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June 3, 2022

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

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

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

The Honorable Robert Primus
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423-0001

The Honorable Karen Hedlund
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423-0001

ENTERED
Office of Proceedings
June 3, 2022
Part of
Public Record

Re: Docket No. EP 770(1) – Urgent Issues in Freight Rail Service

Dear Chairman Oberman, Vice Chairman Schultz and Board Members Fuchs, Primus, and Hedlund:

Per the Surface Transportation Board's May 5, 2022 order, Union Pacific respectfully encloses its Service Progress Report for June 3, 2022.

Please contact me if you have any questions.

Sincerely,

James B. Boles

Enclosure

cc: Ms. Cynthia T. Brown, Chief,
Section of Administration, Office of Proceedings

Surface Transportation Board

Docket No. EP 770 (Sub-No. 1)

Urgent Issues in Freight Rail Service—Railroad Reporting

Union Pacific Railroad Company

Service Progress Report

June 3, 2022

Union Pacific EP 770(1) Service Progress Report

The Surface Transportation Board has directed Union Pacific to file a progress report to describe how the Railroad's improvement actions, as outlined in the service recovery plan filed on May 20, 2022, are leading to better service. This progress report will focus on the initiatives originally identified in its Service Recovery plan dated May 20, 2022: (1) crew initiatives, (2) locomotive initiatives, and (3) freight car initiatives. Additionally, this progress report will update the Board on Union Pacific's key performance indicators.

A. Update on Union Pacific's key initiatives.

Union Pacific is strategically using its supply and demand analysis to synchronize resources and capacity. This analysis takes into consideration the supply of both crew and locomotive resources, including the projected demand and current efficiency rates for each resource.

1. Crew Initiatives

Year to date, Union Pacific has graduated 298 employees, including 75 since May 6, 2022. The train, engine, and yard ("TE&Y") training pipeline currently has 533 employees, which is an increase of 73 employees since May 6, 2022.

Additionally, Union Pacific has 148 borrow outs currently in place. Union Pacific is on track to meet its goal of hiring and training 1,400 TE&Y employees.

2. Locomotive Initiatives

Union Pacific has restored 39 of 300 additional locomotives for 2023 anticipated volumes. Additionally, 36% of the 2022 locomotive modernization program has been completed. This modernization will improve the reliability of Union Pacific's locomotive fleet.

Train velocity has improved by 4% since mid-April. This improved velocity helps generate additional locomotive supply across Union Pacific's network.

3. Freight Car Initiatives

Union Pacific has stored 8% of its system-controlled freight car fleet stored. Additionally, 30% of Union Pacific's private car customers have achieved mutually agreed-upon targets to remove excess cars from the system. Over 4,000 excess cars of private inventory have been removed.

B. Union Pacific's key performance indicators discussed below show improved network fluidity.¹

1. Car Velocity: Since mid-April, car velocity has improved by 6% to 188 miles per day on the Union Pacific network.

¹ The baseline date for comparison of these metrics is the week ending April 15, 2022.

2. Operating Inventory: Union Pacific has decreased operating inventory by 7% to 187,812 cars on the network.
3. Cars per Carload: Cars per carload has seen a 10% decrease to 8.0, which is a positive improvement and directly correlates to product moving from origin to destination faster.
4. First Mile-Last Mile ("FMLM"): FMLM has improved by 1 point to 91%.
5. Trip Plan Compliance ("TPC")
 - i. TPC Bulk: TPC Bulk has improved by 3 points to 72%.
 - ii. TPC Manifest: TPC Manifest has improved by 10 points to 69%.
 - iii. TPC Intermodal: TPC Intermodal has degraded by 5 points to 70% versus the April benchmark. However, TPC Intermodal increased by 4 points compared to three weeks ago as weather related headwinds, including the Yuma Sub bridge fire and high winds in the Great Plains area, contributed to a performance degradation. All things considered, Union Pacific's network has seen steady improvement in intermodal performance over the last few weeks.

C. Conclusion

Union Pacific will continue to assess the network and the key performance indicator metrics. As of the filing of this progress report, no other additions to the service plan are necessary.