HB 838

Example of Impact of HB 838 on Railroad Value Assuming No Change in Income, Gross Margin or Cost Factors and a Freight Rate Change Factor of 1.6 (Fiscal Note: HB 703, 2005 Session)

Change Factor	Factor Ratio	Weight	Change Factor	Year 1	2	3	4	5	6	7	8	9	10
Income	1.00	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Gross Profit Margin	1.00	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Property	1.00	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Freight Rate *	1.60	25.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Total Change Factor				115.00%	115.00%	115.00%	115.00%	115.00%	115.00%	115.00%	115.00%	115.00%	115.00%
			Value										
RR Value			$100.00	$115.00	$132.25	$152.09	$174.90	$201.14	$231.31	$266.00	$305.90	$351.79	$404.56
Compounded Increase in Value				15.00%	32.25%	52.09%	74.90%	101.14%	131.31%	166.00%	205.90%	251.79%	304.56%

Note: * Freight Rate Change Factor is a static measure of rate difference not an annual change based Factor.

EXHIBIT 1
DATE 3.30.07
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