

Analysis of Freight Rail Rates for U.S. Shippers

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Methodology

For this study, Escalation Consultants examined Class I railroad rate data from the Surface Transportation Board's (STB) Public Use Waybill sample for all major commodity groups shipped by rail other than intermodal. Movements in the Waybill are provided by the railroads to the STB and this data was analyzed for 2013, the most recent year available from the STB, as well as for 2005. Escalation Consultants calculated the railroad's revenue-to-variable-cost ratio (RVC) for each shipment that originated or terminated in the U.S. An RVC is an important indicator for freight rail rates because a rate with an RVC greater than 180% is subject to potential STB review for being unreasonably high.

For each group of related commodities, Escalation Consultants calculated the average rate for shipments below a 180% RVC (those assumed to be competitive) and the average rate for shipments above a 180% RVC (those potentially non-competitive and subject to STB jurisdiction). The difference between these average rates is presented as the shipper's rate 'premium' in this analysis. Escalation Consultants further broke down the potentially non-competitive rates by RVC ranges (180-240%, 240-300% and above 300%) to show the impact of the highest rates on the total premium. Data are reported for all commodities combined, as well as for major commodity groups (2-digit Standard Transportation Commodity Code (STCC)) and individual products (5-digit STCC) within each group for traffic originating in different geographic regions.

Further details on the methodology and the breakdown by geographic region are provided in Appendices 1 and 2.

Key Findings

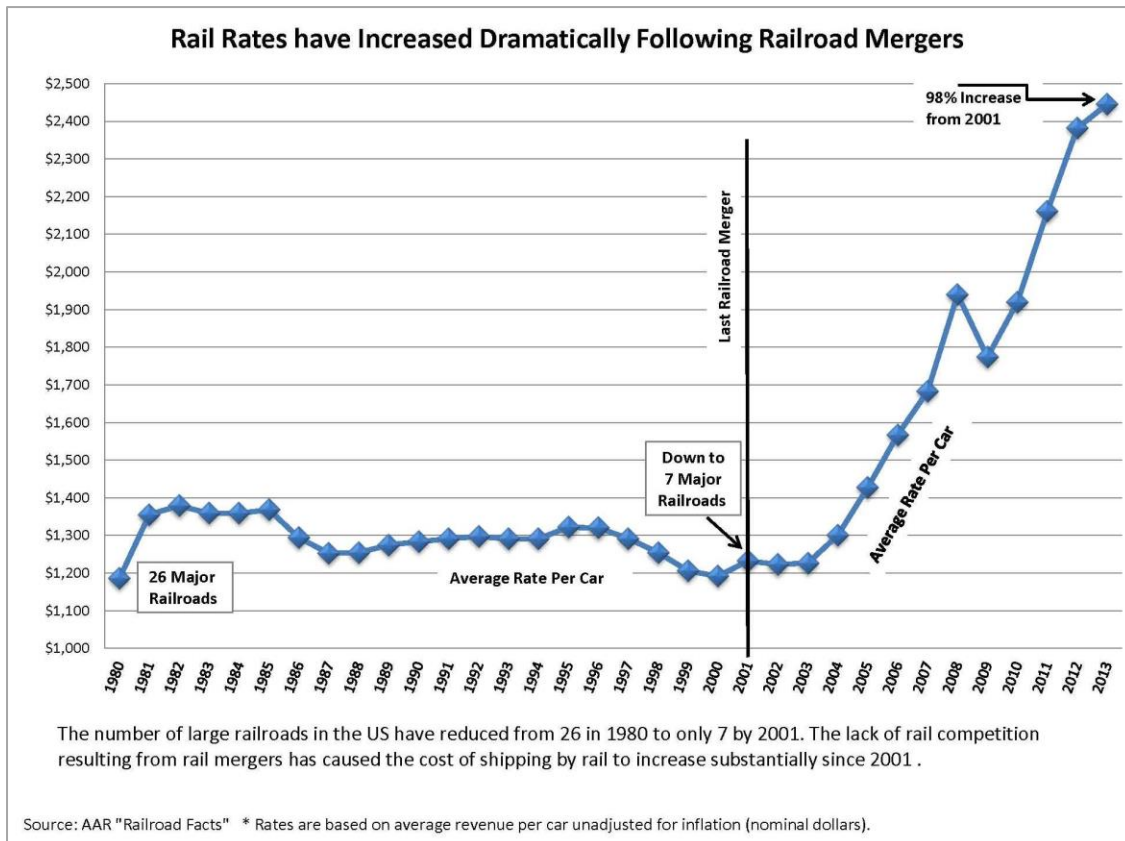
The findings in this analysis are based on the rates for railroad movements in the 2013 and 2005 Public Use Waybill sample. The findings show that:

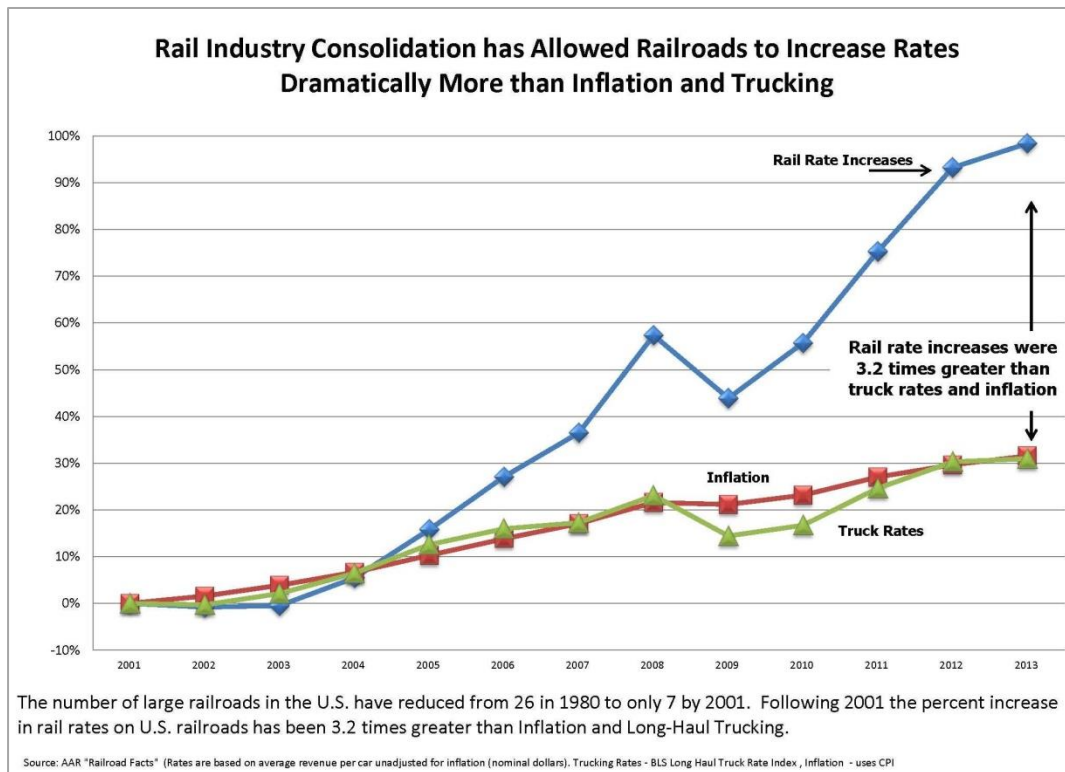
- In 2013, sixty-seven percent (67 percent) of all rail rates exceeded a 180% RVC, the threshold for a potential rate challenge before the STB.
- The average rate for carloads above 180% RVC was \$1,338 higher than the average rate for carloads below a 180% RVC, meaning that shippers paid almost a 50 percent premium (49.2 percent) for these shipments.
- As a result, the total rate premium paid by commodity shippers in 2013 was almost \$19 billion (\$18.9 billion).
- The commodity groups with the largest total rate premiums were chemicals (\$5.3 billion), coal (\$4.1 billion) and transportation equipment (\$1.7 billion).
- Many rates were far above the STB's RVC jurisdictional threshold of 180%; for example, nearly one quarter (24.7 percent) of rates exceeded a 300% RVC, or three times the railroad's long term variable cost.
- From 2005 to 2013, the total rate premium paid by commodity shippers increased 121.3%, while the carload volume declined by 2.4%.
- Even though the number of carloads declined between 2005 and 2013, there was a 38.6% increase in the number of carloads with premium rates.

Background: Current Landscape and Summary of Existing Rail Rate Data

American manufacturers rely on the nation's freight railroads to move many of their products to their customers. These materials and products serve as the foundation for the U.S. economy and ultimately wind up in grocery stores, car dealerships, power plants, and people's homes.

Since the last major freight railroad reform legislation more than 30 years ago, railroads consolidated from twenty-six (26) major carriers to seven (7). With limited competition, freight rail rates increased 98 percent since 2001 – more than three times the rate of inflation and more than three times as much as truck rates have increased.





Excessive rates can burden U.S. manufacturing and provide a competitive advantage to foreign producers. To better understand these impacts, Escalation Consultants conducted an analysis to quantify the premiums railroads charge U.S. manufacturers.

Results from Analysis

The premiums for shippers in this study are broken out by each two-digit Standard Transportation Commodity Code (STCC) and by year (2005 and 2013). The study also explored how the volume of shipments changed between 2005 and 2013 to determine if greater demand led to an increase in the premium for shipments. Finally, the analysis also includes a detailed breakout of high RVC ratios (180% - 240%, 240% - 300%, and greater than 300%).

