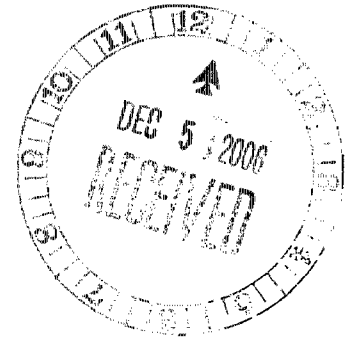


ASSOCIATION
OF AMERICAN
RAILROADS



Craig F. Rocky
Vice President - Policy & Economics

December 5, 2006

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board, Room 711
1925 K Street, N.W.
Washington, DC 20423-0001

218210

Dear Mr. Williams:

This submission is the AAR forecast of the first quarter 2007 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2007-1) *Quarterly Rail Adjustment Factor*. The versions of RCAF-related indices covered in this filing are: the All-Inclusive Index (initiated in the second quarter 1985), the Unadjusted RCAF (produced since October 1982), the Adjusted RCAF (first published in the second quarter of 1989), and the RCAF-5 (created by the STB in its Ex Parte No. 290 (Sub-No. 7) decision served October 3, 1996). The table below summarizes the first quarter 2007 results on the fourth quarter 2002 base, and shows the percentage changes from the previous quarter.

	<u>2006Q4</u>	<u>2007Q1</u>	<u>% Change</u>
All-Inclusive Index	122.4	119.7	-2.2
Preliminary RCAF	1.224	1.197	-2.2
Forecast Error Adjustment	0.026	0.011	
RCAF (Unadjusted)	1.250	1.208	-3.4
Productivity Adjustment Factor	2.1160	2.1259	
RCAF (Adjusted)	0.591	0.568	-3.9
PAF-5	2.2246	2.2351	
RCAF-5	0.562	0.540	-3.9

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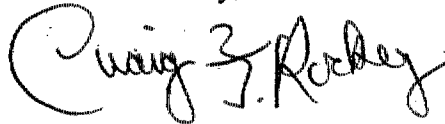
Page 2

December 5, 2006

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

Two copies of the quarterly non-proprietary workpapers underlying this submission are filed herewith, in accordance with the ICC's order in Ex Parte No. 290 (Sub-No. 2), *Railroad Cost Recovery Procedures*, served February 8, 1990. A third copy of the working papers has been delivered to Jeff Warren in the STB office handling this proceeding. All workpapers are available for STB inspection. Questions should be directed to me or Clyde Crimmel (202 639-2309) of this office.

Sincerely,

A handwritten signature in black ink, reading "Craig F. Rockey". The signature is written in a cursive, flowing style. The first name "Craig" is written with a large, prominent "C" that loops around the first part of the name. The last name "Rockey" is written in a similar cursive style.

Craig F. Rockey

Attachments

**First Quarter 2007
All-Inclusive Index**

Ex Parte No. 290 (Sub-No. 5) (2007-1)

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

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

December 5, 2006

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Introduction

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

Index Weights

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

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

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

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

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

All-Inclusive Index

First Quarter 2007

The components and values of the current and previous All-Inclusive Indexes are shown below. Details of the construction of each component of the index are contained in the Appendices.

	2005 Weights	Forecast		Percent Change
		Previous 2006Q4	Current 2007Q1	
1. Labor	35.3%	293.0	297.4	1.5 %
2. Fuel	16.0%	287.0	245.9	-14.3
3. M&S	4.6%	204.3	207.1	1.4
4. Equipment Rents	8.2%	189.5	188.2	-0.7
5. Depreciation	11.1%	190.6	191.6	0.5
6. Interest	3.1%	96.9	96.9	0.0
7. Other	21.7%	190.9	188.6	-1.2
8. Weighted Average				
a. 1980 = 100		239.9	234.5	
b. 1980 = 100 (linked)		235.2	229.9 ¹	
c. 4Q02 = 100		122.4	119.7 ²	-2.2

¹ To calculate the 1980 = 100 Linked Index:

$$\begin{aligned} \text{Index}_{80} &= (\text{Current Index} / \text{Previous Index}) * \text{the Previous Quarter Linked Index} \\ &= 234.5 \quad \text{divided by} \quad 239.9 \quad \text{times} \quad 235.2 \\ &= 229.9 \end{aligned}$$

² To calculate the 4Q02 = 100 index:

$$\begin{aligned} \text{Index}_{4Q02} &= (\text{Current Linked Index} / 4Q02 \text{ Linking Factor}) * 100 \\ &= 229.9 \quad \text{divided by} \quad 192.1 \quad \text{times} \quad 100 \\ &= 119.7 \end{aligned}$$

4Q97 based index = 132.7

4Q92 based index = 146.5

4Q87 based index = 173.9

Forecast vs. Actual All-Inclusive Index Third Quarter 2006

As shown below, the third quarter actual index of 120.8 is 1.1 index points above the forecast value of 119.7. Therefore, the forecast error adjustment for first quarter 2007 is 1.1 index points.

	2004 Weights	Third Quarter 2006		Amt Difference
		Forecast	Actual	
1. Labor	36.0%	292.1	292.1	
2. Fuel	12.1%	265.2	273.1	
3. M&S	4.4%	197.2	197.2	
4. Equipment Rents ¹	8.9%	187.3	188.0	
5. Depreciation	10.6%	191.9	187.7	
6. Interest	3.0%	92.7	92.7	
7. Other	25.0%	186.3	187.7	
8. Weighted Average				
a. 1980 = 100		232.3	233.2	
b. 1980 = 100 (linked)		230.0	232.0 ²	
c. 4Q02 = 100 ³		119.7	120.8	1.1

Forecast error → 1.1 index points

	2004 Weights	Third Quarter 2006	
		Forecast	Actual
Car-Hire	51.0%	177.0	176.3
Lease Rentals	49.0%	186.3	187.7
Weighted Average		181.6	181.9
Weighted Average (linked)		187.3	188.0

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

$$232.0 = 233.2 / 229.9 \times 228.7$$

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

Productivity

On January 26, 2006, the Surface Transportation Board (STB) served a decision in Ex Parte 290 (Sub-No. 4) which added the year 2004 to the Productivity Adjustment Factor (PAF) and deleted the year 1999. This creates an average annual productivity for 2000 through 2004 of 1.9 percent – a decrease from the 1999 through 2003 average of 2.9 percent. The 1.9 percent matches the figure used three years prior. The components of this average annual value are shown on the following table. Productivity changes are calculated by dividing the output index by the input index. The average annual rate is calculated by multiplying each of the five productivity changes together and taking the result to the one fifth power. The quarterly productivity adjustment factors (PAF) are calculated by increasing the previous quarter's PAF by quarterly versions of the annual rate which are the fourth root of the average annual growth rate. The difference between the PAF and the PAF-5 is the timing of the 5-year productivity trend.

Comparison of Output, Input, & Productivity			
2000 - 2004			
Year	Output Index (1)	Input Index (2)	Productivity ¹ Changes (3)
2000	1.029	0.953	1.079
2001	0.971	0.955	1.016
2002	1.012	1.006	1.006
2003	1.039	1.020	1.019
2004	1.033	1.057	0.977
Average			1.019
Previous Average (1999-2003)			1.029

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 2000-2004 use fourth root of avg. productivity change			1.0047
For 1999-2003 use fourth root of previous avg. change			1.0072
Quarter	Year	PAF	PAF-5
Q1	2006	2.0864	2.1772
Q2	2006	2.0962	2.1929
Q3	2006	2.1061	2.2087
Q4	2006	2.1160	2.2246
Q1	2007	2.1259	2.2351

1999-2003

2000-2004

Rail Cost Adjustment Factor

First Quarter 2007

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

	Previous 2006Q4	Current 2007Q1	Percent Change
All-Inclusive Index ¹	122.4	119.7	-2.2
Preliminary RCAF ²	1.224	1.197	-2.2
Forecast Error Adjustment ³	<u>0.026</u>	<u>0.011</u>	
RCAF (Unadjusted) ⁴	1.250	1.208	-3.4
Productivity Adjustment Factor ⁵	2.1160	2.1259	
RCAF (Adjusted) ⁶	0.591	0.568	-3.9
PAF-5 ⁷	2.2246	2.2351	
RCAF-5 ⁸	0.562	0.540	-3.9

¹ See All-Inclusive Index on page 3.

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

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

⁴ Preliminary RCAF plus the forecast error adjustment.

⁵ See Productivity on page 5.

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

⁷ See Productivity on page 5.

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

Appendixes

Labor

First Quarter 2007

The first quarter 2007 Labor Index increased 1.5 percent from the previous quarter. New Health & Welfare premiums effective January 1, plus cost-of-living allowance (COLA) increases to wages, were the major causes of the increase.

Wage Index

The Wage Index portion of the Labor Index is forecast to increase 0.5 percent. COLA wage increases for most unions, plus a smaller COLA wage increase for non-union employees, caused the increase.

National Wage Increases: Effective January 1, a 15 cent cost-of-living adjustment will be rolled into basic rates of pay for all of the major national unions except the BMWED and the BRS. The BMWED will receive an 8 cent increase in its cost-of-living allowance, and the BRS does not have a provision for cost of living adjustments in its current contract. [Appendix H contains common railroad and union abbreviations.]

Independent Wage Increases: Independent wage and COLA increases added \$0.028 to the straight time hourly rate. Independent BLET increases for Norfolk Southern (2 percent general wage increase) and BNSF Railway (15 cent COLA) had the biggest impact because of the large number of employees involved. Many of the other independent contracts had 15 cent COLA increases. Most of these contracts involved CN's U.S. railroads, CPR's Soo Line, dispatchers for BNSF Railway and Kansas City Southern. Non-union employee groups were assigned a 1 cent COLA.

Lump Sums: The lump sum rate decreased as a large CN amount, related mostly to last year's new U.S. railroad contracts with the IAM and NCFO, was fully amortized and removed from the rate. Two amounts were added for bonuses in new contracts for the CN's DMIR and DW&P, but these were small amounts that affected less than 10 employees.

Back Pay: The back pay rate increased because of the complete amortization and removal of a negative amount relating to last year's new agreements with some of CN's U.S. railroads that caused some amounts to be owed by employees for Health & Welfare cost sharing. In addition, some small amounts were added relating to the new contracts for some additional CN (IC, DMIR, DWP, & BLE) railroads with some unions that have few railroad employees.

Other: Other wages contains the amortization of a profit sharing payment that the BNSF Railway makes each year to its dispatchers, yardmasters, and engineers. The current amortization is for a profit sharing payment made in early 2006 for performance in 2005. The rate is unchanged.

Labor

First Quarter 2007

Supplements Index

Higher Health & Welfare premiums are the major cause for the Supplements Index to increase 3.1 percent.

Health & Welfare: New Health & Welfare premiums (see pages 4 and 5 of this Appendix) become effective on January 1, causing the Health & Welfare hourly rate to increase \$0.42 in spite of increased employee Health & Welfare cost sharing that offsets some employer costs.

Railroad Retirement: New Tier II tax rates and taxable earnings become effective January 1. The Tier II tax rate decreased (see page 4 of this Appendix), resulting in lower railroad retirement costs.

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 2007) to 12 percent on monthly employee compensation up to \$1,230. The weighted-average 2007 unemployment insurance rate for the Class I railroads is 2.47 percent, which is higher than 2006's 2.36 percent (see page 4 of this Appendix). Because of the higher tax rate, the unemployment insurance hourly rate increased 7.5 percent, or 1.3 cents.

Other: The "Other" category is a reflection of all other fringe benefits, and currently contains employer contributions to employee 401(k) accounts, plus employer contributions to employee stock plans that are recorded as fringe benefits. This is unchanged from the prior quarter.

Labor Index Calculation

As shown in Table A-1 on the next page, the 0.5 percent increase in the Wage Index and the 3.1 percent increase in the Supplements Index had a combined effect of a 1.5 percent increase in the Labor Index. The linked first quarter 2007 index is 297.4.

Labor

First Quarter 2007

Table A-1 Labor Index

	2006Q4	2007Q1	Change	
			Percent	Amount
Base Wage – Straight Time & Pay For Time Not Worked	\$29.521	\$29.676	0.5%	\$0.155
Adjustments:				
Lump Sum	0.096	0.091	-5.2%	-0.005
Back Pay	0.016	0.018	12.5%	0.002
Other	0.161	0.161	0.0%	0.000
Total Wages	<u>29.794</u>	<u>29.946</u>	0.5%	0.152
Health & Welfare Benefits	5.131	5.551	8.2%	0.420
RR Retirement & Medicare	6.291	6.217	-1.2%	-0.074
Unemployment Insurance	0.173	0.186	7.5%	0.013
Other	0.063	0.063	0.0%	0.000
Total Supplements	<u>\$11.658</u>	<u>\$12.017</u>	3.1%	0.359
Total Labor	\$41.452	\$41.963		
Wage Index¹	255.0	256.3	0.5%	
Supplements Index²	430.8	444.1	3.1%	
Total labor Index, 2005 Weights ³	303.5	308.1		
Labor Index (linked)⁴	293.0	297.4	1.5%	

¹ 1980 wage rate \$11.685

² 1980 supplements rate \$2.706

³ 2005 weights: wages, supplements 72.4% 27.6%

⁴ 2007Q1 linked Index = 2006Q4 linked x (2007Q1 / 2006Q4)
 = 293.0 x 308.1 / 303.5

Labor

First Quarter 2007

Supplement Comparisons

Health and Welfare Rates

Plan	Railroad Contribution Per Employee Per Month				
	2005	2006	2007	Change	
				'05-'06	'06-'07
Group Health & Life	\$948.19	\$1,001.02	\$1,097.66	5.6%	9.7%
Early Retirement Major Medical	90.57	87.86	89.06	-3.0%	1.4%
Group Dental	47.20	47.20	47.14	0.0%	-0.1%
Group Vision	10.84	10.66	10.70	-1.7%	0.4%
Supplemental Sickness					
Maintenance of Way	36.00	36.00	36.06	0.0%	0.2%
Shop Crafts	61.00	61.00	61.06	0.0%	0.1%
Signalmen	32.00	32.00	32.06	0.0%	0.2%
Yardmasters	44.48	47.06	41.13	5.8%	-12.6%

Railroad Retirement and Medicare

	Earnings Base			Employer Rate		
	2005	2006	2007	2005	2006	2007
Tier I	\$90,000	\$94,200	\$97,500	6.20%	6.20%	6.20%
Tier II	66,900	69,900	72,600	12.60%	12.60%	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		
2005	2006	2007	2005	2006	2007
\$1,150	\$1,195	\$1,230	2.29%	2.36%	2.47%

Labor
First Quarter 2007

NATIONAL RAILWAY LABOR CONFERENCE
EMPLOYEE BENEFITS DEPARTMENT

1901 L STREET, N.W., WASHINGTON, D.C. 20036-3514 ♦♦♦♦ PHONE: (202) 862-7200 FAX: (202) 862-7253
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November 17, 2006

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

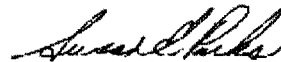
Dear Mr. Crimmel:

The revised employer Payment Rates which are effective January 1, 2007 are as follows:

Aetna - Supplemental Sickness Plans	
ShopCrafts	\$ 61.06
Signalmen	\$ 32.06
Maintenance of Way	\$ 36.06
Trustmark - Supplemental Sickness Plans	
Yardmasters	\$ 41.13
Railroad Employees National Health & Welfare Plan & National Railway Carriers/United Transportation Union H&W Plan	
Non-Hospital Road	\$1,097.66
Railroad Employees National Early Retirement Major Medical Benefit Plan	
Non-Hospital Road	\$ 89.06
Aetna - National Dental Plan	\$ 47.14
VSP - National Vision Plan	\$ 10.70

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

Very truly yours,



Susan E. Parks

cc: Glen Williams

Fuel

First Quarter 2007

The forecast for fuel is based on: (1) a survey of railroad fuel purchasing officers concerning current price and volume levels, (2) expectations of railroad purchasing officers based on their own forecast models and discussions with their major suppliers, and (3) a consensus of petroleum industry experts and general business publications.

