

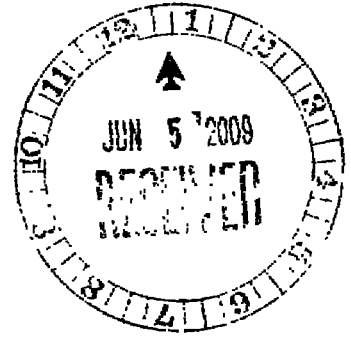
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ASSOCIATION
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John T. Gray
Senior Vice President - Policy & Economics

June 5, 2009

The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW.
Washington, DC 20423-0001

225214

Dear Ms. Quinlan:

This submission is the AAR forecast of the third quarter 2009 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2009-3) *Quarterly Rail Adjustment Factor*. The versions of RCAF-related indices covered in this filing are: the All-Inclusive Index (initiated in the second quarter of 1985), the Unadjusted RCAF (produced since October 1982), the Adjusted RCAF (first published in the second quarter of 1989), and the RCAF-5 (created by the STB in its Ex Parte No. 290 (Sub-No. 7) decision served October 3, 1996). The table below summarizes the third quarter 2009 results on the fourth quarter 2007 base, and shows the percentage changes from the previous quarter.

	<u>2009Q2</u>	<u>2009Q3</u>	<u>% Change</u>
All-Inclusive Index	94.9	99.8	5.2
Preliminary RCAF	0.949	0.998	5.2
Forecast Error Adjustment	-0.099	-0.060	
RCAF (Unadjusted)	0.850	0.938	10.4
Productivity Adjustment Factor	2.1959	2.2040	
RCAF (Adjusted)	0.387	0.426	10.1
PAF-5	2.3189	2.3259	
RCAF-5	0.367	0.403	9.8

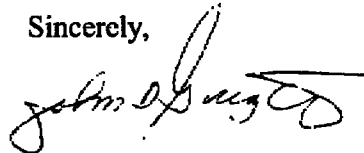
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June 5, 2009

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 Paul Aguiar 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, appearing to read "John T. Gray", with a stylized flourish at the end.

John T. Gray

Attachments

**Third Quarter 2009
All-Inclusive Index**

Ex Parte No. 290 (Sub-No. 5) (2009-3)

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

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

June 5, 2009

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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 third quarter 2009.

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 2007 (current) and 2006 (previous) weights are shown below. The previous (2006) weights were used for the fourth quarter of 2007 through the third quarter of 2008. Beginning with the fourth quarter of 2008, the 2007 weights are used. The weight for Fuel continued to go up as expected, increasing from 19.2 to 20.3 percent. Labor had the biggest change (possibly related to the downturn in traffic), decreasing 1.7 percentage points to 32.8 percent. All other changes were by less than 1 percentage point.

RCAF Weights		
	Previous 2006	Current 2007
Labor	34.5 %	32.8 %
Fuel	19.2	20.3
Materials & Supplies	5.0	5.0
Equipment Rents	7.8	7.2
Depreciation	10.6	11.0
Interest	2.7	2.7
Other	20.2	21.0

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

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

All-Inclusive Index Third Quarter 2009

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.

	2007 Weights	Forecast		Percent Change
		Previous 2009Q2	Current 2009Q3	
1. Labor	32.8%	338.3	347.2	2.6 %
2. Fuel	20.3%	180.0	231.2	28.4
3. M&S	5.0%	249.0	255.9	2.8
4. Equipment Rents	7.2%	197.0	192.4	-2.3
5. Depreciation	11.0%	199.9	206.0	3.1
6. Interest	2.7%	88.0	88.0	0.0
7. Other	21.0%	199.7	191.5	-4.1
8. Weighted Average				
a. 1980 = 100		240.4	252.7	
b. 1980 = 100 (linked)		233.4	245.3 ¹	
c. 4Q07 = 100		94.9	99.8 ²	5.2

¹ To calculate the 1980 = 100 Linked Index:

$$\begin{aligned} \text{Index80} &= (\text{Current Index} / \text{Previous Index}) * \text{the Previous Quarter Linked Index} \\ &= 252.7 \quad \text{divided by} \quad 240.4 \quad \text{times} \quad 233.4 \\ &= 245.3 \end{aligned}$$

² To calculate the 4Q07 = 100 index:

$$\begin{aligned} \text{Index4Q07} &= (\text{Current Linked Index} / 4Q07 Linking Factor) * 100 \\ &= 245.3 \quad \text{divided by} \quad 245.9 \quad \text{times} \quad 100 \\ &= 99.8 \end{aligned}$$

Indexes based on other periods

4Q02 based index	= 245.3 / 192.1 x 100 = 127.7
4Q97 based index	= 245.3 / 173.2 x 100 = 141.6
4Q92 based index	= 245.3 / 156.9 x 100 = 156.3
4Q87 based index	= 245.3 / 132.2 x 100 = 185.6

Forecast vs. Actual All-Inclusive Index First Quarter 2009

Because of data availability, the forecast error adjustment has a two-quarter lag from each filing. As shown below, the first quarter actual index of 94.8 is 6.0 index points below the forecast value of 100.8. Therefore, the forecast error adjustment for third quarter 2009 is -6.0 index points.

	2007 Weights	First Quarter 2009		Amt Difference
		Forecast	Actual	
1. Labor	32.8%	337.0	337.0	
2. Fuel	20.3%	237.3	181.0	
3. M&S	5.0%	258.8	258.8	
4. Equipment Rents ¹	7.2%	201.0	194.9	
5. Depreciation	11.0%	211.6	200.9	
6. Interest	2.7%	88.0	88.0	
7. Other	21.0%	207.0	197.6	
8. Weighted Average				
a. 1980 = 100		255.2	240.2	
b. 1980 = 100 (linked)		247.8	233.2 ²	
c. 4Q07 = 100 ³		100.8	94.8	-6.0

Forecast error —————> -6.0 index points

¹	2007 Weights	First Quarter 2009	
		Forecast	Actual
Car-Hire	43.2%	181.5	179.7
Lease Rentals	56.8%	207.0	197.6
Weighted Average		196.0	189.9
Weighted Average (linked)		201.0	194.9

² Linked actual index = (actual index / previous actual index) x previous linked actual index.
 233.2 - 240.2 / 267.5 x 259.7

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

Productivity

On March 20, 2009, the Surface Transportation Board (STB) served a decision in Ex Parte 290 (Sub-No. 4) which modified its earlier decision that added the year 2007 to the Productivity Adjustment Factor (PAF) and deleted the year 2002. The revised decision creates a geometric average annual productivity change for 2003 through 2007 of 1.5 percent per year. The components of this average annual value are shown on the following table in ratio format – therefore, 1.015 is the same as an increase of 1.5 percent. 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
2003 - 2007**

Year	Output Index (1)	Input Index (2)	Productivity ¹ Changes (3)
2003	1.039	1.020	1.019
2004	1.033	1.057	0.977
2005	1.021	0.956	1.068
2006	1.018	1.024	0.994
2007	1.014	0.996	1.018
Average			1.015
Previous Average (2002-2006)			1.012

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

Calculation of PAF and PAF-5

For 2003-2007, use fourth root of avg. productivity change = 1.0037
For 2002-2006, use fourth root of avg. productivity change = 1.0030

Quarter	Year	PAF	PAF-5	
Q1	2009	2.1878	2.3120	← 2002-2006
Q2	2009	2.1959	2.3189	←
Q3	2009	2.2040	2.3259	← 2003-2007
Q4	2009	2.2122	2.3329	
Q1	2010	2.2204	2.3415	

Rail Cost Adjustment Factor

Third Quarter 2009

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

	Previous 2009Q2	Current 2009Q3	Percent Change
All-Inclusive Index ¹	94.9	99.8	5.2
Preliminary RCAF ²	0.949	0.998	5.2
Forecast Error Adjustment ³	<u>-0.099</u>	<u>-0.060</u>	
RCAF (Unadjusted) ⁴	0.850	0.938	10.4
Productivity Adjustment Factor ⁵	2.1959	2.2040	
RCAF (Adjusted) ⁶	0.387	0.426	10.1
PAF-5 ⁷	2.3189	2.3259	
RCAF-5 ⁸	0.367	0.403	9.8

¹ See All-Inclusive Index on page 3.

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

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

⁴ Preliminary RCAF plus the forecast error adjustment.

⁵ See Productivity on page 5.

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

⁷ See Productivity on page 5.

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

Appendixes

Labor

Third Quarter 2009

The third quarter 2009 Labor Index is forecast to increase 2.6 percent. Much of the increase can be attributed to general wage increases scheduled for July 1.

Wage Index

The Wage Index portion of the Labor Index increased 3.4 percent from the previous quarter.

Wage Increases: National unions are scheduled to receive a 4.5 percent general wage increase effective July 1, 2009. Many independent unions will receive a 4.5 or 3.0 percent general wage increase, and one major independent union for one railroad will receive a 5.0 percent general wage increase.

Lump Sums: The lump sum rate changed very little. A small amount for two CN railroads was completely amortized and removed from the rate, and another small amount for two new CN agreements was added to the rate. [See Appendix H for common railroad and union abbreviations.]

Back Pay: The back pay rate increased slightly (0.7 cents). Four amounts were completely amortized and removed from the index, but two amounts were added for new agreements that included some of the larger independent unions.

Other: Other wages contains the amortization of profit sharing payments that the BNSF Railway makes each year to its dispatchers, yardmasters, and engineers. Last year's payment has now been completely amortized and removed from the rate. This year's payment, which is based on profits in 2008, is much higher than the previous year's. However, it is fairly close to the payment from two years ago.

Supplements Index

Higher taxable wages caused most of the 1.4 percent increase in Supplements.

Health & Welfare: The Health & Welfare rate decreased one half of cent because of some new independent labor agreements that started employee health & welfare cost sharing, which lowers employer costs.

Railroad Retirement: Higher taxable wages caused by the general wage increases caused the 2.5 percent increase in the Railroad Retirement hourly rate.

Unemployment Insurance: The unemployment insurance hourly rate was unchanged.

Labor

Third Quarter 2009

Other: The "Other" category is a reflection of all other fringe benefits, and currently is known to contain employer contributions to employee 401(k) accounts and employer contributions to employee stock plans that are recorded as fringe benefits. The increase of 1.3 cents was caused mostly by an annual bonus 401(k) match for one union for one railroad.

Labor Index Calculation

As shown in Table A-1 on the next page, the 3.4 percent increase in the Wage Index and the 1.4 percent increase in the Supplements Index had a combined effect of a 2.6 percent increase in the Labor Index. The linked third quarter 2009 index is 347.2.

Labor

Third Quarter 2009

Table A-1 Labor Index

	2009Q2	2009Q3	Change	
			Percent	Amount
Base Wage – Straight Time & Pay For Time Not Worked	\$33.412	\$34.487	3.2%	\$1.075
Adjustments:				
Lump Sum	0.310	0.311	0.3%	0.001
Back Pay	0.916	0.923	0.8%	0.007
Other	0.079	0.186	135.4%	0.107
Total Wages	<u>34.717</u>	<u>35.907</u>	3.4%	1.190
 Health & Welfare Benefits	5.873	5.868	-0.1%	-0.005
RR Retirement & Medicare	7.061	7.238	2.5%	0.177
Unemployment Insurance	0.208	0.208	0.0%	0.000
Other	0.144	0.157	9.0%	0.013
Total Supplements	<u>\$13.286</u>	<u>\$13.471</u>	1.4%	0.185
 Total Labor	\$48.003	\$49.378		
 Wage Index¹	297.1	307.3	3.4%	
Supplements Index²	491.0	497.8	1.4%	
 Total labor Index, 2007 Weights ³	352.7	362.0		
Labor Index (linked)⁴	338.3	347.2	2.6%	

¹ 1980 wage rate \$11.685

² 1980 supplements rate \$2.706

³ 2007 weights: wages, supplements 71.3% 28.7%

⁴ 2009Q3 linked Index = 2009Q2 linked x (2009Q3 / 2009Q2)
 = 338.3 x 362.0 / 352.7

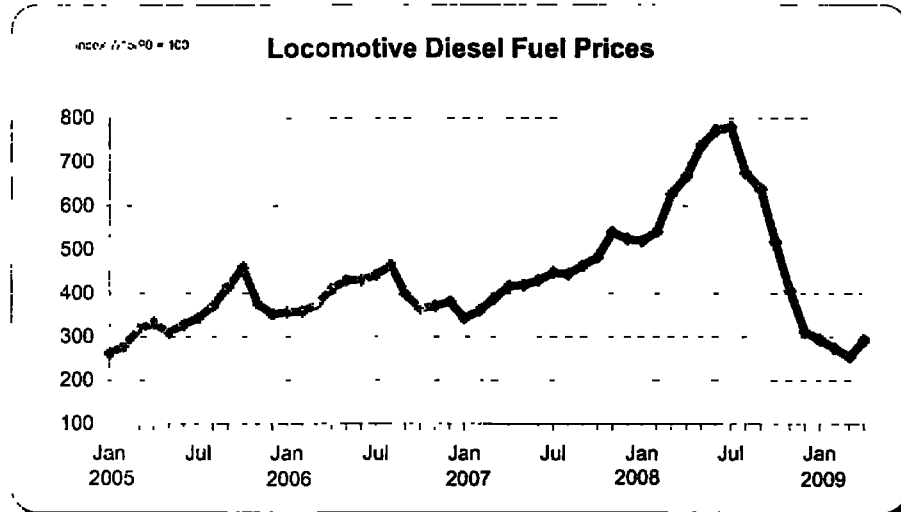
Fuel

Third Quarter 2009

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.

Prices for West Texas Intermediate crude oil*, heating oil**, and locomotive diesel fuel all peaked around early July 2008, and then experienced steep drops in price through December. Since that time price changes have been less severe, and monthly averages for April were *higher* than those for March. Prices for crude oil and heating oil also appear to be higher for May compared to April 2009.

Monthly average locomotive diesel fuel prices increased in April for the first time since July 2008. Assuming correlation with crude oil and heating oil continues, one would expect a higher average locomotive diesel fuel price for May. One caution about the current mini-trend of increasing fuel prices is that inventories are now above the average range. Railroads believe prices will continue to increase into July 2009 (Q3), and will be about 28 percent higher than the forecast for second quarter (April). Excluding the 2009Q2 forecast, the current forecast is the lowest since the second quarter of 2006.



Forecast Fuel Index	231.2
Change from previous quarter forecast	28.4%
Change from previous quarter actual	28.3%

* 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

Third Quarter 2009

The Materials & Supplies index increased 2.8 percent from the previous quarter. Prices for all three major categories (Forest Products, Metal Products and Miscellaneous Products) were higher, although the overall index is still lower than it was in the first quarter.

2009Q3 Materials & Supplies Index = 255.9

2009Q2 Materials & Supplies Index = 249.0

Difference	6.9 basis points
	or
	2.8 %

Equipment Rents

Third Quarter 2009

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 table below calculates the Equipment Rent Index, which decreased 2.0 percent. The Car Hire portion of the Index increased because of higher tank car rates. A 4.1 percent decrease for the projected PPI-LF (See Appendix G) used as a proxy for changes in Lease Rentals, combined with a 0.1 percent increase for Car Hire, caused the Equipment Rent Index to decrease 2.3 percent.

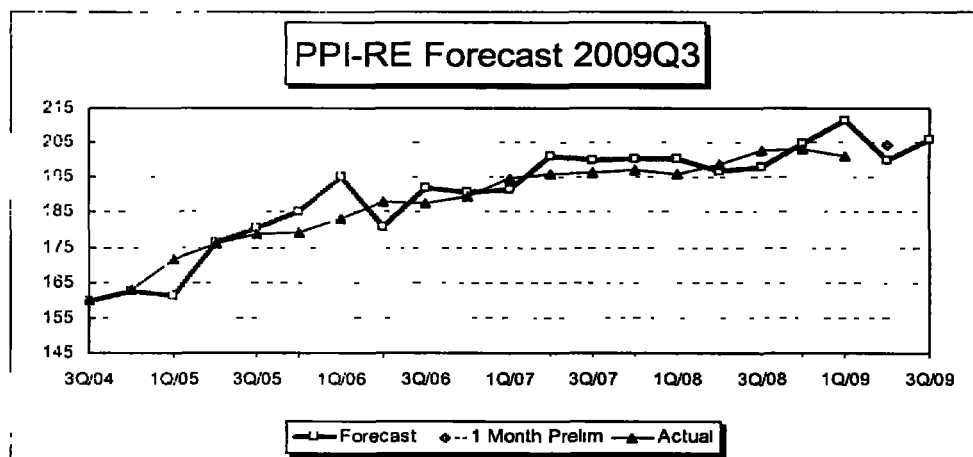
	2007			Percent
	Weight	2009Q2	2009Q3	Change
Car Hire	43.2%	182.2	182.4	0.1 %
Lease Rentals	56.8%	199.7	191.5	-4.1
Weighted Average		192.1	187.6	-2.3
Weighted Average (Linked)		197.0	192.4	-2.3

Depreciation

Third Quarter 2009

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

Forecast of Depreciation Index (1982=100)	186.2
Forecast of Depreciation Index (1980=100)	206.0
Change from previous quarter forecast	3.1%
Change from actual first month of previous quarter	0.9%
Change from same quarter of prior year (actual)	1.6%



Depreciation

Third Quarter 2009

PPI INDUSTRIAL COMMODITIES LESS FUEL AND RELATED PRODUCTS AND POWER

Recommended model: Box-Jenkins

Forecast Model for PPIRE:

ARIMA(0,1,0)*(0,0,2)

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 163.7	Standard deviation 15.89
R-square 0.9961	Adjusted R-square 0.996
Durbin-Watson 1.751	Ljung-Box(18)-23.03 P=0.8105
Forecast error 0.9991	BIC 1.045
MAPE 0.004198	RMSE 0.9852
MAD 0.6852	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2008-11	181.600
2008-12	180.700
2009-01	180.700
2009-02	182.200
2009-03	181.800
2009-04	184.500

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2009-05	182.621	184.565	186.510
2009-06	182.613	185.363	188.112
2009-07	182.404	185.771	189.139
2009-08	182.082	185.971	189.860
2009-09	182.534	186.882	191.230
QTR AVG	182.340	186.208	190.076

Interest

Third Quarter 2009

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 2008, the Interest Index is based on data for 2007.

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

2007	Interest Rate	6.91%
1980	Interest Rate	7.85%
2009Q3	Interest Index	88.0
2009Q2	Interest Index	88.0
	Percent Change	0.0%

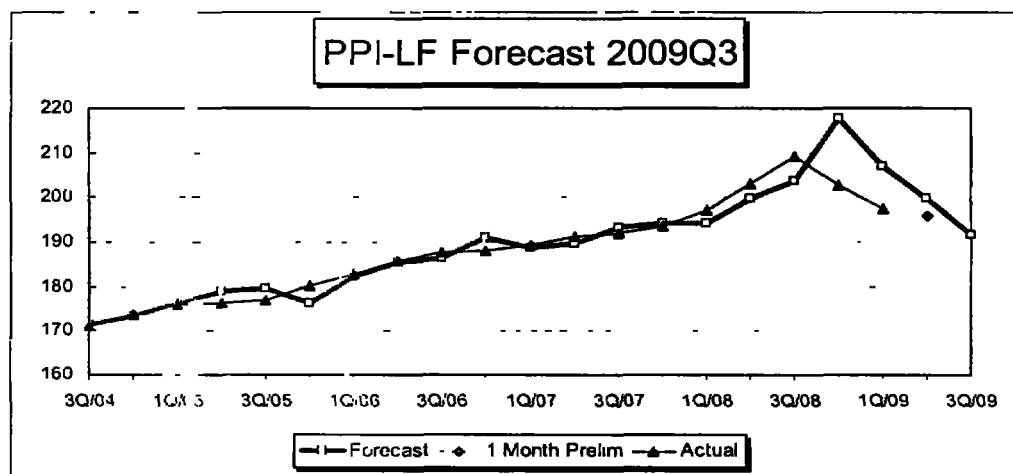
Other Expenses

Third Quarter 2009

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 for the third quarter reflects monthly PPI-LF figures that peaked in August and have decreased every month since the peak.

Forecast of Other Expense Index (1982=100)	170.8
Forecast of Other Expense Index (1980=100)	191.5
Change from previous quarter forecast	-4.1%
Change from actual first month of previous quarter	-2.3%
Change from same quarter of prior year (actual)	-8.5%



Other Expenses

Third Quarter 2009

PPI INDUSTRIAL COMMODITIES LESS FUEL AND RELATED PRODUCTS AND POWER

Recommended model: Box-Jenkins
Forecast Model for PPII F
ARIMA(0,2,1)

Term	Coefficient	Std. Error	t-Statistic	Significance
b[1]	0.0187	0.1196	0.1566	0.1240 <-

Insignificant MA terms are harmless.

Within-Sample Statistics

Sample size 72	Number of parameters 1
Mean 163.9	Standard deviation 11.93
R-square 0.9963	Adjusted R-square 0.9963
Durbin-Watson 1.97	Ljung-Box(18) -22.97 P=0.8084
Forecast error 0.7216	BIC 0.7382
MAPE 0.003026	RMSF 0.7166
MAD 0.5097	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2008-11	179.900
2008-12	177.400
2009-01	176.900
2009-02	176.300
2009-03	175.800
2009-04	174.800

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2009-07	166.555	171.828	177.101
2009-08	163.133	170.837	178.542
2009-09	159.427	169.847	180.267
QTR AVG	163.038	170.837	178.637

Railroad and Union Abbreviations

Third Quarter 2009

Railroads

BLE	Bessemer & Lake Erie Railroad (Part of CN's Grand Trunk Corp.)
BNSF	BNSF Railway Company
CC	Chicago, Central & Pacific (Part of CN's Grand Trunk Corp. Sometimes noted as CC&P.)
CN	Canadian National Railway (Commonly known as CN, owns Grand Trunk Corporation.)
CNGT	AAR's abbreviation for Grand Trunk Corporation (Almost all of CN's U.S. operations.)
CP	Canadian Pacific (Also noted as CPR. Owns the U.S. Class I railroad Soo Line.)
CSX	CSX Transportation
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)
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)

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Workpapers Sent to STB for 2009 Q3 RCAF

June 5, 2009



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. 2007 Benchmark spreadsheets
6. Wall Street Journal - 3 month Treasury Bill Rate
7. 2009/Q3 RCAF Lump Sum Amortization (4 pages)
8. 2009/Q3 RCAF Back Pay Amortization (5 pages)
9. Health & Welfare worksheet (3 pages)
10. Railroad Retirement spreadsheet (5 pages)
11. Unemployment Insurance worksheet
12. 2-page SAS runs for Unemployment Insurance
13. Eight pages from EIA's *Week in Petroleum* for Distillate and Crude Oil
14. Summary of Materials & Supplies
15. Two-page Equipment Rents spreadsheet (Car Hire) plus source data (2 pages)
16. 5 pages of PPI-RE for Depreciation including graph, input/output, and BLS source data
17. 5 pages of PPI-LF for Other (and Lease Rentals) incl. graph, input/output, BLS source data
18. Forecast Error calculation and workpapers (11 pages)

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Workpapers Sent to STB for 2009 Q3 RCAF (cont.)

June 5, 2009

Contract pages used for wage increases, back pay, lump sums, and employee Health & Welfare cost sharing.

1. National ATDA general wage increase page
2. National BLET general wage increase page
3. National BMWWE general wage increase pages (2)
4. National BRC (TCU-Carmen) general wage increase page
5. National BLET general wage increase page
6. National BRS general wage increase page
7. National IAM general wage increase page
8. National IBBM general wage increase page
9. National IBEW general wage increase page
10. National NCFO general wage increase page
11. National SMW general wage increase page
12. National TCU (clerks, not carmen) general wage increase page
13. National UTU general wage increase pages (2)
14. National UTU-Yardmasters general wage increase page
15. National ATDA participants exhibit - 2 pages
16. Independent NS BLET general wage increase page
17. Independent UP Yardmasters general wage increase page
18. 12 pages of independent general wage increase pages for Soo Line
19. 2 pages of independent general wage increase pages for CN's B&LE RR Co.
20. 1 independent general wage increase page for CN's CC&P
21. 1 independent g.w.i. page for IAM and CN's B&LE, CC&P, DMIR, DWP, GTW, IC, and WC
22. 7 pages of independent general wage increase pages for CN's DMIR Rwy
23. 2 pages of independent general wage increase pages for CN's DWP Rwy
24. 7 pages of independent general wage increase pages for CN's GTW
25. 4 pages of independent general wage increase pages for CN's IC
26. 5 pages of independent general wage increase pages for CN's CC&P and IC
27. 2 pages of independent general wage increase pages for CN's WC
28. 2 Lump Sum (Bonus) pages from independent new contracts for DMIR-TCU and WC-IBEW
29. 5 pages of new independent employee H&W cost sharing info

RCAF All-Inclusive Index's Labor Index Based on 2007 Benchmarks

	07 Wts.	3Q/08		% Chg	4Q/08		% Chg	fr. Orig	1Q/09		% Chg	2Q/09		% Chg	3Q/09		% Chg
		Original	Rebenchd														
Straight Time		\$25.601	\$26.465	3.4%	\$26.873	\$26.873	5.0%		\$27.239	\$27.239	1.4%	\$27.239	\$27.239	0.0%	\$28.088	\$28.088	3.1%
PFTNW		\$6.099	\$6.003	-1.6%	\$6.143	\$6.143	0.7%		\$6.173	\$6.173	0.5%	\$6.173	\$6.173	0.0%	\$6.399	\$6.399	3.7%
Total		\$31.700	\$32.468	2.4%	\$33.016	\$33.016	4.2%		\$33.412	\$33.412	1.2%	\$33.412	\$33.412	0.0%	\$34.487	\$34.487	3.2%
Adjustments																	
Lump Sum		\$0.116	\$0.120		\$0.122	\$0.122			\$0.194	\$0.194		\$0.310	\$0.310		\$0.311	\$0.311	
Back Pay		\$0.664	\$0.687		\$1.010	\$1.010			\$0.920	\$0.920		\$0.916	\$0.916		\$0.923	\$0.923	
Other		\$0.079	\$0.079		\$0.079	\$0.079			\$0.079	\$0.079		\$0.079	\$0.079		\$0.186	\$0.186	
Total Wages		\$32.559	\$33.354	2.4%	\$34.227	\$34.227	5.1%		\$34.605	\$34.605	1.1%	\$34.717	\$34.717	0.3%	\$35.907	\$35.907	3.4%
Pre-Tax Reduction		(\$0.965)	(\$1.027)		(\$1.020)	(\$1.020)			(\$1.044)	(\$1.044)		(\$1.045)	(\$1.045)		(\$1.050)	(\$1.050)	
Taxable Wages		\$31.594	\$32.327		\$33.207	\$33.207			\$33.561	\$33.561		\$33.672	\$33.672		\$34.857	\$34.857	
H & W		\$5.500	\$5.611	2.0%	\$5.617	\$5.617	2.1%		\$5.873	\$5.873	4.6%	\$5.873	\$5.873	0.0%	\$5.868	\$5.868	-0.1%
RR Ret & Medicare		\$6.609	\$6.774	2.5%	\$6.906	\$6.906	4.5%		\$7.044	\$7.044	2.0%	\$7.061	\$7.061	0.2%	\$7.238	\$7.238	2.5%
Unemp. Insurance		\$0.195	\$0.201	3.1%	\$0.201	\$0.201	3.1%		\$0.208	\$0.208	3.5%	\$0.208	\$0.208	0.0%	\$0.208	\$0.208	0.0%
Other		\$0.136	\$0.141	3.7%	\$0.078	\$0.078	-42.6%		\$0.095	\$0.095	21.8%	\$0.144	\$0.144	51.6%	\$0.157	\$0.157	9.0%
Total		\$12.440	\$12.727	2.3%	\$12.802	\$12.802	2.9%		\$13.220	\$13.220	3.3%	\$13.286	\$13.286	0.5%	\$13.471	\$13.471	1.4%
Adjustments																	
Total Suppl.		\$12.440	\$12.727	2.3%	\$12.802	\$12.802	2.9%		\$13.220	\$13.220	3.3%	\$13.286	\$13.286	0.5%	\$13.471	\$13.471	1.4%
Total Labor		\$44.999	\$46.081	2.4%	\$47.029	\$47.029	4.5%		\$47.825	\$47.825	1.7%	\$48.003	\$48.003	0.4%	\$49.378	\$49.378	2.9%
Wage Rate Index	0.7130	278.6	285.4	2.4%	292.9	292.9	5.1%		296.1	296.1	1.1%	297.1	297.1	0.3%	307.3	307.3	3.4%
Suppl Index	0.2870	459.7	470.3	2.3%	473.1	473.1	2.9%		488.5	488.5	3.3%	491.0	491.0	0.5%	497.8	497.8	1.4%
Total Labor Index '06 Wts.		329.1															
Total Labor Index '07 Wts.		330.6	338.5	2.4%	344.6	344.6	4.2%		351.3	351.3	1.9%	352.7	352.7	0.4%	362.0	362.0	2.6%
Labor Index (Linked)		317.2			330.6	330.6	4.2%		337.0	337.0	1.9%	338.3	338.3	0.4%	347.2	347.2	2.6%