The premium for movements with rates above a 180% RVC in this study are also broken out for each of the five rail territories in the U.S. Furthermore, detailed tables for major commodity groups as well as regional data are in Appendix 1 and 2. Additional support for results are included in Exhibit A.

RVC Ranges and Rate Premium for all Commodities (2013)

In 2013, well more than half (67 percent) of all rail rates exceeded a 180% RVC, resulting in a total rate premium of almost \$19 billion (\$18.9 billion). These rates are further broken out by RVC range. This breakdown shows that more than 40 percent of all freight rail traffic has more than a 240% RVC while nearly one in four shipments had an RVC greater than 300%. Most of the premium for rates above a 180% RVC is generated from movements with RVC's greater than 300% as they represent \$10.8 billion of the \$18.9 billion premium for rates above a 180% RVC. The table below shows the breakdown of all rail traffic with RVC's above 180% and the premium paid for these movements by RVC range.

Breakdown of Rate Premium by RVC Range		
RVC Range	Percentage of Total Carloads	Premium for Rates Above 180% RVC
180-240	26.4%	\$4.2 Billion
241-299	15.8%	\$3.9 Billion
>300	24.7%	\$10.8 Billion
Total above 180	67.0%	\$18.9 Billion

Commodity Groups with Highest Total Rate Premiums (2013)

The commodity groups with the largest total rate premiums were chemicals (\$5.3 billion), coal (\$4.1 billion) and transportation equipment (\$1.7 billion). The average rate for carloads above a 180% RVC was \$1,338 higher than the average rate for carloads below 180% RVC, meaning that shippers on average paid around a 50 percent premium (49.2 percent). The increase above competitive rates for different commodity groups range between 222 percent and 34 percent.

Top Ten Highest Rate Premiums					
STCC	Description	% Total Carloads Above 180% RVC	Premium Per Carload	2013 Premium as Percentage Above Competitive Rate	Total Premium
28	Chemicals or Allied Products	81.0%	\$2,800	100.3%	\$5,312,261,179
11	Coal	66.0%	\$986	48.7%	\$4,119,497,841
37	Transportation Equipment	48.0%	\$1,836	57.9%	\$1,713,477,455
20	Food & Kindred Products	56.0%	\$1,504	44.5%	\$1,051,406,124
14	Nonmetallic Minerals Except Fuels	75.0%	\$898	47.7%	\$1,038,963,845
29	Petroleum or Coal Products	78.0%	\$1,758	60.4%	\$964,754,591
01	Farm Products	65.0%	\$1,036	33.8%	\$917,763,899
33	Primary Metal Products	72.0%	\$1,594	41.0%	\$762,221,990
32	Clay, Concrete, Glass or Stone Products	83.0%	\$1,712	63.7%	\$712,170,393
26	Pulp, Paper or Allied Products	56.0%	\$2,267	55.2%	\$654,252,791
	Total All Commodities	67.0%	\$1,338	49.2%	\$18,915,252,044

Percent of Carloads by RVC Range and Commodity (2013)

The study assessed the RVC ratios for major commodity groups. The table below provides the percentage of carloads with RVCs between, 180-240%, RVCs between 240-300%, and RVCs above 300%.

Breakdown of Carloads With Non-Competitive Rates by RVC Range and Commodity				
STCC	Description	% Total Carloads Between 180% RVC and 240% RVC	% Total Carloads Between 240% RVC and 300% RVC	% Total Carloads Greater than 300% RVC
01	Farm Products	36.6%	16.2%	12.2%
10	Metallic Ores	59.4%	9.1%	8.9%
11	Coal	21.2%	15.1%	30.0%
13	Crude Petro, Nat Gas & Natural Gas	34.4%	16.0%	16.1%
14	Nonmetallic Minerals Except Fuels	25.6%	22.2%	27.4%
20	Food & Kindred Products	32.6%	12.3%	10.9%
24	Lumber or Wood Products	25.9%	12.2%	8.6%
26	Pulp, Paper or Allied Products	26.9%	16.1%	13.2%
28	Chemicals or Allied Products	22.2%	17.4%	41.8%
29	Petroleum or Coal Products	26.2%	19.4%	32.3%
32	Clay, Concrete, Glass or Stone Products	28.1%	22.2%	32.9%
33	Primary Metal Products	26.8%	18.3%	27.4%
35	Machinery Exc. Electrical	6.5%	7.3%	85.1%
37	Transportation Equipment	25.0%	12.4%	11.0%
39	Miscellaneous Products Manufacturing	0.0%	0.0%	0.0%
40	Waste or Scrap Materials	23.1%	17.1%	25.6%
41	Miscellaneous Freight Shipments	17.6%	9.4%	42.3%
44	Freight Forwarder	0.0%	0.0%	0.0%
48	Waste Hazardous Materials or Waste Hazard	20.8%	12.1%	26.9%
	Total All Commodities	26.4%	15.8%	24.7%

Note: Commodities with a small number of carloads are excluded from the table.
This included STCC's 22, 30, 34, 36 and 42.

Change in Carloads and Premiums (2005 – 2013)

From 2005 to 2013, the total premium paid by shippers increased 121%, while the carload volume declined by 2.4%. This suggests that increased demand is not the primary driver of a sharp increase in shipping premiums. Hazmat issues also do not appear to be a primary factor in driving rates higher. Farm Products, coal, nonmetallic minerals, and primary metal products were among the commodities that showed the sharpest discrepancy between the premium increase and the change in carloads.

Instead, the higher rate premium reflects a general shift towards higher RVC ratios. Despite a small decline in total carloads, the number of carloads with potentially non-competitive rates (RVC ratios

above 180%) jumped by 38.6 percent from 2005 to 2013 going from 9.3 million to 12.9 million cars (reference Exhibit A). The number of carloads with very high rates (RVCs exceeding 300%) increased by 44 percent over this time period.

2005 to 2013 Change in Carloads and Rate Premium							
STCC	Description	2005 Carloads	2013 Carloads	2005 Premium	2013 Premium	Carload Change	Premium Change
01	Farm Products	1,622,550	1,362,478	\$403,753,379	\$917,763,899	-16.0%	127.3%
10	Metallic Ores	709,600	679,829	\$83,855,137	\$172,284,104	-4.2%	105.5%
11	Coal	7,565,750	6,296,397	\$1,982,059,232	\$4,119,497,841	-16.8%	107.8%
13	Crude Petro, Nat Gas & Natural Gas	10,536	465,778	\$4,467,957	\$581,413,265	4,320.8%	12,913.0%
14	Nonmetallic Minerals Except Fuels	1,686,771	1,539,945	\$265,003,630	\$1,038,963,845	-8.7%	292.1%
19	Ordinance & Accessories	2,104	740	\$6,456,448	\$3,880,162	-64.8%	-39.9%
20	Food & Kindred Products	1,218,389	1,252,473	\$546,940,100	\$1,051,406,124	2.8%	92.2%
24	Lumber or Wood Products	737,050	451,376	\$431,386,357	\$376,382,775	-38.8%	-12.8%
26	Pulp, Paper or Allied Products	719,988	513,336	\$464,916,562	\$654,252,791	-28.7%	40.7%
28	Chemicals or Allied Products	2,019,780	2,333,030	\$2,434,614,580	\$5,312,261,179	15.5%	118.2%
29	Petroleum or Coal Products	799,245	703,924	\$426,106,840	\$964,754,591	-11.9%	126.4%
32	Clay, Concrete, Glass or Stone Products	645,246	500,066	\$440,461,084	\$712,170,393	-22.5%	61.7%
33	Primary Metal Products	718,946	659,824	\$351,596,324	\$762,221,990	-8.2%	116.8%
35	Machinery Exc. Electrical	4,405	14,197	\$7,264,139	\$68,458,475	222.3%	842.4%
37	Transportation Equipment	579,017	1,926,235	\$401,305,356	\$1,713,477,455	232.7%	327.0%
40	Waste or Scrap Materials	552,582	422,203	\$237,041,659	\$359,285,451	-23.6%	51.6%
41	Misc. Freight Shipments	14,796	23,862	\$21,468,418	\$38,727,953	61.3%	80.4%
48	Waste Hazardous Materials	11,796	22,632	\$21,700,000	\$33,395,513	91.9%	53.9%
	Total	19,672,399	19,195,653	\$8,548,045,008	\$18,915,212,044	-2.4%	121.3%

Conclusions

American manufacturers and their customers are experiencing a sharp rise in freight rail rates that is not driven by traditional free-market forces. While demand decreased from 2005-2013, the rate premium paid by rail shippers soared. Few commodities have been spared by skyrocketing freight rail rates as both hazardous and non-hazardous shipments have experienced soaring rail rates. Only lumber and wood products experienced a sharp decline both in total rate premium and demand. Nearly one out of every four shipments today are shipped at rates exceeding a 300% RVC or three times the long term variable cost of the shipment. In 2005, just one in every six shipments faced premiums that high.

Increased demand and liability are clearly not driving freight rail rates. This unique business dynamic provides tremendous pricing power to a handful of freight railroads. This pricing power has given railroads the ability to continually obtain large rate increases from customers that do not have competitive options. The result is that most rail traffic now moves under very high non-competitive rates.