Since peaking in August, locomotive diesel fuel prices have declined for two consecutive months. Crude oil* followed a similar pattern, with prices falling from the \$70s to the \$50s, resulting in OPEC members discussing production cuts. New England heating oil** inventories were above average through the middle of November, although supplies of diesel fuel were not as plentiful.

In the previous (fourth) quarter, railroads did not anticipate the worldwide drop in oil prices during September and October. The railroads may have based their October forecast on August's record price levels, causing their forecasts to be too high. The railroads believe that January (first quarter) locomotive diesel fuel prices will be 14.3 percent *lower* than the October (fourth quarter) forecast, but 9.2 percent above the fourth quarter price actually experienced.

Forecast Fuel Index	245.9
Change from previous quarter forecast	-14.3%
Change from previous quarter actual	9.2%

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

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

Materials & Supplies

First Quarter 2007

The Materials & Supplies Index increased 1.4 percent from the fourth quarter of 2006. Regional ballast purchases plus higher prices for creosote and locomotive lube oil were major contributors to the increase.

2007Q1 Materials & Supplies Index = 207.1

2006Q4 Materials & Supplies Index = 204.3

Difference	2.8 basis points
	or
	1.4 %

Equipment Rents

First Quarter 2007

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

Car Hire

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

Lease Rentals

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

Equipment Rent Index Calculation

The Car Hire portion of the Index decreased slightly, caused by rate decreases for privately-owned cars. A 1.2 percent decrease in the PPI-LF forecast (see Appendix G) used as a proxy for Lease Rentals combined with the decrease in the Car Hire Index caused the overall Equipment Rent Index to decline 0.7 percent.

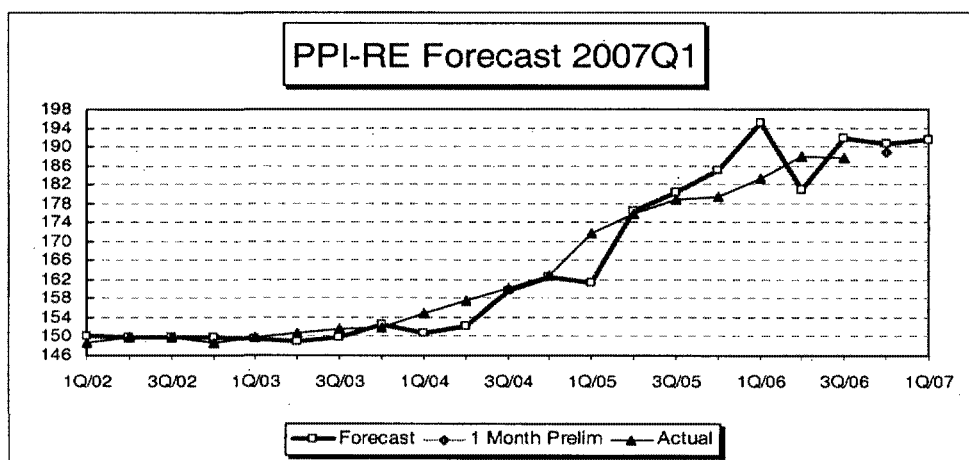
	2005 Weight	2006Q4	2007Q1	Percent Change
Car Hire	49.2%	176.5	176.3	-0.1 %
Lease Rentals	50.8%	190.9	188.6	-1.2
Weighted Average		183.8	182.5	-0.7
Weighted Average (Linked)		189.5	188.2	-0.7

Depreciation

First Quarter 2007

The Producer Price Index for Railroad Equipment (PPI-RE) is used to index depreciation expense. The PPI-RE is forecast using an ARIMA process on 6 years of monthly data (a sample size of 72) with the most recent available monthly data being the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent monthly data available. April and July would be the most recent months available for third and fourth quarter forecasts, respectively. The output from the forecast model is shown on page 2 of this appendix for 1982=100. The figure forecast by the model reflects monthly PPI-RE figures that are increasing at lower rates than earlier in the year. The first quarter forecast is 0.5 percent higher than the previous quarter's forecast.

Forecast of Depreciation Index (1982=100)	173.2
Forecast of Depreciation Index (1980=100)	191.6
Change from previous quarter forecast	0.5%
Change from actual first month of previous quarter	1.5%
Change from same quarter of prior year (actual)	4.6%



Depreciation

First Quarter 2007

PPI RAIL EQUIPMENT

Recommended model: Exponential Smoothing

Forecast Model for PPIRE

Holt exponential smoothing: Linear trend, No seasonality

Confidence limits proportional to level

Component	Smoothing Weight	Final Value
Level	0.99994	170.60
Trend	0.10894	0.65911

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 145.7	Standard deviation 13.11
R-square 0.992	Adjusted R-square 0.9919
Durbin-Watson 1.795	** Ljung-Box(18)=41.3 P=0.9986
Forecast error 1.181	BIC 1.236
MAPE 0.004482	RMSE 1.164
MAD 0.685	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2006-05	169.600
2006-06	171.300
2006-07	169.300
2006-08	169.500
2006-09	170.300
2006-10	170.600

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2006-11	168.610	171.259	173.908
2006-12	167.963	171.918	175.874
2007-01	167.650	172.577	177.504
2007-02	167.500	173.236	178.973
2007-03	167.451	173.896	180.340
QTR AVG	167.534	173.236	178.939
2007-04	167.472	174.555	181.637
2007-05	167.546	175.214	182.881
2007-06	167.662	175.873	184.084

Interest

First Quarter 2007

The Interstate Commerce Commission, in its decision served February 28, 1989, revised the All-Inclusive Index methodology to include a specific interest component, which is to track changes in the average interest rate from year to year. The interest rate is essentially the embedded cost of debt, i.e., total interest expense divided by average total long term debt. The interest rate is calculated for the most recent year and used until the next year's figures are available. Typically in the fourth quarter filing, the interest rate is updated to the new level. The source for interest expense is Schedule 210, column b, from the R-1 annual report. The lines used from current R-1 annual reports are listed below. The source for average total debt is Schedule 200 from the R-1 annual report. The sums of data from columns b and c (ending and beginning balances) are combined and divided by 2 to compute an average balance. The line numbers are listed below. Beginning with fourth quarter 2006, the Interest Index is based on data for 2005.

Interest Expense (Schedule 210)

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

Average Total Debt (Schedule 200)

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

2005	Interest Rate	7.61%
1980	Interest Rate	7.85%
2007Q1	Interest Index	96.9
2006Q4	Interest Index	96.9
	Percent Change	0.0%

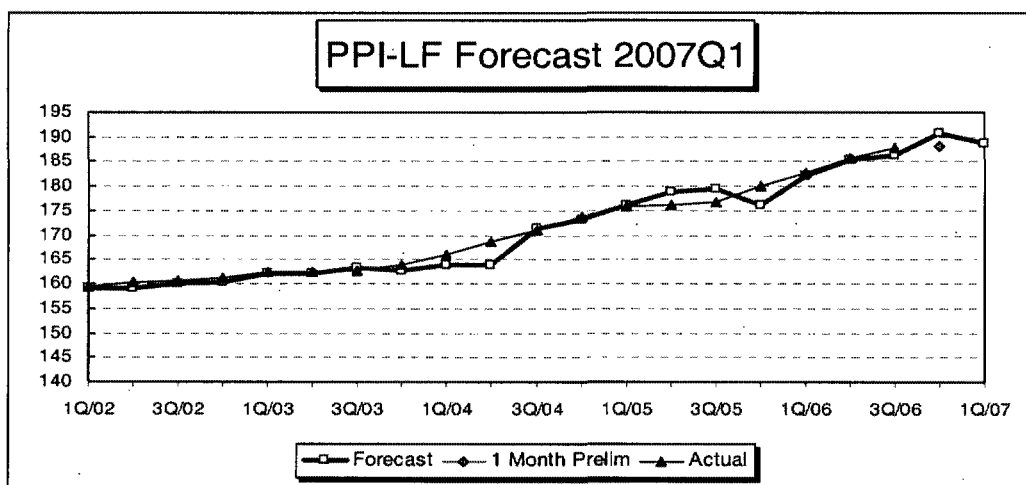
Other Expenses

First Quarter 2007

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

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

Forecast of Other Expense Index (1982=100)	168.2
Forecast of Other Expense Index (1980=100)	188.6
Change from previous quarter forecast	-1.2%
Change from actual first month of previous quarter	0.3%
Change from same quarter of prior year (actual)	3.2%



Other Expenses

First Quarter 2007

PPI INDUSTRIAL COMMODITIES LESS FUEL AND RELATED PRODUCTS AND POWER

Recommended model: Exponential Smoothing

Forecast Model for PPILF

Multiplicative Winters: Linear trend, Multiplicative seasonality

Confidence limits proportional to indexes and level

Component	Smoothing Weight	Final Value	Seasonal Indexes			
Level	0.93235	167.48	January - March	1.00041	0.99983	0.99972
Trend	0.37068	0.18467	April - June	0.99967	1.00005	0.99985
Seasonal	0.99976		July - September	1.00022	0.99982	0.99985
			October - December	1.00132	1.00023	0.99902

Within-Sample Statistics

Sample size 72	Number of parameters 3
Mean 150.5	Standard deviation 8.407
R-square 0.9976	Adjusted R-square 0.9975
Durbin-Watson 1.413	* Ljung-Box (18) =29.4 P=0.9562
Forecast error 0.417	BIC 0.4463
MAPE 0.002134	RMSE 0.4082
MAD 0.3245	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2006-05	166.400
2006-06	166.800
2006-07	167.300
2006-08	167.300
2006-09	167.700
2006-10	167.700

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2006-11	166.751	167.703	168.655
2006-12	166.140	167.683	169.227
2007-01	166.137	168.102	170.067
2007-02	165.878	168.189	170.500
2007-03	165.744	168.355	170.966
QTR AVG	165.920	168.215	170.511

Railroad and Union Abbreviations

First Quarter 2007

Railroads

BLE	Bessemer & Lake Erie Railroad (Part of CN's Grand Trunk Corp.)
BNSF	BNSF Railway Company
CC	Chicago, Central & Pacific (Part of CN's Grand Trunk Corp. Sometimes noted as CC&P.)
CN	Canadian National Railway (Commonly known as CN, owns Grand Trunk Corporation.)
CNGT	AAR's abbreviation for Grand Trunk Corporation (Almost all of CN's U.S. operations.)
CP	Canadian Pacific Railway (Also noted as CPR. Owns the U.S. Class I railroad Soo Line.)
CSX	CSX Transportation
DMIR	Duluth, Missabe & Iron Range Company (Part of CN's Grand Trunk Corp.)
DWP	Duluth, Winnipeg & Pacific Railway (Part of CN's Grand Trunk Corp.)
GTW	Grand Trunk Western Railroad (Part of CN's Grand Trunk Corp.)
IC	Illinois Central Railroad (Part of CN's Grand Trunk Corp.)
KCS	Kansas City Southern Railway
NS	Norfolk Southern Combined Railroad Subsidiaries (a.k.a. Norfolk Southern Railway or NS Rail)
SOO	Soo Line Railroad (Canadian Pacific Railway's western U.S. operations.)
SSAM	Sault Saint Marie Bridge Company (Part of CN's Grand Trunk Corp.)
UP	Union Pacific Railroad
WC	Wisconsin Central and subsidiaries (Part of CN's Grand Trunk Corp.)

Major Unions Involved with Railroads

ATDA	American Train Dispatchers Association
BLET	Brotherhood of Locomotive Engineers and Trainmen Division of the International Brotherhood of Teamsters
BMWED	Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters
BRS	Brotherhood of Railroad Signalmen
IAM	International Association of Machinists and Aerospace Workers
IBBM	International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers
IBEW	International Brotherhood of Electrical Workers
NCFO	National Conference of Firemen and Oilers
SMW	Sheet Metal Workers' International Association
TCU	Transportation Communication International Union
TCU-Carmen	Brotherhood of Railway Carmen Division of the Transportation Communications International Union
UTU	United Transportation Union
UTU-Yard	United Transportation Union Yardmaster Department (also noted as UTU-YMD)

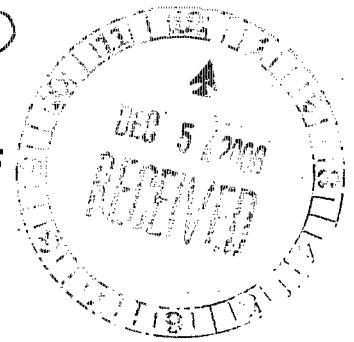
Predecessor Unions (Some AAR databases use these old abbreviations.)