All Inclusive Index and RCAF

	07 Wts	3Q/08	3Q/08 07 Wts	% Chg	4Q/08	% Chg	1Q/09	% Chg	2Q/09	% Chg	3Q/09	% Chg
Labor	0.328	317.20	317.2	0.0%	330.6	4.2%	337.0	1.9%	338.3	0.4%	347.2	2.6%
Fuel	0.203	472.80	472.8	0.0%	423.6	-10.4%	237.3	-44.0%	180.0	-24.1%	231.2	28.4%
M&S	0.050	228.30	228.3	0.0%	252.2	10.5%	258.8	2.6%	249.0	-3.8%	255.9	2.8%
Equip. Rents	0.072	199.50	199.5	0.0%	207.4	4.0%	201.0	-3.1%	197.0	-2.0%	192.4	-2.3%
Depreciation	0.110	197.90	197.9	0.0%	204.8	3.5%	211.6	3.3%	199.9	-5.5%	206.0	3.1%
Interest	0.027	90.20	90.2	0.0%	88.0	-2.4%	88.0	0.0%	88.0	0.0%	88.0	0.0%
Other	0.210	203.80	203.8	0.0%	217.8	6.9%	207.0	-5.0%	199.7	-3.5%	191.5	-4.1%
Weighted Avg.	1.000	291.80	292.8	0.3%	292.6	-0.1%	255.2	-12.8%	240.4	-5.8%	252.7	5.1%
Linked		284.30			284.1	-0.1%	247.8	-12.8%	233.4	-5.8%	245.3	5.1%
10/1/80 basis		276.80			276.6	-0.1%	241.3	-12.8%	227.3	-5.8%	238.9	5.1%
10/1/82		235.20			235.0	-0.1%	205.0	-12.8%	193.1	-5.8%	202.9	5.1%
4Q/87		215.10			214.9	-0.1%	187.4	-12.8%	176.6	-5.8%	185.6	5.1%
4Q/92		181.20			181.1	-0.1%	157.9	-12.8%	148.8	-5.8%	156.3	5.0%
4Q/97		164.10			164.0	-0.1%	143.1	-12.7%	134.8	-5.8%	141.6	5.0%
4Q/02		148.00			147.9	-0.1%	129.0	-12.8%	121.5	-5.8%	127.7	5.1%
4Q/07 basis		115.60			115.5	-0.1%	100.8	-12.7%	94.9	-5.9%	99.8	5.2%
Car Hire	0.432	182.30	182.3	0.0%	181.7	-0.3%	181.5	-0.1%	182.2	0.4%	182.4	0.1%
Lease Rents	0.568	203.80	203.8	0.0%	217.8	6.9%	207.0	-5.0%	199.7	-3.5%	191.5	-4.1%
Wghted Avg Eq Rents		193.80	194.5	0.4%	202.2	4.0%	196.0	-3.1%	192.1	-2.0%	187.6	-2.3%
Linked Equipment Rents		199.50			207.4	4.0%	201.0	-3.1%	197.0	-2.0%	192.4	-2.3%
Preliminary RCAF		1.156			1.155	-0.09%	1.008	-12.7%	0.949	-5.9%	0.998	5.2%
Forecast Error Adj.		(0.009)			0.044		0.014		(0.099)		(0.060)	
RCAF Unadjusted		1.147			1.199	4.53%	1.022	-14.8%	0.850	-16.8%	0.938	10.4%
PAF		2.1748			2.1813	0.30%	2.1878	0.30%	2.1959	0.37%	2.2040	0.4%
RCAF Adjusted		0.527			0.550	4.36%	0.467	-15.1%	0.387	-17.1%	0.426	10.1%
PAF-5		2.2955			2.3051	0.42%	2.3120	0.30%	2.3189	0.30%	2.3259	0.30%
RCAF-5		0.500			0.520	4.00%	0.442	-15.0%	0.367	-17.0%	0.403	9.8%

Hourly Rate for 2009 Q3

Straight Time and Time Paid For But Not Worked

2009Q3 Straight Time Hourly Rate (from national spreadsheet) \$27.813
 4.5% G.W.I. for all national unions

Adjustments to 2007 base:

Adjustments added 2008 Q1

CN Railroads	New IC&CCP BRS, 4% for WC BRS, 3% for non unions, \$0.16 COLA for some CCP, DMIR etc	0.004
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
MISC. Independent BLET, Yardmasters, Dispatchers	\$0.16 COLA for CSX and UP UTU-YMD, 3% for UP ATDA (non-union)	0.005
SOO	New ATDA, IAM, IBBM and TCU contracts, \$0.16 COLA for rest except BLET	0.001

Adjustments added 2008 Q2

CN Railroads	New GTW TCU-Carmen with retroactive G W I	0.001
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
MISC. Independent BLET, Yardmasters, Dispatchers	No change	0.000
SOO	No change	0.000

Adjustments added 2008 Q3

CN Railroads	New GTW & IC IBEW, IC SMW, DMIR Carmen, IC/CCP UTU w retro G W I, rest w various G W I	0.027
Dispatcher 4 (BNSF, CSX, KCS, NS)	4% G W I for BNSF, CSX and KCS	0.007
MISC. Independent BLET, Yardmasters, Dispatchers	New UP YMD with retro G W I, 4% for BNSF BLET, \$0.26 COLA for CSX YMD	0.045
SOO	New BRS, IBEW, NCFO and SMW with retro G W I	0.008

Adjustments added 2008 Q4

CN Railroads	New GTW BMW & BLE TCU, Adj to account for Aug G W I for GTW BLET and UTU for CCP GTW IC & WL	0.006
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
MISC. Independent BLET, Yardmasters, Dispatchers	No change	0.000
SOO	New TCU-Carmen and UTU YMD with retro G W I	0.002

Adjustments added 2009 Q1

CN Railroads	New CCP&IC TCU, DMIR IBEW, COLA for WC&DMIR&DWP BMW, 4% for non unions	0.008
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
MISC. Independent BLET, Yardmasters, Dispatchers	CSX participates in new (2008) national UTU-YMD, 4% for UP ATDA as non-union	0.013
SOO	New UTU with retro G W I, IAM becomes nat'l-like from intern, BMW COLA	0.005

Adjustments added 2009 Q2

CN Railroads	No change	0.000
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
MISC. Independent BLET, Yardmasters, Dispatchers	No change	0.000
SOO	No change	0.000

Adjustments added 2009 Q3

CN Railroads	New BLE BMW, DMIR TCU, WC BLET&IBEW, COLA for WC&DMIR&DWP BMW, rest G W I	0.026
Dispatcher 4 (BNSF, CSX, KCS, NS)	4.5% G W I for BNSF and KCS, 4% for CSX	0.008
MISC. Independent BLET, Yardmasters, Dispatchers	4.5% G W I for BNSF BLET, CSX & UP UTU-YMD, 5% G W I for NS BLET	0.089
SOO	New BMW with retro G W I, 4.5% G W I for rest unions	0.020

Adjusted STHR Total		\$28.088
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Pay For Time Not Worked

PFTNW (from national spreadsheet)		\$6.336
Ratio Adj STHR to Nat STHR	28.088 / 27.813 =	1.00989

Adjusted Pay For Time Not Worked		\$6.399
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Notes:

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

RCAF Taxable Wages

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

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

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

Reduction Calculation for 3Q/2009

U.S. ST Hours = 331,135,912
 Wage Statistics are for 2007.

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, UP)	28,594	(\$170.96)	(\$58,661,162.88)
National BMWF (BNSF, CSX, KCS, NS, UP)	24,164	(\$170.96)	(\$49,572,929.28)
National BRS (BNSF, CSX, KCS, NS, UP)	6,189	(\$170.96)	(\$12,696,857.28)
National IAM (BNSF, CSX, KCS, NS, UP)	6,771	(\$170.96)	(\$13,890,841.92)
National IBBM (BNSF, CSX, KCS, NS, UP)	1,025	(\$170.96)	(\$2,102,808.00)
National IBEW (BNSF, CSX, KCS, NS, UP)	5,039	(\$170.96)	(\$10,337,609.28)
National NCFO (BNSF, CSX, KCS, NS, UP)	2,461	(\$170.96)	(\$5,048,790.72)
National SMW (BNSF, CSX, KCS, NS, UP)	1,069	(\$170.96)	(\$2,193,074.88)
National TCU (BNSF, CSX, KCS, NS, UP)	7,835	(\$170.96)	(\$16,073,659.20)
National TCU-CAR (BNSF, CSX, KCS, NS, UP)	10,617	(\$170.96)	(\$21,780,987.84)
National UTU (BNSF, CSX, KCS, NS, UP)	43,923	(\$170.96)	(\$90,108,912.96)
National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,715	(\$170.96)	(\$3,518,356.80)
Indep. Dispatchers (wt avg BNSF, CSX, KCS, NS)	1,835	(\$170.96)	(\$3,764,539.20)
Independent CNGT (wt avg all 104 union categories)	5,780	(\$106.57)	(\$7,391,695.20)
Independent SOO (wt avg all 13 unions)	2,416	(\$170.96)	(\$4,956,472.32)
Independent UP (Yardmasters only)	262	(\$170.96)	(\$537,498.24)
Total Union	149,695		(\$302,636,196.00)
All Other @ \$3,762,880.60 total per month			(\$45,154,567.20)
Total			(\$347,790,763.20)

Reduction in Wage Rate Per ST Hour	-\$1.05029612
Deduct this amount from the Wage Rate	-\$1.050

National Contracts U.S.

Straight Time Hourly Rate														Check	
	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Sum
Weight	0.26079	0.04507	0.18467	0.00586	0.03648	0.13922	0.06197	0.01372	0.03837	0.00602	0.02894	0.0135	0.01093	0.15445	1.00000
2007 Avg.	21.431	22.684	23.955	22.664	24.422	21.293	22.136	18.421	21.996	20.503	23.040	32.822	27.352	42.237	344.956
12/31/07	21.488	23.002	24.126	22.994	24.776	21.600	22.455	18.689	22.057	20.805	23.367	33.032	27.400	42.237	348.028
1/1/08	21.640	23.002	24.126	22.994	24.776	21.600	22.455	18.689	22.209	20.805	23.367	33.032	27.476	43.504	
4/1/08	21.640	23.002	24.126	22.994	24.776	21.600	22.455	18.689	22.209	20.805	23.367	33.032	27.476	43.504	
7/1/08	21.887	23.832	24.463	23.895	25.717	22.401	23.290	19.406	22.458	21.587	24.256	33.032	27.601	43.504	
10/1/08	23.374	23.832	24.463	23.895	25.717	22.401	23.290	19.406	22.458	21.587	24.256	33.032	28.707	43.504	
1/1/09	23.374	23.832	24.463	23.895	25.717	22.401	23.290	19.406	24.321	21.587	24.256	33.032	28.707	45.244	
4/1/09	23.374	23.832	24.463	23.895	25.717	22.401	23.290	19.406	24.321	21.587	24.256	33.032	28.707	45.244	
7/1/09	24.374	24.799	24.848	24.948	26.815	23.336	24.265	20.243	25.366	22.499	25.295	33.032	29.326	45.244	

Weighted Straight Time Hourly Rate

UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2007 Avg.	5.589	1.022	4.424	0.133	0.891	2.965	1.372	0.253	0.844	0.123	0.667	0.443	0.299	6.523
12/31/07	5.604	1.037	4.455	0.135	0.904	3.007	1.392	0.256	0.846	0.125	0.676	0.446	0.300	6.523
1/1/08	5.644	1.037	4.455	0.135	0.904	3.007	1.392	0.256	0.852	0.125	0.676	0.446	0.300	6.719
4/1/08	5.644	1.037	4.455	0.135	0.904	3.007	1.392	0.256	0.852	0.125	0.676	0.446	0.300	6.719
7/1/08	5.708	1.074	4.518	0.140	0.938	3.119	1.443	0.266	0.862	0.130	0.702	0.446	0.302	6.719
10/1/08	6.096	1.074	4.518	0.140	0.938	3.119	1.443	0.266	0.862	0.130	0.702	0.446	0.314	6.719
1/1/09	6.096	1.074	4.518	0.140	0.938	3.119	1.443	0.266	0.933	0.130	0.702	0.446	0.314	6.988
4/1/09	6.096	1.074	4.518	0.140	0.938	3.119	1.443	0.266	0.933	0.130	0.702	0.446	0.314	6.988
7/1/09	6.357	1.118	4.589	0.146	0.978	3.249	1.504	0.278	0.973	0.135	0.732	0.446	0.321	6.988

Note: The 2007 Average and 12/31/07 Straight Time Hourly Rates are the industry rates, and include all Class 1 railroad employees. The rates for 1/1/08 through 7/1/09 are based on the industry year-end rates updated by NATIONAL UNION wage increases using contract information. These national increases are diluted using "percent national" ratios to account for non-national union contracts. The impacts of non-national (or independent contract) increases after 2007 are not shown on this page and are handled separately.

National Contracts U.S.

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER
Weight	0.26079	0.04507	0.18467	0.00586	0.03648	0.13922	0.06197	0.01372	0.03837	0.00602	0.02894	0.0135	0.01093	0.15445
2007 Avg.	7.462	5.320	9.862	4.216	5.857	3.914	4.056	3.218	3.966	2.846	4.333	6.394	7.534	1.701
12/31/07	7.482	5.394	9.932	4.278	5.942	3.970	4.114	3.264	3.977	2.888	4.394	6.435	7.547	1.701
1/1/08	7.535	5.394	9.932	4.278	5.942	3.970	4.114	3.264	4.005	2.888	4.394	6.435	7.568	1.752
4/1/08	7.535	5.394	9.932	4.278	5.942	3.970	4.114	3.264	4.005	2.888	4.394	6.435	7.568	1.752
7/1/08	7.621	5.589	10.071	4.445	6.168	4.117	4.267	3.390	4.049	2.996	4.562	6.435	7.602	1.752
10/1/08	8.139	5.589	10.071	4.445	6.168	4.117	4.267	3.390	4.049	2.996	4.562	6.435	7.907	1.752
1/1/09	8.139	5.589	10.071	4.445	6.168	4.117	4.267	3.390	4.385	2.996	4.562	6.435	7.907	1.822
4/1/09	8.139	5.589	10.071	4.445	6.168	4.117	4.267	3.390	4.385	2.996	4.562	6.435	7.907	1.822
7/1/09	8.487	5.816	10.229	4.641	6.431	4.289	4.446	3.536	4.574	3.123	4.757	6.435	8.077	1.822

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2007 Avg.	1.946	0.240	1.821	0.025	0.214	0.545	0.251	0.044	0.152	0.017	0.125	0.086	0.082	0.263	5.812
12/31/07	1.951	0.243	1.834	0.025	0.217	0.553	0.255	0.045	0.153	0.017	0.127	0.087	0.083	0.263	5.852
1/1/08	1.965	0.243	1.834	0.025	0.217	0.553	0.255	0.045	0.154	0.017	0.127	0.087	0.083	0.271	5.875
4/1/08	1.965	0.243	1.834	0.025	0.217	0.553	0.255	0.045	0.154	0.017	0.127	0.087	0.083	0.271	5.875
7/1/08	1.988	0.252	1.860	0.026	0.225	0.573	0.264	0.046	0.155	0.018	0.132	0.087	0.083	0.271	5.981
10/1/08	2.123	0.252	1.860	0.026	0.225	0.573	0.264	0.046	0.155	0.018	0.132	0.087	0.086	0.271	6.119
1/1/09	2.123	0.252	1.860	0.026	0.225	0.573	0.264	0.046	0.168	0.018	0.132	0.087	0.086	0.281	6.143
4/1/09	2.123	0.252	1.860	0.026	0.225	0.573	0.264	0.046	0.168	0.018	0.132	0.087	0.086	0.281	6.143
7/1/09	2.213	0.262	1.889	0.027	0.235	0.597	0.276	0.049	0.176	0.019	0.138	0.087	0.088	0.281	6.336

U.S. National Contract

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UTU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				21.43136	7.46235
12/31/07 Industry Rate				21.48796	7.48205
1/1/08		0.16000	95.081%	21.64009	7.53503
4/1/08			95.081%	21.64009	7.53503
7/1/08		0.26000	95.081%	21.88730	7.62110
10/1/08			95.081%	23.37436	8.13890
1/1/09			95.081%	23.37436	8.13890
4/1/09			95.081%	23.37436	8.13890
7/1/09	4.50%		95.081%	24.37447	8.48713

New contract removes COLAs beginning 7/1/05 and adds four retro G.W.I.

TCU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				22.68401	5.31991
12/31/07 Industry Rate				23.00206	5.39450
1/1/08			90.200%	23.00206	5.39450
4/1/08			90.200%	23.00206	5.39450
7/1/08	4.00%		90.200%	23.83197	5.58913
10/1/08			90.200%	23.83197	5.58913
1/1/09			90.200%	23.83197	5.58913
4/1/09			90.200%	23.83197	5.58913
7/1/09	4.50%		90.200%	24.79931	5.81599

BLET

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				23.95489	9.86184
12/31/07 Industry Rate				24.12555	9.93210
1/1/08			34.962%	24.12555	9.93210
4/1/08			34.962%	24.12555	9.93210
7/1/08	4.00%		34.962%	24.46294	10.07100
10/1/08			34.962%	24.46294	10.07100
1/1/09			34.962%	24.46294	10.07100
4/1/09			34.962%	24.46294	10.07100
7/1/09	4.50%		34.962%	24.84781	10.22944

U.S. National Contract

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SMWIA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				22.66428	4.21647
12/31/07 Industry Rate				22.99380	4.27778
1/1/08			97.958%	22.99380	4.27778
4/1/08			97.958%	22.99380	4.27778
7/1/08	4.00%		97.958%	23.89478	4.44540
10/1/08			97.958%	23.89478	4.44540
1/1/09			97.958%	23.89478	4.44540
4/1/09			97.958%	23.89478	4.44540
7/1/09	4.50%		97.958%	24.94809	4.64135

BRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				24.42212	5.85744
12/31/07 Industry Rate				24.77623	5.94237
1/1/08			94.910%	24.77623	5.94237
4/1/08			94.910%	24.77623	5.94237
7/1/08	4.00%		94.910%	25.71684	6.16797
10/1/08			94.910%	25.71684	6.16797
1/1/09			94.910%	25.71684	6.16797
4/1/09			94.910%	25.71684	6.16797
7/1/09	4.50%		94.910%	26.81519	6.43140

BMWE

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				21.29321	3.91372
12/31/07 Industry Rate				21.60038	3.97018
1/1/08			92.688%	21.60038	3.97018
4/1/08			92.688%	21.60038	3.97018
7/1/08	4.00%		92.688%	22.40121	4.11738
10/1/08			92.688%	22.40121	4.11738
1/1/09			92.688%	22.40121	4.11738
4/1/09			92.688%	22.40121	4.11738
7/1/09	4.50%		92.688%	23.33556	4.28911

U.S. National Contract

TCU-Carmen

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				22.13635	4.05604
12/31/07 Industry Rate				22.45538	4.11449
1/1/08			92.958%	22.45538	4.11449
4/1/08			92.958%	22.45538	4.11449
7/1/08	4.00%		92.958%	23.29035	4.26748
10/1/08			92.958%	23.29035	4.26748
1/1/09			92.958%	23.29035	4.26748
4/1/09			92.958%	23.29035	4.26748
7/1/09	4.50%		92.958%	24.26461	4.44600

NCFO

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				18.42081	3.21755
12/31/07 Industry Rate				18.68946	3.26448
1/1/08			95.848%	18.68946	3.26448
4/1/08			95.848%	18.68946	3.26448
7/1/08	4.00%		95.848%	19.40599	3.38963
10/1/08			95.848%	19.40599	3.38963
1/1/09			95.848%	19.40599	3.38963
4/1/09			95.848%	19.40599	3.38963
7/1/09	4.50%		95.848%	20.24300	3.53583

IAM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				21.99565	3.96598
12/31/07 Industry Rate				22.05664	3.97698
1/1/08		0.16000	95.500%	22.20944	4.00453
4/1/08			95.500%	22.20944	4.00453
7/1/08		0.26000	95.500%	22.45774	4.04930
10/1/08			95.500%	22.45774	4.04930
1/1/09			95.500%	24.32065	4.38520
4/1/09			95.500%	24.32065	4.38520
7/1/09	4.50%		95.500%	25.36584	4.57365

New contract removes COLAs beginning 7/1/06 and adds three retro G W I and \$0.38 rate adjustment on 10/1/08

U.S. National Contract

IBBM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				20.50257	2.84564
12/31/07 Industry Rate				20.80499	2.88762
1/1/08			93.924%	20.80499	2.88762
4/1/08			93.924%	20.80499	2.88762
7/1/08	4.00%		93.924%	21.58662	2.99611
10/1/08			93.924%	21.58662	2.99611
1/1/09			93.924%	21.58662	2.99611
4/1/09			93.924%	21.58662	2.99611
7/1/09	4.50%		93.924%	22.49899	3.12274

IBEW

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				23.03968	4.33287
12/31/07 Industry Rate				23.36668	4.39437
1/1/08			95.185%	23.36668	4.39437
4/1/08			95.185%	23.36668	4.39437
7/1/08	4.00%		95.185%	24.25634	4.56168
10/1/08			95.185%	24.25634	4.56168
1/1/09			95.185%	24.25634	4.56168
4/1/09			95.185%	24.25634	4.56168
7/1/09	4.50%		95.185%	25.29532	4.75707

ATDA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				32.82204	6.39405
12/31/07 Industry Rate				33.03246	6.43505
1/1/08			0.000%	33.03246	6.43505
4/1/08			0.000%	33.03246	6.43505
7/1/08	Each railroad has been benchmarked as independent even though a national agreement was signed 9/1/07		0.000%	33.03246	6.43505
10/1/08			0.000%	33.03246	6.43505
1/1/09			0.000%	33.03246	6.43505
4/1/09			0.000%	33.03246	6.43505
7/1/09			0.000%	33.03246	6.43505

YDMSTRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				27.35210	7.53365
12/31/07 Industry Rate				27.39953	7.54672
1/1/08		0.16000	47.905%	27.47617	7.56783
4/1/08			47.905%	27.47617	7.56783
7/1/08		0.26000	47.905%	27.60073	7.60213
10/1/08			47.905%	28.70696	7.90683
1/1/09			47.905%	28.70696	7.90683
4/1/09			47.905%	28.70696	7.90683
7/1/09	4.50%		47.905%	29.32581	8.07728

New contract removes COLAs beginning
7/1/05 and adds four retro G W I

OTHER

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				42.23703	1.70106
12/31/07 Industry Rate				42.23703	1.70106
1/1/08	3.00%		100.000%	43.50414	1.75209
4/1/08			100.000%	43.50414	1.75209
7/1/08			100.000%	43.50414	1.75209
10/1/08			100.000%	43.50414	1.75209
1/1/09	4.00%		100.000%	45.24431	1.82217
4/1/09			100.000%	45.24431	1.82217
7/1/09			100.000%	45.24431	1.82217

Check Sums

	Increase	Applicable	ST HR	PFTNW HR
2007 AVG			344.95611	70.67859
12/31/07			348.02814	
		1127.119%		
		ok matches	ok matches	ok matches
			ok matches	

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

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

National Increase Applicability for U.S. Total

Year 2007	U.S. Total	Not Part of National Agreements*																U.S. National Increase	Percent National Contract
		Union	ST Hours Pd	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)	ST Hours Pd	
		UTU	86,357,895	--	32,871	125,089	534,661	1,381,466	144,252	75,045		652,185	--	--	--	1,302,037	--	82,110,289	95.081%
		TCU	14,822,715	--	13,486	128,915	249,531	512,157	1,792	27,436		114,963	--	--	--	414,190	--	13,460,245	90.200%
		BLET	61,160,821	11,055,703	18,569	66,117	392,869	898,334	109,763	72,215		568,881	9,863,226	15,627,322	--	1,100,472	--	21,379,350	34.862%
		SMW	1,940,955	--	0	1,752	0	34,385	0	0		0	--	--	--	3,495	--	1,901,323	97.958%
		BRS	12,079,365	--	9,722	0	101,668	234,021	28,276	12,890		123,788	--	--	--	103,451	--	11,464,549	94.910%
		BMWE	46,101,997	--	48,982	0	382,757	971,964	189,233	0		954,290	--	--	--	843,827	--	42,730,944	92.688%
		TCU-CAR	20,521,407	--	25,950	49,607	204,043	505,574	22,374	21,911		314,759	--	--	--	300,842	--	19,076,347	92.958%
		IBFO	4,542,603	--	1,822	0	31,471	81,293	1,792	0		0	--	--	--	72,240	--	4,353,985	95.848%
		IAM	12,707,308	--	10,561	40,554	22,918	268,044	7,511	3,634		49,046	--	--	--	169,513	--	12,135,527	95.500%
		IBBM	1,992,539	--	0	1,800	0	56,747	4,033	0		0	--	--	--	58,495	--	1,871,464	93.924%
		IBEW	9,584,464	--	8,371	64,191	33,143	187,180	11,278	3,660		42,359	--	--	--	111,314	--	9,122,948	95.185%
		ATDA	4,469,790	716,322	0	1,944	26,656	86,330	0	7,032		55,336	890,054	1,228,226	71,279	83,642	1,302,969	0	0.000%
		UTU-YMC	3,820,368	1,137,801	0	0	62,757	80,838	0	0		42,852	--	--	--	77,022	484,754	1,734,344	47.905%
		OTHER	51,143,685	--	--	--	--	--	--	--		--	--	--	--	--	--	51,143,685	100.000%
		TOTAL	331,135,912	12,908,826	170,334	479,969	2,042,474	5,298,333	501,304	223,843	0	2,916,459	10,753,280	16,855,548	71,279	4,840,540	1,787,723	272,485,000	1127.119%
		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 2007 112-Class Wage Statistics and knowledge of contracts as of August 2008

Percentages are full float.

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

U.S. 2007 Benchmark

	From AAR 112-Class Wage Statistics & Survey				ST \$ Adjusted to Exclude Lump Sums	2007 Average Hourly Rates		12/31/2007 ST HR	ST Hrs. 2007 Weights
	ST Hrs.	ST \$	PFTNW \$	Union L. Sum		ST wo LS	PFTNW		
UTU	86,357,895	\$1,852,772,963	\$644,432,559	\$2,006,022	\$1,850,766,941	\$21.431	\$7.462	\$21.488	0.26079
TCU	14,922,715	342,457,005	79,387,499	3,949,964	338,507,041	22.684	5.320	23.002	0.04507
BLET	61,150,821	1,556,216,013	603,059,765	91,354,933	1,464,861,080	23.955	9.862	24.126	0.18467
SMWIA	1,940,955	44,000,512	8,183,988	10,161	43,990,351	22.664	4.216	22.994	0.00586
BRS	12,079,365	295,173,634	70,754,176	169,884	295,003,750	24.422	5.857	24.776	0.03648
BMWE	46,101,997	982,319,021	180,430,448	659,603	981,659,418	21.293	3.914	21.600	0.13922
TCU-CAR	20,521,407	454,718,600	83,235,556	449,453	454,269,147	22.136	4.056	22.455	0.06197
NCFO	4,542,603	83,734,823	14,616,068	56,389	83,678,434	18.421	3.218	18.689	0.01372
IAM	12,707,308	279,543,424	50,396,963	37,868	279,505,556	21.996	3.966	22.057	0.03837
IBBM	1,992,539	40,953,487	5,670,058	101,321	40,852,166	20.503	2.846	20.805	0.00602
IBEW	9,584,464	220,966,214	41,528,260	143,232	220,822,982	23.040	4.333	23.367	0.02894
ATDA	4,469,790	152,300,687	28,580,082	5,593,070	146,707,617	32.822	6.394	33.032	0.01350
UTU-YMD	3,620,368	101,015,301	27,274,599	1,990,631	99,024,670	27.352	7.534	27.400	0.01093
OTHER	51,143,685	2,160,157,429	86,998,315	0	2,160,157,429	42.237	1.701	42.237	0.15445
AAR 112 Total	331,135,912	8,566,329,113	1,924,548,336	106,522,531	8,459,806,582	25.548	5.812	25.707	1.00000
Sum (for proofing)						344.95611	70.67859	348.02814	

Year-End Figures are calculated, based on 2007 WS-112 and union contracts, in YearEnd2007_final.xls exhibited in document titled "Year-End 2007 ST Hourly Rates for U.S."
The ST Hours Weights and the Hourly Rates are full float.

BORROWING BENCHMARKS

Money Rates

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

Inflation

	April/Jones level	March '09	April '08	CHG FROM '08
U.S. consumer price index	213.240	0.2	-0.7	
Core	219.143	0.2	1.9	

International rates

	Latest	Week ago	High	Low
Overnight repurchase	0.53	0.53	4.09	0.51
U.S.	0.50	0.50	5.00	0.50
U.K. (BBB)	3.00	3.00	7.25	3.00
Euro zone	5.00	5.25	5.50	5.00

U.S. government rates

	Latest	Week ago	High	Low
Discount	0.50	0.50	2.25	0.50
Federal funds	1.00	1.00	4.25	1.00
Effective rate	1.475	1.475	1.875	1.475

Key Interest Rates

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

	WEEK ENDED	May 22	May 15	High	Low
Federal funds (effective)	0.16	0.17	2.25	0.10	

Commercial paper

	WEEK ENDED	May 22	May 15	High	Low
Nonfinancial	0.20	0.22	2.29	0.09	
Financial	0.18	0.24	2.22	0.19	
3-month	0.23	0.21	2.31	0.21	
6-month	0.27	0.29	3.20	0.27	
9-month	0.35	0.39	3.58	0.31	
12-month	0.31	0.36	3.82	0.31	

Interest rate swaps

	WEEK ENDED	May 22	May 15	High	Low
1-month	0.14	0.14	1.98	0.01	
3-month	0.18	0.18	1.93	0.02	
6-month	0.29	0.29	2.25	0.20	
1-year	1.02	1.02	4.18	0.61	
2-year	1.28	1.29	3.97	1.05	
3-year	1.65	1.68	3.07	1.35	
5-year	2.26	2.31	3.20	1.90	
7-year	2.29	2.35	3.28	1.90	
10-year	2.29	2.35	3.28	1.90	

Corporate bonds, Moody's seasoned

	WEEK ENDED	May 22	May 15	High	Low
1-month	0.26	0.30	4.81	0.26	
3-month	0.32	0.60	4.94	0.52	
6-month	0.98	1.15	5.00	0.98	
1-year	2.51	2.49	4.53	1.97	
2-year	2.96	2.91	4.71	2.21	
3-year	3.34	3.26	4.88	2.42	
5-year	3.81	3.71	5.18	2.53	
7-year	5.57	5.44	6.47	4.74	
10-year	8.04	8.00	9.49	6.91	

State and local bonds

	WEEK ENDED	May 22	May 15	High	Low
1-month	0.14	0.14	2.00	0.01	
3-month	0.18	0.18	1.97	0.02	
6-month	0.29	0.29	2.31	0.20	

Tracking Bond Benchmarks

Return on investment and spreads over Treasury's and/or yields paid to investors compared with 52-week highs and lows for different types of bonds.

	YTD return	Index	Latest	52-WEEK RANGE	High	Low
Broad market Barclays Aggregate	13.68.97	1.0	3.540	1.0	4.5	5
U.S. Corporate Barclays Capital	15.49.17	3.6	5.990	1.0	9.1	9.1
Intermediate	16.09.31	5.7	5.700	1.0	9.1	9.1
Long term	16.62.09	-2.3	6.840	1.0	9.1	9.1
Double-A-rated	341.06	-0.5	5.100	1.0	7.1	7.1
Triple-B-rated	331.81	1.0	6.450	1.0	10.1	10.1
High Yield Constrained Merrill Lynch	n.a.	n.a.	10.014	1.0	12.1	12.1
Triple-C-rated	n.a.	n.a.	14.153	1.0	14.1	14.1
High Yield 100	n.a.	n.a.	9.091	1.0	17.1	17.1
Global High Yield Constrained	n.a.	n.a.	10.076	1.0	22.1	22.1
Europe High Yield Constrained	n.a.	n.a.	10.082	1.0	27.1	27.1
U.S. Agency Barclays	1327.63	-0.5	1.980	1.0	4.1	4.1
10-20 years	1230.72	1.0	1.890	1.0	4.1	4.1
20-plus years	1866.27	-1.3	1.930	1.0	5.1	5.1
Mortgage-Backed Barclays	1495.43	2.8	2.440	1.0	5.1	5.1
Ginnie Mae (GNMA)	1461.34	2.7	3.110	1.0	5.1	5.1
Fannie Mae (FNMA)	867.22	2.9	2.300	1.0	5.1	5.1
Freddie Mac (FHLMC)	1346.75	2.7	2.390	1.0	5.1	5.1
Muni Master Merrill Lynch	n.a.	n.a.	3.198	1.0	5.1	5.1
7-12 year	n.a.	n.a.	3.085	1.0	5.1	5.1
12-22 year	n.a.	n.a.	4.346	1.0	6.1	6.1
22-plus year	n.a.	n.a.	5.095	1.0	7.1	7.1
Yankee Barclays	1597.84	2.0	4.910	1.0	8.1	8.1
Global Government J.P. Morgan	403.27	-1.8	2.400	1.0	3.1	3.1
Canada	572.22	-2.5	2.850	1.0	4.1	4.1
EMU	253.39	10.2	3.660	1.0	6.1	6.1
France	479.98	-1.2	3.278	1.0	4.1	4.1
Germany	361.36	-1.5	2.970	1.0	5.1	5.1
Japan	235.82	-1.1	1.190	1.0	1.1	1.1
Netherlands	385.57	-0.6	2.770	1.0	4.1	4.1
U.K.	567.44	-2.9	3.420	1.0	5.1	5.1
Emerging Markets **	409.79	1.3	6.647	1.0	12.1	12.1

Constrained indexes limit individual issuer concentrations to 2% the High Yield 100 are the 100 largest bonds in U.S. dollar term Eurozone ** EMBI Global Index

Syndicated-Loan Market/U.S. Loan Volume by Market Segment

Volume, in billions. Bars show capital in the market available to borrowers via a grouping of lenders.

