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The Honorable Ann D. Begeman, Chairman
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

The Honorable Patrick Fuchs, Vice Chairman
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

The Honorable Martin Oberman
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Re: STB Docket No. EP 757
Policy Statement on Demurrage and Accessorial Rules and Charges

Dear Chairman Begeman, Vice Chairman Fuchs, and Board Member Oberman:

Union Pacific appreciates the opportunity to respond to the issues raised during the May 22-23, 2019 Oversight Hearing and later outlined by the Surface Transportation Board in its Policy Statement on Demurrage and Accessorial Rules and Charges (Policy Statement). Union Pacific addressed the specifics of the Policy Statement in its November 6, 2019 Opening Comments. In this letter, rather than provide a point-by-point response to matters raised in the customers' opening comments (matters I am confident the Board will keenly scrutinize), I would instead like to address briefly, on Union Pacific's behalf, a particular concern some customers have raised regarding free time.

As I have shared with you, Union Pacific continues to work proactively with our customers to help ensure they are prepared for local service. Union Pacific understands the importance of customer service and has created several tools to assist our customers with planning their operations in conjunction with our railroad service. These technology tools – tools that provide better visibility to our customers regarding their shipments – include our shipment management dashboard, real-time shipment tracking capabilities, mobile work order reporting system, and a notification system that can be customized by our customers to provide them with timely, service-critical information. Union Pacific's Customer Bill of Rights also promises that customers will not incur demurrage or accessorial charges for circumstances beyond their reasonable control.

I read the comments from Dow, Inc. (Dow) submitted in this docket. Dow is focused on obtaining the best possible service, and makes comments in which they link service variability to free time. (See November 6, 2019 Opening Comments of Dow, Inc.) Of course, Union Pacific entirely shares Dow's

focus on high-quality service manifested by supply chain consistency. Union Pacific is determined to provide the highest level of safe, consistent and reliable service to all of our customers, including Dow.

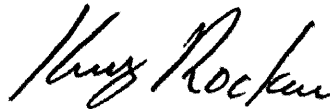
Union Pacific agrees with Dow's observation that supply chain consistency and service variability are linked to free time. A consistent supply chain demands a fluid and consistent network. A consistent and fluid network can only be achieved if all rail-based assets are fully utilized by Union Pacific and our customers. Our service performance metrics shared with the Board over the course of this year demonstrate that a safe and highly efficient operational state is achieved, in substantial part, by controlling car dwell in our terminals.

However, the supply chain consistency Dow rightly seeks is incompatible with the 48-hour free time minimum Dow proposes in its opening comments. Doubling the amount of free time given to our customers would quickly reverse the crucial service gains and efficiencies Union Pacific has achieved and make it impossible for us to address fully the service variability that correctly concerns Dow.

In order for Union Pacific to continue providing a safe, consistent, and reliable service product, we need our customers to work with us to improve supply chain efficiency. This year we have worked collaboratively with our customers on this common goal, with the vast majority of our customers successfully adapting to the 24-hour time period. This change was achieved through close communication and partnerships with our customers combined with the application of the tools Union Pacific created to provide real-time visibility into the supply chain. This close cooperation has created multiple efficiencies throughout the network. To provide updated information to the Board demonstrating these efficiencies are real and sustained, I am providing confidential data associated with Dow's service, filed herein under seal (see Attachment A).

Union Pacific appreciates the Board's recognition that each railroad is unique in its approach to serving its customers. We remain focused on more improvements resulting in greater consistency and reliability for the more than 10,000 shippers on our network.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenny Rocker".

Kenny Rocker
EVP Marketing & Sales
Union Pacific Railroad

Enclosure (Attachment A - sealed)

cc: Cynthia T. Brown
Chief of the Section of Administration
Office of Proceedings, Surface Transportation Board

ATTACHMENT A

Verified Statement of Michael V. Matya and Exhibit 1
(Confidential Dow Service Data)

(Filed Under Seal)