Appendix 1

Methodology for Calculating the Shipper's Rail Rate Premium

The 2013 Public Use Waybill Sample (Sample) was used to calculate the premium paid by shippers to railroads for moving their freight. The Sample represents 100% of all rail shipments that originate or terminate in the U.S. The Sample is a collection of railroad waybill records submitted by railroads to the Surface Transportation Board (STB); it is roughly a 3% sample of all rail movements which is then expanded to represent 100% of all rail traffic. The 2013 Sample consists of 640,998 waybills. Escalation Consultants analyzed 256,398 Sample records, which included all commodity movements in the Sample except for Intermodal. The 256,398 Sample records, when expanded to represent all rail traffic for these types of movements, total to 19,195,653 carloads in 2013. When the 19,672,399 carloads analyzed in 2005 are added to the 2013 carloads a total of 38,869,372 carloads were analyzed to determine the change in shippers' rail rate premium between 2005 and 2013.

Movement characteristics for each record were evaluated to determine the number of interchanges, car type, weight/car, rail territory of origin, destination and all relevant movement parameters so that railroad variable costs could be computed. All movements were run through Escalation Consultants' Optimized Rail Bid Evaluation (ORBE) batch processing program that can analyze the cost for hundreds of thousands of movements utilizing the STB costing program, the Uniform Rail Costing System (URCS) and then summarize moves by commodity and territory. The ORBE calculated the following for each movement:

- Railroad long term variable cost; and,
- The Revenue to Variable Cost Ratio (RVC) ($RVC = \text{Revenue} \div \text{Variable Cost}$).

The Staggers Rail Act of 1980 set a legislative demarcation for non-competitive rail rates as those rates with an RVC of 180% or greater. The 180% RVC level is referred to as the Jurisdictional Threshold, signifying the STB has no authority over tariff rates of less than 180%. Therefore, ORBE established the non-competitive and competitive status by the RVC for each movement. In this Exhibit, non-competitive movements are defined as those with an RVC of 180% or greater and competitive movements are defined as those with an RVC of less than 180%.

The rate premium for commodities is determined by calculating the average difference between the rate per car above and below a 180% RVC for each commodity in each rail territory and then multiplying this rate difference by the number of cars with RVC's above a 180% RVC for that commodity and territory. The sum of the premium amounts for all territories represents the total rate premium for a commodity. A map showing the location of each rail territory is found at the end of the Appendix.

The most detailed commodities in the Sample are five-digit Standard Transportation Commodity Codes (five-digit STCC's). For example, the Sample contains sixty (60) different five-digit chemical codes which represent all chemicals shipped by rail. The overall amount for chemicals (STCC 28) is the sum of the sixty (60) five-digit chemical codes.

In calculating the cost of non-competitive rates some commodities did not contain any movements with less than a 180% RVC in a rail territory and in other cases the makeup of moves with less than a 180% RVC was substantially different than the makeup of moves with RVC's greater than 180%. In these instances competitive rail rates were computed based on the jurisdictional threshold of 180%. In these situations competitive rates were determined by multiplying the railroad's average non-competitive cost per car for a commodity in a territory by 180%. This is a conservative assumption as it assumes that the competitive rates for all movements in a territory are at the absolute highest possible competitive rate

level which is 180% greater than the railroads' variable cost of non-competitive movements. The rate premium represents the difference between rates above and below a 180% RVC for a commodity in a territory so by establishing the competitive rate at the highest level possible the Study minimizes the rate premium when the competitive rate is a calculated amount.

A number of records in this sample were found to contain errors not detected or deemed significant by the STB. These types of moves were eliminated from the Analysis¹.

Railroads are allowed to mask contract revenue either up or down in the Sample which means that rates may be over or understated to the extent that revenue masking occurs in the Sample. To the extent that revenue masking occurs it would apply to the rates for both non-competitive and competitive movements. The cost of non-competitive rates is calculated as the difference between average non-competitive and competitive rates and both types of movements would be impacted by revenue masking so the cost of non-competitive rates should not be materially impacted by any masking of revenue in the Sample.

Waybill data in the Sample have been used by shippers, consultants, railroads and various federal and state governmental agencies in a wide array of cases before the ICC (now the STB), state regulatory

¹ The movements which were eliminated fell into the following categories:

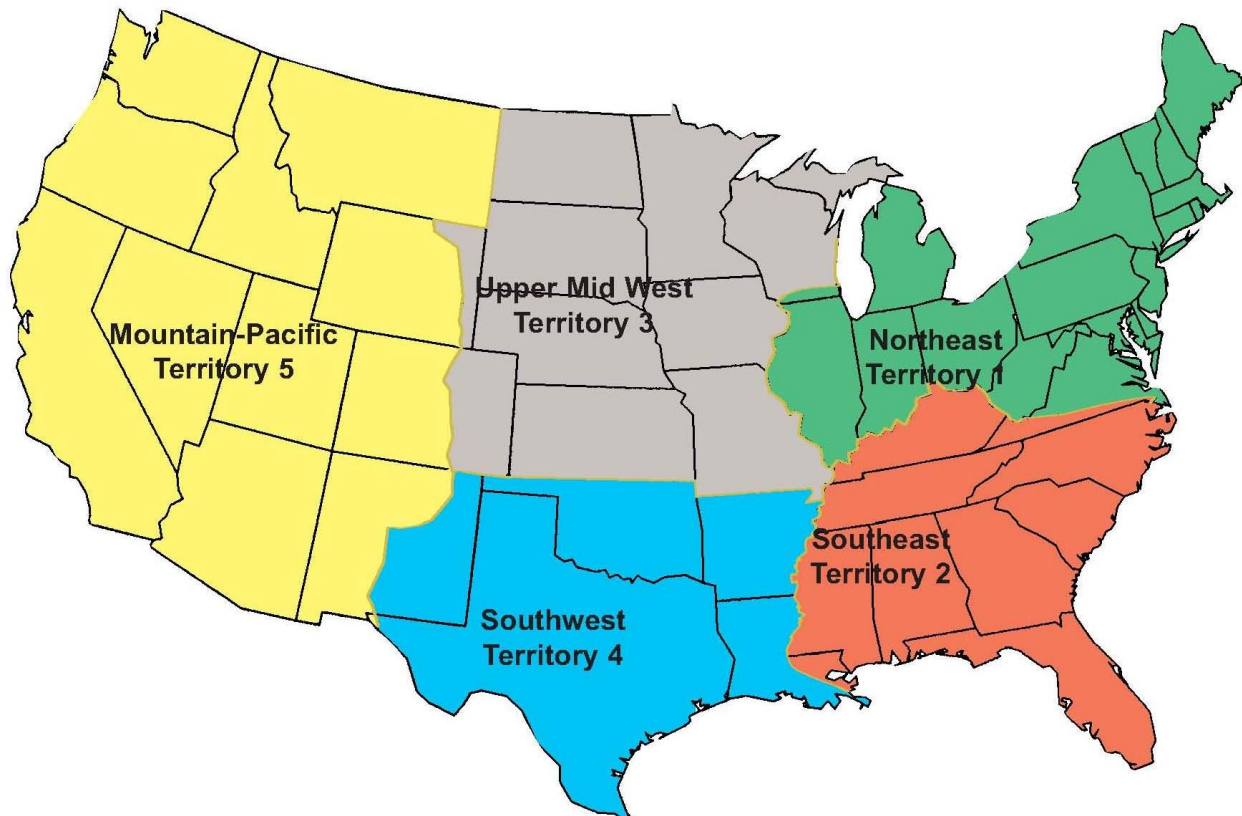
- Laden weights of 130 tons or more per car,
- Laden weights of zero tons per car,
- Rates of zero dollars per car,
- RVC levels of less than 50%,
- Rates of \$30,000 or above per car.

Gross track weight limitations are 286,000 lbs or 143 tons. The tare weight or empty weight of typical railcars range between 26 and 55 tons, adding 130 tons of laden to an empty car will exceed the 143 ton limit. Shipping zero tons, or having a rate of \$zero or \$30,000 and above per car is deemed an input error; people do not ship commodities without weight, railroads do not tend to ship commodities for free and shippers do not tend to ship commodities at rates at or in excess of \$30,000 per car. An RVC level of less than 50% is indicative of an input error in the STB's Waybill regarding the rate or the distance per movement.

bodies and the courts. The rate premium calculations in the Study utilized the Public Use Waybill Sample which contains the most detailed data the STB makes available to the public on rail movements.

Rail Territories

Breakdown of Geographic Area for Each Origin Rail Territory



Note: Territory 0 includes Canadian and Mexican moves.

