2	225.6	6.1%			



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Producer Price Index-Commodities

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

Download:  [.xls](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2010	180.2	181.2	182.4	183.8	184.0	183.1	182.7	183.1	183.5	184.6	185.4	186.3	183.4
2011	188.6	190.2	191.2	193.0	193.7	193.9	194.5(P)	194.5(P)	194.7(P)	194.2(P)			

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

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Database I:\Indexes2\RCAF\2012Q1\7Other\FPIf_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPILF

-
Length 72 Minimum 161.000 Maximum 194.700
Mean 177.567 Standard deviation 9.120

Classical decomposition (multiplicative)
Trend-cycle: 94.84% Seasonal: 1.54% Irregular: 3.62%

Log transform recommended for Box-Jenkins.

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

Box-Jenkins outperforms exponential smoothing by 2.660 to 2.683 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12. For Box-Jenkins, I used a log transform.

Series is trended and nonseasonal.

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

Term	Coefficient	Std. Error	t-Statistic	Significance
b[1]	0.0275	0.1186	0.2320	0.1827 <-

Insignificant MA terms are harmless.

Within-Sample Statistics

Sample size 72	Number of parameters 1
Mean 5.178	Standard deviation 0.05123
R-square 0.9933	Adjusted R-square 0.9933
Durbin-Watson 1.971	Ljung-Box(18)=18.18 P=0.5558
Forecast error 0.004208	BIC 0.7634
MAPE 0.003133	RMSE 0.7548
MAD 0.5633	

Forecast Report
Tue Nov 15 12:10:21 2011
Box-Jenkins model for PPILF
Analysis of Historic Fit Set

Date	Historic
2005-11	161.000
2005-12	161.300
2006-01	162.500
2006-02	163.200
2006-03	163.800
2006-04	164.800
2006-05	166.400
2006-06	166.800
2006-07	167.100
2006-08	167.500
2006-09	167.600
2006-10	167.700
2006-11	167.800

lf_ppi.txt

2006-12	167.900
2007-01	168.200
2007-02	168.600
2007-03	169.400
2007-04	170.300
2007-05	170.800
2007-06	171.000
2007-07	171.400
2007-08	171.100
2007-09	171.200
2007-10	172.200
2007-11	173.100
2007-12	173.100
2008-01	174.700
2008-02	175.900
2008-03	177.400
2008-04	179.800
2008-05	181.800
2008-06	183.200
2008-07	185.900
2008-08	186.600
2008-09	186.200
2008-10	183.700
2008-11	179.900
2008-12	177.400
2009-01	176.900
2009-02	176.100
2009-03	175.600
2009-04	175.000
2009-05	174.900
2009-06	175.200
2009-07	175.500
2009-08	176.600
2009-09	177.200
2009-10	177.700
2009-11	178.100
2009-12	178.900
2010-01	180.200
2010-02	181.200
2010-03	182.400
2010-04	183.800
2010-05	184.000
2010-06	183.100
2010-07	182.700
2010-08	183.100
2010-09	183.500
2010-10	184.600
2010-11	185.400
2010-12	186.300
2011-01	188.600
2011-02	190.200
2011-03	191.200
2011-04	193.000
2011-05	193.700
2011-06	193.900
2011-07	194.500
2011-08	194.500
2011-09	194.700
2011-10	194.200

Forecasted values

Date	2.5 Lower	Forecast	97.5 Upper
2011-11	192.118	193.720	195.336

			lf_ppi.txt
2011-12	189.725	193.242	196.824
2012-01	186.957	192.765	198.752
2012-02	183.890	192.288	201.071
2012-03	180.577	191.813	203.749
2012-04	177.060	191.340	206.770
2012-05	173.376	190.867	210.123
2012-06	169.551	190.396	213.802
2012-07	165.613	189.925	217.806
2012-08	161.583	189.456	222.137
2012-09	157.482	188.988	226.798
2012-10	153.327	188.521	231.795

Forecast Error Calculation

	Third Quarter 2011		Pct. Diff.	Notes
	2009	2011Q3		
Labor	Weight	Forecast	Actual	
Fuel	34.7%	382.1	382.1	0.0
M&S	14.9%	392.3	387.0	-5.3
Equip Rents	5.1%	257.8	257.9	0.1
Depreciation	7.1%	208.8	207.0	-1.8
Interest	13.9%	206.1	207.3	1.2
Other	3.0%	84.5	84.5	0.0
Weighted Avg	21.3%	222.3	218.2	-4.1
1980 = 100	100.0%	297.5	295.9	
1980 = 100 (linked)		297.5	289.8	
4Q07 = 100	2.459	118.6	117.9	
4Q02 = 100	1.921	151.8	150.9	
4Q97 = 100	1.732	168.4	167.3	
4Q92 = 100	1.569	185.9	184.7	
Forecast Error		-0.7		calculated -0.007 = RCAF adj.
Prior Quarter				
1980 = 100		290.1	297.1 **	
1980 = 100 (linked)		284.4	291.0	
4Q07 = 100		115.7	118.3	
4Q02 = 100		148.0	151.5	
4Q97 = 100		164.2	168.0	
4Q92 = 100		181.3	185.5	
Equipment Rents				
Car Hire		178.9	179.8	
Lease Rentals		222.3	218.2	
Weighted Average		204.0	202.0	
Linked		208.8	207.0	
Prior Quarter				
Weighted Average		198.4	200.7 **	
Linked		203.1	205.7	
Sum of Weights	ok			** if fourth quarter, weighted avg for prior needs to use new weights, linked is ok
Sum of ER Wt.	ok			

All-Inclusive Index (Actual)

	09 Wts	3Q/10 08 Wts	3Q/10 09 Wts	% Chg.	4Q/10 09 Wts	% Chg.	1Q/11 09 Wts	% Chg.	2Q/11 09 Wts	% Chg.	3Q/11 09 Wts	% Chg.
Labor	34.7%	356.3	356.3	0.0%	367.4	3.1%	378.3	3.0%	379.6	0.3%	382.1	0.7%
Fuel	14.9%	261.3	261.3	0.0%	290.2	11.1%	324.6	11.9%	408.3	25.8%	387.0	-5.2%
M&S	5.1%	241.0	241.0	0.0%	251.8	4.5%	248.1	-1.5%	249.0	0.4%	257.9	3.6%
Equipment Rents	7.1%	200.8	200.8	0.0%	203.3	1.2%	206.2	1.4%	205.7	-0.2%	207.0	0.6%
Depreciation	13.9%	204.1	204.1	0.0%	203.8	-0.1%	204.6	0.4%	205.8	0.6%	207.3	0.7%
Interest	3.0%	83.9	83.9	0.0%	84.5	0.7%	84.5	0.0%	84.5	0.0%	84.5	0.0%
Other	21.3%	205.3	205.3	0.0%	207.8	1.2%	212.6	2.3%	216.6	1.9%	218.2	0.7%
	1.0000											
Weighted Avg.		263.6	263.7	0.0%	273.1	3.6%	283.2	3.7%	297.1	4.9%	295.9	-0.4%
Linked		258.3			267.5	3.6%	277.4	3.7%	291.0	4.9%	289.8	-0.4%
10/1/80	1.027	251.5			260.5	3.6%	270.1	3.7%	283.3	4.9%	282.2	-0.4%
10/1/82	1.209	213.6			221.3	3.6%	229.4	3.7%	240.7	4.9%	239.7	-0.4%
4Q/87	1.322	195.4			202.3	3.5%	209.8	3.7%	220.1	4.9%	219.2	-0.4%
4Q/92	1.569	164.6			170.5	3.6%	176.8	3.7%	185.5	4.9%	184.7	-0.4%
4Q/97	1.732	149.1			154.4	3.6%	160.2	3.8%	168.0	4.9%	167.3	-0.4%
4Q/02	1.921	134.5			139.3	3.6%	144.4	3.7%	151.5	4.9%	150.9	-0.4%
4Q/07	2.459	105.0			108.8	3.6%	112.8	3.7%	118.3	4.9%	117.9	-0.3%

Equipment Rents

Car Hire	42.2%	183.3	183.3	0.0%	185.5	1.2%	185.6	0.1%	178.9	-3.6%	179.8	0.5%
Lease Rentals	57.8%	205.3	205.3	0.0%	207.8	1.2%	212.6	2.3%	216.6	1.9%	218.2	0.7%
	1.0000											
ER Weighted Avg		195.6	196.0	0.2%	198.4	1.2%	201.2	1.4%	200.7	-0.2%	202.0	0.6%
ER Linked		200.8			203.3	1.2%	206.2	1.4%	205.7	-0.2%	207.0	0.6%

Impact/Check of weight change

	08 Wts	09 Wts
Labor	107.603	123.636
Fuel	65.848	38.934
Material & Supplies	12.291	12.291
Equipment Rents	12.650	14.257
Depreciation	21.226	28.370
Interest	1.930	2.517
Other	42.087	43.729
Weighted Avg.	263.634	263.733
ER Weighted Avg.	195.642	196.014935

Note: 2010Q4 M&S Index was corrected from 251.7 filed to 251.8 corrected because of a January revision by one railroad. The change was too small to have an impact on the RCAF forecast or actual.

Note: 2011Q3 M&S Index was corrected from 257.8 filed to 257.9 corrected because of an August revision by one railroad that caused the index to round up instead of round down. The change also means that the RCAF as filed should have been rounded up instead of rounded down.

