

BEFORE THE ARBITRATION COMMITTEE

MICHAEL J. KNAPIK, et al.,	:	Case No. 69-722
Claimants,	:	
v.	:	
PENN CENTRAL,	:	
Carrier.	:	
	:	
ROBERT WATJEN, et al.,	:	Case No. 69-675
Claimants,	:	
v.	:	
PENN CENTRAL,	:	
Carrier.	:	
	:	
DAVID C. BUNDY, et al.,	:	Case No. 69-947
Claimants,	:	
v.	:	
PENN CENTRAL,	:	
Carrier.	:	
	:	
G.V. SOPHNER, et al.,	:	Case No. 74-914
Claimants,	:	
v.	:	
PENN CENTRAL,	:	
Carrier.	:	

CLAIMANTS' TRIAL BRIEF

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	STATEMENT OF THE FACTS.....	6
	A. HISTORY OF THE MERGER.....	6
	B. CAUSATION ELIMINATED AS REQUIRED ELEMENT.....	7
	C. TYPES OF BENEFITS UNDER THE MPA.....	9
	1. Lifetime Income Guarantee	9
	2. Displacement Allowance	10
	3. Separation Allowance	11
	D. EFFECT OF MERGER ON THE CLAIMANTS.....	11
	1. <i>Knapik</i> Claimants.....	11
	2. <i>Sophner</i> Claimants.....	15
	3. <i>Watjen</i> and <i>Bundy</i> Claimants.....	15
III.	CONTROLLING AUTHORITY	17
	A. <i>BUNDY V. PENN CENTRAL</i>	17
	B. 1976 ORDER	18
	C. 1979 ORDER	19
	D. 1980 ARBITRATION AGREEMENT.....	19
	E. 1998 STB	19
	F. ORDERS OF JUDGE OLIVER	20
IV.	BREACH OF THE MPA.....	21
	A. BREACH OF CONTRACT.....	21
	1. Contract Elements.....	21
	2. <i>Knapik</i> and <i>Sophner</i>	21
	3. <i>Bundy</i> and <i>Watjen</i>	22
	B. WAIVER, REPUDIATION AND BREACH	24
	1. Waiver.....	25
	2. Anticipatory Repudiation and Actual Breach.....	25
V.	DAMAGES.....	28
	A. DAMAGES IN BREACH OF CONTRACT.....	28
	B. METHODOLOGY OF ESTABLISHING WAGE GUARANTEE AND DISPLACEMENT ALLOWANCE IN THE <i>KNAPIK</i> AND <i>SOPHNER</i> CASES	29
	1. <i>Knapik</i>	29
	2. <i>Sophner</i>	30
	3. <i>Bundy</i> and <i>Watjen</i> Separation Allowances.	30
	C. INTEREST AWARDABLE.....	31
	1. Pre-Judgment Interest Is An Essential Element Of Damages.....	31
	2. Award Of Pre Judgment Interest Is The Norm In Federal Practice.	32
	3. Courts Presume That Prejudgment Interest Is Necessary For Complete Compensation.	33
	4. Prejudgment Interest Is Awarded In Labor Cases.	33

5. Adjusting for Inflation is not Enough Because It Does Not Compensate For Time Value of Money.....	34
6. Prime Rate Is The Appropriate Interest Rate.....	36
a. Prime Rate.....	38
b. 10 year Treasuries.....	39
7. Arbitration Panels Determine Interest, Then Bankruptcy Courts Determine Discharge And Collectability.	39
D. ATTORNEY FEES AND COSTS OF LITIGATION	41
E. PUNITIVE DAMAGES	43
VI. AFFIRMATIVE DEFENSES.....	43
A. WAIVER OF AFFIRMATIVE DEFENSES.....	43
B. BUSINESS DECLINE DOES NOT APPLY.	44
1. The Railroad Negotiated A Specific “Business Decline” Clause Which Excludes Other Extra-Contractual Business Decline Defenses.	45
2. The Railroad Cannot Satisfy The Specific Requirements of the Business Decline Clause.	46
3. Penn Central’s Expert Admits That His Report Is Not Relevant To the MPA’s Business Decline Clause.	47
4. Penn Central’s Expert Admits That None Of His Testimony Relates To The Claimants’ Rights Under the MPA.	48
5. Even Penn Central’s Counsel Recognized That Their Expert Had Failed To Opine On Any of The Relevant Issues.....	49
6. Penn Central Knows How To Properly Calculate “Business Decline” And Has Done So In the Past.	51
7. Business Decline Rejected Defense in Railroad Arbitrations.....	52
C. AVAILABILITY FOR WORK	52
D. FAILURE TO PLEAD MITIGATION WAIVES THIS AFFIRMATIVE DEFENSE.	53
1. Mitigation Must be Raised in the First Responsive Pleading.	53
2. Employer Must Provide Evidence That There Was Substantially Equivalent Work Available And That The Plaintiff Failed To Exercise Reasonable Diligence.....	54
3. Plaintiff Does Not Have To Accept A New Line Of Work, A Demotion, Demeaning Work, Or Work In Another City.	54
4. Unemployment Benefits Are Not Deductible From The Damage Award.....	55
5. Ambiguities As To The Amount Are Resolved In Favor of the Claimant.	57
VII. OTHER ISSUES.....	58
A. SPOILIATION OF EVIDENCE	58
B. AWARD OF THIS PANEL	61
VIII. CONCLUSION.....	62

I. INTRODUCTION

Claimants are railroad employees¹ who seek to recover damages for the refusal of Defendant Penn Central Company (“Railroad”, Penn Central” or “carrier”) to provide them with benefits under a 1964 “Agreement for Protection of Employees in Event of Merger of Pennsylvania and New York Central Railroads” (“MPA”) and the implementing agreements. Trial Exhibit 1. The MPA, effective January 1, 1964, was entered into between the carriers then contemplating a merger – the Pennsylvania and New York Central Railroads – and the unions representing the employees of those two carriers. The MPA established substantial protections and benefits for the employees of the two railroads, the most significant of which was a lifetime job guarantee. The Defendant breached the contract by failing to pay the Claimants benefits under the MPA.

Claimants were hired by the New York Central Railroad (“New York Central”) on various dates between 1944 and 1951. As employees of the New York Central Railroad the Claimants worked at a number of locations operated by the New York Central and the Cleveland Union Terminals Company (“CUT”). The CUT was a subsidiary of the New York Central.

Prior to the merger, which occurred on February 1, 1968, New York Central took the position that Claimants were employees of one of its subsidiaries, and that such subsidiaries were not included in the merger. The merged company, Penn Central, and its successors, Penn

¹ As used herein, the terms “Claimants” or “employees” refer to the employees and their estates who have instituted this action.

Central Corp. ("PCC") and American Premier Underwriters ("APU") continued to take that position for years after the merger.²

On February 25, 1968, all of Claimants in the *Knapik* case were furloughed *en masse*. Despite the Railroad's denial of their status as employees covered by the MPA, all of the *Knapik* Claimants nevertheless returned to work as eventually demanded by the carrier. Trial Exhibit 2 and Trial Exhibit 34 Ellert testimony at 85, 86. Similarly, the *Sophner* Claimants who worked at CUT locations were furloughed at various times after the merger, but all continued to report to work. Penn Central refused to provide MPA coverage to either group.

The *Bundy* and *Watjen* Claimants were rate revision clerks who worked continuously for New York Central since their dates of hire. Their jobs were abolished at various times in early 1969 as part of the consolidation of railroad operations. They attempted to exercise their seniority on their home district but were told there were no jobs available to them. Thereafter, they demanded their separation allowance pursuant to the MPA. The Railroad did not respond to their requests, but rather ordered them to return to work as utility employees "or forfeit all benefits." Trial Exhibit 3. The *Bundy* and *Watjen* Claimants returned to work in much worse working conditions and at reduced pay. They were never paid their separation benefits under the MPA.

The respective Claimants' groups filed four lawsuits at various times between 1969 and 1974 alleging breach of the MPA by the carrier. Claimants also sued their respective unions in those cases. The claims against the unions were dismissed by the trial court. In 1974 the Interstate Commerce Commission ("ICC") determined that the Claimants were employees of the

² The successor to Penn Central Transportation Company was Penn Central Corp. ("PCC"). In 1994, PCC changed its name to American Premier Underwriters ("APU"), a wholly owned

New York Central and were covered by the MPA.³ In 1976, Judge Lambros of the United States District Court for the Northern District of Ohio made several rulings on the merits of the cases:

1. Claimants were employees of the New York Central;
2. Claimants were covered by the MPA, not only as of 1969, but at all applicable times prior thereto. Trial Exhibit 4.

Because of the 1974 order of the ICC, making subsidiaries part of the merger, and the aforementioned 1976 order of the District Court, Penn Central was forced to concede that the Claimants in the *Knapik* and *Sophner* cases were, and always had been, employees of the merged railroad, and thus, were covered by the MPA.

Accordingly, Penn Central is now left to manufacture *post-facto* defenses to rationalize its action in denying benefits to the Claimants. These attempts at asserting affirmative defenses constitute revisionist history, to wit: the Railroad denied coverage to the *Knapik* and *Sophner* Claimants solely because it ostensibly believed that employees of CUT were not covered by the MPA.⁴ It has now been established as a matter of law that Penn Central was wrong. Penn Central was also wrong to deny coverage to the *Bundy* and *Watjen* Claimants. These Claimants who took every action required of them, but the Railroad still denied them their MPA separation allowance.

subsidiary of American Financial Group ("AFG").

³ In the intervening period, from the time the Claimants filed their lawsuits and the time the Court made these rulings in 1976, the ICC issued a decision in *Pennsylvania Railroad Company merger New York Central Railroad Company* 347 ICC 536 (1974) holding that employees of subsidiaries of the merged railroads were *ab initio* entitled to the protections of the MPA. Trial Exhibit 5 at 548.

⁴ As late as the 1990 arbitration, fourteen years after Judge Lambros determined that the claimants were New York Central employees, George Ellert, Assistant Director of Labor Relations, for the Railroad, still maintained that the claimants were not New York Central employees. Trial Exhibit 34 Ellert testimony at 78.

In 1976, the Lambros Court in *Knapik* held that the only remaining issue to be determined by the arbitration panel is “the entitlement of Plaintiffs to job guarantee benefits following [Plaintiffs’] February 15, 1968 furlough.” Trial Exhibit 4 at 22. See also Trial Exhibit 6 at 2. The Court further held that the ensuing proceeding was “best tried in the context of a damages question.” Trial Exhibit 4 at 15, 24.

After two arbitrations, the Surface Transportation Board (“STB”) remanded the *Knapik* Claimants for further proceedings.

In its order the STB definitively held that

“the record shows that the claimants who reported for work suffered losses as a result of the merger. Trial Exhibit 6 at 7.

* * *

“It is not clear what else claimant could have submitted to satisfy the panel that they suffered losses as a result of the merger.”
Id. at 8.

Upon remand, the STB ordered that

“for each individual claimant the parties, or an arbitration panel of the parties cannot agree, will have to gather facts that are relevant to determining the amount of compensation under the MPA. . .”.
Id. at 9.

Thus, the issue here is the amount of Claimants’ damages. For the *Knapik* and *Sophner* groups the damages are measured by the loss of income the Claimants suffered subsequent to the merger based on the Railroad Retirement Board (“RRB”) records.⁵ Trial Exhibit 8.⁶ Their loss

⁵ The RRB was established by Congress pursuant to the provisions of the Railroad Retirement Act of 1935 and 1937 as the agency governing the administration and application of benefits due railroad employees. The Congress in passing the law provided in part as follows:

Where complete records of all service and compensation which may be creditable toward benefits under the provisions of the

of income placed the Claimants in a worse position in violation of the MPA. Trial Exhibit 1. Under Appendix A, Section 5 of the MPA and Appendix E of the MPA these Claimants were entitled to displacement allowance. *Id.* The damages for the *Bundy* and *Watjen* groups are measured by computing separation allowances provided for in the MPA Appendix A. *Id.*

The losses of all three groups were computed and then adjusted to produce actual damages. Dr. Harvey Rosen calculated interest in two ways: 1) interest derived from ten year treasury bills; and 2) the prime rate. Trial Exhibit 9 at 3.⁷

Railroad Retirement Act of 1937 and the Railroad Retirement Act of 1935 are required for the Administration of said Acts; and Whereas such records with respect to service prior to January 1, 1937, are largely in the possession of employers subject to said Acts and are constantly subject to the danger of loss and destruction; and Whereas the loss or destruction of such records would jeopardize the establishment of the rights of individuals to annuities based in whole or in part on such prior service and would otherwise severely and permanently impede and impair the administration of said Acts; and the danger of loss or destruction presents a serious emergency; and Whereas the prompt transcription, compilation, and filing with the Railroad Retirement Board of such records will remove the data contained therein from the danger of their loss or destruction and make them expeditiously and permanently available for necessary operations of the Railroad Retirement Board and will result in a more efficient and economical administration of said Act.

The Railroad Retirement Board is an unimpeachable source of the reporting of the income of the employees from railroad work.

⁶ The Railroad Retirement Board records of the Claimants have been previously submitted to the arbitrators. Accordingly, these records have not been resubmitted here. They were previously provided in alphabetical order by case; 1.) *Knapik* claimants, 2.) *Sophner* claimants, and 3.) *Watjen* and *Bundy* claimants.

⁷ As in the case of the Railroad Retirement Board records, Dr. Rosen's report and the individual reports on each Claimant were previously produced to the Panel. They are also organized in alphabetical order by case; 1.) *Knapik* claimants, 2.) *Sophner* claimants, and 3.) *Watjen* and *Bundy* claimants.

II. STATEMENT OF THE FACTS

A. History of the Merger

The MPA, effective January 1, 1964 was entered into between the Carriers, the New York Central and the Penn Central. Huge changes were envisioned by the carriers in the operation of the merged company. Trial Exhibit 10. One of the goals of the merger was to maximize efficiency and to consolidate operation of the two carriers. The employees knew that these efficiencies would inevitably include furloughs and/or permanent layoffs and displacement of employees. The Unions knew that they had the power to block any merger that did not fully protect their current members. Accordingly, the Unions negotiated, and the ICC required, the MPA to protect all employees from loss of work after the consolidation of the railroads. The ICC was statutorily required to protect the interest of railroad employees. *See* 49 U.S.C. §5(2) (1973). The MPA covered all employees who worked for either carrier between January 1, 1964, and the date of consummation of the merger. Such employees were defined as “present employees.” Trial Exhibit 1. The MPA provided in part that, notwithstanding the merger:

None of the present employees of either of said carriers should be deprived of employment or placed in a worse position with respect to compensation, rules, working conditions, fringe benefits or rights and privileges pertaining thereto at any time during such employment.

Id.

Publications of the New York Central trumpeted these provisions as the gold standard of employee protection. Trial Exhibit 11. To put the MPA in its historical context, the Chairman of the Board of the Pennsylvania Railroad Stuart T. Saunders touted these protections in order to gain approval from the unions and the ICC. “[T]his agreement protects those men not only against the loss of jobs by reason of merger **but for any reason other than** resignation, death or dismissal for cause – in other words dismissal for discipline. These men are protected for life

subject to retirement, death, resignation or discipline and **they can't lose their jobs for any reason.**" Trial Exhibit 12 at 21. (Emphasis added.)

B. Causation Eliminated as Required Element

Accordingly, the MPA eliminated any requirement that the employee show that his having been placed in a worse position was directly related to the merger. The earlier-negotiated WJPA provided that:

No employee of any of the carriers involved in a particular coordination who is continued in service shall, for a period not exceeding five years following the effective date of such coordination, be placed, **as a result of such coordination**, in a worse position with respect to compensation and rules governing working conditions than he occupied at the time of such coordination. (Emphasis added.). Trial Exhibit 1 at Appendix A.

However, the language in the MPA is significantly different:

The provisions of the Washington Job Protection Agreement of 1936 . . . shall be applied for the protection of all employees of Pennsylvania and Central...who may be adversely affected with respect to their compensation . . . **. incident to approval and effectuation of said merger.** (Emphasis added.) *Id.*

The Railroad then petitioned the ICC for approval of the merger. The Railroad represented to the ICC that this expanded protection was superior to the protections in the WJPA⁸. The ICC, in approving the merger, ratified the lack of causal relationship necessary to invoke the protective conditions:

⁸ The ICC, in approving the merger, further held:

Disputes are to be arbitrated – **under a plan which we consider superior to that contained in the Washington Agreement.** Applicants [the Railroads] are willing to make the terms of the agreement available to all the employees whom

It must be recognized that applicants [the Railroad] have agreed to certain benefits greater than we have heretofore required of any section 5 applicant, e.g., the job-retention (attrition) and the limitations against reduction in force, which embrace protection from adverse effects **not causally connected** with the merger.” (Emphasis added.)

Pennsylvania Railroad Company – Merger – New York Central Railroad Company, 327 ICC 475, 545 (1966). The ICC’s decision interpreting the MPA is conclusive and binding on this panel.

The plain language of the MPA, as approved by the ICC, eliminated the WJPA’s causation element. The ICC’s order is part of the law of the case. It interprets the MPA and is conclusive as to the meaning of the labor protections required by the government before any merger could occur.

we are required by law to consider in evaluating the proposed merger, including those not represented by the signatory unions. (Emphasis added.)

Though they have in the past reduced the number of their employees by more than 50 percent over a ten-year period, the applicants,[the Railroads] under this agreement will not be free to reduce their work force unless business contracts by more than 5 percent in any 30-day period, in which event the work force may be reduced one percent for each one percent business decline in excess of the said 5 percent. If the plan of the merger successfully materializes, however, and company growth results, new and additional jobs will be created. This, along with normal attrition and voluntary separation from employment of those who would rather not move to a new location, should enable the Transportation Company to maximize the proficient utilization of the retained work force.

The cost of protection provided by the agreement is estimated as \$78 ¼ million, of which practically all would be payable over the first 8 years.”

Pennsylvania Railroad Company – Merger – New York Central Railroad Company, 327 ICC 475, 543-44 (1966). Trial Exhibit 5.

Certain implementing agreements covering the Claimants went even further. The Brotherhood of Railway Carmen, to which the 16 Claimants in the *Sophner* group belonged, entered into an implementing agreement with the Carrier, which shifted the burden of proof to the Carrier in any arbitration proceeding.

C. Types of Benefits Under the MPA

The MPA provided the following benefits:

1. Lifetime Income Guarantee

The phrase, "placed in a worse position" extended, without time limitation, the protection previously afforded railroad employees under Section 5(2)(f) of the Interstate Commerce Act and Section 6(a) of the Washington D.C. Merger Protection Agreement of May, 1936. ("WJPA") The first portion of the above-quoted passage from the MPA ("none of the present employees of either of said Carriers shall be deprived of employment."), presents a significant addition to the protection that had previously been established by the Interstate Commerce Act and the WJPA. That clause is unequivocal; it has only been interpreted in one way: a lifetime guarantee.

Where the prior agreements had only offered job protection for limited, finite periods of years, the MPA,

offered lifetime protection. Any person on the payroll at the time of the merger agreement was signed could not be dismissed except for cause. If any employee was laid, he had to be given a year's severance pay.

* * *

In exchange for this the unions agreed to drop their opposition to the merger.

* * *

Without the MPA the unions would not have withdrawn their opposition and the ICC would not have approved the merger.

See *Wreck of the Penn Central* Trial Exhibit 13 at 220 - 222. This is also the consistent interpretation of the Penn Central CEO, of the ICC, of Courts, and the Claimants.

2. Displacement Allowance

Under Section 6(a) of the WJPA as incorporated as Appendix A of the MPA, no employees shall be placed in a worse position with respect to compensation and working conditions

than he occupied at the time of such coordination as long as he is unable in the normal exercise of his seniority rights under existing agreements, rules and practices to obtain a position producing equal to or exceeding the compensation of the position held by him at the time of the particular coordination.

Trial Exhibit 1 at Appendix A. This protection is referred to as displacement allowance. *Id.*

Under MPA Appendix E, the displacement allowance is calculated as follows:

For purposes of determining whether, or to what extent, such an employee has been placed in a worse position with respect to his compensation, his total compensation, and total time paid for during the base period will be separately divided by twelve. If his compensation in his current position in less in any month (commencing with the first month following the date of consummation of the merger) than his average base period compensation (adjusted to include subsequent general wage increases), he shall be paid the difference less compensation for any time lost on account of voluntary absences to the extent that he is not available for service equivalent to his average time paid for during the base period, but he shall be compensated in addition thereto at the rate of the position filled for any time worked in excess of the time paid for during the base period, however, that in determining compensation in his current position the employee shall be treated as occupying the position producing the highest rate of pay and compensation to which his seniority entitles him under the working agreement and which does not require a change in residence.

This benefit applied to the *Knapik* and *Sophner* Claimants, who were “continued in service” and never terminated,⁹ but were not able to obtain positions yielding even their pre-

⁹ Although a few of the *Knapik* Claimants received termination notices, the Railroad never terminated them and brought them back into service, albeit in sporadic jobs.

merger compensation as defined by their test period earnings and increased by daily rate increases.¹⁰

3. Separation Allowance

The separation allowance applies to the *Watjen* and *Bundy* Claimants. Under §9 of Appendix A of the MPA, an employee eligible to receive a coordination allowance may **at his option**, at the time of coordination, resign and in lieu of all other benefits and protection provided in the agreement accept, in a lump sum, a separation allowance based upon a schedule premised on length of service.¹¹ A coordination allowance is defined as a benefit given to those deprived of employment under MPA §7(c)(1) when the position the worker holds in his home road is abolished as a result of coordination and he is unable to obtain another position on his home road or a position in the coordinated operation.

D. Effect of Merger on the Claimants

1. Knapik Claimants

The Claimants were railroad employees in their 40's and 50's, most of whom had worked for the Railroad their entire working lives. As New York Central employees, they worked at any number of locations operated by the New York Central and the CUT. CUT operated a passenger station and terminal. Its operating costs were paid by the various railroads in direct proportion to the use of those facilities. CUT was used primarily by the New York Central, which eventually controlled approximately 97% of CUT operations. Trial Exhibit 34 Ellert testimony at 630 .

¹⁰ Daily Rate increases are schedules based upon union negotiated rates. Those schedules are attached as Exhibits to each of Dr. Rosen's individual reports. Trial Exhibit 9. *Knapik* Claimants belonged to the Brotherhood of Railroad Trainmen, which later became the United Transportation Union ("UTU"). *Sophner* Claimants belonged to Brotherhood of Railroad Carmen which later became the Transportation and Communication Union (TCU).

Knapik Claimants worked as brakemen, also known as switchmen, coupling and uncoupling railroad cars. Crews consisted of about five people, with a foreman of each crew referred to as a conductor.¹² Cognizant of the fact that the railroad wanted to rid itself of passenger service, which it perceived as a drain,¹³ the Brotherhood of Railroad Trainmen ("BRT"), negotiated an agreement with the Railroad, referred to as the "Top and Bottom Agreement", effective February 16, 1965. That agreement provided for, *inter alia*, seniority roster consolidation of the New York Central Cleveland Terminal District Yard Service Employees and CUT yard service employees¹⁴. The agreement stated that yard service employees of the CUT would be placed on the New York Central Seniority Roster, the Freight Yard Roster, following the most junior employee currently on that roster and that the CUT employees would then be placed on the roster in the same order as they

¹¹ All of the *Watjen* and *Bundy* Claimants were employed by the New York Central for at least fifteen (15) years prior to the merger. This entitled them to the maximum allowance of three hundred and sixty (360) days pay.

¹² All five worked as a team at CUT and New York Central location. When the merger came 90% of these people were protected, with the exception of the brakemen and the carmen. Trial Exhibit 34; Beedlow testimony at 203, 204.

¹³ See *Wreck of the Penn Central* at 13.

¹⁴ The Railroad's only witness at the arbitration hearing confirmed that the "Top and Bottom Agreement" was not an implementing agreement of the MPA:

Q. Didn't you just tell us that the 1965 top and bottom agreement was an implementing agreement to the 1964 merger protection agreement?

A. I think the record will show that it is not.

Q. That it is not an implementing agreement?

A. That's right.

Q. It had nothing to do with the 1964 agreement?

A. It was before the 1964 agreement because in our office we were not aware of the 1964 merger protective agreement. And this was made entirely separate from the 1964 merger agreement.

Mr. Ellert later confirmed his position:

Q. My question was [the 1965 Agreement] was not intended to extend to [the Claimants] the merger protection agreement benefits at the time it was drafted, was it?

A. It had no reference to it whatsoever.

Trial Exhibit 34 Ellert testimony at 101,102,111.

George Ellert thus contradicted a major element of the Railroad's defense.

appeared on the CUT company yard and seniority roster. However, under the Top and Bottom Agreement, all CUT employees were placed in the New York Freight Yard Roster receiving New York Central seniority date of September 10, 1964. This agreement was separate and distinct from the rights which Claimants had under the MPA.

The *Knapik* Claimants received a notice indicating that yardmen at the CUT were being reduced and, thus, they were being furloughed. Trial Exhibit 15. The notice further directed that they may stand for work at the NY Central freight yards. However, because the Claimants were placed on the bottom of the seniority roster with new September 10, 1964 seniority, they could mark-up for work but could not obtain work. Trial Exhibit 34 Beedlow testimony at 250 – 258. Being placed on the bottom of the freight yard roster meant for example that claimant Steimle lost more than 400 places of seniority on the consolidated roster. Trial Exhibit 16. When Steimle and other Claimants marked up, they marked up for non-existent jobs. Trial Exhibit 34 Steimle testimony at 467 – 469.

In May 1969, for the first time in fifteen months, some of the *Knapik* Claimants were called back to work.¹⁵ Trial Exhibit 17. Within the requisite period for response to the recall notice all of the remaining *Knapik* Claimants responded to work immediately and/or signed a letter saying that they were reporting to work under protest, and then reported for work. Trial Exhibit 18.

In an attempt to resolve the obvious inequity to the CUT men, an agreement was reached in late 1969 among the Penn Central, CUT and the employees of both Carriers represented by the U.T.U., formerly the B.R.T., which purported to extend merger protection benefits to the Claimants. Trial Exhibit 19. Several problems resulted from this agreement however. First, it

provided that 2.5 percent of the total yard work in the new merged yard territory would be designated for former CUT employees. This allocation established approximately seven to nine jobs depending on vacation or illness of other workers. Trial Exhibit 34 Beedlow testimony at 243, 470-471. As a result, most of the workers furloughed were still left without any jobs, in contravention of the lifetime job guarantee contained in the MPA. Second, the 1969 agreement did not become effective until more than 17 months after the date of the furlough. The agreement did not resolve the Claimants' entitlement to any compensation for the underemployment or unemployment they suffered during that period, again in violation of the MPA.¹⁶ The MPA was drafted to solve just such concerns. Third, a number of the furloughed employees had received multiple termination notices from Penn Central prior to the effective date of the 1969 agreement, the Railroad did not give effect to these notices, as every *Knapik* Plaintiff returned to work. Thus, even with the 1969 agreement the employees were excluded from coverage of the MPA. The 1969 agreement was never implemented to benefit workers who had clearly "been placed in a worse position". Even with the 2.5% allocation in place the *Knapik* Claimants didn't have enough seniority to get jobs other than to fill in for other men who were on vacation or sick leave. Thus at best the Claimants got sporadic employment during which they earned less than their guarantee. Trial Exhibit 34; Beedlow testimony at 252-255, Steimle testimony at 467-469.

¹⁵Some other *Knapik* Claimants had enough seniority to bump into part time work and they had already reported to work and therefore were not part of this recall. They marked up in the freight yard under protest. See i.e. Trial Exhibit 18 Letter of June 30, 1968.

¹⁶ The Lambros Court however indicated in 1976 that the Claimants were in 1969 and at all times prior thereto were covered by the MPA, therefore the terms of the MPA should have applied to them as of their furlough dates.

2. *Sophner* Claimants

The *Sophner* Claimants were carmen who worked at both the CUT and the New York Central locations prior to the merger. The Railroad took the same position toward them as the *Knapik* Claimants; they were not covered. The *Sophner* Claimants were not furloughed all at once as a group as was the *Knapik* group. However, their loss of seniority had the same effect, in some years an inability to work enough to make their wage guarantees. Accordingly, they were placed in a worse condition as to compensation and working conditions in violation of the MPA. Unlike the *Knapik* Claimants there is no allegation that these sixteen Claimants failed to mark up for work. They all marked up but got less work as documented by their earnings in the RRB records.

3. *Watjen* and *Bundy* Claimants

These Claimants worked as rate revision clerks on the first shift performing duties such as reviewing freight bills, making refunds or collection and quoting rates. Based on a 1950 agreement, their seniority division was on the Detroit roster. Watjen, Franz and Feldscher received notice on January 10, 1969 that their jobs were abolished. Trial Exhibit 20. They wrote to the Manager of Freight Accounting, E. T. Scheper, in reply to the letter abolishing their jobs and advised him of their intent to obtain a position by the exercise of their seniority. Trial Exhibit 21. Mr. Scheper notified these clerks that they would not be allowed to exercise their seniority in their home district of Detroit. Trial Exhibit 3 at 19, 22. Upon receiving this information, all three requested their separation allowances. Trial Exhibits 22.

The *Watjen* and *Bundy* Claimants were not permitted to exercise their seniority rights on their home road as the MPA requires them to do. They also were not able to obtain "a position in the coordinated operation," within the seven to ten-day period required in the notice

abolishing their jobs. Accordingly, they exercised their option to submit resignations and demand the lump sum separation allowance. The Railroad never responded to those requests. Weeks later the clerks were demoted and ordered to report to jobs with worse working conditions and lower pay. Claimants Franz, Watjen and Feldscher reported to the work and served as utility clerks. The seniority they were given in those jobs were with their "new dates of hire", i.e. for Franz February 11, 1969, a loss of fourteen years of seniority. They worked various hours and often on the midnight trick with no advance notice. Their paychecks were always less than before the abolishment of their old jobs and was never consistent. They all attempted to bid on new jobs with hours and duties comparable to their old rate clerk jobs but they were outbid by employees of years less seniority – often with only one or two years of seniority.

They did everything required of them: 1) tried to exercised their seniority rights on their home road, but were told not to go to Detroit the only place they had seniority; 2) timely submitted separation allowance requests that were ignored; 3) reported to new jobs with new hire seniority dates, which by definition yielded them worse pay with worse working conditions in which they could not exercise their seniority. They never received their separation allowances.

Plaintiff Wilger was a 58 year old widow when her job was abolished. Her seniority was in Detroit but she was also told not to report. She requested the separation allowance. Without a response she was ordered to show up at a location in Eversmen, Ohio at reduced pay.

Plaintiff O'Neill worked in upstate, New York. He was also on the Detroit seniority roster. His request for separation allowance was ignored. He was assigned to various duties such as "engine crew caller". He was told there was no work for seven and one-half weeks.

David Bundy worked as lead clerk in Albany, New York. He was informed that his job was being abolished on February 7, 1968 as Penn Central was converting the former Albany central billing to the office of controllers in New York, New York. Again, his seniority was on the Detroit roster. Mr. Scheper also informed him not to seek a job in Detroit. Accordingly, he sent a letter dated February 13, 1969, requesting separation allowance. The Railroad never acknowledged his letter.

III. CONTROLLING AUTHORITY

Throughout the thirty-eight years of this litigation, certain agreements and orders of various tribunals have shaped the law of the case. In addition to the MPA, the Implementing Agreements, and the 1969 Agreement discussed *supra*, this panel must follow: *Bundy v. Penn Central*, 455 F.2d 277 (6th Cir. 1972), Trial Exhibit 23 the 1976 and 1979 Orders of the Lambros Court, Trial Exhibits 4 and 6 the 1980 Arbitration Agreement, Trial Exhibit 24 the 1998 decision of the STB, Trial Exhibit 7 and the 2005 and 2006 orders of Judge Oliver Trial Exhibit 25.

A. *Bundy v. Penn Central*

Prior to consolidation of all four cases in its 1979 order, the Court had granted summary judgment against the Claimants on their claims against both their union and the carrier. The Sixth Circuit remanded the case to the District Court for an evidentiary hearing on whether the railroad “frustrated the exercise of them [their seniority rights]” and “whether they [the *Bundy* and *Watjen* Claimants] were placed in a worse position” in violation of the agreement, the statute and the ICC order. Since the carrier in 1979 compelled the referral of this matter to arbitration, and the court granted its motion, this proceeding is the first opportunity these Claimants have had to conduct the evidentiary proceeding ordered in 1972 by the Sixth Circuit. Trial Exhibit 23.

B. 1976 Order

In 1976, the Court conducted a jury trial in the *Knapik* case. At the end of the presentation of evidence by the Claimants the Court issued certain findings and granted summary judgment in favor of the unions on Claimants' claims of unfair representation. The Court held

as a matter of law that the Plaintiffs are employees of New York Central Railroad as that term is defined in the Merger Protection Agreement and as that term applies to their job protection agreement and their guarantee entitlement under the merger agreement. Trial Exhibit 4 at 14.

* * *

Plaintiffs were entitled to the full benefits of the jobs protection agreement, based on their combined wages of CUT and New York Central work and ere entitled to this not only as of 1969, but at all applicable times prior thereto. *Id.* at 15.

Court also held with regard to ensuing litigation:

It would seem to me that the triable issue remaining in this lawsuit is one stemming out of the merger protection agreement. It is a contract issue, and it would seem to me that in view of the fact that the issues in this case were by agreement of the parties bifurcated at the outset, and we were to try only the liability issues at this time, and damage questions later, and as this Court is making a finding now relative to the applicability of the merger protection agreement to these plaintiffs and a findings as to their entitlement to job guarantee, and to the extent that there was any dispute between the parties, that issue is now resolved on that finding, and it would seem to me that the issue as to whether or not there was a breach of the agreement is best tried in the context of a damage question, . . . *Id.*

The Court continued:

It seems to me those issues [entitlement to benefits of job guarantee] must be tried in the context of a damage claim" *Id.* at 24.

C. 1979 Order

In 1979, Penn Central moved to compel arbitration on the remaining contract issues provided in the MPA. The Court granted the Defendant's motion, consolidated the cases and referred all of them to binding arbitration.

As to the *Knapik* claims, it referred to its 1976 Order as having framed the remaining issues. Regarding the *Sophner* Claimants, the parties were charged with framing the issues. The issues in *Watjen* and *Bundy* were framed by the Sixth Circuit in its remand to the trial court. See *Bundy v. Penn Central*, Trial Exhibit 23.

The Court mandated that the case be tried in a particular sequence.¹⁷ Trial Exhibit at 7. Ironically, almost thirty years ago, the Court indicated its referral to arbitration was "primarily for the sake of expediency; that of the litigants especially the former employees. . . ." Trial Exhibit 6 at 6. "Reference to arbitration of these disputes will result in resolution of all the paramount claims more quickly than in any proceeding which the Court could devise." *Id.*

D. 1980 Arbitration Agreement

In 1980, "Penn Central Corp., successor to Pennsylvania Central Transportation Company," negotiated and signed an agreement to arbitrate this case. Trial Exhibit 24. This arbitration agreement, entered into after the final consummation of Penn Central's bankruptcy compelled Penn Central to resolve these cases through final and binding arbitration by this panel. *Id.*

E. 1998 STB

In a decision issued in December, 1998, the STB held that the denial of benefits by a prior arbitration panel to those who returned to work constituted "egregious" error and failure to

¹⁷ That particular finding was modified by Judge Oliver. Trial Exhibit 25.

observe the imposed labor conditions. Trial Exhibit 7 at 5-6. Further, the STB held that the carrier presented no evidence to refute the voluminous evidence of injury submitted by the Claimants. *Id.* At the arbitration hearing the Railroad “made no effort whatsoever to identify specific periods of general business decline, emerging conditions or other supervening events that would justify non-payment of benefits under 1(b) of the agreement.” Since the original arbitration was bifurcated, the STB’s vacation of the award constitutes a decision on the merits as to liability as to the *Knapik* Claimants in any subsequent damage proceeding. The Claimants who failed to return to work filed an appeal to the Sixth Circuit. The Sixth Circuit affirmed. *See Augustus. et al. v. STB, et al.*, 2000 U.S. App. Lexis 33966 (6th Cir. 2000).

The Railroad cross-appealed that portion of the STB decision which held that the remaining ten Claimants who returned to work were entitled to their guarantees. The STB filed a motion to dismiss, and argued that the Sixth Circuit lacked jurisdiction because the Railroad’s appeal was interlocutory. The Railroad and the STB stipulated to the dismissal of that appeal.

F. Orders of Judge Oliver

Claimants filed a Motion to Reinstate these cases because the Carrier had refused to arbitrate the cases of the ten remaining *Knapik* Claimants and the *Sophner* case and the *Bundy* and *Watjen* cases which had not been arbitrated at all.¹⁸ In ordering the parties back to arbitration, the Court found that Penn Central “does not come with clean hands”. Trial Exhibit 25 February 28 Order at 8. The Court modified Judge Lambros’ 1979 Order in stating all parties should proceed to arbitration on the four cases simultaneously. Penn Central moved for

¹⁸ Claimants previously submitted a timeline detailing Carrier’s repeated refusal to proceed despite all of the prior orders of these many tribunals over the years. Between 1998 and Judge Oliver’s 2005 Order, Claimants repeatedly tried to reconvene the arbitration. Defendant refused to comply with the 1979 Order, the 1980 Agreement for Arbitration, and the 1998 STB Decision.

reconsideration of the Court's Order which was summarily denied. Judge Oliver then established procedures for the selection of the arbitration panel. After Defendant's failure to participate in the selection of a neutral arbitrator, Claimants contacted the Court, which issued an Order on June 23, 2006, selecting the neutral arbitrator on this panel. *Id.*

IV. BREACH OF THE MPA

A. Breach of Contract

1. Contract Elements

To prove the existence of a contract, a party "must show the elements of mutual assent (generally, offer and acceptance) and consideration." *CSX Transp., Inc. v. Occidental Chemical Corp.*, 65 Fed.Appx. 963, 966 2003 WL 21221986 (6th Cir. 2003) citing *Nilavar v. Osborn*, 127 Ohio App.3d 1, 711 N.E.2d 726, 732 (1998). "An offer is the manifestation of willingness to enter into a bargain," so that the offeree understands that his assent is invited and will conclude the contract. *Ford v. Tandy Transp., Inc.*, 86 Ohio App.3d 364, 620 N.E.2d 996, 1006 (1993). Acceptance is the "manifestation of assent" by the offeree. *Id.* The MPA satisfies the existence of a contract.

2. Knapik and Sophner

Penn Central breached the MPA by failing to pay benefits to the *Knapik* and *Sophner* Claimants. Each of the Claimants in the *Knapik* and *Sophner* groups, marked up for work and thus fulfilled his obligation to "obtain a position available to him in the exercise of his seniority rights in accordance with existing rules and agreements" pursuant to Section 1(b) of the MPA. Trial Exhibit 1.

See i.e. letters of carrier's counsel Kershner (with copies to Cioffi) refusing to appoint an arbitrator to participate in arbitration. Trial Exhibit 26.

3. Bundy and Watjen

The *Bundy and Watjen* Claimants were deprived of their employment pursuant to Section 7(c)(1) of the WJPA which states in pertinent part:

(c) An employee shall be regarded as deprived of his employment and entitled to a coordination allowance in the following cases:

1. When the position which he holds on his home road is abolished as result of coordination and he is unable to obtain by the exercise of his seniority rights another position on his home road or a position in the coordinated operation. . . .

Clearly these Claimants' jobs were abolished, which satisfies the first prong of the definition of deprivation in the prepositional phrase beginning with the word "when". The second conjunctive prong of the definition of deprivation is also satisfied because the prepositional phrase "by the exercise of his seniority rights" modifies both the phrase "another position in his home road" and the phrase "a position in the coordinated operation". These Claimants were instructed by E. T. Scheper, Manager of Freight Accounting for the carrier, that they were not to exercise seniority on their home road in Detroit. Therefore none of these Claimants could obtain **by the exercise of his seniority rights** a position in the coordinated operation.

Assumption of their positions as utility clerks in the coordinated operation did not constitute exercise of their seniority rights. The panel in *System Federation No. 121, Award No. 316* (1972), held that the claimant had been furloughed, was entitled to a coordination allowance and thus, had the option to request a separation allowance.

An employee who is deprived of employment as a result of the changes set out in Article I, Section 2 becomes eligible for protective benefits. He simultaneously becomes eligible to an option for a separation allowance, which he must exercise with due diligence.

* * *

It is too much to expect an employee to resign and forfeit years of accumulated seniority when the Carrier firmly contends that his furlough did not result from any of the conditions in Article I, Section e. If he had resigned and if the Board thereafter sustained the Carrier's position, the Claimant would never again have any reason to expect to be called for work by the Carrier. His employment would have been completely terminated. His years of accumulated seniority would have become a nullity. And he may then have been of an age when employment elsewhere would be difficult to obtain.

That rigid construction to the language in Article I, Section 7 cannot have been the intent of the parties. If that was so, it would be an open invitation to every Carrier to deny protective benefits to many employees in the hope that they would resign, and if the claim was denied, have no further obligation under the schedule agreement. It could result in perpetrating conditions far beyond the purpose and intent of the September 25, 1964 Agreement.

Claimant became eligible to a lump sum separation allowance under Article I, Section 7 of the September 25, 1964 Agreement of January 6, 1972, when Award No. 253 was issued. It was then that he also became eligible for monthly benefits under Section 6. Until then he was deprived of the eligible by the Carrier. a Carrier may not deny an employee protective benefits under Article I of that Agreement and at the same time expect that employee to exercise his option under Section 7 and resign his position. This is the only fair, reasonable and proper interpretation of the meaning and intent of Article I Section 7 when read and applied to the reasons and purposes of the September 25, 1964 Agreement.

Id. See also, System Federation No. 103 Elec. Workers, Award No. 46 (1967) (carrier violated MPA in denying benefits to electrical workers adversely affected)

Here, after more than fifteen years of service, the *Bundy* and *Watjen* Claimants were required to "forfeit years of accumulated seniority." They were relieved of their jobs, then demoted and considered as new hires as utility clerks. The *Bundy* and *Watjen* Claimants were given new seniority dates of 1969, no different than a man off the street in a new job. In *Special*

Board 570 Award No. 156 the arbitration panel held “it is merely a play on words to argue that claimant’s move and reemployment were purely voluntary”

As an employee deprived of employment and thus entitled to coordination allowance, under Section 9 of the WJPA these Claimants at their option chose to resign and in lieu of other benefits accept a lump sum separation allowance. The request for lump sum separation allowance was ignored by the Railroad. Failure to pay the separation allowance constitutes breach of the MPA.

B. Waiver, Repudiation and Breach

In 1968, the Railroad informed the Claimants that they were not protected by the MPA and would never be paid under the MPA. Now, the Railroad may argue that the Claimants were required to follow the MPA during the forty-year period during which Penn Central itself refused to follow the MPA and during which Penn Central refused to even allow them to file guaranty forms.

The Railroad may argue that certain Claimants in the *Knapik* case did not timely respond to recall notices. In fact, all remaining Claimants returned to work. *See* Records of the Railroad Retirement Board. This is why the STB allowed these remaining Claimants to go forward, but not the others. Moreover, records from the RRB show that they returned to work. Trial Exhibit 8. Further, the 1969 Agreement became effective.¹⁹ *See* Trial Exhibit 19. This argument fails for two reasons: 1) the carrier waived all application of all agreements including its threat to terminate the Claimants and 2) the railroad repudiated and breached the terms of the MPA.

¹⁹ By the Railroad’s own admission, the claimants marked up for work. Trial Exhibit 34. Ellert Test. At 577.

1. Waiver

As discussed *infra*, the 1969 Agreement was executed because of the inability of the CUT men to markup for any significant amount of work. That agreement effective August of 1969 allocated 2.5% of the freight yard work to them. Although this allocation still left them without regular jobs that met their test period guarantees under the agreement, they were explicitly recognized as covered under the MPA. *Id.* Due to pendency of the dispute which resulted in the 1969 agreement, the carrier agreed not to take any punitive action against the CUT men.

Due to circumstances involved, this Committee prevailed on Company to waive all the agreements involved until such time as we were able to resolve our dispute involving protective agreements for the CUT Yardmen. Such an agreement [the 1969 Agreement] was recently made. Trial Exhibit 27.

Thus, Penn Central and the Union agreed to waive their dispute over marking up until they could resolve the issue of whether CUT employees were covered by the MPA. Ultimately, the Courts determined that the MPA did cover the CUT workers. The compromise entered into above permitted the parties to return to work while still maintaining their rights to litigate the MPA.

2. Anticipatory Repudiation and Actual Breach

Ironically, the 1969 Agreement in which the Railroad claimed to recognize the Claimants as covered employees was never implemented to provide MPA benefits. Instead, Penn Central maintained (until at least 1976 when the Court ruled otherwise) that Claimants were never New York Central employees, and thus, that they were not covered by the MPA. *See i.e.* Answer of Penn Central, Trial Exhibit 28 at ¶1 (“CUT and its employees were not parties specifically provided for by the MPA.”) *See also* Trial Exhibits 35. The position taken by Penn Central at these different stages -- in pleadings, correspondence with unions and in prior testimony --

makes it abundantly clear that the Railroad steadfastly refused to recognize Claimants as covered by the MPA. Penn Central told the Claimants that they would never be paid under the MPA.

Section 251 of the Restatement of Contracts 2d states: “(1) Where reasonable grounds exist to believe that the obligor will commit a breach by non-performance that would of itself give the obligee a claim for damages for total breach under § 243, the obligee may demand adequate assurance of due performance and may, if reasonable, suspend any performance for which he has not already received the agreed exchange until he receives such assurance.” Repudiation “need not be absolute in order to justify non-performance by the other party, and in some cases at least it must be true that the privilege of non-performance will be or become permanent.” 5 *Williston on Contracts* (1937) 4102, Section 1467. See also, 84 *Ohio Jurisprudence* 3d (1988) 319, Specific Performance, Section 41 (“[I]f the other party repudiates the contract and makes it certain that he does not intend under any circumstances to comply therewith, or if he absolutely and unconditionally refuses to proceed with the contract, the law excuses the absence of tender on the part of the other party, as equity does not require idle acts.”)

In *Caisse Nationale de Credit Agricole v. CBI Industries, Inc.*, 90 F.3d 1264 (7th Cir. 1996) the Seventh Circuit considered whether a Defendant can announce that it will not perform a contract, but still demand strict compliance by the Plaintiff. The Seventh Circuit rejected this argument, noting that “[a]s our colleagues on the Second Circuit have held, New York law provides that ‘a party to a contract may be precluded from insisting on strict compliance by conduct amounting to a waiver or estoppel.’” *Id.* quoting *Peter A. Camilli & Sons, Inc. v. State*, 41 Misc.2d 218, 223, 245 N.Y.S.2d 521, 527 (Ct.Cl.1963); See also, *Sunshine Steak, Salad & Seafood, Inc. v. W.I.M. Realty, Inc.*, 135 A.D.2d 891, 892, 522 N.Y.S.2d 292, 293 (3d Dept.1987) (“where it becomes clear that one party will not live up to a contract, the aggrieved

party is relieved from the performance of futile acts or conditions precedent”); *Allbrand Discount Liquors, Inc. v. Times Square Stores Corp.*, 60 A.D.2d 568, 568, 399 N.Y.S.2d 700, 701 (2d Dept.1977) (“[o]nce it becomes clear that one party will not live up to the contract, the aggrieved party is relieved from the performance of futile acts”), appeal denied, 44 N.Y.2d 642, 405 N.Y.S.2d 1026, 376 N.E.2d 935 (1978). . . . In light of the forthright repudiation, requiring Credit to give Chameleon or CBI notice of a default would have been a pointless gesture.” *Credit Agricole*, 90 F.3d at 1275.

Moreover, the Seventh Circuit held that the plaintiff “is entitled to ‘expectation damages,’ which means Credit should be placed ‘in the same economic position it would have been in had both parties fully performed.’” *Bausch & Lomb Inc. v. Bressler*, 977 F.2d 720, 728-29 (2d Cir.1992); *See Menzel v. List*, 24 N.Y.2d 91, 97, 298 N.Y.S.2d 979, 246 N.E.2d 742 (1969).” *Id.* at 1276.

In a similar case, the Ninth Circuit, applying Arizona law, recently held that compliance with a two-day notice provision is not required where it would amount to a “useless gesture.” *L.K. Comstock & Co. v. United Eng’rs & Constructors Inc.*, 880 F.2d 219, 232 (9th Cir.1989) (citing 2 Corbin on Contracts § 1266, at 442 (C. Kaufman Supp.1984)); *See also Craddock v. Greenhut Constr. Co., Inc.*, 423 F.2d 111, 115 (5th Cir.1970) (contractual condition excused where it “was a useless gesture”) (applying Florida law). Thus, the Railroad is estopped from compelling a futile act. The Railroad waived the requirements of the MPA when it pointedly told Claimants that they would never be paid any guarantees.

A breach of contract excuses the non-breaching party from further performance under the contract. *Roberts v. GMS Management Co., Inc.*, 1999 WL 1068370 (Ohio App. 8 Dist.) *See also Software Clearing House, Inc. v. Intrak, Inc.* (1990), 66 Ohio App.3d 163, 170; *Pearson v.*

Huber Investment Corp. (Mar. 21, 1985), Franklin App. No. 84AP-526. Defendant's breach excuses the plaintiff from any further performance. *See Bd. of Commrs. of Clermont Cty. v. Village of Batavia* (Feb. 26, 2001), Clermont App. No. CA2000-06-039. In other words, a "material" breach entitles a plaintiff to stop performing. *Kersh v. Montgomery Dev. Ctr.* (1987), 35 Ohio App.3d 61, 62-63, 519 N.E.2d 665. *See, also, Shanker v. Columbus Warehouse Ltd. Partnership* (June 6, 2000), Franklin App. No. 99AP-772 ("Even if plaintiffs . . . breached the agreement, defendant's non-performance is not excused unless plaintiff's breach was material"); *Sun Design Sys., Inc. v. Tirey* (Apr. 19, 1996), Miami App. No. 95-CA-46 ("It is well-established that a 'material breach of contract by one party generally discharges the non-breaching party from performance of the contract'").

V. DAMAGES

It is fundamental to the law of remedies that parties damaged by the wrongful conduct of others are entitled to be made whole. *Collini v. Cincinnati*, 87 Ohio App. 3d 553, 663 N.E.2d 724 (Hamilton Cty. 1993); 30 O. Jur. 3d, Damages at Section 2. Thus, in any action involving the award of damages, the objective is to compensate the injured party for the loss and make the injured party, so far as possible, whole. 30 Oh. Jur. 3d, Damages at Section 2. Damages accrue at the time of injury and are intended to make the plaintiff whole for wrong done to the plaintiff by the defendant. *Fantozzi v. Sandusky Cement Prod. Co.*, 64 Ohio St. 3d 601, 597 N.E.2d 474 (1992); *Digital & Analog Design Corp. v. North Supply Co.*, 63 Ohio St. 3d 657, 590 N.E.2d 737 (1992).

A. Damages in Breach of Contract

"Damages for a breach of contract are those which are the natural or probable consequence of the breach of contract or damages resulting from the breach that were within the

contemplation of both parties at the time of the making of the contract.” *The Toledo Group, Inc. v. Benton Indus., Inc.*, 87 Ohio App.3d 798, 623 N.E.2d 205, 211 (1993). A party to a contract is entitled to his expectancy damages. *Anchor v. Linton*, 230 F.3d 1357 (Table), 2000 WL 1477224, *6 (6th Cir. 2000). A party’s expectation interest is defined as “his interest in having the benefit of his bargain by being put in as good a position as he would have been in had the contract been performed.”” *Id.* citing *Brads v. First Baptist Church*, 624 N.E.2d 737, 745 (Ohio Ct.App.1993) (quoting RESTATEMENT (SECOND) OF CONTRACTS § 344 (1981)). In other words, the claimed damages are an award that is “designed to secure for [the injured party] the benefit of the bargain that [it] made by awarding a sum of money that will place [it] in as good a position as [it] would have occupied had the contract[s] been performed.” 24 *Williston on Contracts* § 64:2 (4th ed. 2002).

B. Methodology of Establishing Wage Guarantee and Displacement Allowance in the *Knapik* and *Sophner* cases

1. *Knapik*

Pursuant to the terms of the MPA:

For purposes of determining whether, or not or to what extent, such an employee has been placed in a worse position with respect to his compensation, his total compensation and total time paid for during the base period will be separately divided by twelve. If his compensation in his current position is less in any month (commencing with the first month following the date of consummation of the merger) than his average base period compensation (adjusted to include subsequent general wage increases), he shall be paid the difference.

In preparation for the prior proceedings the Railroad computed the wage guarantees based on test period, 1963 and 1964 earnings, and submitted them to Claimants. Trial Exhibit 29.²⁰

Dr. Rosen took these admitted wage guarantee figures and adjusted them to include subsequent general wage increases. These general wage increases are charts supplied by the UTU See pg. 9 of Rosen's individual reports, Trial Exhibit 9. .

2. Sophner

To determine displacement allowance Dr. Rosen used the annual wages as reported to the Railroad Retirement Board. The RRB was established by Congress pursuant to the provisions of the Railroad Retirement Act of 1935 and 1937 as the agency governing the administration and application of benefits due railroad employees.

Again, these figures were adjusted to include subsequent general wage increases as supplied by their union, now known as the Transportation and Communication Union. See pg. 9 of Rosen individual reports, Trial Exhibit 9.

3. Bundy and Watjen Separation Allowances.

Separation allowances were computed pursuant to Section 9 of the WJPA. Trial Exhibit 1. Since all of the Claimants had service of at least fifteen years, they were entitled to twelve months of pay. Trial Exhibit 9.

Pursuant to subsection (b) one month's pay is computed by multiplying by thirty the day rate of pay received by the employee in the position last occupied. These Claimants are entitled to three hundred sixty days of pay.

²⁰ As part of the discovery in this matter Defendant submitted still other wage guarantee figures for the *Knapik* Claimants. See Trial Exhibit 30.

C. Interest Awardable

1. Pre-Judgment Interest Is An Essential Element Of Damages.

Prejudgment interest is “an element of complete compensation.” *West Virginia v United States*, 479 U.S. 305, 310 (1987). The U.S. Supreme Court stated: “[p]rejudgment interest is an element of complete compensation,” and explained in footnote 2: “[p]rejudgment interest serves to compensate for the loss of use of money due as damages from the time the claim accrues until judgment is entered, thereby achieving full compensation for the injury those damages are intended to redress.” *Id.*

Though articulated in many different ways, the courts are mindful of the time-value of money when calculating the compensation for a damages award. As the court stated in *U. S. v. Atlantic Refining Co.*, 85 F.2d 427, 429 (3rd Cir. 1936), “delay in . . . (receiving) compensation is an element in determining the damages . . . and an award made on one date is not the equivalent of an award made at an earlier date.” The delayed compensation is a greater figure and “delay . . . enters into the late award as an element of loss.” See, *Harpum, Specific Performance With Compensation as a Purchaser’s Remedy-A Study in Contract and Equity*, 40 Camb.L.J. 47 (1981); *Oakey, Pecuniary Compensation For Failure to Complete a Contract for the Sale of Land*, 39 Camb.L.J. 58 (1980).

The aim of awarding damages is compensation. *United States v. City of Warren, Mich.*, 138 F.3d 1083, 1096 (6th Cir.1998) (“An award of prejudgment interest ‘ is an element of complete compensation’ in a Title VII back pay award,”); *Chandler v. Bombardier Capital, Inc.*, 44 F.3d 80, 83 (2nd Cir.1994) (“The purpose of a prejudgment interest award in a wrongful termination case is to compensate a plaintiff for the loss of use of money that the plaintiff otherwise would have earned had he not been unjustly discharged.”); *Matter of Oil Spill by the Amoco Cadiz*, 954 F.2d 1279, 1331 (7th Cir.1992) (“Prejudgment interest is an element of

complete compensation,” citing *West Virginia v. U.S.* and other cases); *Northern Natural Gas Co. v. Grounds*, 393 F.Supp. 949, 991 (1974) (“The object of this phase of the litigation is to assure that just compensation be paid . . . [and] an award of prejudgment interest is required in order to assure this result.”)

“Money today is not a full substitute for the same sum that should have been paid years ago.” *Matter of Oil Spill by the Amoco Cadiz*, 954 F.2d 1279, 1331 (7th Cir.1992). “Prejudgment interest, like all monetary interest, is simply compensation for the use or forbearance of money owed.” *Transmatic, Inc. v. Gulton Industries, Inc.*, 180 F.3d 1343, 1347 (Fed.Cir.1999). “Prejudgment interest is not awarded as a penalty; it is merely an element of just compensation.” *City of Milwaukee v. Cement Division, National Gypsum, Co.*, 515 U.S. 189, 197 (1995).

Such interest can be large and exceed the basic claim. *In the Matter of Oil Spill by the Amoco Cadiz*, 954 F.2d 1279 (7th Cir. 1992), the Court upheld prejudgment interest of more than \$120 million, accrued over 13 years, on a damage award of \$61 million. *Id.* at 1335. Similarly, in *City of Milwaukee*, damages were \$1.67 million, and prejudgment interest amounted to \$5.3 million. *City of Milwaukee*, 515 U.S. at 192. However, because prejudgment interest is an element of “full compensation,” an award of such interest “no matter how large, cannot be called ‘punitive.’” *Matter of Milwaukee Cheese Wisconsin, Inc.*, 112 F.3d 845, 849 (7th Cir.1997).

2. Award Of Pre Judgment Interest Is The Norm In Federal Practice.

Federal Courts have agreed that prejudgment interest is the “norm in federal litigation” ; it is an “ordinary part of any award under federal law.” *Matter of Oil Spill by the Amoco Cadiz*, 954 F.2d 1279, 1331-32 (7th Cir.1992), citing *West Virginia v. United States*, 479 U.S. 305, 310 (1987); See also *General Motors Corp. v. Devex Corp.*, 461 U.S. 648, 655-56 (1983); *Barbour v.*

Merrill, 48 F.3d 1270, 1278-79 (D.C.Cir.1995); *Lorenzen v. Employees Retirement Plan of Sperry & Hutchinson Co.*, 896 F.2d 228, 236 (7th Cir.1990).

3. Courts Presume That Prejudgment Interest Is Necessary For Complete Compensation.

Federal courts presume the inclusion of prejudgment interest is a necessary component of damages, unless circumstances justify otherwise. Many cases specifically articulate a presumption in favor of such inclusion. *Barbour v. Merrill*, 48 F.3d 1270, 1279 (D.C.Cir.1995); *Gorenstein Enterprises, Inc. v. Quality Care-USA, Inc.*, 874 F.2d 431, 436 (7th Cir.1989); *Waterside Ocean Navigation Co. v. International Navigation Ltd.*, 737 F.2d 150, 154 (2nd Cir.1984). Indeed, courts that decline to award prejudgment interest are expected to justify this departure from the federal norm. *City of Milwaukee v. Cement Division, National Gypsum Co.*, 515 U.S. 189 (1995); Courts must justify failure to award prejudgment interest. *Matter of Oil Spill by the Amoco Cadiz*, 954 F.2d 1279, 1334 (7th Cir.1992).

4. Prejudgment Interest Is Awarded In Labor Cases.

Numerous courts and arbitration panels have awarded interest in labor cases. In *Shore v. Federal Express Corp.*, 42 F.3d 373, 380(6th Cir. 1994), the Sixth Circuit held that the plaintiff is entitled to an award of prejudgment interest for the delayed payment of monies due to employees, “for delays attributable both to Federal Express and to the judicial process.” Moreover, the court reversed the district court’s denial of prejudgment interest. *Id.* Similarly, the Sixth Circuit explained in *EEOC v. Wilson Metal Casket Co.*, 24 F.3d 836, 842 (6th Cir. 1994), that: “Prejudgment interest helps to make victims of discrimination whole and compensates them for the true cost of money damages they incurred.” *United States v. City of Warren*, 138 F.3d 1083, 1096 (6th Cir. 1998), stated that “victims of [employment]

discrimination should not be penalized for delays in the judicial process, and discriminating employers should not benefit from such delays.” *Id.* (citations omitted).

Arbitration panels have also held that employers must pay interest to employees in order to make them whole. *Laidlaw Transit Co.*, 109 LA 647 (1997)(prejudgment interest assessed at the rate of 10.5% per year where company delayed from May 1996 to September 1997 and “because of Laidlaw’s dilatory and bad faith conduct, the grievant was forced to wait more than an additional year to receive his back pay award. Therefore, it is appropriate to include interest on the back pay award.”). In *National Railroad Passenger Corporation and AMTRAK Service Workers’ Council*, NMB Case No. 67, 95 LA 617, 631 (1990), the neutral arbitrator Jessie Simons noted that the National Labor Relations Board “routinely” awards interest. *See also Vermont Dept. of Corrections*, 89 LA 383-84 (1987)(“We conclude that adding interest to the backpay award is necessary to make Grievant whole for income losses suffered as a result of his dismissal. By awarding interest, were not imposing a penalty or punishment on management, but are simply compensating Grievant for the loss of the use of the money.”); *Dayco Products, Inc.*, 92 LA 876 (1989)(awarding additional interest on pension benefits where employer delayed case for three years.).

5. Adjusting for Inflation is not Enough Because It Does Not Compensate For Time Value of Money.

Courts which have only adjusted for inflation, without adding interest, have been reversed. “Recent cases hold, however, that adjusting for inflation is not a full substitute for prejudgment interest.

A consumer price index adjustment “simply ensures that inflation does not erode the value of money;” it does not “compensate for the lost use of the money in the intervening time.” *State of Kansas v. State of Colorado*, 2000 WL 34508307(US 2000)(U.S. Supreme Court

Magistrate's Report) citing *United States v. City of Warren, Mich.*, 138 F.3d 1083, 1096 (6th Cir.1998). See also, *Chandler v. Bombardier Capital, Inc.*, 44 F.3d 80, 84 (2d Cir.1994); *Clinchfield Coal Co. v. Federal Mine Safety and Health Review Commission*, 895 F.2d 773, 780 (D.C.Cir.1990).

In *United States v. City of Warren*, the Court reversed the district court's decision to award only inflation, but not interest. The Court held that:

Although we generally afford the district court great discretion in the calculation of prejudgment interest, no authority in the courts of appeals or in the Supreme Court supports the use of the CPI as a substitute for a market interest rate, and the circuit courts that have ruled on this issue explicitly hold that the CPI is not an adequate basis for prejudgment interest. Both the Second Circuit and the D.C. Circuit have held that merely adjusting the dollars the plaintiff would have earned to compensate for diminished purchasing power because of inflation does not compensate for the lost use of the money in the intervening time. See *Chandler v. Bombardier Capital, Inc.*, 44 F.3d 80, 84 (2d Cir.1994); *Clinchfield Coal Co. v. Federal Mine Safety and Health Review Comm'n*, 895 F.2d 773, 780 (D.C.Cir.1990) (Interest rates based on the CPI award claimants "compensation for losses through inflation but none for the capacity of wealth to generate more wealth (and lenders' insistence on corresponding compensation), which a market interest rate reflects.").

The lack of authority supporting the district court's use of the CPI, coupled with the failure of the CPI to make victims of discrimination whole according to the purposes of Title VII, clearly establish that the trial court improperly applied the law by using an erroneous legal standard. Therefore, we find that the district court abused its discretion. See *Phelan*, 8 F.3d at 372. Accordingly, we remand the issue of prejudgment interest to the district court to determine an appropriate interest rate for Fears's award."

Thus, the court held that the district court abused its discretion in limiting the award of prejudgment interest to the rate of increase in the Consumer Price Index, because such an award compensates the claimant only for inflation and not for the time value of the lost money. *Id.* Here, there is no question that the Panel should award damages for both interest and inflation.

6. Prime Rate Is The Appropriate Interest Rate.

The proper amount of interest is the prime rate.²¹ In *Natoli v. Carriage House Motor Inn, Inc.*, 1988 Westlaw 53397 (N.D. NY 1988), the Court held that “[t]he proper measure of the ‘fruits of wrongdoing’, however, is not what the corporation might have received had it invested sums diverted by the defendants, but rather the benefit the defendants derived from borrowing and using corporate funds without paying interest. See *Marcus v. Otis*, 169 F.2d 148 (2d Cir.1948) The proper measure of recovery, then, is the interest defendants would have had to pay if they had borrowed the funds from a lender rather than from the corporation.” See also, *Studiengesellschaft Kohle, m.b.H. v. Dart Industries, Inc.*, 862 F.2d 1564, 1579-80, 9 U.S.P.Q.2d (BNA) 1273 (Fed. Cir. 1988) (affirming award of prejudgment interest at the prime rate compounded quarterly).

Lam, Inc. v. Johns-Manville Corp., 718 F.2d 1056, 1066, 219 U.S.P.Q. (BNA) 670 (Fed. Cir. 1983) (“The district court may ‘fix’ the interest and select an award above the statutory rate, or select an award at the prime rate.” affirming award of prejudgment interest set at the prime rate, rather than the statutory rate, where patentee showed that during the period of infringement it paid more than prime on the money it borrowed for its business. *Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 939 F.2d 1540, 1545, 19 U.S.P.Q.2d (BNA) 1432 (Fed. Cir. 1991) (affirming award of prejudgment interest at prime rate compounded daily as a proper exercise of district court’s discretion, holding “A trial court is afforded wide latitude in the selection of interest

²¹Note also, that federal law controls the amount and calculation of prejudgment interest. In *Ford v. Uniroyal Pension Plan*, 154 F.3d 613 (6th Cir.), the court held that there was no obligation to follow State law because “the calculation of prejudgment interest is not an area ‘primarily of state concern’ for which there does not exist a substantial body of federal law. We therefore are not faced with a situation where the development of a federal common law rule

rates, and may award interest at or above the prime rate. The court's selection of the prime rate was not an abuse of discretion."

IMX, Inc. v. Lendingtree, LLC, No. Civ. 03-1067-SLR, 2006 WL 38918, (D. Del. Jan. 10, 2007) (awarding prejudgment interest at the average quarterly prime rate, and rejecting infringer's argument that the treasury bill rate should be used.) "Defendant further argues that if prejudgment interest is awarded, the U.S. Treasury Bill ('T-Bill') rate is most appropriate. Defendant reasons that plaintiff has not demonstrated that a higher interest rate is necessary to compensate plaintiff for the economic loss caused by infringement. Further, defendant cites to its expert's opinion that the court should take into account that plaintiff was not only deprived of the use of additional royalty income it would have received; plaintiff was also relieved of the risks associated with investing that income. '[I]t is not necessary that a [plaintiff] demonstrate that it borrowed at the prime rate in order to be entitled to prejudgment interest at that rate.' The court is satisfied that the appropriate prejudgment interest rate should be the Federal Reserve average prime rate, compounded annually, as set forth in the Declaration of Robert Wallace, plaintiff's accountant. Courts have recognized that the prime rate best compensate a [plaintiff] for lost revenues during the period of infringement because the prime rate represents the cost of borrowing money, which is 'a better measure of the harm suffered as a result of the loss of the use of money over time.'" *Id.* (citing, *Mars, Inc. v. Conlux USA Corp.*, 818 F. Supp. 707, 720-21 (D. Del. 1993), *aff'd*, 16 F.3d 421 (Fed.Cir. 1993). ("Accordingly, the court shall order defendant to pay prejudgment interest, compounded quarterly, at the prime rate.").

governing the award of prejudgment interest divests the states of authority over a matter which they traditionally have regulated." *Id.* at 617.

a. Prime Rate

Penn Central is for liable for interest at the prime rate as a means of measuring the loss to Claimants as well as the benefits to Penn Central. The Claimants are entitled to be made whole. *Fantozzi v. Sandusky Cement Prod. Co.*, 64 Ohio St. 3d 601, 597 N.E.2d 474 (1992). For almost 125 years Ohio courts have recognized that under common law, prejudgment interest should be considered a component of compensatory damages, required to make the Plaintiff whole by accounting for the time value of money. As recently as 1995, the Ohio Supreme Court has confirmed that “Courts in Ohio have long recognized a common-law right to prejudgment interest.” *Royal Electric Constr. Corp. v. Ohio State University*, 73 Ohio St.3d 110, 114, 652 N.E.2d 687,690 (1995), citing *Moskovitz v. Mt. Sinai Med. Ctr.*, 69 Ohio St3d 638,656-57, 635 N.E.3d 331,346 (1994). The Court further held that “prejudgment interest does not punish the party responsible for the underlying damages . . . but, rather, *it acts as compensation and served ultimately to make the aggrieved party whole.* . . . Indeed, to make the aggrieved party whole, the party should be compensated for the lapse of time between accrual of the claim and judgment.” 73 Ohio St.3d at 117, 652 N.E.2d at 692 (citations omitted) (Emphasis added.).

Here, Penn Central has been benefited, and been unjustly enriched by having had the use of Claimants’ money for nearly forty years. “In such cases, the Defendant may be under a duty to give the plaintiff the amount by which he has been enriched”. Restatement of Restitution, Section 1, cmt. (e). For restitution it is well-settled that a plaintiff may recover as damages the amount the Defendant benefited. *U.S. Health Practices, Inc. v. Byron Blake, M.D.*, Franklin App. NO 00AP-1002, unreported, 2001 WL 277921 (March 22, 2001) (citing *Loyer v. Loyer*, Huron App. No. H-95-068, unreported, 1996 Ohio App. LEXIS 3432 (Aug. 16,1996)).

Dr. Rosen opines that the prime rate, short term used by the banks for its best commercial customers, is a reasonable measure of damages suffered by Claimants and the enrichment

received by the Railroad and its successor entities in having had use of the monies over this thirty plus year period. Trial Exhibit 9.

b. 10 year Treasuries

In the alternative, Dr. Rosen further opines that ten year U.S. Treasury bills constitute a reasonable measure of the lost time value of money that could have been invested by the Claimants had they had use of this money. Trial Exhibits 9. For each individual Claimant, Dr. Rosen has calculated the amount of this loss. *Id.*

7. Arbitration Panels Determine Interest, Then Bankruptcy Courts Determine Discharge And Collectability.

The Railroad claims that this Panel should not even consider the issue of interest. This is not the law. The law and practice is that an arbitration panel determines the amount of the claim, including interest, and then, if appropriate, the bankruptcy court determines whether the interest is collectible. *In re Clayton*, 195 B.R. 342 (Bkrtcy.E.D.Pa.,1996)

The Penn Central bankruptcy was filed in the United States District Court for the Eastern District of Pennsylvania. The bankruptcy court there recently decided this issue in the case of *In re Clayton, supra*. In *Clayton*, the Bankruptcy Court considered the proper division of responsibilities between the arbitration panels and the Bankruptcy Court. In *Clayton*, one of the issues was whether debts which had not been discharged in bankruptcy should be payable with interest. In its first bold subject-heading, the *Clayton* Court ruled that under its prior holdings that:

We Should Usually Only Determine Dischargeability And Allow Nonbankruptcy Courts To Liquidate Nondischargeable Obligations Supports The Conclusion That Nonbankruptcy Courts Should Be Free To Measure All Aspects Of Damages From Nondischargeable Obligations, Including Awarding Punitive Damages And Assessing Damages.” (original emphasis with all-capitalization omitted).

Id. The Clayton Court divided the responsibilities for determining the amount of the liquidated damages for the non-bankruptcy courts, on the one hand, from the bankruptcy court's responsibility of determining which debts had been discharged, on the other hand. "This approach results from the following general principle enunciated by us most recently in *In re Cohen*, 1995 WL 346948, at *3 (Bankr.E.D.Pa. June 5, 1995):

The role of a bankruptcy court in a dischargeability proceeding is merely to determine whether certain claims are dischargeable or not, not to liquidate those claims. *See In re Stelweck*, 86 B.R. 833, 844-45 (Bankr.E.D.Pa.1988), *aff'd sub nom. United States v. Stelweck*, 108 B.R. 488 (E.D.Pa.1989). **The task of liquidation falls to nonbankruptcy courts, ...**

Accord, e.g., In re Shapiro, 188 B.R. 140, 149 (Bankr.E.D.Pa.1995) (FOX, J.); and *In re Kelley*, 163 B.R. 27, 33 (Bankr.E.D.N.Y.1993). It seems to us that the assessment of punitive damages and **interest** by the C.C.P. or other applicable non-bankruptcy courts is simply an aspect of the liquidation of claims. . . ." *Id.* (emphasis added). Thus the *Clayton* Court determined that non-bankruptcy panels should determine the full liquidated amount of the injury, then the bankruptcy court determines which damages are recoverable or, alternatively, discharged.

Next, the *Clayton* Court considered whether to award interest. It noted that "consistent with this court's holding that the Plaintiff is entitled to nondischargeability of all sums liquidated as damages in connection with its nondischargeable fraud claim against the Debtor is **the general rule that sums such as interest, which are ancillary to a nondischargeable debt, are also nondischargeable.** *See, e.g., In re Hunter*, 771 F.2d 1126, 1131-32 (8th Cir.1985); *In re Levitsky*, 137 B.R. 288, 291-92 (Bankr.E.D.Wis.1992); and *In re Foster*, 38 B.R. 639, 640 (Bankr.M.D.Tenn.1984)." *Id.*

Of great significance here, is that the *Clayton* Court chose not to award interest because the Creditors had not requested interest during the non-bankruptcy court proceeding. This is exactly what the Railroad hopes will happen here: by attempting to convince the Panel to refrain from awarding interest, it can later argue to the bankruptcy court that Claimants' are barred from interest because this Panel did not allow it. That is not the proper procedure.

This is very important: in *Clayton*, there was no opportunity for the non-bankruptcy court to later correct its failure to award interest. The bankruptcy court never sent the case back to the Panel for a determination of interest. There was not an opportunity for remittitur. If this Panel does not award interest, there is a chance that the bankruptcy court will hold, as in *Clayton*, that interest could have been awarded, but is waived because it was not awarded by the non-bankruptcy court.

The Railroad's request to refrain from deciding the interest is simply its latest procedural trick to reduce its liability in this case. It recognizes that after 40 years, it has successfully reduced the value of Claimants' nominal damages. The majority of damages in this case is attributable to interest. The proper procedure is for this Panel to determine the entire amount of the liquidated claim, and then allow a court (of competent jurisdiction) to determine if interest is collectible.

D. Attorney Fees and Costs of Litigation

Arbitrators may award attorneys' fees. An arbitrator may choose to award attorneys' fees to make the claimants whole. See *Port of Tacoma, Wash.*, 99 L.A. 1151 (Arb. South, 1992) where employer was ordered to pay the claimant's attorneys' fees in a sex discrimination case. Arbitrators may also award damages in the nature of punitive damage award for bad faith conduct. See *Detroit Bd. of Educ.*, 101 L.A. 1191 (1993) where the employer's continued violation of the agreement merited an award for attorney fees. Arbitrators also have the power to

award the costs of arbitration. *Sonic Knitting Industries, Inc.*, 65 LA 453468-69 (1975)(awarding “the costs of the arbitration proceeding itself and fees paid to its attorney and labor consultant for preparing and presenting the Union’s case.”). In *Sonic Knitting*, the arbitrator noted that even arbitration cases which do not award attorneys fees have ordered “the defendant company to reimburse the union in the amount of \$9,080.96 to cover all other litigation costs resulting from the arbitration, including the arbitrator’s fee.” *Id. citing, Leona Lee Corp.*, 84 LRRM 2165, 2167 (1973). Furthermore, in *Sunshine Convalescent Hospital*, the arbitrator ordered the award of attorneys fees. *In re Sunshine Convalescent Hospital*, 62 LA 276, 279 (1974); *John Morrell & Co.*, 69 LA 264, 280 (1977)(arbitrator awarded attorneys fees after noting the Congressional policy “in favor of the arbitrability of labor disputes, arbitrators must be vested with broad powers to fashion appropriate remedies in the cases before them.”)

Similarly, federal statute provides that: “Any attorney or other person admitted to conduct cases in any court of the United States or any Territory thereof who so multiplies the proceedings in any case unreasonably and vexatiously may be required by the court to satisfy personally the excess costs, expenses, and attorneys’ fees reasonably incurred because of such conduct.” 28 U.S.C.A. §1927. Here, attorneys fees are necessary to make the Claimants whole and are appropriate in light of Penn Central’s forty-year delay of these cases. Nearly three years ago, Judge Oliver recognized that Penn Central had unreasonably delayed this case and had “unclean hands.” Nonetheless, Penn Central still refused to appoint a neutral arbitrator. Even after being ordered to arbitration, Penn Central tried to frustrate Judge Oliver’s Order by requesting numerous delays of this arbitration, seeking to remove the neutral arbitrator, and then, attempting an “end around” by asking the Eastern District of Pennsylvania to interfere with Judge Oliver’s order of arbitration.

E. Punitive Damages

Arbitrators may award punitive damages where the contractual violation and the adjudication of the violation were protracted, punitive damages are appropriate. *See Ralph Grocery Co.* 108 L.A. 718 (1997). In *Inter'l Assoc. of Machinists v. N. W. Airlines*, 858 F.2d 427 (Eighth Circuit 1988), the Court confirmed an arbitration award of punitive damages against the employer in a collective bargaining case under the RLEA, even when the collective bargaining agreement contained no specific provision authorizing punitive damages. Citing *BRAC v. St. Louis SW Ry.* 679 F. Supp. 628, the court held that custom and practice are valid bases for justifying remedies not explicitly excluded in the agreement. The *Intern'l Assoc. of Machinists* held that past railroad arbitration practice has been to award punitive damages and thus the arbitration panel did not exceed its jurisdiction under RLEA to award punitive damages for breach of the labor agreement even in the absence of any compensatory damages. *See also Local 416 Sheet metal Workers Int. v. Hedge Steel* 335 F. Supp. 812 (1971)

VI. AFFIRMATIVE DEFENSES

A. Waiver of Affirmative Defenses

Federal Rule of Procedure 8(c) states in pertinent part:

a party shall set forth affirmatively accord and satisfaction, arbitration and award, assumption of risk, contributory negligence, discharge in bankruptcy, duress, estoppel, failure of consideration, fraud, illegality, injury by fellow servant, laches, license, payment, release, res judicata, statute of frauds, statute of limitations, waiver, and any other matter constituting an avoidance or affirmative defense.

Penn Central filed answers in these cases, *Knapik* in 1969, *Sophner* in 1975 respectively. Trial Exhibit 28. The Answers do not raise any of the affirmative defenses set forth in the cited Civil Rule.

Penn Central has never sought to amend those answers. Affirmative defenses are waived if not timely asserted. *Edely v. Water and Power Auth.*, 756 F.3d 204 (2001).

In a recent case, the Court in *U.S. v. National RR Passenger Corp.* 2004 WL 1335250 (E.D.PA.) chastised this Defendant, American Premier Underwriters, Inc., the real party in interest here, for raising, for the first time, the affirmative defense of “release” ten years after the case was filed. The Court found that assertion of the release and/or discharge in bankruptcy defense would be highly prejudicial to the opposing party. American Premier Underwriters was therefore precluded from raising this affirmative defense because of the prejudice to the opposing party. Claimants object to any affirmative defenses which should have been raised in the first responsive pleading or within a reasonable time after the filing of these cases. Without limitation, Claimants object to any argument or evidence relating to the issues of bankruptcy, business decline, failure to mitigate damages or “any other matter constituting an avoidance or affirmative defense.” Accordingly Penn Central should be precluded from raising any of these affirmative defenses.

B. Business Decline Does Not Apply.

Section 1(b) of the MPA indicates the Railroad can only be released of its obligation to pay benefits based on business decline if the decline is in excess of 5% of gross operation revenue and net revenue ton mile in any thirty day period:

MPA Section 1(b) states the only “business decline” exception as:

[I]n the event of a decline in the merged company’s business in excess of 5% in the average of both gross operating revenues and net revenue ton miles in a 30 day period compared by the average of the same period for the years 1962 and 1963, a reduction in forces in the craft represented by the organization signatory hereto may be made at any time during the said 30-day period below the number of employees entitled to preservation of employment under this Agreement to the extent of one

percent for each one percent decline the said decline exceeds 5%. The average percentage of decline shall be the total of the percent of decline in gross operating revenue and percent of decline in net revenue ton miles divided by two. Advance notice of any such force reduction shall be given as required by the current schedule Agreements of the organization signatory hereto and such reductions shall be made in accordance with existing Agreements.

Trial Exhibit 1.

Penn Central has never demonstrated the requisite percentage decline in business to justify its refusal to pay MPA benefits.

1. The Railroad Negotiated A Specific "Business Decline" Clause Which Excludes Other Extra-Contractual Business Decline Defenses.

The Railroad and the Unions knew how to negotiate a clause to permit furloughs caused by a business decline. They decided to carefully specify and limit the circumstances under which the Railroad would be relieved of some of its MPA obligations. They specifically drafted a "business decline" clause.

A basic canon of construction is that "the inclusion of one, is the exclusion of all others." *Uram v. Uram*, 65 Ohio App.3d 96, 98 (Summit 1989); 18 Ohio Jur.3d 29, Contracts §12. The inclusion of this clause demonstrates that the Unions and Railroads intended that the Railroad would be required to meet the specified "business decline" factors in order to avoid MPA payments. The Railroad can only be absolved of liability if it can satisfy this definition of "business decline".

In *NY Susquehanna and W. Railroad Co. and Brotherhood of Railroad Signalmen, Board of Adjustment*, 605, (Dec.8, 1969), the arbitrator found that the specific method of calculating allowable percentage reduction had not been submitted by the carrier and thus it had "no contractual authority to furlough the claimants." Trial Exhibit 35. Further, in *Brotherhood of*

Railway, Airline and Steamship Clerks and Missouri-Kansas-Texas Railroad, Special Board of Adjustment 605, (April 20, 1970) the arbitrator found that the business decline provision could not be invoked because the carrier had failed to give advance notice of any force reduction. Trial Exhibit 35. Similarly, if the Railroad cannot meet the contractual definition of "business decline" it cannot invoke such a defense.

2. The Railroad Cannot Satisfy The Specific Requirements of the Business Decline Clause.

MPA Section 1(b) states the only "business decline" exception as:

[I]n the event of a decline in the merged company's business in excess of 5% in the average of both gross operating revenues and net revenue ton miles in a 30 day period compared by the average of the same period for the years 1962 and 1963, a reduction in forces in the craft represented by the organization signatory hereto may be made at any time during the said 30-day period below the number of employees entitled to preservation of employment under this Agreement to the extent of one percent for each one percent decline the said decline exceeds 5%. The average percentage of decline shall be the total of the percent of decline in gross operating revenue and percent of decline in net revenue ton miles divided by two. Advance notice of any such force reduction shall be given as required by the current schedule Agreements of the organization signatory hereto and such reductions shall be made in accordance with existing Agreements.

Trial Exhibit 1.

Penn Central has never demonstrated the requisite percentage decline in business to justify its refusal to pay MPA benefits. The MPA includes both freight and passenger service. In fact, the language of the equation is in "ton miles" which refers to freight. See Trial Exhibit 14 Weinman deposition at 50 lines 19-22

Defendant's only witness, its expert Weinman, admitted that ton miles have nothing to do with passenger service:

A. Our mission was to determine the state of the passenger business. The Merger Protection Agreement doesn't really address the state of the passenger business, nor was it intended to.

* * *

Q. In your response you say, "The MPA formulae dealt only with freight indices. It was silent in regard to the passenger business which, according to most sources, was the single biggest cash outflow that Penn Central and many other railways had in this era." And then you go on there's another paragraph in that response. Is that accurate?

A. That's correct.

Trial Exhibit 14 at 49 line 22, 50 line 11.

3. Penn Central's Expert Admits That His Report Is Not Relevant To the MPA's Business Decline Clause.

The Railroad's expert Weinman was not asked nor did he give an opinion as to the nature or application of the job protection provisions of the MPA

Q. Your expert report, I'm correct, am I not, that it did not render an opinion as whether the Merger Protection Agreement applies to these particular plaintiffs?

A. That's correct, it does not indicate anything in that regard.

Q. You weren't asked to do that?

A. That's correct.

Q. You don't have -- do you have an opinion in that regard?

A. No, I don't.

* * *

Q. You didn't render any opinion in your expert report regarding the nature of the job protections in the Merger Protection Agreement; is that true?

A. That's true.

Q. And is it true that you've not been asked to do that?

A. That's true.

Q. And is it also true that you don't have any opinion in that regard? Is that true?

A. That's true.

Trial Exhibit 14 at 90 lines 4 – 14, 91 lines 1-11.

4. Penn Central's Expert Admits That None Of His Testimony
Relates To The Claimants' Rights Under the MPA.

Weinman freely admitted that he examined only some aspects of passenger service and never attempted to evaluate freight service or the existence of a general "business decline."

Q. And you're not in the position -- is it true that you're not in the position to determine whether the furloughs for any of the individual plaintiffs would be justified based on the paragraph that's in Exhibit 3?

A. That's correct, we are not in such a position.

Q. Okay. And you're not -- and you're not an expert in that area, are you?

A. Not in freight business areas.

Q. Have you been asked to provide any additional reports on any issues?

A. None that haven't been discussed here today.

Trial Exhibit 14 at 53 line 23, 54 line 11.

In fact, Weinman admits that he did not have data for the merged company to compare with 1962 and 1963 data.

Q. Is it -- without the New Haven data for '62 and '63, is it possible to compare data for the merged companies?

A. I don't believe we had any information on the New York Central in '62 and '63 either, and so it would not be possible to make a comparison of the two as predecessors of the merged company for those two years.

Trial Exhibit 14 at 62 lines 6-13.

5. Even Penn Central's Counsel Recognized That Their Expert Had Failed To Opine On Any Of The Relevant Issues.

After receiving their expert's first inadequate report, Defense counsel asked expert Weinman to opine on specific issues relating to the MPA. In his reply, Weinman explains to Defense Counsel that his report cannot answer any of the issues relevant to this litigation. Four weeks later at his deposition, Weinman admitted that his report does not even address the business decline provision in the MPA Section 1 (b):

Q: Your report -- am I correct that your report does not address the issue of whether there was a business decline that necessitated a furlough based on the provision that you just read?

A. That's correct.

Q. You weren't asked to do that?

A. That's correct, we were not.

Q. You weren't. But you were asked -- you were asked if you -- you were asked to do that in the e-mail that Mr. Groppe sent you. That was his first issue, right?

A. We were asked to comment on it.

Q. Well, he says to you, "Did Penn Central have a business decline that necessitated a furlough based on Merger Protection Agreement formula." That's what you just -- that's the formula that you have in front of you?

A. That's correct.

Q. So he's asking you whether -- is he not asking you whether there was a business decline that necessitated a

formula or necessitated a furlough based on the formula in Exhibit 3?

A. That's correct. And our response, of course, was that it couldn't be determined since this, the Merger Protection Agreement as presented here in Exhibit 3, is silent on the business of passenger service.

* * *

Q. Theoretically, there would be data that could be input into that formula to get an answer as to whether -- as to whether it's been complied with or not; isn't that true?

A. The answer would be "yes" if you were asking with regard to freight issues and "no" if you were asking in regard to passenger issues.

Q. No if you were asking in regard to passenger issues because it doesn't deal with passenger issues; is that what you're saying?

A. That's correct.

Q. Do you have the data to determine whether the formula would necessitate a furlough based on freight data?

A. No, we do not have any information with regard to that.

Trial Exhibit 14 at 52 lines 23, 53 line 13.

Weinman admits that he could not help Penn Central prove the answer to whether there was a general business decline as the term is defined in the MPA, which is the only issue relevant to this defense.

Q. Did he know prior to the e-mail that you couldn't answer Question Number 1?

A. I can't answer that. I don't know what he knew.

Trial Exhibit 14. page 73 lines 14-17

Similarly, Weinman's latest affidavit provides no testimony regarding business decline. Weinman could not opine and has not attempted to compute the data necessary to determine whether the railroad could lay workers off without paying MPA benefits. Therefore, although Mr. Weinman has provided an interesting historical narrative of passenger service, it has no relevance to the specifically-defined equation mandated in the controlling language of the MPA with reference to applicable business decline.

Accordingly, the business decline defense mounted by the carrier cannot meet the requirements of the MPA Section 1 (b). Thus, not only must summary judgment be denied, but this panel should strike Weinman's irrelevant testimony and this defense as not applicable to the terms of the MPA.

6. Penn Central Knows How To Properly Calculate "Business Decline" And Has Done So In the Past.

Penn Central's purported uncertainty or inability to determine "business decline" is unusual. Over the years, the Railroad did in fact calculate the business decline percentage to determine whether it could reduce costs by laying off workers under other agreements which required the same or similar percentage of loss of gross revenue.

The Railroad regularly tracked these numbers to determine whether they could make furloughs. For example, in a memo from D.C. Bevan, Chairman of the Finance Committee of the Pennsylvania Railroad to Stuart Saunders of July 26, 1967, Bevan calculated that net ton miles were above the 1963-64 base period and thus are not sufficient to trigger the business decline clause. Bevan memo July 26, 1967. Ex C. See also memo of April 21, 1966, memo of Sept. 1, 1965. *Id.* Bevan wrote that "[r]ealistically, the language of the contract means that layoffs may be made only if the ton-mile-operating revenue average drops by 6 percent below the base period average Unless PRR traffic shrinks far more than now anticipated, it does

not seem that any layoffs can be accomplished during July 1967, under terms of this Agreement. The average percentage would have to drop by an additional 6.83 percent for the clause to be invoked.” *Id.* In the 1960s, the Railroad was tracking these numbers to determine in advance whether it could provide the notice necessary to invoke the business decline clause.

Under the MPA, Penn Central could reduce its workforce but only through attrition absent a demonstration by the railroad of a decline in business Which was defined as a specific equation: decline in excess of 5% of gross operating revenue and net revenue ton miles in any 30 day period compared with the average of the same period in 1962-1963. Further, Penn Central was required to give advance notice in order to invoke the business decline provision. Penn Central gave no advance notice of the invocation of the business decline provision to the employees. To date, Penn Central has never provided the calculations that comply with the dictates of this equation.

7. Business Decline Rejected Defense in Railroad Arbitrations.

As with other affirmative defenses, Penn Central has the burden of proof to demonstrate business decline as the cause of its furlough of employees. Multiple arbitration decisions under the MPA have held that the carrier failed to meet its burden of proving business decline. *See* Trial Exhibit 35. System Fed. No. 7, Award 321 (1972)(Purpose of MPA is to afford protective benefits to employees so requirement of proof of business decline not taken lightly).

C. Availability for Work

Claimants anticipate that Penn Central will argue that Claimants were not available for work and that this is a requirement in order to qualify for benefits under the MPA as articulated in the Court’s affirmance of the Blackwell Arbitration Award in *Augustus, et al. v. STB, et al.* 99-3014 (2000). This holding is not applicable to the claims before this panel because every single claimant returned to work. In fact, had *Augustus* been applicable, the Blackwell decision would

have been affirmed in its entirety and at least the *Knapik* case would be over. The *Augustus* holding affirms the viability of the other claims. The majority of those claims (10) remain as well as the *Sophner*, *Bundy* and *Watjen* claims because the facts are separate and distinct.

The key phrase here is “failure to obtain position available in the exercise of his seniority”. In the arbitration under the MPA in *System Federation No. 76, Award No. 414* (1976)(submitted as Trial Exhibit 35), the Claimants held seniority only at one location at which all jobs were abolished. If they had moved to any other location they would be placed on the bottom of the seniority roster. The arbitration panel held that since Claimants had seniority at only one location, they could not exercise their seniority elsewhere. “Simply stated they had no seniority to exercise. They could not therefore be considered deprived of employment for failure to exercise their seniority.” Trial Exhibit 35.

Again, in another arbitration interpreting the MPA, in *Carmen Award No. 159* (1969) the Claimants’ jobs were abolished. They had no seniority to exercise so they could not be found to have failed to exercise seniority. Similarly, another MPA arbitration, *System Fed. No. 172, Award No. 102* (1968) held that the alleged failure of worker to accept offer of work as an unprotected employee does not constitute a failure to obtain work. Unprotected work was the type of work offered to the *Knapik*, *Watjen* and *Bundy* Claimants -- jobs without protection. They were not jobs in which they could exercise their seniority. *See also Arbitration of Int’l of Machinists, Award No. 385* (1975)(offer of job with loss of seniority does not constitute available position).

D. Failure To Plead Mitigation Waives This Affirmative Defense.

1. Mitigation Must be Raised in the First Responsive Pleading.

Failure to mitigate is an affirmative defense as a matter of federal procedural law. *See, Lennon v. U.S. Theatre Corp.*, 920 F.2d 996, 1000 (D.C.Cir.1990); *Modern Leasing v. Falcon*

Mfg. of California, 888 F.2d 59, 62 (8th Cir.1989), and therefore must be pleaded. Failure to mitigate damages is an affirmative defense that must be raised in a responsive pleading—here, an answer—or generally it is waived. *See* Fed.R.Civ.P. 8(c); *WRS, Inc. v. Plaza Entm't, Inc.*, Civ. A. No. 00-2041, 2007 WL 587250, at *6 (W.D.Pa. Feb. 20, 2007).

2. Employer Must Provide Evidence That There Was Substantially Equivalent Work Available And That The Plaintiff Failed To Exercise Reasonable Diligence.

In order to prove “mitigation”, an employer must ordinarily demonstrate two elements to establish failure to mitigate: (1) substantially equivalent work was available, and (2) plaintiff did not exercise reasonable diligence to obtain the available employment. *Booker*, 64 F.3d at 864 (citing *Anastasio v. Schering Corp.*, 838 F.2d 701, 708 (3d Cir.1988)). Substantially equivalent employment is that employment which affords virtually identical promotional opportunities, compensation, job responsibilities, working conditions, and status as the position from which the claimant has been terminated. *Id.* at 866 (quoting *Sellers v. Delgado Coll.*, 902 F.2d 1189, 1193 (5th Cir.1990)).

3. Plaintiff Does Not Have To Accept A New Line Of Work, A Demotion, Demeaning Work, Or Work In Another City.

In *Ford Motor Co. v. EEOC*, 458 U.S. 219, 231, 102 S.Ct. 3057, 3065, 73 L.Ed.2d 721 (1982), the Supreme Court held that “an unemployed or underemployed claimant need not go into another line of work, accept a demotion, or take a demeaning position.” A plaintiff need only pursue “substantially equivalent” work. *Id.* at 232, 102 S.Ct. at 3066. *Rasimas v. Michigan Dept. of Mental Health*, 714 F.2d 614, 32 Fair Empl.Prac.Cas. (BNA) 688, (6th Cir. 1983)(holding that claimants were not required to accept demotions, demeaning work, or work farther than 50 miles from home); *See also McCann Steel Co. v. NLRB*, 570 F.2d 652, 655 (6th Cir.1978) (“We believe that substantially equivalent employment refers to the hours worked . . .

as well as the nature of the work there.”); *Falls Stamping & Welding Co. v. International Union United Automobile, Aircraft and Agricultural Workers of America*, 667 F.2d 1026 (6th Cir.1981), *cert. denied*, 455 U.S. 1019, 102 S.Ct. 1715, 72 L.Ed.2d 136 (1982)(Older claimants need not exert as much effort as young claimants).

It is well settled that a claimant has not failed to make a reasonable effort to mitigate damages where he refused to accept employment that is an unreasonable distance from his residence. *Oman Construction Co., Inc.*, 144 NLRB Dec. (CCH) 1534 (1963), *enf’d.*, 338 F.2d 125 (6th Cir.1964), *cert. denied*, 381 U.S. 925, 85 S.Ct. 1561, 14 L.Ed.2d 684 (1965)(discharged employee properly refused to accept a job more than 200 miles from his home). In *Oman Construction*, the Sixth Circuit enforced the National Labor Relations Board order which held that the employee’s refusal did not constitute a failure to mitigate damages. Similarly in *NLRB v. Madison Courier, Inc.*, 472 F.2d 1307 (D.C.Cir.1972), the court held that the duty to make reasonable efforts to find employment did not obligate claimants “to seek work in Louisville or other areas located over 50 miles from Madison, due to the excessive commute such jobs would have entailed.” *Id.* at 1314. *See, e.g., Florence Printing Co. v. NLRB*, 376 F.2d 216, 221 (4th Cir.1967), *cert. denied*, 389 U.S. 840, 88 S.Ct. 68, 19 L.Ed.2d 104 (1967); *Jackson v. Wheatley School Dist.*, 464 F.2d 411, 413-14 (8th Cir.1972); *Wells v. Hutchinson*, 499 F.Supp. 174, 205 (E.D.Tex.1980).

4. Unemployment Benefits Are Not Deductible From The Damage Award.

Unemployment benefits may not be deducted from awards intended to compensate a worker for lost back-wages. *Rasimas v. Michigan Dept. of Mental Health*, 714 F.2d 614 (6th Cir. 1983). The Sixth Circuit has on several previous occasions affirmed district courts which have held that unemployment benefits should not be offset against backpay awards. *See Falls*

Stamping & Welding Co. v. International Union United Automobile, Aircraft and Agricultural Workers of America, 667 F.2d 1026 (6th Cir.1981), *cert. denied*, 455 U.S. 1019 (1982); *Mabin v. Lear Siegler, Inc.*, 4 Fair Empl.Prac.Cas. (BNA) 679, 687 (W.D.Mich.1971), *aff'd*, 457 F.2d 806 (6th Cir.1972); *Oman Construction Co., Inc.*, 144 NLRB Dec. 1543, 1544 (1963), *enfd*, 338 F.2d 125 (6th Cir.1964). A number of other courts have also refused to reduce backpay awards by the amount of unemployment compensation received by the claimant. *See, e.g., Winn-Dixie Stores, Inc. v. NLRB*, 413 F.2d 1008, 1009-10 (5th Cir.1969); *Isaac and Vinson Security Services, Inc.*, 208 NLRB Dec. 47 (1973), *enfd*, 467 F.2d 213 (5th Cir.1972); *International Assoc. of Machinists & Aerospace Workers v. Champion Carriers, Inc.*, 470 F.2d 744, 745 (10th Cir.1972); *Tidwell v. American Oil Co.*, 332 F.Supp. 424, 437-38 (D.Utah 1971); *Abron v. Black & Decker Mfg. Co.*, 439 F.Supp. 1095, 1115 (D.Md.1977), *aff'd in part and vacated in part*, 654 F.2d 951 (4th Cir.1981).

In *Rasimas v. Michigan Dept. of Mental Health*, 714 F.2d 614 (6th Cir. 1983) the Sixth Circuit held that “disallowing the deduction [for unemployment compensation] does not have a detrimental effect on a claimant’s incentive to use “reasonable diligence” to find substantially equivalent employment. Moreover, if Congress did not intend for an employee to receive unemployment benefits in addition to back pay, the logical solution is a recoupment of the benefits by the state employment agency.”

The *Rasimas* Court emphasized “the significance of the reasoning in *Gullett Gin* where the “Supreme Court explicitly rejected the rationale for deducting the unemployment compensation from backpay awards. The rationale is summarized as follows: 1) where the contributions to the fund from which the benefits derive are made solely by the defendant, the collateral source rule does not apply; 2) the plaintiff would otherwise receive a double recovery;

and 3) the defendant would otherwise in effect be subject to punitive damages. *See Equal Employment Opportunity Commission v. Enterprise Association Steamfitters Local 638*, 542 F.2d 579, 591-92 (2d Cir.1976), *cert. denied*, 430 U.S. 911 (1976). The Supreme Court rejected these arguments, stating:

To decline to deduct state unemployment compensation benefits in computing backpay is not to make the employees more than whole, as contended by respondent. Since no consideration has been given or should be given to collateral losses in framing an order to reimburse employees for their lost earnings, manifestly no consideration need be given to collateral benefits which employees may have received.

But respondent argues that the benefits paid from the Louisiana Unemployment Compensation Fund were not collateral but direct benefits. With this theory we are unable to agree. Payments of unemployment compensation were not made to the employees by taxation. True, these taxes were paid by employers, and thus to some extent respondent helped to create the fund. However, the payments to the employees were not made to discharge any liability or obligation of respondent, but to carry out a policy of social betterment for the benefit of the entire state [citations omitted]. We think these facts plainly show the benefits to be collateral. It is thus apparent from what we have already said that failure to take them into account in ordering back pay does not make the employees more than "whole" as that phrase has been understood and applied.

Gullett Gin Co., 340 U.S. at 364. The Claimants' damages are not offset by unemployment compensation.

5. Ambiguities As To The Amount Are Resolved In Favor of the Claimant.

Backpay should be awarded even where the precise amount of the award cannot be determined. *See, e.g., Equal Employment Opportunity Commission v. Detroit Edison Co.*, 515 F.2d 301, 315 (6th Cir.1975), *vacated on other grounds sub. nom. Utility Workers Union v. Equal Employment Opportunity Commission*, 431 U.S. 951. Any ambiguity in what the claimant would have received should be resolved against the discriminating employer. *See, e.g., Detroit*

Edison, 515 F.2d at 315. In *Detroit Edison*, the Sixth Circuit held that backpay equal to the maximum amount which could have been earned was appropriate where it was impossible to reconstruct the employment history of each claimant. 515 Other Issues

VII. OTHER ISSUES

A. Spoliation of Evidence

Claimants anticipate that Penn Central will argue that the Claimants cannot sustain their burden of proof on at least two issues: 1) as to which specific dates they performed compensated service and 2) production of their wage guarantee forms. Only the Railroad would have this information. The testimony of Claimants' witnesses will show that this information was never recorded or maintained by the employee. George Ellert, Assistant Director of Labor Relations for the carrier even admitted that the Railroad, not the employee was responsible for maintaining the personnel records and the wage guarantee data. Trial Exhibit 34 Ellert testimony at 626-628. Instead this information would have been in the sole possession of the employer. Penn Central was on notice since 1969 and 1974 respectively, of the nature of Claimants' allegations. It knew of the litigation prior to the transfer of personnel records to other railroads during and after the bankruptcy. Finally, as the STB determined the repository of these documents was the Railroad. "Because the carrier was litigating the issue of compensation, it was on notice to keep records of what forms were or were not submitted. Claimants had no duty to administer the compensation scheme and to act as record keeper for that purpose." Trial Exhibit 7 at 7.

It has a duty to maintain copies of this personnel information just as any other Defendant. Otherwise, any defendant could simply destroy or transfer records and then argue that plaintiff could not fulfill its burden of proof.

Claimants should not suffer because Penn Central lost, destroyed or transferred Claimants' work records. Even inadvertent destruction of evidence is sufficient to trigger sanctions where the loss of evidence disadvantages the opposing party. *American State Ins. Co. v. Tokai Seiki Limited*, 704 N.E.2d 1280 (Ct. Com. Pls. 1997). The court may remediate the prejudicial effect caused by the loss of evidence under Civil Rule 36. In fact, the imposition of sanctions for the spoliation of evidence is essential as a matter of public policy. *Luoknas v. Roto Rooter* 167 O App. 559 (2006).

As a sanction for the loss of such evidence, the *Tokai* court permitted the creation of an inference when the testing established that one of the parties was deprived of relevant evidence, not otherwise obtainable, as a result of the other parties abuse.

Secondly, evidence such as documents created for litigation purposes cannot substitute for the original personnel files.

The Third Circuit applies a three part test in *Schmid v. Milwaukee Electric Tool Corp.* 13 F3d. 74 (3rd Cir. 1994) to determine the appropriateness of a sanction such as inference of burden shifting:

1. degree of fault of the party that altered or destroyed the evidence;
2. the degree of prejudice suffered by the opposing party;
3. whether there is a lesser sanction that will avoid unfairness to the opposing party and when the offending party is seriously at fault, will serve to deter such conduct by others.

In this case Penn Central's representation of the whereabouts of personnel data is at best suspect. Railroad's current position is apparently that either Conrail or Amtrak might have possession of Claimants' personnel records, which could answer many of their own questions. However Penn Central produced approximately twenty-five boxes of documents which purportedly demonstrate wages of some of the Claimants in some months of 1968 and 1969. It

produced another group of boxes, which purport to be wage guarantee forms for other employees in the system, mostly from Indianapolis and Columbus. If Penn Central has no access to personnel and wage records, as it maintains, then how were they able to obtain these documents? Trial Exhibit 37.

Further, the Deposit Agreement between Penn Central Corporation (which is used synonymously with American Premier Underwriters in that document) and the Pennsylvania Historical Society indicates that Penn Central Corporation had custody and control of personnel files which it was donating to the Society, with the provision that they be "closed to research until twenty-five years after the death of the employee" Trial Exhibit 31 at 5. Further these documents will be returned to Penn Central Corporation "for litigation in which Depositor is engaged" *Id.* Agreement at 3. Clearly, Penn Central Corporation had custody of personnel files and under the terms of the agreement maintained control of said documents.²² The appropriate sanction here is to preclude any defense based upon claimants' failure to file and/or maintain wage guarantee forms which claimants testified they did file with Penn Central, but which have now disappeared. The panel should also preclude any argument by Penn Central regarding the location or mark up dates of Claimants which would have been in their now non-existent personnel files, which were required to have been retained by Penn Central.

²² Throughout much of the duration of the Deposit Agreement, Penn Central's current counsel served as Staff Vice President and Associated General Counsel for Penn Central Corporation in such litigation matters.

B. Award of This Panel

An award of damages, if any, made by this panel must be against the Defendant PCTC and its successor entities. In 1978, the bankruptcy court issued the final consummation order. Thereafter, the successor PCC moved to compel arbitration.

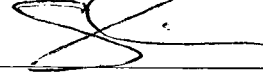
In 1980, the successor entity PCC signed the arbitration agreement. Trial Exhibit 24. In 1990, PCC participated in the arbitration. In 1999, the successor entity PCC participated as the intervenor in the Sixth Circuit Court of Appeals. In this arbitration, the Defendant has always represented itself to be "PCC". Trial Exhibit 33. Defendant's own expert stated that his client in this arbitration matter was American Premier Underwriters (APU). Trial Exhibit 14 at 91, 92. Until three weeks ago, the Defendant self identified as PCC or APU.

Accordingly any award of benefits to the Claimants should be against the Defendant and any successor entity.

VIII. CONCLUSION

For all the foregoing reasons, judgment should be rendered in favor of each Claimant for damages caused by Penn Central's breach of the MPA .

Respectfully submitted,



Carla M. Tricarichi (0014164)
Counsel for Claimants
Tricarichi & Carnes, L.L.C.
614 Superior Avenue NW Suite 620
Cleveland, Ohio 44113
Phone: 216.861.6677
fax: 216.861.6679
E-mail: ctricarichi@aol.com

Bernard S. Goldfarb (0007719)
55 Public Square Suite 1500
Cleveland, OH 44113
Phone: 216.696.0606
fax: 216.696-0679

Mark Griffin (0064141)
614 Superior Avenue, N.W. Suite 620
Cleveland, Ohio 44113
Phone : (216) 376-3006
Fax : (216) 861-6679
E-mail : Mark.D.Griffin@gmail.com

Randy J. Hart (0046793)
614 Superior Avenue, N.W. Suite 620
Cleveland, Ohio 44113
Phone: (216) 861-6677
Fax: (216) 861-6679
E-mail: rjhart@hahnlaw.com

CERTIFICATE OF SERVICE

A copy of the foregoing was sent via electronic mail to:

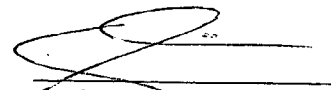
Michael L. Cioffi
Nathaniel R. Jones
Jason Groppe
Blank Rome, LLP
1700 PNC Center
201 East Fifth Street
Cincinnati, Ohio 45202
groppe@blankrome.com

Steven H. Steinglass
2374 Tudor Drive
Cleveland Heights, Ohio 44106
steven.steinglass@law.csuohio.com

Dennis R. Lansdowne
1900 East Ninth Street, Suite 2400
Cleveland, Ohio 44114
drl@spanglaw.com

Joseph P. Tomain
University of Cincinnati, College of Law
Clifton and Calhoun Streets
P.O. Box 210040
Cincinnati, Ohio 45221-0040
tomainjp@ucmail.uc.edu

on this 3rd day of December, 2007



Carla M. Tricarichi
Attorney for Claimants

BEFORE THE ARBITRATION COMMITTEE

MICHAEL J. KNAPIK, et al.,	:	Case No. 69-722
Claimants,	:	
v.	:	
PENN CENTRAL,	:	
Carrier.	:	
ROBERT WATJEN, et al.,	:	Case No. 69-675
Claimants,	:	
v.	:	
PENN CENTRAL,	:	
Carrier.	:	
DAVID C. BUNDY, et al.,	:	Case No. 69-947
Claimants,	:	
v.	:	
PENN CENTRAL,	:	
Carrier.	:	
G.V. SOPHNER, et al.,	:	Case No. 74-914
Claimants,	:	
v.	:	
PENN CENTRAL,	:	
Carrier.	:	

CLAIMANTS' WITNESS LIST

Claimants may call the following witnesses to testify:

1. James Knapik
2. Phillip Franz
3. Harvey Rosen, Ph.D.
4. Thomas O'Neil
5. Anna Jo Bundy
6. John Gallagher
7. Andrew Novotny
8. Robert McNeeley
9. Paul Scuba, Jr.

10. Virginia McNabb
11. Mary Beth Verdi
12. Georgine Slusarski
13. Ann Marie Pentz

In addition claimants will present preserved testimony from George Ellert, Raymond Beedlow and Christ Steimle. *See* Trial Exhibit 34.

The order of witnesses is subject to change. Certain witnesses due to frailty/illness may appear via videotape.

Respectfully submitted,



Carla M. Tricarichi (0014164)
Counsel for Claimants
Tricarichi & Carnes, L.L.C.
614 Superior Avenue NW Suite 620
Cleveland, Ohio 44113
Phone: 216.861.6677
fax: 216.861.6679
E-mail: ctricarichi@aol.com

Bernard S. Goldfarb (0007719)
55 Public Square Suite 1500
Cleveland, OH 44113
Phone: 216.696.0606
fax: 216.696-0679

Mark Griffin (0064141)
614 Superior Avenue, N.W. Suite 620
Cleveland, Ohio 44113
Phone : (216) 376-3006
Fax : (216) 861-6679
E-mail : Mark.D.Griffin@gmail.com

Randy J. Hart (0046793)
614 Superior Avenue, N.W. Suite 620
Cleveland, Ohio 44113
Phone: (216) 861-6677
Fax: (216) 861-6679
E-mail: rjhart@hahnlaw.com

CERTIFICATE OF SERVICE

A copy of the foregoing was sent via electronic mail to:

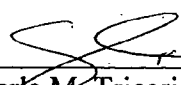
Michael L. Cioffi
Nathaniel R. Jones
Jason Groppe
Blank Rome, LLP
1700 PNC Center
201 East Fifth Street
Cincinnati, Ohio 45202
groppe@blankrome.com

Steven H. Steinglass
2374 Tudor Drive
Cleveland Heights, Ohio 44106
steven.steinglass@law.csuohio.com

Dennis R. Lansdowne
1900 East Ninth Street, Suite 2400
Cleveland, Ohio 44114
drl@spanglaw.com

Joseph P. Tomain
University of Cincinnati, College of Law
Clifton and Calhoun Streets
P.O. Box 210040
Cincinnati, Ohio 45221-0040
tomainjp@ucmail.uc.edu

on this 3rd day of December, 2007



Carla M. Tricarichi
Attorney for Claimants

BEFORE THE ARBITRATION COMMITTEE

MICHAEL J. KNAPIK, et al.,
Claimants,
v.
PENN CENTRAL,
Carrier.

:

Case No. 69-722

ROBERT WATJEN, et al.,
Claimants,
v.
PENN CENTRAL,
Carrier.

:

Case No. 69-675

DAVID C. BUNDY, et al.,
Claimants,
v.
PENN CENTRAL,
Carrier.

:

Case No. 69-947

G.V. SOPHNER, et al.,
Claimants,
v.
PENN CENTRAL,
Carrier.

:

Case No. 74-914

CLAIMANTS' TRIAL EXHIBITS

1. Merger Protection Agreement
2. Correspondence regarding failure to recognize claimants as covered by the MPA
3. Affidavit and deposition testimony of Philip Franz
4. 1976 Order
5. 1974 ICC Orders
6. 1979 Order
7. 1998 Surface Transportation Board Order
8. Certification of Railroad Retirement Board Records – previously produced
9. Expert Rosen Reports – previously produced
10. February 1, 1968 Penn Central letter to All Penn Central Employees
11. Headlight – Publication of Penn Central
12. Excerpts Saunders Speech to City Council of New Castle December 16, 1965
13. Excerpts *The Wreck of the Penn Central* by Daughen and Bizen
14. Weinman Deposition testimony and selected exhibits- report and email
15. February 21, 1968 Furlough Notice
16. Rosters
17. May 2, 1969 Return to work notice
18. 1969 Protest letters
19. 1969 Agreement
20. January 10, 1969 Notices that jobs abolished
21. January 14, 1969 Letters to Scheper exercising seniority
22. January 1969 Letters to Scheper requesting separation allowance
23. *Bundy v. Penn Central* 455 F.2d 277 (6th Cir. 1972)
24. 1980 Agreement for Arbitration
25. February 5, 2005, April 5, 2005 and June 28, 2006 Orders of Judge Oliver

26. Kershner letters
27. August 25, 1969 letter from Lyons to Anderson regarding CUT status
28. Answers of Penn Central
29. February 28, 1990 letter from Robert O'Neill to Arbitrator Blackwell regarding guarantees
30. Ray Glenn information regarding guarantees
31. Memoranda of PCTC attempting to calculate 5% business decline to justify layoffs
32. Deposit agreement with PA Historical Society and certification from PA Historical Society which authenticates Exhibits 31 and 32
33. Excerpts of Defendants Responses and Objections to Plaintiffs' First Set of Interrogatories
34. 1990 Arbitration testimony
35. Arbitration Awards
36. Wage guarantee documents
37. PA Historical Society documents (Certification listed at Exhibit 32)
38. Claimant affidavits
39. Litigation Expenses
40. Attorney Fees

Respectfully submitted,



Carla M. Tricarichi (0014164)
Counsel for Claimants
Tricarichi & Carnes, L.L.C.
614 Superior Avenue NW Suite 620
Cleveland, Ohio 44113
Phone: 216.861.6677
fax: 216.861.6679
E-mail: ctricarichi@aol.com

Bernard S. Goldfarb (0007719)
55 Public Square Suite 1500
Cleveland, OH 44113
Phone: 216.696.0606
fax: 216.696-0679

Mark Griffin (0064141)
614 Superior Avenue, N.W. Suite 620
Cleveland, Ohio 44113
Phone : (216) 376-3006
Fax : (216) 861-6679
E-mail : Mark.D.Griffin@gmail.com

Randy J. Hart (0046793)
614 Superior Avenue, N.W. Suite 620
Cleveland, Ohio 44113
Phone: (216) 861-6677
Fax: (216) 861-6679
E-mail: rjhart@hahnlaw.com

CERTIFICATE OF SERVICE

A copy of the foregoing was sent via Messenger Fed / Ex to:

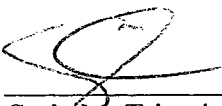
Michael L. Cioffi
Nathaniel R. Jones
Jason Groppe
Blank Rome, LLP
1700 PNC Center
201 East Fifth Street
Cincinnati, Ohio 45202
groppe@blankrome.com

Steven H. Steinglass
2374 Tudor Drive
Cleveland Heights, Ohio 44106
steven.steinglass@law.csuohio.com

Dennis R. Lansdowne
1900 East Ninth Street, Suite 2400
Cleveland, Ohio 44114
drl@spanglaw.com

Joseph P. Tomain
University of Cincinnati, College of Law
Clifton and Calhoun Streets
P.O. Box 210040
Cincinnati, Ohio 45221-0040
tomainjp@ucmail.uc.edu

on this 3rd day of December, 2007



Carla M. Tricarichi
Attorney for Claimants

**AGREEMENT
FOR PROTECTION OF EMPLOYEES
IN EVENT OF MERGER OF
PENNSYLVANIA AND NEW YORK CENTRAL RAILROADS**

WHEREAS, The Pennsylvania Railroad Company and the New York Central Railroad Company (hereinafter sometimes referred to individually as Pennsylvania and Central or collectively as the Carriers) have filed a joint application with the Interstate Commerce Commission (hereinafter called the Commission) for authority under Section 5 (2) of the Interstate Commerce Act to merge the properties and franchises of Central into Pennsylvania for ownership, management, and operation of the properties now separately owned and operated, and for certain other authority incidental thereto, as more fully described in Finance Dockets Nos. 21989 and 21990;

AND WHEREAS, the Joint Agreement of Merger dated January 12, 1962, provides that the corporation to survive the merger will be a corporation of the Commonwealth of Pennsylvania with its name changed to "Pennsylvania-New York Central Transportation Company" (hereinafter referred to as the merged company) which will assume and be bound by the collectively bargained labor agreements of both Pennsylvania and Central;

AND WHEREAS, it is the intent and purpose of Pennsylvania and Central, in the event of approval of their joint application, to effectuate the merger through the unification, coordination and consolidation of their separate facilities, all of which will or may have adverse effect upon employees represented by the labor organization parties hereto;

AND WHEREAS, the labor organization signatory hereto is the authorized and recognized representative of certain of the employees of Pennsylvania and Central and has intervened on behalf of said employees through the Railway Labor Executives' Association in opposition to the said merger and related transactions in proceedings before the Commission, which opposition is not waived by this Agreement;

AND WHEREAS, Section 5 (2) (f) of the Interstate Commerce Act provides:

"As a condition of its approval, under this paragraph (2), of any transaction involving a carrier or carriers by railroad subject to the provisions of this chapter, the Commission shall require a fair and equitable arrangement to protect the interests of the railroad employees affected. In its order of approval the Commission shall include terms and conditions providing that during the period of four years from the effective date of such order such transaction will not result in employees of the carrier or carriers by railroad affected by such order being in a worse position with respect to their employment, except that the protection afforded to any employee pursuant to this sentence shall not be required to continue for a longer period, following the effective date of such order, than the period during which such employee was in the employ of such carrier or carriers prior to the effective date of such order. Notwithstanding any other provisions of this chapter and chapters 8 and 12 of this title, an agreement pertaining to the protection of the interests of said employees may hereafter be entered into by any carrier or carriers by railroad and the duly authorized representative or representatives of its or their employees."

AND WHEREAS, pursuant to the provisions of the Railway Labor Act, as amended, and in accordance with the last sentence of Section 5 (2) (f) of the Interstate Commerce Act above quoted, the parties signatory hereto have reached agreement respecting the protection to be afforded employees of the railway carriers involved or who may become involved in the aforesaid application and transactions;

NOW, THEREFORE, it is mutually agreed as follows:

Section 1.

(a) If, notwithstanding the opposition of the said labor organization, the Commission should approve the said merger, then upon consummation thereof the provisions of the Washington Job Protection Agreement of 1936 (a copy of which is attached hereto as Appendix A) shall be applied for the protection of all employees of

Pennsylvania and Central as of the effective date of this Agreement or subsequent thereto up to and including the date the merger is consummated who may be adversely affected with respect to their compensation, rules, working conditions, fringe benefits or rights and privileges pertaining thereto incident to approval and effectuation of said merger; provided, however, that in addition to benefits set forth in the said Washington Job Protection Agreement, it is further agreed as follows:

(b) On the date the said merger of Central into Pennsylvania is consummated the merged company will take into its employment all employees of Pennsylvania and Central as of the effective date of this Agreement or subsequent thereto up to and including the date the merger is consummated who are willing to accept such employment, and none of the present employees of either of the said Carriers shall be deprived of employment or placed in a worse position with respect to compensation, rules, working conditions, fringe benefits or rights and privileges pertaining thereto at any time during such employment.

For the purposes of this Agreement the term "present employees" is defined to mean all employees of Pennsylvania or Central who render any compensated service between the effective date of this Agreement and the date the merger is consummated (both dates inclusive) provided, however, that in the event two or more employees, including those on leave-of-absence, have employment rights to the same job, said employees will be protected hereunder and their employment preserved only to the extent of their individual equities in said job; provided, further, that the merged company shall also take over, assume and continue the employment relationship of all employees on furlough or leave-of-absence and preserve their rights and equities as they may exist as of the effective date of this Agreement or subsequent thereto up to and including the date the merger is consummated subject, however, to the transfer of work and employees as hereinafter set forth.

Pennsylvania and Central agree to furnish rosters (which shall be attached as Appendix B to this Agreement) of all employees entitled to preservation of employment, compensation, and fringe benefits as of the effective date of this Agreement, and also separate rosters (which shall be attached as Appendix C) of all employees on furlough or leave-of-absence, each of which rosters shall also set forth the Carrier by which the employees are employed and the labor organization party to this Agreement representing such employees. The Carrier will furnish, upon request, information specified in Appendix E to this Agreement. Pennsylvania and Central further agree that the said rosters are subject to revision as necessary to include any employees to be added or deleted from said rosters between the effective date of this Agreement and the date the merger is consummated.

An employee shall not be regarded as deprived of employment or placed in a worse position with respect to his compensation, rules, working condition, fringe benefits, or rights and privileges pertaining thereto in case of his resignation, death, retirement, dismissal for cause in accordance with existing agreements, or failure to work due to disability or discipline, or failure to obtain a position available to him in the exercise of his seniority rights in accordance with existing rules or agreements, or reductions in forces due to seasonal requirements (including lay-offs during the Miners' Holiday and the Christmas season), provided, however, that employees furloughed due to seasonal requirements shall not be furloughed in any twelve-month period for a greater period than they were furloughed during the twelve months preceding the date the merger is consummated; provided, further, however, that in the event of a decline in the merged company's business in excess of 5% in the average percentage of both gross operating revenue and net revenue ton miles in any 30-day period compared with the average of the same period for the years 1962 and 1963, a reduction in forces in the craft represented by the organization signatory hereto may be made at any time during the said 30-day period below the number of employees entitled to preservation of employment under this Agreement to the extent of one percent for each one percent the said decline exceeds 5%. The average percentage of decline shall be the total of the percent of decline in gross operating revenue and percent of decline in net revenue ton miles divided by two. Advance notice of any such force reduction shall be given as required by the current schedule Agreements of the organization signatory hereto and such reduction shall be made in accordance with existing

Agreements. Upon restoration of the merged company's business following any such force reduction employees entitled to preservation of employment must be recalled in accordance with the same formula within 15 calendar days.

Notwithstanding other provisions of this Agreement, the merged company shall have the right to make force reductions under emergency conditions such as flood, snowstorm, hurricane, earthquake, fire or strike, provided that operations are suspended in whole or in part and provided further that because of such emergencies the work which would be performed by the incumbents of the positions to be abolished or the work which would be performed by the employees involved in the force reductions no longer exists or cannot be performed. When forces have been so reduced and thereafter operations are restored employees entitled to preservation of employment must be recalled upon the termination of the emergency. In the event the merged company is required to make force reductions because of the aforesaid emergency conditions, it is agreed that any decline in gross operating revenue and net revenue ton miles resulting therefrom shall not be included in any computation of a decline in the merged company's business pursuant to the provisions of the preceding paragraph.

In consideration of the foregoing employee benefits the merged company shall be entitled to transfer the work of the employees protected hereunder throughout the merged or consolidated system and the labor organization will, subject to provisions contained in the Memorandum of Understanding attached hereto as Appendix F, enter into implementing agreements providing for the transfer and use of employees and allocation or rearrangement of forces made necessary by changes for which protection is herein provided and the employees, their organization and the Carriers will cooperate to that end. The implementing agreements to be negotiated with respect to the transfer and use of employees and allocation or rearrangement of forces shall enable the merged company to transfer such employees and rearrange forces without liability to furloughed employees who may be affected by such transfer.

None of the provisions of this Agreement are applicable to employees temporarily hired for work on non-recurring projects between the effective date hereof and the date of the consummation of the merger.

(c) Without limiting the provisions of subsection (b) hereof, the merged company further agrees to maintain work forces represented by the organization signatory hereto in such manner that force reduction below the established base as defined herein shall not exceed five percent (5%) per annum. The established base shall mean the total number of employees in the craft represented by the organization signatory hereto entitled to preservation of employment as of the date of consummation of the merger.

(d) The merged company will take over and assume all contracts, schedules and agreements between Pennsylvania, Central, and the labor organization signatory hereto concerning rates of pay, rules, working conditions and fringe benefits in effect at the time of consummation of the said merger and will be bound by the terms and provisions thereof, subject to changes in accordance with the provisions of the Railway Labor Act, as amended, in the same manner and to the same extent as if the merged company had been a party thereto.

(e) For purposes of this Agreement, Section 13 of the Washington Job Protection Agreement is deleted and the following provision inserted in lieu thereof:

In the event any dispute or controversy arises between Pennsylvania, Central, or the merged company and the labor organization signatory to this Agreement with respect to the interpretation or application of any provision of this Agreement or of the Washington Job Protection Agreement (except as defined in Section II thereof) or of any implementing agreement entered into between the merged company and the labor organization party hereto pertaining to the said merger or related transactions, which cannot be settled by said Carriers and the labor organization involved within thirty days after the dispute arises, such dispute may be referred by either party to an arbitration committee for consideration and determination. Upon notice in writing served by one party on the other of intent by that party to refer the dispute or controversy to an arbitration committee, each party shall, within ten days, select a member of the arbitration committee and the members thus chosen shall endeavor

to select a neutral member who shall serve as Chairman, in which event the compensation and expenses of the Chairman shall be borne equally by the parties to the proceeding. All other expenses shall be borne by the party incurring them. Should the members designated by the parties be unable to agree upon the appointment of the neutral member within ten days, either party may request the National Mediation Board to appoint the neutral member, whose compensation and expenses shall then be paid in accordance with existing law. If any party fails to select its member of the arbitration committee within the prescribed time limit, the representative of such party signatory to this Agreement or his designated representative shall be deemed to be the selected member and the committee shall then function and its decision shall have the same force and effect as though all parties had selected their members. The decision of the majority of the arbitration committee shall be final and binding, except that in any case in which there is an unequal number of carrier and organization members on the arbitration committee, the decision of the neutral member shall be final and binding.

Section 2.

In the event merger or control of other carriers not now involved in the aforesaid merger proceedings should be ordered by the Commission as a condition of its approval of the pending transaction, this Agreement shall be subject to amendment by the parties so as to provide the employee benefits set forth in Section 1 hereof to the employees of any such carrier controlled by or merged into the merged company.

Section 3.

The foregoing represents an agreed settlement of protection of the interest of the employees of Pennsylvania and Central in the said merger. Said agreed settlement of protective benefits is made on behalf of said employees by their authorized and recognized bargaining representative signatory hereto pursuant to Section 5 (2) (f) of the Interstate Commerce Act and applicable provisions of the Railway Labor Act, as amended, and shall become applicable only in the event of approval by the Commission of the proposed merger and consummation thereof. It shall be considered and construed as a separate agreement between Pennsylvania, Central and the labor organization signatory hereto.

Section 4.

It is understood and agreed that the provisions of this Agreement shall be for the benefit only of the employees represented by the labor organization party hereto.

Section 5.

The effective date of this Agreement shall be January 1, 1964.

IN WITNESS WHEREOF the parties to this Agreement have hereunto executed the same by and through their duly authorized representative this 16th day of November, 1964.

THE PENNSYLVANIA
RAILROAD COMPANY

By Guy W. Knight

NEW YORK CENTRAL
RAILROAD COMPANY

By L. B. Fee

BROTHERHOOD OF
RAILROAD TRAINMEN

By C. E. Wible
General Chairman—PRR—Lines East

J. F. McNeel
General Chairman—PRR—Lines West

J. J. Kenefick
General Chairman—NYC—New York District and Eastern District (excluding Boston and Albany Division)

J. W. Loconto
General Chairman—NYC—Boston and Albany Division

R. E. Swert
General Chairman—NYC—Western
District

Raymond Fieberkorn
General Chairman—NYC—Northern
District

R. M. Crago
General Chairman—NYC—Southern
District

W. E. Atkinson
General Chairman—NYC—Ohio Central
Division

ATTACHMENTS:

Appendix A — Washington Job Protection Agreement.

Appendix B — Rosters of employes represented by the labor organization party to the Agreement on each of the Carriers involved entitled to preservation of employment, compensation and fringe benefits as of the effective date of this Agreement or subsequent thereto up to and including date merger is consummated.

Appendix C — Rosters of all employes on furlough or leave-of-absence, setting forth Carrier by which employe is employed and labor organization party to this Agreement representing such employe.

Appendix E — Memorandum of Understanding re employment information to be furnished upon request and computations respecting compensation due operating employes under Agreement.

Appendix F — Memorandum of Understanding re moving expenses, and lump sum separation allowances.

Appendix G — Memorandum of Understanding re election to take furlough.

Appendix H — Memorandum of Understanding re official, supervisory and fully excepted personnel.

Appendix I — Memorandum of Understanding involving employes with exclusive road and yard seniority.

Appendix J — Letter of Intent.

AGREEMENT OF MAY, 1936, WASHINGTON, D. C.

This agreement is entered into between the carriers listed and defined in Appendices "A", "B" and "C" attached hereto and made a part hereof, represented by the duly authorized Joint Conference Committee signatory hereto, as party of the first part, and the employes of said carriers, represented by the organizations signatory hereto by their respective duly authorized executives, as party of the second part, and, so far as necessary to carry out the provisions hereof, is also to be construed as a separate agreement by and between and in behalf of each of said carriers and its employes who are now or may hereafter be represented by any of said organizations which now has (or may hereafter have during the life of this agreement) an agreement with such carrier concerning rates of pay, rules or working conditions.

The signatories hereto, having been respectively duly authorized as aforesaid to negotiate to a conclusion certain pending issues concerning the treatment of employes who may be affected by coordination as hereinafter defined, hereby agree:

Section 1. That the fundamental scope and purpose of this agreement is to provide for allowances to defined employes affected by coordination as hereinafter defined, and it is the intent that the provisions of this agreement are to be restricted to those changes in employment in the Railroad Industry solely due to and resulting from such coordination. Therefore, the parties hereto understand and agree that fluctuations, rises and falls and changes in volume or character of employment brought about solely by other causes are not within the contemplation of the parties hereto, or covered by or intended to be covered by this agreement.

Section 2 (a). The term "coordination" as used herein means joint action by two or more carriers whereby they unify, consolidate, merge or pool in whole or in part their separate railroad facilities or any of the operations or services previously performed by them through such separate facilities.

(b) The term "carrier" as used herein when it refers to other than parties to this agreement means any carrier subject to the provisions of Part I of the Interstate Commerce Act; when it refers to a party to this agreement it means any company or system listed and described in Appendices "A", "B" or "C" as a single carrier party to this agreement.

(c) The term "time of coordination" as used herein includes the period following the effective date of a coordination during which changes consequent upon coordination are being made effective; as applying to a particular employee it means the date in said period when that employee is first adversely affected as a result of said coordination.

Section 3 (a). The provisions of this agreement shall be effective and shall be applied whenever two or more carriers parties hereto undertake a coordination; and it is understood that if a carrier or carriers parties hereto undertake a coordination with a carrier or carriers not parties hereto, such coordination will be made only upon the basis of an agreement approved by all of the carriers parties thereto and all of the organizations of employes involved (parties hereto) of all of the carriers concerned. No coordination involving classes of employees not represented by any of the organizations parties hereto shall be undertaken by the carriers parties hereto except in accord with the provisions of this agreement or agreements arising hereunder.

(b) Each carrier listed and established as a separate carrier for the purposes of this agreement, as provided in Appendices "A", "B" and "C", shall be regarded as a separate carrier for the purposes hereof during the life of this agreement; provided, however, that in the case of any coordination involving two or more railroad carriers which also involves the Railway Express Agency, Inc., the latter company shall be treated as a separate carrier with respect to its operations on each of the railroads involved.

(c) It is definitely understood that the action of the parties hereto in listing and establishing as a single carrier any system which comprises more than one operating company is taken solely for the purposes of this agreement and shall not

be construed or used by either party hereto to limit or affect the rights of the other with respect to matters not falling within the scope and terms of this agreement.

Section 4. Each carrier contemplating a coordination shall give at least ninety (90) days written notice of such intended coordination by posting a notice on bulletin boards convenient to the interested employees of each such carrier and by sending registered mail notice to the representatives of such interested employees. Such notice shall contain a full and adequate statement of the proposed changes to be effected by such coordination, including an estimate of the number of employees of each class affected by the intended changes. The date and place of a conference between representatives of all the parties interested in such intended changes for the purpose of reaching agreements with respect to the application thereto of the terms and conditions of this agreement, shall be agreed upon within ten (10) days after the receipt of said notice, and conference shall commence within thirty (30) days from the date of such notice.

Section 5. Each plan of coordination which results in the displacement of employees or rearrangement of forces shall provide for the selection of forces from the employees of all the carriers involved on bases accepted as appropriate for application in the particular case; and any assignment of employees made necessary by a coordination shall be made on the basis of an agreement between the carriers and the organizations of the employees affected, parties hereto. In the event of failure to agree, the dispute may be submitted by either party for adjustment in accordance with Section 13.

Section 6 (a). No employee of any of the carriers involved in a particular coordination who is continued in service shall, for a period not exceeding five years following the effective date of such coordination, be placed, as a result of such coordination, in a worse position with respect to compensation and rules governing working conditions than he occupied at the time of such coordination so long as he is unable in the normal exercise of his seniority rights under existing agreements, rules and practices to obtain a position producing compensation equal to or exceeding the compensation of the position held by him at the time of the particular coordination, except however, that if he fails to exercise his seniority rights to secure another available position, which does not require a change in residence, to which he is entitled under the working agreement and which carries a rate of pay and compensation exceeding those of the position which he elects to retain, he shall thereafter be treated for the purposes of this section as occupying the position which he elects to decline.

(b) The protection afforded by the foregoing paragraph shall be made effective whenever appropriate through what is hereby designated as a "displacement allowance" which shall be determined in each instance in the manner hereinafter described. Any employee entitled to such an allowance is hereinafter referred to as a "displaced" employee.

(c) Each displacement allowance shall be a monthly allowance determined by computing the total compensation received by the employee and his total time paid for during the last twelve (12) months in which he performed service immediately preceding the date of his displacement (such twelve (12) months being hereinafter referred to as the "test period") and by dividing separately the total compensation and the total time paid for by twelve, thereby producing the average monthly compensation and average monthly time paid for, which shall be the minimum amounts used to guarantee the displaced employee, and if his compensation in his current position is less in any month in which he performs work than the aforesaid average compensation he shall be paid the difference, less compensation for any time lost on account of voluntary absences to the extent that he is not available for service equivalent to his average monthly time during the test period, but he shall be compensated in addition thereto at the rate of the position filled for any time worked in excess of the average monthly time paid for during the test period.

Section 7 (a). Any employee of any of the carriers participating in a particular coordination who is deprived of employment as a result of said coordination shall be accorded an allowance (hereinafter termed a coordination allowance), based on length of service, which (except in the case of an employee with less than one year of service) shall be a monthly allowance equivalent in each instance to sixty per cent (60%) of the average monthly compensation of the employee in question during the last twelve months of his employment in which he earned compensation prior to the date he is first deprived of employment as a result of the coordination. This coordination allowance will be made to each eligible employee while unemployed by his home road or in the coordinated operation during a period beginning at the date he is first deprived of employment as a result of the coordination and extending in each instance for a length of time determined and limited by the following schedule:

<i>Length of Service</i>	<i>Period of Payment</i>
1 yr. and less than 2 yrs.	6 months
2 yrs. " " " 3 "	12 "
3 yrs. " " " 5 "	18 "
5 yrs. " " " 10 "	36 "
10 yrs. " " " 15 "	48 "
15 yrs. and over	60 "

In the case of an employee with less than one year of service, the total coordination allowance shall be a lump sum payment in an amount equivalent to sixty (60) days pay at the straight time daily rate of the last position held by him at the time he is deprived of employment as a result of the coordination.

(b) For the purposes of this agreement the length of service of the employee shall be determined from the date he last acquired an employment status with the employing carrier and he shall be given credit for one month's service for each month in which he performed any service (in any capacity whatsoever) and twelve such months shall be credited as one year's service. The employment status of an employee shall not be interrupted by furlough in instances where the employee has a right to and does return to service when called. In determining length of service of an employee acting as an officer or other official representative of an employee organization he will be given credit for performing service while so engaged on leave of absence from the service of a carrier.

(c) An employee shall be regarded as deprived of his employment and entitled to a coordination allowance in the following cases:

1. When the position which he holds on his home road is abolished as result of coordination and he is unable to obtain by the exercise of his seniority rights another position on his home road or a position in the coordinated operation, or
2. When the position he holds on his home road is not abolished but he loses that position as a result of the exercise of seniority rights by an employee whose position is abolished as a result of said coordination, or by other employees, brought about as a proximate consequence of the coordination, and if he is unable by the exercise of his seniority rights to secure another position on his home road or a position in the coordinated operation.