BLE	Brotherhood of Locomotive Engineers (predecessor to BLET)
BMWED	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)

218210

Workpapers Sent to STB for 2007 Q1 RCAF

December 5, 2006



1. Index Calculation Spreadsheet (index_calc.xls, 2 pages)
2. Summary (of ST and PFTNW Hourly Rates)
3. Taxable wages adjustment calculation
4. National Contracts spreadsheet, 2 sections (2 and 5 pages)
5. National Increase Applicability and U.S. 2005 Benchmark spreadsheets
6. National Contracts COLA information from NRLC (2 pages)
7. 2 independent general wage increase pages from contracts
8. Wall Street Journal - 3 month Treasury Bill Rate
9. 2006/Q3 RCAF Lump Sum Amortization (3 pages)
10. 2 independent contract pages relating to bonus paid in new contract
11. 2006/Q4 RCAF Back Pay Amortization (5 pages)
12. Pages from new independent contracts for B&LE UTU (4), DWP BRS (3), DMIR SMW (2), IC IBBM (2)
13. Health & Welfare worksheet (3 pages)
14. 2 pages of employee cost sharing info from NRLC
15. 1 page Health & Welfare employer payment rates from NRLC
16. Railroad Retirement spreadsheet (5 pages)
17. RRB Tax Rates and Maximum Taxable Earnings from RRB web site
18. Unemployment Ins. worksheet, 1-page memo for rate, 2 pages from RRB
19. 2-page SAS run for Unemployment Insurance
20. Six pages of information on oil prices (AAR, Bloomberg, EIA)
21. Summary of Materials & Supplies
22. Car Hire Spreadsheet (2 pages) plus source data (2-pages)
23. 5 pages of PPI-RE for Depreciation including graph, input/output, and BLS data
24. 5 pages of PPI-LF for Other (and Lease Rentals) incl. graph, input/output, BLS data
25. Forecast Error calculation and workpapers (9 pages)

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Public Record

All Inclusive Index and RCAF

	05 Wts	3Q/06 04 Wts	3Q/06 05 Wts	% Chg	4Q/06	% Chg	1Q/07	% Chg	2Q/07	% Chg	3Q/07	% Chg
Labor	0.353	292.10	292.1	0.0%	293.0	0.3%	297.4	1.5%	0.0 #####	--	#DIV/0!	--
Fuel	0.160	265.20	265.2	0.0%	287.0	8.2%	245.9	-14.3%	--	--	--	--
M&S	0.046	197.20	197.2	0.0%	204.3	3.6%	207.1	1.4%	--	--	--	--
Equip. Rents	0.082	187.30	187.3	0.0%	189.5	1.2%	188.2	-0.7%	0.0 #####	--	#DIV/0!	--
Depreciation	0.111	191.90	191.9	0.0%	190.6	-0.7%	191.6	0.5%	--	--	--	--
Interest	0.031	92.70	92.7	0.0%	96.9	4.5%	96.9	0.0%	96.9 0.0%	0.0%	96.9	0.0%
Other	0.217	186.30	186.3	0.0%	190.9	2.5%	188.6	-1.2%	--	--	--	--
Weighted Avg.	1.000	232.30	234.6	1.0%	239.9	2.3%	234.5	-2.3%	3.0 -98.7%	--	#DIV/0!	--
Linked		230.00			235.2	2.3%	229.9	-2.3%	2.9 -98.7%	--	#DIV/0!	--
10/1/80 basis		224.00			229.0	2.2%	223.9	-2.2%	2.8 -98.7%	--	#DIV/0!	--
10/1/82		190.20			194.5	2.3%	190.2	-2.2%	2.4 -98.7%	--	#DIV/0!	--
4Q/87		174.00			177.9	2.2%	173.9	-2.2%	2.2 -98.7%	--	#DIV/0!	--
4Q/92		146.60			149.9	2.3%	146.5	-2.3%	1.8 -98.8%	--	#DIV/0!	--
4Q/97		132.80			135.8	2.3%	132.7	-2.3%	1.7 -98.7%	--	#DIV/0!	--
4Q/02 basis		119.70			122.4	2.3%	119.7	-2.2%	1.5 -98.7%	--	#DIV/0!	--
Car Hire	0.492	177.00	177.0	0.0%	176.5	-0.3%	176.3	-0.1%	--	--	--	--
Lease Rents	0.508	186.30	186.3	0.0%	190.9	2.5%	188.6	-1.2%	0.0	--	0.0	--
Wghted Avg Eq Rents		181.60	181.7	0.1%	183.8	1.2%	182.5	-0.7%	0.0	--	0.0	--
Linked Equipment Rents		187.30			189.5	1.2%	188.2	-0.7%	0.0 #####	--	#DIV/0!	--
Preliminary RCAF		1.197			1.224	2.26%	1.197	-2.2%	0.015 -98.7%	--	#DIV/0!	--
Forecast Error Adj.		(0.005)			0.026		0.011					
RCAF Unadjusted		1.192			1.250	4.87%	1.208	-3.4%	0.015 -98.8%	--	#DIV/0!	--
PAF		2.1061			2.1160	0.47%	2.1259	0.47%		--		--
RCAF Adjusted		0.566			0.591	4.42%	0.568	-3.9%	#DIV/0!	--	#DIV/0!	--
PAF-5		2.2087			2.2246	0.72%	2.2351	0.47%		--		--
RCAF-5		0.540			0.562	4.07%	0.540	-3.9%	#DIV/0!	--	#DIV/0!	--

RCAF Taxable Wages

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

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

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

Reduction Calculation for 1Q/2007

U.S. ST Hours =

334,493,612

Wage Statistics are for 2005.

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, UP)	27,634	(\$146.62)	(\$48,620,364.96)
National BMWE (BNSF, CSX, KCS, NS, UP)	23,266	\$0.00	\$0.00
National BRS (BNSF, CSX, KCS, NS, UP)	5,641	(\$100.00)	(\$6,769,200.00)
National IAM (BNSF, CSX, KCS, NS, UP)	6,516	(\$122.39)	(\$9,569,918.88)
National IBBM (BNSF, CSX, KCS, NS, UP)	1,190	(\$137.65)	(\$1,965,642.00)
National IBEW (BNSF, CSX, KCS, NS, UP)	4,766	(\$146.97)	(\$8,405,508.24)
National NCFO (BNSF, CSX, KCS, NS, UP)	2,295	(\$146.52)	(\$4,035,160.80)
National SMW (BNSF, CSX, KCS, NS, UP)	1,054	(\$146.52)	(\$1,853,184.96)
National TCU (BNSF, CSX, KCS, NS, UP)	8,681	(\$137.70)	(\$14,344,484.40)
National TCU-CAR (BNSF, CSX, KCS, NS, UP)	10,337	(\$137.95)	(\$17,111,869.80)
National UTU (BNSF, CSX, KCS, NS, UP)	42,709	(\$148.98)	(\$76,353,441.84)
National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,670	(\$146.46)	(\$2,935,058.40)
Indep. Dispatchers (wt avg BNSF, CSX, KCS, NS)	1,754	(\$143.43)	(\$3,018,914.64)
Independent CNGT (wt avg all 104 union categories)	6,044	(\$59.09)	(\$4,285,679.52)
Independent SOO (wt avg all 13 unions)	2,556	(\$106.86)	(\$3,277,609.92)
Independent UP (Yardmasters only)	503	(\$137.70)	(\$831,157.20)
Total Union	146,616		(\$203,377,195.56)
All Other @ \$3,290,694.95 total per month			(\$39,488,339.40)
Total			(\$242,865,534.96)

Reduction in Wage Rate Per ST Hour	-\$0.72606928
Deduct this amount from the Wage Rate	-\$0.726

National Contracts U.S.

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLE	SMWIA	BRS	BMWE	TCU-CAR	IBFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER
Weight	0.26964	0.0491	0.19925	0.00569	0.03319	0.13430	0.06041	0.01261	0.0363	0.00699	0.02715	0.0131	0.01194	0.14032
2005 Avg.	7.252	5.297	7.822	4.079	4.740	3.356	3.506	3.084	4.382	2.651	3.935	5.724	6.878	1.309
12/31/05	7.278	5.315	7.845	4.093	4.741	3.366	3.519	3.097	4.434	2.661	3.948	5.746	6.896	1.309
1/1/06	7.384	5.382	7.904	4.148	4.741	3.395	3.567	3.147	4.434	2.702	4.001	5.746	6.930	1.314
4/1/06	7.384	5.382	7.904	4.148	4.741	3.395	3.567	3.147	4.434	2.702	4.001	5.746	6.930	1.314
7/1/06	7.387	5.385	7.906	4.149	4.741	3.397	3.568	3.149	4.436	2.703	4.003	5.746	6.931	1.314
10/1/06	7.387	5.385	7.906	4.149	4.741	3.397	3.568	3.149	4.436	2.703	4.003	5.746	6.931	1.314
1/1/07	7.439	5.417	7.934	4.176	4.741	3.410	3.591	3.173	4.466	2.723	4.028	5.746	6.947	1.314
4/1/07	7.439	5.417	7.934	4.176	4.741	3.410	3.591	3.173	4.466	2.723	4.028	5.746	6.947	1.314
7/1/07	7.439	5.417	7.934	4.176	4.741	3.410	3.591	3.173	4.466	2.723	4.028	5.746	6.947	1.314

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLE	SMWIA	BRS	BMWE	TCU-CAR	IBFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2005 Avg.	1.956	0.260	1.559	0.023	0.157	0.451	0.212	0.039	0.159	0.019	0.107	0.075	0.082	0.184	5.281
12/31/05	1.963	0.261	1.563	0.023	0.157	0.452	0.213	0.039	0.161	0.019	0.107	0.075	0.082	0.184	5.299
1/1/06	1.991	0.264	1.575	0.024	0.157	0.456	0.215	0.040	0.161	0.019	0.109	0.075	0.083	0.184	5.353
4/1/06	1.991	0.264	1.575	0.024	0.157	0.456	0.215	0.040	0.161	0.019	0.109	0.075	0.083	0.184	5.353
7/1/06	1.992	0.264	1.575	0.024	0.157	0.456	0.216	0.040	0.161	0.019	0.109	0.075	0.083	0.184	5.355
10/1/06	1.992	0.264	1.575	0.024	0.157	0.456	0.216	0.040	0.161	0.019	0.109	0.075	0.083	0.184	5.355
1/1/07	2.006	0.266	1.581	0.024	0.157	0.458	0.217	0.040	0.162	0.019	0.109	0.075	0.083	0.184	5.382
4/1/07	2.006	0.266	1.581	0.024	0.157	0.458	0.217	0.040	0.162	0.019	0.109	0.075	0.083	0.184	5.382
7/1/07	2.006	0.266	1.581	0.024	0.157	0.458	0.217	0.040	0.162	0.019	0.109	0.075	0.083	0.184	5.382

SMWIA

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

BRS

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

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

BMWE

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

U.S. National Contract

Page 4 of 5

IBBM

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

IBEW

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

ATDA

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

National Increase Applicability for U.S. Total

Union	Year 2005 ST Hours Pd	Not Part of National Agreements*														U.S.	
		CSX (E)	BLE (E)	DMIR (E)	GTW (E)	IC (E)	CCP (E)	DWP (E)	SSAM (E)	WC (E)	NS (E)	BNSF (W)	KCS (W)	SOO (W)	UP (W)	National Increase	Percent National Contract
UTU	90,194,367	--	36,356	102,790	594,588	1,438,463	143,317	75,479	14,080	642,161	--	--	--	1,343,813	--	85,803,320	95.132%
TCU	16,424,053	--	27,063	127,992	307,009	496,008	26,641	6,621	0	122,956	--	--	--	478,159	--	14,831,604	90.304%
BLET	66,649,368	--	21,837	64,021	428,921	920,755	107,898	66,739	14,474	553,569	9,662,056	18,958,810	--	1,094,546	--	34,755,742	52.147%
SMW	1,904,797	--	0	4,773	0	34,897	0	0	0	0	--	--	--	3,527	--	1,861,600	97.732%
BRS	11,103,074	--	9,431	0	107,952	204,349	30,011	11,628	0	105,824	--	--	--	112,661	--	10,521,218	94.760%
BMWE	44,921,797	--	64,328	0	442,094	968,038	169,631	0	85,090	894,782	--	--	--	935,489	--	41,362,345	92.076%
TCU-CAR	20,205,954	--	42,749	63,726	231,738	563,599	27,278	18,544	0	289,942	--	--	--	294,360	--	18,674,018	92.418%
IBFO	4,216,762	--	3,520	0	31,654	84,164	1,872	0	0	0	--	--	--	70,235	--	4,025,317	95.460%
IAM	12,143,150	--	9,693	49,046	21,310	281,970	8,753	3,539	0	39,585	--	--	--	169,503	--	11,559,751	95.196%
IBBM	2,339,252	--	0	6,054	0	56,204	160	0	0	0	--	--	--	64,528	--	2,212,306	94.573%
IBEW	9,081,733	--	11,757	66,189	32,345	202,038	12,080	3,440	8,822	32,417	--	--	--	109,734	--	8,602,911	94.728%
ATDA	4,380,534	754,424	0	9,068	28,627	78,159	0	8,148	0	58,179	845,263	1,195,728	68,395	85,309	1,249,234	0	0.000%
UTU-YMC	3,993,630	1,113,752	0	0	65,939	79,787	0	0	0	44,934	--	--	--	72,232	916,077	1,700,909	42.591%
OTHER	46,935,141	--	--	--	--	--	--	--	--	--	--	--	--	--	--	46,935,141	100.000%
TOTAL	334,493,612	1,868,176	226,734	493,659	2,292,177	5,408,431	527,641	194,138	122,466	2,784,349	10,507,319	20,154,538	68,395	4,834,096	2,165,311	282,846,182	1137.116%

Sum (for proofing)

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

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

Percentages are full float.