RCAF Fuel (Actual All-Inclusive Index)

July 2011

Monthly Report

	July 2011 Price (cents) (1)	1/1/81 Price (cents) (2)	1/91 New Method Linking Factors (3)	July 2011 Index 1/1/81=100 (4)	Linking Factor 1980=100 (5)	July 2011 1980=100 Current Index (6)
U.S.	316.67	89.34	99.415	352.38	1.096	386.21

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

(6) = (4) x (5)

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

	July 2011 1980=100 Current Index	Adjustment Factor	July 2011 1980=100 Linked Index
U.S.	386.21	1.00192	386.95 ←

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

productivity changes are calculated as if a 5-year moving average had been applied consistently from the productivity adjustment's inception in 1989.

The index of railroad input prices, RCAF (Unadjusted), RCAF (Adjusted), and RCAF-5 for the fourth quarter 2011 are shown in Table A of the Appendix to this decision. Table B shows the second quarter 2011 index and the RCAF calculated on both an actual and a forecasted basis. The difference between the actual calculation and the forecasted calculation is the forecast error adjustment.

The weights for each major cost component of the all-inclusive cost index, on which the RCAF is based, are updated annually in order to reflect the changing mix of index components. See 49 U.S.C. § 10708. This includes rebenchmarking the wages and supplemental rates used in the labor index in the fourth quarter of each year. The weights used by AAR are based on the distribution of railway expenses for the year 2010. Similarly, AAR has used wage and supplemental rates for the year 2010 to calculate hourly labor rates that reflect the changing mix of employees. We have reviewed the reweighting and rebenchmarking calculations performed by AAR, and we find that they comply with the prescribed method.

In its submission, AAR states that it received a correction to the price for one item used for the third quarter 2011 RCAF. According to AAR, this price change caused the original Materials and Supplies (M&S) index of 257.8 (which was rounded down from 257.83) to change slightly, resulting in a corrected M&S index of 257.9 (the actual figure is 257.85, but it is rounded to the nearest tenth place). AAR proposes that the Board use the first quarter 2012 forecast error calculation to account for any differences caused by this revision.

In the past, the Board used the forecast error adjustment procedure to remedy a similar error, and we continue to believe it is the best available method to correct the M&S index. See Quarterly Rail Cost Adjustment Factor, EP 290 (Sub-No. 5) (2001-1), slip op. at 2 (STB served Dec. 20, 2000) (noting that the forecast error adjustment was the best available method to correct an earlier overstated RCAF calculation and not restating that earlier overstated RCAF). Therefore, we will not restate the third quarter 2011 RCAF figures, but will allow the correction to be made using the first quarter 2012 forecast error calculation. As a result, the first quarter 2012 forecast error calculation will include the forecast version of the third quarter 2011 M&S index of the original 257.8, and the actual version of the M&S index of the corrected 257.9 index. In the current fourth quarter 2011 RCAF calculations, the M&S index has been calculated as if the third quarter 2011 version had used the corrected price.

We have examined AAR's calculations and we find that AAR has complied with our procedures. We find that the fourth quarter 2011 RCAF (Unadjusted) is 1.208, an increase of 0.2% from the third quarter 2011 RCAF of 1.206.² The RCAF (Adjusted) is calculated, in part, using the RCAF (Unadjusted) and a 5-year moving geometric average of productivity change for U.S. Class I railroads from 2005-2009, which is 1.014 (1.4% per year). We find the RCAF

² The percent changes for the fourth quarter 2011 RCAF (Unadjusted), RCAF (Adjusted), and the RCAF-5 are all based on the original third quarter 2011 decision.

Car Hire for RCAF

RCAF (Actual)

		1980	Aug 3Q/11	Nov 4Q/11	Feb 1Q/12	May 2Q/12	Aug 3Q/12
RATE							
RR-OWNED TIME		31.00	67.00	--	--	--	--
RR-OWNED MILEAGE		4.69	7 20	--	--	--	--
PRIVATELY-OWNED CARS		25 47	45.00	--	--	--	--
AUTORACKS		47.00	42.33	--	--	--	--
INDEX							
RR-OWNED TIME		100 0	216 1	--	--	--	--
RR-OWNED MILEAGE		100 0	153.5	--	--	--	--
PRIVATELY-OWNED CARS		100.0	176.7	--	--	--	--
AUTORACKS		100.0	90 1	--	--	--	--
CAR HIRE INDEX (old wts)	2009	100 0	180 2	--	--	--	--
CAR HIRE INDEX (new wts)	2010	100.0	180 7	--	--	--	--
CAR HIRE INDEX (LINKED)		100.0	179.8	--	--	--	--

Note: Indexes are rounded, rates are full float

Equipment Rents Data From CHARM

	2011 (first day of month)					2012 (first day of month)							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul

Railroad Equipment

No of Cars (cars with rates only)
 Superstructures (Vehicular Flats)
 Rate (in cents)
 Superstructures #3 - Auto Rack
 All other #1 - Time
 All other #2 - Mileage

10,309 10,132 10,124
 20.0 21.0 21.0
 67.0 67.0 67.0
 7.2 7.2 7.2

Private Equipment

No of Cars (cars with rates only)
 Superstructures (Vehicular Flats)
 Covered Hoppers
 Tank Cars
 Others

46,434 46,336 46,222
 332,007 331,523 334,180
 305,295 304,829 304,863
 308,308 306,477 306,394

Rate (in cents)
 Superstructures #1 - Time
 Superstructures #2 - Mileage
 Superstructures #3 - Auto Rack
 Covered Hoppers #2 - Mileage
 Tank Cars #2 - Mileage
 Others #1 - Time
 Others #2 - Mileage

78.0 78.0 78.0
 1.2 1.4 1.4
 46.0 47.0 47.0
 43.1 43.2 43.2
 74.4 74.5 69.2
 64.0 65.0 65.0
 6.9 7.0 7.0

AVERAGE RATES

Private Superstructures
 Private Others

19.53 19.73 19.73 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00
 21.11 21.43 21.43 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

Private Total
 Autoracks

44.79 45.00 43.37 43.37 43.37 43.37 43.37 43.37 43.37 43.37 43.37 43.37 43.37 43.37
 41.28 42.33 42.33 42.33 42.33 42.33 42.33 42.33 42.33 42.33 42.33 42.33 42.33 42.33

	"Old Wts" "New Wts"	
	2009	2010
For RCAF & RCR		
RR-owned Time	0.168	0.174
RR-owned Mileage	0.084	0.084
Privately-owned Cars	0.735	0.732
Autoracks	0.013	0.010
----- Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)		
	2009	2010
Car Hire - U S	0.422	0.458
Lease Rentals - U S	0.578	0.542
----- Check sum	1.000	1.000

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

1PROGRAM: DPRB799
CURRENT DATE: AUGUST 01, 2011

RAILROAD EQUIPMENT 1/

AVERAGE RATE FOR 08/11

CAR GROUP	CAR COUNT	TIME	MILEAGE	CAR RENTAL RATES
-----	-----	-----	-----	-----
-VEHICULAR FLATS	10,132	149 ¢/HR	.092 \$/MILE	
ONO. OF ZERO RATED VEH. FLATS 2/	122			
-ALL OTHER CARS	583,655	67 ¢/HR	.072 \$/MILE	
ONO. OF ZERO RATED "OTHER" CARS 2/	33,445			

0	TOTAL:			
	627,354			
				AUTO RACK
				21 ¢/HR

CAR RENTAL RATES	
TIME	MILEAGE
149 ¢/HR	.092 \$/MILE
67 ¢/HR	.072 \$/MILE
	AUTO RACK
	21 ¢/HR

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:

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

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

CAR GROUP		CAR RENTAL RATES		AVERAGE RATE FOR 08/11	
-----		-----		-----	
CAR		TIME		MILEAGE	
GROUP		-----		-----	
-----		78 ¢/HR		.014 \$/MILE	
-----		-----		-----	
CAR COUNT		0 ¢/HR		.432 \$/MILE	
-----		-----		-----	
46,336		0 ¢/HR		.745 \$/MILE	
-----		-----		-----	
331,523		65 ¢/HR		.070 \$/MILE	
-----		-----		-----	
10,190		-----		-----	
-----		-----		-----	
304,829		-----		-----	
-----		-----		-----	
8,741		-----		-----	
-----		-----		-----	
306,477		-----		-----	
-----		-----		-----	
32,756		-----		-----	
-----		-----		-----	
TOTAL: 1,040,862		-----		-----	
-----		-----		-----	

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:

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CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE

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RCAF - Depreciation

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

		Forecast Year 2012			
		As reported at end of month 82=100			
		Nov.	Feb.	May	Aug.
For Forecast	→	12Q1	12Q2	12Q3	12Q4
For Actual	→	11Q3	11Q4	12Q1	12Q2
January	2011	184.9	184.9	184.9	184.9
February	2011	185.1	185.1	185.1	185.1
March	2011	187.0	187.0	187.0	187.0
April	2011	186.6	186.6	186.6	186.6
May	2011	186.7	186.7	186.7	186.7
June	2011	186.8	186.8	186.8	186.8
July	2011	187.4			
August	2011	187.4			
September	2011	187.4			
October	2011	187.5			
November	2011				
December	2011				
January	2012				
February	2012				
March	2012				
April	2012				
May	2012				
June	2012				
July	2012				
Actual Qtr.		187.4	NA	NA	NA
1980=100					
Actual Qtr.		207.3	NA	NA	NA
First Mo. next qtr.		207.4	NA	NA	NA

0.904 =1980

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Producer Price Index-Commodities

Series Id: WPU144

Not Seasonally Adjusted

Group: Transportation equipment

Item: Railroad equipment

Base Date: 198200

Download: [Excel](#) 

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	184.4
2011	184.9	185.1	187.0	186.6	186.7	186.8	187.4(P)	187.4(P)	187.4(P)	187.5(P)			