(d) An employee shall not be regarded as deprived of employment in case of his resignation, death, retirement on pension or on account of age or disability in accordance with the current rules and practices applicable to employees generally, dismissal for justifiable cause in accordance with the rules, or furloughed because of reduction in forces due to seasonal requirements of the service; nor shall any employee be regarded as deprived of employment as the result of a particular coordination who is not deprived of his employment within three years from the effective date of said coordination.

(e) Each employee receiving a coordination allowance shall keep the employer informed of his address and the name and address of any other person by whom he may be regularly employed.

(f) The coordination allowance shall be paid to the regularly assigned incumbent of the position abolished. If the position of an employee is abolished while he is absent from service, he will be entitled to the coordination allowance when he is available for service. The employee temporarily filling said position at the time it was abolished will be given a coordination allowance on the basis of said position until the regular employee is available for service and thereafter shall revert to his previous status and will be given a coordination allowance accordingly if any is due.

(g) An employee receiving a coordination allowance shall be subject to call to return to service after being notified in accordance with the working agreement, and such employee may be required to return to the service of the employing carrier for other reasonably comparable employment for which he is physically and mentally qualified and which does not require a change in his place of residence, if his return does not infringe upon the employment rights of other employees under the working agreement.

(h) If an employee who is receiving a coordination allowance returns to service the coordination allowance shall cease while he is so reemployed and the period of time during which he is so reemployed shall be deducted from the total period for which he is entitled to receive a coordination allowance. During the time of such reemployment however he shall be entitled to protection in accordance with the provisions of Section 6.

(i) If an employee who is receiving a coordination allowance obtains railroad employment (other than with his home road or in the coordinated operation) his coordination allowance shall be reduced to the extent that the sum total of his earnings in such employment and his allowance exceeds the amount upon which his coordination allowance is based; provided that this shall not apply to employees with less than one year's service.

(j) A coordination allowance shall cease prior to the expiration of its prescribed period in the event of:

1. Failure without good cause to return to service in accordance with working agreement after being notified of position for which he is eligible and as provided in paragraphs (g) and (h).
2. Resignation.
3. Death.
4. Retirement on pension or on account of age or disability in accordance with the current rules and practices applicable to employees generally.
5. Dismissal for justifiable cause.

Section 8. An employee affected by a particular coordination shall not be deprived of benefits attaching to his previous employment, such as free transportation, pensions, hospitalization, relief, etc., under the same conditions and so long as such benefits continue to be accorded to other employees on his home road, in active service or on furlough as the case may be, to the extent that such benefits can be so maintained under present authority of law or corporate action or through future authorization which may be obtained.

Section 9. Any employee eligible to receive a coordination allowance under section 7 hereof may, at his option at the time of coordination, resign and (in lieu of all other benefits and protection provided in this agreement) accept in a lump sum a separation allowance determined in accordance with the following schedule:

<i>Length of Service</i>	<i>Separation Allowance</i>
1 yr. and less than 2 yrs.	3 months' pay
2 yrs. " " " 3 "	6 " "
3 yrs. " " " 5 "	9 " "
5 yrs. " " " 10 "	12 " "
10 yrs. " " " 15 "	12 " "
15 years and over	12 " "

In the case of employees with less than one year's service, five days' pay, at the

rate of the position last occupied, for each month in which they performed service will be paid as the lump sum.

(a) Length of service shall be computed as provided in Section 7.

(b) One month's pay shall be computed by multiplying by 30 the daily rate of pay received by the employee in the position last occupied prior to time of coordination.

Section 10 (a) Any employee who is retained in the service of any carrier involved in a particular coordination (or who is later restored to service from the group of employees entitled to receive a coordination allowance) who is required to change the point of his employment as result of such coordination and is therefore required to move his place of residence, shall be reimbursed for all expenses of moving his household and other personal effects and for the traveling expenses of himself and members of his family, including living expenses for himself and his family and his own actual wage loss during the time necessary for such transfer, and for a reasonable time thereafter, (not to exceed two working days), used in securing a place of residence in his new location. The exact extent of the responsibility of the carrier under this provision and the ways and means of transportation shall be agreed upon in advance between the carrier responsible and the organization of the employee affected. No claim for expenses under this Section shall be allowed unless they are incurred within three years from the date of coordination and the claim must be submitted within ninety (90) days after the expenses are incurred.

(b) If any such employee is furloughed within three years after changing his point of employment as a result of coordination and elects to move his place of residence back to his original point of employment, the carrier shall assume the expense of moving his household and other personal effects under the conditions imposed in paragraph (a) of this section.

(c) Except to the extent provided in paragraph (b) changes in place of residence subsequent to the initial changes caused by coordination and which grow out of the normal exercise of seniority in accordance with working agreements are not comprehended within the provisions of this section.

Section 11 (a). The following provisions shall apply, to the extent they are applicable in each instance, to any employee who is retained in the service of any of the carriers involved in a particular coordination (or who is later restored to such service from the group of employees entitled to receive a coordination allowance) who is required to change the point of his employment as a result of such coordination and is therefore required to move his place of residence:

1. If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by his employing carrier for any loss suffered in the sale of his home for less than its fair value. In each case the fair value of the home in question shall be determined as of a date sufficiently prior to the coordination to be unaffected thereby. The employing carrier shall in each instance be afforded an opportunity to purchase the home at such fair value before it is sold by the employee to any other party.
2. If the employee is under a contract to purchase his home, the employing carrier shall protect him against loss to the extent of the fair value of any equity he may have in the home and in addition shall relieve him from any further obligations under his contract.
3. If the employee holds an unexpired lease of a dwelling occupied by him as his home, the employing carrier shall protect him from all loss and cost in securing the cancellation of his said lease.

(b) Changes in place of residence subsequent to the initial change caused by coordination and which grow out of the normal exercise of seniority in accordance with working agreements are not comprehended within the provisions of this Section.

(c) No claim for loss shall be paid under the provisions of this section which is not presented within three years after the effective date of the coordination.

(d) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing

termination of lease, or any other question in connection with these matters, it shall be decided through joint conference between the representatives of the employees and the carrier on whose line the controversy arises and in the event they are unable to agree, the dispute may be referred by either party to a board of three competent real estate appraisers, selected in the following manner: One to be selected by the representatives of the employees and the carrier, respectively; these two shall endeavor by agreement within ten days after their appointment to select the third appraiser, or to select some person authorized to name the third appraiser, and in the event of failure to agree then the Chairman of the Interstate Commerce Commission shall be requested to appoint the third appraiser. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the salary of the appraiser selected by such party.

Section 12. If any carrier shall rearrange or adjust its forces in anticipation of a coordination, with the purpose or effect of depriving an employee of benefits to which he should be entitled under this agreement as an employee immediately affected by a coordination, this agreement shall apply to such an employee as of the date when he is so affected.

Section 13. In the event that any dispute or controversy arises (except as defined in Section 11) in connection with a particular coordination, including an interpretation, application or enforcement of any of the provisions of this agreement (or of the agreement entered into between the carriers and the representatives of the employees relating to said coordination as contemplated by this agreement) which is not composed by the parties thereto within thirty days after same arises, it may be referred by either party for consideration and determination to a Committee which is hereby established, composed in the first instance of the signatories to this agreement. Each party to this agreement may name such persons from time to time as each party desires to serve on such Committee as its representatives in substitution for such original members. Should the Committee be unable to agree, it shall select a neutral referee and in the event it is unable to agree within 10 days upon the selection of said referee, then the members on either side may request the National Mediation Board to appoint a referee. The case shall again be considered by the Committee and the referee and the decision of the referee shall be final and conclusive. The salary and expenses of the referee shall be borne equally by the parties to the proceeding; all other expenses shall be paid by the party incurring them.

Section 14. Any carrier not initially a party to this agreement may become a party by serving notice of its desire to do so by mail upon the members of the Committee established by Section 13 hereof. It shall become a party as of the date of the service of such notice or upon such later date as may be specified therein.

Section 15. This agreement shall be effective June 18, 1936, and be in full force and effect for a period of five years from that date and continue in effect thereafter with the privilege that any carrier or organization party hereto may then withdraw from the agreement after one year from having served notice of its intention so to withdraw; provided, however, that any rights of the parties hereto or of individuals established and fixed during the term of this agreement shall continue in full force and effect, notwithstanding the expiration of the agreement or the exercise by a carrier or an organization of the right to withdraw therefrom.

This agreement shall be subject to revision by mutual agreement of the parties hereto at any time, but only after the serving of a sixty (60) days notice by either party upon the other.

Signed at Washington, D. C.
May 21, 1936.

MEMORANDUM OF UNDERSTANDING
RE
EMPLOYMENT INFORMATION TO BE FURNISHED
UPON REQUEST AND COMPUTATIONS RESPECTING
COMPENSATION DUE OPERATING EMPLOYEES UNDER AGREEMENT

This Memorandum of Understanding is attached to and made a part of the Agreement for Protection of Employees in Event of Merger of Pennsylvania and New York Central Railroads, effective January 1, 1964.

Upon request the merged company will furnish the operating signatory organization, for any employee appearing on the rosters in Appendices B and C, information respecting his current rate of pay, compensation paid and hours worked during a base period comprised of the last twelve (12) months in which he performed compensated service immediately preceding May 16, 1964. All elements of compensation received from the merged company (including vacation pay, arbitraries, pay for time lost and so forth), but excluding payments made on account of personal injuries when such payments are for reasons other than time lost, will be included in determining compensation referred to below.

For purposes of determining whether, or to what extent, such an employee has been placed in a worse position with respect to his compensation, his total compensation and total time paid for during the base period will be separately divided by twelve. If his compensation in his current position is less in any month (commencing with the first month following the date of consummation of the merger) than his average base period compensation (adjusted to include subsequent general wage increases), he shall be paid the difference less compensation for any time lost on account of voluntary absences to the extent that he is not available for service equivalent to his average time paid for during the base period, but he shall be compensated in addition thereto at the rate of the position filled for any time worked in excess of the time paid for during the base period; provided, however, that in determining compensation in his current position the employee shall be treated as occupying the position producing the highest rate of pay and compensation to which his seniority entitles him under the working agreement and which does not require a change in residence.

Employees not entitled to preservation of employment but entitled to the benefits of the Washington Job Protection Agreement pursuant to the provisions of Section 1 (a) of the Protective Agreement shall be entitled to compensation computed in accordance with the provisions of said Washington Job Protection Agreement.

**MEMORANDUM OF UNDERSTANDING
RE
MOVING EXPENSES AND LUMP SUM SEPARATION ALLOWANCES**

This Memorandum of Understanding is attached to and made a part of the Agreement for Protection of Employees in Event of Merger of Pennsylvania and New York Central Railroads, effective January 1, 1964.

In the case of any transfers or rearrangement of forces for which an implementing agreement has been made, any employee entitled to protection under the aforesaid Protective Agreement who is requested by the merged company pursuant to said implementing agreement to transfer to a new point of employment requiring him to move his residence shall be given an election, which must be exercised within seven calendar days from the date of request, to make such transfer or to resign and accept a lump sum separation allowance in accordance with the following provisions:

If the employee elects to transfer to the new point of employment requiring a change of residence, such transfer and change of residence shall be subject to the benefits contained in Sections 10 and 11 of the Washington Agreement notwithstanding anything to the contrary contained in said provisions and in addition to such benefits shall receive a transfer allowance of five hundred dollars (\$500) and six working days instead of the "two working days" provided by Section 10 (a) of said Agreement.

If the employee elects to resign in lieu of making the requested transfer as aforesaid, he shall do so as of the date the transfer would have been made and shall be given (in lieu of all other benefits and protections to which he may have been entitled under the Protective Agreement and Washington Agreement) a lump sum separation allowance which shall be computed in accordance with the schedule set forth in Section 9 of the Washington Agreement; provided, however, that force reductions permitted to be made under the Protective Agreement shall be in addition to the number of employees who resign to accept the separation allowance herein provided.

This Memorandum of Understanding is applicable to the employees represented by the organization signatory to the said Agreement of which it is a part and supercedes all existing agreements which may be in conflict herewith.

**MEMORANDUM OF UNDERSTANDING
RE
ELECTION TO TAKE FURLOUGH**

This Memorandum of Understanding is attached to and made a part of the Agreement for Protection of Employees in Event of Merger of Pennsylvania and New York Central Railroads, effective January 1, 1964.

An employee entitled to protection who is displaced as a result of any change for which protection is herein provided may elect to go on furlough in accordance with existing rules or practices but shall not, while so furloughed, be entitled to any money or other allowance or protection provided under the Agreement of which this Appendix is a part.



GENERAL GRIEVANCE COMMITTEE

301-302 FREDERICK BLDG.

2063 EAST 4th STREET

781-5486

CLEVELAND, OHIO 44111

J. A. LYONS, Chairman

C. E. LOED, Vice Chairman

G. M. GILBERTSON, Secretary

Cleveland, Ohio
March 22, 1968

IN REPLY REFER
TO FILE NO. Corr. 827

Mr. Henry Anderson,
Loc. Chm. #827,
10800 Pecny Ave.,
Cleveland, Ohio.

Dear Sir and Brother:

This will acknowledge receipt of your letter dated March 20, 1968, wherein you asked why Jobs M-35, M-67, D-82 and EF-1 under Blocks 800 and 807 were deleted from the job bulletin notices which were posted by the Carrier under terms of the March 14, 1967 agreement which provided for the consolidation of the Cleveland Terminal as a result of the merger.

The referred to notices listed only the assignments that are involved in allocating equity between the former NYC and PRR yardmen who were affected by the merger. As you are aware, the Carrier has taken the position that the CUT is not involved in the merger, and for that reason any CUT assignments would not be considered in the equity arrangements.

Attorneys for the R.L.E.A are presently handling our dispute with the Carrier in connection with protection for the CUT employees under the terms of the Employee Protection Agreement. We are hopeful that that dispute will be settled in our favor in the near future.

Trusting the above information will be of help to you, I remain

Fraternally yours,

J. A. Lyons
J. A. Lyons
General Chairman

cc: C. Luna, Pres. RET

R. Redlow, Sec. #827

BROTHERHOOD OF RAILROAD TRAINMEN

027
LODGE NO.

1822 East 89th Street
Cleveland, Ohio
May 20th, 1968

Mr. G. Luna, President
B.R.T. Grand Lodge
666 Euclid Avenue
Cleveland, Ohio

Dear Sir and Brother:

Please be informed that I received two (2) letters dated May 1st, 1968 from you, one of which was in answer to mine dated April 26th, 1968 and I was highly appreciative of your usual quick response.

With my sincere regrets to you of my omittance of the Lodge Seal and unsigned signature, it was an oversight as not being consistent to B.R.T. constitution. However, due to our Lodges' dire and tragic circumstances of which you are aware of, I hope that you will understand that I was trying to get our message across to you without being detrimental at all to the Brotherhood.

I have every reason to believe that General Chairman Lyons will immediately forward my letter to the attorneys of the R.L.E.A. I have already supplied him with numerous data and agreements on our Lodges contentions that we are and were employees of the E.Y.C.R.R. prior to January 1st, 1964. If the attorneys of the R.L.E.A. digest this information that is available to them, I am sure that Lodge 927's position will be brought to a rest and satisfactory conclusion.

The second letter was addressed to all secretaries of suborpihate lodges of the Penn Central Transp. Co. of which your office must have me listed as I received a copy.

I have attached a letter to General Chairman Lyons of which I have asked him to resolve our status so we can then pay all full dues and assessments to the Brotherhood. With his answer to our Lodge members, we will be able to determine if we are going to have a guaranteed monthly wage and comply with your directive.



BROTHERHOOD OF RAILROAD TRAINMEN

927
LODGE NO.

Mr. C. Luna

- 2 -

May 20th, 1968

Thanking you once again for your early response and for all the help you have given us in this matter, I remain,

Fraternally yours,

RAY BEEDLOW
Secretary-Treasurer

RB/ba
Enc.

CC: Mr. J. A. Lyons, Gen.-Chairman, Lines West
Mr. H. H. Anderson, L.C.- Lodge #927 ✓
Mr. E. J. Ebner, Regional Director, Railroad Retirement Board



BROTHERHOOD OF RAILROAD TRAINMEN

927
LODGE NO.

1822 East 89th Street
Cleveland, Ohio
May 20th, 1968

Mr. J. A. Lyons, General Chairman
N.Y.C.R.R., Lines West
301 Frederick Building
2063 East 4th Street
Cleveland, Ohio

Dear Sir and Brother:

I am attaching a letter dated to me on May 1st, 1968 from Pres. C. Luna. In this attached reprint I am underlining with pencil marks different words and paragraphs relating to paying full dues and assessments to the Grand Lodge by order of Pres. Luna. This letter is very clear as to the duties and requirements of the Secretaries and Treasurers of Local Lodges under the quote "Newly Merged Penn-New York Central Transportation Company". This directive by Pres. Luna merely reiterates Lodge 927's contentions that we are indeed employees of the newly merged company. Our Lodge members have already received confirmation of their status of employment from the Chairman of the Board and President of Penn Central Transp. Co. which was dated February 1st, 1968, the effective date of the merger.

In Mr. Luna's answer to my letter of April 26th, 1968, he said he is sure that our Lodge's contentions that they are in fact employees of the N.Y.C.R.R. Company will be mailed to our attorneys for their review. I hope you have already sent forth our position to Mr. Mahoney of the R.L.R.A. as he was talking about the C.U.T. roster being merely a subsidiary of the parent company which we vehemently deny.

It is a fact that of our men on the roster, 47 men, 29 men are furloughed with seniority from approximately 20 years at the least to 26 years at the most. Of the remaining 18 men presently working, each and everyone draws a Penn Central Transp. Co. payroll check which certainly should establish Lodge 927's status as employees of the Penn Central Transp. Co. by that argument alone.

In order to have us conform to the requirements of Mr. Luna's letter, it will be necessary for you as General Chairman to resolve the present status of our Lodge in accordance to the agreements consummated on the merger dated November 16th, 1964, December 21st, 1966 and March 14th, 1967. This resolution and change will be in line with their rights to their monthly guarantee and health and welfare benefits. Only on this change can I compute the correct



BROTHERHOOD OF RAILROAD TRAINMEN

927
LODGE NO.

Mr. J. A. Lyons

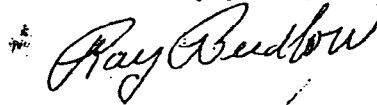
- 2 -

May 20th, 1968

done as requested which I assure you our men would be most happy to comply with.

Thanking you once again for all your many efforts on behalf of Lodge 927. I would appreciate your reply and your action as remunerated in the letter of Pres. C. Luna.

Fraternally yours,



RAY BEEDICK
Sec.-Treas.

RS/ba
Enc.

CC: Mr. C. Luna, Pres., B.H.T.
Mr. H. Anderson, L.C. - Lodge 927
Mr. E. J. Ebner, Regional Dir. - RR Retirement Board



STATE OF OHIO

COUNTY OF CUYAHOGA

)
)
)

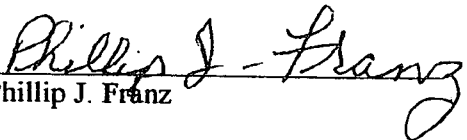
SS: AFFIDAVIT OF PHILLIP J. FRANZ

Now comes, being duly sworn, deposes and state as follows:

1. On September 1, 1955, Affiant became employed by the New York Central Railroad.
2. Affiant states that he was working as a rate clerk for approximately twelve (12) years on the first shift performing such duties as revising freight bills, making refunds or collections in regard to freight bills, quoting rates to agents over the phone, handling files and correspondence regarding rates. He worked the day shift and had Saturdays and Sundays off. The Detroit seniority list on which affiant's seniority dated back to September 1, 1955 was made effective August 1, 1959, pursuant to an agreement between the New York Central Railroad and the Brotherhood of Railway and Steamship Clerks in order to consolidate the accounting procedures throughout its system. The net result of the agreement was to place rate clerks on the Detroit seniority list was still in effect after the New York Central - Pennsylvania Railroad merger.
3. By letter dated January 10, 1969 Affiant was advised that his job was abolished and that his work was being transferred to Chicago, Illinois. He was advised to exercise his seniority on the Detroit seniority list with ten (10) days. Affiant then sent a letter to Mr. E. T. Scheper, Manager of Freight Accounts, Penn Central Railroad, Detroit Michigan dated January 14, 1969 in which he requested to exercise his seniority and to be furnished with a list of available jobs in the exercise of that seniority. The letter was ignored.
4. Between January 14, 1969 and January 16, 1969 Mr. E.T. Scheper who had signed the January 10, 1969 letter, came to the clerks department in Cleveland. He told the clerks that they could not exercise their seniority rights in Detroit. They would not get jobs in Detroit, Michigan.
5. By letter dated January 16, 1969 Affiant requested that he be given his separation allowance in accordance with the terms of the Merger Protection Agreement. A copy of this letter was sent to Mr. Al Doyle, Affiant's Local Chairman of Lodge 1192, located in Detroit, Michigan.
6. Affiant states he never received any communication or correspondence from management regarding his request for separation allowance.
7. Affiant then was told by management to return to work at the Kinsman Street yard or forfeit all rights to any employment benefits.

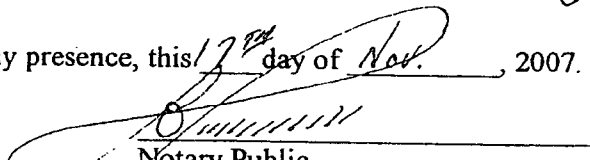
8. Affiant went to work at Kinsman Street for various hours and less pay. He was given the new seniority date of February 11, 1969.
9. On numerous occasions, he attempted to bid on new jobs with hours comparable to his former job of rate clerk but he was outbid by others with only one or two years of seniority.
10. On April 9, 1969, he severed his relationship with the Railroad, never having received his separation allowance or any other benefit.

FURTHER AFFIANT SAYETH NAUGHT.


Phillip J. Franz

SWORN TO BEFORE ME, and subscribed in my presence, this 17th day of Nov., 2007.




Notary Public
BRUCE TRAMMELL
Notary Public
In and for the State of Ohio
My Commission Expires
May 27, 2008

BEFORE THE ARBITRATION COMMITTEE

~~~~~

In the Matter of:

ROBERT WATJEN, et al.,  
Plaintiffs,

vs. Case No. 69-675

PENN CENTRAL,  
Defendant.

~~~~~

MICHAEL J. KNAPIK, et al.,
Plaintiffs,

vs. Case No. 69-722

PENN CENTRAL,
Defendant.

~~~~~

DAVID C. BUNDY, et al.  
Plaintiffs,

vs. Case No. 69-947

PENN CENTRAL,  
Defendant.