ATDA (dispatchers) are independent for each railroad.

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

NATIONAL RAILWAY LABOR CONFERENCE

ECONOMIC RESEARCH DEPARTMENT

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October 18, 2006

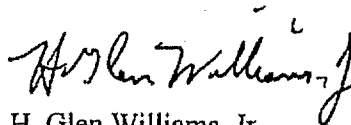
January 1, 2007 Cost-of-Living Allowance
Under 2000-Round National Agreements
BLE, UTU, UTU-Yardmasters, TCU-Clerks,
TCU-Carmen, IBB, NCF&O, IBEW, IAM, SMWIA

CIRCULAR NO. 831-15 (BLE)
CIRCULAR NO. 832-15 (UTU and YARDMASTERS)
CIRCULAR NO. 834-13 (CLERKS)
CIRCULAR NO. 837-13 (CARMEN)
CIRCULAR NO. 838-13 (IBB)
CIRCULAR NO. 839-1a (NCF&O)
CIRCULAR NO. 840-13 (IBEW)
CIRCULAR NO. 841-10 (IAM)
CIRCULAR NO. 842-12 (SMWIA)

TO MEMBER ROADS:

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

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


H. Glen Williams, Jr.

NS BLET

ARTICLE II - SIGNING BONUS

- (a) Not later than three months after the date of this Agreement each employee covered by this Agreement who qualifies under subsection (b) shall be paid a Lump Sum of \$2,000.00. Such Lump Sum shall be paid in a separate check and shall be subject to withholdings for applicable Federal, State and Local Taxes.
- (b) To qualify for the Lump Sum an employee must:
- (1) have an employment relationship with the Carrier as of April 1, 2003 or have retired or died subsequent to the date of this Agreement; and
 - (2)
 - (i) have compensation for active service performed during the period February 1, 2003 through March 31, 2003, or
 - (ii) have been on authorized leave for such entire period of personal illness, on-duty injury, or pursuant to the Family and Medical Leave Act, and return to active service not later than August 1, 2003, or
 - (iii) have been out of service for such entire period due to Carrier disciplinary action that is subsequently rescinded or overturned with pay for all time lost.
- (c) There shall be no duplication of the lump sum payment by virtue of employment under an agreement with another organization, nor will such payment be used to offset, construct or increase guarantees in protection agreement or arrangements. Engineers receiving a lump sum payment under a separate agreement, such as the Longevity Bonus contained in the 2002 UTU National Agreement, will receive the difference between that amount and \$2,000.00 (if otherwise eligible for the signing bonus).

ARTICLE III - WAGESSection 1 - First General Wage Increase

Effective January 1, 2005 all standard basic daily rates of pay for employees represented by the Brotherhood of Locomotive Engineers in effect on December 31, 2004 shall be increased by four (4) percent.

Section 2 - Second General Wage Increase

Effective January 1, 2007 all standard basic daily rates of pay for employees represented by the Brotherhood of Locomotive Engineers in effect on December 31, 2006 shall be increased by two (2) percent.

FMAC GOLD	5.0%	98-17	+02	5.1	77	...
FNMA	5.0%	98-19	+02	5.0	72	-1
GNMA	5.0%	98-28	+01	5.3	67	...

*Extrapolated from benchmarks based on projections from Bear Stearns prepayment interest rates remain unchanged. ** Government guaranteed.

International Government Bonds

COUPON	MATURITY MO/YR	PRICE	CHANGE	YIELD*	COUPON
Japan (3 p.m. Tokyo)					
1.10%	12/08	100.67	+0.10	0.77%	3.50%
1.40	12/11	100.91	+0.24	1.21	3.50
1.80	09/16	101.05	+0.29	1.68	3.75
2.50	09/36	101.74	+0.27	2.40	4.00
United Kingdom (5 p.m. London)					
4.00%	03/09	97.96	+0.02	4.950%	4.25%
4.25	03/11	97.78	+0.03	4.827	3.75
4.00	09/16	95.80	+0.14	4.535	4.00
4.25	03/36	103.53	+0.20	4.043	5.75
Germany (3 p.m. Frankfurt)					
3.50%	12/08	100.67	+0.10	0.77%	3.50%
3.50	12/11	100.91	+0.24	1.21	3.50
3.75	09/16	101.05	+0.29	1.68	3.75
4.00	09/36	101.74	+0.27	2.40	4.00
Canada (3 p.m. Toronto)					
4.25%	03/09	97.96	+0.02	4.950%	4.25%
3.75	03/11	97.78	+0.03	4.827	3.75
4.00	09/16	95.80	+0.14	4.535	4.00
5.75	03/36	103.53	+0.20	4.043	5.75

*Equivalent to semi-annual compounded yields to maturity

Guaranteed Investment Contracts

GIC rates quoted prior to 10:30 am (Eastern) net of all expenses, quote for a \$2-\$5 million immediate lump sum deposit with annual interest rate; as of 10:30 am (Eastern), versus the index rate used. CHANGE reflects change in rate from previous day. Index is average of Source: T. Rowe Price GIC Index

	2 YEARS		3 YEARS		4 YEARS	
	RATE %	CHANGE	RATE %	CHANGE	RATE %	CHANGE
High	5.15	-0.05	5.15	-0.04	5.20	-0.04
Low	4.85	...	4.64	-0.03	4.70	-0.04
Index	5.02	-0.03	4.98	-0.04	5.02	-0.04

Top Quartile Range (in percent)

5.15	5.10	5.15	5.09	5.20
------	------	------	------	------

Spread vs. Treasuries

+0.25	+0.31	+0.42
-------	-------	-------

Total Rates of Return on International

In percent, based on J.P. Morgan Government Bond Index, Dec. 31.

LOCAL CURRENCY TERMS					
INDEX VALUE	1 DAY	1 MO	3 MOS	SINCE 12/31	
Japan	222.86	+0.21	+0.68	+1.27	+0.01
Britain	497.25	+0.19	+1.49	+2.10	+1.74
Germany	323.62	+0.14	+1.04	+2.11	+0.89
France	432.03	+0.15	+1.10	+2.15	+0.76
Canada	498.57	...	+1.47	+2.47	+3.67
Netherlands	345.99	+0.15	+1.03	+2.07	+1.09
EMU-d	229.68	+0.15	+1.14	+2.23	+0.84
Broad-a	369.38	+0.14	+1.07	+2.02	+1.43
EMBI-b	401.27	+0.03	+1.57	+3.55	+8.86

a-27 int'l govt. markets. b-external-currency emerging mkt. debt, Dec 31, 1993-100.

High-Yield Bonds

Monday, November 20, 2006

Ten most active fixed-coupon high-yield, or "junk", corporate bonds

COMPANY (TICKER)	COUPON	MATURITY
Lear Corp (LEA)	8.110	May 15, 2009
Lear Corp (LEA)	5.750	Aug 01, 2014
GMAC LLC (GM)	8.000	Nov 01, 2031
Delta Air Lines Inc (DALR)	8.300	Dec 15, 2029
Freeport-McMoran Copper & Gold Inc (FCX)	6.875	Feb 01, 2014
Northwest Airlines Inc (NWA)	10.000	Feb 01, 2009
Tembec Industries Inc (TEMBEC)	8.625	Jun 30, 2009
GMAC LLC (GM)	7.250	Mar 02, 2011
Progressive Gaming International Corp (PGIC)	11.875	Aug 15, 2008
Russel Metals Inc (RUSCH)	6.375	Mar 01, 2014

Volume represents total volume for the market; price/yield data are for trades of \$100 basis points is one percentage point; over the 2, 3, 5, 10 or 30-year hot run Treasury note; 4.625 10/11; 10-year: 4.625 11/16; 30-year: 4.500 02/36. †Comparable U.S. Treasury

Source: MarketAxess Corporate BondTicker

Group Inc (G)	5.650	Dec 11, 2034	102.780	5.651	98	30	40,000
Domination Resources Inc (D)	5.600	Nov 15, 2016	100.172	5.577	98	10	39,500
Bristol-Myers Squibb Co (BMY)	5.875	Nov 15, 2036	100.140	5.865	119	30	39,200
HSBC Finance Corp (HSBC)	5.250	Jan 15, 2014	99.821	5.278	67	10	38,715
HSBC Finance Corp (HSBC)	5.700	Jun 01, 2011	102.074	5.179	57	5	38,500
General Electric Capital Corp (GE)	5.875	Feb 15, 2012	103.311	5.142	55	5	38,399
International Lease Finance Corp (AIG)	4.750	Jan 13, 2012	97.642	5.279	68	5	38,310
Wells Fargo (WFC)	3.980	Oct 29, 2010	96.100	5.086	49	5	37,765
Ryder System Inc (R)	5.000	Apr 01, 2011	97.914	5.544	95	5	37,500
Time Warner Inc (TWX)	6.500	Nov 15, 2036	103.778	6.220	153	30	35,188
Energy Transfer Partners LP (ENTOIL)	5.650	Aug 01, 2012	100.575	5.529	93	5	34,209
Vodafone Group PLC (VOD)	5.500	Jun 15, 2011	100.623	5.342	74	5	33,399
Comerica Bank (CMA)	5.750	Nov 21, 2016	100.437	5.692	109	10	31,300
Countrywide Home Loans Inc (CFC)	4.125	Sep 15, 2009	97.099	5.246	59	3	30,661
Masco Corp (MAS)	6.125	Oct 03, 2016	101.000	5.988	139	10	30,030
CVS Corp (CVS)	4.000	Sep 15, 2009	96.860	5.214	55	3	29,500
Countrywide Home Loans Inc (CFC)	3.250	May 21, 2008	97.142	5.267	51	2	28,820
AT&T Inc (T)	4.125	Sep 15, 2009	97.188	5.212	55	3	28,662
Delphi Corp (DPH)	7.125	May 01, 2029	103.500	6.817	214	30	28,185
Washington Mutual Bank FA (WM)	6.875	Jun 15, 2011	105.890	5.399	81	5	28,178
Kroger Co (KR)	8.050	Feb 01, 2010	107.674	5.392	80	5	28,060
Lowes Co Inc (LOW)	5.800	Oct 15, 2036	100.830	5.740	106	30	27,560
JPMorgan Chase (JPM)	4.500	Jan 15, 2012	97.064	5.156	56	5	27,329

Volume represents total volume for each issue; price/yield data are for trades of \$1 million and greater. * Estimated spreads, in basis points (100 basis points is one percentage point), over the 2, 3, 5, 10 or 30-year hot run Treasury note/bond. 2-year: 4.875 10/08; 3-year: 4.625 11/09; 5-year: 4.625 10/11; 10-year: 4.625 11/16; 30-year: 4.500 02/36. †Comparable U.S. Treasury issue.

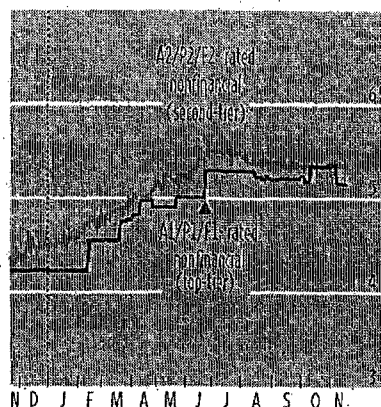
Source: MarketAxess Corporate BondTicker

Money Rates

The key U. S. and foreign annual interest rates below are a guide to general levels but don't always represent actual transactions.

Commercial Paper

Yields paid by corporations for short-term financing, typically for daily operation



N D J F M A M J J A S O N

'05 '06

Source: Federal Reserve

Prime Rate: 8.25% (effective 06/29/06). The base rate on corporate loans posted by at least 75% of the nation's 30 largest banks.

Discount Rate (Primary): 6.25% (effective 06/29/06). Federal Funds: 5.500% high, 5.190% low, 5.250% near closing bid, 5.375% offered. Effective rate: 5.27%. Source: Tullett Prebon Information, Ltd. Federal-funds target rate: 5.250% (effective 06/29/06).

Call Money: 7.00% (effective 06/29/06).

Commercial Paper: Placed directly by General Electric Capital Corp.: 5.23% 30 to 38 days; 5.21% 39 to 63 days; 5.24% 64 to 87 days; 5.23% 88 to 92 days; 5.22% 93 to 120 days; 5.19% 121 to 150 days; 5.16% 151 to 182 days; 5.14% 183 to 210 days; 5.10% 211 to 240 days; 5.07% 241 to 270 days.

Monday, November 20, 2006

Euro Commercial Paper: Placed directly by General Electric Capital Corp.: 3.32% 30 days; 3.50% two months; 3.54% three months; 3.59% four months; 3.63% five months; 3.66% six months.

Dealer Commercial Paper: High-grade unsecured notes sold through dealers by major corporations: 5.25% 30 days; 5.26% 60 days; 5.25% 90 days.

Certificates of Deposit: 5.28% one month; 5.32% three months; 5.33% six months.

Bankers Acceptances: 5.27% 30 days; 5.30% 60 days; 5.31% 90 days; 5.32% 120 days; 5.32% 150 days; 5.32% 180 days. Source: Tullett Prebon Information, Ltd.

Eurodollars: 5.29% - 5.27% one month; 5.32% - 5.30% two months; 5.34% - 5.32% three months; 5.35% - 5.32% four months; 5.35% - 5.32% five months; 5.35% - 5.32% six months. Source: Tullett Prebon Information, Ltd.

London Interbank Offered Rates (Libor): 5.3200% one month; 5.3706% three months; 5.3700% six months; 5.2993% one year. Effective rate for contracts entered into two days from date appearing at top of this column. Euro Libor: 3.4163% one month; 3.6047% three months; 3.7273% six months; 3.8507% one year. Effective rate for contracts entered into two days from date appearing at top of this column.

Euro Interbank Offered Rates (Euribor): 3.416% one month; 3.603% three months; 3.724% six months; 3.851% one year. Source: Reuters.