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

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RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

		Forecast Year 2012			
		As reported at end of month 82=100			
		Nov.	Feb.	May	Aug.
For Forecast	→	12Q1	12Q2	12Q3	12Q4
For Actual	→	11Q3	11Q4	12Q1	12Q2
January	2011	188.6	188.6	188.6	188.6
February	2011	190.2	190.2	190.2	190.2
March	2011	191.2	191.2	191.2	191.2
April	2011	193.0	193.0	193.0	193.0
May	2011	193.7	193.7	193.7	193.7
June	2011	193.9	193.9	193.9	193.9
July	2011	194.5			
August	2011	194.5			
September	2011	194.7			
October	2011	194.2			
November	2011				
December	2011				
January	2012				
February	2012				
March	2012				
April	2012				
May	2012				
June	2012				
July	2012				
Actual Qtr.		194.6	NA	NA	NA

1980=100

Actual Qtr.	218.2	NA	NA	NA
First Mo. next qtr.	217.7	NA	NA	NA

0.892 =1980

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Producer Price Index-Commodities

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

Download:  [.xls](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2010	180.2	181.2	182.4	183.8	184.0	183.1	182.7	183.1	183.5	184.6	185.4	186.3	183.4
2011	188.6	190.2	191.2	193.0	193.7	193.9	194.5(P)	194.5(P)	194.7(P)	194.2(P)			

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

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Workpapers Sent to STB for 2011 Q4r RCAF

December 5, 2011

Note: Labor was revised because of one railroad's revision to its 2010 wage statistics.

1. Index Calculation Spreadsheet (index_calc.xls, 2 pages)
2. Summary of ST and PFTNW Hourly Rates (Summary.xls)
3. RCAF Taxable Wages adjustment calculation (TaxableRate.xls)
National Contracts spreadsheet, 2 sections (2 and 5 pages) [see Q1 workpapers]
U.S. 2010 Benchmark spreadsheet [see Q1 workpapers]
National Increase Applicability spreadsheet for 2010 Benchmark (Public Version) [see Q1 workpapers]
4. 2011/Q4 RCAF Lump Sum Amortization Summary (public version)
5. 2011/Q4 RCAF Back Pay Amortization Summary (public version)
6. Health & Welfare worksheet (1 pages) and 4 NRLC memos
7. Railroad Retirement spreadsheet (5 pages)
Unemployment Insurance [see Q1 workpapers]

Benchmarking Data (using revised wage statistics)

1. 2010 Wage statistics Summary, November 3, 2011
RCAF Weights based on R-1 2010 data [no change]
2. Railroad Retirement & Medicare 2010 Payroll Tax Calculation (2 pages) + 2010 Taxable Rate (1 page)

Highly Confidential Benchmark Data

1. National Increase Applicability spreadsheet for 2010 Benchmark (Highly Confidential Version)
RCAF Weights (detail) based on 2010 data [no change]
2. Benchmarks for Supplements page using revised 2010 wage statistics
3. Calculation of revised 12/31/2010 Straight Time Hourly Rates (3 pages and 4 pages)
4. 2011/Q4 RCAF Lump Sum Amortization (3 pages)
5. 2011/Q4 RCAF Back Pay Amortization (2 pages)

RCAF All-Inclusive Index's Labor Index Based on 2010 Benchmarks corrected November 2011

10 Wts.	3Q/11 Original	3Q/11r Rebenchd	% Chg	4Q/11r	% Chg fr. Orig	1Q/12	% Chg	2Q/12	% Chg	3Q/12	% Chg
Straight Time	\$28.732	\$28.188	-1.9%	\$28.188	-1.9%		--		--		--
PFTNW	\$7.471	\$6.898	-7.7%	\$6.898	-7.7%		--		--		--
Total	\$36.203	\$35.086	-3.1%	\$35.086	-3.1%	\$0.000	--	\$0.000	--	\$0.000	--
Adjustments											
Lump Sum	\$0.228	\$0.224		\$0.221							
Back Pay	\$0.038	\$0.038		\$0.038							
Other	\$0.199	\$0.195		\$0.195							
Total Wages	\$36.668	\$35.543	-3.1%	\$35.540	-3.1%	\$0.000	--	\$0.000	--	\$0.000	--
Pre-Tax Reduction	(\$1.246)	(\$1.193)		(\$1.193)							
Taxable Wages	\$35.422	\$34.350		\$34.347		\$0.000		\$0.000		\$0.000	
H & W	\$8.631	\$8.558	-0.8%	\$8.558	-0.8%		--		--		--
RR Ret & Medicare	\$7.002	\$7.038	0.5%	\$7.037	0.5%		--		--		--
Unemp. Insurance	\$0.606	\$0.599	-1.2%	\$0.599	-1.2%		--		--		--
Other	\$0.217	\$0.213	-1.8%	\$0.096	-55.8%		--		--		--
Total	\$16.456	\$16.408	-0.3%	\$16.290	-1.0%	\$0.000	--	\$0.000	--	\$0.000	--
Adjustments											
Total Suppl.	\$16.456	\$16.408	-0.3%	\$16.290	-1.0%	\$0.000	--	\$0.000	--	\$0.000	--
Total Labor	\$53.124	\$51.951	-2.2%	\$51.830	-2.4%	\$0.000	--	\$0.000	--	\$0.000	--
Wage Rate Index	0.6980	313.8	304.2	304.2	-3.1%	0.0	--	0.0	--	0.0	--
Suppl Index	0.3020	608.1	606.4	602.0	-1.0%	0.0	--	0.0	--	0.0	--
Total Labor Index '09 Wts.	401.8										
Total Labor Index '10 Wts.	402.7	395.5	-1.8%	394.1	-2.1%	0.0	--	0.0	--	0.0	--
Labor Index (Linked)	382.1			373.9	-2.1%	0.0	-100.0%	#DIV/0!	--	#DIV/0!	--

originally filled = 375.3

All Inclusive Index and RCAF

Revised for purpose of calculating 1Q/12

	10 Wts	3Q/11 Revised	3Q/11 10 Wts	% Chg	4Q/11 Revised Labor	% Chg	1Q/12	% Chg	2Q/12	% Chg	3Q/12	% Chg
Labor	0.333	382.10	382.1	0.0%	→ 373.9	-2.1%	0.0	-100.0%	#DIV/0!	--	#DIV/0!	--
Fuel	0.180	392.30	392.3	0.0%	396.9	1.2%	--	--	--	--	--	--
M&S	0.050	257.90	257.9	0.0%	265.7	3.0%	--	--	--	--	--	--
Equip. Rents	0.062	208.80	208.8	0.0%	205.9	-1.4%	0.0	-100.0%	#DIV/0!	--	#DIV/0!	--
Depreciation	0.128	206.10	206.1	0.0%	208.4	1.1%	--	--	--	--	--	--
Interest	0.029	84.50	84.5	0.0%	90.6	7.2%	90.6	0.0%	90.6	0.0%	90.6	0.0%
Other	0.218	222.30	222.3	0.0%	220.3	-0.9%	--	--	--	--	--	--
Weighted Avg.	1.000	297.60	301.0	1.1%	299.3	-0.6%	2.6	-99.1%	#DIV/0!	--	#DIV/0!	--
Linked		291.80			290.2	-0.5%	2.5	-99.1%	#DIV/0!	--	#DIV/0!	--
Basing factor												
10/1/80 basis	102.7	284.10			282.6	-0.5%	2.4	-99.2%	#DIV/0!	--	#DIV/0!	--
10/1/82	120.9	241.40			240.0	-0.6%	2.1	-99.1%	#DIV/0!	--	#DIV/0!	--
4Q/87	132.2	220.70			219.5	-0.5%	1.9	-99.1%	#DIV/0!	--	#DIV/0!	--
4Q/92	156.9	186.00			185.0	-0.5%	1.6	-99.1%	#DIV/0!	--	#DIV/0!	--
4Q/97	173.2	168.50			167.6	-0.5%	1.4	-99.2%	#DIV/0!	--	#DIV/0!	--
4Q/02	192.1	151.90			151.1	-0.5%	1.3	-99.1%	#DIV/0!	--	#DIV/0!	--
4Q/07 basis	245.9	118.70			118.0	-0.6%	1.0	-99.2%	#DIV/0!	--	#DIV/0!	--
Car Hire	0.458	178.90	178.9	0.0%	175.2	-2.1%	--	--	--	--	--	--
Lease Rents	0.542	222.30	222.3	0.0%	220.3	-0.9%	0.0	--	0.0	--	0.0	--
Wghted Avg Eq Rents		204.00	202.4	-0.8%	199.6	-1.4%	0.0	--	0.0	--	0.0	--
Linked Equipment Rents		208.80			205.9	-1.4%	0.0	-100.0%	#DIV/0!	--	#DIV/0!	--
Preliminary RCAF	1.187				1.180	-0.59%	0.010	-99.2%	#DIV/0!	--	#DIV/0!	--
originally filled = 1.182												
Forecast Error Adj.	0.020				0.026							
RCAF Unadjusted	1.207				1.206	-0.08%	0.010	-99.2%	#DIV/0!	--	#DIV/0!	--
originally filled = 1.208												
PAF	2.2566				2.2645	0.35%	2.2724	0.35%		--		--
RCAF Adjusted	0.535				0.533	-0.37%	0.004	-99.2%	#DIV/0!	--	#DIV/0!	--
originally filled = 0.533												
PAF-5	2.3823				2.3894	0.30%	2.3978	0.35%		--		--
RCAF-5	0.507				0.505	-0.39%	0.004	-99.2%	#DIV/0!	--	#DIV/0!	--
originally filled = 0.506												
r - revised												