	Latest	Week ago	High	Low
Commercial paper	0.3750	0.3750	7.0000	0.2500
30 to 90 days	0.1000	0.0625	2.0000	0.0000
90 to 180 days	0.1250	0.0625	3.0000	0.0000
180 to 270 days	0.2500	0.1250	4.0000	0.0500

Treasury bill auction

	Latest	Week ago	High	Low
4 weeks	0.130	0.130	1.990	0.000
13 weeks	0.175	0.135	2.050	0.005
26 weeks	0.300	0.295	2.350	0.005

Secondary market

	Latest	Week ago	High	Low
Freddie Mac	4.66	4.50	6.49	3.98
30-year mortgage yields	4.75	4.59	6.56	4.14
60 days	4.75	4.59	6.56	4.14
One-year RNY	2.500	3.375	2.500	2.500
Fannie Mae	4.543	4.458	6.566	4.099
30-year mortgage yields	4.636	4.554	6.618	4.186
30 days	4.636	4.554	6.618	4.186
60 days	4.636	4.554	6.618	4.186
Bankers' acceptances	0.45	0.45	5.13	0.43
30 days	0.43	0.43	5.13	0.43
60 days	0.48	0.48	5.13	0.48
90 days	0.65	0.65	5.00	0.65
120 days	0.75	0.75	5.00	0.75
150 days	0.85	0.85	5.00	0.85
180 days	0.98	0.95	5.00	0.95

Other short-term rates

	WEEK ENDED	May 22	May 15	High	Low
Call money	2.00	2.00	3.75	2.00	
Commercial paper	0.24	0.24	3.75	2.00	
30 to 90 days	n.a.	n.a.	3.75	2.00	
90 to 180 days	n.a.	n.a.	3.75	2.00	
180 to 270 days	n.a.	n.a.	3.75	2.00	
Dealer commercial paper	0.30	0.30	3.75	2.00	
30 days	0.30	0.30	3.75	2.00	
60 days	0.40	0.40	3.75	2.00	
90 days	0.45	0.45	3.75	2.00	
Euro commercial paper	0.46	0.46	4.75	0.46	
30 day	0.46	0.46	4.75	0.46	
Two month	0.70	0.70	4.80	0.70	
Three month	0.97	0.97	5.00	0.90	
Four month	1.07	1.00	5.00	1.00	
Five month	1.13	1.05	5.02	1.05	
Six month	1.21	1.15	5.07	1.15	

Commercial paper

	WEEK ENDED	May 22	May 15	High	Low
30 to 90 days	0.24	0.24	3.75	2.00	
90 to 180 days	n.a.	n.a.	3.75	2.00	
180 to 270 days	n.a.	n.a.	3.75	2.00	
120 to 180 days	0.25	0.25	3.75	2.00	
150 to 180 days	0.25	0.25	3.75	2.00	
180 to 270 days	n.a.	n.a.	3.75	2.00	

Dealer commercial paper

	WEEK ENDED	May 22	May 15	High	Low
30 days	0.30	0.30	3.75	2.00	
60 days	0.40	0.40	3.75	2.00	
90 days	0.45	0.45	3.75	2.00	
Euro commercial paper	0.46	0.46	4.75	0.46	
30 day	0.46	0.46	4.75	0.46	
Two month	0.70	0.70	4.80	0.70	
Three month	0.97	0.97	5.00	0.90	
Four month	1.07	1.00	5.00	1.00	
Five month	1.13	1.05	5.02	1.05	
Six month	1.21	1.15	5.07	1.15	

Commercial paper

	WEEK ENDED	May 22	May 15	High	Low
30 to 90 days	0.24	0.24	3.75	2.00	
90 to 180 days	n.a.	n.a.	3.75	2.00	
180 to 270 days	n.a.	n.a.	3.75	2.00	
120 to 180 days	0.25	0.25	3.75	2.00	
150 to 180 days	0.25	0.25	3.75	2.00	
180 to 270 days	n.a.	n.a.	3.75	2.00	

Dealer commercial paper

	WEEK ENDED	May 22	May 15	High	Low
30 days	0.30	0.30	3.75	2.00	
60 days	0.40	0.40	3.75	2.00	
90 days	0.45	0.45	3.75	2.00	
Euro commercial paper	0.46	0.46	4.75	0.46	
30 day	0.46	0.46	4.75	0.46	
Two month	0.70	0.70	4.80	0.70	
Three month	0.97	0.97	5.00	0.90	
Four month	1.07	1.00	5.00	1.00	
Five month	1.13	1.05	5.02	1.05	
Six month	1.21	1.15	5.07	1.15	

0.175

BONDS

**RCAF Lump Sum Amortization
2009/Q3**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours	
BLE - TCU	2008Q3	2008Q4	\$8,000	0.00002	0.00010	331,135,912	2007
CSX - ATDA-East	2008Q1	2008Q4	\$918,238	0.00277	0.01109	331,135,912	2007
IC and CCP - TCU	2008Q3	2009Q1	\$282,000	0.00085	0.00341	331,135,912	2007
NS - BLET signing bonus	2008Q4	2009Q1	\$23,876,000	0.07210	0.28841	331,135,912	2007
NS - BLET & ATDA	2009Q2	2009Q2	\$45,772,356	0.13823	0.55291	331,135,912	2007
CSX - BLET	2009Q2	2009Q2	\$31,695,082	0.09572	0.38286	331,135,912	2007
CNGT - various ¹	Various	2009Q3	\$158,500	0.00048	0.00191	331,135,912	2007
Total			\$102,710,176	0.31018			

Should be slightly less than amortized amount.

Fell out

CNGT - various ²	Various	2008Q3	\$48,000	0.00014	0.00058	331,135,912	2007
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Interest Rate

2007/Q1	4.940
2007/Q2	5.035
2007/Q3	4.775
2007/Q4	4.600
2008/Q1	3.390
2008/Q2	2.160
2008/Q3	1.870
2008/Q4	1.710
2009/Q1	0.150
2009/Q2	0.300
2009/Q3	0.175
2009/Q4	

Lump Sum Adjustment for 2009/Q3	→ 0.310566
	or
	0.311

¹ DMIR TCU and WC IBEW

² DMIR TCU-CAR and GTW IBEW

SCHEDULE: BLE TCU

Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00010			
2008/Q4	4	1.710	0.4275	\$0.00007	\$0.00002	\$0.00000	\$0.00002
2009/Q1	3	0.150	0.0375	\$0.00005	\$0.00002	\$0.00000	\$0.00002
2009/Q2	2	0.300	0.0750	\$0.00002	\$0.00002	\$0.00000	\$0.00002
2009/Q3	1	0.175	0.0438	\$0.00000	\$0.00002	\$0.00000	\$0.00002

SCHEDULE: CSX ATDA-East

Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.01109			
2008/Q4	4	1.710	0.4275	\$0.00834	\$0.00280	\$0.00005	\$0.00276
2009/Q1	3	0.150	0.0375	\$0.00556	\$0.00278	\$0.00000	\$0.00278
2009/Q2	2	0.300	0.0750	\$0.00278	\$0.00278	\$0.00000	\$0.00278
2009/Q3	1	0.175	0.0438	\$0.00000	\$0.00278	\$0.00000	\$0.00278

SCHEDULE: IC and CCP TCU

Added 2009Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00341			
2009/Q1	4	0.150	0.0375	\$0.00256	\$0.00085	\$0.00000	\$0.00085
2009/Q2	3	0.300	0.0750	\$0.00170	\$0.00085	\$0.00000	\$0.00085
2009/Q3	2	0.175	0.0438	\$0.00085	\$0.00085	\$0.00000	\$0.00085
2009/Q4	1		0.0000	\$0.00000	\$0.00085	\$0.00000	\$0.00085

SCHEDULE: NS BLET

Added 2009Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.28841			
2009/Q1	4	0.150	0.0375	\$0.21635	\$0.07217	\$0.00011	\$0.07206
2009/Q2	3	0.300	0.0750	\$0.14429	\$0.07223	\$0.00016	\$0.07206
2009/Q3	2	0.175	0.0438	\$0.07216	\$0.07219	\$0.00006	\$0.07213
2009/Q4	1		0.0000	\$0.00000	\$0.07216	\$0.00000	\$0.07216

SCHEDULE: NS BLET & ATDA

Added 2009Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.55291			
2009/Q2	4	0.300	0.0750	\$0.41484	\$0.13849	\$0.00041	\$0.13807
2009/Q3	3	0.175	0.0438	\$0.27662	\$0.13840	\$0.00018	\$0.13822
2009/Q4	2		0.0000	\$0.13831	\$0.13831	\$0.00000	\$0.13831
2010/Q1	1		0.0000	\$0.00000	\$0.13831	\$0.00000	\$0.13831

SCHEDULE: CSX BLET

Added 2009Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.38286			
2009/Q2	4	0.300	0.0750	\$0.28726	\$0.09590	\$0.00029	\$0.09561
2009/Q3	3	0.175	0.0438	\$0.19155	\$0.09584	\$0.00013	\$0.09571
2009/Q4	2		0.0000	\$0.09577	\$0.09577	\$0.00000	\$0.09577
2010/Q1	1		0.0000	\$0.00000	\$0.09577	\$0.00000	\$0.09577

SCHEDULE: DMIR TCU and WC IBEW

Added 2009Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00191			
2009/Q3	4	0.175	0.0438	\$0.00144	\$0.00048	\$0.00000	\$0.00048
2009/Q4	3		0.0000	\$0.00096	\$0.00048	\$0.00000	\$0.00048
2010/Q1	2		0.0000	\$0.00048	\$0.00048	\$0.00000	\$0.00048
2010/Q2	1		0.0000	\$0.00000	\$0.00048	\$0.00000	\$0.00048

**RCAF Back Pay Amortization
2009/Q3**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr.	U.S. ST Hours	
National UTU & UTU-YMD	2008Q3	2008Q4	\$248,263,064	0.74973162	2.99893	331,135,912	2007
BNSF - ATDA	2008Q3	2008Q4	\$531,401	0.00160478	0.00642	331,135,912	2007
GTC/CN - various ²	2008Q3	2008Q4	\$2,310,514	0.00697754	0.02791	331,135,912	2007
GTC/CN (ECS) - various ³	Various	2008Q4	\$37,288	0.00011261	0.00045	331,135,912	2007
SOO - TCU-CAR & UTU-YMD	2008Q3	2008Q4	\$1,016,782	0.00307059	0.01228	331,135,912	2007
National IAM	2008Q4	2009Q1	\$31,263,259	0.09441217	0.37765	331,135,912	2007
SOO - IAM & UTU	2008Q3	2009Q1	\$3,239,631	0.00978339	0.03913	331,135,912	2007
GTC/CN - various ⁴	Various	2009Q1	\$2,147,112	0.00648408	0.02594	331,135,912	2007
CSX - UTU-YMD (national)	2008Q3	2009Q1	\$5,362,086	0.01619301	0.06477	331,135,912	2007
GTW - BMW (ECS offset)	2009Q2	2009Q2	(\$124,812)	-0.00037692	-0.00151	331,135,912	2007
GTC/CN - 4 unions ⁵	Various	2009Q3	\$8,138,167	0.02457652	0.09831	331,135,912	2007
SOO - BMW	2009Q2	2009Q3	\$2,699,783	0.00815310	0.03261	331,135,912	2007
Total			\$304,884,273	0.92072247			

Should be slightly less
than amortized amount

Fell out

IC - BMW (ECS offset)	2008Q3	2008Q3	(\$236,250)	-0.00071345	-0.00285	331,135,912	2007
GTC/CN - various ¹	Various	2008Q3	\$4,693,403	0.01417365	0.05669	331,135,912	2007
UP - UTU-YMD (new contract)	2008Q2	2008Q3	\$3,445,994	0.01040658	0.04163	331,135,912	2007
SOO - new BRS, IBEW, NCFU, SMW	2008Q2	2008Q3	\$495,002	0.00149486	0.00598	331,135,912	2007

Interest Rate

2007/Q1	4.940
2007/Q2	5.035
2007/Q3	4.775
2007/Q4	4.600
2008/Q1	3.390
2008/Q2	2.160
2008/Q3	1.870
2008/Q4	1.710
2009/Q1	0.150
2009/Q2	0.300
2009/Q3	0.175
2009/Q4	

Back Pay Adjustment for 2009/Q3

→ **0.92330**
or
0.923

¹ DMIR TCU-CAR; GTW IBEW, IC IBEW, SMW and UTU (including CCP)

² BLE TCU, GTW BME

³ BLE BLET and UTU, GTW ATDA and BLET

⁴ DMIR IBEW and UTU; IC and CCP TCU

⁵ BLE BMW, DMIR TCU; WC BLET and IBEW

SCHEDULE: National UTU and UTU-YMD (new contracts)

Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$2.99893			
2008/Q4	4	1.710	0.4275	\$2.25399	\$0.75776	\$0.01282	\$0.74494
2009/Q1	3	0.150	0.0375	\$1.50294	\$0.75189	\$0.00085	\$0.75105
2009/Q2	2	0.300	0.0750	\$0.75175	\$0.75231	\$0.00113	\$0.75119
2009/Q3	1	0.175	0.0438	\$0.00000	\$0.75208	\$0.00033	\$0.75175

SCHEDULE: BNSF ATDA

Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00642			
2008/Q4	4	1.710	0.4275	\$0.00482	\$0.00162	\$0.00003	\$0.00159
2009/Q1	3	0.150	0.0375	\$0.00322	\$0.00161	\$0.00000	\$0.00161
2009/Q2	2	0.300	0.0750	\$0.00161	\$0.00161	\$0.00000	\$0.00161
2009/Q3	1	0.175	0.0438	\$0.00000	\$0.00161	\$0.00000	\$0.00161

SCHEDULE: BLE TCU and GTW BMW (new contracts)

Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.02791			
2008/Q4	4	1.710	0.4275	\$0.02098	\$0.00705	\$0.00012	\$0.00693
2009/Q1	3	0.150	0.0375	\$0.01399	\$0.00700	\$0.00001	\$0.00699
2009/Q2	2	0.300	0.0750	\$0.00700	\$0.00700	\$0.00001	\$0.00699
2009/Q3	1	0.175	0.0438	\$0.00000	\$0.00700	\$0.00000	\$0.00700

SCHEDULE: BLE BLET and UTU; GTW BLET (ECS offset)

Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00045			
2008/Q4	4	1 710	0 4275	\$0.00034	\$0.00011	\$0.00000	\$0 00011
2009/Q1	3	0 150	0 0375	\$0.00023	\$0 00011	\$0 00000	\$0 00011
2009/Q2	2	0 300	0 0750	\$0 00011	\$0 00011	\$0 00000	\$0 00011
2009/Q3	1	0 175	0.0438	\$0 00000	\$0.00011	\$0 00000	\$0 00011

SCHEDULE: SOO TCU-CAR and UTU-YMD (new contracts)

Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.01228			
2008/Q4	4	1 710	0.4275	\$0.00923	\$0 00310	\$0.00005	\$0.00305
2009/Q1	3	0.150	0.0375	\$0.00616	\$0 00308	\$0 00000	\$0.00308
2009/Q2	2	0 300	0.0750	\$0.00308	\$0 00308	\$0 00000	\$0 00308
2009/Q3	1	0 175	0 0438	\$0.00000	\$0.00308	\$0 00000	\$0 00308

SCHEDULE: National IAM

Added 2009Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 37765			
2009/Q1	4	0.150	0.0375	\$0.28329	\$0 09450	\$0 00014	\$0 09436
2009/Q2	3	0 300	0 0750	\$0.18893	\$0 09457	\$0.00021	\$0 09436
2009/Q3	2	0.175	0.0438	\$0.09449	\$0.09453	\$0 00008	\$0.09444
2009/Q4	1		0 0000	\$0 00000	\$0 09449	\$0 00000	\$0.09449

SCHEDULE: SOO IAM (changes from interlm) and UTU

Added 2009Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.03913			
2009/Q1	4	0.150	0.0375	\$0.02936	\$0.00979	\$0.00001	\$0.00978
2009/Q2	3	0.300	0.0750	\$0.01958	\$0.00980	\$0.00002	\$0.00978
2009/Q3	2	0.175	0.0438	\$0.00979	\$0.00980	\$0.00001	\$0.00979
2009/Q4	1		0.0000	\$0.00000	\$0.00979	\$0.00000	\$0.00979

SCHEDULE: DMIR IBEW & UTU; IC and CCP TCU

Added 2009Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.02594			
2009/Q1	4	0.150	0.0375	\$0.01946	\$0.00649	\$0.00001	\$0.00648
2009/Q2	3	0.300	0.0750	\$0.01298	\$0.00650	\$0.00001	\$0.00648
2009/Q3	2	0.175	0.0438	\$0.00649	\$0.00649	\$0.00001	\$0.00649
2009/Q4	1		0.0000	\$0.00000	\$0.00649	\$0.00000	\$0.00649

SCHEDULE: CSX UTU-UMD (national)

Added 2009Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.06477			
2009/Q1	4	0.150	0.0375	\$0.04859	\$0.01621	\$0.00002	\$0.01618
2009/Q2	3	0.300	0.0750	\$0.03240	\$0.01622	\$0.00004	\$0.01618
2009/Q3	2	0.175	0.0438	\$0.01621	\$0.01621	\$0.00001	\$0.01620
2009/Q4	1		0.0000	\$0.00000	\$0.01621	\$0.00000	\$0.01621

SCHEDULE: GTW BMW (ECS offset)

Added 2009Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				(\$0.00151)			
2009/Q2	4	0.300	0.0750	(\$0.00113)	(\$0.00038)	(\$0.00000)	(\$0.00038)
2009/Q3	3	0.175	0.0438	(\$0.00075)	(\$0.00038)	(\$0.00000)	(\$0.00038)
2009/Q4	2		0.0000	(\$0.00038)	(\$0.00038)	\$0.00000	(\$0.00038)
2010/Q1	1		0.0000	\$0.00000	(\$0.00038)	\$0.00000	(\$0.00038)

SCHEDULE: BLE BMW; DMIR TCU; WC BLET and IBEW

Added 2009Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.09831			
2009/Q3	4	0.175	0.0438	\$0.07375	\$0.02460	\$0.00004	\$0.02456
2009/Q4	3		0.0000	\$0.04916	\$0.02458	\$0.00000	\$0.02458
2010/Q1	2		0.0000	\$0.02458	\$0.02458	\$0.00000	\$0.02458
2010/Q2	1		0.0000	\$0.00000	\$0.02458	\$0.00000	\$0.02458

SCHEDULE: SOO BMW

Added 2009Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.03261			
2009/Q3	4	0.175	0.0438	\$0.02446	\$0.00816	\$0.00001	\$0.00815
2009/Q4	3		0.0000	\$0.01631	\$0.00815	\$0.00000	\$0.00815
2010/Q1	2		0.0000	\$0.00815	\$0.00815	\$0.00000	\$0.00815
2010/Q2	1		0.0000	\$0.00000	\$0.00815	\$0.00000	\$0.00815

Health and Welfare

	Employees Receiving				
	Pay 2007	Monthly Contribution		Total 2007 Avg	Total 2009
		2007 Avg	2009		
1. All Employees					
a Group health	175,741	\$1,097.66	\$1,112.21	\$192,903,866.06	\$195,460,897.61
b. Group dental	175,741	47.14	56.31	8,284,430.74	9,895,975.71
c. Early retirement major medical	175,741	89.06	117.56	15,651,493.46	20,660,111.96
d Group vision	175,741	10.70	10.16	1,880,428.70	1,785,528.56
2. Supplemental Sickness					
a Signalmen	6,524	32.06	8.55	209,159.44	55,780.20
b. Shopcrafts	25,894	61.06	30.04	1,581,087.64	777,855.76
c MOW	26,021	36.06	14.89	938,317.26	387,452.69
d Yardmasters	2,132	41.13	28.89	87,689.16	61,593.48
3. Short-Term Disability					
a. Engineers (CSX, KCS, UP)	15,664	40.00	40.00	626,560.00	626,560.00
b. Engineers (SOO, \$40 began 2Q 2006)	494	40.00	40.00	19,760.00	19,760.00
4. Monthly Total Premiums				222,182,792.46	229,731,515.97
5. Monthly Employee Contributions To H&W					
a National BLET (BNSF, CSX, KCS, NS, UP)	28,594	(\$156.44)	(\$170.96)	(\$4,473,245.36)	(\$4,888,430.24)
b National BMWE (BNSF, CSX, KCS, NS, UP)	24,164	(\$83.13)	(\$170.96)	(\$2,008,753.32)	(4,131,077.44)
c. National BRS (BNSF, CSX, KCS, NS, UP)	6,189	(\$133.13)	(\$170.96)	(\$823,941.57)	(1,058,071.44)
d. National IAM (BNSF, CSX, KCS, NS, UP)	6,771	(\$127.48)	(\$170.96)	(\$863,167.08)	(1,157,570.16)
e National IBBM (BNSF, CSX, KCS, NS, UP)	1,025	(\$151.95)	(\$170.96)	(\$155,748.75)	(175,234.00)
f. National IBEW (BNSF, CSX, KCS, NS, UP)	5,039	(\$154.29)	(\$170.96)	(\$777,467.31)	(861,467.44)
g National NCFO (BNSF, CSX, KCS, NS, UP)	2,461	(\$156.39)	(\$170.96)	(\$384,875.79)	(420,732.56)
h National SMW (BNSF, CSX, KCS, NS, UP)	1,069	(\$156.39)	(\$170.96)	(\$167,180.91)	(182,756.24)
i. National TCU (BNSF, CSX, KCS, NS, UP)	7,835	(\$147.24)	(\$170.96)	(\$1,153,625.40)	(1,339,471.60)
j National TCU-CAR (BNSF, CSX, KCS, NS, UP)	10,617	(\$147.47)	(\$170.96)	(\$1,565,688.99)	(1,815,082.32)
k National UTU (BNSF, CSX, KCS, NS, UP)	43,923	(\$154.66)	(\$170.96)	(\$6,793,131.18)	(7,509,076.08)
l. National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,715	(\$151.30)	(\$170.96)	(\$259,479.50)	(293,196.40)
m. National ATDA (wt avg BNSF, KCS, NS, & CSX*)	1,835	(\$152.37)	(\$170.96)	(\$279,598.95)	(313,711.60)
n. Independent CNGT (wt avg all 104 union categories)	5,780	(\$68.86)	(\$106.57)	(\$398,010.80)	(615,974.60)
o. Independent SOO (weighted average all 13 unions)	2,416	(\$114.44)	(\$170.96)	(\$276,487.04)	(413,039.36)
p. Independent UP (Yardmasters only)	262	(\$142.51)	(\$170.96)	(\$37,337.62)	(44,791.52)
Total Major Union	149,695			(\$20,417,739.57)	(\$25,219,683.00)
All Other Employee Contributions**				(\$3,762,880.60)	(\$3,762,880.60)
6. Net Employer Monthly Payments				\$198,002,172.29	\$200,748,952.37
7. Ratio Projected Year to Base Year, Based on Net Monthly Payments					1.01387
8 H&W hourly rate for base year				\$5.788	
9. H&W hourly rate for projected quarter					\$5.868

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

** Mostly non-union employee contributions. The \$20,417,739.57 in major union contributions, plus \$3,762,880.60 in all other employee contributions, totals to the 12-month average of the total employee contributions reported to the AAR in its WF survey.

Health and Welfare

Employer H&W Contribution

		2007 Pd.		
Supplemental Sickness Plan:		Employees	East	West
a. Signalmen	BRS	6,524	2,855	3,669
b. Shopcrafts	Total	25,894	10,701	15,193
	IBEW	5,286	1,934	3,352
	IBBM	1,093	319	774
	TCU-Car	11,342	5,239	6,103
	IAM	7,082	2,627	4,455
	SMW	1,091	582	509
c. MOW	BMWED	26,021	9,924	16,097
d. Yardmasters	UTU-YMD	2,132	1,386	746

Short-Term Disability Contribution:

a. Engineers	Total BLET	15,664	5,787	9,877
	CSX	5,787		
	KCS	573		
	UP	9,304		
b. Engineers	SOO	494		

Sources/Notes:

Employee counts are from the 112-Class Wage Statistics. Monthly H&W premiums are from the NRLC, contracts, or the railroads. Projected quarter H&W Cost Sharing amounts are from the NRLC, union contracts, or pertinent railroads. Base year average monthly Cost Sharing amounts are from an AAR survey, NRLC, contracts, pertinent railroads. H&W hourly rate for base year benchmark is based on annual report and wage data. H&W rate for projected year is the benchmark figure updated by the ratio of projected year net payments to the base year. All Other employee contributions is the difference between total employee contributions for the base year and all known union amounts -- resulting in a non-union amount plus any adjustments caused by either opt-outs from union agreements or independent cost sharing agreements (if any) unknown to the AAR.

Health and Welfare

Employee H&W Cost Sharing

Group	Railroads	Contract Source
a. BLET	BNSF, CSX, KCS, UP NS	Article IV Part B Section 1 (b) Article XVI Sections 2, same as national
b. BMWE	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
c. BRS	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
d. IAM	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
e. IBBM	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
f. IBEW	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
g. NCFO	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
h. SMW	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
i. TCU	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
j. TCU-Carmen	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
k. UTU	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
l. UTU-YMD	BNSF, CSX, KCS, NS	Article IV Part B Section 1 (b)
m. Dispatchers	BNSF, CSX, KCS, NS	Article IV Part B Section 1 (b)
n. Independent CNGT	all union categories incl. \$0 agmnts	
o. Independent SOO	all unions	Provided by Canadian Pacific Railway
p. Independent UP yardmasters		Article IV Part B Section 1 (b)

Railroad Retirement and Medicare

Employees Receiving Pay	175,741	(2007 Benchmark, 2006 RRB Distribution)
Tier I Maximum	106,800	(Year = 2009)
Tier II Maximum	79,200	(Year = 2009)
Medicare Maximum	no limit	(Year = 2009)
Tier I Tax Rate	6.20%	(Year = 2009)
Tier II Tax Rate	12.10%	(Year = 2009)
Medicare Tax Rate	1.45%	(Year = 2009)

USA RCAF	Rate	Factor	RR Ret Tax	Hourly Rate
2006	\$29.465			
2007	\$30.806	1.04551	\$543,657,695	\$6.462
1Q/2009	\$33.561	1.13901	\$592,633,625	\$7.044
2Q/2009	\$33.672	1.14278	\$594,034,140	\$7.061
3Q/2009	\$34.857	1.18300	\$608,958,555	\$7.238
4Q/2009		0.00000	\$0	\$0.000

RR Ret Tax from RR_Retirement_07annual.xls, Hourly rate from SUPPL2007.xls
Rate = Taxable Rate

Railroad Retirement & Medicare, U.S.