~~~~~

G.V. SOPHNER, et al.
Plaintiffs,

vs. Case No. 74-914

PENN CENTRAL,
Defendant.

~~~~~

Deposition of  
PHILLIP FRANZ

October 2, 2007

3:25 p.m.

Taken at:

Hahn, Loeser & Parks

3300 BP Tower

Cleveland, Ohio

Kristin L. Wegryn, R.P.R.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: right;">Page 2</p> <p>1 APPEARANCES:</p> <p>2</p> <p>3 On behalf of the Plaintiffs:</p> <p>4 Tricarichi, Carnes &amp; Clements, by</p> <p>5 CARLA M. TRICARICHI, ESQ.</p> <p>6 614 Superior Avenue NW, Suite 620</p> <p>7 Cleveland, Ohio 44113</p> <p>8 (216) 861-6677</p> <p>9 -and-</p> <p>10 Hahn, Loeser &amp; Parks, by</p> <p>11 RANDY J. HART, ESQ.</p> <p>12 3300 BP Tower</p> <p>13 200 Public Square</p> <p>14 Cleveland, Ohio 44114-2301</p> <p>15 (216) 274-2410</p> <p>16 Rjhart@hahnlaw.com</p> <p>17 -and-</p> <p>18 Griffin Law Firm, by</p> <p>19 MARK GRIFFIN, ESQ.</p> <p>20 614 Superior Avenue, N.W.</p> <p>21 Suite 620</p> <p>22 Cleveland, Ohio 44113</p> <p>23 (216) 861-6677</p> <p>24 Mark.d.griffin@gmail.com</p> <p>25</p> | <p style="text-align: right;">Page 4</p> <p>1 INDEX</p> <p>2</p> <p>3 EXAMINATION OF 5 5</p> <p>4 PHILLIP FRANZ</p> <p>5 BY MR. STEWART</p> <p>6</p> <p>7</p> <p>8 Exhibits 1, 2 and 3 were 22 7</p> <p>9 marked</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p style="text-align: right;">Page 3</p> <p>1 APPEARANCES: (Continued)</p> <p>2 On behalf of the Defendant:</p> <p>3 Blank Rome, LLP, by</p> <p>4 THOMAS H. STEWART, ESQ.</p> <p>5 JASON GROPE, ESQ.</p> <p>6 1700 PNC Center</p> <p>7 201 East Fifth Street</p> <p>8 Cincinnati, Ohio 45202</p> <p>9 (513) 362-8704</p> <p>10 Stewart@BlankRome.com</p> <p>11 Groppe@BlankRome.com</p> <p>12 ~~~~~</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>                                                                                                                                                                                                                                      | <p style="text-align: right;">Page 5</p> <p>1 PHILLIP FRANZ, of lawful age, called</p> <p>2 for examination, being by me first duly sworn,</p> <p>3 as hereinafter certified, deposed and said as</p> <p>4 follows:</p> <p>5 EXAMINATION OF PHILLIP FRANZ</p> <p>6 BY MR. STEWART:</p> <p>7 Q. Sir, would you please --</p> <p>8 MS. TRICARICHI: Let me just go on</p> <p>9 the record. I just want to clarify I received</p> <p>10 absolutely no documents for Mr. Franz or any of 15:24:19</p> <p>11 the other six clerks. None. Zero. I have</p> <p>12 had -- I had conversations with Mr. Groppe</p> <p>13 about this, asking specifically whether you had</p> <p>14 any documents whatsoever on this group of</p> <p>15 people, and to date, he said he was just 15:24:35</p> <p>16 looking through boxes.</p> <p>17 So I just want to clarify that you</p> <p>18 don't have any documents on these six</p> <p>19 claimants; is that correct?</p> <p>20 MR. GROPE: That is correct thus 15:24:46</p> <p>21 far, besides what we've given you through</p> <p>22 discovery.</p> <p>23 MS. TRICARICHI: Besides what I had</p> <p>24 provided to you, you don't have any other</p> <p>25 documents on any of these six people? 15:24:53</p> |

2 (Pages 2 to 5)



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: right;">Page 6</p> <p>1 MR. GROPPE: No.</p> <p>2 MS. TRICARICHI: Is that correct?</p> <p>3 MR. GROPPE: That is correct.</p> <p>4 Q. Sir, would you please state your</p> <p>5 full name for the record. 15:25:03</p> <p>6 A. Phillip J. Franz. That's</p> <p>7 F-R-A-N-Z.</p> <p>8 Q. And, sir, what is your Social</p> <p>9 Security number?</p> <p>10 A. 269-32-7141. 15:25:14</p> <p>11 Q. And your date of birth, sir?</p> <p>12 A. June 20th, 1936.</p> <p>13 Q. Mr. Franz, my name is Tom Stewart.</p> <p>14 We met shortly before the deposition, and I</p> <p>15 represent the entity formerly known as the Penn 15:25:36</p> <p>16 Central Railroad in connection with this</p> <p>17 litigation.</p> <p>18 Sir, have you ever been deposed</p> <p>19 before?</p> <p>20 A. Yes. 15:25:45</p> <p>21 Q. One time or more than one time?</p> <p>22 A. Are you talking about just this</p> <p>23 case or --</p> <p>24 Q. No. I just mean total.</p> <p>25 A. More than one time. 15:26:00</p>                                                                                                                                                                                                                                                                                                     | <p style="text-align: right;">Page 8</p> <p>1 just tell me that and I'll either repeat it if</p> <p>2 you want me to repeat it or rephrase it so that</p> <p>3 you understand it.</p> <p>4 Are you on any medication today</p> <p>5 that would affect your memory? 15:27:47</p> <p>6 A. No.</p> <p>7 Q. Anything that would affect your</p> <p>8 ability to tell the truth?</p> <p>9 A. No.</p> <p>10 Q. And with respect to the previous 15:27:53</p> <p>11 depositions that you mentioned for BP, were</p> <p>12 those depositions that were given in an</p> <p>13 administrative proceeding?</p> <p>14 A. Yes.</p> <p>15 Q. And were those depositions where 15:28:17</p> <p>16 you were testifying on behalf of BP?</p> <p>17 A. On behalf of a motor carrier BP was</p> <p>18 supporting for Operating Authority.</p> <p>19 Q. Other than in connection with</p> <p>20 making arrangements for the date and time of 15:28:53</p> <p>21 this deposition, have you spoken with anybody</p> <p>22 regarding the subject matter of the deposition?</p> <p>23 A. Yes.</p> <p>24 Q. Have you spoken with someone other</p> <p>25 than your attorney? 15:29:11</p> |
| <p style="text-align: right;">Page 7</p> <p>1 Q. And were those in connection with a</p> <p>2 civil case?</p> <p>3 A. No. My employment -- most of them</p> <p>4 were my employment with Sohio and BP.</p> <p>5 Q. And what was the nature -- were 15:26:17</p> <p>6 those depositions of a similar nature in that</p> <p>7 you were being deposed in litigation?</p> <p>8 A. No.</p> <p>9 Q. What type of depositions were they?</p> <p>10 A. To obtain -- to supporting motor 15:26:34</p> <p>11 carriers for Operating Authority, and I was</p> <p>12 deposed in support of the applications.</p> <p>13 Q. Okay, sir. You've been deposed</p> <p>14 before, but I'll just go over a couple of</p> <p>15 ground rules with respect to this deposition. 15:27:03</p> <p>16 The court reporter is taking down</p> <p>17 what we say, so it's important that we have</p> <p>18 oral responses rather than a head shake. And</p> <p>19 it's tough for her to interpret the difference</p> <p>20 when you say uh-huh, so I will try and -- if 15:27:18</p> <p>21 you mean yes, to say yes; or if you mean no, or</p> <p>22 however, whatever you mean, to express it in</p> <p>23 something that she can take down.</p> <p>24 And if at any time you don't</p> <p>25 understand a question that I'm asking, please 15:27:32</p> | <p style="text-align: right;">Page 9</p> <p>1 A. No.</p> <p>2 Q. Did you review any documents in</p> <p>3 preparation for your deposition today?</p> <p>4 A. Yes.</p> <p>5 Q. Are those documents that you had in 15:29:26</p> <p>6 your possession?</p> <p>7 A. At one time.</p> <p>8 Q. And are those documents that you</p> <p>9 then provided to your counsel?</p> <p>10 A. Yes. 15:29:42</p> <p>11 Q. And what type of documents were</p> <p>12 those?</p> <p>13 A. The letter abolishing my position.</p> <p>14 Q. Any other documents?</p> <p>15 A. My response to that letter. My 15:30:05</p> <p>16 responses to that letter.</p> <p>17 Q. Any other documents?</p> <p>18 A. No.</p> <p>19 Q. Other than those, the letter that</p> <p>20 you mentioned and your responses to those 15:30:37</p> <p>21 letters, do you have any documents that you</p> <p>22 maintain either that are either at your house</p> <p>23 or your business with -- that relate to your</p> <p>24 employment that's the subject matter of this</p> <p>25 litigation? 15:30:56</p>                                                                                             |

3 (Pages 6 to 9)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: right;">Page 14</p> <p>1 A. After my job was abolished on the</p> <p>2 24th of January, I had requested my severance</p> <p>3 pay, according to the agreement, and that was</p> <p>4 basically my resignation, resigning and</p> <p>5 accepting a lump sum severance pay. 15:38:10</p> <p>6 Q. And after that, after you left the</p> <p>7 railroad, did you obtain work with any other</p> <p>8 employer?</p> <p>9 A. After I left the railroad?</p> <p>10 Q. Yes. 15:38:41</p> <p>11 A. Yes.</p> <p>12 Q. And for whom did you next obtain</p> <p>13 employment?</p> <p>14 A. Sohio. Standard Oil of Ohio.</p> <p>15 Q. And when was that that you began 15:39:00</p> <p>16 with Standard Oil of Ohio?</p> <p>17 A. I think my starting date was May 1</p> <p>18 of '69.</p> <p>19 Q. And are you still working -- well,</p> <p>20 is Sohio the entity that became BP -- 15:39:16</p> <p>21 A. Yes.</p> <p>22 Q. -- while you were working there?</p> <p>23 A. Yes.</p> <p>24 Q. Are you still working there?</p> <p>25 A. No. 15:39:23</p>                                                                                                       | <p style="text-align: right;">Page 16</p> <p>1 that you were working for the railroad that you</p> <p>2 learned of a possibility of a merger between</p> <p>3 the New York Central and Pennsylvania Railroad?</p> <p>4 A. Yes.</p> <p>5 Q. How did you learn about that? 15:42:07</p> <p>6 A. Well, it was rumored I believe in</p> <p>7 the paper and everything that there were talks</p> <p>8 going on.</p> <p>9 Q. When you first started with the</p> <p>10 railroad, were you -- in your position as a 15:42:41</p> <p>11 file clerk, were you a member of a union?</p> <p>12 A. Yes.</p> <p>13 Q. What was that union when you first</p> <p>14 started?</p> <p>15 A. Brotherhood of Railway and 15:42:53</p> <p>16 Steamship Clerks.</p> <p>17 Q. And, in fact, were you a member of</p> <p>18 that union throughout your career while you</p> <p>19 worked at the railroad?</p> <p>20 A. Yes. 15:43:07</p> <p>21 Q. Did you, during the course of your</p> <p>22 railroad career, did you ever attend union</p> <p>23 meetings?</p> <p>24 A. Not that I recall.</p> <p>25 Q. During the time that you worked for 15:43:38</p>                                                                                                                |
| <p style="text-align: right;">Page 15</p> <p>1 Q. And when was the last date that you</p> <p>2 worked for BP? Or let me ask you first, when</p> <p>3 was the last year?</p> <p>4 A. What was the last --</p> <p>5 MS. TRICARICHI: Year you worked. 15:39:35</p> <p>6 Q. What was the last year that you</p> <p>7 worked for BP?</p> <p>8 A. '97.</p> <p>9 Q. And when you first went to work for</p> <p>10 Sohio, what was your job? 15:39:53</p> <p>11 A. I couldn't tell you the title. It</p> <p>12 was in the Transportation Department working</p> <p>13 with tariffs and rates.</p> <p>14 Q. And was that a position for which</p> <p>15 you filled out an application? 15:40:32</p> <p>16 A. Yes.</p> <p>17 Q. And did you later hold -- how long</p> <p>18 were you in the position in which you worked</p> <p>19 with tariffs and rates?</p> <p>20 A. I worked in the Transportation 15:40:59</p> <p>21 Department the entire 28 or 29 years, whatever</p> <p>22 it figures, holding various positions.</p> <p>23 Q. Did there come a period of time in</p> <p>24 the -- well, let me just ask generally.</p> <p>25 Did there come a period of time 15:41:58</p> | <p style="text-align: right;">Page 17</p> <p>1 the railroad while you were a file clerk, a</p> <p>2 senior cash balance clerk, a junior rate</p> <p>3 revision clerk, and a rate revision clerk, was</p> <p>4 that all at the Orange Avenue terminal?</p> <p>5 A. No. 15:44:24</p> <p>6 Q. Where else did you work besides the</p> <p>7 Orange Avenue terminal during that period of</p> <p>8 time?</p> <p>9 A. The railroad moved out of the</p> <p>10 Orange Avenue terminal and they moved us to 15:44:36</p> <p>11 45th and Lakeside first. We worked there about</p> <p>12 approximately four years and then they moved us</p> <p>13 out to Collinwood.</p> <p>14 Q. Were you working at Collinwood</p> <p>15 during your -- when you left the railroad? 15:45:05</p> <p>16 A. When I was a utility clerk, no.</p> <p>17 Q. Where did you work when you were a</p> <p>18 utility clerk?</p> <p>19 A. East 73rd and Kinsman Avenue in the</p> <p>20 freight -- a little office located in the 15:45:29</p> <p>21 freight yard.</p> <p>22 Q. Was the letter that you received</p> <p>23 that you described earlier regarding the</p> <p>24 abolishment of your job, was that the first</p> <p>25 notice that you had regarding that? 15:46:44</p> |

5 (Pages 14 to 17)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: right;">Page 10</p> <p>1 A. No.</p> <p>2 Q. And, sir, what was your first</p> <p>3 full-time employment? Where did you -- who was</p> <p>4 your first full-time employer?</p> <p>5 A. First one, period, out of high 15:31:33</p> <p>6 school?</p> <p>7 Q. Yes. Yes, sir.</p> <p>8 MS. TRICARICHI: Think back.</p> <p>9 A. Kroger Company.</p> <p>10 Q. And what did you do for Kroger? 15:31:42</p> <p>11 A. Worked in the Produce Department.</p> <p>12 Q. And then what was your employment</p> <p>13 after the Kroger?</p> <p>14 A. New York Central Railroad.</p> <p>15 Q. And what year did you start with 15:32:03</p> <p>16 the New York Central?</p> <p>17 A. I believe it was September 1st,</p> <p>18 1955.</p> <p>19 Q. And what position or what job did</p> <p>20 you hold when you went to work for the New York 15:32:20</p> <p>21 Central?</p> <p>22 A. I started as a file clerk.</p> <p>23 Q. And how long did you do that?</p> <p>24 A. One week.</p> <p>25 Q. And then did you take another 15:32:33</p>                                                                                   | <p style="text-align: right;">Page 12</p> <p>1 revision clerk from a junior rate revision</p> <p>2 clerk was a promotion?</p> <p>3 A. Yes.</p> <p>4 Q. What about going from a senior cash</p> <p>5 balance clerk to a junior rate revision clerk, 15:34:23</p> <p>6 was that considered a promotion?</p> <p>7 A. Depends on how you look at it. It</p> <p>8 was like a lateral move, but it -- a rate clerk</p> <p>9 is a better position.</p> <p>10 Q. Does it make more -- 15:34:41</p> <p>11 A. More opportunities.</p> <p>12 Q. Sure.</p> <p>13 Does it make more money or did it</p> <p>14 at that time make more money?</p> <p>15 A. Can't tell you. I don't remember. 15:34:50</p> <p>16 Q. And what was it about being rate</p> <p>17 revision clerk that gave you more</p> <p>18 opportunities?</p> <p>19 A. Just in the transportation field,</p> <p>20 there was a lot of opportunities in that area. 15:35:14</p> <p>21 both within the railroad and outside industry.</p> <p>22 Q. And did you hold any positions with</p> <p>23 the railroad after rate revision clerk?</p> <p>24 A. No. Well --</p> <p>25 MS. TRICARICHI: You want him to 15:36:00</p> |
| <p style="text-align: right;">Page 11</p> <p>1 position?</p> <p>2 A. I was promoted. Yes.</p> <p>3 Q. All right. And to what position</p> <p>4 were you promoted?</p> <p>5 A. I believe it was a cash balance -- 15:32:47</p> <p>6 called cash balance clerk in the Accounting</p> <p>7 Department.</p> <p>8 Q. And where physically were you</p> <p>9 working?</p> <p>10 A. Orange Avenue in Cleveland. Orange 15:33:05</p> <p>11 Avenue terminal.</p> <p>12 Q. And is that where you worked also</p> <p>13 as a file clerk and a cash balance clerk?</p> <p>14 A. Yes.</p> <p>15 Q. Did you later take -- have another 15:33:19</p> <p>16 position with the New York Central?</p> <p>17 A. Several.</p> <p>18 Q. What was your next position after</p> <p>19 cash balance clerk?</p> <p>20 A. Well, it was a senior, senior cash 15:33:35</p> <p>21 balance clerk after that. I had several people</p> <p>22 more or less reporting to me. Then I became a</p> <p>23 junior rate clerk, junior rate revision clerk,</p> <p>24 and then I became a rate revision clerk.</p> <p>25 Q. And I take it that becoming a rate 15:34:11</p> | <p style="text-align: right;">Page 13</p> <p>1 rephrase the question?</p> <p>2 THE WITNESS: Yeah.</p> <p>3 MS. TRICARICHI: Okay.</p> <p>4 Q. The last position that you talked</p> <p>5 about when you were promoted from a junior rate 15:36:07</p> <p>6 revision clerk to a rate revision clerk, did</p> <p>7 you hold any other positions with the railroad</p> <p>8 after that and at the New York Central after</p> <p>9 that?</p> <p>10 A. A utility clerk as a new employee. 15:36:22</p> <p>11 Q. And when was that?</p> <p>12 A. February 1st or February 11th,</p> <p>13 1969. I believe that was the date.</p> <p>14 Q. And from -- was that -- was utility</p> <p>15 clerk the last position that you took? Excuse 15:37:01</p> <p>16 me. Was that the last position that you held</p> <p>17 with the railroad?</p> <p>18 A. Yes.</p> <p>19 Q. And were you continuously employed</p> <p>20 from -- with the railroad from the time you 15:37:13</p> <p>21 began as a file clerk until -- through the time</p> <p>22 in which you were a utility clerk?</p> <p>23 A. No.</p> <p>24 Q. When was it that you were not</p> <p>25 employed? 15:37:35</p>       |

4 (Pages 10 to 13)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: right;">Page 18</p> <p>1 MS. TRICARICHI: Regarding what?</p> <p>2 That? What's "that?"</p> <p>3 Q. Was that the first notice that you</p> <p>4 had that your job was being abolished?</p> <p>5 A. Yes. 15:46:57</p> <p>6 Q. And then you sent written responses</p> <p>7 to that?</p> <p>8 A. It told me I had to --</p> <p>9 MS. TRICARICHI: Just answer his</p> <p>10 question. He asked you if you sent written 15:47:21</p> <p>11 responses.</p> <p>12 A. Yes.</p> <p>13 Q. And were the written responses</p> <p>14 requested in the letter that you received or</p> <p>15 the notice that you received from the railroad? 15:47:36</p> <p>16 A. It asked for a response, yes.</p> <p>17 Q. And did you send more than one</p> <p>18 response?</p> <p>19 A. Yes.</p> <p>20 Q. How many total did you send? 15:47:48</p> <p>21 A. Two.</p> <p>22 Q. What is your memory of what the</p> <p>23 letter from the railroad said?</p> <p>24 A. It said effective January 24th,</p> <p>25 that my work -- my job will be abolished and 15:48:30</p>                                                                 | <p style="text-align: right;">Page 20</p> <p>1 A. Yes.</p> <p>2 Q. Was that because you hadn't</p> <p>3 received a response?</p> <p>4 Let me ask you that question first.</p> <p>5 Was it because you hadn't received a response? 15:50:39</p> <p>6 A. Yes.</p> <p>7 Q. And to whom did you send a second</p> <p>8 letter?</p> <p>9 A. I believe the same two parties.</p> <p>10 Q. Did you receive a response from the 15:50:52</p> <p>11 railroad to that second letter?</p> <p>12 A. No.</p> <p>13 Q. Did you receive a response from</p> <p>14 your union from that second letter?</p> <p>15 A. A written response, no. 15:51:09</p> <p>16 Q. Did you receive a verbal response?</p> <p>17 MS. TRICARICHI: From whom?</p> <p>18 Q. Well, let me -- did you receive a</p> <p>19 verbal response from the railroad from your</p> <p>20 second letter? 15:51:23</p> <p>21 A. From someone, yes.</p> <p>22 Q. From whom did you receive the</p> <p>23 verbal response?</p> <p>24 A. Mr. E.T. Scheper.</p> <p>25 Q. And what did he say? 15:51:35</p>                                                              |
| <p style="text-align: right;">Page 19</p> <p>1 work transferred to Chicago; and that I have</p> <p>2 ten days to obtain a position by exercise of my</p> <p>3 seniority.</p> <p>4 Q. And what did your first response to</p> <p>5 that letter say? 15:48:59</p> <p>6 A. My response was I asked for all the</p> <p>7 jobs my seniority would entitle me to up in</p> <p>8 Detroit where my seniority was. I asked for a</p> <p>9 list of jobs that I could obtain.</p> <p>10 Q. And to whom did you send the 15:49:35</p> <p>11 letter? Did you send it specifically to an</p> <p>12 individual?</p> <p>13 A. I sent two copies: One to E.T.</p> <p>14 Scheper, who was the auditor of Freight</p> <p>15 Revenue, the top, top man there; and the second 15:49:47</p> <p>16 one was to our union representative.</p> <p>17 Q. Did you receive any response from</p> <p>18 the railroad --</p> <p>19 A. No.</p> <p>20 Q. -- to your letter? 15:50:10</p> <p>21 Did you receive any response from</p> <p>22 your union to that letter?</p> <p>23 A. No.</p> <p>24 Q. Was your -- and then you sent</p> <p>25 another letter? 15:50:29</p> | <p style="text-align: right;">Page 21</p> <p>1 A. He indicated he would not let me</p> <p>2 exercise my seniority, which I was told to do</p> <p>3 in the letter; and he wouldn't authorize</p> <p>4 severance pay and that I will become a utility</p> <p>5 clerk. 15:52:14</p> <p>6 Q. Did he say why he wouldn't</p> <p>7 authorize severance pay?</p> <p>8 A. No.</p> <p>9 Q. And was that verbal response, was</p> <p>10 that in response to your second letter? 15:52:35</p> <p>11 MS. TRICARICHI: If you know.</p> <p>12 A. No. It was between the letters.</p> <p>13 Q. So you had a verbal response before</p> <p>14 you sent your second letter?</p> <p>15 A. Yes. They wouldn't -- wouldn't put 15:52:51</p> <p>16 anything in writing.</p> <p>17 Q. Did you ever receive a verbal</p> <p>18 response from the union to either of your</p> <p>19 letters?</p> <p>20 A. No. 15:53:10</p> <p>21 Q. Was Mr. Scheper your immediate</p> <p>22 supervisor?</p> <p>23 Let me ask you this: Was</p> <p>24 Mr. Scheper ever your immediate supervisor</p> <p>25 while you worked at the railroad? 15:55:32</p> |

6 (Pages 18 to 21)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: right;">Page 22</p> <p>1 A. No.</p> <p>2 MR. STEWART: Let's take a break if</p> <p>3 we could, please.</p> <p>4 (Off the record.)</p> <p>5 - - - - -</p> <p>6 (Thereupon, Defendant's Deposition</p> <p>7 Exhibits 1, 2 and 3 were marked for</p> <p>8 purposes of identification.)</p> <p>9 - - - - -</p> <p>10 Q. Mr. Franz, I'm going to show you 16:27:00</p> <p>11 what's been marked as Exhibit 1 and ask you if</p> <p>12 you can identify that.</p> <p>13 A. Yes. That's the posting that was</p> <p>14 on the bulletin board abolishing different</p> <p>15 positions. 16:27:16</p> <p>16 Q. And did you report to work and see</p> <p>17 that on the bulletin board?</p> <p>18 A. Yes.</p> <p>19 Q. Is that how you first learned about</p> <p>20 it? 16:27:29</p> <p>21 A. That's how I learned about it, yes.</p> <p>22 Q. And that refers to a rate of pay</p> <p>23 next to your name of \$630.30. Do you see that?</p> <p>24 A. Yes.</p> <p>25 Q. Was that your rate of pay at the 16:27:49</p>                                       | <p style="text-align: right;">Page 24</p> <p>1 A. Yes. That's the one I said I'd</p> <p>2 like to obtain my separation allowance.</p> <p>3 Q. Is the letter that's Exhibit 2, is</p> <p>4 that the first -- you said that you had sent</p> <p>5 two letters back to Mr. Scheper and to your 16:29:35</p> <p>6 union. Is that the first of the two letters?</p> <p>7 A. No. The other is -- shows a CC</p> <p>8 down here.</p> <p>9 MS. TRICARICHI: No, no. He's</p> <p>10 asking you if that is the first response. 16:29:47</p> <p>11 A. Yes.</p> <p>12 Q. To your earlier testimony?</p> <p>13 A. This is the first of the two,</p> <p>14 right.</p> <p>15 Q. And Exhibit 3 is the second of the 16:29:54</p> <p>16 two that you mentioned?</p> <p>17 A. Right. Right.</p> <p>18 Q. And your testimony was that it was</p> <p>19 between the date of the letter that is Exhibit</p> <p>20 2 and the date of the letter that is Exhibit 3 16:30:08</p> <p>21 that you spoke with Mr. Scheper?</p> <p>22 A. Yes.</p> <p>23 Q. And the Exhibit 2 and Exhibit 3</p> <p>24 both show a CC copy to A. Doyle, local chairman</p> <p>25 of Lodge 1192, Detroit. Do you see that? 16:30:39</p>                     |
| <p style="text-align: right;">Page 23</p> <p>1 time?</p> <p>2 A. No.</p> <p>3 Q. What was your rate of pay?</p> <p>4 A. I don't remember, but that was my</p> <p>5 rate of pay as of around November 1st of the 16:28:01</p> <p>6 previous year. They hadn't included the latest</p> <p>7 increase in that.</p> <p>8 Q. So that was not your rate of pay as</p> <p>9 of the date of that letter?</p> <p>10 A. No. 16:28:17</p> <p>11 Q. But --</p> <p>12 A. I'd say it was the November 1st</p> <p>13 rate of pay.</p> <p>14 MS. TRICARICHI: Of 1968?</p> <p>15 A. Yeah, '68. 16:28:26</p> <p>16 Q. Okay. And let me ask you, here's</p> <p>17 what's been marked as Exhibit 2, and ask you if</p> <p>18 you could identify that.</p> <p>19 A. Yes. This is the letter I referred</p> <p>20 to that -- that I was trying to determine what 16:28:52</p> <p>21 positions were available to me by exercising my</p> <p>22 seniority.</p> <p>23 Q. And let me show you what's been</p> <p>24 marked as Exhibit 3 and ask you if you can</p> <p>25 identify that. 16:29:14</p> | <p style="text-align: right;">Page 25</p> <p>1 A. Correct.</p> <p>2 Q. And do you remember who he was?</p> <p>3 A. That was my union rep.</p> <p>4 Q. And when you testified earlier that</p> <p>5 you had seniority in Detroit, is that where you 16:30:54</p> <p>6 asked to -- what positions were available?</p> <p>7 A. That's the only place I had</p> <p>8 seniority.</p> <p>9 Q. And how was it that you knew that</p> <p>10 you had seniority in Detroit only? 16:31:19</p> <p>11 A. I came under the order of Freight</p> <p>12 Revenuc. He was based in Detroit. That one</p> <p>13 time on the bulletin board, there was a roster</p> <p>14 of all the people that worked under him that</p> <p>15 was on that seniority list. I don't know 16:31:45</p> <p>16 when's the last I saw it, but I saw one at one</p> <p>17 time.</p> <p>18 Q. And your name was on that list that</p> <p>19 you saw?</p> <p>20 A. Yes. 16:31:59</p> <p>21 Q. And when was it that you learned</p> <p>22 that work was being transferred to Chicago?</p> <p>23 A. From the first letter, Exhibit 1.</p> <p>24 Q. And what was it about Exhibit 1</p> <p>25 that alerted you it was being transferred to 16:33:28</p> |

7 (Pages 22 to 25)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: right;">Page 26</p> <p>1 Chicago?</p> <p>2 A. I don't see it in there, but I</p> <p>3 don't know if we were told in conversation that</p> <p>4 that's where it went. I don't recall.</p> <p>5 Q. And would you agree with me that as 16:33:51</p> <p>6 of the time of Exhibit 3, that you make</p> <p>7 specific reference to Chicago?</p> <p>8 A. Yes.</p> <p>9 Q. Were you willing to work in Detroit</p> <p>10 in this time period? 16:34:13</p> <p>11 A. If they would have told me what</p> <p>12 jobs were available to me, I would have</p> <p>13 definitely considered it. When you don't know,</p> <p>14 you can't answer.</p> <p>15 Q. Other than Mr. Scheper, did you 16:34:42</p> <p>16 ever discuss the abolishment of your job with</p> <p>17 anyone else who was in a management position</p> <p>18 with the railroad?</p> <p>19 A. He was the top man in our area, so</p> <p>20 he's the only one I recall. 16:35:11</p> <p>21 Q. Okay. And other than the CC copies</p> <p>22 to Mr. Doyle of your letters which are shown as</p> <p>23 Exhibit 2 and Exhibit 3, did you ever discuss</p> <p>24 with any other representative of your union the</p> <p>25 fact that your job was being abolished? 16:35:27</p> | <p style="text-align: right;">Page 28</p> <p>1 Q. At the time you saw the notice that</p> <p>2 is dated January 10th, 1969, that is Exhibit 1,</p> <p>3 and you said you saw it on a bulletin board,</p> <p>4 were you working at Collinwood at that point?</p> <p>5 A. Yes. 16:37:43</p> <p>6 Q. And had you been working there for</p> <p>7 the previous year?</p> <p>8 A. Yes.</p> <p>9 Q. After seeing the letter that was</p> <p>10 posted that's Exhibit 1 dated January 10, 1969, 16:38:44</p> <p>11 did you ever -- were you ever offered a</p> <p>12 position in Detroit with the railroad?</p> <p>13 A. No.</p> <p>14 Q. And other than the discussions that</p> <p>15 you've already testified about, and other than 16:39:26</p> <p>16 the letters that you see that are reflected in</p> <p>17 Exhibits 1, 2, and 3, did you ever have</p> <p>18 communication with anyone else at the railroad</p> <p>19 regarding your job abolishment or transfer or</p> <p>20 your seniority? 16:39:45</p> <p>21 A. That's a broad question.</p> <p>22 MS. TRICARICHI: You want to give a</p> <p>23 time frame?</p> <p>24 Q. Yeah. What I'm talking about is --</p> <p>25 let's do it this way: Before you went to work 16:40:00</p> |
| <p style="text-align: right;">Page 27</p> <p>1 A. Representative of our union?</p> <p>2 Q. Yes, sir.</p> <p>3 A. Well, his Cleveland counterpart.</p> <p>4 Q. Do you remember what his name was?</p> <p>5 A. Russo. I can't remember his first 16:35:54</p> <p>6 name.</p> <p>7 Q. And what do you mean when you say</p> <p>8 counterpart?</p> <p>9 A. He was the Cleveland local chairman</p> <p>10 for that union. 16:36:06</p> <p>11 Q. Do you mean by "union," the union</p> <p>12 of which you were a member?</p> <p>13 A. Yes.</p> <p>14 Q. Why didn't you copy Mr. Russo on</p> <p>15 your letter? 16:36:21</p> <p>16 A. My representative was Al Doyle. I</p> <p>17 had the choice --</p> <p>18 MS. TRICARICHI: Just answer the</p> <p>19 question.</p> <p>20 Q. And did you discuss it with 16:36:45</p> <p>21 Mr. Russo, and was that a verbal discussion?</p> <p>22 A. We had discussions. I can't recall</p> <p>23 exactly what they were. And he wasn't my rep,</p> <p>24 so he wouldn't give me anything official if I</p> <p>25 did. 16:37:14</p>                                                                                                                                                                                      | <p style="text-align: right;">Page 29</p> <p>1 for Sohio.</p> <p>2 A. Did I ever have conversations with</p> <p>3 anyone?</p> <p>4 Q. With anyone else at the railroad</p> <p>5 regarding -- 16:40:10</p> <p>6 MS. TRICARICHI: Anyone else</p> <p>7 employed by the railroad; is that your</p> <p>8 question?</p> <p>9 MR. STEWART: Yeah, employed by the</p> <p>10 railroad. 16:40:14</p> <p>11 MS. TRICARICHI: You mean in</p> <p>12 management at the railroad; is that what you're</p> <p>13 saying?</p> <p>14 A. That's what I want to know.</p> <p>15 Q. Let me ask you, with respect to 16:40:18</p> <p>16 management, anyone else in management at the</p> <p>17 railroad?</p> <p>18 A. No.</p> <p>19 Q. Anyone associated with your union</p> <p>20 other than the two gentlemen you've already 16:40:28</p> <p>21 discussed?</p> <p>22 A. Yes.</p> <p>23 Q. Who else?</p> <p>24 A. Met with Mr. Clark.</p> <p>25 Q. Anyone else? 16:40:46</p>                                                                                                                                                                                                                                                                               |

8 (Pages 26 to 29)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: right;">Page 30</p> <p>1 A. Don't recall.</p> <p>2 Q. Okay. And who was Mr. Clark?</p> <p>3 A. I don't know his position. He was</p> <p>4 the top union rep in Cleveland.</p> <p>5 Q. And what did he say to you about -- 16:41:05</p> <p>6 what did you talk with him about?</p> <p>7 A. Same thing here, that we hadn't got</p> <p>8 any response on our attempting to find out what</p> <p>9 positions are available to us, and we hadn't</p> <p>10 got a response on asking for severance pay. 16:41:33</p> <p>11 Q. And when you say "we," who do you</p> <p>12 mean?</p> <p>13 A. Three people went to the meeting.</p> <p>14 Q. Who were those three people?</p> <p>15 A. Mr. Watjen, Mr. Feldsher, and 16:41:48</p> <p>16 myself.</p> <p>17 Q. And this was a meeting with</p> <p>18 Mr. Clark?</p> <p>19 A. Yes.</p> <p>20 Q. Was this before you left the 16:41:58</p> <p>21 railroad to go to Sohio?</p> <p>22 A. Yes.</p> <p>23 Q. Was this before you began working</p> <p>24 as a utility clerk?</p> <p>25 A. Yes. 16:42:23</p>                                                                                       | <p style="text-align: right;">Page 32</p> <p>1 your name?</p> <p>2 A. Less.</p> <p>3 Q. Do you remember how much you</p> <p>4 started at?</p> <p>5 A. \$600 a month. 16:44:56</p> <p>6 Q. Did that change at all during</p> <p>7 that -- during 1969, your pay, rate of pay with</p> <p>8 Sohio?</p> <p>9 A. No.</p> <p>10 MS. TRICARICHI: If you remember. 16:45:23</p> <p>11 If you remember, you can answer the question.</p> <p>12 I don't think he wants you to guess.</p> <p>13 A. It would just be a guess.</p> <p>14 Q. When you started as a utility</p> <p>15 clerk, how did you find out that your seniority 16:46:25</p> <p>16 was starting the date that you reported?</p> <p>17 A. I was told that.</p> <p>18 Q. Do you remember by whom you were</p> <p>19 told?</p> <p>20 A. No. 16:46:39</p> <p>21 Q. When you went to work as a utility</p> <p>22 clerk, was that at the same rate of pay, more</p> <p>23 or less, than you had previously been making at</p> <p>24 the railroad?</p> <p>25 A. Much less. Couldn't determine what 16:47:17</p>                                                                                                                                                           |
| <p style="text-align: right;">Page 31</p> <p>1 Q. By "this," I mean this meeting. It</p> <p>2 occurred before?</p> <p>3 A. Yes.</p> <p>4 Q. You testified before and you used</p> <p>5 the term when you were -- you reported as a 16:42:44</p> <p>6 utility clerk as a new employee. Do you</p> <p>7 remember using that term?</p> <p>8 A. Yes.</p> <p>9 Q. What did you mean by that?</p> <p>10 A. I was just a new hire. My 16:42:56</p> <p>11 seniority started the day I started there,</p> <p>12 February 11th, I believe it was, of '69.</p> <p>13 Q. What was your last date of work</p> <p>14 with the railroad?</p> <p>15 A. Don't know. 16:43:20</p> <p>16 Q. Do you remember how long you worked</p> <p>17 as a utility clerk?</p> <p>18 A. Not -- a month or six weeks or</p> <p>19 somewhere thereabouts. Can't tell you exactly.</p> <p>20 Q. And then on May 1st of that year is 16:43:38</p> <p>21 when you first went to work for Sohio?</p> <p>22 A. Yes.</p> <p>23 Q. When you went to work for Sohio in</p> <p>24 your first position, were you making more or</p> <p>25 less than the amount set forth on Exhibit 1 by 16:44:45</p> | <p style="text-align: right;">Page 33</p> <p>1 it was. It was different all the time, from</p> <p>2 paycheck to paycheck. But it was much less.</p> <p>3 Q. And how often were you paid at that</p> <p>4 time?</p> <p>5 A. Don't remember. 16:47:36</p> <p>6 Q. Do you remember in any of your</p> <p>7 positions as a rate clerk how often you were</p> <p>8 paid?</p> <p>9 MS. TRICARICHI: If you remember.</p> <p>10 I think you just testified -- I think you asked 16:48:07</p> <p>11 him how often he was paid. He said he didn't</p> <p>12 remember.</p> <p>13 MR. STEWART: I asked him as a</p> <p>14 utility clerk. Now I'm asking him as a --</p> <p>15 MS. TRICARICHI: You didn't say as 16:48:15</p> <p>16 a utility clerk, but that may have been what</p> <p>17 you meant.</p> <p>18 A. As a rate clerk, all I can tell you</p> <p>19 is we were paid -- at one time we were paid</p> <p>20 twice monthly and then they changed it to every 16:48:28</p> <p>21 other week. I don't remember which sequence</p> <p>22 that went in.</p> <p>23 Q. When you sent the letter that's</p> <p>24 Exhibit 3, what was your understanding of the</p> <p>25 separation that you were -- that you believed 16:49:17</p> |

9 (Pages 30 to 33)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: right;">Page 34</p> <p>1 yourself entitled to?</p> <p>2 A. I believe since I wasn't available</p> <p>3 to obtain a position by exercising my</p> <p>4 seniority, they didn't allow me, that I was</p> <p>5 entitled to my separation allowance. 16:49:44</p> <p>6 Q. Did you know how much that was?</p> <p>7 A. I knew it was based on a 360-day --</p> <p>8 well, it was based on your amount of seniority.</p> <p>9 And if you had over ten years, it was one year</p> <p>10 salary. 360 days salary. 16:50:14</p> <p>11 Q. And what was your understanding</p> <p>12 under the circumstances of which you'd be</p> <p>13 entitled to that separation amount?</p> <p>14 A. I believe just under the agreement</p> <p>15 that we were entitled. 16:50:47</p> <p>16 Q. And what was your understanding of</p> <p>17 the facts that would trigger application or</p> <p>18 requirement to make that separation payment?</p> <p>19 MS. TRICARICHI: Objection. He</p> <p>20 testified under the agreement. If you know. 16:51:13</p> <p>21 A. The agreement.</p> <p>22 Q. Well, the question I'm asking now</p> <p>23 is what facts that were applicable to your</p> <p>24 situation did you understand gave rise to the</p> <p>25 obligation under the agreement to make a 16:51:36</p> | <p style="text-align: right;">Page 36</p> <p style="text-align: center;">CERTIFICATE</p> <p>1 The State of Ohio, )</p> <p>2 SS:</p> <p>3 County of Cuyahoga. )</p> <p>4</p> <p>5 I, Kristin L. Wegryn, a Notary</p> <p>6 Public within and for the State of Ohio, duly</p> <p>7 commissioned and qualified, do hereby certify</p> <p>8 that the within named witness, PHILLIP FRANZ,</p> <p>9 was by me first duly sworn to testify the</p> <p>10 truth, the whole truth and nothing but the</p> <p>11 truth in the cause aforesaid; that the</p> <p>12 testimony then given by the above-referenced</p> <p>13 witness was by me reduced to stenotypy in the</p> <p>14 presence of said witness; afterwards</p> <p>15 transcribed, and that the foregoing is a true</p> <p>16 and correct transcription of the testimony so</p> <p>17 given by the above-referenced witness.</p> <p>18 I do further certify that this</p> <p>19 deposition was taken at the time and place in</p> <p>20 the foregoing caption specified and was</p> <p>21 completed without adjournment.</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> |
| <p style="text-align: right;">Page 35</p> <p>1 separation payment to you?</p> <p>2 MS. TRICARICHI: Objection. Asked</p> <p>3 and answered. If you can answer the question,</p> <p>4 go ahead.</p> <p>5 A. No. 16:51:45</p> <p>6 Q. You can't answer that question?</p> <p>7 A. Well, I believe that they denied me</p> <p>8 my rights of obtaining a position under my</p> <p>9 seniority. I had rights there. They denied me</p> <p>10 them. 16:52:16</p> <p>11 Q. When you reported -- excuse me --</p> <p>12 as a utility clerk, were you still a member of</p> <p>13 the union?</p> <p>14 A. Yes.</p> <p>15 Q. Was it the same union? 16:53:42</p> <p>16 A. Yes.</p> <p>17 MR. STEWART: That's all I have,</p> <p>18 sir.</p> <p>19 MS. TRICARICHI: Mr. Franz, in the</p> <p>20 event your deposition is typed up by the court 16:54:06</p> <p>21 reporter, you have a right to review it. I</p> <p>22 would suggest that you review it, but you have</p> <p>23 to tell her that you want to do that.</p> <p>24 THE WITNESS: I'd like to review</p> <p>25 it. 16:54:16</p>                                                                                                                                                                                                                               | <p style="text-align: right;">Page 37</p> <p>1 I do further certify that I am not</p> <p>2 a relative, counsel or attorney for either</p> <p>3 party, or otherwise interested in the event of</p> <p>4 this action.</p> <p>5 IN WITNESS WHEREOF, I have hereunto</p> <p>6 set my hand and affixed my seal of office at</p> <p>7 Cleveland, Ohio, on this day of</p> <p>8 , 2007.</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14 Kristin L. Wegryn, Notary Public</p> <p>15 within and for the State of Ohio</p> <p>16</p> <p>17 My commission expires July 13, 2008.</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

10 (Pages 34 to 37)



SIGNATURE OF WITNESS

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

The deposition of PHILLIP FRANZ,  
taken in the matter, on the date, and at the  
time and place set out on the title page  
hereof.

It was requested that the  
deposition be taken by the reporter and that  
same be reduced to typewritten form.

It was agreed by and between  
counsel and the parties that the Deponent will  
read and sign the transcript of said  
deposition.



1 IN THE DISTRICT COURT OF THE UNITED STATES  
2 FOR THE NORTHERN DISTRICT OF OHIO  
3 EASTERN DIVISION  
4

5 MICHAEL J. KNOPIK, )

6 Plaintiff, )

7 vs. )

8 PENN CENTRAL RAILROAD; )

9 UNITED TRANSPORTATION UNION; and )

10 BROTHERHOOD OF RAILROAD TRAINMEN, )

11 Defendants. )

C 69-727

12  
13 TRANSCRIPT OF THE ORAL RULINGS OF THE  
14 HON. THOMAS D. LAMBROS, JUDGE OF SAID  
15 COURT, IN THE ABOVE-CAPTIONED CASE, ON  
16 JULY 14, 1976.  
17

18 APPEARANCES:

19 On behalf of the Plaintiff:

20 Michael R. Kube, Esq.  
21 Peter H. Weinberger, Esq.

22 On behalf of the Penn Central Transportation Company:

23 John F. Dolan, Esq.

24 On behalf of the United Transportation Union, the  
25 Brotherhood of Railroad Trainmen:

Norton N. Newborn, Esq.

JULY 14, 1976; 10:00 A.M.

2

(The following proceedings ensued in the Court's chambers.)

THE COURT: Gentlemen, picking up where we left off last evening, do counsel wish to be heard further on the motions presented yesterday afternoon and evening?

(Arguments presented by counsel for all parties.)

THE COURT: Anything further, gentlemen?

(After an interval.)

During the pretrial stages certain issues in this case were tested by way of motions for summary judgment, and the Court did express its views that there were triable issues, and the Court, having overruled the motions of the railroad and the union to strike the jury demand in this case, the Court felt that the issues were triable by a jury and a jury was impaneled to hear the issues as framed in the complaint.

Recognizing at this time, particularly to the allegations of the plaintiff as directed specifically against the carrier Penn Central Company and the union, the United Transportation Company,

1 particularly the allegations as to unfair repre-  
2 sentation and deliberate conduct characterized in  
3 the complaint as bad faith as assigned to the  
4 railroad and union as having acted in concert to  
5 deprive the plaintiff of certain rights of employ-  
6 ment; my view of the evidence at the close of the  
7 plaintiff's case in chief is that with respect  
8 to those questions reasonable minds cannot differ,  
9 and thus the plaintiffs have not sustained their  
10 burden in presenting a jury question regarding  
11 the matter of conspiracy and bad faith or unfair  
12 representation.

13 Relative to certain questions as framed in  
14 this Court's order in ruling on a motion for  
15 summary judgment, specifically as to whether  
16 the plaintiffs were employees of the New York  
17 Central Railroad by virtue of their employment by  
18 C.U.T., the evidence as presented by the plain-  
19 tiff demonstrated that there was a genuine bona  
20 fide dispute existing between the New York  
21 Central Railroad and the United Transportation  
22 Union, then, and during those negotiations, known  
23 as the Brotherhood of Railroad Trainmen.

24 It cannot be said, nor can it be inferred  
from the evidence that the railroad with respect

4

1 to seniority date took an arbitrary or unreason-  
2 able position.

3 The railroad view was that the Cleveland  
4 Union Terminal was a subsidiary; that they were  
5 not employees of the New York Central Railroad.  
6 It was the position of the New York Central that  
7 the Cleveland Union Terminal Company was not a  
8 part of the merger.

9 The evidence demonstrates that there was a  
10 disagreement by the union, and that there were  
11 discussions and negotiations, and this conflict  
12 was the matter of negotiations.

13 I do not feel from a view of the evidence  
14 that the union failed in its responsibility to  
15 the union members to pursue this particular dis-  
16 pute. That has to be viewed of course on the  
17 conduct of the parties in view of any vested  
18 rights of the plaintiffs.

19 My view of the law with respect to seniority  
20 rights clearly demonstrates that seniority rights  
21 can only be created by contract or by statute.  
22 One does not, absent a contract or absent a  
23 statute so providing, have any inherent right to  
24 a particular seniority date. The date of hire  
25 is not necessarily controlling unless of course

1 it is so provided by contract or statute.

2 There is no dispute that the Cleveland Union  
3 Terminal men did have exclusive seniority rights  
4 with respect to the Cleveland Union Terminal  
5 roster.

6 The evidence in this case and at the close of  
7 the plaintiff's case in chief does not demon-  
8 strate that that seniority which was acquired as  
9 Cleveland Union Terminal employees on the  
10 Cleveland Union Terminal roster, was in any way  
11 modified or affected by the actions of the  
12 defendants. In fact, the Cleveland Union  
13 Terminal seniority roster, insofar as these  
14 plaintiffs were concerned, was not in any way  
15 tampered; so with respect to the conduct of  
16 the defendant, no right was taken away from  
17 the plaintiffs with respect to any seniority  
18 they had on the Cleveland Union Terminal roster.

19 The evidence demonstrated that there was a  
20 decline in passenger service. The Cleveland  
21 Union Terminal employees, by reason of changes  
22 in the mode of travel and the economy of this  
23 nation; that their status as employees of the  
24 Cleveland Union Terminal, because of changes in  
25 the habits of the American traveling public;

1 that their conditions of employment were imperiled  
2 by virtue of interstate highway systems and air  
3 transportation, and there is no question of the  
4 fact that the Court can take judicial notice of  
5 the fact that passenger service was on the decline.

6 Nonetheless, following the merger agreement  
7 between the New York Central Railroad and the  
8 Pennsylvania Railroad, the union, representing  
9 the Cleveland Union Terminal employees, was  
10 successful in negotiating a contract with the  
11 New York Central to acquire for the Cleveland  
12 Union Terminal employees exclusive seniority  
13 rights on another roster; namely, the Cleveland  
14 Freight Yard roster. It was a top and bottom  
15 agreement.

16 The Cleveland Union Terminal employees were  
17 placed on that roster and given an opportunity  
18 to bid on that roster as against any and all  
19 other New York Central employees, and subse-  
20 quently as against any and all Penn Central  
21 employees, save and except those persons already  
22 on the Cleveland Freight Yard roster.

23 Plaintiffs do not complain, nor do they  
24 assert in any way that the seniority date given  
25 to them on that top and bottom roster was in any



2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

7

way a denial of any seniority rights which they had or acquired, for that top and bottom agreement in no way interfered with or deprived them of their Cleveland Union Terminal seniority.

What it did, it acquired them a new seniority date with respect to being a new top and bottom roster; so with respect to whether or not the Cleveland Union Terminal employees and plaintiffs in this case were in fact New York Central employees or not made no difference, and that determination was irrelevant with respect to the Cleveland Union Terminal roster, for they were not prejudiced at all with respect to that roster.

And defining that question as to whether or not they were New York Central employees or not was immaterial with respect to the top and bottom roster, so they had acquired a right to bid for jobs in an area where they previously had no such preferential bidding rights; so in those two areas it is immaterial whether or not they are New York Central employees in definition.

Subsequently another agreement was entered into -- and for the moment we will pass by their rights under the merger protective agreement with respect to job guarantee, and we will go on to the 1969 agreement which clarifies the

1 position of the railroad with respect to the  
2 entitlement of the Cleveland Union Terminal  
3 employees to job guarantee benefits as provided  
4 in the merger agreement.

5 As of 1969, that issue was settled, and to  
6 the extent there was a dispute, that dispute was  
7 resolved in that it provided in the 1969 agreement  
8 that the C.U.T. employees could use both their  
9 C.U.T. compensation as well as their compensation  
10 in that area of New York Central work at the Lake-  
11 front and East 26th Street yards as a basis for  
12 computing their wages and determining their  
13 entitlement to a base guarantee under the merger  
14 protection agreement.

15 But dealing at this point with the matter  
16 of seniority date, and to the extent that the  
17 lawsuit permits the consideration of an issue  
18 as to the prior right seniority date assigned  
19 to the plaintiff on the consolidated Penn Central  
20 roster, and for clarity, that roster did not in  
21 any way affect any prior seniority rights that  
22 had been acquired with respect to the right of  
23 the employees to bid on any rosters and jobs that  
24 they already had exclusive rights to, and so there  
25 is no confusion, Division 4 consolidated Penn

Central roster, if it interfered with any seniority rights which the plaintiff had with respect to the C.U.T. roster or the Cleveland Freight Yard roster, where they had acquired certain exclusive rights pursuant to the top and bottom agreement; and for all practical purposes, the new consolidated roster deprived those plaintiffs of no job opportunities that they had already acquired preferential rights to in the C.U.T. area and the Cleveland Freight Yards, but the consolidated roster did -- it created new opportunities, and to the extent that there was new work available, either on the two rosters in which they already had preferential rights to, or in the event they decided to change jobs and go to a so-called foreign job and embark on new opportunities, it entitled them to certain -- to bid on other jobs based on -- and every one on that roster was treated similarly on that roster with respect to being given a February 1, 1968, seniority date with respect to bidding on jobs which they had no prior preferential rights to; however, the exercise of that seniority date was influenced by virtue of a prior seniority date which was designated on that roster.

Now, the chief criticism of the plaintiffs is that they were assigned a September 10, 1964 seniority date on the new consolidated roster rather than being given a prior right seniority date which conformed with their Cleveland Union Terminal seniority date.

Well, it was the position of the railroad that they were not entitled to their Cleveland Union Terminal seniority date on the consolidated roster, because with respect to the type of seniority we are talking about, giving preferential bidding rights, the New York Central did not consider them New York Central employees in that context until such time as they had acquired bidding rights pursuant to the top and bottom agreement which the Union had agreed and the railroad had agreed was 9-10-64, and the plaintiffs do not question that that is a seniority date properly assigned to them with respect to bidding for jobs on the Cleveland Freight Yards pursuant to the top and bottom agreement.

Now, whether or not the railroad utilized an appropriate or an erroneous concept in asserting that position, there is nothing in the evidence to reflect that the assertion of that

position was based on bad faith.

Now, the 1969 agreement entered into between the union and the railroad, in addition to clarifying certain rights under the job guarantee provision of the merger agreement, additionally provided in that agreement that the prior right seniority date which the plaintiffs would be entitled to on the consolidated roster would be September 10, 1964.

That seniority date was fixed by agreement between the union representing the plaintiffs and the railroad.

In viewing the evidence presented in the plaintiff's case in chief, I do not view that evidence as permitting an inference that by entering into that agreement, fixing that prior right seniority date in the consolidated roster, was influenced by any bad faith or unfair representation by the union, or an arbitrary unfair or unreasonable position by the railroad.

I do not view from a review of all of the evidence and the exhibits, as well as the constitution of the Brotherhood of Railroad Trainmen, that that agreement of 1969 was entered into in violation of that constitution.

1 I do not view that agreement as to that  
2 prior seniority date of September 10, 1964, as  
3 constituting a deprivation of any rights or  
4 vested rights which the plaintiffs had, for they  
5 had no vested rights in the consolidated rights.  
6 Their vested rights were with respect to the  
7 C.U.T. roster, and their vested rights were with  
8 respect to the Cleveland Yard roster which they  
9 acquired pursuant to the top and bottom agreement.

10 The Union was the authorized representative  
11 of the plaintiff, and in the exercise of that  
12 authority, it did enter into the 1969 agreement  
13 fixing a prior right seniority date to be in-  
14 cluded on that roster.

15 I do not feel that upon review of all of  
16 the evidence in this case that the evidence per-  
17 mits of an inference by the jury that that contract  
18 was entered into unlawfully, unfairly, nor does it  
19 permit an inference that the Cleveland Union  
20 Terminal employees were discriminated against;  
21 and I do not view that that agreement took away  
22 any right which it already vested in the plain-  
23 tiff; so in that respect, and with respect to  
24 the plaintiffs having made out a case which  
25 would require this Court to submit to the jury

1 a question which would result in a change or modification  
2 in that prior right seniority date which  
3 appears on the consolidated roster, I do not see  
4 that there is a justiciable issue, a triable issue  
5 in this case to be submitted to the jury for consideration.  
6

7 This lawsuit, however, and during the plaintiff's  
8 case in chief, did clarify a major issue  
9 in this case, and that was the status of the  
10 plaintiffs with respect to the merger protection  
11 agreement as it pertained to guaranteed wages and  
12 job guarantee in the event of unavailability of  
13 work, or if there was a differential in the pay  
14 of a job which the C.U.T. employees stood for,  
15 either on the C.U.T. roster or the top and bottom  
16 roster; and in the event the job that was available  
17 which they stood for and bid for and obtained,  
18 paid less than the base guarantee computed as  
19 provided for in the agreement, there is no question  
20 that, based on the representation of the  
21 railroad during the plaintiff's case in chief,  
22 that they were entitled to that job guarantee.

23 Now, it has been brought forth in the case  
24 in chief that the plaintiffs, some of them, did  
not -- that either work was available, or if it

1 was available, that they didn't take that work  
2 because of the status with respect to their  
3 entitlement, the job guarantee not being clar-  
4 fied, and they have asserted that they did not  
5 want to take jobs until that status was clarified  
6 for fear of prejudicing themselves.

7 Well, I believe with respect to the question  
8 as to whether or not they are entitled to the  
9 benefits of job guarantee, that there no longer  
10 is a triable issue in that case by virtue of the  
11 position stated by the railroad, that that issue  
12 need not be submitted to the jury, and this Court  
13 may find now as a matter of law that the plain-  
14 tiffs are employees of the New York Central  
15 Railroad as that term is defined in the merger  
16 protection agreement, and as that term applies  
17 to the job protection agreement and their job  
18 guarantee entitlement under the merger agree-  
19 ment.

20 And it is my view that -- I don't feel that  
21 there is any issue, and as a matter of law I  
22 think I am entitled to at this time make a find-  
23 ing based on the evidence as well as the represen-  
24 tations of the railroad, and I see no necessity  
25 of receiving further evidence on this, because



1 this issue is clear, that the plaintiffs were  
2 entitled to the full benefits of the job protec-  
3 tion agreement, based on their combined wages of  
4 C.U.T. and their New York Central work, and were  
5 entitled to this, not only as of 1969, but at all  
6 applicable times prior thereto.

7 It would seem to me that the triable issue  
8 remaining in this lawsuit is one stemming out of  
9 the merger protection agreement. It is a contract  
10 issue, and it would seem to me that in view of the  
11 fact that the issues in this case were by agree-  
12 ment of the parties bifurcated at the outset, and  
13 we were to try only the liability issues at this  
14 time, and the damage questions later, and as this  
15 Court is making a finding now relative to the  
16 applicability of the merger protection agreement  
17 to these plaintiffs and a finding as to their  
18 entitlement to job guarantee, and to the extent  
19 that there was any dispute between the parties,  
20 that issue is now resolved on that finding, and  
21 it would seem to me that the issue as to whether  
22 or not there was a breach of that agreement is  
23 best tried in the context of a damage question,  
24 and I think this Court should permit further  
25 discovery on that question so that the plaintiffs.

have an opportunity to discovery the records and files of the railroad and afford the railroad an opportunity of preparing any defenses that it has as to whether or not the plaintiffs did comply with the conditions of the contract, so as to entitle them to any claims which they make.

It would seem to me that that question, those questions should be tried together rather than submitting to this jury the question as to the amount of entitlement if any and any other defenses that may be raised to that issue.

With respect to the issues for which this jury was impaneled, I find they are no longer existing, based on these informal findings made by the Court as to whether or not reasonable minds can differ on these questions.

The questions set forth in my order on motion for summary judgment that were unresolved questions, and as I viewed from the affidavits and exhibits submitted as part of the motion for summary judgment, were four in number:

"(1) Were plaintiffs employees of the New York Central by virtue of their employment by C.U.T.?"

Well, with respect to the entitlement of the

17

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

plaintiffs to the benefits of the merger protection agreement and job guarantee, there is no dispute on that question which need be submitted to the jury. Both the plaintiffs and defendants now agree that they are employees as that term is used in the merger protection agreement.

A finding as to whether or not they were employees in the context of the consolidated roster is irrelevant in that I have made a finding based on the evidence presented by the plaintiffs that there was an agreement entered into between the representatives of the plaintiffs and the railroad fixing a seniority date of September 10, 1964, on that roster, finding that there was no bad faith, finding there was no conspiracy, finding there was no discrimination in that regard, and that that contract is a valid contract. It is irrelevant as to whether or not they are in that context characterized as New York Central employees or C.U.T. employees; and that issue would have been relevant if there was no agreed seniority date which was the basis for that inclusion in the consolidated roster.

And then, if there was a dispute, it would be relevant to inquire into all the facts and

18

1 circumstances to determine whether or not they had  
2 acquired a vested right to some other seniority  
3 date which should have been included, but that  
4 is irrelevant in view of the fact that the parties  
5 did agree to it, and that is how seniority rights  
6 are created, are by contract, and a contract was  
7 executed, and pursuant to that contract that  
8 seniority date was fixed, and I find no basis  
9 from the evidence presented by the plaintiffs in  
10 chief to submit to a jury the question as to the  
11 validity of that contract.

12 I see no evidence which would sustain illegal  
13 conduct on the part of the union and the railroad  
14 which would require the setting aside of that  
15 contract.

16 The second question which I set forth in my  
17 order denying the motion for summary judgment was:

18 "Were plaintiffs employees of the New York  
19 Central by virtue of their having performed some  
20 work for New York Central while working for the  
21 C.U.T.?"

22 To the extent that there are any issues  
23 raised by the complaint seeking relief, that issue  
24 need not be submitted to the jury, for that issue  
25 has been resolved by this Court's finding that

2 they are employees under the job protection agree-  
3 ment entitling them to a job, a job guarantee, and  
4 that their combined wages of C.U.T. and New York  
5 Central work can be included in determining their  
6 base; that that issue no longer must be resolved  
7 to furnish any relief which is sought by the plain-  
8 tiffs.

9 The third question which was to be submitted  
10 to the consideration of the jury was:

11 "Were plaintiffs placed in a worse position  
12 with respect to their employment by reason of the  
13 merger?"

14 Well, with respect to their C.U.T. work, they  
15 were not placed in a worse position. That is clear.  
16 There is no basis upon which one can say they were  
17 placed in a worse position in that they were not  
18 ever deprived of their seniority. Nothing with  
19 respect to their right to bid for jobs on the  
20 top and bottom roster at the freight yards was  
21 taken away. They kept their seniority.

22 With respect to that question and to the  
23 extent that that question is still a viable  
24 question, it can only be submitted in the context  
25 of their entitlement of any benefits under the  
job guarantee provisions of the merger protection

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

agreement, and that issue must still be litigated after discovery is concluded with respect to the specific claims of the plaintiff; and also in the context of that agreement, if the railroad takes the position that they declined work which was available, then of course the merger protection agreement provides that that would not be a condition where they were placed in a worse position.

That issue, in the context of the job guarantee must still be resolved, but that is best resolved and put to the jury when the damage question is presented in the context of their entitlement to a job guarantee.

The fourth question which was set forth in my order ruling on the motion for summary judgment was as follows:

"Did the union and railroad conspire to deprive plaintiffs of their seniority rights?"

I have already articulated on this issue previously in this ruling.

I find from the evidence submitted in the plaintiff's case in chief no evidence whatever from which an inference can be drawn that there was any conspiratorial conduct or actions by the union and the railroad designed to deprive the

1 plaintiffs of their seniority rights.

2 It appears to the Court that the evidence can  
3 only sustain a position that the union and the  
4 railroad conducted themselves in a manner which  
5 was not conspiratorial nor unfair nor arbitrary.

6 Both the union and the railroad, from the  
7 evidence that I have heard, asserted positions  
8 which they had a factual basis upon which to  
9 conclude were bona fide. That is not to suggest  
10 that the positions may not have been erroneous,  
11 and not to suggest that the railroad took a hard-  
12 nosed position concerning certain questions, and  
13 that is not to suggest that the union, because it  
14 was not able to achieve an agreement or a position,  
15 that it -- or the position that it sought was  
16 appropriate, or the position was unfair in its  
17 representation in failing to achieve that agree-  
18 ment.

19 I do not feel the evidence in this case can  
20 support a submission of a conspiracy question or  
21 a bad faith question or an unfair representation  
22 question to the jury.

23 I will therefore grant the motions, the  
24 motion of the defendant union, and enter a verdict  
25 in favor of the defendant, United Transportation.

Union, with respect to the issues of unfair representation and conspiracy, which are the only issues upon which any claim can be based on this claim against the union, and they would be relieved from this litigation.

Similarly, I grant the motion for directed verdict of the Penn Central Railroad and enter judgment in their favor with respect to the issues of conspiracy, concerted action with the union, and bad faith.

It appears to me that the only issue remaining, which must be considered in the context of the pleadings and the evidence in this case, is the issue of the entitlement of the plaintiffs to job guarantee benefits following the February 25, 1968 furlough.

The plaintiffs will have the opportunity through this case to present evidence of their entitlement to job guarantee benefits consistent with the merger protection agreement, and the railroad will have the opportunities to submit the defenses which it feels are applicable to those claims.

As I see it, and of course that does not mean that I intend to restrict the parties in



developing the issues with respect to the remaining question, but from the dialogue of the parties yesterday, it appears that the railroad's position is that these people, after they were furloughed from the C.U.T. roster, because of the unavailability of work, were then able to exercise the benefits which they had acquired, and their exclusive bidding rights that they had acquired pursuant to the top and bottom agreement in the Cleveland Freight Yards.

The railroad's position is that there was work available and that they did not avail themselves of that work, and thus the railroad's position is that pursuant to the job protection agreement, that they lost and waived and rendered themselves ineligible for job guarantee benefits in view of the fact that they did not accept work that was available to them.

I am mindful, however, that the plaintiff's position is that because of the representations made by the railroad, and because the status of the parties with respect to their entitlement of job guarantee was not clarified that to the extent that they did not report for work or take that work, that that should not deprive them of

1 the benefits of job guarantee for if they had  
2 taken that work, that they could have conceiv-  
3 ably prejudiced themselves and their contract was  
4 not in breach of a merger protection agreement by  
5 not reporting to work or marking up.

6 I make no findings with respect to those  
7 issues. It seems to me those issues must be  
8 tried in the context of a damage claim, and I  
9 shall retain that issue for trial at another  
10 date mutually agreeable to the parties and  
11 following their discovery, but it seems that the  
12 basic issue is resolved through this lawsuit; and  
13 when that issue is submitted, the jury should be  
14 informed and will be instructed as a matter of  
15 law that the plaintiffs are covered employees  
16 under the job protection agreement and fall  
17 within the coverage of the job guarantee.

18 The sole question will be whether or not  
19 there was a breach of that contract by the rail-  
20 road, and/or a compliance by the plaintiffs with  
21 the terms of that agreement so as to entitle them  
22 to the benefits.

23 That is stated generally, and I don't mean to  
24 bind myself by that statement to those issues, nor  
25 are the parties bound.

1 This will be the subject of a further con-  
2 ference between the plaintiffs and New York  
3 Central and the Court to define those issues and  
4 to put those issues in a posture for trial.

5 Gentlemen, to the extent that any of the  
6 parties and the rulings here are adverse to any  
7 of the parties, your exceptions are noted, but I  
8 feel that with respect to the issues for which  
9 this jury was impaneled to hear and decide, that  
10 this Court has, through the facility of the motion  
11 for a directed verdict and its ruling at the  
12 close of the plaintiff's case in chief, has  
13 ruled on those issues, and thus the issues that  
14 were previously framed in my order which were  
15 to be submitted to the jury have now been  
16 resolved, and there is no issue for submission  
17 to this jury, and I will accordingly, after  
18 this ruling, proceed to the courtroom to excuse  
19 the jury.

20 To the extent that the plaintiffs desire  
21 the issuance of a separate judgment pursuant to  
22 the rules, to afford the plaintiffs an opportunity  
23 of taking appeals on these issues prior to the  
24 determination of the other issues, I don't know  
25 of any serious objections that I would have to

clearing the way for an appeal on that; however,  
it seems to me that the issues would be best  
handled on review, after a conclusion of the  
remaining issues; so the parties are not prejudiced by not taking an appeal at this time, as this would not be a final order of the nature, which you are compelled to take an appeal; but those are matters for your consideration and review.

That is all I have got to say at this time.

MR. DOLAN:

Thank you, your Honor.

(Thereupon the conference in chambers came to a close.)

(Thereupon the following proceedings ensued in open court in the presence of the jury.)

THE COURT:

Good morning, ladies

and gentlemen.

Members of the jury, the plaintiffs have rested their case with the submission of all of the exhibits which I have ruled upon in the past few days, and with the conclusion of their testimony.

At the conclusion of the plaintiffs' case in chief, Mr. Dolan, on behalf of the Penn Central Railroad, and Mr. Newborn, on behalf of the United

1 Transportation Union, moved to this Court, in  
2 presenting a formal motion in open court, for a  
3 directed verdict in favor of the railroad and the  
4 union on the issues framed in the complaint charg-  
5 ing them with having conspired to deprive the  
6 plaintiffs with certain rights that they were  
7 entitled to.

8 The union specifically was charged with  
9 unfair representation and bad faith, and the  
10 railroad was charged with having conspired with  
11 the union to deny the plaintiff certain employment  
12 rights, and the complaint charges that the rail-  
13 road acted in bad faith, and that the union did  
14 not fairly represent the plaintiffs.

15 When a motion of that nature is made at the  
16 close of the plaintiff's case in chief, it is  
17 incumbent upon the trial judge to view the evidence  
18 and to determine whether or not reasonable minds  
19 can differ on the questions of fact for considera-  
20 tion by the jury on the issues of unfair represen-  
21 tation and bad faith and conspiracy.

22 At the outset and by agreement of the parties  
23 the issues in this case were bifurcated, and by  
24 that we mean that they were separated, that there  
25 was an agreement by the parties that they would

1 first try the liability questions to determine  
2 whether or not there was unfair representation,  
3 and whether or not there was bad faith on the  
4 part of the railroad, and whether or not there  
5 was a conspiracy; and those were the questions  
6 that were going to be submitted to the jury to  
7 decide on the evidence, and once those issues  
8 were decided, then a subsequent proceeding would  
9 be held to try any damage questions flowing from  
10 a finding of liability against either the Penn  
11 Central or the United Transportation Union or  
12 both.

13 I have viewed the evidence, and with respect  
14 to the issues presented in the complaint, it is  
15 my view that the evidence does not permit one to  
16 draw an inference that there was any conspiratorial  
17 action or conduct between the railroad and the  
18 union to deprive the plaintiffs of any employ-  
19 ment rights.

20 My view of the evidence is that an inference  
21 is not, cannot be drawn from the evidence that  
22 the railroad acted in bad faith or that the union  
23 unfairly represented the plaintiffs as those  
24 terms are defined in the law.

25 This court does not make a judgment as to

1 whether or not there was any error in the view of  
2 the railroad or whether or not the union could  
3 have more energetically pursued the interests of  
4 the employees. Those are not the considerations.  
5 The considerations are whether or not there was  
6 bad faith in these dealings, and whether or not  
7 there was a conspiracy, and whether or not there  
8 was an unfair representation.

9 It is on those issues, and those questions,  
10 which make up this lawsuit for the consideration  
11 of the jury.

12 It is my view from the evidence that reason-  
13 able minds cannot differ on these questions, and  
14 thus they are not susceptible to a jury for con-  
15 sideration, but do compel the granting of a motion  
16 for a directed verdict in favor of the union and  
17 the railroad on these questions.

18 There is, however, a finding which I am  
19 making which must be considered at a further  
20 proceedings of this Court after the parties have  
21 had the opportunity to further develop the evidence  
22 on that question.

23 Based on the representation of the railroad  
24 during the plaintiff's case in chief, I am making  
25 and have made a finding as a matter of law that

1 the job protection agreement entered into in 1964  
2 by and between the railroad, the Pennsylvania and  
3 the New York Central Railroad, that as that deter-  
4 mination is used in that contract, that the plain-  
5 tiffs are employees as that term is defined in  
6 that contract, which would entitle the plaintiffs  
7 to job protection and job guarantee.

8 Having made that finding, the issues will be  
9 submitted at another proceeding after plaintiffs  
10 have had an opportunity to develop the evidence  
11 in this respect, to determine whether or not when  
12 they were in fact furloughed on February 25, 1968,  
13 whether or not at that point they did meet the  
14 necessary conditions of the merger protection  
15 agreement as to qualify for the benefits of the  
16 guarantees provided in that merger protection  
17 agreement.

18 With respect to their being covered, I am  
19 making a finding and deciding that question as a  
20 matter of law, so I am retaining for further  
21 question the question as to, solely as to whether  
22 or not there was a breach of contract by the Penn  
23 Central Railroad and whether or not there was a  
24 compliance with the terms of that agreement, so  
25 as to entitle the plaintiffs to job guarantee.



1 Basically, even though it is not your ques-  
2 tion, but because we have been intruding on your  
3 time for a couple of weeks here, I think we per-  
4 haps should explain these things to you.

5 Although you are not going to ultimately  
6 determine this question, because we agreed to  
7 separate the damage questions, the plaintiffs are  
8 going to be given an opportunity, having made the  
9 determination that they are covered by the job  
10 protection agreement and were at all times rele-  
11 vant to the lawsuit employees as that term is  
12 used in the job protection agreement, they are  
13 going to be able to present evidence to show what  
14 if any losses they sustained in wages, and the  
15 railroad will be given the opportunity to present  
16 any defenses.

17 In essence, the railroad's position is that  
18 the employees did not comply with the terms of  
19 the job protection agreement, in that they did  
20 not mark up for work that was available to them  
21 at the Cleveland Yards pursuant to the top and  
22 bottom agreement after they were furloughed from  
23 C.U.T.

24 The job protection agreement provides that  
25 one must make himself available for work and

1 accept work on a roster for which he stands if  
2 work is available before he is entitled to those  
3 benefits.

4 The railroad says they did not mark up, and  
5 that work was available, and they did not accept  
6 the work, and thus any benefits that they were  
7 entitled to under that agreement have been waived  
8 by them.

9 The plaintiffs lawyer's position is that  
10 the status at that time was uncertain as to  
11 whether or not they had a job protection agree-  
12 ment, the job protection and the job guarantee,  
13 and thus they cannot be considered as having  
14 breached the agreement by non-compliance with  
15 the terms by not reporting for work, because  
16 conceivably they would have prejudiced their  
17 rights by admitting to certain aspects which  
18 may be detrimental if they had reported to work,  
19 but those issues will have to be resolved at a  
20 different proceedings, and plaintiffs will be  
21 given an opportunity to present any damage  
22 claims which they feel flowed from a breach of  
23 that contract, so this Court is retaining the  
24 issues of this case solely on a contract issue  
25 as opposed to the issues which were going to be

submitted to you on the questions of bad faith and unfair representation and conspiracy.

I feel there is no evidence to sustain those positions, and I make those findings based on this:

No conduct of the railroad or the union ever took away from the plaintiffs any rights they had on the C.U.T. roster. They had vested rights which never were diminished by any agreement. They had exclusive rights to those jobs on the C.U.T. roster.

There is no question from the evidence -- and we can all take what we call judicial notice of the fact that there was a decline in passenger service, so there was -- so the end was coming to those jobs that they occupied on the C.U.T. roster; but in anticipation of that, the union did negotiate with the railroad a top and bottom agreement, and did acquire for the plaintiffs job rights that they never had before in the Cleveland Freight Yards, and they had acquired exclusive job rights as against everyone else excepting those that were already on that roster, so even in connection with this merger, no one else, no matter how long they had worked for either Pennsylvania or New York Central Railroad,

1 could come and claim a job in advance of their  
2 position on the Cleveland Roster. Nothing ever  
3 took that seniority away from them. They did  
4 have a job preference on the freight yards pur-  
5 suant to the top and bottom agreement, and the  
6 merger agreement did not diminish those job  
7 rights, so it cannot be said that any conduct  
8 of the railroad or the union took away that which  
9 they had with respect to employment rights as  
10 C.U.T. or at the Cleveland Freight Yards.

11 The union was the authorized representative  
12 of the plaintiffs and did have the right to nego-  
13 tiate contracts on their behalf.

14 They did negotiate the top and bottom agree-  
15 ment, and no one -- there is no evidence to estab-  
16 lish that they were prejudiced as a result of that  
17 contract.

18 There was another 1969 agreement in which the  
19 position was clarified with respect to their  
20 entitlement to the job guarantee, and established  
21 a basis -- and it was agreed at that time that  
22 both the C.U.T. wages and the New York Central  
23 wages for work done at the Lakefront and the 26th  
24 Street Yard could be computed.

25 However, I have made a determination as a

1 matter of law based on representations of the  
2 railroad, that at all times, even prior to 1969,  
3 that the plaintiffs were entitled to that job  
4 guarantee, and that for the purposes of the job  
5 guarantee, they were, when that emergency agree-  
6 ment was entered into, employees as that term is  
7 defined in the merger protection agreement.

8 So, because I have made that finding now,  
9 based on the admissions of the railroad; that there  
10 is no necessity of submitting that question, and I  
11 entered judgment on that issue as a matter of law.

12 Now, based on that finding, the plaintiffs  
13 now must come forward with evidence to support  
14 the position that there was compensation loss to  
15 which they are entitled to payment; but still  
16 dealing with that 1969 agreement, and now moving  
17 over to the consolidated Penn Central roster,  
18 which gave everyone, all the New York Central  
19 employees and all the Pennsylvania employees on  
20 that roster, a 2-1-68 seniority date, now that  
21 2-1-68 seniority date was given to everyone, but  
22 that 2-1-68 date didn't affect any vested rights  
23 that they had on any other roster.

24 That consolidated roster did not give anyone  
25 the right to bump them off the C.U.T. roster or

1 anyone the right to bump them off of the top and  
2 bottom roster of the Cleveland Freight Yards.

3 What that consolidated roster in effect is  
4 is a "new opportunities" type roster. In other  
5 words, it permitted those people based on that  
6 2-1-68 seniority date, which is also influenced  
7 of course by the prior right seniority date for  
8 the ones -- for all those with 2-1-68 dates, to  
9 the extent they competed for new job opportunities,  
10 could assert their preference based on the prior  
11 right seniority date.

12 Now, the plaintiffs claim they are entitled  
13 as their prior right seniority date the Cleveland  
14 Union Terminal date, and the railroad's position  
15 is they are not, that they are entitled only to  
16 the 9-10-64 prior right seniority date, because  
17 that is when they acquired New York Central  
18 seniority.

19 Well, that roster and the 1969 agreement,  
20 where the union and the railroad agreed that 9-10-  
21 64 should be the prior right seniority date for  
22 inclusion in that consolidated roster, that did  
23 not affect the plaintiffs with respect to their  
24 C.U.T. work or their Cleveland Freight Yard work.

25 Any effect it had would be with respect to

1 other opportunities and new opportunities in  
2 other jobs that they wish to bid for other than  
3 on the roster that they already stood for.

4 Now, the reason I have withdrawn that con-  
5 sideration from the jury, and the reason this  
6 Court is not going to alter that prior right  
7 seniority date as it appears on the consolidated  
8 roster, is because there are certain things basic  
9 to labor and labor relations law, and one thing  
10 that is basic is that seniority rights are wholly  
11 a creation of a collective bargaining agreement,  
12 and seniority rights have no existence apart from  
13 an agreement, and an employee has no inherent  
14 seniority rights.

15 The 1969 agreement said that these employees  
16 with respect to the Division 4 consolidated Penn  
17 Central roster shall have a 9-10-64 seniority date.

18 That was an agreement creating a seniority  
19 date on that roster. That is the only way a  
20 seniority date can be created. 1st by agreement,  
21 and there was an agreement, and the only way that  
22 this Court could have submitted it to the jury,  
23 any question or issue, any order altering that,  
24 was if it found that the evidence supported an  
25 inference that that contract was illegal.

1           The evidence indicates that the United  
2           Transportation Union was the authorized repre-  
3           sentative of the plaintiffs, the law permits  
4           authorized representatives to negotiate contracts  
5           for seniority rights. The evidence indicates that  
6           was done.

7           Although it could be argued that the railroad  
8           took a hard-nosed, stubborn position with respect  
9           to whether or not they were entitled to their  
10          C.U.T. date, there is nothing in the law which  
11          prohibits the railroad from taking that position.

12          There was the New York Central Railroad, and  
13          there was the C.U.T., and the C.U.T. in the eyes  
14          of the Interstate Commerce Commission and as a  
15          matter of law is a subsidiary corporation.

16          The railroad took the position that we are  
17          not merging subsidiaries. We are only merging  
18          the Penn Central and the New York Central.

19          It took the position that subsidiary employ-  
20          ees do not carry over their prior rights seniority  
21          date.

22          Right or wrong, they still had the right to  
23          adhere to that position.

24          The union had the right to object to that  
25          position and seek a different position.



1 I have reviewed the constitution of the union  
2 and do not find from the evidence as submitted that  
3 that question with respect to fixing the seniority  
4 date for the consolidated roster required a sub-  
5 mission of that question to a referendum.

6 In viewing the agreement as it was, not taking  
7 away any seniority right with respect to the top  
8 and bottom agreement roster, or the C.U.T. was  
9 not taking away any right which had vested, I do  
10 not find that those negotiations were in bad faith,  
11 nor were the union and the railroad in a con-  
12 spiracy to intentionally deprive the C.U.T.  
13 people, the plaintiffs, of any rights that were  
14 vested.

15 So for that reason this Court must take the  
16 position that the contract entered into between  
17 the United Transportation Union and the Penn  
18 Central Railroad, with respect to fixing 9-10-64  
19 as the seniority date that would appear on the  
20 consolidated roster, is a valid agreement, and  
21 that I find from the evidence presented no basis  
22 from which an inference can be drawn that that  
23 contract should be set aside; and I find that  
24 there is no issue where reasonable minds can  
25 differ on that question.

1 Now, the 9-10-64 date does not influence them  
2 with reference to their C.U.T. roster or with  
3 respect to the Cleveland Freight Yard roster.  
4 They have, as against everyone else, those exclu-  
5 sive rights to those jobs as the evidence indi-  
6 cates, excepting those that were already on that  
7 or those specific rosters.

8 The new consolidated roster didn't give any-  
9 one else the opportunity to come in and take away  
10 what they already had. The consolidated roster,  
11 whether it is the language of the union or the  
12 railroad, or the industry, as I view it, was a  
13 totally new roster creating new opportunities.

14 As I view the evidence, heretofore you could  
15 only bid on jobs which you had acquired some exclu-  
16 sive rights to on a particular board, and you had  
17 certain preferential rights that if you went out  
18 to hire in the area where you had no contract  
19 before, you hired out on the basis of the date of  
20 hire; and as I understand, someone who had  
21 advance seniority on the railroad, in the railroad,  
22 who wasn't on that roster, could not a few days  
23 later come and bounce you out of that, because he  
24 also came in on the date of hire.

25 This new roster of course created opportunities

1 where you could use that 2-1-68 seniority date to  
2 apply for jobs on rosters in which you had no  
3 prior right, and could be bumped of course by  
4 someone with a 2-1 seniority date who had a prior  
5 right seniority date which was more senior.

6 Now, that is where of course these plaintiffs  
7 are affected on that roster. If they seek new  
8 opportunities in areas in which they had no prior  
9 job rights, they could mark up that job and apply  
10 for it on a 2-1-68 date and have preference over  
11 anyone else who has a later date, excepting that  
12 they could be bumped by one who had a prior right  
13 seniority date, but the evidence in this case  
14 does not present an issue of damages based on  
15 that, because if we had a situation where one  
16 had applied for a new opportunity and got the job  
17 and was bumped by someone with a more senior  
18 prior right date, or applied for the job and  
19 didn't get it because someone else with a prior  
20 right seniority date got the job, then in that  
21 context the damage question could have been pre-  
22 sented, and that issue resolved; but in this case,  
23 we don't have those type of claims, but more  
24 importantly we don't even get to that, because  
25 on the evidence I have determined, because no one,

1 has an inherent right, inherent seniority rights,  
2 that seniority rights are created by contract,  
3 and because they had no inherent right in that  
4 new roster and in that, that there was an agree-  
5 ment fixing that date at 9-10-64, and they are  
6 bound by that date, say and excepting if there  
7 was evidence to sustain that that contract was  
8 unlawful, illegal, and invalid; and from the  
9 evidence as I view it at this point of the trial,  
10 there is no basis upon which that inference can  
11 be made.

12 Therefore, it is my view, members of the  
13 jury, although there are many other facets I  
14 could discuss with you and -- but I have discussed  
15 it with counsel in giving my ruling in chambers --  
16 and I find that there are no issues framed in the  
17 complaint and the evidence in this case from which  
18 reasonable minds can differ, and thus I am with-  
19 drawing the case from this jury and entering  
20 judgment in favor of the railroad and the union  
21 on the conspiratorial issues and on the bad  
22 faith issue and on the unfair representation  
23 issues.

24 As there is no dispute now with respect to  
25 the question as to the plaintiffs being employees

1 as that term is defined in the job -- in the  
2 merger protection agreement provisions providing  
3 for job guarantee, and that they are covered and  
4 are employees in that context, I am reserving for  
5 further consideration in another proceedings the  
6 issues to determine whether or not the plaintiffs  
7 are entitled to damages for any breach of that  
8 agreement; and now there is no dispute that they  
9 are employees in that context.

10 Members of the jury, I want to take this  
11 opportunity to thank each of you for your kind  
12 indulgence for the delays that we have imposed  
13 upon you, and I know that the evidence in this  
14 case is extremely complex, because there are so  
15 many agreements and mergers, and it was quite a  
16 strain on each of you to have -- as it was on me  
17 as well, because I am no labor expert -- but in  
18 each of these instances we judges have to become  
19 experts, and to the extent that the parties,  
20 respective parties disagree with the character-  
21 ization of the expertise of a particular judge,  
22 they have the right to appeal his decision; but  
23 that is how I view the evidence as not allowing  
24 for an inference of conspiracy, bad faith, or  
25 unfair representation; and I find in this case

1 we had issues that were joined and negotiated and  
2 resolved, perhaps not to the satisfaction of the  
3 respective parties, but the mere fact that they  
4 are not satisfactorily resolved does not indicate  
5 that the resolution was out of bad faith or con-  
6 spiracy.

7 Members of the jury, thank you very much,  
8 and you are now excused, and before your departure,  
9 I would ask that you report to the fifth floor  
10 jury commission for further instructions.

11 Thank you again.

12 -----  
13  
14  
15 C E R T I F I C A T E  
16

17 I, Roy Thompson, Jr., Official Court  
18 Reporter in and for the District Court of the  
19 United States for the Northern District of Ohio,  
20 Eastern Division, do hereby certify that the  
21 above and foregoing is a true and correct tran-  
22 script of the proceedings herein.

23  
24   
25 Official Court Reporter



FINANCE DOCKET NO. 21989<sup>1</sup>PENNSYLVANIA RAILROAD COMPANY—MERGER—NEW  
YORK CENTRAL RAILROAD COMPANY

Decided October 18, 1974

On further hearing, prior reports clarified to define employees entitled to protective conditions. Pertinent prior reports 327 I.C.C. 475, 331 I.C.C. 643, and 334 I.C.C. 25.

*Edward J. Hickey, Jr., William J. Hickey, James L. Highsaw, William G. Mahoney, and Geoffrey N. Zeh* for railway labor organizations, petitioners.

*Richard N. Clattenburg* for trustees of the property of Penn Central Transportation Company, respondents.

*Blain E. Capehart, James E. Frick, Carson C. Grunewald, Bryce L. Hamilton, Frederick C. Nash, Gordon E. Neuenschwander, Paul E. Treusch, Thomas S. Tyler, John A. Vuono, and Frank O. Wetmore II* for interveners.

SIXTH SUPPLEMENTAL REPORT OF THE COMMISSION  
ON FURTHER HEARING

## BY THE COMMISSION:

Exceptions to the Administrative Law Judge's report and recommended order served in this proceeding on June 18, 1971, under the title "Penn Central Merger—Protection of Employees of Subsidiaries" have been filed by the trustees of the property of the Penn Central Transportation Company, debtor (respondents), the Reading Company (Reading), and by other interveners hereinafter designated. Replies to the exceptions have been filed by the

<sup>1</sup>Embraced herein are Finance Docket No. 21990, Pennsylvania Railroad Company Stock Issuance; Finance Docket No. 24361, Pennsylvania Railroad Company Securities and Assumption of Obligations, and Finance Docket No. 21669, New York, New Haven & Hartford Railroad Company organization.

347 I.C.C.

Railway Labor Executives' Association (RLEA) and jointly by a group of labor organizations composed of the Brotherhood of Maintenance of Way Employees; Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees; Seafarers International Union of North America; Transport Workers Union and United Transportation Union (labor group). Oral argument has been requested in the pleadings herein but we find that the issues involved may be resolved without the need for hearing the parties in oral argument and the requests therefor are denied. Our conclusions herein, in view of subsequent pleadings and developments, somewhat alter those of the Administrative Law Judge.

By report and order in this proceeding dated April 6, 1966, in 327 I.C.C. 475 (merger report), the Commission, under section 5(2) of the Interstate Commerce Act, approved and authorized the merger of the New York Central Railroad Company into the Pennsylvania Railroad Company, now, after certain changes in its corporate name, known as the Penn Central Transportation Company (Penn Central).

As is usual in railroad consolidation proceedings under section 5(2), the merger report prescribed various conditions to its approvals and authorizations. One of these conditions, prescribed in compliance with the precept of section 5(2)(f), as later discussed herein, required "a fair and equitable arrangement to protect the interests of the railroad employees affected."

By petitions filed March 12, 1969, and March 17, 1969, respectively, the RLEA and the Brotherhood of Locomotive Engineers (BLE) request the inclusion in the labor protective conditions in the merger report of employees of railroads subsidiary to and controlled by Penn Central. On June 20, 1970, the latter company filed a petition for reorganization under section 77 of the Bankruptcy Act.

Hearing has been held on the RLEA and BLE petitions and briefs have been filed. Subsequent to service of the Administrative Law Judge's report, petitions for leave to intervene and file tendered exceptions to the Administrative Law Judge's decision were filed by The Chicago River and Indiana Railroad Company, jointly with the First National Bank of Chicago (Chicago River), the Detroit, Toledo and Ironton Railroad, jointly with the Ann Arbor Railroad Company (DT&I); the Pennsylvania-Reading Seashore Lines (Seashore); and The Pittsburgh & Lake Erie Railroad Company (P&LE); hereinafter referred to collectively as "the subsidiaries." By order dated August 347 I.C.C.



6, 1971, the subsidiaries were permitted to intervene and their exceptions were accepted for filing.

By petitions filed August 9, 1971, and August 26, 1971, respectively, the labor group and RLEA request reconsideration of the order permitting intervention. DT&I, Chicago River, and P&LE replied. Upon consideration of the petitions for reconsideration and the replies thereto, we find that the order of August 6, 1971, was properly entered and that there has been presented by the petitioners no error of fact or law with respect to its entry. The petitions for reconsideration will be denied in our order.

#### MERGER REPORT LABOR CONDITION

As discussed in detail in the merger report (pp. 543-546; 684-695) the employee protective conditions therein were imposed through adoption by the Commission of an agreement executed on May 20, 1964, between the merger applicants (Pennsylvania and New York Central) and 23 unions or brotherhoods representing about 75 percent of the railway employees of the merger applicants.

The agreement provided for most of the benefits of the so-called Washington Job Protection Agreement of 1936; the retention in service of all employees willing to accept retention without worsening their compensation, working conditions, fringe benefits or rights, and privileges; freedom for Penn Central to transfer work throughout its system with the opportunity for employees to move to the places where new jobs were to be created; the payment of a severance allowance similar to that of the Washington Agreement to employees not choosing to move; arbitration of disputes under a plan the Commission found superior to that contained in the Washington Agreement; and restrictions on the freedom of Penn Central to reduce its work force unless business contracted by more than 5 percent in any 30-day period, in which event the Penn Central work force might be reduced 1 percent for each 1 percent of business decline in excess of 5 percent.

The merger applicants estimated that the protection afforded employees by the agreement would cost Penn Central \$78,236,000, mostly over the first 8 years of the merger. The Commission found that the agreement did not render the merger inconsistent with the public interest.

For the employees who were not represented by a union or brotherhood, the Commission offered the same protection afforded reprer 1 employees by the agreement. The merger applicants

347 I.C.C.

were agreeable to the extension of the agreement's terms to their nonrepresented employees and to the employees of carriers which the Commission might subsequently require to be included in the merger.

The transactions authorized in the merger report were consummated on February 1, 1968. In a subsequent decision in these proceedings, the Commission, on November 25, 1968, in 331 I.C.C. 643 (inclusion report), ordered included in the merger, The New York, New Haven and Hartford Railroad Company, a bankrupt, and its subsidiaries (New Haven).

Penn Central agreed with the representatives of approximately 98 percent of New Haven's employees to apply the terms of the Penn Central agreement to New Haven employees with certain supplemental alternatives and benefits not pertinent herein. The Commission extended the terms of the latter agreement to the unrepresented New Haven employees and imposed the same protection for employees affected by the inclusion of the Providence and Worcester Railroad Company and the Norwich and Worcester Railroad Company, both New Haven lessors, in the Penn Central system (334 I.C.C. 25, 93).

#### POSITIONS OF THE PARTIES

As an appendix to his report, the Administrative Law Judge attached a list of the Penn Central subsidiaries as of September 30, 1970. We have adopted his list as the appendix to this report. The Administrative Law Judge found all parties in agreement that employees of the subsidiaries shown in paragraphs 1(a), 2(a), and 3(a) of the appendix (all of which subsidiaries are operated as integral parts of the Penn Central system by personnel on Penn Central payrolls) are protected by the conditions in the merger report.

The employees of the remaining Penn Central subsidiaries, i.e., those listed in paragraphs 1(b), 2(b), 3(b), (4), and (5), are asserted by the petitioners herein to be entitled to the full protection accorded by the merger report.

The respondents deny that the foregoing employees are entitled to protection and contend that the protection afforded by the merger report was arrived at through the agreement between the merger applicants and the representatives of their respective employees; without this agreement, the protective conditions could not have

347 I.C.C.

been imposed by the Commission; the merger applicants' acceptance of the agreement's protection for nonrepresented employees was intended to apply only to their own employees or to those of subsidiaries directly operated by the merger applicants or by Penn Central; the extension of the merger conditions to employees of subsidiaries not operated directly by Penn Central, as requested by petitioners, is without justification, contrary to the public interest and beyond our power to impose; and if protection is prescribed for the subsidiary employees, it should be limited to protection from adverse effects relating to the merger and consist of the same protection prescribed in *Oklahoma Ry. Co. Trustees Abandonment*, 257 I.C.C. 177, 197-201, modified, with respect to arbitration, as provided in *Southern Pacific Transportation Co.—Merger*, 334 I.C.C. 866, 871-872.

#### ADMINISTRATIVE LAW JUDGES FINDINGS AND RECOMMENDATIONS

The Administrative Law Judge found that control of the subsidiaries of the respective merger applicants by Penn Central was a transaction requiring our authorization under section 5(2) of the act. He also found that it was the intention of the Commission in the merger report that the protective conditions therein were to apply not only to the employees of the merger applicants but also to the employees of their subsidiaries brought under common control by virtue of the merger.

The Administrative Law Judge found further that the protection afforded by the merger report inures to the benefit of all railroad employees affected and that, from a regulatory standpoint, there is no validity to the distinction sought to be made by Penn Central between employees of the merger applicants and the latter included New Haven, on the one hand, and, employees of their respective subsidiaries, on the other hand. He concluded that all of the employees of the subsidiaries shown in the attached appendix are entitled to the protective conditions imposed in the merger report, except those, which under the terms of the conditions elect not to accept such protection or who have made through their duly authorized representatives, or will make, other protective arrangements pursuant to the last sentence of section 5(2)(G).<sup>1</sup>

<sup>1000</sup>The last sentence of section 5(2)(G) provides that: "Notwithstanding any other provisions of this Act, an agreement pertaining to the protection of the interests of said employees may hereafter be entered into by any carrier or carriers by railroad and the duly authorized representative or representatives of its or their employees."

The Administrative Law Judge also concluded that nothing in the instant record justifies other and different conditions for the protection of subsidiaries' employees than the protection afforded by the merger report and that there is no showing that application of the merger report protection would irreparably harm Penn Central even though its dire financial straits are generally known.

The Administrative Law Judge recommended issuance of an order imposing the labor conditions in the merger report for the protection of employees of Penn Central's subsidiaries and affiliates, which order would provide for notice to affected employees similar to that of the merger report.

*Cost of protection of subsidiary employees.*—The Administrative Law Judge found the cost estimates, submitted by the respondents with respect to the cost of protecting subsidiary employees under the merger report conditions, to be incomplete and imprecise but, for the purpose of this proceeding, adequate to show that substantial costs are involved. A summarization of the respondents' cost evidence attached to the Administrative Law Judge's report indicated that for the 32-month period between the merger date, February 1, 1968, and September 30, 1970, Penn Central paid a total of \$83,279,295 for protection of its own employees and \$4,941,001 for protection of those employees of the former New Haven. Preceding the merger and inclusion, Penn Central estimated the cost of employee protection would be approximately \$78,250,000 and \$14,100,000 for the first 96 months.

The respondents estimate the additional cost of protecting the subsidiary employees to be \$5,136,369 over a 5-year period. These estimated costs are further broken down as between the involved subsidiary railroads. For the subsidiaries intervening herein, it is estimated that additional costs of \$284,452, \$435,516, and \$294,645 will be borne by P&LE, Chicago River, and Seashore, respectively. Apparently, no estimate has been made of additional costs to DT&I.

#### EXCEPTIONS TO ADMINISTRATIVE LAW JUDGES REPORT

*Respondents.*—On exceptions, the trustees of Penn Central continue to hold to their argument that Penn Central's consent to applying the terms of the employee agreement to all employees was actually limited to the unrepresented employees on the merger applicants' rolls, or, in the case of New Haven, those directly

employed by the included carrier.' The respondents contend that the merger report intended to cover only those directly employed by the merger applicants; that the Commission knew the merger applicants did not agree to extend the protection any further; and that the Commission, likewise, did not intend the extension of the protective conditions. According to the respondents, we have no power to extend the protective conditions in the absence of Penn Central's agreement thereto. Respondents further contend that Penn Central merely continued the control of subsidiary railroads previously exercised by the Pennsylvania Railroad Company and that accordingly, section 5(2) approval was not required for this continued control.

The respondents argue that, in light of Penn Central's reorganization, the prescription of protection for the subsidiaries' employees would not be a "fair and equitable arrangement" within the meaning of section 5(2)(f) of the act and would not be in the public interest, nor would it be consistent with the national transportation policy.

On exceptions, the respondents indicate they are willing to accept the "usual" protective conditions for subsidiary employees actually affected instead of the *Oklahoma* conditions they previously designated as acceptable. They contend, however, that there can be no justification for giving lifetime protection and escalating wage guarantees to thousands of employees who are not now and never have been involved in the putting together of the Penn Central system.

*Reading.*—This carrier owns approximately one-third of Seashore, one of the subsidiaries intervening herein. The other two-thirds of Seashore are owned by Penn Central. Reading states that it advances its proportionate share of the money needed to meet Seashore's cash needs. Since Seashore has been operating at a loss every year, except one, since its organization in 1933, Reading has advanced in excess of \$47 million, none of which has been repaid. Reading contends that the Administrative Law Judge's report is unjust and unfair because Reading's responsibility to advance cash to Seashore could foist upon Reading a share of the employee cost arising from the Penn Central merger, a transaction in which Reading is not involved.

Because of the agreement under which Seashore was organized, Reading asserts that if Penn Central cannot, or will not, meet its

<sup>1</sup>In an excerpt from the testimony of Pennsylvania's president at the merger hearing contained in the respondent's exceptions, the number of the unrepresented employees on the merger applicants' rolls was shown as 829.

share of Seashore's increased employee costs, then Reading may be faced with a demand to do so. Likewise, according to Reading, if in the normal course of business the employee costs are charged to the operating expenses of Seashore, then that company's already precarious position will deteriorate still further and Reading will be requested to supply additional cash to Seashore.

Reading asserts that it has no objections to the imposition, at Penn Central's expense, of the customary labor conditions to individual employees who may be affected by the Penn Central merger. However, it contends we have no jurisdiction, or legal authority, to impose an agreement changing rules and working conditions of all of Seashore's employees regardless of whether or not they were affected by the Penn Central merger. Reading contends that Seashore negotiates its own labor agreements under the provisions of the Railway Labor Act and such agreements are not governed by those in effect of Penn Central. It also contends that under the merger report conditions, Seashore would be faced with the job retention and reduction in force provisions of the Penn Central agreement regardless of the effect of the merger on Seashore employees and that there is no basis to the supposition that management representatives of Seashore would agree to the terms of the Penn Central agreement as they pertain to Seashore employees not affected by the merger.

*Subsidiaries.*—Although differing slightly in their wording, the exceptions of the intervening subsidiaries agree generally with each other and with Reading that we have no jurisdiction to impose upon the subsidiaries the requirement to extend to their employees the terms of the labor agreement entered into by Penn Central with its represented employees. All of the subsidiaries assert they were not participants in the hearings on the instant petitions and that they received no notice of such hearings. The subsidiaries all claim they operate independently of Penn Central's control and that the merger report conditions would seriously impair their managerial discretion with respect to employee negotiations.

Chicago River contends that any adverse effect on its employees from the merger results from Penn Central's own action in removing its Chicago flexivan train terminal from a Chicago River yard to a Penn Central yard and that Chicago River should not be required to pay for Penn Central's act. Therefore, the entire cost of any protection prescribed for Chicago River employees should, according to that company, be paid by Penn Central.

P&LE contends that the merger report condition would inevitably have a serious and adverse effect on that subsidiary. The job retention and limitations against reductions in force provisions of the conditions would make it difficult, if not impossible, for P&LE to eliminate unnecessary jobs and make other necessary operating adjustments, and would place a severe financial burden upon P&LE.

DT&I, in addition to raising many of the same arguments raised by respondents, contends that neither it nor its subsidiary, Ann Arbor, has any employees that have been or will be adversely affected by the merger but that the protective conditions in the merger report would substantially increase the cost of various actions already taken by DT&I and Ann Arbor and actions which may be taken in the future, which are in no way related to, or caused by, the merger.

As an illustration of a past action which might be affected, DT&I refers to the abandonment of the Manistique and Lake Superior Railroad, a wholly owned subsidiary of Ann Arbor, on July 19, 1968. Employees who would not have been entitled to the conditions imposed in the abandonment proceeding, would, however, be entitled to severance pay under the merger report conditions at a cost to Ann Arbor of approximately \$95,700, while the total abandonment of Ann Arbor's ferry operations would cost approximately \$2,400,000 in employee protection under the merger report conditions.

In order to demonstrate its independence from Penn Central control, DT&I points to the decision in *Detroit, T. & I. R. Co. Control*, 275 I.C.C. 455, in which it contends the independence of the DT&I and the Ann Arbor from the Penn Central was required by the Commission. DT&I requests further hearing to submit evidence with respect to its exceptions.

Seashore contends that it has entered into protective agreements with its employees on two occasions since May 20, 1964. These agreements, dated November 12, 1965, and March 4, 1968, between Seashore and various unions are, according to Seashore, evidence that neither Seashore nor the unions contemplated that the Penn Central agreement could possibly apply to employees of Seashore not affected by the merger. Seashore also requests further hearing to submit evidence with respect to the execution of these two agreements; the reductions in its employee force which resulted from the reductions in train service pursuant to the agreements; the reductions in passenger traincrews due to reduction in passenger service approved by the New Jersey Department of Transportation; the fact

347 I.C.C.

that all employees affected by the agreements have been afforded the protection provided thereby; the fact that none of the reductions in train service were related to or occasioned by the merger; the independent status of Seashore; and the financial condition of Seashore. Seashore contends that to adopt the Administrative Law Judge's report and order without giving it adequate notice of, and opportunity for participation at, a hearing would constitute a denial of due process within the meaning of the fifth amendment to the Constitution of the United States.

*Replies to exceptions.*—Both RLEA and the labor group, in reply to the exceptions to the Administrative Law Judge's report, reiterate their previous positions with respect to the subsidiaries' employees and object to the requests of Seashore and DT&I for rehearing the proceedings. The labor group further contends that a determination as to who should pay for the cost of protection prescribed for employees of Penn Central employees should not be made by the Commission but should be decided upon by Penn Central and its subsidiaries.

A pleading has also been filed by Chicago River on January 16, 1972, requesting leave to submit an additional case citation for consideration by the Commission. Good cause being shown, said request shall be granted.

#### UNIONS PETITIONS FOR REOPENING AND REHEARING

By petition filed September 13, 1971, RLEA requests reopening and rehearing of this proceeding for the purpose of adding the Merchants Despatch Transportation Corporation (Merchants Despatch), a subsidiary of the former New York Central, control of which was acquired by Penn Central as a result of the merger, to the list of subsidiaries of Penn Central whose employees are to be covered by the findings and conclusions of the Administrative Law Judge and any future action by the Commission in disposition of this proceeding. The respondents have replied to the RLEA petition and object to the inclusion of Merchants Despatch in said list.

In a later petition, filed February 14, 1972, the Congress of Railway Unions (CRU) requests reopening and rehearing for the purpose of adding the Western Warehousing Corporation (Warehousing), a subsidiary of the former Pennsylvania Railroad Company which became a subsidiary of the Penn Central following the merger, to the above-described list of subsidiaries of Penn

347 I.C.C.

Central. The respondents have replied to the CRU petition and object to the inclusion of Warehousing in said list.

#### DISCUSSIONS AND CONCLUSIONS

As was indicated by the Administrative Law Judge in his report, section 5(2)(f) of the act mandates that, as a condition to its approval, the Commission require a fair and equitable arrangement to protect the interests of the railroad employees affected. Such employees, to be protected, need fulfill only two requirements, they must be railroad employees and they must be affected by the merger. *Soo Line Railroad Company v. United States*, 280 F. Supp. 907 (1968). The protection required under the act is not limited to employees of carriers directly involved in the transaction. All railroad employees affected are under the aegis of the act. The only question is whether such employees are affected, i.e., touched sufficiently by the transaction. *Railway Labor Executives Association v. United States*, 216 F. Supp. 101 (1963).

The intention of the Commission in the merger report was to protect all employees who were required to be protected. The employees of the subsidiaries involved herein were required to be so protected. The employees of the subsidiaries which were dealt with by the Administrative Law Judge are obviously railroad employees under the act as they are directly employed by railroads. That they were directly affected by the merger was demonstrated at the hearings before said Administrative Law Judge (this evidence is summarized in appendix B to the Administrative Law Judge's report).

Furthermore, we have long considered that a carrier and its subsidiaries constitute a single transportation system with respect to transactions under section 5 of the act. See *Louisville & J. B. & R. Co. Merger*, 290 I.C.C. 725, 733; 295 I.C.C. 11; and *Woods Industries, Inc.—Control—United Transports, Inc.*, 85 M.C.C. 672, 675.<sup>4</sup> Accordingly, the merger report did not merely authorize the merger of the parent carriers of the two systems involved. Instead, it

<sup>4</sup>In the first cited of these cases, involving the system of the New York Central Railroad Company, one of the applicants in the merger report, Division 4, in referring to the single system concept in a slightly different context stated, "That principal is considered basic, almost as a definition. So much so, that the question of acquisition of a carrier system has never been contented before the Commission, and as far as we know, there have been no court decisions touching on that issue." The case was later affirmed by the Supreme Court in *Allegheny Corp. v. Brewster & Co.*, 353 U.S. 151 (1957), where the Court refrained from ruling on the Commission's "single system" findings.

authorized the unification of the entire New York Central system, parent and subsidiaries, and the entire Pennsylvania Railroad system, parent and subsidiaries. Likewise, the later inclusion of The New York, New Haven and Hartford Railroad Company into the Penn Central involved the unification of the parent carriers and subsidiaries of each system. In neither unification, New York Central-Pennsylvania nor New Haven-Penn Central, was any additional approval necessary to accomplish the unification of the various subsidiary members of the consolidating systems into the Penn Central. The Pennsylvania Railroad Company recognized this, of course, when, under the name of Penn Central it continued in control of its own subsidiaries while assuming control of the various New York Central and New Haven subsidiaries. It would be inconsistent to find here that for the purpose of the merger, or inclusion, the respective parents and their subsidiaries constituted single systems and then to find that for the purpose of paying employee benefits, the various system members were, at the time of the merger or inclusion, independent carriers.

It is immaterial to the question here that the subsidiaries allege that they are operated independently of Penn Central. They may, in their day-to-day operations, have some degree of freedom from direction by their corporate parent, and in some instances Penn Central may actually be prohibited from interference in certain of such operations as in the case of the traffic and routing conditions imposed in *Detroit, T. & I. R. Co. Control*, 275 I.C.C. 455. There is a point reached in the subsidiaries' relationship with the corporate parent, however, where this day-to-day operational independence vanishes. At this point, the parent, by reason of ownership, has the legal right to direct the affairs of the subsidiaries and the latter have no alternative but to accept this direction, even if such were to result, with our acquiescence where necessary, in complete abandonment of the subsidiaries' operations or the extinction of their corporate existence.

It is also immaterial that the subsidiaries negotiate their own agreements with employees. As separate operating units of the Penn Central system, their individual agreements are probably conducive to greater operating efficiencies and employee acceptability than systemwide agreements would be. Although the record is silent in this respect, we think it very probable that various divisions of Penn Central's directly operated lines also have individual agreements with employees. In our opinion, separately negotiated employee

agreements fail to establish the independence from Penn Central of its subsidiaries.

We further find immaterial, allegations that Penn Central did not agree to protect subsidiary employees under the merger conditions, and that in the absence of its agreement, we have no authority to require their protection.

We are charged by section 5(2)(f) of the act with requiring "a fair and equitable arrangement to protect the interests of the railroad employees affected" in connection with any authorization that we grant under section 5. The act is silent as to the necessity for any acquiescence by the carrier concerned in the protective arrangement we require. Although we may, and invariably do, consider any request, suggestion, or recommendation made by a carrier or by its employees or their representatives, we are not bound by the act to grant such requests or follow such suggestions or recommendations. In the final analysis, the arrangement made in the public interest for employee protection is the responsibility of this Commission under the law.

Penn Central's agreement to grant unrepresented employees the same protections as those agreed to with represented employees facilitated the Commission's disposition of the employee protection question in the merger report. The Commission normally imposes uniform employee protective conditions for affected employees of a single transportation system. Unless we are to reverse long-standing Commission policies, for which action we can find no compelling reason in this proceeding, we must conclude here that the merger report in effect authorized the unification of two carrier systems, the New York system and the Pennsylvania system, to which was later added a third carrier system, the New Haven system, and that the employees of the two merging carriers and the later included carrier are entitled, *ab initio*, to the protection afforded by the conditions prescribed in the merger report, regardless of whether the employees were on the rolls of the involved systems or on those of their respective subsidiaries.

The subsidiary employees involved in this proceeding, who are not on the rolls of Penn Central and whom we have here found entitled to the protection of the merger report conditions, *ab initio*, as employees of the Penn Central system, must be considered unrepresented employees since there is nothing of record to indicate that their representatives were signatories to the agreement of May 20, 1964. The merger report did not, by condition, require the applicants, or Penn Central, to negotiate agreements with

347 I.C.C.

representatives of system employees not signatory to the agreement of May 20, 1964, and there is nothing here to show that such negotiations have taken place voluntarily in the meantime. These subsidiary employees have, therefore, been entitled to the protection of the merger report conditions since the merger and inclusion as unrepresented employees.

*Employees of Merchants Despatch and Warehousing.*—Merchants Despatch, the stock of which is wholly owned by Penn Central, owns and leases refrigeration cars, which it furnishes to railroads for operation, and provides refrigeration car service to various railroads. RLEA asserts that Merchants Despatch is a carrier subject to regulation by the Commission under the act and that its employees are covered by collective bargaining agreements negotiated under the Railway Labor Act.

As stated previously, section 5(2)(f) of the act requires the Commission to protect the interests of "affected railroad employees." Section 5(2)(f) of the act states in part as follows:

As a condition to its approval, under this paragraph (2), of any transaction involving a carrier or carriers by railroad subject to the provisions of this part, the Commission shall require a fair and equitable arrangement to protect the interests of the railroad employees affected. In its order of approval the Commission shall include terms and conditions providing that during the period of four years from the effective date of such order such transaction will not result in employees of the carrier or carriers by railroad affected by such order being in a worse position with respect to their employment. \*\*\* [Emphasis added.]

From the above-stated language of section 5(2)(f), we interpret the words "railroad employees affected," as used in that section in connection with our obligation to protect employees, to mean employees of a railroad engaged in common carriage.

Section 1(3)(a) of the act defines "common carrier" as including "all persons \*\*\* engaged in \*\*\* transportation \*\*\* as common carriers for hire." The fundamental test for determining whether a party is a common carrier is whether there has been a "holding out" to the public as a common carrier. *Status of Bush Universal, Inc.*, 342 I.C.C. 550, 564 (1973). In determining whether there has been such a "holding out," one must look to the character of the service of the party in relation to the public. See *Union Stock Yard Co. v. U.S.*, 308 U.S. 213, 220 (1939).

The Courts and the Commission have specifically held that companies merely leasing cars to railroads, maintaining and repairing such cars, and providing protective services under contract to the

347 I.C.C.

railroads such as refrigeration service, are not common carriers. *Ellis v. Int. Com. Comm.*, 237 U.S. 434 (1915), *Chicago Refrigerator Co. v. I.C.C.*, 265 U.S. 292 (1924), *Tank Car Corp. v. Terminal Co.*, 308 U.S. 422 (1940).

Accordingly, we are unable to find that Merchants Despatch is a carrier under the act or that its employees are "railroad employees affected" within the meaning of section 5(2)(f) of the act or that they are entitled to protection under the mandate of that section of the act from any adverse effect of the Penn Central merger.

Although Merchants Despatch, as a party furnishing cars and protective service to carriers by railroad, is required under section 20 of the act to file certain reports with the Commission, this does not make it a carrier by railroad within the meaning of the act.

Furthermore, the fact that employees of Merchants Despatch are covered by collective bargaining agreements negotiated under the Railway Labor Act in no way establishes that they are "railroad employees" within the meaning of section 5(2)(f) of the Interstate Commerce Act. Such a finding must be based on prior interpretations of this term of the Interstate Commerce Act.

Warehousing, the stock of which is also wholly owned by Penn Central, provides warehouse space to certain tenants whose products are primarily shipped by rail. According to the respondents, Warehousing was incorporated in 1906 for the purpose of conducting a storage and warehouse business. The respondents assert that Warehousing receives goods from owners and issues warehouse receipts pursuant to Pennsylvania law and collects charges for the storage and handling of such goods. Although, according to respondents, shipments are received by rail or truck and may similarly be dispatched by rail or truck, as directed by the owners of the goods, such transportation is simply incidental to Warehousing's general business of storage and warehousing.

We are unable to find that Warehousing is a common carrier by railroad. No evidence has been presented by CRU in its petition which would indicate that Warehousing has held itself out to the public as a common carrier. Furthermore, Warehousing is not incorporated as a common carrier and apparently does not control or use the necessary facilities for performing carriage. Warehousing does not appear to be operated as an integral part of Penn Central's common carrier rail transportation service. The Commission does not regulate Warehousing's rates or charges and it does not even file an annual report with this Commission.

347 I.C.C.

Accordingly, we are unable to find that the employees of Warehousing are "railroad employees affected" within the meaning of section 5(2)(f) of the act or that they are entitled to protection under the mandate of that section of the act from any adverse effect of the Penn Central merger.

The requests of RLEA and CRU for the additions, respectively, of Merchants Despatch and Warehousing to the list of Penn Central's subsidiaries whose employees must be protected is denied. Also denied, in view of our finding hereinabove, are the requests of RLEA and CRU for reopening and rehearing of this proceeding concerning this matter. Considering our finding that the employees of these subsidiaries are not "railroad employees," any possible showings that these employees were adversely affected by the merger would be irrelevant.

*Payment of cost of protective conditions for benefit of employees of subsidiaries.*—We realize that our conclusions herein will require retroactive and prospective application of the merger report conditions to some of the employees of the subsidiaries of Penn Central.

The financial expense of the application of these conditions to said employees should be borne by Penn Central, as primary carrier-beneficiary of the transaction approved in the merger report. Penn Central presumably realized operating economies from the merger on a systemwide basis, and, therefore, it is equitable for Penn Central to bear employee protective costs on a systemwide basis. Further, it would be inequitable to require subsidiaries who did not participate in the negotiations that resulted in the "protection agreement" executed on May 20, 1964, and were not parties to that agreement to be held responsible for protective conditions facilitated by that agreement.

It is indicated that some employees, such as those referred to by DT&I, Ann Arbor, and Seashore, may have been, or are now, in receipt of protection as a result of some transaction, other than the Penn Central merger, entered into subsequent to the merger. Since such employees are entitled to the full protection of the merger report, any amounts in benefits they may have received from their subsidiary employers subsequent to the merger or in the future are to be treated as installments on the total amount to which they are entitled under the merger report. The amounts of such previous benefits paid shall be deducted from the amount due these employees by Penn Central under application of the merger report conditions.

347 I.C.C.



## REQUESTS OF DT&amp;I AND SEASHORE FOR FURTHER HEARING

DT&I and Seashore have both requested further hearing in this proceeding, contending, as generally do all of the subsidiaries, that they were not given adequate notice of, and, therefore, were not given an opportunity to participate at, the hearing held concerning the instant petitions.

Penn Central has been a party to the proceeding herein since the filing of the instant petitions, in March of 1969, and has accordingly received all of the orders and pleadings herein as well as participating at the hearings concerning these petitions. It may logically be assumed that notice to the Penn Central, the parent of the subsidiaries, would have resulted in notice to its subsidiaries. Further, in view of our decision herein, favorable to the subsidiaries, requiring Penn Central to pay for the application of the protective conditions to employees of the subsidiaries, and as such a further hearing is not necessary for the resolution of the issues involved herein, the requests of DT&I and Seashore shall be denied.

*Ultimate findings.*—Upon consideration, after further hearing, we find that the previous reports in these proceedings, where pertinent, should be clarified to confirm that railway employees of the carriers listed in paragraphs 1(a), 2(a), 3(a), 1(b), 2(b), and 3(b) of the attached appendix were entitled, *ab initio*, to the protection afforded by the merger report and that the railway employees of the carriers listed in paragraphs 4, 5(a) and 5(b) of the appendix were entitled, *ab initio*, to the protection afforded by the inclusion report;

We further find that (a) the foregoing decision is not a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969; and (b) any contentions and arguments not specifically discussed herein have been considered and found without material significance.

An appropriate order will be entered.

COMMISSIONERS HARDIN and GRESHAM did not participate.

COMMISSIONER CLAPP, dissenting:

Before any protection can be provided, it must be found that employees of subsidiaries have been affected by the merger and that the protection provided the employees of the applicant carriers is fair and equitable with respect to employees of subsidiaries.

347 I.C.C.

Although the majority makes these findings, I do not believe that its discussion of these matters adequately explains and supports them.

## APPENDIX

Penn Central subsidiaries whose employees are entitled to protection from the Penn Central merger or the New Haven inclusion in Penn Central.

1. (a) Railroads controlled by the Pennsylvania prior to the Penn Central merger which are operated under lease or operating agreement as integral parts of the Penn Central system:

Cleveland and Pittsburgh Railroad Company  
Connecting Railway Company  
Delaware Railroad Company  
Erie and Pittsburgh Railroad Company  
Little Miami Railroad Company  
Northern Central Railway Company  
Pendel Company  
Pennsylvania and Atlantic Railroad Company  
Pennsylvania Tunnel and Terminal Railroad Company  
Philadelphia and Trenton Railroad Company  
Philadelphia, Baltimore and Washington Railroad Co.  
Pittsburgh, Fort Wayne and Chicago Railway Company  
Pittsburgh, Youngstown and Ashtabula Railway Company  
Shamokin Valley and Pottsville Railroad Company  
Union Railroad Company of Baltimore  
United New Jersey Railroad and Canal Company  
Waynesburg and Washington Railroad Company

(b) Other railroads controlled by the Pennsylvania prior to the merger:

Ann Arbor Railroad Company  
Baltimore and Eastern Railroad Company  
Detroit, Toledo & Ironton Railroad Company  
Indianapolis Union Railway Company  
Lehigh Valley Railroad Company  
Manistique and Lake Superior Railroad Company  
Pennsylvania-Reading Seashore Lines  
Waynesburg Southern Railroad Company  
West Jersey and Seashore Railroad Company

2. (a) Railroads controlled by the Central prior to the Penn Central merger which are operated under lease or operating agreement as integral parts of the Penn Central system:

Beech Creek Railroad Company  
Calumet Western Railway Company  
347 I.C.C.



Chicago, Kalamazoo and Saginaw Railway Company  
 Cleveland, Cincinnati, Chicago, and St. Louis Railway Co.  
 Detroit Manufacturers Railroad Company  
 Detroit River Tunnel Company  
 Joliet and Northern Indiana Railroad Company  
 Lake Erie and Eastern Railroad Company  
 Mahoning and Shenango Valley Company  
 Mahoning Coal Railroad Company  
 Mahoning State Line Railroad Company  
 Michigan Air Line Railroad Company  
 Michigan Central Railroad Company  
 New York and Harlem Railroad Company  
 Peoria and Eastern Railway Company  
 St. Lawrence and Adirondack Railway Company

(b) Other railroads controlled by the Central prior to the merger:

Chicago River and Indiana Railroad Company  
 Cleveland Union Terminals Company  
 Indiana Harbor Belt Railroad Company  
 Niagara Junction Railway Company  
 Pittsburgh and Lake Erie Railroad Company

3. (a) Railroads controlled equally by the Pennsylvania and the Central prior to the merger which are operated under lease or operating agreement as integral parts of the Penn Central system:

Owasco River Railway

(b) Other railroads controlled equally by the Pennsylvania and the Central prior to the merger:

Central Indiana Railway Company  
 Dayton Union Railroad Company  
 Mackinac Transportation Company  
 Monongahela Railway Company  
 Montour Railroad Company  
 Pittsburgh, Chartiers and Youghiogheny Railway Co.  
 Union Depot Company (Columbus)  
 Youngstown and Southern Railway Company

4. Railroad controlled equally by Penn Central and the New Haven prior to the New Haven inclusion in Penn Central and whose employees were carried on the rolls of New Haven:

New York Connecting Railroad Company

5. (a) Railroads controlled by the New Haven prior to the New Haven inclusion in Penn Central which were operated as integral parts of New Haven:

347 I.C.C.

South Manchester Railroad Company

5. (b) Other railroad controlled by the New Haven prior to the New Haven inclusion in Penn Central:

Boston Terminal Corporation  
 347 I.C.C.

SIXTH SUPPLEMENTAL ORDER

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D.C., on the 18th day of October 1974.

Finance Docket No. 21989

PENNSYLVANIA RAILROAD COMPANY—MERGER—NEW YORK CENTRAL RAILROAD COMPANY

Finance Docket No. 21990

PENNSYLVANIA RAILROAD COMPANY STOCK  
ISSUANCE

Finance Docket No. 24361

PENNSYLVANIA RAILROAD COMPANY SECURITIES  
AND ASSUMPTION OF OBLIGATIONS

Finance Docket No. 21669

NEW YORK, NEW HAVEN & HARTFORD RAILROAD  
COMPANY REORGANIZATION

Further investigation of the matters and things involved in these proceedings having been made, a further hearing having been held and the Commission, on the date hereof, having made and filed its sixth supplemental report, which report, the reports of the Commission in 327 I.C.C. 475, and 331 I.C.C. 643, and the report of the Administrative Law Judge served June 18, 1971, are hereby referred to and made a part hereof:

*It is ordered*, That those exceptions and petitions relating to the recommended report served June 18, 1971, except to the extent granted herein, be, and they are hereby denied.

*It is further ordered*, That the petitions filed August 9, 1971, and August 26, 1971, by the Railway Labor Executives Association and

a group of other labor organizations, respectively, for reconsideration of the order in these proceedings dated August 6, 1971, be, and they are hereby, denied.

By the Commission.

ROBERT L. OSWALD,

Secretary.

(SEAL)



UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

MICHAEL J. KNOPIK,  
et al.,

Plaintiffs

v.

PENN CENTRAL COMPANY,

Defendant

No. C 89-722

ROBERT B. WATJEN, et al.,

Plaintiffs

v.

PENN CENTRAL COMPANY, et al.,

Defendants

No. C 89-875

DAVID C. BUNDY, et al.,

Plaintiffs

v.

PENN CENTRAL COMPANY,

Defendant

No. C 89-947

G.V. SOPHNER, et al.,

Plaintiffs

v.

PENN CENTRAL COMPANY, et al.,

Defendants

No. C 74-914

MEMORANDUM OPINION AND ORDER

LAMBROS, DISTRICT JUDGE

These actions will ultimately, if anything, be mere footnotes to the tortured history of the national nightmare known collectively as the "Northeast railroads." This litigation had its genesis in the heady days of optimism preceding the merger of the Pennsylvania and New York Central Railroads,, reached its nadir during the collapse and bankruptcy of the resulting Penn Central Railroad, and is now nearing its denouement under the aegis of Conrail,

the federally chartered successor corporation to Penn Central's railroad operations. The Court and the litigants in their respective cases have been involved with and have labored through many motions, hearings, a trial, an appeal and other proceedings. The cases have been sifted and distilled until there now appears to be one paramount issue which is capable of resolution in a relatively quick and efficient manner. That is, at least in No. C 69-722, defendant has moved to compel arbitration on the remaining contract issues as provided in the Merger Protection Agreement of 1964.

I.

Prior proceedings in No. C 69-722 have established that there is one general dispute left unresolved in that case:

whether or not there was a breach of that contract [the 1964 Agreement] by the railroad, and/or a compliance by the plaintiffs with the terms of that agreement so as to entitle them to the benefits.

Transcript, July 14, 1976, at 24 (Lambros, J.). The Court reached that conclusion after granting a motion for directed verdict at the close of plaintiffs' case during the first stage of a bifurcated trial, finding that a cause of action for unfair representation on the part of the United Transportation Union (plaintiffs' bargaining representative) had not been made out. More specifically, the Court stated that "the only issue remaining...is the issue of the entitlement of the plaintiffs to job guarantee benefits following [plaintiffs'] February 25, 1968 furlough." Transcript, supra, at 22. The Court had also found earlier that

plaintiffs are employees of the New York Central Railroad as that term is defined in the merger protection agreement, and as that term applies to the job protection agreement and their job guarantee entitlement under the merger agreement.

Transcript, supra, at 14. Finally, the Court in its oral ruling set forth its conception of the relative positions of the parties, which the Court believes are still their respective viewpoints on this remaining issue:

[T]he railroad's position is that these people, after they were furloughed from the C.U.T. roster, because of the unavailability of work, were then able to exercise the benefits which they had acquired, and their exclusive bidding rights that they had acquired.... The railroad's position is that there was work available and that they did not avail themselves of that work, and thus the railroad's position is that pursuant to the job protection agreement, that they lost and waived and rendered themselves ineligible for job guarantee benefits in view of the fact that they did not accept work that was available to them.

[H] owever,...the plaintiff's position is that because of the representations made by the railroad, and because the status of the parties with respect to their entitlement of job guarantee was not clarified, that to the extent that they did not report for work or take that work, that that should not deprive them of the benefits of job guarantees, for if they had taken that work, that they could have conceivably prejudiced themselves and their conduct was not in breach of the merger protection by not reporting to work or marking up.

Transcript, supra, at 23-24.

The scope of the proposed arbitration proceedings is thus clearly demarcated, and there is no real quarrel on that point. What is contested is the Court's power to refer the remaining aspects of this litigation to arbitration. It is clear, however, that final, binding arbitration is provided for in section 1(e) of the 1964 Merger Protection Agreement. See, e.g., Chesapeake & Ohio Ry. Co. v. Ford, 590 F.2d 537 (4th Cir. 1979); Batts v. Louisville & Nashville Railroad Co., 316 F.2d 22 (6th Cir. 1963). But plaintiffs argue that they do not come within the specific language of section 1(e), since it applies only to a "labor organization signatory to this Agreement," and they are individual former employees who in fact have grave reservations about the quality of representation provided by their labor organization. The Court is of the view that such a reading is overly technical and eventually proves too much, especially in light of the overwhelming federal policy favoring arbitration in complex labor relation cases. The relationship between union members and their elected bargaining representatives — i.e., the "labor organization" itself — is certainly strong enough to support a finding that the organization can also bind, as their agent, the employees themselves to the terms of applicable negotiated agreements. Moreover, if plaintiffs had been successful in urging their union to prosecute their grievance to the fullest extent possible, such arbitration under section 1(e) would have been exactly what they would have achieved; to deny arbitration for the reason suggested by plaintiffs would be to exalt form over substance.

Plaintiffs also argue that reference to arbitration at this stage of the litigation would be inequitable because the very union which they earlier sued would control the arbitration, and because at this time arbitration would mean further delay. As for the first point, it is clear from recent pretrial proceedings that the union harbors no grudge against the plaintiffs, and is

perfectly willing to allow them to prosecute their own arbitration, as well as name their own panel member, and will be happy to assist plaintiffs in whatever way becomes necessary. As for the second contention, it is indeed unfortunate that this option has come of age only recently, but that is attributable in part to a change of defense counsel with a resulting change in the way the issues have been viewed. However, it is abundantly apparent to this Court, in light of past proceedings, that an arbitration panel can evaluate and resolve this controversy much more rapidly than can this Court. Seasoned railroad labor arbitrators will have the expertise and the inherent authority to fashion all relief warranted, including individual damages if liability is found, after fair but relatively streamlined proceedings. This Court, on the other hand, would have to conduct extensive evidentiary hearings not only on the general question of liability, but also on each individual plaintiff's right to relief and his appropriate damages. Also, in order to speed up final resolution of this case, the Court will reject defendant's suggestion that it retain jurisdiction of this action to permit review of the arbitration panel's decision. Thus, if so desired, plaintiffs may take an immediate appeal not only on the issue of reference to arbitration, but also from the earlier ruling on the motion for directed verdict concerning the unfair representation claim. After all, section 1(e) providing for arbitration expressly makes such arbitration final and binding on the participants, without recourse or appeal. Further, as in any labor case there is always the option of filing a new action to contest the arbitration decision as being arbitrary, capricious or outside the scope of the arbitrators' authority.

In summary, then, with respect to No. C 69-722, that action will be terminated and the remaining controversy referred to arbitration pursuant to section 1(e) of the 1964 Merger Protection Agreement.

## II.

In No. C 74-914, another group of Cleveland Union Terminal employees who were also adversely affected by the Penn Central's actions have sued their former employer and their union. Although it is suggested that there is an additional subsidiary agreement in No. C 69-722 which is not present here, the only practical difference appears to be that these employees did somewhat different work and were represented by a different union. However, the Merger

Protection Agreement of 1964 is still the controlling source of any rights which these plaintiffs may have. An additional difference is that in this case there have been no proceedings on the merits of the claim against the union for unfair representation. However, it is generally accepted by the parties that any claim against the union rises or falls in the first instance on the merits of the claim against Penn Central, since the union would have had no duty to prosecute a meretricious grievance. Thus efficient case management would dictate that the breach of contract issue be resolved first. But that is precisely what, with minor variations, is to be resolved before the arbitration panel in No. C 69-722. Accordingly, despite the fact that here there is no pending motion to compel arbitration, the Court views the most equitable course to include reference of the contract issues to arbitration in No. C 74-914 as well, with the unfair representation issues dismissed now subject to later refiling if necessary (again, to facilitate immediate appeal if necessary). The parties should be competent to frame with the needed precision the exact issues to be submitted to the arbitrators in No. C 74-914.

### III.

In Nos. C 69-675 and C 69-947, the disputes also grow out of application and/or interpretation of the 1964 Merger Protection Agreement. However, these two cases do not present the added complication of the Cleveland Union Terminal issue, as these plaintiffs were always considered employees of the former New York Central Railroad until their clerical jobs (rate revision) were transferred elsewhere. Moreover, these cases appear to be fairly straightforward, as the Sixth Circuit Court of Appeals has previously affirmed this Court's dismissal of all claims except those involving defendant's compliance with the 1964 Agreement. (Watjen's individual claim of unfair representation by his union was earlier severed and, not being subject to appeal, is still technically pending, although the Court will dismiss it subject to later refiling if necessary.) Thus the only remaining issue in these two cases appears to be whether the employment options given these plaintiffs by the 1969 implementing agreement violated the 1964 Merger Protection Agreement. The Court of Appeals has previously stated the parties' respective positions, and the issues left for resolution can be adequately framed by reference thereto:



Penn Central contends that the implementing agreement which was authorized by the 1964 agreement did not take away any rights which the employees otherwise had, but gave them an option for added rights, namely, guaranteed employment for life in the absence of dismissal for cause, and further contends that they voluntarily exercised their option to become utility employees instead of bidding for jobs on the Detroit roster, on which they had seniority rights.

On the other hand, the employees contend that the implementing agreement is unlawful because it provides for a classification of "utility employee" which they describe as a "garbage can" for the disposition of employees. They further contend that their rights given under the implementing agreement were illusory and that in some instances the railroad frustrated the exercise of them; and that they were placed in a worse position with respect to their employment by the implementing agreement, in violation of the statute and the ICC order.

Bundy v. Penn Central Co., 455 F.2d 277, 280 (6th Cir. 1972).

It is true that the Court of Appeals officially remanded these two cases "for trial on the issues pertaining to the alleged violation of Section 5(2)(f) [of the Interstate Commerce Act, 49 U.S.C. 55(2)(f)] and the order of the ICC." Id. However, the ICC order spoken of was the Commission's analysis and adoption of the 1964 Merger Protection Agreement as a condition to approving the merger in general, so it is clear that it is the 1964 Agreement from which all of plaintiffs' rights, if any, ultimately flow. Further, section 5(2)(f) merely mandates the ICC to consider such job protection agreements, and it is common knowledge that the ICC rarely objects to or revises an agreement between a carrier and the bargaining representative. Thus the arbitration provision in that agreement, section 1(e), supra, is compelling here as well, despite the absence of a formal application to refer these cases to arbitration. Accordingly, the Court will also dismiss these actions in order to submit the underlying disputes to binding arbitration.

#### IV.

In conclusion, the Court wishes to stress that it has reached today's decision primarily for the sake of expediency: that of the litigants', especially the former employees, and not its own. However, the Court also emphasizes that in its considered view, the authority for arbitration is compelling, both in the applicable documents and the controlling precedent. Reference to arbitration of these disputes will result in resolution of all the paramount claims much more quickly than in any proceedings which the Court could devise. The Court has wrestled mightily with the parties here, but it has not

gained even a split decision which might have been conclusive. For example, a bona fide settlement offer in No. C 69-722 was tentatively accepted, but after much delay ultimately rejected by the litigants. The plaintiffs in all four actions will not be put at a disadvantage — they are represented by the same counsel in each case, and the railroad and its representatives are also the same. Plaintiffs will be given the opportunity to prosecute their own arbitration with whatever assistance is necessary from their respective unions. Accordingly, the Court envisions an efficient, well-informed and competent arbitration panel, which is knowledgeable of and conversant with not only railroad labor law in general but the 1964 Agreement in particular, being able to sift through the surplusage of each case and reach a fair and reasonable resolution of the controlling issues, awarding whatever relief appears warranted. And, although the Court does not wish to intrude on the parties' right to structure their own arbitration proceedings, it appears to the Court that the most efficient and equitable approach would be to have the same panel hear each case in order of complexity and the extent to which the issues have been previously defined and are related: No. C 69-722 first, then No. C 74-914, and finally Nos. C 69-675 and C 69-947. However, the appeal of arbitration is ultimately that it is a forum where agreement and conciliation is the foundation, and it is the Court's hope that that spirit will infect the parties and help them solve any procedural difficulties so that the substance of these long-suffered disputes can be reached and resolved.

IT IS SO ORDERED.

  
Thomas D. Lambros  
United States District Judge

DATED: 11/29/79

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

ROBERT E. WATJEN, et al.,

Plaintiffs

v.

PENN CENTRAL COMPANY, et al.,

Defendants

No. C 69-675

JUDGMENT

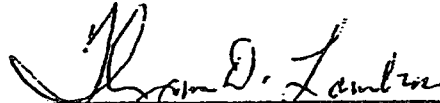
LAMROS, DISTRICT JUDGE

In accordance with the accompanying Memorandum Opinion and Order, the remaining claims in the complaint against the Penn Central Company are dismissed and those claims are referred to final and binding arbitration consistent with the opinions expressed in that Order.

The claim of Robert E. Watjen against the Brotherhood of Railway, Airline and Steamship Clerks (now United Transportation Union) is dismissed without prejudice consistent with the conditions stated in that Order.

This action is terminated.

IT IS SO ORDERED.

  
Thomas D. Lambros  
United States District Judge

DATED: 11/29/79

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

DAVID C. BUNDY, et al.,

Plaintiffs

v.

PENN CENTRAL COMPANY,

Defendant

No. C 69-947

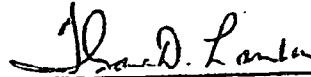
JUDGMENT

LAMBROS, DISTRICT JUDGE

In accordance with the accompanying Memorandum Opinion and Order, the remaining claims in the complaint are hereby dismissed and those claims are referred to final and binding arbitration consistent with the opinions expressed in that Order.

This action is terminated.

IT IS SO ORDERED.

  
Thomas D. Lambros  
United States District Judge

DATED: 11/27/77

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

G.V. SOPHNER, et al.,

Plaintiffs

v.

PENN CENTRAL COMPANY, et al.,

Defendants

No. C 74-814

JUDGMENT

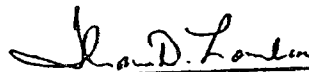
LAMBROS, DISTRICT JUDGE

In accordance with the accompanying Memorandum Opinion and Order, the claims in the complaint against the Penn Central Company are dismissed and those claims are referred to final and binding arbitration consistent with the opinions expressed in that Order.

The claims in the complaint against the Brotherhood of Railway Carmen are dismissed without prejudice consistent with the conditions stated in that Order.

This action is terminated.

IT IS SO ORDERED.

  
Thomas D. Lambros  
United States District Judge

DATED: 11/29/79

977-02-0-0-754098-0000

PCC01434

APPENDIX-0740

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

MICHAEL J. KNOPIK, et al.,

Plaintiffs

v.

PENN CENTRAL COMPANY,

Defendant

No. C 69-722

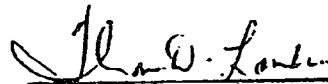
JUDGMENT

LAMBROS, DISTRICT JUDGE

In accordance with the accompanying Memorandum Opinion and Order,  
the remainder of the complaint herein is dismissed and those claims are  
referred to final and binding arbitration consistent with the opinions expressed  
in that Order.

This action is terminated.

IT IS SO ORDERED.

  
Thomas D. Lambros  
United States District Judge

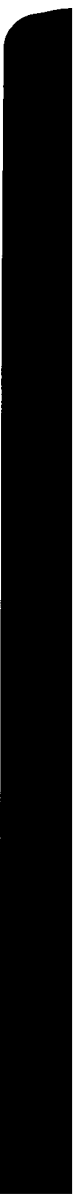
DATED: 11/29/74

PCC-6-B

FD-204 (Rev. 5-22-64)

PCC01435

APPENDIX-0741



29475  
EB

SERVICE DATE - DECEMBER 8, 1998

SURFACE TRANSPORTATION BOARD

DECISION

STB Finance Docket No. 21989 (Sub-No. 3)

PENNSYLVANIA RAILROAD COMPANY  
— MERGER—  
NEW YORK CENTRAL RAILROAD COMPANY

(ARBITRATION REVIEW)

Decided: December 2, 1998

We are partially granting the appeal brought by 17 former employees of the Cleveland Union Terminals Company of the decision of an arbitration panel (Fred Blackwell, Chairman and neutral member) (hereafter, the Decision) denying these employees' claim for benefits under an agreement entered into on January 1, 1964, for the protection of railroad employees who would be affected by the 1968 merger of the Pennsylvania Railroad Company and the New York Central Railroad Company to form the Penn Central Transportation Company.

BACKGROUND

In 1962, the Pennsylvania Railroad Company and the New York Central Railroad Company (N.Y. Central) agreed to a merger that resulted in the formation of the Penn Central Transportation Company (Penn Central). In the 1970s, the Penn Central went bankrupt, and the great bulk of its assets were transferred in 1976 to a new carrier, Consolidated Rail Corporation (Conrail). The estate of the Penn Central continued to survive in possession of real estate holdings and lines that were not transferred to Conrail. When the appeal in this docket was filed, the surviving company of the estate of the Penn Central was called the "Penn Central Corporation," the respondent in this proceeding. We refer to the respondent Penn Central Corporation as "the carrier" because its predecessor was a rail carrier subject to our jurisdiction when this controversy first arose.

On May 20, 1964, the Brotherhood of Railway Trainmen (BRT) and the two merging carriers entered into an agreement for the protection of employees (the 1964 merger protection agreement).<sup>1</sup> The 1964 merger protection agreement provided considerably more than the standard

---

<sup>1</sup> This agreement was modified on November 16, 1964, on December 21, 1966, and on November 16, 1967.



levels of protection that applied under our New York Dock and pre-New York Dock formulas.<sup>2</sup> This agreement was signed by the two carriers alone and did not directly refer to any subsidiary carriers.

Before the merger, the N.Y. Central owned 93% of a passenger carrier subsidiary, the Cleveland Union Terminals Company (CUT). The 17 claimant petitioners in this proceeding (claimants) were all yard workers on the CUT. On February 16, 1965, the N.Y. Central and the BRT negotiated an agreement to allow CUT employees an opportunity to work at a nearby N.Y. Central freight yard by merging the CUT seniority roster with the pre-merger seniority roster for N.Y. Central employees who worked at the freight yard. The rosters were merged by placing the former CUT employees at the bottom of the merged roster in the order of their seniority on the CUT, with a common seniority date of September 10, 1964. The N.Y. Central employees who were already working at the freight yard were placed on the roster in order of their dates of employment on the N.Y. Central. All of those dates predated September 10, 1964.

The merger was finalized on February 1, 1968. On February 21, 1968, the claimants and other CUT employees, except for some CUT employees who were retained in the CUT workforce, were furloughed from their CUT jobs effective on February 25, 1968. The furlough notice told the furloughed CUT employees to "immediately contact" the freight yardmaster to "stand for" work in the freight yard under the February 16, 1965 agreement merging the rosters.<sup>3</sup> As explained below, we must distinguish between those of the 17 petitioning claimants who accepted the carrier's invitation to stand for work in the freight yard<sup>4</sup> and those who did not.<sup>5</sup>

When the claimants were furloughed, the BRT and the merging carriers were disputing whether the 1964 merger protection agreement applied to employees of subsidiary railroads like the

---

<sup>2</sup> To meet its obligation to provide employee protection under former 49 U.S.C. 11347, which has been recodified as current 49 U.S.C. 11326, our predecessor agency, the Interstate Commerce Commission (ICC) adopted the benefit formula and procedure set forth in New York Dock--Control--Brooklyn Eastern Dist. 360 I.C.C. 60 (1979).

<sup>3</sup> The CUT was not merged into the Penn Central until July 11, 1969, but the prior furlough and reporting notices show that workforce coordination began before the CUT was formally folded into the Penn Central.

<sup>4</sup> The 10 former CUT employees who reported to the freight yard were Messrs. Acree, Benko, Day, Doran, Gastony, Gentile, Norris, Steimle, Tomczak, and Uher.

<sup>5</sup> The 7 former CUT employees who did not report to the freight yard were Messrs. Augustus, Beedlow, Grady, Knopik, McLaughlin, Potosky, and Tannenbaum. These persons were discharged without compensation after failing to respond to a final notice to report dated December 15, 1969.

CUT. The carrier's position was that the agreement applied only to employees of the N.Y. Central and the Pennsylvania Railroad Company. The furloughed employees were fully aware of this dispute. The parties settled this dispute as to the CUT (but not as to other subsidiaries) by an agreement reached on July 11, 1969, under which the parties agreed to apply the 1964 merger protection agreement to CUT employees.<sup>6</sup>

This proceeding involves the efforts of claimants to obtain labor protection benefits pursuant to the 1964 merger protection agreement. While the carrier now agrees that the 1964 merger protection agreement applies to former CUT employees, the carrier has consistently denied that claimants have individually satisfied the conditions established in that agreement for claiming and receiving benefits. On September 15, 1969, the claimants filed suit in a U.S. District Court, alleging two causes of action: (1) failure by the carrier to provide benefits claimed under the 1964 merger protection agreement; and (2) failure by the BRT to provide adequate representation of their interests. By oral ruling issued on July 14, 1976, and a written decision issued on November 29, 1979, the court dismissed the complaint as to inadequate representation and ordered that the remaining issue of claimants' entitlement to benefits under the merger protection agreement be resolved by arbitration.

In compliance with the court's arbitration order, the parties entered into an arbitration agreement on June 18, 1980. An initial arbitration panel met in 1983 but was subsequently disbanded. The current arbitration panel was convened in 1988. The panel held a 3-day oral evidentiary hearing in May 1990.

On June 22, 1992, the panel entered its Decision, which was followed by issuance of a supplemental Decision on July 16, 1994, and a dissenting opinion on August 25, 1994. The panel denied all of the claims for benefits, finding that: (1) those claimants who refused to report for work at the freight yard did not have a reasonable basis for their refusal and thereby failed to comply with requirements in the 1964 agreement that employees exercise their seniority rights to obtain available work; and (2) the claimants who reported for work failed to process grievance claims adequately, admitted their ineligibility for benefits, or lost work due to causes that were deemed by the panel not to trigger benefit payments, such as declining business, physical incapacity, or voluntarily quitting work.

---

<sup>6</sup> The ICC subsequently held that the benefits of the 1965 merger protection agreement applied ab initio to employees of all subsidiary railroads. Pennsylvania R. Co.--Merger--New York Central R. Co., 347 I.C.C. 536, 548 (1974). Moreover, in a July 14, 1976 oral ruling (reproduced in Exh. 54), a court found that both parties had agreed that the former CUT employees were N.Y. Central employees for the purpose of determining their eligibility for protective benefits under the 1964 merger protective agreement. (Note: The exhibit numbers used in this decision refer to the numbers assigned to the exhibits submitted by the claimants in this arbitration appeal.)

On November 16, 1994, claimants filed an appeal of the panel's Decision with the ICC,<sup>7</sup> which docketed the appeal as Finance Docket No. 21989 (Sub-No. 2). By decision served on August 1, 1996, in the (Sub-No. 2) proceeding, the Board denied the appeal, finding that claimants' cursory appeal failed to define any issues for, or provide any evidence in support of, review. An appeal of this decision to the Court of Appeals for the 6th Circuit was dismissed by the court based on a stipulation that the Board would re-docket the appeal if claimants filed documents in support of it.

On April 17, 1997, claimants re-filed their appeal with supporting documentation, and the appeal was re-docketed as the instant (Sub-No. 3) proceeding.<sup>8</sup>

The carrier filed a reply in opposition to the appeal on June 24, 1997.

### DISCUSSION AND CONCLUSIONS

Under 49 CFR 1115.8, the standard for review of labor arbitration appeals is provided in Chicago & North Western Transp. Co. — Abandonment, 3 I.C.C.2d 729 (1987), aff'd sub nom. International Brotherhood of Electrical Workers v. I.C.C., 862 F.2d 330 (D.C. Cir. 1988), popularly known as the "Lace Curtain" case. Under the Lace Curtain standard, the Board does not review "issues of causation, the calculation of benefits, or the resolution of other factual questions" in the absence of "egregious error." Id. at 735-36. In Delaware and Hudson Railway Company — Lease and Trackage Rights Exemption — Springfield Terminal Railway Company, Finance Docket No. 30965 (Sub-No. 1) et al. (ICC served Oct. 4, 1990) at 16-17, remanded on other grounds in Railway Labor Executives' Ass'n v. United States, 987 F.2d 806 (D.C. Cir. 1993), the Interstate Commerce Commission (ICC) elaborated on the Lace Curtain standard, as follows:

Once having accepted a case for review, we may only overturn an arbitral award when it is shown that the award is irrational or fails to draw its essence from the imposed labor conditions or it exceeds the authority reposed in arbitrators by those conditions. [Citations omitted.]

We will partially grant the appeal under our Lace Curtain standard. We find that the panel erred egregiously and failed to observe the imposed labor protection conditions in summarily denying benefits to the claimants who reported for work at the freight yard. We uphold the panel's

---

<sup>7</sup> The court previously refused to hear the appeal, finding that jurisdiction lay with the ICC. The court's order is attached as Exhibit D to the carrier's reply.

<sup>8</sup> In their appeal filed on April 17, 1997, claimants request oral argument. We will deny the request for oral argument. We are capable of resolving the legal issues without oral argument as no issues have been presented that cannot be decided based on the written record.

denial of benefits to the claimants who did not report for work. We will remand the panel's Decision to the parties for action in conformity with this decision.

### **I. Claimants Who Reported For Work**

The parties agreed on a bifurcation of the arbitration process, whereby claimants' basic eligibility for compensation would be explored in Phase I, and thereafter, if they were found eligible, the precise amount of compensation would be determined in a subsequent Phase II. Tr. 134-135. The panel denied all benefits for the 10 former CUT employees who reported for work at the freight yard, refusing to proceed to Phase II on the grounds that the claimants failed to establish their basic eligibility for compensation. The panel found that the claimants who reported for work did not process and establish their grievance claims adequately, in that they failed to pursue arbitration when benefits were not awarded, failed to turn in wage guarantee forms, and failed to show that their wages in their new positions were less than the amounts guaranteed under the protective benefits. The panel also held that employees were required to show that their losses were "as a result of the merger" (hereafter, the "causation requirement") and that this condition was not met, at least for a key witness, Christ Steimle, who "mentioned" loss of jobs due to declining business and a physical incapacity.<sup>9</sup> The panel also found that at least the key witness Christ Steimle "held the belief at the time that he was not entitled to wage guarantee payments and that the belief had a sound fact basis."<sup>10</sup> As explained below, these findings reflect egregious error and failure to observe the imposed labor protection conditions.

#### **A. Failure to Pursue Arbitration**

A review of the history of this proceeding shows that the panel erred egregiously in finding that the claimants who reported for work should be denied all relief because they did not pursue arbitration in a timely manner. As noted, the claimants, instead of proceeding immediately to arbitration of their claims for benefits, brought suit in a federal district court for the benefits and joined an additional claim alleging failure by the BRT to provide adequate representation of their interests. We cannot fault claimants for going to court before they agreed to arbitration, because, as indicated in the court's decision directing arbitration of the claim for benefits, it was not clear at the time that individual employees, as distinguished from their unions, could invoke arbitration.<sup>11</sup>

---

<sup>9</sup> Decision, at 14. The panel was unclear as to whether benefits were being denied only for Mr. Steimle due to his failure to fulfill the alleged causation requirement, or whether failure to fulfill the alleged requirement was grounds for denying benefits for all of the claimants who reported for work.

<sup>10</sup> Decision, at 15. The panel was unclear as to whether it was finding that (a) only Mr. Steimle had this belief or (b) this belief was held by all of the claimants who reported for work.

<sup>11</sup> Indeed, the order of the United States District Court for the Northern District of Ohio,  
(continued...)

In any event, the arbitration that was actually before the panel was the only arbitration that claimants needed to pursue in this matter. The court ordered that the issue of claimants' eligibility for benefits be submitted to arbitration. The parties responded by entering into an arbitration agreement. Because the court's order was never appealed and remains in effect today, it is the law of the case, and it may not be collaterally attacked with the argument that claimants' request for benefits must be denied because claimants did not seek arbitration first but rather began their quest for benefits in court. The panel erred in citing failure to arbitrate as a reason for dismissal when the required arbitration was actually before the panel.

### **B. Wage Guarantee (Claim) Forms**

In denying the claims, the panel relied on the fact that lead witness Steimle, who testified that he was the only living claimant who reported for work (Tr. 471), ceased to file claim forms. The panel used this to support its finding that he and the other claimants who reported believed at the time that they were not entitled to benefits.

We disagree with the panel's approach. The fact that witness Steimle and other claimants ceased to file claim forms does not by itself show that they believed at the time that they were not entitled to benefits. Mr. Steimle testified that he and his "fellow employees" sent claim forms to the payroll department and "received no response whatsoever." Tr. 521. A lack of response by the carrier would not be surprising, because claimants were in litigation with the carrier over the provision of benefits. Witness Steimle further testified that his supervisor "thought it was a joke" that he would even bother to apply for protective benefits because he was not going to get benefits anyway. Tr. 522-523. The panel ignored evidence that claimants ceased to file claim forms because of lack of response from the carrier and because of negative feedback from supervisors, rather than because they believed that they were not entitled to benefits.

The panel might have been able to infer that the claimants doubted their eligibility for benefits if they had totally neglected to file claims forms, but the record reveals no such neglect. As discussed above, witness Steimle testified that claimants filed the claims forms and ceased doing so only after receiving no response. Former Assistant Supervisor of Labor Relations George Ellert, the only witness called by the carrier, admitted on cross examination that he did not know whether any of the claimants filed forms (Tr. 647) and in any event would have been aware only of any appeals that may have been filed (Tr. 563-564).

---

<sup>11</sup>(...continued)

Eastern Division, dated November 24, 1979, reproduced at Exhibit 55 submitted to the arbitration panel, noted at page 3 that section 1(e) of the 1964 merger protection provided only that arbitration was to be invoked by a "labor organization signatory to this Agreement." Thus, the plain language of the agreement arguably seemed to preclude individual employees from seeking recourse to arbitration. Without citing precedent, the court criticized this restriction as "overly technical" and held that the arbitration provision applied to individual workers as well as to their union.

We can draw no inference from the panel's observation (Decision at 14) that claimants (specifically referring to witness Steimle) did not retain copies of their claims forms. The carrier arguably was the proper repository of the forms because only the carrier could take the information on them and compare it with the base ("test period") earnings information in its possession so as to compute any compensation that may have been owed.<sup>12</sup> Because the carrier was litigating the issue of compensation, it was on notice to keep records of what forms were or were not submitted. Claimants had no duty to administer the compensation scheme and to act as record keepers for that purpose. Moreover, the wage and hour information on the claims forms was relevant only to the subsequent, damages (Phase II) hearing that was never held because the prior, liability (Phase I) hearing resulted in a finding that the employees were not eligible for benefits.

### C. The Issue of Causation

The panel found that the claimants who reported to the yard failed to show that their losses were as a result of the merger. This finding will be vacated. The record shows that the claimants who reported for work suffered losses as a result of the merger and provides no reason to find that claimants' losses were due to other causes that would excuse the carrier from paying benefits. Before the merger and furloughs took place, claimants were fully employed at the CUT passenger yard with many years of seniority.<sup>13</sup> Immediately after the merger, claimants were asked to "stand for" work at a nearby freight yard where no work was available for them for many years because they were placed at the bottom of a new seniority list that was created as a result of the merger.<sup>14</sup>

---

<sup>12</sup> On cross examination, carrier witness George Ellert stated that test period pay data were kept by the carrier. Tr. 627.

<sup>13</sup> If the claimants had been on furlough from their prior job at the CUT passenger terminal, the carrier might have been able to argue that their lack of work was pre-existing and thus not due to the furlough, but this was not the case. Moreover, we will not speculate as to whether claimants would have kept their jobs at the CUT passenger yard if the merger had never taken place, as no evidence was introduced on this topic. Moreover, we note that Amtrak was not created until the early 1970s.

<sup>14</sup> The pre-merger CUT seniority roster had 63 men on it. Exh. 2. About 50 of those men transferred to the new, merged seniority roster. Exh. 66. Because there were 509 persons on the merged seniority roster, including the former CUT employees (Exh. 3), work had to be found for many former N.Y. Central employees before it could be offered to the former CUT employees. While the July 11, 1969 agreement allocated 2.46% of the total yard force to former CUT employees, this guaranteed work for only about 9 former CUT employees, none of whom included claimants. See the testimony of witness Beedlow at Tr. 243, whose testimony in this respect was not disputed by the carrier. Claimant Christ Steimle stated that he did not have enough new list seniority to obtain a job until 1984 (Exh. 66) or 1985 (Tr. 512). As Mr. Steimle was the senior man of the CUT claimants (Tr. 643-644), it is clear that if he lacked enough seniority to obtain work, the

(continued...)

The jobs for which the claimants were expected to "stand" were not actual jobs.<sup>15</sup> The claimants experienced a drop in income immediately after they reported for work at the freight yard and their drop in income was not due to sickness, discipline, or failure to exercise seniority rights.<sup>16</sup> The panel failed even to mention the voluminous evidence submitted by complainants to show injury. It is not clear what else claimants could have submitted to satisfy the panel that they suffered losses as a result of the merger.

The panel's Decision is especially questionable because the carrier produced no evidence at all that any of the conditions specified for refusing benefits in the 1964 merger protection agreement were satisfied for the 10 claimants who reported to the freight yard. The carrier (reply at 13) defends the panel's Decision on the grounds that the "testimony presented at the hearing" shows that the claimants "had lost work due to declining business." Our examination of the hearing record, however, shows that the carrier made no effort whatsoever to identify specific periods of general business decline, emergency conditions, or other supervening events that would justify nonpayment of benefits under section 1(b) of the agreement. The fact that claimants' losses began to be

---

<sup>14</sup>(...continued)  
other claimants did also.

<sup>15</sup> George Ellert, a former superintendent at the freight yard, initially testified that jobs were available for those who reported for work (Tr. 149), but on cross examination he admitted that claimants were not called back to regular, full-time positions but were instead assigned to an "extra board" or an "extra list," whose members were not guaranteed a specific number of hours of work (Tr. 154-157). At Tr. 258, witness Beedlow testified that claimants were called back to "nonexistent jobs." The carrier did not respond with evidence to the contrary, such as, for example, a list of the claimants who readily found work at the freight terminal.

<sup>16</sup> Concerning the 10 men who reported for work at the yard, witness Beedlow testified generally as to the inability of all claimants to find work after they reported. Tr. 256. More specific evidence as to drop in income was submitted for the following 7 of the 10 claimants who reported to the yard:

Acree. Affidavit from wife. Exh. 62.

Benko. Testimony based on comparison of W-2 forms before and after the furlough. Tr. 170-172. Corroborated by witness Beedlow at Tr. 254.

Day. Testimony based on comparison of W-2 forms before and after the furlough. Tr. 162-170. Corroborated by witness Beedlow at Tr. 252.

Norris. In a letter dated February 18, 1972 (Exh. 51), he wrote that he was "only working several days a month."

Steimle. Testified that he never had regular employment after he reported to the freight yard. Corroborating affidavit from wife. Exh. 66.

Tomczak. Testimony based on comparison of W-2 forms before and after the furlough. Tr. 176-178. Affidavit from widow. Exh. 67.

Uher. Affidavit from widow. Exh. 68.

experienced shortly after the merger and furlough makes it unlikely that supervening causes could explain claimants' losses. Nor did the carrier come forward with evidence showing that any claimants were disabled or disciplined in accordance with that provision.

Under the circumstances presented on the record before us, we find that the panel committed egregious error by finding that none of the claimants who reported for work were entitled to any compensation. Unless an arbitral panel can point to evidence supporting total denial that we have overlooked and that is considerably more compelling than the evidence cited in its 1992 Decision, summary denial of all benefits is completely unjustified. Some of the reasons cited by the panel here for totally denying compensation, such as the fact that claimants may have found work elsewhere or suffered illness, will be relevant to any determination of the amount of compensation for individual claimants, but these reasons do not justify the denial of all compensation for all of the claimants.

## II. Claimants Who Did Not Report For Work

The panel denied the claims of the 7 claimants who never reported for work at the freight yard. The panel ruled that those claimants contravened the 1964 merger protection agreement by failing to exercise their seniority rights to work at the freight yard. The panel rejected two defenses raised by those claimants for their failure to report, i.e., that: (1) the work offered at the freight yard was not comparable work; and (2) a doctrine of "anticipatory breach" excused them from reporting to work on the theory that the carrier was simultaneously breaching its duty to provide protective benefits. We affirm the panel's Decision as it pertains to the 7 claimants who do not report for work at the freight yard.

## III. Conduct Of Future Proceedings

For the reasons explained above, we are vacating the panel's denial of damages for the 10 claimants who reported to work at the freight yard after the furlough. In accordance with standard practice, we will not affirmatively find that claimants are entitled to compensation but will remand the issue of the entitlement to compensation to the parties, who may attempt to resolve the issue among themselves or seek additional arbitration on this issue consistent with this decision.

The current record is not, and was not intended to be,<sup>17</sup> adequate for the computation of the compensation to be received by each individual claimant. For each individual claimant, the parties, or an arbitration panel if the parties cannot agree, will have to gather facts that are relevant to determining the amount of compensation under the 1964 merger protection agreement, in areas such as the following: (1) test period earnings and benefits with the carrier; (2) actual earnings with the carrier; (2) replacement income earned with other employers; (3) periods of disability; (4) dismissal for cause; and (5) whether there was a general or seasonal business decline that could excuse compensation under section 1(b) of the 1964 merger protection agreement.

---

<sup>17</sup> As discussed above, the parties agreed on a bifurcated arbitration procedure.



We recognize that the task may be a difficult one for the parties as the issues were pending for about 28 years before our jurisdiction was properly invoked in 1997. Because so much time has passed, we would prefer to be in a position to have rendered a decision that provided final resolution or greater certainty for the parties. Having found that the panel's Decision summarily denying all claims was fundamentally unfair to the claimants who reported for work at the freight yard, however, we find it necessary to remand the matter for the unfairness to be corrected. Despite the difficulties they will face, the parties are in the best position to accomplish that. We urge them to work together to reach a just and speedy resolution of all remaining issues.

This decision will not affect the quality of the human environment or the conservation of energy resources.

It is ordered:

1. Claimants' request for oral argument is denied.
2. The Decision of the panel is vacated as it pertains to the 10 claimants who reported for work, and the proceeding is remanded to the parties for further action consistent with our findings.
3. This decision is effective on its date of service.
4. A copy of this decision will be served on the neutral member of the panel, at the following address:

Fred Blackwell, Esq.  
19129 Roman Way  
Gaithersburg, MD 20879

By the Board, Chairman Morgan and Vice Chairman Owen.

Vernon A. Williams  
Secretary



Exhibit 8

Railroad Retirement Board Records  
Previously Produced

Record Certification Included Here



UNITED STATES OF AMERICA  
**RAILROAD RETIREMENT BOARD**  
844 NORTH RUSH STREET  
CHICAGO, ILLINOIS 60611-2092

**BOARD MEMBERS:**

MICHAEL S. SCHWARTZ, CHAIRMAN  
V.M. SPEAKMAN, JR., LABOR MEMBER  
JEROME F. KEVER, MANAGEMENT MEMBER

**RECORD CERTIFICATION**

I, Beatrice Ezerski, hereby certify that I have custody of the records and seal of the Railroad Retirement Board; that the attached 167 page's, are official records maintained by the Railroad Retirement Board, concerning thirty-two railroad employees involved in litigation with Penn Central Railroad.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Railroad Retirement Board, this 26th day of October 2007.

*Beatrice Ezerski*  
\_\_\_\_\_  
FOR THE BOARD  
Beatrice Ezerski  
Secretary to the Board

## EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

13:20:07

EE SSN : 293 - 07 - 7305

FE NAME: ACREE

, J , F

SEX: M

VIOUS SURNAME:

DOB: 02 / / 1922 SCORE LOAD

ADDR1

DOD: 07 / 06 / 1982 SSA

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&amp;C YEAR: 1969

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1313

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 6542631134

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 120

ANN BEGIN DATE: / /

ACCOUNT LAST ACTIVE: 1969

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / /

/ / ;

## USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

## -----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

Chapter 10

EDMID104  
PAGE: 0001

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

05/08/99  
13:20:33

EE SSN: 293 - 07 - 7305      EE NAME: ACREE      , J , F

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO ----- |       |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|----------------------|-------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA      | SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |
|                           | 1976 |    |             |              |                |                |              | 2                    | N     | CNCN             | 0000            | 626.48            |
|                           | 1975 |    |             |              |                |                |              | 4                    | N     | CCCC             | 0000            | 8451.96           |
|                           | 1974 |    |             |              |                |                |              | 4                    | N     | CCCC             | 0000            | 13200.00          |
|                           | 1973 |    |             |              |                |                |              | 4                    | N     | CCCC             | 0000            | 9116.76           |
|                           | 1972 |    |             |              |                |                |              | 4                    | N     | CCCG             | 0000            | 9000.00           |
|                           | 1971 |    |             |              |                |                |              | 4                    | N     | CCCG             | 0000            | 7800.00           |
|                           | 1970 |    |             |              |                |                |              | 4                    | N     | CCCC             | 0000            | 7800.00           |
|                           | 1969 | 3  | 2410        | 0000         |                | 140.74         |              | 4                    | N     | CCCC             | 0000            | 7800.00           |
|                           | 1968 | 2  | 3000        | 0000         |                | 517.40         |              | 4                    | N     | CCCC             | 0000            | 7632.99           |
|                           | 1967 | 9  | 7770        | 0000         |                | 4267.93        |              | 2                    | N     | NNCC             | 0000            | 2366.58           |

USER MESSAGE

-----RESPONSES-----  
EE INFO            =PF13   MISC SCORE       =PF15   S&E LEDGER           =PF18   MIL SERV =PF22  
EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDM1D104

EMPLOYMENT DATA MAINTENANCE

PAGE: 0002

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

05/08/99

13:20:54

EE SSN: 293 - 07 - 7305

EE NAME: ACREE

, J , F

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO ----- |                   |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|----------------------|-------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA      | WAGE M/S<br>SE&AG | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |
|                           | 1966 | 12 | 7777        | 0000         | 6517.79        |                |              |                      |                   |                 |                   |
|                           | 1965 | 12 | 7777        | 0000         | 5088.19        |                |              |                      |                   |                 |                   |
|                           | 1964 | 12 | 7777        | 0000         | 5305.90        |                |              |                      |                   |                 |                   |
|                           | 1963 | 12 | 7777        | 0000         | 4900.00        |                |              |                      |                   |                 |                   |
|                           | 1962 | 12 | 7777        | 0000         | 4497.12        |                |              |                      |                   |                 |                   |
|                           | 1961 | 12 | 7777        | 0000         | 4800.00        |                |              | 4                    | N                 | CCCC 0000       | 3279.90           |
|                           | 1960 | 12 | 7777        | 0000         | 4800.00        |                |              |                      |                   |                 |                   |
|                           | 1959 | 12 | 0000        | 0000         | 4205.82        |                |              |                      |                   |                 |                   |
|                           | 1958 | 12 | 0000        | 0000         | 4200.00        |                |              |                      |                   |                 |                   |