Hourly Rate for 2011 Q4

Straight Time and Time Paid For But Not Worked

2011Q4 Straight Time Hourly Rate (from national spreadsheet) \$28.093
 Rebenchmarked to 2010 Wage Statistics

Adjustments to 2010 base:

Adjustments added 2011 Q1

CN Railroads	\$0.03 COLA for most unions	0.001
Dispatcher 4 (BNSF, CSX, KCS, NS)	2.5% GWI for CSX ATDA-East	0.001
Misc. Independent BLET, Yardmasters, Dispatchers	2% GWI for BNSD BLET, 2.5% GWI for CSX BLET, \$0.03 COLA for CSX UTU-YMD	0.041
Soo Corp.	\$0.03 for SOO IAM, UTU and UTU-YMD, 3.13% for DME BLET, 3.06% for DME UTU	0.002

Adjustments added 2011 Q2

CN Railroads	No change	0.000
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	No change	0.000
Soo Corp.	No change	0.000

Adjustments added 2011 Q3

CN Railroads	\$0.28 COLA for most unions	0.009
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	5% GWI for NS BLET, \$0.28 COLA for CSX UTU-YMD	0.040
Soo Corp.	\$0.28 for DH and SOO IAM, UTU and UTU-YMD	0.001

Adjustments added 2011 Q4

CN Railroads	2% GWI for DMIR UTU, but no impact	0.000
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	No change	0.000
Soo Corp.	DME BRS new contract with retro GWIs, but no impact	0.000

Adjusted STHR Total **\$28.188**

Pay For Time Not Worked

PFTNW (from national spreadsheet)		\$6,875
Ratio Adj STHR to Nat STHR	28.188 / 28.093 =	1.00338

Adjusted Pay For Time Not Worked **\$6.898**

Notes:

1. CN Railroads includes B&LE, CC&P, DMIR, DW&P, EJE, GTW, IC, and WC
2. "Dispatcher 4" was benchmarked based on 2010 Wage Statistics as independent, even though the new national ATDA contract was signed September 1, 2007
3. Soo Corp. includes SH, DME and Soo Line.

RCAF Taxable Wages

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

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

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

Reduction Calculation for 4Q/2011

U.S. ST Hours = 290,805,945

Wage Statistics are for 2010.

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, UP)	23,721	(\$200.00)	(\$56,930,400.00)
National BMW (BNSF, CSX, KCS, NS, UP)	22,631	(\$200.00)	(\$54,314,400.00)
National BRS (BNSF, CSX, KCS, NS, UP)	6,180	(\$200.00)	(\$14,832,000.00)
National IAM (BNSF, CSX, KCS, NS, UP)	6,509	(\$202.84)	(\$15,843,426.72)
National IBBM (BNSF, CSX, KCS, NS, UP)	837	(\$200.00)	(\$2,008,800.00)
National IBEW (BNSF, CSX, KCS, NS, UP)	4,939	(\$200.00)	(\$11,853,600.00)
National NCFO (BNSF, CSX, KCS, NS, UP)	2,215	(\$200.00)	(\$5,316,000.00)
National SMW (BNSF, CSX, KCS, NS, UP)	963	(\$200.00)	(\$2,311,200.00)
National TCU (BNSF, CSX, KCS, NS, UP)	6,026	(\$200.00)	(\$14,462,400.00)
National TCU-CAR (BNSF, CSX, KCS, NS, UP)	9,235	(\$200.00)	(\$22,164,000.00)
National UTU (BNSF, CSX, KCS, NS, UP)	35,762	(\$202.90)	(\$87,073,317.60)
National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,481	(\$202.71)	(\$3,602,562.12)
Indep. Dispatchers (wt avg BNSF, CSX, KCS, NS)	1,708	(\$200.00)	(\$4,099,200.00)
Independent CNGT (wt avg all 104 union categories)	5,971	(\$120.48)	(\$8,632,632.96)
Independent SOO (wt avg all 13 unions)	3,593	(\$185.18)	(\$7,984,220.88)
Independent UP (Yardmasters only)	417	(\$200.00)	(\$1,000,800.00)
Total Union	132,188		(\$312,428,960.28)
All Other @ \$2,868,948.60 total per month			(\$34,427,383.20)
Total			(\$346,856,343.48)

Reduction in Wage Rate Per ST Hour	-\$1.19274158
Deduct this amount from the Wage Rate	-\$1.193

**RCAF Lump Sum Amortization
2011/Q4**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours
NS - BLET & ATDA	2011Q1	2011Q2				290,805,945
CSX - BLET	2011Q1	2011Q2				290,805,945
BLE - BRS	2011Q1	2011Q2				290,805,945
CNGT - various ¹	2011Q3	2011Q3				290,805,945
DMIR - UTU	2010Q4	2011Q3				290,805,945
Total			\$64,301,222	0.22111		

Should be slightly less than amortized amount.

Fell out

CSX - ATDA-East	2010Q1	2010Q4	\$832,590	0.00291	0.01166	285,665,673
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Interest Rate

2011/Q1	0.175
2011/Q2	0.145
2011/Q3	0.060
2011/Q4	0.015
2012/Q1	
2012/Q2	
2012/Q3	
2012/Q4	
2013/Q1	
2013/Q2	
2013/Q3	
2013/Q4	

Lump Sum Adjustment for 2011/Q4	→ 0.221182 or 0.221
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¹ BLE BMW, IAM, IBEW, NCFO, TCU, TCU-CAR, UTU; DMIR IAM, IBBM, IBEW, SMW, TCU, TCU-CAR, UTU

**RCAF Back Pay Amortization
2011/Q4**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr.	U.S. ST Hours	
IC&CCP - BLET	Various	2011Q2				290,805,945	2010
DMIR - UTU	2010Q3	2011Q3				290,805,945	2010
DMIR - UTU (wage increase)	2010Q3	2011Q4				290,805,945	2010
Total			\$10,927,843	0.03757778			

Should be slightly less
than amortized amount

Fell out

None

Interest Rate

2011/Q1	0.175
2011/Q2	0.145
2011/Q3	0.060
2011/Q4	0.015
2012/Q1	
2012/Q2	
2012/Q3	
2012/Q4	
2013/Q1	
2013/Q2	
2013/Q3	
2013/Q4	

Back Pay Adjustment for 2011/Q4

→ **0.03759**

**or
0.038**

Health and Welfare

	Employees Receiving				
	Pay 2010	Monthly Contribution		Total 2010 Avg	Total 2011
		2010 Avg	2011		
1 All Employees					
a. Group health	157,672	\$1,305.91	\$1,401.06	\$205,905,441.52	\$220,907,932.32
b. Group dental	157,672	57.29	59.47	9,033,028.88	9,376,753.84
c. Early retirement major medical	157,672	155.96	164.41	24,590,525.12	25,922,853.52
d. Group vision	157,672	10.41	10.46	1,641,365.52	1,649,249.12
2. Supplemental Sickness					
a. Signalmen	6,620	8.65	25.62	57,263.00	169,604.40
b. Shopcrafts	23,910	25.71	48.28	614,726.10	1,154,374.80
c. MOW	24,891	24.90	36.52	619,785.90	909,019.32
d. Yardmasters	2,060	32.16	33.48	66,249.60	68,968.80
3 Short-Term Disability					
a. Engineers (CSX, KCS, SOO, UP)	13,265	40.00	40.00	530,600.00	530,600.00
4. Monthly Total Premiums				243,058,985.64	260,689,356.12
5. Monthly Employee Contributions To H&W					
a. National BLET (BNSF, CSX, KCS, NS, UP)	23,721	(\$200.00)	(\$200.00)	(\$4,744,200.00)	(\$4,744,200.00)
b. National BMWE (BNSF, CSX, KCS, NS, UP)	22,631	(\$200.00)	(\$200.00)	(\$4,526,200.00)	(4,526,200.00)
c. National BRS (BNSF, CSX, KCS, NS, UP)	6,180	(\$200.00)	(\$200.00)	(\$1,236,000.00)	(1,236,000.00)
d. National IAM (BNSF, CSX, KCS, NS, UP)	6,509	(\$200.00)	(\$202.84)	(\$1,301,800.00)	(1,320,285.56)
e. National IBBM (BNSF, CSX, KCS, NS, UP)	837	(\$200.00)	(\$200.00)	(\$167,400.00)	(167,400.00)
f. National IBEW (BNSF, CSX, KCS, NS, UP)	4,939	(\$200.00)	(\$200.00)	(\$987,800.00)	(987,800.00)
g. National NCFO (BNSF, CSX, KCS, NS, UP)	2,215	(\$200.00)	(\$200.00)	(\$443,000.00)	(443,000.00)
h. National SMW (BNSF, CSX, KCS, NS, UP)	963	(\$200.00)	(\$200.00)	(\$192,600.00)	(192,600.00)
i. National TCU (BNSF, CSX, KCS, NS, UP)	6,026	(\$200.00)	(\$200.00)	(\$1,205,200.00)	(1,205,200.00)
j. National TCU-CAR (BNSF, CSX, KCS, NS, UP)	9,235	(\$200.00)	(\$200.00)	(\$1,847,000.00)	(1,847,000.00)
k. National UTU (BNSF, CSX, KCS, NS, UP)	35,762	(\$200.00)	(\$202.90)	(\$7,152,400.00)	(7,256,109.80)
l. National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,481	(\$200.00)	(\$202.71)	(\$296,200.00)	(300,213.51)
m. National ATDA (BNSF, KCS, NS, & CSX*)	1,708	(\$200.00)	(\$200.00)	(\$341,600.00)	(341,600.00)
n. Independent CNGT (wt avg all 104 union categories)	5,971	(\$117.48)	(\$120.48)	(\$701,473.08)	(719,386.08)
o. Independent SLC (weighted average all 39 unions)	3,593	(\$170.55)	(\$185.18)	(\$612,786.15)	(665,351.74)
p. Independent UP (Yardmasters only)	417	(\$200.00)	(\$200.00)	(\$83,400.00)	(83,400.00)
Total Major Union	132,188			(\$25,839,059.23)	(\$26,035,746.69)
All Other Employee Contributions**				(\$2,868,948.60)	(\$2,868,948.60)
6 Net Employer Monthly Payments				\$214,350,977.81	\$231,784,660.83
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments					1.08133
8 H&W hourly rate for base year				\$7.914	
9. H&W hourly rate for projected quarter					\$8.558