Appendix 2

Breakdown of Rate Premium by Rail Territory and Five-Digit Commodity Codes

Commodity Specific Data

Farm Products - STCC 01									
	Avg. Rate Below 180% RVC				Avg. Rate Above 180% RVC			Difference	
	Rate	RVC	Carloads		Rate	RVC	Carloads	Rate	Premium
Canada/Mexico	\$3,576	175%	29,070		\$4,700	239%	27,194	\$1,203	\$32,713,856
Northeast	\$2,418	138%	159,287		\$3,685	288%	180,581	\$1,276	\$230,387,107
Southeast	\$1,995	150%	16,002		\$3,040	302%	36,393	\$1,090	\$39,682,814
Upper Midwest	\$3,081	171%	224,274		\$4,277	241%	441,570	\$943	\$416,481,569
Southwest	\$3,014	160%	21,674		\$3,731	282%	116,213	\$778	\$90,405,334
Mountain Pacific	\$4,181	172%	26,218		\$4,830	247%	84,002	\$1,287	\$108,093,218
Average	\$2,910	159%			\$4,099	259%		\$1,036	101%
Total			476,525				885,953		\$917,763,899
Total US Only			447,455				858,759		\$885,050,043

Cost of Non-Competitive Rates Details for Farm Products-STCC 01					
Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
01132-Corn Exc. Popcorn	246,303	43%	323,701	57%	\$322,466,697
01137-Wheat Exc. Buckwheat	89,632	22%	317,493	78%	\$287,484,854
01144-Soybeans	73,272	31%	162,193	69%	\$199,587,421
01131-Barley	10,296	32%	22,261	68%	\$17,777,175
01195-Potatoes, Other Than Sweet	3,244	43%	4,340	57%	\$16,060,935
01143-Peanuts	960	20%	3,800	80%	\$8,486,648
01133-Oats	10,212	51%	9,628	49%	\$6,735,349
01221-Apples	1,968	58%	1,448	42%	\$6,335,168
01342-Peas, Dry	3,000	53%	2,672	47%	\$5,343,754
01149-Oil Kernels, Nuts/Seeds, NEC	2,888	30%	6,885	70%	\$4,968,830
01136-Sorghum Grains	1,966	29%	4,820	71%	\$4,958,392
01141-Cottonseeds	7,420	54%	6,284	46%	\$4,684,627
01341-Beans Dry Ripe	6,676	61%	4,200	39%	\$3,654,217

Cost of Non-Competitive Rates Details for Farm Products-STCC 01 (continued)

Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
01312-Carrots	1,860	63%	1,108	37%	\$3,618,227
01139-Grain	4,536	62%	2,832	38%	\$3,233,768
01134-Rice, Rough	344	11%	2,680	89%	\$2,820,291
01159-Field Seeds, Exc. Seeds	1,320	72%	516	28%	\$2,620,274
01142-Flaxseeds	944	37%	1,628	63%	\$2,359,234
01135-Rye	592	33%	1,228	67%	\$2,247,513
01313-Onions, Green	884	47%	996	53%	\$2,045,300
01214-oranges	2,256	60%	1,492	40%	\$1,753,804
01343-Cowpeas, Lentils or Lupines	2,056	71%	848	29%	\$1,509,991
01398-Cantaloupes/Melons/Muskmelons	808	72%	320	28%	\$1,431,945
01334-Celery	240	37%	408	63%	\$1,273,981
01191-Fodder, Hay or Roughage	1,080	69%	480	31%	\$1,117,297
01915-Herbs (Seeds, Leaves, Roots, Etc.)	80	15%	440	85%	\$836,259
01318-Onions, Dry	880	67%	440	33%	\$697,720
01227-Pears	48	16%	252	84%	\$486,640
01331-Broccoli	0	0%	80	100%	\$254,947
01295-Coffee, Green	80	50%	80	50%	\$245,440
01219-Citrus Fruits	0	0%	40	100%	\$196,502
01152-Popcorn	276	54%	232	46%	\$181,321
01224-Grapes	36	43%	48	57%	\$159,067
01226-Peaches	48	55%	40	45%	\$90,730
01151-Lawn Grass Seeds	200	83%	40	17%	\$39,580
01211-Grapefruit	40	100%	0	0%	\$0
01212-Lemons	80	100%	0	0%	\$0
Total	476,525	35%	885,953	65%	\$917,763,899

Coal-STCC 11									
	Avg. Rate Below 180% RVC				Avg. Rate Above 180% RVC			Difference	
	Rate	RVC	Carloads		Rate	RVC	Carloads	Rate	Premium
Canada/Mexico	\$4,204	152%	1,964						
Northeast	\$1,535	141%	217,356		\$2,863	455%	1,656,835	\$1,328	\$2,200,530,891
Southeast	\$2,195	154%	39,179		\$3,188	416%	592,282	\$992	\$587,732,092
Upper Midwest	\$2,349	132%	1,520,131		\$3,105	231%	1,343,421	\$757	\$1,016,921,838
Southwest ⁽¹⁾	\$1,879	180%	1,520,131		\$3,533	338%	1,768	\$1,654	\$2,923,606
Mountain Pacific	\$2,487	138%	341,669		\$3,021	308%	581,792	\$535	\$311,389,415
Average	\$2,287	134%			\$3,009	357%		\$986	217%
Total			2,120,299				4,176,098		\$4,119,497,841
Total US Only			2,118,335				4,176,098		\$4,119,497,841

⁽¹⁾ Competitive rates were calculated based on the cost of captive cars.

Cost of Non-Competitive Rates Details for Coal-STCC 11					
Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
11212-Prepared Bituminous Coal	2,119,765	34%	4,167,090	66%	\$4,101,651,357
11112-Cleaned of Prepared Anthra(Crushed/Scrnd/Sized)	0	0%	5,555	100%	\$14,951,704
11211-Raw Bituminous Coal	534	13%	3,453	87%	\$2,894,781
Total	2,120,299	34%	4,176,098	66%	\$4,119,497,841

Crude Petroleum, Natural Gas or Gasoline-STCC 13									
	Avg. Rate Below 180% RVC				Avg. Rate Above 180% RVC			Difference	
	Rate	RVC	Carloads		Rate	RVC	Carloads	Rate	Premium
Canada/Mexico	\$7,475	135%	20,211		\$11,621	219%	26,094	\$4,152	83%
Northeast	\$3,376	170%	2,689		\$4,078	278%	10,546	\$535	105%
Southeast ⁽¹⁾	\$1,106	180%	0		\$4,625	753%	660	\$3,519	573%
Upper Midwest	\$5,356	161%	128,442		\$7,140	253%	214,882	\$1,814	91%
Southwest	\$2,289	180%	1,264		\$3,722	278%	43,366	\$1,309	98%
Mountain Pacific	\$3,128	180%	3,300		\$4,256	255%	14,324	\$1,296	75%
Average	\$5,525	159%			\$6,797	255%		\$1,876	92%
Total			155,906				309,872		\$581,413,265
Total US Only			135,695				283,778		\$473,069,911

⁽²⁾ Competitive rates were calculated based on the cost of captive cars.

Cost of Non-Competitive Rates Details for Crude Petroleum, Natural Gas or Gasoline-STCC 13					
Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
13111-Crude Petroleum	153,706	34%	296,760	66%	\$557,589,601
13211-Natural Gasoline Exc. Liq. Petroleum	2,200	14%	13,112	86%	\$23,823,664
Total	155,906	33%	309,872	67%	\$581,413,265

Nonmetallic Minerals-STCC 14									
	Avg. Rate Below 180% RVC				Avg. Rate Above 180% RVC			Difference	
	Rate	RVC	Carloads		Rate	RVC	Carloads	Rate	Premium
Canada/Mexico	\$5,383	126%	18,260		\$10,196	249%	2,120	\$4,844	\$10,269,135
Northeast	\$1,495	135%	95,714		\$2,836	324%	191,886	\$1,452	\$278,579,910
Southeast	\$841	126%	165,311		\$1,315	297%	239,410	\$503	\$120,310,619
Upper Midwest	\$2,837	169%	68,107		\$5,803	278%	272,492	\$1,317	\$358,803,995
Southwest	\$1,214	176%	22,846		\$1,523	295%	344,294	\$572	\$196,988,184
Mountain Pacific	\$2,503	175%	12,416		\$2,160	333%	107,089	\$691	\$74,012,002
Average	\$1,653	141%			\$2,780	299%		\$898	142%
Total			382,654				1,157,291		\$1,038,963,845
Total US Only			364,394				1,155,171		\$1,028,694,710

Cost of Non-Competitive Rates Details for Nonmetallic Minerals-STCC 14					
Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
14413-Industrial Sand, Crude, Ground or Pulverized Abrasive	51,868	13%	345,008	87%	\$579,626,333
14219-Broken or Crushed Stone or Riprap	176,723	25%	530,933	75%	\$258,370,947
14716-Sulphur, Crude, Liquid, Molten or Solid	41,297	54%	35,154	46%	\$80,505,542
14412-Gravel (Aggregate or Ballast)	14,768	21%	54,958	79%	\$21,611,888
14715-Rock Salt, Crude, Crushed, Lump Exc. Sodium Chloride	9,160	31%	20,764	69%	\$21,112,763
14714-Apatite or Phosphate Rock, Clay or Sand	55,705	33%	115,298	67%	\$20,414,828
14711-Barite, Crude (Heavy Spar or Tiff) Ground	2,000	20%	7,960	80%	\$15,711,877
14411-Sand (Aggregate or Ballast) Exc. Abrasive	4,340	18%	20,065	82%	\$8,520,333
14919-Nonmetallic Minerals/Loam/Soil/Topsoil	992	20%	3,956	80%	\$7,360,092
14511-Bentonite, Crude	928	21%	3,596	79%	\$7,099,062
14918-Diatomaceous Oral Earth, Crude	320	19%	1,360	81%	\$3,802,220
14913-Native Asphalt or Bitumen's	0	0%	2,789	100%	\$3,247,712
14914-Pumice or Pumicite	596	24%	1,928	76%	\$2,744,983
14713-Borate, Potash or Soda, Crude	400	36%	720	64%	\$2,000,820
14514-Ball or Kaolin Clay, Crude	0	0%	1,400	100%	\$1,693,501
14911-Anhydrite or Gypsum, Crude	996	25%	2,968	75%	\$1,566,861
14915-Pyrophyllite, Soap Stone or Talc, Crude	0	0%	528	100%	\$1,185,493
14211-Agricultural Limestone, Broken or Crushed	0	0%	468	100%	\$764,308
14519-Ceramic or Clay Crude	1,080	68%	520	33%	\$707,015
14916-Natural Abrasives, Flour or Sized Grains, or Powders	120	25%	368	75%	\$326,352
14111-Dimension Stone, Quarry	80	24%	256	76%	\$311,160
14712-Fluorspar (Fluorite or Florspar), Crude	520	54%	440	46%	\$169,630
14212-Fluxing Limestone or Stone, Broken or Crushed	4,136	85%	741	15%	\$77,929