|                           | 1957 | 12 | 0000        | 0000         | 4200.00        |                |              | 1                    | N                 | C#N# 0000       | 256.45            |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

EE INFO           =PF13   MISC SCORE           =PF15   S&E LEDGER           =PF18   MIL SERV =PF22  
 EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDMID104  
PAGE: 0004

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

03/30/99  
13:21:22

EE SSN: 293 - 07 - 7305      EE NAME: ACREE      , J , F

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                  |                 |        |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|------------------|-----------------|--------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | AMOUNT |
| =====                     |      |    |             |              |                |                |                      |                       |                  |                 |        |
|                           | 1946 | 9  | 0000        | 0000         |                |                | 1697.73              |                       |                  |                 |        |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |



**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**Jack Acree**

*Prepared for*

**Carla Tricarichi**  
Attorney at Law

*Prepared by:*

**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

### Personal Data Sheet

|                                            |            |                                |
|--------------------------------------------|------------|--------------------------------|
| Name:                                      | Jack Acree |                                |
| Date of Birth:                             | 2/23/1922  |                                |
| Date of Separation                         | 3/31/1969  | (75.34% of 1969 Remains)       |
| Age on:                                    | 3/31/1969  | 47.1 Years                     |
| Work Life Expectancy from:                 | 3/31/1969  | 14.8 Years ( 4.66% of 1984)*   |
| Age at Expiration of Work Life Expectancy: |            | 61.9 Years Old                 |
| Life Expectancy from:                      | 3/31/1969  | 31.2 Years ( 44.66% of 2000)** |
| Age at Expiration of Life Expectancy:      |            | 78.3 Years Old                 |
| Age on:                                    | 9/1/2007   | 85.5 Years                     |
| Work Life Expectancy from:                 | 9/1/2007   | 0.0 Years ( 66.85% of 2007)*   |
| Age at Expiration of Work Life Expectancy: |            | 85.5 Years Old                 |
| Life Expectancy from:                      | 9/1/2007   | 5.6 Years ( 26.58% of 2013)**  |
| Age at Expiration of Life Expectancy:      |            | 91.1 Years Old                 |
| Occupation:                                | Brakeman   |                                |
| Date of Hire:                              | 1946       |                                |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville, Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

---

Summary Sheet

---

|                                                                                | Value             |
|--------------------------------------------------------------------------------|-------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>        |                   |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>        | \$ 9,681          |
| Pension Benefits                                                               | \$ 875            |
| Back Interest through 1/1/2007                                                 | <u>\$ 178,991</u> |
| <b>Total</b>                                                                   | <b>\$ 189,547</b> |
| <br><b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | <br>\$ 9,681      |
| Pension Benefits                                                               | \$ 875            |
| Back Interest through 1/1/2007                                                 | <u>\$ 279,951</u> |
| <b>Total</b>                                                                   | <b>\$ 290,508</b> |

Table 1: Schedule Showing the Earnings for the Years 1960-1969, and the Displacement Allowance for Jack Acree.

| Year                                                            | Earnings (a) | Months Employed (a) | Daily Wage Growth Rate (b) | Forecasted Wage Guarantee (c) | Displacement Allowance (d)                        |
|-----------------------------------------------------------------|--------------|---------------------|----------------------------|-------------------------------|---------------------------------------------------|
| 1960                                                            | \$ 4,800.00  | 12                  |                            |                               | -                                                 |
| 1961                                                            | \$ 4,800.00  | 12                  |                            |                               | -                                                 |
| 1962                                                            | \$ 4,497.12  | 12                  |                            |                               | -                                                 |
| 1963                                                            | \$ 4,900.00  | 12                  |                            |                               | -                                                 |
| 1964                                                            | \$ 5,305.90  | 12                  |                            |                               | -                                                 |
| 1965                                                            | \$ 5,088.19  | 12                  |                            |                               | -                                                 |
| 1966                                                            | \$ 6,517.79  | 12                  |                            |                               | -                                                 |
| 1967                                                            | \$ 4,267.93  | 9                   |                            |                               | -                                                 |
| 1968                                                            | \$ 517.40    | 2                   | 5.10%                      | \$ 8,189.58                   | \$ 7,672.18                                       |
| 1969                                                            | \$ 140.74    | 3                   |                            | \$ 8,607.60                   | -                                                 |
| 1969<br>Annualized<br>Wage for<br>Displacement<br>Allowance (e) | \$ 570.72    |                     |                            | \$ 8,607.60                   | 1969<br>Displacement<br>Allowance (f) \$ 2,009.22 |

\* Boxed earnings in the earnings column indicate that Mr. Acree earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 8.

(c) The forecasted wage guarantee is calculated as \$717.30 per month in 1969 per an attachment to the 2/28/1990 letter from Robert O'Neill of the Arbitration Committee. The 1968 wage guarantee is reduced from the 1969 guarantee by the 1968 wage growth rate for brakemen from Tables 6 through 8.

(d) The displacement allowance for each year is calculated as the forecasted wage guarantee minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1969 annualized wage is calculated as \$140.74 divided by (1 - 75.34%). 75.34% is the amount of the year remaining after the date of separation.

(f) The 1969 displacement allowance is partialled out to represent Mr. Acree working for 3 months in 1969.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Jack Acree for the Years 1968 through 1969.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1968 | \$ 7,672                                       | \$ 683                  | \$ 8,355                                |
| 1969 | \$ 2,009                                       | \$ 192                  | \$ 2,201                                |
|      | \$ 9,681                                       | \$ 875                  | \$ 10,556                               |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Jack Acree, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 8,355  | \$ 481            | 5.76%              | \$ 8,836         | \$ 481                               |
| 1969     | \$ 2,201  | \$ 755            | 6.84%              | \$ 11,792        | \$ 755                               |
| 1970     |           | \$ 891            | 7.56%              | \$ 12,683        | \$ 891                               |
| 1971     |           | \$ 800            | 6.30%              | \$ 13,483        | \$ 800                               |
| 1972     |           | \$ 857            | 6.36%              | \$ 14,340        | \$ 857                               |
| 1973     |           | \$ 1,008          | 7.03%              | \$ 15,347        | \$ 1,008                             |
| 1974     |           | \$ 1,194          | 7.78%              | \$ 16,541        | \$ 1,194                             |
| 1975     |           | \$ 1,362          | 8.23%              | \$ 17,903        | \$ 1,362                             |
| 1976     |           | \$ 1,402          | 7.83%              | \$ 19,304        | \$ 1,402                             |
| 1977     |           | \$ 1,473          | 7.63%              | \$ 20,777        | \$ 1,473                             |
| 1978     |           | \$ 1,803          | 8.68%              | \$ 22,580        | \$ 1,803                             |
| 1979     |           | \$ 2,206          | 9.77%              | \$ 24,786        | \$ 2,206                             |
| 1980     |           | \$ 2,957          | 11.93%             | \$ 27,743        | \$ 2,957                             |
| 1981     |           | \$ 4,068          | 14.66%             | \$ 31,811        | \$ 4,068                             |
| 1982     |           | \$ 4,345          | 13.66%             | \$ 36,156        | \$ 4,345                             |
| 1983     |           | \$ 4,184          | 11.57%             | \$ 40,340        | \$ 4,184                             |
| 1984     |           | \$ 5,266          | 13.05%             | \$ 45,606        | \$ 5,266                             |
| 1985     |           | \$ 5,040          | 11.05%             | \$ 50,646        | \$ 5,040                             |
| 1986     |           | \$ 3,998          | 7.89%              | \$ 54,643        | \$ 3,998                             |
| 1987     |           | \$ 4,731          | 8.66%              | \$ 59,374        | \$ 4,731                             |
| 1988     |           | \$ 5,432          | 9.15%              | \$ 64,806        | \$ 5,432                             |
| 1989     |           | \$ 5,680          | 8.76%              | \$ 70,485        | \$ 5,680                             |
| 1990     |           | \$ 6,222          | 8.83%              | \$ 76,708        | \$ 6,222                             |
| 1991     |           | \$ 6,209          | 8.09%              | \$ 82,917        | \$ 6,209                             |
| 1992     |           | \$ 5,967          | 7.20%              | \$ 88,884        | \$ 5,967                             |
| 1993     |           | \$ 5,333          | 6.00%              | \$ 94,218        | \$ 5,333                             |
| 1994     |           | \$ 6,860          | 7.28%              | \$ 101,077       | \$ 6,860                             |
| 1995     |           | \$ 6,806          | 6.73%              | \$ 107,884       | \$ 6,806                             |
| 1996     |           | \$ 7,117          | 6.60%              | \$ 115,001       | \$ 7,117                             |
| 1997     |           | \$ 7,478          | 6.50%              | \$ 122,479       | \$ 7,478                             |
| 1998     |           | \$ 6,571          | 5.36%              | \$ 129,050       | \$ 6,571                             |
| 1999     |           | \$ 7,447          | 5.77%              | \$ 136,497       | \$ 7,447                             |
| 2000     |           | \$ 8,419          | 6.17%              | \$ 144,916       | \$ 8,419                             |
| 2001     |           | \$ 7,413          | 5.12%              | \$ 152,329       | \$ 7,413                             |
| 2002     |           | \$ 7,145          | 4.69%              | \$ 159,473       | \$ 7,145                             |
| 2003     |           | \$ 6,492          | 4.07%              | \$ 165,965       | \$ 6,492                             |
| 2004     |           | \$ 7,201          | 4.34%              | \$ 173,166       | \$ 7,201                             |
| 2005     |           | \$ 7,549          | 4.36%              | \$ 180,715       | \$ 7,549                             |
| 2006 (d) |           | \$ 8,832          | 4.89%              | \$ 189,547       | \$ 8,832                             |
|          |           |                   |                    |                  | \$ 178,991                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Jack Acree, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 8,355  | \$ 540            | 6.46%              | \$ 8,895         | \$ 540                               |
| 1969     | \$ 2,201  | \$ 909            | 8.19%              | \$ 12,005        | \$ 909                               |
| 1970     |           | \$ 978            | 8.15%              | \$ 12,983        | \$ 978                               |
| 1971     |           | \$ 759            | 5.85%              | \$ 13,742        | \$ 759                               |
| 1972     |           | \$ 735            | 5.35%              | \$ 14,477        | \$ 735                               |
| 1973     |           | \$ 1,195          | 8.25%              | \$ 15,672        | \$ 1,195                             |
| 1974     |           | \$ 1,761          | 11.24%             | \$ 17,434        | \$ 1,761                             |
| 1975     |           | \$ 1,411          | 8.09%              | \$ 18,845        | \$ 1,411                             |
| 1976     |           | \$ 1,322          | 7.02%              | \$ 20,167        | \$ 1,322                             |
| 1977     |           | \$ 1,412          | 7.00%              | \$ 21,579        | \$ 1,412                             |
| 1978     |           | \$ 2,020          | 9.36%              | \$ 23,599        | \$ 2,020                             |
| 1979     |           | \$ 3,132          | 13.27%             | \$ 26,731        | \$ 3,132                             |
| 1980     |           | \$ 4,309          | 16.12%             | \$ 31,039        | \$ 4,309                             |
| 1981     |           | \$ 6,281          | 20.24%             | \$ 37,321        | \$ 6,281                             |
| 1982     |           | \$ 5,856          | 15.69%             | \$ 43,177        | \$ 5,856                             |
| 1983     |           | \$ 4,852          | 11.24%             | \$ 48,029        | \$ 4,852                             |
| 1984     |           | \$ 6,049          | 12.59%             | \$ 54,078        | \$ 6,049                             |
| 1985     |           | \$ 5,575          | 10.31%             | \$ 59,653        | \$ 5,575                             |
| 1986     |           | \$ 5,126          | 8.59%              | \$ 64,779        | \$ 5,126                             |
| 1987     |           | \$ 5,479          | 8.46%              | \$ 70,258        | \$ 5,479                             |
| 1988     |           | \$ 6,775          | 9.64%              | \$ 77,033        | \$ 6,775                             |
| 1989     |           | \$ 8,723          | 11.32%             | \$ 85,756        | \$ 8,723                             |
| 1990     |           | \$ 8,911          | 10.39%             | \$ 94,667        | \$ 8,911                             |
| 1991     |           | \$ 8,268          | 8.73%              | \$ 102,936       | \$ 8,268                             |
| 1992     |           | \$ 6,587          | 6.40%              | \$ 109,523       | \$ 6,587                             |
| 1993     |           | \$ 6,721          | 6.14%              | \$ 116,244       | \$ 6,721                             |
| 1994     |           | \$ 8,519          | 7.33%              | \$ 124,762       | \$ 8,519                             |
| 1995     |           | \$ 11,385         | 9.13%              | \$ 136,148       | \$ 11,385                            |
| 1996     |           | \$ 11,615         | 8.53%              | \$ 147,762       | \$ 11,615                            |
| 1997     |           | \$ 12,874         | 8.71%              | \$ 160,636       | \$ 12,874                            |
| 1998     |           | \$ 13,846         | 8.62%              | \$ 174,482       | \$ 13,846                            |
| 1999     |           | \$ 14,371         | 8.24%              | \$ 188,854       | \$ 14,371                            |
| 2000     |           | \$ 18,049         | 9.56%              | \$ 206,903       | \$ 18,049                            |
| 2001     |           | \$ 14,680         | 7.10%              | \$ 221,583       | \$ 14,680                            |
| 2002     |           | \$ 10,542         | 4.76%              | \$ 232,125       | \$ 10,542                            |
| 2003     |           | \$ 9,718          | 4.19%              | \$ 241,843       | \$ 9,718                             |
| 2004     |           | \$ 10,670         | 4.41%              | \$ 252,513       | \$ 10,670                            |
| 2005     |           | \$ 15,984         | 6.33%              | \$ 268,497       | \$ 15,984                            |
| 2006 (d) |           | \$ 22,010         | 8.20%              | \$ 290,508       | \$ 22,010                            |
|          |           |                   |                    |                  | \$ 279,951                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.



Table 6: Schedule Showing the Daily Rates for Brakeman from 8/12/1966 through 7/1/1999.

| Effective Date | Yard<br>Brakeman |
|----------------|------------------|
| 8/12/1966      | \$ 25.87         |
| 1/1/1968       | \$ 26.52         |
| 7/1/1968       | \$ 27.85         |
| 1/1/1969       | \$ 28.41         |
| 7/1/1969       | \$ 29.26         |
| 1/1/1970       | \$ 30.72         |
| 11/1/1970      | \$ 33.28         |
| 4/1/1971       | \$ 34.61         |
| 10/1/1971      | \$ 36.34         |
| 4/1/1972       | \$ 38.16         |
| 10/1/1972      | \$ 40.07         |
| 1/1/1973       | \$ 42.27         |
| 4/1/1973       | \$ 43.07         |
| 1/1/1974       | \$ 44.79         |
| 1/1/1975       | \$ 49.27         |
| 10/1/1975      | \$ 51.73         |
| 1/1/1976       | \$ 52.69         |
| 4/1/1976       | \$ 54.24         |
| 7/1/1976       | \$ 55.20         |
| 1/1/1977       | \$ 56.24         |
| 7/1/1977       | \$ 59.89         |
| 1/1/1978       | \$ 61.41         |
| 4/1/1978       | \$ 63.17         |
| 7/1/1978       | \$ 64.69         |
| 10/1/1978      | \$ 65.93         |
| 1/1/1979       | \$ 67.93         |
| 7/1/1979       | \$ 72.58         |
| 1/1/1980       | \$ 74.82         |
| 7/1/1980       | \$ 80.62         |
| 1/1/1981       | \$ 83.18         |
| 4/1/1981       | \$ 84.75         |
| 7/1/1981       | \$ 87.31         |
| 10/1/1981      | \$ 89.71         |
| 1/1/1982       | \$ 92.51         |
| 7/1/1982       | \$ 96.75         |
| 1/1/1983       | \$ 99.47         |
| 7/1/1983       | \$ 102.02        |
| 1/1/1984       | \$ 104.10        |
| 11/1/1985      | \$ 105.13        |
| 1/1/1986       | \$ 107.21        |
| 7/1/1986       | \$ 108.80        |
| 1/1/1987       | \$ 111.22        |
| 7/1/1987       | \$ 112.87        |
| 1/1/1988       | \$ 115.39        |
| 7/1/1991       | \$ 118.85        |
| 7/1/1993       | \$ 122.42        |
| 7/1/1994       | \$ 127.32        |
| 7/1/1995       | \$ 128.04        |
| 12/1/1995      | \$ 132.52        |
| 7/1/1997       | \$ 137.16        |
| 7/1/1999       | \$ 141.96        |

Source: Taken from the UTU/ R &amp; S Dept. October 1996.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1967          | \$ 25.87    | 365            | \$ 9,442.55   | \$ 25.87             |             |
| 1968          | \$ 26.52    | 181            | \$ 4,800.12   | \$ 27.19             | 5.10%       |
|               | \$ 27.85    | 184            | \$ 5,124.40   |                      |             |
| 1969          | \$ 28.41    | 181            | \$ 5,142.21   | \$ 28.84             | 6.06%       |
|               | \$ 29.26    | 184            | \$ 5,383.84   |                      |             |
| 1970          | \$ 30.72    | 304            | \$ 9,338.88   | \$ 31.15             | 8.01%       |
|               | \$ 33.28    | 61             | \$ 2,030.08   |                      |             |
| 1971          | \$ 33.28    | 90             | \$ 2,995.20   | \$ 34.71             | 11.45%      |
|               | \$ 34.61    | 184            | \$ 6,368.24   |                      |             |
|               | \$ 36.34    | 91             | \$ 3,306.94   |                      |             |
| 1972          | \$ 36.34    | 90             | \$ 3,270.60   | \$ 38.19             | 10.01%      |
|               | \$ 38.16    | 184            | \$ 7,021.44   |                      |             |
|               | \$ 40.07    | 91             | \$ 3,646.37   |                      |             |
| 1973          | \$ 42.27    | 90             | \$ 3,804.30   | \$ 42.87             | 12.27%      |
|               | \$ 43.07    | 275            | \$ 11,844.25  |                      |             |
| 1974          | \$ 44.79    | 365            | \$ 16,348.35  | \$ 44.79             | 4.47%       |
| 1975          | \$ 49.27    | 273            | \$ 13,450.71  | \$ 49.89             | 11.39%      |
|               | \$ 51.73    | 92             | \$ 4,759.16   |                      |             |
| 1976          | \$ 52.69    | 90             | \$ 4,742.10   | \$ 54.34             | 8.92%       |
|               | \$ 54.24    | 92             | \$ 4,990.08   |                      |             |
|               | \$ 55.20    | 183            | \$ 10,101.60  |                      |             |
| 1977          | \$ 56.24    | 181            | \$ 10,179.44  | \$ 58.08             | 6.88%       |
|               | \$ 59.89    | 184            | \$ 11,019.76  |                      |             |
| 1978          | \$ 61.41    | 90             | \$ 5,526.90   | \$ 63.81             | 9.86%       |
|               | \$ 63.17    | 92             | \$ 5,811.64   |                      |             |
|               | \$ 64.69    | 92             | \$ 5,951.48   |                      |             |
|               | \$ 65.93    | 91             | \$ 5,999.63   |                      |             |
| 1979          | \$ 67.93    | 181            | \$ 12,295.33  | \$ 70.27             | 10.13%      |
|               | \$ 72.58    | 184            | \$ 13,354.72  |                      |             |
| 1980          | \$ 74.82    | 181            | \$ 13,542.42  | \$ 77.74             | 10.63%      |
|               | \$ 80.62    | 184            | \$ 14,834.08  |                      |             |
| 1981          | \$ 83.18    | 90             | \$ 7,486.20   | \$ 85.00             | 9.33%       |
|               | \$ 84.75    | 184            | \$ 15,594.00  |                      |             |
|               | \$ 87.31    | 91             | \$ 7,945.21   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman. (Cont.)

| Calendar Year                             | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|-------------------------------------------|-------------|----------------|---------------|----------------------|-------------|
| 1982                                      | \$ 92.51    | 181            | \$ 16,744.31  | \$ 94.65             | 11.35%      |
|                                           | \$ 96.75    | 184            | \$ 17,802.00  |                      |             |
| 1983                                      | \$ 99.47    | 181            | \$ 18,004.07  | \$ 100.76            | 6.45%       |
|                                           | \$ 102.02   | 184            | \$ 18,771.68  |                      |             |
| 1984                                      | \$ 104.10   | 365            | \$ 37,996.50  | \$ 104.10            | 3.32%       |
| 1985                                      | \$ 104.10   | 304            | \$ 31,646.40  | \$ 104.27            | 0.17%       |
|                                           | \$ 105.13   | 61             | \$ 6,412.93   |                      |             |
| 1986                                      | \$ 107.21   | 181            | \$ 19,405.01  | \$ 108.01            | 3.59%       |
|                                           | \$ 108.80   | 184            | \$ 20,019.20  |                      |             |
| 1987                                      | \$ 111.22   | 181            | \$ 20,130.82  | \$ 112.05            | 3.74%       |
|                                           | \$ 112.87   | 184            | \$ 20,768.08  |                      |             |
| 1988                                      | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 2.98%       |
| 1989                                      | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 0.00%       |
| 1990                                      | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 0.00%       |
| 1991                                      | \$ 115.39   | 181            | \$ 20,885.59  | \$ 117.13            | 1.51%       |
|                                           | \$ 118.85   | 184            | \$ 21,868.40  |                      |             |
| 1992                                      | \$ 118.85   | 365            | \$ 43,380.25  | \$ 118.85            | 1.46%       |
| 1993                                      | \$ 118.85   | 181            | \$ 21,511.85  | \$ 120.65            | 1.51%       |
|                                           | \$ 122.42   | 184            | \$ 22,525.28  |                      |             |
| 1994                                      | \$ 122.42   | 181            | \$ 22,158.02  | \$ 124.89            | 3.51%       |
|                                           | \$ 127.32   | 184            | \$ 23,426.88  |                      |             |
| 1995                                      | \$ 127.32   | 181            | \$ 23,044.92  | \$ 128.05            | 2.53%       |
|                                           | \$ 128.04   | 154            | \$ 19,718.16  |                      |             |
|                                           | \$ 132.52   | 30             | \$ 3,975.60   |                      |             |
| 1996                                      | \$ 132.52   | 365            | \$ 48,369.80  | \$ 132.52            | 3.49%       |
| 1997                                      | \$ 132.52   | 181            | \$ 23,986.12  | \$ 134.86            | 1.77%       |
|                                           | \$ 137.16   | 184            | \$ 25,237.44  |                      |             |
| 1998                                      | \$ 137.16   | 365            | \$ 50,063.40  | \$ 137.16            | 1.71%       |
| 1999                                      | \$ 137.16   | 181            | \$ 24,825.96  | \$ 139.58            | 1.76%       |
|                                           | \$ 141.96   | 184            | \$ 26,120.64  |                      |             |
| 1967 through 1999 Compound Rate of Growth |             |                |               | 5.41%                |             |

EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

03/30/99  
13:25:10

EE SSN : 713 - 14 - 4349

NAME: BENKO , E ,

SEX: M

PREVIOUS SURNAME:

DOB: 06 / / 1916 SCORE LOAD

ADDR1

DOD: 12 / / 1978 RRB

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1978

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1321

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3200660658

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 120

ANN BEGIN DATE: / /

ACCOUNT LAST ACTIVE: 1978

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / /

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24



EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

05/20/77  
13:33:41

EE SSN : 713 - 14 - 4349

NAME: BENKO

, E ,

SERVICE MONTHS TOTALS

-----  
TOTAL REPORTED : 426  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 426  
CREDITABLE 37-46 : 079  
S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 1 QC'S THRU 1974 : 1 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

COMPENSATION TOTALS

-----  
TIER 1 AMOUNT :\$ 127305.01  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 11137.76  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 92.46  
37-50 SSA WAGES :\$ 0.00

1952 QC'S: 0 PATT: \$ 0.00

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMID104  
PAGE: 0001

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

03/30/99  
13:25:19

EE SSN: 713 - 14 - 4349      EE NAME: BENKO      , E ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YF<br>PATT | WAGE YF<br>AMOUNT |
|                           | 1978 | 2  | 2002        | 0000         |                |                |              |                       |                  |                 |                   |
|                           | 1977 | 11 | 6777        | 0000         |                |                |              |                       |                  |                 |                   |
|                           | 1976 | 11 | 7377        | 0000         |                |                |              |                       |                  |                 |                   |
|                           | 1975 | 9  | 0777        | 0000         |                |                |              |                       |                  |                 |                   |
|                           | 1974 | 11 | 7737        | 0000         |                |                |              |                       |                  |                 |                   |
|                           | 1973 | 8  | 0677        | 0000         |                |                |              |                       |                  |                 |                   |
|                           | 1972 | 11 | 7773        | 0000         |                |                |              |                       |                  |                 |                   |
|                           | 1971 | 12 | 7777        | 0000         |                |                |              |                       |                  |                 |                   |
|                           | 1970 | 12 | 7777        | 0000         |                |                |              |                       |                  |                 |                   |
|                           | 1969 | 7  | 0477        | 0000         |                |                |              |                       |                  |                 |                   |

USER MESSAGE

-----RESPONSES-----  
EE INFO            =PF13   MISC SCORE        =PF15   S&E LEDGER            =PF18   MIL SERV =PF22  
EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL       =PF19   HIST STMT=PF20

EDMID104  
PAGE: 0002

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

03/30/99  
13:25:33

EE SSN: 713 - 14 - 4349      EE NAME: BENKO      , E ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                       |                   |  |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|-----------------------|-------------------|--|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE YF<br>AMOUNT |  |
|                           | 1968 | 2  | 1100        | 0000         | 548.48         |                |              |                       |                       |                   |  |
|                           | 1967 | 11 | 7776        | 0000         | 5439.80        |                |              | 1                     | N                     | NNNC 0000 92.46   |  |
|                           | 1966 | 12 | 7777        | 0000         | 6583.85        |                |              |                       |                       |                   |  |
|                           | 1965 | 12 | 7777        | 0000         | 5400.00        |                |              |                       |                       |                   |  |
|                           | 1964 | 12 | 7777        | 0000         | 5375.24        |                |              |                       |                       |                   |  |
|                           | 1963 | 12 | 7777        | 0000         | 4900.00        |                |              |                       |                       |                   |  |
|                           | 1962 | 12 | 7777        | 0000         | 4744.50        |                |              |                       |                       |                   |  |
|                           | 1961 | 12 | 7777        | 0000         | 4800.00        |                |              |                       |                       |                   |  |
|                           | 1960 | 12 | 7777        | 0000         | 4800.00        |                |              |                       |                       |                   |  |
|                           | 1959 | 12 | 0000        | 0000         | 4550.00        |                |              |                       |                       |                   |  |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----  
EE INFO      =PF13    MISC SCORE      =PF15    S&E LEDGER      =PF18    MIL SERV =PF22  
EE SERV/RUIA =PF14    EE S&E TOTALS =PF16    SERV MO DETAIL    =PF19    HIST STMT=PF20

EDMID104

## EMPLOYMENT DATA MAINTENANCE

05/30/99

PAGE: 0003

## CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:25:44

EE SSN: 713 - 14 - 4349

EE NAME: BENKO

, E ,

|   |      | ----- RAILROAD INFO ----- |      |        |         |      |           | ----- SSA INFO ----- |       |      |         |        |
|---|------|---------------------------|------|--------|---------|------|-----------|----------------------|-------|------|---------|--------|
|   |      | MOS                       | DEEM | TIER-1 | TIER-2  | MISC | ---Q/C--- |                      | WAGE  | M/S  | WAGE YR |        |
| S | YEAR | SM                        | PATT | PATT   | COMP    | COMP | COMP      | SSA                  | SE&AG | PATT | PATT    | AMOUNT |
|   | 1958 | 12                        | 0000 | 0000   | 4200.00 |      |           |                      |       |      |         |        |
|   | 1957 | 12                        | 0000 | 0000   | 4200.00 |      |           |                      |       |      |         |        |
|   | 1956 | 12                        | 0000 | 0000   | 4200.00 |      |           |                      |       |      |         |        |
|   | 1955 | 12                        | 0000 | 0000   | 4135.44 |      |           |                      |       |      |         |        |
|   | 1954 | 12                        | 0000 | 0000   | 3900.00 |      |           |                      |       |      |         |        |
|   | 1953 | 12                        | 0000 | 0000   | 3600.00 |      |           |                      |       |      |         |        |
|   | 1952 | 12                        | 0000 | 0000   | 3600.00 |      |           |                      |       |      |         |        |
|   | 1951 | 12                        | 0000 | 0000   | 3600.00 |      |           |                      |       |      |         |        |
|   | 1950 | 12                        | 0000 | 0000   | 3588.44 |      |           |                      |       |      |         |        |
|   | 1949 | 12                        | 0000 | 0000   | 3599.44 |      |           |                      |       |      |         |        |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |



EDM1D104

## EMPLOYMENT DATA MAINTENANCE

03/30/95

PAGE: 0004

## CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:25:56

EE SSN: 713 - 14 - 4349

EE NAME: BENKO

, E ,

|   |      | ----- RAILROAD INFO ----- |      |        |          |      | ----- SSA INFO ----- |           |           |        |
|---|------|---------------------------|------|--------|----------|------|----------------------|-----------|-----------|--------|
|   |      | MOS                       | DEEM | TIER-1 | TIER-2   | MISC | ---Q/C---            | WAGE M/S  | WAGE YF   |        |
| S | YEAR | SM                        | PATT | PATT   | COMP     | COMP | COMP                 | SSA SE&AG | PATT PATT | AMOUNT |
|   | 1948 | 12                        | 0000 | 0000   | 3489.44  |      |                      |           |           |        |
|   | 1947 | 12                        | 0000 | 0000   | 3426.44  |      |                      |           |           |        |
|   | 1946 | 79                        | 0000 | 0000   | 11137.76 |      |                      |           |           |        |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**Edward Benko**

*Prepared for*

Carla Tricarichi  
Attorney at Law

*Prepared by:*

**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

## Personal Data Sheet

|                                            |              |                               |
|--------------------------------------------|--------------|-------------------------------|
| Name:                                      | Edward Benko |                               |
| Date of Birth:                             | 6/2/1918     |                               |
| Date of Separation                         | 2/28/1978    | (83.84% of 1978 Remains)      |
| Age on:                                    | 2/28/1978    | 59.7 Years                    |
| Work Life Expectancy from:                 | 2/28/1978    | 5.9 Years ( 6.03% of 1984)*   |
| Age at Expiration of Work Life Expectancy: |              | 65.6 Years Old                |
| Life Expectancy from:                      | 2/28/1978    | 20.7 Years ( 86.3% of 1998)** |
| Age at Expiration of Life Expectancy:      |              | 80.4 Years Old                |
| Age on: 9/1/2007                           |              | 89.2 Years                    |
| Work Life Expectancy from:                 | 9/1/2007     | 0.0 Years ( 66.85% of 2007)*  |
| Age at Expiration of Work Life Expectancy: |              | 89.2 Years Old                |
| Life Expectancy from:                      | 9/1/2007     | 4.4 Years ( 6.58% of 2012)**  |
| Age at Expiration of Life Expectancy:      |              | 93.6 Years Old                |
| Occupation:                                | Brakeman     |                               |
| Date of Hire:                              | 1946         |                               |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville, Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

---

Summary Sheet

---

|                                                                     | Value               |
|---------------------------------------------------------------------|---------------------|
| I. Loss of Displacement Allowance, Benefits, & Back Interest        |                     |
| A. Displacement Allowance (Interest Based on 10 Year Treasuries)    | \$ 108,822          |
| Pension Benefits                                                    | \$ 14,288           |
| Back Interest through 1/1/2007                                      | <u>\$ 1,438,962</u> |
| Total                                                               | \$ 1,562,073        |
| B. Displacement Allowance (Interest Based on Bank Prime Loan Rates) | \$ 108,822          |
| Pension Benefits                                                    | \$ 14,288           |
| Back Interest through 1/1/2007                                      | <u>\$ 2,207,898</u> |
| Total                                                               | \$ 2,331,009        |

Table 1: Schedule Showing the Earnings for the Years 1967-1978, and the Displacement Allowance for Edward Benko.

| Year                                  | Earnings (a) | Months Employed (a) | Daily Wage Growth Rate (b) | Forecasted Wage Guarantee (c) | Displacement Allowance (d)                  |
|---------------------------------------|--------------|---------------------|----------------------------|-------------------------------|---------------------------------------------|
| 1967                                  | \$ 5,439.80  | 11                  |                            |                               |                                             |
| 1968                                  | \$ 548.48    | 2                   | 5.10%                      | \$ 8,660.66                   | \$ 8,112.18                                 |
| 1969                                  | \$ 3,384.07  | 7                   |                            | \$ 9,102.72                   | \$ 5,718.65                                 |
| 1970                                  | \$ 4,717.80  | 12                  | 8.01%                      | \$ 9,831.65                   | \$ 5,113.85                                 |
| 1971                                  | \$ 4,491.56  | 12                  | 11.45%                     | \$ 10,957.09                  | \$ 6,465.53                                 |
| 1972                                  | \$ 2,859.70  | 11                  | 10.01%                     | \$ 12,053.66                  | \$ 9,193.96                                 |
| 1973                                  | \$ 1,604.59  | 8                   | 12.27%                     | \$ 13,532.56                  | \$ 11,927.97                                |
| 1974                                  | \$ 2,168.21  | 11                  | 4.47%                      | \$ 14,137.73                  | \$ 11,969.52                                |
| 1975                                  | \$ 1,240.06  | 9                   | 11.39%                     | \$ 15,747.54                  | \$ 14,507.48                                |
| 1976                                  | \$ 1,478.37  | 11                  | 8.92%                      | \$ 17,151.86                  | \$ 15,673.49                                |
| 1977                                  | \$ 1,280.57  | 11                  | 6.88%                      | \$ 18,332.65                  | \$ 17,052.08                                |
| 1978                                  | \$ 261.25    | 2                   | 9.86%                      | \$ 20,140.43                  | -                                           |
| 1978 Annualized Wage for Displacement | \$ 1,616.65  |                     |                            | \$ 20,140.43                  | 1978 Displacement Allowance (f) \$ 3,087.30 |

\* Boxed earnings in the earnings column indicate that Mr. Benko earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 8.

(c) The forecasted wage guarantee is calculated as \$758.56 per month in 1969 per an attachment to the 2/28/1990 letter from Robert O'Neill of the Arbitration Committee. The 1968 wage guarantee is reduced from the 1969 guarantee by the 1968 wage growth rate for brakemen from Tables 6 through 8. The 1970 through 1978 wage guarantees are grown from the 1969 wage guarantee by the brakemen growth rates from Tables 6 through 8.

(d) The displacement allowance for each year is calculated as the forecasted wage guarantee minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1978 annualized wage is calculated as \$261.25 divided by (1 - 83.84%). 83.84% is the amount of the year remaining after the date of separation.

(f) The 1978 displacement allowance is partialled out to represent Mr. Benko working for 2 months in 1978.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Edward Benko for the Years 1968 through 1978.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1968 | \$ 8,112                                       | \$ 722                  | \$ 8,834                                |
| 1969 | \$ 5,719                                       | \$ 546                  | \$ 6,265                                |
| 1970 | \$ 5,114                                       | \$ 488                  | \$ 5,602                                |
| 1971 | \$ 6,466                                       | \$ 643                  | \$ 7,109                                |
| 1972 | \$ 9,194                                       | \$ 915                  | \$ 10,109                               |
| 1973 | \$ 11,928                                      | \$ 1,406                | \$ 13,334                               |
| 1974 | \$ 11,970                                      | \$ 1,837                | \$ 13,807                               |
| 1975 | \$ 14,507                                      | \$ 2,227                | \$ 16,734                               |
| 1976 | \$ 15,673                                      | \$ 2,406                | \$ 18,079                               |
| 1977 | \$ 17,052                                      | \$ 2,617                | \$ 19,670                               |
| 1978 | \$ 3,087                                       | \$ 480                  | \$ 3,567                                |
|      | \$ 108,822                                     | \$ 14,288               | \$ 123,110                              |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Edward Benko, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 8,834  | \$ 509            | 5.76%              | \$ 9,343         | \$ 509                               |
| 1969     | \$ 6,265  | \$ 1,067          | 6.84%              | \$ 16,675        | \$ 1,067                             |
| 1970     | \$ 5,602  | \$ 1,683          | 7.56%              | \$ 23,961        | \$ 1,683                             |
| 1971     | \$ 7,109  | \$ 1,959          | 6.30%              | \$ 33,028        | \$ 1,959                             |
| 1972     | \$ 10,109 | \$ 2,742          | 6.36%              | \$ 45,878        | \$ 2,742                             |
| 1973     | \$ 13,334 | \$ 4,161          | 7.03%              | \$ 63,374        | \$ 4,161                             |
| 1974     | \$ 13,807 | \$ 6,002          | 7.78%              | \$ 83,183        | \$ 6,002                             |
| 1975     | \$ 16,734 | \$ 8,226          | 8.23%              | \$ 108,143       | \$ 8,226                             |
| 1976     | \$ 18,079 | \$ 9,883          | 7.83%              | \$ 136,106       | \$ 9,883                             |
| 1977     | \$ 19,670 | \$ 11,884         | 7.63%              | \$ 167,660       | \$ 11,884                            |
| 1978     | \$ 3,567  | \$ 14,861         | 8.68%              | \$ 186,088       | \$ 14,861                            |
| 1979     |           | \$ 18,178         | 9.77%              | \$ 204,266       | \$ 18,178                            |
| 1980     |           | \$ 24,368         | 11.93%             | \$ 228,634       | \$ 24,368                            |
| 1981     |           | \$ 33,526         | 14.66%             | \$ 262,160       | \$ 33,526                            |
| 1982     |           | \$ 35,807         | 13.66%             | \$ 297,967       | \$ 35,807                            |
| 1983     |           | \$ 34,477         | 11.57%             | \$ 332,444       | \$ 34,477                            |
| 1984     |           | \$ 43,398         | 13.05%             | \$ 375,842       | \$ 43,398                            |
| 1985     |           | \$ 41,532         | 11.05%             | \$ 417,374       | \$ 41,532                            |
| 1986     |           | \$ 32,945         | 7.89%              | \$ 450,320       | \$ 32,945                            |
| 1987     |           | \$ 38,987         | 8.66%              | \$ 489,307       | \$ 38,987                            |
| 1988     |           | \$ 44,762         | 9.15%              | \$ 534,069       | \$ 44,762                            |
| 1989     |           | \$ 46,807         | 8.76%              | \$ 580,876       | \$ 46,807                            |
| 1990     |           | \$ 51,280         | 8.83%              | \$ 632,156       | \$ 51,280                            |
| 1991     |           | \$ 51,171         | 8.09%              | \$ 683,327       | \$ 51,171                            |
| 1992     |           | \$ 49,175         | 7.20%              | \$ 732,502       | \$ 49,175                            |
| 1993     |           | \$ 43,954         | 6.00%              | \$ 776,456       | \$ 43,954                            |
| 1994     |           | \$ 56,532         | 7.28%              | \$ 832,987       | \$ 56,532                            |
| 1995     |           | \$ 56,090         | 6.73%              | \$ 889,078       | \$ 56,090                            |
| 1996     |           | \$ 58,654         | 6.60%              | \$ 947,732       | \$ 58,654                            |
| 1997     |           | \$ 61,629         | 6.50%              | \$ 1,009,361     | \$ 61,629                            |
| 1998     |           | \$ 54,149         | 5.36%              | \$ 1,063,510     | \$ 54,149                            |
| 1999     |           | \$ 61,373         | 5.77%              | \$ 1,124,884     | \$ 61,373                            |
| 2000     |           | \$ 69,380         | 6.17%              | \$ 1,194,263     | \$ 69,380                            |
| 2001     |           | \$ 61,090         | 5.12%              | \$ 1,255,354     | \$ 61,090                            |
| 2002     |           | \$ 58,880         | 4.69%              | \$ 1,314,234     | \$ 58,880                            |
| 2003     |           | \$ 53,499         | 4.07%              | \$ 1,367,732     | \$ 53,499                            |
| 2004     |           | \$ 59,344         | 4.34%              | \$ 1,427,076     | \$ 59,344                            |
| 2005     |           | \$ 62,214         | 4.36%              | \$ 1,489,290     | \$ 62,214                            |
| 2006 (d) |           | \$ 72,783         | 4.89%              | \$ 1,562,073     | \$ 72,783                            |
|          |           |                   |                    |                  | \$ 1,438,962                         |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Edward Benko, through 1/1/2007. (Based on the Bank Prime Loan Rates)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 8,834  | \$ 571            | 6.46%              | \$ 9,405         | \$ 571                               |
| 1969     | \$ 6,265  | \$ 1,283          | 8.19%              | \$ 16,953        | \$ 1,283                             |
| 1970     | \$ 5,602  | \$ 1,838          | 8.15%              | \$ 24,393        | \$ 1,838                             |
| 1971     | \$ 7,109  | \$ 1,842          | 5.85%              | \$ 33,344        | \$ 1,842                             |
| 1972     | \$ 10,109 | \$ 2,326          | 5.35%              | \$ 45,778        | \$ 2,326                             |
| 1973     | \$ 13,334 | \$ 4,879          | 8.25%              | \$ 63,991        | \$ 4,879                             |
| 1974     | \$ 13,807 | \$ 8,743          | 11.24%             | \$ 86,541        | \$ 8,743                             |
| 1975     | \$ 16,734 | \$ 8,359          | 8.09%              | \$ 111,635       | \$ 8,359                             |
| 1976     | \$ 18,079 | \$ 9,102          | 7.02%              | \$ 138,816       | \$ 9,102                             |
| 1977     | \$ 19,670 | \$ 11,093         | 7.00%              | \$ 169,579       | \$ 11,093                            |
| 1978     | \$ 3,567  | \$ 16,211         | 9.36%              | \$ 189,357       | \$ 16,211                            |
| 1979     |           | \$ 25,128         | 13.27%             | \$ 214,484       | \$ 25,128                            |
| 1980     |           | \$ 34,572         | 16.12%             | \$ 249,057       | \$ 34,572                            |
| 1981     |           | \$ 50,400         | 20.24%             | \$ 299,457       | \$ 50,400                            |
| 1982     |           | \$ 46,990         | 15.69%             | \$ 346,446       | \$ 46,990                            |
| 1983     |           | \$ 38,936         | 11.24%             | \$ 385,383       | \$ 38,936                            |
| 1984     |           | \$ 48,536         | 12.59%             | \$ 433,919       | \$ 48,536                            |
| 1985     |           | \$ 44,730         | 10.31%             | \$ 478,649       | \$ 44,730                            |
| 1986     |           | \$ 41,134         | 8.59%              | \$ 519,783       | \$ 41,134                            |
| 1987     |           | \$ 43,962         | 8.46%              | \$ 563,745       | \$ 43,962                            |
| 1988     |           | \$ 54,363         | 9.64%              | \$ 618,108       | \$ 54,363                            |
| 1989     |           | \$ 69,994         | 11.32%             | \$ 688,102       | \$ 69,994                            |
| 1990     |           | \$ 71,502         | 10.39%             | \$ 759,604       | \$ 71,502                            |
| 1991     |           | \$ 66,343         | 8.73%              | \$ 825,946       | \$ 66,343                            |
| 1992     |           | \$ 52,856         | 6.40%              | \$ 878,803       | \$ 52,856                            |
| 1993     |           | \$ 53,926         | 6.14%              | \$ 932,729       | \$ 53,926                            |
| 1994     |           | \$ 68,354         | 7.33%              | \$ 1,001,083     | \$ 68,354                            |
| 1995     |           | \$ 91,356         | 9.13%              | \$ 1,092,439     | \$ 91,356                            |
| 1996     |           | \$ 93,195         | 8.53%              | \$ 1,185,634     | \$ 93,195                            |
| 1997     |           | \$ 103,300        | 8.71%              | \$ 1,288,934     | \$ 103,300                           |
| 1998     |           | \$ 111,096        | 8.62%              | \$ 1,400,029     | \$ 111,096                           |
| 1999     |           | \$ 115,316        | 8.24%              | \$ 1,515,345     | \$ 115,316                           |
| 2000     |           | \$ 144,827        | 9.56%              | \$ 1,660,172     | \$ 144,827                           |
| 2001     |           | \$ 117,793        | 7.10%              | \$ 1,777,965     | \$ 117,793                           |
| 2002     |           | \$ 84,586         | 4.76%              | \$ 1,862,551     | \$ 84,586                            |
| 2003     |           | \$ 77,977         | 4.19%              | \$ 1,940,529     | \$ 77,977                            |
| 2004     |           | \$ 85,618         | 4.41%              | \$ 2,026,146     | \$ 85,618                            |
| 2005     |           | \$ 128,255        | 6.33%              | \$ 2,154,401     | \$ 128,255                           |
| 2006 (d) |           | \$ 176,608        | 8.20%              | \$ 2,331,009     | \$ 176,608                           |
|          |           |                   |                    |                  | \$ 2,207,898                         |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.



Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Daily Rates for Brakeman from 8/12/1966 through 7/1/1999.

| Effective Date | Yard<br>Brakeman |
|----------------|------------------|
| 8/12/1966      | \$ 25.87         |
| 1/1/1968       | \$ 26.52         |
| 7/1/1968       | \$ 27.85         |
| 1/1/1969       | \$ 28.41         |
| 7/1/1969       | \$ 29.26         |
| 1/1/1970       | \$ 30.72         |
| 11/1/1970      | \$ 33.28         |
| 4/1/1971       | \$ 34.61         |
| 10/1/1971      | \$ 36.34         |
| 4/1/1972       | \$ 38.16         |
| 10/1/1972      | \$ 40.07         |
| 1/1/1973       | \$ 42.27         |
| 4/1/1973       | \$ 43.07         |
| 1/1/1974       | \$ 44.79         |
| 1/1/1975       | \$ 49.27         |
| 10/1/1975      | \$ 51.73         |
| 1/1/1976       | \$ 52.69         |
| 4/1/1976       | \$ 54.24         |
| 7/1/1976       | \$ 55.20         |
| 1/1/1977       | \$ 56.24         |
| 7/1/1977       | \$ 59.89         |
| 1/1/1978       | \$ 61.41         |
| 4/1/1978       | \$ 63.17         |
| 7/1/1978       | \$ 64.69         |
| 10/1/1978      | \$ 65.93         |
| 1/1/1979       | \$ 67.93         |
| 7/1/1979       | \$ 72.58         |
| 1/1/1980       | \$ 74.82         |
| 7/1/1980       | \$ 80.62         |
| 1/1/1981       | \$ 83.18         |
| 4/1/1981       | \$ 84.75         |
| 7/1/1981       | \$ 87.31         |
| 10/1/1981      | \$ 89.71         |
| 1/1/1982       | \$ 92.51         |
| 7/1/1982       | \$ 96.75         |
| 1/1/1983       | \$ 99.47         |
| 7/1/1983       | \$ 102.02        |
| 1/1/1984       | \$ 104.10        |
| 11/1/1985      | \$ 105.13        |
| 1/1/1986       | \$ 107.21        |
| 7/1/1986       | \$ 108.80        |
| 1/1/1987       | \$ 111.22        |
| 7/1/1987       | \$ 112.87        |
| 1/1/1988       | \$ 115.39        |
| 7/1/1991       | \$ 118.85        |
| 7/1/1993       | \$ 122.42        |
| 7/1/1994       | \$ 127.32        |
| 7/1/1995       | \$ 128.04        |
| 12/1/1995      | \$ 132.52        |
| 7/1/1997       | \$ 137.16        |
| 7/1/1999       | \$ 141.96        |

Source: Taken from the UTU/ R & S Dept, October 1996.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1967          | \$ 25.87    | 365            | \$ 9,442.55   | \$ 25.87             |             |
| 1968          | \$ 26.52    | 181            | \$ 4,800.12   | \$ 27.19             | 5.10%       |
|               | \$ 27.85    | 184            | \$ 5,124.40   |                      |             |
| 1969          | \$ 28.41    | 181            | \$ 5,142.21   | \$ 28.84             | 6.06%       |
|               | \$ 29.26    | 184            | \$ 5,383.84   |                      |             |
| 1970          | \$ 30.72    | 304            | \$ 9,338.88   | \$ 31.15             | 8.01%       |
|               | \$ 33.28    | 61             | \$ 2,030.08   |                      |             |
| 1971          | \$ 33.28    | 90             | \$ 2,995.20   | \$ 34.71             | 11.45%      |
|               | \$ 34.61    | 184            | \$ 6,368.24   |                      |             |
|               | \$ 36.34    | 91             | \$ 3,306.94   |                      |             |
| 1972          | \$ 36.34    | 90             | \$ 3,270.60   | \$ 38.19             | 10.01%      |
|               | \$ 38.16    | 184            | \$ 7,021.44   |                      |             |
|               | \$ 40.07    | 91             | \$ 3,646.37   |                      |             |
| 1973          | \$ 42.27    | 90             | \$ 3,804.30   | \$ 42.87             | 12.27%      |
|               | \$ 43.07    | 275            | \$ 11,844.25  |                      |             |
| 1974          | \$ 44.79    | 365            | \$ 16,348.35  | \$ 44.79             | 4.47%       |
| 1975          | \$ 49.27    | 273            | \$ 13,450.71  | \$ 49.89             | 11.39%      |
|               | \$ 51.73    | 92             | \$ 4,759.16   |                      |             |
| 1976          | \$ 52.69    | 90             | \$ 4,742.10   | \$ 54.34             | 8.92%       |
|               | \$ 54.24    | 92             | \$ 4,990.08   |                      |             |
|               | \$ 55.20    | 183            | \$ 10,101.60  |                      |             |
| 1977          | \$ 56.24    | 181            | \$ 10,179.44  | \$ 58.08             | 6.88%       |
|               | \$ 59.89    | 184            | \$ 11,019.76  |                      |             |
| 1978          | \$ 61.41    | 90             | \$ 5,526.90   | \$ 63.81             | 9.86%       |
|               | \$ 63.17    | 92             | \$ 5,811.64   |                      |             |
|               | \$ 64.69    | 92             | \$ 5,951.48   |                      |             |
|               | \$ 65.93    | 91             | \$ 5,999.63   |                      |             |
| 1979          | \$ 67.93    | 181            | \$ 12,295.33  | \$ 70.27             | 10.13%      |
|               | \$ 72.58    | 184            | \$ 13,354.72  |                      |             |
| 1980          | \$ 74.82    | 181            | \$ 13,542.42  | \$ 77.74             | 10.63%      |
|               | \$ 80.62    | 184            | \$ 14,834.08  |                      |             |
| 1981          | \$ 83.18    | 90             | \$ 7,486.20   | \$ 85.00             | 9.33%       |
|               | \$ 84.75    | 184            | \$ 15,594.00  |                      |             |
|               | \$ 87.31    | 91             | \$ 7,945.21   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman. (Cont.)

| Calendar Year                             | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|-------------------------------------------|-------------|----------------|---------------|----------------------|-------------|
| 1982                                      | \$ 92.51    | 181            | \$ 16,744.31  | \$ 94.65             | 11.35%      |
|                                           | \$ 96.75    | 184            | \$ 17,802.00  |                      |             |
| 1983                                      | \$ 99.47    | 181            | \$ 18,004.07  | \$ 100.76            | 6.45%       |
|                                           | \$ 102.02   | 184            | \$ 18,771.68  |                      |             |
| 1984                                      | \$ 104.10   | 365            | \$ 37,996.50  | \$ 104.10            | 3.32%       |
| 1985                                      | \$ 104.10   | 304            | \$ 31,646.40  | \$ 104.27            | 0.17%       |
|                                           | \$ 105.13   | 61             | \$ 6,412.93   |                      |             |
| 1986                                      | \$ 107.21   | 181            | \$ 19,405.01  | \$ 108.01            | 3.59%       |
|                                           | \$ 108.80   | 184            | \$ 20,019.20  |                      |             |
| 1987                                      | \$ 111.22   | 181            | \$ 20,130.82  | \$ 112.05            | 3.74%       |
|                                           | \$ 112.87   | 184            | \$ 20,768.08  |                      |             |
| 1988                                      | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 2.98%       |
| 1989                                      | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 0.00%       |
| 1990                                      | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 0.00%       |
| 1991                                      | \$ 115.39   | 181            | \$ 20,885.59  | \$ 117.13            | 1.51%       |
|                                           | \$ 118.85   | 184            | \$ 21,868.40  |                      |             |
| 1992                                      | \$ 118.85   | 365            | \$ 43,380.25  | \$ 118.85            | 1.46%       |
| 1993                                      | \$ 118.85   | 181            | \$ 21,511.85  | \$ 120.65            | 1.51%       |
|                                           | \$ 122.42   | 184            | \$ 22,525.28  |                      |             |
| 1994                                      | \$ 122.42   | 181            | \$ 22,158.02  | \$ 124.89            | 3.51%       |
|                                           | \$ 127.32   | 184            | \$ 23,426.88  |                      |             |
| 1995                                      | \$ 127.32   | 181            | \$ 23,044.92  | \$ 128.05            | 2.53%       |
|                                           | \$ 128.04   | 154            | \$ 19,718.16  |                      |             |
|                                           | \$ 132.52   | 30             | \$ 3,975.60   |                      |             |
| 1996                                      | \$ 132.52   | 365            | \$ 48,369.80  | \$ 132.52            | 3.49%       |
| 1997                                      | \$ 132.52   | 181            | \$ 23,986.12  | \$ 134.86            | 1.77%       |
|                                           | \$ 137.16   | 184            | \$ 25,237.44  |                      |             |
| 1998                                      | \$ 137.16   | 365            | \$ 50,063.40  | \$ 137.16            | 1.71%       |
| 1999                                      | \$ 137.16   | 181            | \$ 24,825.96  | \$ 139.58            | 1.76%       |
|                                           | \$ 141.96   | 184            | \$ 26,120.64  |                      |             |
| 1967 through 1999 Compound Rate of Growth |             |                |               | 5.41%                |             |

EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

03/30/99  
13:26:45

EE SSN : 400 - 10 - 6263

NAME: DAY

, K , B

SEX: M

PREVIOUS SURNAME:

DOB: 12 / 28 / 1911 RRB

ADDR1

DOD: 10 / 28 / 1986 RRB

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1974

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1313

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3414646138

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 119

ANN BEGIN DATE: 08 / 25 / 1974

ACCOUNT LAST ACTIVE: 1975

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: 11 / 07 / 1986

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / /

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

(

EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

03/30/99  
13:34:01

EE SSN : 400 - 10 - 6263

EE NAME: DAY , K , B

SERVICE MONTHS TOTALS

-----  
TOTAL REPORTED : 356  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 356  
CREDITABLE 37-46 : 030  
S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 36 QC'S THRU 1974 : 30 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

COMPENSATION TOTALS

-----  
TIER 1 AMOUNT :\$ 133158.93  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 8149.87  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 56102.35  
37-50 SSA WAGES :\$ 10763.75

1952 QC'S: 0 PATT: \$ 0.00

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMID104

## EMPLOYMENT DATA MAINTENANCE

03/30/99

PAGE: 0001 .

## CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:26:53

EE SSN: 400 - 10 - 6263

EE NAME: DAY

, K , B

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                       |                   |  |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|-----------------------|-------------------|--|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE YF<br>AMOUNT |  |
|                           | 1979 |    |             |              |                |                |              | 4                     | N                     | CCCC 0000 1350.00 |  |
|                           | 1977 |    |             |              |                |                |              | 1                     | N                     | CNNN 0000 897.00  |  |
|                           | 1976 |    |             |              |                |                |              | 1                     | N                     | NNNC 0000 1239.32 |  |
|                           | 1974 | 8  | 7730        | 0000         | 2564.79        |                |              | 3                     | N                     | CCCN 0000 4405.28 |  |
|                           | 1973 | 11 | 3777        | 0000         | 3808.17        |                |              | 4                     | N                     | CCCC 0000 6179.10 |  |
|                           | 1972 | 12 | 7777        | 0000         | 6436.38        |                |              | 4                     | N                     | CCCC 0000 6064.38 |  |
|                           | 1971 | 11 | 7776        | 0000         | 5124.32        |                |              | 4                     | N                     | CCCC 0000 6017.85 |  |
|                           | 1970 | 12 | 7777        | 0000         | 7401.47        |                |              | 4                     | N                     | CCCC 0000 5450.02 |  |
|                           | 1969 | 11 | 3777        | 0000         | 4258.65        |                |              | 4                     | N                     | CCCC 0000 5646.56 |  |
|                           | 1968 | 9  | 5477        | 0000         | 2650.43        |                |              | 4                     | N                     | CCCC 0000 5817.14 |  |

USER MESSAGE

-----RESPONSES-----

EE INFO       =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22  
 EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDMID104

EMPLOYMENT DATA MAINTENANCE

03/30/99

PAGE: 0002 . CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:27:03

EE SSN: 400 - 10 - 6263

EE NAME: DAY

, K , B

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----   |                       |                   |  |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|------------------------|-----------------------|-------------------|--|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C---<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE YF<br>AMOUNT |  |
| 1967                      | 12   |    | 7777        | 0000         | 6380.34        |                |              | 2                      | N                     | NNCC 0000 1620.95 |  |
| 1966                      | 12   |    | 7777        | 0000         | 6600.00        |                |              |                        |                       |                   |  |
| 1965                      | 12   |    | 7777        | 0000         | 5400.00        |                |              |                        |                       |                   |  |
| 1964                      | 12   |    | 7777        | 0000         | 5392.46        |                |              |                        |                       |                   |  |
| 1963                      | 12   |    | 7777        | 0000         | 4900.00        |                |              |                        |                       |                   |  |
| 1962                      | 12   |    | 7777        | 0000         | 4800.00        |                |              |                        |                       |                   |  |
| 1961                      | 12   |    | 7777        | 0000         | 4601.46        |                |              |                        |                       |                   |  |
| 1960                      | 12   |    | 7777        | 0000         | 4798.50        |                |              |                        |                       |                   |  |
| 1959                      | 12   |    | 0000        | 0000         | 4550.00        |                |              |                        |                       |                   |  |
| 1958                      | 12   |    | 0000        | 0000         | 4200.00        |                |              |                        |                       |                   |  |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |



EDMID10\*

EMPLOYMENT DATA MAINTENANCE

03/30/93

PAGE: 0003

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:27:14

EE SSN: 400 - 10 - 6263

EE NAME: DAY

, K , B

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----   |                       |                   |  |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|------------------------|-----------------------|-------------------|--|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C---<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE YF<br>AMOUNT |  |
| 1957                      | 12   |    | 0000        | 0000         | 4182.54        |                |              | 1                      | N                     | NNCN 0000 226.00  |  |
| 1956                      | 12   |    | 0000        | 0000         | 4200.00        |                |              |                        |                       |                   |  |
| 1955                      | 12   |    | 0000        | 0000         | 4200.00        |                |              |                        |                       |                   |  |
| 1954                      | 12   |    | 0000        | 0000         | 3900.00        |                |              |                        |                       |                   |  |
| 1953                      | 12   |    | 0000        | 0000         | 3600.00        |                |              |                        |                       |                   |  |
| 1952                      | 12   |    | 0000        | 0000         | 3593.51        |                |              |                        |                       |                   |  |
| 1951                      | 12   |    | 0000        | 0000         | 3600.00        |                |              | N                      | NNNN 0000             | 425.00            |  |
| 1950                      | 12   |    | 0000        | 0000         | 3520.51        |                |              |                        |                       |                   |  |
| 1949                      | 12   |    | 0000        | 0000         | 3466.51        |                |              |                        |                       |                   |  |
| 1948                      | 12   |    | 0000        | 0000         | 3577.51        |                |              |                        |                       |                   |  |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

EDMID104

EMPLOYMENT DATA MAINTENANCE

03/30/93

PAGE: 0004 . 'CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:27:25

EE SSN: 400 - 10 - 6263

EE NAME: DAY

, K , B

|   |      | ----- RAILROAD INFO ----- |             |              |                |                | ----- SSA INFO ----- |                       |                  |                 |        |
|---|------|---------------------------|-------------|--------------|----------------|----------------|----------------------|-----------------------|------------------|-----------------|--------|
| S | YEAR | SM                        | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YF<br>PATT | AMOUNT |
|   | 1947 | 12                        | 0000        | 0000         | 3301.51        |                |                      |                       |                  |                 |        |
|   | 1946 | 30                        | 0000        | 0000         | 8149.87        |                |                      |                       |                  |                 |        |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER           =PF18   MIL SERV =PF22

EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

**Preliminary Report**  
*concerning the*  
**Displacement Allowance**  
*of*  
**Ken Day**

*Prepared for*  
Carla Tricarichi  
Attorney at Law

*Prepared by:*  
**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

### Personal Data Sheet

|                                            |            |                                |
|--------------------------------------------|------------|--------------------------------|
| Name:                                      | Ken Day    |                                |
| Date of Birth:                             | 12/28/1911 |                                |
| Date of Separation                         | 8/31/1974  | (33.42% of 1974 Remains)       |
| Age on:                                    | 8/31/1974  | 62.7 Years                     |
| Work Life Expectancy from:                 | 8/31/1974  | 4.8 Years ( 46.58% of 1979)*   |
| Age at Expiration of Work Life Expectancy: |            | 67.5 Years Old                 |
| Life Expectancy from:                      | 8/31/1974  | 18.5 Years ( 16.44% of 1993)** |
| Age at Expiration of Life Expectancy:      |            | 81.2 Years Old                 |
| Age on:                                    | 9/1/2007   | 95.7 Years                     |
| Work Life Expectancy from:                 | 9/1/2007   | 0.0 Years ( 66.85% of 2007)*   |
| Age at Expiration of Work Life Expectancy: |            | 95.7 Years Old                 |
| Life Expectancy from:                      | 9/1/2007   | 2.9 Years ( 56.71% of 2010)**  |
| Age at Expiration of Life Expectancy:      |            | 98.6 Years Old                 |
| Occupation:                                | Brakeman   |                                |
| Date of Hire:                              | 1946       |                                |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville. Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

|                                                                     | Value               |
|---------------------------------------------------------------------|---------------------|
| I. Loss of Displacement Allowance, Benefits, & Back Interest        |                     |
| A. Displacement Allowance (Interest Based on 10 Year Treasuries)    | \$ 43,468           |
| Pension Benefits                                                    | \$ 4,799            |
| Back Interest through 1/1/2007                                      | <u>\$ 664,165</u>   |
| Total                                                               | \$ 712,432          |
| B. Displacement Allowance (Interest Based on Bank Prime Loan Rates) | \$ 43,468           |
| Pension Benefits                                                    | \$ 4,799            |
| Back Interest through 1/1/2007                                      | <u>\$ 1,030,147</u> |
| Total                                                               | \$ 1,078,414        |

Table 1: Schedule Showing the Earnings for the Years 1967-1974, and the Displacement Allowance for Ken Day.

| Year                                  | Earnings (a) | Months Employed (a) | Daily Wage Growth Rate (b) | Forecasted Wage Guarantee (c) | Displacement Allowance (d)                  |
|---------------------------------------|--------------|---------------------|----------------------------|-------------------------------|---------------------------------------------|
| 1967                                  | \$ 6,380.34  | 12                  |                            |                               | -                                           |
| 1968                                  | \$ 2,650.43  | 9                   | 5.10%                      | \$ 8,914.01                   | \$ 6,263.58                                 |
| 1969                                  | \$ 4,258.65  | 11                  |                            | \$ 9,369.00                   | \$ 5,110.35                                 |
| 1970                                  | \$ 7,401.47  | 12                  | 8.01%                      | \$ 10,119.26                  | \$ 2,717.79                                 |
| 1971                                  | \$ 5,124.32  | 11                  | 11.45%                     | \$ 11,277.62                  | \$ 6,153.30                                 |
| 1972                                  | \$ 6,436.38  | 12                  | 10.01%                     | \$ 12,406.26                  | \$ 5,969.88                                 |
| 1973                                  | \$ 3,808.17  | 11                  | 12.27%                     | \$ 13,928.42                  | \$ 10,120.25                                |
| 1974                                  | \$ 2,564.79  | 8                   | 4.47%                      | \$ 14,551.30                  | -                                           |
| 1974 Annualized Wage for Displacement | \$ 3,852.19  |                     |                            | \$ 14,551.30                  | 1974 Displacement Allowance (f) \$ 7,132.74 |

\* Boxed earnings in the earnings column indicate that Mr. Day earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 8.

(c) The forecasted wage guarantee is calculated as \$780.75 per month in 1969 per an attachment to the 2/28/1990 letter from Robert O'Neill of the Arbitration Committee. The 1968 wage guarantee is reduced from the 1969 guarantee by the 1968 wage growth rate for brakemen from Tables 6 through 8. The 1970 through 1974 wage guarantees are grown from the 1969 wage guarantee by the brakemen growth rates from Tables 6 through 8.

(d) The displacement allowance for each year is calculated as the forecasted wage guarantee minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1974 annualized wage is calculated as \$2,564.79 divided by (1 - 33.42%). 33.42% is the amount of the year remaining after the date of separation.

(f) The 1974 displacement allowance is partialled out to represent Mr. Day working for 8 months in 1974.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Ken Day for the Years 1968 through 1974.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1968 | \$ 6,264                                       | \$ 557                  | \$ 6,821                                |
| 1969 | \$ 5,110                                       | \$ 488                  | \$ 5,598                                |
| 1970 | \$ 2,718                                       | \$ 260                  | \$ 2,977                                |
| 1971 | \$ 6,153                                       | \$ 612                  | \$ 6,766                                |
| 1972 | \$ 5,970                                       | \$ 594                  | \$ 6,564                                |
| 1973 | \$ 10,120                                      | \$ 1,193                | \$ 11,313                               |
| 1974 | \$ 7,133                                       | \$ 1,095                | \$ 8,228                                |
|      | \$ 43,468                                      | \$ 4,799                | \$ 48,267                               |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Ken Day, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 6,821  | \$ 393            | 5.76%              | \$ 7,214         | \$ 393                               |
| 1969     | \$ 5,598  | \$ 876            | 6.84%              | \$ 13,689        | \$ 876                               |
| 1970     | \$ 2,977  | \$ 1,259          | 7.56%              | \$ 17,925        | \$ 1,259                             |
| 1971     | \$ 6,766  | \$ 1,556          | 6.30%              | \$ 26,247        | \$ 1,556                             |
| 1972     | \$ 6,564  | \$ 2,085          | 6.36%              | \$ 34,896        | \$ 2,085                             |
| 1973     | \$ 11,313 | \$ 3,248          | 7.03%              | \$ 49,457        | \$ 3,248                             |
| 1974     | \$ 8,228  | \$ 4,486          | 7.78%              | \$ 62,171        | \$ 4,486                             |
| 1975     |           | \$ 5,118          | 8.23%              | \$ 67,289        | \$ 5,118                             |
| 1976     |           | \$ 5,269          | 7.83%              | \$ 72,558        | \$ 5,269                             |
| 1977     |           | \$ 5,535          | 7.63%              | \$ 78,093        | \$ 5,535                             |
| 1978     |           | \$ 6,778          | 8.68%              | \$ 84,871        | \$ 6,778                             |
| 1979     |           | \$ 8,291          | 9.77%              | \$ 93,162        | \$ 8,291                             |
| 1980     |           | \$ 11,114         | 11.93%             | \$ 104,275       | \$ 11,114                            |
| 1981     |           | \$ 15,291         | 14.66%             | \$ 119,566       | \$ 15,291                            |
| 1982     |           | \$ 16,331         | 13.66%             | \$ 135,897       | \$ 16,331                            |
| 1983     |           | \$ 15,724         | 11.57%             | \$ 151,621       | \$ 15,724                            |
| 1984     |           | \$ 19,793         | 13.05%             | \$ 171,414       | \$ 19,793                            |
| 1985     |           | \$ 18,942         | 11.05%             | \$ 190,357       | \$ 18,942                            |
| 1986     |           | \$ 15,026         | 7.89%              | \$ 205,382       | \$ 15,026                            |
| 1987     |           | \$ 17,781         | 8.66%              | \$ 223,164       | \$ 17,781                            |
| 1988     |           | \$ 20,415         | 9.15%              | \$ 243,579       | \$ 20,415                            |
| 1989     |           | \$ 21,348         | 8.76%              | \$ 264,926       | \$ 21,348                            |
| 1990     |           | \$ 23,388         | 8.83%              | \$ 288,314       | \$ 23,388                            |
| 1991     |           | \$ 23,338         | 8.09%              | \$ 311,652       | \$ 23,338                            |
| 1992     |           | \$ 22,428         | 7.20%              | \$ 334,080       | \$ 22,428                            |
| 1993     |           | \$ 20,046         | 6.00%              | \$ 354,127       | \$ 20,046                            |
| 1994     |           | \$ 25,783         | 7.28%              | \$ 379,910       | \$ 25,783                            |
| 1995     |           | \$ 25,582         | 6.73%              | \$ 405,492       | \$ 25,582                            |
| 1996     |           | \$ 26,751         | 6.60%              | \$ 432,243       | \$ 26,751                            |
| 1997     |           | \$ 28,108         | 6.50%              | \$ 460,351       | \$ 28,108                            |
| 1998     |           | \$ 24,696         | 5.36%              | \$ 485,047       | \$ 24,696                            |
| 1999     |           | \$ 27,991         | 5.77%              | \$ 513,038       | \$ 27,991                            |
| 2000     |           | \$ 31,643         | 6.17%              | \$ 544,681       | \$ 31,643                            |
| 2001     |           | \$ 27,862         | 5.12%              | \$ 572,543       | \$ 27,862                            |
| 2002     |           | \$ 26,854         | 4.69%              | \$ 599,397       | \$ 26,854                            |
| 2003     |           | \$ 24,400         | 4.07%              | \$ 623,797       | \$ 24,400                            |
| 2004     |           | \$ 27,066         | 4.34%              | \$ 650,863       | \$ 27,066                            |
| 2005     |           | \$ 28,374         | 4.36%              | \$ 679,237       | \$ 28,374                            |
| 2006 (d) |           | \$ 33,195         | 4.89%              | \$ 712,432       | \$ 33,195                            |
|          |           |                   |                    |                  | \$ 664,165                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.



Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Ken Day, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest<br>(b) | Interest Rates<br>(c) | Year End<br>Balance | Total Present<br>Value of Back<br>Interest |
|----------|-----------|----------------------|-----------------------|---------------------|--------------------------------------------|
| 1968     | \$ 6,821  | \$ 441               | 6.46%                 | \$ 7,262            | \$ 441                                     |
| 1969     | \$ 5,598  | \$ 1,053             | 8.19%                 | \$ 13,914           | \$ 1,053                                   |
| 1970     | \$ 2,977  | \$ 1,376             | 8.15%                 | \$ 18,267           | \$ 1,376                                   |
| 1971     | \$ 6,766  | \$ 1,464             | 5.85%                 | \$ 26,496           | \$ 1,464                                   |
| 1972     | \$ 6,564  | \$ 1,769             | 5.35%                 | \$ 34,829           | \$ 1,769                                   |
| 1973     | \$ 11,313 | \$ 3,809             | 8.25%                 | \$ 49,951           | \$ 3,809                                   |
| 1974     | \$ 8,228  | \$ 6,538             | 11.24%                | \$ 64,717           | \$ 6,538                                   |
| 1975     |           | \$ 5,238             | 8.09%                 | \$ 69,955           | \$ 5,238                                   |
| 1976     |           | \$ 4,909             | 7.02%                 | \$ 74,864           | \$ 4,909                                   |
| 1977     |           | \$ 5,240             | 7.00%                 | \$ 80,104           | \$ 5,240                                   |
| 1978     |           | \$ 7,500             | 9.36%                 | \$ 87,604           | \$ 7,500                                   |
| 1979     |           | \$ 11,625            | 13.27%                | \$ 99,229           | \$ 11,625                                  |
| 1980     |           | \$ 15,994            | 16.12%                | \$ 115,223          | \$ 15,994                                  |
| 1981     |           | \$ 23,317            | 20.24%                | \$ 138,540          | \$ 23,317                                  |
| 1982     |           | \$ 21,739            | 15.69%                | \$ 160,279          | \$ 21,739                                  |
| 1983     |           | \$ 18,013            | 11.24%                | \$ 178,293          | \$ 18,013                                  |
| 1984     |           | \$ 22,455            | 12.59%                | \$ 200,748          | \$ 22,455                                  |
| 1985     |           | \$ 20,694            | 10.31%                | \$ 221,441          | \$ 20,694                                  |
| 1986     |           | \$ 19,030            | 8.59%                 | \$ 240,472          | \$ 19,030                                  |
| 1987     |           | \$ 20,339            | 8.46%                 | \$ 260,810          | \$ 20,339                                  |
| 1988     |           | \$ 25,150            | 9.64%                 | \$ 285,960          | \$ 25,150                                  |
| 1989     |           | \$ 32,382            | 11.32%                | \$ 318,342          | \$ 32,382                                  |
| 1990     |           | \$ 33,079            | 10.39%                | \$ 351,422          | \$ 33,079                                  |
| 1991     |           | \$ 30,693            | 8.73%                 | \$ 382,114          | \$ 30,693                                  |
| 1992     |           | \$ 24,453            | 6.40%                 | \$ 406,568          | \$ 24,453                                  |
| 1993     |           | \$ 24,948            | 6.14%                 | \$ 431,516          | \$ 24,948                                  |
| 1994     |           | \$ 31,623            | 7.33%                 | \$ 463,139          | \$ 31,623                                  |
| 1995     |           | \$ 42,265            | 9.13%                 | \$ 505,404          | \$ 42,265                                  |
| 1996     |           | \$ 43,115            | 8.53%                 | \$ 548,520          | \$ 43,115                                  |
| 1997     |           | \$ 47,790            | 8.71%                 | \$ 596,310          | \$ 47,790                                  |
| 1998     |           | \$ 51,397            | 8.62%                 | \$ 647,707          | \$ 51,397                                  |
| 1999     |           | \$ 53,349            | 8.24%                 | \$ 701,057          | \$ 53,349                                  |
| 2000     |           | \$ 67,003            | 9.56%                 | \$ 768,059          | \$ 67,003                                  |
| 2001     |           | \$ 54,496            | 7.10%                 | \$ 822,555          | \$ 54,496                                  |
| 2002     |           | \$ 39,133            | 4.76%                 | \$ 861,688          | \$ 39,133                                  |
| 2003     |           | \$ 36,075            | 4.19%                 | \$ 897,763          | \$ 36,075                                  |
| 2004     |           | \$ 39,610            | 4.41%                 | \$ 937,373          | \$ 39,610                                  |
| 2005     |           | \$ 59,336            | 6.33%                 | \$ 996,708          | \$ 59,336                                  |
| 2006 (d) |           | \$ 81,705            | 8.20%                 | \$ 1,078,414        | \$ 81,705                                  |
|          |           |                      |                       |                     | \$ 1,030,147                               |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Daily Rates for Brakeman from 8/12/1966 through 7/1/1999.

9

| Effective Date | Yard<br>Brakeman |
|----------------|------------------|
| 8/12/1966      | \$ 25.87         |
| 1/1/1968       | \$ 26.52         |
| 7/1/1968       | \$ 27.85         |
| 1/1/1969       | \$ 28.41         |
| 7/1/1969       | \$ 29.26         |
| 1/1/1970       | \$ 30.72         |
| 11/1/1970      | \$ 33.28         |
| 4/1/1971       | \$ 34.61         |
| 10/1/1971      | \$ 36.34         |
| 4/1/1972       | \$ 38.16         |
| 10/1/1972      | \$ 40.07         |
| 1/1/1973       | \$ 42.27         |
| 4/1/1973       | \$ 43.07         |
| 1/1/1974       | \$ 44.79         |
| 1/1/1975       | \$ 49.27         |
| 10/1/1975      | \$ 51.73         |
| 1/1/1976       | \$ 52.69         |
| 4/1/1976       | \$ 54.24         |
| 7/1/1976       | \$ 55.20         |
| 1/1/1977       | \$ 56.24         |
| 7/1/1977       | \$ 59.89         |
| 1/1/1978       | \$ 61.41         |
| 4/1/1978       | \$ 63.17         |
| 7/1/1978       | \$ 64.69         |
| 10/1/1978      | \$ 65.93         |
| 1/1/1979       | \$ 67.93         |
| 7/1/1979       | \$ 72.58         |
| 1/1/1980       | \$ 74.82         |
| 7/1/1980       | \$ 80.62         |
| 1/1/1981       | \$ 83.18         |
| 4/1/1981       | \$ 84.75         |
| 7/1/1981       | \$ 87.31         |
| 10/1/1981      | \$ 89.71         |
| 1/1/1982       | \$ 92.51         |
| 7/1/1982       | \$ 96.75         |
| 1/1/1983       | \$ 99.47         |
| 7/1/1983       | \$ 102.02        |
| 1/1/1984       | \$ 104.10        |
| 11/1/1985      | \$ 105.13        |
| 1/1/1986       | \$ 107.21        |
| 7/1/1986       | \$ 108.80        |
| 1/1/1987       | \$ 111.22        |
| 7/1/1987       | \$ 112.87        |
| 1/1/1988       | \$ 115.39        |
| 7/1/1991       | \$ 118.85        |
| 7/1/1993       | \$ 122.42        |
| 7/1/1994       | \$ 127.32        |
| 7/1/1995       | \$ 128.04        |
| 12/1/1995      | \$ 132.52        |
| 7/1/1997       | \$ 137.16        |
| 7/1/1999       | \$ 141.96        |

Source: Taken from the UTU/ R & S Dept, October 1996.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1967          | \$ 25.87    | 365            | \$ 9,442.55   | \$ 25.87             |             |
| 1968          | \$ 26.52    | 181            | \$ 4,800.12   | \$ 27.19             | 5.10%       |
|               | \$ 27.85    | 184            | \$ 5,124.40   |                      |             |
| 1969          | \$ 28.41    | 181            | \$ 5,142.21   | \$ 28.84             | 6.06%       |
|               | \$ 29.26    | 184            | \$ 5,383.84   |                      |             |
| 1970          | \$ 30.72    | 304            | \$ 9,338.88   | \$ 31.15             | 8.01%       |
|               | \$ 33.28    | 61             | \$ 2,030.08   |                      |             |
| 1971          | \$ 33.28    | 90             | \$ 2,995.20   | \$ 34.71             | 11.45%      |
|               | \$ 34.61    | 184            | \$ 6,368.24   |                      |             |
|               | \$ 36.34    | 91             | \$ 3,306.94   |                      |             |
| 1972          | \$ 36.34    | 90             | \$ 3,270.60   | \$ 38.19             | 10.01%      |
|               | \$ 38.16    | 184            | \$ 7,021.44   |                      |             |
|               | \$ 40.07    | 91             | \$ 3,646.37   |                      |             |
| 1973          | \$ 42.27    | 90             | \$ 3,804.30   | \$ 42.87             | 12.27%      |
|               | \$ 43.07    | 275            | \$ 11,844.25  |                      |             |
| 1974          | \$ 44.79    | 365            | \$ 16,348.35  | \$ 44.79             | 4.47%       |
| 1975          | \$ 49.27    | 273            | \$ 13,450.71  | \$ 49.89             | 11.39%      |
|               | \$ 51.73    | 92             | \$ 4,759.16   |                      |             |
| 1976          | \$ 52.69    | 90             | \$ 4,742.10   | \$ 54.34             | 8.92%       |
|               | \$ 54.24    | 92             | \$ 4,990.08   |                      |             |
|               | \$ 55.20    | 183            | \$ 10,101.60  |                      |             |
| 1977          | \$ 56.24    | 181            | \$ 10,179.44  | \$ 58.08             | 6.88%       |
|               | \$ 59.89    | 184            | \$ 11,019.76  |                      |             |
| 1978          | \$ 61.41    | 90             | \$ 5,526.90   | \$ 63.81             | 9.86%       |
|               | \$ 63.17    | 92             | \$ 5,811.64   |                      |             |
|               | \$ 64.69    | 92             | \$ 5,951.48   |                      |             |
|               | \$ 65.93    | 91             | \$ 5,999.63   |                      |             |
| 1979          | \$ 67.93    | 181            | \$ 12,295.33  | \$ 70.27             | 10.13%      |
|               | \$ 72.58    | 184            | \$ 13,354.72  |                      |             |
| 1980          | \$ 74.82    | 181            | \$ 13,542.42  | \$ 77.74             | 10.63%      |
|               | \$ 80.62    | 184            | \$ 14,834.08  |                      |             |
| 1981          | \$ 83.18    | 90             | \$ 7,486.20   | \$ 85.00             | 9.33%       |
|               | \$ 84.75    | 184            | \$ 15,594.00  |                      |             |
|               | \$ 87.31    | 91             | \$ 7,945.21   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman. (Cont.)

| Calendar Year                             | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|-------------------------------------------|-------------|----------------|---------------|----------------------|-------------|
| 1982                                      | \$ 92.51    | 181            | \$ 16,744.31  | \$ 94.65             | 11.35%      |
|                                           | \$ 96.75    | 184            | \$ 17,802.00  |                      |             |
| 1983                                      | \$ 99.47    | 181            | \$ 18,004.07  | \$ 100.76            | 6.45%       |
|                                           | \$ 102.02   | 184            | \$ 18,771.68  |                      |             |
| 1984                                      | \$ 104.10   | 365            | \$ 37,996.50  | \$ 104.10            | 3.32%       |
| 1985                                      | \$ 104.10   | 304            | \$ 31,646.40  | \$ 104.27            | 0.17%       |
|                                           | \$ 105.13   | 61             | \$ 6,412.93   |                      |             |
| 1986                                      | \$ 107.21   | 181            | \$ 19,405.01  | \$ 108.01            | 3.59%       |
|                                           | \$ 108.80   | 184            | \$ 20,019.20  |                      |             |
| 1987                                      | \$ 111.22   | 181            | \$ 20,130.82  | \$ 112.05            | 3.74%       |
|                                           | \$ 112.87   | 184            | \$ 20,768.08  |                      |             |
| 1988                                      | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 2.98%       |
| 1989                                      | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 0.00%       |
| 1990                                      | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 0.00%       |
| 1991                                      | \$ 115.39   | 181            | \$ 20,885.59  | \$ 117.13            | 1.51%       |
|                                           | \$ 118.85   | 184            | \$ 21,868.40  |                      |             |
| 1992                                      | \$ 118.85   | 365            | \$ 43,380.25  | \$ 118.85            | 1.46%       |
| 1993                                      | \$ 118.85   | 181            | \$ 21,511.85  | \$ 120.65            | 1.51%       |
|                                           | \$ 122.42   | 184            | \$ 22,525.28  |                      |             |
| 1994                                      | \$ 122.42   | 181            | \$ 22,158.02  | \$ 124.89            | 3.51%       |
|                                           | \$ 127.32   | 184            | \$ 23,426.88  |                      |             |
| 1995                                      | \$ 127.32   | 181            | \$ 23,044.92  | \$ 128.05            | 2.53%       |
|                                           | \$ 128.04   | 154            | \$ 19,718.16  |                      |             |
|                                           | \$ 132.52   | 30             | \$ 3,975.60   |                      |             |
| 1996                                      | \$ 132.52   | 365            | \$ 48,369.80  | \$ 132.52            | 3.49%       |
| 1997                                      | \$ 132.52   | 181            | \$ 23,986.12  | \$ 134.86            | 1.77%       |
|                                           | \$ 137.16   | 184            | \$ 25,237.44  |                      |             |
| 1998                                      | \$ 137.16   | 365            | \$ 50,063.40  | \$ 137.16            | 1.71%       |
| 1999                                      | \$ 137.16   | 181            | \$ 24,825.96  | \$ 139.58            | 1.76%       |
|                                           | \$ 141.96   | 184            | \$ 26,120.64  |                      |             |
| 1967 through 1999 Compound Rate of Growth |             |                |               | 5.41%                |             |

EDM1D101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

05/30/77  
13:28:02

EE SSN : 280 - 12 - 9565

NAME: DORAN , H , E

SEX: M

PREVIOUS SURNAME:

DOB: 07 / 09 / 1921 RRB

ADDR1

DOD: 08 / / 1972 RRB

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1972

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1313

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3001627886

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 120

ANN BEGIN DATE: / /

ACCOUNT LAST ACTIVE: 1972

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / /

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24



EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

03/30/99  
13:28:20

EE SSN : 280 - 12 - 9565

FNAME: DORAN , H , E

SERVICE MONTHS TOTALS

COMPENSATION TOTALS

-----  
TOTAL REPORTED : 281  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 281  
CREDITABLE 37-46 : 005

-----  
TIER 1 AMOUNT :\$ 95504.01  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 993.97  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 4703.00  
37-50 SSA WAGES :\$ 1112.06

S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00 1952 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 5 QC'S THRU 1974 : 5 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMID104

## EMPLOYMENT DATA MAINTENANCE

05/30/99

PAGE: 0001 CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:28:40

EE SSN: 280 - 12 - 9565 EE NAME: DORAN

, H , E

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                 |       |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------|-------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA | SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |
|                           | 1972 | 8  | 6770        | 0000         | 4044.42        |                |                      |                 |       |                  |                 |                   |
|                           | 1971 | 8  | 7334        | 0000         | 2783.22        |                |                      | 1               | N     | NNNC             | 0000            | 1170.00           |
|                           | 1970 | 12 | 7777        | 0000         | 4985.86        |                |                      |                 |       |                  |                 |                   |
|                           | 1969 |    |             |              |                |                |                      | 1               | N     | CNNN             | 0000            | 1020.00           |
|                           | 1968 | 1  | 1000        | 0000         | 517.40         |                |                      | 2               | N     | NNCC             | 0000            | 1275.00           |
|                           | 1967 | 7  | 7431        | 0000         | 3261.97        |                |                      | 1               | N     | NNCN             | 0000            | 125.94            |
|                           | 1966 | 12 | 7777        | 0000         | 6175.45        |                |                      |                 |       |                  |                 |                   |
|                           | 1965 | 12 | 7777        | 0000         | 5206.02        |                |                      |                 |       |                  |                 |                   |
|                           | 1964 | 12 | 7777        | 0000         | 3178.84        |                |                      |                 |       |                  |                 |                   |
|                           | 1963 | 12 | 7777        | 0000         | 3278.31        |                |                      |                 |       |                  |                 |                   |

USER MESSAGE

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |



EDMID104

## EMPLOYMENT DATA MAINTENANCE

03/30/99

PAGE: 0002 · · · CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:28:54

EE SSN: 280 - 12 - 9565

EE NAME: DORAN

, H , E

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |        |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|--------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YF<br>PATT | AMOUNT |
| 1962                      | 12   |    | 7777        | 0000         | 4608.21        |                |              |                       |                  |                 |        |
| 1961                      | 12   |    | 7777        | 0000         | 4795.72        |                |              |                       |                  |                 |        |
| 1960                      | 12   |    | 7777        | 0000         | 4800.00        |                |              |                       |                  |                 |        |
| 1959                      | 12   |    | 0000        | 0000         | 4550.00        |                |              |                       |                  |                 |        |
| 1958                      | 12   |    | 0000        | 0000         | 4200.00        |                |              |                       |                  |                 |        |
| 1957                      | 12   |    | 0000        | 0000         | 4200.00        |                |              |                       |                  |                 |        |
| 1956                      | 12   |    | 0000        | 0000         | 4200.00        |                |              |                       |                  |                 |        |
| 1955                      | 12   |    | 0000        | 0000         | 4125.47        |                |              |                       |                  |                 |        |
| 1954                      | 12   |    | 0000        | 0000         | 3900.00        |                |              |                       |                  |                 |        |
| 1953                      | 12   |    | 0000        | 0000         | 3347.45        |                |              |                       |                  |                 |        |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

EDMID104

## EMPLOYMENT DATA MAINTENANCE

03/30/99

PAGE: 0003

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:29:07

EE SSN: 280 - 12 - 9565

EE NAME: DORAN

, H , E

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                        |                  |                 |        |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|------------------------|------------------|-----------------|--------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C---<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YF<br>PATT | AMOUNT |
|                           | 1952 | 12 | 0000        | 0000         | 3238.45        |                |                      |                        |                  |                 |        |
|                           | 1951 | 12 | 0000        | 0000         | 3308.45        |                |                      |                        |                  |                 |        |
|                           | 1950 | 12 | 0000        | 0000         | 3297.45        |                |                      |                        |                  |                 |        |
|                           | 1949 | 12 | 0000        | 0000         | 3491.45        |                |                      |                        |                  |                 |        |
|                           | 1948 | 12 | 0000        | 0000         | 2553.45        |                |                      |                        |                  |                 |        |
|                           | 1947 | 12 | 0000        | 0000         | 2462.45        |                |                      |                        |                  |                 |        |
|                           | 1946 | 5  | 0000        | 0000         | 993.97         |                |                      |                        |                  |                 |        |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22

EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**Harvey Doran**

*Prepared for*

**Carla Tricarichi  
Attorney at Law**

*Prepared by:*

**Harvey S. Rosen, Ph.D.  
John F. Burke, Jr., Ph.D.  
*Economists***

*July 30, 2007*

## Personal Data Sheet

|                                            |              |                                |
|--------------------------------------------|--------------|--------------------------------|
| Name:                                      | Harvey Doran |                                |
| Date of Birth:                             | 11/29/1922   |                                |
| Date of Separation                         | 8/31/1972    | (33.42% of 1972 Remains)       |
| Age on:                                    | 8/31/1972    | 49.8 Years                     |
| Work Life Expectancy from:                 | 8/31/1972    | 12.8 Years ( 46.58% of 1985)*  |
| Age at Expiration of Work Life Expectancy: |              | 62.6 Years Old                 |
| Life Expectancy from:                      | 8/31/1972    | 28.9 Years ( 56.71% of 2001)** |
| Age at Expiration of Life Expectancy:      |              | 78.7 Years Old                 |
| Age on:                                    | 9/1/2007     | 84.8 Years                     |
| Work Life Expectancy from:                 | 9/1/2007     | 0.0 Years ( 66.85% of 2007)*   |
| Age at Expiration of Work Life Expectancy: |              | 84.8 Years Old                 |
| Life Expectancy from:                      | 9/1/2007     | 5.9 Years ( 56.71% of 2013)**  |
| Age at Expiration of Life Expectancy:      |              | 90.7 Years Old                 |
| Occupation:                                | Brakeman     |                                |
| Date of Hire:                              | 1946         |                                |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville. Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

---

Summary Sheet

---

|                                                                     | Value             |
|---------------------------------------------------------------------|-------------------|
| I. Loss of Displacement Allowance, Benefits, & Back Interest        |                   |
| A. Displacement Allowance (Interest Based on 10 Year Treasuries)    | \$ 11,158         |
| Pension Benefits                                                    | \$ 1,052          |
| Back Interest through 1/1/2007                                      | <u>\$ 194,918</u> |
| Total                                                               | \$ 207,128        |
| B. Displacement Allowance (Interest Based on Bank Prime Loan Rates) | \$ 11,158         |
| Pension Benefits                                                    | \$ 1,052          |
| Back Interest through 1/1/2007                                      | <u>\$ 303,109</u> |
| Total                                                               | \$ 315,319        |

Table 1: Schedule Showing the Earnings for the Years 1967-1972, and the Displacement Allowance for Harvey Doran.

| Year                                  | Earnings (a) | Months Employed (a) | Daily Wage Growth Rate (b) | Forecasted Wage Guarantee (c) | Displacement Allowance (d)        |
|---------------------------------------|--------------|---------------------|----------------------------|-------------------------------|-----------------------------------|
| 1967                                  | \$ 3,261.97  | 7                   |                            |                               | -                                 |
| 1968                                  | \$ 517.40    | 1                   | 5.10%                      | \$ 4,360.13                   | \$ 3,842.73                       |
| 1969                                  | \$ -         | -                   |                            | \$ 4,582.68                   | \$ 4,582.68                       |
| 1970                                  | \$ 4,985.86  | 12                  | 8.01%                      | \$ 4,949.65                   | -                                 |
| 1971                                  | \$ 2,783.22  | 8                   | 11.45%                     | \$ 5,516.25                   | \$ 2,733.03                       |
| 1972                                  | \$ 4,044.42  | 8                   | 10.01%                     | \$ 6,068.30                   | -                                 |
| 1972 Annualized Wage for Displacement | \$ 6,074.53  |                     |                            | \$ 6,068.30                   | 1972 Displacement Allowance (f) - |

\* Boxed earnings in the earnings column indicate that Mr. Doran earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 8.

(c) The forecasted wage guarantee is calculated as \$381.89 per month in 1969 per an attachment to the 2/28/1990 letter from Robert O'Neill of the Arbitration Committee. The 1968 wage guarantee is reduced from the 1969 guarantee by the 1968 wage growth rate for brakemen from Tables 6 through 8. The 1970 through 1972 wage guarantees are grown from the 1969 wage guarantee by the brakemen growth rates from Tables 6 through 8.

(d) The displacement allowance for each year is calculated as the forecasted wage guarantee minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1972 annualized wage is calculated as \$4,044.42 divided by (1 - 33.42%). 33.42% is the amount of the year remaining after the date of separation.

(f) The 1972 displacement allowance is partialled out to represent Mr. Doran working for 8 months in 1972.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Harvey Doran for the Years 1968 through 1971.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1968 | \$ 3,843                                       | \$ 342                  | \$ 4,185                                |
| 1969 | \$ 4,583                                       | \$ 438                  | \$ 5,020                                |
| 1970 | -                                              | -                       | -                                       |
| 1971 | \$ 2,733                                       | \$ 272                  | \$ 3,005                                |
|      | \$ 11,158                                      | \$ 1,052                | \$ 12,210                               |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates  
1 Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See  
ole 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Harvey Doran, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 4,185  | \$ 241            | 5.76%              | \$ 4,426         | \$ 241                               |
| 1969     | \$ 5,020  | \$ 646            | 6.84%              | \$ 10,092        | \$ 646                               |
| 1970     | \$ -      | \$ 762            | 7.56%              | \$ 10,855        | \$ 762                               |
| 1971     | \$ 3,005  | \$ 874            | 6.30%              | \$ 14,733        | \$ 874                               |
| 1972     |           | \$ 936            | 6.36%              | \$ 15,670        | \$ 936                               |
| 1973     |           | \$ 1,101          | 7.03%              | \$ 16,771        | \$ 1,101                             |
| 1974     |           | \$ 1,304          | 7.78%              | \$ 18,075        | \$ 1,304                             |
| 1975     |           | \$ 1,488          | 8.23%              | \$ 19,563        | \$ 1,488                             |
| 1976     |           | \$ 1,532          | 7.83%              | \$ 21,095        | \$ 1,532                             |
| 1977     |           | \$ 1,609          | 7.63%              | \$ 22,704        | \$ 1,609                             |
| 1978     |           | \$ 1,971          | 8.68%              | \$ 24,675        | \$ 1,971                             |
| 1979     |           | \$ 2,410          | 9.77%              | \$ 27,085        | \$ 2,410                             |
| 1980     |           | \$ 3,231          | 11.93%             | \$ 30,316        | \$ 3,231                             |
| 1981     |           | \$ 4,445          | 14.66%             | \$ 34,762        | \$ 4,445                             |
| 1982     |           | \$ 4,748          | 13.66%             | \$ 39,510        | \$ 4,748                             |
| 1983     |           | \$ 4,572          | 11.57%             | \$ 44,081        | \$ 4,572                             |
| 1984     |           | \$ 5,755          | 13.05%             | \$ 49,836        | \$ 5,755                             |
| 1985     |           | \$ 5,507          | 11.05%             | \$ 55,343        | \$ 5,507                             |
| 1986     |           | \$ 4,368          | 7.89%              | \$ 59,712        | \$ 4,368                             |
| 1987     |           | \$ 5,170          | 8.66%              | \$ 64,881        | \$ 5,170                             |
| 1988     |           | \$ 5,935          | 9.15%              | \$ 70,817        | \$ 5,935                             |
| 1989     |           | \$ 6,206          | 8.76%              | \$ 77,023        | \$ 6,206                             |
| 1990     |           | \$ 6,800          | 8.83%              | \$ 83,823        | \$ 6,800                             |
| 1991     |           | \$ 6,785          | 8.09%              | \$ 90,608        | \$ 6,785                             |
| 1992     |           | \$ 6,521          | 7.20%              | \$ 97,129        | \$ 6,521                             |
| 1993     |           | \$ 5,828          | 6.00%              | \$ 102,957       | \$ 5,828                             |
| 1994     |           | \$ 7,496          | 7.28%              | \$ 110,453       | \$ 7,496                             |
| 1995     |           | \$ 7,438          | 6.73%              | \$ 117,890       | \$ 7,438                             |
| 1996     |           | \$ 7,777          | 6.60%              | \$ 125,668       | \$ 7,777                             |
| 1997     |           | \$ 8,172          | 6.50%              | \$ 133,840       | \$ 8,172                             |
| 1998     |           | \$ 7,180          | 5.36%              | \$ 141,020       | \$ 7,180                             |
| 1999     |           | \$ 8,138          | 5.77%              | \$ 149,158       | \$ 8,138                             |
| 2000     |           | \$ 9,200          | 6.17%              | \$ 158,357       | \$ 9,200                             |
| 2001     |           | \$ 8,100          | 5.12%              | \$ 166,458       | \$ 8,100                             |
| 2002     |           | \$ 7,807          | 4.69%              | \$ 174,265       | \$ 7,807                             |
| 2003     |           | \$ 7,094          | 4.07%              | \$ 181,359       | \$ 7,094                             |
| 2004     |           | \$ 7,869          | 4.34%              | \$ 189,228       | \$ 7,869                             |
| 2005     |           | \$ 8,249          | 4.36%              | \$ 197,477       | \$ 8,249                             |
| 2006 (d) |           | \$ 9,651          | 4.89%              | \$ 207,128       | \$ 9,651                             |
|          |           |                   |                    |                  | \$ 194,918                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The Interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.



Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Harvey Doran, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest<br>(b) | Interest Rates<br>(c) | Year End<br>Balance | Total Present<br>Value of Back<br>Interest |
|----------|-----------|----------------------|-----------------------|---------------------|--------------------------------------------|
| 1968     | \$ 4,185  | \$ 270               | 6.46%                 | \$ 4,455            | \$ 270                                     |
| 1969     | \$ 5,020  | \$ 776               | 8.19%                 | \$ 10,252           | \$ 776                                     |
| 1970     | \$ -      | \$ 835               | 8.15%                 | \$ 11,087           | \$ 835                                     |
| 1971     | \$ 3,005  | \$ 824               | 5.85%                 | \$ 14,916           | \$ 824                                     |
| 1972     |           | \$ 798               | 5.35%                 | \$ 15,714           | \$ 798                                     |
| 1973     |           | \$ 1,297             | 8.25%                 | \$ 17,011           | \$ 1,297                                   |
| 1974     |           | \$ 1,912             | 11.24%                | \$ 18,923           | \$ 1,912                                   |
| 1975     |           | \$ 1,532             | 8.09%                 | \$ 20,454           | \$ 1,532                                   |
| 1976     |           | \$ 1,435             | 7.02%                 | \$ 21,890           | \$ 1,435                                   |
| 1977     |           | \$ 1,532             | 7.00%                 | \$ 23,422           | \$ 1,532                                   |
| 1978     |           | \$ 2,193             | 9.36%                 | \$ 25,615           | \$ 2,193                                   |
| 1979     |           | \$ 3,399             | 13.27%                | \$ 29,014           | \$ 3,399                                   |
| 1980     |           | \$ 4,677             | 16.12%                | \$ 33,690           | \$ 4,677                                   |
| 1981     |           | \$ 6,818             | 20.24%                | \$ 40,508           | \$ 6,818                                   |
| 1982     |           | \$ 6,356             | 15.69%                | \$ 46,864           | \$ 6,356                                   |
| 1983     |           | \$ 5,267             | 11.24%                | \$ 52,131           | \$ 5,267                                   |
| 1984     |           | \$ 6,566             | 12.59%                | \$ 58,697           | \$ 6,566                                   |
| 1985     |           | \$ 6,051             | 10.31%                | \$ 64,747           | \$ 6,051                                   |
| 1986     |           | \$ 5,564             | 8.59%                 | \$ 70,312           | \$ 5,564                                   |
| 1987     |           | \$ 5,947             | 8.46%                 | \$ 76,259           | \$ 5,947                                   |
| 1988     |           | \$ 7,354             | 9.64%                 | \$ 83,612           | \$ 7,354                                   |
| 1989     |           | \$ 9,468             | 11.32%                | \$ 93,080           | \$ 9,468                                   |
| 1990     |           | \$ 9,672             | 10.39%                | \$ 102,753          | \$ 9,672                                   |
| 1991     |           | \$ 8,974             | 8.73%                 | \$ 111,727          | \$ 8,974                                   |
| 1992     |           | \$ 7,150             | 6.40%                 | \$ 118,877          | \$ 7,150                                   |
| 1993     |           | \$ 7,295             | 6.14%                 | \$ 126,171          | \$ 7,295                                   |
| 1994     |           | \$ 9,246             | 7.33%                 | \$ 135,418          | \$ 9,246                                   |
| 1995     |           | \$ 12,358            | 9.13%                 | \$ 147,776          | \$ 12,358                                  |
| 1996     |           | \$ 12,607            | 8.53%                 | \$ 160,382          | \$ 12,607                                  |
| 1997     |           | \$ 13,974            | 8.71%                 | \$ 174,356          | \$ 13,974                                  |
| 1998     |           | \$ 15,028            | 8.62%                 | \$ 189,384          | \$ 15,028                                  |
| 1999     |           | \$ 15,599            | 8.24%                 | \$ 204,983          | \$ 15,599                                  |
| 2000     |           | \$ 19,591            | 9.56%                 | \$ 224,574          | \$ 19,591                                  |
| 2001     |           | \$ 15,934            | 7.10%                 | \$ 240,508          | \$ 15,934                                  |
| 2002     |           | \$ 11,442            | 4.76%                 | \$ 251,950          | \$ 11,442                                  |
| 2003     |           | \$ 10,548            | 4.19%                 | \$ 262,498          | \$ 10,548                                  |
| 2004     |           | \$ 11,582            | 4.41%                 | \$ 274,079          | \$ 11,582                                  |
| 2005     |           | \$ 17,349            | 6.33%                 | \$ 291,429          | \$ 17,349                                  |
| 2006 (d) |           | \$ 23,890            | 8.20%                 | \$ 315,319          | \$ 23,890                                  |
|          |           |                      |                       |                     | \$ 303,109                                 |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Daily Rates for Brakeman from 8/12/1966 through 7/1/1999.

| Effective Date | Yard<br>Brakeman |
|----------------|------------------|
| 8/12/1966      | \$ 25.87         |
| 1/1/1968       | \$ 26.52         |
| 7/1/1968       | \$ 27.85         |
| 1/1/1969       | \$ 28.41         |
| 7/1/1969       | \$ 29.26         |
| 1/1/1970       | \$ 30.72         |
| 11/1/1970      | \$ 33.28         |
| 4/1/1971       | \$ 34.61         |
| 10/1/1971      | \$ 36.34         |
| 4/1/1972       | \$ 38.16         |
| 10/1/1972      | \$ 40.07         |
| 1/1/1973       | \$ 42.27         |
| 4/1/1973       | \$ 43.07         |
| 1/1/1974       | \$ 44.79         |
| 1/1/1975       | \$ 49.27         |
| 10/1/1975      | \$ 51.73         |
| 1/1/1976       | \$ 52.69         |
| 4/1/1976       | \$ 54.24         |
| 7/1/1976       | \$ 55.20         |
| 1/1/1977       | \$ 56.24         |
| 7/1/1977       | \$ 59.89         |
| 1/1/1978       | \$ 61.41         |
| 4/1/1978       | \$ 63.17         |
| 7/1/1978       | \$ 64.69         |
| 10/1/1978      | \$ 65.93         |
| 1/1/1979       | \$ 67.93         |
| 7/1/1979       | \$ 72.58         |
| 1/1/1980       | \$ 74.82         |
| 7/1/1980       | \$ 80.62         |
| 1/1/1981       | \$ 83.18         |
| 4/1/1981       | \$ 84.75         |
| 7/1/1981       | \$ 87.31         |
| 10/1/1981      | \$ 89.71         |
| 1/1/1982       | \$ 92.51         |
| 7/1/1982       | \$ 96.75         |
| 1/1/1983       | \$ 99.47         |
| 7/1/1983       | \$ 102.02        |
| 1/1/1984       | \$ 104.10        |
| 11/1/1985      | \$ 105.13        |
| 1/1/1986       | \$ 107.21        |
| 7/1/1986       | \$ 108.80        |
| 1/1/1987       | \$ 111.22        |
| 7/1/1987       | \$ 112.87        |
| 1/1/1988       | \$ 115.39        |
| 7/1/1991       | \$ 118.85        |
| 7/1/1993       | \$ 122.42        |
| 7/1/1994       | \$ 127.32        |
| 7/1/1995       | \$ 128.04        |
| 12/1/1995      | \$ 132.52        |
| 7/1/1997       | \$ 137.16        |
| 7/1/1999       | \$ 141.96        |

Source: Taken from the UTU/ R & S Dept, October 1996.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman.

| <u>Calendar Year</u> | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|----------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1967                 | \$ 25.87           | 365                   | \$ 9,442.55          | \$ 25.87                    |                    |
| 1968                 | \$ 26.52           | 181                   | \$ 4,800.12          | \$ 27.19                    | 5.10%              |
|                      | \$ 27.85           | 184                   | \$ 5,124.40          |                             |                    |
| 1969                 | \$ 28.41           | 181                   | \$ 5,142.21          | \$ 28.84                    | 6.06%              |
|                      | \$ 29.26           | 184                   | \$ 5,383.84          |                             |                    |
| 1970                 | \$ 30.72           | 304                   | \$ 9,338.88          | \$ 31.15                    | 8.01%              |
|                      | \$ 33.28           | 61                    | \$ 2,030.08          |                             |                    |
| 1971                 | \$ 33.28           | 90                    | \$ 2,995.20          | \$ 34.71                    | 11.45%             |
|                      | \$ 34.61           | 184                   | \$ 6,368.24          |                             |                    |
|                      | \$ 36.34           | 91                    | \$ 3,306.94          |                             |                    |
| 1972                 | \$ 36.34           | 90                    | \$ 3,270.60          | \$ 38.19                    | 10.01%             |
|                      | \$ 38.16           | 184                   | \$ 7,021.44          |                             |                    |
|                      | \$ 40.07           | 91                    | \$ 3,646.37          |                             |                    |
| 1973                 | \$ 42.27           | 90                    | \$ 3,804.30          | \$ 42.87                    | 12.27%             |
|                      | \$ 43.07           | 275                   | \$ 11,844.25         |                             |                    |
| 1974                 | \$ 44.79           | 365                   | \$ 16,348.35         | \$ 44.79                    | 4.47%              |
| 1975                 | \$ 49.27           | 273                   | \$ 13,450.71         | \$ 49.89                    | 11.39%             |
|                      | \$ 51.73           | 92                    | \$ 4,759.16          |                             |                    |
| 1976                 | \$ 52.69           | 90                    | \$ 4,742.10          | \$ 54.34                    | 8.92%              |
|                      | \$ 54.24           | 92                    | \$ 4,990.08          |                             |                    |
|                      | \$ 55.20           | 183                   | \$ 10,101.60         |                             |                    |
| 1977                 | \$ 56.24           | 181                   | \$ 10,179.44         | \$ 58.08                    | 6.88%              |
|                      | \$ 59.89           | 184                   | \$ 11,019.76         |                             |                    |
| 1978                 | \$ 61.41           | 90                    | \$ 5,526.90          | \$ 63.81                    | 9.86%              |
|                      | \$ 63.17           | 92                    | \$ 5,811.64          |                             |                    |
|                      | \$ 64.69           | 92                    | \$ 5,951.48          |                             |                    |
|                      | \$ 65.93           | 91                    | \$ 5,999.63          |                             |                    |
| 1979                 | \$ 67.93           | 181                   | \$ 12,295.33         | \$ 70.27                    | 10.13%             |
|                      | \$ 72.58           | 184                   | \$ 13,354.72         |                             |                    |
| 1980                 | \$ 74.82           | 181                   | \$ 13,542.42         | \$ 77.74                    | 10.63%             |
|                      | \$ 80.62           | 184                   | \$ 14,834.08         |                             |                    |
| 1981                 | \$ 83.18           | 90                    | \$ 7,486.20          | \$ 85.00                    | 9.33%              |
|                      | \$ 84.75           | 184                   | \$ 15,594.00         |                             |                    |
|                      | \$ 87.31           | 91                    | \$ 7,945.21          |                             |                    |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman. (Cont.)

| Calendar Year                             | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|-------------------------------------------|-------------|----------------|---------------|----------------------|-------------|
| 1982                                      | \$ 92.51    | 181            | \$ 16,744.31  | \$ 94.65             | 11.35%      |
|                                           | \$ 96.75    | 184            | \$ 17,802.00  |                      |             |
| 1983                                      | \$ 99.47    | 181            | \$ 18,004.07  | \$ 100.76            | 6.45%       |
|                                           | \$ 102.02   | 184            | \$ 18,771.68  |                      |             |
| 1984                                      | \$ 104.10   | 365            | \$ 37,996.50  | \$ 104.10            | 3.32%       |
| 1985                                      | \$ 104.10   | 304            | \$ 31,646.40  | \$ 104.27            | 0.17%       |
|                                           | \$ 105.13   | 61             | \$ 6,412.93   |                      |             |
| 1986                                      | \$ 107.21   | 181            | \$ 19,405.01  | \$ 108.01            | 3.59%       |
|                                           | \$ 108.80   | 184            | \$ 20,019.20  |                      |             |
| 1987                                      | \$ 111.22   | 181            | \$ 20,130.82  | \$ 112.05            | 3.74%       |
|                                           | \$ 112.87   | 184            | \$ 20,768.08  |                      |             |
| 1988                                      | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 2.98%       |
| 1989                                      | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 0.00%       |
| 1990                                      | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 0.00%       |
| 1991                                      | \$ 115.39   | 181            | \$ 20,885.59  | \$ 117.13            | 1.51%       |
|                                           | \$ 118.85   | 184            | \$ 21,868.40  |                      |             |
| 1992                                      | \$ 118.85   | 365            | \$ 43,380.25  | \$ 118.85            | 1.46%       |
| 1993                                      | \$ 118.85   | 181            | \$ 21,511.85  | \$ 120.65            | 1.51%       |
|                                           | \$ 122.42   | 184            | \$ 22,525.28  |                      |             |
| 1994                                      | \$ 122.42   | 181            | \$ 22,158.02  | \$ 124.89            | 3.51%       |
|                                           | \$ 127.32   | 184            | \$ 23,426.88  |                      |             |
| 1995                                      | \$ 127.32   | 181            | \$ 23,044.92  | \$ 128.05            | 2.53%       |
|                                           | \$ 128.04   | 154            | \$ 19,718.16  |                      |             |
|                                           | \$ 132.52   | 30             | \$ 3,975.60   |                      |             |
| 1996                                      | \$ 132.52   | 365            | \$ 48,369.80  | \$ 132.52            | 3.49%       |
| 1997                                      | \$ 132.52   | 181            | \$ 23,986.12  | \$ 134.86            | 1.77%       |
|                                           | \$ 137.16   | 184            | \$ 25,237.44  |                      |             |
| 1998                                      | \$ 137.16   | 365            | \$ 50,063.40  | \$ 137.16            | 1.71%       |
| 1999                                      | \$ 137.16   | 181            | \$ 24,825.96  | \$ 139.58            | 1.76%       |
|                                           | \$ 141.96   | 184            | \$ 26,120.64  |                      |             |
| 1967 through 1999 Compound Rate of Growth |             |                |               | 5.41%                |             |

EDMID101

EMPLOYMENT DATA MAINTENANCE

05/30/99

EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

13:38:16

EE SSN : 272 - 03 - 5768

FE NAME: GASTONY

, J , D

SEX: M

EVIOUS SURNAME:

DOB: 03 / / 1911 SCORE LOAD

ADDR1

DOD: / / 1979 RRB

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1973

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1313

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3476625992

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 120

ANN BEGIN DATE: 10 / / 1973

ACCOUNT LAST ACTIVE: 1973

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: 04 / 12 / 1979

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / /

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

03/30/99  
13:38:27

EE SSN : 272 - 03 - 5768

EE NAME: GASTONY , J , D

SERVICE MONTHS TOTALS

-----  
TOTAL REPORTED : 319  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 319  
CREDITABLE 37-46 : 006  
S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 1 QC'S THRU 1974 : 1 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

COMPENSATION TOTALS

-----  
TIER 1 AMOUNT :\$ 124748.61  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 1375.03  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 23654.96  
37-50 SSA WAGES :\$ 23100.06

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMID104

EMPLOYMENT DATA MAINTENANCE

05/30/77

PAGE: 0001 CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:38:38

EE SSN: 272 - 03 - 5768

EE NAME: GASTONY

, J , D

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO ----- |                   |                 |                   |  |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|----------------------|-------------------|-----------------|-------------------|--|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA      | WAGE M/S<br>SE&AG | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |  |
| 1973                      | 10   |    | 7771        | 0000         | 5885.23        |                |              |                      |                   |                 |                   |  |
| 1972                      | 12   |    | 7777        | 0000         | 5773.27        |                |              |                      |                   |                 |                   |  |
| 1971                      | 12   |    | 7777        | 0000         | 5344.12        |                |              |                      |                   |                 |                   |  |
| 1970                      | 11   |    | 6777        | 0000         | 6692.46        |                |              |                      |                   |                 |                   |  |
| 1969                      | 12   |    | 7777        | 0000         | 6454.83        |                |              |                      |                   |                 |                   |  |
| 1968                      | 7    |    | 1077        | 0000         | 4019.50        |                |              |                      |                   |                 |                   |  |
| 1967                      | 10   |    | 7774        | 0000         | 4378.17        |                |              | 1                    | N                 | NNNC 0000       | 554.90            |  |
| 1966                      | 12   |    | 7777        | 0000         | 6500.65        |                |              |                      |                   |                 |                   |  |
| 1965                      | 12   |    | 7777        | 0000         | 5261.79        |                |              |                      |                   |                 |                   |  |
| 1964                      | 12   |    | 7777        | 0000         | 4910.68        |                |              |                      |                   |                 |                   |  |

USER MESSAGE

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |



DDM1D104

EMPLOYMENT DATA MAINTENANCE

03/30/99

PAGE: 0002

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:38:48

EE SSN: 272 - 03 - 5768

EE NAME: GASTONY

, J , D

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |
| 1963                      | 12   |    | 7777        | 0000         | 4670.74        |                |              |                       |                  |                 |                   |
| 1962                      | 12   |    | 7777        | 0000         | 4323.30        |                |              |                       |                  |                 |                   |
| 1961                      | 12   |    | 7777        | 0000         | 4724.15        |                |              |                       |                  |                 |                   |
| 1960                      | 12   |    | 7777        | 0000         | 4800.00        |                |              |                       |                  |                 |                   |
| 1959                      | 12   |    | 0000        | 0000         | 4550.00        |                |              |                       |                  |                 |                   |
| 1958                      | 12   |    | 0000        | 0000         | 4200.00        |                |              |                       |                  |                 |                   |
| 1957                      | 12   |    | 0000        | 0000         | 4198.68        |                |              |                       |                  |                 |                   |
| 1956                      | 12   |    | 0000        | 0000         | 3854.67        |                |              |                       |                  |                 |                   |
| 1955                      | 12   |    | 0000        | 0000         | 4200.00        |                |              |                       |                  |                 |                   |
| 1954                      | 12   |    | 0000        | 0000         | 3900.00        |                |              |                       |                  |                 |                   |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22  
 EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDMID104

EMPLOYMENT DATA MAINTENANCE

05/30/99

PAGE: 0003 CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:38:57

EE SSN: 272 - 03 - 5768 EE NAME: GASTONY

, J , D

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |
| 1953                      | 12   |    | 0000        | 0000         | 3600.00        |                |                      |                       |                  |                 |                   |
| 1952                      | 11   |    | 0000        | 0000         | 3300.00        |                |                      |                       |                  |                 |                   |
| 1951                      | 12   |    | 0000        | 0000         | 3600.00        |                |                      |                       |                  |                 |                   |
| 1950                      | 12   |    | 0000        | 0000         | 3600.00        |                |                      |                       |                  |                 |                   |
| 1949                      | 12   |    | 0000        | 0000         | 3599.67        |                |                      |                       |                  |                 |                   |
| 1948                      | 12   |    | 0000        | 0000         | 3600.00        |                |                      |                       |                  |                 |                   |
| 1947                      | 12   |    | 0000        | 0000         | 3431.67        |                |                      |                       |                  |                 |                   |
| 1946                      | 6    |    | 0000        | 0000         | 1375.03        |                |                      |                       |                  |                 |                   |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

## -----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**Joseph Gastony**

*Prepared for*

Carla Tricarichi  
Attorney at Law

*Prepared by:*

**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

### Personal Data Sheet

|                                            |                |                                |
|--------------------------------------------|----------------|--------------------------------|
| Name:                                      | Joseph Gastony |                                |
| Date of Birth:                             | 3/15/1911      |                                |
| Date of Separation                         | 10/31/1973     | (16.71% of 1973 Remains)       |
| Age on:                                    | 10/31/1973     | 62.6 Years                     |
| Work Life Expectancy from:                 | 10/31/1973     | 4.8 Years ( 63.29% of 1978)*   |
| Age at Expiration of Work Life Expectancy: |                | 67.4 Years Old                 |
| Life Expectancy from:                      | 10/31/1973     | 18.6 Years ( 43.29% of 1992)** |
| Age at Expiration of Life Expectancy:      |                | 81.2 Years Old                 |
| Age on: 9/1/2007                           |                | 96.5 Years                     |
| Work Life Expectancy from:                 | 9/1/2007       | 0.0 Years ( 66.85% of 2007)*   |
| Age at Expiration of Work Life Expectancy: |                | 96.5 Years Old                 |
| Life Expectancy from:                      | 9/1/2007       | 2.7 Years ( 36.71% of 2010)**  |
| Age at Expiration of Life Expectancy:      |                | 99.2 Years Old                 |
| Occupation:                                | Brakeman       |                                |
| Date of Hire:                              | 1946           |                                |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No. 14, Hyattsville, Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

---

**Summary Sheet**

---

|                                                                            | Value             |
|----------------------------------------------------------------------------|-------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>    |                   |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>    | <b>\$ 15,110</b>  |
| Pension Benefits                                                           | \$ 1,522          |
| Back Interest through 1/1/2007                                             | <u>\$ 235,663</u> |
| <b>Total</b>                                                               | <b>\$ 252,295</b> |
| <b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | <b>\$ 15,110</b>  |
| Pension Benefits                                                           | \$ 1,522          |
| Back Interest through 1/1/2007                                             | <u>\$ 365,151</u> |
| <b>Total</b>                                                               | <b>\$ 381,783</b> |

Table 1: Schedule Showing the Earnings for the Years 1967-1973, and the Displacement Allowance for Joseph Gastony.

| Year                                  | Earnings (a) | Months Employed (a) | Daily Wage Growth Rate (b) | Forecasted Wage Guarantee (c) | Displacement Allowance (d)                  |
|---------------------------------------|--------------|---------------------|----------------------------|-------------------------------|---------------------------------------------|
| 1967                                  | \$ 4,378.17  | 10                  |                            |                               | -                                           |
| 1968                                  | \$ 4,019.50  | 7                   | 5.10%                      | \$ 6,897.15                   | \$ 2,877.65                                 |
| 1969                                  | \$ 6,454.83  | 12                  |                            | \$ 7,249.20                   | \$ 794.37                                   |
| 1970                                  | \$ 6,692.46  | 11                  | 8.01%                      | \$ 7,829.70                   | \$ 1,137.24                                 |
| 1971                                  | \$ 5,344.12  | 12                  | 11.45%                     | \$ 8,725.98                   | \$ 3,381.86                                 |
| 1972                                  | \$ 5,773.27  | 12                  | 10.01%                     | \$ 9,599.26                   | \$ 3,825.99                                 |
| 1973                                  | \$ 5,885.23  | 10                  | 12.27%                     | \$ 10,777.02                  | -                                           |
| 1973 Annualized Wage for Displacement | \$ 7,065.95  |                     |                            | \$ 10,777.02                  | 1973 Displacement Allowance (f) \$ 3,092.56 |

\* Boxed earnings in the earnings column indicate that Mr. Gastony earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 8.

(c) The forecasted wage guarantee is calculated as \$604.10 per month in 1969 per an attachment to the 2/28/1990 letter from Robert O'Neill of the Arbitration Committee. The 1968 wage guarantee is reduced from the 1969 guarantee by the 1968 wage growth rate for brakemen from Tables 6 through 8. The 1970 through 1973 wage guarantees are grown from the 1969 wage guarantee by the brakemen growth rates from Tables 6 through 8.

(d) The displacement allowance for each year is calculated as the forecasted wage guarantee minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1973 annualized wage is calculated as \$5,885.23 divided by (1 - 16.71%). 16.71% is the amount of the year remaining after the date of separation.

(f) The 1973 displacement allowance is partialled out to represent Mr. Gastony working for 10 months in 1973.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Joseph Gastony for the Years 1968 through 1973.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1968 | \$ 2,878                                       | \$ 256                  | \$ 3,134                                |
| 1969 | \$ 794                                         | \$ 76                   | \$ 870                                  |
| 1970 | \$ 1,137                                       | \$ 109                  | \$ 1,246                                |
| 1971 | \$ 3,382                                       | \$ 336                  | \$ 3,718                                |
| 1972 | \$ 3,826                                       | \$ 381                  | \$ 4,207                                |
| 1973 | \$ 3,093                                       | \$ 365                  | \$ 3,457                                |
|      | \$ 15,110                                      | \$ 1,522                | \$ 16,632                               |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Joseph Gastony, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 3,134  | \$ 181            | 5.76%              | \$ 3,314         | \$ 181                               |
| 1969     | \$ 870    | \$ 286            | 6.84%              | \$ 4,471         | \$ 286                               |
| 1970     | \$ 1,246  | \$ 432            | 7.56%              | \$ 6,148         | \$ 432                               |
| 1971     | \$ 3,718  | \$ 622            | 6.30%              | \$ 10,489        | \$ 622                               |
| 1972     | \$ 4,207  | \$ 934            | 6.36%              | \$ 15,629        | \$ 934                               |
| 1973     | \$ 3,457  | \$ 1,341          | 7.03%              | \$ 20,428        | \$ 1,341                             |
| 1974     |           | \$ 1,589          | 7.78%              | \$ 22,017        | \$ 1,589                             |
| 1975     |           | \$ 1,813          | 8.23%              | \$ 23,829        | \$ 1,813                             |
| 1976     |           | \$ 1,866          | 7.83%              | \$ 25,695        | \$ 1,866                             |
| 1977     |           | \$ 1,960          | 7.63%              | \$ 27,655        | \$ 1,960                             |
| 1978     |           | \$ 2,400          | 8.68%              | \$ 30,056        | \$ 2,400                             |
| 1979     |           | \$ 2,936          | 9.77%              | \$ 32,992        | \$ 2,936                             |
| 1980     |           | \$ 3,936          | 11.93%             | \$ 36,927        | \$ 3,936                             |
| 1981     |           | \$ 5,415          | 14.66%             | \$ 42,342        | \$ 5,415                             |
| 1982     |           | \$ 5,783          | 13.66%             | \$ 48,125        | \$ 5,783                             |
| 1983     |           | \$ 5,568          | 11.57%             | \$ 53,694        | \$ 5,568                             |
| 1984     |           | \$ 7,009          | 13.05%             | \$ 60,703        | \$ 7,009                             |
| 1985     |           | \$ 6,708          | 11.05%             | \$ 67,411        | \$ 6,708                             |
| 1986     |           | \$ 5,321          | 7.89%              | \$ 72,732        | \$ 5,321                             |
| 1987     |           | \$ 6,297          | 8.66%              | \$ 79,029        | \$ 6,297                             |
| 1988     |           | \$ 7,230          | 9.15%              | \$ 86,259        | \$ 7,230                             |
| 1989     |           | \$ 7,560          | 8.76%              | \$ 93,819        | \$ 7,560                             |
| 1990     |           | \$ 8,282          | 8.83%              | \$ 102,101       | \$ 8,282                             |
| 1991     |           | \$ 8,265          | 8.09%              | \$ 110,366       | \$ 8,265                             |
| 1992     |           | \$ 7,942          | 7.20%              | \$ 118,308       | \$ 7,942                             |
| 1993     |           | \$ 7,099          | 6.00%              | \$ 125,407       | \$ 7,099                             |
| 1994     |           | \$ 9,131          | 7.28%              | \$ 134,538       | \$ 9,131                             |
| 1995     |           | \$ 9,059          | 6.73%              | \$ 143,597       | \$ 9,059                             |
| 1996     |           | \$ 9,473          | 6.60%              | \$ 153,071       | \$ 9,473                             |
| 1997     |           | \$ 9,954          | 6.50%              | \$ 163,025       | \$ 9,954                             |
| 1998     |           | \$ 8,746          | 5.36%              | \$ 171,770       | \$ 8,746                             |
| 1999     |           | \$ 9,913          | 5.77%              | \$ 181,683       | \$ 9,913                             |
| 2000     |           | \$ 11,206         | 6.17%              | \$ 192,889       | \$ 11,206                            |
| 2001     |           | \$ 9,867          | 5.12%              | \$ 202,756       | \$ 9,867                             |
| 2002     |           | \$ 9,510          | 4.69%              | \$ 212,265       | \$ 9,510                             |
| 2003     |           | \$ 8,641          | 4.07%              | \$ 220,906       | \$ 8,641                             |
| 2004     |           | \$ 9,585          | 4.34%              | \$ 230,491       | \$ 9,585                             |
| 2005     |           | \$ 10,048         | 4.36%              | \$ 240,539       | \$ 10,048                            |
| 2006 (d) |           | \$ 11,755         | 4.89%              | \$ 252,295       | \$ 11,755                            |
|          |           |                   |                    |                  | \$ 235,663                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.



Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Joseph Gastony, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 3,134  | \$ 203            | 6.46%              | \$ 3,336         | \$ 203                               |
| 1969     | \$ 870    | \$ 345            | 8.19%              | \$ 4,551         | \$ 345                               |
| 1970     | \$ 1,246  | \$ 472            | 8.15%              | \$ 6,269         | \$ 472                               |
| 1971     | \$ 3,718  | \$ 584            | 5.85%              | \$ 10,571        | \$ 584                               |
| 1972     | \$ 4,207  | \$ 791            | 5.35%              | \$ 15,569        | \$ 791                               |
| 1973     | \$ 3,457  | \$ 1,570          | 8.25%              | \$ 20,597        | \$ 1,570                             |
| 1974     |           | \$ 2,315          | 11.24%             | \$ 22,911        | \$ 2,315                             |
| 1975     |           | \$ 1,854          | 8.09%              | \$ 24,766        | \$ 1,854                             |
| 1976     |           | \$ 1,738          | 7.02%              | \$ 26,504        | \$ 1,738                             |
| 1977     |           | \$ 1,855          | 7.00%              | \$ 28,359        | \$ 1,855                             |
| 1978     |           | \$ 2,655          | 9.36%              | \$ 31,014        | \$ 2,655                             |
| 1979     |           | \$ 4,116          | 13.27%             | \$ 35,129        | \$ 4,116                             |
| 1980     |           | \$ 5,662          | 16.12%             | \$ 40,792        | \$ 5,662                             |
| 1981     |           | \$ 8,255          | 20.24%             | \$ 49,046        | \$ 8,255                             |
| 1982     |           | \$ 7,696          | 15.69%             | \$ 56,743        | \$ 7,696                             |
| 1983     |           | \$ 6,377          | 11.24%             | \$ 63,120        | \$ 6,377                             |
| 1984     |           | \$ 7,950          | 12.59%             | \$ 71,069        | \$ 7,950                             |
| 1985     |           | \$ 7,326          | 10.31%             | \$ 78,395        | \$ 7,326                             |
| 1986     |           | \$ 6,737          | 8.59%              | \$ 85,132        | \$ 6,737                             |
| 1987     |           | \$ 7,200          | 8.46%              | \$ 92,333        | \$ 7,200                             |
| 1988     |           | \$ 8,904          | 9.64%              | \$ 101,237       | \$ 8,904                             |
| 1989     |           | \$ 11,464         | 11.32%             | \$ 112,701       | \$ 11,464                            |
| 1990     |           | \$ 11,711         | 10.39%             | \$ 124,411       | \$ 11,711                            |
| 1991     |           | \$ 10,866         | 8.73%              | \$ 135,277       | \$ 10,866                            |
| 1992     |           | \$ 8,657          | 6.40%              | \$ 143,934       | \$ 8,657                             |
| 1993     |           | \$ 8,832          | 6.14%              | \$ 152,767       | \$ 8,832                             |
| 1994     |           | \$ 11,195         | 7.33%              | \$ 163,962       | \$ 11,195                            |
| 1995     |           | \$ 14,963         | 9.13%              | \$ 178,925       | \$ 14,963                            |
| 1996     |           | \$ 15,264         | 8.53%              | \$ 194,188       | \$ 15,264                            |
| 1997     |           | \$ 16,919         | 8.71%              | \$ 211,107       | \$ 16,919                            |
| 1998     |           | \$ 18,196         | 8.62%              | \$ 229,303       | \$ 18,196                            |
| 1999     |           | \$ 18,887         | 8.24%              | \$ 248,190       | \$ 18,887                            |
| 2000     |           | \$ 23,720         | 9.56%              | \$ 271,911       | \$ 23,720                            |
| 2001     |           | \$ 19,293         | 7.10%              | \$ 291,203       | \$ 19,293                            |
| 2002     |           | \$ 13,854         | 4.76%              | \$ 305,057       | \$ 13,854                            |
| 2003     |           | \$ 12,772         | 4.19%              | \$ 317,829       | \$ 12,772                            |
| 2004     |           | \$ 14,023         | 4.41%              | \$ 331,851       | \$ 14,023                            |
| 2005     |           | \$ 21,006         | 6.33%              | \$ 352,858       | \$ 21,006                            |
| 2006 (d) |           | \$ 28,926         | 8.20%              | \$ 381,783       | \$ 28,926                            |
|          |           |                   |                    |                  | \$ 365,151                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Daily Rates for Brakeman from 8/12/1966 through 7/1/1999.

| Effective Date | Yard<br>Brakeman |
|----------------|------------------|
| 8/12/1966      | \$ 25.87         |
| 1/1/1968       | \$ 26.52         |
| 7/1/1968       | \$ 27.85         |
| 1/1/1969       | \$ 28.41         |
| 7/1/1969       | \$ 29.26         |
| 1/1/1970       | \$ 30.72         |
| 11/1/1970      | \$ 33.28         |
| 4/1/1971       | \$ 34.61         |
| 10/1/1971      | \$ 36.34         |
| 4/1/1972       | \$ 38.16         |
| 10/1/1972      | \$ 40.07         |
| 1/1/1973       | \$ 42.27         |
| 4/1/1973       | \$ 43.07         |
| 1/1/1974       | \$ 44.79         |
| 1/1/1975       | \$ 49.27         |
| 10/1/1975      | \$ 51.73         |
| 1/1/1976       | \$ 52.69         |
| 4/1/1976       | \$ 54.24         |
| 7/1/1976       | \$ 55.20         |
| 1/1/1977       | \$ 56.24         |
| 7/1/1977       | \$ 59.89         |
| 1/1/1978       | \$ 61.41         |
| 4/1/1978       | \$ 63.17         |
| 7/1/1978       | \$ 64.69         |
| 10/1/1978      | \$ 65.93         |
| 1/1/1979       | \$ 67.93         |
| 7/1/1979       | \$ 72.58         |
| 1/1/1980       | \$ 74.82         |
| 7/1/1980       | \$ 80.62         |
| 1/1/1981       | \$ 83.18         |
| 4/1/1981       | \$ 84.75         |
| 7/1/1981       | \$ 87.31         |
| 10/1/1981      | \$ 89.71         |
| 1/1/1982       | \$ 92.51         |
| 7/1/1982       | \$ 96.75         |
| 1/1/1983       | \$ 99.47         |
| 7/1/1983       | \$ 102.02        |
| 1/1/1984       | \$ 104.10        |
| 11/1/1985      | \$ 105.13        |
| 1/1/1986       | \$ 107.21        |
| 7/1/1986       | \$ 108.80        |
| 1/1/1987       | \$ 111.22        |
| 7/1/1987       | \$ 112.87        |
| 1/1/1988       | \$ 115.39        |
| 7/1/1991       | \$ 118.85        |
| 7/1/1993       | \$ 122.42        |
| 7/1/1994       | \$ 127.32        |
| 7/1/1995       | \$ 128.04        |
| 12/1/1995      | \$ 132.52        |
| 7/1/1997       | \$ 137.16        |
| 7/1/1999       | \$ 141.96        |

Source: Taken from the UTU/ R &amp; S Dept, October 1996.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1967          | \$ 25.87    | 365            | \$ 9,442.55   | \$ 25.87             |             |
| 1968          | \$ 26.52    | 181            | \$ 4,800.12   | \$ 27.19             | 5.10%       |
|               | \$ 27.85    | 184            | \$ 5,124.40   |                      |             |
| 1969          | \$ 28.41    | 181            | \$ 5,142.21   | \$ 28.84             | 6.06%       |
|               | \$ 29.26    | 184            | \$ 5,383.84   |                      |             |
| 1970          | \$ 30.72    | 304            | \$ 9,338.88   | \$ 31.15             | 8.01%       |
|               | \$ 33.28    | 61             | \$ 2,030.08   |                      |             |
| 1971          | \$ 33.28    | 90             | \$ 2,995.20   | \$ 34.71             | 11.45%      |
|               | \$ 34.61    | 184            | \$ 6,368.24   |                      |             |
|               | \$ 36.34    | 91             | \$ 3,306.94   |                      |             |
| 1972          | \$ 36.34    | 90             | \$ 3,270.60   | \$ 38.19             | 10.01%      |
|               | \$ 38.16    | 184            | \$ 7,021.44   |                      |             |
|               | \$ 40.07    | 91             | \$ 3,646.37   |                      |             |
| 1973          | \$ 42.27    | 90             | \$ 3,804.30   | \$ 42.87             | 12.27%      |
|               | \$ 43.07    | 275            | \$ 11,844.25  |                      |             |
| 1974          | \$ 44.79    | 365            | \$ 16,348.35  | \$ 44.79             | 4.47%       |
| 1975          | \$ 49.27    | 273            | \$ 13,450.71  | \$ 49.89             | 11.39%      |
|               | \$ 51.73    | 92             | \$ 4,759.16   |                      |             |
| 1976          | \$ 52.69    | 90             | \$ 4,742.10   | \$ 54.34             | 8.92%       |
|               | \$ 54.24    | 92             | \$ 4,990.08   |                      |             |
|               | \$ 55.20    | 183            | \$ 10,101.60  |                      |             |
| 1977          | \$ 56.24    | 181            | \$ 10,179.44  | \$ 58.08             | 6.88%       |
|               | \$ 59.89    | 184            | \$ 11,019.76  |                      |             |
| 1978          | \$ 61.41    | 90             | \$ 5,526.90   | \$ 63.81             | 9.86%       |
|               | \$ 63.17    | 92             | \$ 5,811.64   |                      |             |
|               | \$ 64.69    | 92             | \$ 5,951.48   |                      |             |
|               | \$ 65.93    | 91             | \$ 5,999.63   |                      |             |
| 1979          | \$ 67.93    | 181            | \$ 12,295.33  | \$ 70.27             | 10.13%      |
|               | \$ 72.58    | 184            | \$ 13,354.72  |                      |             |
| 1980          | \$ 74.82    | 181            | \$ 13,542.42  | \$ 77.74             | 10.63%      |
|               | \$ 80.62    | 184            | \$ 14,834.08  |                      |             |
| 1981          | \$ 83.18    | 90             | \$ 7,486.20   | \$ 85.00             | 9.33%       |
|               | \$ 84.75    | 184            | \$ 15,594.00  |                      |             |
|               | \$ 87.31    | 91             | \$ 7,945.21   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman. (Cont.)

| <u>Calendar Year</u>                      | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|-------------------------------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1982                                      | \$ 92.51           | 181                   | \$ 16,744.31         | \$ 94.65                    | 11.35%             |
|                                           | \$ 96.75           | 184                   | \$ 17,802.00         |                             |                    |
| 1983                                      | \$ 99.47           | 181                   | \$ 18,004.07         | \$ 100.76                   | 6.45%              |
|                                           | \$ 102.02          | 184                   | \$ 18,771.68         |                             |                    |
| 1984                                      | \$ 104.10          | 365                   | \$ 37,996.50         | \$ 104.10                   | 3.32%              |
| 1985                                      | \$ 104.10          | 304                   | \$ 31,646.40         | \$ 104.27                   | 0.17%              |
|                                           | \$ 105.13          | 61                    | \$ 6,412.93          |                             |                    |
| 1986                                      | \$ 107.21          | 181                   | \$ 19,405.01         | \$ 108.01                   | 3.59%              |
|                                           | \$ 108.80          | 184                   | \$ 20,019.20         |                             |                    |
| 1987                                      | \$ 111.22          | 181                   | \$ 20,130.82         | \$ 112.05                   | 3.74%              |
|                                           | \$ 112.87          | 184                   | \$ 20,768.08         |                             |                    |
| 1988                                      | \$ 115.39          | 365                   | \$ 42,117.35         | \$ 115.39                   | 2.98%              |
| 1989                                      | \$ 115.39          | 365                   | \$ 42,117.35         | \$ 115.39                   | 0.00%              |
| 1990                                      | \$ 115.39          | 365                   | \$ 42,117.35         | \$ 115.39                   | 0.00%              |
| 1991                                      | \$ 115.39          | 181                   | \$ 20,885.59         | \$ 117.13                   | 1.51%              |
|                                           | \$ 118.85          | 184                   | \$ 21,868.40         |                             |                    |
| 1992                                      | \$ 118.85          | 365                   | \$ 43,380.25         | \$ 118.85                   | 1.46%              |
| 1993                                      | \$ 118.85          | 181                   | \$ 21,511.85         | \$ 120.65                   | 1.51%              |
|                                           | \$ 122.42          | 184                   | \$ 22,525.28         |                             |                    |
| 1994                                      | \$ 122.42          | 181                   | \$ 22,158.02         | \$ 124.89                   | 3.51%              |
|                                           | \$ 127.32          | 184                   | \$ 23,426.88         |                             |                    |
| 1995                                      | \$ 127.32          | 181                   | \$ 23,044.92         | \$ 128.05                   | 2.53%              |
|                                           | \$ 128.04          | 154                   | \$ 19,718.16         |                             |                    |
|                                           | \$ 132.52          | 30                    | \$ 3,975.60          |                             |                    |
| 1996                                      | \$ 132.52          | 365                   | \$ 48,369.80         | \$ 132.52                   | 3.49%              |
| 1997                                      | \$ 132.52          | 181                   | \$ 23,986.12         | \$ 134.86                   | 1.77%              |
|                                           | \$ 137.16          | 184                   | \$ 25,237.44         |                             |                    |
| 1998                                      | \$ 137.16          | 365                   | \$ 50,063.40         | \$ 137.16                   | 1.71%              |
| 1999                                      | \$ 137.16          | 181                   | \$ 24,825.96         | \$ 139.58                   | 1.76%              |
|                                           | \$ 141.96          | 184                   | \$ 26,120.64         |                             |                    |
| 1967 through 1999 Compound Rate of Growth |                    |                       |                      | 5.41%                       |                    |

EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

05/30/99  
13:36:00

EE SSN : 713 - 14 - 2366

FE NAME: GENTILE

, G , A

SEX: M

EVIOUS SURNAME:

DOB: 11 / / 1913 RRB

ADDR1

DOD: 11 / / 1982 SSA

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1976

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1313

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3200660430

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 119

ANN BEGIN DATE: / /

ACCOUNT LAST ACTIVE: 1976

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: 10 / 27 / 1976

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / /

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

03/30/99  
13:34:47

EE SSN : 713 - 14 - 2366

FT NAME: GENTILE , G , A

SERVICE MONTHS TOTALS

COMPENSATION TOTALS

-----  
TOTAL REPORTED : 343  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 343  
CREDITABLE 37-46 : 030

-----  
TIER 1 AMOUNT :\$ 129460.67  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 4658.72  
1959 GROSS AMOUNT :\$ 4188.02  
SSA WAGES :\$ 8470.88  
37-50 SSA WAGES :\$ 4555.13

S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD EXISTS

1951 QC'S: 0 PATT: NNNN \$ 0.00 1952 QC'S: 0 PATT: NNNN \$ 0.00

TOTAL QC'S : 23 QC'S THRU 1974 : 23 QC'S 37-50 : 15

ITEMS IN SUSPENSE?(Y/N):

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMID104  
PAGE: 0001

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

03/30/99  
13:34:56

EE SSN: 713 - 14 - 2366      EE NAME: GENTILE      , G , A

| ----- RAILROAD INFO ----- |      |    |      |      |          |        |      |           |       |      |      | ----- SSA INFO ----- |  |  |  |
|---------------------------|------|----|------|------|----------|--------|------|-----------|-------|------|------|----------------------|--|--|--|
| S                         | YEAR | SM | MOS  | DEEM | TIER-1   | TIER-2 | MISC | ---Q/C--- |       | WAGE | M/S  | WAGE YR              |  |  |  |
|                           |      |    | PATT | PATT | COMP     | COMP   | COMP | SSA       | SE&AG | PATT | PATT | AMOUNT               |  |  |  |
|                           | 1976 | 8  | 7730 | 0000 | 8138.78  |        |      |           |       |      |      |                      |  |  |  |
|                           | 1975 | 12 | 7777 | 0000 | 9142.92  |        |      |           |       |      |      |                      |  |  |  |
|                           | 1974 | 12 | 7777 | 0000 | 10001.71 |        |      |           |       |      |      |                      |  |  |  |
|                           | 1973 | 11 | 7767 | 0000 | 6928.01  |        |      |           |       |      |      |                      |  |  |  |
|                           | 1972 | 12 | 7777 | 0000 | 5949.85  |        |      |           |       |      |      |                      |  |  |  |
|                           | 1971 | 12 | 7777 | 0000 | 4874.87  |        |      |           |       |      |      |                      |  |  |  |
|                           | 1970 | 12 | 7777 | 0000 | 5479.16  |        |      |           |       |      |      |                      |  |  |  |
|                           | 1969 | 5  | 2047 | 0000 | 2008.85  |        |      |           |       |      |      |                      |  |  |  |
|                           | 1968 | 1  | 1000 | 0000 | 517.40   |        |      |           |       |      |      |                      |  |  |  |
|                           | 1967 | 11 | 7776 | 0000 | 4153.96  |        |      |           |       |      |      |                      |  |  |  |

USER MESSAGE

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |



EDMID104

EMPLOYMENT DATA MAINTENANCE

03/30/77

PAGE: 0002

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:35:08

EE SSN: 713 - 14 - 2366

EE NAME: GENTILE

, G , A

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |
| 1966                      | 12   |    | 7777        | 0000         | 5262.89        |                |              |                       |                  |                 |                   |
| 1965                      | 12   |    | 7777        | 0000         | 4481.48        |                |              |                       |                  |                 |                   |
| 1964                      | 12   |    | 7777        | 0000         | 3715.65        |                |              |                       |                  |                 |                   |
| 1963                      | 12   |    | 7777        | 0000         | 3655.88        |                |              |                       |                  |                 |                   |
| 1962                      | 11   |    | 6777        | 0000         | 3153.74        |                |              | 3                     | N                | NCCC 0000       | 1800.00           |
| 1961                      | 8    |    | 1753        | 0000         | 2165.35        |                |              | 2                     | N                | NNCC 0000       | 1300.00           |
| 1960                      | 12   |    | 7777        | 0000         | 4391.23        |                |              |                       |                  |                 |                   |
| 1959                      | 12   |    | 0000        | 0000         | 4085.06        |                |              | 2                     | N                | CCNN 0000       | 714.50            |
| 1958                      | 12   |    | 0000        | 0000         | 3939.56        |                |              |                       |                  |                 |                   |
| 1957                      | 12   |    | 0000        | 0000         | 3366.56        |                |              |                       |                  |                 |                   |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22

EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDM1D104

EMPLOYMENT DATA MAINTENANCE

05/00/00

PAGE: 0003

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:35:17

EE SSN: 713 - 14 - 2366

EE NAME: GENTILE

, G , A

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |
| 1956                      | 12   |    | 0000        | 0000         | 4136.56        |                |              |                       |                  |                 |                   |
| 1955                      | 12   |    | 0000        | 0000         | 4159.56        |                |              | 1                     | N                | NNNC 0000       | 101.25            |
| 1954                      | 11   |    | 0000        | 0000         | 3492.56        |                |              |                       |                  |                 |                   |
| 1953                      | 12   |    | 0000        | 0000         | 3600.00        |                |              |                       |                  |                 |                   |
| 1952                      | 8    |    | 0000        | 0000         | 2399.56        |                |              |                       |                  |                 |                   |
| 1951                      | 6    |    | 0000        | 0000         | 1691.56        |                |              |                       |                  |                 |                   |
| 1950                      | 12   |    | 0000        | 0000         | 3387.56        |                |              |                       |                  |                 |                   |
| 1949                      | 6    |    | 0000        | 0000         | 1685.56        |                |              |                       |                  |                 |                   |
| 1948                      | 11   |    | 0000        | 0000         | 2012.56        |                |              |                       |                  |                 |                   |
| 1947                      | 12   |    | 0000        | 0000         | 2823.56        |                |              |                       |                  |                 |                   |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

## -----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22  
 EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDMID104

EMPLOYMENT DATA MAINTENANCE

05/30/99

PAGE: 0004

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:35:28

EE SSN: 713 - 14 - 2366

EE NAME: GENTILE

, G , A

| ----- RAILROAD INFO ----- |      |    |      |      |        |        |         | ----- SSA INFO ----- |           |         |  |
|---------------------------|------|----|------|------|--------|--------|---------|----------------------|-----------|---------|--|
| S                         | YEAR | SM | MOS  | DEEM | TIER-1 | TIER-2 | MISC    | ---Q/C--             | WAGE M/S  | WAGE YR |  |
|                           |      |    | PATT | PATT | COMP   | COMP   | COMP    | SSA SE&AG            | PATT PATT | AMOUNT  |  |
| =====                     |      |    |      |      |        |        |         |                      |           |         |  |
|                           | 1946 | 30 | 0000 | 0000 |        |        | 4658.72 |                      |           |         |  |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**George Gentile**

*Prepared for*

**Carla Tricarichi**  
Attorney at Law

*Prepared by:*

**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

### Personal Data Sheet

|                                            |                |                               |
|--------------------------------------------|----------------|-------------------------------|
| Name:                                      | George Gentile |                               |
| Date of Birth:                             | 11/7/1913      |                               |
| Date of Separation                         | 8/31/1976      | (33.42% of 1976 Remains)      |
| Age on:                                    | 8/31/1976      | 62.8 Years                    |
| Work Life Expectancy from:                 | 8/31/1976      | 4.8 Years ( 46.58% of 1981)*  |
| Age at Expiration of Work Life Expectancy: |                | 67.6 Years Old                |
| Life Expectancy from:                      | 8/31/1976      | 18.4 Years ( 6.85% of 1995)** |
| Age at Expiration of Life Expectancy:      |                | 81.2 Years Old                |
| Age on: 9/1/2007                           |                | 93.8 Years                    |
| Work Life Expectancy from:                 | 9/1/2007       | 0.0 Years ( 66.85% of 2007)*  |
| Age at Expiration of Work Life Expectancy: |                | 93.8 Years Old                |
| Life Expectancy from:                      | 9/1/2007       | 3.2 Years ( 86.85% of 2010)** |
| Age at Expiration of Life Expectancy:      |                | 97.0 Years Old                |
| Occupation:                                | Brakeman       |                               |
| Date of Hire:                              | 1946           |                               |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville, Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

---

Summary Sheet

---

|                                                                            | Value             |
|----------------------------------------------------------------------------|-------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>    |                   |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>    | <b>\$ 6,923</b>   |
| Pension Benefits                                                           | \$ 639            |
| Back Interest through 1/1/2007                                             | <u>\$ 124,824</u> |
| Total                                                                      | \$ 132,386        |
| <b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | <b>\$ 6,923</b>   |
| Pension Benefits                                                           | \$ 639            |
| Back Interest through 1/1/2007                                             | <u>\$ 194,753</u> |
| Total                                                                      | \$ 202,314        |

Table 1: Schedule Showing the Earnings for the Years 1967-1976, and the Displacement Allowance for George Gentile.

| Year                                  | Earnings (a) | Months Employed (a) | Daily Wage Growth Rate (b) | Forecasted Wage Guarantee (c) | Displacement Allowance (d)        |
|---------------------------------------|--------------|---------------------|----------------------------|-------------------------------|-----------------------------------|
| 1967                                  | \$ 4,153.96  | 11                  |                            |                               | -                                 |
| 1968                                  | \$ 517.40    | 1                   | 5.10%                      | \$ 4,306.24                   | \$ 3,788.84                       |
| 1969                                  | \$ 2,008.85  | 5                   |                            | \$ 4,526.04                   | \$ 2,517.19                       |
| 1970                                  | \$ 5,479.16  | 12                  | 8.01%                      | \$ 4,888.48                   | -                                 |
| 1971                                  | \$ 4,874.87  | 12                  | 11.45%                     | \$ 5,448.07                   | \$ 573.20                         |
| 1972                                  | \$ 5,949.85  | 12                  | 10.01%                     | \$ 5,993.30                   | \$ 43.45                          |
| 1973                                  | \$ 6,928.01  | 11                  | 12.27%                     | \$ 6,728.64                   | -                                 |
| 1974                                  | \$ 10,001.71 | 12                  | 4.47%                      | \$ 7,029.54                   | -                                 |
| 1975                                  | \$ 9,142.92  | 12                  | 11.39%                     | \$ 7,829.96                   | -                                 |
| 1976                                  | \$ 8,138.78  | 8                   | 8.92%                      | \$ 8,528.22                   | -                                 |
| 1976 Annualized Wage for Displacement | \$ 12,224.06 |                     |                            | \$ 8,528.22                   | 1976 Displacement Allowance (f) - |

\* Boxed earnings in the earnings column indicate that Mr. Gentile earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 8.