Foreign Prime Rates: Canada 6.00%; European Central Bank 3.25%; Japan 1.625%; Switzerland 4.01%; Britain 5.00%.

Treasury Bills: Results of the Monday, November 20, 2006, auction of short-term U.S. government bills, sold at a discount from face value in units of \$1,000 to \$1 million: 4.940% 13 weeks; 4.940% 26 weeks. Tuesday, November 14, 2006 auction: 5.150% 4 weeks.

Overnight Repurchase Rate: 5.23%. Source: Garban Inter-capital.

Freddie Mac: Posted yields on 30-year mortgage commitments. Delivery within 30 days 5.99%, 60 days 6.01%, standard conventional fixed-rate mortgages: 3.375%, 2% rate capped one-year adjustable rate mortgages.

Fannie Mae: Posted yields on 30 year mortgage commitments (priced at par) for delivery within 30 days 6.084%, 60 days 6.096%, standard conventional fixed-rate mortgages: Constant Maturity Debt Index: 5.287% three months; 5.279% six months; 5.166% one year.

Merrill Lynch Ready Assets Trust: 4.66%.

Consumer Price Index: October, 201.8, up 1.3% from a year ago. Bureau of Labor Statistics.

SCHEDULE: CN-US Mix

Added 2006Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00569			
2006/Q2	4	4.440	1.1100	\$0.00429	\$0.00146	\$0.00006	\$0.00140
2006/Q3	3	4.705	1.1763	\$0.00288	\$0.00146	\$0.00005	\$0.00141
2006/Q4	2	4.975	1.2438	\$0.00145	\$0.00147	\$0.00004	\$0.00143
2007/Q1	1	4.940	1.2350	\$0.00000	\$0.00147	\$0.00002	\$0.00145

SCHEDULE: NS BLET & ATDA

Added 2006Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.34086			
2006/Q2	4	4.440	1.1100	\$0.25705	\$0.08759	\$0.00378	\$0.08381
2006/Q3	3	4.705	1.1763	\$0.17237	\$0.08771	\$0.00302	\$0.08468
2006/Q4	2	4.975	1.2438	\$0.08672	\$0.08779	\$0.00214	\$0.08565
2007/Q1	1	4.940	1.2350	\$0.00000	\$0.08779	\$0.00107	\$0.08672

SCHEDULE: SOO BLET

Added 2006Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00575			
2006/Q3	4	4.705	1.1763	\$0.00434	\$0.00148	\$0.00007	\$0.00141
2006/Q4	3	4.975	1.2438	\$0.00291	\$0.00148	\$0.00005	\$0.00143
2007/Q1	2	4.940	1.2350	\$0.00146	\$0.00148	\$0.00004	\$0.00145
2007/Q2	1		0.0000	\$0.00000	\$0.00146	\$0.00000	\$0.00146

family consists of the employee's spouse, child, parent, grandparent, grandchild, brother, sister, half-brother, half-sister, step-parent, step-child and spouse's parent. In such cases, a basic day's pay at the rate of the last service rendered will be allowed for each of the three (3) days. Employees will make provision for taking leave with their supervisor in the usual manner.

- Family relationships created through the legal adoption process shall qualify for bereavement leave. Any other family relationship not specifically mentioned shall be excluded.
- Bereavement leave non-availability shall be considered neutral for determining the qualifying day for holiday pay purposes. The workday preceding or following the employee's bereavement leave, as the case may be, shall be considered the qualifying day for holiday pay purposes.

ARTICLE IX-VACATIONS

- A. Effective January 1, 2007, employees entitled to two (2) or more weeks of vacation may split up to two (2) weeks of their vacations into single increment days, one or more days at a time.
- B. Such vacation days may be taken upon two (2) days advance notice, consistent with the needs of service.
- C. Employees must use their single increment days between January 1 and November 15. Any unused days as of November 15 will be paid for in lieu of vacation.

ARTICLE X - GRIEVANCE RESOLUTION/BONUS

- A. Within sixty (60) days of the date of this Agreement, all employees in active service on positions covered by this Agreement will be paid one thousand dollars (\$1,000) each, subject to applicable payroll deductions. Employees who are not in active service on the effective date of this agreement will be eligible for this payment within 60 days of their return to active service.
- B. Upon payment of the amount indicated in paragraph A, all claims and grievances, other than those involving disciplinary action based on an occurrence prior to the effective date of this Agreement are considered resolved without prejudice to the position of either party and with the understanding that such settlements will not be cited by either party in any future case, nor used by either party to allege that the other has agreed to a particular practice.

2007/Q1 RCAF Back Pay Amortization

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr.	U.S. ST Hours	
GTW - BRS	2005/Q4	2006/Q2	\$9,985	0.00002985	0.00012	334,493,612	2005
WC&SSAM&IC&DWP - various ²	Various	2006/Q2	(\$229,314)	-0.00068556	-0.00274	334,493,612	2005
BNSF - BLET	2005/Q3	2006/Q2	\$1,346,129	0.00402438	0.01610	334,493,612	2005
CCP - TCU	2006/Q3	2006/Q3	(\$46,471)	-0.00013893	-0.00056	334,493,612	2005
SOO - BLET	2006/Q3	2006/Q3	\$4,124,260	0.01232986	0.04932	334,493,612	2005
IC various	2006/Q1	2006/Q4	\$587,093	0.00175517	0.00702	334,493,612	2005
IC - IBBM	2006/Q4	2007/Q1	\$42,252	0.00012632	0.00051	334,493,612	2005
DMIR - SMW	2007/Q1	2007/Q1	\$3,577	0.00001069	0.00004	334,493,612	2005
DWP - BRS	2006/Q4	2007/Q1	\$19,668	0.00005880	0.00024	334,493,612	2005
BLE - UTU	2006/Q3	2007/Q1	(\$16,809)	-0.00005025	-0.00020	334,493,612	2005
Total				0.01746			

Should be slightly less
than amortized amount.

Fell out

CN-US - BMWE&NCFO ¹	2005/Q1	2006/Q1	(\$671,264)	-0.00200681	-0.00803	334,493,612	2005
--------------------------------	---------	---------	-------------	-------------	----------	-------------	------

Interest Rate

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

Back Pay Adjustment for 2007 Q1

→ 0.01800

or

0.018

¹ BMWE - WC, DWP and DMIR; NCFO - BLE and GTW² BMWE - SSAM; BRS - WC and SSAM; TCU-CAR - WC; NCFO - IC; IBEW - DWP

SCHEDULE: CCP TCU

Added 2006Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				(\$0.00056)			
2006/Q3	4	4.705	1.1763	(\$0.00042)	(\$0.00014)	(\$0.00001)	(\$0.00014)
2006/Q4	3	4.975	1.2438	(\$0.00028)	(\$0.00014)	(\$0.00001)	(\$0.00014)
2007/Q1	2	4.940	1.2350	(\$0.00014)	(\$0.00014)	(\$0.00000)	(\$0.00014)
2007/Q2	1		0.0000	\$0.00000	(\$0.00014)	\$0.00000	(\$0.00014)

SCHEDULE: SOO BLET

Added 2006Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.04932			
2006/Q3	4	4.705	1.1763	\$0.03721	\$0.01269	\$0.00058	\$0.01211
2006/Q4	3	4.975	1.2438	\$0.02496	\$0.01271	\$0.00046	\$0.01225
2007/Q1	2	4.940	1.2350	\$0.01255	\$0.01271	\$0.00031	\$0.01240
2007/Q2	1		0.0000	\$0.00000	\$0.01255	\$0.00000	\$0.01255

SCHEDULE: IC BMW, BRS, IBBM, IBEW, SMW, TCU, TCU-CAR

Added 2006Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00702			
2006/Q4	4	4.975	1.2438	\$0.00530	\$0.00181	\$0.00009	\$0.00172
2007/Q1	3	4.940	1.2350	\$0.00355	\$0.00181	\$0.00007	\$0.00174
2007/Q2	2		0.0000	\$0.00178	\$0.00178	\$0.00000	\$0.00178
2007/Q3	1		0.0000	\$0.00000	\$0.00178	\$0.00000	\$0.00178

SCHEDULE: BLE UTU

Added 2007Q1

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

- (ii) No jury duty pay will be allowed for any day as to which the Employee receives vacation pay.

ARTICLE 35 BULLETIN BOARDS

The Company shall provide space on bulletin boards at all home locations to post notice of union business.

ARTICLE 36 CREW CALLING RECORDS

The Company shall provide the General Chairmen with access in the Crew Calling Computer system that enables them to research calling records and history.

ARTICLE 37 GENERAL PROVISIONS

- A. The purpose of this Agreement is to fix the general level of compensation and rules covering working conditions through July 1, 2009 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- B. Neither party to this Agreement shall serve prior to March 1, 2009, any notice or proposal for the purpose of modifying, adding to, or deleting from the provisions of this agreement to become effective prior to July 1, 2009.
- C. The above provisions do not prohibit the parties from reaching agreements on any subject that may be mutually beneficial and agreeable.
- D. This Agreement is effective on July 1, 2006. At such time all other agreements in effect between the parties are considered null and void, and this Agreement is the only agreement in effect between the parties.

Signed this _____ day of _____, at Homewood, Illinois.

and Carriers represented by the NCCC, including any contributions for cost sharing and changes in cost sharing to the account of either party.

Section 2 Life Insurance

In addition to any coverage by the National Plan, an Employee's maximum life insurance coverage is \$50,000.

Section 3 Other

Accidental Death Insurance – In addition to life insurance, an Employee's maximum coverage is \$50,000. Employees requiring assistance concerning the foregoing may contact a Benefit Service Center Representative for further information.

Section 4 Stock Purchase Plan

The Company will maintain for the benefit of Employees covered by this Agreement a stock purchase plan, which may be changed from time to time provided such changes are generally applicable to Company Employees.

Section 5 Employee Assistance Program

In the event that the National Plan does not contain a provision for this benefit, the Company will maintain for the benefit of Employees covered by this Agreement an Employee Assistance Program, which may be changed from time to time provided such changes are generally applicable to Company Employees.

Section 6 401K Plan

- A. Within ninety (90) days from the effective date of this Agreement, the Company will establish a 401 (k) plan for Employees covered by this Agreement. Under the plan, for the first four percent (4%) of an employee's salary contributed, the company will contribute \$.25 for each \$1.00 contributed by the employee. Employees may contribute an amount above 4%, up to the maximum legal amount with no company participation.
- B. The company will be responsible for all costs of establishing the plan, including the making of payroll deductions and payments of withheld wages to the trustee. The Employee will be responsible for all costs of services in connection with the operation of the 401(k) plans.

Section 7 Off Track Vehicle Accident Benefits

The parties agree to maintain the current off track vehicle accident benefits as provided in the Article XIII of the August 25, 1978 UTU National Agreement, as amended.

Section 8 Short Term Disability

- A. The Company will implement a Short Term Disability Insurance benefit program and shall obtain group short-term disability income insurance for each Employee covered under this Agreement.

- (c) In making calculations under this Article, fraction of a cent shall be rounded to the nearest whole cent; fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

Section 3 - Elimination of Previous Cost-of-Living Provisions

This Article replaces any previous cost-of-living provision in effect prior to the effective date, and the arrangements set forth in this Article shall remain in effect according to the terms thereof until revised by the parties pursuant to the Railway Labor Act.

ARTICLE III - HEALTH & WELFARE

- A. All employees subject to this Agreement will remain in the National Health and Welfare Plans, including National Early Retirement, dental, hearing and vision care, National Off-Track Vehicle Plan, Supplemental Sickness Plan, including all subsequent amendments, excluding cost sharing, in effect between the National Carriers' Conference Committee and the Brotherhood of Railroad Signalmen.
- B. The amount of employee cost sharing for National Health and Welfare Plans shall be One Hundred Dollars (\$100.00) per month, and shall remain fixed not subject to change except in accordance with Article XI of this Agreement.
- C. The employees shall participate in the National Job Stabilization Plan (February 7, 1965 Agreement) amended thru and up to the September 24, 2003 BRS National Agreement.

ARTICLE IV - SKILL DIFFERENTIAL

On the effective date of this Agreement, the skill differential provided by the November 24, 1992 Arbitrated Agreement shall be increased to \$0.85 per hour.

ARTICLE V - 401(k)

Effective January 1, 2007, all employees covered by this Agreement will be eligible to participate in the Illinois Central Union 401(k) plan. Under the plan, for the first four percent (4%) of an employee's salary contributed, the Company will contribute \$.25 for each \$1.00 contributed by the employee. The employee may contribute an amount above 4% with no Company participation, subject to IRS annual limits.