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

** Mostly non-union employee contributions The \$25,839,059.23 in major union contributions, plus \$2,868,948.60 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	2009	Tier I Maximum Taxable Earnings for 2011	106,800
Wage Statistics Year	2010	Tier II Maximum Taxable Earnings for 2011	79,200
Current Year	2011	Medicare Maximum Taxable Earnings for 2011	no limit
Employees Receiving Pay*	157,672	Tier I Employer Tax Rate for 2011	6.20%
* from 2010 wage statistics		Tier II Employer Tax Rate for 2011	12.10%
		Medicare Employer Tax Rate for 2011	1.45%

USA RCAF	Wage Rate	Update Factor	Railroad Retirement Tax	Hourly Rate
2009	\$34.444			
2010	\$33.913	0.98458	\$505,455,821	\$6.970
1Q/2011	\$33.991	0.98685	\$506,333,841	\$6.982
2Q/2011	\$34.072	0.98920	\$507,245,631	\$6.995
3Q/2011	\$34.350	0.99727	\$510,374,983	\$7.038
4Q/2011	\$34.347	0.99718	\$510,341,213	\$7.037

hourly rate from SUPPL2010Nov.xlsx

Rate = Taxable Rate

Railroad Retirement & Medicare, U.S.

1Q/2011 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
From 2009 Earnings Distribution					Total Taxable Earnings (Taxable x Employees)				
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees	Recvg. Pay	Annual Earnings	Avg Qtrly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable
\$0 - 41,699	\$31,535	5.178 %	8,164	\$31,120	\$7,780	\$7,780	\$7,780	\$7,780	\$63,518,441
41,700 - 43,699	\$42,795	1.873	2,953	42,232	10,558	10,558	10,558	10,558	31,179,974
43,700 - 45,699	\$44,897	1.429	2,253	44,307	11,077	11,077	11,077	11,077	24,957,122
45,700 - 47,699	\$46,735	2.267	3,574	46,120	11,530	11,530	11,530	11,530	41,213,426
47,700 - 49,699	\$48,824	4.830	7,616	48,182	12,045	12,045	12,045	12,045	91,732,966
49,700 - 51,699	\$50,661	6.555	10,335	49,995	12,499	12,499	12,499	12,499	129,178,846
51,700 - 53,699	\$52,641	4.781	7,538	51,949	12,987	12,987	12,987	12,987	97,901,156
53,700 - 55,699	\$54,711	5.224	8,237	53,991	13,498	13,498	13,498	13,498	111,179,001
55,700 - 57,699	\$56,595	4.879	7,693	55,851	13,963	13,963	13,963	13,963	107,412,254
57,700 - 59,699	\$58,774	4.189	6,605	58,001	14,500	14,500	14,500	14,500	95,772,441
59,700 - 61,699	\$60,748	3.499	5,517	59,949	14,987	14,987	14,987	14,987	82,683,885
61,700 - 63,699	\$62,594	4.041	6,372	61,771	15,443	15,443	15,443	15,443	98,393,521
63,700 - 65,699	\$64,703	3.647	5,750	63,852	15,963	15,963	15,963	15,963	91,792,062
65,700 - 67,699	\$66,652	3.302	5,206	65,775	16,444	16,444	16,444	16,444	85,612,110
67,700 - 69,699	\$68,715	3.450	5,440	67,811	16,953	16,953	16,953	16,953	92,217,977
69,700 - 71,699	\$70,674	3.006	4,740	69,745	17,436	17,436	17,436	17,436	82,640,625
71,700 - 73,699	\$72,704	3.056	4,818	71,748	17,937	17,937	17,937	17,937	86,428,426
73,700 - 75,699	\$74,721	3.056	4,818	73,738	18,435	18,435	18,435	18,435	88,826,177
75,700 - 77,699	\$76,655	1.922	3,030	75,647	18,912	18,912	18,912	18,912	57,311,110
77,700 - 79,699	\$78,829	1.971	3,108	77,792	19,448	19,448	19,448	19,448	60,439,044
79,700 - 81,699	\$80,635	2.070	3,264	79,575	19,894	19,894	19,894	19,894	64,929,025
81,700 - 83,699	\$82,752	2.760	4,352	81,664	20,416	20,416	20,416	20,416	86,164,595
83,700 - 85,699	\$84,688	2.316	3,652	83,574	20,894	20,894	20,894	20,894	76,296,634
85,700 - 87,699	\$86,725	2.021	3,187	85,584	21,396	21,396	21,396	21,396	63,093,712
87,700 - 89,699	\$88,638	1.676	2,643	87,472	21,868	21,868	21,868	21,868	57,788,166
89,700 - 91,699	\$90,443	1.577	2,486	89,254	22,313	22,313	22,313	22,313	49,232,451
91,700 - 93,699	\$92,780	1.084	1,709	91,560	22,890	22,890	22,890	22,890	33,841,457
93,700 - 95,699	\$94,604	1.626	2,564	93,360	23,340	23,340	23,340	23,340	59,837,713
95,700 - 97,699	\$96,820	1.281	2,020	95,547	23,887	23,887	23,887	23,887	48,245,760
97,700 - 99,699	\$98,732	0.887	1,399	97,433	24,358	24,358	24,358	24,358	34,066,420
99,700 - 101,699	\$100,935	0.789	1,244	99,608	24,902	24,902	24,902	24,902	30,978,739
101,700 - 103,699	\$102,598	0.936	1,476	101,249	25,312	25,312	25,312	25,312	37,355,942
103,700 - 105,699	\$104,735	0.591	932	103,358	25,839	25,839	25,839	25,839	24,078,214
105,700 - 107,699	\$106,640	1.134	1,788	105,237	26,309	26,309	26,309	26,309	35,402,410
107,700 - 109,699	\$108,961	0.444	700	107,528	26,882	26,882	26,882	26,882	18,691,700
109,700 - 111,699	\$110,834	0.493	777	109,376	27,344	27,344	27,344	27,344	13,861,261
111,700 - 113,699	\$112,939	0.591	932	111,454	27,863	27,863	27,863	27,863	15,390,995
113,700 - 115,699	\$114,910	0.197	311	113,399	28,350	28,350	28,350	28,350	18,450,462
\$115,700 - over	\$181,384	5.372	8,470	178,998	44,750	44,750	44,750	44,750	6,150,154
TOTAL	\$72,148	100.000	157,672						379,035,533
Total Taxable Earnings					2,651,410,158	2,489,685,177	2,489,685,177	2,806,517,555	
Employer Tax Rate					6.20%	12.10%	1.45%		
Quarterly Payment					\$164,387,430	\$301,251,906	\$40,694,505		
Total Tier I, Tier II, and Medicare Paid this Quarter									\$506,333,841

Railroad Retirement & Medicare, U.S.