(c) The forecasted wage guarantee is calculated as \$377.17 per month in 1969 per an attachment to the 2/28/1990 letter from Robert O'Neill of the Arbitration Committee. The 1968 wage guarantee is reduced from the 1969 guarantee by the 1968 wage growth rate for brakemen from Tables 6 through 8. The 1970 through 1976 wage guarantees are grown from the 1969 wage guarantee by the brakemen growth rates from Tables 6 through 8.

(d) The displacement allowance for each year is calculated as the forecasted wage guarantee minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1976 annualized wage is calculated as \$8,138.78 divided by (1 - 33.42%). 33.42% is the amount of the year remaining after the date of separation.

(f) The 1976 displacement allowance is partialled out to represent Mr. Gentile working for 8 months in 1976.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for George Gentile for the Years 1968 through 1972.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1968 | \$ 3,789                                       | \$ 337                  | \$ 4,126                                |
| 1969 | \$ 2,517                                       | \$ 240                  | \$ 2,758                                |
| 1970 | -                                              | -                       | -                                       |
| 1971 | \$ 573                                         | \$ 57                   | \$ 630                                  |
| 1972 | \$ 43                                          | \$ 4                    | \$ 48                                   |
|      | \$ 6,923                                       | \$ 639                  | \$ 7,562                                |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See table 5.



Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for George Gentile, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 4,126  | \$ 238            | 5.76%              | \$ 4,364         | \$ 238                               |
| 1969     | \$ 2,758  | \$ 487            | 6.84%              | \$ 7,608         | \$ 487                               |
| 1970     | \$ -      | \$ 575            | 7.56%              | \$ 8,183         | \$ 575                               |
| 1971     | \$ 630    | \$ 556            | 6.30%              | \$ 9,369         | \$ 556                               |
| 1972     | \$ 48     | \$ 599            | 6.36%              | \$ 10,015        | \$ 599                               |
| 1973     |           | \$ 704            | 7.03%              | \$ 10,719        | \$ 704                               |
| 1974     |           | \$ 834            | 7.78%              | \$ 11,553        | \$ 834                               |
| 1975     |           | \$ 951            | 8.23%              | \$ 12,504        | \$ 951                               |
| 1976     |           | \$ 979            | 7.83%              | \$ 13,483        | \$ 979                               |
| 1977     |           | \$ 1,029          | 7.63%              | \$ 14,511        | \$ 1,029                             |
| 1978     |           | \$ 1,259          | 8.68%              | \$ 15,771        | \$ 1,259                             |
| 1979     |           | \$ 1,541          | 9.77%              | \$ 17,312        | \$ 1,541                             |
| 1980     |           | \$ 2,065          | 11.93%             | \$ 19,377        | \$ 2,065                             |
| 1981     |           | \$ 2,841          | 14.66%             | \$ 22,218        | \$ 2,841                             |
| 1982     |           | \$ 3,035          | 13.66%             | \$ 25,253        | \$ 3,035                             |
| 1983     |           | \$ 2,922          | 11.57%             | \$ 28,175        | \$ 2,922                             |
| 1984     |           | \$ 3,678          | 13.05%             | \$ 31,853        | \$ 3,678                             |
| 1985     |           | \$ 3,520          | 11.05%             | \$ 35,372        | \$ 3,520                             |
| 1986     |           | \$ 2,792          | 7.89%              | \$ 38,165        | \$ 2,792                             |
| 1987     |           | \$ 3,304          | 8.66%              | \$ 41,469        | \$ 3,304                             |
| 1988     |           | \$ 3,794          | 9.15%              | \$ 45,262        | \$ 3,794                             |
| 1989     |           | \$ 3,967          | 8.76%              | \$ 49,229        | \$ 3,967                             |
| 1990     |           | \$ 4,346          | 8.83%              | \$ 53,575        | \$ 4,346                             |
| 1991     |           | \$ 4,337          | 8.09%              | \$ 57,912        | \$ 4,337                             |
| 1992     |           | \$ 4,168          | 7.20%              | \$ 62,080        | \$ 4,168                             |
| 1993     |           | \$ 3,725          | 6.00%              | \$ 65,805        | \$ 3,725                             |
| 1994     |           | \$ 4,791          | 7.28%              | \$ 70,596        | \$ 4,791                             |
| 1995     |           | \$ 4,754          | 6.73%              | \$ 75,349        | \$ 4,754                             |
| 1996     |           | \$ 4,971          | 6.60%              | \$ 80,320        | \$ 4,971                             |
| 1997     |           | \$ 5,223          | 6.50%              | \$ 85,543        | \$ 5,223                             |
| 1998     |           | \$ 4,589          | 5.36%              | \$ 90,133        | \$ 4,589                             |
| 1999     |           | \$ 5,201          | 5.77%              | \$ 95,334        | \$ 5,201                             |
| 2000     |           | \$ 5,880          | 6.17%              | \$ 101,214       | \$ 5,880                             |
| 2001     |           | \$ 5,177          | 5.12%              | \$ 106,391       | \$ 5,177                             |
| 2002     |           | \$ 4,990          | 4.69%              | \$ 111,381       | \$ 4,990                             |
| 2003     |           | \$ 4,534          | 4.07%              | \$ 115,915       | \$ 4,534                             |
| 2004     |           | \$ 5,029          | 4.34%              | \$ 120,945       | \$ 5,029                             |
| 2005     |           | \$ 5,273          | 4.36%              | \$ 126,217       | \$ 5,273                             |
| 2006 (d) |           | \$ 6,168          | 4.89%              | \$ 132,386       | \$ 6,168                             |
|          |           |                   |                    |                  | \$ 124,824                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for George Gentile, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 4,126  | \$ 267            | 6.46%              | \$ 4,393         | \$ 267                               |
| 1969     | \$ 2,758  | \$ 586            | 8.19%              | \$ 7,736         | \$ 586                               |
| 1970     | \$ -      | \$ 630            | 8.15%              | \$ 8,366         | \$ 630                               |
| 1971     | \$ 630    | \$ 526            | 5.85%              | \$ 9,522         | \$ 526                               |
| 1972     | \$ 48     | \$ 512            | 5.35%              | \$ 10,082        | \$ 512                               |
| 1973     |           | \$ 832            | 8.25%              | \$ 10,915        | \$ 832                               |
| 1974     |           | \$ 1,227          | 11.24%             | \$ 12,141        | \$ 1,227                             |
| 1975     |           | \$ 983            | 8.09%              | \$ 13,124        | \$ 983                               |
| 1976     |           | \$ 921            | 7.02%              | \$ 14,045        | \$ 921                               |
| 1977     |           | \$ 983            | 7.00%              | \$ 15,028        | \$ 983                               |
| 1978     |           | \$ 1,407          | 9.36%              | \$ 16,435        | \$ 1,407                             |
| 1979     |           | \$ 2,181          | 13.27%             | \$ 18,616        | \$ 2,181                             |
| 1980     |           | \$ 3,001          | 16.12%             | \$ 21,616        | \$ 3,001                             |
| 1981     |           | \$ 4,374          | 20.24%             | \$ 25,991        | \$ 4,374                             |
| 1982     |           | \$ 4,078          | 15.69%             | \$ 30,069        | \$ 4,078                             |
| 1983     |           | \$ 3,379          | 11.24%             | \$ 33,448        | \$ 3,379                             |
| 1984     |           | \$ 4,213          | 12.59%             | \$ 37,661        | \$ 4,213                             |
| 1985     |           | \$ 3,882          | 10.31%             | \$ 41,543        | \$ 3,882                             |
| 1986     |           | \$ 3,570          | 8.59%              | \$ 45,113        | \$ 3,570                             |
| 1987     |           | \$ 3,816          | 8.46%              | \$ 48,929        | \$ 3,816                             |
| 1988     |           | \$ 4,718          | 9.64%              | \$ 53,647        | \$ 4,718                             |
| 1989     |           | \$ 6,075          | 11.32%             | \$ 59,722        | \$ 6,075                             |
| 1990     |           | \$ 6,206          | 10.39%             | \$ 65,928        | \$ 6,206                             |
| 1991     |           | \$ 5,758          | 8.73%              | \$ 71,686        | \$ 5,758                             |
| 1992     |           | \$ 4,588          | 6.40%              | \$ 76,274        | \$ 4,588                             |
| 1993     |           | \$ 4,680          | 6.14%              | \$ 80,954        | \$ 4,680                             |
| 1994     |           | \$ 5,933          | 7.33%              | \$ 86,887        | \$ 5,933                             |
| 1995     |           | \$ 7,929          | 9.13%              | \$ 94,816        | \$ 7,929                             |
| 1996     |           | \$ 8,089          | 8.53%              | \$ 102,904       | \$ 8,089                             |
| 1997     |           | \$ 8,966          | 8.71%              | \$ 111,870       | \$ 8,966                             |
| 1998     |           | \$ 9,642          | 8.62%              | \$ 121,512       | \$ 9,642                             |
| 1999     |           | \$ 10,009         | 8.24%              | \$ 131,521       | \$ 10,009                            |
| 2000     |           | \$ 12,570         | 9.56%              | \$ 144,091       | \$ 12,570                            |
| 2001     |           | \$ 10,224         | 7.10%              | \$ 154,314       | \$ 10,224                            |
| 2002     |           | \$ 7,341          | 4.76%              | \$ 161,656       | \$ 7,341                             |
| 2003     |           | \$ 6,768          | 4.19%              | \$ 168,424       | \$ 6,768                             |
| 2004     |           | \$ 7,431          | 4.41%              | \$ 175,855       | \$ 7,431                             |
| 2005     |           | \$ 11,132         | 6.33%              | \$ 186,986       | \$ 11,132                            |
| 2006 (d) |           | \$ 15,328         | 8.20%              | \$ 202,314       | \$ 15,328                            |
|          |           |                   |                    |                  | \$ 194,753                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Daily Rates for Brakeman from 8/12/1966 through 7/1/1999.

| Effective Date | Yard<br>Brakeman |
|----------------|------------------|
| 8/12/1966      | \$ 25.87         |
| 1/1/1968       | \$ 26.52         |
| 7/1/1968       | \$ 27.85         |
| 1/1/1969       | \$ 28.41         |
| 7/1/1969       | \$ 29.26         |
| 1/1/1970       | \$ 30.72         |
| 11/1/1970      | \$ 33.28         |
| 4/1/1971       | \$ 34.61         |
| 10/1/1971      | \$ 36.34         |
| 4/1/1972       | \$ 38.16         |
| 10/1/1972      | \$ 40.07         |
| 1/1/1973       | \$ 42.27         |
| 4/1/1973       | \$ 43.07         |
| 1/1/1974       | \$ 44.79         |
| 1/1/1975       | \$ 49.27         |
| 10/1/1975      | \$ 51.73         |
| 1/1/1976       | \$ 52.69         |
| 4/1/1976       | \$ 54.24         |
| 7/1/1976       | \$ 55.20         |
| 1/1/1977       | \$ 56.24         |
| 7/1/1977       | \$ 59.89         |
| 1/1/1978       | \$ 61.41         |
| 4/1/1978       | \$ 63.17         |
| 7/1/1978       | \$ 64.69         |
| 10/1/1978      | \$ 65.93         |
| 1/1/1979       | \$ 67.93         |
| 7/1/1979       | \$ 72.58         |
| 1/1/1980       | \$ 74.82         |
| 7/1/1980       | \$ 80.62         |
| 1/1/1981       | \$ 83.18         |
| 4/1/1981       | \$ 84.75         |
| 7/1/1981       | \$ 87.31         |
| 10/1/1981      | \$ 89.71         |
| 1/1/1982       | \$ 92.51         |
| 7/1/1982       | \$ 96.75         |
| 1/1/1983       | \$ 99.47         |
| 7/1/1983       | \$ 102.02        |
| 1/1/1984       | \$ 104.10        |
| 11/1/1985      | \$ 105.13        |
| 1/1/1986       | \$ 107.21        |
| 7/1/1986       | \$ 108.80        |
| 1/1/1987       | \$ 111.22        |
| 7/1/1987       | \$ 112.87        |
| 1/1/1988       | \$ 115.39        |
| 7/1/1991       | \$ 118.85        |
| 7/1/1993       | \$ 122.42        |
| 7/1/1994       | \$ 127.32        |
| 7/1/1995       | \$ 128.04        |
| 12/1/1995      | \$ 132.52        |
| 7/1/1997       | \$ 137.16        |
| 7/1/1999       | \$ 141.96        |

Source: Taken from the UTU/ R & S Dept, October 1996.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1967          | \$ 25.87    | 365            | \$ 9,442.55   | \$ 25.87             |             |
| 1968          | \$ 26.52    | 181            | \$ 4,800.12   | \$ 27.19             | 5.10%       |
|               | \$ 27.85    | 184            | \$ 5,124.40   |                      |             |
| 1969          | \$ 28.41    | 181            | \$ 5,142.21   | \$ 28.84             | 6.06%       |
|               | \$ 29.26    | 184            | \$ 5,383.84   |                      |             |
| 1970          | \$ 30.72    | 304            | \$ 9,338.88   | \$ 31.15             | 8.01%       |
|               | \$ 33.28    | 61             | \$ 2,030.08   |                      |             |
| 1971          | \$ 33.28    | 90             | \$ 2,995.20   | \$ 34.71             | 11.45%      |
|               | \$ 34.61    | 184            | \$ 6,368.24   |                      |             |
|               | \$ 36.34    | 91             | \$ 3,306.94   |                      |             |
| 1972          | \$ 36.34    | 90             | \$ 3,270.60   | \$ 38.19             | 10.01%      |
|               | \$ 38.16    | 184            | \$ 7,021.44   |                      |             |
|               | \$ 40.07    | 91             | \$ 3,646.37   |                      |             |
| 1973          | \$ 42.27    | 90             | \$ 3,804.30   | \$ 42.87             | 12.27%      |
|               | \$ 43.07    | 275            | \$ 11,844.25  |                      |             |
| 1974          | \$ 44.79    | 365            | \$ 16,348.35  | \$ 44.79             | 4.47%       |
| 1975          | \$ 49.27    | 273            | \$ 13,450.71  | \$ 49.89             | 11.39%      |
|               | \$ 51.73    | 92             | \$ 4,759.16   |                      |             |
| 1976          | \$ 52.69    | 90             | \$ 4,742.10   | \$ 54.34             | 8.92%       |
|               | \$ 54.24    | 92             | \$ 4,990.08   |                      |             |
|               | \$ 55.20    | 183            | \$ 10,101.60  |                      |             |
| 1977          | \$ 56.24    | 181            | \$ 10,179.44  | \$ 58.08             | 6.88%       |
|               | \$ 59.89    | 184            | \$ 11,019.76  |                      |             |
| 1978          | \$ 61.41    | 90             | \$ 5,526.90   | \$ 63.81             | 9.86%       |
|               | \$ 63.17    | 92             | \$ 5,811.64   |                      |             |
|               | \$ 64.69    | 92             | \$ 5,951.48   |                      |             |
|               | \$ 65.93    | 91             | \$ 5,999.63   |                      |             |
| 1979          | \$ 67.93    | 181            | \$ 12,295.33  | \$ 70.27             | 10.13%      |
|               | \$ 72.58    | 184            | \$ 13,354.72  |                      |             |
| 1980          | \$ 74.82    | 181            | \$ 13,542.42  | \$ 77.74             | 10.63%      |
|               | \$ 80.62    | 184            | \$ 14,834.08  |                      |             |
| 1981          | \$ 83.18    | 90             | \$ 7,486.20   | \$ 85.00             | 9.33%       |
|               | \$ 84.75    | 184            | \$ 15,594.00  |                      |             |
|               | \$ 87.31    | 91             | \$ 7,945.21   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman. (Cont.)

| <u>Calendar Year</u>                      | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|-------------------------------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1982                                      | \$ 92.51           | 181                   | \$ 16,744.31         | \$ 94.65                    | 11.35%             |
|                                           | \$ 96.75           | 184                   | \$ 17,802.00         |                             |                    |
| 1983                                      | \$ 99.47           | 181                   | \$ 18,004.07         | \$ 100.76                   | 6.45%              |
|                                           | \$ 102.02          | 184                   | \$ 18,771.68         |                             |                    |
| 1984                                      | \$ 104.10          | 365                   | \$ 37,996.50         | \$ 104.10                   | 3.32%              |
| 1985                                      | \$ 104.10          | 304                   | \$ 31,646.40         | \$ 104.27                   | 0.17%              |
|                                           | \$ 105.13          | 61                    | \$ 6,412.93          |                             |                    |
| 1986                                      | \$ 107.21          | 181                   | \$ 19,405.01         | \$ 108.01                   | 3.59%              |
|                                           | \$ 108.80          | 184                   | \$ 20,019.20         |                             |                    |
| 1987                                      | \$ 111.22          | 181                   | \$ 20,130.82         | \$ 112.05                   | 3.74%              |
|                                           | \$ 112.87          | 184                   | \$ 20,768.08         |                             |                    |
| 1988                                      | \$ 115.39          | 365                   | \$ 42,117.35         | \$ 115.39                   | 2.98%              |
| 1989                                      | \$ 115.39          | 365                   | \$ 42,117.35         | \$ 115.39                   | 0.00%              |
| 1990                                      | \$ 115.39          | 365                   | \$ 42,117.35         | \$ 115.39                   | 0.00%              |
| 1991                                      | \$ 115.39          | 181                   | \$ 20,885.59         | \$ 117.13                   | 1.51%              |
|                                           | \$ 118.85          | 184                   | \$ 21,868.40         |                             |                    |
| 1992                                      | \$ 118.85          | 365                   | \$ 43,380.25         | \$ 118.85                   | 1.46%              |
| 1993                                      | \$ 118.85          | 181                   | \$ 21,511.85         | \$ 120.65                   | 1.51%              |
|                                           | \$ 122.42          | 184                   | \$ 22,525.28         |                             |                    |
| 1994                                      | \$ 122.42          | 181                   | \$ 22,158.02         | \$ 124.89                   | 3.51%              |
|                                           | \$ 127.32          | 184                   | \$ 23,426.88         |                             |                    |
| 1995                                      | \$ 127.32          | 181                   | \$ 23,044.92         | \$ 128.05                   | 2.53%              |
|                                           | \$ 128.04          | 154                   | \$ 19,718.16         |                             |                    |
|                                           | \$ 132.52          | 30                    | \$ 3,975.60          |                             |                    |
| 1996                                      | \$ 132.52          | 365                   | \$ 48,369.80         | \$ 132.52                   | 3.49%              |
| 1997                                      | \$ 132.52          | 181                   | \$ 23,986.12         | \$ 134.86                   | 1.77%              |
|                                           | \$ 137.16          | 184                   | \$ 25,237.44         |                             |                    |
| 1998                                      | \$ 137.16          | 365                   | \$ 50,063.40         | \$ 137.16                   | 1.71%              |
| 1999                                      | \$ 137.16          | 181                   | \$ 24,825.96         | \$ 139.58                   | 1.76%              |
|                                           | \$ 141.96          | 184                   | \$ 26,120.64         |                             |                    |
| 1967 through 1999 Compound Rate of Growth |                    |                       |                      | 5.41%                       |                    |

EDMID101

EMPLOYMENT DATA MAINTENANCE

03/30/99

EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

13:39:33

EE SSN : 713 - 18 - 5105

PF NAME: NORRIS

, G , R

SEX: M

( EVIOUS SURNAME:

DOB: 04 / 29 / 1910 RRB

ADDR1

DOD: 11 / 01 / 1989 RRB

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1975

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1313

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3200662964

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 120

ANN BEGIN DATE: 04 / 30 / 1975

ACCOUNT LAST ACTIVE: 1975

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: 04 / / 1975

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23

MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

(

EDMID100

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

05/08/99  
13:39:45

EE SSN : 713 - 18 - 5105

EP NAME: NORRIS , G , R

SERVICE MONTHS TOTALS

-----  
TOTAL REPORTED : 452  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 452  
CREDITABLE 37-46 : 120  
S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 80 QC'S THRU 1974 : 56 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

COMPENSATION TOTALS

-----  
TIER 1 AMOUNT :\$ 148553.61  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 20046.99  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 104519.38  
37-50 SSA WAGES :\$ 9367.57

1952 QC'S: 0 PATT: \$ 0.00

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19



EDMID104

EMPLOYMENT DATA MAINTENANCE

PAGE: 0001

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

05/08/77

13:39:54

EE SSN: 713 - 18 - 5105

EE NAME: NORRIS

, G , R

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO ----- |       |                  |                 |         |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|----------------------|-------|------------------|-----------------|---------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA      | SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | AMOUNT  |
|                           | 1980 |    |             |              |                |                |              | 4                    | N     | CCCC             | 0000            | 1222.62 |
|                           | 1979 |    |             |              |                |                |              | 4                    | N     | CCCC             | 0000            | 2279.27 |
|                           | 1978 |    |             |              |                |                |              | 4                    | N     | CCCC             | 0000            | 3124.85 |
|                           | 1977 |    |             |              |                |                |              | 4                    | N     | CCCC             | 0000            | 3000.58 |
|                           | 1976 |    |             |              |                |                |              | 4                    | N     | CCCC             | 0000            | 2748.12 |
|                           | 1975 | 4  | 7100        | 0000         |                |                |              | 4                    | N     | CCCC             | 0000            | 5807.09 |
|                           | 1974 | 12 | 7777        | 0000         |                |                |              | 4                    | N     | CCCC             | 0000            | 8298.22 |
|                           | 1973 | 12 | 7777        | 0000         |                |                |              | 4                    | N     | CCCC             | 0000            | 7876.09 |
|                           | 1972 | 12 | 7777        | 0000         |                |                |              | 4                    | N     | CCCC             | 0000            | 8077.59 |
|                           | 1971 | 12 | 7777        | 0000         |                |                |              | 4                    | N     | CCCC             | 0000            | 7800.00 |

USER MESSAGE

-----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22  
 EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDMID104

EMPLOYMENT DATA MAINTENANCE

05/30/99

PAGE: 0002

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:40:04

EE SSN: 713 - 18 - 5105

EE NAME: NORRIS

, G , R

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                       |                   |  |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|-----------------------|-------------------|--|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE YR<br>AMOUNT |  |
| 1970                      | 12   |    | 7777        | 0000         | 5975.60        |                |              | 4 N                   | CCCC 0000             | 7169.45           |  |
| 1969                      | 8    |    | 6666        | 0000         | 1581.51        |                |              | 4 N                   | CCCC 0000             | 6555.74           |  |
| 1968                      | 8    |    | 3437        | 0000         | 1163.88        |                |              | 4 N                   | CCCC 0000             | 5137.77           |  |
| 1967                      | 12   |    | 7777        | 0000         | 6033.54        |                |              | 1 N                   | NNNC 0000             | 267.75            |  |
| 1966                      | 12   |    | 7777        | 0000         | 6600.00        |                |              |                       |                       |                   |  |
| 1965                      | 12   |    | 7777        | 0000         | 5400.00        |                |              |                       |                       |                   |  |
| 1964                      | 12   |    | 7777        | 0000         | 5400.00        |                |              |                       |                       |                   |  |
| 1963                      | 12   |    | 7777        | 0000         | 4900.00        |                |              | 1 N                   | CNNN 0000             | 117.60            |  |
| 1962                      | 12   |    | 7777        | 0000         | 3493.79        |                |              | 3 N                   | C#CC 0000             | 3186.17           |  |
| 1961                      | 12   |    | 7777        | 0000         | 4289.59        |                |              | 4 N                   | CCCC 0000             | 4232.01           |  |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

EDMD104

EMPLOYMENT DATA MAINTENANCE

PAGE: 0003

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

05/08/99

13:40:16

EE SSN: 713 - 18 - 5105

EE NAME: NORRIS

, G , R

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO ----- |       |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|----------------------|-------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA      | SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |
| 1960                      | 12   |    | 7777        | 0000         | 4683.00        |                |              | 4                    | N     | CCCC             | 0000            | 4053.40           |
| 1959                      | 12   |    | 0000        | 0000         | 4290.44        |                |              | 4                    | N     | CCCC             | 0000            | 3646.40           |
| 1958                      | 12   |    | 0000        | 0000         | 4195.38        |                |              | 4                    | N     | CCCC             | 0000            | 4074.75           |
| 1957                      | 12   |    | 0000        | 0000         | 4155.35        |                |              | 4                    | N     | CCCC             | 0000            | 4200.00           |
| 1956                      | 12   |    | 0000        | 0000         | 4187.35        |                |              | 3                    | N     | NCCC             | 0000            | 2276.34           |
| 1955                      | 12   |    | 0000        | 0000         | 4200.00        |                |              |                      |       |                  |                 |                   |
| 1954                      | 12   |    | 0000        | 0000         | 3900.00        |                |              |                      |       |                  |                 |                   |
| 1953                      | 12   |    | 0000        | 0000         | 3600.00        |                |              |                      |       |                  |                 |                   |
| 1952                      | 12   |    | 0000        | 0000         | 3575.35        |                |              |                      |       |                  |                 |                   |
| 1951                      | 12   |    | 0000        | 0000         | 3580.35        |                |              |                      |       |                  |                 |                   |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER           =PF18   MIL SERV =PF22  
 EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDMID104

EMPLOYMENT DATA MAINTENANCE

05/08/99

PAGE: 0004

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:40:27

EE SSN: 713 - 18 - 5105

EE NAME: NORRIS

, G , R

|       |      | ----- RAILROAD INFO ----- |      |        |          |      | ----- SSA INFO ----- |           |           |        |
|-------|------|---------------------------|------|--------|----------|------|----------------------|-----------|-----------|--------|
|       |      | MOS                       | DEEM | TIER-1 | TIER-2   | MISC | ---Q/C--             | WAGE M/S  | WAGE YR   |        |
| S     | YEAR | SM                        | PATT | PATT   | COMP     | COMP | COMP                 | SSA SE&AG | PATT PATT | AMOUNT |
| ===== |      |                           |      |        |          |      |                      |           |           |        |
|       | 1950 | 12                        | 0000 | 0000   | 3488.35  |      |                      |           |           |        |
|       | 1949 | 12                        | 0000 | 0000   | 3278.35  |      |                      |           |           |        |
|       | 1948 | 12                        | 0000 | 0000   | 3317.35  |      |                      |           |           |        |
|       | 1947 | 12                        | 0000 | 0000   | 2350.35  |      |                      |           |           |        |
|       | 1946 | 120                       | 0000 | 0000   | 20046.99 |      |                      |           |           |        |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**George Norris**

*Prepared for*

**Carla Tricarichi**  
**Attorney at Law**

*Prepared by:*

**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

### Personal Data Sheet

|                                            |               |                               |
|--------------------------------------------|---------------|-------------------------------|
| Name:                                      | George Norris |                               |
| Date of Birth:                             | 4/29/1910     |                               |
| Date of Separation                         | 4/30/1975     | (67.12% of 1975 Remains)      |
| Age on:                                    | 4/30/1975     | 65.0 Years                    |
| Work Life Expectancy from:                 | 4/30/1975     | 4.2 Years ( 52.88% of 1979)*  |
| Age at Expiration of Work Life Expectancy: |               | 69.2 Years Old                |
| Life Expectancy from:                      | 4/30/1975     | 16.8 Years ( 12.6% of 1992)** |
| Age at Expiration of Life Expectancy:      |               | 81.8 Years Old                |
| Age on: 9/1/2007                           |               | 97.3 Years                    |
| Work Life Expectancy from:                 | 9/1/2007      | 0.0 Years ( 66.85% of 2007)*  |
| Age at Expiration of Work Life Expectancy: |               | 97.3 Years Old                |
| Life Expectancy from:                      | 9/1/2007      | 2.6 Years ( 26.85% of 2010)** |
| Age at Expiration of Life Expectancy:      |               | 99.9 Years Old                |
| Occupation:                                | Brakeman      |                               |
| Date of Hire:                              | 1929          |                               |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No. 14, Hyattsville. Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

---

Summary Sheet

---

|                                                                         | Value               |
|-------------------------------------------------------------------------|---------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b> |                     |
| A. Displacement Allowance (Interest Based on 10 Year Treasuries)        | \$ 45,200           |
| Pension Benefits                                                        | \$ 4,957            |
| Back Interest through 1/1/2007                                          | <u>\$ 697,401</u>   |
| Total                                                                   | \$ 747,557          |
| <br>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates) | <br>\$ 45,200       |
| Pension Benefits                                                        | \$ 4,957            |
| Back Interest through 1/1/2007                                          | <u>\$ 1,079,249</u> |
| Total                                                                   | \$ 1,129,406        |

Table 1: Schedule Showing the Earnings for the Years 1967-1975, and the Displacement Allowance for George Norris.

| Year                                  | Earnings (a) | Months Employed (a) | Daily Wage Growth Rate (b) | Forecasted Wage Guarantee (c) | Displacement Allowance (d)                  |
|---------------------------------------|--------------|---------------------|----------------------------|-------------------------------|---------------------------------------------|
| 1967                                  | \$ 6,033.54  | 12                  |                            |                               | -                                           |
| 1968                                  | \$ 1,163.88  | 8                   | 5.10%                      | \$ 8,479.58                   | \$ 7,315.70                                 |
| 1969                                  | \$ 1,581.51  | 8                   |                            | \$ 8,912.40                   | \$ 7,330.89                                 |
| 1970                                  | \$ 5,975.60  | 12                  | 8.01%                      | \$ 9,626.09                   | \$ 3,650.49                                 |
| 1971                                  | \$ 6,205.93  | 12                  | 11.45%                     | \$ 10,728.00                  | \$ 4,522.07                                 |
| 1972                                  | \$ 4,740.10  | 12                  | 10.01%                     | \$ 11,801.64                  | \$ 7,061.54                                 |
| 1973                                  | \$ 6,310.14  | 12                  | 12.27%                     | \$ 13,249.62                  | \$ 6,939.48                                 |
| 1974                                  | \$ 10,049.57 | 12                  | 4.47%                      | \$ 13,842.14                  | \$ 3,792.57                                 |
| 1975                                  | \$ 3,561.35  | 4                   | 11.39%                     | \$ 15,418.29                  | -                                           |
| 1975 Annualized Wage for Displacement | \$ 10,831.36 |                     |                            | \$ 15,418.29                  | 1975 Displacement Allowance (f) \$ 4,586.93 |

\* Boxed earnings in the earnings column indicate that Mr. Norris earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 8.

(c) The forecasted wage guarantee is calculated as \$742.70 per month in 1969 per an attachment to the 2/28/1990 letter from Robert O'Neill of the Arbitration Committee. The 1968 wage guarantee is reduced from the 1969 guarantee by the 1968 wage growth rate for brakemen from Tables 6 through 8. The 1970 through 1975 wage guarantees are grown from the 1969 wage guarantee by the brakemen growth rates from Tables 6 through 8.

(d) The displacement allowance for each year is calculated as the forecasted wage guarantee minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1975 annualized wage is calculated as \$3,561.35 divided by (1 - 67.12%). 67.12% is the amount of the year remaining after the date of separation.

(f) The 1975 displacement allowance is partialled out to represent Mr. Norris working for 4 months in 1975.



Table 2: Schedule Showing the Present Value of the Displacement Allowance for George Norris for the Years 1968 through 1975.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1968 | \$ 7,316                                       | \$ 651                  | \$ 7,967                                |
| 1969 | \$ 7,331                                       | \$ 700                  | \$ 8,031                                |
| 1970 | \$ 3,650                                       | \$ 349                  | \$ 3,999                                |
| 1971 | \$ 4,522                                       | \$ 450                  | \$ 4,972                                |
| 1972 | \$ 7,062                                       | \$ 703                  | \$ 7,764                                |
| 1973 | \$ 6,939                                       | \$ 818                  | \$ 7,757                                |
| 1974 | \$ 3,793                                       | \$ 582                  | \$ 4,375                                |
| 1975 | \$ 4,587                                       | \$ 704                  | \$ 5,291                                |
|      | \$ 45,200                                      | \$ 4,957                | \$ 50,156                               |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for George Norris, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 7,967  | \$ 459            | 5.76%              | \$ 8,426         | \$ 459                               |
| 1969     | \$ 8,031  | \$ 1,125          | 6.84%              | \$ 17,582        | \$ 1,125                             |
| 1970     | \$ 3,999  | \$ 1,630          | 7.56%              | \$ 23,212        | \$ 1,630                             |
| 1971     | \$ 4,972  | \$ 1,777          | 6.30%              | \$ 29,960        | \$ 1,777                             |
| 1972     | \$ 7,764  | \$ 2,398          | 6.36%              | \$ 40,122        | \$ 2,398                             |
| 1973     | \$ 7,757  | \$ 3,365          | 7.03%              | \$ 51,245        | \$ 3,365                             |
| 1974     | \$ 4,375  | \$ 4,326          | 7.78%              | \$ 59,945        | \$ 4,326                             |
| 1975     | \$ 5,291  | \$ 5,371          | 8.23%              | \$ 70,607        | \$ 5,371                             |
| 1976     |           | \$ 5,528          | 7.83%              | \$ 76,135        | \$ 5,528                             |
| 1977     |           | \$ 5,808          | 7.63%              | \$ 81,944        | \$ 5,808                             |
| 1978     |           | \$ 7,112          | 8.68%              | \$ 89,055        | \$ 7,112                             |
| 1979     |           | \$ 8,700          | 9.77%              | \$ 97,755        | \$ 8,700                             |
| 1980     |           | \$ 11,662         | 11.93%             | \$ 109,417       | \$ 11,662                            |
| 1981     |           | \$ 16,044         | 14.66%             | \$ 125,461       | \$ 16,044                            |
| 1982     |           | \$ 17,136         | 13.66%             | \$ 142,597       | \$ 17,136                            |
| 1983     |           | \$ 16,499         | 11.57%             | \$ 159,097       | \$ 16,499                            |
| 1984     |           | \$ 20,769         | 13.05%             | \$ 179,866       | \$ 20,769                            |
| 1985     |           | \$ 19,876         | 11.05%             | \$ 199,742       | \$ 19,876                            |
| 1986     |           | \$ 15,766         | 7.89%              | \$ 215,508       | \$ 15,766                            |
| 1987     |           | \$ 18,658         | 8.66%              | \$ 234,166       | \$ 18,658                            |
| 1988     |           | \$ 21,422         | 9.15%              | \$ 255,588       | \$ 21,422                            |
| 1989     |           | \$ 22,400         | 8.76%              | \$ 277,988       | \$ 22,400                            |
| 1990     |           | \$ 24,541         | 8.83%              | \$ 302,529       | \$ 24,541                            |
| 1991     |           | \$ 24,489         | 8.09%              | \$ 327,018       | \$ 24,489                            |
| 1992     |           | \$ 23,534         | 7.20%              | \$ 350,551       | \$ 23,534                            |
| 1993     |           | \$ 21,035         | 6.00%              | \$ 371,586       | \$ 21,035                            |
| 1994     |           | \$ 27,054         | 7.28%              | \$ 398,641       | \$ 27,054                            |
| 1995     |           | \$ 26,843         | 6.73%              | \$ 425,484       | \$ 26,843                            |
| 1996     |           | \$ 28,070         | 6.60%              | \$ 453,554       | \$ 28,070                            |
| 1997     |           | \$ 29,494         | 6.50%              | \$ 483,047       | \$ 29,494                            |
| 1998     |           | \$ 25,914         | 5.36%              | \$ 508,961       | \$ 25,914                            |
| 1999     |           | \$ 29,371         | 5.77%              | \$ 538,333       | \$ 29,371                            |
| 2000     |           | \$ 33,203         | 6.17%              | \$ 571,535       | \$ 33,203                            |
| 2001     |           | \$ 29,236         | 5.12%              | \$ 600,771       | \$ 29,236                            |
| 2002     |           | \$ 28,178         | 4.69%              | \$ 628,949       | \$ 28,178                            |
| 2003     |           | \$ 25,603         | 4.07%              | \$ 654,552       | \$ 25,603                            |
| 2004     |           | \$ 28,400         | 4.34%              | \$ 682,952       | \$ 28,400                            |
| 2005     |           | \$ 29,773         | 4.36%              | \$ 712,725       | \$ 29,773                            |
| 2006 (d) |           | \$ 34,832         | 4.89%              | \$ 747,557       | \$ 34,832                            |
|          |           |                   |                    |                  | \$ 697,401                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for George Norris, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 7,967  | \$ 515            | 6.46%              | \$ 8,482         | \$ 515                               |
| 1969     | \$ 8,031  | \$ 1,352          | 8.19%              | \$ 17,865        | \$ 1,352                             |
| 1970     | \$ 3,999  | \$ 1,781          | 8.15%              | \$ 23,645        | \$ 1,781                             |
| 1971     | \$ 4,972  | \$ 1,673          | 5.85%              | \$ 30,291        | \$ 1,673                             |
| 1972     | \$ 7,764  | \$ 2,037          | 5.35%              | \$ 40,092        | \$ 2,037                             |
| 1973     | \$ 7,757  | \$ 3,950          | 8.25%              | \$ 51,799        | \$ 3,950                             |
| 1974     | \$ 4,375  | \$ 6,313          | 11.24%             | \$ 62,486        | \$ 6,313                             |
| 1975     | \$ 5,291  | \$ 5,486          | 8.09%              | \$ 73,263        | \$ 5,486                             |
| 1976     |           | \$ 5,141          | 7.02%              | \$ 78,404        | \$ 5,141                             |
| 1977     |           | \$ 5,488          | 7.00%              | \$ 83,892        | \$ 5,488                             |
| 1978     |           | \$ 7,854          | 9.36%              | \$ 91,746        | \$ 7,854                             |
| 1979     |           | \$ 12,175         | 13.27%             | \$ 103,921       | \$ 12,175                            |
| 1980     |           | \$ 16,751         | 16.12%             | \$ 120,671       | \$ 16,751                            |
| 1981     |           | \$ 24,420         | 20.24%             | \$ 145,091       | \$ 24,420                            |
| 1982     |           | \$ 22,767         | 15.69%             | \$ 167,858       | \$ 22,767                            |
| 1983     |           | \$ 18,865         | 11.24%             | \$ 186,723       | \$ 18,865                            |
| 1984     |           | \$ 23,517         | 12.59%             | \$ 210,240       | \$ 23,517                            |
| 1985     |           | \$ 21,672         | 10.31%             | \$ 231,912       | \$ 21,672                            |
| 1986     |           | \$ 19,930         | 8.59%              | \$ 251,842       | \$ 19,930                            |
| 1987     |           | \$ 21,300         | 8.46%              | \$ 273,142       | \$ 21,300                            |
| 1988     |           | \$ 26,339         | 9.64%              | \$ 299,482       | \$ 26,339                            |
| 1989     |           | \$ 33,913         | 11.32%             | \$ 333,395       | \$ 33,913                            |
| 1990     |           | \$ 34,644         | 10.39%             | \$ 368,039       | \$ 34,644                            |
| 1991     |           | \$ 32,144         | 8.73%              | \$ 400,182       | \$ 32,144                            |
| 1992     |           | \$ 25,610         | 6.40%              | \$ 425,792       | \$ 25,610                            |
| 1993     |           | \$ 26,128         | 6.14%              | \$ 451,920       | \$ 26,128                            |
| 1994     |           | \$ 33,119         | 7.33%              | \$ 485,038       | \$ 33,119                            |
| 1995     |           | \$ 44,263         | 9.13%              | \$ 529,302       | \$ 44,263                            |
| 1996     |           | \$ 45,154         | 8.53%              | \$ 574,456       | \$ 45,154                            |
| 1997     |           | \$ 50,050         | 8.71%              | \$ 624,506       | \$ 50,050                            |
| 1998     |           | \$ 53,827         | 8.62%              | \$ 678,333       | \$ 53,827                            |
| 1999     |           | \$ 55,872         | 8.24%              | \$ 734,205       | \$ 55,872                            |
| 2000     |           | \$ 70,171         | 9.56%              | \$ 804,376       | \$ 70,171                            |
| 2001     |           | \$ 57,072         | 7.10%              | \$ 861,448       | \$ 57,072                            |
| 2002     |           | \$ 40,983         | 4.76%              | \$ 902,432       | \$ 40,983                            |
| 2003     |           | \$ 37,781         | 4.19%              | \$ 940,213       | \$ 37,781                            |
| 2004     |           | \$ 41,483         | 4.41%              | \$ 981,696       | \$ 41,483                            |
| 2005     |           | \$ 62,141         | 6.33%              | \$ 1,043,837     | \$ 62,141                            |
| 2006 (d) |           | \$ 85,569         | 8.20%              | \$ 1,129,406     | \$ 85,569                            |
|          |           |                   |                    |                  | \$ 1,079,249                         |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Daily Rates for Brakeman from 8/12/1966 through 7/1/1999.

| Effective Date | Yard<br>Brakeman |
|----------------|------------------|
| 8/12/1966      | \$ 25.87         |
| 1/1/1968       | \$ 26.52         |
| 7/1/1968       | \$ 27.85         |
| 1/1/1969       | \$ 28.41         |
| 7/1/1969       | \$ 29.26         |
| 1/1/1970       | \$ 30.72         |
| 11/1/1970      | \$ 33.28         |
| 4/1/1971       | \$ 34.61         |
| 10/1/1971      | \$ 36.34         |
| 4/1/1972       | \$ 38.16         |
| 10/1/1972      | \$ 40.07         |
| 1/1/1973       | \$ 42.27         |
| 4/1/1973       | \$ 43.07         |
| 1/1/1974       | \$ 44.79         |
| 1/1/1975       | \$ 49.27         |
| 10/1/1975      | \$ 51.73         |
| 1/1/1976       | \$ 52.69         |
| 4/1/1976       | \$ 54.24         |
| 7/1/1976       | \$ 55.20         |
| 1/1/1977       | \$ 56.24         |
| 7/1/1977       | \$ 59.89         |
| 1/1/1978       | \$ 61.41         |
| 4/1/1978       | \$ 63.17         |
| 7/1/1978       | \$ 64.69         |
| 10/1/1978      | \$ 65.93         |
| 1/1/1979       | \$ 67.93         |
| 7/1/1979       | \$ 72.58         |
| 1/1/1980       | \$ 74.82         |
| 7/1/1980       | \$ 80.62         |
| 1/1/1981       | \$ 83.18         |
| 4/1/1981       | \$ 84.75         |
| 7/1/1981       | \$ 87.31         |
| 10/1/1981      | \$ 89.71         |
| 1/1/1982       | \$ 92.51         |
| 7/1/1982       | \$ 96.75         |
| 1/1/1983       | \$ 99.47         |
| 7/1/1983       | \$ 102.02        |
| 1/1/1984       | \$ 104.10        |
| 11/1/1985      | \$ 105.13        |
| 1/1/1986       | \$ 107.21        |
| 7/1/1986       | \$ 108.80        |
| 1/1/1987       | \$ 111.22        |
| 7/1/1987       | \$ 112.87        |
| 1/1/1988       | \$ 115.39        |
| 7/1/1991       | \$ 118.85        |
| 7/1/1993       | \$ 122.42        |
| 7/1/1994       | \$ 127.32        |
| 7/1/1995       | \$ 128.04        |
| 12/1/1995      | \$ 132.52        |
| 7/1/1997       | \$ 137.16        |
| 7/1/1999       | \$ 141.96        |

Source: Taken from the UTU/ R & S Dept, October 1996.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1967          | \$ 25.87    | 365            | \$ 9,442.55   | \$ 25.87             |             |
| 1968          | \$ 26.52    | 181            | \$ 4,800.12   | \$ 27.19             | 5.10%       |
|               | \$ 27.85    | 184            | \$ 5,124.40   |                      |             |
| 1969          | \$ 28.41    | 181            | \$ 5,142.21   | \$ 28.84             | 6.06%       |
|               | \$ 29.26    | 184            | \$ 5,383.84   |                      |             |
| 1970          | \$ 30.72    | 304            | \$ 9,338.88   | \$ 31.15             | 8.01%       |
|               | \$ 33.28    | 61             | \$ 2,030.08   |                      |             |
| 1971          | \$ 33.28    | 90             | \$ 2,995.20   | \$ 34.71             | 11.45%      |
|               | \$ 34.61    | 184            | \$ 6,368.24   |                      |             |
|               | \$ 36.34    | 91             | \$ 3,306.94   |                      |             |
| 1972          | \$ 36.34    | 90             | \$ 3,270.60   | \$ 38.19             | 10.01%      |
|               | \$ 38.16    | 184            | \$ 7,021.44   |                      |             |
|               | \$ 40.07    | 91             | \$ 3,646.37   |                      |             |
| 1973          | \$ 42.27    | 90             | \$ 3,804.30   | \$ 42.87             | 12.27%      |
|               | \$ 43.07    | 275            | \$ 11,844.25  |                      |             |
| 1974          | \$ 44.79    | 365            | \$ 16,348.35  | \$ 44.79             | 4.47%       |
| 1975          | \$ 49.27    | 273            | \$ 13,450.71  | \$ 49.89             | 11.39%      |
|               | \$ 51.73    | 92             | \$ 4,759.16   |                      |             |
| 1976          | \$ 52.69    | 90             | \$ 4,742.10   | \$ 54.34             | 8.92%       |
|               | \$ 54.24    | 92             | \$ 4,990.08   |                      |             |
|               | \$ 55.20    | 183            | \$ 10,101.60  |                      |             |
| 1977          | \$ 56.24    | 181            | \$ 10,179.44  | \$ 58.08             | 6.88%       |
|               | \$ 59.89    | 184            | \$ 11,019.76  |                      |             |
| 1978          | \$ 61.41    | 90             | \$ 5,526.90   | \$ 63.81             | 9.86%       |
|               | \$ 63.17    | 92             | \$ 5,811.64   |                      |             |
|               | \$ 64.69    | 92             | \$ 5,951.48   |                      |             |
|               | \$ 65.93    | 91             | \$ 5,999.63   |                      |             |
| 1979          | \$ 67.93    | 181            | \$ 12,295.33  | \$ 70.27             | 10.13%      |
|               | \$ 72.58    | 184            | \$ 13,354.72  |                      |             |
| 1980          | \$ 74.82    | 181            | \$ 13,542.42  | \$ 77.74             | 10.63%      |
|               | \$ 80.62    | 184            | \$ 14,834.08  |                      |             |
| 1981          | \$ 83.18    | 90             | \$ 7,486.20   | \$ 85.00             | 9.33%       |
|               | \$ 84.75    | 184            | \$ 15,594.00  |                      |             |
|               | \$ 87.31    | 91             | \$ 7,945.21   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1982          | \$ 92.51    | 181            | \$ 16,744.31  | \$ 94.65             | 11.35%      |
|               | \$ 96.75    | 184            | \$ 17,802.00  |                      |             |
| 1983          | \$ 99.47    | 181            | \$ 18,004.07  | \$ 100.76            | 6.45%       |
|               | \$ 102.02   | 184            | \$ 18,771.68  |                      |             |
| 1984          | \$ 104.10   | 365            | \$ 37,996.50  | \$ 104.10            | 3.32%       |
| 1985          | \$ 104.10   | 304            | \$ 31,646.40  | \$ 104.27            | 0.17%       |
|               | \$ 105.13   | 61             | \$ 6,412.93   |                      |             |
| 1986          | \$ 107.21   | 181            | \$ 19,405.01  | \$ 108.01            | 3.59%       |
|               | \$ 108.80   | 184            | \$ 20,019.20  |                      |             |
| 1987          | \$ 111.22   | 181            | \$ 20,130.82  | \$ 112.05            | 3.74%       |
|               | \$ 112.87   | 184            | \$ 20,768.08  |                      |             |
| 1988          | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 2.98%       |
| 1989          | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 0.00%       |
| 1990          | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 0.00%       |
| 1991          | \$ 115.39   | 181            | \$ 20,885.59  | \$ 117.13            | 1.51%       |
|               | \$ 118.85   | 184            | \$ 21,868.40  |                      |             |
| 1992          | \$ 118.85   | 365            | \$ 43,380.25  | \$ 118.85            | 1.46%       |
| 1993          | \$ 118.85   | 181            | \$ 21,511.85  | \$ 120.65            | 1.51%       |
|               | \$ 122.42   | 184            | \$ 22,525.28  |                      |             |
| 1994          | \$ 122.42   | 181            | \$ 22,158.02  | \$ 124.89            | 3.51%       |
|               | \$ 127.32   | 184            | \$ 23,426.88  |                      |             |
| 1995          | \$ 127.32   | 181            | \$ 23,044.92  | \$ 128.05            | 2.53%       |
|               | \$ 128.04   | 154            | \$ 19,718.16  |                      |             |
|               | \$ 132.52   | 30             | \$ 3,975.60   |                      |             |
| 1996          | \$ 132.52   | 365            | \$ 48,369.80  | \$ 132.52            | 3.49%       |
| 1997          | \$ 132.52   | 181            | \$ 23,986.12  | \$ 134.86            | 1.77%       |
|               | \$ 137.16   | 184            | \$ 25,237.44  |                      |             |
| 1998          | \$ 137.16   | 365            | \$ 50,063.40  | \$ 137.16            | 1.71%       |
| 1999          | \$ 137.16   | 181            | \$ 24,825.96  | \$ 139.58            | 1.76%       |
|               | \$ 141.96   | 184            | \$ 26,120.64  |                      |             |

1967 through 1999 Compound Rate of Growth

5.41%

EDMID101

EMPLOYMENT DATA PRINTOUT  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

01/03/92  
11:34:58

EE SSN : 288 - 22 - 4006

PF NAME: STEIMLE JR

, C ,

SEX: M

PREVIOUS SURNAME:

DOB: 10 / 22 / 1927 RRB

ADDR1

DOD: / /

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1989

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1321

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 2200629895

DORMANT ACCOUNT?(Y/N): N

LAST ICC CODE: 600

ANN BEGIN DATE: 12 / 01 / 1989

ACCOUNT LAST ACTIVE: 1990

SERVICE AFTER ABD: YES

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: 11 / / 1989

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24



EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

11:34:47

EE SSN : 288 - 22 - 4006

EF NAME: STEIMLE JR , C ,

SERVICE MONTHS TOTALS

-----  
TOTAL REPORTED : 420  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 420  
CREDITABLE 37-46 : 000  
S-C 37-46 ADJ CODE : NO 37-46 DATA

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 20 QC'S THRU 1974 : 20 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

COMPENSATION TOTALS

-----  
TIER 1 AMOUNT :\$ 421391.50  
TIER 2 AMOUNT :\$ 271964.34  
MISC COMP AMOUNT :\$ 4199.44  
37-46 AMOUNT :\$ 0.00  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 21598.10  
37-50 SSA WAGES :\$ 14790.51

1952 QC'S: 0 PATT: \$ 0.00

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMID104

EMPLOYMENT DATA PRINTOUT

PAGE: 0001

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

00000000

11:33:44

EE SSN: 288 - 22 - 4006

EE NAME: STEIMLE JR

, C ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |        |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|--------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | AMOUNT |
|                           | 1990 |    | 0000        | 0000         |                |                | 1649.44      |                       |                  |                 |        |
|                           | 1989 | 12 | 7777        | 0000         | 42846.00       | 35700.00       |              |                       |                  |                 |        |
|                           | 1988 | 12 | 7777        | 0000         | 38780.09       | 33600.00       |              |                       |                  |                 |        |
|                           | 1987 | 12 | 7777        | 0000         | 34054.76       | 32700.00       | 775.00       |                       |                  |                 |        |
|                           | 1986 | 12 | 7777        | 0000         | 35411.85       | 31500.00       |              |                       |                  |                 |        |
|                           | 1985 | 12 | 7777        | 0000         | 30062.70       | 28357.15       |              |                       |                  |                 |        |
|                           | 1984 | 11 | 5777        | 0000         | 21160.43       | 21088.28       | 1325.00      |                       |                  |                 |        |
|                           | 1983 | 12 | 7777        | 0000         | 17304.59       | 16461.02       | 450.00       |                       |                  |                 |        |
|                           | 1982 | 12 | 7777        | 0000         | 19095.18       | 18420.18       |              |                       |                  |                 |        |
|                           | 1981 | 12 | 7777        | 0000         | 22007.74       | 21028.86       |              |                       |                  |                 |        |

USER MESSAGE

-----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22

EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDMID104

EMPLOYMENT DATA MAINTENANCE

PAGE: 0002

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

11:33:56

EE SSN: 288 - 22 - 4006

EE NAME: STEIMLE JR

, C ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |        |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|--------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | AMOUNT |
| 1980                      | 12   |    | 7777        | 0000         | 20586.82       | 18936.60       |              |                       |                  |                 |        |
| 1979                      | 11   |    | 5777        | 0000         | 14172.25       | 14172.25       |              |                       |                  |                 |        |
| 1978                      | 12   |    | 7777        | 0000         | 13030.91       |                |              |                       |                  |                 |        |
| 1977                      | 12   |    | 7777        | 0000         | 11423.53       |                |              |                       |                  |                 |        |
| 1976                      | 12   |    | 7777        | 0000         | 9158.90        |                |              |                       |                  |                 |        |
| 1975                      | 12   |    | 7777        | 0000         | 9139.65        |                |              |                       |                  |                 |        |
| 1974                      | 12   |    | 7777        | 0000         | 6230.94        |                |              |                       |                  |                 |        |
| 1973                      | 12   |    | 7777        | 0000         | 5810.37        |                |              |                       |                  |                 |        |
| 1972                      | 12   |    | 7777        | 0000         | 4534.77        |                |              |                       |                  |                 |        |
| 1971                      | 10   |    | 7573        | 0000         | 3505.73        |                |              |                       |                  |                 |        |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

## -----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

EDMID104

EMPLOYMENT DATA MAINTENANCE

PAGE: 0003

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

01/03/95

11:34:05

EE SSN: 288 - 22 - 4006

EE NAME: STEIMLE JR

, C ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |        |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|--------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | AMOUNT |
|                           | 1970 | 12 | 7777        | 0000         | 4458.32        |                |              |                       |                  |                 |        |
|                           | 1969 | 5  | 2047        | 0000         | 2349.91        |                |              |                       |                  |                 |        |
|                           | 1968 | 3  | 7000        | 0000         | 1514.88        |                |              |                       |                  |                 |        |
|                           | 1967 | 11 | 7775        | 0000         | 2540.35        |                |              |                       |                  |                 |        |
|                           | 1966 | 12 | 7777        | 0000         | 3198.43        |                |              |                       |                  |                 |        |
|                           | 1965 | 12 | 7777        | 0000         | 4254.39        |                |              |                       |                  |                 |        |
|                           | 1964 | 9  | 7635        | 0000         | 964.73         |                |              |                       |                  |                 |        |
|                           | 1963 | 2  | 0404        | 0000         | 517.50         |                |              |                       |                  |                 |        |
|                           | 1962 | 5  | 7044        | 0000         | 1075.00        |                |              |                       |                  |                 |        |
|                           | 1961 | 12 | 7777        | 0000         | 3492.03        |                |              |                       |                  |                 |        |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22

EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDMID104

EMPLOYMENT DATA MAINTENANCE

PAGE: 0004

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

11:34:15

EE SSN: 288 - 22 - 4006

EE NAME: STEIMLE JR

, C ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                       |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|-----------------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE YR<br>AMOUNT |
|                           | 1960 | 12 | 7777        | 0000         | 4800.00        |                |                      | 4                     | S SSSS 0000           | 1573.58           |
|                           | 1959 | 12 | 0000        | 0000         | 4521.75        |                |                      |                       |                       |                   |
|                           | 1958 | 12 | 0000        | 0000         | 4200.00        |                |                      |                       |                       |                   |
|                           | 1957 | 12 | 0000        | 0000         | 4192.50        |                |                      | 4                     | S SSSS 0000           | 1162.99           |
|                           | 1956 | 12 | 0000        | 0000         | 4194.50        |                |                      |                       |                       |                   |
|                           | 1955 | 12 | 0000        | 0000         | 4200.00        |                |                      | 4                     | S SSSS 0000           | 401.02            |
|                           | 1954 | 12 | 0000        | 0000         | 3900.00        |                |                      | 4                     | S SSSS 0000           | 675.33            |
|                           | 1953 | 12 | 0000        | 0000         | 3600.00        |                |                      | 4                     | S SSSS 0000           | 762.00            |
|                           | 1952 | 12 | 0000        | 0000         | 3600.00        |                |                      |                       |                       |                   |
|                           | 1951 | 5  | 0000        | 0000         | 1500.00        |                |                      | N                     | NNNN 0000             | 2232.67           |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

## -----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22  
 EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

**Preliminary Report**  
*concerning the*  
**Displacement Allowance**  
*of*  
**Christ Steimle**

*Prepared for*  
  
Carla Tricarichi  
Attorney at Law

*Prepared by:*  
  
**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

### Personal Data Sheet

|                                            |                |                                |
|--------------------------------------------|----------------|--------------------------------|
| Name:                                      | Christ Steimle |                                |
| Date of Birth:                             | 10/22/1927     |                                |
| Date of Separation                         | 12/31/1989     | (0% of 1989 Remains)           |
| Age on:                                    | 12/31/1989     | 62.2 Years                     |
| Work Life Expectancy from:                 | 12/31/1989     | 4.9 Years ( 90.14% of 1994)*   |
| Age at Expiration of Work Life Expectancy: |                | 67.1 Years Old                 |
| Life Expectancy from:                      | 12/31/1989     | 18.9 Years ( 89.86% of 2008)** |
| Age at Expiration of Life Expectancy:      |                | 81.1 Years Old                 |
| Age on: 9/1/2007                           |                | 79.9 Years                     |
| Work Life Expectancy from:                 | 9/1/2007       | 0.0 Years ( 66.85% of 2007)*   |
| Age at Expiration of Work Life Expectancy: |                | 79.9 Years Old                 |
| Life Expectancy from:                      | 9/1/2007       | 8.0 Years ( 66.85% of 2015)**  |
| Age at Expiration of Life Expectancy:      |                | 87.9 Years Old                 |
| Occupation:                                | Brakeman       |                                |
| Date of Hire:                              | 1951           |                                |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville. Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

---

Summary Sheet

---

|                                                                            | Value            |
|----------------------------------------------------------------------------|------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>    |                  |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>    | \$ 3,239         |
| Pension Benefits                                                           | \$ 301           |
| Back Interest through 1/1/2007                                             | <u>\$ 57,735</u> |
| <b>Total</b>                                                               | <b>\$ 61,274</b> |
| <b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | \$ 3,239         |
| Pension Benefits                                                           | \$ 301           |
| Back Interest through 1/1/2007                                             | <u>\$ 89,970</u> |
| <b>Total</b>                                                               | <b>\$ 93,509</b> |



Table 1: Schedule Showing the Earnings for the Years 1967-1989, and the Displacement Allowance for Christ Steimle.

| Year | Earnings (a) | Months Employed (a) | Daily Wage Growth Rate (b) | Forecasted Wage Guarantee (c) | Displacement Allowance (d) |
|------|--------------|---------------------|----------------------------|-------------------------------|----------------------------|
| 1967 | \$ 2,540.35  | 11                  |                            |                               | -                          |
| 1968 | \$ 1,514.88  | 3                   | 5.10%                      | \$ 3,199.34                   | \$ 1,684.46                |
| 1969 | \$ 2,349.91  | 5                   |                            | \$ 3,362.64                   | \$ 1,012.73                |
| 1970 | \$ 4,458.32  | 12                  | 8.01%                      | \$ 3,631.92                   | -                          |
| 1971 | \$ 3,505.73  | 10                  | 11.45%                     | \$ 4,047.67                   | \$ 541.94                  |
| 1972 | \$ 4,534.77  | 12                  | 10.01%                     | \$ 4,452.75                   | -                          |
| 1973 | \$ 5,810.37  | 12                  | 12.27%                     | \$ 4,999.07                   | -                          |
| 1974 | \$ 6,230.94  | 12                  | 4.47%                      | \$ 5,222.63                   | -                          |
| 1975 | \$ 9,139.65  | 12                  | 11.39%                     | \$ 5,817.30                   | -                          |
| 1976 | \$ 9,158.90  | 12                  | 8.92%                      | \$ 6,336.08                   | -                          |
| 1977 | \$ 11,423.53 | 12                  | 6.88%                      | \$ 6,772.27                   | -                          |
| 1978 | \$ 13,030.91 | 12                  | 9.86%                      | \$ 7,440.09                   | -                          |
| 1979 | \$ 14,172.25 | 11                  | 10.13%                     | \$ 8,194.14                   | -                          |
| 1980 | \$ 20,586.82 | 12                  | 10.63%                     | \$ 9,065.12                   | -                          |
| 1981 | \$ 22,007.74 | 12                  | 9.33%                      | \$ 9,911.34                   | -                          |
| 1982 | \$ 19,095.18 | 12                  | 11.35%                     | \$ 11,036.13                  | -                          |
| 1983 | \$ 17,304.59 | 12                  | 6.45%                      | \$ 11,748.34                  | -                          |
| 1984 | \$ 21,160.43 | 11                  | 3.32%                      | \$ 12,138.32                  | -                          |
| 1985 | \$ 30,062.70 | 12                  | 0.17%                      | \$ 12,158.39                  | -                          |
| 1986 | \$ 35,411.85 | 12                  | 3.59%                      | \$ 12,594.41                  | -                          |
| 1987 | \$ 34,054.76 | 12                  | 3.74%                      | \$ 13,065.52                  | -                          |
| 1988 | \$ 38,780.09 | 12                  | 2.98%                      | \$ 13,454.76                  | -                          |
| 1989 | \$ 42,846.00 | 12                  | 0.00%                      | \$ 13,454.76                  | -                          |

\* Boxed earnings in the earnings column indicate that Mr. Steimle earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 8.

(c) The forecasted wage guarantee is calculated as \$280.22 per month in 1969 per an attachment to the 2/28/1990 letter from Robert O'Neill of the Arbitration Committee. The 1968 wage guarantee is reduced from the 1969 guarantee by the 1968 wage growth rate for brakemen from Tables 6 through 8. The 1970 through 1989 wage guarantees are grown from the 1969 wage guarantee by the brakemen growth rates from Tables 6 through 8.

(d) The displacement allowance for each year is calculated as the forecasted wage guarantee minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Christ Steimle for the Years 1968 through 1971.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1968 | \$ 1,684                                       | \$ 150                  | \$ 1,834                                |
| 1969 | \$ 1,013                                       | \$ 97                   | \$ 1,109                                |
| 1970 | -                                              | -                       | -                                       |
| 1971 | \$ 542                                         | \$ 54                   | \$ 596                                  |
|      | \$ 3,239                                       | \$ 301                  | \$ 3,540                                |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Christ Steimle, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 1,834  | \$ 106            | 5.76%              | \$ 1,940         | \$ 106                               |
| 1969     | \$ 1,109  | \$ 209            | 6.84%              | \$ 3,258         | \$ 209                               |
| 1970     | \$ -      | \$ 246            | 7.56%              | \$ 3,504         | \$ 246                               |
| 1971     | \$ 596    | \$ 258            | 6.30%              | \$ 4,358         | \$ 258                               |
| 1972     |           | \$ 277            | 6.36%              | \$ 4,636         | \$ 277                               |
| 1973     |           | \$ 326            | 7.03%              | \$ 4,961         | \$ 326                               |
| 1974     |           | \$ 386            | 7.78%              | \$ 5,347         | \$ 386                               |
| 1975     |           | \$ 440            | 8.23%              | \$ 5,787         | \$ 440                               |
| 1976     |           | \$ 453            | 7.83%              | \$ 6,241         | \$ 453                               |
| 1977     |           | \$ 476            | 7.63%              | \$ 6,717         | \$ 476                               |
| 1978     |           | \$ 583            | 8.68%              | \$ 7,300         | \$ 583                               |
| 1979     |           | \$ 713            | 9.77%              | \$ 8,013         | \$ 713                               |
| 1980     |           | \$ 956            | 11.93%             | \$ 8,968         | \$ 956                               |
| 1981     |           | \$ 1,315          | 14.66%             | \$ 10,284        | \$ 1,315                             |
| 1982     |           | \$ 1,405          | 13.66%             | \$ 11,688        | \$ 1,405                             |
| 1983     |           | \$ 1,352          | 11.57%             | \$ 13,041        | \$ 1,352                             |
| 1984     |           | \$ 1,702          | 13.05%             | \$ 14,743        | \$ 1,702                             |
| 1985     |           | \$ 1,629          | 11.05%             | \$ 16,372        | \$ 1,629                             |
| 1986     |           | \$ 1,292          | 7.89%              | \$ 17,664        | \$ 1,292                             |
| 1987     |           | \$ 1,529          | 8.66%              | \$ 19,194        | \$ 1,529                             |
| 1988     |           | \$ 1,756          | 9.15%              | \$ 20,950        | \$ 1,756                             |
| 1989     |           | \$ 1,836          | 8.76%              | \$ 22,786        | \$ 1,836                             |
| 1990     |           | \$ 2,012          | 8.83%              | \$ 24,797        | \$ 2,012                             |
| 1991     |           | \$ 2,007          | 8.09%              | \$ 26,804        | \$ 2,007                             |
| 1992     |           | \$ 1,929          | 7.20%              | \$ 28,733        | \$ 1,929                             |
| 1993     |           | \$ 1,724          | 6.00%              | \$ 30,457        | \$ 1,724                             |
| 1994     |           | \$ 2,218          | 7.28%              | \$ 32,675        | \$ 2,218                             |
| 1995     |           | \$ 2,200          | 6.73%              | \$ 34,875        | \$ 2,200                             |
| 1996     |           | \$ 2,301          | 6.60%              | \$ 37,176        | \$ 2,301                             |
| 1997     |           | \$ 2,417          | 6.50%              | \$ 39,594        | \$ 2,417                             |
| 1998     |           | \$ 2,124          | 5.36%              | \$ 41,718        | \$ 2,124                             |
| 1999     |           | \$ 2,407          | 5.77%              | \$ 44,125        | \$ 2,407                             |
| 2000     |           | \$ 2,722          | 6.17%              | \$ 46,847        | \$ 2,722                             |
| 2001     |           | \$ 2,396          | 5.12%              | \$ 49,243        | \$ 2,396                             |
| 2002     |           | \$ 2,310          | 4.69%              | \$ 51,553        | \$ 2,310                             |
| 2003     |           | \$ 2,099          | 4.07%              | \$ 53,651        | \$ 2,099                             |
| 2004     |           | \$ 2,328          | 4.34%              | \$ 55,979        | \$ 2,328                             |
| 2005     |           | \$ 2,440          | 4.36%              | \$ 58,419        | \$ 2,440                             |
| 2006 (d) |           | \$ 2,855          | 4.89%              | \$ 61,274        | \$ 2,855                             |
|          |           |                   |                    |                  | \$ 57,735                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Christ Steimle, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 1,834  | \$ 119            | 6.46%              | \$ 1,953         | \$ 119                               |
| 1969     | \$ 1,109  | \$ 251            | 8.19%              | \$ 3,313         | \$ 251                               |
| 1970     | \$ -      | \$ 270            | 8.15%              | \$ 3,583         | \$ 270                               |
| 1971     | \$ 596    | \$ 244            | 5.85%              | \$ 4,423         | \$ 244                               |
| 1972     |           | \$ 237            | 5.35%              | \$ 4,660         | \$ 237                               |
| 1973     |           | \$ 385            | 8.25%              | \$ 5,045         | \$ 385                               |
| 1974     |           | \$ 567            | 11.24%             | \$ 5,612         | \$ 567                               |
| 1975     |           | \$ 454            | 8.09%              | \$ 6,066         | \$ 454                               |
| 1976     |           | \$ 426            | 7.02%              | \$ 6,491         | \$ 426                               |
| 1977     |           | \$ 454            | 7.00%              | \$ 6,946         | \$ 454                               |
| 1978     |           | \$ 650            | 9.36%              | \$ 7,596         | \$ 650                               |
| 1979     |           | \$ 1,008          | 13.27%             | \$ 8,604         | \$ 1,008                             |
| 1980     |           | \$ 1,387          | 16.12%             | \$ 9,991         | \$ 1,387                             |
| 1981     |           | \$ 2,022          | 20.24%             | \$ 12,013        | \$ 2,022                             |
| 1982     |           | \$ 1,885          | 15.69%             | \$ 13,898        | \$ 1,885                             |
| 1983     |           | \$ 1,562          | 11.24%             | \$ 15,460        | \$ 1,562                             |
| 1984     |           | \$ 1,947          | 12.59%             | \$ 17,407        | \$ 1,947                             |
| 1985     |           | \$ 1,794          | 10.31%             | \$ 19,201        | \$ 1,794                             |
| 1986     |           | \$ 1,650          | 8.59%              | \$ 20,851        | \$ 1,650                             |
| 1987     |           | \$ 1,764          | 8.46%              | \$ 22,615        | \$ 1,764                             |
| 1988     |           | \$ 2,181          | 9.64%              | \$ 24,796        | \$ 2,181                             |
| 1989     |           | \$ 2,808          | 11.32%             | \$ 27,603        | \$ 2,808                             |
| 1990     |           | \$ 2,868          | 10.39%             | \$ 30,472        | \$ 2,868                             |
| 1991     |           | \$ 2,661          | 8.73%              | \$ 33,133        | \$ 2,661                             |
| 1992     |           | \$ 2,120          | 6.40%              | \$ 35,253        | \$ 2,120                             |
| 1993     |           | \$ 2,163          | 6.14%              | \$ 37,417        | \$ 2,163                             |
| 1994     |           | \$ 2,742          | 7.33%              | \$ 40,159        | \$ 2,742                             |
| 1995     |           | \$ 3,665          | 9.13%              | \$ 43,824        | \$ 3,665                             |
| 1996     |           | \$ 3,739          | 8.53%              | \$ 47,562        | \$ 3,739                             |
| 1997     |           | \$ 4,144          | 8.71%              | \$ 51,706        | \$ 4,144                             |
| 1998     |           | \$ 4,457          | 8.62%              | \$ 56,163        | \$ 4,457                             |
| 1999     |           | \$ 4,626          | 8.24%              | \$ 60,789        | \$ 4,626                             |
| 2000     |           | \$ 5,810          | 9.56%              | \$ 66,598        | \$ 5,810                             |
| 2001     |           | \$ 4,725          | 7.10%              | \$ 71,324        | \$ 4,725                             |
| 2002     |           | \$ 3,393          | 4.76%              | \$ 74,717        | \$ 3,393                             |
| 2003     |           | \$ 3,128          | 4.19%              | \$ 77,845        | \$ 3,128                             |
| 2004     |           | \$ 3,435          | 4.41%              | \$ 81,280        | \$ 3,435                             |
| 2005     |           | \$ 5,145          | 6.33%              | \$ 86,425        | \$ 5,145                             |
| 2006 (d) |           | \$ 7,085          | 8.20%              | \$ 93,509        | \$ 7,085                             |
|          |           |                   |                    |                  | \$ 89,970                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Daily Rates for Brakeman from 8/12/1966 through 7/1/1999.

| Effective Date | Yard<br>Brakeman |
|----------------|------------------|
| 8/12/1966      | \$ 25.87         |
| 1/1/1968       | \$ 26.52         |
| 7/1/1968       | \$ 27.85         |
| 1/1/1969       | \$ 28.41         |
| 7/1/1969       | \$ 29.26         |
| 1/1/1970       | \$ 30.72         |
| 11/1/1970      | \$ 33.28         |
| 4/1/1971       | \$ 34.61         |
| 10/1/1971      | \$ 36.34         |
| 4/1/1972       | \$ 38.16         |
| 10/1/1972      | \$ 40.07         |
| 1/1/1973       | \$ 42.27         |
| 4/1/1973       | \$ 43.07         |
| 1/1/1974       | \$ 44.79         |
| 1/1/1975       | \$ 49.27         |
| 10/1/1975      | \$ 51.73         |
| 1/1/1976       | \$ 52.69         |
| 4/1/1976       | \$ 54.24         |
| 7/1/1976       | \$ 55.20         |
| 1/1/1977       | \$ 56.24         |
| 7/1/1977       | \$ 59.89         |
| 1/1/1978       | \$ 61.41         |
| 4/1/1978       | \$ 63.17         |
| 7/1/1978       | \$ 64.69         |
| 10/1/1978      | \$ 65.93         |
| 1/1/1979       | \$ 67.93         |
| 7/1/1979       | \$ 72.58         |
| 1/1/1980       | \$ 74.82         |
| 7/1/1980       | \$ 80.62         |
| 1/1/1981       | \$ 83.18         |
| 4/1/1981       | \$ 84.75         |
| 7/1/1981       | \$ 87.31         |
| 10/1/1981      | \$ 89.71         |
| 1/1/1982       | \$ 92.51         |
| 7/1/1982       | \$ 96.75         |
| 1/1/1983       | \$ 99.47         |
| 7/1/1983       | \$ 102.02        |
| 1/1/1984       | \$ 104.10        |
| 11/1/1985      | \$ 105.13        |
| 1/1/1986       | \$ 107.21        |
| 7/1/1986       | \$ 108.80        |
| 1/1/1987       | \$ 111.22        |
| 7/1/1987       | \$ 112.87        |
| 1/1/1988       | \$ 115.39        |
| 7/1/1991       | \$ 118.85        |
| 7/1/1993       | \$ 122.42        |
| 7/1/1994       | \$ 127.32        |
| 7/1/1995       | \$ 128.04        |
| 12/1/1995      | \$ 132.52        |
| 7/1/1997       | \$ 137.16        |
| 7/1/1999       | \$ 141.96        |

Source: Taken from the UTU/ R &amp; S Dept, October 1996.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman.

| <u>Calendar Year</u> | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|----------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1967                 | \$ 25.87           | 365                   | \$ 9,442.55          | \$ 25.87                    |                    |
| 1968                 | \$ 26.52           | 181                   | \$ 4,800.12          | \$ 27.19                    | 5.10%              |
|                      | \$ 27.85           | 184                   | \$ 5,124.40          |                             |                    |
| 1969                 | \$ 28.41           | 181                   | \$ 5,142.21          | \$ 28.84                    | 6.06%              |
|                      | \$ 29.26           | 184                   | \$ 5,383.84          |                             |                    |
| 1970                 | \$ 30.72           | 304                   | \$ 9,338.88          | \$ 31.15                    | 8.01%              |
|                      | \$ 33.28           | 61                    | \$ 2,030.08          |                             |                    |
| 1971                 | \$ 33.28           | 90                    | \$ 2,995.20          | \$ 34.71                    | 11.45%             |
|                      | \$ 34.61           | 184                   | \$ 6,368.24          |                             |                    |
|                      | \$ 36.34           | 91                    | \$ 3,306.94          |                             |                    |
| 1972                 | \$ 36.34           | 90                    | \$ 3,270.60          | \$ 38.19                    | 10.01%             |
|                      | \$ 38.16           | 184                   | \$ 7,021.44          |                             |                    |
|                      | \$ 40.07           | 91                    | \$ 3,646.37          |                             |                    |
| 1973                 | \$ 42.27           | 90                    | \$ 3,804.30          | \$ 42.87                    | 12.27%             |
|                      | \$ 43.07           | 275                   | \$ 11,844.25         |                             |                    |
| 1974                 | \$ 44.79           | 365                   | \$ 16,348.35         | \$ 44.79                    | 4.47%              |
| 1975                 | \$ 49.27           | 273                   | \$ 13,450.71         | \$ 49.89                    | 11.39%             |
|                      | \$ 51.73           | 92                    | \$ 4,759.16          |                             |                    |
| 1976                 | \$ 52.69           | 90                    | \$ 4,742.10          | \$ 54.34                    | 8.92%              |
|                      | \$ 54.24           | 92                    | \$ 4,990.08          |                             |                    |
|                      | \$ 55.20           | 183                   | \$ 10,101.60         |                             |                    |
| 1977                 | \$ 56.24           | 181                   | \$ 10,179.44         | \$ 58.08                    | 6.88%              |
|                      | \$ 59.89           | 184                   | \$ 11,019.76         |                             |                    |
| 1978                 | \$ 61.41           | 90                    | \$ 5,526.90          | \$ 63.81                    | 9.86%              |
|                      | \$ 63.17           | 92                    | \$ 5,811.64          |                             |                    |
|                      | \$ 64.69           | 92                    | \$ 5,951.48          |                             |                    |
|                      | \$ 65.93           | 91                    | \$ 5,999.63          |                             |                    |
| 1979                 | \$ 67.93           | 181                   | \$ 12,295.33         | \$ 70.27                    | 10.13%             |
|                      | \$ 72.58           | 184                   | \$ 13,354.72         |                             |                    |
| 1980                 | \$ 74.82           | 181                   | \$ 13,542.42         | \$ 77.74                    | 10.63%             |
|                      | \$ 80.62           | 184                   | \$ 14,834.08         |                             |                    |
| 1981                 | \$ 83.18           | 90                    | \$ 7,486.20          | \$ 85.00                    | 9.33%              |
|                      | \$ 84.75           | 184                   | \$ 15,594.00         |                             |                    |
|                      | \$ 87.31           | 91                    | \$ 7,945.21          |                             |                    |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman. (Cont.)

| Calendar Year                             | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|-------------------------------------------|-------------|----------------|---------------|----------------------|-------------|
| 1982                                      | \$ 92.51    | 181            | \$ 16,744.31  | \$ 94.65             | 11.35%      |
|                                           | \$ 96.75    | 184            | \$ 17,802.00  |                      |             |
| 1983                                      | \$ 99.47    | 181            | \$ 18,004.07  | \$ 100.76            | 6.45%       |
|                                           | \$ 102.02   | 184            | \$ 18,771.68  |                      |             |
| 1984                                      | \$ 104.10   | 365            | \$ 37,996.50  | \$ 104.10            | 3.32%       |
| 1985                                      | \$ 104.10   | 304            | \$ 31,646.40  | \$ 104.27            | 0.17%       |
|                                           | \$ 105.13   | 61             | \$ 6,412.93   |                      |             |
| 1986                                      | \$ 107.21   | 181            | \$ 19,405.01  | \$ 108.01            | 3.59%       |
|                                           | \$ 108.80   | 184            | \$ 20,019.20  |                      |             |
| 1987                                      | \$ 111.22   | 181            | \$ 20,130.82  | \$ 112.05            | 3.74%       |
|                                           | \$ 112.87   | 184            | \$ 20,768.08  |                      |             |
| 1988                                      | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 2.98%       |
| 1989                                      | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 0.00%       |
| 1990                                      | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 0.00%       |
| 1991                                      | \$ 115.39   | 181            | \$ 20,885.59  | \$ 117.13            | 1.51%       |
|                                           | \$ 118.85   | 184            | \$ 21,868.40  |                      |             |
| 1992                                      | \$ 118.85   | 365            | \$ 43,380.25  | \$ 118.85            | 1.46%       |
| 1993                                      | \$ 118.85   | 181            | \$ 21,511.85  | \$ 120.65            | 1.51%       |
|                                           | \$ 122.42   | 184            | \$ 22,525.28  |                      |             |
| 1994                                      | \$ 122.42   | 181            | \$ 22,158.02  | \$ 124.89            | 3.51%       |
|                                           | \$ 127.32   | 184            | \$ 23,426.88  |                      |             |
| 1995                                      | \$ 127.32   | 181            | \$ 23,044.92  | \$ 128.05            | 2.53%       |
|                                           | \$ 128.04   | 154            | \$ 19,718.16  |                      |             |
|                                           | \$ 132.52   | 30             | \$ 3,975.60   |                      |             |
| 1996                                      | \$ 132.52   | 365            | \$ 48,369.80  | \$ 132.52            | 3.49%       |
| 1997                                      | \$ 132.52   | 181            | \$ 23,986.12  | \$ 134.86            | 1.77%       |
|                                           | \$ 137.16   | 184            | \$ 25,237.44  |                      |             |
| 1998                                      | \$ 137.16   | 365            | \$ 50,063.40  | \$ 137.16            | 1.71%       |
| 1999                                      | \$ 137.16   | 181            | \$ 24,825.96  | \$ 139.58            | 1.76%       |
|                                           | \$ 141.96   | 184            | \$ 26,120.64  |                      |             |
| 1967 through 1999 Compound Rate of Growth |             |                |               | 5.41%                |             |



EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

13:43:17

EE SSN : 391 - 10 - 5053

NAME: TOMCZAK

, C , C

SEX: M

PREVIOUS SURNAME:

DOB: 04 / / 1916 RRB

ADDR1

DOD: 09 / / 1982 SSA

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1979

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 7777

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3200646073

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 119

ANN BEGIN DATE: 01 / / 1979

ACCOUNT LAST ACTIVE: 1987

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: 07 / 12 / 1979

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / /

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

13:43:32

EE SSN : 391 - 10 - 5053

EE NAME: TOMCZAK , C , C

SERVICE MONTHS TOTALS

-----  
TOTAL REPORTED : 375  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 375  
CREDITABLE 37-46 : 013  
S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 0 QC'S THRU 1974 : 0 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

COMPENSATION TOTALS

-----  
TIER 1 AMOUNT :\$ 200658.84  
TIER 2 AMOUNT :\$ 1575.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 3229.46  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 13135.50  
37-50 SSA WAGES :\$ 13096.02

1952 QC'S: 0 PATT: \$ 0.00

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMID104

EMPLOYMENT DATA MAINTENANCE

PAGE: 0001 , CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:43:41

EE SSN: 391 - 10 - 5053 EE NAME: TOMCZAK , C , C

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                  |                 |        |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|------------------|-----------------|--------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | AMOUNT |
|                           | 1979 | 1  | 1000        | 0000         | 1908.37        | 1575.00        |                      |                       |                  |                 |        |
|                           | 1978 | 12 | 7777        | 0000         | 17045.51       |                |                      |                       |                  |                 |        |
|                           | 1977 | 12 | 7777        | 0000         | 15646.32       |                |                      |                       |                  |                 |        |
|                           | 1976 | 12 | 7777        | 0000         | 15300.00       |                |                      |                       |                  |                 |        |
|                           | 1975 | 12 | 7777        | 0000         | 14100.00       |                |                      |                       |                  |                 |        |
|                           | 1974 | 9  | 7347        | 0000         | 9367.86        |                |                      |                       |                  |                 |        |
|                           | 1973 | 12 | 7777        | 0000         | 10800.00       |                |                      |                       |                  |                 |        |
|                           | 1972 | 12 | 7777        | 0000         | 8611.86        |                |                      |                       |                  |                 |        |
|                           | 1971 | 12 | 7777        | 0000         | 7105.53        |                |                      |                       |                  |                 |        |
|                           | 1970 | 12 | 7777        | 0000         | 6859.58        |                |                      |                       |                  |                 |        |

USER MESSAGE

-----RESPONSES-----  
EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 EE S&E TOTALS =PF16 SERV MO DETAIL =PF19 HIST STMT=PF20  
(

EDMID104

## EMPLOYMENT DATA MAINTENANCE

PAGE: 0002 , CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:43:54

EE SSN: 391 - 10 - 5053 EE NAME: TOMCZAK

, C , C

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                 |                   |                 |         |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------|-------------------|-----------------|---------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA | WAGE M/S<br>SE&AG | WAGE YR<br>PATT | AMOUNT  |
|                           | 1969 | 3  | 2014        | 0000         |                |                |                      |                 |                   |                 | 924.42  |
|                           | 1968 | 7  | 3331        | 0000         |                |                |                      |                 |                   |                 | 1090.86 |
|                           | 1967 | 12 | 7777        | 0000         |                |                |                      |                 |                   |                 | 5526.64 |
|                           | 1966 | 12 | 7777        | 0000         |                |                |                      |                 |                   |                 | 6600.00 |
|                           | 1965 | 9  | 7734        | 0000         |                |                |                      |                 |                   |                 | 3989.46 |
|                           | 1964 | 12 | 7777        | 0000         |                |                |                      |                 |                   |                 | 5400.00 |
|                           | 1963 | 12 | 7777        | 0000         |                |                |                      |                 |                   |                 | 4900.00 |
|                           | 1962 | 12 | 7777        | 0000         |                |                |                      |                 |                   |                 | 4800.00 |
|                           | 1961 | 10 | 1777        | 0000         |                |                |                      |                 |                   |                 | 3965.36 |
|                           | 1960 | 12 | 7777        | 0000         |                |                |                      |                 |                   |                 | 4800.00 |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

## -----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
 EE SERV/RUIA =PF14 EE S&E TOTALS =PF16 SERV MO DETAIL =PF19 HIST STMT=PF20

EDMID104

EMPLOYMENT DATA PRINT SERVICE

PAGE: 0003 CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:44:09

EE SSN: 391 - 10 - 5053

EE NAME: TOMCZAK

, C , C

| S | YEAR | SM | RAILROAD INFO |              |                | SSA INFO       |              |                       | WAGE YR<br>AMOUNT |
|---|------|----|---------------|--------------|----------------|----------------|--------------|-----------------------|-------------------|
|   |      |    | MOS<br>PATT   | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG |                   |
|   | 1959 | 12 | 0000          | 0000         | 4550.00        |                |              |                       |                   |
|   | 1958 | 12 | 0000          | 0000         | 4200.00        |                |              |                       |                   |
|   | 1957 | 12 | 0000          | 0000         | 4122.21        |                |              |                       |                   |
|   | 1956 | 12 | 0000          | 0000         | 3875.20        |                |              |                       |                   |
|   | 1955 | 12 | 0000          | 0000         | 4200.00        |                |              |                       |                   |
|   | 1954 | 12 | 0000          | 0000         | 3578.20        |                |              |                       |                   |
|   | 1953 | 12 | 0000          | 0000         | 3593.20        |                | N            | NNNN 0000             | 39.48             |
|   | 1952 | 12 | 0000          | 0000         | 3600.00        |                |              |                       |                   |
|   | 1951 | 12 | 0000          | 0000         | 3600.00        |                |              |                       |                   |
|   | 1950 | 11 | 0000          | 0000         | 2950.20        |                |              |                       |                   |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

## -----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
 EE SERV/RUIA =PF14 EE S&E TOTALS =PF16 SERV MO DETAIL =PF19 HIST STMT=PF20

EDM1D1U4

EMPLOYMENT DATA MAINTENANCE

PAGE: 0004 , CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:44:19

EE SSN: 391 - 10 - 5053 EE NAME: TOMCZAK

, C , C

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |        |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|--------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | AMOUNT |
| 1949                      | 12   |    | 0000        | 0000         | 3599.20        |                |              |                       |                  |                 |        |
| 1948                      | 12   |    | 0000        | 0000         | 3512.20        |                |              |                       |                  |                 |        |
| 1947                      | 12   |    | 0000        | 0000         | 3307.20        |                |              |                       |                  |                 |        |
| 1946                      | 13   |    | 0000        | 0000         | 3229.46        |                |              |                       |                  |                 |        |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**Clarence Tomczak**

*Prepared for*

**Carla Tricarichi  
Attorney at Law**

*Prepared by:*

**Harvey S. Rosen, Ph.D.  
John F. Burke, Jr., Ph.D.  
*Economists***

*July 30, 2007*

### Personal Data Sheet

|                                            |                  |                                |
|--------------------------------------------|------------------|--------------------------------|
| Name:                                      | Clarence Tomczak |                                |
| Date of Birth:                             | 4/21/1916        |                                |
| Date of Separation                         | 1/31/1979        | (91.51% of 1979 Remains)       |
| Age on:                                    | 1/31/1979        | 62.8 Years                     |
| Work Life Expectancy from:                 | 1/31/1979        | 4.8 Years ( 88.49% of 1983)*   |
| Age at Expiration of Work Life Expectancy: |                  | 67.6 Years Old                 |
| Life Expectancy from:                      | 1/31/1979        | 18.5 Years ( 58.36% of 1997)** |
| Age at Expiration of Life Expectancy:      |                  | 81.3 Years Old                 |
| Age on:                                    | 9/1/2007         | 91.4 Years                     |
| Work Life Expectancy from:                 | 9/1/2007         | 0.0 Years ( 66.85% of 2007)*   |
| Age at Expiration of Work Life Expectancy: |                  | 91.4 Years Old                 |
| Life Expectancy from:                      | 9/1/2007         | 3.8 Years ( 46.85% of 2011)**  |
| Age at Expiration of Life Expectancy:      |                  | 95.2 Years Old                 |
| Occupation:                                | Brakeman         |                                |
| Date of Hire:                              | 1946             |                                |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates,  
February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E.  
United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville.  
Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup>  
revised March 28, 2007.



---

Summary Sheet

---

|                                                                            | Value               |
|----------------------------------------------------------------------------|---------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>    |                     |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>    | \$ 47,230           |
| Pension Benefits                                                           | \$ 5,437            |
| Back Interest through 1/1/2007                                             | <u>\$ 705,292</u>   |
| <b>Total</b>                                                               | <b>\$ 757,959</b>   |
| <b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | \$ 47,230           |
| Pension Benefits                                                           | \$ 5,437            |
| Back Interest through 1/1/2007                                             | <u>\$ 1,091,703</u> |
| <b>Total</b>                                                               | <b>\$ 1,144,370</b> |

Table 1: Schedule Showing the Earnings for the Years 1967-1979, and the Displacement Allowance for Clarence Tomczak.

| Year                                  | Earnings (a) | Months Employed (a) | Daily Wage Growth Rate (b) | Forecasted Wage Guarantee (c) | Displacement Allowance (d)                |
|---------------------------------------|--------------|---------------------|----------------------------|-------------------------------|-------------------------------------------|
| 1967                                  | \$ 5,526.64  | 12                  |                            |                               | -                                         |
| 1968                                  | \$ 1,090.86  | 7                   | 5.10%                      | \$ 9,541.84                   | \$ 8,450.98                               |
| 1969                                  | \$ 924.42    | 3                   |                            | \$ 10,028.88                  | \$ 9,104.46                               |
| 1970                                  | \$ 6,859.58  | 12                  | 8.01%                      | \$ 10,831.98                  | \$ 3,972.40                               |
| 1971                                  | \$ 7,105.53  | 12                  | 11.45%                     | \$ 12,071.93                  | \$ 4,966.40                               |
| 1972                                  | \$ 8,611.86  | 12                  | 10.01%                     | \$ 13,280.07                  | \$ 4,668.21                               |
| 1973                                  | \$ 10,800.00 | 12                  | 12.27%                     | \$ 14,909.43                  | -                                         |
| 1974                                  | \$ 9,367.86  | 9                   | 4.47%                      | \$ 15,576.18                  | \$ 6,208.32                               |
| 1975                                  | \$ 14,100.00 | 12                  | 11.39%                     | \$ 17,349.78                  | -                                         |
| 1976                                  | \$ 15,300.00 | 12                  | 8.92%                      | \$ 18,896.98                  | -                                         |
| 1977                                  | \$ 15,646.32 | 12                  | 6.88%                      | \$ 20,197.91                  | \$ 4,551.59                               |
| 1978                                  | \$ 17,045.51 | 12                  | 9.86%                      | \$ 22,189.63                  | \$ 5,144.12                               |
| 1979                                  | \$ 1,908.37  | 1                   | 10.13%                     | \$ 24,438.54                  | -                                         |
| 1979 Annualized Wage for Displacement | \$ 22,477.86 |                     |                            | \$ 24,438.54                  | 1979 Displacement Allowance (f) \$ 163.39 |

\* Boxed earnings in the earnings column indicate that Mr. Tomczak earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 8.

(c) The forecasted wage guarantee is calculated as \$835.74 per month in 1969 per an attachment to the 2/28/1990 letter from Robert O'Neill of the Arbitration Committee. The 1968 wage guarantee is reduced from the 1969 guarantee by the 1968 wage growth rate for brakemen from Tables 6 through 8. The 1970 through 1979 wage guarantees are grown from the 1969 wage guarantee by the brakemen growth rates from Tables 6 through 8.

(d) The displacement allowance for each year is calculated as the forecasted wage guarantee minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1979 annualized wage is calculated as \$1,908.37 divided by (1 - 91.51%). 91.51% is the amount of the year remaining after the date of separation.

(f) The 1979 displacement allowance is partialled out to represent Mr. Tomczak working for 1 months in 1979.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Clarence Tomczak for the Years 1968 through 1979.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1968 | \$ 8,451                                       | \$ 752                  | \$ 9,203                                |
| 1969 | \$ 9,104                                       | \$ 869                  | \$ 9,974                                |
| 1970 | \$ 3,972                                       | \$ 379                  | \$ 4,352                                |
| 1971 | \$ 4,966                                       | \$ 494                  | \$ 5,461                                |
| 1972 | \$ 4,668                                       | \$ 464                  | \$ 5,133                                |
| 1973 | -                                              | -                       | -                                       |
| 1974 | \$ 6,208                                       | \$ 953                  | \$ 7,161                                |
| 1975 | -                                              | -                       | -                                       |
| 1976 | -                                              | -                       | -                                       |
| 1977 | \$ 4,552                                       | \$ 699                  | \$ 5,250                                |
| 1978 | \$ 5,144                                       | \$ 800                  | \$ 5,944                                |
| 1979 | \$ 163                                         | \$ 26                   | \$ 189                                  |
|      | <u>\$ 47,230</u>                               | <u>\$ 5,437</u>         | <u>\$ 52,667</u>                        |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 4.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Clarence Tomczak, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 9,203  | \$ 530            | 5.76%              | \$ 9,733         | \$ 530                               |
| 1969     | \$ 9,974  | \$ 1,348          | 6.84%              | \$ 21,055        | \$ 1,348                             |
| 1970     | \$ 4,352  | \$ 1,919          | 7.56%              | \$ 27,326        | \$ 1,919                             |
| 1971     | \$ 5,461  | \$ 2,067          | 6.30%              | \$ 34,854        | \$ 2,067                             |
| 1972     | \$ 5,133  | \$ 2,542          | 6.36%              | \$ 42,528        | \$ 2,542                             |
| 1973     | \$ -      | \$ 2,989          | 7.03%              | \$ 45,517        | \$ 2,989                             |
| 1974     | \$ 7,161  | \$ 4,097          | 7.78%              | \$ 56,775        | \$ 4,097                             |
| 1975     | \$ -      | \$ 4,674          | 8.23%              | \$ 61,449        | \$ 4,674                             |
| 1976     | \$ -      | \$ 4,811          | 7.83%              | \$ 66,260        | \$ 4,811                             |
| 1977     | \$ 5,250  | \$ 5,456          | 7.63%              | \$ 76,966        | \$ 5,456                             |
| 1978     | \$ 5,944  | \$ 7,196          | 8.68%              | \$ 90,106        | \$ 7,196                             |
| 1979     | \$ 189    | \$ 8,821          | 9.77%              | \$ 99,115        | \$ 8,821                             |
| 1980     |           | \$ 11,824         | 11.93%             | \$ 110,939       | \$ 11,824                            |
| 1981     |           | \$ 16,268         | 14.66%             | \$ 127,207       | \$ 16,268                            |
| 1982     |           | \$ 17,375         | 13.66%             | \$ 144,581       | \$ 17,375                            |
| 1983     |           | \$ 16,729         | 11.57%             | \$ 161,310       | \$ 16,729                            |
| 1984     |           | \$ 21,058         | 13.05%             | \$ 182,368       | \$ 21,058                            |
| 1985     |           | \$ 20,153         | 11.05%             | \$ 202,521       | \$ 20,153                            |
| 1986     |           | \$ 15,986         | 7.89%              | \$ 218,507       | \$ 15,986                            |
| 1987     |           | \$ 18,918         | 8.66%              | \$ 237,425       | \$ 18,918                            |
| 1988     |           | \$ 21,720         | 9.15%              | \$ 259,144       | \$ 21,720                            |
| 1989     |           | \$ 22,712         | 8.76%              | \$ 281,856       | \$ 22,712                            |
| 1990     |           | \$ 24,882         | 8.83%              | \$ 306,739       | \$ 24,882                            |
| 1991     |           | \$ 24,830         | 8.09%              | \$ 331,568       | \$ 24,830                            |
| 1992     |           | \$ 23,861         | 7.20%              | \$ 355,429       | \$ 23,861                            |
| 1993     |           | \$ 21,327         | 6.00%              | \$ 376,757       | \$ 21,327                            |
| 1994     |           | \$ 27,431         | 7.28%              | \$ 404,187       | \$ 27,431                            |
| 1995     |           | \$ 27,217         | 6.73%              | \$ 431,404       | \$ 27,217                            |
| 1996     |           | \$ 28,461         | 6.60%              | \$ 459,865       | \$ 28,461                            |
| 1997     |           | \$ 29,904         | 6.50%              | \$ 489,769       | \$ 29,904                            |
| 1998     |           | \$ 26,274         | 5.36%              | \$ 516,043       | \$ 26,274                            |
| 1999     |           | \$ 29,780         | 5.77%              | \$ 545,823       | \$ 29,780                            |
| 2000     |           | \$ 33,665         | 6.17%              | \$ 579,488       | \$ 33,665                            |
| 2001     |           | \$ 29,643         | 5.12%              | \$ 609,131       | \$ 29,643                            |
| 2002     |           | \$ 28,570         | 4.69%              | \$ 637,701       | \$ 28,570                            |
| 2003     |           | \$ 25,959         | 4.07%              | \$ 663,660       | \$ 25,959                            |
| 2004     |           | \$ 28,795         | 4.34%              | \$ 692,455       | \$ 28,795                            |
| 2005     |           | \$ 30,188         | 4.36%              | \$ 722,643       | \$ 30,188                            |
| 2006 (d) |           | \$ 35,316         | 4.89%              | \$ 757,959       | \$ 35,316                            |
|          |           |                   |                    |                  | \$ 705,292                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Clarence Tomczak, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 9,203  | \$ 595            | 6.46%              | \$ 9,798         | \$ 595                               |
| 1969     | \$ 9,974  | \$ 1,619          | 8.19%              | \$ 21,391        | \$ 1,619                             |
| 1970     | \$ 4,352  | \$ 2,097          | 8.15%              | \$ 27,840        | \$ 2,097                             |
| 1971     | \$ 5,461  | \$ 1,947          | 5.85%              | \$ 35,248        | \$ 1,947                             |
| 1972     | \$ 5,133  | \$ 2,161          | 5.35%              | \$ 42,542        | \$ 2,161                             |
| 1973     | \$ -      | \$ 3,512          | 8.25%              | \$ 46,053        | \$ 3,512                             |
| 1974     | \$ 7,161  | \$ 5,980          | 11.24%             | \$ 59,195        | \$ 5,980                             |
| 1975     | \$ -      | \$ 4,791          | 8.09%              | \$ 63,986        | \$ 4,791                             |
| 1976     | \$ -      | \$ 4,490          | 7.02%              | \$ 68,476        | \$ 4,490                             |
| 1977     | \$ 5,250  | \$ 5,160          | 7.00%              | \$ 78,886        | \$ 5,160                             |
| 1978     | \$ 5,944  | \$ 7,942          | 9.36%              | \$ 92,773        | \$ 7,942                             |
| 1979     | \$ 189    | \$ 12,336         | 13.27%             | \$ 105,297       | \$ 12,336                            |
| 1980     |           | \$ 16,973         | 16.12%             | \$ 122,270       | \$ 16,973                            |
| 1981     |           | \$ 24,743         | 20.24%             | \$ 147,013       | \$ 24,743                            |
| 1982     |           | \$ 23,069         | 15.69%             | \$ 170,082       | \$ 23,069                            |
| 1983     |           | \$ 19,115         | 11.24%             | \$ 189,197       | \$ 19,115                            |
| 1984     |           | \$ 23,828         | 12.59%             | \$ 213,025       | \$ 23,828                            |
| 1985     |           | \$ 21,960         | 10.31%             | \$ 234,985       | \$ 21,960                            |
| 1986     |           | \$ 20,194         | 8.59%              | \$ 255,179       | \$ 20,194                            |
| 1987     |           | \$ 21,583         | 8.46%              | \$ 276,761       | \$ 21,583                            |
| 1988     |           | \$ 26,688         | 9.64%              | \$ 303,450       | \$ 26,688                            |
| 1989     |           | \$ 34,362         | 11.32%             | \$ 337,812       | \$ 34,362                            |
| 1990     |           | \$ 35,103         | 10.39%             | \$ 372,915       | \$ 35,103                            |
| 1991     |           | \$ 32,570         | 8.73%              | \$ 405,485       | \$ 32,570                            |
| 1992     |           | \$ 25,949         | 6.40%              | \$ 431,433       | \$ 25,949                            |
| 1993     |           | \$ 26,474         | 6.14%              | \$ 457,908       | \$ 26,474                            |
| 1994     |           | \$ 33,557         | 7.33%              | \$ 491,465       | \$ 33,557                            |
| 1995     |           | \$ 44,850         | 9.13%              | \$ 536,315       | \$ 44,850                            |
| 1996     |           | \$ 45,752         | 8.53%              | \$ 582,067       | \$ 45,752                            |
| 1997     |           | \$ 50,713         | 8.71%              | \$ 632,780       | \$ 50,713                            |
| 1998     |           | \$ 54,541         | 8.62%              | \$ 687,321       | \$ 54,541                            |
| 1999     |           | \$ 56,612         | 8.24%              | \$ 743,933       | \$ 56,612                            |
| 2000     |           | \$ 71,100         | 9.56%              | \$ 815,034       | \$ 71,100                            |
| 2001     |           | \$ 57,828         | 7.10%              | \$ 872,862       | \$ 57,828                            |
| 2002     |           | \$ 41,526         | 4.76%              | \$ 914,388       | \$ 41,526                            |
| 2003     |           | \$ 38,282         | 4.19%              | \$ 952,670       | \$ 38,282                            |
| 2004     |           | \$ 42,032         | 4.41%              | \$ 994,703       | \$ 42,032                            |
| 2005     |           | \$ 62,965         | 6.33%              | \$ 1,057,667     | \$ 62,965                            |
| 2006 (d) |           | \$ 86,703         | 8.20%              | \$ 1,144,370     | \$ 86,703                            |
|          |           |                   |                    |                  | \$ 1,091,703                         |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Daily Rates for Brakeman from 8/12/1966 through 7/1/1999.

| Effective Date | Yard<br>Brakeman |
|----------------|------------------|
| 8/12/1966      | \$ 25.87         |
| 1/1/1968       | \$ 26.52         |
| 7/1/1968       | \$ 27.85         |
| 1/1/1969       | \$ 28.41         |
| 7/1/1969       | \$ 29.26         |
| 1/1/1970       | \$ 30.72         |
| 11/1/1970      | \$ 33.28         |
| 4/1/1971       | \$ 34.61         |
| 10/1/1971      | \$ 36.34         |
| 4/1/1972       | \$ 38.16         |
| 10/1/1972      | \$ 40.07         |
| 1/1/1973       | \$ 42.27         |
| 4/1/1973       | \$ 43.07         |
| 1/1/1974       | \$ 44.79         |
| 1/1/1975       | \$ 49.27         |
| 10/1/1975      | \$ 51.73         |
| 1/1/1976       | \$ 52.69         |
| 4/1/1976       | \$ 54.24         |
| 7/1/1976       | \$ 55.20         |
| 1/1/1977       | \$ 56.24         |
| 7/1/1977       | \$ 59.89         |
| 1/1/1978       | \$ 61.41         |
| 4/1/1978       | \$ 63.17         |
| 7/1/1978       | \$ 64.69         |
| 10/1/1978      | \$ 65.93         |
| 1/1/1979       | \$ 67.93         |
| 7/1/1979       | \$ 72.58         |
| 1/1/1980       | \$ 74.82         |
| 7/1/1980       | \$ 80.62         |
| 1/1/1981       | \$ 83.18         |
| 4/1/1981       | \$ 84.75         |
| 7/1/1981       | \$ 87.31         |
| 10/1/1981      | \$ 89.71         |
| 1/1/1982       | \$ 92.51         |
| 7/1/1982       | \$ 96.75         |
| 1/1/1983       | \$ 99.47         |
| 7/1/1983       | \$ 102.02        |
| 1/1/1984       | \$ 104.10        |
| 11/1/1985      | \$ 105.13        |
| 1/1/1986       | \$ 107.21        |
| 7/1/1986       | \$ 108.80        |
| 1/1/1987       | \$ 111.22        |
| 7/1/1987       | \$ 112.87        |
| 1/1/1988       | \$ 115.39        |
| 7/1/1991       | \$ 118.85        |
| 7/1/1993       | \$ 122.42        |
| 7/1/1994       | \$ 127.32        |
| 7/1/1995       | \$ 128.04        |
| 12/1/1995      | \$ 132.52        |
| 7/1/1997       | \$ 137.16        |
| 7/1/1999       | \$ 141.96        |

Source: Taken from the UTU/ R & S Dept, October 1996.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1967          | \$ 25.87    | 365            | \$ 9,442.55   | \$ 25.87             |             |
| 1968          | \$ 26.52    | 181            | \$ 4,800.12   | \$ 27.19             | 5.10%       |
|               | \$ 27.85    | 184            | \$ 5,124.40   |                      |             |
| 1969          | \$ 28.41    | 181            | \$ 5,142.21   | \$ 28.84             | 6.06%       |
|               | \$ 29.26    | 184            | \$ 5,383.84   |                      |             |
| 1970          | \$ 30.72    | 304            | \$ 9,338.88   | \$ 31.15             | 8.01%       |
|               | \$ 33.28    | 61             | \$ 2,030.08   |                      |             |
| 1971          | \$ 33.28    | 90             | \$ 2,995.20   | \$ 34.71             | 11.45%      |
|               | \$ 34.61    | 184            | \$ 6,368.24   |                      |             |
|               | \$ 36.34    | 91             | \$ 3,306.94   |                      |             |
| 1972          | \$ 36.34    | 90             | \$ 3,270.60   | \$ 38.19             | 10.01%      |
|               | \$ 38.16    | 184            | \$ 7,021.44   |                      |             |
|               | \$ 40.07    | 91             | \$ 3,646.37   |                      |             |
| 1973          | \$ 42.27    | 90             | \$ 3,804.30   | \$ 42.87             | 12.27%      |
|               | \$ 43.07    | 275            | \$ 11,844.25  |                      |             |
| 1974          | \$ 44.79    | 365            | \$ 16,348.35  | \$ 44.79             | 4.47%       |
| 1975          | \$ 49.27    | 273            | \$ 13,450.71  | \$ 49.89             | 11.39%      |
|               | \$ 51.73    | 92             | \$ 4,759.16   |                      |             |
| 1976          | \$ 52.69    | 90             | \$ 4,742.10   | \$ 54.34             | 8.92%       |
|               | \$ 54.24    | 92             | \$ 4,990.08   |                      |             |
|               | \$ 55.20    | 183            | \$ 10,101.60  |                      |             |
| 1977          | \$ 56.24    | 181            | \$ 10,179.44  | \$ 58.08             | 6.88%       |
|               | \$ 59.89    | 184            | \$ 11,019.76  |                      |             |
| 1978          | \$ 61.41    | 90             | \$ 5,526.90   | \$ 63.81             | 9.86%       |
|               | \$ 63.17    | 92             | \$ 5,811.64   |                      |             |
|               | \$ 64.69    | 92             | \$ 5,951.48   |                      |             |
|               | \$ 65.93    | 91             | \$ 5,999.63   |                      |             |
| 1979          | \$ 67.93    | 181            | \$ 12,295.33  | \$ 70.27             | 10.13%      |
|               | \$ 72.58    | 184            | \$ 13,354.72  |                      |             |
| 1980          | \$ 74.82    | 181            | \$ 13,542.42  | \$ 77.74             | 10.63%      |
|               | \$ 80.62    | 184            | \$ 14,834.08  |                      |             |
| 1981          | \$ 83.18    | 90             | \$ 7,486.20   | \$ 85.00             | 9.33%       |
|               | \$ 84.75    | 184            | \$ 15,594.00  |                      |             |
|               | \$ 87.31    | 91             | \$ 7,945.21   |                      |             |



Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1982          | \$ 92.51    | 181            | \$ 16,744.31  | \$ 94.65             | 11.35%      |
|               | \$ 96.75    | 184            | \$ 17,802.00  |                      |             |
| 1983          | \$ 99.47    | 181            | \$ 18,004.07  | \$ 100.76            | 6.45%       |
|               | \$ 102.02   | 184            | \$ 18,771.68  |                      |             |
| 1984          | \$ 104.10   | 365            | \$ 37,996.50  | \$ 104.10            | 3.32%       |
| 1985          | \$ 104.10   | 304            | \$ 31,646.40  | \$ 104.27            | 0.17%       |
|               | \$ 105.13   | 61             | \$ 6,412.93   |                      |             |
| 1986          | \$ 107.21   | 181            | \$ 19,405.01  | \$ 108.01            | 3.59%       |
|               | \$ 108.80   | 184            | \$ 20,019.20  |                      |             |
| 1987          | \$ 111.22   | 181            | \$ 20,130.82  | \$ 112.05            | 3.74%       |
|               | \$ 112.87   | 184            | \$ 20,768.08  |                      |             |
| 1988          | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 2.98%       |
| 1989          | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 0.00%       |
| 1990          | \$ 115.39   | 365            | \$ 42,117.35  | \$ 115.39            | 0.00%       |
| 1991          | \$ 115.39   | 181            | \$ 20,885.59  | \$ 117.13            | 1.51%       |
|               | \$ 118.85   | 184            | \$ 21,868.40  |                      |             |
| 1992          | \$ 118.85   | 365            | \$ 43,380.25  | \$ 118.85            | 1.46%       |
| 1993          | \$ 118.85   | 181            | \$ 21,511.85  | \$ 120.65            | 1.51%       |
|               | \$ 122.42   | 184            | \$ 22,525.28  |                      |             |
| 1994          | \$ 122.42   | 181            | \$ 22,158.02  | \$ 124.89            | 3.51%       |
|               | \$ 127.32   | 184            | \$ 23,426.88  |                      |             |
| 1995          | \$ 127.32   | 181            | \$ 23,044.92  | \$ 128.05            | 2.53%       |
|               | \$ 128.04   | 154            | \$ 19,718.16  |                      |             |
|               | \$ 132.52   | 30             | \$ 3,975.60   |                      |             |
| 1996          | \$ 132.52   | 365            | \$ 48,369.80  | \$ 132.52            | 3.49%       |
| 1997          | \$ 132.52   | 181            | \$ 23,986.12  | \$ 134.86            | 1.77%       |
|               | \$ 137.16   | 184            | \$ 25,237.44  |                      |             |
| 1998          | \$ 137.16   | 365            | \$ 50,063.40  | \$ 137.16            | 1.71%       |
| 1999          | \$ 137.16   | 181            | \$ 24,825.96  | \$ 139.58            | 1.76%       |
|               | \$ 141.96   | 184            | \$ 26,120.64  |                      |             |

1967 through 1999 Compound Rate of Growth

5.41%

EDMID101

EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

13:44:48

EE SSN : 286 - 03 - 1051

EE NAME: UHER

, F , C

SEX: M

PREVIOUS SURNAME:

DOB: 08 / 28 / 1916 RRB

DOD: 03 / / 1972 RRB

ADDR1

LAST COA MADE BY

ADDR2

CITY

LAST COA MADE ON

STATE ZIP -

FOREIGN ADDRESS

LAST S&C YEAR: 1972

LAST EMPLOYER: 1313

NEW ACCOUNT INDICATOR?(Y/N): N

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3001629282

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 119

ANN BEGIN DATE: / /

ACCOUNT LAST ACTIVE: 1972

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: 04 / 06 / 1976

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / /

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

EDMIDTOS

EMPLOYEE SERVICE AND EARNINGS TOTALS

13:45:01

EE SSN : 286 - 03 - 1051

EE NAME: UHER

, F , C

SERVICE MONTHS TOTALS

COMPENSATION TOTALS

-----  
TOTAL REPORTED : 297  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 297  
CREDITABLE 37-46 : 017  
S-C 37-46 ADJ CODE : NEVER ADJUSTED

-----  
TIER 1 AMOUNT :\$ 109806.48  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 4623.83  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 53411.11  
37-50 SSA WAGES :\$ 21051.37

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00 1952 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 55 QC'S THRU 1974 : 55 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

(

EDMID104.

PAGE: 0001

## CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:45:12

EE SSN: 286 - 03 - 1051

EE NAME: UHER

, F , C

| RAILROAD INFO |      |    |             |              |                |                |              | SSA INFO        |               |             |                 |         |
|---------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------|---------------|-------------|-----------------|---------|
| S             | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA | WAGE<br>SE&AG | M/S<br>PATT | WAGE YR<br>PATT | AMOUNT  |
|               | 1972 | 1  | 1000        | 0000         |                |                |              |                 |               |             |                 |         |
|               | 1971 | 12 | 7777        | 0000         | 7694.78        |                |              | 2               | N             | CC#N        | 0000            | 501.27  |
|               | 1970 | 9  | 4677        | 0000         | 5381.47        |                |              | 4               | N             | CCCC        | 0000            | 1340.87 |
|               | 1969 | 8  | 3237        | 0000         | 1348.52        |                |              | 3               | N             | #CCC        | 0000            | 2006.02 |
|               | 1968 | 2  | 2004        | 0000         | 641.15         |                |              | 4               | N             | CCCC        | 0000            | 6109.86 |
|               | 1967 | 11 | 7773        | 0000         | 5120.35        |                |              | 3               | N             | NCCC        | 0000            | 4494.94 |
|               | 1966 | 12 | 7777        | 0000         | 6600.00        |                |              | 3               | N             | NCCC        | 0000            | 2016.30 |
|               | 1965 | 12 | 7777        | 0000         | 5400.00        |                |              | 3               | N             | NCCC        | 0000            | 1870.97 |
|               | 1964 | 12 | 7777        | 0000         | 5400.00        |                |              | 3               | N             | NCCC        | 0000            | 1890.34 |
|               | 1963 | 12 | 7777        | 0000         | 4900.00        |                |              | 3               | N             | #CCC        | 0000            | 1913.27 |

USER MESSAGE

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22

EE SERV/RUIA =PF14 EE S&E TOTALS =PF16 SERV MO DETAIL =PF19 HIST STMT=PF20

EDMID104.

EMPLOYMENT DATA MAINTENANCE

PAGE: 0002

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:45:21

EE SSN: 286 - 03 - 1051

EE NAME: UHER

, F , C

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO ----- |       |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|----------------------|-------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA      | SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |
| 1962                      | 12   |    | 7777        | 0000         | 4800.00        |                |              | 3                    | N     | NCCC             | 0000            | 1741.68           |
| 1961                      | 12   |    | 7777        | 0000         | 4800.00        |                |              | 3                    | N     | NCCC             | 0000            | 1593.74           |
| 1960                      | 12   |    | 7777        | 0000         | 4800.00        |                |              | 4                    | N     | CCCC             | 0000            | 1893.15           |
| 1959                      | 12   |    | 0000        | 0000         | 4550.00        |                |              | 4                    | N     | CCCC             | 0000            | 1381.00           |
| 1958                      | 12   |    | 0000        | 0000         | 4200.00        |                |              | 4                    | N     | CCCC             | 0000            | 1097.18           |
| 1957                      | 12   |    | 0000        | 0000         | 4200.00        |                |              | 4                    | N     | CCCC             | 0000            | 1379.15           |
| 1956                      | 12   |    | 0000        | 0000         | 4200.00        |                |              | 4                    | N     | CCCC             | 0000            | 1030.00           |
| 1955                      | 12   |    | 0000        | 0000         | 4172.32        |                |              | 1                    | N     | NNNC             | 0000            | 100.00            |
| 1954                      | 12   |    | 0000        | 0000         | 3900.00        |                |              |                      |       |                  |                 |                   |
| 1953                      | 12   |    | 0000        | 0000         | 3526.30        |                |              |                      |       |                  |                 |                   |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

## -----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22  
 EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDMID104  
PAGE: 0003

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

13:45:33

EE SSN: 286 - 03 - 1051      EE NAME: UHER      , F , C

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |
|                           | 1952 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |
|                           | 1951 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |
|                           | 1950 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |
|                           | 1949 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |
|                           | 1948 | 11 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |
|                           | 1947 | 10 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |
|                           | 1946 | 17 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**Frank Uher**

*Prepared for*

Carla Tricarichi  
Attorney at Law

*Prepared by:*

**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

### Personal Data Sheet

|                                            |            |                                |
|--------------------------------------------|------------|--------------------------------|
| Name:                                      | Frank Uher |                                |
| Date of Birth:                             | 8/28/1916  |                                |
| Date of Separation                         | 1/31/1972  | (91.78% of 1972 Remains)       |
| Age on:                                    | 1/31/1972  | 55.4 Years                     |
| Work Life Expectancy from:                 | 1/31/1972  | 8.6 Years ( 68.22% of 1980)*   |
| Age at Expiration of Work Life Expectancy: |            | 64.0 Years Old                 |
| Life Expectancy from:                      | 1/31/1972  | 24.2 Years ( 28.22% of 1996)** |
| Age at Expiration of Life Expectancy:      |            | 79.6 Years Old                 |
| Age on:                                    | 9/1/2007   | 91.0 Years                     |
| Work Life Expectancy from:                 | 9/1/2007   | 0.0 Years ( 66.85% of 2007)*   |
| Age at Expiration of Work Life Expectancy: |            | 91.0 Years Old                 |
| Life Expectancy from:                      | 9/1/2007   | 3.9 Years ( 56.71% of 2011)**  |
| Age at Expiration of Life Expectancy:      |            | 94.9 Years Old                 |
| Occupation:                                | Brakeman   |                                |
| Date of Hire:                              | 1945       |                                |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville, Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.



---

Summary Sheet

---

|                                                                         | Value             |
|-------------------------------------------------------------------------|-------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b> |                   |
| A. Displacement Allowance (Interest Based on 10 Year Treasuries)        | \$ 21,538         |
| Pension Benefits                                                        | \$ 2,022          |
| Back Interest through 1/1/2007                                          | <u>\$ 375,522</u> |
| Total                                                                   | \$ 399,082        |
| <br>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates) | <br>\$ 21,538     |
| Pension Benefits                                                        | \$ 2,022          |
| Back Interest through 1/1/2007                                          | <u>\$ 583,701</u> |
| Total                                                                   | \$ 607,261        |

Table 1: Schedule Showing the Earnings for the Years 1967-1972, and the Displacement Allowance for Frank Uher.

| Year                                  | Earnings (a) | Months Employed (a) | Daily Wage Growth Rate (b) | Forecasted Wage Guarantee (c) | Displacement Allowance (d)                |
|---------------------------------------|--------------|---------------------|----------------------------|-------------------------------|-------------------------------------------|
| 1967                                  | \$ 5,120.35  | 11                  |                            |                               | -                                         |
| 1968                                  | \$ 641.15    | 2                   | 5.10%                      | \$ 8,029.97                   | \$ 7,388.82                               |
| 1969                                  | \$ 1,348.52  | 8                   |                            | \$ 8,439.84                   | \$ 7,091.32                               |
| 1970                                  | \$ 5,381.47  | 9                   | 8.01%                      | \$ 9,115.69                   | \$ 3,734.22                               |
| 1971                                  | \$ 7,694.78  | 12                  | 11.45%                     | \$ 10,159.17                  | \$ 2,464.39                               |
| 1972                                  | \$ 71.26     | 1                   | 10.01%                     | \$ 11,175.89                  | -                                         |
| 1972 Annualized Wage for Displacement | \$ 866.91    |                     |                            | \$ 11,175.89                  | 1972 Displacement Allowance (f) \$ 859.08 |

\* Boxed earnings in the earnings column indicate that Mr. Uher earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 8.

(c) The forecasted wage guarantee is calculated as \$703.32 per month in 1969 per an attachment to the 2/28/1990 letter from Robert O'Neill of the Arbitration Committee. The 1968 wage guarantee is reduced from the 1969 guarantee by the 1968 wage growth rate for brakemen from Tables 6 through 8. The 1970 through 1972 wage guarantees are grown from the 1969 wage guarantee by the brakemen growth rates from Tables 6 through 8.

(d) The displacement allowance for each year is calculated as the forecasted wage guarantee minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1972 annualized wage is calculated as \$71.26 divided by (1 - 91.78%). 91.78% is the amount of the year remaining after the date of separation.

(f) The 1972 displacement allowance is partialled out to represent Mr. Uher working for 1 months in 1972.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Frank Uher for the Years 1968 through 1972.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1968 | \$ 7,389                                       | \$ 658                  | \$ 8,046                                |
| 1969 | \$ 7,091                                       | \$ 677                  | \$ 7,769                                |
| 1970 | \$ 3,734                                       | \$ 357                  | \$ 4,091                                |
| 1971 | \$ 2,464                                       | \$ 245                  | \$ 2,710                                |
| 1972 | \$ 859                                         | \$ 85                   | \$ 945                                  |
|      | \$ 21,538                                      | \$ 2,022                | \$ 23,560                               |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Frank Uher, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 8,046  | \$ 464            | 5.76%              | \$ 8,510         | \$ 464                               |
| 1969     | \$ 7,769  | \$ 1,113          | 6.84%              | \$ 17,392        | \$ 1,113                             |
| 1970     | \$ 4,091  | \$ 1,623          | 7.56%              | \$ 23,106        | \$ 1,623                             |
| 1971     | \$ 2,710  | \$ 1,627          | 6.30%              | \$ 27,442        | \$ 1,627                             |
| 1972     | \$ 945    | \$ 1,804          | 6.36%              | \$ 30,191        | \$ 1,804                             |
| 1973     |           | \$ 2,122          | 7.03%              | \$ 32,313        | \$ 2,122                             |
| 1974     |           | \$ 2,513          | 7.78%              | \$ 34,826        | \$ 2,513                             |
| 1975     |           | \$ 2,867          | 8.23%              | \$ 37,693        | \$ 2,867                             |
| 1976     |           | \$ 2,951          | 7.83%              | \$ 40,645        | \$ 2,951                             |
| 1977     |           | \$ 3,101          | 7.63%              | \$ 43,745        | \$ 3,101                             |
| 1978     |           | \$ 3,797          | 8.68%              | \$ 47,542        | \$ 3,797                             |
| 1979     |           | \$ 4,644          | 9.77%              | \$ 52,186        | \$ 4,644                             |
| 1980     |           | \$ 6,225          | 11.93%             | \$ 58,412        | \$ 6,225                             |
| 1981     |           | \$ 8,565          | 14.66%             | \$ 66,977        | \$ 8,565                             |
| 1982     |           | \$ 9,148          | 13.66%             | \$ 76,125        | \$ 9,148                             |
| 1983     |           | \$ 8,808          | 11.57%             | \$ 84,934        | \$ 8,808                             |
| 1984     |           | \$ 11,088         | 13.05%             | \$ 96,021        | \$ 11,088                            |
| 1985     |           | \$ 10,611         | 11.05%             | \$ 106,632       | \$ 10,611                            |
| 1986     |           | \$ 8,417          | 7.89%              | \$ 115,049       | \$ 8,417                             |
| 1987     |           | \$ 9,961          | 8.66%              | \$ 125,009       | \$ 9,961                             |
| 1988     |           | \$ 11,436         | 9.15%              | \$ 136,445       | \$ 11,436                            |
| 1989     |           | \$ 11,958         | 8.76%              | \$ 148,404       | \$ 11,958                            |
| 1990     |           | \$ 13,101         | 8.83%              | \$ 161,505       | \$ 13,101                            |
| 1991     |           | \$ 13,073         | 8.09%              | \$ 174,578       | \$ 13,073                            |
| 1992     |           | \$ 12,563         | 7.20%              | \$ 187,142       | \$ 12,563                            |
| 1993     |           | \$ 11,229         | 6.00%              | \$ 198,371       | \$ 11,229                            |
| 1994     |           | \$ 14,443         | 7.28%              | \$ 212,814       | \$ 14,443                            |
| 1995     |           | \$ 14,330         | 6.73%              | \$ 227,144       | \$ 14,330                            |
| 1996     |           | \$ 14,985         | 6.60%              | \$ 242,129       | \$ 14,985                            |
| 1997     |           | \$ 15,745         | 6.50%              | \$ 257,874       | \$ 15,745                            |
| 1998     |           | \$ 13,834         | 5.36%              | \$ 271,708       | \$ 13,834                            |
| 1999     |           | \$ 15,680         | 5.77%              | \$ 287,388       | \$ 15,680                            |
| 2000     |           | \$ 17,725         | 6.17%              | \$ 305,114       | \$ 17,725                            |
| 2001     |           | \$ 15,607         | 5.12%              | \$ 320,721       | \$ 15,607                            |
| 2002     |           | \$ 15,043         | 4.69%              | \$ 335,764       | \$ 15,043                            |
| 2003     |           | \$ 13,668         | 4.07%              | \$ 349,432       | \$ 13,668                            |
| 2004     |           | \$ 15,161         | 4.34%              | \$ 364,593       | \$ 15,161                            |
| 2005     |           | \$ 15,894         | 4.36%              | \$ 380,488       | \$ 15,894                            |
| 2006 (d) |           | \$ 18,595         | 4.89%              | \$ 399,082       | \$ 18,595                            |
|          |           |                   |                    |                  | \$ 375,522                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Frank Uher, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 8,046  | \$ 520            | 6.46%              | \$ 8,566         | \$ 520                               |
| 1969     | \$ 7,769  | \$ 1,338          | 8.19%              | \$ 17,673        | \$ 1,338                             |
| 1970     | \$ 4,091  | \$ 1,773          | 8.15%              | \$ 23,537        | \$ 1,773                             |
| 1971     | \$ 2,710  | \$ 1,535          | 5.85%              | \$ 27,781        | \$ 1,535                             |
| 1972     | \$ 945    | \$ 1,537          | 5.35%              | \$ 30,263        | \$ 1,537                             |
| 1973     |           | \$ 2,498          | 8.25%              | \$ 32,761        | \$ 2,498                             |
| 1974     |           | \$ 3,682          | 11.24%             | \$ 36,442        | \$ 3,682                             |
| 1975     |           | \$ 2,950          | 8.09%              | \$ 39,392        | \$ 2,950                             |
| 1976     |           | \$ 2,764          | 7.02%              | \$ 42,156        | \$ 2,764                             |
| 1977     |           | \$ 2,951          | 7.00%              | \$ 45,107        | \$ 2,951                             |
| 1978     |           | \$ 4,223          | 9.36%              | \$ 49,330        | \$ 4,223                             |
| 1979     |           | \$ 6,546          | 13.27%             | \$ 55,876        | \$ 6,546                             |
| 1980     |           | \$ 9,007          | 16.12%             | \$ 64,883        | \$ 9,007                             |
| 1981     |           | \$ 13,130         | 20.24%             | \$ 78,013        | \$ 13,130                            |
| 1982     |           | \$ 12,241         | 15.69%             | \$ 90,254        | \$ 12,241                            |
| 1983     |           | \$ 10,143         | 11.24%             | \$ 100,398       | \$ 10,143                            |
| 1984     |           | \$ 12,644         | 12.59%             | \$ 113,042       | \$ 12,644                            |
| 1985     |           | \$ 11,653         | 10.31%             | \$ 124,695       | \$ 11,653                            |
| 1986     |           | \$ 10,716         | 8.59%              | \$ 135,411       | \$ 10,716                            |
| 1987     |           | \$ 11,453         | 8.46%              | \$ 146,864       | \$ 11,453                            |
| 1988     |           | \$ 14,162         | 9.64%              | \$ 161,026       | \$ 14,162                            |
| 1989     |           | \$ 18,234         | 11.32%             | \$ 179,260       | \$ 18,234                            |
| 1990     |           | \$ 18,627         | 10.39%             | \$ 197,888       | \$ 18,627                            |
| 1991     |           | \$ 17,283         | 8.73%              | \$ 215,171       | \$ 17,283                            |
| 1992     |           | \$ 13,770         | 6.40%              | \$ 228,941       | \$ 13,770                            |
| 1993     |           | \$ 14,049         | 6.14%              | \$ 242,989       | \$ 14,049                            |
| 1994     |           | \$ 17,807         | 7.33%              | \$ 260,796       | \$ 17,807                            |
| 1995     |           | \$ 23,799         | 9.13%              | \$ 284,596       | \$ 23,799                            |
| 1996     |           | \$ 24,279         | 8.53%              | \$ 308,874       | \$ 24,279                            |
| 1997     |           | \$ 26,911         | 8.71%              | \$ 335,786       | \$ 26,911                            |
| 1998     |           | \$ 28,942         | 8.62%              | \$ 364,728       | \$ 28,942                            |
| 1999     |           | \$ 30,041         | 8.24%              | \$ 394,769       | \$ 30,041                            |
| 2000     |           | \$ 37,730         | 9.56%              | \$ 432,498       | \$ 37,730                            |
| 2001     |           | \$ 30,687         | 7.10%              | \$ 463,185       | \$ 30,687                            |
| 2002     |           | \$ 22,036         | 4.76%              | \$ 485,221       | \$ 22,036                            |
| 2003     |           | \$ 20,314         | 4.19%              | \$ 505,535       | \$ 20,314                            |
| 2004     |           | \$ 22,305         | 4.41%              | \$ 527,840       | \$ 22,305                            |
| 2005     |           | \$ 33,412         | 6.33%              | \$ 561,252       | \$ 33,412                            |
| 2006 (d) |           | \$ 46,009         | 8.20%              | \$ 607,261       | \$ 46,009                            |
|          |           |                   |                    |                  | \$ 583,701                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Daily Rates for Brakeman from 8/12/1966 through 7/1/1999.

| Effective Date | Yard<br>Brakeman |
|----------------|------------------|
| 8/12/1966      | \$ 25.87         |
| 1/1/1968       | \$ 26.52         |
| 7/1/1968       | \$ 27.85         |
| 1/1/1969       | \$ 28.41         |
| 7/1/1969       | \$ 29.26         |
| 1/1/1970       | \$ 30.72         |
| 11/1/1970      | \$ 33.28         |
| 4/1/1971       | \$ 34.61         |
| 10/1/1971      | \$ 36.34         |
| 4/1/1972       | \$ 38.16         |
| 10/1/1972      | \$ 40.07         |
| 1/1/1973       | \$ 42.27         |
| 4/1/1973       | \$ 43.07         |
| 1/1/1974       | \$ 44.79         |
| 1/1/1975       | \$ 49.27         |
| 10/1/1975      | \$ 51.73         |
| 1/1/1976       | \$ 52.69         |
| 4/1/1976       | \$ 54.24         |
| 7/1/1976       | \$ 55.20         |
| 1/1/1977       | \$ 56.24         |
| 7/1/1977       | \$ 59.89         |
| 1/1/1978       | \$ 61.41         |
| 4/1/1978       | \$ 63.17         |
| 7/1/1978       | \$ 64.69         |
| 10/1/1978      | \$ 65.93         |
| 1/1/1979       | \$ 67.93         |
| 7/1/1979       | \$ 72.58         |
| 1/1/1980       | \$ 74.82         |
| 7/1/1980       | \$ 80.62         |
| 1/1/1981       | \$ 83.18         |
| 4/1/1981       | \$ 84.75         |
| 7/1/1981       | \$ 87.31         |
| 10/1/1981      | \$ 89.71         |
| 1/1/1982       | \$ 92.51         |
| 7/1/1982       | \$ 96.75         |
| 1/1/1983       | \$ 99.47         |
| 7/1/1983       | \$ 102.02        |
| 1/1/1984       | \$ 104.10        |
| 11/1/1985      | \$ 105.13        |
| 1/1/1986       | \$ 107.21        |
| 7/1/1986       | \$ 108.80        |
| 1/1/1987       | \$ 111.22        |
| 7/1/1987       | \$ 112.87        |
| 1/1/1988       | \$ 115.39        |
| 7/1/1991       | \$ 118.85        |
| 7/1/1993       | \$ 122.42        |
| 7/1/1994       | \$ 127.32        |
| 7/1/1995       | \$ 128.04        |
| 12/1/1995      | \$ 132.52        |
| 7/1/1997       | \$ 137.16        |
| 7/1/1999       | \$ 141.96        |

Source: Taken from the UTU/ R & S Dept, October 1996.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1967          | \$ 25.87    | 365            | \$ 9,442.55   | \$ 25.87             |             |
| 1968          | \$ 26.52    | 181            | \$ 4,800.12   | \$ 27.19             | 5.10%       |
|               | \$ 27.85    | 184            | \$ 5,124.40   |                      |             |
| 1969          | \$ 28.41    | 181            | \$ 5,142.21   | \$ 28.84             | 6.06%       |
|               | \$ 29.26    | 184            | \$ 5,383.84   |                      |             |
| 1970          | \$ 30.72    | 304            | \$ 9,338.88   | \$ 31.15             | 8.01%       |
|               | \$ 33.28    | 61             | \$ 2,030.08   |                      |             |
| 1971          | \$ 33.28    | 90             | \$ 2,995.20   | \$ 34.71             | 11.45%      |
|               | \$ 34.61    | 184            | \$ 6,368.24   |                      |             |
|               | \$ 36.34    | 91             | \$ 3,306.94   |                      |             |
| 1972          | \$ 36.34    | 90             | \$ 3,270.60   | \$ 38.19             | 10.01%      |
|               | \$ 38.16    | 184            | \$ 7,021.44   |                      |             |
|               | \$ 40.07    | 91             | \$ 3,646.37   |                      |             |
| 1973          | \$ 42.27    | 90             | \$ 3,804.30   | \$ 42.87             | 12.27%      |
|               | \$ 43.07    | 275            | \$ 11,844.25  |                      |             |
| 1974          | \$ 44.79    | 365            | \$ 16,348.35  | \$ 44.79             | 4.47%       |
| 1975          | \$ 49.27    | 273            | \$ 13,450.71  | \$ 49.89             | 11.39%      |
|               | \$ 51.73    | 92             | \$ 4,759.16   |                      |             |
| 1976          | \$ 52.69    | 90             | \$ 4,742.10   | \$ 54.34             | 8.92%       |
|               | \$ 54.24    | 92             | \$ 4,990.08   |                      |             |
|               | \$ 55.20    | 183            | \$ 10,101.60  |                      |             |
| 1977          | \$ 56.24    | 181            | \$ 10,179.44  | \$ 58.08             | 6.88%       |
|               | \$ 59.89    | 184            | \$ 11,019.76  |                      |             |
| 1978          | \$ 61.41    | 90             | \$ 5,526.90   | \$ 63.81             | 9.86%       |
|               | \$ 63.17    | 92             | \$ 5,811.64   |                      |             |
|               | \$ 64.69    | 92             | \$ 5,951.48   |                      |             |
|               | \$ 65.93    | 91             | \$ 5,999.63   |                      |             |
| 1979          | \$ 67.93    | 181            | \$ 12,295.33  | \$ 70.27             | 10.13%      |
|               | \$ 72.58    | 184            | \$ 13,354.72  |                      |             |
| 1980          | \$ 74.82    | 181            | \$ 13,542.42  | \$ 77.74             | 10.63%      |
|               | \$ 80.62    | 184            | \$ 14,834.08  |                      |             |
| 1981          | \$ 83.18    | 90             | \$ 7,486.20   | \$ 85.00             | 9.33%       |
|               | \$ 84.75    | 184            | \$ 15,594.00  |                      |             |
|               | \$ 87.31    | 91             | \$ 7,945.21   |                      |             |



Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1967 through 1999 for Brakeman. (Cont.)

| Calendar Year | Hourly Rate                         | Days Effective   | Weighted Rate                               | Weighted Hourly Rate | Growth Rate |
|---------------|-------------------------------------|------------------|---------------------------------------------|----------------------|-------------|
|               |                                     |                  |                                             | \$ 94.65             | 11.35%      |
| 1982          | \$ 92.51<br>\$ 96.75                | 181<br>184       | \$ 16,744.31<br>\$ 17,802.00                |                      |             |
|               |                                     |                  |                                             | \$ 100.76            | 6.45%       |
| 1983          | \$ 99.47<br>\$ 102.02               | 181<br>184       | \$ 18,004.07<br>\$ 18,771.68                |                      | 3.32%       |
|               |                                     |                  |                                             | \$ 104.10            | 0.17%       |
| 1984          | \$ 104.10                           | 365              | \$ 37,996.50                                | \$ 104.27            |             |
|               |                                     |                  |                                             |                      | 3.59%       |
| 1985          | \$ 104.10<br>\$ 105.13              | 304<br>61        | \$ 31,646.40<br>\$ 6,412.93                 | \$ 108.01            |             |
|               |                                     |                  |                                             |                      | 3.74%       |
| 1986          | \$ 107.21<br>\$ 108.80              | 181<br>184       | \$ 19,405.01<br>\$ 20,019.20                | \$ 112.05            |             |
|               |                                     |                  |                                             |                      | 2.98%       |
| 1987          | \$ 111.22<br>\$ 112.87              | 181<br>184       | \$ 20,130.82<br>\$ 20,768.08                | \$ 115.39            | 0.00%       |
|               |                                     |                  |                                             | \$ 115.39            | 0.00%       |
| 1988          | \$ 115.39                           | 365              | \$ 42,117.35                                | \$ 115.39            | 1.51        |
|               |                                     |                  |                                             |                      | 1.41        |
| 1989          | \$ 115.39                           | 365              | \$ 42,117.35                                | \$ 117.13            | 1.5         |
|               |                                     |                  |                                             |                      | 3.          |
| 1990          | \$ 115.39                           | 365              | \$ 42,117.35                                | \$ 120.65            | 2           |
|               |                                     |                  |                                             |                      |             |
| 1991          | \$ 115.39<br>\$ 118.85              | 181<br>184       | \$ 20,885.59<br>\$ 21,868.40                | \$ 118.85            |             |
|               |                                     |                  |                                             |                      |             |
| 1992          | \$ 118.85                           | 365              | \$ 43,380.25                                | \$ 124.89            |             |
|               |                                     |                  |                                             |                      |             |
| 1993          | \$ 118.85<br>\$ 122.42              | 181<br>184       | \$ 21,511.85<br>\$ 22,525.28                | \$ 128.05            |             |
|               |                                     |                  |                                             |                      |             |
| 1994          | \$ 122.42<br>\$ 127.32              | 181<br>184       | \$ 22,158.02<br>\$ 23,426.88                | \$ 132.52            |             |
|               |                                     |                  |                                             |                      |             |
| 1995          | \$ 127.32<br>\$ 128.04<br>\$ 132.52 | 181<br>154<br>30 | \$ 23,044.92<br>\$ 19,718.16<br>\$ 3,975.60 | \$ 134.86            |             |
|               |                                     |                  |                                             |                      |             |
| 1996          | \$ 132.52                           | 365              | \$ 48,369.80                                | \$ 137.16            |             |
|               |                                     |                  |                                             |                      |             |
| 1997          | \$ 132.52<br>\$ 137.16              | 181<br>184       | \$ 23,986.12<br>\$ 25,237.44                | \$ 139.58            |             |
|               |                                     |                  |                                             |                      |             |
| 1998          | \$ 137.16                           | 365              | \$ 50,063.40                                |                      |             |
|               |                                     |                  |                                             |                      |             |
| 1999          | \$ 137.16<br>\$ 141.96              | 181<br>184       | \$ 24,825.96<br>\$ 26,120.64                |                      |             |

5.41°

1967 through 1999 Compound Rate of Growth

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

11:34:06

EE SSN : 275 - 20 - 0572

PF NAME: BILINSKY

, W ,

SEX: M

PREVIOUS SURNAME:

DOB: 02 / / 1928 RRB

ADDR1

DOD: 07 / / 1977 RRB

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&amp;C YEAR: 1977

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1321

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3100626718

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 056

ANN BEGIN DATE: / /

ACCOUNT LAST ACTIVE: 1978

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: 08 / 05 / 1977

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / / ;

## USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

11:34:20

EE SSN : 275 - 20 - 0572

F NAME: BILINSKY , W ,

SERVICE MONTHS TOTALS

-----  
TOTAL REPORTED : 368  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 368  
CREDITABLE 37-46 : 001  
S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD EXISTS

1951 QC'S: 2 PATT: NCCN \$ 353.57

TOTAL QC'S : 25 QC'S THRU 1974 : 25

ITEMS IN SUSPENSE?(Y/N):

COMPENSATION TOTALS

-----  
TIER 1 AMOUNT :\$ 190025.23  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 5.10  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 4926.16  
37-50 SSA WAGES :\$ 3120.19

1952 QC'S: 0 PATT: NNNN \$ 0.00  
QC'S 37-50 : 12

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMID104  
PAGE: 0001

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

11:34:41

EE SSN: 275 - 20 - 0572      EE NAME: BILINSKY

, W ,

| S | YEAR | SM | RAILROAD INFO |              |                |                | SSA INFO     |                       |                       |                   |
|---|------|----|---------------|--------------|----------------|----------------|--------------|-----------------------|-----------------------|-------------------|
|   |      |    | MOS<br>PATT   | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE YR<br>AMOUNT |
|   | 1977 | 7  | 7710          | 0000         | 8311.12        |                |              |                       |                       |                   |
|   | 1976 | 12 | 7777          | 0000         | 15300.00       |                |              |                       |                       |                   |
|   | 1975 | 12 | 7777          | 0000         | 14100.00       |                |              |                       |                       |                   |
|   | 1974 | 12 | 7777          | 0000         | 13200.00       |                |              |                       |                       |                   |
|   | 1973 | 12 | 7777          | 0000         | 10800.00       |                |              |                       |                       |                   |
|   | 1972 | 12 | 7777          | 0000         | 9000.00        |                |              |                       |                       |                   |
|   | 1971 | 12 | 7777          | 0000         | 7543.22        |                |              |                       |                       |                   |
|   | 1970 | 12 | 7777          | 0000         | 7800.00        |                |              |                       |                       |                   |
|   | 1969 | 12 | 7777          | 0000         | 7800.00        |                |              |                       |                       |                   |
|   | 1968 | 12 | 7777          | 0000         | 7376.14        |                |              |                       |                       |                   |

USER MESSAGE

-----RESPONSES-----  
EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22  
EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDMID104  
PAGE: 0002

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

03/01/55  
11:34:50

EE SSN: 275 - 20 - 0572      EE NAME: BILINSKY      , W ,

| ----- RAILROAD INFO ----- |      |    |      |      |         |        |      |          |       |          |         | ----- SSA INFO ----- |       |
|---------------------------|------|----|------|------|---------|--------|------|----------|-------|----------|---------|----------------------|-------|
| S                         | YEAR | SM | MOS  | DEEM | TIER-1  | TIER-2 | MISC | ---Q/C-- |       | WAGE M/S | WAGE YR | SSA                  | SE&AG |
|                           |      |    | PATT | PATT | COMP    | COMP   | COMP | SSA      | SE&AG | PATT     | PATT    |                      |       |
| =====                     |      |    |      |      |         |        |      |          |       |          |         |                      |       |
|                           | 1967 | 12 | 7777 | 0000 | 6496.28 |        |      |          |       |          |         |                      |       |
|                           | 1966 | 12 | 7777 | 0000 | 6600.00 |        |      |          |       |          |         |                      |       |
|                           | 1965 | 12 | 7777 | 0000 | 5400.00 |        |      |          |       |          |         |                      |       |
|                           | 1964 | 12 | 7777 | 0000 | 5400.00 |        |      |          |       |          |         |                      |       |
|                           | 1963 | 12 | 7777 | 0000 | 4900.00 |        |      |          |       |          |         |                      |       |
|                           | 1962 | 12 | 7777 | 0000 | 4800.00 |        |      |          |       |          |         |                      |       |
|                           | 1961 | 12 | 7777 | 0000 | 4780.24 |        |      |          |       |          |         |                      |       |
|                           | 1960 | 12 | 7777 | 0000 | 4800.00 |        |      |          |       |          |         |                      |       |
|                           | 1959 | 12 | 0000 | 0000 | 4550.00 |        |      |          |       |          |         |                      |       |
|                           | 1958 | 12 | 0000 | 0000 | 4200.00 |        |      |          |       |          |         |                      |       |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

|           |       |               |       |                |       |           |       |
|-----------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO   | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

EDMID104  
PAGE: 0003

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

01/01/55  
11:34:58

EE SSN: 275 - 20 - 0572      EE NAME: BILINSKY      , W ,

| ----- RAILROAD INFO ----- |      |    |      |      |         |        |      | ----- SSA INFO ----- |      |      |         |        |
|---------------------------|------|----|------|------|---------|--------|------|----------------------|------|------|---------|--------|
| S                         | YEAR | SM | MOS  | DEEM | TIER-1  | TIER-2 | MISC | ---Q/C--             | WAGE | M/S  | WAGE YR |        |
|                           |      |    | PATT | PATT | COMP    | COMP   | COMP |                      |      |      |         |        |
| =====                     |      |    |      |      |         |        |      |                      |      |      |         |        |
|                           | 1957 | 12 | 0000 | 0000 | 4200.00 |        |      | 4                    | N    | CCCC | 0000    | 587.52 |
|                           | 1956 | 12 | 0000 | 0000 | 4200.00 |        |      | 4                    | N    | CCCC | 0000    | 467.78 |
|                           | 1955 | 12 | 0000 | 0000 | 4126.73 |        |      | 2                    | N    | NNCC | 0000    | 174.46 |
|                           | 1954 | 12 | 0000 | 0000 | 3900.00 |        |      |                      |      |      |         |        |
|                           | 1953 | 12 | 0000 | 0000 | 3600.00 |        |      | 1                    | N    | CNNN | 0000    | 222.64 |
|                           | 1952 | 12 | 0000 | 0000 | 3600.00 |        |      |                      |      |      |         |        |
|                           | 1951 | 12 | 0000 | 0000 | 3489.68 |        |      | 2                    | N    | NCCN | 0000    | 353.57 |
|                           | 1950 | 12 | 0000 | 0000 | 2878.68 |        |      |                      |      |      |         |        |
|                           | 1949 | 12 | 0000 | 0000 | 2557.68 |        |      |                      |      |      |         |        |
|                           | 1948 | 12 | 0000 | 0000 | 2346.68 |        |      |                      |      |      |         |        |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

EE INFO            =PF13    MISC SCORE        =PF15    S&E LEDGER            =PF18    MIL SERV =PF22  
SERV/RUIA =PF14    EE S&E TOTALS =PF16    SERV MO DETAIL    =PF19    HIST STMT=PF20

EDMID104  
PAGE: 0004

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/07/55  
11:35:08

EE SSN: 275 - 20 - 0572      EE NAME: BILINSKY      , W ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                  |                 |         |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|------------------|-----------------|---------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | AMOUNT  |
|                           | 1947 | 12 | 0000        | 0000         |                |                |                      |                       |                  |                 | 1963.68 |
|                           | 1946 | 1  | 0000        | 0000         |                |                |                      |                       |                  |                 | 5.10    |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

|             |       |               |       |                |       |           |       |
|-------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO     | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| F SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**William Bilinsky**

*Prepared for*

**Carla Tricarichi  
Attorney at Law**

*Prepared by:*

**Harvey S. Rosen, Ph.D.  
John F. Burke, Jr., Ph.D.  
*Economists***

*July 30, 2007*



## Personal Data Sheet

Name: William Bilinsky  
 Date of Birth: 2/13/1928  
 Date of Death: 7/24/1977 (43.84% of 1977 Remains)  
 Age on: 7/24/1977 49.4 Years  
 Work Life Expectancy from: 7/24/1977 13.0 Years ( 56.16% of 1990)\*  
 Age at Expiration of Work Life Expectancy: 62.4 Years Old  
 Life Expectancy from: 7/24/1977 29.2 Years ( 76.16% of 2006)\*\*  
 Age at Expiration of Life Expectancy: 78.6 Years Old

Occupation: Car Inspector

Date of Hire: 1946

As of 9/1/2007

| <u>Name</u> | <u>Relationship</u> | <u>Date of Birth</u> | <u>Age</u> | <u>Life Expectancy</u> |
|-------------|---------------------|----------------------|------------|------------------------|
| Theresa     | Wife                | 1/4/1929             | 78.7       | 10.2 Years             |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville, Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

---

Summary Sheet

---

|                                                                                | Value            |
|--------------------------------------------------------------------------------|------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>        |                  |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>        | \$ 2,072         |
| <b>Pension Benefits</b>                                                        | \$ 221           |
| <b>Back Interest through 1/1/2007</b>                                          | <u>\$ 30,350</u> |
| <b>Total</b>                                                                   | \$ 32,643        |
| <br><b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | <br>\$ 2,072     |
| <b>Pension Benefits</b>                                                        | \$ 221           |
| <b>Back Interest through 1/1/2007</b>                                          | <u>\$ 46,487</u> |
| <b>Total</b>                                                                   | \$ 48,780        |

Table 1: Schedule Showing the Earnings for the Years 1966-1977, and the Displacement Allowance for William Bilinsky.

| Year                                  | Earnings (a) | Months Employed (a) | Weighted Wage Rate (b) | Forecasted Wages (c) | Displacement Allowance (d)                |
|---------------------------------------|--------------|---------------------|------------------------|----------------------|-------------------------------------------|
| 1966                                  | \$ 6,600.00  | 12                  | \$ 2.97                | \$ 6,170.94          | -                                         |
| 1967                                  | \$ 6,496.28  | 12                  | \$ 3.19                | \$ 6,645.47          | -                                         |
| 1968                                  | \$ 7,376.14  | 12                  | \$ 3.38                | \$ 7,026.16          | -                                         |
| 1969                                  | \$ 7,800.00  | 12                  | \$ 3.73                | \$ 7,766.32          | -                                         |
| 1970                                  | \$ 7,800.00  | 12                  | \$ 4.17                | \$ 8,663.46          | \$ 1,796.72                               |
| 1971                                  | \$ 7,543.22  | 12                  | \$ 4.49                | \$ 9,339.94          | -                                         |
| 1972                                  | \$ 9,000.00  | 12                  | \$ 4.94                | \$ 10,281.75         | -                                         |
| 1973                                  | \$ 10,800.00 | 12                  | \$ 5.38                | \$ 11,186.98         | -                                         |
| 1974                                  | \$ 13,200.00 | 12                  | \$ 5.66                | \$ 11,772.80         | -                                         |
| 1975                                  | \$ 14,100.00 | 12                  | \$ 6.31                | \$ 13,120.92         | -                                         |
| 1976                                  | \$ 15,300.00 | 12                  | \$ 6.87                | \$ 14,291.37         | -                                         |
| 1977 (e)                              | \$ 8,311.12  | 7                   | \$ 7.34                | \$ 15,271.13         | -                                         |
| 1977 Annualized Wage for Displacement | \$ 14,799.00 |                     |                        | \$ 15,271.13         | 1977 Displacement Allowance (g) \$ 275.41 |

\* Boxed earnings in the earnings column indicate that Mr. Bilinsky earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 9.

(c) The forecasted wages are calculated as the weighted wage rates multiplied by 2,080 hours per year.

(d) The displacement allowance for each year is calculated as the forecasted wages minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) Date of death was 7/24/1977.

(f) The 1977 annualized wage is calculated as \$8,311.12 divided by (1 - 43.84%). 43.84% is the amount of the year remaining after the date of death.

(g) The 1977 displacement allowance is partialled out to represent Mr. Bilinsky working for 7 months in 1977.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for William Bilinsky for the Years 1971 through 1977.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1971 | \$ 1,797                                       | \$ 179                  | \$ 1,975                                |
| 1972 | -                                              | -                       | -                                       |
| 1973 | -                                              | -                       | -                                       |
| 1974 | -                                              | -                       | -                                       |
| 1975 | -                                              | -                       | -                                       |
| 1976 | -                                              | -                       | -                                       |
| 1977 | \$ 275                                         | \$ 42                   | \$ 318                                  |
|      | \$ 2,072                                       | \$ 221                  | \$ 2,293                                |

) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for William Bilinsky, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1971     | \$ 1,975  | \$ 125            | 6.30%              | \$ 2,100         | \$ 125                               |
| 1972     | \$ -      | \$ 133            | 6.36%              | \$ 2,234         | \$ 133                               |
| 1973     | \$ -      | \$ 157            | 7.03%              | \$ 2,390         | \$ 157                               |
| 1974     | \$ -      | \$ 186            | 7.78%              | \$ 2,576         | \$ 186                               |
| 1975     | \$ -      | \$ 212            | 8.23%              | \$ 2,788         | \$ 212                               |
| 1976     | \$ -      | \$ 218            | 7.83%              | \$ 3,007         | \$ 218                               |
| 1977     | \$ 318    | \$ 254            | 7.63%              | \$ 3,578         | \$ 254                               |
| 1978     |           | \$ 311            | 8.68%              | \$ 3,889         | \$ 311                               |
| 1979     |           | \$ 380            | 9.77%              | \$ 4,269         | \$ 380                               |
| 1980     |           | \$ 509            | 11.93%             | \$ 4,778         | \$ 509                               |
| 1981     |           | \$ 701            | 14.66%             | \$ 5,478         | \$ 701                               |
| 1982     |           | \$ 748            | 13.66%             | \$ 6,227         | \$ 748                               |
| 1983     |           | \$ 720            | 11.57%             | \$ 6,947         | \$ 720                               |
| 1984     |           | \$ 907            | 13.05%             | \$ 7,854         | \$ 907                               |
| 1985     |           | \$ 868            | 11.05%             | \$ 8,722         | \$ 868                               |
| 1986     |           | \$ 688            | 7.89%              | \$ 9,410         | \$ 688                               |
| 1987     |           | \$ 815            | 8.66%              | \$ 10,225        | \$ 815                               |
| 1988     |           | \$ 935            | 9.15%              | \$ 11,160        | \$ 935                               |
| 1989     |           | \$ 978            | 8.76%              | \$ 12,139        | \$ 978                               |
| 1990     |           | \$ 1,072          | 8.83%              | \$ 13,210        | \$ 1,072                             |