Cost of Non-Competitive Rates Details for Nonmetallic Minerals-STCC 14 (continued)					
Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
14213-Dolomite, Broken or Crushed	16,585	76%	5,113	24%	\$32,196
14917-Peat, Natural	40	100%	0	0%	\$0
Total	382,654	25%	1,157,291	75%	\$1,038,963,845

Food or Kindred Products-STCC 20									
	Avg. Rate Below 180% RVC				Avg. Rate Above 180% RVC			Difference	
	Rate	RVC	Carloads		Rate	RVC	Carloads	Rate	Premium
Canada/Mexico	\$4,532	150%	25,152		\$6,789	235%	34,177	\$2,148	85%
Northeast	\$2,749	138%	141,946		\$4,507	283%	158,425	\$1,821	144%
Southeast	\$3,364	147%	48,636		\$4,787	264%	49,956	\$1,550	113%
Upper Midwest	\$3,152	150%	226,540		\$4,126	238%	292,393	\$1,139	87%
Southwest	\$3,517	163%	47,058		\$4,674	275%	90,282	\$1,155	114%
Mountain Pacific	\$6,962	147%	63,892		\$8,148	257%	74,016	\$2,362	97%
Average	\$3,601	147%			\$4,886	257%		\$1,504	106%
Total			553,224				699,249		\$1,051,406,124
Total US Only			528,072				665,072		\$978,002,037

Cost of Non-Competitive Rates Details for Food or Kindred Products-STCC 20					
Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
20461-Corn Syrup	58,790	47%	65,528	53%	\$123,784,165
20621-Sugar, Granulated or Powdered, Sugar Cubes	19,960	33%	39,920	67%	\$100,931,393
20821-Beer/Ale/Porter/Stout/Other Fermented Malt Liquors	14,840	30%	35,040	70%	\$97,531,809
20923-Soybean Cake/Flour/Grits/Meal/Other By-Prod.	97,777	53%	85,201	47%	\$79,965,371
20859-By-Prod. Of Liquor Distilling	35,363	40%	52,856	60%	\$68,821,810
20373-Frozen Vegetables	7,520	32%	16,000	68%	\$66,525,133
20831-Malt	16,908	44%	21,400	56%	\$59,903,843
20939-Nut or Vegetable Oil Cake or Meal or Other By-Prod.	19,573	37%	33,149	63%	\$55,783,452
20421-Prepared Feed Other than Dog/Cat/Other Pet Food	33,289	38%	54,311	62%	\$50,968,794
20411-Wheat Flour Exc. Blended or Prepared	18,824	31%	41,908	69%	\$31,546,444
20921-Soybean Oil, Crude or Refined Exc. Edible Oils	31,724	44%	39,580	56%	\$31,271,650
20462-Corn Starch	9,928	39%	15,388	61%	\$26,604,619
20995-Mixed Loads of Food or Kindred Prod.	4,880	43%	6,560	57%	\$22,900,088
20419-Flour or Other Grain Prod.	12,064	41%	17,100	59%	\$21,705,164
20933-Nut or Vegetable Oils Exc. Corn	25,528	46%	29,772	54%	\$20,180,225
20334-Juice, Fruit or Vegetable, Other Than Frozen Exc. Cider	9,320	75%	3,040	25%	\$13,580,418
20823-Malt Extracts or Brewers Spent Grains	3,280	24%	10,444	76%	\$13,377,263
20841-Wine, Brandy or Brandy Spirits or Fruit Spirits	16,148	79%	4,188	21%	\$12,204,245
20336-Catsup or Other Tomato Sauces	13,840	70%	5,880	30%	\$11,044,316
20441-Rice, Cleaned	7,360	47%	8,264	53%	\$9,612,542
20129-Meat, Fresh Frozen	5,000	69%	2,280	31%	\$7,710,024
20251-Cheese Exc. Cottage Cheese	2,196	49%	2,320	51%	\$7,424,848
20467-Wet Process Corn or Mill By-Prod.	4,960	30%	11,736	70%	\$7,146,359
20851-Distilled, Rectified or Blended Liquors	920	20%	3,768	80%	\$7,012,738

Cost of Non-Competitive Rates Details for Food or Kindred Products-STCC 20 (continued)

Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
20143-Grease or Inedible or Other Inedible Animal Oil Mill Pro	7,352	34%	14,400	66%	\$6,972,126
20413-Corn Meal or Flour Exc. Animal or Poultry Feed	8,160	67%	4,080	33%	\$5,888,961
20617-Blackstrap Molasses	3,828	39%	5,976	61%	\$5,572,112
20332-Canned Vegetables	2,600	57%	1,960	43%	\$5,459,773
20443-Brewers Rice	2,120	34%	4,040	66%	\$5,060,728
20139-Meat Prod.	2,840	31%	6,396	69%	\$4,865,543
20144-Animal Refuse, Tankage, Meat Meal, Dried	7,324	45%	8,784	55%	\$4,756,323
20161-Dressed Poultry or Small Game, Fresh Frozen	3,280	77%	960	23%	\$4,502,066
20233-Evaporated or Condensed Milk Prod.	80	18%	360	82%	\$3,801,200
20465-Corn Oil	9,816	63%	5,816	37%	\$3,697,146
20871-Misc. Flavoring Extracts, Syrups or Compounds	0	0%	680	100%	\$3,687,832
20471-Dog, Cat or Other Pet Food, Exc. Canned	840	47%	960	53%	\$3,665,180
20616-Sugar Molasses Exc. Blackstrap	1,384	23%	4,664	77%	\$3,585,759
20469-Wet Process Corn Milling or Similar Mill	2,920	45%	3,520	55%	\$3,222,774
20412-Wheat Bran, Middlings Shorts	2,964	50%	2,960	50%	\$3,128,549
20463-Corn Sugar	1,120	48%	1,200	52%	\$3,114,002
20911-Cottonseed Oil, Crude or Refined Exc. Edible Oils	1,176	31%	2,572	69%	\$2,627,487
20625-Sugar Refining By-Prod.	600	18%	2,720	82%	\$2,068,173
20993-Sweetening Syrups or Molasses	160	24%	520	76%	\$1,876,040
20619-Sugar Mill Prod. or By-Prod.	3,880	62%	2,408	38%	\$1,872,665
20472-Canned Dog, Cat or Other Pet Food	80	18%	360	82%	\$1,870,413
20914-Cottonseed Cake or Meal or By-Prod.	1,664	46%	1,992	54%	\$1,852,936
20511-Bread or Other Bakery Prod. Exc. Biscuits, Crackers	3,640	71%	1,520	29%	\$1,792,402
20466-Starch Exc. Corn	280	27%	760	73%	\$1,727,073
20416-Oat Meal or Flour	1,800	63%	1,080	38%	\$1,704,606
20391-Mixed Loads Of Canned or Preserved Fruits, or Veg	2,840	80%	720	20%	\$1,430,986
20211-Creamery Butter	988	52%	924	48%	\$1,425,481
20449-Milled Rice or By-Prod.	200	21%	760	79%	\$1,397,968
20343-Dehydrated or Dried Potatoes or Prod. Ex. Potato Chips	320	20%	1,280	80%	\$1,233,909
20418-Grain Mill By-Prod. Exc. Wheat Bran, Middlings	1,008	44%	1,288	56%	\$1,205,692
20131-Lard	480	41%	680	59%	\$1,026,245
20941-Marine Oil Mill Prod.	40	9%	400	91%	\$885,532
20371-Frozen Fruits	600	60%	400	40%	\$873,096
20331-Canned Fruits	200	45%	240	55%	\$734,584
20149-Animal By-Prod.	800	40%	1,200	60%	\$623,543
20442-Rice Flour, Bran or Meal	320	29%	796	71%	\$527,565
20915-Cotton Linters or Regins	348	47%	396	53%	\$456,193
20961-Shortening or Cooking or Salad Oils Exc. Corn Oil	200	36%	360	64%	\$413,608
20861-Soft Drinks/Mineral Waters/Bottled/in Bulk	0	0%	160	100%	\$339,976

Cost of Non-Competitive Rates Details for Food or Kindred Products-STCC 20 (continued)

Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
20942-Marine Oil Mill By-Prod. Viz. Meal, Scrap or Tankage	80	12%	600	88%	\$315,852
20352-Pickles or Other Pickled Prod.	40	25%	120	75%	\$304,600
20339-Canned Fruits or Vegetables	320	73%	120	27%	\$270,241
20999-Food Preparations or By-Prod.	280	64%	160	36%	\$247,270
20622-Sugar, Liquid or Syrup	80	29%	200	71%	\$232,671
20158-Poultry or Small Game By-Prod., Fresh or Chilled	200	63%	120	38%	\$216,657
20259-Special Dairy Prod. By-Prod.	360	60%	240	40%	\$201,924
20832-Malt Flour or Sprouts	320	62%	200	38%	\$188,653
20323-Canned Bean Specialties, Pork and Beans/Baked Beans	40	50%	40	50%	\$145,360
20611-Raw Cane or Beet Sugar	0	0%	120	100%	\$131,980
20414-Rye Flour or Meal	80	29%	200	71%	\$123,413
20379-Frozen Fruits or Vegetables In Mixed Loads	0	0%	40	100%	\$101,886
20111-Carcasses Fabricated/Primal Cuts/Boneless Meat/Fresh	0	0%	40	100%	\$101,600
20231-Dry Milk Prod.	1,080	87%	160	13%	\$91,399
20931-Linseed Oil ,Crude or Refined Exc. Edible Oils	504	67%	244	33%	\$73,863
20996-Cider or Vinegar	0	0%	40	100%	\$57,828
20359-Sauces or Seasonings, Exc. Catsup or Tomato Sauces	80	20%	320	80%	\$52,695
20121-Carcasses Fabricated or Primal Cuts/Boneless Meat	720	78%	200	22%	\$26,800
20361-Frozen Processed (Packaged) Fish or Other Seafood	280	78%	80	22%	\$18,176
20998-Tea or Instant Tea	120	75%	40	25%	\$13,655
20141-Hides, Not Tanned/Cattle/Horse/Mule/Sheep/Swine	40	50%	40	50%	\$6,640
20341-Dehydrated or Dried Fruits	76	100%	0	0%	\$0
20372-Frozen Juices or Ades	200	100%	0	0%	\$0
20713-Chocolate or Cocoa Prod. or By-Prod.	40	100%	0	0%	\$0
20951-Roasted Coffee or Coffee	40	100%	0	0%	\$0
Total	553,224	44%	699,249	56%	\$1,051,406,124

Pulp, Paper or Allied Products-STCC 26

	Avg. Rate Below 180% RVC			Avg. Rate Above 180% RVC			Difference		Premium
	Rate	RVC	Carloads	Rate	RVC	Carloads	Rate	RVC	
Canada/Mexico	\$6,088	137%	37,600	\$9,289	247%	34,720	\$3,373	108%	\$117,117,068
Northeast	\$3,310	134%	28,880	\$5,505	274%	26,680	\$2,121	138%	\$56,576,117
Southeast	\$3,619	134%	95,560	\$5,636	275%	123,100	\$1,992	141%	\$245,192,821
Upper Midwest	\$3,451	147%	16,880	\$6,900	294%	24,120	\$3,217	142%	\$77,592,498
Southwest	\$4,590	147%	33,560	\$6,633	260%	56,080	\$2,031	112%	\$113,893,596
Mountain Pacific	\$4,760	170%	12,272	\$5,799	263%	23,884	\$1,837	84%	\$43,880,691
Average	\$4,187	139%		\$6,376	269%		\$2,267	127%	
Total			224,752			288,584			\$654,252,791
Total US Only			187,152			253,864			\$537,135,723

Cost of Non-Competitive Rates Details for Pulp, Paper or Allied Products-STCC 26

Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
26311-Fibreboard/Paperboard Pulp Board	105,744	38%	172,500	62%	\$347,809,709
26213-Printing Paper/Coated/Uncoated/Coated Grnd Wood	36,240	50%	36,000	50%	\$131,188,226
26111-Pulp	59,088	54%	50,924	46%	\$103,766,470
26211-Newsprint	9,200	46%	10,880	54%	\$27,310,317
26212-Ground Wood Paper, Uncoated	8,640	45%	10,600	55%	\$24,567,923
26112-Pulp Mill By-Products	2,400	32%	5,000	68%	\$13,124,696
26214-Wrapping Paper, or Coarse Paper	2,440	60%	1,640	40%	\$4,380,315
26217-Special Industrial Paper or Paper Car Liners	840	51%	800	49%	\$1,898,344
26431-Paper Bags	0	0%	160	100%	\$137,723
26497-Packing Cushions, Liners or Related Articles	0	0%	40	100%	\$41,773
26219-Paper, Exc. Building Paper	0	0%	40	100%	\$27,295
26218-Sanitary Tissue Stock	80	100%	0	0%	\$0
26551-Fibre Cans, Drums or Tubes	40	100%	0	0%	\$0
26613-Wallboard Exc. Hardboard	40	100%	0	0%	\$0
Total	224,752	44%	288,584	56%	\$654,252,791

Chemicals or Allied Products-STCC 28

	Avg. Rate Below 180% RVC			Avg. Rate Above 180% RVC			Difference		Premium
	Rate	RVC	Carloads	Rate	RVC	Carloads	Rate	RVC	
Canada/Mexico	\$4,031	129%	93,961	\$6,906	300%	120,060	\$3,065	157%	\$368,026,392
Northeast	\$2,866	143%	77,444	\$5,679	427%	352,182	\$2,969	279%	\$1,045,579,522
Southeast	\$2,707	152%	76,868	\$5,722	442%	443,609	\$3,119	286%	\$1,383,548,243
Upper Midwest	\$2,365	132%	41,986	\$4,704	297%	312,702	\$2,296	164%	\$717,988,279
Southwest	\$2,299	132%	123,500	\$5,235	358%	462,139	\$2,574	220%	\$1,189,535,132
Mountain Pacific	\$3,728	158%	22,187	\$6,547	364%	206,392	\$2,944	212%	\$607,583,611
Average	\$2,924	138%		\$5,592	377%		\$2,800	232%	
Total			435,946			1,897,084			\$5,312,261,179
Total US Only			341,985			1,777,024			\$4,944,234,788

Cost of Non-Competitive Rates Details for Chemicals or Allied Products-STCC 28

Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
28211-Plastic Materials, Exc. Fabricated Plastic Prod.	130,268	24%	407,717	76%	\$1,434,017,979
28184-Alcohols	77,763	19%	334,563	81%	\$702,481,130
28123-Sodium Compounds, Exc. Sodium Alkalies	12,947	9%	133,802	91%	\$380,494,749
28128-Chlorine	1,800	5%	37,560	95%	\$267,075,731
28198-Anhydrous Ammonia	1,400	4%	35,608	96%	\$206,743,092
28186-Organic Acids or Salts, Exc. Acid Dyes	3,440	7%	47,784	93%	\$176,519,991
28181-Misc. Acyclic Organic Chemical, Exc. Organic Dyes	9,567	11%	79,741	89%	\$171,521,693
28125-Potassium Compounds, Exc. Potassium Alkalies	43,717	33%	90,509	67%	\$145,640,261
28185-Glycols or Glycerines	9,920	21%	36,320	79%	\$137,322,140
28712-Super Phosphate	18,308	18%	82,124	82%	\$132,684,498
28122-Sodium Alkalies Sodium Compounds	9,000	13%	59,320	87%	\$128,732,845
28151-Cyclic Intermediates Benzene/Toluene/Other Cyclic Che	3,840	9%	40,320	91%	\$125,514,605
28193-Sulphuric Acid	19,288	23%	62,817	77%	\$119,786,537
28182-Misc. Acyclic Organic Chemical, Exc. Organic Dyes	1,760	8%	20,880	92%	\$106,960,369
28194-Industrial Inorganic Acids, Exc. Nitric	7,000	15%	40,272	85%	\$97,152,755
28713-Ammoniating Fertilizer Solution	7,548	12%	56,825	88%	\$94,448,811
28714-Misc. Fertilizer Compounds	7,228	23%	23,664	77%	\$74,858,818
28199-Industrial Inorganic Chemicals	3,312	12%	24,231	88%	\$74,755,806
28139-Industrial Gases, (Compressed, Solid or Liquefied)	11,440	32%	23,952	68%	\$71,678,073
28996-Blacks	200	1%	14,240	99%	\$53,210,649
28998-Misc. Chemical Compounds, Exc. Sealants	8,136	32%	17,600	68%	\$51,446,740
28999-Chemical Prod., Exc. Sealants	1,280	6%	21,960	94%	\$51,393,834
28994-Fatty Acids	4,836	15%	27,516	85%	\$47,767,304
28191-Ammonia/Ammonium Compounds, Ex. Anhydrous Amm	4,344	17%	21,319	83%	\$46,992,727

Cost of Non-Competitive Rates Details for Chemicals or Allied Products-STCC 28 (continued)

Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
28183-Misc. Cyclic Chemical Prod.	6,128	27%	16,568	73%	\$46,946,883
28141-Crude Prod. from Coal Tar/Natural Gas/Petroleum	2,808	14%	16,564	86%	\$35,883,390
28126-Barium/Calcium/Magnesium/Strontium Compounds	3,672	17%	18,440	83%	\$33,407,414
28161-Titanium Pigments	520	12%	3,920	88%	\$26,255,822
28189-Industrial Organic Chemicals, Exc. Grain Alcohol for Bev	520	8%	6,200	92%	\$26,176,420
28180-Misc. Acyclic Organic Chemical, Exc. Organic Dyes	1,320	17%	6,240	83%	\$25,044,485
28133-Carbon Dioxide	1,392	10%	12,284	90%	\$24,210,763
28212-Synthetic Rubbers Vulcanizable Elastomers	916	11%	7,592	89%	\$23,757,346
28195-Cobalt/Copper/Iron/Nickel or Zinc Compounds	200	2%	8,928	98%	\$21,459,764
28124-Potassium Alkalies	880	9%	8,720	91%	\$18,591,330
28431-Surface Active or Agents, Sulfonated Oils or Assistants	1,160	14%	7,048	86%	\$17,671,285
28991-Salt, Common	11,364	43%	14,768	57%	\$17,593,464
28612-Gum/Wood Chemicals	2,960	30%	6,920	70%	\$16,665,803
28799-Agricultural Chemicals	200	5%	4,200	95%	\$12,439,309
28512-Paint Oils/Solvents/Thinners/Paint Drying Ingredients	160	6%	2,680	94%	\$9,971,193
28121-Inorganic Bleaching Compounds, Exc. Chlorine	960	17%	4,680	83%	\$9,758,280
28192-Nitric Acid	80	4%	2,120	96%	\$8,551,444
28152-Cyclic Intermediates Benzene, Toluene, Naphthalene	40	3%	1,280	97%	\$8,445,090
28134-Elemental Gases	0	0%	1,400	100%	\$6,202,960
28196-Aluminum Compounds	80	5%	1,400	95%	\$5,029,434
28419-Soap or Other Detergents, Exc. Shampoos/Shaving Prod.	520	26%	1,480	74%	\$3,951,553
28197-Radio-Active or Nuclear Chemicals	0	0%	448	100%	\$3,708,114
28995-Water Treating Compounds	80	22%	280	78%	\$2,592,760
28997-Misc. Chemical Compounds, Exc. Sealants	0	0%	760	100%	\$2,333,850
28188-Chemical Warfare Gases	0	0%	160	100%	\$1,780,168
28187-Misc. Acyclic Inorganic Prod., Exc. Organic Dyes	0	0%	440	100%	\$1,320,175
28163-Zinc Pigments	600	79%	160	21%	\$976,930
28190-Industrial Inorganic Chemicals	0	0%	160	100%	\$492,232
28719-Fertilizers, Ex. Milled/Mined/Otherwise Prepd Nat Boron	40	17%	200	83%	\$459,202
28422-Specialty Cleaning/Polishing/Sanitation Prep	840	95%	40	5%	\$415,430
28156-Organic Dyes	0	0%	120	100%	\$323,866
28519-Paints/Enamels/Lacquers/Shellacs/Varnishes	0	0%	40	100%	\$283,810
28169-Inorganic Pigments, Exc. Blacks or Organic Color Pigmnt	84	41%	120	59%	\$206,310
28931-Printing Ink	40	50%	40	50%	\$120,911
28311-Drugs For Human Use	0	0%	40	100%	\$32,854
28511-Paints/Enamels/Lacquers/Shellacs/Varnishes	40	100%	0	0%	\$0
Total	435,946	19%	1,897,084	81%	\$5,312,261,179

Petroleum or Coal Products-STCC 29

	Avg. Rate Below 180% RVC				Avg. Rate Above 180% RVC				Difference	
	Rate	RVC	Carloads		Rate	RVC	Carloads		Rate	Premium
Canada/Mexico	\$5,265	133%	37,120		\$6,886	272%	47,116		\$2,198	\$103,577,693
Northeast	\$2,340	150%	38,332		\$4,407	452%	154,828		\$2,038	\$315,520,086
Southeast	\$2,564	145%	15,040		\$5,736	351%	30,444		\$2,910	\$88,582,987
Upper Midwest	\$3,879	162%	14,070		\$5,134	264%	77,627		\$1,463	\$113,534,979
Southwest	\$2,744	157%	22,724		\$3,680	305%	146,676		\$1,441	\$211,402,290
Mountain Pacific	\$3,239	174%	27,832		\$4,809	292%	92,115		\$1,434	\$132,136,556
Average	\$3,422	152%			\$4,670	338%			\$1,758	181%
Total			155,118				548,806			\$964,754,591
Total US Only			117,998				501,690			\$861,176,899

Cost of Non-Competitive Rates Details for Petroleum or Coal Products-STCC 29

Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
29121-Liquefied Gases, Coal or Petroleum	35,924	17%	174,456	83%	\$360,874,016
29114-Petroleum Lubricating or Similar Oils, Compounds	12,000	22%	41,720	78%	\$107,756,031
29913-Petroleum Coke	10,218	10%	89,882	90%	\$107,101,989
29116-Asphalt Pitches/Tars from Petroleum/Coal Coke/Nat Gas	16,828	22%	57,996	78%	\$105,475,456
29117-Petroleum Residual Fuel Oils/Low Volatile Pet Fuels	28,228	36%	50,264	64%	\$86,869,217
29914-Coke Produced from Coal	15,824	19%	68,720	81%	\$85,417,224
29119-Petroleum Refining Products	11,280	25%	33,596	75%	\$63,515,122
29111-Gasoline or Jet or High Volatile Petroleum Fuels	15,884	67%	7,912	33%	\$11,398,885
29113-Distillate Fuel Oil	3,792	26%	10,664	74%	\$10,613,371
29912-Lubricants or Similar Compounds	680	11%	5,780	89%	\$9,310,127
29919-Coal or Petroleum Products	460	21%	1,696	79%	\$8,518,753
29523-Asphalt Sheathings, Shingles or Sidings	3,360	40%	4,980	60%	\$5,660,406
29529-Asphalt Coatings or Felts	280	28%	720	72%	\$1,495,383
29911-Coal or Coke Briquettes (Fuel Bricks)	0	0%	220	100%	\$552,245
29522-Asphalt/Tar Cements Coatings/Roofing Cements	200	63%	120	38%	\$118,612
29521-Asphalt or Tar Saturated Felts, Boards or Roofing	160	67%	80	33%	\$77,754
Total	155,118	22%	548,806	78%	\$964,754,591

Clay, Concrete, Glass or Stone Products-STCC 32

	Avg. Rate Below 180% RVC				Avg. Rate Above 180% RVC				Difference	
	Rate	RVC	Carloads		Rate	RVC	Carloads		Rate	Premium
Canada/Mexico	\$2,991	162%	5,560		\$5,972	281%	14,836		\$2,720	\$40,357,148
Northeast	\$2,927	156%	16,444		\$3,940	333%	72,654		\$1,480	\$107,496,246
Southeast	\$3,042	147%	20,772		\$5,656	320%	116,484		\$2,448	\$285,195,002
Upper Midwest	\$2,606	160%	16,304		\$4,280	281%	70,720		\$1,946	\$137,625,274
Southwest	\$2,649	176%	5,720		\$3,299	316%	63,156		\$1,017	\$64,240,948
Mountain Pacific	\$4,429	161%	19,224		\$3,661	264%	78,192		\$988	\$77,255,775
Average	\$3,222	157%			\$4,401	303%			\$1,712	141%
Total			84,024				416,042			\$712,170,393
Total US Only			78,464				401,206			\$671,813,245

Cost of Non-Competitive Rates Details for Clay, Concrete, Glass or Stone Products-STCC 32

Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
32952-Light Weight Aggregates/Clays or Slags	24,488	22%	85,152	78%	\$242,589,332
32411-Hydraulic Cement, Natural, Portland or Masonry	18,160	9%	173,152	91%	\$194,074,223
32959-Nonmetallic Minerals or Earths, Ground	20,816	21%	76,972	79%	\$157,494,274
32741-Lime or Lime Plaster	4,832	11%	37,760	89%	\$46,426,040
32754-Gypsum Wallboard	8,000	29%	19,440	71%	\$26,348,404
32759-Gypsum Products Exc. Gypsum Building	80	1%	7,110	99%	\$10,046,008
32299-Glass or Glassware, or Pressed	2,520	32%	5,440	68%	\$7,432,690
32954-Pyrophyllite, Steatite or Talc, Ground or Otherwise Treated	680	25%	2,000	75%	\$6,670,688
32715-Concrete Structural Shapes, Reinforced	0	0%	652	100%	\$5,139,791
32719-Concrete Products	1,600	38%	2,624	62%	\$3,843,552
32752-Gypsum Plaster	360	20%	1,400	80%	\$2,962,581
32955-Feldspar, Ground or Otherwise Treated	40	5%	720	95%	\$1,927,440
32531-Ceramic, Enamel, Promenade or Quarry or Wall Tile	120	13%	840	88%	\$1,814,120
32511-Brick or Blocks, Clay or Shale	1,000	45%	1,200	55%	\$1,746,116
32953-Magnesite or Magnesia/Calcined/Dead Burned/Ground	280	41%	400	59%	\$957,972
32957-Mica, Ground or Treated	0	0%	240	100%	\$724,317
32412-Ready-Mix Cement or Concrete, Dry	40	14%	240	86%	\$663,866
32552-Nonclay Refractories Dead Burned Magnesia or Magnesite	200	42%	280	58%	\$514,735
32911-Nonmetallic Artificial Abrasives, Flour Abrasives	0	0%	280	100%	\$471,202
32714-Concrete Conduit, Culverts, Drains, Pipe or Tile	0	0%	60	100%	\$223,042
32113-Laminated or Safety	0	0%	40	100%	\$84,780
32119-Flat Glass	0	0%	40	100%	\$15,218
32293-Glass Fibre	40	100%	0	0%	\$0

**Cost of Non-Competitive Rates Details for Clay, Concrete, Glass or Stone Products-STCC 32
(continued)**

Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
32551-Clay Refractories	320	100%	0	0%	\$0
32711-Concrete Brick or Blocks	448	100%	0	0%	\$0
Total	84,024	17%	416,042	83%	\$712,170,393

Primary Metal Products, Including Galvanized Coating or Other Allied Processing-STCC 33

	Avg. Rate Below 180% RVC			Avg. Rate Above 180% RVC			Difference		Premium
	Rate	RVC	Carloads	Rate	RVC	Carloads	Rate	RVC	
Canada/Mexico	\$5,808	155%	14,200	\$8,662	279%	31,920	\$2,944	112%	\$93,960,710
Northeast	\$2,903	134%	76,118	\$4,525	342%	230,871	\$1,346	197%	\$310,791,171
Southeast	\$4,224	149%	41,580	\$6,666	283%	87,756	\$2,080	134%	\$182,541,057
Upper Midwest	\$3,673	175%	9,064	\$5,327	280%	41,063	\$1,749	106%	\$71,829,164
Southwest	\$4,295	173%	14,696	\$5,956	319%	55,816	\$1,263	148%	\$70,493,639
Mountain Pacific	\$3,316	151%	26,078	\$5,267	288%	30,662	\$1,063	135%	\$32,606,248
Average	\$3,642	147%		\$5,478	315%		\$1,594	162%	
Total			181,736			478,088			\$762,221,990
Total US Only			167,536			446,168			\$668,261,280