1Q/2009

1Q/2009

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2007	Avg Annual Earnings (2006 RRB Stats)	Estimated Avg. Annual Earnings	Avg Qlty Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emg	Medicare Tot Tax Emg
\$0 - 21699	0.556	977	\$8,267	\$9,416	\$2,354	\$2,354	\$2,354	\$2,354	\$2,300,193	\$2,300,193	\$2,300,193
21700 - 23699	0.000	0	\$0	0	0	0	0	0	0	0	0
23700 - 25699	0.139	244	\$25,001	28,476	7,119	7,119	7,119	7,119	1,739,057	1,739,057	1,739,057
25700 - 27699	0.232	408	\$27,038	30,797	7,699	7,699	7,699	7,699	3,139,092	3,139,092	3,139,092
27700 - 29699	0.185	325	\$28,680	32,667	8,167	8,167	8,167	8,167	2,655,171	2,655,171	2,655,171
29700 - 31699	0.648	1,139	\$30,770	35,047	8,762	8,762	8,762	8,762	9,978,013	9,978,013	9,978,013
31700 - 33699	0.556	977	\$32,688	37,232	9,308	9,308	9,308	9,308	9,095,042	9,095,042	9,095,042
33700 - 35699	0.695	1,221	\$34,798	39,635	9,909	9,909	9,909	9,909	12,102,655	12,102,655	12,102,655
35700 - 37699	1.204	2,116	\$36,896	41,797	10,449	10,449	10,449	10,449	22,109,899	22,109,899	22,109,899
37700 - 39699	1.575	2,768	\$38,829	44,227	11,057	11,057	11,057	11,057	30,604,008	30,604,008	30,604,008
39700 - 41699	2.686	4,720	\$40,703	46,361	11,590	11,590	11,590	11,590	54,710,915	54,710,915	54,710,915
41700 - 43699	4.030	7,082	\$42,849	48,806	12,201	12,201	12,201	12,201	86,414,632	86,414,632	86,414,632
43700 - 45699	5.049	8,873	\$44,700	50,814	12,728	12,728	12,728	12,728	112,941,732	112,941,732	112,941,732
45700 - 47699	6.253	10,989	\$46,635	53,118	13,279	13,279	13,279	13,279	145,929,119	145,929,119	145,929,119
47700 - 49699	5.234	9,198	\$48,753	55,530	13,883	13,883	13,883	13,883	127,695,800	127,695,800	127,695,800
49700 - 51699	4.883	8,546	\$50,658	57,700	14,425	14,425	14,425	14,425	123,280,350	123,280,350	123,280,350
51700 - 53699	4.308	7,571	\$52,623	59,938	14,985	14,985	14,985	14,985	113,446,956	113,446,956	113,446,956
53700 - 55699	4.261	7,488	\$54,777	62,392	15,598	15,598	15,598	15,598	116,802,282	116,802,282	116,802,282
55700 - 57699	4.122	7,244	\$56,669	64,547	16,137	16,137	16,137	16,137	116,894,771	116,894,771	116,894,771
57700 - 59699	4.308	7,571	\$58,713	66,875	16,719	16,719	16,719	16,719	126,576,043	126,576,043	126,576,043
59700 - 61699	3.752	6,594	\$60,687	69,123	17,281	17,281	17,281	17,281	113,946,253	113,946,253	113,946,253
61700 - 63699	2.825	4,965	\$62,565	71,262	17,816	17,816	17,816	17,816	88,448,699	88,448,699	88,448,699
63700 - 65699	3.428	6,024	\$64,747	73,748	18,437	18,437	18,437	18,437	111,071,340	111,071,340	111,071,340
65700 - 67699	3.289	5,780	\$66,650	75,915	18,979	18,979	18,979	18,979	109,699,735	109,699,735	109,699,735
67700 - 69699	3.011	5,292	\$68,571	78,103	19,526	19,526	19,526	19,526	103,321,996	103,321,996	103,321,996
69700 - 71699	2.362	4,151	\$70,605	80,420	20,105	20,105	20,105	20,105	83,455,872	83,455,872	83,455,872
71700 - 73699	2.779	4,884	\$72,709	82,816	20,704	20,704	20,704	20,704	101,115,624	101,115,624	101,115,624
73700 - 75699	1.760	3,093	\$74,592	84,961	21,240	21,240	21,240	21,240	65,697,141	65,697,141	65,697,141
75700 - 77699	2.409	4,234	\$76,791	87,466	21,866	21,866	21,866	21,866	92,573,924	92,573,924	92,573,924
77700 - 79699	1.575	2,768	\$78,679	89,616	22,404	22,404	22,404	22,404	62,012,743	62,012,743	62,012,743
79700 - 81699	2.084	3,662	\$80,918	92,167	23,042	23,042	23,042	23,042	84,388,721	84,388,721	84,388,721
81700 - 83699	1.621	2,849	\$82,807	94,318	23,580	23,580	23,580	23,580	67,172,516	67,172,516	67,172,516
83700 - 85699	1.297	2,279	\$84,780	96,565	24,141	24,141	24,141	24,141	55,026,886	55,026,886	55,026,886
85700 - 87699	2.223	3,907	\$86,623	98,665	24,666	24,666	24,666	24,666	77,353,104	77,353,104	77,353,104
87700 - 89699	1.482	2,604	\$88,844	101,194	25,299	25,299	25,299	25,299	65,889,749	65,889,749	65,889,749
89700 - 91699	1.297	2,279	\$90,674	103,279	25,820	25,820	25,820	25,820	58,852,417	58,852,417	58,852,417
91700 - 93699	1.204	2,116	\$92,711	105,599	26,400	26,400	26,400	26,400	41,895,790	41,895,790	41,895,790
93700 - 95699	0.973	1,710	\$94,442	107,571	26,893	26,893	26,893	26,893	33,857,207	33,857,207	33,857,207
95700 - over	9.725	17,081	\$144,529	164,620	41,155	26,700	19,800	41,155	456,324,687	338,398,083	703,373,751
TOTAL	100.000000	175,741	\$67,596						3,135,293,622	2,885,922,932	3,382,672,114

Total Taxable
Tax Rate

0.062
0.121

Qlty Pmt \$194,388,205 \$349,196,675 \$49,048,746

Tier I & II & Medicare

\$592,633,625

Railroad Retirement & Medicare, U.S.

2Q/2009

2Q/2009

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2007	Avg Annual Earnings (2006 RRB Stats)	Estimated Avg. Annual Earnings	Avg Qlty Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emgs	Medicare Tot Tax Emgs
\$0 - 21699	0.556	977	\$8,267	\$9,447	\$2,362	\$2,362	\$2,362	\$2,362	\$2,307,801	\$2,307,801	\$2,307,801
21700 - 23699	0.000	0	\$0	0	0	0	0	0	0	0	0
23700 - 25699	0.139	244	\$25,001	26,571	7,143	7,143	7,143	7,143	1,744,808	1,744,808	1,744,808
25700 - 27699	0.232	408	\$27,038	30,898	7,725	7,725	7,725	7,725	3,149,475	3,149,475	3,149,475
27700 - 29699	0.185	325	\$28,680	32,775	8,194	8,194	8,194	8,194	2,663,952	2,663,952	2,663,952
29700 - 31699	0.648	1,139	\$30,770	35,163	8,791	8,791	8,791	8,791	10,011,014	10,011,014	10,011,014
31700 - 33699	0.556	977	\$32,688	37,355	9,339	9,339	9,339	9,339	9,125,123	9,125,123	9,125,123
33700 - 35699	0.695	1,221	\$34,798	39,766	9,942	9,942	9,942	9,942	12,142,683	12,142,683	12,142,683
35700 - 37699	1.204	2,116	\$36,696	41,935	10,484	10,484	10,484	10,484	22,183,026	22,183,026	22,183,026
37700 - 39699	1.575	2,768	\$38,829	44,373	11,093	11,093	11,093	11,093	30,705,228	30,705,228	30,705,228
39700 - 41699	2.686	4,720	\$40,703	46,515	11,629	11,629	11,629	11,629	54,891,866	54,891,866	54,891,866
41700 - 43699	4.030	7,082	\$42,849	48,967	12,242	12,242	12,242	12,242	86,700,441	86,700,441	86,700,441
43700 - 45699	5.049	8,873	\$44,700	51,082	12,771	12,771	12,771	12,771	113,315,277	113,315,277	113,315,277
45700 - 47699	6.253	10,989	\$46,635	53,294	13,323	13,323	13,323	13,323	146,411,766	146,411,766	146,411,766
47700 - 49699	5.234	9,198	\$48,753	55,714	13,928	13,928	13,928	13,928	128,118,142	128,118,142	128,118,142
49700 - 51699	4.863	8,546	\$50,658	57,891	14,473	14,473	14,473	14,473	123,688,089	123,688,089	123,688,089
51700 - 53699	4.308	7,571	\$52,623	60,136	15,034	15,034	15,034	15,034	113,822,172	113,822,172	113,822,172
53700 - 55699	4.261	7,488	\$54,777	62,598	15,650	15,650	15,650	15,650	117,188,595	117,188,595	117,188,595
55700 - 57699	4.122	7,244	\$56,669	64,760	16,190	16,190	16,190	16,190	117,281,390	117,281,390	117,281,390
57700 - 59699	4.308	7,571	\$58,713	67,096	16,774	16,774	16,774	16,774	126,994,682	126,994,682	126,994,682
59700 - 61699	3.752	6,594	\$60,687	69,352	17,338	17,338	17,338	17,338	114,323,120	114,323,120	114,323,120
61700 - 63699	2.825	4,965	\$62,565	71,498	17,875	17,875	17,875	17,875	88,741,235	88,741,235	88,741,235
63700 - 65699	3.428	6,024	\$64,747	73,992	18,498	18,498	18,498	18,498	111,438,699	111,438,699	111,438,699
65700 - 67699	3.289	5,780	\$66,850	76,166	19,042	19,042	19,042	19,042	110,062,557	110,062,557	110,062,557
67700 - 69699	3.011	5,292	\$68,571	78,362	19,590	19,590	19,590	19,590	103,663,724	103,663,724	103,663,724
69700 - 71699	2.362	4,151	\$70,605	80,686	20,171	20,171	20,171	20,171	83,731,895	83,731,895	83,731,895
71700 - 73699	2.779	4,884	\$72,709	83,090	20,773	20,773	20,773	20,773	101,450,055	101,450,055	101,450,055
73700 - 75699	1.760	3,093	\$74,592	85,242	21,311	21,311	21,311	21,311	65,914,428	65,914,428	65,914,428
75700 - 77699	2.409	4,234	\$76,791	87,755	21,939	21,939	21,939	21,939	92,880,104	92,880,104	92,880,104
77700 - 79699	1.575	2,768	\$78,679	89,913	22,478	22,478	22,478	22,478	62,217,844	62,217,844	62,217,844
79700 - 81699	2.084	3,662	\$80,918	92,471	23,118	23,118	23,118	23,118	84,667,829	84,667,829	84,667,829
81700 - 83699	1.921	2,849	\$82,807	94,630	23,658	23,658	23,658	23,658	56,405,480	56,405,480	56,405,480
83700 - 85699	1.297	2,279	\$84,780	96,885	24,221	24,221	24,221	24,221	45,131,343	45,131,343	45,131,343
85700 - 87699	2.223	3,907	\$86,623	98,991	24,748	24,748	24,748	24,748	96,682,585	96,682,585	96,682,585
87700 - 89699	1.482	2,604	\$88,844	101,529	25,382	25,382	25,382	25,382	66,107,674	66,107,674	66,107,674
89700 - 91699	1.297	2,279	\$90,674	103,620	25,905	25,905	25,905	25,905	59,047,066	59,047,066	59,047,066
91700 - 93699	1.204	2,116	\$92,711	105,948	26,487	26,487	26,487	26,487	56,044,542	56,044,542	56,044,542
93700 - 95699	0.973	1,710	\$94,442	107,926	26,982	26,982	26,982	26,982	45,655,930	45,655,930	45,655,930
95700 - over	9.725	17,091	\$144,529	165,165	41,291	41,291	41,291	41,291	456,324,687	456,324,687	456,324,687
TOTAL	100.000	175,741							3,144,003,069	2,891,694,045	3,393,859,999
Tax Rate									0.062	0.121	0.0145
Qlty Pmt									\$194,928,190	\$349,894,979	\$49,210,970
Tier I & II & Medicare											\$594,034,140

3Q/2009

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2007	Avg Annual Earnings (2006 RRB Stats)	Estimated Avg. Annual Earnings	Avg Qtrly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emg	Medicare Tot Tax Emg
\$0 - 21699	0.556	977	\$8,267	\$9,780	\$2,445	\$2,445	\$2,445	\$2,445	\$2,389,018	\$2,389,018	\$2,389,018
21700 - 23699	0.000	0	\$0	0	0	0	0	0	0	0	0
23700 - 25699	0.139	244	\$25,001	29,576	7,394	7,394	7,394	7,394	1,806,212	1,806,212	1,806,212
25700 - 27699	0.232	408	\$27,038	31,986	7,996	7,996	7,996	7,996	3,260,312	3,260,312	3,260,312
27700 - 29699	0.185	325	\$28,680	33,928	8,482	8,482	8,482	8,482	2,757,703	2,757,703	2,757,703
29700 - 31699	0.648	1,139	\$30,770	36,401	9,100	9,100	9,100	9,100	10,363,326	10,363,326	10,363,326
31700 - 33699	0.556	977	\$32,688	38,670	9,667	9,667	9,667	9,667	9,446,258	9,446,258	9,446,258
33700 - 35699	0.695	1,221	\$34,798	41,166	10,291	10,291	10,291	10,291	12,570,014	12,570,014	12,570,014
35700 - 37699	1.204	2,116	\$36,696	43,411	10,853	10,853	10,853	10,853	22,963,701	22,963,701	22,963,701
37700 - 39699	1.575	2,768	\$38,829	45,935	11,484	11,484	11,484	11,484	31,785,821	31,785,821	31,785,821
39700 - 41699	2.686	4,720	\$40,703	48,152	12,038	12,038	12,038	12,038	56,823,645	56,823,645	56,823,645
41700 - 43699	4.030	7,082	\$42,849	50,690	12,673	12,673	12,673	12,673	89,751,641	89,751,641	89,751,641
43700 - 45699	5.049	8,873	\$44,700	52,880	13,220	13,220	13,220	13,220	117,303,118	117,303,118	117,303,118
45700 - 47699	6.253	10,989	\$46,635	55,169	13,792	13,792	13,792	13,792	151,564,354	151,564,354	151,564,354
47700 - 49699	5.234	9,198	\$48,753	57,675	14,419	14,419	14,419	14,419	132,626,933	132,626,933	132,626,933
49700 - 51699	4.863	8,546	\$50,658	59,928	14,982	14,982	14,982	14,982	128,040,975	128,040,975	128,040,975
51700 - 53699	4.308	7,571	\$52,623	62,253	15,563	15,563	15,563	15,563	117,827,852	117,827,852	117,827,852
53700 - 55699	4.261	7,488	\$54,777	64,801	16,200	16,200	16,200	16,200	121,312,748	121,312,748	121,312,748
55700 - 57699	4.122	7,244	\$56,669	67,039	16,760	16,760	16,760	16,760	121,408,809	121,408,809	121,408,809
57700 - 59699	4.308	7,571	\$58,713	69,457	17,364	17,364	17,364	17,364	131,463,936	131,463,936	131,463,936
59700 - 61699	3.752	6,594	\$60,687	71,793	17,948	17,948	17,948	17,948	118,346,430	118,346,430	118,346,430
61700 - 63699	2.825	4,965	\$62,565	74,014	18,504	18,504	18,504	18,504	91,864,256	91,864,256	91,864,256
63700 - 65699	3.428	6,024	\$64,747	76,595	19,149	19,149	19,149	19,149	115,360,499	115,360,499	115,360,499
65700 - 67699	3.289	5,780	\$66,650	78,847	19,712	19,712	19,712	19,712	113,935,927	113,935,927	113,935,927
67700 - 69699	3.011	5,292	\$68,571	81,119	20,280	20,280	20,280	20,280	107,311,904	107,311,904	107,311,904
69700 - 71699	2.362	4,151	\$70,605	83,525	20,881	20,881	20,881	20,881	86,678,625	86,678,625	86,678,625
71700 - 73699	2.779	4,884	\$72,709	86,015	21,504	21,504	21,504	21,504	105,020,331	105,020,331	105,020,331
73700 - 75699	1.760	3,093	\$74,592	88,242	22,061	22,061	22,061	22,061	68,234,118	68,234,118	68,234,118
75700 - 77699	2.409	4,234	\$76,791	90,844	22,711	22,711	22,711	22,711	96,148,782	96,148,782	96,148,782
77700 - 79699	1.575	2,768	\$78,679	93,077	23,269	23,269	23,269	23,269	64,407,442	64,407,442	64,407,442
79700 - 81699	2.084	3,662	\$80,918	95,726	23,931	23,931	23,931	23,931	87,647,497	87,647,497	87,647,497
81700 - 83699	1.621	2,849	\$82,807	97,960	24,490	24,490	24,490	24,490	69,766,467	69,766,467	69,766,467
83700 - 85699	1.297	2,279	\$84,780	100,294	25,074	25,074	25,074	25,074	57,151,818	57,151,818	57,151,818
85700 - 87699	2.223	3,907	\$86,623	102,475	25,619	25,619	25,619	25,619	100,085,081	100,085,081	100,085,081
87700 - 89699	1.482	2,604	\$88,844	105,102	26,276	26,276	26,276	26,276	68,434,165	68,434,165	68,434,165
89700 - 91699	1.297	2,279	\$90,674	107,267	26,817	26,817	26,817	26,817	61,125,076	61,125,076	61,125,076
91700 - 93699	1.204	2,116	\$92,711	109,677	27,419	27,419	27,419	27,419	41,895,248	41,895,248	41,895,248
93700 - 95699	0.973	1,710	\$94,442	111,725	27,931	27,931	27,931	27,931	45,655,930	45,655,930	45,655,930
95700 - over	9.725	17,091	\$144,529	170,977	42,744	42,744	42,744	42,744	456,324,687	456,324,687	456,324,687
TOTAL	100.000	175,741							3,236,546,404	2,953,304,573	3,513,298,229
									0.062	0.121	0.0145
									Chqy Pmt	\$200,665,877	\$357,349,853
									Tier I & II & Medicare		\$50,942,824
											\$608,958,555

Railroad Retirement & Medicare, U.S.

4Q/2009

4Q/2009

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2007	Avg Annual Earnings (2006 RRB Stats)	Estimated Avg. Annual Earnings	Avg Qlty Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emgs	Medicare Tot Tax Emgs
\$0 - 4999	0.556	977	\$8,267	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5000 - 9999	0.000	0	\$0	0	0	0	0	0	0	0	0
10000 - 12499	0.139	244	\$25,001	0	0	0	0	0	0	0	0
12500 - 14999	0.232	408	\$27,038	0	0	0	0	0	0	0	0
15000 - 17499	0.185	325	\$28,680	0	0	0	0	0	0	0	0
17500 - 19999	0.648	1,139	\$30,770	0	0	0	0	0	0	0	0
20000 - 22499	0.556	977	\$32,688	0	0	0	0	0	0	0	0
22500 - 24999	0.695	1,221	\$34,798	0	0	0	0	0	0	0	0
25000 - 27499	1.204	2,116	\$36,896	0	0	0	0	0	0	0	0
27500 - 29999	1.575	2,768	\$38,829	0	0	0	0	0	0	0	0
30000 - 32499	2.686	4,720	\$40,703	0	0	0	0	0	0	0	0
32500 - 34999	4.030	7,082	\$42,849	0	0	0	0	0	0	0	0
35000 - 37499	5.049	8,873	\$44,700	0	0	0	0	0	0	0	0
37500 - 39999	6.253	10,989	\$46,535	0	0	0	0	0	0	0	0
40000 - 42499	5.234	9,198	\$48,753	0	0	0	0	0	0	0	0
42500 - 44999	4.863	8,546	\$50,658	0	0	0	0	0	0	0	0
45000 - 47499	4.308	7,571	\$52,623	0	0	0	0	0	0	0	0
47500 - 49999	4.261	7,488	\$54,777	0	0	0	0	0	0	0	0
50000 - 52499	4.122	7,244	\$56,669	0	0	0	0	0	0	0	0
52500 - 54999	4.308	7,571	\$58,713	0	0	0	0	0	0	0	0
55000 - 57499	3.752	6,594	\$60,687	0	0	0	0	0	0	0	0
57500 - 59999	2.825	4,965	\$62,565	0	0	0	0	0	0	0	0
60000 - 62499	3.428	6,024	\$64,747	0	0	0	0	0	0	0	0
62500 - 64999	3.289	5,780	\$66,650	0	0	0	0	0	0	0	0
65000 - 67499	3.011	5,292	\$68,571	0	0	0	0	0	0	0	0
67500 - 69999	2.362	4,151	\$70,605	0	0	0	0	0	0	0	0
70000 - 72499	2.779	4,884	\$72,709	0	0	0	0	0	0	0	0
72500 - 74999	1.760	3,093	\$74,592	0	0	0	0	0	0	0	0
75000 - 77499	2.409	4,234	\$76,791	0	0	0	0	0	0	0	0
77500 - 79999	1.575	2,768	\$78,679	0	0	0	0	0	0	0	0
80000 - 84999	2.084	3,662	\$80,918	0	0	0	0	0	0	0	0
85000 - 89999	1.621	2,849	\$82,807	0	0	0	0	0	0	0	0
90000 - 94999	1.297	2,279	\$84,780	0	0	0	0	0	0	0	0
95000 - 99999	2.223	3,907	\$86,623	0	0	0	0	0	0	0	0
100000 - 104999	1.482	2,604	\$88,844	0	0	0	0	0	0	0	0
105000 - 109999	1.297	2,279	\$90,674	0	0	0	0	0	0	0	0
110000 - 114999	1.204	2,116	\$92,711	0	0	0	0	0	0	0	0
115000 - 119999	0.973	1,710	\$94,442	0	0	0	0	0	0	0	0
120000 - 124999	9.725	17,091	\$144,529	0	0	0	0	0	0	0	0
TOTAL	100.000	175,741									
				Total Taxable Tax Rate	459,676,738	0.062	766,096,520	0.121	0.0145		
				Qlty Pmt	\$28,499,958		\$92,697,679		\$0		
				Tier I & II & Medicare					\$121,197,637		

RCAF Unemployment Insurance Tax

	<u>Unemployment Ins.</u>			RRB	Factor	Avg. Ann.	Un. Ins.
	<u>Tax</u>	<u>Earnings</u>	Hourly	Sample	To Update	Taxable	Hourly
	<u>Rate</u>	<u>Base</u>	<u>Earnings</u>	<u>Year</u>	<u>RRB Sample</u>	<u>Earnings</u>	<u>Rate</u>
			\$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
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	\$29.238		1.038613	\$13,670.92	\$0.186
3Q/07	2.47%	\$14,760	\$29.336		1.042094	\$13,672.83	\$0.186
			\$28.884	(2005)			
2006 Avg.	2.36%	\$14,340	\$29.465		1.020115	\$13,053.43	\$0.173
4Q/07	2.47%	\$14,760	\$30.476		1.055117	\$13,438.69	\$0.186
1Q/08	2.48%	\$15,360	\$31.071		1.075717	\$13,972.06	\$0.195
2Q/08	2.48%	\$15,360	\$31.090		1.076374	\$13,972.45	\$0.195
3Q/08	2.48%	\$15,360	\$31.594		1.093824	\$13,982.57	\$0.195
			\$29.465	(2006)			
2007 Avg.	2.47%	\$14,760	\$30.806		1.045512	\$13,903.99	\$0.192
3Q/08 reb.	2.48%	\$15,360	\$32.327		1.097132	\$14,473.48	\$0.201
4Q/08	2.48%	\$15,360	\$33.207		1.126998	\$14,487.09	\$0.201
1Q/09	2.47%	\$15,960	\$33.561		1.139012	\$15,038.39	\$0.208
2Q/09	2.47%	\$15,960	\$33.672		1.142780	\$15,040.15	\$0.208
3Q/09	2.47%	\$15,960	\$34.857		1.182997	\$15,058.23	\$0.208

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.

TOTAL GROSS EARNINGS AND AVERAGE GROSS EARNINGS-2006 RRB File

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2788	38764317.27	13903.99
QTRLY_US	2788	41982354.50	15058.23

The SAS System
Factors and Caps 2007 and 2009Q3

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2788	2914.89	1.0455120
FactorQ	2788	3298.20	1.1829970
Capa	2788	41150880.00	14760.00
Capq	2788	44496480.00	15960.00

This Week In Petroleum

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[PADD Definitions](#)

Summary

Crude Oil

Gasoline

Distillate

Propane

Prices

Stocks

Production

Imports

Demand

Residential Heating Oil Prices (Cents per Gallon)

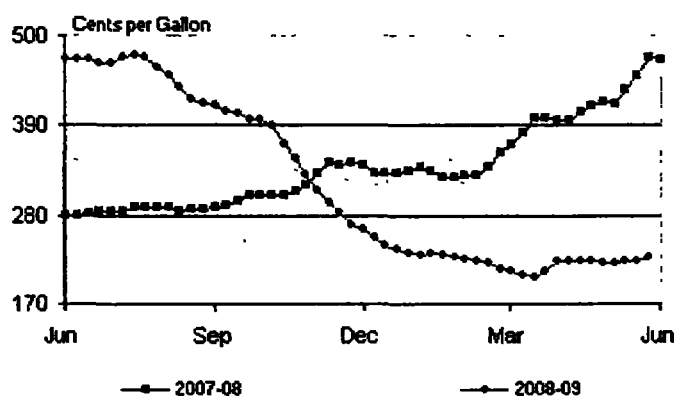
Residential Heating Oil Prices								more data
Note: Data for residential and wholesale prices for heating oil and propane are only collected during the heating season. The beginning of the next heating season in October 2009.								

On-Highway Diesel Fuel Prices (Cents per Gallon)

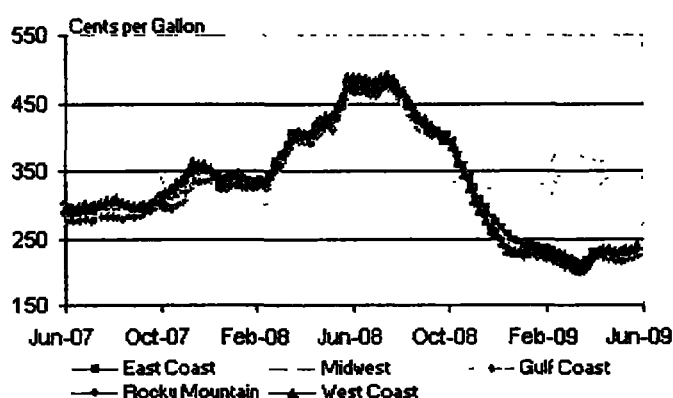
Average All-Types Diesel Fuel Prices								more data
	Most Recent							Year Ago
	04/13/09	04/20/09	04/27/09	05/04/09	05/11/09	05/18/09	05/25/09	05/26/08
U.S.	222.9	222.1	220.1	218.5	221.6	223.1	227.4	472.3
East Coast (PADD I)	227.3	226.4	224.1	222.6	225.5	227.6	230.5	477.9
New England (PADD IA)	242.0	240.3	239.5	238.2	239.5	240.1	240.9	484.3
Central Atlantic (PADD IB)	240.2	239.2	237.4	236.5	238.6	239.6	241.0	491.3
Lower Atlantic (PADD IC)	220.4	219.7	217.1	215.2	218.6	221.3	225.1	471.7
Midwest (PADD II)	217.5	216.6	214.2	212.4	215.6	217.0	222.9	466.7
Gulf Coast (PADD III)	220.2	218.6	217.1	215.3	219.8	221.0	224.2	467.3
Rocky Mountain (PADD IV)	225.0	227.4	227.0	226.2	227.0	227.4	230.2	465.3
West Coast (PADD V)	233.6	232.7	231.5	230.6	232.9	234.0	238.4	488.3
California	235.0	234.0	232.0	231.6	233.7	235.4	240.7	502.7

Ultra Low Sulfur Diesel Fuel Prices								more data
	Most Recent							Year Ago
	04/13/09	04/20/09	04/27/09	05/04/09	05/11/09	05/18/09	05/25/09	05/26/08
U.S.	223.4	222.6	220.7	219.2	222.3	223.7	227.8	473.1
East Coast (PADD I)	228.1	227.4	225.2	223.8	226.5	228.3	230.9	479.1
New England (PADD IA)	242.0	240.3	239.5	238.2	239.5	240.1	240.9	484.3
Central Atlantic (PADD IB)	240.2	239.2	237.4	236.4	238.5	239.6	240.9	491.6
Lower Atlantic (PADD IC)	220.9	220.5	218.0	216.3	219.3	221.8	225.2	471.9
Midwest (PADD II)	217.9	216.9	214.5	212.7	216.0	217.6	223.6	467.7
Gulf Coast (PADD III)	220.2	218.6	217.2	215.4	219.9	221.0	224.2	467.6
Rocky Mountain (PADD IV)	224.9	227.3	227.0	226.1	226.9	227.4	230.2	465.9
West Coast (PADD V)	233.8	233.2	231.9	230.9	233.5	234.6	238.9	489.4
California	235.0	234.0	232.0	231.6	233.7	235.4	240.7	502.7

U.S. Average All-Types Diesel Fuel Prices



Regional Average All-Types Diesel Fuel Prices

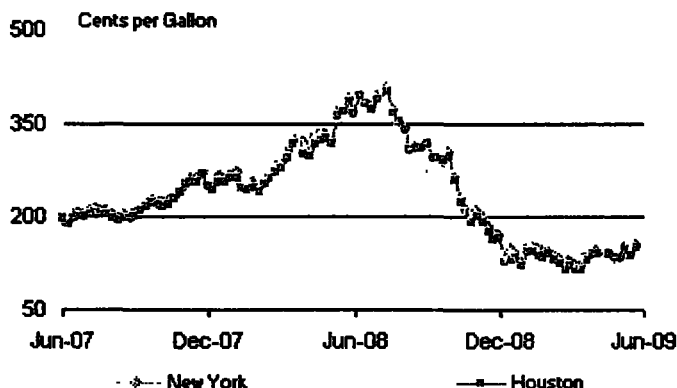


No. 2 Distillate Spot Prices (Cents per Gallon)

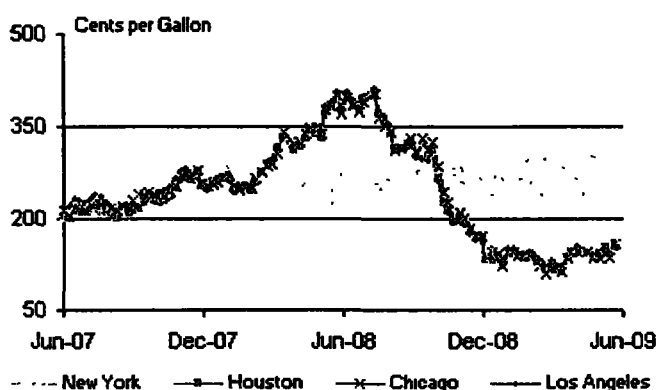
Spot Heating Oil Prices								more data
-------------------------	--	--	--	--	--	--	--	---------------------------

	Most Recent							Year Ago
City	04/10/09	04/17/09	04/24/09	05/01/09	05/08/09	05/15/09	05/22/09	05/23/08
New York	NA	140.6	135.1	134.5	148.3	139.0	152.9	387.3
Houston	NA	138.6	132.3	132.0	146.6	137.0	149.8	384.7
Spot Diesel Fuel Prices more data								
	Most Recent							Year Ago
City	04/10/09	04/17/09	04/24/09	05/01/09	05/08/09	05/15/09	05/22/09	05/23/08
New York	NA	141.4	136.8	138.0	149.6	140.2	152.9	401.0
Chicago	NA	143.9	136.3	135.8	142.8	134.6	156.0	397.5
Houston	NA	142.6	135.2	141.1	149.8	139.7	150.8	393.5
Los Angeles (CARB)	NA	146.1	142.2	140.8	152.6	143.2	159.8	406.2

