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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 September 23, 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

September 23, 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 Revised Plan, filed on June 23, 2022, are leading to better service.

Performance along the Union Pacific network remains improved versus our baseline performance in mid-April as the 7-day carload rate exceeded 162,000 loadings. Performance for a majority of our metrics is currently approaching our best levels since we began EP770 reporting in April 2022. Car velocity has been above 190 miles per day ("mpd") for six of the last seven weeks, and this week we reported our best performance since the middle of June 2022. This improvement continues to be visible in our trains held data: the total count of trains holding on a given day is now at the lowest levels since the end of January 2022.

This progress report will continue to focus on the initiatives originally identified in Union Pacific's Service Recovery plan dated May 20, 2022: (1) crew initiatives and availability, (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 continuously evaluates the network by utilizing its supply and demand analysis to synchronize resources and capacity. This analysis considers the supply of both crew and locomotive resources, including the projected demand and current efficiency rates for each resource.

1. Crew Initiatives and Availability¹

Year to date, Union Pacific has graduated 745 employees, including 522 since May 6, 2022.² The train, engine, and yard ("TE&Y") training pipeline currently has 498 employees. During this reporting period,³ 62 trainees entered training, 27 trainees dropped out, and 29 trainees completed training. Union Pacific is on track to meet its goal of hiring 1,400 TE&Y employees in 2022.

For the week ending September 16, 2022, Union Pacific's data shows that on average 84.5% of Union Pacific's total qualified TE&Y employees were available to work on a given day. Note however, "available" workforce are active TE&Y employees not in a recall, bump, or training status, and not laid off absent from their working assignment. On average, 6.9% of Union Pacific's workforce was on vacation/personal leave, 2.4% were on FMLA, 1.8% took time off for illness, and 4.4% were unavailable to work for other reasons.⁴

¹ Union Pacific has defined each availability category in the Report Addendum.

² Union Pacific highlights the graduation rate since the publication of the Board's May 5, 2022, Decision on Railroad Reporting.

³ These numbers cover the reporting period from September 3, 2022, to September 16, 2022.

⁴ To provide insight into Union Pacific's crew availability, Union Pacific is providing additional bi-weekly information since May 27, 2022, in the Addendum.

Additionally, Union Pacific added 41 borrow outs since our last report for a total of 294 borrow outs across the system. Nearly all are located across the Northern region. These resources are critical to our efforts to support the movement of freight across this portion of our network.

2. Locomotive Initiatives

Union Pacific has restored 97 of 300 additional locomotives for 2023 anticipated volumes. Additionally, 63% of the 2022 locomotive modernization program is complete. This modernization will improve the reliability, fuel efficiency, and emissions performance of Union Pacific's locomotive fleet.

Train velocity on the network has improved by 12% since mid-April. This improved velocity helps generate additional locomotive supply and volume capacity across Union Pacific's network.

3. Freight Car Initiatives

We continue to evaluate opportunities to add UP controlled freight cars based on the improved fluidity of the network.

A. Union Pacific's key performance indicators discussed below show improved network fluidity.⁵

1. Car Velocity: Since mid-April, car velocity improved by 10% to 194 miles per day on the Union Pacific network.
2. Operating Inventory: Union Pacific decreased operating inventory by 5% to 190,649 cars on the network.
3. Cars per Carload: Cars per carload improved 8% to 8.2.
4. First Mile-Last Mile ("FMLM"): FMLM is flat at 90% compared to the mid-April metric.
5. Trip Plan Compliance ("TPC")
 - i. TPC Bulk: TPC Bulk improved by 15 points to 80%. This is the second time we have reported a number at or above 80 and within our goal range that we provided in our revised service plan.
 - ii. TPC Manifest: TPC Manifest improved by 10 points to 69%, our best performance since early June and within our goal range that we provided in our June 23, 2022, amended service plan.
 - iii. TPC Intermodal: TPC Intermodal degraded by 5 points to 69% versus the April benchmark but is up 7 points since our last filing.

⁵ The baseline date for comparison of these metrics is the week ending April 15, 2022.

B. Conclusion

Union Pacific continues to assess the network in order to adjust our resources to ensure network fluidity and to match customer demand, as even more resources become available moving forward. While Operating Inventory remains elevated (above 190,000 cars), we still anticipate our improved service performance will hold and improve further into the fall.

ADDENDUM TO PROGRESS REPORT

For the bi-weekly service progress reports previously submitted, Union Pacific amends its prior submissions to “provide additional context for their employment numbers, such as by including data in their plans and progress reports on the daily average number of employees not available for service, and if feasible, the cause of such unavailability.” STB EP 770(1) Decision, June 13, 2022. As such, crew availability is amended as follows with the corresponding data in the below table:

Union Pacific’s data shows the average percentage of Union Pacific’s total qualified TE&Y employees who were available to work on a given day. Note that “available” workforce is defined as active TE&Y employees not in a recall, bump, or training status, and not laid off absent from their working assignment. The following chart illustrates the key drivers of workforce availability for Union Pacific’s workforce. These numbers are a percentage average of all groups of qualified TE&Y employees. The key drivers for crew availability are defined as follows: (1) Available to Work, (2) Vacation/Personal leave (“PL”) – paid vacation days or Personal Leave Days of compensated absences, (3) Family Medical and Leave Absences (“FMLA”), (4) Illness – Layoff Sick or Layoff Sickness in Family, and (5) Other – all other layoff categories including HP (Health and Medical), Bereavement Leave, Missed Call, Layoff Personal Reasons, No Show, or layoff on call, among others.

<u>Week Ended</u>	<u>Available</u>	<u>Vacation/PL</u>	<u>FMLA</u>	<u>Illness</u>	<u>Other</u>
5/27/2022	83.3%	7.6%	2.2%	1.7%	5.2%
6/10/2022	82.4%	8.2%	2.2%	1.7%	5.5%
6/24/2022	81.9%	8.5%	2.6%	2.0%	5.0%
7/8/2022	79.0%	10.8%	2.7%	2.0%	5.5%
7/22/2022	81.7%	8.6%	2.3%	1.8%	5.6%
8/5/2022	81.9%	8.1%	2.5%	1.9%	5.6%
8/19/2022	84.0%	6.9%	2.3%	1.7%	5.1%
9/2/2022	84.6%	6.4%	2.2%	1.7%	5.1%
9/16/2022	84.5%	6.9%	2.4%	1.8%	4.4%

Union Pacific will continue to update its crew availability in its bi-weekly service progress reports.