AGREEMENT BETWEEN
DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY (DMIR)
AND
SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION (SMWIA)

IT IS AGREED:

ARTICLE I - RATES OF PAY

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

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

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

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

AGREEMENT BETWEEN
ILLINOIS CENTRAL RAILROAD COMPANY (IC)

AND

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

IT IS AGREED:

ARTICLE I - RATES OF PAY

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

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

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Health and Welfare

	Employees Receiving		Monthly Contribution		Total	Total
	Pay 2005	2005 Avg.	2007	2005 Avg.	2007	2007
1. All Employees						
a. Group health	170,499	\$948.19	\$1,097.66	\$161,665,446.81	\$187,149,932.34	
b. Group dental	170,499	47.20	47.14	8,047,552.80	8,037,322.86	
c. Early retirement major medical	170,499	90.57	89.06	15,442,094.43	15,184,640.94	
d. Group vision	170,499	10.84	10.70	1,848,209.16	1,824,339.30	
2. Supplemental Sickness						
a. Signalmen	5,958	32.00	32.06	190,656.00	191,013.48	
b. Shopcrafts	25,344	61.00	61.06	1,545,984.00	1,547,504.64	
c. MOW	25,221	36.00	36.06	907,956.00	909,469.26	
d. Yardmasters	2,331	44.48	41.13	103,682.88	95,874.03	
3. Short-Term Disability						
a. Engineers (CSX, KCS, UP)	15,873	40.00	40.00	634,920.00	634,920.00	
b. Engineers (SOO)	487	0.00	40.00	0.00	19,480.00	
4. Monthly Total Premiums				190,386,502.08	215,594,496.85	
5. Monthly Employee Contributions To H&W						
a. National BLET (BNSF, CSX, KCS, NS, UP)	27,634	(\$96.61)	(\$146.62)	(\$2,669,720.74)	(\$4,051,697.08)	
b. National BMW (BNSF, CSX, KCS, NS, UP)	23,266	\$0.00	\$0.00	\$0.00	0.00	
c. National BRS (BNSF, CSX, KCS, NS, UP)	5,641	(\$100.00)	(\$100.00)	(\$564,100.00)	(564,100.00)	
d. National IAM (BNSF, CSX, KCS, NS, UP)	6,516	(\$35.37)	(\$122.39)	(\$230,470.92)	(797,493.24)	
e. National IBBM (BNSF, CSX, KCS, NS, UP)	1,190	(\$94.38)	(\$137.65)	(\$112,312.20)	(163,803.50)	
f. National IBEW (BNSF, CSX, KCS, NS, UP)	4,766	(\$103.06)	(\$146.97)	(\$491,183.96)	(700,459.02)	
g. National NCFO (BNSF, CSX, KCS, NS, UP)	2,295	(\$78.06)	(\$146.52)	(\$179,147.70)	(336,263.40)	
h. National SMW (BNSF, CSX, KCS, NS, UP)	1,054	(\$78.06)	(\$146.52)	(\$82,275.24)	(154,432.08)	
i. National TCU (BNSF, CSX, KCS, NS, UP)	8,681	(\$94.43)	(\$137.70)	(\$819,746.83)	(1,195,373.70)	
j. National TCU-CAR (BNSF, CSX, KCS, NS, UP)	10,337	(\$94.43)	(\$137.95)	(\$976,122.91)	(1,425,989.15)	
k. National UTU (BNSF, CSX, KCS, NS, UP)	42,709	(\$103.06)	(\$148.98)	(\$4,401,589.54)	(6,362,786.82)	
l. National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,670	(\$103.06)	(\$146.46)	(\$172,110.20)	(244,588.20)	
m. Indep. Dispatchers (wt. avg. BNSF, CSX, KCS, NS)	1,754	(\$97.21)	(\$143.43)	(\$170,506.34)	(251,576.22)	
n. Independent CNGT (wt avg all 104 union categories)	6,044	(\$42.21)	(\$59.09)	(\$255,117.24)	(357,139.96)	
o. Independent SOO (weighted average all 13 unions)	2,556	(\$50.64)	(\$106.86)	(\$129,435.84)	(273,134.16)	
p. Independent UP (Yardmasters only)	503	(\$94.38)	(\$137.70)	(\$47,473.14)	(69,263.10)	
Total Major Union	146,616			(\$11,301,312.80)	(\$16,948,099.63)	
All Other Employee Contributions*				(\$3,290,694.95)	(\$3,290,694.95)	
6. Net Employer Monthly Payments				\$175,794,494.33	\$195,355,702.27	
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments					1.11127	
8. H&W hourly rate for base year				\$4.995		
9. H&W hourly rate for projected quarter					\$5.551	

* Mostly non-union employee contributions.

Health and Welfare

Employee H&W Cost Sharing

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

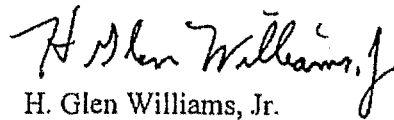
Organization	2000 Round National Agreement Reference	Monthly Contribution
IAM	Article IV, Part B, Sect. 1 (d)	\$122.39
IBB	Article IV, Part B, Sect. 1 (e)	\$137.65
IBEW	Article IV, Part B, Sect. 1 (h)	\$146.97
NCFO	Article IV, Part B, Sect. 1 (h)	\$146.52
SMW	Article IV, Part B, Sect. 1 (h)	\$146.52

NOTES:

ATDA's agreements for the 2000 round that have an ATDA employee cost-sharing contribution provision substantively identical to any of the provisions referenced above should be applied to increase the current employee cost-sharing amount effective January 1, 2007 by \$13.69.

BMWE's January 1, 2007 COLA (NRLC Circular No. 835-13) reflects the contributions for employees represented by that organization.

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


H. Glen Williams, Jr.

Railroad Retirement and Medicare

Employees Receiving Pay 170,499 (2005 Benchmark, 2004 RRB Distribution)

Tier I Maximum 97,500 ✓ (Year = 2007)

Tier II Maximum 72,600 ✓ (Year = 2007)

Medicare Maximum no limit (Year = 2007)

Tier I Tax Rate 6.20% (Year = 2007)

Tier II Tax Rate 12.10% ✓ (Year = 2007)

Medicare Tax Rate 1.45% (Year = 2007)

USA RCAF	Rate	Factor	RR Ret Tax	Hourly Rate
2004	\$28.151 ✓			
2005	\$28.884 ✓	1.02604	\$510,710,802	\$6.169 ✓
1Q/2007	\$29.220 ✓	1.03797	\$514,668,349	\$6.217
2Q/2007		0.00000	\$0	\$0.000
3Q/2007		0.00000	\$0	\$0.000
4Q/2007		0.00000	\$0	\$0.000

RR Ret Tax from RR_Retirement_05annual.xls, Hourly rate from SUPPL2005.xls
Rate = Taxable Rate

Railroad Retirement & Medicare, U.S.

2Q/2007

2Q/2007

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2005	Avg Annual Earnings (2004 RRB Stats)	Estimated Avg. Annual Earnings	Avg Qlty Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emrgs	Tier II Tot Tax Emrg	Medicare Tot Tax Emrg
\$0 - 21699	0.442	754	\$12,023	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21700 - 23699	0.147	251	\$22,279	0	0	0	0	0	0	0	0
23700 - 25699	0.098	167	\$24,280	0	0	0	0	0	0	0	0
25700 - 27699	0.147	251	\$26,084	0	0	0	0	0	0	0	0
27700 - 29699	0.393	670	\$28,966	0	0	0	0	0	0	0	0
29700 - 31699	0.393	670	\$30,903	0	0	0	0	0	0	0	0
31700 - 33699	0.442	754	\$32,523	0	0	0	0	0	0	0	0
33700 - 35699	0.982	1,674	\$34,820	0	0	0	0	0	0	0	0
35700 - 37699	1.081	1,843	\$36,792	0	0	0	0	0	0	0	0
37700 - 39699	2.407	4,104	\$38,771	0	0	0	0	0	0	0	0
39700 - 41699	3.684	6,281	\$40,821	0	0	0	0	0	0	0	0
41700 - 43699	5.059	8,626	\$42,623	0	0	0	0	0	0	0	0
43700 - 45699	6.336	10,803	\$44,646	0	0	0	0	0	0	0	0
45700 - 47699	5.648	9,630	\$46,659	0	0	0	0	0	0	0	0
47700 - 49699	5.010	8,542	\$48,690	0	0	0	0	0	0	0	0
49700 - 51699	4.371	7,453	\$50,748	0	0	0	0	0	0	0	0
51700 - 53699	4.322	7,369	\$52,763	0	0	0	0	0	0	0	0
53700 - 55699	4.273	7,285	\$54,568	0	0	0	0	0	0	0	0
55700 - 57699	4.077	6,951	\$56,625	0	0	0	0	0	0	0	0
57700 - 59699	3.487	5,945	\$58,558	0	0	0	0	0	0	0	0
59700 - 61699	3.978	6,782	\$60,811	0	0	0	0	0	0	0	0
61700 - 63699	3.094	5,275	\$62,674	0	0	0	0	0	0	0	0
63700 - 65699	3.684	6,281	\$64,677	0	0	0	0	0	0	0	0
65700 - 67699	3.045	5,192	\$66,763	0	0	0	0	0	0	0	0
67700 - 69699	3.536	6,029	\$68,663	0	0	0	0	0	0	0	0
69700 - 71699	2.701	4,605	\$70,716	0	0	0	200	0	0	922,595	0
71700 - 73699	2.210	3,768	\$72,765	0	0	0	732	0	0	2,758,349	0
73700 - 75699	2.259	3,852	\$74,718	0	0	0	1,239	0	0	4,771,448	0
75700 - 77699	2.014	3,434	\$76,805	0	0	0	1,780	0	0	6,113,606	0
77700 - 79699	1.424	2,428	\$78,562	0	0	0	2,236	0	0	5,429,584	0
79700 - 81699	1.428	2,428	\$80,845	0	0	0	2,829	0	0	6,867,933	0
81700 - 83699	1.768	3,014	\$82,696	0	0	0	3,309	0	0	9,974,935	0
83700 - 85699	1.621	2,764	\$84,537	0	0	0	3,787	0	0	10,465,908	0
85700 - 87699	1.621	2,764	\$86,720	0	0	0	4,353	0	0	12,031,523	0
87700 - 89699	1.916	3,267	\$88,564	0	0	0	4,832	0	0	15,784,262	0
89700 - 91699	0.884	1,507	\$90,772	0	0	0	5,405	0	0	8,146,083	0
91700 - 93699	1.031	1,758	\$92,678	0	0	0	5,899	0	0	10,370,112	0
93700 - 95699	0.688	1,173	\$94,631	0	0	181	6,406	0	212,465	7,514,596	0
95700 - over	8.303	14,157	\$128,358	0	0	8,933	15,158	0	126,461,146	214,585,557	0
TOTAL	100.000	170,499						Total Taxable Tax Rate	126,673,611 0.062	315,736,492 0.121	0 0.0145

Qlty Pmt \$7,853,764
Tier I & II & Medicare \$38,204,116
\$46,057,879

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2005	Avg Annual Earnings (2004 RRB Stats)	Estimated Avg. Annual Earnings	Avg Qlty Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emrgs	Tier II Tot Tax Emrg	Medicare Tot Tax Emrg
\$0 - 4999	0.442	754	\$12,023	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5000 - 9999	0.147	251	\$22,279	0	0	0	0	0	0	0	0
10000 - 12499	0.098	167	\$24,280	0	0	0	0	0	0	0	0
12500 - 14999	0.147	251	\$26,084	0	0	0	0	0	0	0	0
15000 - 17499	0.393	670	\$28,966	0	0	0	0	0	0	0	0
17500 - 19999	0.393	670	\$30,903	0	0	0	0	0	0	0	0
20000 - 22499	0.442	754	\$32,523	0	0	0	0	0	0	0	0
22500 - 24999	0.982	1,674	\$34,820	0	0	0	0	0	0	0	0
25000 - 27499	1.081	1,843	\$36,792	0	0	0	0	0	0	0	0
27500 - 29999	2.407	4,104	\$38,771	0	0	0	0	0	0	0	0
30000 - 32499	3.684	6,281	\$40,821	0	0	0	0	0	0	0	0
32500 - 34999	5.059	8,626	\$42,623	0	0	0	0	0	0	0	0
35000 - 37499	6.336	10,803	\$44,646	0	0	0	0	0	0	0	0
37500 - 39999	5.648	9,630	\$46,659	0	0	0	0	0	0	0	0
40000 - 42499	5.010	8,542	\$48,690	0	0	0	0	0	0	0	0
42500 - 44999	4.371	7,453	\$50,748	0	0	0	0	0	0	0	0
45000 - 47499	4.322	7,369	\$52,763	0	0	0	0	0	0	0	0
47500 - 49999	4.273	7,285	\$54,568	0	0	0	0	0	0	0	0
50000 - 52499	4.077	6,951	\$56,625	0	0	0	0	0	0	0	0
52500 - 54999	3.487	5,945	\$58,558	0	0	0	0	0	0	0	0
55000 - 57499	3.978	6,782	\$60,811	0	0	0	0	0	0	0	0
57500 - 59999	3.094	5,275	\$62,674	0	0	0	0	0	0	0	0
60000 - 62499	3.684	6,281	\$64,677	0	0	0	0	0	0	0	0
62500 - 64999	3.045	5,192	\$66,763	0	0	0	0	0	0	0	0
65000 - 67499	3.536	6,029	\$68,663	0	0	0	0	0	0	0	0
67500 - 69999	2.701	4,605	\$70,716	0	0	0	0	0	0	0	0
70000 - 72499	2.210	3,768	\$72,765	0	0	0	0	0	0	0	0
72500 - 74999	2.259	3,852	\$74,718	0	0	0	0	0	0	0	0
75000 - 77499	2.014	3,434	\$76,805	0	0	0	0	0	0	0	0
77500 - 79999	1.424	2,428	\$78,562	0	0	0	0	0	0	0	0
80000 - 84999	1.424	2,428	\$80,845	0	0	0	0	0	0	0	0
85000 - 89999	1.768	3,014	\$82,696	0	0	0	0	0	0	0	0
90000 - 94999	1.621	2,764	\$84,537	0	0	0	0	0	0	0	0
95000 - 99999	1.621	2,764	\$86,720	0	0	0	0	0	0	0	0
100000 - 104999	1.916	3,267	\$88,564	0	0	0	0	0	0	0	0
105000 - 109999	0.884	1,507	\$90,772	0	0	0	0	0	0	0	0
110000 - 114999	1.031	1,758	\$92,678	0	0	0	0	0	0	0	0
115000 - 119999	0.688	1,173	\$94,631	0	0	0	0	0	0	0	0
120000 - 124999	8.303	14,157	\$128,358	0	0	0	0	0	0	0	0
TOTAL	100.000	170,499									
											Total Taxable Tax Rate
											0.062
											0.121
											0.0145
											Qtly Pmt
											\$0
											Tier I & II & Medicare
											\$0
											\$0

RCAF Unemployment Insurance Tax

	Unemployment Ins.			RRB	Factor	Avg. Ann.	Un. Ins.
	Tax	Earnings	Hourly	Sample	To Update	Taxable	Hourly
	Rate	Base	Earnings	Year	RRB Sample	Earnings	Rate
			\$26.887	(2001)			
2002 Avg.	3.81%	\$13,200	\$27.258		1.013798	\$12,454.56	\$0.266
4Q/03	4.61%	\$13,440	\$28.088		1.044668	\$12,685.46	\$0.328
1Q/04	2.88%	\$13,560	\$28.090		1.044743	\$12,795.43	\$0.207
2Q/04	2.88%	\$13,560	\$28.478		1.059174	\$12,800.56	\$0.207
3Q/04	2.88%	\$13,560	\$28.760		1.069662	\$12,804.24	\$0.207
			\$27.258	(2002)			
2003 Avg.	4.61%	\$13,440	\$27.952		1.025460	\$12,566.01	\$0.322
4Q/04	2.88%	\$13,560	\$28.834		1.057818	\$12,688.80	\$0.203
1Q/05	2.28%	\$13,800	\$29.332		1.076088	\$12,913.18	\$0.164
2Q/05	2.28%	\$13,800	\$29.115		1.068127	\$12,909.59	\$0.164
3Q/05	2.28%	\$13,800	\$29.408		1.078876	\$12,914.43	\$0.164
			\$27.952	(2003)			
2004 Avg.	2.88%	\$13,560	\$28.151		1.007119	\$12,797.12	\$0.197
4Q/05	2.29%	\$13,800	\$29.157		1.043110	\$13,030.55	\$0.159
1Q/06	2.36%	\$14,340	\$29.277		1.047403	\$13,526.36	\$0.170
2Q/06	2.36%	\$14,340	\$29.255		1.046616	\$13,526.05	\$0.170
3Q/06	2.36%	\$14,340	\$29.302		1.048297	\$13,526.71	\$0.170
			\$28.151	(2004)			
2005 Avg.	2.29%	\$13,800	\$28.884		1.026038	\$12,810.75	\$0.162
3Q/06 reb.	2.36%	\$14,340	\$29.278		1.040034	\$13,298.60	\$0.173
4Q/06	2.36%	\$14,340	\$29.136		1.034990	\$13,295.94	\$0.173
1Q/07	2.47%	\$14,760	\$29.220		1.037974	\$13,670.56	\$0.186
2Q/07	2.47%	\$14,760			0.000000		---
3Q/07	2.47%	\$14,760			0.000000		---

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

2005 rate changes from 2.28% to 2.29% because rebenchmarking to 2004 (and later) wage statistics and annual report data adds BL&E and DMIR to the railroad group.