| 1991     |           | \$ 1,069          | 8.09%              | \$ 14,280        | \$ 1,069                             |
| 1992     |           | \$ 1,028          | 7.20%              | \$ 15,307        | \$ 1,028                             |
| 1993     |           | \$ 919            | 6.00%              | \$ 16,226        | \$ 919                               |
| 1994     |           | \$ 1,181          | 7.28%              | \$ 17,407        | \$ 1,181                             |
| 1995     |           | \$ 1,172          | 6.73%              | \$ 18,579        | \$ 1,172                             |
| 1996     |           | \$ 1,226          | 6.60%              | \$ 19,805        | \$ 1,226                             |
| 1997     |           | \$ 1,288          | 6.50%              | \$ 21,093        | \$ 1,288                             |
| 1998     |           | \$ 1,132          | 5.36%              | \$ 22,224        | \$ 1,132                             |
| 1999     |           | \$ 1,283          | 5.77%              | \$ 23,507        | \$ 1,283                             |
| 2000     |           | \$ 1,450          | 6.17%              | \$ 24,957        | \$ 1,450                             |
| 2001     |           | \$ 1,277          | 5.12%              | \$ 26,233        | \$ 1,277                             |
| 2002     |           | \$ 1,230          | 4.69%              | \$ 27,464        | \$ 1,230                             |
| 2003     |           | \$ 1,118          | 4.07%              | \$ 28,582        | \$ 1,118                             |
| 2004     |           | \$ 1,240          | 4.34%              | \$ 29,822        | \$ 1,240                             |
| 2005     |           | \$ 1,300          | 4.36%              | \$ 31,122        | \$ 1,300                             |
| 2006 (d) |           | \$ 1,521          | 4.89%              | \$ 32,643        | \$ 1,521                             |
|          |           |                   |                    |                  | \$ 30,350                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for William Bilinsky, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1971     | \$ 1,975  | \$ 116            | 5.85%              | \$ 2,091         | \$ 116                               |
| 1972     | \$ -      | \$ 112            | 5.35%              | \$ 2,203         | \$ 112                               |
| 1973     | \$ -      | \$ 182            | 8.25%              | \$ 2,385         | \$ 182                               |
| 1974     | \$ -      | \$ 268            | 11.24%             | \$ 2,653         | \$ 268                               |
| 1975     | \$ -      | \$ 215            | 8.09%              | \$ 2,867         | \$ 215                               |
| 1976     | \$ -      | \$ 201            | 7.02%              | \$ 3,069         | \$ 201                               |
| 1977     | \$ 318    | \$ 237            | 7.00%              | \$ 3,623         | \$ 237                               |
| 1978     |           | \$ 339            | 9.36%              | \$ 3,963         | \$ 339                               |
| 1979     |           | \$ 526            | 13.27%             | \$ 4,488         | \$ 526                               |
| 1980     |           | \$ 723            | 16.12%             | \$ 5,212         | \$ 723                               |
| 1981     |           | \$ 1,055          | 20.24%             | \$ 6,267         | \$ 1,055                             |
| 1982     |           | \$ 983            | 15.69%             | \$ 7,250         | \$ 983                               |
| 1983     |           | \$ 815            | 11.24%             | \$ 8,065         | \$ 815                               |
| 1984     |           | \$ 1,016          | 12.59%             | \$ 9,080         | \$ 1,016                             |
| 1985     |           | \$ 936            | 10.31%             | \$ 10,017        | \$ 936                               |
| 1986     |           | \$ 861            | 8.59%              | \$ 10,877        | \$ 861                               |
| 1987     |           | \$ 920            | 8.46%              | \$ 11,797        | \$ 920                               |
| 1988     |           | \$ 1,138          | 9.64%              | \$ 12,935        | \$ 1,138                             |
| 1989     |           | \$ 1,465          | 11.32%             | \$ 14,400        | \$ 1,465                             |
| 1990     |           | \$ 1,496          | 10.39%             | \$ 15,896        | \$ 1,496                             |
| 1991     |           | \$ 1,388          | 8.73%              | \$ 17,284        | \$ 1,388                             |
| 1992     |           | \$ 1,106          | 6.40%              | \$ 18,390        | \$ 1,106                             |
| 1993     |           | \$ 1,129          | 6.14%              | \$ 19,519        | \$ 1,129                             |
| 1994     |           | \$ 1,430          | 7.33%              | \$ 20,949        | \$ 1,430                             |
| 1995     |           | \$ 1,912          | 9.13%              | \$ 22,861        | \$ 1,912                             |
| 1996     |           | \$ 1,950          | 8.53%              | \$ 24,811        | \$ 1,950                             |
| 1997     |           | \$ 2,162          | 8.71%              | \$ 26,973        | \$ 2,162                             |
| 1998     |           | \$ 2,325          | 8.62%              | \$ 29,298        | \$ 2,325                             |
| 1999     |           | \$ 2,413          | 8.24%              | \$ 31,711        | \$ 2,413                             |
| 2000     |           | \$ 3,031          | 9.56%              | \$ 34,742        | \$ 3,031                             |
| 2001     |           | \$ 2,465          | 7.10%              | \$ 37,207        | \$ 2,465                             |
| 2002     |           | \$ 1,770          | 4.76%              | \$ 38,977        | \$ 1,770                             |
| 2003     |           | \$ 1,632          | 4.19%              | \$ 40,609        | \$ 1,632                             |
| 2004     |           | \$ 1,792          | 4.41%              | \$ 42,400        | \$ 1,792                             |
| 2005     |           | \$ 2,684          | 6.33%              | \$ 45,084        | \$ 2,684                             |
| 2006 (d) |           | \$ 3,696          | 8.20%              | \$ 48,780        | \$ 3,696                             |
|          |           |                   |                    |                  | \$ 46,487                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The Interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source:

"Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Hourly Rates for Carmen from 1/1/1964 through 7/1/1997.

| Effective Date | Carmen   | Effective Date | Carmen   |
|----------------|----------|----------------|----------|
| 1/1/1964       | \$ 2.79  | 1/1/1982       | \$ 11.73 |
| 1/1/1965       | \$ 2.88  | 7/1/1982       | \$ 12.05 |
| 1/1/1966       | \$ 2.97  | 7/1/1982       | \$ 12.27 |
| 1/1/1967       | \$ 3.14  | 1/1/1983       | \$ 12.61 |
| 4/1/1967       | \$ 3.19  | 7/1/1983       | \$ 12.94 |
| 10/1/1967      | \$ 3.24  | 1/1/1984       | \$ 13.20 |
| 4/1/1968       | \$ 3.29  | 12/1/1985      | \$ 13.46 |
| 7/1/1968       | \$ 3.46  | 12/1/1986      | \$ 13.76 |
| 10/1/1968      | \$ 3.51  | 12/1/1987      | \$ 14.07 |
| 1/1/1969       | \$ 3.55  | 7/1/1991       | \$ 14.49 |
| 1/1/1969       | \$ 3.62  | 7/1/1993       | \$ 14.93 |
| 7/1/1969       | \$ 3.73  | 7/1/1994       | \$ 15.53 |
| 7/1/1969       | \$ 3.78  | 11/30/1995     | \$ 15.62 |
| 9/1/1969       | \$ 3.88  | 12/1/1995      | \$ 16.17 |
| 1/1/1970       | \$ 4.07  | 7/1/1996       | \$ 16.45 |
| 4/1/1970       | \$ 4.11  | 7/1/1997       | \$ 17.03 |
| 4/24/1970      | \$ 4.18  |                |          |
| 8/1/1970       | \$ 4.22  |                |          |
| 1/1/1971       | \$ 4.32  |                |          |
| 4/1/1971       | \$ 4.47  |                |          |
| 10/1/1971      | \$ 4.70  |                |          |
| 4/1/1972       | \$ 4.94  |                |          |
| 10/1/1972      | \$ 5.19  |                |          |
| 4/1/1973       | \$ 5.44  |                |          |
| 1/1/1974       | \$ 5.66  |                |          |
| 1/1/1975       | \$ 6.23  |                |          |
| 10/1/1975      | \$ 6.54  |                |          |
| 1/1/1976       | \$ 6.66  |                |          |
| 4/1/1976       | \$ 6.86  |                |          |
| 7/1/1976       | \$ 6.98  |                |          |
| 1/1/1977       | \$ 7.11  |                |          |
| 7/1/1977       | \$ 7.29  |                |          |
| 7/1/1977       | \$ 7.57  |                |          |
| 1/1/1978       | \$ 7.79  |                |          |
| 4/1/1978       | \$ 8.02  |                |          |
| 7/1/1978       | \$ 8.21  |                |          |
| 10/1/1978      | \$ 8.37  |                |          |
| 1/1/1979       | \$ 8.62  |                |          |
| 7/1/1979       | \$ 8.96  |                |          |
| 7/1/1979       | \$ 9.21  |                |          |
| 1/1/1980       | \$ 9.49  |                |          |
| 7/1/1980       | \$ 9.96  |                |          |
| 7/1/1980       | \$ 10.23 |                |          |
| 1/1/1981       | \$ 10.55 |                |          |
| 4/1/1981       | \$ 10.75 |                |          |
| 7/1/1981       | \$ 11.07 |                |          |
| 10/1/1981      | \$ 11.38 |                |          |

Source: Taken from the Brotherhood Railway Carmen Division Transportation-Communications International Union Wage Rate Progression Chart (Revised: January 24, 2003) sheet.



Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1964          | \$ 2.79     | 365            | \$ 1,017.18   | \$ 2.79              |             |
| 1965          | \$ 2.88     | 365            | \$ 1,050.03   | \$ 2.88              | 3.23%       |
| 1966          | \$ 2.97     | 365            | \$ 1,082.88   | \$ 2.97              | 3.13%       |
| 1967          | \$ 3.14     | 90             | \$ 283.03     | \$ 3.19              | 7.69%       |
|               | \$ 3.19     | 184            | \$ 587.84     |                      |             |
|               | \$ 3.24     | 91             | \$ 295.28     |                      |             |
| 1968          | \$ 3.24     | 90             | \$ 292.03     | \$ 3.38              | 5.73%       |
|               | \$ 3.29     | 91             | \$ 299.83     |                      |             |
|               | \$ 3.46     | 93             | \$ 321.73     |                      |             |
|               | \$ 3.51     | 91             | \$ 319.36     |                      |             |
| 1969          | \$ 3.62     | 181            | \$ 655.22     | \$ 3.73              | 10.53%      |
|               | \$ 3.78     | 63             | \$ 238.14     |                      |             |
|               | \$ 3.88     | 121            | \$ 469.48     |                      |             |
| 1970          | \$ 4.07     | 90             | \$ 366.30     | \$ 4.17              | 11.55%      |
|               | \$ 4.11     | 23             | \$ 94.53      |                      |             |
|               | \$ 4.18     | 100            | \$ 418.00     |                      |             |
|               | \$ 4.22     | 152            | \$ 641.44     |                      |             |
| 1971          | \$ 4.32     | 90             | \$ 388.80     | \$ 4.49              | 7.81%       |
|               | \$ 4.47     | 184            | \$ 822.48     |                      |             |
|               | \$ 4.70     | 91             | \$ 427.70     |                      |             |
| 1972          | \$ 4.70     | 90             | \$ 423.00     | \$ 4.94              | 10.08%      |
|               | \$ 4.94     | 184            | \$ 908.96     |                      |             |
|               | \$ 5.19     | 91             | \$ 472.29     |                      |             |
| 1973          | \$ 5.19     | 90             | \$ 467.10     | \$ 5.38              | 8.80%       |
|               | \$ 5.44     | 275            | \$ 1,496.00   |                      |             |
| 1974          | \$ 5.66     | 365            | \$ 2,065.90   | \$ 5.66              | 5.24%       |
|               |             |                |               |                      |             |
| 1975          | \$ 6.23     | 273            | \$ 1,700.79   | \$ 6.31              | 11.45%      |
|               | \$ 6.54     | 92             | \$ 601.68     |                      |             |
| 1976          | \$ 6.66     | 90             | \$ 599.40     | \$ 6.87              | 8.92%       |
|               | \$ 6.86     | 92             | \$ 631.12     |                      |             |
|               | \$ 6.98     | 183            | \$ 1,277.34   |                      |             |
| 1977          | \$ 7.11     | 181            | \$ 1,286.91   | \$ 7.34              | 6.86%       |
|               | \$ 7.57     | 184            | \$ 1,392.88   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1978          | \$ 7.79     | 90             | \$ 701.10     | \$ 8.10              | 10.31%      |
|               | \$ 8.02     | 91             | \$ 729.82     |                      |             |
|               | \$ 8.21     | 93             | \$ 763.53     |                      |             |
|               | \$ 8.37     | 91             | \$ 761.67     |                      |             |
| 1979          | \$ 8.62     | 181            | \$ 1,560.22   | \$ 8.92              | 10.11%      |
|               | \$ 9.21     | 184            | \$ 1,694.64   |                      |             |
| 1980          | \$ 9.49     | 181            | \$ 1,717.69   | \$ 9.86              | 10.60%      |
|               | \$ 10.23    | 184            | \$ 1,882.32   |                      |             |
| 1981          | \$ 10.55    | 90             | \$ 949.50     | \$ 10.94             | 10.91%      |
|               | \$ 10.75    | 91             | \$ 978.25     |                      |             |
|               | \$ 11.07    | 93             | \$ 1,029.51   |                      |             |
|               | \$ 11.38    | 91             | \$ 1,035.58   |                      |             |
| 1982          | \$ 11.73    | 181            | \$ 2,123.13   | \$ 12.00             | 9.72%       |
|               | \$ 12.27    | 184            | \$ 2,257.68   |                      |             |
| 1983          | \$ 12.61    | 181            | \$ 2,282.41   | \$ 12.78             | 6.45%       |
|               | \$ 12.94    | 184            | \$ 2,380.96   |                      |             |
| 1984          | \$ 13.20    | 365            | \$ 4,818.00   | \$ 13.20             | 3.32%       |
| 1985          | \$ 13.20    | 334            | \$ 4,408.80   | \$ 13.22             | 0.17%       |
|               | \$ 13.46    | 31             | \$ 417.26     |                      |             |
| 1986          | \$ 13.46    | 334            | \$ 4,495.64   | \$ 13.49             | 1.99%       |
|               | \$ 13.76    | 31             | \$ 426.56     |                      |             |
| 1987          | \$ 13.76    | 334            | \$ 4,595.84   | \$ 13.79             | 2.23%       |
|               | \$ 14.07    | 31             | \$ 436.17     |                      |             |
| 1988          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 2.06%       |
| 1989          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1990          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1991          | \$ 14.07    | 181            | \$ 2,546.67   | \$ 14.28             | 1.50%       |
|               | \$ 14.49    | 184            | \$ 2,666.16   |                      |             |
| 1992          | \$ 14.49    | 365            | \$ 5,288.85   | \$ 14.49             | 1.46%       |
| 1993          | \$ 14.49    | 181            | \$ 2,622.69   | \$ 14.71             | 1.53%       |
|               | \$ 14.93    | 184            | \$ 2,747.12   |                      |             |

Table 9: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| <u>Calendar Year</u> | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|----------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1994                 | \$ 14.93           | 181                   | \$ 2,702.33          | \$ 15.23                    | 3.54%              |
|                      | \$ 15.53           | 184                   | \$ 2,857.52          |                             |                    |
| 1995                 | \$ 15.53           | 333                   | \$ 5,171.49          | \$ 15.58                    | 2.31%              |
|                      | \$ 15.62           | 1                     | \$ 15.62             |                             |                    |
|                      | \$ 16.17           | 31                    | \$ 501.27            |                             |                    |
| 1996                 | \$ 16.17           | 181                   | \$ 2,926.77          | \$ 16.31                    | 4.66%              |
|                      | \$ 16.45           | 184                   | \$ 3,026.80          |                             |                    |
| 1997                 | \$ 16.45           | 181                   | \$ 2,977.45          | \$ 16.74                    | 2.64%              |
|                      | \$ 17.03           | 184                   | \$ 3,133.52          |                             |                    |

1964 through 1997 Compound Rate of Growth

5.58%

EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

11:42:21

EE SSN : 720 - 01 - 1754

NAME: CRTALIC JR

, J , J

SEX: M

DOB: 10 / / 1919 RRB

PREVIOUS SURNAME:

DOD: 10 / / 1982 RRB

ADDR1

LAST COA MADE BY

ADDR2

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1973

LAST EMPLOYER: 1313

LAST PAYROLL ID: 3836665361

LAST ICC CODE: 057

ACCOUNT LAST ACTIVE: 1973

SSA INQUIRY DATE: / /

SEPARATED: / / ;

/ / ;

NEW ACCOUNT INDICATOR?(Y/N): N

ACCOUNT VERIFIED?(Y/N): Y

DORMANT ACCOUNT?(Y/N): Y

ANN BEGIN DATE: 11 / / 1973

SERVICE AFTER ABD: NO

DATE LAST WORKED: / /

DATE RIGHTS RELINQUISHED: / /

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
M\* SC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

04/01/99  
11:42:35

EE SSN : 720 - 01 - 1754

F NAME: CRTALIC JR , J , J

SERVICE MONTHS TOTALS

-----  
TOTAL REPORTED : 404  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 404  
CREDITABLE 37-46 : 081  
S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 0 QC'S THRU 1974 : 0 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

COMPENSATION TOTALS

-----  
TIER 1 AMOUNT :\$ 150365.99  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 9902.87  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 0.00  
37-50 SSA WAGES :\$ 0.00

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMID104

EMPLOYMENT DATA MAINTENANCE

PAGE: 0001 .

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

02/07/55  
11:42:45

EE SSN: 720 - 01 - 1754

EE NAME: CRTALIC JR

, J , J

| ----- RAILROAD INFO ----- |      |    |      |      |         |        |      |           |       | ----- SSA INFO ----- |         |        |
|---------------------------|------|----|------|------|---------|--------|------|-----------|-------|----------------------|---------|--------|
| S                         | YEAR | SM | MOS  | DEEM | TIER-1  | TIER-2 | MISC | ---Q/C--- |       | WAGE M/S             | WAGE YR |        |
|                           |      |    | PATT | PATT | COMP    | COMP   | COMP | SSA       | SE&AG | PATT                 | PATT    | AMOUNT |
|                           | 1973 | 11 | 7773 | 0000 | 9219.96 |        |      |           |       |                      |         |        |
|                           | 1972 | 12 | 7777 | 0000 | 8626.13 |        |      |           |       |                      |         |        |
|                           | 1971 | 12 | 7777 | 0000 | 7800.00 |        |      |           |       |                      |         |        |
|                           | 1970 | 12 | 7777 | 0000 | 7800.00 |        |      |           |       |                      |         |        |
|                           | 1969 | 12 | 7777 | 0000 | 7800.00 |        |      |           |       |                      |         |        |
|                           | 1968 | 12 | 7777 | 0000 | 7606.17 |        |      |           |       |                      |         |        |
|                           | 1967 | 12 | 7777 | 0000 | 6343.85 |        |      |           |       |                      |         |        |
|                           | 1966 | 12 | 7777 | 0000 | 6438.40 |        |      |           |       |                      |         |        |
|                           | 1965 | 12 | 7777 | 0000 | 5355.76 |        |      |           |       |                      |         |        |
|                           | 1964 | 12 | 7777 | 0000 | 4905.13 |        |      |           |       |                      |         |        |

USER MESSAGE

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

EDMID104  
PAGE: 0002 .

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/01/55  
11:42:55

EE SSN: 720 - 01 - 1754      EE NAME: CRTALIC JR      , J , J

| S | YEAR | SM | RAILROAD INFO |              |                |                | SSA INFO     |                       |                       |                   |
|---|------|----|---------------|--------------|----------------|----------------|--------------|-----------------------|-----------------------|-------------------|
|   |      |    | MOS<br>PATT   | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE YR<br>AMOUNT |
|   | 1963 | 12 | 7777          | 0000         | 4850.82        |                |              |                       |                       |                   |
|   | 1962 | 12 | 7777          | 0000         | 4800.00        |                |              |                       |                       |                   |
|   | 1961 | 12 | 7777          | 0000         | 4800.00        |                |              |                       |                       |                   |
|   | 1960 | 12 | 7777          | 0000         | 4700.66        |                |              |                       |                       |                   |
|   | 1959 | 12 | 0000          | 0000         | 4550.00        |                |              |                       |                       |                   |
|   | 1958 | 12 | 0000          | 0000         | 4200.00        |                |              |                       |                       |                   |
|   | 1957 | 12 | 0000          | 0000         | 4153.60        |                |              |                       |                       |                   |
|   | 1956 | 12 | 0000          | 0000         | 4174.58        |                |              |                       |                       |                   |
|   | 1955 | 12 | 0000          | 0000         | 4120.58        |                |              |                       |                       |                   |
|   | 1954 | 12 | 0000          | 0000         | 3854.58        |                |              |                       |                       |                   |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----  
EE INFO            =PF13    MISC SCORE        =PF15    S&E LEDGER            =PF18    MIL SERV =PF22  
PF SERV/RUIA =PF14    EE S&E TOTALS =PF16    SERV MO DETAIL        =PF19    HIST STMT=PF20

EDMID104

## EMPLOYMENT DATA MAINTENANCE

04/01/77

PAGE: 0003 .

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

11:43:05

EE SSN: 720 - 01 - 1754

EE NAME: CRTALIC JR

, J , J

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |        |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|--------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | AMOUNT |
|                           | 1953 | 12 | 0000        | 0000         | 3600.00        |                |              |                       |                  |                 |        |
|                           | 1952 | 12 | 0000        | 0000         | 3600.00        |                |              |                       |                  |                 |        |
|                           | 1951 | 12 | 0000        | 0000         | 3571.58        |                |              |                       |                  |                 |        |
|                           | 1950 | 12 | 0000        | 0000         | 3422.58        |                |              |                       |                  |                 |        |
|                           | 1949 | 12 | 0000        | 0000         | 3543.58        |                |              |                       |                  |                 |        |
|                           | 1948 | 12 | 0000        | 0000         | 3585.58        |                |              |                       |                  |                 |        |
|                           | 1947 | 12 | 0000        | 0000         | 3039.58        |                |              |                       |                  |                 |        |
|                           | 1946 | 81 | 0000        | 0000         | 9902.87        |                |              |                       |                  |                 |        |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

## -----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| PF SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |



**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**Joseph Crtalic**

*Prepared for*

**Carla Tricarichi**  
**Attorney at Law**

*Prepared by:*

**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

## Personal Data Sheet

Name: Joseph Crtalic  
 Date of Birth: 10/28/1919  
 Date of Separation: 11/30/1973 (8.49% of 1973 Remains)  
 Age on: 11/30/1973 54.1 Years  
 Work Life Expectancy from: 11/30/1973 9.5 Years ( 41.64% of 1983)\*  
 Age at Expiration of Work Life Expectancy: 63.6 Years Old  
 Life Expectancy from: 11/30/1973 25.3 Years ( 21.64% of 1999)\*\*  
 Age at Expiration of Life Expectancy: 79.4 Years Old  
 Age on: 9/1/2007 87.8 Years  
 Work Life Expectancy from: 9/1/2007 0.0 Years ( 66.85% of 2007)\*  
 Age at Expiration of Work Life Expectancy: 87.8 Years Old  
 Life Expectancy from: 9/1/2007 4.8 Years ( 46.58% of 2012)\*\*  
 Age at Expiration of Life Expectancy: 92.6 Years Old  
 Occupation: Car Inspector  
 Date of Hire: 1946

As of 9/1/2007

| <u>Name</u> | <u>Relationship</u> | <u>Date of Birth</u> | <u>Age</u> | <u>Life Expectancy</u> |
|-------------|---------------------|----------------------|------------|------------------------|
| Mary        | Wife                | 7/15/1918            | 89.1       | 5.2 Years              |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville, Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

## Summary Sheet

|                                                                            | Value            |
|----------------------------------------------------------------------------|------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>    |                  |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>    | \$ 2,675         |
| Pension Benefits                                                           | \$ 285           |
| Back Interest through 1/1/2007                                             | <u>\$ 37,689</u> |
| Total                                                                      | \$ 40,649        |
| <b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | \$ 2,675         |
| Pension Benefits                                                           | \$ 285           |
| Back Interest through 1/1/2007                                             | <u>\$ 58,381</u> |
| Total                                                                      | \$ 61,340        |

Table 1: Schedule Showing the Earnings for the Years 1964-1973  
& Displacement Allowance for Joseph Crtalic.

| Year                                        | Earnings (a) | Months<br>Employed (a) | Weighted<br>Wage Rate (b) | Forecasted<br>Wages (c) | Displacement<br>Allowance (d)                     |
|---------------------------------------------|--------------|------------------------|---------------------------|-------------------------|---------------------------------------------------|
| 1964                                        | \$ 4,905.13  | 12                     | \$ 2.79                   | \$ 5,796.54             | -                                                 |
| 1965                                        | \$ 5,355.76  | 12                     | \$ 2.88                   | \$ 5,983.74             | -                                                 |
| 1966                                        | \$ 6,438.40  | 12                     | \$ 2.97                   | \$ 6,170.94             | -                                                 |
| 1967                                        | \$ 6,343.85  | 12                     | \$ 3.19                   | \$ 6,645.47             | -                                                 |
| 1968                                        | \$ 7,606.17  | 12                     | \$ 3.38                   | \$ 7,026.16             | -                                                 |
| 1969                                        | \$ 7,800.00  | 12                     | \$ 3.73                   | \$ 7,766.32             | -                                                 |
| 1970                                        | \$ 7,800.00  | 12                     | \$ 4.17                   | \$ 8,663.46             | -                                                 |
| 1971                                        | \$ 7,800.00  | 12                     | \$ 4.49                   | \$ 9,339.94             | -                                                 |
| 1972                                        | \$ 8,626.13  | 12                     | \$ 4.94                   | \$ 10,281.75            | \$ 1,655.62                                       |
| 1973                                        | \$ 9,219.96  | 11                     | \$ 5.38                   | \$ 11,186.98            | -                                                 |
| 1973 Annualized<br>Wage for<br>Displacement | \$ 10,075.36 |                        |                           | \$ 11,186.98            | 1973<br>Displacement<br>Allowance (f) \$ 1,018.99 |

\* Boxed earnings in the earnings column indicate that Mr. Crtalic earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 9.

(c) The forecasted wages are calculated as the weighted wage rates multiplied by 2,080 hours per year.

(d) The displacement allowance for each year is calculated as the forecasted wages minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1973 annualized wage is calculated as \$9,219.96 divided by (1 - 8.49%). 8.49% is the amount of the year remaining after the date of separation.

(f) The 1973 displacement allowance is partialled out to represent Mr. Crtalic working for 11 months in 1973.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Joseph Crtalic for the Years 1972 through 1973.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1972 | \$ 1,656                                       | \$ 165                  | \$ 1,820                                |
| 1973 | \$ 1,019                                       | \$ 120                  | \$ 1,139                                |
|      | \$ 2,675                                       | \$ 285                  | \$ 2,959                                |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Joseph Crtalic, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1972 | \$ 1,820  | \$ 116            | 6.36%              | \$ 1,936         | \$ 116                               |
| 1973 | \$ 1,139  | \$ 216            | 7.03%              | \$ 3,291         | \$ 216                               |
| 1974 |           | \$ 256            | 7.78%              | \$ 3,547         | \$ 256                               |
| 1975 |           | \$ 292            | 8.23%              | \$ 3,839         | \$ 292                               |
| 1976 |           | \$ 301            | 7.83%              | \$ 4,140         | \$ 301                               |
| 1977 |           | \$ 316            | 7.63%              | \$ 4,456         | \$ 316                               |
| 1978 |           | \$ 387            | 8.68%              | \$ 4,842         | \$ 387                               |
| 1979 |           | \$ 473            | 9.77%              | \$ 5,315         | \$ 473                               |
| 1980 |           | \$ 634            | 11.93%             | \$ 5,950         | \$ 634                               |
| 1981 |           | \$ 872            | 14.66%             | \$ 6,822         | \$ 872                               |
| 1982 |           | \$ 932            | 13.66%             | \$ 7,754         | \$ 932                               |
| 1983 |           | \$ 897            | 11.57%             | \$ 8,651         | \$ 897                               |
| 1984 |           | \$ 1,129          | 13.05%             | \$ 9,780         | \$ 1,129                             |
| 1985 |           | \$ 1,081          | 11.05%             | \$ 10,861        | \$ 1,081                             |
| 1986 |           | \$ 857            | 7.89%              | \$ 11,718        | \$ 857                               |
| 1987 |           | \$ 1,015          | 8.66%              | \$ 12,733        | \$ 1,015                             |
| 1988 |           | \$ 1,165          | 9.15%              | \$ 13,898        | \$ 1,165                             |
| 1989 |           | \$ 1,218          | 8.76%              | \$ 15,116        | \$ 1,218                             |
| 1990 |           | \$ 1,334          | 8.83%              | \$ 16,450        | \$ 1,334                             |
| 1991 |           | \$ 1,332          | 8.09%              | \$ 17,782        | \$ 1,332                             |
| 1992 |           | \$ 1,280          | 7.20%              | \$ 19,061        | \$ 1,280                             |
| 1993 |           | \$ 1,144          | 6.00%              | \$ 20,205        | \$ 1,144                             |
| 1994 |           | \$ 1,471          | 7.28%              | \$ 21,676        | \$ 1,471                             |
| 1995 |           | \$ 1,460          | 6.73%              | \$ 23,136        | \$ 1,460                             |
| 1996 |           | \$ 1,526          | 6.60%              | \$ 24,662        | \$ 1,526                             |
| 1997 |           | \$ 1,604          | 6.50%              | \$ 26,266        | \$ 1,604                             |
| 1998 |           | \$ 1,409          | 5.36%              | \$ 27,675        | \$ 1,409                             |
| 1999 |           | \$ 1,597          | 5.77%              | \$ 29,272        | \$ 1,597                             |
| 2000 |           | \$ 1,805          | 6.17%              | \$ 31,078        | \$ 1,805                             |
| 2001 |           | \$ 1,590          | 5.12%              | \$ 32,667        | \$ 1,590                             |
| 2002 |           | \$ 1,532          | 4.69%              | \$ 34,199        | \$ 1,532                             |
| 2003 |           | \$ 1,392          | 4.07%              | \$ 35,592        | \$ 1,392                             |
| 2004 |           | \$ 1,544          | 4.34%              | \$ 37,136        | \$ 1,544                             |
| 2005 |           | \$ 1,619          | 4.36%              | \$ 38,755        | \$ 1,619                             |
| 2006 | (d)       | \$ 1,894          | 4.89%              | \$ 40,649        | \$ 1,894                             |
|      |           |                   |                    |                  | \$ 37,689                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on the previous Table.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Joseph Crtalic, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1972     | \$ 1,820  | \$ 97             | 5.35%              | \$ 1,918         | \$ 97                                |
| 1973     | \$ 1,139  | \$ 252            | 8.25%              | \$ 3,309         | \$ 252                               |
| 1974     |           | \$ 372            | 11.24%             | \$ 3,681         | \$ 372                               |
| 1975     |           | \$ 298            | 8.09%              | \$ 3,979         | \$ 298                               |
| 1976     |           | \$ 279            | 7.02%              | \$ 4,258         | \$ 279                               |
| 1977     |           | \$ 298            | 7.00%              | \$ 4,556         | \$ 298                               |
| 1978     |           | \$ 427            | 9.36%              | \$ 4,983         | \$ 427                               |
| 1979     |           | \$ 661            | 13.27%             | \$ 5,644         | \$ 661                               |
| 1980     |           | \$ 910            | 16.12%             | \$ 6,554         | \$ 910                               |
| 1981     |           | \$ 1,326          | 20.24%             | \$ 7,880         | \$ 1,326                             |
| 1982     |           | \$ 1,237          | 15.69%             | \$ 9,117         | \$ 1,237                             |
| 1983     |           | \$ 1,025          | 11.24%             | \$ 10,141        | \$ 1,025                             |
| 1984     |           | \$ 1,277          | 12.59%             | \$ 11,418        | \$ 1,277                             |
| 1985     |           | \$ 1,177          | 10.31%             | \$ 12,596        | \$ 1,177                             |
| 1986     |           | \$ 1,082          | 8.59%              | \$ 13,678        | \$ 1,082                             |
| 1987     |           | \$ 1,157          | 8.46%              | \$ 14,835        | \$ 1,157                             |
| 1988     |           | \$ 1,431          | 9.64%              | \$ 16,265        | \$ 1,431                             |
| 1989     |           | \$ 1,842          | 11.32%             | \$ 18,107        | \$ 1,842                             |
| 1990     |           | \$ 1,882          | 10.39%             | \$ 19,989        | \$ 1,882                             |
| 1991     |           | \$ 1,746          | 8.73%              | \$ 21,735        | \$ 1,746                             |
| 1992     |           | \$ 1,391          | 6.40%              | \$ 23,126        | \$ 1,391                             |
| 1993     |           | \$ 1,419          | 6.14%              | \$ 24,545        | \$ 1,419                             |
| 1994     |           | \$ 1,799          | 7.33%              | \$ 26,343        | \$ 1,799                             |
| 1995     |           | \$ 2,404          | 9.13%              | \$ 28,747        | \$ 2,404                             |
| 1996     |           | \$ 2,452          | 8.53%              | \$ 31,200        | \$ 2,452                             |
| 1997     |           | \$ 2,718          | 8.71%              | \$ 33,918        | \$ 2,718                             |
| 1998     |           | \$ 2,923          | 8.62%              | \$ 36,842        | \$ 2,923                             |
| 1999     |           | \$ 3,035          | 8.24%              | \$ 39,876        | \$ 3,035                             |
| 2000     |           | \$ 3,811          | 9.56%              | \$ 43,687        | \$ 3,811                             |
| 2001     |           | \$ 3,100          | 7.10%              | \$ 46,787        | \$ 3,100                             |
| 2002     |           | \$ 2,226          | 4.76%              | \$ 49,013        | \$ 2,226                             |
| 2003     |           | \$ 2,052          | 4.19%              | \$ 51,065        | \$ 2,052                             |
| 2004     |           | \$ 2,253          | 4.41%              | \$ 53,318        | \$ 2,253                             |
| 2005     |           | \$ 3,375          | 6.33%              | \$ 56,693        | \$ 3,375                             |
| 2006 (d) |           | \$ 4,647          | 8.20%              | \$ 61,340        | \$ 4,647                             |
|          |           |                   |                    |                  | \$ 58,381                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on the previous Table.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source:

\*Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.



Table 6: Schedule Showing the Hourly Rates for Carmen from 1/1/1964 through 7/1/1997.

| Effective Date | Carmen   | Effective Date | Carmen   |
|----------------|----------|----------------|----------|
| 1/1/1964       | \$ 2.79  | 1/1/1982       | \$ 11.73 |
| 1/1/1965       | \$ 2.88  | 7/1/1982       | \$ 12.05 |
| 1/1/1966       | \$ 2.97  | 7/1/1982       | \$ 12.27 |
| 1/1/1967       | \$ 3.14  | 1/1/1983       | \$ 12.61 |
| 4/1/1967       | \$ 3.19  | 7/1/1983       | \$ 12.94 |
| 10/1/1967      | \$ 3.24  | 1/1/1984       | \$ 13.20 |
| 4/1/1968       | \$ 3.29  | 12/1/1985      | \$ 13.46 |
| 7/1/1968       | \$ 3.46  | 12/1/1986      | \$ 13.76 |
| 10/1/1968      | \$ 3.51  | 12/1/1987      | \$ 14.07 |
| 1/1/1969       | \$ 3.55  | 7/1/1991       | \$ 14.49 |
| 1/1/1969       | \$ 3.62  | 7/1/1993       | \$ 14.93 |
| 7/1/1969       | \$ 3.73  | 7/1/1994       | \$ 15.53 |
| 7/1/1969       | \$ 3.78  | 11/30/1995     | \$ 15.62 |
| 9/1/1969       | \$ 3.88  | 12/1/1995      | \$ 16.17 |
| 1/1/1970       | \$ 4.07  | 7/1/1996       | \$ 16.45 |
| 4/1/1970       | \$ 4.11  | 7/1/1997       | \$ 17.03 |
| 4/24/1970      | \$ 4.18  |                |          |
| 8/1/1970       | \$ 4.22  |                |          |
| 1/1/1971       | \$ 4.32  |                |          |
| 4/1/1971       | \$ 4.47  |                |          |
| 10/1/1971      | \$ 4.70  |                |          |
| 4/1/1972       | \$ 4.94  |                |          |
| 10/1/1972      | \$ 5.19  |                |          |
| 4/1/1973       | \$ 5.44  |                |          |
| 1/1/1974       | \$ 5.66  |                |          |
| 1/1/1975       | \$ 6.23  |                |          |
| 10/1/1975      | \$ 6.54  |                |          |
| 1/1/1976       | \$ 6.66  |                |          |
| 4/1/1976       | \$ 6.86  |                |          |
| 7/1/1976       | \$ 6.98  |                |          |
| 1/1/1977       | \$ 7.11  |                |          |
| 7/1/1977       | \$ 7.29  |                |          |
| 7/1/1977       | \$ 7.57  |                |          |
| 1/1/1978       | \$ 7.79  |                |          |
| 4/1/1978       | \$ 8.02  |                |          |
| 7/1/1978       | \$ 8.21  |                |          |
| 10/1/1978      | \$ 8.37  |                |          |
| 1/1/1979       | \$ 8.62  |                |          |
| 7/1/1979       | \$ 8.96  |                |          |
| 7/1/1979       | \$ 9.21  |                |          |
| 1/1/1980       | \$ 9.49  |                |          |
| 7/1/1980       | \$ 9.96  |                |          |
| 7/1/1980       | \$ 10.23 |                |          |
| 1/1/1981       | \$ 10.55 |                |          |
| 4/1/1981       | \$ 10.75 |                |          |
| 7/1/1981       | \$ 11.07 |                |          |
| 10/1/1981      | \$ 11.38 |                |          |

Source: Taken from the Brotherhood Railway Carmen Division Transportation-Communications International Union Wage Rate Progression Chart (Revised: January 24, 2003) sheet.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1964          | \$ 2.79     | 365            | \$ 1,017.18   | \$ 2.79              |             |
| 1965          | \$ 2.88     | 365            | \$ 1,050.03   | \$ 2.88              | 3.23%       |
| 1966          | \$ 2.97     | 365            | \$ 1,082.88   | \$ 2.97              | 3.13%       |
| 1967          | \$ 3.14     | 90             | \$ 283.03     | \$ 3.19              | 7.69%       |
|               | \$ 3.19     | 184            | \$ 587.84     |                      |             |
|               | \$ 3.24     | 91             | \$ 295.28     |                      |             |
| 1968          | \$ 3.24     | 90             | \$ 292.03     | \$ 3.38              | 5.73%       |
|               | \$ 3.29     | 91             | \$ 299.83     |                      |             |
|               | \$ 3.46     | 93             | \$ 321.73     |                      |             |
|               | \$ 3.51     | 91             | \$ 319.36     |                      |             |
| 1969          | \$ 3.62     | 181            | \$ 655.22     | \$ 3.73              | 10.53%      |
|               | \$ 3.78     | 63             | \$ 238.14     |                      |             |
|               | \$ 3.88     | 121            | \$ 469.48     |                      |             |
| 1970          | \$ 4.07     | 90             | \$ 366.30     | \$ 4.17              | 11.55%      |
|               | \$ 4.11     | 23             | \$ 94.53      |                      |             |
|               | \$ 4.18     | 100            | \$ 418.00     |                      |             |
|               | \$ 4.22     | 152            | \$ 641.44     |                      |             |
| 1971          | \$ 4.32     | 90             | \$ 388.80     | \$ 4.49              | 7.81%       |
|               | \$ 4.47     | 184            | \$ 822.48     |                      |             |
|               | \$ 4.70     | 91             | \$ 427.70     |                      |             |
| 1972          | \$ 4.70     | 90             | \$ 423.00     | \$ 4.94              | 10.08%      |
|               | \$ 4.94     | 184            | \$ 908.96     |                      |             |
|               | \$ 5.19     | 91             | \$ 472.29     |                      |             |
| 1973          | \$ 5.19     | 90             | \$ 467.10     | \$ 5.38              | 8.80%       |
|               | \$ 5.44     | 275            | \$ 1,496.00   |                      |             |
| 1974          | \$ 5.66     | 365            | \$ 2,065.90   | \$ 5.66              | 5.24%       |
| 1975          | \$ 6.23     | 273            | \$ 1,700.79   | \$ 6.31              | 11.45%      |
|               | \$ 6.54     | 92             | \$ 601.68     |                      |             |
| 1976          | \$ 6.66     | 90             | \$ 599.40     | \$ 6.87              | 8.92%       |
|               | \$ 6.86     | 92             | \$ 631.12     |                      |             |
|               | \$ 6.98     | 183            | \$ 1,277.34   |                      |             |
| 1977          | \$ 7.11     | 181            | \$ 1,286.91   | \$ 7.34              | 6.86%       |
|               | \$ 7.57     | 184            | \$ 1,392.88   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1978          | \$ 7.79     | 90             | \$ 701.10     | \$ 8.10              | 10.31%      |
|               | \$ 8.02     | 91             | \$ 729.82     |                      |             |
|               | \$ 8.21     | 93             | \$ 763.53     |                      |             |
|               | \$ 8.37     | 91             | \$ 761.67     |                      |             |
| 1979          | \$ 8.62     | 181            | \$ 1,560.22   | \$ 8.92              | 10.11%      |
|               | \$ 9.21     | 184            | \$ 1,694.64   |                      |             |
| 1980          | \$ 9.49     | 181            | \$ 1,717.69   | \$ 9.86              | 10.60%      |
|               | \$ 10.23    | 184            | \$ 1,882.32   |                      |             |
| 1981          | \$ 10.55    | 90             | \$ 949.50     | \$ 10.94             | 10.91%      |
|               | \$ 10.75    | 91             | \$ 978.25     |                      |             |
|               | \$ 11.07    | 93             | \$ 1,029.51   |                      |             |
|               | \$ 11.38    | 91             | \$ 1,035.58   |                      |             |
| 1982          | \$ 11.73    | 181            | \$ 2,123.13   | \$ 12.00             | 9.72%       |
|               | \$ 12.27    | 184            | \$ 2,257.68   |                      |             |
| 1983          | \$ 12.61    | 181            | \$ 2,282.41   | \$ 12.78             | 6.45%       |
|               | \$ 12.94    | 184            | \$ 2,380.96   |                      |             |
| 1984          | \$ 13.20    | 365            | \$ 4,818.00   | \$ 13.20             | 3.32%       |
| 1985          | \$ 13.20    | 334            | \$ 4,408.80   | \$ 13.22             | 0.17%       |
|               | \$ 13.46    | 31             | \$ 417.26     |                      |             |
| 1986          | \$ 13.46    | 334            | \$ 4,495.64   | \$ 13.49             | 1.99%       |
|               | \$ 13.76    | 31             | \$ 426.56     |                      |             |
| 1987          | \$ 13.76    | 334            | \$ 4,595.84   | \$ 13.79             | 2.23%       |
|               | \$ 14.07    | 31             | \$ 436.17     |                      |             |
| 1988          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 2.06%       |
| 1989          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1990          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1991          | \$ 14.07    | 181            | \$ 2,546.67   | \$ 14.28             | 1.50%       |
|               | \$ 14.49    | 184            | \$ 2,666.16   |                      |             |
| 1992          | \$ 14.49    | 365            | \$ 5,288.85   | \$ 14.49             | 1.46%       |
| 1993          | \$ 14.49    | 181            | \$ 2,622.69   | \$ 14.71             | 1.53%       |
|               | \$ 14.93    | 184            | \$ 2,747.12   |                      |             |

Table 9: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| <u>Calendar Year</u> | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|----------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1994                 | \$ 14.93           | 181                   | \$ 2,702.33          | \$ 15.23                    | 3.54%              |
|                      | \$ 15.53           | 184                   | \$ 2,857.52          |                             |                    |
| 1995                 | \$ 15.53           | 333                   | \$ 5,171.49          | \$ 15.58                    | 2.31%              |
|                      | \$ 15.62           | 1                     | \$ 15.62             |                             |                    |
|                      | \$ 16.17           | 31                    | \$ 501.27            |                             |                    |
| 1996                 | \$ 16.17           | 181                   | \$ 2,926.77          | \$ 16.31                    | 4.66%              |
|                      | \$ 16.45           | 184                   | \$ 3,026.80          |                             |                    |
| 1997                 | \$ 16.45           | 181                   | \$ 2,977.45          | \$ 16.74                    | 2.64%              |
|                      | \$ 17.03           | 184                   | \$ 3,133.52          |                             |                    |

1964 through 1997 Compound Rate of Growth

5.58%

EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

04/01/83  
11:59:34

EE SSN : 270 - 26 - 1863

NAME: FOECKING , P , D

SEX: M

PREVIOUS SURNAME:

DOB: 03 / 08 / 1930 RRB

ADDR1

DOD: 07 / 05 / 1996 SSA

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1983

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1321

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3100625629

DORMANT ACCOUNT?(Y/N): N

LAST ICC CODE: 057

ANN BEGIN DATE: 11 / 01 / 1983

ACCOUNT LAST ACTIVE: 1983

SERVICE AFTER ABD: YES

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: 03 / / 1990

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23

MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24



EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

04/07/00  
11:59:47

EE SSN : 270 - 26 - 1863

F NAME: FOECKING , P , D

SERVICE MONTHS TOTALS

-----  
TOTAL REPORTED : 418  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 418  
CREDITABLE 37-46 : 005  
S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 8 QC'S THRU 1974 : 8 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

COMPENSATION TOTALS

-----  
TIER 1 AMOUNT :\$ 298289.01  
TIER 2 AMOUNT :\$ 93190.07  
MISC COMP AMOUNT :\$ 7877.14  
37-46 AMOUNT :\$ 552.24  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 3295.46  
37-50 SSA WAGES :\$ 389.94

1952 QC'S: 0 PATT: \$ 0.00

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMID104  
PAGE: 0001

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/07/88  
11:59:56

EE SSN: 270 - 26 - 1863      EE NAME: FOECKING      , P , D

| ----- RAILROAD INFO ----- |      |    |      |      |          |          |         |           |       | ----- SSA INFO ----- |         |        |
|---------------------------|------|----|------|------|----------|----------|---------|-----------|-------|----------------------|---------|--------|
| S                         | YEAR | SM | MOS  | DEEM | TIER-1   | TIER-2   | MISC    | ---Q/C--- |       | WAGE M/S             | WAGE YR |        |
|                           |      |    | PATT | PATT | COMP     | COMP     | COMP    | SSA       | SE&AG | PATT                 | PATT    | AMOUNT |
|                           | 1983 | 6  | 7304 | 0000 | 10163.52 | 10163.52 | 7877.14 |           |       |                      |         |        |
|                           | 1982 | 12 | 7777 | 0000 | 22741.92 | 22611.92 |         |           |       |                      |         |        |
|                           | 1981 | 12 | 7777 | 0000 | 22573.36 | 21778.16 |         |           |       |                      |         |        |
|                           | 1980 | 12 | 7777 | 0000 | 21293.87 | 19978.31 |         |           |       |                      |         |        |
|                           | 1979 | 12 | 7777 | 0000 | 19961.28 | 18658.16 |         |           |       |                      |         |        |
|                           | 1978 | 12 | 7777 | 0000 | 16300.41 |          |         |           |       |                      |         |        |
|                           | 1977 | 11 | 3777 | 0000 | 13111.76 |          |         |           |       |                      |         |        |
|                           | 1976 | 12 | 7777 | 0000 | 14883.61 |          |         |           |       |                      |         |        |
|                           | 1975 | 12 | 7777 | 0000 | 13161.64 |          |         |           |       |                      |         |        |
|                           | 1974 | 12 | 7777 | 0000 | 12786.67 |          |         |           |       |                      |         |        |

USER MESSAGE

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

EDMID104  
PAGE: 0002

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/07/99  
12:00:05

EE SSN: 270 - 26 - 1863      EE NAME: FOECKING      , P , D

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |
|                           | 1973 | 12 | 7777        | 0000         | 10273.96       |                |              |                       |                  |                 |                   |
|                           | 1972 | 12 | 7777        | 0000         | 9000.00        |                |              |                       |                  |                 |                   |
|                           | 1971 | 12 | 7777        | 0000         | 7778.49        |                |              |                       |                  |                 |                   |
|                           | 1970 | 12 | 7777        | 0000         | 7734.45        |                |              |                       |                  |                 |                   |
|                           | 1969 | 12 | 7777        | 0000         | 7358.31        |                |              |                       |                  |                 |                   |
|                           | 1968 | 12 | 7777        | 0000         | 7190.41        |                |              |                       |                  |                 |                   |
|                           | 1967 | 12 | 7777        | 0000         | 6335.91        |                |              | N                     | #NNN             | 0000            | 24.76             |
|                           | 1966 | 12 | 7777        | 0000         | 6356.32        |                |              | 4                     | N                | CCCC            | 0000 1457.94      |
|                           | 1965 | 12 | 7777        | 0000         | 5318.23        |                |              | 4                     | N                | CCCC            | 0000 1422.82      |
|                           | 1964 | 12 | 7777        | 0000         | 5229.54        |                |              |                       |                  |                 |                   |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----  
EE INFO            =PF13   MISC SCORE        =PF15   S&E LEDGER            =PF18   MIL SERV =PF22  
EF SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20



EDMID104  
PAGE: 0003

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/07/99  
12:00:16

EE SSN: 270 - 26 - 1863      EE NAME: FOECKING      , P , D

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |
|                           | 1963 | 11 | 6777        | 0000         |                |                |              |                       |                  |                 | 3567.41           |
|                           | 1962 | 12 | 7777        | 0000         |                |                |              |                       |                  |                 | 3542.63           |
|                           | 1961 | 12 | 7777        | 0000         |                |                |              |                       |                  |                 | 4597.37           |
|                           | 1960 | 12 | 7777        | 0000         |                |                |              |                       |                  |                 | 4787.02           |
|                           | 1959 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 | 4509.43           |
|                           | 1958 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 | 4200.00           |
|                           | 1957 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 | 4200.00           |
|                           | 1956 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 | 4200.00           |
|                           | 1955 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 | 4081.70           |
|                           | 1954 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 | 3884.65           |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----  
EE INFO            =PF13   MISC SCORE        =PF15   S&E LEDGER            =PF18   MIL SERV =PF22  
EF SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDMID104  
PAGE: 0004

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

02/01/55  
12:00:27

EE SSN: 270 - 26 - 1863      EE NAME: FOCKING      , P , D

|       |      | ----- RAILROAD INFO ----- |      |        |         |      |      | ----- SSA INFO ----- |          |         |        |
|-------|------|---------------------------|------|--------|---------|------|------|----------------------|----------|---------|--------|
|       |      | MOS                       | DEEM | TIER-1 | TIER-2  | MISC |      | ---Q/C--             | WAGE M/S | WAGE YR |        |
| S     | YEAR | SM                        | PATT | PATT   | COMP    | COMP | COMP | SSA SE&AG            | PATT     | PATT    | AMOUNT |
| ===== |      |                           |      |        |         |      |      |                      |          |         |        |
|       | 1953 | 8                         | 0000 | 0000   | 2362.65 |      |      |                      |          |         |        |
|       | 1951 | 5                         | 0000 | 0000   | 1097.65 |      |      |                      |          |         |        |
|       | 1950 | 12                        | 0000 | 0000   | 3456.65 |      |      |                      |          |         |        |
|       | 1949 | 12                        | 0000 | 0000   | 3334.65 |      |      |                      |          |         |        |
|       | 1948 | 12                        | 0000 | 0000   | 3531.65 |      |      |                      |          |         |        |
|       | 1947 | 12                        | 0000 | 0000   | 2829.65 |      |      |                      |          |         |        |
|       | 1946 | 5                         | 0000 | 0000   | 552.24  |      |      |                      |          |         |        |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----  
EE INFO            =PF13   MISC SCORE        =PF15   S&E LEDGER            =PF18   MIL SERV =PF22  
EF SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**Paul Foecking**

*Prepared for*

**Carla Tricarichi  
Attorney at Law**

*Prepared by:*

**Harvey S. Rosen, Ph.D.  
John F. Burke, Jr., Ph.D.  
Economists**

*July 30, 2007*

# Personal Data Sheet

|                                            |               |                                |
|--------------------------------------------|---------------|--------------------------------|
| Name:                                      | Paul Foecking |                                |
| Date of Birth:                             | 3/8/1930      |                                |
| Date of Separation                         | 6/30/1983     | (50.41% of 1983 Remains)       |
| Age on:                                    | 6/30/1983     | 53.3 Years                     |
| Work Life Expectancy from:                 | 6/30/1983     | 10.1 Years ( 59.45% of 1993)*  |
| Age at Expiration of Work Life Expectancy: |               | 63.4 Years Old                 |
| Life Expectancy from:                      | 6/30/1983     | 26.0 Years ( 49.32% of 2009)** |
| Age at Expiration of Life Expectancy:      |               | 79.3 Years Old                 |
| Age on: 9/1/2007                           |               | 77.5 Years                     |
| Work Life Expectancy from:                 | 9/1/2007      | 0.0 Years ( 66.85% of 2007)*   |
| Age at Expiration of Work Life Expectancy: |               | 77.5 Years Old                 |
| Life Expectancy from:                      | 9/1/2007      | 9.1 Years ( 76.71% of 2016)**  |
| Age at Expiration of Life Expectancy:      |               | 86.6 Years Old                 |
| Occupation:                                | Car Inspector |                                |
| Date of Hire:                              | 1946          |                                |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates.  
February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E.  
United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville.  
Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup>  
revised March 28, 2007.

## Summary Sheet

|                                                                            | Value             |
|----------------------------------------------------------------------------|-------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>    |                   |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>    | \$ 11,959         |
| <b>Pension Benefits</b>                                                    | \$ 1,808          |
| <b>Back Interest through 1/1/2007</b>                                      | <u>\$ 115,625</u> |
| <b>Total</b>                                                               | \$ 129,392        |
| <br>                                                                       |                   |
| <b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | \$ 11,959         |
| <b>Pension Benefits</b>                                                    | \$ 1,808          |
| <b>Back Interest through 1/1/2007</b>                                      | <u>\$ 172,515</u> |
| <b>Total</b>                                                               | \$ 186,283        |

Table 1: Schedule Showing the Earnings for the Years 1966-1983,  
& Displacement Allowance for Paul Foecking.

| Year                                                         | Earnings (a) | Months<br>Employed (a) | Weighted<br>Wage Rate<br>(b) | Forecasted<br>Wages (c) | Displacement<br>Allowance (d)                     |
|--------------------------------------------------------------|--------------|------------------------|------------------------------|-------------------------|---------------------------------------------------|
| 1966                                                         | \$ 6,356.32  | 12                     | \$ 2.97                      | \$ 6,170.94             | -                                                 |
| 1967                                                         | \$ 6,335.91  | 12                     | \$ 3.19                      | \$ 6,645.47             | -                                                 |
| 1968                                                         | \$ 7,190.41  | 12                     | \$ 3.38                      | \$ 7,026.16             | -                                                 |
| 1969                                                         | \$ 7,358.31  | 12                     | \$ 3.73                      | \$ 7,766.32             | \$ 408.01                                         |
| 1970                                                         | \$ 7,734.45  | 12                     | \$ 4.17                      | \$ 8,663.46             | \$ 929.01                                         |
| 1971                                                         | \$ 7,778.49  | 12                     | \$ 4.49                      | \$ 9,339.94             | \$ 1,561.45                                       |
| 1972                                                         | \$ 9,000.00  | 12                     | \$ 4.94                      | \$ 10,281.75            | -                                                 |
| 1973                                                         | \$ 10,273.96 | 12                     | \$ 5.38                      | \$ 11,186.98            | \$ 913.02                                         |
| 1974                                                         | \$ 12,786.67 | 12                     | \$ 5.66                      | \$ 11,772.80            | -                                                 |
| 1975                                                         | \$ 13,161.64 | 12                     | \$ 6.31                      | \$ 13,120.92            | -                                                 |
| 1976                                                         | \$ 14,883.61 | 12                     | \$ 6.87                      | \$ 14,291.37            | -                                                 |
| 1977                                                         | \$ 13,111.76 | 11                     | \$ 7.34                      | \$ 15,271.13            | \$ 2,159.37                                       |
| 1978                                                         | \$ 16,300.41 | 12                     | \$ 8.10                      | \$ 16,845.83            | \$ 545.42                                         |
| 1979                                                         | \$ 19,961.28 | 12                     | \$ 8.92                      | \$ 18,548.24            | -                                                 |
| 1980                                                         | \$ 21,293.87 | 12                     | \$ 9.86                      | \$ 20,515.13            | -                                                 |
| 1981                                                         | \$ 22,573.36 | 12                     | \$ 10.94                     | \$ 22,753.72            | \$ 180.36                                         |
| 1982                                                         | \$ 22,741.92 | 12                     | \$ 12.00                     | \$ 24,964.62            | \$ 2,222.70                                       |
| 1983                                                         | \$ 10,163.52 | 6                      | \$ 12.78                     | \$ 26,574.82            | -                                                 |
| 1983 Annualized<br>Wage for<br>Displacement<br>Allowance (e) | \$ 20,495.10 |                        |                              | \$ 26,574.82            | 1983<br>Displacement<br>Allowance (f) \$ 3,039.86 |

\* Boxed earnings in the earnings column indicate that Mr. Foecking earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 9.

(c) The forecasted wages are calculated as the weighted wage rates multiplied by 2,080 hours per year.

(d) The displacement allowance for each year is calculated as the forecasted wages minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1983 annualized wage is calculated as \$10,163.52 divided by (1 - 50.41%). 50.41% is the amount of the year remaining after the date of separation.

(f) The 1983 displacement allowance is partialled out to represent Mr. Foecking working for 6 months in 1983.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Paul Foecking for the Years 1969 through 1983.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1969 | \$ 408                                         | \$ 39                   | \$ 447                                  |
| 1970 | \$ 929                                         | \$ 89                   | \$ 1,018                                |
| 1971 | \$ 1,561                                       | \$ 155                  | \$ 1,717                                |
| 1972 | -                                              | -                       | -                                       |
| 1973 | \$ 913                                         | \$ 108                  | \$ 1,021                                |
| 1974 | -                                              | -                       | -                                       |
| 1975 | -                                              | -                       | -                                       |
| 1976 | -                                              | -                       | -                                       |
| 1977 | \$ 2,159                                       | \$ 331                  | \$ 2,491                                |
| 1978 | \$ 545                                         | \$ 85                   | \$ 630                                  |
| 1979 | -                                              | -                       | -                                       |
| 1980 | -                                              | -                       | -                                       |
| 1981 | \$ 180                                         | \$ 30                   | \$ 211                                  |
| 1982 | \$ 2,223                                       | \$ 410                  | \$ 2,633                                |
| 1983 | \$ 3,040                                       | \$ 561                  | \$ 3,601                                |
|      | \$ 11,959                                      | \$ 1,808                | \$ 13,767                               |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Paul Foecking, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1969     | \$ 447    | \$ 31             | 6.84%              | \$ 478           | \$ 31                                |
| 1970     | \$ 1,018  | \$ 113            | 7.56%              | \$ 1,608         | \$ 113                               |
| 1971     | \$ 1,717  | \$ 210            | 6.30%              | \$ 3,535         | \$ 210                               |
| 1972     | \$ -      | \$ 225            | 6.36%              | \$ 3,759         | \$ 225                               |
| 1973     | \$ 1,021  | \$ 336            | 7.03%              | \$ 5,116         | \$ 336                               |
| 1974     | \$ -      | \$ 398            | 7.78%              | \$ 5,514         | \$ 398                               |
| 1975     | \$ -      | \$ 454            | 8.23%              | \$ 5,968         | \$ 454                               |
| 1976     | \$ -      | \$ 467            | 7.83%              | \$ 6,435         | \$ 467                               |
| 1977     | \$ 2,491  | \$ 681            | 7.63%              | \$ 9,607         | \$ 681                               |
| 1978     | \$ 630    | \$ 888            | 8.68%              | \$ 11,125        | \$ 888                               |
| 1979     | \$ -      | \$ 1,087          | 9.77%              | \$ 12,212        | \$ 1,087                             |
| 1980     | \$ -      | \$ 1,457          | 11.93%             | \$ 13,669        | \$ 1,457                             |
| 1981     | \$ 211    | \$ 2,035          | 14.66%             | \$ 15,915        | \$ 2,035                             |
| 1982     | \$ 2,633  | \$ 2,533          | 13.66%             | \$ 21,081        | \$ 2,533                             |
| 1983     | \$ 3,601  | \$ 2,856          | 11.57%             | \$ 27,538        | \$ 2,856                             |
| 1984     |           | \$ 3,595          | 13.05%             | \$ 31,132        | \$ 3,595                             |
| 1985     |           | \$ 3,440          | 11.05%             | \$ 34,573        | \$ 3,440                             |
| 1986     |           | \$ 2,729          | 7.89%              | \$ 37,302        | \$ 2,729                             |
| 1987     |           | \$ 3,229          | 8.66%              | \$ 40,531        | \$ 3,229                             |
| 1988     |           | \$ 3,708          | 9.15%              | \$ 44,239        | \$ 3,708                             |
| 1989     |           | \$ 3,877          | 8.76%              | \$ 48,116        | \$ 3,877                             |
| 1990     |           | \$ 4,248          | 8.83%              | \$ 52,364        | \$ 4,248                             |
| 1991     |           | \$ 4,239          | 8.09%              | \$ 56,603        | \$ 4,239                             |
| 1992     |           | \$ 4,073          | 7.20%              | \$ 60,676        | \$ 4,073                             |
| 1993     |           | \$ 3,641          | 6.00%              | \$ 64,317        | \$ 3,641                             |
| 1994     |           | \$ 4,683          | 7.28%              | \$ 68,999        | \$ 4,683                             |
| 1995     |           | \$ 4,646          | 6.73%              | \$ 73,646        | \$ 4,646                             |
| 1996     |           | \$ 4,859          | 6.60%              | \$ 78,504        | \$ 4,859                             |
| 1997     |           | \$ 5,105          | 6.50%              | \$ 83,609        | \$ 5,105                             |
| 1998     |           | \$ 4,485          | 5.36%              | \$ 88,095        | \$ 4,485                             |
| 1999     |           | \$ 5,084          | 5.77%              | \$ 93,178        | \$ 5,084                             |
| 2000     |           | \$ 5,747          | 6.17%              | \$ 98,925        | \$ 5,747                             |
| 2001     |           | \$ 5,060          | 5.12%              | \$ 103,986       | \$ 5,060                             |
| 2002     |           | \$ 4,877          | 4.69%              | \$ 108,863       | \$ 4,877                             |
| 2003     |           | \$ 4,431          | 4.07%              | \$ 113,294       | \$ 4,431                             |
| 2004     |           | \$ 4,916          | 4.34%              | \$ 118,210       | \$ 4,916                             |
| 2005     |           | \$ 5,153          | 4.36%              | \$ 123,363       | \$ 5,153                             |
| 2006 (d) |           | \$ 6,029          | 4.89%              | \$ 129,392       | \$ 6,029                             |
|          |           |                   |                    |                  | \$ 115,625                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.



**Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Paul Foecking, through 1/1/2007. (Based on the Bank Prime Loan Rate)**

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1969     | \$ 447    | \$ 37             | 8.19%              | \$ 484           | \$ 37                                |
| 1970     | \$ 1,018  | \$ 122            | 8.15%              | \$ 1,624         | \$ 122                               |
| 1971     | \$ 1,717  | \$ 195            | 5.85%              | \$ 3,536         | \$ 195                               |
| 1972     | \$ -      | \$ 189            | 5.35%              | \$ 3,725         | \$ 189                               |
| 1973     | \$ 1,021  | \$ 392            | 8.25%              | \$ 5,137         | \$ 392                               |
| 1974     | \$ -      | \$ 577            | 11.24%             | \$ 5,715         | \$ 577                               |
| 1975     | \$ -      | \$ 463            | 8.09%              | \$ 6,177         | \$ 463                               |
| 1976     | \$ -      | \$ 433            | 7.02%              | \$ 6,611         | \$ 433                               |
| 1977     | \$ 2,491  | \$ 637            | 7.00%              | \$ 9,739         | \$ 637                               |
| 1978     | \$ 630    | \$ 971            | 9.36%              | \$ 11,340        | \$ 971                               |
| 1979     | \$ -      | \$ 1,505          | 13.27%             | \$ 12,844        | \$ 1,505                             |
| 1980     | \$ -      | \$ 2,070          | 16.12%             | \$ 14,915        | \$ 2,070                             |
| 1981     | \$ 211    | \$ 3,061          | 20.24%             | \$ 18,186        | \$ 3,061                             |
| 1982     | \$ 2,633  | \$ 3,267          | 15.69%             | \$ 24,086        | \$ 3,267                             |
| 1983     | \$ 3,601  | \$ 3,112          | 11.24%             | \$ 30,798        | \$ 3,112                             |
| 1984     |           | \$ 3,879          | 12.59%             | \$ 34,677        | \$ 3,879                             |
| 1985     |           | \$ 3,575          | 10.31%             | \$ 38,251        | \$ 3,575                             |
| 1986     |           | \$ 3,287          | 8.59%              | \$ 41,538        | \$ 3,287                             |
| 1987     |           | \$ 3,513          | 8.46%              | \$ 45,052        | \$ 3,513                             |
| 1988     |           | \$ 4,344          | 9.64%              | \$ 49,396        | \$ 4,344                             |
| 1989     |           | \$ 5,594          | 11.32%             | \$ 54,990        | \$ 5,594                             |
| 1990     |           | \$ 5,714          | 10.39%             | \$ 60,704        | \$ 5,714                             |
| 1991     |           | \$ 5,302          | 8.73%              | \$ 66,006        | \$ 5,302                             |
| 1992     |           | \$ 4,224          | 6.40%              | \$ 70,230        | \$ 4,224                             |
| 1993     |           | \$ 4,310          | 6.14%              | \$ 74,539        | \$ 4,310                             |
| 1994     |           | \$ 5,463          | 7.33%              | \$ 80,002        | \$ 5,463                             |
| 1995     |           | \$ 7,301          | 9.13%              | \$ 87,302        | \$ 7,301                             |
| 1996     |           | \$ 7,448          | 8.53%              | \$ 94,750        | \$ 7,448                             |
| 1997     |           | \$ 8,255          | 8.71%              | \$ 103,005       | \$ 8,255                             |
| 1998     |           | \$ 8,878          | 8.62%              | \$ 111,883       | \$ 8,878                             |
| 1999     |           | \$ 9,215          | 8.24%              | \$ 121,099       | \$ 9,215                             |
| 2000     |           | \$ 11,574         | 9.56%              | \$ 132,673       | \$ 11,574                            |
| 2001     |           | \$ 9,413          | 7.10%              | \$ 142,086       | \$ 9,413                             |
| 2002     |           | \$ 6,760          | 4.76%              | \$ 148,846       | \$ 6,760                             |
| 2003     |           | \$ 6,232          | 4.19%              | \$ 155,077       | \$ 6,232                             |
| 2004     |           | \$ 6,842          | 4.41%              | \$ 161,919       | \$ 6,842                             |
| 2005     |           | \$ 10,249         | 6.33%              | \$ 172,169       | \$ 10,249                            |
| 2006 (d) |           | \$ 14,114         | 8.20%              | \$ 186,283       | \$ 14,114                            |
|          |           |                   |                    |                  | \$ 172,515                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on Interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Hourly Rates for Carmen from 1/1/1964 through 7/1/1997.

| Effective Date | Carmen   | Effective Date | Carmen   |
|----------------|----------|----------------|----------|
| 1/1/1964       | \$ 2.79  | 1/1/1982       | \$ 11.73 |
| 1/1/1965       | \$ 2.88  | 7/1/1982       | \$ 12.05 |
| 1/1/1966       | \$ 2.97  | 7/1/1982       | \$ 12.27 |
| 1/1/1967       | \$ 3.14  | 1/1/1983       | \$ 12.61 |
| 4/1/1967       | \$ 3.19  | 7/1/1983       | \$ 12.94 |
| 10/1/1967      | \$ 3.24  | 1/1/1984       | \$ 13.20 |
| 4/1/1968       | \$ 3.29  | 12/1/1985      | \$ 13.46 |
| 7/1/1968       | \$ 3.46  | 12/1/1986      | \$ 13.76 |
| 10/1/1968      | \$ 3.51  | 12/1/1987      | \$ 14.07 |
| 1/1/1969       | \$ 3.55  | 7/1/1991       | \$ 14.49 |
| 1/1/1969       | \$ 3.62  | 7/1/1993       | \$ 14.93 |
| 7/1/1969       | \$ 3.73  | 7/1/1994       | \$ 15.53 |
| 7/1/1969       | \$ 3.78  | 11/30/1995     | \$ 15.62 |
| 9/1/1969       | \$ 3.88  | 12/1/1995      | \$ 16.17 |
| 1/1/1970       | \$ 4.07  | 7/1/1996       | \$ 16.45 |
| 4/1/1970       | \$ 4.11  | 7/1/1997       | \$ 17.03 |
| 4/24/1970      | \$ 4.18  |                |          |
| 8/1/1970       | \$ 4.22  |                |          |
| 1/1/1971       | \$ 4.32  |                |          |
| 4/1/1971       | \$ 4.47  |                |          |
| 10/1/1971      | \$ 4.70  |                |          |
| 4/1/1972       | \$ 4.94  |                |          |
| 10/1/1972      | \$ 5.19  |                |          |
| 4/1/1973       | \$ 5.44  |                |          |
| 1/1/1974       | \$ 5.66  |                |          |
| 1/1/1975       | \$ 6.23  |                |          |
| 10/1/1975      | \$ 6.54  |                |          |
| 1/1/1976       | \$ 6.66  |                |          |
| 4/1/1976       | \$ 6.86  |                |          |
| 7/1/1976       | \$ 6.98  |                |          |
| 1/1/1977       | \$ 7.11  |                |          |
| 7/1/1977       | \$ 7.29  |                |          |
| 7/1/1977       | \$ 7.57  |                |          |
| 1/1/1978       | \$ 7.79  |                |          |
| 4/1/1978       | \$ 8.02  |                |          |
| 7/1/1978       | \$ 8.21  |                |          |
| 10/1/1978      | \$ 8.37  |                |          |
| 1/1/1979       | \$ 8.62  |                |          |
| 7/1/1979       | \$ 8.96  |                |          |
| 7/1/1979       | \$ 9.21  |                |          |
| 1/1/1980       | \$ 9.49  |                |          |
| 7/1/1980       | \$ 9.96  |                |          |
| 7/1/1980       | \$ 10.23 |                |          |
| 1/1/1981       | \$ 10.55 |                |          |
| 4/1/1981       | \$ 10.75 |                |          |
| 7/1/1981       | \$ 11.07 |                |          |
| 10/1/1981      | \$ 11.38 |                |          |

Source: Taken from the Brotherhood Railway Carmen Division Transportation-Communications International Union Wage Rate Progression Chart (Revised: January 24, 2003) sheet.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1964          | \$ 2.79     | 365            | \$ 1,017.18   | \$ 2.79              |             |
| 1965          | \$ 2.88     | 365            | \$ 1,050.03   | \$ 2.88              | 3.23%       |
| 1966          | \$ 2.97     | 365            | \$ 1,082.88   | \$ 2.97              | 3.13%       |
| 1967          | \$ 3.14     | 90             | \$ 283.03     | \$ 3.19              | 7.69%       |
|               | \$ 3.19     | 184            | \$ 587.84     |                      |             |
|               | \$ 3.24     | 91             | \$ 295.28     |                      |             |
| 1968          | \$ 3.24     | 90             | \$ 292.03     | \$ 3.38              | 5.73%       |
|               | \$ 3.29     | 91             | \$ 299.83     |                      |             |
|               | \$ 3.46     | 93             | \$ 321.73     |                      |             |
|               | \$ 3.51     | 91             | \$ 319.36     |                      |             |
| 1969          | \$ 3.62     | 181            | \$ 655.22     | \$ 3.73              | 10.53%      |
|               | \$ 3.78     | 63             | \$ 238.14     |                      |             |
|               | \$ 3.88     | 121            | \$ 469.48     |                      |             |
| 1970          | \$ 4.07     | 90             | \$ 366.30     | \$ 4.17              | 11.55%      |
|               | \$ 4.11     | 23             | \$ 94.53      |                      |             |
|               | \$ 4.18     | 100            | \$ 418.00     |                      |             |
|               | \$ 4.22     | 152            | \$ 641.44     |                      |             |
| 1971          | \$ 4.32     | 90             | \$ 388.80     | \$ 4.49              | 7.81%       |
|               | \$ 4.47     | 184            | \$ 822.48     |                      |             |
|               | \$ 4.70     | 91             | \$ 427.70     |                      |             |
| 1972          | \$ 4.70     | 90             | \$ 423.00     | \$ 4.94              | 10.08%      |
|               | \$ 4.94     | 184            | \$ 908.96     |                      |             |
|               | \$ 5.19     | 91             | \$ 472.29     |                      |             |
| 1973          | \$ 5.19     | 90             | \$ 467.10     | \$ 5.38              | 8.80%       |
|               | \$ 5.44     | 275            | \$ 1,496.00   |                      |             |
| 1974          | \$ 5.66     | 365            | \$ 2,065.90   | \$ 5.66              | 5.24%       |
| 1975          | \$ 6.23     | 273            | \$ 1,700.79   | \$ 6.31              | 11.45%      |
|               | \$ 6.54     | 92             | \$ 601.68     |                      |             |
| 1976          | \$ 6.66     | 90             | \$ 599.40     | \$ 6.87              | 8.92%       |
|               | \$ 6.86     | 92             | \$ 631.12     |                      |             |
|               | \$ 6.98     | 183            | \$ 1,277.34   |                      |             |
| 1977          | \$ 7.11     | 181            | \$ 1,286.91   | \$ 7.34              | 6.86%       |
|               | \$ 7.57     | 184            | \$ 1,392.88   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1978          | \$ 7.79     | 90             | \$ 701.10     | \$ 8.10              | 10.31%      |
|               | \$ 8.02     | 91             | \$ 729.82     |                      |             |
|               | \$ 8.21     | 93             | \$ 763.53     |                      |             |
|               | \$ 8.37     | 91             | \$ 761.67     |                      |             |
| 1979          | \$ 8.62     | 181            | \$ 1,560.22   | \$ 8.92              | 10.11%      |
|               | \$ 9.21     | 184            | \$ 1,694.64   |                      |             |
| 1980          | \$ 9.49     | 181            | \$ 1,717.69   | \$ 9.86              | 10.60%      |
|               | \$ 10.23    | 184            | \$ 1,882.32   |                      |             |
| 1981          | \$ 10.55    | 90             | \$ 949.50     | \$ 10.94             | 10.91%      |
|               | \$ 10.75    | 91             | \$ 978.25     |                      |             |
|               | \$ 11.07    | 93             | \$ 1,029.51   |                      |             |
|               | \$ 11.38    | 91             | \$ 1,035.58   |                      |             |
| 1982          | \$ 11.73    | 181            | \$ 2,123.13   | \$ 12.00             | 9.72%       |
|               | \$ 12.27    | 184            | \$ 2,257.68   |                      |             |
| 1983          | \$ 12.61    | 181            | \$ 2,282.41   | \$ 12.78             | 6.45%       |
|               | \$ 12.94    | 184            | \$ 2,380.96   |                      |             |
| 1984          | \$ 13.20    | 365            | \$ 4,818.00   | \$ 13.20             | 3.32%       |
| 1985          | \$ 13.20    | 334            | \$ 4,408.80   | \$ 13.22             | 0.17%       |
|               | \$ 13.46    | 31             | \$ 417.26     |                      |             |
| 1986          | \$ 13.46    | 334            | \$ 4,495.64   | \$ 13.49             | 1.99%       |
|               | \$ 13.76    | 31             | \$ 426.56     |                      |             |
| 1987          | \$ 13.76    | 334            | \$ 4,595.84   | \$ 13.79             | 2.23%       |
|               | \$ 14.07    | 31             | \$ 436.17     |                      |             |
| 1988          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 2.06%       |
| 1989          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1990          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1991          | \$ 14.07    | 181            | \$ 2,546.67   | \$ 14.28             | 1.50%       |
|               | \$ 14.49    | 184            | \$ 2,666.16   |                      |             |
| 1992          | \$ 14.49    | 365            | \$ 5,288.85   | \$ 14.49             | 1.46%       |
| 1993          | \$ 14.49    | 181            | \$ 2,622.69   | \$ 14.71             | 1.53%       |
|               | \$ 14.93    | 184            | \$ 2,747.12   |                      |             |

Table 9: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| <u>Calendar Year</u> | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|----------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1994                 | \$ 14.93           | 181                   | \$ 2,702.33          | \$ 15.23                    | 3.54%              |
|                      | \$ 15.53           | 184                   | \$ 2,857.52          |                             |                    |
| 1995                 | \$ 15.53           | 333                   | \$ 5,171.49          | \$ 15.58                    | 2.31%              |
|                      | \$ 15.62           | 1                     | \$ 15.62             |                             |                    |
|                      | \$ 16.17           | 31                    | \$ 501.27            |                             |                    |
| 1996                 | \$ 16.17           | 181                   | \$ 2,926.77          | \$ 16.31                    | 4.66%              |
|                      | \$ 16.45           | 184                   | \$ 3,026.80          |                             |                    |
| 1997                 | \$ 16.45           | 181                   | \$ 2,977.45          | \$ 16.74                    | 2.64%              |
|                      | \$ 17.03           | 184                   | \$ 3,133.52          |                             |                    |

1964 through 1997 Compound Rate of Growth

5.58%

275-20-8219 JF GALLAGHER  
 SS Number EE Name  
 RR Service Months 524  
 SMs Creditable From MS 22  
 VMS Overlapping Mos. 4  
 Act Creditable SM's 542

Service and Compensation Report  
 Full Age 60/30 09/27/1928 09/25/1990  
 Annuity Type Birthdate Proposed ABD  
 May 30, 2007  
 1990 1988  
 Eligibility Year Indexing Year  
 Military Start End Vol Cred  
 Service 11/07/1950 08/06/1952 1 C

| Year | Service Months | Service Mos Pattern | SS Qtrs | Tier 1 Comp | Tier 2 Comp | SS Wages | Misc Pay | Tier 1 Comp and Wages | Indexed Tier 1 Comp | Indexed Tier 1 Comp Wages |
|------|----------------|---------------------|---------|-------------|-------------|----------|----------|-----------------------|---------------------|---------------------------|
| 1950 | 65             |                     | 0       | 15,097.48   | 15,097.48   | 252.55   | 0.00     | 15,670.03             | 0.00                | 0.00                      |
| 1951 | 2              |                     | 4       | 147.63      | 147.63      | 0.00     | 0.00     | 2,067.63              | 14,261.30           | 14,261.30                 |
| 1952 | 4              |                     | 3       | 1,026.63    | 1,026.63    | 0.00     | 0.00     | 2,306.63              | 14,998.88           | 14,998.88                 |
| 1953 | 12             |                     | 0       | 3,600.00    | 3,600.00    | 0.00     | 0.00     | 3,600.00              | 22,170.37           | 22,170.37                 |
| 1954 | 12             |                     | 0       | 3,600.00    | 3,688.63    | 0.00     | 0.00     | 3,600.00              | 22,056.55           | 22,056.55                 |
| 1955 | 12             |                     | 0       | 4,100.63    | 4,100.63    | 0.00     | 0.00     | 4,100.63              | 24,014.29           | 24,014.29                 |
| 1956 | 12             |                     | 0       | 4,170.63    | 4,170.63    | 0.00     | 0.00     | 4,170.63              | 22,827.55           | 22,827.55                 |
| 1957 | 12             |                     | 0       | 4,163.63    | 4,163.63    | 0.00     | 0.00     | 4,163.63              | 22,104.88           | 22,104.88                 |
| 1958 | 12             |                     | 0       | 4,173.71    | 4,173.71    | 0.00     | 0.00     | 4,173.71              | 21,964.91           | 21,964.91                 |
| 1959 | 12             |                     | 0       | 4,504.20    | 4,504.20    | 0.00     | 0.00     | 4,504.20              | 22,585.29           | 22,585.29                 |
| 1960 | 12             | 7777                | 0       | 4,788.30    | 4,788.30    | 0.00     | 0.00     | 4,788.30              | 23,103.17           | 23,103.17                 |
| 1961 | 12             | 7777                | 0       | 4,800.00    | 4,800.00    | 0.00     | 0.00     | 4,800.00              | 22,708.30           | 22,708.30                 |
| 1962 | 12             | 7777                | 0       | 4,800.00    | 4,800.00    | 0.00     | 0.00     | 4,800.00              | 21,625.43           | 21,625.43                 |
| 1963 | 12             | 7777                | 0       | 4,675.80    | 4,675.80    | 0.00     | 0.00     | 4,675.80              | 20,561.63           | 20,561.63                 |
| 1964 | 12             | 7777                | 0       | 4,800.00    | 5,337.04    | 0.00     | 0.00     | 4,800.00              | 20,279.04           | 20,279.04                 |
| 1965 | 12             | 7777                | 0       | 4,800.00    | 5,400.00    | 0.00     | 0.00     | 4,800.00              | 19,920.36           | 19,920.36                 |
| 1966 | 12             | 7777                | 0       | 6,471.32    | 6,471.32    | 0.00     | 0.00     | 6,471.32              | 25,336.47           | 25,336.47                 |
| 1967 | 12             | 7777                | 0       | 6,329.27    | 6,329.27    | 0.00     | 0.00     | 6,329.27              | 23,472.09           | 23,472.09                 |
| 1968 | 12             | 7777                | 0       | 7,315.40    | 7,315.40    | 0.00     | 0.00     | 7,315.40              | 25,384.48           | 25,384.48                 |
| 1969 | 12             | 7777                | 0       | 4,979.03    | 4,979.03    | 0.00     | 0.00     | 4,979.03              | 16,333.34           | 16,333.34                 |
| 1970 | 12             | 7777                | 0       | 7,800.00    | 7,800.00    | 0.00     | 0.00     | 7,800.00              | 24,377.57           | 24,377.57                 |
| 1971 | 12             | 7777                | 0       | 7,800.00    | 7,800.00    | 0.00     | 0.00     | 7,800.00              | 23,211.27           | 23,211.27                 |
| 1972 | 12             | 7777                | 0       | 9,000.00    | 9,000.00    | 0.00     | 0.00     | 9,000.00              | 24,391.82           | 24,391.82                 |
| 1973 | 12             | 7777                | 0       | 10,800.00   | 10,800.00   | 0.00     | 0.00     | 10,800.00             | 27,546.60           | 27,546.60                 |
| 1974 | 12             | 7777                | 0       | 12,889.92   | 12,889.92   | 0.00     | 0.00     | 12,889.92             | 31,032.46           | 31,032.46                 |
| 1975 | 12             | 7777                | 0       | 14,100.00   | 14,100.00   | 0.00     | 0.00     | 14,100.00             | 31,585.27           | 31,585.27                 |
| 1976 | 12             | 7777                | 0       | 15,300.00   | 15,300.00   | 0.00     | 0.00     | 15,300.00             | 32,061.07           | 32,061.07                 |
| 1977 | 12             | 7777                | 0       | 16,500.00   | 16,500.00   | 0.00     | 0.00     | 16,500.00             | 32,620.64           | 32,620.64                 |
| 1978 | 12             | 7777                | 0       | 17,700.00   | 17,700.00   | 0.00     | 0.00     | 17,700.00             | 32,418.67           | 32,418.67                 |
| 1979 | 12             | 7777                | 0       | 22,837.76   | 18,900.00   | 0.00     | 0.00     | 22,837.76             | 38,464.02           | 38,464.02                 |
| 1980 | 12             | 7777                | 0       | 24,479.32   | 19,634.20   | 0.00     | 0.00     | 24,479.32             | 37,822.00           | 37,822.00                 |
| 1981 | 12             | 7777                | 0       | 25,613.84   | 22,084.48   | 0.00     | 0.00     | 25,613.84             | 35,955.52           | 35,955.52                 |
| 1982 | 12             | 7777                | 0       | 25,860.87   | 23,170.13   | 0.00     | 1,119.06 | 26,979.93             | 35,896.97           | 35,896.97                 |
| 1983 | 12             | 7777                | 0       | 28,706.52   | 26,073.52   | 0.00     | 829.66   | 29,536.18             | 37,472.58           | 37,472.58                 |
| 1984 | 12             | 7777                | 0       | 29,143.66   | 27,701.43   | 0.00     | 825.49   | 29,969.15             | 35,910.89           | 35,910.89                 |
| 1985 | 12             | 7777                | 0       | 38,606.01   | 29,700.00   | 0.00     | 0.00     | 38,606.01             | 44,369.72           | 44,369.72                 |
| 1986 | 12             | 7777                | 0       | 31,440.39   | 31,440.39   | 0.00     | 578.34   | 32,018.73             | 35,738.24           | 35,738.24                 |
| 1987 | 12             | 7777                | 0       | 40,450.29   | 32,700.00   | 0.00     | 0.00     | 40,450.29             | 42,442.52           | 42,442.52                 |
| 1988 | 12             | 7777                | 0       | 32,438.19   | 32,438.19   | 0.00     | 2,004.80 | 34,442.99             | 34,438.19           | 34,438.19                 |
| 1989 | 12             | 7777                | 0       | 33,967.00   | 33,967.00   | 0.00     | 821.92   | 34,788.92             | 33,967.00           | 34,788.92                 |
| 1990 | 9              | 7770                | 0       | 34,199.77   | 28,575.00   | 0.00     | 513.70   | 34,713.47             | 34,199.77           | 34,713.47                 |
| 1991 | 0              |                     | 0       | 0.00        | 0.00        | 0.00     | 2,000.00 | 2,000.00              | 0.00                | 2,000.00                  |

Includes MS as Wages (or as MS)

High 60 Comp 166,545.60  
 Tier2 AMC 2775  
 Tier 2 848.22

| PLA Amount | AMW    | YOC  | Spc Min   |
|------------|--------|------|-----------|
| 1          | 0.00   | 9999 | 2 0.00    |
| 7          | 224.30 | 322  | 23 117.00 |
| 8          | 228.50 | 329  | 24 126.00 |

Includes MS as Compensation

High 60 Comp 166,545.60  
 Tier2 AMC 2775  
 Tier 2 885.84

| PLA Amount | AMW    | YOC  | Spc Min   |
|------------|--------|------|-----------|
| 4          | 0.00   | 9999 | 2 0.00    |
| 7          | 228.50 | 331  | 24 126.00 |
| 8          | 228.50 | 329  | 24 126.00 |

Before NCSP: 935.90

NCSP YOC: 54

Indexed Earnings

Computation Years

992,465.30

34

| PLA Amount | AMW    | YOC  | Spc Min | Ellg Year   |
|------------|--------|------|---------|-------------|
| 1          | 935.90 | 2432 | 54      | 705.20 1990 |

\* Possible Duplicate Earnings

# Tier 2 Allocation

+ Service Months Modified, NOT Certified

**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**John Gallagher**

*Prepared for*

**Carla Tricarichi**  
**Attorney at Law**

*Prepared by:*

**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*



# Personal Data Sheet

|                                            |                |                                |
|--------------------------------------------|----------------|--------------------------------|
| Name:                                      | John Gallagher |                                |
| Date of Birth:                             | 9/27/1928      |                                |
| Date of Separation                         | 9/30/1990      | (25.21% of 1990 Remains)       |
| Age on:                                    | 9/30/1990      | 62.0 Years                     |
| Work Life Expectancy from:                 | 9/30/1990      | 5.0 Years ( 74.79% of 1995)*   |
| Age at Expiration of Work Life Expectancy: |                | 67.0 Years Old                 |
| Life Expectancy from:                      | 9/30/1990      | 19.0 Years ( 74.79% of 2009)** |
| Age at Expiration of Life Expectancy:      |                | 81.0 Years Old                 |
| Age on:                                    | 9/1/2007       | 78.9 Years                     |
| Work Life Expectancy from:                 | 9/1/2007       | 0.0 Years ( 66.85% of 2007)*   |
| Age at Expiration of Work Life Expectancy: |                | 78.9 Years Old                 |
| Life Expectancy from:                      | 9/1/2007       | 8.4 Years ( 6.58% of 2016)**   |
| Age at Expiration of Life Expectancy:      |                | 87.3 Years Old                 |
| Occupation:                                | Car Inspector  |                                |
| Date of Hire:                              | 1945           |                                |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville, Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

---

Summary Sheet

---

|                                                                                | Value               |
|--------------------------------------------------------------------------------|---------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>        |                     |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>        | <b>\$ 2,787</b>     |
| Pension Benefits                                                               | \$ 266              |
| Back Interest through 1/1/2007                                                 | <u>\$ 49,384</u>    |
| <b>Total</b>                                                                   | <b>\$ 52,438</b>    |
| <br><b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | <br><b>\$ 2,787</b> |
| Pension Benefits                                                               | \$ 266              |
| Back Interest through 1/1/2007                                                 | <u>\$ 76,890</u>    |
| <b>Total</b>                                                                   | <b>\$ 79,943</b>    |

Table 1: Schedule Showing the Earnings for the Years 1966-1990, and the Displacement Allowance for John Gallagher.

| Year                                                | Earnings (a) | Months Employed (a) | Weighted Wage Rate (b) | Forecasted Wages (c) | Displacement Allowance (d)    |
|-----------------------------------------------------|--------------|---------------------|------------------------|----------------------|-------------------------------|
| 1966                                                | \$ 6,471.52  | 12                  | \$ 2.97                | \$ 6,170.94          | -                             |
| 1967                                                | \$ 6,329.27  | 12                  | \$ 3.19                | \$ 6,645.47          | -                             |
| 1968                                                | \$ 7,315.40  | 12                  | \$ 3.38                | \$ 7,026.16          | -                             |
| 1969                                                | \$ 4,979.03  | 12                  | \$ 3.73                | \$ 7,766.32          | \$ 2,787.29                   |
| 1970                                                | \$ 7,800.00  | 12                  | \$ 4.17                | \$ 8,663.46          | -                             |
| 1971                                                | \$ 7,800.00  | 12                  | \$ 4.49                | \$ 9,339.94          | -                             |
| 1972                                                | \$ 9,000.00  | 12                  | \$ 4.94                | \$ 10,281.75         | -                             |
| 1973                                                | \$ 10,800.00 | 12                  | \$ 5.38                | \$ 11,186.98         | -                             |
| 1974                                                | \$ 12,889.92 | 12                  | \$ 5.66                | \$ 11,772.80         | -                             |
| 1975                                                | \$ 14,100.00 | 12                  | \$ 6.31                | \$ 13,120.92         | -                             |
| 1976                                                | \$ 15,300.00 | 12                  | \$ 6.87                | \$ 14,291.37         | -                             |
| 1977                                                | \$ 16,500.00 | 12                  | \$ 7.34                | \$ 15,271.13         | -                             |
| 1978                                                | \$ 17,700.00 | 12                  | \$ 8.10                | \$ 16,845.83         | -                             |
| 1979                                                | \$ 22,837.76 | 12                  | \$ 8.92                | \$ 18,548.24         | -                             |
| 1980                                                | \$ 24,479.32 | 12                  | \$ 9.86                | \$ 20,515.13         | -                             |
| 1981                                                | \$ 25,613.84 | 12                  | \$ 10.94               | \$ 22,753.72         | -                             |
| 1982                                                | \$ 25,860.87 | 12                  | \$ 12.00               | \$ 24,964.62         | -                             |
| 1983                                                | \$ 28,706.52 | 12                  | \$ 12.78               | \$ 26,574.82         | -                             |
| 1984                                                | \$ 29,143.66 | 12                  | \$ 13.20               | \$ 27,456.00         | -                             |
| 1985                                                | \$ 38,606.01 | 12                  | \$ 13.22               | \$ 27,501.93         | -                             |
| 1986                                                | \$ 31,440.39 | 12                  | \$ 13.49               | \$ 28,049.80         | -                             |
| 1987                                                | \$ 40,450.29 | 12                  | \$ 13.79               | \$ 28,675.56         | -                             |
| 1988                                                | \$ 32,438.19 | 12                  | \$ 14.07               | \$ 29,265.60         | -                             |
| 1989                                                | \$ 33,967.00 | 12                  | \$ 14.07               | \$ 29,265.60         | -                             |
| 1990                                                | \$ 34,199.77 | 9                   | \$ 14.07               | \$ 29,265.60         | -                             |
| 1990 Annualized Wage for Displacement Allowance (f) | \$ 45,727.73 |                     |                        | \$ 29,265.60         | 1990 Displacement Allowance - |

\* Boxed earnings in the earnings column indicate that Mr. Gallagher earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 9.

(c) The forecasted wages are calculated as the weighted wage rates multiplied by 2,080 hours per year.

(d) The displacement allowance for each year is calculated as the forecasted wages minus the earnings from column (a).

(e) The 1990 annualized wage is calculated as \$34,199.77 divided by (1 - 25.21%). 25.21% is the amount of the year remaining after the date of separation.

**Table 2: Schedule Showing the Present Value of the Displacement Allowance for John Gallagher for the Years 1969.**

| <u>Year</u> | <u>Present Value<br/>Displacement<br/>Allowance (a)</u> | <u>Pension Benefits<br/>(b)</u> | <u>Total<br/>Displacement<br/>Allowance Loss</u> |
|-------------|---------------------------------------------------------|---------------------------------|--------------------------------------------------|
| 1969        | \$ 2,787                                                | \$ 266                          | \$ 3,053                                         |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for John Gallagher, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1969 | \$ 3,053  | \$ 209            | 6.84%              | \$ 3,262         | \$ 209                               |
| 1970 |           | \$ 246            | 7.56%              | \$ 3,509         | \$ 246                               |
| 1971 |           | \$ 221            | 6.30%              | \$ 3,730         | \$ 221                               |
| 1972 |           | \$ 237            | 6.36%              | \$ 3,967         | \$ 237                               |
| 1973 |           | \$ 279            | 7.03%              | \$ 4,246         | \$ 279                               |
| 1974 |           | \$ 330            | 7.78%              | \$ 4,576         | \$ 330                               |
| 1975 |           | \$ 377            | 8.23%              | \$ 4,953         | \$ 377                               |
| 1976 |           | \$ 388            | 7.83%              | \$ 5,341         | \$ 388                               |
| 1977 |           | \$ 407            | 7.63%              | \$ 5,748         | \$ 407                               |
| 1978 |           | \$ 499            | 8.68%              | \$ 6,247         | \$ 499                               |
| 1979 |           | \$ 610            | 9.77%              | \$ 6,857         | \$ 610                               |
| 1980 |           | \$ 818            | 11.93%             | \$ 7,675         | \$ 818                               |
| 1981 |           | \$ 1,125          | 14.66%             | \$ 8,801         | \$ 1,125                             |
| 1982 |           | \$ 1,202          | 13.66%             | \$ 10,003        | \$ 1,202                             |
| 1983 |           | \$ 1,157          | 11.57%             | \$ 11,160        | \$ 1,157                             |
| 1984 |           | \$ 1,457          | 13.05%             | \$ 12,617        | \$ 1,457                             |
| 1985 |           | \$ 1,394          | 11.05%             | \$ 14,011        | \$ 1,394                             |
| 1986 |           | \$ 1,106          | 7.89%              | \$ 15,117        | \$ 1,106                             |
| 1987 |           | \$ 1,309          | 8.66%              | \$ 16,426        | \$ 1,309                             |
| 1988 |           | \$ 1,503          | 9.15%              | \$ 17,928        | \$ 1,503                             |
| 1989 |           | \$ 1,571          | 8.76%              | \$ 19,500        | \$ 1,571                             |
| 1990 |           | \$ 1,721          | 8.83%              | \$ 21,221        | \$ 1,721                             |
| 1991 |           | \$ 1,718          | 8.09%              | \$ 22,939        | \$ 1,718                             |
| 1992 |           | \$ 1,651          | 7.20%              | \$ 24,590        | \$ 1,651                             |
| 1993 |           | \$ 1,475          | 6.00%              | \$ 26,065        | \$ 1,475                             |
| 1994 |           | \$ 1,898          | 7.28%              | \$ 27,963        | \$ 1,898                             |
| 1995 |           | \$ 1,883          | 6.73%              | \$ 29,846        | \$ 1,883                             |
| 1996 |           | \$ 1,969          | 6.60%              | \$ 31,815        | \$ 1,969                             |
| 1997 |           | \$ 2,069          | 6.50%              | \$ 33,884        | \$ 2,069                             |
| 1998 |           | \$ 1,818          | 5.36%              | \$ 35,701        | \$ 1,818                             |
| 1999 |           | \$ 2,060          | 5.77%              | \$ 37,762        | \$ 2,060                             |
| 2000 |           | \$ 2,329          | 6.17%              | \$ 40,091        | \$ 2,329                             |
| 2001 |           | \$ 2,051          | 5.12%              | \$ 42,141        | \$ 2,051                             |
| 2002 |           | \$ 1,977          | 4.69%              | \$ 44,118        | \$ 1,977                             |
| 2003 |           | \$ 1,796          | 4.07%              | \$ 45,914        | \$ 1,796                             |
| 2004 |           | \$ 1,992          | 4.34%              | \$ 47,906        | \$ 1,992                             |
| 2005 |           | \$ 2,088          | 4.36%              | \$ 49,995        | \$ 2,088                             |
| 2006 | (d)       | \$ 2,443          | 4.89%              | \$ 52,438        | \$ 2,443                             |
|      |           |                   |                    |                  | \$ 49,384                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for John Gallagher, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1969     | \$ 3,053  | \$ 250            | 8.19%              | \$ 3,304         | \$ 250                               |
| 1970     |           | \$ 269            | 8.15%              | \$ 3,573         | \$ 269                               |
| 1971     |           | \$ 209            | 5.85%              | \$ 3,782         | \$ 209                               |
| 1972     |           | \$ 202            | 5.35%              | \$ 3,984         | \$ 202                               |
| 1973     |           | \$ 329            | 8.25%              | \$ 4,313         | \$ 329                               |
| 1974     |           | \$ 485            | 11.24%             | \$ 4,797         | \$ 485                               |
| 1975     |           | \$ 388            | 8.09%              | \$ 5,186         | \$ 388                               |
| 1976     |           | \$ 364            | 7.02%              | \$ 5,550         | \$ 364                               |
| 1977     |           | \$ 388            | 7.00%              | \$ 5,938         | \$ 388                               |
| 1978     |           | \$ 556            | 9.36%              | \$ 6,494         | \$ 556                               |
| 1979     |           | \$ 862            | 13.27%             | \$ 7,356         | \$ 862                               |
| 1980     |           | \$ 1,186          | 16.12%             | \$ 8,542         | \$ 1,186                             |
| 1981     |           | \$ 1,729          | 20.24%             | \$ 10,270        | \$ 1,729                             |
| 1982     |           | \$ 1,612          | 15.69%             | \$ 11,882        | \$ 1,612                             |
| 1983     |           | \$ 1,335          | 11.24%             | \$ 13,217        | \$ 1,335                             |
| 1984     |           | \$ 1,665          | 12.59%             | \$ 14,881        | \$ 1,665                             |
| 1985     |           | \$ 1,534          | 10.31%             | \$ 16,416        | \$ 1,534                             |
| 1986     |           | \$ 1,411          | 8.59%              | \$ 17,826        | \$ 1,411                             |
| 1987     |           | \$ 1,508          | 8.46%              | \$ 19,334        | \$ 1,508                             |
| 1988     |           | \$ 1,864          | 9.64%              | \$ 21,198        | \$ 1,864                             |
| 1989     |           | \$ 2,400          | 11.32%             | \$ 23,599        | \$ 2,400                             |
| 1990     |           | \$ 2,452          | 10.39%             | \$ 26,051        | \$ 2,452                             |
| 1991     |           | \$ 2,275          | 8.73%              | \$ 28,326        | \$ 2,275                             |
| 1992     |           | \$ 1,813          | 6.40%              | \$ 30,139        | \$ 1,813                             |
| 1993     |           | \$ 1,849          | 6.14%              | \$ 31,988        | \$ 1,849                             |
| 1994     |           | \$ 2,344          | 7.33%              | \$ 34,333        | \$ 2,344                             |
| 1995     |           | \$ 3,133          | 9.13%              | \$ 37,466        | \$ 3,133                             |
| 1996     |           | \$ 3,196          | 8.53%              | \$ 40,662        | \$ 3,196                             |
| 1997     |           | \$ 3,543          | 8.71%              | \$ 44,205        | \$ 3,543                             |
| 1998     |           | \$ 3,810          | 8.62%              | \$ 48,015        | \$ 3,810                             |
| 1999     |           | \$ 3,955          | 8.24%              | \$ 51,970        | \$ 3,955                             |
| 2000     |           | \$ 4,967          | 9.56%              | \$ 56,936        | \$ 4,967                             |
| 2001     |           | \$ 4,040          | 7.10%              | \$ 60,976        | \$ 4,040                             |
| 2002     |           | \$ 2,901          | 4.76%              | \$ 63,877        | \$ 2,901                             |
| 2003     |           | \$ 2,674          | 4.19%              | \$ 66,551        | \$ 2,674                             |
| 2004     |           | \$ 2,936          | 4.41%              | \$ 69,488        | \$ 2,936                             |
| 2005     |           | \$ 4,399          | 6.33%              | \$ 73,886        | \$ 4,399                             |
| 2006 (d) |           | \$ 6,057          | 8.20%              | \$ 79,943        | \$ 6,057                             |
|          |           |                   |                    |                  | \$ 76,890                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 5: Schedule Showing the Hourly Rates for Carmen from 5/1/1962 through 7/1/1997.

| Effective Date | Carmen   | Effective Date | Carmen   |
|----------------|----------|----------------|----------|
| 5/1/1962       | \$ 2.70  | 10/1/1981      | \$ 11.38 |
| 1/1/1964       | \$ 2.79  | 1/1/1982       | \$ 11.73 |
| 1/1/1965       | \$ 2.88  | 7/1/1982       | \$ 12.05 |
| 1/1/1966       | \$ 2.97  | 7/1/1982       | \$ 12.27 |
| 1/1/1967       | \$ 3.14  | 1/1/1983       | \$ 12.61 |
| 4/1/1967       | \$ 3.19  | 7/1/1983       | \$ 12.94 |
| 10/1/1967      | \$ 3.24  | 1/1/1984       | \$ 13.20 |
| 4/1/1968       | \$ 3.29  | 12/1/1985      | \$ 13.46 |
| 7/1/1968       | \$ 3.46  | 12/1/1986      | \$ 13.76 |
| 10/1/1968      | \$ 3.51  | 12/1/1987      | \$ 14.07 |
| 1/1/1969       | \$ 3.55  | 7/1/1991       | \$ 14.49 |
| 1/1/1969       | \$ 3.62  | 7/1/1993       | \$ 14.93 |
| 7/1/1969       | \$ 3.73  | 7/1/1994       | \$ 15.53 |
| 7/1/1969       | \$ 3.78  | 11/30/1995     | \$ 15.62 |
| 9/1/1969       | \$ 3.88  | 12/1/1995      | \$ 16.17 |
| 1/1/1970       | \$ 4.07  | 7/1/1996       | \$ 16.45 |
| 4/1/1970       | \$ 4.11  | 7/1/1997       | \$ 17.03 |
| 4/24/1970      | \$ 4.18  |                |          |
| 8/1/1970       | \$ 4.22  |                |          |
| 1/1/1971       | \$ 4.32  |                |          |
| 4/1/1971       | \$ 4.47  |                |          |
| 10/1/1971      | \$ 4.70  |                |          |
| 4/1/1972       | \$ 4.94  |                |          |
| 10/1/1972      | \$ 5.19  |                |          |
| 4/1/1973       | \$ 5.44  |                |          |
| 1/1/1974       | \$ 5.66  |                |          |
| 1/1/1975       | \$ 6.23  |                |          |
| 10/1/1975      | \$ 6.54  |                |          |
| 1/1/1976       | \$ 6.66  |                |          |
| 4/1/1976       | \$ 6.86  |                |          |
| 7/1/1976       | \$ 6.98  |                |          |
| 1/1/1977       | \$ 7.11  |                |          |
| 7/1/1977       | \$ 7.29  |                |          |
| 7/1/1977       | \$ 7.57  |                |          |
| 1/1/1978       | \$ 7.79  |                |          |
| 4/1/1978       | \$ 8.02  |                |          |
| 7/1/1978       | \$ 8.21  |                |          |
| 10/1/1978      | \$ 8.37  |                |          |
| 1/1/1979       | \$ 8.62  |                |          |
| 7/1/1979       | \$ 8.96  |                |          |
| 7/1/1979       | \$ 9.21  |                |          |
| 1/1/1980       | \$ 9.49  |                |          |
| 7/1/1980       | \$ 9.96  |                |          |
| 7/1/1980       | \$ 10.23 |                |          |
| 1/1/1981       | \$ 10.55 |                |          |
| 4/1/1981       | \$ 10.75 |                |          |
| 7/1/1981       | \$ 11.07 |                |          |

Source: Taken from the Brotherhood Railway Carmen Division Transportation-Communications International Union Wage Rate Progression Chart (Revised: January 24, 2003) sheet.



Table 6: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1963          | \$ 2.70     | 365            | \$ 984.33     | \$ 2.70              |             |
| 1964          | \$ 2.79     | 365            | \$ 1,017.18   | \$ 2.79              | 3.34%       |
| 1965          | \$ 2.88     | 365            | \$ 1,050.03   | \$ 2.88              | 3.23%       |
| 1966          | \$ 2.97     | 365            | \$ 1,082.88   | \$ 2.97              | 3.13%       |
| 1967          | \$ 3.14     | 90             | \$ 283.03     | \$ 3.19              | 7.69%       |
|               | \$ 3.19     | 184            | \$ 587.84     |                      |             |
|               | \$ 3.24     | 91             | \$ 295.28     |                      |             |
| 1968          | \$ 3.24     | 90             | \$ 292.03     | \$ 3.38              | 5.73%       |
|               | \$ 3.29     | 91             | \$ 299.83     |                      |             |
|               | \$ 3.46     | 93             | \$ 321.73     |                      |             |
|               | \$ 3.51     | 91             | \$ 319.36     |                      |             |
| 1969          | \$ 3.62     | 181            | \$ 655.22     | \$ 3.73              | 10.53%      |
|               | \$ 3.78     | 63             | \$ 238.14     |                      |             |
|               | \$ 3.88     | 121            | \$ 469.48     |                      |             |
| 1970          | \$ 4.07     | 90             | \$ 366.30     | \$ 4.17              | 11.55%      |
|               | \$ 4.11     | 23             | \$ 94.53      |                      |             |
|               | \$ 4.18     | 100            | \$ 418.00     |                      |             |
|               | \$ 4.22     | 152            | \$ 641.44     |                      |             |
| 1971          | \$ 4.32     | 90             | \$ 388.80     | \$ 4.49              | 7.81%       |
|               | \$ 4.47     | 184            | \$ 822.48     |                      |             |
|               | \$ 4.70     | 91             | \$ 427.70     |                      |             |
| 1972          | \$ 4.70     | 90             | \$ 423.00     | \$ 4.94              | 10.08%      |
|               | \$ 4.94     | 184            | \$ 908.96     |                      |             |
|               | \$ 5.19     | 91             | \$ 472.29     |                      |             |
| 1973          | \$ 5.19     | 90             | \$ 467.10     | \$ 5.38              | 8.80%       |
|               | \$ 5.44     | 275            | \$ 1,496.00   |                      |             |
| 1974          | \$ 5.66     | 365            | \$ 2,065.90   | \$ 5.66              | 5.24%       |
| 1975          | \$ 6.23     | 273            | \$ 1,700.79   | \$ 6.31              | 11.45%      |
|               | \$ 6.54     | 92             | \$ 601.68     |                      |             |
| 1976          | \$ 6.66     | 90             | \$ 599.40     | \$ 6.87              | 8.92%       |
|               | \$ 6.86     | 92             | \$ 631.12     |                      |             |
|               | \$ 6.98     | 183            | \$ 1,277.34   |                      |             |

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1977          | \$ 7.11     | 181            | \$ 1,286.91   | \$ 7.34              | 6.86%       |
|               | \$ 7.57     | 184            | \$ 1,392.88   |                      |             |
| 1978          | \$ 7.79     | 90             | \$ 701.10     | \$ 8.10              | 10.31%      |
|               | \$ 8.02     | 91             | \$ 729.82     |                      |             |
|               | \$ 8.21     | 93             | \$ 763.53     |                      |             |
|               | \$ 8.37     | 91             | \$ 761.67     |                      |             |
| 1979          | \$ 8.62     | 181            | \$ 1,560.22   | \$ 8.92              | 10.11%      |
|               | \$ 9.21     | 184            | \$ 1,694.64   |                      |             |
| 1980          | \$ 9.49     | 181            | \$ 1,717.69   | \$ 9.86              | 10.60%      |
|               | \$ 10.23    | 184            | \$ 1,882.32   |                      |             |
| 1981          | \$ 10.55    | 90             | \$ 949.50     | \$ 10.94             | 10.91%      |
|               | \$ 10.75    | 91             | \$ 978.25     |                      |             |
|               | \$ 11.07    | 93             | \$ 1,029.51   |                      |             |
|               | \$ 11.38    | 91             | \$ 1,035.58   |                      |             |
| 1982          | \$ 11.73    | 181            | \$ 2,123.13   | \$ 12.00             | 9.72%       |
|               | \$ 12.27    | 184            | \$ 2,257.68   |                      |             |
| 1983          | \$ 12.61    | 181            | \$ 2,282.41   | \$ 12.78             | 6.45%       |
|               | \$ 12.94    | 184            | \$ 2,380.96   |                      |             |
| 1984          | \$ 13.20    | 365            | \$ 4,818.00   | \$ 13.20             | 3.32%       |
| 1985          | \$ 13.20    | 334            | \$ 4,408.80   | \$ 13.22             | 0.17%       |
|               | \$ 13.46    | 31             | \$ 417.26     |                      |             |
| 1986          | \$ 13.46    | 334            | \$ 4,495.64   | \$ 13.49             | 1.99%       |
|               | \$ 13.76    | 31             | \$ 426.56     |                      |             |
| 1987          | \$ 13.76    | 334            | \$ 4,595.84   | \$ 13.79             | 2.23%       |
|               | \$ 14.07    | 31             | \$ 436.17     |                      |             |
| 1988          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 2.06%       |
| 1989          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1990          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1991          | \$ 14.07    | 181            | \$ 2,546.67   | \$ 14.28             | 1.50%       |
|               | \$ 14.49    | 184            | \$ 2,666.16   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen. (Cont.)

| <u>Calendar Year</u> | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|----------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1992                 | \$ 14.49           | 365                   | \$ 5,288.85          | \$ 14.49                    | 1.46%              |
| 1993                 | \$ 14.49           | 181                   | \$ 2,622.69          | \$ 14.71                    | 1.53%              |
|                      | \$ 14.93           | 184                   | \$ 2,747.12          |                             |                    |
| 1994                 | \$ 14.93           | 181                   | \$ 2,702.33          | \$ 15.23                    | 3.54%              |
|                      | \$ 15.53           | 184                   | \$ 2,857.52          |                             |                    |
| 1995                 | \$ 15.53           | 333                   | \$ 5,171.49          | \$ 15.58                    | 2.31%              |
|                      | \$ 15.62           | 1                     | \$ 15.62             |                             |                    |
|                      | \$ 16.17           | 31                    | \$ 501.27            |                             |                    |
| 1996                 | \$ 16.17           | 181                   | \$ 2,926.77          | \$ 16.31                    | 4.66%              |
|                      | \$ 16.45           | 184                   | \$ 3,026.80          |                             |                    |
| 1997                 | \$ 16.45           | 181                   | \$ 2,977.45          | \$ 16.74                    | 2.64%              |
|                      | \$ 17.03           | 184                   | \$ 3,133.52          |                             |                    |

1963 through 1997 Compound Rate of Growth

5.52%

schuldc  
10/1/2007  
3:24:37 PM  
EDMID104  
PAGE: 0001

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

10/01/07  
14:21:33

EE SSN: 713 - 12 - 0854 EE NAME: JANKE , G , A

| RAILROAD INFO |      |     |             |              |                |                | SSA INFO     |     |              |             |                   |         |
|---------------|------|-----|-------------|--------------|----------------|----------------|--------------|-----|--------------|-------------|-------------------|---------|
| S             | YEAR | SM  | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | Q/C | WAGE<br>PATT | M/S<br>PATT | WAGE YR<br>AMOUNT |         |
| -             | 1984 |     |             |              |                |                |              | N   | NNNN         | 0000        | 105.00            |         |
| -             | 1983 |     |             |              |                |                |              | 4   | N            | CCCC        | 0000              | 2578.14 |
| -             | 1982 |     |             |              |                |                |              | 4   | N            | CCCC        | 0000              | 2686.35 |
| -             | 1981 |     |             |              |                |                |              |     | N            | NNNN        | 0000              | 92.50   |
| -             | 1980 |     |             |              |                |                |              |     | N            | NNNN        | 0000              | 41.47   |
| -             | 1979 |     |             |              |                |                |              | 4   | N            | CCCC        | 0000              | 1356.83 |
| -             | 1978 |     |             |              |                |                |              | 4   | N            | CCCC        | 0000              | 2356.18 |
| -             | 1977 |     |             |              |                |                |              | 4   | N            | CCCC        | 0000              | 2095.48 |
| -             | 1972 | 9   | 7770        | 0000         | 6518.39        |                |              |     |              |             |                   |         |
| -             | 1971 | 12  | 7777        | 0000         | 7749.95        |                |              |     |              |             |                   |         |
| -             | 1970 | 12  | 7777        | 0000         | 7696.44        |                |              |     |              |             |                   |         |
| -             | 1969 | 12  | 7777        | 0000         | 7330.62        |                |              |     |              |             |                   |         |
| -             | 1968 | 12  | 7777        | 0000         | 7191.27        |                |              |     |              |             |                   |         |
| -             | 1967 | 12  | 7777        | 0000         | 6314.77        |                |              |     |              |             |                   |         |
| -             | 1966 | 12  | 7777        | 0000         | 6449.57        |                |              |     |              |             |                   |         |
| -             | 1965 | 12  | 7777        | 0000         | 5283.85        |                |              |     |              |             |                   |         |
| -             | 1964 | 12  | 7777        | 0000         | 5347.02        |                |              |     |              |             |                   |         |
| -             | 1963 | 12  | 7777        | 0000         | 4900.00        |                |              |     |              |             |                   |         |
| -             | 1962 | 12  | 7777        | 0000         | 4800.00        |                |              |     |              |             |                   |         |
| -             | 1961 | 12  | 7777        | 0000         | 4723.76        |                |              |     |              |             |                   |         |
| -             | 1960 | 12  | 7777        | 0000         | 4702.17        |                |              |     |              |             |                   |         |
| -             | 1959 | 12  | 0000        | 0000         | 4545.47        |                |              |     |              |             |                   |         |
| -             | 1958 | 12  | 0000        | 0000         | 4200.00        |                |              |     |              |             |                   |         |
| -             | 1957 | 12  | 0000        | 0000         | 4193.84        |                |              |     |              |             |                   |         |
| -             | 1956 | 12  | 0000        | 0000         | 4160.79        |                |              |     |              |             |                   |         |
| -             | 1955 | 12  | 0000        | 0000         | 4195.79        |                |              |     |              |             |                   |         |
| -             | 1954 | 12  | 0000        | 0000         | 3900.00        |                |              | 2   | N            | CCNN        | 0000              | 370.98  |
| -             | 1953 | 12  | 0000        | 0000         | 3600.00        |                |              | 4   | N            | CCCC        | 0000              | 1431.51 |
| -             | 1952 | 12  | 0000        | 0000         | 3600.00        |                |              |     | N            | NNNN        | 0000              | 290.44  |
| -             | 1951 | 12  | 0000        | 0000         | 3598.79        |                |              |     | N            | NNNN        | 0000              | 799.40  |
| -             | 1950 | 12  | 0000        | 0000         | 3578.79        |                |              |     |              |             |                   |         |
| -             | 1949 | 12  | 0000        | 0000         | 3598.79        |                |              |     |              |             |                   |         |
| -             | 1948 | 12  | 0000        | 0000         | 3600.00        |                |              |     |              |             |                   |         |
| -             | 1947 | 12  | 0000        | 0000         | 3594.79        |                |              |     |              |             |                   |         |
| -             | 1946 | 120 | 0000        | 0000         | 25611.52       |                |              |     |              |             |                   |         |

**Preliminary Report**  
*concerning the*  
**Displacement Allowance**  
*of*  
**Gus Janke**

*Prepared for*  
**Carla Tricarichi**  
**Attorney at Law**

*Prepared by:*  
**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*October 2, 2007*

### Personal Data Sheet

|                                            |               |                                |
|--------------------------------------------|---------------|--------------------------------|
| Name:                                      | Gus Janke     |                                |
| Date of Birth:                             | 5/17/1909     |                                |
| Date of Separation                         | 9/30/1972     | (25.21% of 1972 Remains)       |
| Age on:                                    | 9/30/1972     | 63.4 Years                     |
| Work Life Expectancy from:                 | 9/30/1972     | 4.6 Years ( 34.79% of 1977)*   |
| Age at Expiration of Work Life Expectancy: |               | 68.0 Years Old                 |
| Life Expectancy from:                      | 9/30/1972     | 18.0 Years ( 74.79% of 1990)** |
| Age at Expiration of Life Expectancy:      |               | 81.4 Years Old                 |
| Age on:                                    | 11/1/2007     | 98.5 Years                     |
| Work Life Expectancy from:                 | 11/1/2007     | 0.0 Years ( 83.56% of 2007)*   |
| Age at Expiration of Work Life Expectancy: |               | 98.5 Years Old                 |
| Life Expectancy from:                      | 11/1/2007     | 2.4 Years ( 23.56% of 2010)**  |
| Age at Expiration of Life Expectancy:      |               | 100.9 Years Old                |
| Occupation:                                | Car Inspector |                                |
| Date of Hire:                              | 1929          |                                |

Note: As of 11/1/2007 16.44% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville. Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

---

Summary Sheet

---

|                                                                                | Value               |
|--------------------------------------------------------------------------------|---------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>        |                     |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>        | <b>\$ 3,776</b>     |
| Pension Benefits                                                               | \$ 370              |
| Back Interest through 1/1/2007                                                 | <u>\$ 59,310</u>    |
| <b>Total</b>                                                                   | <b>\$ 63,456</b>    |
| <br><b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | <br><b>\$ 3,776</b> |
| Pension Benefits                                                               | \$ 370              |
| Back Interest through 1/1/2007                                                 | <u>\$ 91,306</u>    |
| <b>Total</b>                                                                   | <b>\$ 95,452</b>    |

Table 1: Schedule Showing the Earnings for the Years 1964-1972,  
& Displacement Allowance for Gus Janke.

| Year                                                         | Earnings (a) | Months<br>Employed (a) | Weighted<br>Wage Rate<br>(b) | Forecasted<br>Wages (c) | Displacement<br>Allowance (d)                   |
|--------------------------------------------------------------|--------------|------------------------|------------------------------|-------------------------|-------------------------------------------------|
| 1964                                                         | \$ 5,347.02  | 12                     | \$ 2.79                      | \$ 5,796.54             | -                                               |
| 1965                                                         | \$ 5,283.85  | 12                     | \$ 2.88                      | \$ 5,983.74             | -                                               |
| 1966                                                         | \$ 6,449.57  | 12                     | \$ 2.97                      | \$ 6,170.94             | -                                               |
| 1967                                                         | \$ 6,314.77  | 12                     | \$ 3.19                      | \$ 6,645.47             | -                                               |
| 1968                                                         | \$ 7,191.27  | 12                     | \$ 3.38                      | \$ 7,026.16             | -                                               |
| 1969                                                         | \$ 7,330.62  | 12                     | \$ 3.73                      | \$ 7,766.32             | \$ 435.70                                       |
| 1970                                                         | \$ 7,696.44  | 12                     | \$ 4.17                      | \$ 8,663.46             | \$ 967.02                                       |
| 1971                                                         | \$ 7,749.95  | 12                     | \$ 4.49                      | \$ 9,339.94             | \$ 1,589.99                                     |
| 1972                                                         | \$ 6,518.39  | 9                      | \$ 4.94                      | \$ 10,281.75            | -                                               |
| 1972 Annualized<br>Wage for<br>Displacement<br>Allowance (e) | \$ 8,715.59  |                        |                              | \$ 10,281.75            | 1972<br>Displacement<br>Allowance (f) \$ 783.08 |

\* Boxed earnings in the earnings column indicate that Mr. Janke earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 9.

(c) The forecasted wages are calculated as the weighted wage rates multiplied by 2,080 hours per year.

(d) The displacement allowance for each year is calculated as the forecasted wages minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1972 annualized wage is calculated as \$6,518.39 divided by (1 - 25.21%). 25.21% is the amount of the year remaining after the date of separation.

(f) The 1972 displacement allowance is partialled out to represent Mr. Janke working for 9 months in 1972.



Table 2: Schedule Showing the Present Value of the Displacement Allowance for Gus Janke for the Years 1969 through 1972.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1969 | \$ 436                                         | \$ 42                   | \$ 477                                  |
| 1970 | \$ 967                                         | \$ 92                   | \$ 1,059                                |
| 1971 | \$ 1,590                                       | \$ 158                  | \$ 1,748                                |
| 1972 | \$ 783                                         | \$ 78                   | \$ 861                                  |
|      | \$ 3,776                                       | \$ 370                  | \$ 4,146                                |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Gus Janke, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1969     | \$ 477    | \$ 33             | 6.84%              | \$ 510           | \$ 33                                |
| 1970     | \$ 1,059  | \$ 119            | 7.56%              | \$ 1,688         | \$ 119                               |
| 1971     | \$ 1,748  | \$ 217            | 6.30%              | \$ 3,653         | \$ 217                               |
| 1972     | \$ 861    | \$ 287            | 6.36%              | \$ 4,801         | \$ 287                               |
| 1973     |           | \$ 337            | 7.03%              | \$ 5,138         | \$ 337                               |
| 1974     |           | \$ 400            | 7.78%              | \$ 5,538         | \$ 400                               |
| 1975     |           | \$ 456            | 8.23%              | \$ 5,993         | \$ 456                               |
| 1976     |           | \$ 469            | 7.83%              | \$ 6,463         | \$ 469                               |
| 1977     |           | \$ 493            | 7.63%              | \$ 6,956         | \$ 493                               |
| 1978     |           | \$ 604            | 8.68%              | \$ 7,559         | \$ 604                               |
| 1979     |           | \$ 738            | 9.77%              | \$ 8,298         | \$ 738                               |
| 1980     |           | \$ 990            | 11.93%             | \$ 9,288         | \$ 990                               |
| 1981     |           | \$ 1,362          | 14.66%             | \$ 10,650        | \$ 1,362                             |
| 1982     |           | \$ 1,455          | 13.66%             | \$ 12,104        | \$ 1,455                             |
| 1983     |           | \$ 1,401          | 11.57%             | \$ 13,505        | \$ 1,401                             |
| 1984     |           | \$ 1,763          | 13.05%             | \$ 15,268        | \$ 1,763                             |
| 1985     |           | \$ 1,687          | 11.05%             | \$ 16,955        | \$ 1,687                             |
| 1986     |           | \$ 1,338          | 7.89%              | \$ 18,293        | \$ 1,338                             |
| 1987     |           | \$ 1,584          | 8.66%              | \$ 19,877        | \$ 1,584                             |
| 1988     |           | \$ 1,818          | 9.15%              | \$ 21,695        | \$ 1,818                             |
| 1989     |           | \$ 1,901          | 8.76%              | \$ 23,597        | \$ 1,901                             |
| 1990     |           | \$ 2,083          | 8.83%              | \$ 25,680        | \$ 2,083                             |
| 1991     |           | \$ 2,079          | 8.09%              | \$ 27,759        | \$ 2,079                             |
| 1992     |           | \$ 1,998          | 7.20%              | \$ 29,756        | \$ 1,998                             |
| 1993     |           | \$ 1,786          | 6.00%              | \$ 31,542        | \$ 1,786                             |
| 1994     |           | \$ 2,296          | 7.28%              | \$ 33,838        | \$ 2,296                             |
| 1995     |           | \$ 2,279          | 6.73%              | \$ 36,117        | \$ 2,279                             |
| 1996     |           | \$ 2,383          | 6.60%              | \$ 38,500        | \$ 2,383                             |
| 1997     |           | \$ 2,504          | 6.50%              | \$ 41,003        | \$ 2,504                             |
| 1998     |           | \$ 2,200          | 5.36%              | \$ 43,203        | \$ 2,200                             |
| 1999     |           | \$ 2,493          | 5.77%              | \$ 45,696        | \$ 2,493                             |
| 2000     |           | \$ 2,818          | 6.17%              | \$ 48,515        | \$ 2,818                             |
| 2001     |           | \$ 2,482          | 5.12%              | \$ 50,996        | \$ 2,482                             |
| 2002     |           | \$ 2,392          | 4.69%              | \$ 53,388        | \$ 2,392                             |
| 2003     |           | \$ 2,173          | 4.07%              | \$ 55,561        | \$ 2,173                             |
| 2004     |           | \$ 2,411          | 4.34%              | \$ 57,972        | \$ 2,411                             |
| 2005     |           | \$ 2,527          | 4.36%              | \$ 60,499        | \$ 2,527                             |
| 2006 (d) |           | \$ 2,957          | 4.89%              | \$ 63,456        | \$ 2,957                             |
|          |           |                   |                    |                  | \$ 59,310                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Gus Janke, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1969     | \$ 477    | \$ 39             | 8.19%              | \$ 516           | \$ 39                                |
| 1970     | \$ 1,059  | \$ 128            | 8.15%              | \$ 1,704         | \$ 128                               |
| 1971     | \$ 1,748  | \$ 202            | 5.85%              | \$ 3,654         | \$ 202                               |
| 1972     | \$ 861    | \$ 242            | 5.35%              | \$ 4,757         | \$ 242                               |
| 1973     |           | \$ 393            | 8.25%              | \$ 5,149         | \$ 393                               |
| 1974     |           | \$ 579            | 11.24%             | \$ 5,728         | \$ 579                               |
| 1975     |           | \$ 464            | 8.09%              | \$ 6,192         | \$ 464                               |
| 1976     |           | \$ 434            | 7.02%              | \$ 6,626         | \$ 434                               |
| 1977     |           | \$ 464            | 7.00%              | \$ 7,090         | \$ 464                               |
| 1978     |           | \$ 664            | 9.36%              | \$ 7,754         | \$ 664                               |
| 1979     |           | \$ 1,029          | 13.27%             | \$ 8,783         | \$ 1,029                             |
| 1980     |           | \$ 1,416          | 16.12%             | \$ 10,199        | \$ 1,416                             |
| 1981     |           | \$ 2,064          | 20.24%             | \$ 12,262        | \$ 2,064                             |
| 1982     |           | \$ 1,924          | 15.69%             | \$ 14,187        | \$ 1,924                             |
| 1983     |           | \$ 1,594          | 11.24%             | \$ 15,781        | \$ 1,594                             |
| 1984     |           | \$ 1,988          | 12.59%             | \$ 17,768        | \$ 1,988                             |
| 1985     |           | \$ 1,832          | 10.31%             | \$ 19,600        | \$ 1,832                             |
| 1986     |           | \$ 1,684          | 8.59%              | \$ 21,284        | \$ 1,684                             |
| 1987     |           | \$ 1,800          | 8.46%              | \$ 23,085        | \$ 1,800                             |
| 1988     |           | \$ 2,226          | 9.64%              | \$ 25,311        | \$ 2,226                             |
| 1989     |           | \$ 2,866          | 11.32%             | \$ 28,177        | \$ 2,866                             |
| 1990     |           | \$ 2,928          | 10.39%             | \$ 31,105        | \$ 2,928                             |
| 1991     |           | \$ 2,717          | 8.73%              | \$ 33,821        | \$ 2,717                             |
| 1992     |           | \$ 2,164          | 6.40%              | \$ 35,986        | \$ 2,164                             |
| 1993     |           | \$ 2,208          | 6.14%              | \$ 38,194        | \$ 2,208                             |
| 1994     |           | \$ 2,799          | 7.33%              | \$ 40,993        | \$ 2,799                             |
| 1995     |           | \$ 3,741          | 9.13%              | \$ 44,734        | \$ 3,741                             |
| 1996     |           | \$ 3,816          | 8.53%              | \$ 48,550        | \$ 3,816                             |
| 1997     |           | \$ 4,230          | 8.71%              | \$ 52,780        | \$ 4,230                             |
| 1998     |           | \$ 4,549          | 8.62%              | \$ 57,329        | \$ 4,549                             |
| 1999     |           | \$ 4,722          | 8.24%              | \$ 62,051        | \$ 4,722                             |
| 2000     |           | \$ 5,930          | 9.56%              | \$ 67,982        | \$ 5,930                             |
| 2001     |           | \$ 4,823          | 7.10%              | \$ 72,805        | \$ 4,823                             |
| 2002     |           | \$ 3,464          | 4.76%              | \$ 76,269        | \$ 3,464                             |
| 2003     |           | \$ 3,193          | 4.19%              | \$ 79,462        | \$ 3,193                             |
| 2004     |           | \$ 3,506          | 4.41%              | \$ 82,968        | \$ 3,506                             |
| 2005     |           | \$ 5,252          | 6.33%              | \$ 88,220        | \$ 5,252                             |
| 2006 (d) |           | \$ 7,232          | 8.20%              | \$ 95,452        | \$ 7,232                             |
|          |           |                   |                    |                  | \$ 91,306                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.  
Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Hourly Rates for Carmen from 1/1/1964 through 7/1/1997.

| Effective Date | Carmen   | Effective Date | Carmen   |
|----------------|----------|----------------|----------|
| 1/1/1964       | \$ 2.79  | 1/1/1982       | \$ 11.73 |
| 1/1/1965       | \$ 2.88  | 7/1/1982       | \$ 12.05 |
| 1/1/1966       | \$ 2.97  | 7/1/1982       | \$ 12.27 |
| 1/1/1967       | \$ 3.14  | 1/1/1983       | \$ 12.61 |
| 4/1/1967       | \$ 3.19  | 7/1/1983       | \$ 12.94 |
| 10/1/1967      | \$ 3.24  | 1/1/1984       | \$ 13.20 |
| 4/1/1968       | \$ 3.29  | 12/1/1985      | \$ 13.46 |
| 7/1/1968       | \$ 3.46  | 12/1/1986      | \$ 13.76 |
| 10/1/1968      | \$ 3.51  | 12/1/1987      | \$ 14.07 |
| 1/1/1969       | \$ 3.55  | 7/1/1991       | \$ 14.49 |
| 1/1/1969       | \$ 3.62  | 7/1/1993       | \$ 14.93 |
| 7/1/1969       | \$ 3.73  | 7/1/1994       | \$ 15.53 |
| 7/1/1969       | \$ 3.78  | 11/30/1995     | \$ 15.62 |
| 9/1/1969       | \$ 3.88  | 12/1/1995      | \$ 16.17 |
| 1/1/1970       | \$ 4.07  | 7/1/1996       | \$ 16.45 |
| 4/1/1970       | \$ 4.11  | 7/1/1997       | \$ 17.03 |
| 4/24/1970      | \$ 4.18  |                |          |
| 8/1/1970       | \$ 4.22  |                |          |
| 1/1/1971       | \$ 4.32  |                |          |
| 4/1/1971       | \$ 4.47  |                |          |
| 10/1/1971      | \$ 4.70  |                |          |
| 4/1/1972       | \$ 4.94  |                |          |
| 10/1/1972      | \$ 5.19  |                |          |
| 4/1/1973       | \$ 5.44  |                |          |
| 1/1/1974       | \$ 5.66  |                |          |
| 1/1/1975       | \$ 6.23  |                |          |
| 10/1/1975      | \$ 6.54  |                |          |
| 1/1/1976       | \$ 6.66  |                |          |
| 4/1/1976       | \$ 6.86  |                |          |
| 7/1/1976       | \$ 6.98  |                |          |
| 1/1/1977       | \$ 7.11  |                |          |
| 7/1/1977       | \$ 7.29  |                |          |
| 7/1/1977       | \$ 7.57  |                |          |
| 1/1/1978       | \$ 7.79  |                |          |
| 4/1/1978       | \$ 8.02  |                |          |
| 7/1/1978       | \$ 8.21  |                |          |
| 10/1/1978      | \$ 8.37  |                |          |
| 1/1/1979       | \$ 8.62  |                |          |
| 7/1/1979       | \$ 8.96  |                |          |
| 7/1/1979       | \$ 9.21  |                |          |
| 1/1/1980       | \$ 9.49  |                |          |
| 7/1/1980       | \$ 9.96  |                |          |
| 7/1/1980       | \$ 10.23 |                |          |
| 1/1/1981       | \$ 10.55 |                |          |
| 4/1/1981       | \$ 10.75 |                |          |
| 7/1/1981       | \$ 11.07 |                |          |
| 10/1/1981      | \$ 11.38 |                |          |

Source:

Taken from the Brotherhood Railway Carmen Division Transportation-Communications International Union Wage Rate Progression Chart (Revised: January 24, 2003) sheet.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen.

| <u>Calendar Year</u> | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|----------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1964                 | \$ 2.79            | 365                   | \$ 1,017.18          | \$ 2.79                     |                    |
| 1965                 | \$ 2.88            | 365                   | \$ 1,050.03          | \$ 2.88                     | 3.23%              |
| 1966                 | \$ 2.97            | 365                   | \$ 1,082.88          | \$ 2.97                     | 3.13%              |
| 1967                 | \$ 3.14            | 90                    | \$ 283.03            | \$ 3.19                     | 7.69%              |
|                      | \$ 3.19            | 184                   | \$ 587.84            |                             |                    |
|                      | \$ 3.24            | 91                    | \$ 295.28            |                             |                    |
| 1968                 | \$ 3.24            | 90                    | \$ 292.03            | \$ 3.38                     | 5.73%              |
|                      | \$ 3.29            | 91                    | \$ 299.83            |                             |                    |
|                      | \$ 3.46            | 93                    | \$ 321.73            |                             |                    |
|                      | \$ 3.51            | 91                    | \$ 319.36            |                             |                    |
| 1969                 | \$ 3.62            | 181                   | \$ 655.22            | \$ 3.73                     | 10.53%             |
|                      | \$ 3.78            | 63                    | \$ 238.14            |                             |                    |
|                      | \$ 3.88            | 121                   | \$ 469.48            |                             |                    |
| 1970                 | \$ 4.07            | 90                    | \$ 366.30            | \$ 4.17                     | 11.55%             |
|                      | \$ 4.11            | 23                    | \$ 94.53             |                             |                    |
|                      | \$ 4.18            | 100                   | \$ 418.00            |                             |                    |
|                      | \$ 4.22            | 152                   | \$ 641.44            |                             |                    |
| 1971                 | \$ 4.32            | 90                    | \$ 388.80            | \$ 4.49                     | 7.81%              |
|                      | \$ 4.47            | 184                   | \$ 822.48            |                             |                    |
|                      | \$ 4.70            | 91                    | \$ 427.70            |                             |                    |
| 1972                 | \$ 4.70            | 90                    | \$ 423.00            | \$ 4.94                     | 10.08%             |
|                      | \$ 4.94            | 184                   | \$ 908.96            |                             |                    |
|                      | \$ 5.19            | 91                    | \$ 472.29            |                             |                    |
| 1973                 | \$ 5.19            | 90                    | \$ 467.10            | \$ 5.38                     | 8.80%              |
|                      | \$ 5.44            | 275                   | \$ 1,496.00          |                             |                    |
| 1974                 | \$ 5.66            | 365                   | \$ 2,065.90          | \$ 5.66                     | 5.24%              |
| 1975                 | \$ 6.23            | 273                   | \$ 1,700.79          | \$ 6.31                     | 11.45%             |
|                      | \$ 6.54            | 92                    | \$ 601.68            |                             |                    |
| 1976                 | \$ 6.66            | 90                    | \$ 599.40            | \$ 6.87                     | 8.92%              |
|                      | \$ 6.86            | 92                    | \$ 631.12            |                             |                    |
|                      | \$ 6.98            | 183                   | \$ 1,277.34          |                             |                    |
| 1977                 | \$ 7.11            | 181                   | \$ 1,286.91          | \$ 7.34                     | 6.86%              |
|                      | \$ 7.57            | 184                   | \$ 1,392.88          |                             |                    |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1978          | \$ 7.79     | 90             | \$ 701.10     | \$ 8.10              | 10.31%      |
|               | \$ 8.02     | 91             | \$ 729.82     |                      |             |
|               | \$ 8.21     | 93             | \$ 763.53     |                      |             |
|               | \$ 8.37     | 91             | \$ 761.67     |                      |             |
| 1979          | \$ 8.62     | 181            | \$ 1,560.22   | \$ 8.92              | 10.11%      |
|               | \$ 9.21     | 184            | \$ 1,694.64   |                      |             |
| 1980          | \$ 9.49     | 181            | \$ 1,717.69   | \$ 9.86              | 10.60%      |
|               | \$ 10.23    | 184            | \$ 1,882.32   |                      |             |
| 1981          | \$ 10.55    | 90             | \$ 949.50     | \$ 10.94             | 10.91%      |
|               | \$ 10.75    | 91             | \$ 978.25     |                      |             |
|               | \$ 11.07    | 93             | \$ 1,029.51   |                      |             |
|               | \$ 11.38    | 91             | \$ 1,035.58   |                      |             |
| 1982          | \$ 11.73    | 181            | \$ 2,123.13   | \$ 12.00             | 9.72%       |
|               | \$ 12.27    | 184            | \$ 2,257.68   |                      |             |
| 1983          | \$ 12.61    | 181            | \$ 2,282.41   | \$ 12.78             | 6.45%       |
|               | \$ 12.94    | 184            | \$ 2,380.96   |                      |             |
| 1984          | \$ 13.20    | 365            | \$ 4,818.00   | \$ 13.20             | 3.32%       |
| 1985          | \$ 13.20    | 334            | \$ 4,408.80   | \$ 13.22             | 0.17%       |
|               | \$ 13.46    | 31             | \$ 417.26     |                      |             |
| 1986          | \$ 13.46    | 334            | \$ 4,495.64   | \$ 13.49             | 1.99%       |
|               | \$ 13.76    | 31             | \$ 426.56     |                      |             |
| 1987          | \$ 13.76    | 334            | \$ 4,595.84   | \$ 13.79             | 2.23%       |
|               | \$ 14.07    | 31             | \$ 436.17     |                      |             |
| 1988          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 2.06%       |
| 1989          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1990          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1991          | \$ 14.07    | 181            | \$ 2,546.67   | \$ 14.28             | 1.50%       |
|               | \$ 14.49    | 184            | \$ 2,666.16   |                      |             |
| 1992          | \$ 14.49    | 365            | \$ 5,288.85   | \$ 14.49             | 1.46%       |
| 1993          | \$ 14.49    | 181            | \$ 2,622.69   | \$ 14.71             | 1.53%       |
|               | \$ 14.93    | 184            | \$ 2,747.12   |                      |             |

Table 9: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| <u>Calendar Year</u> | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|----------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1994                 | \$ 14.93           | 181                   | \$ 2,702.33          | \$ 15.23                    | 3.54%              |
|                      | \$ 15.53           | 184                   | \$ 2,857.52          |                             |                    |
| 1995                 | \$ 15.53           | 333                   | \$ 5,171.49          | \$ 15.58                    | 2.31%              |
|                      | \$ 15.62           | 1                     | \$ 15.62             |                             |                    |
|                      | \$ 16.17           | 31                    | \$ 501.27            |                             |                    |
| 1996                 | \$ 16.17           | 181                   | \$ 2,926.77          | \$ 16.31                    | 4.66%              |
|                      | \$ 16.45           | 184                   | \$ 3,026.80          |                             |                    |
| 1997                 | \$ 16.45           | 181                   | \$ 2,977.45          | \$ 16.74                    | 2.64%              |
|                      | \$ 17.03           | 184                   | \$ 3,133.52          |                             |                    |

1964 through 1997 Compound Rate of Growth

5.58%



EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

04/20/99  
10:17:35

EE SSN : 713 - 14 - 1975

NAME: JARABECK

, J , M

SEX: M

PREVIOUS SURNAME:

DOB: 10 / / 1907 SCORE LOAD

ADDR1

DOD: 05 / / 1978 RRB

ADDR2

LAST COA MADE BY

CITY

STATE ZIP

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1972

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 4206

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 0539320072

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 057

ANN BEGIN DATE: 10 / / 1971

ACCOUNT LAST ACTIVE: 1972

SERVICE AFTER ABD: YES

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / /

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

04/20/99  
10:17:47

EE SSN : 713 - 14 - 1975

NAME: JARABECK , J , M

SERVICE MONTHS TOTALS

-----  
TOTAL REPORTED : 421  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 421  
CREDITABLE 37-46 : 120  
S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 0 QC'S THRU 1974 : 0 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

COMPENSATION TOTALS

-----  
TIER 1 AMOUNT :\$ 151735.92  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 27432.97  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 78.20  
37-50 SSA WAGES :\$ 78.20

1952 QC'S: 0 PATT: \$ 0.00

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMID104

## EMPLOYMENT DATA MAINTENANCE

PAGE: 0001

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/20/77

10:17:57

EE SSN: 713 - 14 - 1975

EE NAME: JARABECK

, J , M

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |
|                           | 1972 | 1  | 0200        | 0000         |                |                |              |                       |                  |                 | 439.80            |
|                           | 1971 | 12 | 7777        | 0000         |                |                |              |                       |                  |                 | 7470.25           |
|                           | 1970 | 12 | 7777        | 0000         |                |                |              |                       |                  |                 | 7704.82           |
|                           | 1969 | 12 | 7777        | 0000         |                |                |              |                       |                  |                 | 7800.00           |
|                           | 1968 | 12 | 7777        | 0000         |                |                |              |                       |                  |                 | 7686.67           |
|                           | 1967 | 12 | 7777        | 0000         |                |                |              |                       |                  |                 | 6462.81           |
|                           | 1966 | 12 | 7777        | 0000         |                |                |              |                       |                  |                 | 6600.00           |
|                           | 1965 | 12 | 7777        | 0000         |                |                |              |                       |                  |                 | 5400.00           |
|                           | 1964 | 12 | 7777        | 0000         |                |                |              |                       |                  |                 | 5259.64           |
|                           | 1963 | 12 | 7777        | 0000         |                |                |              |                       |                  |                 | 4900.00           |

USER MESSAGE

-----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22

EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDMID104

EMPLOYMENT DATA MAINTENANCE

PAGE: 0002 ' CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

07/20/99  
10:18:09

EE SSN: 713 - 14 - 1975      EE NAME: JARABECK      , J , M

|       |      |    | ----- RAILROAD INFO ----- |      |         |        |      | ----- SSA INFO ----- |          |         |        |
|-------|------|----|---------------------------|------|---------|--------|------|----------------------|----------|---------|--------|
| S     | YEAR | SM | MOS                       | DEEM | TIER-1  | TIER-2 | MISC | ---Q/C--             | WAGE M/S | WAGE YR |        |
|       |      |    | PATT                      | PATT | COMP    | COMP   | COMP | SSA SE&AG            | PATT     | PATT    | AMOUNT |
| ===== |      |    |                           |      |         |        |      |                      |          |         |        |
|       | 1962 | 12 | 7777                      | 0000 | 4800.00 |        |      |                      |          |         |        |
|       | 1961 | 12 | 7777                      | 0000 | 4800.00 |        |      |                      |          |         |        |
|       | 1960 | 12 | 7777                      | 0000 | 4800.00 |        |      |                      |          |         |        |
|       | 1959 | 12 | 0000                      | 0000 | 4550.00 |        |      |                      |          |         |        |
|       | 1958 | 12 | 0000                      | 0000 | 4200.00 |        |      |                      |          |         |        |
|       | 1957 | 12 | 0000                      | 0000 | 4200.00 |        |      |                      |          |         |        |
|       | 1956 | 12 | 0000                      | 0000 | 4200.00 |        |      |                      |          |         |        |
|       | 1955 | 12 | 0000                      | 0000 | 4200.00 |        |      |                      |          |         |        |
|       | 1954 | 12 | 0000                      | 0000 | 3669.66 |        |      |                      |          |         |        |
|       | 1953 | 12 | 0000                      | 0000 | 3600.00 |        |      |                      |          |         |        |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

EDMID104

## EMPLOYMENT DATA MAINTENANCE

04/20/77

PAGE: 0003 CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

10:18:20

EE SSN: 713 - 14 - 1975

EE NAME: JARABECK

, J , M

|   |      | ----- RAILROAD INFO ----- |      |        |          |      | ----- SSA INFO ----- |      |       |           |        |
|---|------|---------------------------|------|--------|----------|------|----------------------|------|-------|-----------|--------|
|   |      | MOS                       | DEEM | TIER-1 | TIER-2   | MISC | ---Q/C---            | WAGE | M/S   | WAGE YR   |        |
| S | YEAR | SM                        | PATT | PATT   | COMP     | COMP | COMP                 | SSA  | SE&AG | PATT PATT | AMOUNT |
|   | 1952 | 12                        | 0000 | 0000   | 3600.00  |      |                      |      |       |           |        |
|   | 1951 | 12                        | 0000 | 0000   | 3600.00  |      |                      |      |       |           |        |
|   | 1950 | 12                        | 0000 | 0000   | 3587.65  |      |                      |      |       |           |        |
|   | 1949 | 12                        | 0000 | 0000   | 3600.00  |      |                      |      |       |           |        |
|   | 1948 | 12                        | 0000 | 0000   | 3600.00  |      |                      |      |       |           |        |
|   | 1947 | 12                        | 0000 | 0000   | 3571.65  |      |                      |      |       |           |        |
|   | 1946 | 120                       | 0000 | 0000   | 27432.97 |      |                      |      |       |           |        |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22

EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**Joseph Jarabeck**

*Prepared for*

**Carla Tricarichi**  
**Attorney at Law**

*Prepared by:*

**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

## Personal Data Sheet

Name: Joseph Jarabeck  
 Date of Birth: 10/25/1907  
 Date of Separation 1/31/1972 (91.78% of 1972 Remains)  
 Age on: 1/31/1972 64.3 Years  
 Work Life Expectancy from: 1/31/1972 4.3 Years ( 38.36% of 1976)\*  
 Age at Expiration of Work Life Expectancy: 68.6 Years Old  
 Life Expectancy from: 1/31/1972 17.3 Years ( 38.36% of 1989)\*\*  
 Age at Expiration of Life Expectancy: 81.6 Years Old  
 Age on: 9/1/2007 99.9 Years  
 Work Life Expectancy from: 9/1/2007 0.0 Years ( 66.85% of 2007)\*  
 Age at Expiration of Work Life Expectancy: 99.9 Years Old  
 Life Expectancy from: 9/1/2007 2.1 Years ( 76.71% of 2009)\*\*  
 Age at Expiration of Life Expectancy: 102.0 Years Old  
 Occupation: Car Inspector  
 Date of Hire: 1926

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates.  
February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E.  
United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville.  
Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup>  
revised March 28, 2007.

---

**Summary Sheet**

---

|                                                                                | Value               |
|--------------------------------------------------------------------------------|---------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>        |                     |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>        | <b>\$ 3,239</b>     |
| Pension Benefits                                                               | \$ 318              |
| Back Interest through 1/1/2007                                                 | <u>\$ 21,731</u>    |
| <b>Total</b>                                                                   | <b>\$ 25,289</b>    |
| <br><b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | <br><b>\$ 3,239</b> |
| Pension Benefits                                                               | \$ 318              |
| Back Interest through 1/1/2007                                                 | <u>\$ 33,463</u>    |
| <b>Total</b>                                                                   | <b>\$ 37,021</b>    |



Table 1: Schedule Showing the Earnings for the Years 1963-1972, and the Displacement Allowance for Joseph Jarabeck.

| Year                                                | Earnings (a) | Months Employed (a) | Weighted Wage Rate (b) | Forecasted Wages (c) | Displacement Allowance (d)                |
|-----------------------------------------------------|--------------|---------------------|------------------------|----------------------|-------------------------------------------|
| 1963                                                | \$ 4,900.00  | 12                  | \$ 2.70                | \$ 5,609.34          | -                                         |
| 1964                                                | \$ 5,259.64  | 12                  | \$ 2.79                | \$ 5,796.54          | -                                         |
| 1965                                                | \$ 5,400.00  | 12                  | \$ 2.88                | \$ 5,983.74          | -                                         |
| 1966                                                | \$ 6,600.00  | 12                  | \$ 2.97                | \$ 6,170.94          | -                                         |
| 1967                                                | \$ 6,462.81  | 12                  | \$ 3.19                | \$ 6,645.47          | -                                         |
| 1968                                                | \$ 7,686.67  | 12                  | \$ 3.38                | \$ 7,026.16          | -                                         |
| 1969                                                | \$ 7,800.00  | 12                  | \$ 3.73                | \$ 7,766.32          | -                                         |
| 1970                                                | \$ 7,704.82  | 12                  | \$ 4.17                | \$ 8,663.46          | \$ 958.64                                 |
| 1971                                                | \$ 7,470.25  | 12                  | \$ 4.49                | \$ 9,339.94          | \$ 1,869.69                               |
| 1972                                                | \$ 439.80    | 1                   | \$ 4.94                | \$ 10,281.75         | -                                         |
| 1972 Annualized Wage for Displacement Allowance (e) | \$ 5,350.36  |                     |                        | \$ 10,281.75         | 1972 Displacement Allowance (f) \$ 410.95 |

Boxed earnings in the earnings column indicate that Mr. Jarabeck earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 9.

(c) The forecasted wages are calculated as the weighted wage rates multiplied by 2,080 hours per year.

(d) The displacement allowance for each year is calculated as the forecasted wages minus the earnings from column (a).

(e) The 1972 annualized wage is calculated as \$439.80 divided by (1 - 91.78%). 91.78% is the amount of the year remaining after the date of separation.

(f) The 1972 displacement allowance is partialled out to represent Mr. Jarabeck working for 1 month in 1972.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Joseph Jarabeck for the Years 1970 through 1972.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1970 | \$ 959                                         | \$ 92                   | \$ 1,050                                |
| 1971 | \$ 1,870                                       | \$ 186                  | -                                       |
| 1972 | \$ 411                                         | \$ 41                   | \$ 452                                  |
|      | \$ 3,239                                       | \$ 318                  | \$ 1,502                                |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Joseph Jarabeck, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1970     | \$ 1,050  | \$ 79             | 7.56%              | \$ 1,130         | \$ 79                                |
| 1971     | \$ -      | \$ 71             | 6.30%              | \$ 1,201         | \$ 71                                |
| 1972     | \$ 452    | \$ 105            | 6.36%              | \$ 1,758         | \$ 105                               |
| 1973     |           | \$ 124            | 7.03%              | \$ 1,881         | \$ 124                               |
| 1974     |           | \$ 146            | 7.78%              | \$ 2,027         | \$ 146                               |
| 1975     |           | \$ 167            | 8.23%              | \$ 2,194         | \$ 167                               |
| 1976     |           | \$ 172            | 7.83%              | \$ 2,366         | \$ 172                               |
| 1977     |           | \$ 181            | 7.63%              | \$ 2,547         | \$ 181                               |
| 1978     |           | \$ 221            | 8.68%              | \$ 2,768         | \$ 221                               |
| 1979     |           | \$ 270            | 9.77%              | \$ 3,038         | \$ 270                               |
| 1980     |           | \$ 362            | 11.93%             | \$ 3,400         | \$ 362                               |
| 1981     |           | \$ 499            | 14.66%             | \$ 3,899         | \$ 499                               |
| 1982     |           | \$ 533            | 13.66%             | \$ 4,432         | \$ 533                               |
| 1983     |           | \$ 513            | 11.57%             | \$ 4,944         | \$ 513                               |
| 1984     |           | \$ 645            | 13.05%             | \$ 5,590         | \$ 645                               |
| 1985     |           | \$ 618            | 11.05%             | \$ 6,208         | \$ 618                               |
| 1986     |           | \$ 490            | 7.89%              | \$ 6,698         | \$ 490                               |
| 1987     |           | \$ 580            | 8.66%              | \$ 7,277         | \$ 580                               |
| 1988     |           | \$ 666            | 9.15%              | \$ 7,943         | \$ 666                               |
| 1989     |           | \$ 696            | 8.76%              | \$ 8,639         | \$ 696                               |
| 1990     |           | \$ 763            | 8.83%              | \$ 9,402         | \$ 763                               |
| 1991     |           | \$ 761            | 8.09%              | \$ 10,163        | \$ 761                               |
| 1992     |           | \$ 731            | 7.20%              | \$ 10,895        | \$ 731                               |
| 1993     |           | \$ 654            | 6.00%              | \$ 11,548        | \$ 654                               |
| 1994     |           | \$ 841            | 7.28%              | \$ 12,389        | \$ 841                               |
| 1995     |           | \$ 834            | 6.73%              | \$ 13,223        | \$ 834                               |
| 1996     |           | \$ 872            | 6.60%              | \$ 14,096        | \$ 872                               |
| 1997     |           | \$ 917            | 6.50%              | \$ 15,012        | \$ 917                               |
| 1998     |           | \$ 805            | 5.36%              | \$ 15,818        | \$ 805                               |
| 1999     |           | \$ 913            | 5.77%              | \$ 16,730        | \$ 913                               |
| 2000     |           | \$ 1,032          | 6.17%              | \$ 17,762        | \$ 1,032                             |
| 2001     |           | \$ 909            | 5.12%              | \$ 18,671        | \$ 909                               |
| 2002     |           | \$ 876            | 4.69%              | \$ 19,547        | \$ 876                               |
| 2003     |           | \$ 796            | 4.07%              | \$ 20,342        | \$ 796                               |
| 2004     |           | \$ 883            | 4.34%              | \$ 21,225        | \$ 883                               |
| 2005     |           | \$ 925            | 4.36%              | \$ 22,150        | \$ 925                               |
| 2006 (d) |           | \$ 1,083          | 4.89%              | \$ 23,233        | \$ 1,083                             |
|          |           |                   |                    |                  | \$ 21,731                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Joseph Jarabeck, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1970     | \$ 1,050  | \$ 86             | 8.15%              | \$ 1,136         | \$ 86                                |
| 1971     | \$ -      | \$ 66             | 5.85%              | \$ 1,202         | \$ 66                                |
| 1972     | \$ 452    | \$ 89             | 5.35%              | \$ 1,743         | \$ 89                                |
| 1973     |           | \$ 144            | 8.25%              | \$ 1,886         | \$ 144                               |
| 1974     |           | \$ 212            | 11.24%             | \$ 2,098         | \$ 212                               |
| 1975     |           | \$ 170            | 8.09%              | \$ 2,268         | \$ 170                               |
| 1976     |           | \$ 159            | 7.02%              | \$ 2,427         | \$ 159                               |
| 1977     |           | \$ 170            | 7.00%              | \$ 2,597         | \$ 170                               |
| 1978     |           | \$ 243            | 9.36%              | \$ 2,840         | \$ 243                               |
| 1979     |           | \$ 377            | 13.27%             | \$ 3,217         | \$ 377                               |
| 1980     |           | \$ 519            | 16.12%             | \$ 3,736         | \$ 519                               |
| 1981     |           | \$ 756            | 20.24%             | \$ 4,492         | \$ 756                               |
| 1982     |           | \$ 705            | 15.69%             | \$ 5,197         | \$ 705                               |
| 1983     |           | \$ 584            | 11.24%             | \$ 5,781         | \$ 584                               |
| 1984     |           | \$ 728            | 12.59%             | \$ 6,509         | \$ 728                               |
| 1985     |           | \$ 671            | 10.31%             | \$ 7,180         | \$ 671                               |
| 1986     |           | \$ 617            | 8.59%              | \$ 7,797         | \$ 617                               |
| 1987     |           | \$ 659            | 8.46%              | \$ 8,456         | \$ 659                               |
| 1988     |           | \$ 815            | 9.64%              | \$ 9,272         | \$ 815                               |
| 1989     |           | \$ 1,050          | 11.32%             | \$ 10,322        | \$ 1,050                             |
| 1990     |           | \$ 1,073          | 10.39%             | \$ 11,394        | \$ 1,073                             |
| 1991     |           | \$ 995            | 8.73%              | \$ 12,389        | \$ 995                               |
| 1992     |           | \$ 793            | 6.40%              | \$ 13,182        | \$ 793                               |
| 1993     |           | \$ 809            | 6.14%              | \$ 13,991        | \$ 809                               |
| 1994     |           | \$ 1,025          | 7.33%              | \$ 15,016        | \$ 1,025                             |
| 1995     |           | \$ 1,370          | 9.13%              | \$ 16,387        | \$ 1,370                             |
| 1996     |           | \$ 1,398          | 8.53%              | \$ 17,785        | \$ 1,398                             |
| 1997     |           | \$ 1,550          | 8.71%              | \$ 19,334        | \$ 1,550                             |
| 1998     |           | \$ 1,666          | 8.62%              | \$ 21,001        | \$ 1,666                             |
| 1999     |           | \$ 1,730          | 8.24%              | \$ 22,730        | \$ 1,730                             |
| 2000     |           | \$ 2,172          | 9.56%              | \$ 24,903        | \$ 2,172                             |
| 2001     |           | \$ 1,767          | 7.10%              | \$ 26,670        | \$ 1,767                             |