Spot Heating Oil Prices



Spot Diesel Fuel Prices



Distillate Stocks (Million Barrels) and Days of Supply

Total Distillate Stocks								more data
	Most Recent							Year Ago
	04/10/09	04/17/09	04/24/09	05/01/09	05/08/09	05/15/09	05/22/09	05/23/08
U.S.	139.6	142.3	144.1	146.5	147.5	148.1	148.4	109.4
East Coast (PADD I)	52.1	53.0	53.3	55.2	56.1	57.5	58.6	33.3
New England (PADD IA)	9.2	9.0	9.2	9.9	9.8	9.8	10.4	3.9
Central Atlantic (PADD IB)	28.4	29.1	30.1	31.9	32.4	33.0	33.9	18.7
Lower Atlantic (PADD IC)	14.5	14.9	13.9	13.3	13.8	14.7	14.2	10.7
Midwest (PADD II)	33.7	34.3	33.5	35.0	33.9	33.0	32.0	28.8
Gulf Coast (PADD III)	38.8	40.3	41.5	40.7	41.9	42.6	42.9	32.2
Rocky Mountain (PADD IV)	3.2	2.7	3.2	3.3	3.2	3.2	3.0	3.0
West Coast (PADD V)	11.8	12.0	12.6	12.4	12.5	11.8	11.9	12.2
15 ppm sulfur and Under Stocks								more data
	Most Recent							Year Ago
	04/10/09	04/17/09	04/24/09	05/01/09	05/08/09	05/15/09	05/22/09	05/23/08
U.S.	82.7	85.1	86.0	86.9	87.1	87.8	87.7	68.9
East Coast (PADD I)	16.7	17.7	17.5	18.3	18.8	19.5	19.3	13.7
New England (PADD IA)	1.8	2.0	2.2	2.2	2.1	2.1	2.3	1.5
Central Atlantic (PADD IB)	7.0	7.1	7.4	8.2	8.4	8.9	8.6	6.5
Lower Atlantic (PADD IC)	7.9	8.5	7.9	7.9	8.4	8.5	8.3	5.7
Midwest (PADD II)	27.6	28.4	27.4	28.8	27.7	27.0	26.4	22.3
Gulf Coast (PADD III)	26.4	27.2	28.3	27.3	28.3	29.3	29.7	21.1
Rocky Mountain (PADD IV)	2.6	2.3	2.7	2.8	2.7	2.8	2.6	2.5
West Coast (PADD V)	9.4	9.6	10.0	9.7	9.6	9.3	9.7	9.4
Greater than 15 ppm to 500 ppm sulfur Stocks								more data
	Most Recent							Year Ago
	04/10/09	04/17/09	04/24/09	05/01/09	05/08/09	05/15/09	05/22/09	05/23/08
U.S.	20.6	21.0	20.4	21.0	20.7	20.4	19.6	17.4
East Coast (PADD I)	8.4	8.5	8.1	8.1	8.1	8.3	8.3	4.9
New England (PADD IA)	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.2
Central Atlantic (PADD IB)	3.9	4.4	3.8	4.1	4.1	3.9	3.9	1.6
Lower Atlantic (PADD IC)	3.7	3.3	3.5	3.2	3.3	3.6	3.7	3.1

Midwest (PADD II)	3.9	3.8	3.8	4.0	3.9	3.8	3.6	3.8
Gulf Coast (PADD III)	6.6	7.0	6.8	7.0	6.5	6.7	6.3	7.0
Rocky Mountain (PADD IV)	0.5	0.3	0.4	0.4	0.3	0.3	0.3	0.4
West Coast (PADD V)	1.2	1.4	1.5	1.5	1.8	1.4	1.2	1.4

Greater than 500 ppm sulfur Stocks

(?) more data

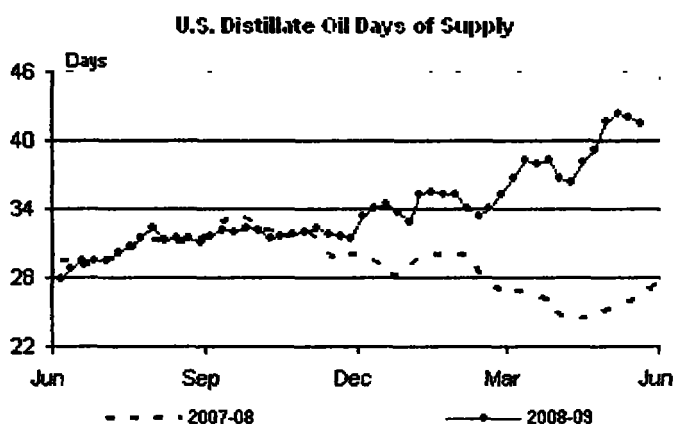
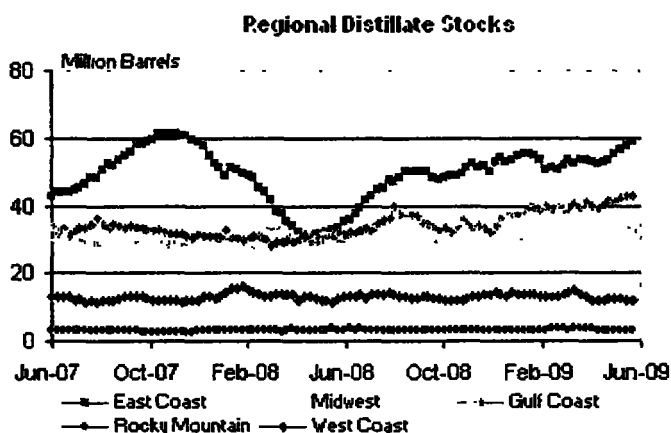
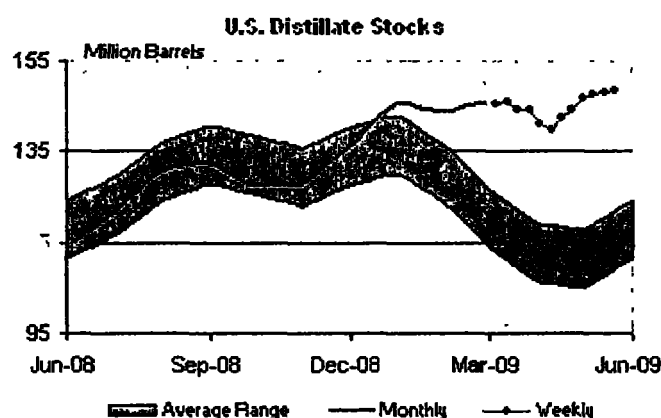
	Most Recent							Year Ago
	04/10/09	04/17/09	04/24/09	05/01/09	05/08/09	05/15/09	05/22/09	05/23/08
U.S.	36.3	36.2	37.7	38.6	39.6	39.9	41.0	23.1
East Coast (PADD I)	27.0	26.8	27.7	28.8	29.1	29.8	31.0	14.7
New England (PADD IA)	6.6	6.3	6.3	7.0	7.0	6.9	7.4	2.3
Central Atlantic (PADD IB)	17.5	17.6	18.9	19.6	20.0	20.3	21.4	10.6
Lower Atlantic (PADD IC)	2.9	3.0	2.5	2.2	2.1	2.6	2.2	1.9
Midwest (PADD II)	2.2	2.1	2.3	2.1	2.2	2.2	2.0	2.7
Gulf Coast (PADD III)	5.8	6.1	6.4	6.4	7.1	6.6	7.0	4.2
Rocky Mountain (PADD IV)	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.2
West Coast (PADD V)	1.2	1.0	1.2	1.1	1.1	1.2	0.9	1.3

Days of Supply (number of days)

(?) more data

	Most Recent							Year Ago
	04/10/09	04/17/09	04/24/09	05/01/09	05/08/09	05/15/09	05/22/09	05/23/08
U.S.	36.2	38.1	39.1	41.5	42.2	41.9	41.4	26.4

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

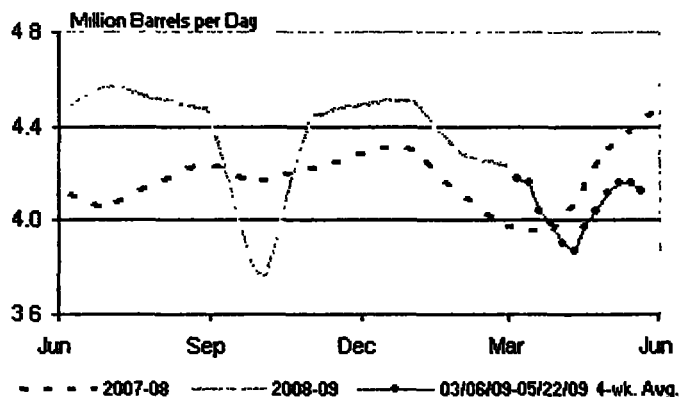


Distillate Production and Imports (Million Barrels per Day)

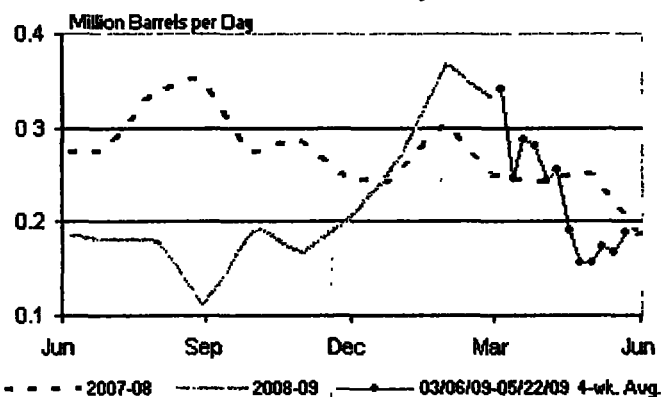
	Total Distillate Production							(?) more data
	Four-Week Averages				Week Ending			Year Ago
	05/08/09	05/15/09	05/22/09	05/23/08	05/08/09	05/15/09	05/22/09	05/23/08
U.S.	4.157	4.156	4.126	4.313	4.130	4.132	4.036	4.315
East Coast (PADD I)	0.385	0.393	0.396	0.469	0.409	0.391	0.409	0.443
Midwest (PADD II)	0.897	0.885	0.883	0.984	0.902	0.874	0.858	0.994
Gulf Coast (PADD III)	2.235	2.230	2.190	2.164	2.163	2.205	2.098	2.171

Rocky Mountain (PADD IV)	0.157	0.162	0.167	0.173	0.170	0.166	0.165	0.187
West Coast (PADD V)	0.483	0.487	0.491	0.523	0.486	0.496	0.506	0.520
15 ppm sulfur and Under Production					more data			
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/08/09	05/15/09	05/22/09	05/23/08	05/08/09	05/15/09	05/22/09	05/23/08
U.S.	3.127	3.158	3.169	3.244	3.110	3.203	3.163	3.344
East Coast (PADD I)	0.218	0.230	0.240	0.268	0.204	0.253	0.274	0.269
Midwest (PADD II)	0.812	0.807	0.810	0.877	0.833	0.804	0.797	0.920
Gulf Coast (PADD III)	1.541	1.555	1.538	1.506	1.484	1.562	1.492	1.549
Rocky Mountain (PADD IV)	0.132	0.139	0.148	0.148	0.150	0.144	0.151	0.163
West Coast (PADD V)	0.425	0.428	0.434	0.445	0.439	0.440	0.449	0.443
Greater than 15 ppm to 500 ppm sulfur Production					more data			
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/08/09	05/15/09	05/22/09	05/23/08	05/08/09	05/15/09	05/22/09	05/23/08
U.S.	0.608	0.570	0.542	0.611	0.539	0.504	0.516	0.609
East Coast (PADD I)	0.016	0.013	0.012	0.052	0.013	0.003	0.024	0.048
Midwest (PADD II)	0.061	0.056	0.054	0.067	0.057	0.044	0.045	0.060
Gulf Coast (PADD III)	0.475	0.448	0.429	0.434	0.434	0.402	0.410	0.426
Rocky Mountain (PADD IV)	0.020	0.020	0.019	0.023	0.019	0.021	0.014	0.023
West Coast (PADD V)	0.036	0.034	0.028	0.036	0.016	0.034	0.023	0.052
Greater than 500 ppm sulfur Production					more data			
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/08/09	05/15/09	05/22/09	05/23/08	05/08/09	05/15/09	05/22/09	05/23/08
U.S.	0.422	0.428	0.416	0.458	0.481	0.425	0.357	0.362
East Coast (PADD I)	0.152	0.151	0.144	0.149	0.192	0.135	0.111	0.126
Midwest (PADD II)	0.024	0.022	0.019	0.040	0.012	0.026	0.016	0.014
Gulf Coast (PADD III)	0.219	0.227	0.224	0.225	0.245	0.241	0.196	0.196
Rocky Mountain (PADD IV)	0.005	0.003	0.001	0.002	0.001	0.001	0.000	0.001
West Coast (PADD V)	0.022	0.025	0.029	0.042	0.031	0.022	0.034	0.025
Distillate Imports					more data			
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/08/09	05/15/09	05/22/09	05/23/08	05/08/09	05/15/09	05/22/09	05/23/08
Total Distillate	0.172	0.167	0.187	0.213	0.206	0.173	0.203	0.250
15 ppm sulfur and Under	0.105	0.104	0.123	0.131	0.106	0.119	0.161	0.151
Greater than 15 ppm to 500 ppm sulfur	0.013	0.019	0.021	0.007	0.006	0.033	0.013	0.029
Greater than 500 ppm to 2000 ppm sulfur	0.049	0.040	0.038	0.068	0.090	0.016	0.025	0.066
Greater than 2000 ppm sulfur	0.005	0.005	0.005	0.007	0.004	0.005	0.004	0.004

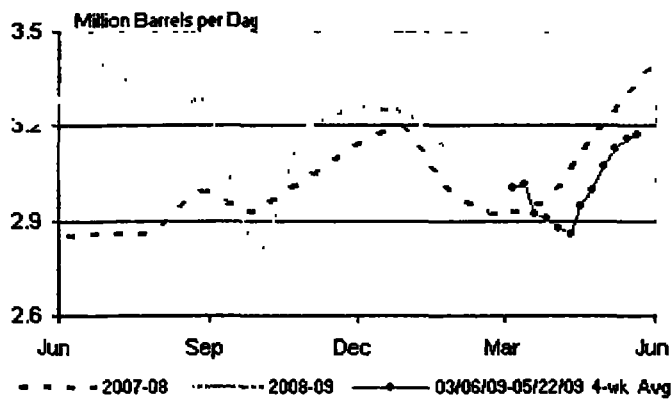
U.S. Distillate Production



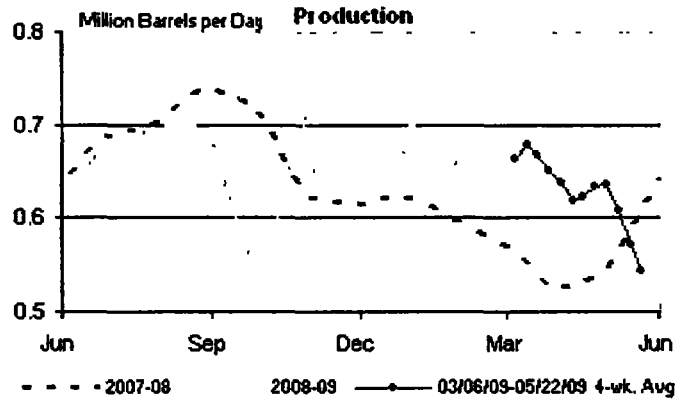
U.S. Distillate Imports



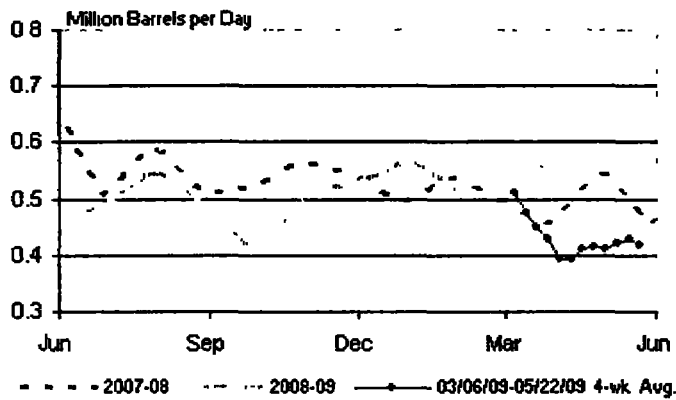
U.S. 15 ppm Sulfur and Under Distillate Production



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



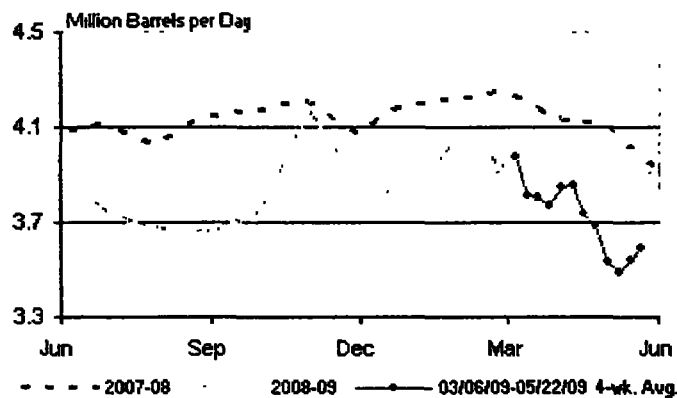
U.S. Greater than 500 ppm Sulfur Distillate Production



Distillate Demand (Million Barrels per Day)

Distillate Demand								? more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/08/09	05/15/09	05/22/09	05/23/08	05/08/09	05/15/09	05/22/09	05/23/08
Distillate Fuel Oil	3.491	3.538	3.587	4.144	3.625	3.641	3.636	4.078

U.S. Distillate Demand



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This Week In Petroleum

[Complete History XLS](#)
[PADD Definitions](#)

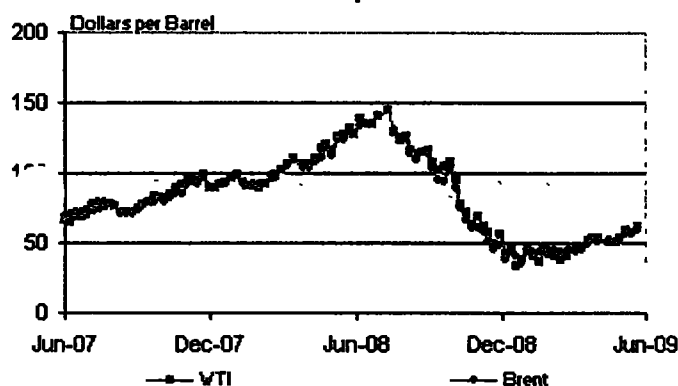
Summary	Crude Oil	Gasoline	Distillate	Propane
Prices	Stocks	Production	Imports	Refinery Inputs

Crude Oil Spot and Estimated Contract Prices (Dollars per Barrel)

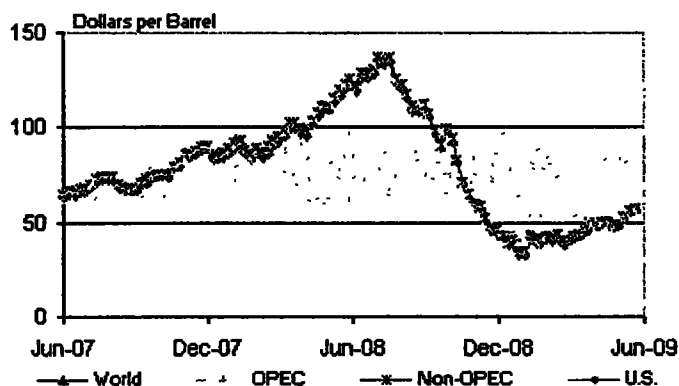
Crude Oil Spot Prices								more data
	Most Recent							Year Ago
	04/10/09	04/17/09	04/24/09	05/01/09	05/08/09	05/15/09	05/22/09	05/23/08
WTI - Cushing	NA	50.36	50.65	52.18	58.58	56.52	61.15	131.58
Brent	NA	52.02	50.29	51.75	56.02	56.33	58.70	129.72

Crude Oil Estimated Contract Prices								more data
	Most Recent							Year Ago
	04/10/09	04/17/09	04/24/09	05/01/09	05/08/09	05/15/09	05/22/09	05/23/08
Total OPEC	50.65	51.10	48.79	48.97	52.76	55.71	56.68	123.86
Total Non-OPEC	49.78	50.13	47.85	48.84	53.14	56.06	57.25	122.73
Total World	50.27	50.68	48.38	48.91	52.92	55.87	56.93	123.35
United States	48.85	49.06	46.67	47.82	52.20	55.21	56.12	120.16

Crude Oil Spot Prices



Crude Oil Estimated Contract Prices



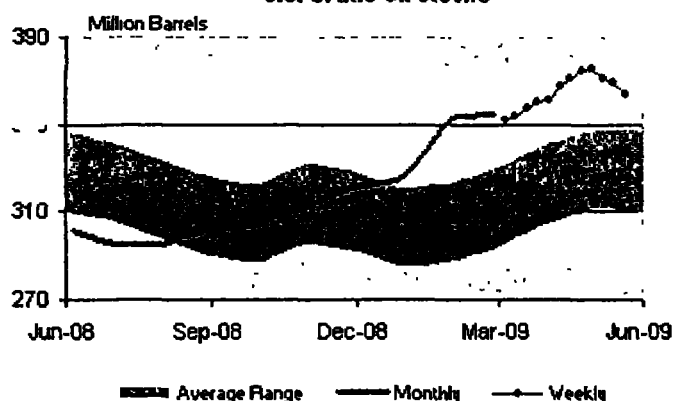
Crude Oil Stocks (Million Barrels) and Days of Supply

Crude Oil Stocks								more data
	Most Recent							Year Ago
	04/10/09	04/17/09	04/24/09	05/01/09	05/08/09	05/15/09	05/22/09	05/23/08
U.S.	366.7	370.6	374.7	375.3	370.6	368.5	363.1	311.6
East Coast (PADD I)	16.0	14.6	14.7	15.2	14.8	14.7	14.1	15.5
Midwest (PADD II)	84.9	85.2	85.4	85.3	84.0	84.9	85.3	67.0
Cushing, Oklahoma	29.2	29.5	29.8	29.8	28.8	29.6	30.7	21.3
Gulf Coast (PADD III)	190.3	195.2	198.7	196.8	194.5	190.3	186.1	156.4
Rocky Mountain (PADD IV)	16.7	16.9	17.3	17.1	17.3	16.8	17.0	13.3
West Coast (PADD V)	58.9	58.7	58.5	60.8	60.0	61.8	60.6	59.3

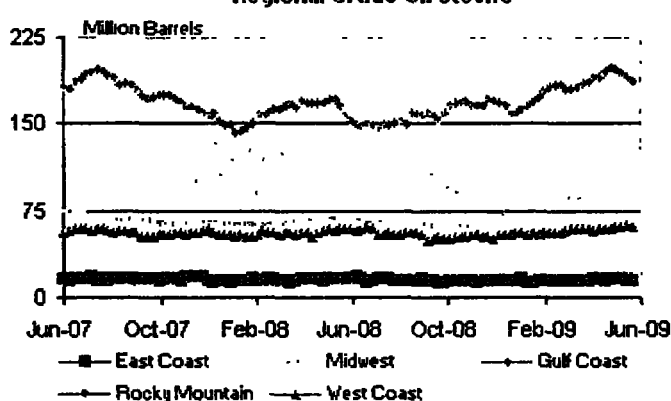
Days of Supply (number of days)								more data
	Most Recent							Year Ago
	04/10/09	04/17/09	04/24/09	05/01/09	05/08/09	05/15/09	05/22/09	05/23/08
U.S.	25.9	26.0	26.2	26.1	25.5	25.6	25.0	20.7

Note: Days of Supply calculated as: U.S. Crude Oil Stocks / Four-Week Average U.S. Crude Oil Refinery Inputs

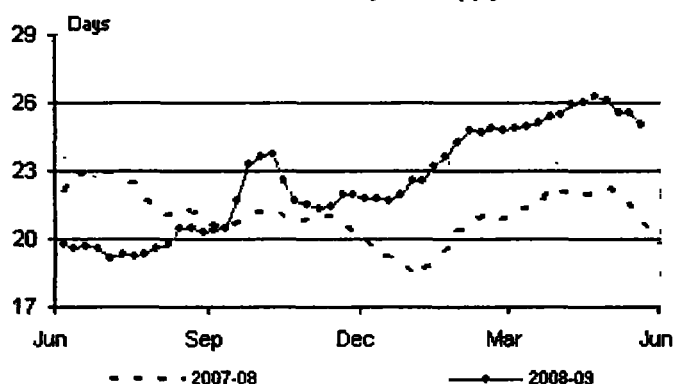
U.S. Crude Oil Stocks



Regional Crude Oil Stocks



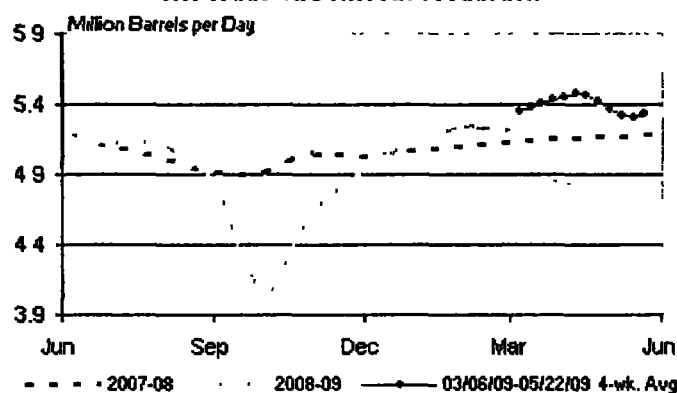
U.S. Crude Oil Days of Supply



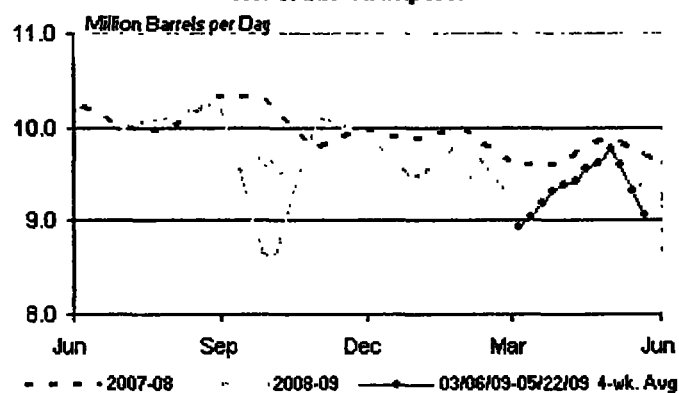
Crude Oil Production and Imports (Million Barrels per Day)

Crude Oil Production								(?) more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/08/09	05/15/09	05/22/09	05/23/08	05/08/09	05/15/09	05/22/09	05/23/08
U.S. Production	5.319	5.302	5.326	5.100	5.306	5.352	5.364	5.128
Crude Oil Imports								(?) more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/08/09	05/15/09	05/22/09	05/23/08	05/08/09	05/15/09	05/22/09	05/23/08
Crude Oil, Excluding SPR	9.577	9.311	9.049	9.689	8.708	8.791	8.778	8.959

U.S. Crude Oil Domestic Production



U.S. Crude Oil Imports

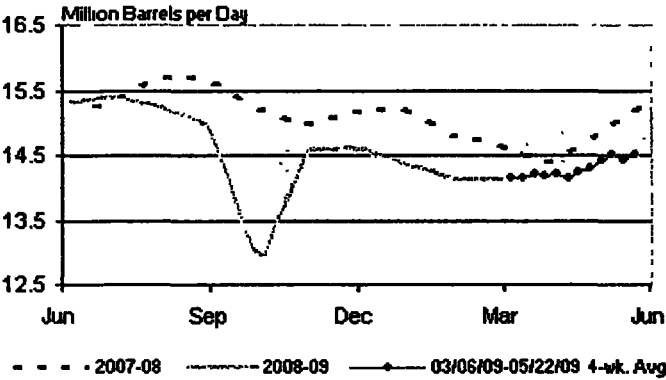


Crude Oil Refinery Inputs (Million Barrels per Day)

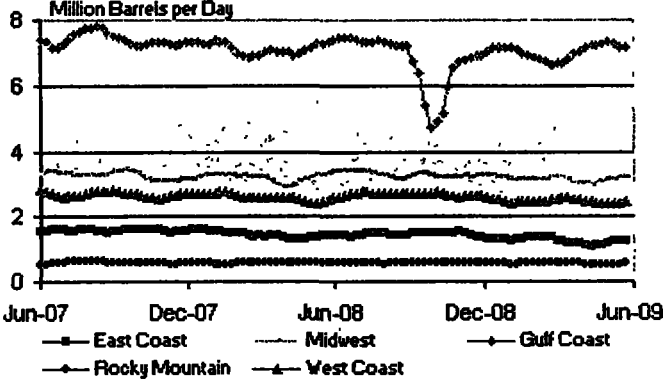
Crude Oil Refinery Inputs								(?) more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	05/08/09	05/15/09	05/22/09	05/23/08	05/08/09	05/15/09	05/22/09	05/23/08

U.S.	14.507	14.405	14.505	15.021	14.424	14.109	14.733	15.297
East Coast (PADD I)	1.210	1.222	1.228	1.412	1.233	1.264	1.202	1.458
Midwest (PADD II)	3.143	3.152	3.199	3.287	3.186	3.183	3.266	3.382
Gulf Coast (PADD III)	7.272	7.161	7.125	7.308	7.112	6.782	7.138	7.385
Rocky Mountain (PADD IV)	0.498	0.517	0.537	0.532	0.540	0.548	0.542	0.542
West Coast (PADD V)	2.385	2.354	2.417	2.483	2.353	2.332	2.585	2.530

U.S. Crude Oil Refinery Inputs



Regional Crude Oil Refinery Inputs 4-wk. Avg.



AAR MATERIALS AND SUPPLIES INDEX
Region By Composition
Second Quarter 2009
June 2, 2009

United States by Composition Category - Summary

Composition Category	Weight	Previous Quarter Index	Current Quarter Index	Relative Of Change
Forest Products	.1050	268.99	274.40	1.0201
Metal Products	.6389	198.65	202.58	1.0198
Miscellaneous Products	.2561	294.47	307.28	1.0435
U.S. By Composition	--	230.57	236.93	1.0276
U.S. By Composition (Linked)	--	234.69	241.17	1.0276
United States (1977=100) Linking Factor: 1.423	--	333.96	343.18	1.0276
United States (1980=100) Linking Factor: 1.061	--	249.01	255.88	1.0276

Car Hire for RCAF

RCAF (Forecast)

	1980	June 3Q/08	Sept. 4Q/08	Dec. 1Q/09	Mar. 2Q/09	June 3Q/09
RATE						
RR-OWNED TIME	31.00	67.00	67.00	67.00	67.00	67.00
RR-OWNED MILEAGE	4.69	7.20	7.20	7.20	7.20	7.20
PRIVATELY-OWNED CARS	25.47	45.75	45.57	45.48	45.71	45.80
AUTORACKS	47.00	49.98	51.88	52.82	50.52	50.49
INDEX						
RR-OWNED TIME	100.0	216.1	216.1	216.1	216.1	216.1
RR-OWNED MILEAGE	100.0	153.5	153.5	153.5	153.5	153.5
PRIVATELY-OWNED CARS	100.0	179.6	178.9	178.6	179.5	179.8
AUTORACKS	100.0	106.3	110.4	112.4	107.5	107.4
CAR HIRE INDEX (old wts) 2006	100.0	183.3	--	--	--	--
CAR HIRE INDEX (new wts) 2007	100.0	183.2	182.6	182.4	183.1	183.3
CAR HIRE INDEX (LINKED)	100.0	182.3	181.7	181.5	182.2	182.4

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

Note: Indexes are rounded, rates are full float.