Surcharge in RUIA Tax Rate For 2007

September 27, 2006

U.S. Railroad Retirement Board Phone: (312) 751-7139
844 North Rush Street TTY: (312) 751-4701
Chicago Illinois, 60611-2092 Web: <http://www.rrb.gov>

The Railroad Retirement Board recently determined that a surcharge of 1.5 percent will be added to the basic RUIA tax rate for each established employer beginning January 1, 2007. The surcharge was 1.5 percent for 2006. New employers are not affected, as their rate will be the average rate for all employers from 2003 through 2005.

The RUIA Experience Rating System provides for the addition of a surcharge to the RUIA tax rate if the accrual balance in the RUI Account falls below certain levels as of June 30 of each year. On June 30, 2006, that account had an accrual balance of \$114.8 million. The current thresholds are \$120.8 million for the 1.5 percent surcharge and \$60.4 million for the 2.5 percent surcharge. The 1.5 percent threshold is the higher of \$100 million or \$100 million indexed to changes in the system compensation base.

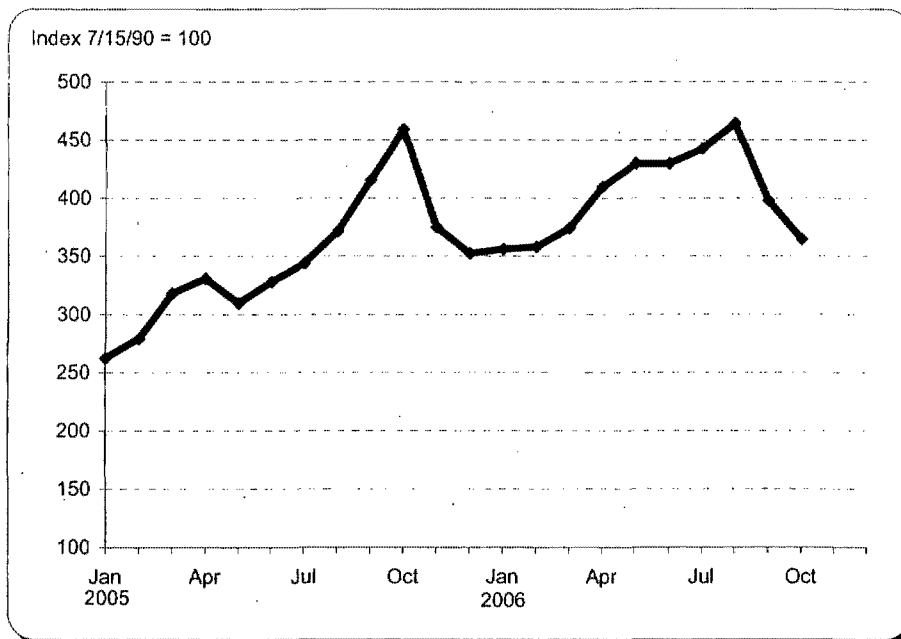
Official notice of the surcharge will be included in the annual rate notices to be sent out to individual employers by October 15.

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2722	34870859.82	12810.75
QTRLY_US	2722	37211277.20	13670.56

Monthly Railroad Fuel Price Indexes

Prices through October 2006



Copyright 2006
Association of American Railroads
Policy and Economics Department
50 F Street NW
Washington, DC 20001

November 20, 2006
www.aar.org/costindx.nsf
policy@aar.org

European Economy

Today's U.S. manufacturing report contrasts with the latest evidence of strength in Europe's economy. An index compiled by the Royal Bank of Scotland Group Plc showed manufacturing in the euro region expanded for a 17th month. If the remaining above 50, the index fell to 56.6 from October's 57.

The economy hasn't slowed in other countries but it will be just a matter of time before they slow as well," Cordier said. Oil demand right now is looking a little iffy in the coming quarter or two."

Heating demand will be 4 percent above normal in the U.S. Northeast, the region that uses the most heating oil, for the week ending Dec. 8, according to forecaster Weather Derivatives in Belton, Missouri. Temperatures will probably return to normal through Dec. 14, the National Weather Service said yesterday.

"One week of cold weather isn't going to change our supply-demand balance," Cordier said. "People are looking beyond this cold snap and they are seeing that temperatures are supposed to moderate to above-normal again."

Heating oil futures for January delivery fell 0.23 cent to \$1.8477 a gallon in New York. The contract has risen 7.5 percent this week.

To contact the reporter on this story: Robert Tuttle in New York at rtuttle@bloomberg.net

Last Updated: December 1, 2006 15:38 EST



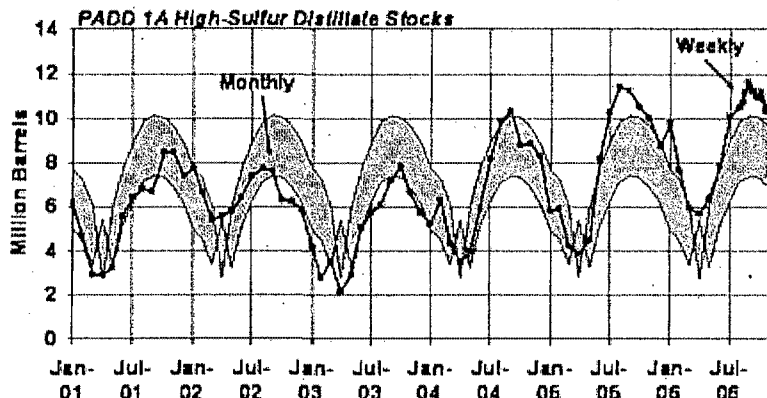
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Crude Oil	340.8	↓ -0.3	↑ 23.2
Gasoline	201.1	↓ -0.6	↑ 1.2
Distillate	132.8	↓ -1.0	↑ 4.9
Propane	69.698	↓ -1.198	↓ -1.126

inventories as an aggregate rather than their individual pieces.

The charts below illustrate the history of New England and Central Atlantic inventories compared to their 5-year average range. Although inventories in both regions are above the average range prior to the first cold snap, this winter's weather remains a key uncertainty and will be a major determinant for how quickly heating oil stocks are drawn down this winter. Additionally, inventories for the closest substitute to heating oil, diesel fuel, are relatively tight, which could put upward price pressure on both diesel fuel and heating oil if cold weather increases distillate demand sufficiently.

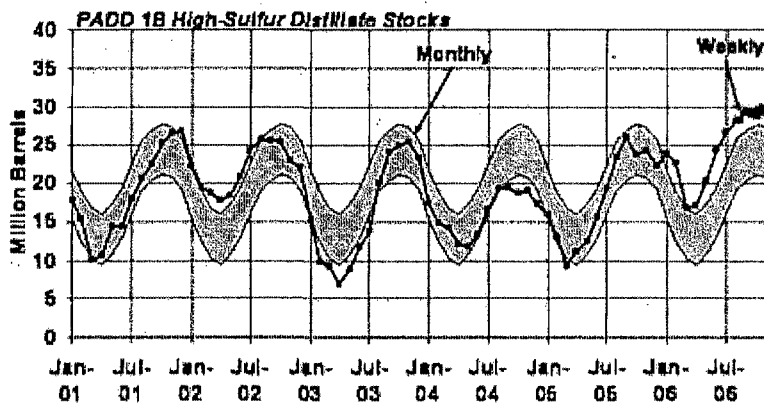
New England Heating Oil Inventories Are Above Average Through the Middle of November



NOTE: Colored Band is Normal Stock Range

Source: Energy Information Administration.

Central Atlantic Heating Oil Inventories are also Above Average



NOTE: Colored Band is Normal Stock Range

Source: Energy Information Administration.

Residential Heating Fuel Prices Maintain Stability

Residential heating oil prices increased for the period ending November 27, 2006. The average residential heating oil price rose by 0.4 cent last week to reach 237.8 cents per gallon, a decrease of 3.9 cents from this time last year. Wholesale heating oil prices increased by 1.1 cents to reach 173.2 cents per gallon, a marginal drop of 0.1 cent

AAR MATERIALS AND SUPPLIES INDEX
Region By Composition
Fourth Quarter 2006
December 4, 2006

United States by Composition Category - Summary

Composition Category	Weight	Previous Quarter Index	Current Quarter Index	Relative Of Change
Forest Products	.1195	218.41	219.15	1.0034
Metal Products	.6489	163.53	163.12	.9975
Miscellaneous Products	.2316	239.94	251.84	1.0496
U.S. By Composition	--	187.78	190.37	1.0138
U.S. By Composition (Linked)	--	192.54	195.20	1.0138
United States (1977=100) Linking Factor: 1.423	--	273.98	277.77	1.0138
United States (1980=100) Linking Factor: 1.061	--	204.28	207.11	1.0138

Equipment Rents Data From UMLER

2007														
2006														
	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR.	APR	MAY	JUNE	JULY	AUG
Railroad Owned														
No. of Cars	9,553	9,551	9,625	9,662	9,608	9,598								
Superstructures														
Rate	17.0	17.0	17.0	17.0	17.0	17.0								
Superstructures #3 - Auto Rack	66.0	66.0	66.0	66.0	66.0	66.0								
All other #1 - Time	7.3	7.3	7.3	7.3	7.3	7.3								
All other #2 - Mileage														
Privately Owned														
No. of Cars	48,911	48,912	49,015	49,098	49,155	49,228								
Superstructures	317,763	319,516	320,056	321,161	322,236	323,300								
Covered Hoppers	277,762	278,283	278,772	279,854	279,952	280,290								
Tank Cars	267,750	271,063	274,276	275,750	278,645	279,448								
Others														
Rate	75.0	75.0	75.0	75.0	75.0	75.0								
Superstructures #1 - Time	0.0	0.0	0.0	0.0	0.0	0.0								
Superstructures #2 - Mileage	53.0	53.0	54.0	54.0	55.0	55.0								
Superstructures #3 - Auto Rack	44.5	44.4	44.5	44.5	44.5	44.5								
Covered Hoppers #2 - Mileage	68.8	69.0	69.3	69.4	69.5	69.7								
Tank Cars #2 - Mileage	70.0	69.0	68.0	68.0	67.0	67.0								
Others #1 - Time	6.7	6.7	6.7	6.6	6.6	6.6								
Others #2 - Mileage														
AVERAGE RATES														
Private Superstructures	17.63	17.63	17.63	17.63	17.63	17.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Others	22.24	22.02	21.80	21.70	21.47	21.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Total	43.92	43.82	43.82	43.81	43.71	43.76	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Autoracks	47.12	47.12	47.93	47.92	48.79	48.80	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

WEIGHTS

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

Weights for Equipment Rents (not used in Car Hire calculation)		
	2004	2005
Car Hire - U.S.	0.510	0.492
Lease Rentals - U.S.	0.490	0.508
----- Check sum	1.000	1.000

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

		AVERAGE RATE FOR 12/06	
		CAR RENTAL RATES	
CAR GROUP	CAR COUNT	TIME	MILEAGE
-VEHICULAR FLATS	49,228	75 ¢/HR	.000 \$/MILE
ONO. OF ZERO RATED VEH. FLATS 2/	15		
-COVERED HOPPERS	323,300	0 ¢/HR	.445 \$/MILE
ONO. OF ZERO RATED COVERED HOPPERS 2/	9,239		
-TANKS	280,290	4 ¢/HR	.697 \$/MILE
ONO. OF ZERO RATED TANKS 2/	8,060		
-ALL OTHER CARS	279,448	67 ¢/HR	.066 \$/MILE
ONO. OF ZERO RATED "OTHER" CARS 2/	40,181		
0	TOTAL:		989,761

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.

re_ppi.txt
Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2007q1\5Deprec\FPre_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

Length 72 Minimum 134.500 Maximum 171.300
Mean 145.658 Standard deviation 13.107

Classical decomposition (multiplicative)
Trend-cycle: 98.58% Seasonal: 0.38% Irregular: 1.04%

Log transform recommended for Box-Jenkins.

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

Exponential smoothing outperforms Box-Jenkins by 2.063 to 3.664 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12. For Box-Jenkins, I used a log transform.

Series is trended and nonseasonal.