| 2002     |           | \$ 1,269          | 4.76%              | \$ 27,939        | \$ 1,269                             |
| 2003     |           | \$ 1,170          | 4.19%              | \$ 29,108        | \$ 1,170                             |
| 2004     |           | \$ 1,284          | 4.41%              | \$ 30,393        | \$ 1,284                             |
| 2005     |           | \$ 1,924          | 6.33%              | \$ 32,316        | \$ 1,924                             |
| 2006 (d) |           | \$ 2,649          | 8.20%              | \$ 34,965        | \$ 2,649                             |
|          |           |                   |                    |                  | \$ 33,463                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Hourly Rates for Carmen from 5/1/1962 through 7/1/1997.

| Effective Date | Carmen   | Effective Date | Carmen   |
|----------------|----------|----------------|----------|
| 5/1/1962       | \$ 2.70  | 10/1/1981      | \$ 11.38 |
| 1/1/1964       | \$ 2.79  | 1/1/1982       | \$ 11.73 |
| 1/1/1965       | \$ 2.88  | 7/1/1982       | \$ 12.05 |
| 1/1/1966       | \$ 2.97  | 7/1/1982       | \$ 12.27 |
| 1/1/1967       | \$ 3.14  | 1/1/1983       | \$ 12.61 |
| 4/1/1967       | \$ 3.19  | 7/1/1983       | \$ 12.94 |
| 10/1/1967      | \$ 3.24  | 1/1/1984       | \$ 13.20 |
| 4/1/1968       | \$ 3.29  | 12/1/1985      | \$ 13.46 |
| 7/1/1968       | \$ 3.46  | 12/1/1986      | \$ 13.76 |
| 10/1/1968      | \$ 3.51  | 12/1/1987      | \$ 14.07 |
| 1/1/1969       | \$ 3.55  | 7/1/1991       | \$ 14.49 |
| 1/1/1969       | \$ 3.62  | 7/1/1993       | \$ 14.93 |
| 7/1/1969       | \$ 3.73  | 7/1/1994       | \$ 15.53 |
| 7/1/1969       | \$ 3.78  | 11/30/1995     | \$ 15.62 |
| 9/1/1969       | \$ 3.88  | 12/1/1995      | \$ 16.17 |
| 1/1/1970       | \$ 4.07  | 7/1/1996       | \$ 16.45 |
| 4/1/1970       | \$ 4.11  | 7/1/1997       | \$ 17.03 |
| 4/24/1970      | \$ 4.18  |                |          |
| 8/1/1970       | \$ 4.22  |                |          |
| 1/1/1971       | \$ 4.32  |                |          |
| 4/1/1971       | \$ 4.47  |                |          |
| 10/1/1971      | \$ 4.70  |                |          |
| 4/1/1972       | \$ 4.94  |                |          |
| 10/1/1972      | \$ 5.19  |                |          |
| 4/1/1973       | \$ 5.44  |                |          |
| 1/1/1974       | \$ 5.66  |                |          |
| 1/1/1975       | \$ 6.23  |                |          |
| 10/1/1975      | \$ 6.54  |                |          |
| 1/1/1976       | \$ 6.66  |                |          |
| 4/1/1976       | \$ 6.86  |                |          |
| 7/1/1976       | \$ 6.98  |                |          |
| 1/1/1977       | \$ 7.11  |                |          |
| 7/1/1977       | \$ 7.29  |                |          |
| 7/1/1977       | \$ 7.57  |                |          |
| 1/1/1978       | \$ 7.79  |                |          |
| 4/1/1978       | \$ 8.02  |                |          |
| 7/1/1978       | \$ 8.21  |                |          |
| 10/1/1978      | \$ 8.37  |                |          |
| 1/1/1979       | \$ 8.62  |                |          |
| 7/1/1979       | \$ 8.96  |                |          |
| 7/1/1979       | \$ 9.21  |                |          |
| 1/1/1980       | \$ 9.49  |                |          |
| 7/1/1980       | \$ 9.96  |                |          |
| 7/1/1980       | \$ 10.23 |                |          |
| 1/1/1981       | \$ 10.55 |                |          |
| 4/1/1981       | \$ 10.75 |                |          |
| 7/1/1981       | \$ 11.07 |                |          |

Source: Taken from the Brotherhood Railway Carmen Division Transportation-Communications International Union Wage Rate Progression Chart (Revised: January 24, 2003) sheet.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1963          | \$ 2.70     | 365            | \$ 984.33     | \$ 2.70              |             |
| 1964          | \$ 2.79     | 365            | \$ 1,017.18   | \$ 2.79              | 3.34%       |
| 1965          | \$ 2.88     | 365            | \$ 1,050.03   | \$ 2.88              | 3.23%       |
| 1966          | \$ 2.97     | 365            | \$ 1,082.88   | \$ 2.97              | 3.13%       |
| 1967          | \$ 3.14     | 90             | \$ 283.03     | \$ 3.19              | 7.69%       |
|               | \$ 3.19     | 184            | \$ 587.84     |                      |             |
|               | \$ 3.24     | 91             | \$ 295.28     |                      |             |
| 1968          | \$ 3.24     | 90             | \$ 292.03     | \$ 3.38              | 5.73%       |
|               | \$ 3.29     | 91             | \$ 299.83     |                      |             |
|               | \$ 3.46     | 93             | \$ 321.73     |                      |             |
|               | \$ 3.51     | 91             | \$ 319.36     |                      |             |
| 1969          | \$ 3.62     | 181            | \$ 655.22     | \$ 3.73              | 10.53%      |
|               | \$ 3.78     | 63             | \$ 238.14     |                      |             |
|               | \$ 3.88     | 121            | \$ 469.48     |                      |             |
| 1970          | \$ 4.07     | 90             | \$ 366.30     | \$ 4.17              | 11.55%      |
|               | \$ 4.11     | 23             | \$ 94.53      |                      |             |
|               | \$ 4.18     | 100            | \$ 418.00     |                      |             |
|               | \$ 4.22     | 152            | \$ 641.44     |                      |             |
| 1971          | \$ 4.32     | 90             | \$ 388.80     | \$ 4.49              | 7.81%       |
|               | \$ 4.47     | 184            | \$ 822.48     |                      |             |
|               | \$ 4.70     | 91             | \$ 427.70     |                      |             |
| 1972          | \$ 4.70     | 90             | \$ 423.00     | \$ 4.94              | 10.08%      |
|               | \$ 4.94     | 184            | \$ 908.96     |                      |             |
|               | \$ 5.19     | 91             | \$ 472.29     |                      |             |
| 1973          | \$ 5.19     | 90             | \$ 467.10     | \$ 5.38              | 8.80%       |
|               | \$ 5.44     | 275            | \$ 1,496.00   |                      |             |
| 1974          | \$ 5.66     | 365            | \$ 2,065.90   | \$ 5.66              | 5.24%       |
| 1975          | \$ 6.23     | 273            | \$ 1,700.79   | \$ 6.31              | 11.45%      |
|               | \$ 6.54     | 92             | \$ 601.68     |                      |             |
| 1976          | \$ 6.66     | 90             | \$ 599.40     | \$ 6.87              | 8.92%       |
|               | \$ 6.86     | 92             | \$ 631.12     |                      |             |
|               | \$ 6.98     | 183            | \$ 1,277.34   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen. (Cont.)

| <u>Calendar Year</u> | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|----------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1977                 | \$ 7.11            | 181                   | \$ 1,286.91          | \$ 7.34                     | 6.86%              |
|                      | \$ 7.57            | 184                   | \$ 1,392.88          |                             |                    |
| 1978                 | \$ 7.79            | 90                    | \$ 701.10            | \$ 8.10                     | 10.31%             |
|                      | \$ 8.02            | 91                    | \$ 729.82            |                             |                    |
|                      | \$ 8.21            | 93                    | \$ 763.53            |                             |                    |
|                      | \$ 8.37            | 91                    | \$ 761.67            |                             |                    |
| 1979                 | \$ 8.62            | 181                   | \$ 1,560.22          | \$ 8.92                     | 10.11%             |
|                      | \$ 9.21            | 184                   | \$ 1,694.64          |                             |                    |
| 1980                 | \$ 9.49            | 181                   | \$ 1,717.69          | \$ 9.86                     | 10.60%             |
|                      | \$ 10.23           | 184                   | \$ 1,882.32          |                             |                    |
| 1981                 | \$ 10.55           | 90                    | \$ 949.50            | \$ 10.94                    | 10.91%             |
|                      | \$ 10.75           | 91                    | \$ 978.25            |                             |                    |
|                      | \$ 11.07           | 93                    | \$ 1,029.51          |                             |                    |
|                      | \$ 11.38           | 91                    | \$ 1,035.58          |                             |                    |
| 1982                 | \$ 11.73           | 181                   | \$ 2,123.13          | \$ 12.00                    | 9.72%              |
|                      | \$ 12.27           | 184                   | \$ 2,257.68          |                             |                    |
| 1983                 | \$ 12.61           | 181                   | \$ 2,282.41          | \$ 12.78                    | 6.45%              |
|                      | \$ 12.94           | 184                   | \$ 2,380.96          |                             |                    |
| 1984                 | \$ 13.20           | 365                   | \$ 4,818.00          | \$ 13.20                    | 3.32%              |
| 1985                 | \$ 13.20           | 334                   | \$ 4,408.80          | \$ 13.22                    | 0.17%              |
|                      | \$ 13.46           | 31                    | \$ 417.26            |                             |                    |
| 1986                 | \$ 13.46           | 334                   | \$ 4,495.64          | \$ 13.49                    | 1.99%              |
|                      | \$ 13.76           | 31                    | \$ 426.56            |                             |                    |
| 1987                 | \$ 13.76           | 334                   | \$ 4,595.84          | \$ 13.79                    | 2.23%              |
|                      | \$ 14.07           | 31                    | \$ 436.17            |                             |                    |
| 1988                 | \$ 14.07           | 365                   | \$ 5,135.55          | \$ 14.07                    | 2.06%              |
| 1989                 | \$ 14.07           | 365                   | \$ 5,135.55          | \$ 14.07                    | 0.00%              |
| 1990                 | \$ 14.07           | 365                   | \$ 5,135.55          | \$ 14.07                    | 0.00%              |
| 1991                 | \$ 14.07           | 181                   | \$ 2,546.67          | \$ 14.28                    | 1.50%              |
|                      | \$ 14.49           | 184                   | \$ 2,666.16          |                             |                    |



Table 9: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen. (Cont.)

| <u>Calendar Year</u>                      | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|-------------------------------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1992                                      | \$ 14.49           | 365                   | \$ 5,288.85          | \$ 14.49                    | 1.46%              |
| 1993                                      | \$ 14.49           | 181                   | \$ 2,622.69          | \$ 14.71                    | 1.53%              |
|                                           | \$ 14.93           | 184                   | \$ 2,747.12          |                             |                    |
| 1994                                      | \$ 14.93           | 181                   | \$ 2,702.33          | \$ 15.23                    | 3.54%              |
|                                           | \$ 15.53           | 184                   | \$ 2,857.52          |                             |                    |
| 1995                                      | \$ 15.53           | 333                   | \$ 5,171.49          | \$ 15.58                    | 2.31%              |
|                                           | \$ 15.62           | 1                     | \$ 15.62             |                             |                    |
|                                           | \$ 16.17           | 31                    | \$ 501.27            |                             |                    |
| 1996                                      | \$ 16.17           | 181                   | \$ 2,926.77          | \$ 16.31                    | 4.66%              |
|                                           | \$ 16.45           | 184                   | \$ 3,026.80          |                             |                    |
| 1997                                      | \$ 16.45           | 181                   | \$ 2,977.45          | \$ 16.74                    | 2.64%              |
|                                           | \$ 17.03           | 184                   | \$ 3,133.52          |                             |                    |
| 1963 through 1997 Compound Rate of Growth |                    |                       |                      | 5.52%                       |                    |

EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

04/01/99

12:08:35

EE SSN : 713 - 14 - 4353

NAME: KOCHENDERF , E , W

SEX: M

PREVIOUS SURNAME:

DOB: 07 / / 1909 RRB

ADDR1

DOD: 06 / / 1984 RRB

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1974

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1313

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3414660659

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 053

ANN BEGIN DATE: 07 / / 1974

ACCOUNT LAST ACTIVE: 1974

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / /

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23

MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

KOCHENDERF

EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

04/01/99  
12:08:47

EE SSN : 713 - 14 - 4353

F NAME: KOCHENDERF , E , W

SERVICE MONTHS TOTALS

-----  
TOTAL REPORTED : 404  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 404  
CREDITABLE 37-46 : 074  
S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 0 QC'S THRU 1974 : 0 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

COMPENSATION TOTALS

-----  
TIER 1 AMOUNT :\$ 158171.17  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 10021.34  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 239.87  
37-50 SSA WAGES :\$ 0.00

1952 QC'S: 0 PATT: \$ 0.00

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EF SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMIDI04  
PAGE: 0001

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/07/99  
12:09:52

EE SSN: 713 - 14 - 4353      EE NAME: KOCHENDERF      , E , W

| ----- RAILROAD INFO ----- |      |    |      |      |         |        |      |           |       |      |      | ----- SSA INFO ----- |  |  |
|---------------------------|------|----|------|------|---------|--------|------|-----------|-------|------|------|----------------------|--|--|
| S                         | YEAR | SM | MOS  | DEEM | TIER-1  | TIER-2 | MISC | ---Q/C--- |       | WAGE | M/S  | WAGE YR              |  |  |
|                           |      |    | PATT | PATT | COMP    | COMP   | COMP | SSA       | SE&AG | PATT | PATT | AMOUNT               |  |  |
|                           | 1974 | 7  | 7710 | 0000 | 6724.27 |        |      |           |       |      |      |                      |  |  |
|                           | 1973 | 11 | 5777 | 0000 | 9271.60 |        |      |           |       |      |      |                      |  |  |
|                           | 1972 | 12 | 7777 | 0000 | 8624.47 |        |      |           |       |      |      |                      |  |  |
|                           | 1971 | 12 | 7777 | 0000 | 6894.07 |        |      |           |       |      |      |                      |  |  |
|                           | 1970 | 12 | 7777 | 0000 | 7800.00 |        |      |           |       |      |      |                      |  |  |
|                           | 1969 | 12 | 7777 | 0000 | 7800.00 |        |      |           |       |      |      |                      |  |  |
|                           | 1968 | 12 | 7777 | 0000 | 7719.17 |        |      |           |       |      |      |                      |  |  |
|                           | 1967 | 12 | 7777 | 0000 | 6524.64 |        |      |           |       |      |      |                      |  |  |
|                           | 1966 | 12 | 7777 | 0000 | 6456.43 |        |      |           |       |      |      |                      |  |  |
|                           | 1965 | 12 | 7777 | 0000 | 5400.00 |        |      |           |       |      |      |                      |  |  |

USER MESSAGE

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

EE SSN: 713 - 14 - 4353
EE NAME: KOCHENDERF
, E , W

|       |      |    | RAILROAD INFO |      |         |        |      | SSA INFO |       |      |      |         |
|-------|------|----|---------------|------|---------|--------|------|----------|-------|------|------|---------|
| S     | YEAR | SM | MOS           | DEEM | TIER-1  | TIER-2 | MISC | ---Q/C-- |       | WAGE | M/S  | WAGE YF |
|       |      |    | PATT          | PATT | COMP    | COMP   | COMP | SSA      | SE&AG | PATT | PATT | AMOUNT  |
| ===== |      |    |               |      |         |        |      |          |       |      |      |         |
|       | 1964 | 12 | 7777          | 0000 | 5386.86 |        |      |          |       |      |      |         |
|       | 1963 | 12 | 7777          | 0000 | 4900.00 |        |      |          |       |      |      |         |
|       | 1962 | 12 | 7777          | 0000 | 4781.05 |        |      |          |       |      |      |         |
|       | 1961 | 12 | 7777          | 0000 | 4800.00 |        |      |          |       |      |      |         |
|       | 1960 | 12 | 7777          | 0000 | 4800.00 |        |      |          |       |      |      |         |
|       | 1959 | 12 | 0000          | 0000 | 4550.00 |        |      |          |       |      |      |         |
|       | 1958 | 12 | 0000          | 0000 | 4200.00 |        |      |          |       |      |      |         |
|       | 1957 | 12 | 0000          | 0000 | 4200.00 |        |      |          |       |      |      |         |
|       | 1956 | 12 | 0000          | 0000 | 4200.00 |        |      |          |       |      |      |         |
|       | 1955 | 12 | 0000          | 0000 | 4199.67 |        |      |          |       |      |      |         |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

| -----RESPONSES----- |       |               |       |                |       |           |       |  |  |  |  |
|---------------------|-------|---------------|-------|----------------|-------|-----------|-------|--|--|--|--|
| EE INFO             | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |  |  |  |  |
| EE SERV/RUIA        | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |  |  |  |  |

DD FORM 107

EMPLOYMENT DATA MAINTENANCE

04/07/95

PAGE: 0003

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

12:10:18

EE SSN: 713 - 14 - 4353

EE NAME: KOCHENDERF

, E , W

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              |                       |                       | ----- SSA INFO ----- |  |  |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|-----------------------|----------------------|--|--|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE YF<br>AMOUNT    |  |  |
| 1954                      | 12   |    | 0000        | 0000         | 3900.00        |                |              |                       |                       |                      |  |  |
| 1953                      | 12   |    | 0000        | 0000         | 3600.00        |                |              |                       |                       |                      |  |  |
| 1952                      | 12   |    | 0000        | 0000         | 3600.00        |                |              |                       |                       |                      |  |  |
| 1951                      | 12   |    | 0000        | 0000         | 3560.65        |                |              | N                     | NNNN 0000             | 239.87               |  |  |
| 1950                      | 12   |    | 0000        | 0000         | 3492.65        |                |              |                       |                       |                      |  |  |
| 1949                      | 12   |    | 0000        | 0000         | 3587.65        |                |              |                       |                       |                      |  |  |
| 1948                      | 12   |    | 0000        | 0000         | 3600.00        |                |              |                       |                       |                      |  |  |
| 1947                      | 12   |    | 0000        | 0000         | 3576.65        |                |              |                       |                       |                      |  |  |
| 1946                      | 74   |    | 0000        | 0000         | 10021.34       |                |              |                       |                       |                      |  |  |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**Edwin Kochenderf**

*Prepared for*

**Carla Tricarichi**  
**Attorney at Law**

*Prepared by:*

**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

## Personal Data Sheet

Name: Edwin Kochenderf  
 Date of Birth: 7/14/1909  
 Date of Separation: 7/31/1974 (41.92% of 1974 Remains)  
 Age on: 7/31/1974 65.0 Years  
 Work Life Expectancy from: 7/31/1974 4.2 Years ( 78.08% of 1978)\*  
 Age at Expiration of Work Life Expectancy: 69.2 Years Old  
 Life Expectancy from: 7/31/1974 16.8 Years ( 38.08% of 1991)\*\*  
 Age at Expiration of Life Expectancy: 81.8 Years Old  
 Age on: 9/1/2007 98.1 Years  
 Work Life Expectancy from: 9/1/2007 0.0 Years ( 66.85% of 2007)\*  
 Age at Expiration of Work Life Expectancy: 98.1 Years Old  
 Life Expectancy from: 9/1/2007 2.5 Years ( 16.71% of 2010)\*\*  
 Age at Expiration of Life Expectancy: 100.6 Years Old

Occupation: Car Inspector

Date of Hire: 1936

As of 9/1/2007

| <u>Name</u> | <u>Relationship</u> | <u>Date of Birth</u> | <u>Age</u> | <u>Life Expectancy</u> |
|-------------|---------------------|----------------------|------------|------------------------|
| Georgianna  | Wife                | 11/7/1908            | 98.8       | 2.6 Years              |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville, Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>mw</sup> revised March 28, 2007.



---

**Summary Sheet**

---

|                                                                                | Value             |
|--------------------------------------------------------------------------------|-------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>        |                   |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>        | \$ 6,132          |
| Pension Benefits                                                               | \$ 652            |
| Back Interest through 1/1/2007                                                 | <u>\$ 88,948</u>  |
| <b>Total</b>                                                                   | <b>\$ 95,732</b>  |
| <br><b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | <br>\$ 6,132      |
| Pension Benefits                                                               | \$ 652            |
| Back Interest through 1/1/2007                                                 | <u>\$ 137,312</u> |
| <b>Total</b>                                                                   | <b>\$ 144,096</b> |

Table 1: Schedule Showing the Earnings for the Years 1965-1974, and the Displacement Allowance for Edwin Kochenderf.

| Year                                                | Earnings (a) | Months Employed (a) | Weighted Wage Rate (b) | Forecasted Wages (c) | Displacement Allowance (d)                |
|-----------------------------------------------------|--------------|---------------------|------------------------|----------------------|-------------------------------------------|
| 1965                                                | \$ 5,400.00  | 12                  | \$ 2.88                | \$ 5,983.74          | -                                         |
| 1966                                                | \$ 6,456.43  | 12                  | \$ 2.97                | \$ 6,170.94          | -                                         |
| 1967                                                | \$ 6,524.64  | 12                  | \$ 3.19                | \$ 6,645.47          | -                                         |
| 1968                                                | \$ 7,719.17  | 12                  | \$ 3.38                | \$ 7,026.16          | -                                         |
| 1969                                                | \$ 7,800.00  | 12                  | \$ 3.73                | \$ 7,766.32          | -                                         |
| 1970                                                | \$ 7,800.00  | 12                  | \$ 4.17                | \$ 8,663.46          | -                                         |
| 1971                                                | \$ 6,894.07  | 12                  | \$ 4.49                | \$ 9,339.94          | \$ 2,445.87                               |
| 1972                                                | \$ 8,624.47  | 12                  | \$ 4.94                | \$ 10,281.75         | \$ 1,657.28                               |
| 1973                                                | \$ 9,271.60  | 11                  | \$ 5.38                | \$ 11,186.98         | \$ 1,915.38                               |
| 1974                                                | \$ 6,724.27  | 7                   | \$ 5.66                | \$ 11,772.80         | -                                         |
| 1974 Annualized Wage for Displacement Allowance (e) | \$ 11,577.60 |                     |                        | \$ 11,772.80         | 1974 Displacement Allowance (f) \$ 113.87 |

Boxed earnings in the earnings column indicate that Mr. Kochenderf earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

- (a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.
- (b) The weighted wage rates are from Tables 6 through 9.
- (c) The forecasted wages are calculated as the weighted wage rates multiplied by 2,080 hours per year.
- (d) The displacement allowance for each year is calculated as the forecasted wages minus the earnings from column (a).
- (e) The 1974 annualized wage is calculated as \$46,724.27 divided by (1 - 41.92%). 41.92% is the amount of the year remaining after the date of separation.
- (f) The 1974 displacement allowance is partialled out to represent Mr. Kochenderf working for 7 months in 1974.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Edwin Kochenderf for the Years 1971 through 1974.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1971 | \$ 2,446                                       | \$ 243                  | \$ 2,689                                |
| 1972 | \$ 1,657                                       | \$ 165                  | \$ 1,822                                |
| 1973 | \$ 1,915                                       | \$ 226                  | \$ 2,141                                |
| 1974 | \$ 114                                         | \$ 17                   | \$ 131                                  |
|      | \$ 6,132                                       | \$ 652                  | \$ 6,784                                |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Edwin Kochenderf, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1971     | \$ 2,689  | \$ 170            | 6.30%              | \$ 2,859         | \$ 170                               |
| 1972     | \$ 1,822  | \$ 298            | 6.36%              | \$ 4,978         | \$ 298                               |
| 1973     | \$ 2,141  | \$ 500            | 7.03%              | \$ 7,620         | \$ 500                               |
| 1974     | \$ 131    | \$ 603            | 7.78%              | \$ 8,354         | \$ 603                               |
| 1975     |           | \$ 688            | 8.23%              | \$ 9,042         | \$ 688                               |
| 1976     |           | \$ 708            | 7.83%              | \$ 9,750         | \$ 708                               |
| 1977     |           | \$ 744            | 7.63%              | \$ 10,494        | \$ 744                               |
| 1978     |           | \$ 911            | 8.68%              | \$ 11,404        | \$ 911                               |
| 1979     |           | \$ 1,114          | 9.77%              | \$ 12,519        | \$ 1,114                             |
| 1980     |           | \$ 1,493          | 11.93%             | \$ 14,012        | \$ 1,493                             |
| 1981     |           | \$ 2,055          | 14.66%             | \$ 16,067        | \$ 2,055                             |
| 1982     |           | \$ 2,194          | 13.66%             | \$ 18,261        | \$ 2,194                             |
| 1983     |           | \$ 2,113          | 11.57%             | \$ 20,374        | \$ 2,113                             |
| 1984     |           | \$ 2,660          | 13.05%             | \$ 23,034        | \$ 2,660                             |
| 1985     |           | \$ 2,545          | 11.05%             | \$ 25,579        | \$ 2,545                             |
| 1986     |           | \$ 2,019          | 7.89%              | \$ 27,598        | \$ 2,019                             |
| 1987     |           | \$ 2,389          | 8.66%              | \$ 29,987        | \$ 2,389                             |
| 1988     |           | \$ 2,743          | 9.15%              | \$ 32,731        | \$ 2,743                             |
| 1989     |           | \$ 2,869          | 8.76%              | \$ 35,599        | \$ 2,869                             |
| 1990     |           | \$ 3,143          | 8.83%              | \$ 38,742        | \$ 3,143                             |
| 1991     |           | \$ 3,136          | 8.09%              | \$ 41,878        | \$ 3,136                             |
| 1992     |           | \$ 3,014          | 7.20%              | \$ 44,892        | \$ 3,014                             |
| 1993     |           | \$ 2,694          | 6.00%              | \$ 47,585        | \$ 2,694                             |
| 1994     |           | \$ 3,465          | 7.28%              | \$ 51,050        | \$ 3,465                             |
| 1995     |           | \$ 3,438          | 6.73%              | \$ 54,488        | \$ 3,438                             |
| 1996     |           | \$ 3,595          | 6.60%              | \$ 58,082        | \$ 3,595                             |
| 1997     |           | \$ 3,777          | 6.50%              | \$ 61,859        | \$ 3,777                             |
| 1998     |           | \$ 3,319          | 5.36%              | \$ 65,178        | \$ 3,319                             |
| 1999     |           | \$ 3,761          | 5.77%              | \$ 68,939        | \$ 3,761                             |
| 2000     |           | \$ 4,252          | 6.17%              | \$ 73,191        | \$ 4,252                             |
| 2001     |           | \$ 3,744          | 5.12%              | \$ 76,935        | \$ 3,744                             |
| 2002     |           | \$ 3,608          | 4.69%              | \$ 80,543        | \$ 3,608                             |
| 2003     |           | \$ 3,279          | 4.07%              | \$ 83,822        | \$ 3,279                             |
| 2004     |           | \$ 3,637          | 4.34%              | \$ 87,459        | \$ 3,637                             |
| 2005     |           | \$ 3,813          | 4.36%              | \$ 91,272        | \$ 3,813                             |
| 2006 (d) |           | \$ 4,461          | 4.89%              | \$ 95,732        | \$ 4,461                             |
|          |           |                   |                    |                  | \$ 88,948                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Edwin Kochenderf, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1971     | \$ 2,689  | \$ 157            | 5.85%              | \$ 2,846         | \$ 157                               |
| 1972     | \$ 1,822  | \$ 250            | 5.35%              | \$ 4,919         | \$ 250                               |
| 1973     | \$ 2,141  | \$ 583            | 8.25%              | \$ 7,642         | \$ 583                               |
| 1974     | \$ 131    | \$ 874            | 11.24%             | \$ 8,647         | \$ 874                               |
| 1975     |           | \$ 700            | 8.09%              | \$ 9,347         | \$ 700                               |
| 1976     |           | \$ 656            | 7.02%              | \$ 10,003        | \$ 656                               |
| 1977     |           | \$ 700            | 7.00%              | \$ 10,703        | \$ 700                               |
| 1978     |           | \$ 1,002          | 9.36%              | \$ 11,705        | \$ 1,002                             |
| 1979     |           | \$ 1,553          | 13.27%             | \$ 13,259        | \$ 1,553                             |
| 1980     |           | \$ 2,137          | 16.12%             | \$ 15,396        | \$ 2,137                             |
| 1981     |           | \$ 3,116          | 20.24%             | \$ 18,511        | \$ 3,116                             |
| 1982     |           | \$ 2,905          | 15.69%             | \$ 21,416        | \$ 2,905                             |
| 1983     |           | \$ 2,407          | 11.24%             | \$ 23,823        | \$ 2,407                             |
| 1984     |           | \$ 3,000          | 12.59%             | \$ 26,823        | \$ 3,000                             |
| 1985     |           | \$ 2,765          | 10.31%             | \$ 29,589        | \$ 2,765                             |
| 1986     |           | \$ 2,543          | 8.59%              | \$ 32,131        | \$ 2,543                             |
| 1987     |           | \$ 2,718          | 8.46%              | \$ 34,849        | \$ 2,718                             |
| 1988     |           | \$ 3,361          | 9.64%              | \$ 38,209        | \$ 3,361                             |
| 1989     |           | \$ 4,327          | 11.32%             | \$ 42,536        | \$ 4,327                             |
| 1990     |           | \$ 4,420          | 10.39%             | \$ 46,956        | \$ 4,420                             |
| 1991     |           | \$ 4,101          | 8.73%              | \$ 51,057        | \$ 4,101                             |
| 1992     |           | \$ 3,267          | 6.40%              | \$ 54,325        | \$ 3,267                             |
| 1993     |           | \$ 3,334          | 6.14%              | \$ 57,658        | \$ 3,334                             |
| 1994     |           | \$ 4,225          | 7.33%              | \$ 61,884        | \$ 4,225                             |
| 1995     |           | \$ 5,647          | 9.13%              | \$ 67,531        | \$ 5,647                             |
| 1996     |           | \$ 5,761          | 8.53%              | \$ 73,292        | \$ 5,761                             |
| 1997     |           | \$ 6,386          | 8.71%              | \$ 79,678        | \$ 6,386                             |
| 1998     |           | \$ 6,868          | 8.62%              | \$ 86,545        | \$ 6,868                             |
| 1999     |           | \$ 7,128          | 8.24%              | \$ 93,674        | \$ 7,128                             |
| 2000     |           | \$ 8,953          | 9.56%              | \$ 102,627       | \$ 8,953                             |
| 2001     |           | \$ 7,282          | 7.10%              | \$ 109,908       | \$ 7,282                             |
| 2002     |           | \$ 5,229          | 4.76%              | \$ 115,137       | \$ 5,229                             |
| 2003     |           | \$ 4,820          | 4.19%              | \$ 119,957       | \$ 4,820                             |
| 2004     |           | \$ 5,293          | 4.41%              | \$ 125,250       | \$ 5,293                             |
| 2005     |           | \$ 7,928          | 6.33%              | \$ 133,178       | \$ 7,928                             |
| 2006 (d) |           | \$ 10,917         | 8.20%              | \$ 144,096       | \$ 10,917                            |
|          |           |                   |                    |                  | \$ 137,312                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Hourly Rates for Carmen from 5/1/1962 through 7/1/1997.

| Effective Date | Carmen   | Effective Date | Carmen   |
|----------------|----------|----------------|----------|
| 5/1/1962       | \$ 2.70  | 10/1/1981      | \$ 11.38 |
| 1/1/1964       | \$ 2.79  | 1/1/1982       | \$ 11.73 |
| 1/1/1965       | \$ 2.88  | 7/1/1982       | \$ 12.05 |
| 1/1/1966       | \$ 2.97  | 7/1/1982       | \$ 12.27 |
| 1/1/1967       | \$ 3.14  | 1/1/1983       | \$ 12.61 |
| 4/1/1967       | \$ 3.19  | 7/1/1983       | \$ 12.94 |
| 10/1/1967      | \$ 3.24  | 1/1/1984       | \$ 13.20 |
| 4/1/1968       | \$ 3.29  | 12/1/1985      | \$ 13.46 |
| 7/1/1968       | \$ 3.46  | 12/1/1986      | \$ 13.76 |
| 10/1/1968      | \$ 3.51  | 12/1/1987      | \$ 14.07 |
| 1/1/1969       | \$ 3.55  | 7/1/1991       | \$ 14.49 |
| 1/1/1969       | \$ 3.62  | 7/1/1993       | \$ 14.93 |
| 7/1/1969       | \$ 3.73  | 7/1/1994       | \$ 15.53 |
| 7/1/1969       | \$ 3.78  | 11/30/1995     | \$ 15.62 |
| 9/1/1969       | \$ 3.88  | 12/1/1995      | \$ 16.17 |
| 1/1/1970       | \$ 4.07  | 7/1/1996       | \$ 16.45 |
| 4/1/1970       | \$ 4.11  | 7/1/1997       | \$ 17.03 |
| 4/24/1970      | \$ 4.18  |                |          |
| 8/1/1970       | \$ 4.22  |                |          |
| 1/1/1971       | \$ 4.32  |                |          |
| 4/1/1971       | \$ 4.47  |                |          |
| 10/1/1971      | \$ 4.70  |                |          |
| 4/1/1972       | \$ 4.94  |                |          |
| 10/1/1972      | \$ 5.19  |                |          |
| 4/1/1973       | \$ 5.44  |                |          |
| 1/1/1974       | \$ 5.66  |                |          |
| 1/1/1975       | \$ 6.23  |                |          |
| 10/1/1975      | \$ 6.54  |                |          |
| 1/1/1976       | \$ 6.66  |                |          |
| 4/1/1976       | \$ 6.86  |                |          |
| 7/1/1976       | \$ 6.98  |                |          |
| 1/1/1977       | \$ 7.11  |                |          |
| 7/1/1977       | \$ 7.29  |                |          |
| 7/1/1977       | \$ 7.57  |                |          |
| 1/1/1978       | \$ 7.79  |                |          |
| 4/1/1978       | \$ 8.02  |                |          |
| 7/1/1978       | \$ 8.21  |                |          |
| 10/1/1978      | \$ 8.37  |                |          |
| 1/1/1979       | \$ 8.62  |                |          |
| 7/1/1979       | \$ 8.96  |                |          |
| 7/1/1979       | \$ 9.21  |                |          |
| 1/1/1980       | \$ 9.49  |                |          |
| 7/1/1980       | \$ 9.96  |                |          |
| 7/1/1980       | \$ 10.23 |                |          |
| 1/1/1981       | \$ 10.55 |                |          |
| 4/1/1981       | \$ 10.75 |                |          |
| 7/1/1981       | \$ 11.07 |                |          |

Source: Taken from the Brotherhood Railway Carmen Division Transportation-Communications International Union Wage Rate Progression Chart (Revised: January 24, 2003) sheet.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1963          | \$ 2.70     | 365            | \$ 984.33     | \$ 2.70              |             |
| 1964          | \$ 2.79     | 365            | \$ 1,017.18   | \$ 2.79              | 3.34%       |
| 1965          | \$ 2.88     | 365            | \$ 1,050.03   | \$ 2.88              | 3.23%       |
| 1966          | \$ 2.97     | 365            | \$ 1,082.88   | \$ 2.97              | 3.13%       |
| 1967          | \$ 3.14     | 90             | \$ 283.03     | \$ 3.19              | 7.69%       |
|               | \$ 3.19     | 184            | \$ 587.84     |                      |             |
|               | \$ 3.24     | 91             | \$ 295.28     |                      |             |
| 1968          | \$ 3.24     | 90             | \$ 292.03     | \$ 3.38              | 5.73%       |
|               | \$ 3.29     | 91             | \$ 299.83     |                      |             |
|               | \$ 3.46     | 93             | \$ 321.73     |                      |             |
|               | \$ 3.51     | 91             | \$ 319.36     |                      |             |
| 1969          | \$ 3.62     | 181            | \$ 655.22     | \$ 3.73              | 10.53%      |
|               | \$ 3.78     | 63             | \$ 238.14     |                      |             |
|               | \$ 3.88     | 121            | \$ 469.48     |                      |             |
| 1970          | \$ 4.07     | 90             | \$ 366.30     | \$ 4.17              | 11.55%      |
|               | \$ 4.11     | 23             | \$ 94.53      |                      |             |
|               | \$ 4.18     | 100            | \$ 418.00     |                      |             |
|               | \$ 4.22     | 152            | \$ 641.44     |                      |             |
| 1971          | \$ 4.32     | 90             | \$ 388.80     | \$ 4.49              | 7.81%       |
|               | \$ 4.47     | 184            | \$ 822.48     |                      |             |
|               | \$ 4.70     | 91             | \$ 427.70     |                      |             |
| 1972          | \$ 4.70     | 90             | \$ 423.00     | \$ 4.94              | 10.08%      |
|               | \$ 4.94     | 184            | \$ 908.96     |                      |             |
|               | \$ 5.19     | 91             | \$ 472.29     |                      |             |
| 1973          | \$ 5.19     | 90             | \$ 467.10     | \$ 5.38              | 8.80%       |
|               | \$ 5.44     | 275            | \$ 1,496.00   |                      |             |
| 1974          | \$ 5.66     | 365            | \$ 2,065.90   | \$ 5.66              | 5.24%       |
| 1975          | \$ 6.23     | 273            | \$ 1,700.79   | \$ 6.31              | 11.45%      |
|               | \$ 6.54     | 92             | \$ 601.68     |                      |             |
| 1976          | \$ 6.66     | 90             | \$ 599.40     | \$ 6.87              | 8.92%       |
|               | \$ 6.86     | 92             | \$ 631.12     |                      |             |
|               | \$ 6.98     | 183            | \$ 1,277.34   |                      |             |



Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1977          | \$ 7.11     | 181            | \$ 1,286.91   | \$ 7.34              | 6.86%       |
|               | \$ 7.57     | 184            | \$ 1,392.88   |                      |             |
| 1978          | \$ 7.79     | 90             | \$ 701.10     | \$ 8.10              | 10.31%      |
|               | \$ 8.02     | 91             | \$ 729.82     |                      |             |
|               | \$ 8.21     | 93             | \$ 763.53     |                      |             |
|               | \$ 8.37     | 91             | \$ 761.67     |                      |             |
| 1979          | \$ 8.62     | 181            | \$ 1,560.22   | \$ 8.92              | 10.11%      |
|               | \$ 9.21     | 184            | \$ 1,694.64   |                      |             |
| 1980          | \$ 9.49     | 181            | \$ 1,717.69   | \$ 9.86              | 10.60%      |
|               | \$ 10.23    | 184            | \$ 1,882.32   |                      |             |
| 1981          | \$ 10.55    | 90             | \$ 949.50     | \$ 10.94             | 10.91%      |
|               | \$ 10.75    | 91             | \$ 978.25     |                      |             |
|               | \$ 11.07    | 93             | \$ 1,029.51   |                      |             |
|               | \$ 11.38    | 91             | \$ 1,035.58   |                      |             |
| 1982          | \$ 11.73    | 181            | \$ 2,123.13   | \$ 12.00             | 9.72%       |
|               | \$ 12.27    | 184            | \$ 2,257.68   |                      |             |
| 1983          | \$ 12.61    | 181            | \$ 2,282.41   | \$ 12.78             | 6.45%       |
|               | \$ 12.94    | 184            | \$ 2,380.96   |                      |             |
| 1984          | \$ 13.20    | 365            | \$ 4,818.00   | \$ 13.20             | 3.32%       |
| 1985          | \$ 13.20    | 334            | \$ 4,408.80   | \$ 13.22             | 0.17%       |
|               | \$ 13.46    | 31             | \$ 417.26     |                      |             |
| 1986          | \$ 13.46    | 334            | \$ 4,495.64   | \$ 13.49             | 1.99%       |
|               | \$ 13.76    | 31             | \$ 426.56     |                      |             |
| 1987          | \$ 13.76    | 334            | \$ 4,595.84   | \$ 13.79             | 2.23%       |
|               | \$ 14.07    | 31             | \$ 436.17     |                      |             |
| 1988          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 2.06%       |
| 1989          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1990          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1991          | \$ 14.07    | 181            | \$ 2,546.67   | \$ 14.28             | 1.50%       |
|               | \$ 14.49    | 184            | \$ 2,666.16   |                      |             |

Table 9: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen. (Cont.)

| <u>Calendar Year</u>                      | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|-------------------------------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1992                                      | \$ 14.49           | 365                   | \$ 5,288.85          | \$ 14.49                    | 1.46%              |
| 1993                                      | \$ 14.49           | 181                   | \$ 2,622.69          | \$ 14.71                    | 1.53%              |
|                                           | \$ 14.93           | 184                   | \$ 2,747.12          |                             |                    |
| 1994                                      | \$ 14.93           | 181                   | \$ 2,702.33          | \$ 15.23                    | 3.54%              |
|                                           | \$ 15.53           | 184                   | \$ 2,857.52          |                             |                    |
| 1995                                      | \$ 15.53           | 333                   | \$ 5,171.49          | \$ 15.58                    | 2.31%              |
|                                           | \$ 15.62           | 1                     | \$ 15.62             |                             |                    |
|                                           | \$ 16.17           | 31                    | \$ 501.27            |                             |                    |
| 1996                                      | \$ 16.17           | 181                   | \$ 2,926.77          | \$ 16.31                    | 4.66%              |
|                                           | \$ 16.45           | 184                   | \$ 3,026.80          |                             |                    |
| 1997                                      | \$ 16.45           | 181                   | \$ 2,977.45          | \$ 16.74                    | 2.64%              |
|                                           | \$ 17.03           | 184                   | \$ 3,133.52          |                             |                    |
| 1963 through 1997 Compound Rate of Growth |                    |                       |                      | 5.52%                       |                    |

EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

04/20/99

10:22:07

EE SSN : 282 - 24 - 1502

EE NAME: MCLAUGHLIN

, P , E

SEX: M

EVIOUS SURNAME:

DOB: 06 / 23 / 1928 RRB

ADDR1

DOD: 03 / 01 / 1989 RRB

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1979

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1321

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3100628365

DORMANT ACCOUNT?(Y/N): N

LAST ICC CODE: 057

ANN BEGIN DATE: 12 / / 1979

ACCOUNT LAST ACTIVE: 1981

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / /

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----  
RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24  
(

EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

04/20/99

10:23:40

EE SSN : 282 - 24 - 1502

NAME: MCLAUGHLIN , P , E

SERVICE MONTHS TOTALS

COMPENSATION TOTALS

-----  
TOTAL REPORTED : 397  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 397  
CREDITABLE 37-46 : 031

-----  
TIER 1 AMOUNT :\$ 209194.47  
TIER 2 AMOUNT :\$ 15516.35  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 6056.51  
1959 GROSS AMOUNT :\$ 4617.00  
SSA WAGES :\$ 0.00  
37-50 SSA WAGES :\$ 0.00

S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

1952 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 0 QC'S THRU 1974 : 0 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----  
EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMID104  
PAGE: 0001

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/20/99  
10:23:58

EE SSN: 282 - 24 - 1502      EE NAME: MCLAUGHLIN      , P , E

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                       |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|-----------------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE YF<br>AMOUNT |
|                           | 1979 | 10 | 4777        | 0000         | 15755.65       | 15516.35       |                      |                       |                       |                   |
|                           | 1978 | 10 | 7736        | 0000         | 11124.93       |                |                      |                       |                       |                   |
|                           | 1977 | 12 | 7777        | 0000         | 16500.00       |                |                      |                       |                       |                   |
|                           | 1976 | 12 | 7777        | 0000         | 15172.11       |                |                      |                       |                       |                   |
|                           | 1975 | 12 | 7777        | 0000         | 13629.65       |                |                      |                       |                       |                   |
|                           | 1974 | 12 | 7777        | 0000         | 13169.92       |                |                      |                       |                       |                   |
|                           | 1973 | 8  | 1774        | 0000         | 6114.06        |                |                      |                       |                       |                   |
|                           | 1972 | 12 | 7777        | 0000         | 6718.39        |                |                      |                       |                       |                   |
|                           | 1971 | 12 | 7777        | 0000         | 7253.57        |                |                      |                       |                       |                   |
|                           | 1970 | 12 | 7777        | 0000         | 7710.47        |                |                      |                       |                       |                   |

USER MESSAGE

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

EDMID104

## EMPLOYMENT DATA MAINTENANCE

04/20/99

PAGE: 0002

## CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

10:24:08

EE SSN: 282 - 24 - 1502

EE NAME: MCLAUGHLIN

, P , E

|   |      | ----- RAILROAD INFO ----- |             |              |                |                | ----- SSA INFO ----- |                       |                  |                 |                   |
|---|------|---------------------------|-------------|--------------|----------------|----------------|----------------------|-----------------------|------------------|-----------------|-------------------|
| S | YEAR | SM                        | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YF<br>PATT | WAGE YF<br>AMOUNT |
|   | 1969 | 1                         | 0004        | 0000         |                |                |                      |                       |                  |                 |                   |
|   | 1968 | 4                         | 2441        | 0000         |                |                |                      |                       |                  |                 |                   |
|   | 1967 | 11                        | 7773        | 0000         |                |                |                      |                       |                  |                 |                   |
|   | 1966 | 12                        | 7777        | 0000         |                |                |                      |                       |                  |                 |                   |
|   | 1965 | 12                        | 7777        | 0000         |                |                |                      |                       |                  |                 |                   |
|   | 1964 | 12                        | 7777        | 0000         |                |                |                      |                       |                  |                 |                   |
|   | 1963 | 12                        | 7777        | 0000         |                |                |                      |                       |                  |                 |                   |
|   | 1962 | 12                        | 7777        | 0000         |                |                |                      |                       |                  |                 |                   |
|   | 1961 | 12                        | 7777        | 0000         |                |                |                      |                       |                  |                 |                   |
|   | 1960 | 12                        | 7777        | 0000         |                |                |                      |                       |                  |                 |                   |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22  
 EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDM1D104

## EMPLOYMENT DATA MAINTENANCE

04/20/99

PAGE: 0003

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

10:24:20

EE SSN: 282 - 24 - 1502

EE NAME: MCLAUGHLIN

, P , E

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----   |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|------------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C---<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YF<br>PATT | WAGE YF<br>AMOUNT |
| 1959                      | 10   |    | 0000        | 0000         |                |                |              |                        |                  |                 |                   |
| 1958                      | 12   |    | 0000        | 0000         |                |                |              |                        |                  |                 |                   |
| 1957                      | 12   |    | 0000        | 0000         |                |                |              |                        |                  |                 |                   |
| 1956                      | 12   |    | 0000        | 0000         |                |                |              |                        |                  |                 |                   |
| 1955                      | 12   |    | 0000        | 0000         |                |                |              |                        |                  |                 |                   |
| 1954                      | 12   |    | 0000        | 0000         |                |                |              |                        |                  |                 |                   |
| 1953                      | 12   |    | 0000        | 0000         |                |                |              |                        |                  |                 |                   |
| 1952                      | 12   |    | 0000        | 0000         |                |                |              |                        |                  |                 |                   |
| 1951                      | 12   |    | 0000        | 0000         |                |                |              |                        |                  |                 |                   |
| 1950                      | 12   |    | 0000        | 0000         |                |                |              |                        |                  |                 |                   |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22  
 EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDMID104

## EMPLOYMENT DATA MAINTENANCE

04/20/99

PAGE: 0004

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

10:24:32

EE SSN: 282 - 24 - 1502

EE NAME: MCLAUGHLIN

, P , E

|   |      | ----- RAILROAD INFO ----- |      |        |         |      | ----- SSA INFO ----- |           |           |        |
|---|------|---------------------------|------|--------|---------|------|----------------------|-----------|-----------|--------|
|   |      | MOS                       | DEEM | TIER-1 | TIER-2  | MISC | ---Q/C---            | WAGE M/S  | WAGE YF   |        |
| S | YEAR | SM                        | PATT | PATT   | COMP    | COMP | COMP                 | SSA SE&AG | PATT PATT | AMOUNT |
|   | 1949 | 12                        | 0000 | 0000   | 3511.58 |      |                      |           |           |        |
|   | 1948 | 12                        | 0000 | 0000   | 3476.58 |      |                      |           |           |        |
|   | 1947 | 12                        | 0000 | 0000   | 2849.58 |      |                      |           |           |        |
|   | 1946 | 31                        | 0000 | 0000   | 6056.51 |      |                      |           |           |        |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |



**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**Patrick McLaughlin**

*Prepared for*

**Carla Tricarichi**  
**Attorney at Law**

*Prepared by:*

**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

## Personal Data Sheet

|                                            |                    |                                |
|--------------------------------------------|--------------------|--------------------------------|
| Name:                                      | Patrick McLaughlin |                                |
| Date of Birth:                             | 6/23/1928          |                                |
| Date of Separation                         | 10/31/1979         | (16.71% of 1979 Remains)       |
| Age on:                                    | 10/31/1979         | 51.4 Years                     |
| Work Life Expectancy from:                 | 10/31/1979         | 11.6 Years ( 43.29% of 1991)*  |
| Age at Expiration of Work Life Expectancy: |                    | 63.0 Years Old                 |
| Life Expectancy from:                      | 10/31/1979         | 27.6 Years ( 43.29% of 2007)** |
| Age at Expiration of Life Expectancy:      |                    | 79.0 Years Old                 |
| Age on:                                    | 9/1/2007           | 79.2 Years                     |
| Work Life Expectancy from:                 | 9/1/2007           | 0.0 Years ( 66.85% of 2007)*   |
| Age at Expiration of Work Life Expectancy: |                    | 79.2 Years Old                 |
| Life Expectancy from:                      | 9/1/2007           | 8.3 Years ( 96.99% of 2015)**  |
| Age at Expiration of Life Expectancy:      |                    | 87.5 Years Old                 |
| Occupation:                                | Car Inspector      |                                |
| Date of Hire:                              | 1944               |                                |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates.  
February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E.  
United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville.  
Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>mw</sup>  
revised March 28, 2007.

---

Summary Sheet

---

|                                                                                | Value             |
|--------------------------------------------------------------------------------|-------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>        |                   |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>        | \$ 31,032         |
| Pension Benefits                                                               | \$ 3,401          |
| Back Interest through 1/1/2007                                                 | <u>\$ 469,774</u> |
| Total                                                                          | \$ 504,207        |
| <br><b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | <br>\$ 31,032     |
| Pension Benefits                                                               | \$ 3,401          |
| Back Interest through 1/1/2007                                                 | <u>\$ 729,715</u> |
| Total                                                                          | \$ 764,149        |

Table 1: Schedule Showing the Earnings for the Years 1966-1979,  
& Displacement Allowance for Patrick McLaughlin.

| Year                                  | Earnings (a) | Months Employed (a) | Weighted Wage Rate (b) | Forecasted Wages (c) | Displacement Allowance (d)    |
|---------------------------------------|--------------|---------------------|------------------------|----------------------|-------------------------------|
| 1966                                  | \$ 6,345.23  | 12                  | \$ 2.97                | \$ 6,170.94          | -                             |
| 1967                                  | \$ 5,230.30  | 11                  | \$ 3.19                | \$ 6,645.47          | -                             |
| 1968                                  | \$ 538.34    | 4                   | \$ 3.38                | \$ 7,026.16          | \$ 6,487.82                   |
| 1969                                  | \$ 618.45    | 1                   | \$ 3.73                | \$ 7,766.32          | \$ 7,147.87                   |
| 1970                                  | \$ 7,710.47  | 12                  | \$ 4.17                | \$ 8,663.46          | \$ 952.99                     |
| 1971                                  | \$ 7,253.57  | 12                  | \$ 4.49                | \$ 9,339.94          | \$ 2,086.37                   |
| 1972                                  | \$ 6,718.39  | 12                  | \$ 4.94                | \$ 10,281.75         | \$ 3,563.36                   |
| 1973                                  | \$ 6,114.06  | 8                   | \$ 5.38                | \$ 11,186.98         | \$ 5,072.92                   |
| 1974                                  | \$ 13,169.92 | 12                  | \$ 5.66                | \$ 11,772.80         | -                             |
| 1975                                  | \$ 13,629.65 | 12                  | \$ 6.31                | \$ 13,120.92         | -                             |
| 1976                                  | \$ 15,172.11 | 12                  | \$ 6.87                | \$ 14,291.37         | -                             |
| 1977                                  | \$ 16,500.00 | 12                  | \$ 7.34                | \$ 15,271.13         | -                             |
| 1978                                  | \$ 11,124.93 | 10                  | \$ 8.10                | \$ 16,845.83         | \$ 5,720.90                   |
| 1979                                  | \$ 15,755.65 | 10                  | \$ 8.92                | \$ 18,548.24         | -                             |
| 1979 Annualized Wage for Displacement | \$ 18,916.62 |                     |                        | \$ 18,548.24         | 1979 Displacement Allowance - |

\* Boxed earnings in the earnings column indicate that Mr. McLaughlin earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 9.

(c) The forecasted wages are calculated as the weighted wage rates multiplied by 2,080 hours per year.

(d) The displacement allowance for each year is calculated as the forecasted wages minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1979 annualized wage is calculated as \$15,755.65 divided by (1 - 16.71%). 16.71% is the amount of the year remaining after the date of separation.

**Table 2:** Schedule Showing the Present Value of the Displacement Allowance for Patrick McLaughlin for the Years 1968 through 1978.

| <u>Year</u> | <u>Present Value<br/>Displacement<br/>Allowance (a)</u> | <u>Pension Benefits<br/>(b)</u> | <u>Total<br/>Displacement<br/>Allowance Loss</u> |
|-------------|---------------------------------------------------------|---------------------------------|--------------------------------------------------|
| 1968        | \$ 6,488                                                | \$ 577                          | \$ 7,065                                         |
| 1969        | \$ 7,148                                                | \$ 683                          | \$ 7,830                                         |
| 1970        | \$ 953                                                  | \$ 91                           | \$ 1,044                                         |
| 1971        | \$ 2,086                                                | \$ 208                          | \$ 2,294                                         |
| 1972        | \$ 3,563                                                | \$ 355                          | \$ 3,918                                         |
| 1973        | \$ 5,073                                                | \$ 598                          | \$ 5,671                                         |
| 1974        | -                                                       | -                               | -                                                |
| 1975        | -                                                       | -                               | -                                                |
| 1976        | -                                                       | -                               | -                                                |
| 1977        | -                                                       | -                               | -                                                |
| 1978        | <u>\$ 5,721</u>                                         | <u>\$ 890</u>                   | <u>\$ 6,611</u>                                  |
|             | \$ 31,032                                               | \$ 3,401                        | \$ 34,433                                        |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Patrick McLaughlin, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 7,065  | \$ 407            | 5.76%              | \$ 7,472         | \$ 407                               |
| 1969     | \$ 7,830  | \$ 1,047          | 6.84%              | \$ 16,349        | \$ 1,047                             |
| 1970     | \$ 1,044  | \$ 1,314          | 7.56%              | \$ 18,707        | \$ 1,314                             |
| 1971     | \$ 2,294  | \$ 1,324          | 6.30%              | \$ 22,325        | \$ 1,324                             |
| 1972     | \$ 3,918  | \$ 1,668          | 6.36%              | \$ 27,911        | \$ 1,668                             |
| 1973     | \$ 5,671  | \$ 2,360          | 7.03%              | \$ 35,942        | \$ 2,360                             |
| 1974     | \$ -      | \$ 2,795          | 7.78%              | \$ 38,737        | \$ 2,795                             |
| 1975     | \$ -      | \$ 3,189          | 8.23%              | \$ 41,926        | \$ 3,189                             |
| 1976     | \$ -      | \$ 3,283          | 7.83%              | \$ 45,209        | \$ 3,283                             |
| 1977     | \$ -      | \$ 3,449          | 7.63%              | \$ 48,658        | \$ 3,449                             |
| 1978     | \$ 6,611  | \$ 4,797          | 8.68%              | \$ 60,066        | \$ 4,797                             |
| 1979     |           | \$ 5,868          | 9.77%              | \$ 65,933        | \$ 5,868                             |
| 1980     |           | \$ 7,865          | 11.93%             | \$ 73,799        | \$ 7,865                             |
| 1981     |           | \$ 10,822         | 14.66%             | \$ 84,620        | \$ 10,822                            |
| 1982     |           | \$ 11,558         | 13.66%             | \$ 96,178        | \$ 11,558                            |
| 1983     |           | \$ 11,128         | 11.57%             | \$ 107,306       | \$ 11,128                            |
| 1984     |           | \$ 14,008         | 13.05%             | \$ 121,315       | \$ 14,008                            |
| 1985     |           | \$ 13,406         | 11.05%             | \$ 134,720       | \$ 13,406                            |
| 1986     |           | \$ 10,634         | 7.89%              | \$ 145,355       | \$ 10,634                            |
| 1987     |           | \$ 12,584         | 8.66%              | \$ 157,939       | \$ 12,584                            |
| 1988     |           | \$ 14,448         | 9.15%              | \$ 172,387       | \$ 14,448                            |
| 1989     |           | \$ 15,108         | 8.76%              | \$ 187,496       | \$ 15,108                            |
| 1990     |           | \$ 16,552         | 8.83%              | \$ 204,048       | \$ 16,552                            |
| 1991     |           | \$ 16,517         | 8.09%              | \$ 220,565       | \$ 16,517                            |
| 1992     |           | \$ 15,873         | 7.20%              | \$ 236,438       | \$ 15,873                            |
| 1993     |           | \$ 14,187         | 6.00%              | \$ 250,625       | \$ 14,187                            |
| 1994     |           | \$ 18,247         | 7.28%              | \$ 268,872       | \$ 18,247                            |
| 1995     |           | \$ 18,105         | 6.73%              | \$ 286,977       | \$ 18,105                            |
| 1996     |           | \$ 18,932         | 6.60%              | \$ 305,910       | \$ 18,932                            |
| 1997     |           | \$ 19,893         | 6.50%              | \$ 325,803       | \$ 19,893                            |
| 1998     |           | \$ 17,478         | 5.36%              | \$ 343,281       | \$ 17,478                            |
| 1999     |           | \$ 19,810         | 5.77%              | \$ 363,091       | \$ 19,810                            |
| 2000     |           | \$ 22,394         | 6.17%              | \$ 385,485       | \$ 22,394                            |
| 2001     |           | \$ 19,719         | 5.12%              | \$ 405,204       | \$ 19,719                            |
| 2002     |           | \$ 19,005         | 4.69%              | \$ 424,210       | \$ 19,005                            |
| 2003     |           | \$ 17,268         | 4.07%              | \$ 441,478       | \$ 17,268                            |
| 2004     |           | \$ 19,155         | 4.34%              | \$ 460,633       | \$ 19,155                            |
| 2005     |           | \$ 20,081         | 4.36%              | \$ 480,714       | \$ 20,081                            |
| 2006 (d) |           | \$ 23,493         | 4.89%              | \$ 504,207       | \$ 23,493                            |
|          |           |                   |                    |                  | \$ 469,774                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Patrick McLaughlin, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest<br>(b) | Interest Rates<br>(c) | Year End<br>Balance | Total Present<br>Value of Back<br>Interest |
|----------|-----------|----------------------|-----------------------|---------------------|--------------------------------------------|
| 1968     | \$ 7,065  | \$ 457               | 6.46%                 | \$ 7,522            | \$ 457                                     |
| 1969     | \$ 7,830  | \$ 1,257             | 8.19%                 | \$ 16,610           | \$ 1,257                                   |
| 1970     | \$ 1,044  | \$ 1,438             | 8.15%                 | \$ 19,092           | \$ 1,438                                   |
| 1971     | \$ 2,294  | \$ 1,250             | 5.85%                 | \$ 22,636           | \$ 1,250                                   |
| 1972     | \$ 3,918  | \$ 1,421             | 5.35%                 | \$ 27,975           | \$ 1,421                                   |
| 1973     | \$ 5,671  | \$ 2,777             | 8.25%                 | \$ 36,424           | \$ 2,777                                   |
| 1974     | \$ -      | \$ 4,093             | 11.24%                | \$ 40,517           | \$ 4,093                                   |
| 1975     | \$ -      | \$ 3,279             | 8.09%                 | \$ 43,796           | \$ 3,279                                   |
| 1976     | \$ -      | \$ 3,073             | 7.02%                 | \$ 46,870           | \$ 3,073                                   |
| 1977     | \$ -      | \$ 3,281             | 7.00%                 | \$ 50,150           | \$ 3,281                                   |
| 1978     | \$ 6,611  | \$ 5,314             | 9.36%                 | \$ 62,075           | \$ 5,314                                   |
| 1979     |           | \$ 8,237             | 13.27%                | \$ 70,312           | \$ 8,237                                   |
| 1980     |           | \$ 11,333            | 16.12%                | \$ 81,645           | \$ 11,333                                  |
| 1981     |           | \$ 16,522            | 20.24%                | \$ 98,168           | \$ 16,522                                  |
| 1982     |           | \$ 15,404            | 15.69%                | \$ 113,572          | \$ 15,404                                  |
| 1983     |           | \$ 12,764            | 11.24%                | \$ 126,336          | \$ 12,764                                  |
| 1984     |           | \$ 15,911            | 12.59%                | \$ 142,247          | \$ 15,911                                  |
| 1985     |           | \$ 14,663            | 10.31%                | \$ 156,910          | \$ 14,663                                  |
| 1986     |           | \$ 13,485            | 8.59%                 | \$ 170,395          | \$ 13,485                                  |
| 1987     |           | \$ 14,412            | 8.46%                 | \$ 184,806          | \$ 14,412                                  |
| 1988     |           | \$ 17,821            | 9.64%                 | \$ 202,627          | \$ 17,821                                  |
| 1989     |           | \$ 22,945            | 11.32%                | \$ 225,573          | \$ 22,945                                  |
| 1990     |           | \$ 23,440            | 10.39%                | \$ 249,012          | \$ 23,440                                  |
| 1991     |           | \$ 21,748            | 8.73%                 | \$ 270,761          | \$ 21,748                                  |
| 1992     |           | \$ 17,327            | 6.40%                 | \$ 288,088          | \$ 17,327                                  |
| 1993     |           | \$ 17,678            | 6.14%                 | \$ 305,766          | \$ 17,678                                  |
| 1994     |           | \$ 22,408            | 7.33%                 | \$ 328,174          | \$ 22,408                                  |
| 1995     |           | \$ 29,948            | 9.13%                 | \$ 358,122          | \$ 29,948                                  |
| 1996     |           | \$ 30,551            | 8.53%                 | \$ 388,673          | \$ 30,551                                  |
| 1997     |           | \$ 33,864            | 8.71%                 | \$ 422,537          | \$ 33,864                                  |
| 1998     |           | \$ 36,419            | 8.62%                 | \$ 458,956          | \$ 36,419                                  |
| 1999     |           | \$ 37,803            | 8.24%                 | \$ 496,759          | \$ 37,803                                  |
| 2000     |           | \$ 47,477            | 9.56%                 | \$ 544,236          | \$ 47,477                                  |
| 2001     |           | \$ 38,615            | 7.10%                 | \$ 582,850          | \$ 38,615                                  |
| 2002     |           | \$ 27,729            | 4.76%                 | \$ 610,579          | \$ 27,729                                  |
| 2003     |           | \$ 25,562            | 4.19%                 | \$ 636,142          | \$ 25,562                                  |
| 2004     |           | \$ 28,067            | 4.41%                 | \$ 664,209          | \$ 28,067                                  |
| 2005     |           | \$ 42,044            | 6.33%                 | \$ 706,253          | \$ 42,044                                  |
| 2006 (d) |           | \$ 57,895            | 8.20%                 | \$ 764,149          | \$ 57,895                                  |
|          |           |                      |                       |                     | \$ 729,715                                 |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.



Table 6: Schedule Showing the Hourly Rates for Carmen from 1/1/1964 through 7/1/1997.

| Effective Date | Carmen   | Effective Date | Carmen   |
|----------------|----------|----------------|----------|
| 1/1/1964       | \$ 2.79  | 1/1/1982       | \$ 11.73 |
| 1/1/1965       | \$ 2.88  | 7/1/1982       | \$ 12.05 |
| 1/1/1966       | \$ 2.97  | 7/1/1982       | \$ 12.27 |
| 1/1/1967       | \$ 3.14  | 1/1/1983       | \$ 12.61 |
| 4/1/1967       | \$ 3.19  | 7/1/1983       | \$ 12.94 |
| 10/1/1967      | \$ 3.24  | 1/1/1984       | \$ 13.20 |
| 4/1/1968       | \$ 3.29  | 12/1/1985      | \$ 13.46 |
| 7/1/1968       | \$ 3.46  | 12/1/1986      | \$ 13.76 |
| 10/1/1968      | \$ 3.51  | 12/1/1987      | \$ 14.07 |
| 1/1/1969       | \$ 3.55  | 7/1/1991       | \$ 14.49 |
| 1/1/1969       | \$ 3.62  | 7/1/1993       | \$ 14.93 |
| 7/1/1969       | \$ 3.73  | 7/1/1994       | \$ 15.53 |
| 7/1/1969       | \$ 3.78  | 11/30/1995     | \$ 15.62 |
| 9/1/1969       | \$ 3.88  | 12/1/1995      | \$ 16.17 |
| 1/1/1970       | \$ 4.07  | 7/1/1996       | \$ 16.45 |
| 4/1/1970       | \$ 4.11  | 7/1/1997       | \$ 17.03 |
| 4/24/1970      | \$ 4.18  |                |          |
| 8/1/1970       | \$ 4.22  |                |          |
| 1/1/1971       | \$ 4.32  |                |          |
| 4/1/1971       | \$ 4.47  |                |          |
| 10/1/1971      | \$ 4.70  |                |          |
| 4/1/1972       | \$ 4.94  |                |          |
| 10/1/1972      | \$ 5.19  |                |          |
| 4/1/1973       | \$ 5.44  |                |          |
| 1/1/1974       | \$ 5.66  |                |          |
| 1/1/1975       | \$ 6.23  |                |          |
| 10/1/1975      | \$ 6.54  |                |          |
| 1/1/1976       | \$ 6.66  |                |          |
| 4/1/1976       | \$ 6.86  |                |          |
| 7/1/1976       | \$ 6.98  |                |          |
| 1/1/1977       | \$ 7.11  |                |          |
| 7/1/1977       | \$ 7.29  |                |          |
| 7/1/1977       | \$ 7.57  |                |          |
| 1/1/1978       | \$ 7.79  |                |          |
| 4/1/1978       | \$ 8.02  |                |          |
| 7/1/1978       | \$ 8.21  |                |          |
| 10/1/1978      | \$ 8.37  |                |          |
| 1/1/1979       | \$ 8.62  |                |          |
| 7/1/1979       | \$ 8.96  |                |          |
| 7/1/1979       | \$ 9.21  |                |          |
| 1/1/1980       | \$ 9.49  |                |          |
| 7/1/1980       | \$ 9.96  |                |          |
| 7/1/1980       | \$ 10.23 |                |          |
| 1/1/1981       | \$ 10.55 |                |          |
| 4/1/1981       | \$ 10.75 |                |          |
| 7/1/1981       | \$ 11.07 |                |          |
| 10/1/1981      | \$ 11.38 |                |          |

Source: Taken from the Brotherhood Railway Carmen Division Transportation-Communications International Union Wage Rate Progression Chart (Revised: January 24, 2003) sheet.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1964          | \$ 2.79     | 365            | \$ 1,017.18   | \$ 2.79              |             |
| 1965          | \$ 2.88     | 365            | \$ 1,050.03   | \$ 2.88              | 3.23%       |
| 1966          | \$ 2.97     | 365            | \$ 1,082.88   | \$ 2.97              | 3.13%       |
| 1967          | \$ 3.14     | 90             | \$ 283.03     | \$ 3.19              | 7.69%       |
|               | \$ 3.19     | 184            | \$ 587.84     |                      |             |
|               | \$ 3.24     | 91             | \$ 295.28     |                      |             |
| 1968          | \$ 3.24     | 90             | \$ 292.03     | \$ 3.38              | 5.73%       |
|               | \$ 3.29     | 91             | \$ 299.83     |                      |             |
|               | \$ 3.46     | 93             | \$ 321.73     |                      |             |
|               | \$ 3.51     | 91             | \$ 319.36     |                      |             |
| 1969          | \$ 3.62     | 181            | \$ 655.22     | \$ 3.73              | 10.53%      |
|               | \$ 3.78     | 63             | \$ 238.14     |                      |             |
|               | \$ 3.88     | 121            | \$ 469.48     |                      |             |
| 1970          | \$ 4.07     | 90             | \$ 366.30     | \$ 4.17              | 11.55%      |
|               | \$ 4.11     | 23             | \$ 94.53      |                      |             |
|               | \$ 4.18     | 100            | \$ 418.00     |                      |             |
|               | \$ 4.22     | 152            | \$ 641.44     |                      |             |
| 1971          | \$ 4.32     | 90             | \$ 388.80     | \$ 4.49              | 7.81%       |
|               | \$ 4.47     | 184            | \$ 822.48     |                      |             |
|               | \$ 4.70     | 91             | \$ 427.70     |                      |             |
| 1972          | \$ 4.70     | 90             | \$ 423.00     | \$ 4.94              | 10.08%      |
|               | \$ 4.94     | 184            | \$ 908.96     |                      |             |
|               | \$ 5.19     | 91             | \$ 472.29     |                      |             |
| 1973          | \$ 5.19     | 90             | \$ 467.10     | \$ 5.38              | 8.80%       |
|               | \$ 5.44     | 275            | \$ 1,496.00   |                      |             |
| 1974          | \$ 5.66     | 365            | \$ 2,065.90   | \$ 5.66              | 5.24%       |
| 1975          | \$ 6.23     | 273            | \$ 1,700.79   | \$ 6.31              | 11.45%      |
|               | \$ 6.54     | 92             | \$ 601.68     |                      |             |
| 1976          | \$ 6.66     | 90             | \$ 599.40     | \$ 6.87              | 8.92%       |
|               | \$ 6.86     | 92             | \$ 631.12     |                      |             |
|               | \$ 6.98     | 183            | \$ 1,277.34   |                      |             |
| 1977          | \$ 7.11     | 181            | \$ 1,286.91   | \$ 7.34              | 6.86%       |
|               | \$ 7.57     | 184            | \$ 1,392.88   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1978          | \$ 7.79     | 90             | \$ 701.10     | \$ 8.10              | 10.31%      |
|               | \$ 8.02     | 91             | \$ 729.82     |                      |             |
|               | \$ 8.21     | 93             | \$ 763.53     |                      |             |
|               | \$ 8.37     | 91             | \$ 761.67     |                      |             |
| 1979          | \$ 8.62     | 181            | \$ 1,560.22   | \$ 8.92              | 10.11%      |
|               | \$ 9.21     | 184            | \$ 1,694.64   |                      |             |
| 1980          | \$ 9.49     | 181            | \$ 1,717.69   | \$ 9.86              | 10.60%      |
|               | \$ 10.23    | 184            | \$ 1,882.32   |                      |             |
| 1981          | \$ 10.55    | 90             | \$ 949.50     | \$ 10.94             | 10.91%      |
|               | \$ 10.75    | 91             | \$ 978.25     |                      |             |
|               | \$ 11.07    | 93             | \$ 1,029.51   |                      |             |
|               | \$ 11.38    | 91             | \$ 1,035.58   |                      |             |
| 1982          | \$ 11.73    | 181            | \$ 2,123.13   | \$ 12.00             | 9.72%       |
|               | \$ 12.27    | 184            | \$ 2,257.68   |                      |             |
| 1983          | \$ 12.61    | 181            | \$ 2,282.41   | \$ 12.78             | 6.45%       |
|               | \$ 12.94    | 184            | \$ 2,380.96   |                      |             |
| 1984          | \$ 13.20    | 365            | \$ 4,818.00   | \$ 13.20             | 3.32%       |
| 1985          | \$ 13.20    | 334            | \$ 4,408.80   | \$ 13.22             | 0.17%       |
|               | \$ 13.46    | 31             | \$ 417.26     |                      |             |
| 1986          | \$ 13.46    | 334            | \$ 4,495.64   | \$ 13.49             | 1.99%       |
|               | \$ 13.76    | 31             | \$ 426.56     |                      |             |
| 1987          | \$ 13.76    | 334            | \$ 4,595.84   | \$ 13.79             | 2.23%       |
|               | \$ 14.07    | 31             | \$ 436.17     |                      |             |
| 1988          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 2.06%       |
| 1989          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1990          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1991          | \$ 14.07    | 181            | \$ 2,546.67   | \$ 14.28             | 1.50%       |
|               | \$ 14.49    | 184            | \$ 2,666.16   |                      |             |
| 1992          | \$ 14.49    | 365            | \$ 5,288.85   | \$ 14.49             | 1.46%       |
| 1993          | \$ 14.49    | 181            | \$ 2,622.69   | \$ 14.71             | 1.53%       |
|               | \$ 14.93    | 184            | \$ 2,747.12   |                      |             |

Table 9: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| <u>Calendar Year</u> | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|----------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1994                 | \$ 14.93           | 181                   | \$ 2,702.33          | \$ 15.23                    | 3.54%              |
|                      | \$ 15.53           | 184                   | \$ 2,857.52          |                             |                    |
| 1995                 | \$ 15.53           | 333                   | \$ 5,171.49          | \$ 15.58                    | 2.31%              |
|                      | \$ 15.62           | 1                     | \$ 15.62             |                             |                    |
|                      | \$ 16.17           | 31                    | \$ 501.27            |                             |                    |
| 1996                 | \$ 16.17           | 181                   | \$ 2,926.77          | \$ 16.31                    | 4.66%              |
|                      | \$ 16.45           | 184                   | \$ 3,026.80          |                             |                    |
| 1997                 | \$ 16.45           | 181                   | \$ 2,977.45          | \$ 16.74                    | 2.64%              |
|                      | \$ 17.03           | 184                   | \$ 3,133.52          |                             |                    |

1964 through 1997 Compound Rate of Growth

5.58%

04/24/2007 13:01 FAX 216 522 2320

BFS CLEV

0002

EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

04/24/07

08:26:30

SSN : 297 - 16 - 2283  
NAME: MCNEELEY , R , G SEX: M  
PREVIOUS SURNAME: DOB: 09 / 03 / 1925 RRB  
ADDR1 DOD: / /  
ADDR2 LAST COA MADE BY  
CITY  
STATE ZIP - LAST COA MADE ON  
FOREIGN ADDRESS  
NEW ACCOUNT INDICATOR?(Y/N): N LAST S&C YEAR: 1987  
ACCOUNT VERIFIED?(Y/N): Y VER AT SCORE LOAD LAST EMPLOYER: 1321  
DORMANT ACCOUNT?(Y/N): N LAST PAYROLL ID: 3100632127  
ANN BEGIN DATE: 09 / 12 / 1987 LAST ICC CODE: 400  
SERVICE AFTER ABD: LESS THAN 4 SM ACCOUNT LAST ACTIVE: 1987  
SSA INQUIRY DATE: / /  
SEPARATED: / / ;  
DATE RIGHTS RELINQUISHED: 09 / / 1987

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

04/24/2007 13:01 FAX 216 522 2320

BFS CLEV

003

EDMID102

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND RUIA INFORMATION

04/24/07  
08:26:37

SSN: 297 - 16 - 2283

EE NAME: MCNEELEY

, R , G

SEX: MALE DOB: 09 / 03 / 1925 RRB

DOD: / /

CLAIM NUMBER : A - 999999

INCORRECT/SUSP?(Y/N): N

LAST PAYROLL ID : 3100632127

INACTIVE NUMBER : - -

LAST EMPLOYER(S): 1321 MORE?(Y/N):

P/S MONTHS :

ANN BEGIN DATE : 09 / 12 / 1987

SERVICE AFTER ABD LESS THAN 4 SM

RRB SURV JURIS?: Y

SSA TRANSFER DT : / /

M/S INDICATOR?(Y/N): Y

BY :

SSA INQUIRY DT : / /

BY :

UI-87 EARMARK?(Y/N): N

RUIA DATA

| BASE-YR | EARNINGS | SERV-MOS | LAST-DLY-PAY-RATE | SUSP?(Y/N) | LIFETIME-SERV-MOS |
|---------|----------|----------|-------------------|------------|-------------------|
| 1987    | 5400.00  | 9        | 99.99             | N          | 499               |
| 1986    |          | 12       |                   | N          | 490               |

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

EE INFO =PF13 EE S&E TOTALS =PF16 S&E LEDGER =PF18 MIL SERV =PF22  
MISC SCORE =PF15 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

04/24/2007 13:01 FAX 218 522 2320

BFS CLEV

004

EDMID104

EMPLOYMENT DATA MAINTENANCE

04/24/07

PAGE: 0001

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

08:26:51

EE SSN: 297 - 16 - 2283

EE NAME: MCNEELEY

, R , G

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |
| 1987                      | 9    |    | 7770        | 0000         | 33723.91       | 32700.00       |                      |                       |                  |                 |                   |
| 1986                      | 12   |    | 7777        | 0000         | 32114.60       | 31500.00       |                      |                       |                  |                 |                   |
| 1985                      | 12   |    | 7777        | 0000         | 32189.41       | 29700.00       |                      |                       |                  |                 |                   |
| 1984                      | 12   |    | 7777        | 0000         | 28198.32       | 27236.76       |                      |                       |                  |                 |                   |
| 1983                      | 12   |    | 7777        | 0000         | 26385.36       | 25998.60       |                      |                       |                  |                 |                   |
| 1982                      | 12   |    | 7777        | 0000         | 23602.04       | 23206.88       |                      |                       |                  |                 |                   |
| 1981                      | 12   |    | 7777        | 0000         | 22935.00       | 22014.88       |                      |                       |                  |                 |                   |
| 1980                      | 12   |    | 7777        | 0000         | 23937.97       | 20400.00       |                      |                       |                  |                 |                   |
| 1979                      | 12   |    | 7777        | 0000         | 22372.27       | 18900.00       |                      |                       |                  |                 |                   |
| 1978                      | 12   |    | 7777        | 0000         | 17700.00       |                |                      |                       |                  |                 |                   |

USER MESSAGE

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/ROIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

04/24/2007 13:02 FAX 218 522 2320

BFS CLEV

0005

EDMID104

EMPLOYMENT DATA MAINTENANCE

04/24/07

PAGE: 0002

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

08:26:55

EE SSN: 297 - 16 - 2283

EE NAME: MCNEELEY

, R , G

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                        |                  |                 |        |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|------------------------|------------------|-----------------|--------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C---<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | AMOUNT |
| 1977                      | 12   |    | 7777        | 0000         | 16275.18       |                |                      |                        |                  |                 |        |
| 1976                      | 12   |    | 7777        | 0000         | 15300.00       |                |                      |                        |                  |                 |        |
| 1975                      | 12   |    | 7777        | 0000         | 13098.52       |                |                      |                        |                  |                 |        |
| 1974                      | 12   |    | 7777        | 0000         | 12650.26       |                |                      |                        |                  |                 |        |
| 1973                      | 12   |    | 7777        | 0000         | 10800.00       |                |                      |                        |                  |                 |        |
| 1972                      | 12   |    | 7777        | 0000         | 9000.00        |                |                      |                        |                  |                 |        |
| 1971                      | 12   |    | 7777        | 0000         | 7800.00        |                |                      |                        |                  |                 |        |
| 1970                      | 12   |    | 7777        | 0000         | 7543.46        |                |                      |                        |                  |                 |        |
| 1969                      | 12   |    | 7777        | 0000         | 6915.79        |                |                      |                        |                  |                 |        |
| 1968                      | 12   |    | 7777        | 0000         | 5995.09        |                |                      |                        |                  |                 |        |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |



04/24/2007 13:02 FAX 216 522 2320

BFS CLEV

0000

EDMID104

EMPLOYMENT DATA MAINTENANCE

04/24/07

PAGE: 0003

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

08:26:57

EE SSN: 297 - 16 - 2283

EE NAME: MCNEELEY

, R , G

| RAILROAD INFO |      |    |             |              |                |                | SSA INFO     |                       |                  |                 |         |
|---------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|---------|
| S             | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | AMOUNT  |
| 1967          | 12   |    | 7777        | 0000         |                |                |              |                       |                  |                 | 5647.09 |
| 1966          | 12   |    | 7777        | 0000         |                |                |              |                       |                  |                 | 6362.80 |
| 1965          | 12   |    | 7777        | 0000         |                |                |              |                       |                  |                 | 5388.69 |
| 1964          | 12   |    | 7777        | 0000         |                |                |              |                       |                  |                 | 5225.50 |
| 1963          | 12   |    | 7777        | 0000         |                |                |              |                       |                  |                 | 4900.00 |
| 1962          | 12   |    | 7777        | 0000         |                |                |              |                       |                  |                 | 4800.00 |
| 1961          | 12   |    | 7777        | 0000         |                |                |              |                       |                  |                 | 4799.79 |
| 1960          | 12   |    | 7777        | 0000         |                |                |              |                       |                  |                 | 4768.51 |
| 1959          | 12   |    | 0000        | 0000         |                |                |              |                       |                  |                 | 4533.59 |
| 1958          | 12   |    | 0000        | 0000         |                |                |              |                       |                  |                 | 4200.00 |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

| RESPONSES    |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

04/24/2007 13:02 FAX 218 522 2320

BFS CLEV

007

EDMID104

EMPLOYMENT DATA MAINTENANCE

04/24/07

PAGE: 0004

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

08:27:00

EE SSN: 297 - 16 - 2283

EE NAME: MCNEELEY

, R , G

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                  |                 |        |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|------------------|-----------------|--------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | AMOUNT |
| 1957                      | 7    |    | 0000        | 0000         | 2137.57        |                |                      |                       |                  |                 |        |
| 1956                      | 11   |    | 0000        | 0000         | 3771.51        |                |                      |                       |                  |                 |        |
| 1955                      | 12   |    | 0000        | 0000         | 4135.51        |                |                      |                       |                  |                 |        |
| 1954                      | 12   |    | 0000        | 0000         | 3865.51        |                |                      |                       |                  |                 |        |
| 1953                      | 12   |    | 0000        | 0000         | 3600.00        |                |                      |                       |                  |                 |        |
| 1952                      | 12   |    | 0000        | 0000         | 3600.00        |                |                      |                       |                  |                 |        |
| 1951                      | 12   |    | 0000        | 0000         | 3503.51        |                |                      |                       |                  |                 |        |
| 1950                      | 12   |    | 0000        | 0000         | 3395.51        |                |                      |                       |                  |                 |        |
| 1949                      | 12   |    | 0000        | 0000         | 3462.51        |                |                      |                       |                  |                 |        |
| 1948                      | 12   |    | 0000        | 0000         | 3600.00        |                |                      |                       |                  |                 |        |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

04/24/2007 13:02 FAX 216 522 2320

BFS CLEV

0008

EDMID104

EMPLOYMENT DATA MAINTENANCE

04/24/07

PAGE: 0005

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

08:27:04

EE SSN: 297 - 16 - 2283

EE NAME: MCNEELEY

, R , G

| RAILROAD INFO |      |    |             |              |                |                | SSA INFO     |                       |                  |                 |         |
|---------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|---------|
| S             | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | AMOUNT  |
|               | 1947 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 | 3533.51 |
|               | 1946 | 16 | 0000        | 0000         |                |                |              |                       |                  |                 | 3207.04 |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

**Preliminary Report**  
*concerning the*  
**Displacement Allowance**  
*of*  
**Robert McNeeley**

*Prepared for*  
Carla Tricarichi  
Attorney at Law

*Prepared by:*  
**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

## Personal Data Sheet

**Name:** Robert McNeeley  
**Date of Birth:** 9/3/1925  
**Date of Separation** 9/30/1987 (25.21% of 1987 Remains)  
**Age on:** 9/30/1987 62.1 Years  
**Work Life Expectancy from:** 9/30/1987 5.0 Years ( 74.52% of 1992)\*  
**Age at Expiration of Work Life Expectancy:** 67.1 Years Old  
**Life Expectancy from:** 9/30/1987 18.9 Years ( 64.66% of 2006)\*\*  
**Age at Expiration of Life Expectancy:** 81.0 Years Old  
**Age on:** 9/1/2007 82.0 Years  
**Work Life Expectancy from:** 9/1/2007 0.0 Years ( 66.85% of 2007)\*  
**Age at Expiration of Work Life Expectancy:** 82.0 Years Old  
**Life Expectancy from:** 9/1/2007 7.0 Years ( 66.85% of 2014)\*\*  
**Age at Expiration of Life Expectancy:** 89.0 Years Old  
**Occupation:** Car Inspector  
**Date of Hire:** 1943

As of 9/1/2007

| <u>Name</u> | <u>Relationship</u> | <u>Date of Birth</u> | <u>Age</u> | <u>Life Expectancy</u> |
|-------------|---------------------|----------------------|------------|------------------------|
| Bella       | Wife                | 10/27/1931           | 75.8       | 11.9 Years             |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville. Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

---

Summary Sheet

---

|                                                                         | Value            |
|-------------------------------------------------------------------------|------------------|
| I. Loss of Displacement Allowance, Benefits, & Back Interest            |                  |
| A. Displacement Allowance (Interest Based on 10 Year Treasuries)        | \$ 4,576         |
| Pension Benefits                                                        | \$ 570           |
| Back Interest through 1/1/2007                                          | <u>\$ 62,060</u> |
| Total                                                                   | \$ 67,206        |
| <br>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates) | <br>\$ 4,576     |
| Pension Benefits                                                        | \$ 570           |
| Back Interest through 1/1/2007                                          | <u>\$ 94,741</u> |
| Total                                                                   | \$ 99,887        |

Table 1: Schedule Showing the Earnings for the Years 1966-1987, and the Displacement Allowance for Robert McNeeley.

| Year                                                | Earnings (a) | Months Employed (a) | Weighted Wage Rate (b) | Forecasted Wages (c) | Displacement Allowance (d)    |
|-----------------------------------------------------|--------------|---------------------|------------------------|----------------------|-------------------------------|
| 1966                                                | \$ 6,362.80  | 12                  | \$ 2.97                | \$ 6,170.94          | -                             |
| 1967                                                | \$ 5,647.09  | 12                  | \$ 3.19                | \$ 6,645.47          | -                             |
| 1968                                                | \$ 5,995.09  | 12                  | \$ 3.38                | \$ 7,026.16          | \$ 1,031.07                   |
| 1969                                                | \$ 6,915.79  | 12                  | \$ 3.73                | \$ 7,766.32          | \$ 850.53                     |
| 1970                                                | \$ 7,543.46  | 12                  | \$ 4.17                | \$ 8,663.46          | \$ 1,120.00                   |
| 1971                                                | \$ 7,800.00  | 12                  | \$ 4.49                | \$ 9,339.94          | -                             |
| 1972                                                | \$ 9,000.00  | 12                  | \$ 4.94                | \$ 10,281.75         | -                             |
| 1973                                                | \$ 10,800.00 | 12                  | \$ 5.38                | \$ 11,186.98         | -                             |
| 1974                                                | \$ 12,650.26 | 12                  | \$ 5.66                | \$ 11,772.80         | -                             |
| 1975                                                | \$ 13,098.52 | 12                  | \$ 6.31                | \$ 13,120.92         | \$ 22.40                      |
| 1976                                                | \$ 15,300.00 | 12                  | \$ 6.87                | \$ 14,291.37         | -                             |
| 1977                                                | \$ 16,275.18 | 12                  | \$ 7.34                | \$ 15,271.13         | -                             |
| 1978                                                | \$ 17,700.00 | 12                  | \$ 8.10                | \$ 16,845.83         | -                             |
| 1979                                                | \$ 22,372.27 | 12                  | \$ 8.92                | \$ 18,548.24         | -                             |
| 1980                                                | \$ 23,937.97 | 12                  | \$ 9.86                | \$ 20,515.13         | -                             |
| 1981                                                | \$ 22,935.00 | 12                  | \$ 10.94               | \$ 22,753.72         | -                             |
| 1982                                                | \$ 23,602.04 | 12                  | \$ 12.00               | \$ 24,964.62         | \$ 1,362.58                   |
| 1983                                                | \$ 26,385.36 | 12                  | \$ 12.78               | \$ 26,574.82         | \$ 189.46                     |
| 1984                                                | \$ 28,198.32 | 12                  | \$ 13.20               | \$ 27,456.00         | -                             |
| 1985                                                | \$ 32,189.41 | 12                  | \$ 13.22               | \$ 27,501.93         | -                             |
| 1986                                                | \$ 32,114.60 | 12                  | \$ 13.49               | \$ 28,049.80         | -                             |
| 1987                                                | \$ 33,723.91 | 9                   | \$ 13.79               | \$ 28,675.56         | -                             |
| 1987 Annualized Wage for Displacement Allowance (f) | \$ 45,091.47 |                     |                        | \$ 28,675.56         | 1987 Displacement Allowance - |

\* Boxed earnings in the earnings column indicate that Mr. McNeeley earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

- (a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.  
 (b) The weighted wage rates are from Tables 6 through 9.  
 (c) The forecasted wages are calculated as the weighted wage rates multiplied by 2,080 hours per year.  
 (d) The displacement allowance for each year is calculated as the forecasted wages minus the earnings from column (a).  
 (e) The 1987 annualized wage is calculated as \$33,723.917 divided by (1 - 25.21%). 25.21% is the amount of the year remaining after the date of separation.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Robert McNeeley for the Years 1968 through 1983.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1968 | \$ 1,031                                       | \$ 92                   | \$ 1,123                                |
| 1969 | \$ 851                                         | \$ 81                   | \$ 932                                  |
| 1970 | \$ 1,120                                       | \$ 107                  | \$ 1,227                                |
| 1971 | -                                              | -                       | -                                       |
| 1972 | -                                              | -                       | -                                       |
| 1973 | -                                              | -                       | -                                       |
| 1974 | -                                              | -                       | -                                       |
| 1975 | \$ 22                                          | \$ 3                    | \$ 26                                   |
| 1976 | -                                              | -                       | -                                       |
| 1977 | -                                              | -                       | -                                       |
| 1978 | -                                              | -                       | -                                       |
| 1979 | -                                              | -                       | -                                       |
| 1980 | -                                              | -                       | -                                       |
| 1981 | -                                              | -                       | -                                       |
| 1982 | \$ 1,363                                       | \$ 251                  | \$ 1,614                                |
| 1983 | \$ 189                                         | \$ 35                   | \$ 224                                  |
|      | \$ 4,576                                       | \$ 570                  | \$ 5,146                                |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.



Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Robert McNeeley, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 1,123  | \$ 65             | 5.76%              | \$ 1,188         | \$ 65                                |
| 1969     | \$ 932    | \$ 145            | 6.84%              | \$ 2,264         | \$ 145                               |
| 1970     | \$ 1,227  | \$ 264            | 7.56%              | \$ 3,755         | \$ 264                               |
| 1971     | \$ -      | \$ 237            | 6.30%              | \$ 3,992         | \$ 237                               |
| 1972     | \$ -      | \$ 254            | 6.36%              | \$ 4,245         | \$ 254                               |
| 1973     | \$ -      | \$ 298            | 7.03%              | \$ 4,544         | \$ 298                               |
| 1974     | \$ -      | \$ 353            | 7.78%              | \$ 4,897         | \$ 353                               |
| 1975     | \$ 26     | \$ 405            | 8.23%              | \$ 5,328         | \$ 405                               |
| 1976     | \$ -      | \$ 417            | 7.83%              | \$ 5,745         | \$ 417                               |
| 1977     | \$ -      | \$ 438            | 7.63%              | \$ 6,184         | \$ 438                               |
| 1978     | \$ -      | \$ 537            | 8.68%              | \$ 6,720         | \$ 537                               |
| 1979     | \$ -      | \$ 656            | 9.77%              | \$ 7,377         | \$ 656                               |
| 1980     | \$ -      | \$ 880            | 11.93%             | \$ 8,257         | \$ 880                               |
| 1981     | \$ -      | \$ 1,211          | 14.66%             | \$ 9,468         | \$ 1,211                             |
| 1982     | \$ 1,614  | \$ 1,514          | 13.66%             | \$ 12,595        | \$ 1,514                             |
| 1983     | \$ 224    | \$ 1,483          | 11.57%             | \$ 14,303        | \$ 1,483                             |
| 1984     |           | \$ 1,867          | 13.05%             | \$ 16,170        | \$ 1,867                             |
| 1985     |           | \$ 1,787          | 11.05%             | \$ 17,957        | \$ 1,787                             |
| 1986     |           | \$ 1,417          | 7.89%              | \$ 19,374        | \$ 1,417                             |
| 1987     |           | \$ 1,677          | 8.66%              | \$ 21,052        | \$ 1,677                             |
| 1988     |           | \$ 1,926          | 9.15%              | \$ 22,978        | \$ 1,926                             |
| 1989     |           | \$ 2,014          | 8.76%              | \$ 24,991        | \$ 2,014                             |
| 1990     |           | \$ 2,206          | 8.83%              | \$ 27,198        | \$ 2,206                             |
| 1991     |           | \$ 2,202          | 8.09%              | \$ 29,399        | \$ 2,202                             |
| 1992     |           | \$ 2,116          | 7.20%              | \$ 31,515        | \$ 2,116                             |
| 1993     |           | \$ 1,891          | 6.00%              | \$ 33,406        | \$ 1,891                             |
| 1994     |           | \$ 2,432          | 7.28%              | \$ 35,838        | \$ 2,432                             |
| 1995     |           | \$ 2,413          | 6.73%              | \$ 38,251        | \$ 2,413                             |
| 1996     |           | \$ 2,524          | 6.60%              | \$ 40,775        | \$ 2,524                             |
| 1997     |           | \$ 2,652          | 6.50%              | \$ 43,426        | \$ 2,652                             |
| 1998     |           | \$ 2,330          | 5.36%              | \$ 45,756        | \$ 2,330                             |
| 1999     |           | \$ 2,641          | 5.77%              | \$ 48,397        | \$ 2,641                             |
| 2000     |           | \$ 2,985          | 6.17%              | \$ 51,382        | \$ 2,985                             |
| 2001     |           | \$ 2,628          | 5.12%              | \$ 54,010        | \$ 2,628                             |
| 2002     |           | \$ 2,533          | 4.69%              | \$ 56,543        | \$ 2,533                             |
| 2003     |           | \$ 2,302          | 4.07%              | \$ 58,845        | \$ 2,302                             |
| 2004     |           | \$ 2,553          | 4.34%              | \$ 61,398        | \$ 2,553                             |
| 2005     |           | \$ 2,677          | 4.36%              | \$ 64,075        | \$ 2,677                             |
| 2006 (d) |           | \$ 3,131          | 4.89%              | \$ 67,206        | \$ 3,131                             |
|          |           |                   |                    |                  | \$ 62,060                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Robert McNeeley, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 1,123  | \$ 73             | 6.46%              | \$ 1,195         | \$ 73                                |
| 1969     | \$ 932    | \$ 174            | 8.19%              | \$ 2,301         | \$ 174                               |
| 1970     | \$ 1,227  | \$ 287            | 8.15%              | \$ 3,816         | \$ 287                               |
| 1971     | \$ -      | \$ 223            | 5.85%              | \$ 4,039         | \$ 223                               |
| 1972     | \$ -      | \$ 216            | 5.35%              | \$ 4,255         | \$ 216                               |
| 1973     | \$ -      | \$ 351            | 8.25%              | \$ 4,606         | \$ 351                               |
| 1974     | \$ -      | \$ 518            | 11.24%             | \$ 5,124         | \$ 518                               |
| 1975     | \$ 26     | \$ 417            | 8.09%              | \$ 5,567         | \$ 417                               |
| 1976     | \$ -      | \$ 391            | 7.02%              | \$ 5,957         | \$ 391                               |
| 1977     | \$ -      | \$ 417            | 7.00%              | \$ 6,374         | \$ 417                               |
| 1978     | \$ -      | \$ 597            | 9.36%              | \$ 6,971         | \$ 597                               |
| 1979     | \$ -      | \$ 925            | 13.27%             | \$ 7,896         | \$ 925                               |
| 1980     | \$ -      | \$ 1,273          | 16.12%             | \$ 9,169         | \$ 1,273                             |
| 1981     | \$ -      | \$ 1,855          | 20.24%             | \$ 11,024        | \$ 1,855                             |
| 1982     | \$ 1,614  | \$ 1,983          | 15.69%             | \$ 14,621        | \$ 1,983                             |
| 1983     | \$ 224    | \$ 1,668          | 11.24%             | \$ 16,514        | \$ 1,668                             |
| 1984     |           | \$ 2,080          | 12.59%             | \$ 18,594        | \$ 2,080                             |
| 1985     |           | \$ 1,917          | 10.31%             | \$ 20,511        | \$ 1,917                             |
| 1986     |           | \$ 1,763          | 8.59%              | \$ 22,273        | \$ 1,763                             |
| 1987     |           | \$ 1,884          | 8.46%              | \$ 24,157        | \$ 1,884                             |
| 1988     |           | \$ 2,330          | 9.64%              | \$ 26,487        | \$ 2,330                             |
| 1989     |           | \$ 2,999          | 11.32%             | \$ 29,486        | \$ 2,999                             |
| 1990     |           | \$ 3,064          | 10.39%             | \$ 32,550        | \$ 3,064                             |
| 1991     |           | \$ 2,843          | 8.73%              | \$ 35,393        | \$ 2,843                             |
| 1992     |           | \$ 2,265          | 6.40%              | \$ 37,658        | \$ 2,265                             |
| 1993     |           | \$ 2,311          | 6.14%              | \$ 39,969        | \$ 2,311                             |
| 1994     |           | \$ 2,929          | 7.33%              | \$ 42,898        | \$ 2,929                             |
| 1995     |           | \$ 3,915          | 9.13%              | \$ 46,812        | \$ 3,915                             |
| 1996     |           | \$ 3,994          | 8.53%              | \$ 50,806        | \$ 3,994                             |
| 1997     |           | \$ 4,427          | 8.71%              | \$ 55,232        | \$ 4,427                             |
| 1998     |           | \$ 4,761          | 8.62%              | \$ 59,993        | \$ 4,761                             |
| 1999     |           | \$ 4,941          | 8.24%              | \$ 64,934        | \$ 4,941                             |
| 2000     |           | \$ 6,206          | 9.56%              | \$ 71,140        | \$ 6,206                             |
| 2001     |           | \$ 5,048          | 7.10%              | \$ 76,188        | \$ 5,048                             |
| 2002     |           | \$ 3,625          | 4.76%              | \$ 79,813        | \$ 3,625                             |
| 2003     |           | \$ 3,341          | 4.19%              | \$ 83,154        | \$ 3,341                             |
| 2004     |           | \$ 3,669          | 4.41%              | \$ 86,823        | \$ 3,669                             |
| 2005     |           | \$ 5,496          | 6.33%              | \$ 92,319        | \$ 5,496                             |
| 2006 (d) |           | \$ 7,568          | 8.20%              | \$ 99,887        | \$ 7,568                             |
|          |           |                   |                    |                  | \$ 94,741                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Hourly Rates for Carmen from 5/1/1962 through 7/1/1997.

| Effective Date | Carmen   | Effective Date | Carmen   |
|----------------|----------|----------------|----------|
| 5/1/1962       | \$ 2.70  | 10/1/1981      | \$ 11.38 |
| 1/1/1964       | \$ 2.79  | 1/1/1982       | \$ 11.73 |
| 1/1/1965       | \$ 2.88  | 7/1/1982       | \$ 12.05 |
| 1/1/1966       | \$ 2.97  | 7/1/1982       | \$ 12.27 |
| 1/1/1967       | \$ 3.14  | 1/1/1983       | \$ 12.61 |
| 4/1/1967       | \$ 3.19  | 7/1/1983       | \$ 12.94 |
| 10/1/1967      | \$ 3.24  | 1/1/1984       | \$ 13.20 |
| 4/1/1968       | \$ 3.29  | 12/1/1985      | \$ 13.46 |
| 7/1/1968       | \$ 3.46  | 12/1/1986      | \$ 13.76 |
| 10/1/1968      | \$ 3.51  | 12/1/1987      | \$ 14.07 |
| 1/1/1969       | \$ 3.55  | 7/1/1991       | \$ 14.49 |
| 1/1/1969       | \$ 3.62  | 7/1/1993       | \$ 14.93 |
| 7/1/1969       | \$ 3.73  | 7/1/1994       | \$ 15.53 |
| 7/1/1969       | \$ 3.78  | 11/30/1995     | \$ 15.62 |
| 9/1/1969       | \$ 3.88  | 12/1/1995      | \$ 16.17 |
| 1/1/1970       | \$ 4.07  | 7/1/1996       | \$ 16.45 |
| 4/1/1970       | \$ 4.11  | 7/1/1997       | \$ 17.03 |
| 4/24/1970      | \$ 4.18  |                |          |
| 8/1/1970       | \$ 4.22  |                |          |
| 1/1/1971       | \$ 4.32  |                |          |
| 4/1/1971       | \$ 4.47  |                |          |
| 10/1/1971      | \$ 4.70  |                |          |
| 4/1/1972       | \$ 4.94  |                |          |
| 10/1/1972      | \$ 5.19  |                |          |
| 4/1/1973       | \$ 5.44  |                |          |
| 1/1/1974       | \$ 5.66  |                |          |
| 1/1/1975       | \$ 6.23  |                |          |
| 10/1/1975      | \$ 6.54  |                |          |
| 1/1/1976       | \$ 6.66  |                |          |
| 4/1/1976       | \$ 6.86  |                |          |
| 7/1/1976       | \$ 6.98  |                |          |
| 1/1/1977       | \$ 7.11  |                |          |
| 7/1/1977       | \$ 7.29  |                |          |
| 7/1/1977       | \$ 7.57  |                |          |
| 1/1/1978       | \$ 7.79  |                |          |
| 4/1/1978       | \$ 8.02  |                |          |
| 7/1/1978       | \$ 8.21  |                |          |
| 10/1/1978      | \$ 8.37  |                |          |
| 1/1/1979       | \$ 8.62  |                |          |
| 7/1/1979       | \$ 8.96  |                |          |
| 7/1/1979       | \$ 9.21  |                |          |
| 1/1/1980       | \$ 9.49  |                |          |
| 7/1/1980       | \$ 9.96  |                |          |
| 7/1/1980       | \$ 10.23 |                |          |
| 1/1/1981       | \$ 10.55 |                |          |
| 4/1/1981       | \$ 10.75 |                |          |
| 7/1/1981       | \$ 11.07 |                |          |

Source: Taken from the Brotherhood Railway Carmen Division Transportation-Communications International Union Wage Rate Progression Chart (Revised: January 24, 2003) sheet.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1963          | \$ 2.70     | 365            | \$ 984.33     | \$ 2.70              |             |
| 1964          | \$ 2.79     | 365            | \$ 1,017.18   | \$ 2.79              | 3.34%       |
| 1965          | \$ 2.88     | 365            | \$ 1,050.03   | \$ 2.88              | 3.23%       |
| 1966          | \$ 2.97     | 365            | \$ 1,082.88   | \$ 2.97              | 3.13%       |
| 1967          | \$ 3.14     | 90             | \$ 283.03     | \$ 3.19              | 7.69%       |
|               | \$ 3.19     | 184            | \$ 587.84     |                      |             |
|               | \$ 3.24     | 91             | \$ 295.28     |                      |             |
| 1968          | \$ 3.24     | 90             | \$ 292.03     | \$ 3.38              | 5.73%       |
|               | \$ 3.29     | 91             | \$ 299.83     |                      |             |
|               | \$ 3.46     | 93             | \$ 321.73     |                      |             |
|               | \$ 3.51     | 91             | \$ 319.36     |                      |             |
| 1969          | \$ 3.62     | 181            | \$ 655.22     | \$ 3.73              | 10.53%      |
|               | \$ 3.78     | 63             | \$ 238.14     |                      |             |
|               | \$ 3.88     | 121            | \$ 469.48     |                      |             |
| 1970          | \$ 4.07     | 90             | \$ 366.30     | \$ 4.17              | 11.55%      |
|               | \$ 4.11     | 23             | \$ 94.53      |                      |             |
|               | \$ 4.18     | 100            | \$ 418.00     |                      |             |
|               | \$ 4.22     | 152            | \$ 641.44     |                      |             |
| 1971          | \$ 4.32     | 90             | \$ 388.80     | \$ 4.49              | 7.81%       |
|               | \$ 4.47     | 184            | \$ 822.48     |                      |             |
|               | \$ 4.70     | 91             | \$ 427.70     |                      |             |
| 1972          | \$ 4.70     | 90             | \$ 423.00     | \$ 4.94              | 10.08%      |
|               | \$ 4.94     | 184            | \$ 908.96     |                      |             |
|               | \$ 5.19     | 91             | \$ 472.29     |                      |             |
| 1973          | \$ 5.19     | 90             | \$ 467.10     | \$ 5.38              | 8.80%       |
|               | \$ 5.44     | 275            | \$ 1,496.00   |                      |             |
| 1974          | \$ 5.66     | 365            | \$ 2,065.90   | \$ 5.66              | 5.24%       |
| 1975          | \$ 6.23     | 273            | \$ 1,700.79   | \$ 6.31              | 11.45%      |
|               | \$ 6.54     | 92             | \$ 601.68     |                      |             |
| 1976          | \$ 6.66     | 90             | \$ 599.40     | \$ 6.87              | 8.92%       |
|               | \$ 6.86     | 92             | \$ 631.12     |                      |             |
|               | \$ 6.98     | 183            | \$ 1,277.34   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1977          | \$ 7.11     | 181            | \$ 1,286.91   | \$ 7.34              | 6.86%       |
|               | \$ 7.57     | 184            | \$ 1,392.88   |                      |             |
| 1978          | \$ 7.79     | 90             | \$ 701.10     | \$ 8.10              | 10.31%      |
|               | \$ 8.02     | 91             | \$ 729.82     |                      |             |
|               | \$ 8.21     | 93             | \$ 763.53     |                      |             |
|               | \$ 8.37     | 91             | \$ 761.67     |                      |             |
| 1979          | \$ 8.62     | 181            | \$ 1,560.22   | \$ 8.92              | 10.11%      |
|               | \$ 9.21     | 184            | \$ 1,694.64   |                      |             |
| 1980          | \$ 9.49     | 181            | \$ 1,717.69   | \$ 9.86              | 10.60%      |
|               | \$ 10.23    | 184            | \$ 1,882.32   |                      |             |
| 1981          | \$ 10.55    | 90             | \$ 949.50     | \$ 10.94             | 10.91%      |
|               | \$ 10.75    | 91             | \$ 978.25     |                      |             |
|               | \$ 11.07    | 93             | \$ 1,029.51   |                      |             |
|               | \$ 11.38    | 91             | \$ 1,035.58   |                      |             |
| 1982          | \$ 11.73    | 181            | \$ 2,123.13   | \$ 12.00             | 9.72%       |
|               | \$ 12.27    | 184            | \$ 2,257.68   |                      |             |
| 1983          | \$ 12.61    | 181            | \$ 2,282.41   | \$ 12.78             | 6.45%       |
|               | \$ 12.94    | 184            | \$ 2,380.96   |                      |             |
| 1984          | \$ 13.20    | 365            | \$ 4,818.00   | \$ 13.20             | 3.32%       |
| 1985          | \$ 13.20    | 334            | \$ 4,408.80   | \$ 13.22             | 0.17%       |
|               | \$ 13.46    | 31             | \$ 417.26     |                      |             |
| 1986          | \$ 13.46    | 334            | \$ 4,495.64   | \$ 13.49             | 1.99%       |
|               | \$ 13.76    | 31             | \$ 426.56     |                      |             |
| 1987          | \$ 13.76    | 334            | \$ 4,595.84   | \$ 13.79             | 2.23%       |
|               | \$ 14.07    | 31             | \$ 436.17     |                      |             |
| 1988          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 2.06%       |
| 1989          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1990          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1991          | \$ 14.07    | 181            | \$ 2,546.67   | \$ 14.28             | 1.50%       |
|               | \$ 14.49    | 184            | \$ 2,666.16   |                      |             |

**Table 9: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen. (Cont.)**

| <u>Calendar Year</u>                      | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|-------------------------------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1992                                      | \$ 14.49           | 365                   | \$ 5,288.85          | \$ 14.49                    | 1.46%              |
| 1993                                      | \$ 14.49           | 181                   | \$ 2,622.69          | \$ 14.71                    | 1.53%              |
|                                           | \$ 14.93           | 184                   | \$ 2,747.12          |                             |                    |
| 1994                                      | \$ 14.93           | 181                   | \$ 2,702.33          | \$ 15.23                    | 3.54%              |
|                                           | \$ 15.53           | 184                   | \$ 2,857.52          |                             |                    |
| 1995                                      | \$ 15.53           | 333                   | \$ 5,171.49          | \$ 15.58                    | 2.31%              |
|                                           | \$ 15.62           | 1                     | \$ 15.62             |                             |                    |
|                                           | \$ 16.17           | 31                    | \$ 501.27            |                             |                    |
| 1996                                      | \$ 16.17           | 181                   | \$ 2,926.77          | \$ 16.31                    | 4.66%              |
|                                           | \$ 16.45           | 184                   | \$ 3,026.80          |                             |                    |
| 1997                                      | \$ 16.45           | 181                   | \$ 2,977.45          | \$ 16.74                    | 2.64%              |
|                                           | \$ 17.03           | 184                   | \$ 3,133.52          |                             |                    |
| 1963 through 1997 Compound Rate of Growth |                    |                       |                      | 5.52%                       |                    |

EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

04/20/99  
11:33:37

EE SSN : 277 - 16 - 8496

EE NAME: NOVOTNY

, A ,

SEX: M

PREVIOUS SURNAME:

DOB: 08 / 08 / 1917 RRB

ADDR1

DOD: / /

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1980

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1321

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3100627260

DORMANT ACCOUNT?(Y/N): N

LAST ICC CODE: 057

ANN BEGIN DATE: 01 / 01 / 1981

ACCOUNT LAST ACTIVE: 1980

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: 12 / / 1980

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24



EDM1D103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

04/20/99  
11:33:52

EE SSN : 277 - 16 - 8496

EE NAME: NOVOTNY

, A ,

SERVICE MONTHS TOTALS

COMPENSATION TOTALS

-----  
TOTAL REPORTED : 452  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 452  
CREDITABLE 37-46 : 044

-----  
TIER 1 AMOUNT :\$ 264763.68  
TIER 2 AMOUNT :\$ 39002.33  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 6361.67  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 0.00  
37-50 SSA WAGES :\$ 0.00

S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

1952 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 0 QC'S THRU 1974 : 0 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMID104  
PAGE: 0001

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/20/95  
11:34:01

EE SSN: 277 - 16 - 8496      EE NAME: NOVOTNY      , A ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YR<br>PATT | WAGE YR<br>AMOUNT |
| 1980                      | 12   |    | 7777        | 0000         | 21618.01       | 20218.86       |                      |                       |                  |                 |                   |
| 1979                      | 12   |    | 7777        | 0000         | 20821.21       | 18783.47       |                      |                       |                  |                 |                   |
| 1978                      | 12   |    | 7777        | 0000         | 16469.17       |                |                      |                       |                  |                 |                   |
| 1977                      | 12   |    | 7777        | 0000         | 15994.33       |                |                      |                       |                  |                 |                   |
| 1976                      | 12   |    | 7777        | 0000         | 14993.00       |                |                      |                       |                  |                 |                   |
| 1975                      | 12   |    | 7777        | 0000         | 13298.88       |                |                      |                       |                  |                 |                   |
| 1974                      | 12   |    | 7777        | 0000         | 13012.31       |                |                      |                       |                  |                 |                   |
| 1973                      | 12   |    | 7777        | 0000         | 10739.43       |                |                      |                       |                  |                 |                   |
| 1972                      | 12   |    | 7777        | 0000         | 9000.00        |                |                      |                       |                  |                 |                   |
| 1971                      | 12   |    | 7777        | 0000         | 7800.00        |                |                      |                       |                  |                 |                   |

USER MESSAGE

-----RESPONSES-----  
EE INFO            =PF13   MISC SCORE        =PF15   S&E LEDGER            =PF18   MIL SERV =PF22  
EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL    =PF19   HIST STMT=PF20

EDMID104  
PAGE: 0002

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/20/99  
11:34:25

EE SSN: 277 - 16 - 8496      EE NAME: NOVOTNY      , A ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                  |                 |        |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|------------------|-----------------|--------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YF<br>PATT | AMOUNT |
|                           | 1970 | 12 | 7777        | 0000         |                |                |                      |                       |                  |                 |        |
|                           | 1969 | 12 | 7777        | 0000         |                |                |                      |                       |                  |                 |        |
|                           | 1968 | 12 | 7777        | 0000         |                |                |                      |                       |                  |                 |        |
|                           | 1967 | 12 | 7777        | 0000         |                |                |                      |                       |                  |                 |        |
|                           | 1966 | 12 | 7777        | 0000         |                |                |                      |                       |                  |                 |        |
|                           | 1965 | 12 | 7777        | 0000         |                |                |                      |                       |                  |                 |        |
|                           | 1964 | 12 | 7777        | 0000         |                |                |                      |                       |                  |                 |        |
|                           | 1963 | 12 | 7777        | 0000         |                |                |                      |                       |                  |                 |        |
|                           | 1962 | 12 | 7777        | 0000         |                |                |                      |                       |                  |                 |        |
|                           | 1961 | 12 | 7777        | 0000         |                |                |                      |                       |                  |                 |        |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

EDM1D104  
PAGE: 0003

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/20/91  
11:36:31

EE SSN: 277 - 16 - 8496      EE NAME: NOVOTNY      , A ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YI<br>PATT | WAGE YI<br>AMOUNT |
| 1960                      | 12   |    | 7777        | 0000         | 4786.69        |                |                      |                       |                  |                 |                   |
| 1959                      | 12   |    | 0000        | 0000         | 4481.40        |                |                      |                       |                  |                 |                   |
| 1958                      | 12   |    | 0000        | 0000         | 4200.00        |                |                      |                       |                  |                 |                   |
| 1957                      | 12   |    | 0000        | 0000         | 4189.50        |                |                      |                       |                  |                 |                   |
| 1956                      | 12   |    | 0000        | 0000         | 4200.00        |                |                      |                       |                  |                 |                   |
| 1955                      | 12   |    | 0000        | 0000         | 4060.48        |                |                      |                       |                  |                 |                   |
| 1954                      | 12   |    | 0000        | 0000         | 3900.00        |                |                      |                       |                  |                 |                   |
| 1953                      | 12   |    | 0000        | 0000         | 3600.00        |                |                      |                       |                  |                 |                   |
| 1952                      | 12   |    | 0000        | 0000         | 3600.00        |                |                      |                       |                  |                 |                   |
| 1951                      | 12   |    | 0000        | 0000         | 3558.48        |                |                      |                       |                  |                 |                   |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----  
EE INFO            =PF13    MISC SCORE        =PF15    S&E LEDGER            =PF18    MIL SERV =PF22  
EE SERV/RUIA =PF14    EE S&E TOTALS =PF16    SERV MO DETAIL    =PF19    HIST STMT=PF20

EDM1D104 . . . EMPLOYMENT DATA MAINTENANCE 04/20/91  
 PAGE: 0004 CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS 11:36:48

EE SSN: 277 - 16 - 8496 EE NAME: NOVOTNY , A ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YI<br>PATT | WAGE YI<br>AMOUNT |
| 1950                      | 12   |    | 0000        | 0000         | 3339.48        |                |                      |                       |                  |                 |                   |
| 1949                      | 12   |    | 0000        | 0000         | 3468.48        |                |                      |                       |                  |                 |                   |
| 1948                      | 12   |    | 0000        | 0000         | 3496.48        |                |                      |                       |                  |                 |                   |
| 1947                      | 12   |    | 0000        | 0000         | 3400.48        |                |                      |                       |                  |                 |                   |
| 1946                      | 44   |    | 0000        | 0000         | 6361.67        |                |                      |                       |                  |                 |                   |

# USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----  
 EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
 EE SERV/RUIA =PF14 EE S&E TOTALS =PF16 SERV MO DETAIL =PF19 HIST STMT=PF20

**Preliminary Report**  
*concerning the*  
**Displacement Allowance**  
*of*  
**Andrew Novotny**

*Prepared for*  
Carla Tricarichi  
Attorney at Law

*Prepared by:*  
**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

### Personal Data Sheet

**Name:** Andrew Novotny  
**Date of Birth:** 8/8/1917  
**Date of Separation** 12/31/1980 (0% of 1980 Remains)  
**Age on:** 12/31/1980 63.4 Years  
**Work Life Expectancy from:** 12/31/1980 4.6 Years ( 60% of 1985)\*  
**Age at Expiration of Work Life Expectancy:** 68.0 Years Old  
**Life Expectancy from:** 12/31/1980 18.0 Years ( 0.27% of 1999)\*\*  
**Age at Expiration of Life Expectancy:** 81.4 Years Old  
**Age on:** 9/1/2007 90.1 Years  
**Work Life Expectancy from:** 9/1/2007 0.0 Years ( 66.85% of 2007)\*  
**Age at Expiration of Work Life Expectancy:** 90.1 Years Old  
**Life Expectancy from:** 9/1/2007 4.2 Years ( 86.85% of 2011)\*\*  
**Age at Expiration of Life Expectancy:** 94.3 Years Old  
**Occupation:** Car Inspector  
**Date of Hire:** 1939

#### As of 9/1/2007

| <u>Name</u> | <u>Relationship</u> | <u>Date of Birth</u> | <u>Age</u> | <u>Life Expectancy</u> |
|-------------|---------------------|----------------------|------------|------------------------|
| Marge       | Wife                | 10/29/1921           | 85.8       | 6.6 Years              |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville, Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

---

Summary Sheet

---

|                                                                                | Value               |
|--------------------------------------------------------------------------------|---------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>        |                     |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>        | <b>\$ 1,975</b>     |
| Pension Benefits                                                               | \$ 220              |
| Back Interest through 1/1/2007                                                 | <u>\$ 29,178</u>    |
| Total                                                                          | <b>\$ 31,372</b>    |
| <br><b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | <br><b>\$ 1,975</b> |
| Pension Benefits                                                               | \$ 220              |
| Back Interest through 1/1/2007                                                 | <u>\$ 45,141</u>    |
| Total                                                                          | <b>\$ 47,335</b>    |



Table 1: Schedule Showing the Earnings for the Years 1966-1980, and the Displacement Allowance for Andrew Novotny.

| Year | Earnings (a) | Months Employed (a) | Weighted Wage Rate (b) | Forecasted Wages (c) | Displacement Allowance (d) |
|------|--------------|---------------------|------------------------|----------------------|----------------------------|
| 1966 | \$ 6,434.76  | 12                  | \$ 2.97                | \$ 6,170.94          | -                          |
| 1967 | \$ 6,411.69  | 12                  | \$ 3.19                | \$ 6,645.47          | -                          |
| 1968 | \$ 6,784.02  | 12                  | \$ 3.38                | \$ 7,026.16          | \$ 242.14                  |
| 1969 | \$ 7,800.00  | 12                  | \$ 3.73                | \$ 7,766.32          | -                          |
| 1970 | \$ 7,754.87  | 12                  | \$ 4.17                | \$ 8,663.46          | \$ 908.59                  |
| 1971 | \$ 7,800.00  | 12                  | \$ 4.49                | \$ 9,339.94          | -                          |
| 1972 | \$ 9,000.00  | 12                  | \$ 4.94                | \$ 10,281.75         | -                          |
| 1973 | \$ 10,739.43 | 12                  | \$ 5.38                | \$ 11,186.98         | \$ 447.55                  |
| 1974 | \$ 13,012.31 | 12                  | \$ 5.66                | \$ 11,772.80         | -                          |
| 1975 | \$ 13,298.88 | 12                  | \$ 6.31                | \$ 13,120.92         | -                          |
| 1976 | \$ 14,993.00 | 12                  | \$ 6.87                | \$ 14,291.37         | -                          |
| 1977 | \$ 15,994.33 | 12                  | \$ 7.34                | \$ 15,271.13         | -                          |
| 1978 | \$ 16,469.17 | 12                  | \$ 8.10                | \$ 16,845.83         | \$ 376.66                  |
| 1979 | \$ 20,821.21 | 12                  | \$ 8.92                | \$ 18,548.24         | -                          |
| 1980 | \$ 21,618.01 | 12                  | \$ 9.86                | \$ 20,515.13         | -                          |

\* Boxed earnings in the earnings column indicate that Mr. Novotny earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 9.

(c) The forecasted wages are calculated as the weighted wage rates multiplied by 2,080 hours per year.

(d) The displacement allowance for each year is calculated as the forecasted wages minus the earnings from column (a).

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Andrew Novotny for the Years 1968 through 1978.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1968 | \$ 242                                         | \$ 22                   | \$ 264                                  |
| 1969 | -                                              | -                       | -                                       |
| 1970 | \$ 909                                         | \$ 87                   | \$ 995                                  |
| 1971 | -                                              | -                       | -                                       |
| 1972 | -                                              | -                       | -                                       |
| 1973 | \$ 448                                         | \$ 53                   | \$ 500                                  |
| 1974 | -                                              | -                       | -                                       |
| 1975 | -                                              | -                       | -                                       |
| 1976 | -                                              | -                       | -                                       |
| 1977 | -                                              | -                       | -                                       |
| 1978 | \$ 377                                         | \$ 59                   | \$ 435                                  |
|      | \$ 1,975                                       | \$ 220                  | \$ 2,195                                |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Andrew Novotny, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 264    | \$ 15             | 5.76%              | \$ 279           | \$ 15                                |
| 1969     | \$ -      | \$ 19             | 6.84%              | \$ 298           | \$ 19                                |
| 1970     | \$ 995    | \$ 98             | 7.56%              | \$ 1,391         | \$ 98                                |
| 1971     | \$ -      | \$ 88             | 6.30%              | \$ 1,479         | \$ 88                                |
| 1972     | \$ -      | \$ 94             | 6.36%              | \$ 1,573         | \$ 94                                |
| 1973     | \$ 500    | \$ 146            | 7.03%              | \$ 2,219         | \$ 146                               |
| 1974     | \$ -      | \$ 173            | 7.78%              | \$ 2,391         | \$ 173                               |
| 1975     | \$ -      | \$ 197            | 8.23%              | \$ 2,588         | \$ 197                               |
| 1976     | \$ -      | \$ 203            | 7.83%              | \$ 2,791         | \$ 203                               |
| 1977     | \$ -      | \$ 213            | 7.63%              | \$ 3,004         | \$ 213                               |
| 1978     | \$ 435    | \$ 298            | 8.68%              | \$ 3,737         | \$ 298                               |
| 1979     |           | \$ 365            | 9.77%              | \$ 4,102         | \$ 365                               |
| 1980     |           | \$ 489            | 11.93%             | \$ 4,592         | \$ 489                               |
| 1981     |           | \$ 673            | 14.66%             | \$ 5,265         | \$ 673                               |
| 1982     |           | \$ 719            | 13.66%             | \$ 5,984         | \$ 719                               |
| 1983     |           | \$ 692            | 11.57%             | \$ 6,677         | \$ 692                               |
| 1984     |           | \$ 872            | 13.05%             | \$ 7,548         | \$ 872                               |
| 1985     |           | \$ 834            | 11.05%             | \$ 8,382         | \$ 834                               |
| 1986     |           | \$ 662            | 7.89%              | \$ 9,044         | \$ 662                               |
| 1987     |           | \$ 783            | 8.66%              | \$ 9,827         | \$ 783                               |
| 1988     |           | \$ 899            | 9.15%              | \$ 10,726        | \$ 899                               |
| 1989     |           | \$ 940            | 8.76%              | \$ 11,666        | \$ 940                               |
| 1990     |           | \$ 1,030          | 8.83%              | \$ 12,696        | \$ 1,030                             |
| 1991     |           | \$ 1,028          | 8.09%              | \$ 13,724        | \$ 1,028                             |
| 1992     |           | \$ 988            | 7.20%              | \$ 14,711        | \$ 988                               |
| 1993     |           | \$ 883            | 6.00%              | \$ 15,594        | \$ 883                               |
| 1994     |           | \$ 1,135          | 7.28%              | \$ 16,730        | \$ 1,135                             |
| 1995     |           | \$ 1,127          | 6.73%              | \$ 17,856        | \$ 1,127                             |
| 1996     |           | \$ 1,178          | 6.60%              | \$ 19,034        | \$ 1,178                             |
| 1997     |           | \$ 1,238          | 6.50%              | \$ 20,272        | \$ 1,238                             |
| 1998     |           | \$ 1,088          | 5.36%              | \$ 21,359        | \$ 1,088                             |
| 1999     |           | \$ 1,233          | 5.77%              | \$ 22,592        | \$ 1,233                             |
| 2000     |           | \$ 1,393          | 6.17%              | \$ 23,985        | \$ 1,393                             |
| 2001     |           | \$ 1,227          | 5.12%              | \$ 25,212        | \$ 1,227                             |
| 2002     |           | \$ 1,183          | 4.69%              | \$ 26,395        | \$ 1,183                             |
| 2003     |           | \$ 1,074          | 4.07%              | \$ 27,469        | \$ 1,074                             |
| 2004     |           | \$ 1,192          | 4.34%              | \$ 28,661        | \$ 1,192                             |
| 2005     |           | \$ 1,249          | 4.36%              | \$ 29,911        | \$ 1,249                             |
| 2006 (d) |           | \$ 1,462          | 4.89%              | \$ 31,372        | \$ 1,462                             |
|          |           |                   |                    |                  | \$ 29,178                            |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Andrew Novotny, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest<br>(b) | Interest Rates<br>(c) | Year End<br>Balance | Total Present<br>Value of Back<br>Interest |
|----------|-----------|----------------------|-----------------------|---------------------|--------------------------------------------|
| 1968     | \$ 264    | \$ 17                | 6.46%                 | \$ 281              | \$ 17                                      |
| 1969     | \$ -      | \$ 23                | 8.19%                 | \$ 304              | \$ 23                                      |
| 1970     | \$ 995    | \$ 106               | 8.15%                 | \$ 1,405            | \$ 106                                     |
| 1971     | \$ -      | \$ 82                | 5.85%                 | \$ 1,487            | \$ 82                                      |
| 1972     | \$ -      | \$ 80                | 5.35%                 | \$ 1,567            | \$ 80                                      |
| 1973     | \$ 500    | \$ 171               | 8.25%                 | \$ 2,238            | \$ 171                                     |
| 1974     | \$ -      | \$ 251               | 11.24%                | \$ 2,489            | \$ 251                                     |
| 1975     | \$ -      | \$ 201               | 8.09%                 | \$ 2,690            | \$ 201                                     |
| 1976     | \$ -      | \$ 189               | 7.02%                 | \$ 2,879            | \$ 189                                     |
| 1977     | \$ -      | \$ 202               | 7.00%                 | \$ 3,081            | \$ 202                                     |
| 1978     | \$ 435    | \$ 329               | 9.36%                 | \$ 3,845            | \$ 329                                     |
| 1979     |           | \$ 510               | 13.27%                | \$ 4,356            | \$ 510                                     |
| 1980     |           | \$ 702               | 16.12%                | \$ 5,058            | \$ 702                                     |
| 1981     |           | \$ 1,023             | 20.24%                | \$ 6,081            | \$ 1,023                                   |
| 1982     |           | \$ 954               | 15.69%                | \$ 7,035            | \$ 954                                     |
| 1983     |           | \$ 791               | 11.24%                | \$ 7,826            | \$ 791                                     |
| 1984     |           | \$ 986               | 12.59%                | \$ 8,812            | \$ 986                                     |
| 1985     |           | \$ 908               | 10.31%                | \$ 9,720            | \$ 908                                     |
| 1986     |           | \$ 835               | 8.59%                 | \$ 10,555           | \$ 835                                     |
| 1987     |           | \$ 893               | 8.46%                 | \$ 11,448           | \$ 893                                     |
| 1988     |           | \$ 1,104             | 9.64%                 | \$ 12,552           | \$ 1,104                                   |
| 1989     |           | \$ 1,421             | 11.32%                | \$ 13,973           | \$ 1,421                                   |
| 1990     |           | \$ 1,452             | 10.39%                | \$ 15,425           | \$ 1,452                                   |
| 1991     |           | \$ 1,347             | 8.73%                 | \$ 16,772           | \$ 1,347                                   |
| 1992     |           | \$ 1,073             | 6.40%                 | \$ 17,846           | \$ 1,073                                   |
| 1993     |           | \$ 1,095             | 6.14%                 | \$ 18,941           | \$ 1,095                                   |
| 1994     |           | \$ 1,388             | 7.33%                 | \$ 20,329           | \$ 1,388                                   |
| 1995     |           | \$ 1,855             | 9.13%                 | \$ 22,184           | \$ 1,855                                   |
| 1996     |           | \$ 1,892             | 8.53%                 | \$ 24,076           | \$ 1,892                                   |
| 1997     |           | \$ 2,098             | 8.71%                 | \$ 26,174           | \$ 2,098                                   |
| 1998     |           | \$ 2,256             | 8.62%                 | \$ 28,430           | \$ 2,256                                   |
| 1999     |           | \$ 2,342             | 8.24%                 | \$ 30,772           | \$ 2,342                                   |
| 2000     |           | \$ 2,941             | 9.56%                 | \$ 33,713           | \$ 2,941                                   |
| 2001     |           | \$ 2,392             | 7.10%                 | \$ 36,105           | \$ 2,392                                   |
| 2002     |           | \$ 1,718             | 4.76%                 | \$ 37,823           | \$ 1,718                                   |
| 2003     |           | \$ 1,583             | 4.19%                 | \$ 39,406           | \$ 1,583                                   |
| 2004     |           | \$ 1,739             | 4.41%                 | \$ 41,145           | \$ 1,739                                   |
| 2005     |           | \$ 2,604             | 6.33%                 | \$ 43,749           | \$ 2,604                                   |
| 2006 (d) |           | \$ 3,586             | 8.20%                 | \$ 47,335           | \$ 3,586                                   |
|          |           |                      |                       |                     | \$ 45,141                                  |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Hourly Rates for Carmen from 5/1/1962 through 7/1/1997.

| Effective Date | Carmen   | Effective Date | Carmen   |
|----------------|----------|----------------|----------|
| 5/1/1962       | \$ 2.70  | 10/1/1981      | \$ 11.38 |
| 1/1/1964       | \$ 2.79  | 1/1/1982       | \$ 11.73 |
| 1/1/1965       | \$ 2.88  | 7/1/1982       | \$ 12.05 |
| 1/1/1966       | \$ 2.97  | 7/1/1982       | \$ 12.27 |
| 1/1/1967       | \$ 3.14  | 1/1/1983       | \$ 12.61 |
| 4/1/1967       | \$ 3.19  | 7/1/1983       | \$ 12.94 |
| 10/1/1967      | \$ 3.24  | 1/1/1984       | \$ 13.20 |
| 4/1/1968       | \$ 3.29  | 12/1/1985      | \$ 13.46 |
| 7/1/1968       | \$ 3.46  | 12/1/1986      | \$ 13.76 |
| 10/1/1968      | \$ 3.51  | 12/1/1987      | \$ 14.07 |
| 1/1/1969       | \$ 3.55  | 7/1/1991       | \$ 14.49 |
| 1/1/1969       | \$ 3.62  | 7/1/1993       | \$ 14.93 |
| 7/1/1969       | \$ 3.73  | 7/1/1994       | \$ 15.53 |
| 7/1/1969       | \$ 3.78  | 11/30/1995     | \$ 15.62 |
| 9/1/1969       | \$ 3.88  | 12/1/1995      | \$ 16.17 |
| 1/1/1970       | \$ 4.07  | 7/1/1996       | \$ 16.45 |
| 4/1/1970       | \$ 4.11  | 7/1/1997       | \$ 17.03 |
| 4/24/1970      | \$ 4.18  |                |          |
| 8/1/1970       | \$ 4.22  |                |          |
| 1/1/1971       | \$ 4.32  |                |          |
| 4/1/1971       | \$ 4.47  |                |          |
| 10/1/1971      | \$ 4.70  |                |          |
| 4/1/1972       | \$ 4.94  |                |          |
| 10/1/1972      | \$ 5.19  |                |          |
| 4/1/1973       | \$ 5.44  |                |          |
| 1/1/1974       | \$ 5.66  |                |          |
| 1/1/1975       | \$ 6.23  |                |          |
| 10/1/1975      | \$ 6.54  |                |          |
| 1/1/1976       | \$ 6.66  |                |          |
| 4/1/1976       | \$ 6.86  |                |          |
| 7/1/1976       | \$ 6.98  |                |          |
| 1/1/1977       | \$ 7.11  |                |          |
| 7/1/1977       | \$ 7.29  |                |          |
| 7/1/1977       | \$ 7.57  |                |          |
| 1/1/1978       | \$ 7.79  |                |          |
| 4/1/1978       | \$ 8.02  |                |          |
| 7/1/1978       | \$ 8.21  |                |          |
| 10/1/1978      | \$ 8.37  |                |          |
| 1/1/1979       | \$ 8.62  |                |          |
| 7/1/1979       | \$ 8.96  |                |          |
| 7/1/1979       | \$ 9.21  |                |          |
| 1/1/1980       | \$ 9.49  |                |          |
| 7/1/1980       | \$ 9.96  |                |          |
| 7/1/1980       | \$ 10.23 |                |          |
| 1/1/1981       | \$ 10.55 |                |          |
| 4/1/1981       | \$ 10.75 |                |          |
| 7/1/1981       | \$ 11.07 |                |          |

Source: Taken from the Brotherhood Railway Carmen Division Transportation-Communications International Union Wage Rate Progression Chart (Revised: January 24, 2003) sheet.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1963          | \$ 2.70     | 365            | \$ 984.33     | \$ 2.70              |             |
| 1964          | \$ 2.79     | 365            | \$ 1,017.18   | \$ 2.79              | 3.34%       |
| 1965          | \$ 2.88     | 365            | \$ 1,050.03   | \$ 2.88              | 3.23%       |
| 1966          | \$ 2.97     | 365            | \$ 1,082.88   | \$ 2.97              | 3.13%       |
| 1967          | \$ 3.14     | 90             | \$ 283.03     | \$ 3.19              | 7.69%       |
|               | \$ 3.19     | 184            | \$ 587.84     |                      |             |
|               | \$ 3.24     | 91             | \$ 295.28     |                      |             |
| 1968          | \$ 3.24     | 90             | \$ 292.03     | \$ 3.38              | 5.73%       |
|               | \$ 3.29     | 91             | \$ 299.83     |                      |             |
|               | \$ 3.46     | 93             | \$ 321.73     |                      |             |
|               | \$ 3.51     | 91             | \$ 319.36     |                      |             |
| 1969          | \$ 3.62     | 181            | \$ 655.22     | \$ 3.73              | 10.53%      |
|               | \$ 3.78     | 63             | \$ 238.14     |                      |             |
|               | \$ 3.88     | 121            | \$ 469.48     |                      |             |
| 1970          | \$ 4.07     | 90             | \$ 366.30     | \$ 4.17              | 11.55%      |
|               | \$ 4.11     | 23             | \$ 94.53      |                      |             |
|               | \$ 4.18     | 100            | \$ 418.00     |                      |             |
|               | \$ 4.22     | 152            | \$ 641.44     |                      |             |
| 1971          | \$ 4.32     | 90             | \$ 388.80     | \$ 4.49              | 7.81%       |
|               | \$ 4.47     | 184            | \$ 822.48     |                      |             |
|               | \$ 4.70     | 91             | \$ 427.70     |                      |             |
| 1972          | \$ 4.70     | 90             | \$ 423.00     | \$ 4.94              | 10.08%      |
|               | \$ 4.94     | 184            | \$ 908.96     |                      |             |
|               | \$ 5.19     | 91             | \$ 472.29     |                      |             |
| 1973          | \$ 5.19     | 90             | \$ 467.10     | \$ 5.38              | 8.80%       |
|               | \$ 5.44     | 275            | \$ 1,496.00   |                      |             |
| 1974          | \$ 5.66     | 365            | \$ 2,065.90   | \$ 5.66              | 5.24%       |
| 1975          | \$ 6.23     | 273            | \$ 1,700.79   | \$ 6.31              | 11.45%      |
|               | \$ 6.54     | 92             | \$ 601.68     |                      |             |
| 1976          | \$ 6.66     | 90             | \$ 599.40     | \$ 6.87              | 8.92%       |
|               | \$ 6.86     | 92             | \$ 631.12     |                      |             |
|               | \$ 6.98     | 183            | \$ 1,277.34   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1977          | \$ 7.11     | 181            | \$ 1,286.91   | \$ 7.34              | 6.86%       |
|               | \$ 7.57     | 184            | \$ 1,392.88   |                      |             |
| 1978          | \$ 7.79     | 90             | \$ 701.10     | \$ 8.10              | 10.31%      |
|               | \$ 8.02     | 91             | \$ 729.82     |                      |             |
|               | \$ 8.21     | 93             | \$ 763.53     |                      |             |
|               | \$ 8.37     | 91             | \$ 761.67     |                      |             |
| 1979          | \$ 8.62     | 181            | \$ 1,560.22   | \$ 8.92              | 10.11%      |
|               | \$ 9.21     | 184            | \$ 1,694.64   |                      |             |
| 1980          | \$ 9.49     | 181            | \$ 1,717.69   | \$ 9.86              | 10.60%      |
|               | \$ 10.23    | 184            | \$ 1,882.32   |                      |             |
| 1981          | \$ 10.55    | 90             | \$ 949.50     | \$ 10.94             | 10.91%      |
|               | \$ 10.75    | 91             | \$ 978.25     |                      |             |
|               | \$ 11.07    | 93             | \$ 1,029.51   |                      |             |
|               | \$ 11.38    | 91             | \$ 1,035.58   |                      |             |
| 1982          | \$ 11.73    | 181            | \$ 2,123.13   | \$ 12.00             | 9.72%       |
|               | \$ 12.27    | 184            | \$ 2,257.68   |                      |             |
| 1983          | \$ 12.61    | 181            | \$ 2,282.41   | \$ 12.78             | 6.45%       |
|               | \$ 12.94    | 184            | \$ 2,380.96   |                      |             |
| 1984          | \$ 13.20    | 365            | \$ 4,818.00   | \$ 13.20             | 3.32%       |
| 1985          | \$ 13.20    | 334            | \$ 4,408.80   | \$ 13.22             | 0.17%       |
|               | \$ 13.46    | 31             | \$ 417.26     |                      |             |
| 1986          | \$ 13.46    | 334            | \$ 4,495.64   | \$ 13.49             | 1.99%       |
|               | \$ 13.76    | 31             | \$ 426.56     |                      |             |
| 1987          | \$ 13.76    | 334            | \$ 4,595.84   | \$ 13.79             | 2.23%       |
|               | \$ 14.07    | 31             | \$ 436.17     |                      |             |
| 1988          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 2.06%       |
| 1989          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1990          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1991          | \$ 14.07    | 181            | \$ 2,546.67   | \$ 14.28             | 1.50%       |
|               | \$ 14.49    | 184            | \$ 2,666.16   |                      |             |



Table 9: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen. (Cont.)

| <u>Calendar Year</u> | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|----------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1992                 | \$ 14.49           | 365                   | \$ 5,288.85          | \$ 14.49                    | 1.46%              |
| 1993                 | \$ 14.49           | 181                   | \$ 2,622.69          | \$ 14.71                    | 1.53%              |
|                      | \$ 14.93           | 184                   | \$ 2,747.12          |                             |                    |
| 1994                 | \$ 14.93           | 181                   | \$ 2,702.33          | \$ 15.23                    | 3.54%              |
|                      | \$ 15.53           | 184                   | \$ 2,857.52          |                             |                    |
| 1995                 | \$ 15.53           | 333                   | \$ 5,171.49          | \$ 15.58                    | 2.31%              |
|                      | \$ 15.62           | 1                     | \$ 15.62             |                             |                    |
|                      | \$ 16.17           | 31                    | \$ 501.27            |                             |                    |
| 1996                 | \$ 16.17           | 181                   | \$ 2,926.77          | \$ 16.31                    | 4.66%              |
|                      | \$ 16.45           | 184                   | \$ 3,026.80          |                             |                    |
| 1997                 | \$ 16.45           | 181                   | \$ 2,977.45          | \$ 16.74                    | 2.64%              |
|                      | \$ 17.03           | 184                   | \$ 3,133.52          |                             |                    |

1963 through 1997 Compound Rate of Growth

5.52%

EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

04/20/99  
11:48:42

EE SSN : 286 - 05 - 5496

EE NAME: OPALK JR

, M ,

SEX: M

PREVIOUS SURNAME:

DOB: 05 / 10 / 1916 RRB

ADDR1

DOD: 02 / / 1990 RRB

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1976

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1313

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3100629314

DORMANT ACCOUNT?(Y/N): N

LAST ICC CODE: 056

ANN BEGIN DATE: 06 / / 1976

ACCOUNT LAST ACTIVE: 1976

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: 06 / / 1976

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RU1A =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF2  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF2

EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

04/20/99  
11:48:54

EE SSN : 286 - 05 - 5496

EE NAME: OPALK JR , M ,

SERVICE MONTHS TOTALS

COMPENSATION TOTALS

-----  
TOTAL REPORTED : 433  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 433  
CREDITABLE 37-46 : 079

-----  
TIER 1 AMOUNT :\$ 174809.17  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 11873.33  
1959 GROSS AMOUNT :\$ 4513.92  
SSA WAGES :\$ 22359.00  
37-50 SSA WAGES :\$ 2136.28

S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

1952 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 49 QC'S THRU 1974 : 34 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF2  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMID104  
PAGE: 0001

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/20/9  
11:49:0

EE SSN: 286 - 05 - 5496      EE NAME: OPALK JR      , M ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                       |                  |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|-----------------------|------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE Y<br>AMOUN  |
|                           | 1982 |    |             |              |                |                |                      | 3                     | N                     | CCCN 0000 1102.1 |
|                           | 1981 |    |             |              |                |                |                      | 3                     | N                     | CCCN 0000 1036.8 |
|                           | 1980 |    |             |              |                |                |                      | 3                     | N                     | CCCN 0000 1029.4 |
|                           | 1979 |    |             |              |                |                |                      | 3                     | N                     | CCCN 0000 863.1  |
|                           | 1978 |    |             |              |                |                |                      | 2                     | N                     | CCNN 0000 585.0  |
|                           | 1977 |    |             |              |                |                |                      | 1                     | N                     | NNCN 0000 306.6  |
|                           | 1976 | 6  | 7700        | 0000         | 6683.34        |                |                      |                       |                       |                  |
|                           | 1975 | 12 | 7777        | 0000         | 12489.11       |                |                      |                       |                       |                  |
|                           | 1974 | 12 | 7777        | 0000         | 12003.76       |                |                      |                       |                       |                  |
|                           | 1973 | 12 | 7777        | 0000         | 10053.11       |                |                      |                       |                       |                  |

USER MESSAGE

-----RESPONSES-----  
EE INFO            =PF13    MISC SCORE       =PF15    S&E LEDGER            =PF18    MIL SERV =PF22  
EE SERV/RUIA =PF14    EE S&E TOTALS =PF16    SERV MO DETAIL       =PF19    HIST STMT=PF20

EDMID104

## EMPLOYMENT DATA MAINTENANCE

04/20/91

PAGE: 0002

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

11:49:10

EE SSN: 286 - 05 - 5496

EE NAME: OPALK JR

, M ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                  |                |                  |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|------------------|----------------|------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE Y<br>PATT | WAGE Y<br>AMOUNT |
| 1972                      | 12   |    | 7777        | 0000         | 7536.78        |                |                      |                       |                  |                |                  |
| 1971                      | 12   |    | 7777        | 0000         | 7373.86        |                |                      |                       |                  |                |                  |
| 1970                      | 12   |    | 7777        | 0000         | 7800.00        |                |                      |                       |                  |                |                  |
| 1969                      | 12   |    | 7777        | 0000         | 6536.92        |                |                      | 2                     | N                | NCCN 0000      | 871.50           |
| 1968                      | 12   |    | 7777        | 0000         | 6157.32        |                |                      | 2                     | N                | NCCN 0000      | 997.10           |
| 1967                      | 12   |    | 7777        | 0000         | 5675.96        |                |                      | 2                     | N                | NCCN 0000      | 993.80           |
| 1966                      | 12   |    | 7777        | 0000         | 5508.23        |                |                      | 2                     | N                | NCCN 0000      | 1037.80          |
| 1965                      | 12   |    | 7777        | 0000         | 5235.71        |                |                      | 2                     | N                | NCC# 0000      | 1161.00          |
| 1964                      | 12   |    | 7777        | 0000         | 4997.84        |                |                      | 2                     | N                | NCC# 0000      | 910.10           |
| 1963                      | 12   |    | 7777        | 0000         | 4791.88        |                |                      | 2                     | N                | NCC# 0000      | 867.00           |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

## -----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
 EE SERV/RUIA =PF14 EE S&E TOTALS =PF16 SERV MO DETAIL =PF19 HIST STMT=PF20

EDMID104  
PAGE: 0003

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/20/9  
11:49:2

EE SSN: 286 - 05 - 5496      EE NAME: OPALK JR      , M ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                       |                 |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|-----------------------|-----------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE Y<br>AMOUN |
|                           | 1962 | 12 | 7777        | 0000         | 4696.78        |                |                      | 2                     | N NCC# 0000           | 826.7           |
|                           | 1961 | 12 | 7777        | 0000         | 4653.12        |                |                      | 2                     | N NCCN 0000           | 777.8           |
|                           | 1960 | 12 | 7777        | 0000         | 4634.62        |                |                      | 2                     | N NCCN 0000           | 883.4           |
|                           | 1959 | 12 | 0000        | 0000         | 4409.03        |                |                      | 2                     | N NCCN 0000           | 833.1           |
|                           | 1958 | 12 | 0000        | 0000         | 4152.64        |                |                      | 2                     | N NCCN 0000           | 768.3           |
|                           | 1957 | 12 | 0000        | 0000         | 3978.53        |                |                      | 2                     | N NCCN 0000           | 859.6           |
|                           | 1956 | 12 | 0000        | 0000         | 3874.53        |                |                      | 2                     | N NCCN 0000           | 817.0           |
|                           | 1955 | 12 | 0000        | 0000         | 3467.53        |                |                      | 2                     | N NCCN 0000           | 720.0           |
|                           | 1954 | 12 | 0000        | 0000         | 3495.53        |                |                      | 2                     | N NCCN 0000           | 687.6           |
|                           | 1953 | 12 | 0000        | 0000         | 3381.53        |                |                      | 2                     | N NCCN 0000           | 691.6           |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

EE INFO           =PF13   MISC SCORE       =PF15   S&E LEDGER       =PF18   MIL SERV =PF22  
EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20

EDMID104  
PAGE: 0004

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/20/9  
11:49:3

EE SSN: 286 - 05 - 5496      EE NAME: OPALK JR      , M ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                       |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|-----------------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE Y.<br>AMOUNT |
|                           | 1952 | 12 | 0000        | 0000         | 3371.53        |                |                      | N                     | NNNN 0000             | 595.6             |
|                           | 1951 | 12 | 0000        | 0000         | 3300.53        |                |                      |                       |                       |                   |
|                           | 1950 | 12 | 0000        | 0000         | 2823.53        |                |                      |                       |                       |                   |
|                           | 1949 | 12 | 0000        | 0000         | 3145.53        |                |                      |                       |                       |                   |
|                           | 1948 | 12 | 0000        | 0000         | 3222.53        |                |                      |                       |                       |                   |
|                           | 1947 | 12 | 0000        | 0000         | 3484.53        |                |                      |                       |                       |                   |
|                           | 1946 | 79 | 0000        | 0000         | 11873.33       |                |                      |                       |                       |                   |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**Martin Opalk**

*Prepared for*

Carla Tricarichi  
Attorney at Law

*Prepared by:*

**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*



### Personal Data Sheet

|                                            |               |                                |
|--------------------------------------------|---------------|--------------------------------|
| Name:                                      | Martin Opalk  |                                |
| Date of Birth:                             | 5/10/1916     |                                |
| Date of Separation                         | 6/30/1976     | (50.41% of 1976 Remains)       |
| Age on:                                    | 6/30/1976     | 60.1 Years                     |
| Work Life Expectancy from:                 | 6/30/1976     | 5.7 Years ( 19.73% of 1982)*   |
| Age at Expiration of Work Life Expectancy: |               | 65.8 Years Old                 |
| Life Expectancy from:                      | 6/30/1976     | 20.4 Years ( 89.59% of 1996)** |
| Age at Expiration of Life Expectancy:      |               | 80.5 Years Old                 |
| Age on: 9/1/2007                           |               | 91.3 Years                     |
| Work Life Expectancy from:                 | 9/1/2007      | 0.0 Years ( 66.85% of 2007)*   |
| Age at Expiration of Work Life Expectancy: |               | 91.3 Years Old                 |
| Life Expectancy from:                      | 9/1/2007      | 3.8 Years ( 46.85% of 2011)**  |
| Age at Expiration of Life Expectancy:      |               | 95.1 Years Old                 |
| Occupation:                                | Car Inspector |                                |
| Date of Hire:                              | 1946          |                                |

### As of 9/1/2007

| <u>Name</u> | <u>Relationship</u> | <u>Date of Birth</u> | <u>Age</u> | <u>Life Expectancy</u> |
|-------------|---------------------|----------------------|------------|------------------------|
| Caroline    | Wife                | 5/5/1918             | 89.3       | 5.2 Years              |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates.  
February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E.  
United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville.  
Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup>  
revised March 28, 2007.

---

**Summary Sheet**

---

|                                                                                | Value               |
|--------------------------------------------------------------------------------|---------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>        |                     |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>        | <b>\$ 8,575</b>     |
| Pension Benefits                                                               | \$ 894              |
| Back Interest through 1/1/2007                                                 | <u>\$ 130,687</u>   |
| <b>Total</b>                                                                   | <b>\$ 140,156</b>   |
| <br><b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | <br><b>\$ 8,575</b> |
| Pension Benefits                                                               | \$ 894              |
| Back Interest through 1/1/2007                                                 | <u>\$ 201,917</u>   |
| <b>Total</b>                                                                   | <b>\$ 211,386</b>   |

Table 1: Schedule Showing the Earnings for the Years 1966-1976,  
& Displacement Allowance for Martin Opalk.

| Year                                        | Earnings (a) | Months<br>Employed (a) | Weighted<br>Wage Rate (b) | Forecasted<br>Wages (c) | Displacement<br>Allowance (d)       |
|---------------------------------------------|--------------|------------------------|---------------------------|-------------------------|-------------------------------------|
| 1966                                        | \$ 5,508.23  | 12                     | \$ 2.97                   | \$ 6,170.94             | -                                   |
| 1967                                        | \$ 5,675.96  | 12                     | \$ 3.19                   | \$ 6,645.47             | -                                   |
| 1968                                        | \$ 6,157.32  | 12                     | \$ 3.38                   | \$ 7,026.16             | \$ 868.84                           |
| 1969                                        | \$ 6,536.92  | 12                     | \$ 3.73                   | \$ 7,766.32             | \$ 1,229.40                         |
| 1970                                        | \$ 7,800.00  | 12                     | \$ 4.17                   | \$ 8,663.46             | -                                   |
| 1971                                        | \$ 7,373.86  | 12                     | \$ 4.49                   | \$ 9,339.94             | \$ 1,966.08                         |
| 1972                                        | \$ 7,536.78  | 12                     | \$ 4.94                   | \$ 10,281.75            | \$ 2,744.97                         |
| 1973                                        | \$ 10,053.11 | 12                     | \$ 5.38                   | \$ 11,186.98            | \$ 1,133.87                         |
| 1974                                        | \$ 12,003.76 | 12                     | \$ 5.66                   | \$ 11,772.80            | -                                   |
| 1975                                        | \$ 12,489.11 | 12                     | \$ 6.31                   | \$ 13,120.92            | \$ 631.81                           |
| 1976                                        | \$ 6,683.34  | 6                      | \$ 6.87                   | \$ 14,291.37            | -                                   |
| 1976 Annualized<br>Wage for<br>Displacement | \$ 13,477.19 |                        |                           | \$ 13,120.92            | 1976<br>Displacement<br>Allowance - |

\* Boxed earnings in the earnings column indicate that Mr. Opalk earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 9.

(c) The forecasted wages are calculated as the weighted wage rates multiplied by 2,080 hours per year.

(d) The displacement allowance for each year is calculated as the forecasted wages minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1976 annualized wage is calculated as \$6,683.34 divided by (1 - 50.41%). 50.41% is the amount of the year remaining after the date of separation.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Martin Opalk for the Years 1968 through 1975.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1968 | \$ 869                                         | \$ 77                   | \$ 946                                  |
