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June 17, 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

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 17, 2022. Please contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "James B. Boles".

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 17, 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, and Amended Plan, filed on June 3, 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 synchronizing its resources and capacity to improve service. 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 358 employees, including 135 since May 6, 2022. The train, engine, and yard ("TE&Y") training pipeline currently has 472 employees, which is an increase of 12 employees since May 6, 2022.

Additionally, Union Pacific has 160 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 56 of 300 additional locomotives for 2023 anticipated volumes. Additionally, 38% 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 13% since mid-April. This improved velocity helps generate additional locomotive supply across Union Pacific's network.

3. Freight Car Initiatives

Union Pacific has stored 7% of its system-controlled freight car fleet. Additionally, 40% of Union Pacific's private car customers have achieved mutually agreed-upon targets to remove excess cars from the system. Over 4,500 excess cars of private inventory have been removed since mid-April.

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 12% to 198 miles per day on the Union Pacific network.

¹ The baseline date for comparison of these metrics is the week ending April 15, 2022. The current comparison is June 04-10, 2022.

2. Operating Inventory: Union Pacific has decreased operating inventory by 9% to 184,215 cars on the network.
3. Cars per Carload: Cars per carload has seen a 12% decrease to 7.8, 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 2 points to 92%.
5. Trip Plan Compliance (“TPC”)
 - i. TPC Bulk: TPC Bulk has improved by 2 points to 71%.
 - ii. TPC Manifest: TPC Manifest has improved by 12 points to 71%.
 - iii. TPC Intermodal: TPC Intermodal has degraded by 4 points to 71% versus the April benchmark. However, this is an improvement from the prior progress report as TPC Intermodal increased by 5 points compared to five weeks ago when weather related headwinds, including the Yuma Sub bridge fire and high winds in the Great Plains area, contributed to a performance degradation.

C. Conclusion

Union Pacific will continue to assess the network and the key performance indicator metrics. As of the filing of this progress report, Union Pacific is working on a revised service plan to submit to the Board on June 23, 2022.