From 2009 Earnings Distribution				2Q/2011 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	\$31,535	5.178	%	8,164	\$31,194	\$7,799	\$7,799	\$7,799	\$7,799	\$63,669,804	\$63,669,804	\$63,669,804	\$63,669,804
41,700 - 43,699	\$42,795	1.873		2,953	42,333	10,583	10,583	10,583	10,583	31,254,276	31,254,276	31,254,276	31,254,276
43,700 - 45,699	\$44,897	1.429		2,253	44,412	11,103	11,103	11,103	11,103	25,016,594	25,016,594	25,016,594	25,016,594
45,700 - 47,699	\$46,735	2.267		3,574	46,230	11,558	11,558	11,558	11,558	41,311,636	41,311,636	41,311,636	41,311,636
47,700 - 49,699	\$48,824	4.830		7,616	48,297	12,074	12,074	12,074	12,074	91,951,564	91,951,564	91,951,564	91,951,564
49,700 - 51,699	\$50,661	6.555		10,335	50,114	12,528	12,528	12,528	12,528	129,486,677	129,486,677	129,486,677	129,486,677
51,700 - 53,699	\$52,641	4.781		7,538	52,072	13,018	13,018	13,018	13,018	98,134,453	98,134,453	98,134,453	98,134,453
53,700 - 55,699	\$54,711	5.224		8,237	54,120	13,530	13,530	13,530	13,530	111,443,939	111,443,939	111,443,939	111,443,939
55,700 - 57,699	\$56,595	4.879		7,693	55,984	13,996	13,996	13,996	13,996	107,668,215	107,668,215	107,668,215	107,668,215
57,700 - 59,699	\$58,774	4.189		6,605	58,139	14,535	14,535	14,535	14,535	96,000,665	96,000,665	96,000,665	96,000,665
59,700 - 61,699	\$60,748	3.499		5,517	60,092	15,023	15,023	15,023	15,023	82,880,919	82,880,919	82,880,919	82,880,919
61,700 - 63,699	\$62,594	4.041		6,372	61,918	15,479	15,479	15,479	15,479	98,627,991	98,627,991	98,627,991	98,627,991
63,700 - 65,699	\$64,703	3.647		5,750	64,004	16,001	16,001	16,001	16,001	92,010,801	92,010,801	92,010,801	92,010,801
65,700 - 67,699	\$66,652	3.302		5,206	65,932	16,483	16,483	16,483	16,483	85,816,122	85,816,122	85,816,122	85,816,122
67,700 - 69,699	\$68,715	3.450		5,440	67,973	16,993	16,993	16,993	16,993	92,437,731	92,437,731	92,437,731	92,437,731
69,700 - 71,699	\$70,674	3.006		4,740	69,911	17,478	17,478	17,478	17,478	82,837,557	82,837,557	82,837,557	82,837,557
71,700 - 73,699	\$72,704	3.056		4,818	71,919	17,980	17,980	17,980	17,980	86,634,383	86,634,383	86,634,383	86,634,383
73,700 - 75,699	\$74,721	3.056		4,818	73,914	18,479	18,479	18,479	18,479	89,037,848	89,037,848	89,037,848	89,037,848
75,700 - 77,699	\$76,655	1.922		3,030	75,827	18,957	18,957	18,957	18,957	57,447,681	57,447,681	57,447,681	57,447,681
77,700 - 79,699	\$78,829	1.971		3,108	77,978	19,494	19,494	19,494	19,494	60,583,069	60,583,069	60,583,069	60,583,069
79,700 - 81,699	\$80,635	2.070		3,264	79,764	19,941	19,941	19,941	19,941	64,623,446	64,623,446	64,623,446	64,623,446
81,700 - 83,699	\$82,752	2.760		4,352	81,858	20,465	20,465	20,465	20,465	86,164,595	86,164,595	86,164,595	86,164,595
83,700 - 85,699	\$84,688	2.316		3,652	83,773	20,943	20,943	20,943	20,943	76,478,448	76,478,448	76,478,448	76,478,448
85,700 - 87,699	\$86,725	2.021		3,187	85,788	21,447	21,447	21,447	21,447	68,342,247	68,342,247	68,342,247	68,342,247
87,700 - 89,699	\$88,638	1.676		2,643	87,681	21,920	21,920	21,920	21,920	57,925,874	57,925,874	57,925,874	57,925,874
89,700 - 91,699	\$90,443	1.577		2,486	89,466	22,367	22,367	22,367	22,367	55,614,148	55,614,148	55,614,148	55,614,148
91,700 - 93,699	\$92,780	1.084		1,709	91,778	22,944	22,944	22,944	22,944	39,215,909	39,215,909	39,215,909	39,215,909
93,700 - 95,699	\$94,604	1.626		2,564	93,582	23,396	23,396	23,396	23,396	59,980,305	59,980,305	59,980,305	59,980,305
95,700 - 97,699	\$96,820	1.281		2,020	95,774	23,944	23,944	23,944	23,944	48,360,729	48,360,729	48,360,729	48,360,729
97,700 - 99,699	\$98,732	0.887		1,399	97,666	24,416	24,416	24,416	24,416	34,147,600	34,147,600	34,147,600	34,147,600
99,700 - 101,699	\$100,935	0.789		1,244	99,845	24,961	24,961	24,961	24,961	24,631,835	24,631,835	24,631,835	24,631,835
101,700 - 103,699	\$102,598	0.936		1,476	101,490	25,372	25,372	25,372	25,372	37,444,960	37,444,960	37,444,960	37,444,960
103,700 - 105,699	\$104,735	0.591		932	103,604	25,901	25,901	25,901	25,901	24,135,592	24,135,592	24,135,592	24,135,592
105,700 - 107,699	\$106,640	1.134		1,788	105,488	26,372	26,372	26,372	26,372	47,153,271	47,153,271	47,153,271	47,153,271
107,700 - 109,699	\$108,961	0.444		700	107,784	26,946	26,946	26,946	26,946	18,691,700	18,691,700	18,691,700	18,691,700
109,700 - 111,699	\$110,834	0.493		777	109,637	27,409	27,409	27,409	27,409	20,754,523	20,754,523	20,754,523	20,754,523
111,700 - 113,699	\$112,939	0.591		932	111,719	27,930	27,930	27,930	27,930	24,880,169	24,880,169	24,880,169	24,880,169
113,700 - 115,699	\$114,910	0.197		311	113,669	28,417	28,417	28,417	28,417	8,293,390	8,293,390	8,293,390	8,293,390
\$115,700 - over	\$181,384	5.372		8,470	179,425	44,856	44,856	44,856	44,856	226,152,734	226,152,734	226,152,734	226,152,734
TOTAL		100.000		157,672						2,657,016,455	2,493,546,541	2,813,205,440	2,813,205,440
Total Taxable Earnings										2,657,016,455	2,493,546,541	2,813,205,440	2,813,205,440
Employer Tax Rate										6.20%	12.10%	1.45%	1.45%
Quarterly Payment										\$164,735,020	\$301,719,131	\$40,791,479	\$40,791,479
Total Tier I, Tier II, and Medicare Paid this Quarter												\$507,245,631	\$507,245,631

Railroad Retirement & Medicare, U.S.

From 2009 Earnings Distribution

Earnings Groups			Avg Ann. Earnings	% of Total Employees	Employees	Recvg. Pay	Annual Earnings	Avg Qtrly Earnings	Medicare			Total Taxable Earnings (Taxable x Employees)		
									Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I	Tier II	Medicare
\$0 - 41,699	\$31,535	5.178 %	8,164	\$31,449	\$7,862	\$7,862	\$7,862	\$7,862	\$7,862	\$7,862	\$7,862	\$64,189,298	\$64,189,298	\$64,189,298
41,700 - 43,699	\$42,795	1.873	2,953	42,678	10,670	10,670	10,670	10,670	10,670	10,670	10,670	31,509,285	31,509,285	31,509,285
43,700 - 45,699	\$44,897	1.429	2,253	44,774	11,194	11,194	11,194	11,194	11,194	11,194	11,194	25,220,709	25,220,709	25,220,709
45,700 - 47,699	\$46,735	2.267	3,574	46,607	11,652	11,652	11,652	11,652	11,652	11,652	11,652	41,648,706	41,648,706	41,648,706
47,700 - 49,699	\$48,824	4.830	7,616	48,691	12,173	12,173	12,173	12,173	12,173	12,173	12,173	92,701,814	92,701,814	92,701,814
49,700 - 51,699	\$50,661	6.555	10,335	50,523	12,631	12,631	12,631	12,631	12,631	12,631	12,631	130,543,184	130,543,184	130,543,184
51,700 - 53,699	\$52,641	4.781	7,538	52,497	13,124	13,124	13,124	13,124	13,124	13,124	13,124	98,935,151	98,935,151	98,935,151
53,700 - 55,699	\$54,711	5.224	8,237	54,562	13,640	13,640	13,640	13,640	13,640	13,640	13,640	112,353,231	112,353,231	112,353,231
55,700 - 57,699	\$56,595	4.879	7,693	56,441	14,110	14,110	14,110	14,110	14,110	14,110	14,110	108,546,701	108,546,701	108,546,701
57,700 - 59,699	\$58,774	4.189	6,605	58,614	14,653	14,653	14,653	14,653	14,653	14,653	14,653	96,783,953	96,783,953	96,783,953
59,700 - 61,699	\$60,748	3.499	5,517	60,582	15,146	15,146	15,146	15,146	15,146	15,146	15,146	83,557,160	83,557,160	83,557,160
61,700 - 63,699	\$62,594	4.041	6,372	62,423	15,606	15,606	15,606	15,606	15,606	15,606	15,606	99,432,716	99,432,716	99,432,716
63,700 - 65,699	\$64,703	3.647	5,750	64,526	16,132	16,132	16,132	16,132	16,132	16,132	16,132	92,761,535	92,761,535	92,761,535
65,700 - 67,699	\$66,652	3.302	5,206	66,470	16,618	16,618	16,618	16,618	16,618	16,618	16,618	86,516,312	86,516,312	86,516,312
67,700 - 69,699	\$68,715	3.450	5,440	68,527	17,132	17,132	17,132	17,132	17,132	17,132	17,132	93,191,948	93,191,948	93,191,948
69,700 - 71,699	\$70,674	3.006	4,740	70,481	17,620	17,620	17,620	17,620	17,620	17,620	17,620	83,513,444	83,513,444	83,513,444
71,700 - 73,699	\$72,704	3.056	4,818	72,506	18,126	18,126	18,126	18,126	18,126	18,126	18,126	87,341,250	87,341,250	87,341,250
73,700 - 75,699	\$74,721	3.056	4,818	74,517	18,629	18,629	18,629	18,629	18,629	18,629	18,629	89,764,325	89,764,325	89,764,325
75,700 - 77,699	\$76,655	1.922	3,030	76,446	19,111	19,111	19,111	19,111	19,111	19,111	19,111	57,916,408	57,916,408	57,916,408
77,700 - 79,699	\$78,829	1.971	3,108	78,614	19,653	19,653	19,653	19,653	19,653	19,653	19,653	61,077,378	61,077,378	61,077,378
79,700 - 81,699	\$80,635	2.070	3,264	80,415	20,104	20,104	20,104	20,104	20,104	20,104	20,104	65,614,781	65,614,781	65,614,781
81,700 - 83,699	\$82,752	2.760	4,352	82,526	20,632	20,632	20,632	20,632	20,632	20,632	20,632	89,783,251	89,783,251	89,783,251
83,700 - 85,699	\$84,688	2.316	3,652	84,457	21,114	21,114	21,114	21,114	21,114	21,114	21,114	77,102,450	77,102,450	77,102,450
85,700 - 87,699	\$86,725	2.021	3,187	86,488	21,622	21,622	21,622	21,622	21,622	21,622	21,622	68,899,865	68,899,865	68,899,865
87,700 - 89,699	\$88,638	1.676	2,643	88,396	22,099	22,099	22,099	22,099	22,099	22,099	22,099	58,398,502	58,398,502	58,398,502
89,700 - 91,699	\$90,443	1.577	2,486	90,196	22,549	22,549	22,549	22,549	22,549	22,549	22,549	56,067,914	56,067,914	56,067,914
91,700 - 93,699	\$92,780	1.084	1,709	92,527	23,132	23,132	23,132	23,132	23,132	23,132	23,132	39,535,879	39,535,879	39,535,879
93,700 - 95,699	\$94,604	1.626	2,564	94,346	23,586	23,586	23,586	23,586	23,586	23,586	23,586	60,469,696	60,469,696	60,469,696
95,700 - 97,699	\$96,820	1.281	2,020	96,556	24,139	24,139	24,139	24,139	24,139	24,139	24,139	48,755,314	48,755,314	48,755,314
97,700 - 99,699	\$98,732	0.887	1,399	98,463	24,616	24,616	24,616	24,616	24,616	24,616	24,616	34,426,217	34,426,217	34,426,217
99,700 - 101,699	\$100,935	0.789	1,244	100,660	25,165	25,165	25,165	25,165	25,165	25,165	25,165	31,305,925	31,305,925	31,305,925
101,700 - 103,699	\$102,598	0.936	1,476	102,318	25,580	25,580	25,580	25,580	25,580	25,580	25,580	37,750,481	37,750,481	37,750,481
103,700 - 105,699	\$104,735	0.591	932	104,449	26,112	26,112	26,112	26,112	26,112	26,112	26,112	24,332,519	24,332,519	24,332,519
105,700 - 107,699	\$106,640	1.134	1,788	106,349	26,587	26,587	26,587	26,587	26,587	26,587	26,587	47,538,003	47,538,003	47,538,003
107,700 - 109,699	\$108,961	0.444	700	108,664	27,166	27,166	27,166	27,166	27,166	27,166	27,166	18,691,700	18,691,700	18,691,700
109,700 - 111,699	\$110,834	0.493	777	110,532	27,633	27,633	27,633	27,633	27,633	27,633	27,633	20,754,523	20,754,523	20,754,523
111,700 - 113,699	\$112,939	0.591	932	112,631	28,158	28,158	28,158	28,158	28,158	28,158	28,158	24,880,169	24,880,169	24,880,169
113,700 - 115,699	\$114,910	0.197	311	114,596	28,649	28,649	28,649	28,649	28,649	28,649	28,649	8,293,390	8,293,390	8,293,390
\$115,700 - over	\$181,384	5.372	8,470	180,889	45,222	45,222	45,222	45,222	45,222	45,222	45,222	226,152,734	167,708,769	383,038,762
TOTAL		100.000	157,672									2,676,257,821	2,506,799,125	2,836,158,925
				Employer Tax Rate			6.20%			12.10%			1.45%	
				Quarterly Payment			\$165,927,985			\$303,322,694			\$41,124,304	