Cost of Non-Competitive Rates Details for Primary Metal Products, Including Galvanized Coating or Other Allied Processing-STCC 33

Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
33123-Iron or Steel Sheet or Strip	80,524	28%	209,434	72%	\$223,389,220
33126-Iron or Steel Pipe, or Fittings	9,206	13%	59,614	87%	\$101,457,571
33121-Steel Ingot or Semi-Finished Shapes	42,662	45%	51,841	55%	\$94,900,712
33122-Iron or Steel Plates	8,932	20%	35,800	80%	\$73,404,860
33124-Iron or Steel Bars, Bar Shapes or Rods	6,760	16%	36,212	84%	\$65,714,968
33125-Structural Shapes or Piling, Steel Mill Products	5,360	19%	22,196	81%	\$40,672,459
33111-Pig Iron	4,576	30%	10,780	70%	\$37,966,947
33341-Primary Aluminum Blooms, Pig, Slab or Ingots	8,600	40%	12,992	60%	\$33,190,638
33128-Railway Track Material Viz. Rails/Joint Bars/Tie Plates	1,292	11%	10,527	89%	\$27,270,597
33311-Primary Copper or Copper Base Alloy Pig/Slab/Ingots	2,864	29%	7,160	71%	\$11,734,972
33521-Aluminum or Aluminum Alloy Plate or Sheet	1,436	31%	3,160	69%	\$11,581,254
33127-Tin Mill Products	560	12%	4,120	88%	\$8,047,574
33523-Aluminum or Aluminum Alloy Rods or Bars	0	0%	1,636	100%	\$7,185,282
33321-Lead Pig/Slab/Ingots Bullion Exc. Solder/Bitt/Type Metal	1,032	47%	1,160	53%	\$3,562,796
33211-Iron or Steel Cast Pipe or Fittings	320	19%	1,344	81%	\$3,339,952
33999-Primary Metal Products	760	33%	1,520	67%	\$2,491,868
33332-Zinc Dross, Residues, Ashes	80	7%	1,120	93%	\$2,484,774
33331-Zinc Smelter Products, Viz. Spelter/Pig Slab/Ingots	4,520	64%	2,520	36%	\$2,073,885
33151-Noninsulated Ferrous Rope, Cable or Strand	0	0%	320	100%	\$1,575,530
33135-Electrometallurgical Products	320	24%	1,036	76%	\$1,556,355
33119-Blast Furnace/Open Hearth/Rolling Mill/Coke Oven Prod.	160	16%	836	84%	\$1,362,599
33219-Iron or Steel Castings	0	0%	320	100%	\$1,350,613
33312-Copper Matte/Speiss/Flue Dust/Residues	40	8%	480	92%	\$1,203,024

Cost of Non-Competitive Rates Details for Primary Metal Products, Including Galvanized Coating or Other Allied Processing-STCC 33 (continued)

Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
33155-Steel Wire Exc. Fabricated Wire Products	320	33%	640	67%	\$1,179,490
33115-Metallizing Plant Products	680	68%	320	32%	\$943,848
33991-Metal Powder, Flakes or Paste	0	0%	200	100%	\$943,141
33398-Misc. Non-Ferrous Metal Residues	0	0%	160	100%	\$486,328
33131-Ferromanganese	40	25%	120	75%	\$271,080
33133-Ferrosilicon	120	38%	200	63%	\$239,677
33132-Ferrochrome	40	50%	40	50%	\$150,527
33911-Iron or Steel Forgings	0	0%	40	100%	\$108,808
33134-Additive Alloys Exc. Copper	160	80%	40	20%	\$100,200
33574-Wire or Cable, Enameled or Covered, All Types	0	0%	40	100%	\$95,185
33139-Ferroalloys	40	33%	80	67%	\$76,409
33129-Primary Iron or Steel Products	0	0%	40	100%	\$66,048
33571-Aluminum or Aluminum Alloy Wire/Cable/Strand	0	0%	40	100%	\$42,800
33342-Aluminum Residues	40	100%	0	0%	\$0
33529-Aluminum/Aluminum Alloy Basic Shapes Exc. Alumin Foil	252	100%	0	0%	\$0
33573-Nonferrous Metal/Non-Ferrous Metal Base Alloy Wire	40	100%	0	0%	\$0
Total	181,736	28%	478,088	72%	\$762,221,990

Transportation Equipment-STCC 37

	Avg. Rate Below 180% RVC			Avg. Rate Above 180% RVC			Difference		Premium
	Rate	RVC	Carloads	Rate	RVC	Carloads	Rate	RVC	
Canada/Mexico	\$2,512	126%	47,324	\$3,151	262%	37,676	\$759	124%	\$28,592,040
Northeast	\$2,701	126%	437,320	\$4,476	264%	293,683	\$1,786	130%	\$524,490,143
Southeast	\$2,915	123%	182,658	\$4,744	281%	108,299	\$2,022	151%	\$218,927,188
Upper Midwest	\$3,951	138%	127,362	\$5,767	266%	208,534	\$1,881	126%	\$392,306,089
Southwest	\$2,882	133%	142,467	\$4,734	275%	219,068	\$1,685	137%	\$369,062,561
Mountain Pacific	\$4,696	134%	55,632	\$7,380	265%	66,212	\$2,720	131%	\$180,099,434
Average	\$3,030	128%		\$5,009	269%		\$1,836	133%	
Total			992,763			933,472			\$1,713,477,455
Total US Only			945,439			895,796			\$1,684,885,415

Cost of Non-Competitive Rates Details for Transportation Equipment-STCC 37

Commodity STCC	Carloads Below 180% RVC	Percent of Total Carloads	Carloads Above 180% RVC	Percent of Total Carloads	Premium
37111-Motor Passenger or Air Cars, Assembled	577,240	55%	469,280	45%	\$984,370,398
37112-Motor Trucks or Truck Tractors, Assembled	284,640	55%	236,320	45%	\$354,355,581
37149-Motor Vehicle or Parts, NEC, Including Mixed Loads	11,520	15%	65,600	85%	\$201,965,167
37143-Motor Vehicle Frames	40	0%	25,480	100%	\$71,754,589
37422-Freight Train Cars	104,563	45%	125,356	55%	\$52,248,956
37299-Aircraft Parts, NEC, or Auxiliary Equipment	0	0%	1,872	100%	\$18,587,884
37421-Passenger Train Cars	0	0%	1,048	100%	\$6,000,900
37119-Motor Vehicles, NEC, or Golf Carts	1,600	52%	1,480	48%	\$5,231,670
37426-Railroad Car Wheels Pts/Acc for Railroad or St Cars	760	24%	2,360	76%	\$5,159,141
37144-Motor Car Internal Combustion Engines or Parts	480	16%	2,480	84%	\$3,893,941
37411-Locomotives or Tenders	0	0%	360	100%	\$2,924,179
37999-Transportation Parts or Accessories	0	0%	640	100%	\$2,548,887
37114-Motor Combat Vehicles	0	0%	316	100%	\$1,888,576
37428-Parts or Acc for Railroad or Street Cars Exc. Wheels	0	0%	640	100%	\$1,742,044
37413-Parts For Locomotives, All Types	0	0%	200	100%	\$804,820
37428-Parts or Acc for Railroad or Street Cars Exc. Wheels	40	50%	40	50%	\$721
37142-Motor Vehicle	720	100%	0	0%	\$0
37147-Motor Vehicle Body Parts	11,120	100%	0	0%	\$0
37222-Missile or Space Vehicle Engines or Parts	40	100%	0	0%	\$0
Total	992,763	52%	933,472	48%	\$1,713,477,455

Support for Change in Carload Premium Between 2005 and 2013				
STCC	Description	2005 Premium Carloads	2013 Premium Carloads	Percent Change in Premium Cars
01	Farm Products	706,299	885,953	25.4%
10	Metallic Ores	466,164	526,337	12.9%
11	Coal	3,494,647	4,176,098	19.5%
13	Crude Petro, Nat Gas & Natural Gas	6,052	309,872	5,020.2%
14	Nonmetallic Minerals Except Fuels	714,576	1,157,291	62.0%
20	Food & Kindred Products	362,676	699,249	92.8%
24	Lumber or Wood Products	213,240	210,580	-1.2%
26	Pulp, Paper or Allied Products	287,124	288,584	0.5%
28	Chemicals or Allied Products	1,387,530	1,897,084	36.7%
29	Petroleum or Coal Products	447,718	548,806	22.6%
32	Clay, Concrete, Glass or Stone Products	368,190	416,042	13.0%
33	Primary Metal Products	345,767	478,088	38.3%
35	Machinery Exc. Electrical	2,237	14,037	527.5%
37	Transportation Equipment	201,221	933,472	363.9%
40	Waste or Scrap Materials	243,508	277,639	14.0%
41	Miscellaneous Freight Shipments	8,756	16,531	88.8%
48	Waste Hazardous Materials or Waste Hazard	9,556	13,545	41.7%
	Total	9,276,985	12,857,960	38.6%

Note: Commodities with a small number of carloads are excluded from the table.

This included STCC's 22, 30, 34, 36 and 42.