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

Component	Smoothing weight	Final Value
Level	0.99994	170.60
Trend	0.10894	0.65911

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 145.7	Standard deviation 13.11
R-square 0.992	Adjusted R-square 0.9919
Durbin-Watson 1.795	** Ljung-Box(18)=41.3 P=0.9986
Forecast error 1.181	BIC 1.236
MAPE 0.004482	RMSE 1.164
MAD 0.685	

Forecast Report
Tue Nov 14 09:27:31 2006
Exponential Smoothing model for PPIRE
Analysis of Historic Fit Set

Date	Historic
2000-11	135.800
2000-12	135.800
2001-01	135.900
2001-02	135.900
2001-03	135.400
2001-04	135.500
2001-05	135.600
2001-06	135.700
2001-07	135.100
2001-08	135.100
2001-09	135.000
2001-10	134.600
2001-11	134.500

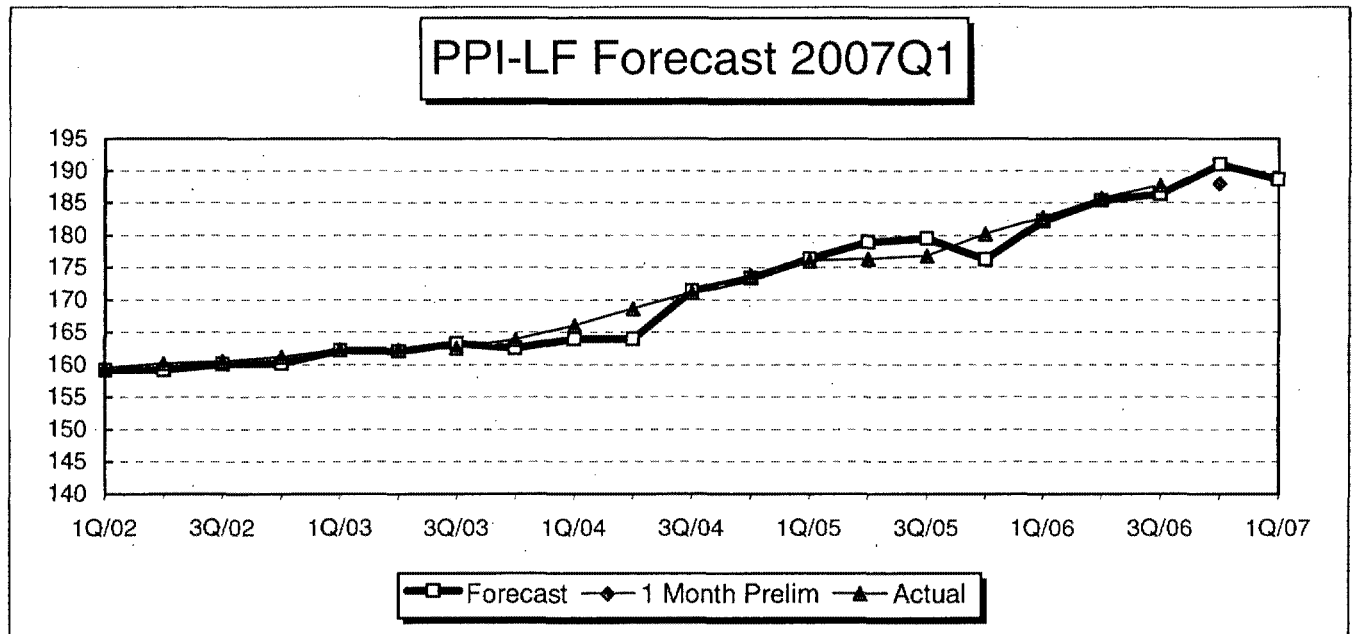
Date	2.5 Lower	Forecast	re_ppi.txt 97.5 Upper
2006-11	168.610	171.259	173.908
2006-12	167.963	171.918	175.874
2007-01	167.650	172.577	177.504
2007-02	167.500	173.236	178.973
2007-03	167.451	173.896	180.340
2007-04	167.472	174.555	181.637
2007-05	167.546	175.214	182.881
2007-06	167.662	175.873	184.084
2007-07	167.811	176.532	185.252
2007-08	167.989	177.191	186.393
2007-09	168.191	177.850	187.510
2007-10	168.413	178.509	188.605

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

	Forecast	Actual	1 Month Prelim
1Q/02	159.2	159.5	
2Q/02	159.2	160.2	
3Q/02	160.1	160.5	
4Q/02	160.2	161.2	
1Q/03	162.2	162.3	
2Q/03	162.1	162.3	
3Q/03	163.2	162.6	
4Q/03	162.6	163.8	
1Q/04	163.9	166.0	
2Q/04	163.9	168.6	
3Q/04	171.4	171.1	
4Q/04	173.3	173.7	
1Q/05	176.3	176.0	
2Q/05	178.9	176.3	
3Q/05	179.5	176.8	
4Q/05	176.2	180.2	
1Q/06	182.1	182.7	
2Q/06	185.3	185.7	
3Q/06	186.3	187.7	
4Q/06	190.9		188.0
1Q/07	188.6		

1980 Base

	PPI-LF Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2007Q1						
Low	165.9	186.0	1.8%			
Modpoint	168.2	188.6	3.2%	0.3%	0.5%	-1.2%
High	170.5	191.1	4.6%			



lf_ppi.txt

2001-04	143.700
2001-05	143.700
2001-06	143.600
2001-07	143.200
2001-08	142.800
2001-09	142.800
2001-10	142.600
2001-11	142.300
2001-12	142.200
2002-01	142.200
2002-02	142.200
2002-03	142.400
2002-04	142.800
2002-05	142.700
2002-06	143.000
2002-07	143.000
2002-08	143.000
2002-09	143.200
2002-10	143.900
2002-11	143.800
2002-12	143.400
2003-01	144.000
2003-02	144.700
2003-03	145.300
2003-04	144.800
2003-05	144.900
2003-06	144.800
2003-07	144.600
2003-08	144.800
2003-09	145.000
2003-10	145.900
2003-11	146.100
2003-12	146.300
2004-01	147.200
2004-02	148.200
2004-03	149.100
2004-04	150.000
2004-05	150.500
2004-06	150.900
2004-07	151.500
2004-08	152.600
2004-09	153.300
2004-10	154.600
2004-11	155.000
2004-12	155.400
2005-01	156.400
2005-02	156.900
2005-03	157.400
2005-04	157.600
2005-05	157.400
2005-06	157.000
2005-07	157.300
2005-08	157.500
2005-09	158.700
2005-10	160.500
2005-11	161.000
2005-12	161.300
2006-01	162.500
2006-02	163.200
2006-03	163.800
2006-04	164.800
2006-05	166.400
2006-06	166.800



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Bureau of Labor Statistics

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Data extracted on: November 14, 2006 (09:06 AM)

PPI Commodity Data

Series Catalog:

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

Base Date : 8200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2005	156.4	156.9	157.4	157.6	157.4	157.0	157.3	157.5	158.7	160.5	161.0	161.3	158.3
2006	162.5	163.2	163.8	164.8	166.4	166.8	167.3(P)	167.3(P)	167.7(P)	167.7(P)			

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

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 2 Massachusetts Ave., NE
 Washington, DC 20212-0001

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 Fax-on-demand: (202) 691-6325
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 Do you have a ">Technical (web) question?
 Do you have ">Other comments?

All-Inclusive Index (Actual)

	04 Wts	3Q/05 03 Wts	3Q/05 04 Wts	% Chg.	4Q/05 04 Wts	% Chg.	1Q/06 04 Wts	% Chg.	2Q/06 04 Wts	% Chg.	3Q/06 04 Wts	% Chg.
Labor	36.0%	290.9	290.9	0.0%	287.7	-1.1%	292.1	1.5%	292.5	0.1%	292.1	-0.1%
Fuel	12.1%	212.3	212.3	0.0%	283.4	33.5%	219.8	-22.4%	252.8	15.0%	273.1	8.0%
M&S	4.4%	179.8	179.8	0.0%	179.9	0.1%	185.6	3.2%	187.5	1.0%	197.2	5.2%
Equipment Rents	8.9%	181.8	181.8	0.0%	183.8	1.1%	185.1	0.7%	187.1	1.1%	188.0	0.5%
Depreciation	10.6%	178.9	178.9	0.0%	179.4	0.3%	183.1	2.1%	188.1	2.7%	187.7	-0.2%
Interest	3.0%	90.2	90.2	0.0%	92.7	2.8%	92.7	0.0%	92.7	0.0%	92.7	0.0%
Other	25.0%	176.8	176.8	0.0%	180.2	1.9%	182.7	1.4%	185.7	1.6%	187.7	1.1%
	1.0000											
Weighted Avg.		221.4	220.4	-0.5%	229.0	3.9%	224.3	-2.1%	229.9	2.5%	233.2	1.4%
Linked		219.2	219.2	0.0%	227.8	3.9%	223.1	-2.1%	228.7	2.5%	232.0	1.4%
10/1/80		213.4	213.4	0.0%	221.8	3.9%	217.2	-2.1%	222.7	2.5%	225.9	1.4%
10/1/82		181.3	181.3	0.0%	188.4	3.9%	184.5	-2.1%	189.2	2.5%	191.9	1.4%
4Q/87		165.8	165.8	0.0%	172.3	3.9%	168.8	-2.0%	173.0	2.5%	175.5	1.4%
4Q/92		139.7	139.7	0.0%	145.2	3.9%	142.2	-2.1%	145.8	2.5%	147.9	1.4%
4Q/97		126.6	126.6	0.0%	131.5	3.9%	128.8	-2.1%	132.0	2.5%	133.9	1.4%
4Q/02		114.1	114.1	0.0%	118.6	3.9%	116.1	-2.1%	119.1	2.6%	120.8	1.4%

Equipment Rents

Car Hire	51.0%	175.1	175.1	0.0%	175.5	0.2%	175.7	0.1%	176.5	0.5%	176.3	-0.1%
Lease Rentals	49.0%	176.8	176.8	0.0%	180.2	1.9%	182.7	1.4%	185.7	1.6%	187.7	1.1%
	1.0000											
ER Weighted Avg		175.9	175.9	0.0%	177.8	1.1%	179.1	0.7%	181.0	1.1%	181.9	0.5%
ER Linked		181.8	181.8	0.0%	183.8	1.1%	185.1	0.7%	187.1	1.1%	188.0	0.5%

* Reflects the final actual third quarter values.

	03 Wts	04 Wts
LABOR	109.088	104.724
FUEL	22.504	25.688
M&S	7.911	7.911
EQUIP RENTS	17.089	16.180
DEPR	19.142	18.963
INTEREST	2.886	2.706
OTHER	42.786	44.200
Weighted Avg.	221.406	220.373

ER Weighted Avg. 175.9483 175.933

Note: 2005Q3 Labor differs from the filing because the filing did not have the new Q3 H&W employee cost sharing rates available, while the Actual uses the new rates.

Car Hire for RCAF

RCAF (Actual)

		1980	Aug 3Q/05	Nov. 4Q/05	Feb 1Q/06	May 2Q/06	Aug 3Q/06
RATE							
RR-OWNED TIME		31.00	66.00	66.00	66.00	66.00	66.00
RR-OWNED MILEAGE		4.69	7.30	7.30	7.30	7.30	7.30
PRIVATELY-OWNED CARS		25.47	43.39	43.55	43.64	43.93	43.82
AUTORACKS		47.00	50.28	51.13	46.44	47.30	47.12
INDEX							
RR-OWNED TIME		100.0	212.9	212.9	212.9	212.9	212.9
RR-OWNED MILEAGE		100.0	155.7	155.7	155.7	155.7	155.7
PRIVATELY-OWNED CARS		100.0	170.3	171.0	171.3	172.5	172.1
AUTORACKS		100.0	107.0	108.8	98.8	100.6	100.3
CAR HIRE INDEX (old wts)	2003	100.0	178.3	--	--	--	--
CAR HIRE INDEX (new wts)	2004	100.0	178.9	179.3	179.5	180.3	180.1
CAR HIRE INDEX (LINKED)		100.0	175.1	175.5	175.7	176.5	176.3

RCAF - Depreciation

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

		Forecast Year 2006			
		As reported at end of month 82=100			
		Nov.	Feb.	May	Aug.
For Forecast	→	07Q1	07Q2	07Q3	07Q4
For Actual	→	06Q3	06Q4	07Q1	07Q2
January	2006	164.2	164.2	164.2	164.2
February	2006	165.5	165.5	165.5	165.5
March	2006	168.2	168.2	168.2	168.2
April	2006	168.2	168.2	168.2	168.2
May	2006	169.6	169.6	169.6	169.6
June	2006	171.3	171.3	171.3	171.3
July	2006	169.3			
August	2006	169.5			
September	2006	170.3			
October	2006	170.6			
November	2006				
December	2006				
January	2007				
February	2007				
March	2007				
April	2007				
May	2007				
June	2007				
July	2007				
Actual Qtr.		169.7	NA	NA	NA

1980=100

Actual Qtr.

First Mo. next qtr.

187.7	NA	NA	NA
188.7	NA	NA	NA

0.904 =1980

RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

		Forecast Year 2006			
		As reported at end of month 82=100			
		Nov.	Feb.	May	Aug.
For Forecast	→	07Q1	07Q2	07Q3	07Q4
For Actual	→	06Q3	06Q4	07Q1	07Q2
January	2006	162.5	162.5	162.5	162.5
February	2006	163.2	163.2	163.2	163.2
March	2006	163.8	163.8	163.8	163.8
April	2006	164.8	164.8	164.8	164.8
May	2006	166.4	166.4	166.4	166.4
June	2006	166.8	166.8	166.8	166.8
July	2006	167.3			
August	2006	167.3			
September	2006	167.7			
October	2006	167.7			
November	2006				
December	2006				
January	2007				
February	2007				
March	2007				
April	2007				
May	2007				
June	2007				
July	2007				
Actual Qtr.		167.4	NA	NA	NA

1980=100

Actual Qtr.

First Mo. next qtr.

187.7	NA	NA	NA
188.0	NA	NA	NA

0.892 =1980