Railroad Retirement & Medicare, U.S.

4Q/2011 Updated Using Earnings Distribution & Wage Statistics, plus Current Wage Rates with Current Tax Info									
From 2009 Earnings Distribution				Total Taxable Earnings (Taxable x Employees)					
Earnings Groups	Avg Ann. Earnings	% of Total Employees	Employees	Recvg. Pay	Annual Earnings	Avg Qtrly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable
\$0 - 41,699	\$31,535	5.178	%	8,164	\$31,446	\$7,862	\$7,862	\$7,862	\$64,183,692
41,700 - 43,699	\$42,795	1.873		2,953	42,674	10,669	10,669	10,669	31,506,534
43,700 - 45,699	\$44,897	1.429		2,253	44,771	11,193	11,193	11,193	25,218,507
45,700 - 47,699	\$46,735	2.267		3,574	46,603	11,651	11,651	11,651	41,645,069
47,700 - 49,699	\$48,824	4.830		7,616	48,687	12,172	12,172	12,172	92,693,718
49,700 - 51,699	\$50,661	6.555		10,335	50,518	12,630	12,630	12,630	130,531,783
51,700 - 53,699	\$52,641	4.781		7,538	52,493	13,123	13,123	13,123	98,926,510
53,700 - 55,699	\$54,711	5.224		8,237	54,557	13,639	13,639	13,639	112,343,419
55,700 - 57,699	\$56,595	4.879		7,693	56,436	14,109	14,109	14,109	108,537,221
57,700 - 59,699	\$58,774	4.189		6,605	58,608	14,652	14,652	14,652	96,775,500
59,700 - 61,699	\$60,748	3.499		5,517	60,577	15,144	15,144	15,144	83,549,863
61,700 - 63,699	\$62,594	4.041		6,372	62,418	15,604	15,604	15,604	99,424,032
63,700 - 65,699	\$64,703	3.647		5,750	64,521	16,130	16,130	16,130	92,753,434
65,700 - 67,699	\$66,652	3.302		5,206	66,464	16,616	16,616	16,616	86,508,756
67,700 - 69,699	\$68,715	3.450		5,440	68,521	17,130	17,130	17,130	93,183,809
69,700 - 71,699	\$70,674	3.006		4,740	70,475	17,619	17,619	17,619	83,506,150
71,700 - 73,699	\$72,704	3.056		4,818	72,499	18,125	18,125	18,125	87,333,622
73,700 - 75,699	\$74,721	3.056		4,818	74,511	18,628	18,628	18,628	89,756,486
75,700 - 77,699	\$76,655	1.922		3,030	76,439	19,110	19,110	19,110	57,911,350
77,700 - 79,699	\$78,829	1.971		3,108	78,607	19,652	19,652	19,652	61,072,044
79,700 - 81,699	\$80,635	2.070		3,264	80,408	20,102	20,102	20,102	65,609,050
81,700 - 83,699	\$82,752	2.760		4,352	82,519	20,630	20,630	20,630	86,164,595
83,700 - 85,699	\$84,688	2.316		3,652	84,450	21,112	21,112	21,112	72,303,334
85,700 - 87,699	\$86,725	2.021		3,187	86,481	21,620	21,620	21,620	68,893,847
87,700 - 89,699	\$88,638	1.676		2,643	88,388	22,097	22,097	22,097	58,393,402
89,700 - 91,699	\$90,443	1.577		2,486	90,188	22,547	22,547	22,547	56,063,017
91,700 - 93,699	\$92,780	1.084		1,709	92,519	23,130	23,130	23,130	49,232,451
93,700 - 95,699	\$94,604	1.626		2,564	94,338	23,584	23,584	23,584	39,532,426
95,700 - 97,699	\$96,820	1.281		2,020	96,547	24,137	24,137	24,137	50,762,185
97,700 - 99,699	\$98,732	0.887		1,399	98,454	24,613	24,613	24,613	39,991,611
99,700 - 101,699	\$100,935	0.789		1,244	100,651	25,163	25,163	25,163	34,423,210
101,700 - 103,699	\$102,598	0.936		1,476	102,309	25,577	25,577	25,577	27,691,303
103,700 - 105,699	\$104,735	0.591		932	104,440	26,110	26,110	26,110	24,631,835
105,700 - 107,699	\$106,640	1.134		1,788	106,340	26,585	26,585	26,585	29,221,036
107,700 - 109,699	\$108,961	0.444		700	108,654	27,164	27,164	27,164	18,450,462
109,700 - 111,699	\$110,834	0.493		777	110,522	27,630	27,630	27,630	35,402,410
111,700 - 113,699	\$112,939	0.591		932	112,621	28,155	28,155	28,155	47,533,852
113,700 - 115,699	\$114,910	0.197		311	114,586	28,647	28,647	28,647	13,861,261
\$115,700 - over	\$181,384	5.372		8,470	180,873	45,218	45,218	45,218	15,390,995
TOTAL		100.000		157,672					26,236,218
				Total Taxable Earnings		2,676,050,180	2,506,656,111	2,835,911,225	
				Employer Tax Rate		6.20%	12.10%	1.45%	
				Quarterly Payment		\$165,915,111	\$303,305,389	\$41,120,713	
				Total Tier I, Tier II, and Medicare Paid this Quarter					\$510,341,213

AAR 2010 Wage Statistics November 3, 2011 U.S.

Union	Employees	Straight Time		PFTNW	Union Lump
	Paid	Hours	Comp.	Comp.	Sums
UTU	38,084	68,007,056	1,666,310,042	734,632,447	6,631,986
TCU	6,859	11,569,762	292,340,789	65,510,825	2,973,993
BLET	25,584	49,772,211	1,375,844,700	554,784,181	57,143,936
SMW	983	1,742,114	43,631,743	7,385,654	1,715
BRS	6,620	12,783,711	327,413,133	72,579,555	78,375
BMWE	24,891	44,906,089	1,022,477,823	197,120,964	4,601,925
TCU-CAR	9,889	17,928,967	447,089,418	78,658,216	97,298
NCFO	2,313	4,061,973	85,298,787	14,877,963	20,609
IAM	6,820	12,104,449	307,486,166	58,203,938	130,093
IBBM	1,010	1,743,321	40,029,277	6,511,085	118,201
IBEW	5,208	9,245,072	237,341,388	47,193,732	349,927
ATDA	2,436	4,234,813	161,906,451	29,516,306	4,241,878
UTU-YMD	2,060	3,331,804	113,724,918	31,573,619	920,634
OTHER	24,915	49,374,603	2,097,895,153	89,531,279	
Total	157,672	290,805,945	\$8,218,789,788	\$1,988,079,764	\$77,310,570
ST Comp less Union Lump Sums			\$8,141,479,218		

Checks

OK Match	OK Match	OK Match	OK Match
Total including non-union			\$237,553,941

Railroad Retirement and Medicare Benchmark for U.S.