| 1969 | \$ 1,229                                       | \$ 117                  | \$ 1,347                                |
| 1970 | -                                              | -                       | -                                       |
| 1971 | \$ 1,966                                       | \$ 196                  | \$ 2,162                                |
| 1972 | \$ 2,745                                       | \$ 273                  | \$ 3,018                                |
| 1973 | \$ 1,134                                       | \$ 134                  | \$ 1,268                                |
| 1974 | -                                              | -                       | -                                       |
| 1975 | \$ 632                                         | \$ 97                   | \$ 729                                  |
|      | \$ 8,575                                       | \$ 894                  | \$ 9,469                                |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Martin Opalk, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 946    | \$ 55             | 5.76%              | \$ 1,001         | \$ 55                                |
| 1969     | \$ 1,347  | \$ 161            | 6.84%              | \$ 2,508         | \$ 161                               |
| 1970     | \$ -      | \$ 189            | 7.56%              | \$ 2,698         | \$ 189                               |
| 1971     | \$ 2,162  | \$ 306            | 6.30%              | \$ 5,166         | \$ 306                               |
| 1972     | \$ 3,018  | \$ 520            | 6.36%              | \$ 8,704         | \$ 520                               |
| 1973     | \$ 1,268  | \$ 701            | 7.03%              | \$ 10,672        | \$ 701                               |
| 1974     | \$ -      | \$ 830            | 7.78%              | \$ 11,502        | \$ 830                               |
| 1975     | \$ 729    | \$ 1,007          | 8.23%              | \$ 13,238        | \$ 1,007                             |
| 1976     |           | \$ 1,037          | 7.83%              | \$ 14,274        | \$ 1,037                             |
| 1977     |           | \$ 1,089          | 7.63%              | \$ 15,363        | \$ 1,089                             |
| 1978     |           | \$ 1,333          | 8.68%              | \$ 16,697        | \$ 1,333                             |
| 1979     |           | \$ 1,631          | 9.77%              | \$ 18,328        | \$ 1,631                             |
| 1980     |           | \$ 2,186          | 11.93%             | \$ 20,514        | \$ 2,186                             |
| 1981     |           | \$ 3,008          | 14.66%             | \$ 23,522        | \$ 3,008                             |
| 1982     |           | \$ 3,213          | 13.66%             | \$ 26,735        | \$ 3,213                             |
| 1983     |           | \$ 3,093          | 11.57%             | \$ 29,828        | \$ 3,093                             |
| 1984     |           | \$ 3,894          | 13.05%             | \$ 33,722        | \$ 3,894                             |
| 1985     |           | \$ 3,726          | 11.05%             | \$ 37,449        | \$ 3,726                             |
| 1986     |           | \$ 2,956          | 7.89%              | \$ 40,405        | \$ 2,956                             |
| 1987     |           | \$ 3,498          | 8.66%              | \$ 43,903        | \$ 3,498                             |
| 1988     |           | \$ 4,016          | 9.15%              | \$ 47,919        | \$ 4,016                             |
| 1989     |           | \$ 4,200          | 8.76%              | \$ 52,119        | \$ 4,200                             |
| 1990     |           | \$ 4,601          | 8.83%              | \$ 56,720        | \$ 4,601                             |
| 1991     |           | \$ 4,591          | 8.09%              | \$ 61,311        | \$ 4,591                             |
| 1992     |           | \$ 4,412          | 7.20%              | \$ 65,724        | \$ 4,412                             |
| 1993     |           | \$ 3,944          | 6.00%              | \$ 69,667        | \$ 3,944                             |
| 1994     |           | \$ 5,072          | 7.28%              | \$ 74,740        | \$ 5,072                             |
| 1995     |           | \$ 5,033          | 6.73%              | \$ 79,772        | \$ 5,033                             |
| 1996     |           | \$ 5,263          | 6.60%              | \$ 85,035        | \$ 5,263                             |
| 1997     |           | \$ 5,530          | 6.50%              | \$ 90,565        | \$ 5,530                             |
| 1998     |           | \$ 4,858          | 5.36%              | \$ 95,423        | \$ 4,858                             |
| 1999     |           | \$ 5,507          | 5.77%              | \$ 100,930       | \$ 5,507                             |
| 2000     |           | \$ 6,225          | 6.17%              | \$ 107,155       | \$ 6,225                             |
| 2001     |           | \$ 5,481          | 5.12%              | \$ 112,636       | \$ 5,481                             |
| 2002     |           | \$ 5,283          | 4.69%              | \$ 117,919       | \$ 5,283                             |
| 2003     |           | \$ 4,800          | 4.07%              | \$ 122,719       | \$ 4,800                             |
| 2004     |           | \$ 5,325          | 4.34%              | \$ 128,044       | \$ 5,325                             |
| 2005     |           | \$ 5,582          | 4.36%              | \$ 133,626       | \$ 5,582                             |
| 2006 (d) |           | \$ 6,530          | 4.89%              | \$ 140,156       | \$ 6,530                             |
|          |           |                   |                    |                  | \$ 130,687                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Martin Opalk, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 946    | \$ 61             | 6.46%              | \$ 1,007         | \$ 61                                |
| 1969     | \$ 1,347  | \$ 193            | 8.19%              | \$ 2,547         | \$ 193                               |
| 1970     | \$ -      | \$ 207            | 8.15%              | \$ 2,754         | \$ 207                               |
| 1971     | \$ 2,162  | \$ 287            | 5.85%              | \$ 5,204         | \$ 287                               |
| 1972     | \$ 3,018  | \$ 440            | 5.35%              | \$ 8,662         | \$ 440                               |
| 1973     | \$ 1,268  | \$ 820            | 8.25%              | \$ 10,749        | \$ 820                               |
| 1974     | \$ -      | \$ 1,208          | 11.24%             | \$ 11,957        | \$ 1,208                             |
| 1975     | \$ 729    | \$ 1,027          | 8.09%              | \$ 13,712        | \$ 1,027                             |
| 1976     |           | \$ 962            | 7.02%              | \$ 14,675        | \$ 962                               |
| 1977     |           | \$ 1,027          | 7.00%              | \$ 15,702        | \$ 1,027                             |
| 1978     |           | \$ 1,470          | 9.36%              | \$ 17,172        | \$ 1,470                             |
| 1979     |           | \$ 2,279          | 13.27%             | \$ 19,450        | \$ 2,279                             |
| 1980     |           | \$ 3,135          | 16.12%             | \$ 22,586        | \$ 3,135                             |
| 1981     |           | \$ 4,571          | 20.24%             | \$ 27,156        | \$ 4,571                             |
| 1982     |           | \$ 4,261          | 15.69%             | \$ 31,417        | \$ 4,261                             |
| 1983     |           | \$ 3,531          | 11.24%             | \$ 34,948        | \$ 3,531                             |
| 1984     |           | \$ 4,401          | 12.59%             | \$ 39,350        | \$ 4,401                             |
| 1985     |           | \$ 4,056          | 10.31%             | \$ 43,406        | \$ 4,056                             |
| 1986     |           | \$ 3,730          | 8.59%              | \$ 47,136        | \$ 3,730                             |
| 1987     |           | \$ 3,987          | 8.46%              | \$ 51,123        | \$ 3,987                             |
| 1988     |           | \$ 4,930          | 9.64%              | \$ 56,053        | \$ 4,930                             |
| 1989     |           | \$ 6,347          | 11.32%             | \$ 62,400        | \$ 6,347                             |
| 1990     |           | \$ 6,484          | 10.39%             | \$ 68,884        | \$ 6,484                             |
| 1991     |           | \$ 6,016          | 8.73%              | \$ 74,900        | \$ 6,016                             |
| 1992     |           | \$ 4,793          | 6.40%              | \$ 79,694        | \$ 4,793                             |
| 1993     |           | \$ 4,890          | 6.14%              | \$ 84,584        | \$ 4,890                             |
| 1994     |           | \$ 6,199          | 7.33%              | \$ 90,783        | \$ 6,199                             |
| 1995     |           | \$ 8,285          | 9.13%              | \$ 99,067        | \$ 8,285                             |
| 1996     |           | \$ 8,451          | 8.53%              | \$ 107,519       | \$ 8,451                             |
| 1997     |           | \$ 9,368          | 8.71%              | \$ 116,886       | \$ 9,368                             |
| 1998     |           | \$ 10,075         | 8.62%              | \$ 126,961       | \$ 10,075                            |
| 1999     |           | \$ 10,457         | 8.24%              | \$ 137,418       | \$ 10,457                            |
| 2000     |           | \$ 13,134         | 9.56%              | \$ 150,552       | \$ 13,134                            |
| 2001     |           | \$ 10,682         | 7.10%              | \$ 161,234       | \$ 10,682                            |
| 2002     |           | \$ 7,671          | 4.76%              | \$ 168,904       | \$ 7,671                             |
| 2003     |           | \$ 7,071          | 4.19%              | \$ 175,976       | \$ 7,071                             |
| 2004     |           | \$ 7,764          | 4.41%              | \$ 183,740       | \$ 7,764                             |
| 2005     |           | \$ 11,631         | 6.33%              | \$ 195,371       | \$ 11,631                            |
| 2006 (d) |           | \$ 16,016         | 8.20%              | \$ 211,386       | \$ 16,016                            |
|          |           |                   |                    |                  | \$ 201,917                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Hourly Rates for Carmen from 1/1/1964 through 7/1/1997.

| Effective Date | Carmen   | Effective Date | Carmen   |
|----------------|----------|----------------|----------|
| 1/1/1964       | \$ 2.79  | 1/1/1982       | \$ 11.73 |
| 1/1/1965       | \$ 2.88  | 7/1/1982       | \$ 12.05 |
| 1/1/1966       | \$ 2.97  | 7/1/1982       | \$ 12.27 |
| 1/1/1967       | \$ 3.14  | 1/1/1983       | \$ 12.61 |
| 4/1/1967       | \$ 3.19  | 7/1/1983       | \$ 12.94 |
| 10/1/1967      | \$ 3.24  | 1/1/1984       | \$ 13.20 |
| 4/1/1968       | \$ 3.29  | 12/1/1985      | \$ 13.46 |
| 7/1/1968       | \$ 3.46  | 12/1/1986      | \$ 13.76 |
| 10/1/1968      | \$ 3.51  | 12/1/1987      | \$ 14.07 |
| 1/1/1969       | \$ 3.55  | 7/1/1991       | \$ 14.49 |
| 1/1/1969       | \$ 3.62  | 7/1/1993       | \$ 14.93 |
| 7/1/1969       | \$ 3.73  | 7/1/1994       | \$ 15.53 |
| 7/1/1969       | \$ 3.78  | 11/30/1995     | \$ 15.62 |
| 9/1/1969       | \$ 3.88  | 12/1/1995      | \$ 16.17 |
| 1/1/1970       | \$ 4.07  | 7/1/1996       | \$ 16.45 |
| 4/1/1970       | \$ 4.11  | 7/1/1997       | \$ 17.03 |
| 4/24/1970      | \$ 4.18  |                |          |
| 8/1/1970       | \$ 4.22  |                |          |
| 1/1/1971       | \$ 4.32  |                |          |
| 4/1/1971       | \$ 4.47  |                |          |
| 10/1/1971      | \$ 4.70  |                |          |
| 4/1/1972       | \$ 4.94  |                |          |
| 10/1/1972      | \$ 5.19  |                |          |
| 4/1/1973       | \$ 5.44  |                |          |
| 1/1/1974       | \$ 5.66  |                |          |
| 1/1/1975       | \$ 6.23  |                |          |
| 10/1/1975      | \$ 6.54  |                |          |
| 1/1/1976       | \$ 6.66  |                |          |
| 4/1/1976       | \$ 6.86  |                |          |
| 7/1/1976       | \$ 6.98  |                |          |
| 1/1/1977       | \$ 7.11  |                |          |
| 7/1/1977       | \$ 7.29  |                |          |
| 7/1/1977       | \$ 7.57  |                |          |
| 1/1/1978       | \$ 7.79  |                |          |
| 4/1/1978       | \$ 8.02  |                |          |
| 7/1/1978       | \$ 8.21  |                |          |
| 10/1/1978      | \$ 8.37  |                |          |
| 1/1/1979       | \$ 8.62  |                |          |
| 7/1/1979       | \$ 8.96  |                |          |
| 7/1/1979       | \$ 9.21  |                |          |
| 1/1/1980       | \$ 9.49  |                |          |
| 7/1/1980       | \$ 9.96  |                |          |
| 7/1/1980       | \$ 10.23 |                |          |
| 1/1/1981       | \$ 10.55 |                |          |
| 4/1/1981       | \$ 10.75 |                |          |
| 7/1/1981       | \$ 11.07 |                |          |
| 10/1/1981      | \$ 11.38 |                |          |

Source: Taken from the Brotherhood Railway Carmen Division Transportation-Communications International Union Wage Rate Progression Chart (Revised: January 24, 2003) sheet.



Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1964          | \$ 2.79     | 365            | \$ 1,017.18   | \$ 2.79              |             |
| 1965          | \$ 2.88     | 365            | \$ 1,050.03   | \$ 2.88              | 3.23%       |
| 1966          | \$ 2.97     | 365            | \$ 1,082.88   | \$ 2.97              | 3.13%       |
| 1967          | \$ 3.14     | 90             | \$ 283.03     | \$ 3.19              | 7.69%       |
|               | \$ 3.19     | 184            | \$ 587.84     |                      |             |
|               | \$ 3.24     | 91             | \$ 295.28     |                      |             |
| 1968          | \$ 3.24     | 90             | \$ 292.03     | \$ 3.38              | 5.73%       |
|               | \$ 3.29     | 91             | \$ 299.83     |                      |             |
|               | \$ 3.46     | 93             | \$ 321.73     |                      |             |
|               | \$ 3.51     | 91             | \$ 319.36     |                      |             |
| 1969          | \$ 3.62     | 181            | \$ 655.22     | \$ 3.73              | 10.53%      |
|               | \$ 3.78     | 63             | \$ 238.14     |                      |             |
|               | \$ 3.88     | 121            | \$ 469.48     |                      |             |
| 1970          | \$ 4.07     | 90             | \$ 366.30     | \$ 4.17              | 11.55%      |
|               | \$ 4.11     | 23             | \$ 94.53      |                      |             |
|               | \$ 4.18     | 100            | \$ 418.00     |                      |             |
|               | \$ 4.22     | 152            | \$ 641.44     |                      |             |
| 1971          | \$ 4.32     | 90             | \$ 388.80     | \$ 4.49              | 7.81%       |
|               | \$ 4.47     | 184            | \$ 822.48     |                      |             |
|               | \$ 4.70     | 91             | \$ 427.70     |                      |             |
| 1972          | \$ 4.70     | 90             | \$ 423.00     | \$ 4.94              | 10.08%      |
|               | \$ 4.94     | 184            | \$ 908.96     |                      |             |
|               | \$ 5.19     | 91             | \$ 472.29     |                      |             |
| 1973          | \$ 5.19     | 90             | \$ 467.10     | \$ 5.38              | 8.80%       |
|               | \$ 5.44     | 275            | \$ 1,496.00   |                      |             |
| 1974          | \$ 5.66     | 365            | \$ 2,065.90   | \$ 5.66              | 5.24%       |
| 1975          | \$ 6.23     | 273            | \$ 1,700.79   | \$ 6.31              | 11.45%      |
|               | \$ 6.54     | 92             | \$ 601.68     |                      |             |
| 1976          | \$ 6.66     | 90             | \$ 599.40     | \$ 6.87              | 8.92%       |
|               | \$ 6.86     | 92             | \$ 631.12     |                      |             |
|               | \$ 6.98     | 183            | \$ 1,277.34   |                      |             |
| 1977          | \$ 7.11     | 181            | \$ 1,286.91   | \$ 7.34              | 6.86%       |
|               | \$ 7.57     | 184            | \$ 1,392.88   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1978          | \$ 7.79     | 90             | \$ 701.10     | \$ 8.10              | 10.31%      |
|               | \$ 8.02     | 91             | \$ 729.82     |                      |             |
|               | \$ 8.21     | 93             | \$ 763.53     |                      |             |
|               | \$ 8.37     | 91             | \$ 761.67     |                      |             |
| 1979          | \$ 8.62     | 181            | \$ 1,560.22   | \$ 8.92              | 10.11%      |
|               | \$ 9.21     | 184            | \$ 1,694.64   |                      |             |
| 1980          | \$ 9.49     | 181            | \$ 1,717.69   | \$ 9.86              | 10.60%      |
|               | \$ 10.23    | 184            | \$ 1,882.32   |                      |             |
| 1981          | \$ 10.55    | 90             | \$ 949.50     | \$ 10.94             | 10.91%      |
|               | \$ 10.75    | 91             | \$ 978.25     |                      |             |
|               | \$ 11.07    | 93             | \$ 1,029.51   |                      |             |
|               | \$ 11.38    | 91             | \$ 1,035.58   |                      |             |
| 1982          | \$ 11.73    | 181            | \$ 2,123.13   | \$ 12.00             | 9.72%       |
|               | \$ 12.27    | 184            | \$ 2,257.68   |                      |             |
| 1983          | \$ 12.61    | 181            | \$ 2,282.41   | \$ 12.78             | 6.45%       |
|               | \$ 12.94    | 184            | \$ 2,380.96   |                      |             |
| 1984          | \$ 13.20    | 365            | \$ 4,818.00   | \$ 13.20             | 3.32%       |
| 1985          | \$ 13.20    | 334            | \$ 4,408.80   | \$ 13.22             | 0.17%       |
|               | \$ 13.46    | 31             | \$ 417.26     |                      |             |
| 1986          | \$ 13.46    | 334            | \$ 4,495.64   | \$ 13.49             | 1.99%       |
|               | \$ 13.76    | 31             | \$ 426.56     |                      |             |
| 1987          | \$ 13.76    | 334            | \$ 4,595.84   | \$ 13.79             | 2.23%       |
|               | \$ 14.07    | 31             | \$ 436.17     |                      |             |
| 1988          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 2.06%       |
| 1989          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1990          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1991          | \$ 14.07    | 181            | \$ 2,546.67   | \$ 14.28             | 1.50%       |
|               | \$ 14.49    | 184            | \$ 2,666.16   |                      |             |
| 1992          | \$ 14.49    | 365            | \$ 5,288.85   | \$ 14.49             | 1.46%       |
| 1993          | \$ 14.49    | 181            | \$ 2,622.69   | \$ 14.71             | 1.53%       |
|               | \$ 14.93    | 184            | \$ 2,747.12   |                      |             |

Table 9: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| Calendar Year                             | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|-------------------------------------------|-------------|----------------|---------------|----------------------|-------------|
| 1994                                      | \$ 14.93    | 181            | \$ 2,702.33   | \$ 15.23             | 3.54%       |
|                                           | \$ 15.53    | 184            | \$ 2,857.52   |                      |             |
| 1995                                      | \$ 15.53    | 333            | \$ 5,171.49   | \$ 15.58             | 2.31%       |
|                                           | \$ 15.62    | 1              | \$ 15.62      |                      |             |
|                                           | \$ 16.17    | 31             | \$ 501.27     |                      |             |
| 1996                                      | \$ 16.17    | 181            | \$ 2,926.77   | \$ 16.31             | 4.66%       |
|                                           | \$ 16.45    | 184            | \$ 3,026.80   |                      |             |
| 1997                                      | \$ 16.45    | 181            | \$ 2,977.45   | \$ 16.74             | 2.64%       |
|                                           | \$ 17.03    | 184            | \$ 3,133.52   |                      |             |
| 1964 through 1997 Compound Rate of Growth |             |                |               | 5.58%                |             |

EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

04/07/99

12:24:44

EE SSN : 286 - 03 - 7388

FE NAME: PENTZ

, L , S

SEX: M

PREVIOUS SURNAME:

DOB: 08 / / 1916 SCORE LOAD

ADDR1

DOD: / / 1975 RRB

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1975

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1313

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3100629297

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 057

ANN BEGIN DATE: / /

ACCOUNT LAST ACTIVE: 1975

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / /

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

04/07/99  
12:24:58

EE SSN : 286 - 03 - 7388

EE NAME: PENTZ , L , S

SERVICE MONTHS TOTALS

-----  
TOTAL REPORTED : 369  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 369  
CREDITABLE 37-46 : 026  
S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 2 QC'S THRU 1974 : 2 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

COMPENSATION TOTALS

-----  
TIER 1 AMOUNT :\$ 165332.17  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 5378.82  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 5368.23  
37-50 SSA WAGES :\$ 4055.60

1952 QC'S: 0 PATT: \$ 0.00

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDMID104

## EMPLOYMENT DATA MAINTENANCE

04/07/91

PAGE: 0001

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

12:25:08

EE SSN: 286 - 03 - 7388

EE NAME: PENTZ

, L , S

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                       |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|-----------------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE YI<br>AMOUNT |
| 1975                      | 7    |    | 7710        | 0000         |                |                |                      |                       |                       |                   |
| 1974                      | 12   |    | 7777        | 0000         |                |                |                      |                       |                       |                   |
| 1973                      | 12   |    | 7777        | 0000         |                |                |                      |                       |                       |                   |
| 1972                      | 12   |    | 7777        | 0000         |                |                |                      |                       |                       |                   |
| 1971                      | 12   |    | 7777        | 0000         |                |                |                      |                       |                       |                   |
| 1970                      | 12   |    | 7777        | 0000         |                |                |                      |                       |                       |                   |
| 1969                      | 12   |    | 7777        | 0000         |                |                |                      |                       |                       |                   |
| 1968                      | 12   |    | 7777        | 0000         |                |                |                      |                       |                       |                   |
| 1967                      | 12   |    | 7777        | 0000         |                |                |                      |                       |                       |                   |
| 1966                      | 12   |    | 7777        | 0000         |                |                |                      |                       |                       |                   |

USER MESSAGE

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

EDMID104

## EMPLOYMENT DATA MAINTENANCE

04/07/9

PAGE: 0002

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

12:25:2

EE SSN: 286 - 03 - 7388

EE NAME: PENTZ

, L , S

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                |                 |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|----------------|-----------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE Y<br>PATT | WAGE Y<br>AMOUN |
| 1965                      | 12   |    | 7777        | 0000         |                |                |              |                       |                  |                |                 |
| 1964                      | 12   |    | 7777        | 0000         |                |                |              |                       |                  |                |                 |
| 1963                      | 12   |    | 7777        | 0000         |                |                |              |                       |                  |                |                 |
| 1962                      | 12   |    | 7777        | 0000         |                |                |              |                       |                  |                |                 |
| 1961                      | 12   |    | 7777        | 0000         |                |                |              |                       |                  |                |                 |
| 1960                      | 12   |    | 7777        | 0000         |                |                |              |                       |                  |                |                 |
| 1959                      | 12   |    | 0000        | 0000         |                |                |              |                       |                  |                |                 |
| 1958                      | 12   |    | 0000        | 0000         |                |                |              |                       |                  |                |                 |
| 1957                      | 12   |    | 0000        | 0000         |                |                |              |                       |                  |                |                 |
| 1956                      | 12   |    | 0000        | 0000         |                |                |              |                       |                  |                |                 |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

## -----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

EDMID104  
PAGE: 0003

EMPLOYMENT DATA MAINTENANCE  
CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/07/91  
12:25:30

EE SSN: 286 - 03 - 7388      EE NAME: PENTZ      , L , S

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                       |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|-----------------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE YI<br>AMOUNT |
|                           | 1955 | 12 | 0000        | 0000         | 4048.59        |                |                      |                       |                       |                   |
|                           | 1954 | 12 | 0000        | 0000         | 3886.59        |                |                      |                       |                       |                   |
|                           | 1953 | 12 | 0000        | 0000         | 3560.59        |                |                      | 2                     | N                     | NCCN 0000 573.20  |
|                           | 1952 | 12 | 0000        | 0000         | 3582.59        |                |                      |                       | N                     | NNNN 0000 321.10  |
|                           | 1951 | 12 | 0000        | 0000         | 3542.59        |                |                      |                       | N                     | NNNN 0000 418.20  |
|                           | 1950 | 12 | 0000        | 0000         | 3279.59        |                |                      |                       |                       |                   |
|                           | 1949 | 12 | 0000        | 0000         | 3274.59        |                |                      |                       |                       |                   |
|                           | 1948 | 12 | 0000        | 0000         | 3382.59        |                |                      |                       |                       |                   |
|                           | 1947 | 12 | 0000        | 0000         | 3588.59        |                |                      |                       |                       |                   |
|                           | 1946 | 26 | 0000        | 0000         | 5378.82        |                |                      |                       |                       |                   |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |



**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**L.S. Pentz**

*Prepared for*

Carla Tricarichi  
Attorney at Law

*Prepared by:*

**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

### Personal Data Sheet

|                                            |               |                                |
|--------------------------------------------|---------------|--------------------------------|
| Name:                                      | L.S. Pentz    |                                |
| Date of Birth:                             | 8/13/1916     |                                |
| Date of Furlough                           | 1/20/1967     | (94.52% of 1967 Remains)       |
| Age on:                                    | 1/20/1967     | 50.4 Years                     |
| Work Life Expectancy from:                 | 1/20/1967     | 12.3 Years ( 35.62% of 1979)*  |
| Age at Expiration of Work Life Expectancy: |               | 62.7 Years Old                 |
| Life Expectancy from:                      | 1/20/1967     | 28.4 Years ( 45.48% of 1995)** |
| Age at Expiration of Life Expectancy:      |               | 78.8 Years Old                 |
| Age on:                                    | 9/1/2007      | 91.0 Years                     |
| Work Life Expectancy from:                 | 9/1/2007      | 0.0 Years ( 66.85% of 2007)*   |
| Age at Expiration of Work Life Expectancy: |               | 91.0 Years Old                 |
| Life Expectancy from:                      | 9/1/2007      | 3.9 Years ( 56.71% of 2011)**  |
| Age at Expiration of Life Expectancy:      |               | 94.9 Years Old                 |
| Occupation:                                | Car Inspector |                                |
| Date of Hire:                              | 1941          |                                |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates,  
February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E.  
United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville.  
Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup>  
revised March 28, 2007.

---

Summary Sheet

---

|                                                                         | Value             |
|-------------------------------------------------------------------------|-------------------|
| I. Loss of Displacement Allowance, Benefits, & Back Interest            |                   |
| A. Displacement Allowance (Interest Based on 10 Year Treasuries)        | \$ 4,824          |
| Pension Benefits                                                        | \$ 573            |
| Back Interest through 1/1/2007                                          | <u>\$ 68,294</u>  |
| Total                                                                   | \$ 73,692         |
| <br>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates) | <br>\$ 4,824      |
| Pension Benefits                                                        | \$ 573            |
| Back Interest through 1/1/2007                                          | <u>\$ 104,560</u> |
| Total                                                                   | \$ 109,957        |

Table 1: Schedule Showing the Earnings for the Years 1964-1975, and the Displacement Allowance for L.S. Pentz.

| Year                                  | Earnings (a) | Months Employed (a) | Weighted Wage Rate (b) | Forecasted Wages (c) | Displacement Allowance (d)                  |
|---------------------------------------|--------------|---------------------|------------------------|----------------------|---------------------------------------------|
| 1964                                  | \$ 5,304.02  | 12                  | \$ 2.79                | \$ 5,796.54          | -                                           |
| 1965                                  | \$ 5,395.96  | 12                  | \$ 2.88                | \$ 5,983.74          | -                                           |
| 1966                                  | \$ 6,238.78  | 12                  | \$ 2.97                | \$ 6,170.94          | -                                           |
| 1967                                  | \$ 6,433.06  | 12                  | \$ 3.19                | \$ 6,645.47          | -                                           |
| 1968                                  | \$ 7,159.17  | 12                  | \$ 3.38                | \$ 7,026.16          | -                                           |
| 1969                                  | \$ 7,298.42  | 12                  | \$ 3.73                | \$ 7,766.32          | \$ 467.90                                   |
| 1970                                  | \$ 7,796.02  | 12                  | \$ 4.17                | \$ 8,663.46          | \$ 867.44                                   |
| 1971                                  | \$ 7,800.00  | 12                  | \$ 4.49                | \$ 9,339.94          | -                                           |
| 1972                                  | \$ 8,988.04  | 12                  | \$ 4.94                | \$ 10,281.75         | \$ 1,293.71                                 |
| 1973                                  | \$ 10,756.24 | 12                  | \$ 5.38                | \$ 11,186.98         | \$ 430.74                                   |
| 1974                                  | \$ 12,503.76 | 12                  | \$ 5.66                | \$ 11,772.80         | -                                           |
| 1975 (e)                              | \$ 5,753.68  | 7                   | \$ 6.31                | \$ 13,120.92         | -                                           |
| 1975 Annualized Wage for Displacement | \$ 10,095.95 |                     |                        | \$ 13,120.92         | 1975 Displacement Allowance (g) \$ 1,764.57 |

Boxed earnings in the earnings column indicate that Mr. Pentz earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 9.

(c) The forecasted wages are calculated as the weighted wage rates multiplied by 2,080 hours per year.

(d) The displacement allowance for each year is calculated as the forecasted wages minus the earnings from column (a).

(e) Date of death was 7/27/1975.

(f) The 1975 annualized wage is calculated as \$5,753.68 divided by (1 - 43.01%). 43.01% is the amount of the year remaining after the date of death.

(g) The 1975 displacement allowance is partialled out to represent Mr. Pentz working for 7 months in 1975.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for L.S. Pentz for the Years 1969 through 1975.

| Year |     | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|-----|------------------------------------------------|-------------------------|-----------------------------------------|
| 1969 | (e) | \$ 468                                         | \$ 45                   | \$ 513                                  |
| 1970 |     | \$ 867                                         | \$ 83                   | \$ 950                                  |
| 1971 |     | -                                              | -                       | -                                       |
| 1972 |     | \$ 1,294                                       | \$ 124                  | \$ 1,417                                |
| 1973 |     | \$ 431                                         | \$ 51                   | \$ 482                                  |
| 1974 |     | -                                              | -                       | -                                       |
| 1975 |     | \$ 1,765                                       | \$ 271                  | \$ 2,035                                |
|      |     | \$ 4,824                                       | \$ 573                  | \$ 5,397                                |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for L.S. Pentz, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest<br>(b) | Interest Rates<br>(c) | Year End<br>Balance | Total Present<br>Value of Back<br>Interest |
|----------|-----------|----------------------|-----------------------|---------------------|--------------------------------------------|
| 1969     | \$ 513    | \$ 35                | 6.84%                 | \$ 548              | \$ 35                                      |
| 1970     | \$ 950    | \$ 113               | 7.56%                 | \$ 1,611            | \$ 113                                     |
| 1971     | \$ -      | \$ 102               | 6.30%                 | \$ 1,713            | \$ 102                                     |
| 1972     | \$ 1,417  | \$ 199               | 6.36%                 | \$ 3,329            | \$ 199                                     |
| 1973     | \$ 482    | \$ 268               | 7.03%                 | \$ 4,078            | \$ 268                                     |
| 1974     | \$ -      | \$ 317               | 7.78%                 | \$ 4,395            | \$ 317                                     |
| 1975     | \$ 2,035  | \$ 529               | 8.23%                 | \$ 6,960            | \$ 529                                     |
| 1976     |           | \$ 545               | 7.83%                 | \$ 7,505            | \$ 545                                     |
| 1977     |           | \$ 573               | 7.63%                 | \$ 8,078            | \$ 573                                     |
| 1978     |           | \$ 701               | 8.68%                 | \$ 8,779            | \$ 701                                     |
| 1979     |           | \$ 858               | 9.77%                 | \$ 9,636            | \$ 858                                     |
| 1980     |           | \$ 1,150             | 11.93%                | \$ 10,786           | \$ 1,150                                   |
| 1981     |           | \$ 1,582             | 14.66%                | \$ 12,367           | \$ 1,582                                   |
| 1982     |           | \$ 1,689             | 13.66%                | \$ 14,057           | \$ 1,689                                   |
| 1983     |           | \$ 1,626             | 11.57%                | \$ 15,683           | \$ 1,626                                   |
| 1984     |           | \$ 2,047             | 13.05%                | \$ 17,731           | \$ 2,047                                   |
| 1985     |           | \$ 1,959             | 11.05%                | \$ 19,690           | \$ 1,959                                   |
| 1986     |           | \$ 1,554             | 7.89%                 | \$ 21,244           | \$ 1,554                                   |
| 1987     |           | \$ 1,839             | 8.66%                 | \$ 23,083           | \$ 1,839                                   |
| 1988     |           | \$ 2,112             | 9.15%                 | \$ 25,195           | \$ 2,112                                   |
| 1989     |           | \$ 2,208             | 8.76%                 | \$ 27,403           | \$ 2,208                                   |
| 1990     |           | \$ 2,419             | 8.83%                 | \$ 29,822           | \$ 2,419                                   |
| 1991     |           | \$ 2,414             | 8.09%                 | \$ 32,236           | \$ 2,414                                   |
| 1992     |           | \$ 2,320             | 7.20%                 | \$ 34,556           | \$ 2,320                                   |
| 1993     |           | \$ 2,074             | 6.00%                 | \$ 36,630           | \$ 2,074                                   |
| 1994     |           | \$ 2,667             | 7.28%                 | \$ 39,297           | \$ 2,667                                   |
| 1995     |           | \$ 2,646             | 6.73%                 | \$ 41,943           | \$ 2,646                                   |
| 1996     |           | \$ 2,767             | 6.60%                 | \$ 44,710           | \$ 2,767                                   |
| 1997     |           | \$ 2,907             | 6.50%                 | \$ 47,617           | \$ 2,907                                   |
| 1998     |           | \$ 2,554             | 5.36%                 | \$ 50,172           | \$ 2,554                                   |
| 1999     |           | \$ 2,895             | 5.77%                 | \$ 53,067           | \$ 2,895                                   |
| 2000     |           | \$ 3,273             | 6.17%                 | \$ 56,340           | \$ 3,273                                   |
| 2001     |           | \$ 2,882             | 5.12%                 | \$ 59,222           | \$ 2,882                                   |
| 2002     |           | \$ 2,778             | 4.69%                 | \$ 62,000           | \$ 2,778                                   |
| 2003     |           | \$ 2,524             | 4.07%                 | \$ 64,523           | \$ 2,524                                   |
| 2004     |           | \$ 2,800             | 4.34%                 | \$ 67,323           | \$ 2,800                                   |
| 2005     |           | \$ 2,935             | 4.36%                 | \$ 70,258           | \$ 2,935                                   |
| 2006 (d) |           | \$ 3,434             | 4.89%                 | \$ 73,692           | \$ 3,434                                   |
|          |           |                      |                       |                     | \$ 68,294                                  |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file. Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for L.S. Pentz, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1969     | \$ 513    | \$ 42             | 8.19%              | \$ 555           | \$ 42                                |
| 1970     | \$ 950    | \$ 123            | 8.15%              | \$ 1,627         | \$ 123                               |
| 1971     | \$ -      | \$ 95             | 5.85%              | \$ 1,723         | \$ 95                                |
| 1972     | \$ 1,417  | \$ 168            | 5.35%              | \$ 3,308         | \$ 168                               |
| 1973     | \$ 482    | \$ 313            | 8.25%              | \$ 4,102         | \$ 313                               |
| 1974     | \$ -      | \$ 461            | 11.24%             | \$ 4,563         | \$ 461                               |
| 1975     | \$ 2,035  | \$ 534            | 8.09%              | \$ 7,133         | \$ 534                               |
| 1976     |           | \$ 501            | 7.02%              | \$ 7,633         | \$ 501                               |
| 1977     |           | \$ 534            | 7.00%              | \$ 8,168         | \$ 534                               |
| 1978     |           | \$ 765            | 9.36%              | \$ 8,932         | \$ 765                               |
| 1979     |           | \$ 1,185          | 13.27%             | \$ 10,118        | \$ 1,185                             |
| 1980     |           | \$ 1,631          | 16.12%             | \$ 11,748        | \$ 1,631                             |
| 1981     |           | \$ 2,377          | 20.24%             | \$ 14,126        | \$ 2,377                             |
| 1982     |           | \$ 2,217          | 15.69%             | \$ 16,342        | \$ 2,217                             |
| 1983     |           | \$ 1,837          | 11.24%             | \$ 18,179        | \$ 1,837                             |
| 1984     |           | \$ 2,290          | 12.59%             | \$ 20,469        | \$ 2,290                             |
| 1985     |           | \$ 2,110          | 10.31%             | \$ 22,578        | \$ 2,110                             |
| 1986     |           | \$ 1,940          | 8.59%              | \$ 24,519        | \$ 1,940                             |
| 1987     |           | \$ 2,074          | 8.46%              | \$ 26,593        | \$ 2,074                             |
| 1988     |           | \$ 2,564          | 9.64%              | \$ 29,157        | \$ 2,564                             |
| 1989     |           | \$ 3,302          | 11.32%             | \$ 32,459        | \$ 3,302                             |
| 1990     |           | \$ 3,373          | 10.39%             | \$ 35,831        | \$ 3,373                             |
| 1991     |           | \$ 3,129          | 8.73%              | \$ 38,961        | \$ 3,129                             |
| 1992     |           | \$ 2,493          | 6.40%              | \$ 41,454        | \$ 2,493                             |
| 1993     |           | \$ 2,544          | 6.14%              | \$ 43,998        | \$ 2,544                             |
| 1994     |           | \$ 3,224          | 7.33%              | \$ 47,222        | \$ 3,224                             |
| 1995     |           | \$ 4,309          | 9.13%              | \$ 51,532        | \$ 4,309                             |
| 1996     |           | \$ 4,396          | 8.53%              | \$ 55,928        | \$ 4,396                             |
| 1997     |           | \$ 4,873          | 8.71%              | \$ 60,801        | \$ 4,873                             |
| 1998     |           | \$ 5,241          | 8.62%              | \$ 66,041        | \$ 5,241                             |
| 1999     |           | \$ 5,440          | 8.24%              | \$ 71,481        | \$ 5,440                             |
| 2000     |           | \$ 6,832          | 9.56%              | \$ 78,312        | \$ 6,832                             |
| 2001     |           | \$ 5,556          | 7.10%              | \$ 83,869        | \$ 5,556                             |
| 2002     |           | \$ 3,990          | 4.76%              | \$ 87,859        | \$ 3,990                             |
| 2003     |           | \$ 3,678          | 4.19%              | \$ 91,537        | \$ 3,678                             |
| 2004     |           | \$ 4,039          | 4.41%              | \$ 95,576        | \$ 4,039                             |
| 2005     |           | \$ 6,050          | 6.33%              | \$ 101,626       | \$ 6,050                             |
| 2006 (d) |           | \$ 8,331          | 8.20%              | \$ 109,957       | \$ 8,331                             |
|          |           |                   |                    |                  | \$ 104,560                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.



Table 6: Schedule Showing the Hourly Rates for Carmen from 1/1/1964 through 7/1/1997.

| Effective Date | Carmen   | Effective Date | Carmen   |
|----------------|----------|----------------|----------|
| 1/1/1964       | \$ 2.79  | 1/1/1982       | \$ 11.73 |
| 1/1/1965       | \$ 2.88  | 7/1/1982       | \$ 12.05 |
| 1/1/1966       | \$ 2.97  | 7/1/1982       | \$ 12.27 |
| 1/1/1967       | \$ 3.14  | 1/1/1983       | \$ 12.61 |
| 4/1/1967       | \$ 3.19  | 7/1/1983       | \$ 12.94 |
| 10/1/1967      | \$ 3.24  | 1/1/1984       | \$ 13.20 |
| 4/1/1968       | \$ 3.29  | 12/1/1985      | \$ 13.46 |
| 7/1/1968       | \$ 3.46  | 12/1/1986      | \$ 13.76 |
| 10/1/1968      | \$ 3.51  | 12/1/1987      | \$ 14.07 |
| 1/1/1969       | \$ 3.55  | 7/1/1991       | \$ 14.49 |
| 1/1/1969       | \$ 3.62  | 7/1/1993       | \$ 14.93 |
| 7/1/1969       | \$ 3.73  | 7/1/1994       | \$ 15.53 |
| 7/1/1969       | \$ 3.78  | 11/30/1995     | \$ 15.62 |
| 9/1/1969       | \$ 3.88  | 12/1/1995      | \$ 16.17 |
| 1/1/1970       | \$ 4.07  | 7/1/1996       | \$ 16.45 |
| 4/1/1970       | \$ 4.11  | 7/1/1997       | \$ 17.03 |
| 4/24/1970      | \$ 4.18  |                |          |
| 8/1/1970       | \$ 4.22  |                |          |
| 1/1/1971       | \$ 4.32  |                |          |
| 4/1/1971       | \$ 4.47  |                |          |
| 10/1/1971      | \$ 4.70  |                |          |
| 4/1/1972       | \$ 4.94  |                |          |
| 10/1/1972      | \$ 5.19  |                |          |
| 4/1/1973       | \$ 5.44  |                |          |
| 1/1/1974       | \$ 5.66  |                |          |
| 1/1/1975       | \$ 6.23  |                |          |
| 10/1/1975      | \$ 6.54  |                |          |
| 1/1/1976       | \$ 6.66  |                |          |
| 4/1/1976       | \$ 6.86  |                |          |
| 7/1/1976       | \$ 6.98  |                |          |
| 1/1/1977       | \$ 7.11  |                |          |
| 7/1/1977       | \$ 7.29  |                |          |
| 7/1/1977       | \$ 7.57  |                |          |
| 1/1/1978       | \$ 7.79  |                |          |
| 4/1/1978       | \$ 8.02  |                |          |
| 7/1/1978       | \$ 8.21  |                |          |
| 10/1/1978      | \$ 8.37  |                |          |
| 1/1/1979       | \$ 8.62  |                |          |
| 7/1/1979       | \$ 8.96  |                |          |
| 7/1/1979       | \$ 9.21  |                |          |
| 1/1/1980       | \$ 9.49  |                |          |
| 7/1/1980       | \$ 9.96  |                |          |
| 7/1/1980       | \$ 10.23 |                |          |
| 1/1/1981       | \$ 10.55 |                |          |
| 4/1/1981       | \$ 10.75 |                |          |
| 7/1/1981       | \$ 11.07 |                |          |
| 10/1/1981      | \$ 11.38 |                |          |

Source: Taken from the Brotherhood Railway Carmen Division Transportation-Communications International Union Wage Rate Progression Chart (Revised: January 24, 2003) sheet.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1964          | \$ 2.79     | 365            | \$ 1,017.18   | \$ 2.79              |             |
| 1965          | \$ 2.88     | 365            | \$ 1,050.03   | \$ 2.88              | 3.23%       |
| 1966          | \$ 2.97     | 365            | \$ 1,082.88   | \$ 2.97              | 3.13%       |
| 1967          | \$ 3.14     | 90             | \$ 283.03     | \$ 3.19              | 7.69%       |
|               | \$ 3.19     | 184            | \$ 587.84     |                      |             |
|               | \$ 3.24     | 91             | \$ 295.28     |                      |             |
| 1968          | \$ 3.24     | 90             | \$ 292.03     | \$ 3.38              | 5.73%       |
|               | \$ 3.29     | 91             | \$ 299.83     |                      |             |
|               | \$ 3.46     | 93             | \$ 321.73     |                      |             |
|               | \$ 3.51     | 91             | \$ 319.36     |                      |             |
| 1969          | \$ 3.62     | 181            | \$ 655.22     | \$ 3.73              | 10.53%      |
|               | \$ 3.78     | 63             | \$ 238.14     |                      |             |
|               | \$ 3.88     | 121            | \$ 469.48     |                      |             |
| 1970          | \$ 4.07     | 90             | \$ 366.30     | \$ 4.17              | 11.55%      |
|               | \$ 4.11     | 23             | \$ 94.53      |                      |             |
|               | \$ 4.18     | 100            | \$ 418.00     |                      |             |
|               | \$ 4.22     | 152            | \$ 641.44     |                      |             |
| 1971          | \$ 4.32     | 90             | \$ 388.80     | \$ 4.49              | 7.81%       |
|               | \$ 4.47     | 184            | \$ 822.48     |                      |             |
|               | \$ 4.70     | 91             | \$ 427.70     |                      |             |
| 1972          | \$ 4.70     | 90             | \$ 423.00     | \$ 4.94              | 10.08%      |
|               | \$ 4.94     | 184            | \$ 908.96     |                      |             |
|               | \$ 5.19     | 91             | \$ 472.29     |                      |             |
| 1973          | \$ 5.19     | 90             | \$ 467.10     | \$ 5.38              | 8.80%       |
|               | \$ 5.44     | 275            | \$ 1,496.00   |                      |             |
| 1974          | \$ 5.66     | 365            | \$ 2,065.90   | \$ 5.66              | 5.24%       |
| 1975          | \$ 6.23     | 273            | \$ 1,700.79   | \$ 6.31              | 11.45%      |
|               | \$ 6.54     | 92             | \$ 601.68     |                      |             |
| 1976          | \$ 6.66     | 90             | \$ 599.40     | \$ 6.87              | 8.92%       |
|               | \$ 6.86     | 92             | \$ 631.12     |                      |             |
|               | \$ 6.98     | 183            | \$ 1,277.34   |                      |             |
| 1977          | \$ 7.11     | 181            | \$ 1,286.91   | \$ 7.34              | 6.86%       |
|               | \$ 7.57     | 184            | \$ 1,392.88   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1978          | \$ 7.79     | 90             | \$ 701.10     | \$ 8.10              | 10.31%      |
|               | \$ 8.02     | 91             | \$ 729.82     |                      |             |
|               | \$ 8.21     | 93             | \$ 763.53     |                      |             |
|               | \$ 8.37     | 91             | \$ 761.67     |                      |             |
| 1979          | \$ 8.62     | 181            | \$ 1,560.22   | \$ 8.92              | 10.11%      |
|               | \$ 9.21     | 184            | \$ 1,694.64   |                      |             |
| 1980          | \$ 9.49     | 181            | \$ 1,717.69   | \$ 9.86              | 10.60%      |
|               | \$ 10.23    | 184            | \$ 1,882.32   |                      |             |
| 1981          | \$ 10.55    | 90             | \$ 949.50     | \$ 10.94             | 10.91%      |
|               | \$ 10.75    | 91             | \$ 978.25     |                      |             |
|               | \$ 11.07    | 93             | \$ 1,029.51   |                      |             |
|               | \$ 11.38    | 91             | \$ 1,035.58   |                      |             |
| 1982          | \$ 11.73    | 181            | \$ 2,123.13   | \$ 12.00             | 9.72%       |
|               | \$ 12.27    | 184            | \$ 2,257.68   |                      |             |
| 1983          | \$ 12.61    | 181            | \$ 2,282.41   | \$ 12.78             | 6.45%       |
|               | \$ 12.94    | 184            | \$ 2,380.96   |                      |             |
| 1984          | \$ 13.20    | 365            | \$ 4,818.00   | \$ 13.20             | 3.32%       |
| 1985          | \$ 13.20    | 334            | \$ 4,408.80   | \$ 13.22             | 0.17%       |
|               | \$ 13.46    | 31             | \$ 417.26     |                      |             |
| 1986          | \$ 13.46    | 334            | \$ 4,495.64   | \$ 13.49             | 1.99%       |
|               | \$ 13.76    | 31             | \$ 426.56     |                      |             |
| 1987          | \$ 13.76    | 334            | \$ 4,595.84   | \$ 13.79             | 2.23%       |
|               | \$ 14.07    | 31             | \$ 436.17     |                      |             |
| 1988          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 2.06%       |
| 1989          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1990          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1991          | \$ 14.07    | 181            | \$ 2,546.67   | \$ 14.28             | 1.50%       |
|               | \$ 14.49    | 184            | \$ 2,666.16   |                      |             |
| 1992          | \$ 14.49    | 365            | \$ 5,288.85   | \$ 14.49             | 1.46%       |
| 1993          | \$ 14.49    | 181            | \$ 2,622.69   | \$ 14.71             | 1.53%       |
|               | \$ 14.93    | 184            | \$ 2,747.12   |                      |             |

Table 9: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| <u>Calendar Year</u> | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|----------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1994                 | \$ 14.93           | 181                   | \$ 2,702.33          | \$ 15.23                    | 3.54%              |
|                      | \$ 15.53           | 184                   | \$ 2,857.52          |                             |                    |
| 1995                 | \$ 15.53           | 333                   | \$ 5,171.49          | \$ 15.58                    | 2.31%              |
|                      | \$ 15.62           | 1                     | \$ 15.62             |                             |                    |
|                      | \$ 16.17           | 31                    | \$ 501.27            |                             |                    |
| 1996                 | \$ 16.17           | 181                   | \$ 2,926.77          | \$ 16.31                    | 4.66%              |
|                      | \$ 16.45           | 184                   | \$ 3,026.80          |                             |                    |
| 1997                 | \$ 16.45           | 181                   | \$ 2,977.45          | \$ 16.74                    | 2.64%              |
|                      | \$ 17.03           | 184                   | \$ 3,133.52          |                             |                    |

1964 through 1997 Compound Rate of Growth

5.58%

EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

04/20/99

10:27:12

EE SSN : 294 - 09 - 1844

FE NAME: SCHREINER

, R , N

SEX: M

PREVIOUS SURNAME:

DOB: 04 / 29 / 1918 RRB

ADDR1

DOD: 03 / 16 / 1994 SSA

ADDR2

LAST COA MADE BY

CITY

STATE ZIP

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1979

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1321

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3100631426

DORMANT ACCOUNT?(Y/N): N

LAST ICC CODE: 057

ANN BEGIN DATE: 07 / 01 / 1979

ACCOUNT LAST ACTIVE: 1980

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / /

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

04/20/99

10:27:27

EE SSN : 294 - 09 - 1844

EE NAME: SCHREINER , R , N

SERVICE MONTHS TOTALS

COMPENSATION TOTALS

-----  
TOTAL REPORTED : 403  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 403  
CREDITABLE 37-46 : 023

-----  
TIER 1 AMOUNT :\$ 200955.61  
TIER 2 AMOUNT :\$ 3129.97  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 3843.97  
1959 GROSS AMOUNT :\$ 4582.23  
SSA WAGES :\$ 6739.85  
37-50 SSA WAGES :\$ 1936.00

S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

1952 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 14 QC'S THRU 1974 : 14 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N) :

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDM1D104

## EMPLOYMENT DATA MAINTENANCE

04/20/9

PAGE: 0001

## CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

10:27:3

EE SSN: 294 - 09 - 1844

EE NAME: SCHREINER

, R , N

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                  |                 |       |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|------------------|-----------------|-------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE Y.<br>PATT | AMOUN |
| 1979                      | 3    |    | 5100        | 0000         | 3129.97        | 3129.97        |                      |                       |                  |                 |       |
| 1978                      | 12   |    | 7777        | 0000         | 15780.74       |                |                      |                       |                  |                 |       |
| 1977                      | 12   |    | 7777        | 0000         | 15616.47       |                |                      |                       |                  |                 |       |
| 1976                      | 12   |    | 7777        | 0000         | 14595.84       |                |                      |                       |                  |                 |       |
| 1975                      | 12   |    | 7777        | 0000         | 13061.29       |                |                      |                       |                  |                 |       |
| 1974                      | 12   |    | 7777        | 0000         | 12639.49       |                |                      |                       |                  |                 |       |
| 1973                      | 11   |    | 5777        | 0000         | 9389.34        |                |                      |                       |                  |                 |       |
| 1972                      | 12   |    | 7777        | 0000         | 7120.60        |                |                      |                       |                  |                 |       |
| 1971                      | 12   |    | 7777        | 0000         | 7168.64        |                |                      |                       |                  |                 |       |
| 1970                      | 12   |    | 7777        | 0000         | 7776.76        |                |                      |                       |                  |                 |       |

USER MESSAGE

## -----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
 EE SERV/RUIA =PF14 EE S&E TOTALS =PF16 SERV MO DETAIL =PF19 HIST STMT=PF20

EDM1D104

## EMPLOYMENT DATA MAINTENANCE

04/20/9

PAGE: 0003

## CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

10:28:0

EE SSN: 294 - 09 - 1844

EE NAME: SCHREINER

, R , N

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO ----- |                   |                |                  |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|----------------------|-------------------|----------------|------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA      | WAGE M/S<br>SE&AG | WAGE Y<br>PATT | WAGE Y<br>AMOUNT |
| 1959                      | 12   |    | 0000        | 0000         | 4409.03        |                |              |                      | N                 | ##N# 0000      | 108.2'           |
| 1958                      | 12   |    | 0000        | 0000         | 4138.56        |                |              | 1                    | N                 | NNC# 0000      | 64.7'            |
| 1957                      | 12   |    | 0000        | 0000         | 3983.49        |                |              |                      | N                 | N##N 0000      | 61.0'            |
| 1956                      | 12   |    | 0000        | 0000         | 4007.49        |                |              | 2                    | N                 | CNNC 0000      | 396.0'           |
| 1955                      | 12   |    | 0000        | 0000         | 3477.49        |                |              | 4                    | N                 | CCCC 0000      | 912.4'           |
| 1954                      | 12   |    | 0000        | 0000         | 3457.49        |                |              | 2                    | N                 | NNCC 0000      | 406.0'           |
| 1953                      | 12   |    | 0000        | 0000         | 3320.49        |                |              | 4                    | N                 | CCCC 0000      | 1163.2'          |
| 1952                      | 12   |    | 0000        | 0000         | 3306.49        |                |              |                      | N                 | NNNN 0000      | 1114.7'          |
| 1951                      | 12   |    | 0000        | 0000         | 3158.49        |                |              |                      | N                 | NNNN 0000      | 426.0'           |
| 1950                      | 12   |    | 0000        | 0000         | 2849.49        |                |              |                      |                   |                |                  |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |



EDMD104

## EMPLOYMENT DATA MAINTENANCE

04/20/9

PAGE: 0004

## CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

10:28:0

EE SSN: 294 - 09 - 1844

EE NAME: SCHREINER

, R , N

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO ----- |                   |                 |                |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|----------------------|-------------------|-----------------|----------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA      | WAGE M/S<br>SE&AG | WAGE Y.<br>PATT | AMOUN'<br>PATT |
| 1949                      | 12   |    | 0000        | 0000         | 3225.49        |                |              |                      |                   |                 |                |
| 1948                      | 12   |    | 0000        | 0000         | 3192.49        |                |              |                      |                   |                 |                |
| 1947                      | 12   |    | 0000        | 0000         | 2904.49        |                |              |                      |                   |                 |                |
| 1946                      | 23   |    | 0000        | 0000         | 3843.97        |                |              |                      |                   |                 |                |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

## -----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**Robert Schreiner**

*Prepared for*

**Carla Tricarichi**  
**Attorney at Law**

*Prepared by:*

**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

## Personal Data Sheet

|                                            |                       |                                |
|--------------------------------------------|-----------------------|--------------------------------|
| Name:                                      | Robert Schreiner      |                                |
| Date of Birth:                             | 4/29/1918             |                                |
| Date of Separation                         | 3/31/1979             | (75.34% of 1979 Remains)       |
| Age on:                                    | 3/31/1979             | 60.9 Years                     |
| Work Life Expectancy from:                 | 3/31/1979             | 5.4 Years ( 64.38% of 1984)*   |
| Age at Expiration of Work Life Expectancy: |                       | 66.3 Years Old                 |
| Life Expectancy from:                      | 3/31/1979             | 19.9 Years ( 14.52% of 1999)** |
| Age at Expiration of Life Expectancy:      |                       | 80.8 Years Old                 |
| Age on:                                    | 9/1/2007              | 89.3 Years                     |
| Work Life Expectancy from:                 | 9/1/2007              | 0.0 Years ( 66.85% of 2007)*   |
| Age at Expiration of Work Life Expectancy: |                       | 89.3 Years Old                 |
| Life Expectancy from:                      | 9/1/2007              | 4.4 Years ( 6.58% of 2012)**   |
| Age at Expiration of Life Expectancy:      |                       | 93.7 Years Old                 |
| Occupation:                                | Presser/Car Inspector |                                |
| Date of Hire:                              | 1942                  |                                |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville. Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

---

Summary Sheet

---

|                                                                     | Value             |
|---------------------------------------------------------------------|-------------------|
| I. Loss of Displacement Allowance, Benefits, & Back Interest        |                   |
| A. Displacement Allowance (Interest Based on 10 Year Treasuries)    | \$ 18,830         |
| Pension Benefits                                                    | \$ 1,985          |
| Back Interest through 1/1/2007                                      | <u>\$ 291,485</u> |
| Total                                                               | \$ 312,300        |
| B. Displacement Allowance (Interest Based on Bank Prime Loan Rates) | \$ 18,830         |
| Pension Benefits                                                    | \$ 1,985          |
| Back Interest through 1/1/2007                                      | <u>\$ 452,369</u> |
| Total                                                               | \$ 473,184        |

Table 1: Schedule Showing the Earnings for the Years 1966-1979,  
& Displacement Allowance for Robert Schreiner.

| Year                                                         | Earnings (a) | Months<br>Employed (a) | Weighted<br>Wage Rate (b) | Forecasted<br>Wages (c) | Displacement<br>Allowance (d)                     |
|--------------------------------------------------------------|--------------|------------------------|---------------------------|-------------------------|---------------------------------------------------|
| 1966                                                         | \$ 5,570.13  | 12                     | \$ 2.97                   | \$ 6,170.94             | -                                                 |
| 1967                                                         | \$ 5,040.42  | 11                     | \$ 3.19                   | \$ 6,645.47             | -                                                 |
| 1968                                                         | \$ 2,229.70  | 9                      | \$ 3.38                   | \$ 7,026.16             | \$ 4,796.46                                       |
| 1969                                                         | \$ 4,338.55  | 11                     | \$ 3.73                   | \$ 7,766.32             | \$ 3,427.77                                       |
| 1970                                                         | \$ 7,776.76  | 12                     | \$ 4.17                   | \$ 8,663.46             | \$ 886.70                                         |
| 1971                                                         | \$ 7,168.64  | 12                     | \$ 4.49                   | \$ 9,339.94             | \$ 2,171.30                                       |
| 1972                                                         | \$ 7,120.60  | 12                     | \$ 4.94                   | \$ 10,281.75            | \$ 3,161.15                                       |
| 1973                                                         | \$ 9,389.34  | 11                     | \$ 5.38                   | \$ 11,186.98            | \$ 1,797.64                                       |
| 1974                                                         | \$ 12,639.49 | 12                     | \$ 5.66                   | \$ 11,772.80            | -                                                 |
| 1975                                                         | \$ 13,061.29 | 12                     | \$ 6.31                   | \$ 13,120.92            | \$ 59.63                                          |
| 1976                                                         | \$ 14,595.84 | 12                     | \$ 6.87                   | \$ 14,291.37            | -                                                 |
| 1977                                                         | \$ 15,616.47 | 12                     | \$ 7.34                   | \$ 15,271.13            | -                                                 |
| 1978                                                         | \$ 15,780.74 | 12                     | \$ 8.10                   | \$ 16,845.83            | \$ 1,065.09                                       |
| 1979                                                         | \$ 3,129.97  | 3                      | \$ 8.92                   | \$ 18,548.24            | -                                                 |
| 1979 Annualized<br>Wage for<br>Displacement<br>Allowance (e) | \$ 12,692.50 |                        |                           | \$ 18,548.24            | 1979<br>Displacement<br>Allowance (f) \$ 1,463.94 |

\* Boxed earnings in the earnings column indicate that Mr. Schreiner earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 9.

(c) The forecasted wages are calculated as the weighted wage rates multiplied by 2,080 hours per year.

(d) The displacement allowance for each year is calculated as the forecasted wages minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1979 annualized wage is calculated as \$3,129.97 divided by (1 - 75.34%). 75.34% is the amount of the year remaining after the date of separation.

(f) The 1979 displacement allowance is partialled out to represent Mr. Schreiner working for 3 months in 1979.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Robert Schreiner for the Years 1968 through 1979.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1968 | \$ 4,796                                       | \$ 427                  | \$ 5,223                                |
| 1969 | \$ 3,428                                       | \$ 327                  | \$ 3,755                                |
| 1970 | \$ 887                                         | \$ 85                   | \$ 971                                  |
| 1971 | \$ 2,171                                       | \$ 216                  | \$ 2,387                                |
| 1972 | \$ 3,161                                       | \$ 315                  | \$ 3,476                                |
| 1973 | \$ 1,798                                       | \$ 212                  | \$ 2,010                                |
| 1974 | -                                              | -                       | -                                       |
| 1975 | \$ 60                                          | \$ 9                    | \$ 69                                   |
| 1976 | -                                              | -                       | -                                       |
| 1977 | -                                              | -                       | -                                       |
| 1978 | \$ 1,065                                       | \$ 166                  | \$ 1,231                                |
| 1979 | \$ 1,464                                       | \$ 229                  | \$ 1,693                                |
|      | \$ 18,830                                      | \$ 1,985                | \$ 20,815                               |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Robert Schreiner, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 5,223  | \$ 301            | 5.76%              | \$ 5,524         | \$ 301                               |
| 1969     | \$ 3,755  | \$ 635            | 6.84%              | \$ 9,914         | \$ 635                               |
| 1970     | \$ 971    | \$ 822            | 7.56%              | \$ 11,708        | \$ 822                               |
| 1971     | \$ 2,387  | \$ 889            | 6.30%              | \$ 14,984        | \$ 889                               |
| 1972     | \$ 3,476  | \$ 1,173          | 6.36%              | \$ 19,633        | \$ 1,173                             |
| 1973     | \$ 2,010  | \$ 1,521          | 7.03%              | \$ 23,163        | \$ 1,521                             |
| 1974     | \$ -      | \$ 1,801          | 7.78%              | \$ 24,965        | \$ 1,801                             |
| 1975     | \$ 69     | \$ 2,061          | 8.23%              | \$ 27,094        | \$ 2,061                             |
| 1976     | \$ -      | \$ 2,121          | 7.83%              | \$ 29,216        | \$ 2,121                             |
| 1977     | \$ -      | \$ 2,229          | 7.63%              | \$ 31,445        | \$ 2,229                             |
| 1978     | \$ 1,231  | \$ 2,836          | 8.68%              | \$ 35,511        | \$ 2,836                             |
| 1979     | \$ 1,693  | \$ 3,634          | 9.77%              | \$ 40,838        | \$ 3,634                             |
| 1980     |           | \$ 4,872          | 11.93%             | \$ 45,710        | \$ 4,872                             |
| 1981     |           | \$ 6,703          | 14.66%             | \$ 52,413        | \$ 6,703                             |
| 1982     |           | \$ 7,159          | 13.66%             | \$ 59,571        | \$ 7,159                             |
| 1983     |           | \$ 6,893          | 11.57%             | \$ 66,464        | \$ 6,893                             |
| 1984     |           | \$ 8,677          | 13.05%             | \$ 75,141        | \$ 8,677                             |
| 1985     |           | \$ 8,303          | 11.05%             | \$ 83,444        | \$ 8,303                             |
| 1986     |           | \$ 6,587          | 7.89%              | \$ 90,031        | \$ 6,587                             |
| 1987     |           | \$ 7,795          | 8.66%              | \$ 97,825        | \$ 7,795                             |
| 1988     |           | \$ 8,949          | 9.15%              | \$ 106,775       | \$ 8,949                             |
| 1989     |           | \$ 9,358          | 8.76%              | \$ 116,132       | \$ 9,358                             |
| 1990     |           | \$ 10,252         | 8.83%              | \$ 126,385       | \$ 10,252                            |
| 1991     |           | \$ 10,230         | 8.09%              | \$ 136,615       | \$ 10,230                            |
| 1992     |           | \$ 9,831          | 7.20%              | \$ 146,447       | \$ 9,831                             |
| 1993     |           | \$ 8,788          | 6.00%              | \$ 155,234       | \$ 8,788                             |
| 1994     |           | \$ 11,302         | 7.28%              | \$ 166,536       | \$ 11,302                            |
| 1995     |           | \$ 11,214         | 6.73%              | \$ 177,750       | \$ 11,214                            |
| 1996     |           | \$ 11,727         | 6.60%              | \$ 189,477       | \$ 11,727                            |
| 1997     |           | \$ 12,321         | 6.50%              | \$ 201,798       | \$ 12,321                            |
| 1998     |           | \$ 10,826         | 5.36%              | \$ 212,624       | \$ 10,826                            |
| 1999     |           | \$ 12,270         | 5.77%              | \$ 224,894       | \$ 12,270                            |
| 2000     |           | \$ 13,871         | 6.17%              | \$ 238,765       | \$ 13,871                            |
| 2001     |           | \$ 12,214         | 5.12%              | \$ 250,978       | \$ 12,214                            |
| 2002     |           | \$ 11,772         | 4.69%              | \$ 262,750       | \$ 11,772                            |
| 2003     |           | \$ 10,696         | 4.07%              | \$ 273,446       | \$ 10,696                            |
| 2004     |           | \$ 11,864         | 4.34%              | \$ 285,310       | \$ 11,864                            |
| 2005     |           | \$ 12,438         | 4.36%              | \$ 297,748       | \$ 12,438                            |
| 2006 (d) |           | \$ 14,551         | 4.89%              | \$ 312,300       | \$ 14,551                            |
|          |           |                   |                    |                  | \$ 291,485                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Robert Schreiner, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 5,223  | \$ 338            | 6.46%              | \$ 5,561         | \$ 338                               |
| 1969     | \$ 3,755  | \$ 763            | 8.19%              | \$ 10,079        | \$ 763                               |
| 1970     | \$ 971    | \$ 900            | 8.15%              | \$ 11,951        | \$ 900                               |
| 1971     | \$ 2,387  | \$ 838            | 5.85%              | \$ 15,176        | \$ 838                               |
| 1972     | \$ 3,476  | \$ 998            | 5.35%              | \$ 19,650        | \$ 998                               |
| 1973     | \$ 2,010  | \$ 1,788          | 8.25%              | \$ 23,448        | \$ 1,788                             |
| 1974     | \$ -      | \$ 2,635          | 11.24%             | \$ 26,083        | \$ 2,635                             |
| 1975     | \$ 69     | \$ 2,117          | 8.09%              | \$ 28,268        | \$ 2,117                             |
| 1976     | \$ -      | \$ 1,984          | 7.02%              | \$ 30,252        | \$ 1,984                             |
| 1977     | \$ -      | \$ 2,117          | 7.00%              | \$ 32,369        | \$ 2,117                             |
| 1978     | \$ 1,231  | \$ 3,146          | 9.36%              | \$ 36,746        | \$ 3,146                             |
| 1979     | \$ 1,693  | \$ 5,101          | 13.27%             | \$ 43,539        | \$ 5,101                             |
| 1980     |           | \$ 7,018          | 16.12%             | \$ 50,557        | \$ 7,018                             |
| 1981     |           | \$ 10,231         | 20.24%             | \$ 60,788        | \$ 10,231                            |
| 1982     |           | \$ 9,539          | 15.69%             | \$ 70,327        | \$ 9,539                             |
| 1983     |           | \$ 7,904          | 11.24%             | \$ 78,231        | \$ 7,904                             |
| 1984     |           | \$ 9,853          | 12.59%             | \$ 88,083        | \$ 9,853                             |
| 1985     |           | \$ 9,080          | 10.31%             | \$ 97,163        | \$ 9,080                             |
| 1986     |           | \$ 8,350          | 8.59%              | \$ 105,514       | \$ 8,350                             |
| 1987     |           | \$ 8,924          | 8.46%              | \$ 114,438       | \$ 8,924                             |
| 1988     |           | \$ 11,035         | 9.64%              | \$ 125,473       | \$ 11,035                            |
| 1989     |           | \$ 14,208         | 11.32%             | \$ 139,681       | \$ 14,208                            |
| 1990     |           | \$ 14,515         | 10.39%             | \$ 154,196       | \$ 14,515                            |
| 1991     |           | \$ 13,467         | 8.73%              | \$ 167,663       | \$ 13,467                            |
| 1992     |           | \$ 10,730         | 6.40%              | \$ 178,393       | \$ 10,730                            |
| 1993     |           | \$ 10,947         | 6.14%              | \$ 189,340       | \$ 10,947                            |
| 1994     |           | \$ 13,876         | 7.33%              | \$ 203,215       | \$ 13,876                            |
| 1995     |           | \$ 18,545         | 9.13%              | \$ 221,760       | \$ 18,545                            |
| 1996     |           | \$ 18,918         | 8.53%              | \$ 240,678       | \$ 18,918                            |
| 1997     |           | \$ 20,969         | 8.71%              | \$ 261,647       | \$ 20,969                            |
| 1998     |           | \$ 22,552         | 8.62%              | \$ 284,199       | \$ 22,552                            |
| 1999     |           | \$ 23,409         | 8.24%              | \$ 307,608       | \$ 23,409                            |
| 2000     |           | \$ 29,399         | 9.56%              | \$ 337,007       | \$ 29,399                            |
| 2001     |           | \$ 23,911         | 7.10%              | \$ 360,918       | \$ 23,911                            |
| 2002     |           | \$ 17,171         | 4.76%              | \$ 378,089       | \$ 17,171                            |
| 2003     |           | \$ 15,829         | 4.19%              | \$ 393,918       | \$ 15,829                            |
| 2004     |           | \$ 17,380         | 4.41%              | \$ 411,298       | \$ 17,380                            |
| 2005     |           | \$ 26,035         | 6.33%              | \$ 437,333       | \$ 26,035                            |
| 2006 (d) |           | \$ 35,851         | 8.20%              | \$ 473,184       | \$ 35,851                            |
|          |           |                   |                    |                  | \$ 452,369                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.



Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Hourly Rates for Carmen from 1/1/1964 through 7/1/1997.

| Effective Date | Carmen   | Effective Date | Carmen   |
|----------------|----------|----------------|----------|
| 1/1/1964       | \$ 2.79  | 1/1/1982       | \$ 11.73 |
| 1/1/1965       | \$ 2.88  | 7/1/1982       | \$ 12.05 |
| 1/1/1966       | \$ 2.97  | 7/1/1982       | \$ 12.27 |
| 1/1/1967       | \$ 3.14  | 1/1/1983       | \$ 12.61 |
| 4/1/1967       | \$ 3.19  | 7/1/1983       | \$ 12.94 |
| 10/1/1967      | \$ 3.24  | 1/1/1984       | \$ 13.20 |
| 4/1/1968       | \$ 3.29  | 12/1/1985      | \$ 13.46 |
| 7/1/1968       | \$ 3.46  | 12/1/1986      | \$ 13.76 |
| 10/1/1968      | \$ 3.51  | 12/1/1987      | \$ 14.07 |
| 1/1/1969       | \$ 3.55  | 7/1/1991       | \$ 14.49 |
| 1/1/1969       | \$ 3.62  | 7/1/1993       | \$ 14.93 |
| 7/1/1969       | \$ 3.73  | 7/1/1994       | \$ 15.53 |
| 7/1/1969       | \$ 3.78  | 11/30/1995     | \$ 15.62 |
| 9/1/1969       | \$ 3.88  | 12/1/1995      | \$ 16.17 |
| 1/1/1970       | \$ 4.07  | 7/1/1996       | \$ 16.45 |
| 4/1/1970       | \$ 4.11  | 7/1/1997       | \$ 17.03 |
| 4/24/1970      | \$ 4.18  |                |          |
| 8/1/1970       | \$ 4.22  |                |          |
| 1/1/1971       | \$ 4.32  |                |          |
| 4/1/1971       | \$ 4.47  |                |          |
| 10/1/1971      | \$ 4.70  |                |          |
| 4/1/1972       | \$ 4.94  |                |          |
| 10/1/1972      | \$ 5.19  |                |          |
| 4/1/1973       | \$ 5.44  |                |          |
| 1/1/1974       | \$ 5.66  |                |          |
| 1/1/1975       | \$ 6.23  |                |          |
| 10/1/1975      | \$ 6.54  |                |          |
| 1/1/1976       | \$ 6.66  |                |          |
| 4/1/1976       | \$ 6.86  |                |          |
| 7/1/1976       | \$ 6.98  |                |          |
| 1/1/1977       | \$ 7.11  |                |          |
| 7/1/1977       | \$ 7.29  |                |          |
| 7/1/1977       | \$ 7.57  |                |          |
| 1/1/1978       | \$ 7.79  |                |          |
| 4/1/1978       | \$ 8.02  |                |          |
| 7/1/1978       | \$ 8.21  |                |          |
| 10/1/1978      | \$ 8.37  |                |          |
| 1/1/1979       | \$ 8.62  |                |          |
| 7/1/1979       | \$ 8.96  |                |          |
| 7/1/1979       | \$ 9.21  |                |          |
| 1/1/1980       | \$ 9.49  |                |          |
| 7/1/1980       | \$ 9.96  |                |          |
| 7/1/1980       | \$ 10.23 |                |          |
| 1/1/1981       | \$ 10.55 |                |          |
| 4/1/1981       | \$ 10.75 |                |          |
| 7/1/1981       | \$ 11.07 |                |          |
| 10/1/1981      | \$ 11.38 |                |          |

Source: Taken from the Brotherhood Railway Carmen Division Transportation-Communications International Union Wage Rate Progression Chart (Revised: January 24, 2003) sheet.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1964          | \$ 2.79     | 365            | \$ 1,017.18   | \$ 2.79              |             |
| 1965          | \$ 2.88     | 365            | \$ 1,050.03   | \$ 2.88              | 3.23%       |
| 1966          | \$ 2.97     | 365            | \$ 1,082.88   | \$ 2.97              | 3.13%       |
| 1967          | \$ 3.14     | 90             | \$ 283.03     | \$ 3.19              | 7.69%       |
|               | \$ 3.19     | 184            | \$ 587.84     |                      |             |
|               | \$ 3.24     | 91             | \$ 295.28     |                      |             |
| 1968          | \$ 3.24     | 90             | \$ 292.03     | \$ 3.38              | 5.73%       |
|               | \$ 3.29     | 91             | \$ 299.83     |                      |             |
|               | \$ 3.46     | 93             | \$ 321.73     |                      |             |
|               | \$ 3.51     | 91             | \$ 319.36     |                      |             |
| 1969          | \$ 3.62     | 181            | \$ 655.22     | \$ 3.73              | 10.53%      |
|               | \$ 3.78     | 63             | \$ 238.14     |                      |             |
|               | \$ 3.88     | 121            | \$ 469.48     |                      |             |
| 1970          | \$ 4.07     | 90             | \$ 366.30     | \$ 4.17              | 11.55%      |
|               | \$ 4.11     | 23             | \$ 94.53      |                      |             |
|               | \$ 4.18     | 100            | \$ 418.00     |                      |             |
|               | \$ 4.22     | 152            | \$ 641.44     |                      |             |
| 1971          | \$ 4.32     | 90             | \$ 388.80     | \$ 4.49              | 7.81%       |
|               | \$ 4.47     | 184            | \$ 822.48     |                      |             |
|               | \$ 4.70     | 91             | \$ 427.70     |                      |             |
| 1972          | \$ 4.70     | 90             | \$ 423.00     | \$ 4.94              | 10.08%      |
|               | \$ 4.94     | 184            | \$ 908.96     |                      |             |
|               | \$ 5.19     | 91             | \$ 472.29     |                      |             |
| 1973          | \$ 5.19     | 90             | \$ 467.10     | \$ 5.38              | 8.80%       |
|               | \$ 5.44     | 275            | \$ 1,496.00   |                      |             |
| 1974          | \$ 5.66     | 365            | \$ 2,065.90   | \$ 5.66              | 5.24%       |
| 1975          | \$ 6.23     | 273            | \$ 1,700.79   | \$ 6.31              | 11.45%      |
|               | \$ 6.54     | 92             | \$ 601.68     |                      |             |
| 1976          | \$ 6.66     | 90             | \$ 599.40     | \$ 6.87              | 8.92%       |
|               | \$ 6.86     | 92             | \$ 631.12     |                      |             |
|               | \$ 6.98     | 183            | \$ 1,277.34   |                      |             |
| 1977          | \$ 7.11     | 181            | \$ 1,286.91   | \$ 7.34              | 6.86%       |
|               | \$ 7.57     | 184            | \$ 1,392.88   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1978          | \$ 7.79     | 90             | \$ 701.10     | \$ 8.10              | 10.31%      |
|               | \$ 8.02     | 91             | \$ 729.82     |                      |             |
|               | \$ 8.21     | 93             | \$ 763.53     |                      |             |
|               | \$ 8.37     | 91             | \$ 761.67     |                      |             |
| 1979          | \$ 8.62     | 181            | \$ 1,560.22   | \$ 8.92              | 10.11%      |
|               | \$ 9.21     | 184            | \$ 1,694.64   |                      |             |
| 1980          | \$ 9.49     | 181            | \$ 1,717.69   | \$ 9.86              | 10.60%      |
|               | \$ 10.23    | 184            | \$ 1,882.32   |                      |             |
| 1981          | \$ 10.55    | 90             | \$ 949.50     | \$ 10.94             | 10.91%      |
|               | \$ 10.75    | 91             | \$ 978.25     |                      |             |
|               | \$ 11.07    | 93             | \$ 1,029.51   |                      |             |
|               | \$ 11.38    | 91             | \$ 1,035.58   |                      |             |
| 1982          | \$ 11.73    | 181            | \$ 2,123.13   | \$ 12.00             | 9.72%       |
|               | \$ 12.27    | 184            | \$ 2,257.68   |                      |             |
| 1983          | \$ 12.61    | 181            | \$ 2,282.41   | \$ 12.78             | 6.45%       |
|               | \$ 12.94    | 184            | \$ 2,380.96   |                      |             |
| 1984          | \$ 13.20    | 365            | \$ 4,818.00   | \$ 13.20             | 3.32%       |
| 1985          | \$ 13.20    | 334            | \$ 4,408.80   | \$ 13.22             | 0.17%       |
|               | \$ 13.46    | 31             | \$ 417.26     |                      |             |
| 1986          | \$ 13.46    | 334            | \$ 4,495.64   | \$ 13.49             | 1.99%       |
|               | \$ 13.76    | 31             | \$ 426.56     |                      |             |
| 1987          | \$ 13.76    | 334            | \$ 4,595.84   | \$ 13.79             | 2.23%       |
|               | \$ 14.07    | 31             | \$ 436.17     |                      |             |
| 1988          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 2.06%       |
| 1989          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1990          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1991          | \$ 14.07    | 181            | \$ 2,546.67   | \$ 14.28             | 1.50%       |
|               | \$ 14.49    | 184            | \$ 2,666.16   |                      |             |
| 1992          | \$ 14.49    | 365            | \$ 5,288.85   | \$ 14.49             | 1.46%       |
| 1993          | \$ 14.49    | 181            | \$ 2,622.69   | \$ 14.71             | 1.53%       |
|               | \$ 14.93    | 184            | \$ 2,747.12   |                      |             |

Table 9: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| <u>Calendar Year</u> | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|----------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1994                 | \$ 14.93           | 181                   | \$ 2,702.33          | \$ 15.23                    | 3.54%              |
|                      | \$ 15.53           | 184                   | \$ 2,857.52          |                             |                    |
| 1995                 | \$ 15.53           | 333                   | \$ 5,171.49          | \$ 15.58                    | 2.31%              |
|                      | \$ 15.62           | 1                     | \$ 15.62             |                             |                    |
|                      | \$ 16.17           | 31                    | \$ 501.27            |                             |                    |
| 1996                 | \$ 16.17           | 181                   | \$ 2,926.77          | \$ 16.31                    | 4.66%              |
|                      | \$ 16.45           | 184                   | \$ 3,026.80          |                             |                    |
| 1997                 | \$ 16.45           | 181                   | \$ 2,977.45          | \$ 16.74                    | 2.64%              |
|                      | \$ 17.03           | 184                   | \$ 3,133.52          |                             |                    |

1964 through 1997 Compound Rate of Growth

5.58%

EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

04/01/99  
11:50:23

EE SSN : 717 - 10 - 9420

NAME: SCUBA

, P ,

SEX: M

PREVIOUS SURNAME:

DOB: 11 / 26 / 1910 RRB

ADDR1

DOD: 05 / 01 / 1995 RRB

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1975

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1313

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3100665233

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 057

ANN BEGIN DATE: 12 / 01 / 1975

ACCOUNT LAST ACTIVE: 1975

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: 11 / / 1975

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RU1A =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

EDMID103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

04/01/99  
11:50:36

EE SSN : 717 - 10 - 9420

NAME: SCUBA , P ,

SERVICE MONTHS TOTALS

-----  
TOTAL REPORTED : 428  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 428  
CREDITABLE 37-46 : 089  
S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 0 QC'S THRU 1974 : 0 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

COMPENSATION TOTALS

-----  
TIER 1 AMOUNT :\$ 175942.07  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 18123.13  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 137.60  
37-50 SSA WAGES :\$ 137.60

1952 QC'S: 0 PATT: \$ 0.00

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EDM1D104

## EMPLOYMENT DATA MAINTENANCE

04/01/99

PAGE: 0001. CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

11:50:45

EE SSN: 717 - 10 - 9420 EE NAME: SCUBA

, P ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----   |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|------------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C---<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YF<br>PATT | WAGE YF<br>AMOUNT |
| 1975                      | 11   |    | 7773        | 0000         | 11396.78       |                |              |                        |                  |                 |                   |
| 1974                      | 12   |    | 7777        | 0000         | 12817.44       |                |              |                        |                  |                 |                   |
| 1973                      | 12   |    | 7777        | 0000         | 10751.98       |                |              |                        |                  |                 |                   |
| 1972                      | 6    |    | 7105        | 0000         | 3013.17        |                |              |                        |                  |                 |                   |
| 1971                      | 12   |    | 7777        | 0000         | 7571.76        |                |              |                        |                  |                 |                   |
| 1970                      | 12   |    | 7777        | 0000         | 7800.00        |                |              |                        |                  |                 |                   |
| 1969                      | 12   |    | 7777        | 0000         | 7799.31        |                |              |                        |                  |                 |                   |
| 1968                      | 11   |    | 7737        | 0000         | 5406.04        |                |              |                        |                  |                 |                   |
| 1967                      | 12   |    | 7777        | 0000         | 5945.29        |                |              |                        |                  |                 |                   |
| 1966                      | 11   |    | 7577        | 0000         | 5079.36        |                |              |                        |                  |                 |                   |

USER MESSAGE

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22

EE SERV/RUIA =PF14 EE S&E TOTALS =PF16 SERV MO DETAIL =PF19 HIST STMT=PF20



EDM1D104

EMPLOYMENT DATA MAINTENANCE

03/07/99

PAGE: 0002 . . . CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

11:50:54

EE SSN: 717 - 10 - 9420      EE NAME: SCUBA

, P ,

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----   |                       |                   |  |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|------------------------|-----------------------|-------------------|--|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C---<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE YF<br>AMOUNT |  |
|                           | 1965 | 12 | 7777        | 0000         | 5400.00        |                |              |                        |                       |                   |  |
|                           | 1964 | 12 | 7777        | 0000         | 5308.15        |                |              |                        |                       |                   |  |
|                           | 1963 | 12 | 7777        | 0000         | 4900.00        |                |              |                        |                       |                   |  |
|                           | 1962 | 12 | 7777        | 0000         | 4800.00        |                |              |                        |                       |                   |  |
|                           | 1961 | 12 | 7777        | 0000         | 4800.00        |                |              |                        |                       |                   |  |
|                           | 1960 | 12 | 7777        | 0000         | 4743.56        |                |              |                        |                       |                   |  |
|                           | 1959 | 12 | 0000        | 0000         | 4549.00        |                |              |                        |                       |                   |  |
|                           | 1958 | 12 | 0000        | 0000         | 4200.00        |                |              |                        |                       |                   |  |
|                           | 1957 | 12 | 0000        | 0000         | 4200.00        |                |              |                        |                       |                   |  |
|                           | 1956 | 12 | 0000        | 0000         | 4200.00        |                |              |                        |                       |                   |  |

## USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&amp;E LEDGER

## -----RESPONSES-----

EE INFO            =PF13    MISC SCORE       =PF15    S&E LEDGER            =PF18    MIL SERV =PF22  
 EE SERV/RUIA =PF14    EE S&E TOTALS =PF16    SERV MO DETAIL    =PF19    HIST STMT=PF20

DD FORM 104

EMPLOYMENT DATA MAINTENANCE

04/07/70

PAGE: 0003. CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

11:51:04

EE SSN: 717 - 10 - 9420 EE NAME: SCUBA

, P ,

| RAILROAD INFO |      |    |             |              |                |                | SSA INFO     |                       |                  |                 |                   |
|---------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|-------------------|
| S             | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YF<br>PATT | WAGE YF<br>AMOUNT |
|               | 1955 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |
|               | 1954 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |
|               | 1953 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |
|               | 1952 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |
|               | 1951 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |
|               | 1950 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |
|               | 1949 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |
|               | 1948 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |
|               | 1947 | 12 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |
|               | 1946 | 89 | 0000        | 0000         |                |                |              |                       |                  |                 |                   |

# USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

|              |       |               |       |                |       |           |       |
|--------------|-------|---------------|-------|----------------|-------|-----------|-------|
| EE INFO      | =PF13 | MISC SCORE    | =PF15 | S&E LEDGER     | =PF18 | MIL SERV  | =PF22 |
| EE SERV/RUIA | =PF14 | EE S&E TOTALS | =PF16 | SERV MO DETAIL | =PF19 | HIST STMT | =PF20 |

**Preliminary Report**

*concerning the*

**Displacement Allowance**

*of*

**Paul Scuba**

*Prepared for*

**Carla Tricarichi  
Attorney at Law**

*Prepared by:*

**Harvey S. Rosen, Ph.D.  
John F. Burke, Jr., Ph.D.  
*Economists***

*July 30, 2007*

### Personal Data Sheet

|                                            |               |                                |
|--------------------------------------------|---------------|--------------------------------|
| Name:                                      | Paul Scuba    |                                |
| Date of Birth:                             | 11/26/1910    |                                |
| Date of Separation                         | 11/30/1975    | (8.49% of 1975 Remains)        |
| Age on:                                    | 11/30/1975    | 65.0 Years                     |
| Work Life Expectancy from:                 | 11/30/1975    | 4.2 Years ( 11.23% of 1980)*   |
| Age at Expiration of Work Life Expectancy: |               | 69.2 Years Old                 |
| Life Expectancy from:                      | 11/30/1975    | 16.8 Years ( 71.23% of 1992)** |
| Age at Expiration of Life Expectancy:      |               | 81.8 Years Old                 |
| Age on:                                    | 9/1/2007      | 96.8 Years                     |
| Work Life Expectancy from:                 | 9/1/2007      | 0.0 Years ( 66.85% of 2007)*   |
| Age at Expiration of Work Life Expectancy: |               | 96.8 Years Old                 |
| Life Expectancy from:                      | 9/1/2007      | 2.6 Years ( 26.85% of 2010)**  |
| Age at Expiration of Life Expectancy:      |               | 99.4 Years Old                 |
| Occupation:                                | Car Inspector |                                |
| Date of Hire:                              | 1941          |                                |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville, Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>mw</sup> revised March 28, 2007.

---

Summary Sheet

---

|                                                                         | Value             |
|-------------------------------------------------------------------------|-------------------|
| I. Loss of Displacement Allowance, Benefits, & Back Interest            |                   |
| A. Displacement Allowance (Interest Based on 10 Year Treasuries)        | \$ 11,703         |
| Pension Benefits                                                        | \$ 1,188          |
| Back Interest through 1/1/2007                                          | <u>\$ 175,068</u> |
| Total                                                                   | \$ 187,959        |
| <br>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates) | <br>\$ 11,703     |
| Pension Benefits                                                        | \$ 1,188          |
| Back Interest through 1/1/2007                                          | <u>\$ 270,242</u> |
| Total                                                                   | \$ 283,133        |

Table 1: Schedule Showing the Earnings for the Years 1966-1975, and the Displacement Allowance for Paul Scuba.

| Year                                                | Earnings (a)       | Months Employed (a) | Weighted Wage Rate (b) | Forecasted Wages (c) | Displacement Allowance (d)                |
|-----------------------------------------------------|--------------------|---------------------|------------------------|----------------------|-------------------------------------------|
| 1966                                                | \$ 5,079.36        | 11                  | \$ 2.97                | \$ 6,170.94          | -                                         |
| 1967                                                | \$ 5,945.29        | 12                  | \$ 3.19                | \$ 6,645.47          | -                                         |
| 1968                                                | \$ 5,406.04        | 11                  | \$ 3.38                | \$ 7,026.16          | \$ 1,620.12                               |
| 1969                                                | \$ 7,799.31        | 12                  | \$ 3.73                | \$ 7,766.32          | -                                         |
| 1970                                                | <b>\$ 7,800.00</b> | 12                  | \$ 4.17                | \$ 8,663.46          | -                                         |
| 1971                                                | \$ 7,571.76        | 12                  | \$ 4.49                | \$ 9,339.94          | \$ 1,768.18                               |
| 1972                                                | \$ 3,013.17        | 6                   | \$ 4.94                | \$ 10,281.75         | \$ 7,268.58                               |
| 1973                                                | \$ 10,751.98       | 12                  | \$ 5.38                | \$ 11,186.98         | \$ 435.00                                 |
| 1974                                                | \$ 12,817.44       | 12                  | \$ 5.66                | \$ 11,772.80         | -                                         |
| 1975                                                | \$ 11,396.78       | 11                  | \$ 6.31                | \$ 13,120.92         | -                                         |
| 1975 Annualized Wage for Displacement Allowance (e) | \$ 12,454.14       |                     |                        | \$ 13,120.92         | 1975 Displacement Allowance (f) \$ 611.22 |

\* Boxed earnings in the earnings column indicate that Mr. Scuba earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 9.

(c) The forecasted wages are calculated as the weighted wage rates multiplied by 2,080 hours per year.

(d) The displacement allowance for each year is calculated as the forecasted wages minus the earnings from column (a).

(e) The 1975 annualized wage is calculated as \$11,396.78 divided by (1 - 8.49%). 8.49% is the amount of the year remaining after the date of separation.

(f) The 1975 displacement allowance is partialled out to represent Mr. Scuba working for 11 months in 1975.

Table 2: Schedule Showing the Present Value of the Displacement Allowance for Paul Scuba for the Years 1968 through 1975.

| Year | Present Value<br>Displacement<br>Allowance (a) | Pension Benefits<br>(b) | Total<br>Displacement<br>Allowance Loss |
|------|------------------------------------------------|-------------------------|-----------------------------------------|
| 1968 | \$ 1,620                                       | \$ 144                  | \$ 1,764                                |
| 1969 | -                                              | -                       | -                                       |
| 1970 | -                                              | -                       | -                                       |
| 1971 | \$ 1,768                                       | \$ 176                  | \$ 1,944                                |
| 1972 | \$ 7,269                                       | \$ 723                  | \$ 7,992                                |
| 1973 | \$ 435                                         | \$ 51                   | \$ 486                                  |
| 1974 | -                                              | -                       | -                                       |
| 1975 | \$ 611                                         | \$ 94                   | \$ 705                                  |
|      | <u>\$ 11,703</u>                               | <u>\$ 1,188</u>         | <u>\$ 12,892</u>                        |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.

Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Paul Scuba, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest<br>(b) | Interest Rates<br>(c) | Year End<br>Balance | Total Present<br>Value of Back<br>Interest |
|----------|-----------|----------------------|-----------------------|---------------------|--------------------------------------------|
| 1968     | \$ 1,764  | \$ 102               | 5.76%                 | \$ 1,866            | \$ 102                                     |
| 1969     | \$ -      | \$ 128               | 6.84%                 | \$ 1,994            | \$ 128                                     |
| 1970     | \$ -      | \$ 151               | 7.56%                 | \$ 2,144            | \$ 151                                     |
| 1971     | \$ 1,944  | \$ 258               | 6.30%                 | \$ 4,346            | \$ 258                                     |
| 1972     | \$ 7,992  | \$ 784               | 6.36%                 | \$ 13,122           | \$ 784                                     |
| 1973     | \$ 486    | \$ 956               | 7.03%                 | \$ 14,565           | \$ 956                                     |
| 1974     | \$ -      | \$ 1,133             | 7.78%                 | \$ 15,697           | \$ 1,133                                   |
| 1975     | \$ 705    | \$ 1,350             | 8.23%                 | \$ 17,753           | \$ 1,350                                   |
| 1976     |           | \$ 1,390             | 7.83%                 | \$ 19,143           | \$ 1,390                                   |
| 1977     |           | \$ 1,460             | 7.63%                 | \$ 20,603           | \$ 1,460                                   |
| 1978     |           | \$ 1,788             | 8.68%                 | \$ 22,391           | \$ 1,788                                   |
| 1979     |           | \$ 2,187             | 9.77%                 | \$ 24,579           | \$ 2,187                                   |
| 1980     |           | \$ 2,932             | 11.93%                | \$ 27,511           | \$ 2,932                                   |
| 1981     |           | \$ 4,034             | 14.66%                | \$ 31,545           | \$ 4,034                                   |
| 1982     |           | \$ 4,309             | 13.66%                | \$ 35,853           | \$ 4,309                                   |
| 1983     |           | \$ 4,148             | 11.57%                | \$ 40,002           | \$ 4,148                                   |
| 1984     |           | \$ 5,222             | 13.05%                | \$ 45,224           | \$ 5,222                                   |
| 1985     |           | \$ 4,997             | 11.05%                | \$ 50,221           | \$ 4,997                                   |
| 1986     |           | \$ 3,964             | 7.89%                 | \$ 54,186           | \$ 3,964                                   |
| 1987     |           | \$ 4,691             | 8.66%                 | \$ 58,877           | \$ 4,691                                   |
| 1988     |           | \$ 5,386             | 9.15%                 | \$ 64,263           | \$ 5,386                                   |
| 1989     |           | \$ 5,632             | 8.76%                 | \$ 69,895           | \$ 5,632                                   |
| 1990     |           | \$ 6,170             | 8.83%                 | \$ 76,065           | \$ 6,170                                   |
| 1991     |           | \$ 6,157             | 8.09%                 | \$ 82,223           | \$ 6,157                                   |
| 1992     |           | \$ 5,917             | 7.20%                 | \$ 88,140           | \$ 5,917                                   |
| 1993     |           | \$ 5,289             | 6.00%                 | \$ 93,429           | \$ 5,289                                   |
| 1994     |           | \$ 6,802             | 7.28%                 | \$ 100,231          | \$ 6,802                                   |
| 1995     |           | \$ 6,749             | 6.73%                 | \$ 106,980          | \$ 6,749                                   |
| 1996     |           | \$ 7,058             | 6.60%                 | \$ 114,038          | \$ 7,058                                   |
| 1997     |           | \$ 7,416             | 6.50%                 | \$ 121,453          | \$ 7,416                                   |
| 1998     |           | \$ 6,516             | 5.36%                 | \$ 127,969          | \$ 6,516                                   |
| 1999     |           | \$ 7,385             | 5.77%                 | \$ 135,354          | \$ 7,385                                   |
| 2000     |           | \$ 8,348             | 6.17%                 | \$ 143,702          | \$ 8,348                                   |
| 2001     |           | \$ 7,351             | 5.12%                 | \$ 151,053          | \$ 7,351                                   |
| 2002     |           | \$ 7,085             | 4.69%                 | \$ 158,138          | \$ 7,085                                   |
| 2003     |           | \$ 6,437             | 4.07%                 | \$ 164,575          | \$ 6,437                                   |
| 2004     |           | \$ 7,141             | 4.34%                 | \$ 171,716          | \$ 7,141                                   |
| 2005     |           | \$ 7,486             | 4.36%                 | \$ 179,202          | \$ 7,486                                   |
| 2006 (d) |           | \$ 8,758             | 4.89%                 | \$ 187,959          | \$ 8,758                                   |
|          |           |                      |                       |                     | \$ 175,068                                 |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file.  
Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.



Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for Paul Scuba, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 1,764  | \$ 114            | 6.46%              | \$ 1,878         | \$ 114                               |
| 1969     | \$ -      | \$ 154            | 8.19%              | \$ 2,032         | \$ 154                               |
| 1970     | \$ -      | \$ 166            | 8.15%              | \$ 2,198         | \$ 166                               |
| 1971     | \$ 1,944  | \$ 242            | 5.85%              | \$ 4,384         | \$ 242                               |
| 1972     | \$ 7,992  | \$ 662            | 5.35%              | \$ 13,038        | \$ 662                               |
| 1973     | \$ 486    | \$ 1,116          | 8.25%              | \$ 14,641        | \$ 1,116                             |
| 1974     | \$ -      | \$ 1,645          | 11.24%             | \$ 16,286        | \$ 1,645                             |
| 1975     | \$ 705    | \$ 1,375          | 8.09%              | \$ 18,366        | \$ 1,375                             |
| 1976     |           | \$ 1,289          | 7.02%              | \$ 19,655        | \$ 1,289                             |
| 1977     |           | \$ 1,376          | 7.00%              | \$ 21,031        | \$ 1,376                             |
| 1978     |           | \$ 1,969          | 9.36%              | \$ 23,000        | \$ 1,969                             |
| 1979     |           | \$ 3,052          | 13.27%             | \$ 26,052        | \$ 3,052                             |
| 1980     |           | \$ 4,199          | 16.12%             | \$ 30,251        | \$ 4,199                             |
| 1981     |           | \$ 6,122          | 20.24%             | \$ 36,373        | \$ 6,122                             |
| 1982     |           | \$ 5,708          | 15.69%             | \$ 42,081        | \$ 5,708                             |
| 1983     |           | \$ 4,729          | 11.24%             | \$ 46,810        | \$ 4,729                             |
| 1984     |           | \$ 5,895          | 12.59%             | \$ 52,705        | \$ 5,895                             |
| 1985     |           | \$ 5,433          | 10.31%             | \$ 58,139        | \$ 5,433                             |
| 1986     |           | \$ 4,996          | 8.59%              | \$ 63,135        | \$ 4,996                             |
| 1987     |           | \$ 5,340          | 8.46%              | \$ 68,475        | \$ 5,340                             |
| 1988     |           | \$ 6,603          | 9.64%              | \$ 75,078        | \$ 6,603                             |
| 1989     |           | \$ 8,502          | 11.32%             | \$ 83,579        | \$ 8,502                             |
| 1990     |           | \$ 8,685          | 10.39%             | \$ 92,264        | \$ 8,685                             |
| 1991     |           | \$ 8,058          | 8.73%              | \$ 100,323       | \$ 8,058                             |
| 1992     |           | \$ 6,420          | 6.40%              | \$ 106,743       | \$ 6,420                             |
| 1993     |           | \$ 6,550          | 6.14%              | \$ 113,293       | \$ 6,550                             |
| 1994     |           | \$ 8,303          | 7.33%              | \$ 121,595       | \$ 8,303                             |
| 1995     |           | \$ 11,096         | 9.13%              | \$ 132,692       | \$ 11,096                            |
| 1996     |           | \$ 11,320         | 8.53%              | \$ 144,012       | \$ 11,320                            |
| 1997     |           | \$ 12,547         | 8.71%              | \$ 156,559       | \$ 12,547                            |
| 1998     |           | \$ 13,494         | 8.62%              | \$ 170,053       | \$ 13,494                            |
| 1999     |           | \$ 14,007         | 8.24%              | \$ 184,060       | \$ 14,007                            |
| 2000     |           | \$ 17,591         | 9.56%              | \$ 201,651       | \$ 17,591                            |
| 2001     |           | \$ 14,308         | 7.10%              | \$ 215,958       | \$ 14,308                            |
| 2002     |           | \$ 10,274         | 4.76%              | \$ 226,233       | \$ 10,274                            |
| 2003     |           | \$ 9,471          | 4.19%              | \$ 235,704       | \$ 9,471                             |
| 2004     |           | \$ 10,399         | 4.41%              | \$ 246,103       | \$ 10,399                            |
| 2005     |           | \$ 15,578         | 6.33%              | \$ 261,682       | \$ 15,578                            |
| 2006 (d) |           | \$ 21,451         | 8.20%              | \$ 283,133       | \$ 21,451                            |
|          |           |                   |                    |                  | \$ 270,242                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Hourly Rates for Carmen from 5/1/1962 through 7/1/1997.

| Effective Date | Carmen   | Effective Date | Carmen   |
|----------------|----------|----------------|----------|
| 5/1/1962       | \$ 2.70  | 10/1/1981      | \$ 11.38 |
| 1/1/1964       | \$ 2.79  | 1/1/1982       | \$ 11.73 |
| 1/1/1965       | \$ 2.88  | 7/1/1982       | \$ 12.05 |
| 1/1/1966       | \$ 2.97  | 7/1/1982       | \$ 12.27 |
| 1/1/1967       | \$ 3.14  | 1/1/1983       | \$ 12.61 |
| 4/1/1967       | \$ 3.19  | 7/1/1983       | \$ 12.94 |
| 10/1/1967      | \$ 3.24  | 1/1/1984       | \$ 13.20 |
| 4/1/1968       | \$ 3.29  | 12/1/1985      | \$ 13.46 |
| 7/1/1968       | \$ 3.46  | 12/1/1986      | \$ 13.76 |
| 10/1/1968      | \$ 3.51  | 12/1/1987      | \$ 14.07 |
| 1/1/1969       | \$ 3.55  | 7/1/1991       | \$ 14.49 |
| 1/1/1969       | \$ 3.62  | 7/1/1993       | \$ 14.93 |
| 7/1/1969       | \$ 3.73  | 7/1/1994       | \$ 15.53 |
| 7/1/1969       | \$ 3.78  | 11/30/1995     | \$ 15.62 |
| 9/1/1969       | \$ 3.88  | 12/1/1995      | \$ 16.17 |
| 1/1/1970       | \$ 4.07  | 7/1/1996       | \$ 16.45 |
| 4/1/1970       | \$ 4.11  | 7/1/1997       | \$ 17.03 |
| 4/24/1970      | \$ 4.18  |                |          |
| 8/1/1970       | \$ 4.22  |                |          |
| 1/1/1971       | \$ 4.32  |                |          |
| 4/1/1971       | \$ 4.47  |                |          |
| 10/1/1971      | \$ 4.70  |                |          |
| 4/1/1972       | \$ 4.94  |                |          |
| 10/1/1972      | \$ 5.19  |                |          |
| 4/1/1973       | \$ 5.44  |                |          |
| 1/1/1974       | \$ 5.66  |                |          |
| 1/1/1975       | \$ 6.23  |                |          |
| 10/1/1975      | \$ 6.54  |                |          |
| 1/1/1976       | \$ 6.66  |                |          |
| 4/1/1976       | \$ 6.86  |                |          |
| 7/1/1976       | \$ 6.98  |                |          |
| 1/1/1977       | \$ 7.11  |                |          |
| 7/1/1977       | \$ 7.29  |                |          |
| 7/1/1977       | \$ 7.57  |                |          |
| 1/1/1978       | \$ 7.79  |                |          |
| 4/1/1978       | \$ 8.02  |                |          |
| 7/1/1978       | \$ 8.21  |                |          |
| 10/1/1978      | \$ 8.37  |                |          |
| 1/1/1979       | \$ 8.62  |                |          |
| 7/1/1979       | \$ 8.96  |                |          |
| 7/1/1979       | \$ 9.21  |                |          |
| 1/1/1980       | \$ 9.49  |                |          |
| 7/1/1980       | \$ 9.96  |                |          |
| 7/1/1980       | \$ 10.23 |                |          |
| 1/1/1981       | \$ 10.55 |                |          |
| 4/1/1981       | \$ 10.75 |                |          |
| 7/1/1981       | \$ 11.07 |                |          |

Source: Taken from the Brotherhood Railway Carmen Division Transportation-Communications International Union Wage Rate Progression Chart (Revised: January 24, 2003) sheet.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1963          | \$ 2.70     | 365            | \$ 984.33     | \$ 2.70              |             |
| 1964          | \$ 2.79     | 365            | \$ 1,017.18   | \$ 2.79              | 3.34%       |
| 1965          | \$ 2.88     | 365            | \$ 1,050.03   | \$ 2.88              | 3.23%       |
| 1966          | \$ 2.97     | 365            | \$ 1,082.88   | \$ 2.97              | 3.13%       |
| 1967          | \$ 3.14     | 90             | \$ 283.03     | \$ 3.19              | 7.69%       |
|               | \$ 3.19     | 184            | \$ 587.84     |                      |             |
|               | \$ 3.24     | 91             | \$ 295.28     |                      |             |
| 1968          | \$ 3.24     | 90             | \$ 292.03     | \$ 3.38              | 5.73%       |
|               | \$ 3.29     | 91             | \$ 299.83     |                      |             |
|               | \$ 3.46     | 93             | \$ 321.73     |                      |             |
|               | \$ 3.51     | 91             | \$ 319.36     |                      |             |
| 1969          | \$ 3.62     | 181            | \$ 655.22     | \$ 3.73              | 10.53%      |
|               | \$ 3.78     | 63             | \$ 238.14     |                      |             |
|               | \$ 3.88     | 121            | \$ 469.48     |                      |             |
| 1970          | \$ 4.07     | 90             | \$ 366.30     | \$ 4.17              | 11.55%      |
|               | \$ 4.11     | 23             | \$ 94.53      |                      |             |
|               | \$ 4.18     | 100            | \$ 418.00     |                      |             |
|               | \$ 4.22     | 152            | \$ 641.44     |                      |             |
| 1971          | \$ 4.32     | 90             | \$ 388.80     | \$ 4.49              | 7.81%       |
|               | \$ 4.47     | 184            | \$ 822.48     |                      |             |
|               | \$ 4.70     | 91             | \$ 427.70     |                      |             |
| 1972          | \$ 4.70     | 90             | \$ 423.00     | \$ 4.94              | 10.08%      |
|               | \$ 4.94     | 184            | \$ 908.96     |                      |             |
|               | \$ 5.19     | 91             | \$ 472.29     |                      |             |
| 1973          | \$ 5.19     | 90             | \$ 467.10     | \$ 5.38              | 8.80%       |
|               | \$ 5.44     | 275            | \$ 1,496.00   |                      |             |
| 1974          | \$ 5.66     | 365            | \$ 2,065.90   | \$ 5.66              | 5.24%       |
| 1975          | \$ 6.23     | 273            | \$ 1,700.79   | \$ 6.31              | 11.45%      |
|               | \$ 6.54     | 92             | \$ 601.68     |                      |             |
| 1976          | \$ 6.66     | 90             | \$ 599.40     | \$ 6.87              | 8.92%       |
|               | \$ 6.86     | 92             | \$ 631.12     |                      |             |
|               | \$ 6.98     | 183            | \$ 1,277.34   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1977          | \$ 7.11     | 181            | \$ 1,286.91   | \$ 7.34              | 6.86%       |
|               | \$ 7.57     | 184            | \$ 1,392.88   |                      |             |
| 1978          | \$ 7.79     | 90             | \$ 701.10     | \$ 8.10              | 10.31%      |
|               | \$ 8.02     | 91             | \$ 729.82     |                      |             |
|               | \$ 8.21     | 93             | \$ 763.53     |                      |             |
|               | \$ 8.37     | 91             | \$ 761.67     |                      |             |
| 1979          | \$ 8.62     | 181            | \$ 1,560.22   | \$ 8.92              | 10.11%      |
|               | \$ 9.21     | 184            | \$ 1,694.64   |                      |             |
| 1980          | \$ 9.49     | 181            | \$ 1,717.69   | \$ 9.86              | 10.60%      |
|               | \$ 10.23    | 184            | \$ 1,882.32   |                      |             |
| 1981          | \$ 10.55    | 90             | \$ 949.50     | \$ 10.94             | 10.91%      |
|               | \$ 10.75    | 91             | \$ 978.25     |                      |             |
|               | \$ 11.07    | 93             | \$ 1,029.51   |                      |             |
|               | \$ 11.38    | 91             | \$ 1,035.58   |                      |             |
| 1982          | \$ 11.73    | 181            | \$ 2,123.13   | \$ 12.00             | 9.72%       |
|               | \$ 12.27    | 184            | \$ 2,257.68   |                      |             |
| 1983          | \$ 12.61    | 181            | \$ 2,282.41   | \$ 12.78             | 6.45%       |
|               | \$ 12.94    | 184            | \$ 2,380.96   |                      |             |
| 1984          | \$ 13.20    | 365            | \$ 4,818.00   | \$ 13.20             | 3.32%       |
| 1985          | \$ 13.20    | 334            | \$ 4,408.80   | \$ 13.22             | 0.17%       |
|               | \$ 13.46    | 31             | \$ 417.26     |                      |             |
| 1986          | \$ 13.46    | 334            | \$ 4,495.64   | \$ 13.49             | 1.99%       |
|               | \$ 13.76    | 31             | \$ 426.56     |                      |             |
| 1987          | \$ 13.76    | 334            | \$ 4,595.84   | \$ 13.79             | 2.23%       |
|               | \$ 14.07    | 31             | \$ 436.17     |                      |             |
| 1988          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 2.06%       |
| 1989          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1990          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1991          | \$ 14.07    | 181            | \$ 2,546.67   | \$ 14.28             | 1.50%       |
|               | \$ 14.49    | 184            | \$ 2,666.16   |                      |             |

Table 9: Schedule Showing the Weighted Average Hourly Rates for the Years 1963 through 1997 for Carmen. (Cont.)

| <u>Calendar Year</u>                      | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|-------------------------------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1992                                      | \$ 14.49           | 365                   | \$ 5,288.85          | \$ 14.49                    | 1.46%              |
| 1993                                      | \$ 14.49           | 181                   | \$ 2,622.69          | \$ 14.71                    | 1.53%              |
|                                           | \$ 14.93           | 184                   | \$ 2,747.12          |                             |                    |
| 1994                                      | \$ 14.93           | 181                   | \$ 2,702.33          | \$ 15.23                    | 3.54%              |
|                                           | \$ 15.53           | 184                   | \$ 2,857.52          |                             |                    |
| 1995                                      | \$ 15.53           | 333                   | \$ 5,171.49          | \$ 15.58                    | 2.31%              |
|                                           | \$ 15.62           | 1                     | \$ 15.62             |                             |                    |
|                                           | \$ 16.17           | 31                    | \$ 501.27            |                             |                    |
| 1996                                      | \$ 16.17           | 181                   | \$ 2,926.77          | \$ 16.31                    | 4.66%              |
|                                           | \$ 16.45           | 184                   | \$ 3,026.80          |                             |                    |
| 1997                                      | \$ 16.45           | 181                   | \$ 2,977.45          | \$ 16.74                    | 2.64%              |
|                                           | \$ 17.03           | 184                   | \$ 3,133.52          |                             |                    |
| 1963 through 1997 Compound Rate of Growth |                    |                       |                      | 5.52%                       |                    |

EDMID101

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

04/01/99  
12:37:42

EE SSN : 710 - 18 - 2800

EE NAME: SOPHNER , G , U

SEX: M

PREVIOUS SURNAME:

DOB: 01 / / 1915 SCORE LOAD

ADDR1

DOD: 11 / / 1983 RRB

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&C YEAR: 1972

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 4206

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 0054320060

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 057

ANN BEGIN DATE: 01 / / 1975

ACCOUNT LAST ACTIVE: 1972

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / /

/ / ;

USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23  
MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

EDM11103

EMPLOYMENT DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS04/01/99  
12:37:57

EE SSN : 710 - 18 - 2800

PT NAME: SOPHNER

, G , U

## SERVICE MONTHS TOTALS

## COMPENSATION TOTALS

-----  
TOTAL REPORTED : 373  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 373  
CREDITABLE 37-46 : 070

-----  
TIER 1 AMOUNT :\$ 123633.12  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 8683.72  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 2.75  
37-50 SSA WAGES :\$ 2.75

S-C 37-46 ADJ CODE : NEVER ADJUSTED

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00

1952 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 0 QC'S THRU 1974 : 0 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

## USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

## -----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19



DD FORM 100

EMPLOYMENT DATA MAINTENANCE

04/07/91

PAGE: 0001 CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

12:38:11

EE SSN: 710 - 18 - 2800 EE NAME: SOPHNER , G , U

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YI<br>PATT | WAGE YI<br>AMOUNT |
| 1972                      | 6    |    | 7320        | 0000         | 1846.13        |                |              |                       |                  |                 |                   |
| 1971                      | 9    |    | 7173        | 0000         | 3158.59        |                |              |                       |                  |                 |                   |
| 1970                      | 12   |    | 7777        | 0000         | 7477.80        |                |              |                       |                  |                 |                   |
| 1969                      | 12   |    | 7777        | 0000         | 4533.72        |                |              |                       |                  |                 |                   |
| 1968                      | 12   |    | 7777        | 0000         | 5652.96        |                |              |                       |                  |                 |                   |
| 1967                      | 12   |    | 7777        | 0000         | 6106.52        |                |              |                       |                  |                 |                   |
| 1966                      | 12   |    | 7777        | 0000         | 6200.20        |                |              |                       |                  |                 |                   |
| 1965                      | 12   |    | 7777        | 0000         | 5352.75        |                |              |                       |                  |                 |                   |
| 1964                      | 12   |    | 7777        | 0000         | 5381.48        |                |              |                       |                  |                 |                   |
| 1963                      | 12   |    | 7777        | 0000         | 4866.76        |                |              |                       |                  |                 |                   |

USER MESSAGE

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
 EE SERV/RUIA =PF14 EE S&E TOTALS =PF16 SERV MO DETAIL =PF19 HIST STMT=PF20

DD FORM 107

EMPLOYMENT DATA MAINTENANCE

04/07/91

PAGE: 0002

CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

12:38:21

EE SSN: 710 - 18 - 2800

EE NAME: SOPHNER

, G , U

| ----- RAILROAD INFO ----- |      |    |             |              |                |                |              | ----- SSA INFO -----  |                  |                 |        |
|---------------------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------------|------------------|-----------------|--------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT | WAGE YI<br>PATT | AMOUNT |
| 1962                      | 12   |    | 7777        | 0000         | 4800.00        |                |              |                       |                  |                 |        |
| 1961                      | 12   |    | 7777        | 0000         | 4800.00        |                |              |                       |                  |                 |        |
| 1960                      | 12   |    | 7777        | 0000         | 4800.00        |                |              |                       |                  |                 |        |
| 1959                      | 12   |    | 0000        | 0000         | 4550.00        |                |              |                       |                  |                 |        |
| 1958                      | 12   |    | 0000        | 0000         | 4200.00        |                |              |                       |                  |                 |        |
| 1957                      | 12   |    | 0000        | 0000         | 4196.57        |                |              |                       |                  |                 |        |
| 1956                      | 12   |    | 0000        | 0000         | 4165.49        |                |              |                       |                  |                 |        |
| 1955                      | 12   |    | 0000        | 0000         | 4131.49        |                |              |                       |                  |                 |        |
| 1954                      | 12   |    | 0000        | 0000         | 3892.49        |                |              |                       |                  |                 |        |
| 1953                      | 12   |    | 0000        | 0000         | 3600.00        |                |              |                       |                  |                 |        |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
 EE SERV/RUIA =PF14 EE S&E TOTALS =PF16 SERV MO DETAIL =PF19 HIST STMT=PF20

04/07/9  
 PAGE: 0003 CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS 12:38:4

EE SSN: 710 - 18 - 2800      EE NAME: SOPHNER      , G , U

| RAILROAD INFO |      |    |             |              |                |                | SSA INFO     |                 |                   |                 |                   |
|---------------|------|----|-------------|--------------|----------------|----------------|--------------|-----------------|-------------------|-----------------|-------------------|
| S             | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP | ---Q/C--<br>SSA | WAGE M/S<br>SE&AG | WAGE YI<br>PATT | WAGE YI<br>AMOUNT |
| 1952          | 12   |    | 0000        | 0000         | 3600.00        |                |              |                 |                   |                 |                   |
| 1951          | 12   |    | 0000        | 0000         | 3557.49        |                |              |                 |                   |                 |                   |
| 1950          | 12   |    | 0000        | 0000         | 3444.49        |                |              |                 |                   |                 |                   |
| 1949          | 12   |    | 0000        | 0000         | 3562.49        |                |              |                 |                   |                 |                   |
| 1948          | 12   |    | 0000        | 0000         | 3583.49        |                |              |                 |                   |                 |                   |
| 1947          | 12   |    | 0000        | 0000         | 3488.49        |                |              |                 |                   |                 |                   |
| 1946          | 70   |    | 0000        | 0000         | 8683.72        |                |              |                 |                   |                 |                   |

# USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----  
 EE INFO            =PF13    MISC SCORE            =PF15    S&E LEDGER            =PF18    MIL SERV =PF22  
 EE SERV/RUIA =PF14    EE S&E TOTALS =PF16    SERV MO DETAIL    =PF19    HIST STMT=PF20

**Preliminary Report**  
*concerning the*  
**Displacement Allowance**  
*of*  
**George Sophner**

*Prepared for*  
  
Carla Tricarichi  
Attorney at Law

*Prepared by:*  
  
**Harvey S. Rosen, Ph.D.**  
**John F. Burke, Jr., Ph.D.**  
*Economists*

*July 30, 2007*

# Personal Data Sheet

|                                            |                |                               |
|--------------------------------------------|----------------|-------------------------------|
| Name:                                      | George Sophner |                               |
| Date of Birth:                             | 1/29/1915      |                               |
| Date of Separation                         | 6/30/1972      | (50.41% of 1972 Remains)      |
| Age on:                                    | 6/30/1972      | 57.4 Years                    |
| Work Life Expectancy from:                 | 6/30/1972      | 7.2 Years ( 69.86% of 1979)*  |
| Age at Expiration of Work Life Expectancy: |                | 64.6 Years Old                |
| Life Expectancy from:                      | 6/30/1972      | 22.6 Years ( 9.86% of 1995)** |
| Age at Expiration of Life Expectancy:      |                | 80.0 Years Old                |
| Age on: 9/1/2007                           |                | 92.6 Years                    |
| Work Life Expectancy from:                 | 9/1/2007       | 0.0 Years ( 66.85% of 2007)*  |
| Age at Expiration of Work Life Expectancy: |                | 92.6 Years Old                |
| Life Expectancy from:                      | 9/1/2007       | 3.5 Years ( 16.71% of 2011)** |
| Age at Expiration of Life Expectancy:      |                | 96.1 Years Old                |
| Occupation:                                | Car Inspector  |                               |
| Date of Hire:                              | 1941           |                               |

Note: As of 9/1/2007 33.15% of 2007 Remains

\*Length of Working Life for Men and Women, 1979-80, Worklife Estimates, February 1986, Bureau of Labor Statistics, U.S. Department of Labor.

\*\*Expectation of Life at Single Years of Age, by Race, and Sex: U.S., 2003, Arias, E. United States life tables, 2003. National Vital Statistics Reports; Vol 54 No.14, Hyattsville. Maryland: National Center for Health Statistics, April 19, 2006, pgs. 16-19 and 22-25, <sup>MW</sup> revised March 28, 2007.

---

Summary Sheet

---

|                                                                                | Value             |
|--------------------------------------------------------------------------------|-------------------|
| <b>I. Loss of Displacement Allowance, Benefits, &amp; Back Interest</b>        |                   |
| <b>A. Displacement Allowance (Interest Based on 10 Year Treasuries)</b>        | \$ 15,252         |
| Pension Benefits                                                               | \$ 1,486          |
| Back Interest through 1/1/2007                                                 | <u>\$ 244,380</u> |
| Total                                                                          | \$ 261,117        |
| <br><b>B. Displacement Allowance (Interest Based on Bank Prime Loan Rates)</b> | <br>\$ 15,252     |
| Pension Benefits                                                               | \$ 1,486          |
| Back Interest through 1/1/2007                                                 | <u>\$ 377,396</u> |
| Total                                                                          | \$ 394,133        |

Table 1: Schedule Showing the Earnings for the Years 1964-1972,  
& Displacement Allowance for George Sophner.

| Year                                                         | Earnings (a) | Months<br>Employed (a) | Weighted<br>Wage Rate<br>(b) | Forecasted<br>Wages (c) | Displacement<br>Allowance (d)                     |
|--------------------------------------------------------------|--------------|------------------------|------------------------------|-------------------------|---------------------------------------------------|
| 1964                                                         | \$ 5,381.48  | 12                     | \$ 2.79                      | \$ 5,796.54             | -                                                 |
| 1965                                                         | \$ 5,352.75  | 12                     | \$ 2.88                      | \$ 5,983.74             | -                                                 |
| 1966                                                         | \$ 6,200.20  | 12                     | \$ 2.97                      | \$ 6,170.94             | -                                                 |
| 1967                                                         | \$ 6,106.52  | 12                     | \$ 3.19                      | \$ 6,645.47             | -                                                 |
| 1968                                                         | \$ 5,652.96  | 12                     | \$ 3.38                      | \$ 7,026.16             | \$ 1,373.20                                       |
| 1969                                                         | \$ 4,533.72  | 12                     | \$ 3.73                      | \$ 7,766.32             | \$ 3,232.60                                       |
| 1970                                                         | \$ 7,477.80  | 12                     | \$ 4.17                      | \$ 8,663.46             | \$ 1,185.66                                       |
| 1971                                                         | \$ 3,158.59  | 9                      | \$ 4.49                      | \$ 9,339.94             | \$ 6,181.35                                       |
| 1972                                                         | \$ 1,846.13  | 6                      | \$ 4.94                      | \$ 10,281.75            | -                                                 |
| 1972 Annualized<br>Wage for<br>Displacement<br>Allowance (e) | \$ 3,722.79  |                        |                              | \$ 10,281.75            | 1972<br>Displacement<br>Allowance (f) \$ 3,279.48 |

\* Boxed earnings in the earnings column indicate that Mr. Sophner earned at or more than the maximum taxable earnings. Given this information, a loss cannot be determined for those years.

(a) Source from "Employment Data Maintenance Creditable Service and Earnings Yearly Totals" sheet.

(b) The weighted wage rates are from Tables 6 through 9.

(c) The forecasted wages are calculated as the weighted wage rates multiplied by 2,080 hours per year.

(d) The displacement allowance for each year is calculated as the forecasted wages minus the earnings from column (a) for years in which earnings are below the maximum taxable earnings.

(e) The 1972 annualized wage is calculated as \$1,846.13 divided by (1 - 50.41%). 50.41% is the amount of the year remaining after the date of separation.

(f) The 1972 displacement allowance is partialled out to represent Mr. Sophner working for 6 months in 1972.

**Table 2: Schedule Showing the Present Value of the Displacement Allowance for George Sophner for the Years 1968 through 1972.**

| <u>Year</u> | <u>Present Value<br/>Displacement<br/>Allowance (a)</u> | <u>Pension Benefits<br/>(b)</u> | <u>Total<br/>Displacement<br/>Allowance Loss</u> |
|-------------|---------------------------------------------------------|---------------------------------|--------------------------------------------------|
| 1968        | \$ 1,373                                                | \$ 122                          | \$ 1,495                                         |
| 1969        | \$ 3,233                                                | \$ 309                          | \$ 3,541                                         |
| 1970        | \$ 1,186                                                | \$ 113                          | \$ 1,299                                         |
| 1971        | \$ 6,181                                                | \$ 615                          | \$ 6,796                                         |
| 1972        | \$ 3,279                                                | \$ 326                          | \$ 3,606                                         |
|             | <u>\$ 15,252</u>                                        | <u>\$ 1,486</u>                 | <u>\$ 16,738</u>                                 |

(a) The base Displacement Allowance as calculated on Table 1.

(b) Pension benefits calculated as the employer's contribution to the Tier 1 & Tier 2 retirement plans. The percentages are per the "Tax Rates and Maximum Taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" sheet. See Table 5.



Table 3: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for George Sophner, through 1/1/2007. (Based on the 10 Year Treasury Securities)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 1,495  | \$ 86             | 5.76%              | \$ 1,582         | \$ 86                                |
| 1969     | \$ 3,541  | \$ 350            | 6.84%              | \$ 5,473         | \$ 350                               |
| 1970     | \$ 1,299  | \$ 512            | 7.56%              | \$ 7,284         | \$ 512                               |
| 1971     | \$ 6,796  | \$ 888            | 6.30%              | \$ 14,968        | \$ 888                               |
| 1972     | \$ 3,606  | \$ 1,181          | 6.36%              | \$ 19,754        | \$ 1,181                             |
| 1973     |           | \$ 1,388          | 7.03%              | \$ 21,142        | \$ 1,388                             |
| 1974     |           | \$ 1,644          | 7.78%              | \$ 22,787        | \$ 1,644                             |
| 1975     |           | \$ 1,876          | 8.23%              | \$ 24,663        | \$ 1,876                             |
| 1976     |           | \$ 1,931          | 7.83%              | \$ 26,594        | \$ 1,931                             |
| 1977     |           | \$ 2,029          | 7.63%              | \$ 28,622        | \$ 2,029                             |
| 1978     |           | \$ 2,484          | 8.68%              | \$ 31,107        | \$ 2,484                             |
| 1979     |           | \$ 3,039          | 9.77%              | \$ 34,145        | \$ 3,039                             |
| 1980     |           | \$ 4,073          | 11.93%             | \$ 38,219        | \$ 4,073                             |
| 1981     |           | \$ 5,604          | 14.66%             | \$ 43,823        | \$ 5,604                             |
| 1982     |           | \$ 5,986          | 13.66%             | \$ 49,808        | \$ 5,986                             |
| 1983     |           | \$ 5,763          | 11.57%             | \$ 55,572        | \$ 5,763                             |
| 1984     |           | \$ 7,255          | 13.05%             | \$ 62,826        | \$ 7,255                             |
| 1985     |           | \$ 6,943          | 11.05%             | \$ 69,769        | \$ 6,943                             |
| 1986     |           | \$ 5,507          | 7.89%              | \$ 75,276        | \$ 5,507                             |
| 1987     |           | \$ 6,517          | 8.66%              | \$ 81,793        | \$ 6,517                             |
| 1988     |           | \$ 7,482          | 9.15%              | \$ 89,275        | \$ 7,482                             |
| 1989     |           | \$ 7,824          | 8.76%              | \$ 97,100        | \$ 7,824                             |
| 1990     |           | \$ 8,572          | 8.83%              | \$ 105,672       | \$ 8,572                             |
| 1991     |           | \$ 8,554          | 8.09%              | \$ 114,226       | \$ 8,554                             |
| 1992     |           | \$ 8,220          | 7.20%              | \$ 122,446       | \$ 8,220                             |
| 1993     |           | \$ 7,347          | 6.00%              | \$ 129,793       | \$ 7,347                             |
| 1994     |           | \$ 9,450          | 7.28%              | \$ 139,243       | \$ 9,450                             |
| 1995     |           | \$ 9,376          | 6.73%              | \$ 148,619       | \$ 9,376                             |
| 1996     |           | \$ 9,805          | 6.60%              | \$ 158,424       | \$ 9,805                             |
| 1997     |           | \$ 10,302         | 6.50%              | \$ 168,726       | \$ 10,302                            |
| 1998     |           | \$ 9,052          | 5.36%              | \$ 177,777       | \$ 9,052                             |
| 1999     |           | \$ 10,259         | 5.77%              | \$ 188,037       | \$ 10,259                            |
| 2000     |           | \$ 11,598         | 6.17%              | \$ 199,634       | \$ 11,598                            |
| 2001     |           | \$ 10,212         | 5.12%              | \$ 209,846       | \$ 10,212                            |
| 2002     |           | \$ 9,842          | 4.69%              | \$ 219,688       | \$ 9,842                             |
| 2003     |           | \$ 8,943          | 4.07%              | \$ 228,631       | \$ 8,943                             |
| 2004     |           | \$ 9,920          | 4.34%              | \$ 238,551       | \$ 9,920                             |
| 2005     |           | \$ 10,400         | 4.36%              | \$ 248,951       | \$ 10,400                            |
| 2006 (d) |           | \$ 12,166         | 4.89%              | \$ 261,117       | \$ 12,166                            |
|          |           |                   |                    |                  | \$ 244,380                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the 10 year market yield on U.S. Treasury Securities at 10-year constant maturity. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 4: Schedule Showing the Present Value of the Back Interest on the Displacement Allowance for George Sophner, through 1/1/2007. (Based on the Bank Prime Loan Rate)

| Year     | Total (a) | Back Interest (b) | Interest Rates (c) | Year End Balance | Total Present Value of Back Interest |
|----------|-----------|-------------------|--------------------|------------------|--------------------------------------|
| 1968     | \$ 1,495  | \$ 97             | 6.46%              | \$ 1,592         | \$ 97                                |
| 1969     | \$ 3,541  | \$ 420            | 8.19%              | \$ 5,554         | \$ 420                               |
| 1970     | \$ 1,299  | \$ 558            | 8.15%              | \$ 7,411         | \$ 558                               |
| 1971     | \$ 6,796  | \$ 831            | 5.85%              | \$ 15,038        | \$ 831                               |
| 1972     | \$ 3,606  | \$ 998            | 5.35%              | \$ 19,642        | \$ 998                               |
| 1973     |           | \$ 1,621          | 8.25%              | \$ 21,263        | \$ 1,621                             |
| 1974     |           | \$ 2,389          | 11.24%             | \$ 23,652        | \$ 2,389                             |
| 1975     |           | \$ 1,914          | 8.09%              | \$ 25,567        | \$ 1,914                             |
| 1976     |           | \$ 1,794          | 7.02%              | \$ 27,361        | \$ 1,794                             |
| 1977     |           | \$ 1,915          | 7.00%              | \$ 29,276        | \$ 1,915                             |
| 1978     |           | \$ 2,741          | 9.36%              | \$ 32,017        | \$ 2,741                             |
| 1979     |           | \$ 4,249          | 13.27%             | \$ 36,266        | \$ 4,249                             |
| 1980     |           | \$ 5,846          | 16.12%             | \$ 42,111        | \$ 5,846                             |
| 1981     |           | \$ 8,522          | 20.24%             | \$ 50,633        | \$ 8,522                             |
| 1982     |           | \$ 7,945          | 15.69%             | \$ 58,578        | \$ 7,945                             |
| 1983     |           | \$ 6,583          | 11.24%             | \$ 65,162        | \$ 6,583                             |
| 1984     |           | \$ 8,207          | 12.59%             | \$ 73,368        | \$ 8,207                             |
| 1985     |           | \$ 7,563          | 10.31%             | \$ 80,931        | \$ 7,563                             |
| 1986     |           | \$ 6,955          | 8.59%              | \$ 87,886        | \$ 6,955                             |
| 1987     |           | \$ 7,433          | 8.46%              | \$ 95,320        | \$ 7,433                             |
| 1988     |           | \$ 9,192          | 9.64%              | \$ 104,511       | \$ 9,192                             |
| 1989     |           | \$ 11,835         | 11.32%             | \$ 116,346       | \$ 11,835                            |
| 1990     |           | \$ 12,090         | 10.39%             | \$ 128,436       | \$ 12,090                            |
| 1991     |           | \$ 11,217         | 8.73%              | \$ 139,653       | \$ 11,217                            |
| 1992     |           | \$ 8,937          | 6.40%              | \$ 148,590       | \$ 8,937                             |
| 1993     |           | \$ 9,118          | 6.14%              | \$ 157,708       | \$ 9,118                             |
| 1994     |           | \$ 11,558         | 7.33%              | \$ 169,266       | \$ 11,558                            |
| 1995     |           | \$ 15,447         | 9.13%              | \$ 184,713       | \$ 15,447                            |
| 1996     |           | \$ 15,758         | 8.53%              | \$ 200,470       | \$ 15,758                            |
| 1997     |           | \$ 17,466         | 8.71%              | \$ 217,937       | \$ 17,466                            |
| 1998     |           | \$ 18,784         | 8.62%              | \$ 236,721       | \$ 18,784                            |
| 1999     |           | \$ 19,498         | 8.24%              | \$ 256,219       | \$ 19,498                            |
| 2000     |           | \$ 24,488         | 9.56%              | \$ 280,707       | \$ 24,488                            |
| 2001     |           | \$ 19,917         | 7.10%              | \$ 300,623       | \$ 19,917                            |
| 2002     |           | \$ 14,302         | 4.76%              | \$ 314,925       | \$ 14,302                            |
| 2003     |           | \$ 13,185         | 4.19%              | \$ 328,110       | \$ 13,185                            |
| 2004     |           | \$ 14,476         | 4.41%              | \$ 342,586       | \$ 14,476                            |
| 2005     |           | \$ 21,686         | 6.33%              | \$ 364,272       | \$ 21,686                            |
| 2006 (d) |           | \$ 29,861         | 8.20%              | \$ 394,133       | \$ 29,861                            |
|          |           |                   |                    |                  | \$ 377,396                           |

(a) The Total, which includes the Displacement Allowance & Pension as calculated on Table 2.

(b) Back Interest calculated as compound interest based on interest rates from column (c).

(c) The interest rates are the Bank Prime Loan Rates. See copy in file.

Please note that they are adjusted to reflect quarterly compounding.

(d) Calculated through 2006.

Table 5: Employer's Contribution for the Tier 1 and Tier 2 Railroad Retirement.

| Year             | Tier 1<br>Employer<br>Contribution | Tier 2<br>Employer<br>Contribution | Total  |
|------------------|------------------------------------|------------------------------------|--------|
| 1966             | 7.95%                              | ***                                | 7.95%  |
| 1967             | 8.65%                              | ***                                | 8.65%  |
| 1968             | 8.90%                              | ***                                | 8.90%  |
| 1969             | 9.55%                              | ***                                | 9.55%  |
| 1970             | 9.55%                              | ***                                | 9.55%  |
| 1971             | 9.95%                              | ***                                | 9.95%  |
| 1972             | 9.95%                              | ***                                | 9.95%  |
| 1/1973 - 9/1973  | 10.60%                             | ***                                | 10.60% |
| 0/1973 - 12/1973 | 5.85%                              | 9.50%                              | 15.35% |
| 1974             | 5.85%                              | 9.50%                              | 15.35% |
| 1975             | 5.85%                              | 9.50%                              | 15.35% |
| 1976             | 5.85%                              | 9.50%                              | 15.35% |
| 1977             | 5.85%                              | 9.50%                              | 15.35% |
| 1978             | 6.05%                              | 9.50%                              | 15.55% |
| 1979             | 6.13%                              | 9.50%                              | 15.63% |
| 1980             | 6.13%                              | 9.50%                              | 15.63% |
| 1/1981 - 9/1981  | 6.65%                              | 9.50%                              | 16.15% |
| 0/1981 - 12/1981 | 6.65%                              | 11.75%                             | 18.40% |
| 1982             | 6.70%                              | 11.75%                             | 18.45% |
| 1983             | 6.70%                              | 11.75%                             | 18.45% |
| 1984             | 7.00%                              | 12.75%                             | 19.75% |
| 1985             | 7.05%                              | 13.75%                             | 20.80% |
| 1/1986 - 6/1986  | 7.15%                              | 14.75%                             | 21.90% |
| 7/1986 - 12/1986 | 7.15%                              | 14.75%                             | 21.90% |
| 1987             | 7.15%                              | 14.75%                             | 21.90% |
| 1988             | 7.51%                              | 16.10%                             | 23.61% |
| 1989             | 7.51%                              | 16.10%                             | 23.61% |
| 1990             | 7.65%                              | 16.10%                             | 23.75% |
| 1991             | 7.65%                              | 16.10%                             | 23.75% |
| 1992             | 7.65%                              | 16.10%                             | 23.75% |
| 1993             | 7.65%                              | 16.10%                             | 23.75% |
| 1994             | 7.65%                              | 16.10%                             | 23.75% |
| 1995             | 7.65%                              | 16.10%                             | 23.75% |
| 1996             | 7.65%                              | 16.10%                             | 23.75% |
| 1997             | 7.65%                              | 16.10%                             | 23.75% |
| 1998             | 7.65%                              | 16.10%                             | 23.75% |
| 1999             | 7.65%                              | 16.10%                             | 23.75% |
| 2000             | 7.65%                              | 16.10%                             | 23.75% |
| 2001             | 7.65%                              | 16.10%                             | 23.75% |
| 2002             | 7.65%                              | 15.60%                             | 23.25% |
| 2003             | 7.65%                              | 14.20%                             | 21.85% |
| 2004             | 7.65%                              | 13.10%                             | 20.75% |
| 2005             | 7.65%                              | 12.60%                             | 20.25% |
| 2006             | 7.65%                              | 12.60%                             | 20.25% |
| 2007             | 7.65%                              | 12.10%                             | 19.75% |

Source: "Tax rates and Maximum taxable Earnings Under Social Security, Railroad Retirement and Railroad Unemployment Insurance Programs" per the U.S. Railroad Retirement Board, Bureau of the Actuary, November 2006.

Table 6: Schedule Showing the Hourly Rates for Carmen from 1/1/1964 through 7/1/1997.

| Effective Date | Carmen   | Effective Date | Carmen   |
|----------------|----------|----------------|----------|
| 1/1/1964       | \$ 2.79  | 1/1/1982       | \$ 11.73 |
| 1/1/1965       | \$ 2.88  | 7/1/1982       | \$ 12.05 |
| 1/1/1966       | \$ 2.97  | 7/1/1982       | \$ 12.27 |
| 1/1/1967       | \$ 3.14  | 1/1/1983       | \$ 12.61 |
| 4/1/1967       | \$ 3.19  | 7/1/1983       | \$ 12.94 |
| 10/1/1967      | \$ 3.24  | 1/1/1984       | \$ 13.20 |
| 4/1/1968       | \$ 3.29  | 12/1/1985      | \$ 13.46 |
| 7/1/1968       | \$ 3.46  | 12/1/1986      | \$ 13.76 |
| 10/1/1968      | \$ 3.51  | 12/1/1987      | \$ 14.07 |
| 1/1/1969       | \$ 3.55  | 7/1/1991       | \$ 14.49 |
| 1/1/1969       | \$ 3.62  | 7/1/1993       | \$ 14.93 |
| 7/1/1969       | \$ 3.73  | 7/1/1994       | \$ 15.53 |
| 7/1/1969       | \$ 3.78  | 11/30/1995     | \$ 15.62 |
| 9/1/1969       | \$ 3.88  | 12/1/1995      | \$ 16.17 |
| 1/1/1970       | \$ 4.07  | 7/1/1996       | \$ 16.45 |
| 4/1/1970       | \$ 4.11  | 7/1/1997       | \$ 17.03 |
| 4/24/1970      | \$ 4.18  |                |          |
| 8/1/1970       | \$ 4.22  |                |          |
| 1/1/1971       | \$ 4.32  |                |          |
| 4/1/1971       | \$ 4.47  |                |          |
| 10/1/1971      | \$ 4.70  |                |          |
| 4/1/1972       | \$ 4.94  |                |          |
| 10/1/1972      | \$ 5.19  |                |          |
| 4/1/1973       | \$ 5.44  |                |          |
| 1/1/1974       | \$ 5.66  |                |          |
| 1/1/1975       | \$ 6.23  |                |          |
| 10/1/1975      | \$ 6.54  |                |          |
| 1/1/1976       | \$ 6.66  |                |          |
| 4/1/1976       | \$ 6.86  |                |          |
| 7/1/1976       | \$ 6.98  |                |          |
| 1/1/1977       | \$ 7.11  |                |          |
| 7/1/1977       | \$ 7.29  |                |          |
| 7/1/1977       | \$ 7.57  |                |          |
| 1/1/1978       | \$ 7.79  |                |          |
| 4/1/1978       | \$ 8.02  |                |          |
| 7/1/1978       | \$ 8.21  |                |          |
| 10/1/1978      | \$ 8.37  |                |          |
| 1/1/1979       | \$ 8.62  |                |          |
| 7/1/1979       | \$ 8.96  |                |          |
| 7/1/1979       | \$ 9.21  |                |          |
| 1/1/1980       | \$ 9.49  |                |          |
| 7/1/1980       | \$ 9.96  |                |          |
| 7/1/1980       | \$ 10.23 |                |          |
| 1/1/1981       | \$ 10.55 |                |          |
| 4/1/1981       | \$ 10.75 |                |          |
| 7/1/1981       | \$ 11.07 |                |          |
| 10/1/1981      | \$ 11.38 |                |          |

Source: Taken from the Brotherhood Railway Carmen Division Transportation-Communications International Union Wage Rate Progression Chart (Revised: January 24, 2003) sheet.

Table 7: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen.

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1964          | \$ 2.79     | 365            | \$ 1,017.18   | \$ 2.79              |             |
| 1965          | \$ 2.88     | 365            | \$ 1,050.03   | \$ 2.88              | 3.23%       |
| 1966          | \$ 2.97     | 365            | \$ 1,082.88   | \$ 2.97              | 3.13%       |
| 1967          | \$ 3.14     | 90             | \$ 283.03     | \$ 3.19              | 7.69%       |
|               | \$ 3.19     | 184            | \$ 587.84     |                      |             |
|               | \$ 3.24     | 91             | \$ 295.28     |                      |             |
| 1968          | \$ 3.24     | 90             | \$ 292.03     | \$ 3.38              | 5.73%       |
|               | \$ 3.29     | 91             | \$ 299.83     |                      |             |
|               | \$ 3.46     | 93             | \$ 321.73     |                      |             |
|               | \$ 3.51     | 91             | \$ 319.36     |                      |             |
| 1969          | \$ 3.62     | 181            | \$ 655.22     | \$ 3.73              | 10.53%      |
|               | \$ 3.78     | 63             | \$ 238.14     |                      |             |
|               | \$ 3.88     | 121            | \$ 469.48     |                      |             |
| 1970          | \$ 4.07     | 90             | \$ 366.30     | \$ 4.17              | 11.55%      |
|               | \$ 4.11     | 23             | \$ 94.53      |                      |             |
|               | \$ 4.18     | 100            | \$ 418.00     |                      |             |
|               | \$ 4.22     | 152            | \$ 641.44     |                      |             |
| 1971          | \$ 4.32     | 90             | \$ 388.80     | \$ 4.49              | 7.81%       |
|               | \$ 4.47     | 184            | \$ 822.48     |                      |             |
|               | \$ 4.70     | 91             | \$ 427.70     |                      |             |
| 1972          | \$ 4.70     | 90             | \$ 423.00     | \$ 4.94              | 10.08%      |
|               | \$ 4.94     | 184            | \$ 908.96     |                      |             |
|               | \$ 5.19     | 91             | \$ 472.29     |                      |             |
| 1973          | \$ 5.19     | 90             | \$ 467.10     | \$ 5.38              | 8.80%       |
|               | \$ 5.44     | 275            | \$ 1,496.00   |                      |             |
| 1974          | \$ 5.66     | 365            | \$ 2,065.90   | \$ 5.66              | 5.24%       |
| 1975          | \$ 6.23     | 273            | \$ 1,700.79   | \$ 6.31              | 11.45%      |
|               | \$ 6.54     | 92             | \$ 601.68     |                      |             |
| 1976          | \$ 6.66     | 90             | \$ 599.40     | \$ 6.87              | 8.92%       |
|               | \$ 6.86     | 92             | \$ 631.12     |                      |             |
|               | \$ 6.98     | 183            | \$ 1,277.34   |                      |             |
| 1977          | \$ 7.11     | 181            | \$ 1,286.91   | \$ 7.34              | 6.86%       |
|               | \$ 7.57     | 184            | \$ 1,392.88   |                      |             |

Table 8: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| Calendar Year | Hourly Rate | Days Effective | Weighted Rate | Weighted Hourly Rate | Growth Rate |
|---------------|-------------|----------------|---------------|----------------------|-------------|
| 1978          | \$ 7.79     | 90             | \$ 701.10     | \$ 8.10              | 10.31%      |
|               | \$ 8.02     | 91             | \$ 729.82     |                      |             |
|               | \$ 8.21     | 93             | \$ 763.53     |                      |             |
|               | \$ 8.37     | 91             | \$ 761.67     |                      |             |
| 1979          | \$ 8.62     | 181            | \$ 1,560.22   | \$ 8.92              | 10.11%      |
|               | \$ 9.21     | 184            | \$ 1,694.64   |                      |             |
| 1980          | \$ 9.49     | 181            | \$ 1,717.69   | \$ 9.86              | 10.60%      |
|               | \$ 10.23    | 184            | \$ 1,882.32   |                      |             |
| 1981          | \$ 10.55    | 90             | \$ 949.50     | \$ 10.94             | 10.91%      |
|               | \$ 10.75    | 91             | \$ 978.25     |                      |             |
|               | \$ 11.07    | 93             | \$ 1,029.51   |                      |             |
|               | \$ 11.38    | 91             | \$ 1,035.58   |                      |             |
| 1982          | \$ 11.73    | 181            | \$ 2,123.13   | \$ 12.00             | 9.72%       |
|               | \$ 12.27    | 184            | \$ 2,257.68   |                      |             |
| 1983          | \$ 12.61    | 181            | \$ 2,282.41   | \$ 12.78             | 6.45%       |
|               | \$ 12.94    | 184            | \$ 2,380.96   |                      |             |
| 1984          | \$ 13.20    | 365            | \$ 4,818.00   | \$ 13.20             | 3.32%       |
| 1985          | \$ 13.20    | 334            | \$ 4,408.80   | \$ 13.22             | 0.17%       |
|               | \$ 13.46    | 31             | \$ 417.26     |                      |             |
| 1986          | \$ 13.46    | 334            | \$ 4,495.64   | \$ 13.49             | 1.99%       |
|               | \$ 13.76    | 31             | \$ 426.56     |                      |             |
| 1987          | \$ 13.76    | 334            | \$ 4,595.84   | \$ 13.79             | 2.23%       |
|               | \$ 14.07    | 31             | \$ 436.17     |                      |             |
| 1988          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 2.06%       |
| 1989          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1990          | \$ 14.07    | 365            | \$ 5,135.55   | \$ 14.07             | 0.00%       |
| 1991          | \$ 14.07    | 181            | \$ 2,546.67   | \$ 14.28             | 1.50%       |
|               | \$ 14.49    | 184            | \$ 2,666.16   |                      |             |
| 1992          | \$ 14.49    | 365            | \$ 5,288.85   | \$ 14.49             | 1.46%       |
| 1993          | \$ 14.49    | 181            | \$ 2,622.69   | \$ 14.71             | 1.53%       |
|               | \$ 14.93    | 184            | \$ 2,747.12   |                      |             |

Table 9: Schedule Showing the Weighted Average Hourly Rates for the Years 1964 through 1997 for Carmen. (Cont.)

| <u>Calendar Year</u> | <u>Hourly Rate</u> | <u>Days Effective</u> | <u>Weighted Rate</u> | <u>Weighted Hourly Rate</u> | <u>Growth Rate</u> |
|----------------------|--------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 1994                 | \$ 14.93           | 181                   | \$ 2,702.33          | \$ 15.23                    | 3.54%              |
|                      | \$ 15.53           | 184                   | \$ 2,857.52          |                             |                    |
| 1995                 | \$ 15.53           | 333                   | \$ 5,171.49          | \$ 15.58                    | 2.31%              |
|                      | \$ 15.62           | 1                     | \$ 15.62             |                             |                    |
|                      | \$ 16.17           | 31                    | \$ 501.27            |                             |                    |
| 1996                 | \$ 16.17           | 181                   | \$ 2,926.77          | \$ 16.31                    | 4.66%              |
|                      | \$ 16.45           | 184                   | \$ 3,026.80          |                             |                    |
| 1997                 | \$ 16.45           | 181                   | \$ 2,977.45          | \$ 16.74                    | 2.64%              |
|                      | \$ 17.03           | 184                   | \$ 3,133.52          |                             |                    |

1964 through 1997 Compound Rate of Growth

5.58%

## EMPLOYEE DEMOGRAPHIC INFORMATION SCREEN

12:45:05

EE SSN : 285 - 03 - 3118

PE NAME: SOWINSKI

, P , P

SEX: M

EVIOUS SURNAME:

DOB: 06 / / 1912 RRB

ADDR1

DOD: 02 / / 1984 RRB

ADDR2

LAST COA MADE BY

CITY

STATE ZIP -

LAST COA MADE ON

FOREIGN ADDRESS

LAST S&amp;C YEAR: 1975

NEW ACCOUNT INDICATOR?(Y/N): N

LAST EMPLOYER: 1313

ACCOUNT VERIFIED?(Y/N): Y

LAST PAYROLL ID: 3100628992

DORMANT ACCOUNT?(Y/N): Y

LAST ICC CODE: 057

ANN BEGIN DATE: 07 / / 1975

ACCOUNT LAST ACTIVE: 1975

SERVICE AFTER ABD: NO

SSA INQUIRY DATE: / /

DATE LAST WORKED: / /

SEPARATED: / / ;

DATE RIGHTS RELINQUISHED: / /

/ / ;

## USER MESSAGE

DC930851 \*\*\* YOU ARE IN INQUIRY MODE \*\*\*

-----RESPONSES-----

RUIA =PF14 EE S&amp;E SUM=PF16 LEDGER =PF18 MULT SSN=PF21 BA-6 =PF23

MISC SCORE=PF15 YEARLY SUM=PF17 SERV MOS=PF19 MIL SERV=PF22 HIST STMT=PF24

(



00000000

EMPLOYEE DATA MAINTENANCE  
EMPLOYEE SERVICE AND EARNINGS TOTALS

04/01/77  
12:45:18

EE SSN : 285 - 03 - 3118

EE NAME: SOWINSKI , P , P

SERVICE MONTHS TOTALS

COMPENSATION TOTALS

-----  
TOTAL REPORTED : 459  
TOTAL DEEMED : 000  
CREDITABLE M/S : 000  
OVERLAP M/S : 000  
TOTAL CREDITABLE : 459  
CREDITABLE 37-46 : 120  
S-C 37-46 ADJ CODE : NEVER ADJUSTED

-----  
TIER 1 AMOUNT :\$ 177782.99  
TIER 2 AMOUNT :\$ 0.00  
MISC COMP AMOUNT :\$ 0.00  
37-46 AMOUNT :\$ 21013.44  
1959 GROSS AMOUNT :\$ 4800.00  
SSA WAGES :\$ 0.00  
37-50 SSA WAGES :\$ 0.00

QBD RECORD DOES NOT EXIST

1951 QC'S: 0 PATT: \$ 0.00 1952 QC'S: 0 PATT: \$ 0.00

TOTAL QC'S : 0 QC'S THRU 1974 : 0 QC'S 37-50 : 0

ITEMS IN SUSPENSE?(Y/N):

USER MESSAGE

DC930861 PLEASE PROVIDE SEARCH CRITERIA AND PRESS ENTER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 S&E YEAR TOTALS =PF17 SERV MO DETAIL =PF19

EE SSN: 285 - 03 - 3118      EE NAME: SOWINSKI      , P , P

|       |      |    | ----- RAILROAD INFO ----- |      |          |        |      | ----- SSA INFO ----- |       |      |      |         |
|-------|------|----|---------------------------|------|----------|--------|------|----------------------|-------|------|------|---------|
| S     | YEAR | SM | MOS                       | DEEM | TIER-1   | TIER-2 | MISC | ---Q/C---            |       | WAGE | M/S  | WAGE YF |
|       |      |    | PATT                      | PATT | COMP     | COMP   | COMP | SSA                  | SE&AG | PATT | PATT | AMOUNT  |
| ===== |      |    |                           |      |          |        |      |                      |       |      |      |         |
|       | 1975 | 6  | 7700                      | 0000 | 6146.67  |        |      |                      |       |      |      |         |
|       | 1974 | 12 | 7777                      | 0000 | 11859.15 |        |      |                      |       |      |      |         |
|       | 1973 | 11 | 5777                      | 0000 | 9305.47  |        |      |                      |       |      |      |         |
|       | 1972 | 10 | 7774                      | 0000 | 7458.69  |        |      |                      |       |      |      |         |
|       | 1971 | 12 | 7777                      | 0000 | 6180.60  |        |      |                      |       |      |      |         |
|       | 1970 | 12 | 7777                      | 0000 | 7800.00  |        |      |                      |       |      |      |         |
|       | 1969 | 12 | 7777                      | 0000 | 7800.00  |        |      |                      |       |      |      |         |
|       | 1968 | 12 | 7777                      | 0000 | 7676.05  |        |      |                      |       |      |      |         |
|       | 1967 | 12 | 7777                      | 0000 | 6346.42  |        |      |                      |       |      |      |         |
|       | 1966 | 12 | 7777                      | 0000 | 6411.70  |        |      |                      |       |      |      |         |

USER MESSAGE

- RESPONSES-----
- EE INFO

=PF13

MISC SCORE

=PF15

S&E LEDGER

=PF18

MIL SERV

=PF22
- EE SERV/RUIA

=PF14

EE S&E TOTALS

=PF16

SERV MO DETAIL

=PF19

HIST STMT

=PF20

PAGE: 0002 CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/07/91  
12:45:31

EE SSN: 285 - 03 - 3118 EE NAME: SOWINSKI , P , P

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                       |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|-----------------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE YI<br>AMOUNT |
|                           | 1965 | 12 | 7777        | 0000         | 5257.87        |                |                      |                       |                       |                   |
|                           | 1964 | 12 | 7777        | 0000         | 5345.71        |                |                      |                       |                       |                   |
|                           | 1963 | 12 | 7777        | 0000         | 4900.00        |                |                      |                       |                       |                   |
|                           | 1962 | 12 | 7777        | 0000         | 4800.00        |                |                      |                       |                       |                   |
|                           | 1961 | 12 | 7777        | 0000         | 4800.00        |                |                      |                       |                       |                   |
|                           | 1960 | 12 | 7777        | 0000         | 4718.70        |                |                      |                       |                       |                   |
|                           | 1959 | 12 | 0000        | 0000         | 4550.00        |                |                      |                       |                       |                   |
|                           | 1958 | 12 | 0000        | 0000         | 4200.00        |                |                      |                       |                       |                   |
|                           | 1957 | 12 | 0000        | 0000         | 4200.00        |                |                      |                       |                       |                   |
|                           | 1956 | 12 | 0000        | 0000         | 4200.00        |                |                      |                       |                       |                   |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----

EE INFO =PF13 MISC SCORE =PF15 S&E LEDGER =PF18 MIL SERV =PF22  
EE SERV/RUIA =PF14 EE S&E TOTALS =PF16 SERV MO DETAIL =PF19 HIST STMT=PF20

PAGE: 0003 - CREDITABLE SERVICE AND EARNINGS YEARLY TOTALS

04/07/91  
12:45:41

EE SSN: 285 - 03 - 3118      EE NAME: SOWINSKI      , P , P

| ----- RAILROAD INFO ----- |      |    |             |              |                |                | ----- SSA INFO ----- |                       |                       |                   |
|---------------------------|------|----|-------------|--------------|----------------|----------------|----------------------|-----------------------|-----------------------|-------------------|
| S                         | YEAR | SM | MOS<br>PATT | DEEM<br>PATT | TIER-1<br>COMP | TIER-2<br>COMP | MISC<br>COMP         | ---Q/C--<br>SSA SE&AG | WAGE M/S<br>PATT PATT | WAGE YI<br>AMOUNT |
| 1955                      | 12   |    | 0000        | 0000         | 4120.52        |                |                      |                       |                       |                   |
| 1954                      | 12   |    | 0000        | 0000         | 3900.00        |                |                      |                       |                       |                   |
| 1953                      | 12   |    | 0000        | 0000         | 3600.00        |                |                      |                       |                       |                   |
| 1952                      | 12   |    | 0000        | 0000         | 3588.50        |                |                      |                       |                       |                   |
| 1951                      | 12   |    | 0000        | 0000         | 3562.50        |                |                      |                       |                       |                   |
| 1950                      | 12   |    | 0000        | 0000         | 3468.50        |                |                      |                       |                       |                   |
| 1949                      | 12   |    | 0000        | 0000         | 3437.50        |                |                      |                       |                       |                   |
| 1948                      | 12   |    | 0000        | 0000         | 3583.50        |                |                      |                       |                       |                   |
| 1947                      | 12   |    | 0000        | 0000         | 3551.50        |                |                      |                       |                       |                   |
| 1946                      | 120  |    | 0000        | 0000         | 21013.44       |                |                      |                       |                       |                   |

USER MESSAGE

DC930121 SELECT A YEAR FROM LIST ABOVE AND USE PF18 FOR S&E LEDGER

-----RESPONSES-----  
EE INFO            =PF13   MISC SCORE        =PF15   S&E LEDGER            =PF18   MIL SERV =PF22  
EE SERV/RUIA =PF14   EE S&E TOTALS =PF16   SERV MO DETAIL   =PF19   HIST STMT=PF20