Equipment Rents Data From CHARM

	2008						2009							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Railroad Owned														
No. of Cars	9,319	9,298	9,260	9,236	9,191	9,119	9,029	8,962	8,941	9,203	9,208	9,277		
Superstructures														
Rate	19.0	19.0	19.0	19.0	19.0	19.0	19.0	20.0	20.0	21.0	22.0	21.0		
Superstructures #3 - Auto Rack	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0		
All other #1 - Time	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2		
All other #2 - Mileage														
Privately Owned														
No. of Cars	49,751	49,742	49,703	49,802	49,846	49,904	49,945	49,865	49,842	49,828	49,838	49,613		
Superstructures	342,056	341,894	342,364	343,455	343,426	342,491	343,082	342,492	341,790	341,893	340,646	339,416		
Covered Hoppers	314,047	314,204	315,055	315,796	314,985	313,030	315,209	314,896	315,003	313,904	314,770	314,234		
Tank Cars	297,412	299,033	299,483	301,343	302,182	304,636	305,747	304,116	305,148	304,842	305,042	307,023		
Others														
Rate	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0		
Superstructures #1 - Time	0.8	0.8	0.8	0.8	1.0	1.0	1.0	1.0	1.0	1.0	0.8	0.8		
Superstructures #2 - Mileage	57.0	58.0	58.0	59.0	60.0	59.0	55.0	56.0	56.0	56.0	56.0	56.0		
Superstructures #3 - Auto Rack	44.9	45.0	45.1	45.2	45.2	45.2	43.8	44.0	44.0	44.1	44.1	44.2		
Covered Hoppers #2 - Mileage	74.5	74.6	73.8	73.9	74.0	74.1	73.2	73.5	76.2	76.2	76.4	76.5		
Tank Cars #2 - Mileage	64.0	64.0	64.0	63.0	63.0	63.0	63.0	62.0	62.0	62.0	62.0	62.0		
Others #1 - Time	6.6	6.6	6.6	6.6	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7		
Others #2 - Mileage														
AVERAGE RATES														
Private Superstructures	19.13	19.13	19.13	19.13	19.33	19.33	19.33	19.33	19.33	19.33	19.13	19.13	0.00	0.00
Private Others	20.81	20.81	20.81	20.59	20.69	20.69	20.69	20.46	20.46	20.46	20.46	20.46	0.00	0.00
Private Total	45.75	45.78	45.57	45.54	45.57	45.48	44.76	44.89	45.71	45.72	45.80	45.80	#DIV/0!	#DIV/0!
Auto racks	51.01	51.86	51.88	52.74	53.62	52.82	49.49	50.52	50.52	50.54	50.70	50.49	#DIV/0!	#DIV/0!

WEIGHTS	"Old Wts" "New Wts"	
	2008	2007
For PCAF & RCR		
RR-owned Time	0.182	0.169
RR-owned Mileage	0.097	0.100
Privately-owned Cars	0.716	0.731
Auto racks	0.005	0.000
***** Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)		
	2008	2007
Car Hire - U.S.	0.463	0.432
Lease Rentals - U.S.	0.537	0.568
***** 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

1 PROGRAM: DPRB799

CURRENT DATE: JUNE

01, 2009

PRIVATE EQUIPMENT 1/

PAGE NO: 83

AVERAGE RATE FOR 06/09

CAR GROUP	CAR COUNT	TIME	MILEAGE	CAR RENTAL RATES	AUTO RACK
-----	-----	----	-----	-----	-----
-VEHICULAR FLATS	49,613	78 ¢/HR	.008 \$/MILE		56 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/	6				
-COVERED HOPPERS	339,416	0 ¢/HR	.442 \$/MILE		
ONO. OF ZERO RATED COVERED HOPPERS 2/	10,092				
-TANKS	314,234	3 ¢/HR	.765 \$/MILE		
ONO. OF ZERO RATED TANKS 2/	10,575				
-ALL OTHER CARS	307,023	62 ¢/HR	.067 \$/MILE		
ONO. OF ZERO RATED "OTHER" CARS 2/	36,821				

0	TOTAL: 1,067,780				

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

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.

RAILROAD EQUIPMENT 1/

1PROGRAM: DPRB799
CURRENT DATE: JUNE 01, 2009

AVERAGE RATE FOR 06/09			

CAR RENTAL RATES			

CAR GROUP	CAR COUNT	TIME	MILEAGE
-----	-----	-----	-----
-VEHICULAR FLATS	9,277	134 ¢/HR	.079 \$/MILE
ONO. OF ZERO RATED VEH. FLATS 2/	77		
-ALL OTHER CARS	636,266	67 ¢/HR	.072 \$/MILE
ONO. OF ZERO RATED "OTHER" CARS 2/	38,644		

0	TOTAL:		
	684,264		

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.

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AUTO RACK

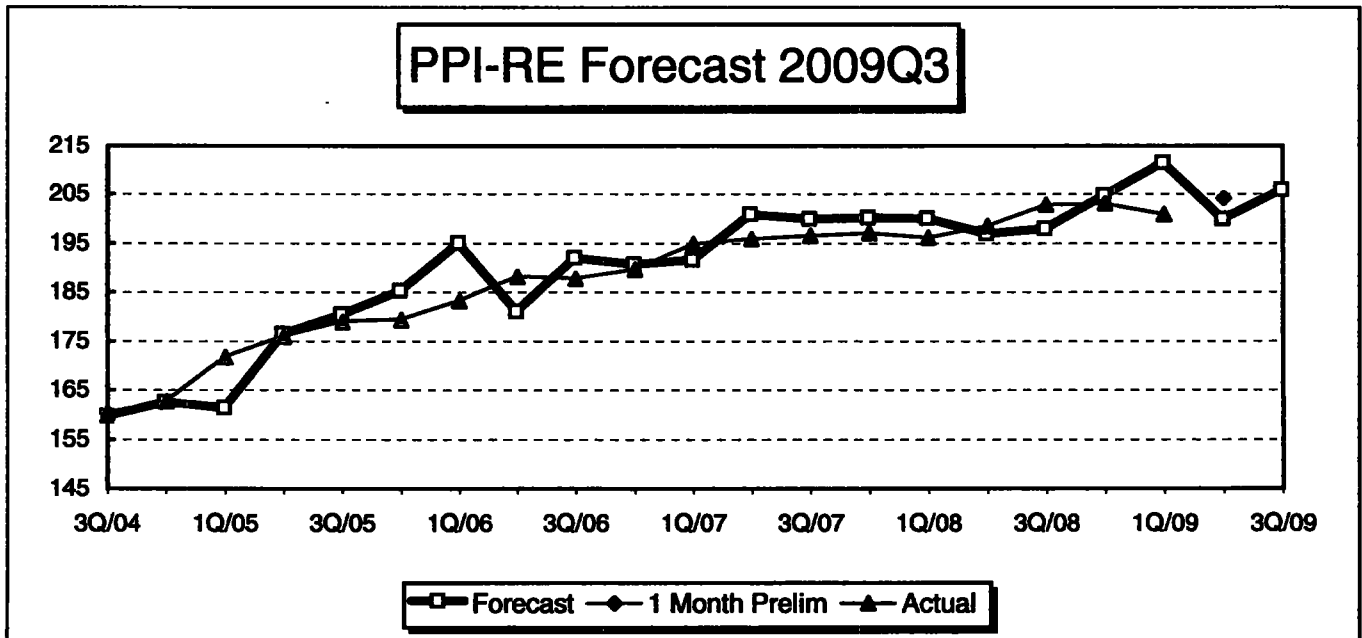
21 ¢/HR

PPI-RE Forecast (for Depreciation Component)

	Forecast	Actual	1 Month Prelim
3Q/04	159.6	160.3	
4Q/04	162.4	162.7	
1Q/05	161.3	171.7	
2Q/05	176.3	175.9	
3Q/05	180.3	178.9	
4Q/05	185.1	179.4	
1Q/06	195.0	183.1	
2Q/06	180.9	188.1	
3Q/06	191.9	187.7	
4Q/06	190.6	189.6	
1Q/07	191.6	194.8	
2Q/07	200.9	195.9	
3Q/07	199.9	196.5	
4Q/07	200.2	197.0	
1Q/08	200.1	196.1	
2Q/08	196.9	198.5	
3Q/08	197.9	202.8	
4Q/08	204.8	203.1	
1Q/09	211.6	200.9	
2Q/09	199.9		204.1
3Q/09	206.0		

1980 Base

	PPI-RE Forecast		Yr Ago Actual	Percent Change		
	(82=100)	(80=100)		Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2009Q3						
Low	182.3	201.7	-0.5%			
Midpoint	186.2	206.0	1.6%	0.9%	2.5%	3.1%
High	190.1	210.3	3.7%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2009q3\5Deprec\FPre_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

Length 72 Minimum 136.300 Maximum 184.500
Mean 163.707 Standard deviation 15.895

Classical decomposition (multiplicative)

Trend-cycle: 98.84% Seasonal: 0.30% Irregular: 0.86%

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

Box-Jenkins outperforms exponential smoothing by 1.931 to 2.085 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is nonstationary and seasonal.

Recommended model: Box-Jenkins

Forecast Model for PPIRE

ARIMA(0,1,0)*(0,0,2)

Term	Coefficient	Std. Error	t-Statistic	Significance
B[12]	-0.3771	0.0991	-3.8047	0.9997
B[24]	-0.7811	0.0527	-14.8338	1.0000

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 163.7	Standard deviation 15.89
R-square 0.9961	Adjusted R-square 0.996
Durbin-Watson 1.751	Ljung-Box(18)=23.03 P=0.8105
Forecast error 0.9991	BIC 1.045
MAPE 0.004198	RMSE 0.9852
MAD 0.6852	

Forecast Report

Thu May 14 10:10:07 2009

Box-Jenkins model for PPIRE

Analysis of Historic Fit Set

Date	Historic
2003-05	136.300
2003-06	136.300
2003-07	136.700
2003-08	136.500
2003-09	136.900
2003-10	137.200
2003-11	137.700
2003-12	137.300
2004-01	137.900
2004-02	140.100
2004-03	142.200
2004-04	142.800
2004-05	143.500
2004-06	143.700
2004-07	143.200
2004-08	143.500
2004-09	144.200
2004-10	145.000

re_ppi.txt

2004-11 147.000
2004-12 153.200
2005-01 153.400
2005-02 156.000
2005-03 161.600
2005-04 161.100
2005-05 161.300
2005-06 161.200
2005-07 161.500
2005-08 161.800
2005-09 161.800
2005-10 161.700
2005-11 161.900
2005-12 162.200
2006-01 164.200
2006-02 165.500
2006-03 168.200
2006-04 168.200
2006-05 169.600
2006-06 171.300
2006-07 170.600
2006-08 170.900
2006-09 170.400
2006-10 170.200
2006-11 170.300
2006-12 172.700
2007-01 173.900
2007-02 175.600
2007-03 176.100
2007-04 174.200
2007-05 175.600
2007-06 176.400
2007-07 177.400
2007-08 177.400
2007-09 177.900
2007-10 177.500
2007-11 177.700
2007-12 177.500
2008-01 178.400
2008-02 178.200
2008-03 177.600
2008-04 178.700
2008-05 178.000
2008-06 181.200
2008-07 180.800
2008-08 181.700
2008-09 182.900
2008-10 181.900
2008-11 181.600
2008-12 180.700
2009-01 180.700
2009-02 182.200
2009-03 181.800
2009-04 184.500

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2009-05	182.621	184.565	186.510
2009-06	182.613	185.363	188.112
2009-07	182.404	185.771	189.139

			re_ppi.txt
2009-08	182.082	185.971	189.860
2009-09	182.534	186.882	191.230
2009-10	181.886	186.648	191.411
2009-11	181.863	187.007	192.152
2009-12	181.617	187.116	192.616
2010-01	181.017	186.851	192.684
2010-02	180.815	186.963	193.112
2010-03	180.753	187.202	193.651
2010-04	182.331	189.067	195.802



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Databases, Tables & Calculators by Subject

FONT SIZE:

Data extracted on: May 14, 2009 (09:53 AM)

PPI Commodity Data

Series Catalog:

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

Base Date : 198200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2008	178.4	178.2	177.6	178.7	178.0	181.2	180.8	181.7	182.9	181.9	181.6	180.7	180.2
2009	180.7(p)	182.2(p)	181.8(p)	184.5(p)									

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

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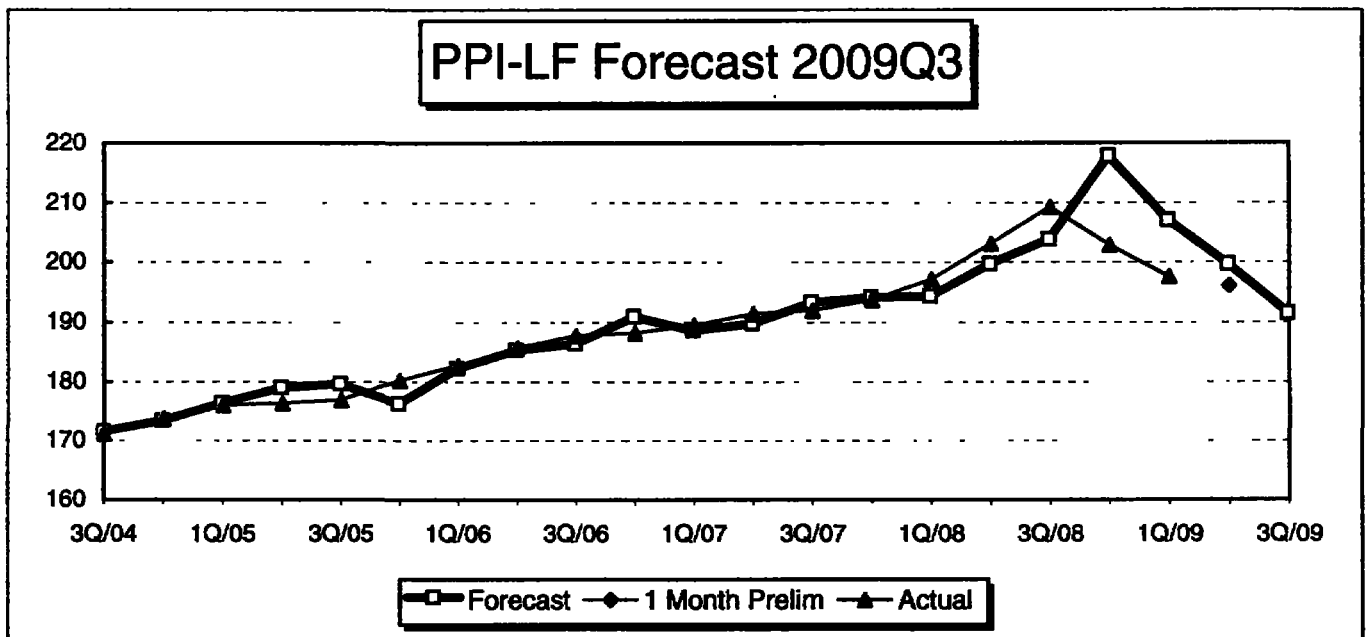
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PPI-LF Forecast (for Other and Lease Rentals Components)

	Forecast	Actual	1 Month Prelim
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	188.2	
1Q/07	188.6	189.5	
2Q/07	189.8	191.4	
3Q/07	193.2	191.9	
4Q/07	194.1	193.7	
1Q/08	194.3	197.1	
2Q/08	199.7	203.1	
3Q/08	203.8	209.2	
4Q/08	217.8	202.8	
1Q/09	207.0	197.6	
2Q/09	199.7		196.0
3Q/09	191.5		

1980 Base

	PPI-LF Forecast		Yr Ago Actual	Percent Change		
	(82=100)	(80=100)		Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2009Q2						
Low	163.0	182.7	-12.7%			
Midpoint	170.8	191.5	-8.5%	-2.3%	-3.1%	-4.1%
High	178.6	200.2	-4.3%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2009q3\7Other\FPIlf_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPILF

Length 72 Minimum 144.600 Maximum 186.600
Mean 163.882 standard deviation 11.934

Classical decomposition (multiplicative)

Trend-cycle: 97.88% Seasonal: 0.18% Irregular: 1.93%

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

Box-Jenkins outperforms exponential smoothing by 7.073 to 10.297 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is trended and seasonal.

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

Term	Coefficient	Std. Error	t-Statistic	Significance
b[1]	0.0187	0.1196	0.1566	0.1240 <-

Insignificant MA terms are harmless.

Within-Sample Statistics

Sample size 72	Number of parameters 1
Mean 163.9	Standard deviation 11.93
R-square 0.9963	Adjusted R-square 0.9963
Durbin-Watson 1.97	Ljung-Box(18)=22.97 P=0.8084
Forecast error 0.7216	BIC 0.7382
MAPE 0.003026	RMSE 0.7166
MAD 0.5097	

Forecast Report

Thu May 14 11:20:22 2009

Box-Jenkins model for PPILF

Analysis of Historic Fit Set

Date	Historic
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

lf_ppi.txt

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
2006-07	167.100
2006-08	167.500
2006-09	167.600
2006-10	167.700
2006-11	167.800
2006-12	167.900
2007-01	168.200
2007-02	168.600
2007-03	169.400
2007-04	170.300
2007-05	170.800
2007-06	171.000
2007-07	171.400
2007-08	171.100
2007-09	171.200
2007-10	172.200
2007-11	173.100
2007-12	173.100
2008-01	174.700
2008-02	175.900
2008-03	177.400
2008-04	179.800
2008-05	181.800
2008-06	183.200
2008-07	185.900
2008-08	186.600
2008-09	186.200
2008-10	183.700
2008-11	179.900
2008-12	177.400
2009-01	176.900
2009-02	176.300
2009-03	175.800
2009-04	174.800

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2009-05	172.385	173.809	175.234

lf_ppi.txt
2009-06 169.657 172.819 175.980
2009-07 166.555 171.828 177.101
2009-08 163.133 170.837 178.542
2009-09 159.427 169.847 180.267
2009-10 155.463 168.856 182.248
2009-11 151.264 167.865 184.467
2009-12 146.843 166.875 186.906
2010-01 142.216 165.884 189.552
2010-02 137.392 164.893 192.394
2010-03 132.382 163.903 195.423
2010-04 127.194 162.912 198.630

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Databases, Tables & Calculators by Subject

 FONT SIZE:  

Data extracted on: May 14, 2009 (11:12 AM)

PPI Commodity Data

Series Catalog:

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels and related products and power

Base Date : 198200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2008	174.7	175.9	177.4	179.8	181.8	183.2	185.9	186.6	186.2	183.7	179.9	177.4	181.1
2009	176.9(p)	176.3(p)	175.8(p)	174.8(p)									

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

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Forecast Error Calculation

	First Quarter 2009		Diff
	2007	2009Q1	
Labor	Weight	Forecast	Actual
Fuel	32.8%	337.0	337.0
M&S	20.3%	237.3	181.0
Equip Rents	5.0%	258.8	258.8
Depreciation	7.2%	201.0	194.9
Interest	11.0%	211.6	200.9
Other	2.7%	88.0	88.0
	21.0%	207.0	197.6
Weighted Avg	100.0%		
1980 = 100		255.2	240.2
1980 = 100 (linked)		247.8	233.2
4Q07 = 100	2.459	100.8	94.8
4Q02 = 100	1.921	129.0	121.4
4Q97 = 100	1.732	143.1	134.6
4Q92 = 100	1.569	157.9	148.6

Forecast Error → -6.0

Prior Quarter

1980 = 100	292.6	267.5 ***
1980 = 100 (linked)	284.1	259.7
4Q07 = 100	115.5	105.6
4Q02 = 100	147.9	135.2
4Q97 = 100	164.0	149.9
4Q92 = 100	181.1	165.5

Equipment Rents

Car Hire	181.5	179.7
Lease Rentals	207.0	197.6
Weighted Average	196.0	189.9
Linked	201.0	194.9

Prior Quarter

Weighted Average	202.2	193.6 ***
Linked	207.4	198.7

Sum of Weights ok

Sum of ER Wt. ok

*** If fourth quarter, weighted avg for prior needs to use new weights, linked is ok

* actual=forecast from 1st month of quarter
 * actual=forecast from Equipment Rents below
 PPI-RE 180.70 182.20 181.80 0.9040
 * actual=forecast
 PPI-LF 176.90 176.30 175.80 0.8920

calculated
calculated

calculated
calculated
calculated

calculated

calculated
calculated
calculated
calculated

from UMLER equipment rents
calculated (equals PPI-LF from above)
calculated
calculated

All-Inclusive Index (Actual)

	07 Wts	3Q/08 06 Wts	3Q/08 07 Wts	% Chg. 07 Wts	4Q/08 07 Wts	% Chg. 07 Wts	1Q/09 07 Wts	% Chg. 07 Wts	2Q/09 07 Wts	% Chg. 07 Wts	3Q/09 07 Wts	% Chg. 07 Wts
Labor	32.8%	317.2	317.2	0.0%	330.6	4.2%	337.0	1.9%	NA	NA	NA	NA
Fuel	20.3%	481.0	481.0	0.0%	319.4	-33.6%	181.0	-43.3%	NA	NA	NA	NA
M&S	5.0%	228.3	228.3	0.0%	252.2	10.5%	258.8	2.6%	NA	NA	NA	NA
Equipment Rents	7.2%	202.7	202.7	0.0%	198.7	-2.0%	194.9	-1.9%	0.0	0.0	#DIV/0!	NA
Depreciation	11.0%	202.8	202.8	0.0%	203.1	0.1%	200.9	-1.1%	88.0	0.0%	88.0	0.0%
Interest	2.7%	90.2	90.2	0.0%	88.0	-2.4%	88.0	0.0%	88.0	0.0%	88.0	0.0%
Other	21.0%	209.2	209.2	0.0%	202.8	-3.1%	197.6	-2.6%	NA	NA	NA	NA
Weighted Avg.	1.0000	295.2	296.4	0.4%	267.5	-9.8%	240.2	-10.2%	2.4	NA	#DIV/0!	NA
Linked		287.8			259.7	-9.8%	233.2	-10.2%	2.3	NA	#DIV/0!	NA
10/1/80		280.2			252.9	-9.7%	227.1	-10.2%	2.2	NA	#DIV/0!	NA
10/1/82		238.0			214.8	-9.7%	192.9	-10.2%	1.9	NA	#DIV/0!	NA
4Q/87		217.7			196.4	-9.8%	176.4	-10.2%	1.7	NA	#DIV/0!	NA
4Q/92		183.4			165.5	-9.8%	148.6	-10.2%	1.5	NA	#DIV/0!	NA
4Q/97		166.2			149.9	-9.8%	134.6	-10.2%	1.3	NA	#DIV/0!	NA
4Q/02		149.8			135.2	-9.7%	121.4	-10.2%	1.2	NA	#DIV/0!	NA
4Q/07		117.0			105.6	-9.7%	94.8	-10.2%	0.9	NA	#DIV/0!	NA
Equipment Rents												
Car Hire	43.2%	182.2	182.2	0.0%	181.6	-0.3%	179.7	-1.0%	NA	NA	NA	NA
Lease Rentals	56.8%	209.2	209.2	0.0%	202.8	-3.1%	197.6	-2.6%	0.0	NA	0.0	NA
ER Weighted Avg	1.0000	196.7	197.5	0.4%	193.6	-2.0%	189.9	-1.9%	0.0	NA	0.0	NA
ER Linked		202.7			198.7	-2.0%	194.9	-1.9%	0.0	NA	#DIV/0!	NA

	06 Wts	07 Wts
Impact/Check of weight change		
Labor	109.434	104.042
Fuel	92.352	97.643
Material & Supplies	11.415	11.415
Equipment Rents	15.811	14.594
Depreciation	21.497	22.308
Interest	2.435	2.435
Other	42.258	43.932
Weighted Avg.	295.202	296.369
ER Weighted Avg.	196.699	197.536

RCAF Fuel (Actual All-Inclusive Index)

January 2009

Average Price for Monthly Report

	January 200 Price (1)	1/1/81 Price (2)	1/91 New Method Linking Factors (3)	January 2009 Index 1/1/81=100 (4)
U.S.	148.12	89.34	99.415	164.82
East	148.36	91.56	99.435	161.12
West	148.04	87.83	99.416	167.57

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

Fuel Index on 1977 Base and 1980 Base

	January 2009 Index 1/1/81=100 (1)	Linking Factors 1977=100 (2)	1980=100 (3)	January 2009 Index 1977=100 (4)	Index 1980=100 (5)
U.S.	164.82	2.606	1.096	429.53	180.65
East	161.12	2.569	1.134	413.92	182.71
West	167.57	2.639	1.067	442.21	178.80

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

$$(5) = (1) \times (3)$$

Final Actual All-inclusive Index

	1980=100 January 2009 Current Index	Adjustment Factor	January 2009 Linked Index
U.S.	180.65	1.00192	180.99
East	182.71	1.00621	183.85
West	178.80	1.00024	178.84

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

Car Hire for RCAF

RCAF (Actual)							
		1980	Aug 3Q/08	Nov 4Q/08	Feb 1Q/09	May 2Q/09	Aug 3Q/09
RATE							
RR-OWNED TIME		31.00	67.00	67.00	67.00	67.00	--
RR-OWNED MILEAGE		4.69	7.20	7.20	7.20	7.20	--
PRIVATELY-OWNED CARS		25.47	45.78	45.57	44.89	45.80	--
AUTORACKS		47.00	51.86	53.62	50.52	50.70	--
INDEX							
RR-OWNED TIME		100.0	216.1	216.1	216.1	216.1	--
RR-OWNED MILEAGE		100.0	153.5	153.5	153.5	153.5	--
PRIVATELY-OWNED CARS		100.0	179.7	178.9	176.2	179.8	--
AUTORACKS		100.0	110.3	114.1	107.5	107.9	--
CAR HIRE INDEX (old wts)	2006	100.0	183.4	--	--	--	--
CAR HIRE INDEX (new wts)	2007	100.0	183.2	182.6	180.7	183.3	--
CAR HIRE INDEX (LINKED)		100.0	182.2	181.6	179.7	182.3	--

Note: Indexes are rounded, rates are full float.

Equipment Rents Data From CHARM

	2008						2009							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Railroad Owned														
No. of Cars														
Superstructures	9,319	9,298	9,280	9,236	9,191	9,119	9,029	8,962	8,941	9,203	9,208			
Rate	19.0	19.0	19.0	19.0	19.0	19.0	19.0	20.0	20.0	21.0	22.0			
Superstructures #3 - Auto Rack	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0			
All other #1 - Time	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2			
All other #2 - Mileage														
Privately Owned														
No. of Cars														
Superstructures	49,751	49,742	49,703	49,802	49,846	49,904	49,945	49,865	49,842	49,828	49,838			
Covered Hoppers	342,056	341,934	342,364	343,455	343,426	342,491	343,082	342,492	341,790	341,893	340,646			
Tank Cars	314,047	314,204	315,055	315,796	314,985	313,030	315,209	314,895	315,003	313,904	314,770			
Others	297,412	299,033	299,493	301,343	302,182	304,636	305,747	304,116	305,148	304,842	305,042			
Rate	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0			
Superstructures #1 - Time	0.8	0.8	0.8	0.8	1.0	1.0	1.0	1.0	1.0	1.0	0.8			
Superstructures #2 - Mileage	57.0	58.0	58.0	59.0	60.0	59.0	65.0	56.0	56.0	56.0	56.0			
Superstructures #3 - Auto Rack	44.9	45.0	45.1	45.2	45.2	45.2	43.8	44.0	44.0	44.1	44.1			
Covered Hoppers #2 - Mileage	74.5	74.6	73.8	73.9	74.0	74.1	73.2	73.6	76.2	76.2	76.4			
Tank Cars #2 - Mileage	64.0	64.0	64.0	63.0	63.0	63.0	63.0	62.0	62.0	62.0	62.0			
Others #1 -Time	6.6	6.6	6.6	6.6	6.7	6.7	6.7	6.7	6.7	6.7	6.7			
Others #2 - Mileage														
AVERAGE RATES														
Private Superstructures	19.13	19.13	19.13	19.13	19.33	19.33	19.33	19.33	19.33	19.33	18.13	0.00	0.00	0.00
Private Others	20.81	20.81	20.81	20.59	20.69	20.69	20.69	20.46	20.46	20.46	20.46	0.00	0.00	0.00
Private Total	45.75	45.78	45.57	45.54	45.57	45.48	44.76	44.89	45.71	45.72	45.80	#DIV/0!	#DIV/0!	#DIV/0!
Autoracks	51.01	51.86	51.88	52.74	53.82	52.82	49.49	50.52	50.52	50.54	50.70	#DIV/0!	#DIV/0!	#DIV/0!

WEIGHTS	"Old Wts" "New Wts"	
	2006	2007
For RCAF & RCR		
RR-owned Time	0.182	0.169
RR-owned Mileage	0.097	0.100
Privately-owned Cars	0.716	0.731
Autoracks	0.005	0.000
----- Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)		
	2006	2007
Car Hire - U.S.	0.453	0.432
Lease Rentals - U.S	0.537	0.568
----- 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 02/09

CAR GROUP	CAR COUNT	CAR RENTAL RATES		
		TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	49,865	78 c/HR	.010 \$/MILE	56 c/HR
ONO. OF ZERO RATED VEH. FLATS 2/	100			
-COVERED HOPPERS	342,492	0 c/HR	.440 \$/MILE	
ONO. OF ZERO RATED COVERED HOPPERS 2/	10,890			
-TANKS	314,695	4 c/HR	.735 \$/MILE	
CNO. OF ZERO RATED TANKS 2/	10,059			
-ALL OTHER CARS	304,116	52 c/HR	.067 \$/MILE	
ONO. OF ZERO RATED "OTHER" CARS 2/	37,451			
TOTAL:		1,069,668		

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 CONX) 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.

RAILROAD EQUIPMENT 1/

1/ PROGRAM: DPRB799
CURRENT DATE: FEBRUARY 01, 2009

		AVERAGE RATE FOR 02/09		
CAR GROUP	CAR COUNT	CAR RENTAL RATES		
		TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	8,962	131 ¢/HR	.082 \$/MILE	20 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/	117			
-ALL OTHER CARS	641,382	67 ¢/HR	.072 \$/MILE	
ONO. OF ZERO RATED "OTHER" CARS 2/	40,414			
0	TOTAL:	690,875		

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.

RCAF - Depreciation

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

Forecast Year 2009

As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast	→	09Q1	09Q2	09Q3	09Q4
For Actual	→	08Q3	08Q4	09Q1	09Q2
January	2008	178.4	178.4	178.4	
February	2008	178.2	178.2	178.2	
March	2008	177.6	177.6	177.6	
April	2008	178.7	178.7	178.7	
May	2008	178.0	178.0	178.0	
June	2008	181.2	181.2	181.2	
July	2008	184.7	180.8	180.8	
August	2008	182.4	181.7	181.7	
September	2008	182.8	182.9	182.9	
October	2008	188.4	188.4	181.9	
November	2008		182.0	181.6	
December	2008		180.5	180.7	
January	2009		180.7	180.7	
February	2009			182.2	
March	2009			181.8	
April	2009			184.5	
May	2009				
June	2009				
July	2009				
Actual Qtr.		183.3	183.6	181.6	NA

1980=100

Actual Qtr.

First Mo. next qtr.