Inputs:

RRB Earnings Distribution Year	2009	RR Retirement Tier I Maximum Taxable Earnings for 2010	\$106,800
Wage Statistics Year	2010	RR Retirement Tier II Maximum Taxable Earnings for 2010	\$79,200
Employees Receiving Pay (from wage statistics)	157,672	Medicare Maximum Taxable Earnings for 2010	no limit
		Tier I Employer Tax Rate for 2010	6.20%
		Tier II Employer Tax Rate for 2010	12.10%
		Medicare Employer Tax Rate for 2010	1.45%

(Info Only)

USA	ST+PFTNW Hrly Rate	Update Factor	RR Ret. Tax Paid	Hourly Rate
2009	\$34.444			
2010	\$33.913	0.98458	\$505,455,821	\$6.970

Hourly rate from SUPPL_2010NOV.xlsA

Railroad Retirement and Medicare Benchmark for U.S.

From 2009 RRB Earnings Distribution				Quarterly Average for Benchmark Year 2010 (using updated 2009 Earnings Distribution with data for 2010)									
Earnings Groups	Avg Annual	% of Total	Employees	Receiving	Pay	Earnings	Avg. Annual	Avg. Qtrly.	Tier I	Tier II	Medicare	Total Taxable Earnings (Taxable x Employees)	
				Employees					Taxable	Taxable	Taxable	Tier I	Tier II Medicare
\$0 - 41,699	\$31,535	5.178	8,164	8,164	\$31,049	\$7,762	7,762	7,762	7,762	7,762	7,762	\$63,372,683	\$63,372,683
41,700 - 43,699	\$42,795	1.873	2,953	2,953	\$42,135	10,534	10,534	10,534	10,534	10,534	10,534	31,108,425	31,108,425
43,700 - 45,699	\$44,897	1.429	2,253	2,253	\$44,205	11,051	11,051	11,051	11,051	11,051	11,051	24,899,852	24,899,852
45,700 - 47,699	\$46,735	2.267	3,574	3,574	\$46,015	11,504	11,504	11,504	11,504	11,504	11,504	41,118,852	41,118,852
47,700 - 49,699	\$48,824	4.830	7,616	7,616	\$48,071	12,018	12,018	12,018	12,018	12,018	12,018	91,522,464	91,522,464
49,700 - 51,699	\$50,661	6.555	10,335	10,335	\$49,880	12,470	12,470	12,470	12,470	12,470	12,470	128,882,416	128,882,416
51,700 - 53,699	\$52,641	4.781	7,538	7,538	\$51,829	12,957	12,957	12,957	12,957	12,957	12,957	97,676,500	97,676,500
53,700 - 55,699	\$54,711	5.224	8,237	8,237	\$53,868	13,467	13,467	13,467	13,467	13,467	13,467	110,923,876	110,923,876
55,700 - 57,699	\$56,595	4.879	7,693	7,693	\$55,723	13,931	13,931	13,931	13,931	13,931	13,931	107,165,772	107,165,772
57,700 - 59,699	\$58,774	4.189	6,605	6,605	\$57,868	14,467	14,467	14,467	14,467	14,467	14,467	95,552,669	95,552,669
59,700 - 61,699	\$60,748	3.499	5,517	5,517	\$59,811	14,953	14,953	14,953	14,953	14,953	14,953	82,494,148	82,494,148
61,700 - 63,699	\$62,594	4.041	6,372	6,372	\$61,629	15,407	15,407	15,407	15,407	15,407	15,407	98,167,735	98,167,735
63,700 - 65,699	\$64,703	3.647	5,750	5,750	\$63,706	15,926	15,926	15,926	15,926	15,926	15,926	91,581,425	91,581,425
65,700 - 67,699	\$66,652	3.302	5,206	5,206	\$65,624	16,406	16,406	16,406	16,406	16,406	16,406	85,415,654	85,415,654
67,700 - 69,699	\$68,715	3.450	5,440	5,440	\$67,656	16,914	16,914	16,914	16,914	16,914	16,914	92,006,362	92,006,362
69,700 - 71,699	\$70,674	3.006	4,740	4,740	\$69,584	17,396	17,396	17,396	17,396	17,396	17,396	82,450,988	82,450,988
71,700 - 73,699	\$72,704	3.056	4,818	4,818	\$71,583	17,896	17,896	17,896	17,896	17,896	17,896	86,230,096	86,230,096
73,700 - 75,699	\$74,721	3.056	4,818	4,818	\$73,569	18,392	18,392	18,392	18,392	18,392	18,392	88,622,345	88,622,345
75,700 - 77,699	\$76,655	1.922	3,030	3,030	\$75,473	18,868	18,868	18,868	18,868	18,868	18,868	57,179,596	57,179,596
77,700 - 79,699	\$78,829	1.971	3,108	3,108	\$77,614	19,403	19,403	19,403	19,403	19,403	19,403	60,300,353	60,300,353
79,700 - 81,699	\$80,635	2.070	3,264	3,264	\$79,392	19,848	19,848	19,848	19,848	19,848	19,848	64,623,446	64,623,446
81,700 - 83,699	\$82,752	2.760	4,352	4,352	\$81,476	20,369	20,369	20,369	20,369	20,369	20,369	86,164,595	86,164,595
83,700 - 85,699	\$84,688	2.316	3,652	3,652	\$83,382	20,846	20,846	20,846	20,846	20,846	20,846	76,121,554	76,121,554
85,700 - 87,699	\$86,725	2.021	3,187	3,187	\$85,388	21,347	21,347	21,347	21,347	21,347	21,347	68,023,322	68,023,322
87,700 - 89,699	\$88,638	1.676	2,643	2,643	\$87,272	21,818	21,818	21,818	21,818	21,818	21,818	52,323,138	52,323,138
89,700 - 91,699	\$90,443	1.577	2,486	2,486	\$89,049	22,262	22,262	22,262	22,262	22,262	22,262	55,354,619	55,354,619
91,700 - 93,699	\$92,780	1.084	1,709	1,709	\$91,350	22,837	22,837	22,837	22,837	22,837	22,837	39,032,904	39,032,904
93,700 - 95,699	\$94,604	1.626	2,564	2,564	\$93,146	23,286	23,286	23,286	23,286	23,286	23,286	59,700,402	59,700,402
95,700 - 97,699	\$96,820	1.281	2,020	2,020	\$95,327	23,832	23,832	23,832	23,832	23,832	23,832	48,135,049	48,135,049
97,700 - 99,699	\$98,732	0.887	1,399	1,399	\$97,210	24,302	24,302	24,302	24,302	24,302	24,302	33,988,247	33,988,247
99,700 - 101,699	\$100,935	0.789	1,244	1,244	\$99,379	24,845	24,845	24,845	24,845	24,845	24,845	30,907,651	30,907,651
101,700 - 103,699	\$102,598	0.936	1,476	1,476	\$101,016	25,254	25,254	25,254	25,254	25,254	25,254	29,221,036	29,221,036
103,700 - 105,699	\$104,735	0.591	932	932	\$103,120	25,780	25,780	25,780	25,780	25,780	25,780	18,450,462	18,450,462
105,700 - 107,699	\$106,640	1.134	1,788	1,788	\$104,996	26,249	26,249	26,249	26,249	26,249	26,249	46,933,226	46,933,226
107,700 - 109,699	\$108,961	0.444	700	700	\$107,281	26,820	26,820	26,820	26,820	26,820	26,820	13,861,261	13,861,261
109,700 - 111,699	\$110,834	0.493	777	777	\$109,125	27,281	27,281	27,281	27,281	27,281	27,281	15,390,995	15,390,995
111,700 - 113,699	\$112,939	0.591	932	932	\$111,198	27,799	27,799	27,799	27,799	27,799	27,799	18,450,462	18,450,462
113,700 - 115,699	\$114,910	0.197	311	311	\$113,139	28,285	28,285	28,285	28,285	28,285	28,285	6,150,154	6,150,154
\$115,700 - over	\$181,384	5.372	8,470	8,470	\$178,588	44,647	44,647	44,647	44,647	44,647	44,647	167,708,769	167,708,769
TOTAL		100.000	157,672	157,672								\$2,646,011,501	\$2,646,011,501
												Total Taxable Earn'gs.	
												Employer Tax Rate	
												6.20%	
												12.10%	
												1.45%	
												Total Tier I & II Medicare	
												\$164,052,713	
												\$300,801,986	
												\$505,455,821	

2010 RR Retirement Benchmarking

<i>From "Wage Statistics"</i>	U.S.
2010 ST Comp. Incl. Lump Sums	\$8,218,789,788
2010 PFTNW	<u>\$1,988,079,764</u>
TOTAL	\$10,206,869,552
Pre Tax Emp H&W Cost Sharing	<u>\$344,496,094</u>
ST Hours Paid For	290,805,945
ST Hourly Rate	\$28.262
PFTNW Hourly Rate	\$6.836
ST + PFTNW Hourly Rate	\$35.098
Pre-Tax Contributions	(\$1.185)
Taxable Rate	\$33.913

Figures are from Wage Statistics, Year 2010

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

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