202.8	203.1	200.9	NA
208.4	199.9	204.1	NA

0.904 =1980



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Databases, Tables & Calculators by Subject

FONT SIZE:

Data extracted on: May 14, 2009 (09:53 AM)

PPI Commodity Data

Series Catalog:

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

Base Date : 198200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2008	178.4	178.2	177.6	178.7	178.0	181.2	180.8	181.7	182.9	181.9	181.6	180.7	180.2
2009	180.7(p)	182.2(p)	181.8(p)	184.5(p)									

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

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RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

Forecast Year 2009 As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast →	09Q1	09Q2	09Q3	09Q4	
For Actual →	08Q3	08Q4	09Q1	09Q2	
January 2008	174.7	174.7	174.7		
February 2008	175.9	175.9	175.9		
March 2008	177.4	177.4	177.4		
April 2008	179.8	179.8	179.8		
May 2008	181.8	181.8	181.8		
June 2008	183.2	183.2	183.2		
July 2008	185.7	185.9	185.9		
August 2008	187.5	186.6	186.6		
September 2008	186.6	186.2	186.2		
October 2008	184.4	184.4	183.7		
November 2008		180.7	179.9		
December 2008		177.6	177.4		
January 2009		176.9	176.9		
February 2009			176.3		
March 2009			175.8		
April 2009			174.8		
May 2009					
June 2009					
July 2009					
Actual Qtr.	186.6	180.9	176.3	NA	

1980=100

Actual Qtr.	209.2	202.8	197.6	NA
First Mo. next qtr.	206.7	198.3	196.0	NA

0.892 =1980



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Databases, Tables & Calculators by Subject

FONT SIZE:

Data extracted on: May 14, 2009 (11:12 AM)

PPI Commodity Data

Series Catalog:

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels and related products and power

Base Date : 198200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2008	174.7	175.9	177.4	179.8	181.8	183.2	185.9	186.6	186.2	183.7	179.9	177.4	181.1
2009	176.9(p)	176.3(p)	175.8(p)	174.8(p)									

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

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Section 4 – Fourth General Wage Increase

Effective July 1, 2008, each basic monthly rate of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

Section 5 – Fifth General Wage Increase

Effective July 1, 2009, each basic monthly rate of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

Section 6 - COLA Payments

Any cost-of-living allowance amounts rolled in to basic monthly rates of pay on or after July 1, 2005 pursuant to any existing agreements between the ATDA and the carriers covered by this Agreement shall be excluded before application of the general wage increases provided for in this Article I and eliminated from basic rates of pay after application of such increases.

ARTICLE II – OPTIONAL ALTERNATIVE COMPENSATION PROGRAM**Section 1**

A carrier or organization may propose alternative compensation arrangements for consideration by the other party. Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on carrier performance, and 401(k) plans. The proposed arrangement(s) may be implemented only by mutual agreement of the carrier and the appropriate representatives.

Nat. BLET

-2-

Section 2 - Second General Wage Increase

Effective July 1, 2006, all standard basic daily rates of pay in effect on June 30, 2006 for employees represented by the BLET shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 3 - Third General Wage Increase

Effective July 1, 2007, all standard basic daily rates of pay in effect on June 30, 2007 for employees represented by the BLET shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all standard basic daily rates of pay in effect on June 30, 2008 for employees represented by the BLET shall be increased by four (4) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all standard basic daily rates of pay in effect on June 30, 2009 for employees represented by the BLET shall be increased by four-and-one-half (4-1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 6 - Standard Rates

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

) services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 2 - Second General Wage Increase

Effective July 1, 2006, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 2006 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 2 shall be applied in the same manner as provided for in Section 1 hereof.

Section 3 - Third General Wage Increase

Effective July 1, 2007, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all hourly, daily, weekly, monthly and piece-

work rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 1 hereof.

Section 6 – Rate Adjustment

Effective January 1, 2007, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on December 31, 2006 for employees covered by this Agreement shall be increased in the amount of \$0.47 per hour applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 6 shall be applied in the same manner as described in Article II, Part B, Section 3 of the May 31, 2001 National BMWLE Agreement, except that such increase shall become part of basic rates of pay.

ARTICLE II – OPTIONAL ALTERNATIVE COMPENSATION PROGRAM

Section 1

A carrier or organization may propose alternative compensation arrangements for consideration by the other party. Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on carrier performance, and 401(k) plans. The proposed arrangement(s) may be implemented only by mutual agreement of the carrier and the appropriate representatives.

Section 2

The parties understand that neither the carrier nor the organization may be compelled to offer any alternative compensation arrangement, and, conversely, neither the carrier nor the organization may be compelled to agree to any proposal made under this Article.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2008, for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase irrespective of the method of payment. Rates of freight carmen shall be increased in the same manner as provided in Section 1 hereof. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2009, for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. Rates of freight carmen shall be increased in the same manner as provided in Section 1 hereof. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 1 hereof.

ARTICLE II - OPTIONAL ALTERNATIVE COMPENSATION PROGRAM**Section 1**

A carrier or organization may propose alternative compensation arrangements for consideration by the other party. Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on carrier performance, and 401(k) plans. The proposed arrangement(s) may be implemented only by mutual agreement of the carrier and the appropriate representatives.

Section 3 - Third General Wage Increase

Effective July 1, 2007 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

Section 2 - Second General Wage Increase

Effective July 1, 2007 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased by three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 3 - Third General Wage Increase

Effective July 1, 2008, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 4 - Fourth General Wage Increase

Effective July 1, 2009, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 5 – Rate Adjustment

On October 1, 2008, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for IAM-represented employees on carriers covered by this Agreement (and by the September 1, 2005 IAM National Agreement) for Wages & Rules and Health & Welfare shall be increased in the amount of \$0.38 per hour. This rate adjustment shall be in lieu of the rate adjustment provided for in Article I, Section 5 of the September 1, 2005 IAM National Agreement.

Section 2 - Second General Wage Increase

Effective July 1, 2006, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2006 for employees covered by this Agreement shall be increased by three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 3 - Third General Wage Increase

Effective July 1, 2007, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

general wage increases provided for in this Section 1 and eliminated from basic rates of pay after application of such increases.

Section 2 - Second General Wage Increase

Effective July 1, 2006, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2006 for employees covered by this Agreement shall be increased by three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 3 - Third General Wage Increase

Effective July 1, 2007, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase irrespective of the method of payment.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied so as to give effect to this increase irrespective of the method of payment.

Section 2 - Second General Wage Increase

Effective July 1, 2006, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2006 for employees covered by this Agreement shall be increased by three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 3 - Third General Wage Increase

Effective July 1, 2007, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Not. SMW

Section 2 - Second General Wage Increase

Effective July 1, 2006, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2006 for employees covered by this Agreement shall be increased by three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 3 - Third General Wage Increase

Effective July 1, 2007, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Nat TCU

-4-

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all hourly, daily, weekly, and monthly rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 1 hereof.

ARTICLE II - OPTIONAL ALTERNATIVE COMPENSATION PROGRAM

Section 1

A carrier or organization may propose alternative compensation arrangements for consideration by the other party. Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on carrier performance, and 401(k) plans. The proposed arrangement(s) may be implemented only by mutual agreement of the carrier and the appropriate representatives.

Section 2

The parties understand that neither the carrier nor the organization may be compelled to offer any alternative compensation arrangement, and, conversely, neither the carrier nor the organization may be compelled to agree to any proposal made under this Article.

Yard Firemen - Less than 500,000 pounds
(separate computation covering five- day
rates and other than five-day rates)

Section 2 - Second General Wage Increase (for other than Dining Car
Stewards)

Effective July 1, 2006, all standard basic daily rates of pay in effect on June 30, 2006 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

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

Effective July 1, 2007, all standard basic daily rates of pay in effect on June 30, 2007 for employees represented by the United Transportation Union shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

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

Effective July 1, 2008, all standard basic daily rates of pay in effect on June 30, 2008 for employees represented by the United Transportation Union shall be increased by four (4) percent, computed and applied in the same manner prescribed in Section 1(b) above.

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

Effective July 1, 2009, all standard basic daily rates of pay in effect on June 30, 2009 for employees represented by the United Transportation Union

shall be increased by four-and-one-half (4-1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 6 - Standard Rates

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

Section 7 - Application of Wage Increases

(a) The adjustments provided for in this Article will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money, but will apply to mileage rates of pay for miles run in excess of the number of miles comprising a basic day.

(b) In engine service and in train and yard ground service, miscellaneous rates based upon hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be adjusted in the same manner as heretofore increased under previous wage agreements.

(c) In determining new hourly rates, fractions of a cent will be disposed of by applying the next higher quarter of a cent.

(d) Daily earnings minima shall be changed by the amount of the respective daily adjustments.

(e) Standard monthly rates and money monthly guarantees applicable in passenger train service shall be thirty times the new standard daily rates. Other than standard monthly rates and money monthly guarantees shall be so adjusted that money differentials existing as of June 30, 2005 shall be preserved.

Section 3 - Third General Wage Increase

Effective July 1, 2007, all standard basic daily rates of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all standard basic daily rates of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased by four (4) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all standard basic daily rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased by four-and-one-half (4-1/2) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 6 - Application of Wage Increases

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

Section 7 - COLA Payments

Any cost-of-living allowance amounts rolled in to basic rates of pay on or after July 1, 2005 pursuant to Article III, Part B of the August 20, 2002 National UTU Agreement (Document "B"), as amended, (or any local

EXHIBIT A
(ATDA)

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2004 BY AND ON BEHALF OF SUCH CARRIERS UPON THE AMERICAN TRAIN DISPATCHERS ASSOCIATION, AND NOTICES SERVED ON OR SUBSEQUENT TO NOVEMBER 1, 2004 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES, OF THE AMERICAN TRAIN DISPATCHERS ASSOCIATION UPON SUCH CARRIERS.

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

- ✓ The Belt Railway Company of Chicago
- ✓ BNSF Railway Company
- Consolidated Rail Corporation
- ✓ CSX Transportation, Inc. (Centralized Train Dispatchers)* ✓
- ✓ The Kansas City Southern Railway Company
 - Kansas City Southern Railway
 - Louisiana and Arkansas Railway
 - MidSouth Rail Corporation
 - Gateway Western Railway
 - Mid Louisiana Rail Corporation
 - SouthRail Corporation
 - TennRail Corporation
 - Joint Agency
- Norfolk Southern Railway Company - 1 ✓
 - The Alabama Great Southern Railroad Company
 - The Cincinnati, New Orleans & Texas Pac. Ry. Co.
 - Georgia Southern and Florida Railway Company

Northeast Illinois Regional Commuter RR Corp (METRA) - 2
Terminal Railroad Association of St. Louis - 1

* * * * *

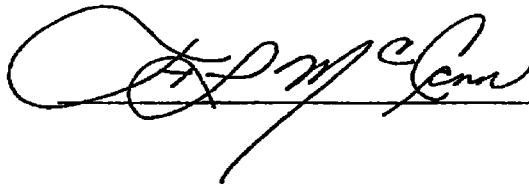
NOTES:

- * Jacksonville, Fl., Calumet City, Il., and Wallaceburg, Ont. Offices
- 1 - Health & Welfare only
- 2 - Health & Welfare only, with the exception of Article IV, Part B

FOR THE CARRIERS:



FOR THE ATDA:



September 1, 2007
Washington, D.C.

SUBJECT: 2008 NSR/BLET Agreement

Norfolk – September 16, 2008

NA-08-BLET-NS

Mr. S. C. Tobias
Vice Chairman and Chief Operating Officer

Mr. M. D. Manion
Executive Vice President Operations

Attached is a copy of the agreement between Norfolk Southern Railway (NSR) and the Brotherhood of Locomotive Engineers and Trainmen (BLET). The following is a brief summary of the agreement:

The agreement term will be from September 1, 2008 through December 31, 2014. New Section Six notices may not be served before November 1, 2014 and would not become effective before January 1, 2015. Health and Welfare benefits will continue to be handled on the National level.

Signing Bonus\Lump Sum Payments

- \$1, 200 payable within three months of agreement signing.
- \$3,500 payable by January 1, 2009.

Thoroughbred Performance Bonus Program

The agreement continues engineer participation in the Thoroughbred Performance Bonus Program. However, for the first time, an engineer's bonus eligibility will be directly tied to the individual engineer's work history in the preceding year.

Beginning in 2009 and payable in 2010 and each year thereafter, an engineer's annual bonus eligibility and opportunity level will be based on the amount of starts made in the preceding year:

- A 10% bonus opportunity for engineers who work 235 or more factored starts in through freight service or 220 factored starts in other than through freight service.
- An additional 5% bonus opportunity for engineers who work 260 or more factored starts in through freight service or 248 factored starts in other than through freight service.

An engineer who fails to meet the minimum number of starts in the preceding year will not be eligible for a bonus in the payout year. The bonus payout will continue to be based on the engineer's earnings in the preceding year and the percentage of the maximum bonus paid to non-agreement employees under the Corporate Bonus Program.

General Wage Increases

5% effective July 1, 2009 ✓
3% effective July 1, 2010
5% effective July 1, 2011
2% effective July 1, 2012
2% effective July 1, 2013
2% effective July 1, 2014

Weekend Holiday Differential

Effective January 1, 2010, the weekend/holiday differential of \$30 per trip for engineers operating in through freight service is increased to \$45.

Agreement signed November 8, 2004, shall be excluded before application of the general wage increases provided for in this Section 1 and eliminated from basic rates of pay after application of such increases.

Section 2 - Second General Wage Increase

Effective July 1, 2006, all daily rates of pay in effect on June 30, 2006 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 2 shall be applied in the same manner as provided for in Section 1 hereof.

Section 3 - Third General Wage Increase

Effective July 1, 2007, all daily rates of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all daily rates of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all daily rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 1 hereof. ✓

ARTICLE II – OPTIONAL ALTERNATIVE COMPENSATION PROGRAM

Section 1

The Carrier or Organization may propose alternative compensation arrangements for consideration by the other party. Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on Company performance, and 401(k) plans. The proposed arrangement(s) may be implemented only by mutual agreement of the Company and the appropriate representatives.

Soo ATDA

June 7, 2007

Mr. Gordon E. Smith, GC
American Train Dispatchers Association
12C Oak Leaf Lane
Circle Pines, MN 55014-1776

Dear Mr. Smith:

The Soo Line Railroad (Soo) has not authorized National handling of Section 6 notices since the 1980s, and has instead resolved wages, benefits, and work rules somewhat differently. However, the parties acknowledge that relevant aspects of these National Settlements have provided the framework for settlements between Soo and the American Train Dispatchers Association (ATDA).

In consideration for ATDA's cooperation in facilitating the return of Soo's ATDA represented employees to The Railroad Employee's National Health & Welfare Plans, at the earliest practicable date, Soo commits to the following:

- Wages for Soo's ATDA represented employees will be adjusted on the same schedule and basis as in the Agreement between the National Carrier's Conference Committee (NCCC) and the ATDA that resolves these parties respective Section 6 notices for the bargaining round effective on January 1, 2005 (National Settlement), except that it is recognized Soo's train dispatchers have already received a 2% General Wage Increase (GWI) effective July 1, 2005 and the .5% GWI will be used to fund an additional Personal Leave Day effective January 1, 2008. ✓

The value of the .5% GWI effective 07-01-05 will be included in the retroactive back pay through the effective date of this Agreement. The retroactive pay will also include \$26.58 for each month subsequent to the effective date of this Agreement through December 2007 provided the train dispatcher is in active service on the date of the Agreement.

At that time, Rule 53 (a) will be modified to say "A maximum of two (2) personal leave days will be provided on the following basis: ...". The second Personal Leave Day may be scheduled on or after January 1, 2008, in compliance with Rule 53.

- Health & Welfare cost sharing contributions will be resolved on a comparable basis to the National Settlement. This will result in the following 2007 cost sharing contributions:

01-01-07 thru 12-31-07

\$ 166.25 PEPM

Already paid employee cost sharing contributions will offset the above PEPM amounts.



**CANADIAN
PACIFIC
RAILWAY**

Labor Relations

Suite 1000
501 Marquette Avenue
Minneapolis Minnesota 55402

Tel (612) 904-6183
Fax (612) 904-6184

In Response Please Refer to
File:

Soo BLET

April 23, 2007

Mr. Michael D. Priester, GC
Brotherhood of Locomotive Engineers & Trainmen
1400 E. Pugh Drive
Kenbell Plaza, Suite 4
Terre Haute, IN 47802

Dear Mr. Priester:

The Soo Line Railroad (Soo) has not authorized National handling of Section 6 notices since the 1980s, and has instead resolved wages, benefits, and work rules somewhat differently. However, the parties acknowledge that relevant aspects of these National Settlements have provided the framework for settlements between Soo and the Brotherhood of Locomotive Engineers & Trainmen (BLET).

In consideration for BLET's cooperation in facilitating the return of Soo's BLET represented employees to The Railroad Employee's National Health & Welfare Plans, at the earliest practicable date, Soo commits to the following:

- that wages for Soo's BLET represented employees will be adjusted on the same schedule and basis as in the National Agreement between the National Carrier's Conference Committee (NCCC) and the BLET that resolves these parties respective Section 6 notices for the bargaining round effective on January 1, 2005 (hereinafter National Settlement);
- that health & welfare cost sharing contributions will be resolved on Soo on a comparable basis to the National Agreement, with the understanding that retroactive cost sharing contributions will be based on the cost of Soo's Plan and prospective cost sharing contributions will be based on Soo's Plan until its BLET represented employees return to the National Plan (defined below), after which it will be based on the appropriate National Plan costs;
- effective August 1, 2007, or as soon thereafter as administratively practicable, Soo employees represented by the BLET will be covered by The Railroad Employees National Health & Welfare Plan (including Life and AD&D), Railroad Employee's National Flexible Benefits Program, the Railroad Employee's National Dental Plan, and the Railroad Employees National Vision Plan (collectively referred to herein as the

500 BRS

MEMORANDUM OF AGREEMENT
BETWEEN THE
SOO LINE RAILROAD COMPANY
AND THE
BROTHERHOOD OF RAILROAD SIGNALMEN

In consideration of the National Settlement reached with the NCCC/BRS effective July 1, 2007, and BRS's cooperation in facilitating the return of Soo's BRS represented employees to The Railroad Employee's National Health & Welfare Plans, at the earliest practicable date, the parties have agreed:

ARTICLE I – WAGES

Section 1 – First General Wage Increase

On July 1, 2005, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2 ½) percent applied so as to give effect to the increase in pay irrespective of the method of payment.

Section 2 - General Wage Increase Effective July 1, 2006

On July 1, 2006, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 3 - General Wage Increase Effective July 1, 2007

On July 1, 2007, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 4 - General Wage Increase Effective July 1, 2008

On July 1, 2008, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 5 - General Wage Increase Effective July 1, 2009

On July 1, 2009, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four and one-half (4-1/2) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

✓

Soo IAM

September 1, 2007

Mr. Dell R. Babcock, General Chairman
International Association of Machinists & Aerospace Workers
1376 Highland Village Drive, Suite 9
Duluth, MN 55811

Dear Mr. Babcock:

The Soo Line Railroad (Soo) has not authorized National handling of Section 6 notices since the 1980s, and has instead resolved wages, benefits, and work rules somewhat differently. However, the parties acknowledge that relevant aspects of these National Settlements have provided the framework for settlements between Soo and the International Association of Machinists & Aerospace Workers Union (IAM).

In consideration for IAM's cooperation in facilitating the return of Soo's IAM represented employees to The Railroad Employee's National Health & Welfare Plans, at the earliest practicable date, Soo agrees to the following.

Section 1.

Wages for Soo's IAM represented employees will be adjusted on the effective date of this agreement as stipulated in Side Letter No. 1 appended hereto. Within 30 (thirty) days of the ratification of the National Agreement between the National Carrier's Conference Committee (NCCC) and IAM that resolves these parties respective Section 6 notices for the bargaining round effective on January 1, 2005 (hereinafter National Settlement), the wages for Soo's IAM represented employees will be adjusted on the same basis and schedule as in the National Settlement, subject to offsets for already paid General Wage Increases pursuant to Side Letter No. 1 and for any additional employee cost sharing contributions under the National Settlement. ✓

Section 2.

Employee health and welfare cost sharing contributions will be resolved on Soo on a comparable basis to the National Settlement. Employee cost sharing contributions will be based on the appropriate National Plan costs subsequent to return to the National Plan.

However, in consideration for expeditiously returning Soo's IAM represented employees to the National Plan, Soo agrees to freeze the monthly employee cost sharing contribution at \$132.57 upon return to National Plan until the National Settlement is ratified, at which time employee cost sharing contributions, including any retroactive contributions, will be adjusted in accord with the National Settlement terms and provisions.

**MEMORANDUM OF AGREEMENT
BETWEEN THE
SOO LINE RAILROAD COMPANY
AND THE
INTERNATIONAL BROTHERHOOD OF BOILERMAKERS
AND BLACKSMITHS**

In consideration of the National Settlement reached with the NCCC/IBBB effective July 1, 2007, and IBBB's cooperation in facilitating the return of Soo's IBBB represented employees to The Railroad Employee's National Health & Welfare Plans, at the earliest practicable date, the parties have agreed:

ARTICLE I – WAGES

Section 1 – First General Wage Increase

On July 1, 2005, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2 ½) percent applied so as to give effect to the increase in pay irrespective of the method of payment.

Section 2 - General Wage Increase Effective July 1, 2006

On July 1, 2006, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 3 - General Wage Increase Effective July 1, 2007

On July 1, 2007, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 4 - General Wage Increase Effective July 1, 2008

On July 1, 2008, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 5 - General Wage Increase Effective July 1, 2009

On July 1, 2009, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four and one-half (4-1/2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. ✓

MEMORANDUM OF AGREEMENT
BETWEEN THE
SOO LINE RAILROAD COMPANY
AND
SYSTEM COUNCIL 16 OF THE INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS

In consideration of the National Settlement reached with the NCCC/IBEW dated October 1, 2007, and System Council 16 of the International Brotherhood of Electrical Workers' (hereafter referred to as the IBEW) cooperation in facilitating the return of Soo's IBEW represented employees to The Railroad Employee's National Health & Welfare Plans, at the earliest practicable date, the parties have agreed:

ARTICLE I – WAGES

Section 1 – First General Wage Increase

On July 1, 2005, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2 ½) percent applied so as to give effect to the increase in pay irrespective of the method of payment.

Section 2 - General Wage Increase Effective July 1, 2006

On July 1, 2006, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 3 - General Wage Increase Effective July 1, 2007

On July 1, 2007, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 4 - General Wage Increase Effective July 1, 2008

On July 1, 2008, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 5 - General Wage Increase Effective July 1, 2009

On July 1, 2009, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four and one-half (4-1/2) percent applied so as to give effect to this increase in pay irrespective of the method of payment.



MEMORANDUM OF AGREEMENT
BETWEEN THE
SOO LINE RAILROAD COMPANY
AND THE
NATIONAL CONFERENCE OF FIREMEN AND OILERS

In consideration of the National Settlement reached with the NCCC/NCF&O effective July 1, 2007, and NCF&O's cooperation in facilitating the return of Soo's NCF&O represented employees to The Railroad Employee's National Health & Welfare Plans, at the earliest practicable date, the parties have agreed:

ARTICLE I – WAGES

Section 1 – First General Wage Increase

On July 1, 2005, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2 ½) percent applied so as to give effect to the increase in pay irrespective of the method of payment.

Section 2 - General Wage Increase Effective July 1, 2006

On July 1, 2006, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 3 - General Wage Increase Effective July 1, 2007

On July 1, 2007, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 4 - General Wage Increase Effective July 1, 2008

On July 1, 2008, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 5 - General Wage Increase Effective July 1, 2009

On July 1, 2009, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four and one-half (4-1/2) percent applied so as to give effect to this increase in pay irrespective of the method of payment.



MEMORANDUM OF AGREEMENT
BETWEEN THE
SOO LINE RAILROAD COMPANY
AND THE
SHEET METAL WORKERS INTERNATIONAL
ASSOCIATION

In consideration of the National Settlement reached with the NCCC/SMWIA effective July 1, 2007, and SMWIA's cooperation in facilitating the return of Soo's SMWIA represented employees to The Railroad Employee's National Health & Welfare Plans, at the earliest practicable date, the parties have agreed:

ARTICLE I – WAGES

Section 1 – First General Wage Increase

On July 1, 2005, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2 ½) percent applied so as to give effect to the increase in pay irrespective of the method of payment.

Section 2 - General Wage Increase Effective July 1, 2006

On July 1, 2006, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 3 - General Wage Increase Effective July 1, 2007

On July 1, 2007, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 4 - General Wage Increase Effective July 1, 2008

On July 1, 2008, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 5 - General Wage Increase Effective July 1, 2009

On July 1, 2009, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four and one-half (4-1/2) percent applied so as to give effect to this increase in pay irrespective of the method of payment.



Soo TCU

June 21, 2007

Mr. Larry Swanson, Int'l Representative
Transportation Communications International Union
500 73rd Avenue, Suite 110
Fridley, MN 55432

Dear Mr. Swanson:

The Soo Line Railroad (Soo) has not authorized National handling of Section 6 notices since the 1980s, and has instead resolved wages, benefits, and work rules somewhat differently. However, the parties acknowledge that relevant aspects of these National Settlements have provided the framework for settlements between Soo and the Transportation Communications International Union (TCU).

In consideration for TCU's cooperation in facilitating the return of Soo's TCU represented employees to The Railroad Employee's National Health & Welfare Plans, at the earliest practicable date, Soo agrees to the following.

Section 1.

Wages for Soo's TCU represented employees will be adjusted on the effective date of this agreement as stipulated in Side Letter No. 1 appended hereto. Within 30 (thirty) days of the ratification of the National Agreement between the National Carrier's Conference Committee (NCCC) and TCU that resolves these parties respective Section 6 notices for the bargaining round effective on January 1, 2005 (hereinafter National Settlement), the wages for Soo's TCU represented employees will be adjusted on the same basis and schedule as in the National Settlement, subject to offsets for already paid General Wage Increases under Side Letter No. 1 and for any additional employee cost sharing contributions in the National Settlement.

Section 2.

Employee health and welfare cost sharing contributions will be resolved on Soo on a comparable basis to the National Settlement.

The employee cost sharing contribution for 2007 will be the following or whatever TCU negotiates under the National Agreement:

01-01-07 thru 12-31-07

\$ 166.25 Per Employee per Month (PEPM)

Already paid employee cost sharing contributions will offset the above PEPM amounts.

Once the clerical employees are in the National Plan, all subsequent employee cost sharing contributions will be based on the National Plan costs and calculated and

**MEMORANDUM OF AGREEMENT
BETWEEN THE
SOO LINE RAILROAD COMPANY
AND THE
BROTHERHOOD OF RAILWAY CARMEN – DIVISION OF TCIU**

In consideration of the National Settlement reached with the National Carriers Conference Committee (NCCC)/Brotherhood of Railway Carmen – Division of TCIU (BRC) on July 21, 2007, and BRC's cooperation in facilitating the return of Soo Line Railroad Company's (Soo) BRC represented employees to The Railroad Employee's National Health & Welfare Plans, the parties have agreed:

ARTICLE I – WAGES

Section 1 – First General Wage Increase

On July 1, 2005, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2 ½) percent applied so as to give effect to the increase in pay irrespective of the method of payment.

Section 2 – General Wage Increase Effective July 1, 2006

On July 1, 2006, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 3 - General Wage Increase Effective July 1, 2007

On July 1, 2007, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 4 - General Wage Increase Effective July 1, 2008

On July 1, 2008, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase in pay irrespective of the method of payment.

Section 5 - General Wage Increase Effective July 1, 2009

On July 1, 2009, all daily rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of four and one-half (4-1/2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. ✓

MEMORANDUM OF AGREEMENT
BETWEEN THE
SOO LINE RAILROAD COMPANY
AND THE
UNITED TRANSPORTATION UNION

IT IS HEREBY AGREED:

ARTICLE I – WAGES

Section 1 – First General Wage Increase

Effective July 1, 2005, all standard basic daily rates of pay for employees represented by the United Transportation Union in effect on June 30, 2005, shall be increased by two-and-one-half (2-½) percent.

Section 2 - Second General Wage Increase

Effective July 1, 2006, all standard basic daily rates of pay in effect on June 30, 2006, for employees represented by the United Transportation Union shall be increased by three (3) percent.

Section 3 – Third General Wage Increase

Effective July 1, 2007, all standard basic daily rates of pay in effect on June 30, 2007, for employees represented by the United Transportation Union shall be increased by three (3) percent.

Section 4 – Fourth General Wage Increase

Effective July 1, 2008, all standard basic daily rates of pay in effect on June 30, 2008, for employees represented by the United Transportation Union shall be increased by four (4) percent.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all standard basic daily rates of pay in effect on June 30, 2009, for employees covered by this Agreement shall be increased by of four and one-half (4-1/2) percent. ✓

Section 6 – Standard Rates

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

MEMORANDUM OF AGREEMENT
BETWEEN THE
SOO LINE RAILROAD COMPANY
AND THE
UNITED TRANSPORTATION UNION - YARDMASTER DEPARTMENT

In accordance with Side Letter No. 23 to the March 8, 2005 Agreement between Soo Line Railroad Company (Soo) and the United Transportation Union - Yardmaster Department (UTU-Y) and in consideration of UTU-Y's cooperation in facilitating the return of Soo's UTU-Y represented employees to The Railroad Employee's National Health & Welfare Plans, at the earliest practicable date:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

Effective July 1, 2005, all standard basic daily rates of pay for employees covered by this Agreement in effect on June 30, 2005, shall be increased by two-and-one-half (2-½) percent.

Section 2 - General Wage Increase Effective July 1, 2006

Effective July 1, 2006, all standard basic daily rates of pay in effect on June 30, 2006, for employees covered by this Agreement shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 3 - General Wage Increase Effective July 1, 2007

Effective July 1, 2007, all standard basic daily rates of pay in effect on June 30, 2007, for employees covered by this Agreement shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 4 - General Wage Increase Effective July 1, 2008

Effective July 1, 2008, all standard basic daily rates of pay in effect on June 30, 2008, for employees covered by this Agreement shall be increased by four (4) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 5 - General Wage Increase Effective July 1, 2009

Effective July 1, 2009, all standard basic daily rates of pay in effect on June 30, 2009, for employees covered by this Agreement shall be increased by of four and one-half (4.5) percent, computed and applied in the same manner prescribed in Section 1 above.



AGREEMENT BETWEEN
CANADIAN NATIONAL (CN)
BESSEMER AND LAKE ERIE RAILROAD COMPANY (B&LE)

AND

NATIONAL CONFERENCE OF FIREMEN AND OILERS
SERVICE EMPLOYEES INTERNATIONAL UNION (NCF&O)

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.

AGREEMENT BETWEEN

BESSEMER AND LAKE ERIE RAILROAD COMPANY (B&LE) AND THE ALLIED SERVICES DIVISION/TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION (TCU)

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 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 paragraph (d), on the BLS CPI for September 2009, as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (d)(iii), according to the formula set forth in paragraph (e).

- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009, are increased by three per cent (3%).
- F. Rates of pay resulting from the application of 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 III - 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 paragraph (d), on the BLS CPI for September 2009, as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (d)(iii), according to the formula set forth in paragraph (e).

Measurement Periods		Effective Date of Adjustment
Base Month	Measurement Month	
September 2009	March 2010	July 1, 2010
March 2010	September 2010	January 1, 2011

Measurement Periods and Effective Dates conforming to the above schedule shall be applicable for all years subsequent to those specified during which this Article is in effect.

- (b) While a cost-of-living allowance is in effect, such cost-of-living allowance shall apply to straight time, overtime, protected rates, vacations, holidays and personal leave days in the same manner as basic wage adjustments have been applied in the past, except that such allowance shall not apply to special allowances and arbitraries representing duplicate time payments.
- (c) The amount of the cost-of-living allowance, if any, that shall be effective from one adjustment date to the next may be equal to, or greater or less than, the cost-of-living allowance in effect in the preceding adjustment period.

AGREEMENT BETWEEN
DULUTH, MISSABE & IRON RANGE RAILWAY COMPANY (DMIR)
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

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 paragraph (d), on the BLS CPI for September 2009 as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto

AGREEMENT BETWEEN
DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY (DM&IR)
AND
SYSTEM COUNCIL No. 16
of the
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

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 per cent (3%).
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006, are increased by three per cent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007, are increased by three per cent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008, are increased by four per cent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009, are increased by three per cent (3%).
- F. Rates of pay resulting from the application of 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
THERE TO 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

AGREEMENT BETWEEN
CANADIAN NATIONAL (CN)
DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY (DMIR)
AND

NATIONAL CONFERENCE OF FIREMEN AND OILERS
SERVICE EMPLOYEES INTERNATIONAL UNION (NCF&O)

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.

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

DULUTH MISSABE AND IRON RANGE RAILWAY COMPANY (DM&IR) AND TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION (TCU) – CLERICAL EMPLOYEES

IT IS AGREED:

ARTICLE I – TERMS AND CONDITIONS OF AGREEMENT

Unless otherwise specified in this agreement:

- A. Effective midnight, July 1, 2008, the terms and conditions contained in the Agreement between the Duluth Missabe and Iron Range Railway Company and the Transportation Communications International Union are eliminated in their entirety.
- B. Effective 12:01 a.m. July 1, 2008, employees subject to the agreement between the Duluth Missabe and Iron Range Railway Company and the Transportation Communications International Union will become subject to the terms and conditions, other than those exceptions specified in this agreement, contained in the agreement between the Illinois Central Railroad Company and the Allied Services Division/Transportation Communications International Union.

ARTICLE II – RATES OF PAY

- A. Effective July 1, 2005, all rates of pay in effect on June 30, 2005 are increased by three per cent (3%).
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006 are increased by three per cent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007 are increased by three per cent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008 are increased by four per cent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009 are increased by three per cent (3%).
- F. Rates of pay resulting from the application of 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.

AGREEMENT BETWEEN

DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY

AND

**BROTHERHOOD RAILWAY CARMEN DIVISION
TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION**

TCU-Carmen

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 per cent (3%).
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006, are increased by three per cent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007, are increased by three per cent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008, are increased by four per cent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009, are increased by three per cent (3%).
- F. Rates of pay resulting from the application of 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 paragraph (d), on the BLS CPI for September 2009, as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective measurement periods

AGREEMENT

between the

**DULUTH, WINNIPEG AND PACIFIC RAILWAY COMPANY
(DWP)**

AND

its employees represented by the

BROTHERHOOD OF RAILROAD SIGNALMEN (BRS)

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 THEREAFTER JANUARY 1, 2010

**AGREEMENT BETWEEN
CANADIAN NATIONAL (CN)
DULUTH WINNIPEG AND PACIFIC RAILWAY COMPANY (DWP)
AND SYSTEM COUNCIL NO. 16 OF THE
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**

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**

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 paragraph (d), on the BLS CPI for September 2009 as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective measurement periods

AGREEMENT BETWEEN

DULUTH, WINNIPEG & PACIFIC RAILWAY COMPANY

AND

**BROTHERHOOD RAILWAY CARMEN DIVISION
TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION**

TCU-Car

IT IS AGREED:

ARTICLE I - RATES OF PAY

- A. Effective January 1, 2004, all rates of pay in effect on December 31, 2003, are increased by three per cent (3%).
- B. Effective July 1, 2005, all rates of pay in effect on June 30, 2006, are increased by three per cent (3%).
- C. Effective July 1, 2006, all rates of pay in effect on June 30, 2006, are increased by three per cent (3%).
- D. Effective July 1, 2007, all rates of pay in effect on June 30, 2007, are increased by three per cent (3%).
- E. Effective July 1, 2008, all rates of pay in effect on June 30, 2008, are increased by four per cent (4%).
- F. Effective July 1, 2009, all rates of pay in effect on June 30, 2009, are increased by three per cent (3%).
- G. Rates of pay resulting from the application of A through F, 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 paragraph (d), on the BLS CPI for September 2009, as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective

Term of Contract

The Collective Bargaining Agreement signed February 2, 2004 covering employees (on the former GTW) represented by the Brotherhood of Locomotive Engineers and Trainmen (BLE&T) will be renewed for a period of five years commencing August 1, 2005.

I. WAGES

Amend Articles 5, and 11, and amend all provisions in conflict to reflect the following:

Paragraph A

- i) Effective August 1, 2005, a wage increase of 3% on the rate of pay in effect on July 31, 2005.
- ii) Effective August 1, 2006, a wage increase of 3% on the rate of pay in effect on July 31, 2006.
- iii) Effective August 1, 2007, a wage increase of 3% on the rate of pay in effect on July 31, 2007.
- iv) Effective August 1, 2008, a wage increase of 3% on the rate of pay in effect on July 31, 2008.
- v) Effective August 1, 2009, a wage increase of 4% on the rate of pay in effect on July 31, 2009.

Modify Question & Answer #2, Paragraph C to Article 5 Wages and all provisions in conflict to reflect the following:

Question: When does overtime apply in the application of working on an assigned rest day?

Answer: In the application of this provision, overtime applies when you are called to work or deadhead at your home terminal. Overtime also applies to a return trip or deadhead, on your day off, out of your away from home terminal, if you were first called at your home terminal on your rest day. Furthermore, for the purpose of overtime under this provision, an Engineer's rest day will commence for overtime pay purposes when his assignment completes its' last tour of duty of the assigned work week prior to the Engineer's scheduled rest day(s), without regard to the number of days the Engineer actually protected.

II. WORK RULES –

GUARANTEED EXTRA BOARD

Amend Article 8, Section 1, Paragraph E, and amend all provisions in conflict to reflect the following:

AGREEMENT

between the

**CANADIAN NATIONAL (CN)
GRAND TRUNK WESTERN RAILROAD INCORPORATED
(GTW)**

AND

its employees represented by the

BROTHERHOOD OF RAILROAD SIGNALMEN (BRS)

IT IS AGREED:

ARTICLE 1 - 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.

AGREEMENT BETWEEN
CANADIAN NATIONAL RAILWAY (CN)
GRAND TRUNK WESTERN RAILROAD COMPANY (GTW)

AND

SYSTEM COUNCIL NO. 9
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (IBEW)

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

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,

AGREEMENT BETWEEN
CANADIAN NATIONAL (CN)
GRAND TRUNK WESTERN RAILROAD COMPANY (GTW)

AND

NATIONAL CONFERENCE OF FIREMEN AND OILERS
SERVICE EMPLOYEES INTERNATIONAL UNION (NCF&O)

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 paragraph (d), on the BLS CPI for September 2009 as compared with the BLS CPI

AGREEMENT BETWEEN
GRAND TRUNK WESTERN RAILROAD (GTW)
AND
THE ALLIED SERVICES DIVISION/TRANSPORTATION COMMUNICATIONS
INTERNATIONAL UNION (TCU)

IT IS AGREED:

ARTICLE I – TERMS AND CONDITIONS OF AGREEMENT

Unless otherwise specified in this agreement:

- A. Effective midnight, August 1, 2007, the terms and conditions contained in the Agreement between the Grand Trunk Western Railroad and the Allied Services Division/Transportation Communications International Union are eliminated in their entirety.
- B. Effective 12:01 a.m. August 1, 2007, employees subject to the agreement between the Grand Trunk Western Railroad and the Allied Services Division/Transportation Communications International Union will become subject to the terms and conditions, other than those exceptions specified in this agreement, contained in the agreement between the Illinois Central Railroad Company and the Allied Services Division/Transportation Communications International Union.

ARTICLE II – RATES OF PAY

- A. Effective January 1, 2005, all rates of pay in effect on December 31, 2004 are increased by three percent (3%).
- B. Effective January 1, 2006, all rates of pay in effect on December 31, 2005 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 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.

AGREEMENT BETWEEN
GRAND TRUNK WESTERN RAILROAD INCORPORATED (GTW)
AND
BROTHERHOOD RAILWAY CARMEN DIVISION
TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION

TCU-Carmen

IT IS AGREED:

ARTICLE I – RATES OF PAY

- A. Effective January 1, 2005, all rates of pay in effect on December 31, 2004 are increased by 3%.
- B. Effective January 1, 2006, all rates of pay in effect on December 31, 2005 are increased by three per cent (3%).
- C. Effective January 1, 2007, all rates of pay in effect on December 31, 2006 are increased by three per cent (3%).
- D. Effective July 1, 2008, rates of pay for Carmen covered by this Agreement will be increased to \$24.18.
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009 are increased by three per cent (3%).
- F. Rates of pay resulting from the application of 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.
- G. A wage scale table for Carmen covered by this agreement is attached as Appendix A.

ARTICLE II - COST-OF-LIVING ALLOWANCE AND ADJUSTMENTS
THERE TO 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 paragraph (d), on the BLS CPI for September 2009, as compared with the

Rules and Benefits effective upon ratification, or as otherwise indicated

August 17, 2006

Term of Contract

The Collective Agreement dated June 2, 2004 covering employees (on the former GTW) represented by the United Transportation Union (UTU) will be renewed for a period of five years commencing August 1, 2005.

I. Wages

Amend Articles 5, and 11, and amend all provisions in conflict to reflect the following:

Paragraph A

- i) Effective August 1, 2005, a wage increase of 3% on the rate of pay in effect on July 31, 2005.
- ii) Effective August 1, 2006, a wage increase of 3% on the rate of pay in effect on July 31, 2006.
- iii) Effective August 1, 2007, a wage increase of 3% on the rate of pay in effect on July 31, 2007.
- iv) Effective August 1, 2008, a wage increase of 3% on the rate of pay in effect on July 31, 2008.
- v) Effective August 1, 2009, a wage increase of 4% on the rate of pay in effect on July 31, 2009.

II. WORK RULES –

1. SENIORITY

Amend Article 7, Section 8, Paragraph C, and amend all provisions in conflict to reflect the following:

Employees who established seniority between June 2, 2004 and August 17, 2006 will be provided protection against furlough, but may be required to work in a location in another seniority district not to exceed a 100 mile radius from their initial Seniority District location. Their initial seniority date will be dovetailed into the district where required at that point in time.

AGREEMENT BETWEEN
ILLINOIS CENTRAL RAILROAD COMPANY (IC)
AND
BROTHERHOOD RAILWAY CARMEN DIVISION
TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION

TCU-Car

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 per cent (3%).
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006, are increased by three per cent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007, are increased by three per cent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008, are increased by four per cent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009, are increased by three per cent (3%).
- F. Rates of pay resulting from the application of 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 I - 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 paragraph (d), on the BLS CPI for September 2009, as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (d)(iii), according to the formula set forth in paragraph (c).

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**

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 paragraph (d), on the BLS CPI for September 2009 as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto

**AGREEMENT BETWEEN
ILLINOIS CENTRAL RAILROAD COMPANY (IC)**

AND

**SYSTEM COUNCIL No. 16 of the
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (IBEW)**

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**

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 paragraph (d), on the BLS CPI for September 2009 as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will

AGREEMENT BETWEEN
ILLINOIS CENTRAL RAILROAD COMPANY (ICRR)
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 paragraph (d), on the BLS CPI for September 2009 as compared with the BLS CPI for March 2010. Such allowance, and further cost-

AGREEMENT BETWEEN

**CHICAGO, CENTRAL AND PACIFIC RAILROAD (CCP)
ILLINOIS CENTRAL RAILROAD COMPANY (IC)**

AND

**INTERNATIONAL BROTHERHOOD OF TEAMSTERS
BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES DIVISION (BMWED)**

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.

* See Attachment A – Rates of Pay

** These increases are to be paid as soon as practicable after signing as back-time payments less any COLA amounts previously received.

**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

AGREEMENT BETWEEN

**CHICAGO, CENTRAL AND PACIFIC RAILROAD (CCP)
ILLINOIS CENTRAL RAILROAD COMPANY (IC)**

**AND
THE BROTHERHOOD OF RAILROAD SIGNALMEN**

IT IS AGREED:

ARTICLE I – CONSOLIDATION OF AGREEMENTS

Unless otherwise specified in this agreement:

- A. Effective 11:59 p.m., August 31, 2007, the Agreement between Chicago, Central and Pacific Railroad and the Brotherhood of Railroad Signalmen is eliminated in its entirety.
- B. Effective 12:01 a.m. September 1, 2007, employees subject to the agreement between Chicago, Central and Pacific Railroad and the Brotherhood of Railroad Signalmen will become subject to the agreement between the Illinois Central Railroad Company and the Brotherhood of Railroad Signalmen.
- C. Rule 22 of the agreement between the Illinois Central Railroad and the Brotherhood of Railroad Signalmen is modified in accordance with the provisions of Appendix 1 of this agreement to provide for the consolidation of Chicago, Central and Pacific Railroad and Illinois Central Railroad, Brotherhood of Railroad Signalmen seniority lists establishing prior rights as defined in Appendix 1.

ARTICLE II – RATES OF PAY

- A. Effective July 1, 2005, all rates of pay in effect on June 30, 2005, are increased by three per cent (3%).
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006, are increased by three per cent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007, are increased by three per cent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008, are increased by four per cent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009, are increased by three per cent (3%).
- F. Rates of pay resulting from the application of 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.

AGREEMENT BETWEEN
CANADIAN NATIONAL (CN)
CHICAGO, CENTRAL AND PACIFIC RAILROAD (CCP)
ILLINOIS CENTRAL RAILROAD COMPANY (IC)

AND

NATIONAL CONFERENCE OF FIREMEN AND OILERS
SERVICE EMPLOYEES INTERNATIONAL UNION (NCF&O)

IT IS AGREED:

ARTICLE I - RATES OF PAY

- A. Effective July 1, 2006, the basic rates of pay in effect on June 30, 2006 are increased by three percent (3%).
- B. Effective July 1, 2007, all rates of pay in effect on June 30, 2007 are increased by three percent (3%).
- C. Effective July 1, 2008, all rates of pay in effect on June 30, 2008 are increased by four percent (4%).
- D. Effective July 1, 2009, all rates of pay in effect on June 30, 2009 are increased by three percent (3%).
- E. Rates of pay resulting from the application of paragraphs A through D, 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 paragraph (d), on the BLS CPI for September 2009 as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective measurement periods

AGREEMENT BETWEEN
CHICAGO CENTRAL AND PACIFIC (CCP)
ILLINOIS CENTRAL RAILROAD (IC)
AND
ALLIED SERVICES DIVISION/TRANSPORTATION COMMUNICATIONS
INTERNATIONAL UNION (TCU)

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 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 paragraph (d), on the BLS CPI for September 2009, as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (d)(iii), according to the formula set forth in paragraph (e).

IC & CCP UTU

- C. The right to make and interpret contracts covering rules, rates of pay and working conditions on behalf of employees covered by this Agreement shall be vested in the regularly constituted General Committee of the United Transportation Union.
- D. Where the term "duly accredited representative" appears herein, it shall be understood to mean the regularly constituted General Committee and/or the Officers of the United Transportation Union of which such General Committee or Officers are a part.

ARTICLE 4 - SCOPE OF AGREEMENT

Trainmen employed under this Agreement shall perform the duties traditionally required of trainmen involved on the CN/IC in the movement of trains, rail cars and equipment within terminal(s) or on road territories as required in addition to that which is included in this agreement to meet the service requirements of the customer. Additionally, the Company may establish Utility Position(s) and such Utility Position(s) shall perform the duties traditionally performed of a Utility position. (Q&A)

ARTICLE 5 - WAGES

- A. Effective March 31, 2008, the rate of pay is:

Conductor	\$32.78/hr.
Utility Employee	\$32.78/hr.
Brakemen	\$30.60/hr.

- i) Effective August 1, 2008, a wage increase of 3% on the rates listed above.
- ii) Effective August 1, 2009, a wage increase of 4% on the rates of pay in effect on July 31, 2009.

Any applicable backpay will be calculated as prescribed in Side Letter 20.

- B. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
- C. Ten (10) hours or less will constitute a basic day and pay for all time on duty after ten (10) hours will be at the rate of time and one half. Trainmen requesting to be relieved during their tour of duty will be paid actual time on duty. (Q&A)
- D. Trainmen who perform service, at the request of the Company, on their assigned rest days shall be paid for such service at the rate of time and one half. Trainmen that perform service on their assigned rest days will not have their guarantee offset by the time and one half earnings provided he has been fully available his eleven scheduled work days.(Q&A)
- E. New employees will be appointed to the entry level training program and will be paid at ninety percent (90%) of the Brakeman's hourly rate of pay. Upon accumulating one (1) year of service as Brakeman or upon qualification as Conductor, whichever comes first, such employee will be paid at one hundred percent (100%) of the applicable hourly rate of pay.
- F. Unless otherwise provided in this agreement, the rates of pay as indicated herein represent complete and total payment for the performance of all work which is associated with the employees covered by this agreement.

WC UTU

32 ÷ 31
= 3.2258%

- iv) Effective August 1, 2007, the rate of pay for Conductor will be \$30.00 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - v) Effective August 1, 2008, the rate of pay for Conductor will be \$31.00 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - vi) Effective August 1, 2009, the rate of pay for Conductor will be \$32.00 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - vii) Effective August 1, 2010, the rate of pay for Conductor will be \$33.00 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
- B. 1. Ten (10) hours or less shall constitute a basic day. Pay for all time on duty after ten (10) hours shall be at the rate of time and one half on the minute basis at the applicable rate.
2. The rates provided for herein shall apply to all time on duty, unless otherwise specified in the Agreement. The Company may require Trainmen to work in excess of ten (10) hours per tour of duty and Trainmen will be paid on a minute basis at the applicable rate of service performed. Trainmen requesting to be relieved during their tour of duty shall be paid actual time on duty provided a supervisor grants their request.
- C. New Trainmen shall be appointed to the entry-level training program and shall be paid at ninety percent (90%) of the Conductor's hourly rate of pay. Upon accumulating one (1) year of service or upon qualification as Conductor, whichever comes first, such Trainmen shall be paid at one hundred percent (100%) of the applicable hourly rate of pay.
- D. Unless otherwise provided in this Agreement, the rates of pay as indicated herein represent complete and total payment for the performance of all work, which is associated with the Trainmen covered by this Agreement.

ARTICLE 6 – EMPLOYMENT SECURITY

- A. A Trainman who has established seniority on the Trainmen's seniority roster(s) on or prior to the effective date of this Agreement shall be known and designated as a "Protected Trainman". Such Protected Trainmen shall not be furloughed as a Trainman for any reason.

Note: A Trainman who was suspended or dismissed prior to the effective date of this Agreement and is subsequently reinstated with seniority rights unimpaired shall be designated a Protected Trainman. A Protected Trainman who is or becomes dismissed or suspended and who is subsequently reinstated with seniority rights unimpaired shall remain a Protected Trainman.

- B. A Protected Trainman shall be provided a Regular Assignment or a Guaranteed Extra Board position.

ARTICLE 7 – SENIORITY

Section 1 – General

- A. The right to preference of work and the right to bid an assignment(s) shall be governed by seniority. The Trainman oldest in seniority shall be given the preference of work and the right to bid the assignment(s) of his choosing in accordance with the applicable provision(s) as contained in this Agreement.
- B. The Company will keep the General Chairperson and each Local Chairperson of the UTU supplied with lists of Trainmen and their seniority dates and rank numbers as Trainmen in conformity with their standing as recorded on the lists subject to the rules hereinafter provided for.

- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008 are increased by four per cent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009 are increased by three per cent (3%).
- F. Rates of pay resulting from the application of 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.
- G. A wage scale table to Carmen covered by this agreement is attached as Appendix A.

**ARTICLE III - 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 paragraph (d), on the BLS CPI for September 2009, as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (d)(iii), according to the formula set forth in paragraph (e).

Measurement Periods		Effective Date of Adjustment
Base Month	Measurement Month	
September 2009	March 2010	July 1, 2010
March 2010	September 2010	January 1, 2011

Measurement Periods and Effective Dates conforming to the above schedule shall be applicable for all years subsequent to those specified during which this Article is in effect.

- (b) While a cost-of-living allowance is in effect, such cost-of-living allowance shall apply to straight time, overtime, protected rates, vacations, holidays and personal leave days in the same manner as basic wage adjustments have been applied in the

ARTICLE X - VACATIONS

- A. Effective January 1, 2009, 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.
 - i. Employees must schedule use of their single increment days by October 1. Any unused days will be paid for in lieu of vacation.
 - ii. Paragraphs 1(a) and (b) of the National Vacation Agreement, as subsequently amended, are modified as follows: An annual vacation will be granted to employees who render compensated service on not less than one hundred (100) days during the preceding calendar year.

ARTICLE XI - ENTRY RATES

Effective July 1, 2008, Supplement No. 25 is cancelled in its entirety.

ARTICLE XII-AUTOMOBILE ALLOWANCE

The mileage allowance for the approved use of a personal automobile in the performance of work will be the IRS rate in effect at the time of the use.

ARTICLE XIII - 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 two thousand dollars (\$2000) each, subject to applicable payroll deductions. ✓
- 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.

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rule, immediate 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 V - 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 VI – 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 five hundred dollars (\$500) each, subject to applicable payroll deductions. ✓
- 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.

ARTICLE VII - GENERAL PROVISIONS

- A. The purpose of this Agreement is to completely resolve any and all outstanding Section 6 Notices served by the Organization and to fix the general level of compensation and rules

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(b) **Minimum Daily Increases** - The increase in rates of pay described in paragraph (a) shall be not less than eight times the applicable increase per hour for each full time day of eight hours, required to be paid for by the rules agreement. In instances where under the existing rules agreement an employee is worked less than eight hours per day, the increase will be determined by the number of hours required to be paid for by the rules 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 of this agreement, 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. Any payments due or paid under previous cost-of-living provisions shall expire as of the effective date of this Agreement and shall be applied against any retroactive pay increases.

ARTICLE III - HEALTH & WELFARE

- A. All employees subject to this Agreement and their dependents will be covered by The Railroad Employees National Health and Welfare Plan, The Railroad Employees National Early Retirement Benefit Plan, the Railroad Employees National Dental Plan, the Railroad Employees National Vision Plan, and the Maintenance of Way Employees Supplemental Sickness Benefit Plan, as negotiated nationally and including all subsequent amendments, excluding cost sharing, in effect between the National Carriers' Conference Committee and the BMWED. Retired, disabled and inactive employees will remain in their existing coverage, if any.
- B. Effective January 1, 2009, the amount of employee cost sharing for Health and Welfare Plans shall be one hundred dollars (\$100.00) per month.
- C. During a prescribed election period preceding January 1, 2009, or as soon as practicable thereafter, and preceding each January 1 thereafter, employees may certify to the carrier's designee, in writing, that they have health care coverage (which includes medical, prescription drug, and mental health/substance abuse benefits) under another group health plan or health insurance policy that they identify by name, and where applicable, by group number, and for that reason they elect to forego coverage for foreign-to-occupation health benefits for themselves and their dependents under the plan identified in paragraph 1(a) above. Such election is hereafter referred to as an "Opt-Out Election" and, where exercised, will eliminate an employer's obligation to make a contribution to the plan for foreign-to-occupation health benefits for the employee and his dependents and the employee's contribution obligation under paragraph 2 above.

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ARTICLE IV - HEALTH & WELFARE

- A. Effective July 1, 2008, all TCU/DM&IR Health and Welfare plans are cancelled in their entirety and all employees subject to this agreement and their dependents will be covered by the Railroad Employees National Health and Welfare Plans, including all subsequent amendments, excluding cost sharing, in effect between the National Carriers' Conference Committee and the Transportation Communications International Union.
- B. The amount of employee cost sharing for Health and Welfare Plans shall be One Hundred Dollars (\$100.00) per month effective January 1, 2008. This amount shall remain fixed and not subject to change except in accordance with Article XIV of this Agreement.

ARTICLE V - PENSION PLAN

Effective upon signing of this agreement:

- A. The Bessemer Non-Contributory Pension Plan will be closed to new participants.
- B. Effective July 1, 2011, employees presently participating in the Bessemer Non-Contributory Pension Plan will cease accruing further service credit under the plan. Service credit is used to calculate the amount of pension benefit with respect to completed years and months of plan participation. While the number of years of service credit under the plan will "freeze" July 1, 2011, future salary growth will be considered in the calculation of the pension benefit payable upon retirement or other termination of employment.

Continued employment with the Company after July 1, 2011, will count towards eligibility service. Eligibility service is used to determine which retirement category an employee qualifies for such as a 30-year retirement.

ARTICLE VI - 401(k)

- A. Effective as soon as practicable, employees covered by this Agreement will be eligible to participate in the Illinois Central Union 401(k) Plan.
- B. Under this plan, for the first four percent (4%) of an employee's salary contributed, the company will contribute \$0.25 for each \$1.00 contributed by the employee.
- C. The employee may contribute an amount above the 4% with no company participation, subject to IRS annual limits.
- D. Upon the effective date of this rule, contributions to existing DM&IR 401(k) plans and funds will be transferred to the IC 401(k) plan as soon as legally permissible.

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outlined in Section 3 herein, and such employee shall be automatically marked up for service upon the expiration of any single day vacation provided they are not marked off for any other contractual reason.

ARTICLE 23 – BENEFITS

Section 1 – Health & Welfare

Employees coming under the scope of this Agreement, along with their dependents, and retirees, if applicable, will be subject to the National Railway Carriers and Brotherhood of Locomotive Engineers Health and Welfare Plan, the Railroad Employees National Dental Plan, and the Railroad Employees National Vision Plan, as may be amended, with employee contribution levels limited to those contained in the National Railway Carriers and Brotherhood of Locomotive Engineers Health and Welfare Plan, the Railroad Employees National Dental Plan, and the Railroad Employees National Vision Plan. The employee contribution will be the same as that provided for in the BLET National Plan and shall change in accordance with the National Plan rates.

Section 2 – Life Insurance

An Engineer's minimum life insurance coverage is \$50,000. Engineers requiring assistance concerning the foregoing may contact a Human Resources Representative for further information.

Section 3 – Other

Accidental Death Insurance - An Engineer's minimum coverage is \$50,000. Engineers requiring assistance concerning the foregoing may contact a Human Resources Representative for further information.

Section 4 – Off Track Vehicle Accident Benefits

The parties agree to implement and maintain the current off track vehicle accident benefits as provided in the Brotherhood of Locomotive Engineers' National Health and Welfare Plan, as amended.

Section 5 – Stock Purchase Plan

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

Section 6 – Employee Assistance Program

The Company shall maintain for the benefit of Engineers covered by this Agreement an Employee Assistance Program, which may be changed from time to time provided such changes are applicable to Company employees generally.

- A. Yardmasters shall not be required to furnish their privately owned automobiles for Company use, except as specifically provided in this agreement.
- B. Yardmasters requested to and using their private automobile for Company business shall be allowed mileage paid for the use thereof in accordance with the mileage rate established by the Company.

ARTICLE 28 – BENEFITS

Section 1 – Health & Welfare

At the earliest opportunity for open enrollment, Yardmasters coming under the scope of this Agreement, along with their dependents, and retirees, if applicable, shall be subject to the provisions of and become participants in the UTU National Health and Welfare Plan, including any employee contributions provided for therein.

Note: Employee contributions shall increase or decrease subject to the UTU National Health and Welfare Plan, as may be amended by National handling.

Section 2 – Stock Purchase Plan

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

Section 3 – Employee Family Assistance Program

The Company will maintain for the benefit of Yardmasters covered by this Agreement an Employee Family Assistance Program, which may be changed from time to time provided such changes are applicable to Company employees generally.

Section 4 – Life Insurance

A Yardmaster's maximum life insurance coverage is \$50,000.00. Yardmaster requiring assistance concerning the foregoing may contact a Human Resources Representative for further information.

Section 5 – Other

Accidental Death Insurance – A Yardmaster maximum coverage is \$50,000.00. Employees requiring assistance concerning the foregoing may contact a Human Resources Representative for further information.

Section 6 – 401 K

- A. Within thirty (30) days from the effective date of this Agreement; the Company will establish a 401-(k) plan for Yardmasters covered by this Agreement. Under the plan, for the first four- percent (4%) of a Yardmaster's earnings contributed, the company will contribute \$.25 for each \$1.00 contributed by the Yardmasters. Yardmaster may contribute an amount above 4%, up to the maximum legal amount with no company participation.

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periods on and after July 1, 2005 shall be recovered from any retroactive wage increase payments made under Article I of this Agreement. (See Attachment A to Side Letter No. 14).

ARTICLE III – HEALTH AND WELFARE

Section 1 – Transition from Soo to National Plan

- (a) As soon as administratively practicable after the effective date of this Agreement, Soo employees represented by BMWED will be covered by the Railroad Employees National Health and Welfare Plan (including Life and AD&D), the Railroad Employees National Dental Plan, the Railroad Employees National Vision Plan (collectively referred to herein as the National Plan) plus the Railroad Employees National early Retirement Benefit Plan, as modified by Article IV, Part A of the July 1, 2007 NCCC/BMWED Agreement (hereinafter National Agreement) .
- (b) It is understood that this National Plan will be modified to include all subsequent amendments to the design of benefits that are agreed upon by NCCC/BMWED.

Section 2 – Employee Cost Sharing

Effective June 1, 2009, each employee covered by this Agreement shall make a cost-sharing contribution of \$170.96/month for 2009 and, thereafter, as provided in Article IV, Part B, Section 1 (b), (c), and (d) of the National Agreement.

Section 3 – Pre-Tax Contributions

Required employee cost sharing contributions shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.

Section 4 – Prospective Contributions

Commencing with the month of June, 2009, Employee Cost-Sharing Contributions will be made for the employee by Soo. Soo shall deduct the amount of such employee contributions from the employee's wages and retain the amounts so deducted as reimbursement for the employee contributions that Soo had made for the employee.

ARTICLE IV – SUPPLEMENTAL SICKNESS

Article V – Supplemental Sickness of the July 1, 2007 NCCC/BMWED Agreement will apply as of the effective date of this Agreement.