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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

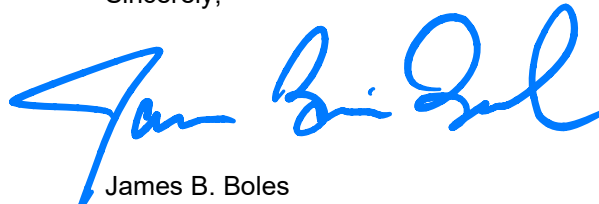
The Honorable Karen Hedlund
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423-0001

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 October 7, 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

October 7, 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 evidenced by consistent carloading growth. Our 3rd quarter loadings grew 3 percent versus 2021 and were up more than 2 percent sequentially from the 2nd quarter. Our current 7-day carload rate exceeded 165,000 loadings. Many of our performance metrics are currently approaching the best levels since we began EP 770 reporting six months ago. Car velocity has been above 190 miles per day for eight of the last nine weeks, and this week we were within one mile per day of our best week since we began reporting in April 2022. This improvement continues to be visible in our trains held data: the total count of trains holding on a given day has been below 100 for the third consecutive week for the first time since January 2022. This improvement helped us achieve both the Bulk and Manifest Trip Plan Compliance target ranges set out in our Revised Plan.

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 872 employees, including 649 since May 6, 2022.² The train, engine, and yard ("TE&Y") training pipeline currently has 448 employees. During this reporting period,³ 105 trainees entered training, 28 trainees dropped out, and 127 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 30, 2022, Union Pacific's data show that on average 85.7% of Union Pacific's total qualified TE&Y employees were available to work on a given day. Available workforce are those active TE&Y employees not in a recall, bump, or training status, and those not laid off absent from their working assignment. On average, 6.4% of Union Pacific's workforce

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

² Union Pacific has highlighted 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 17, 2022, to September 30, 2022.

was on vacation/personal leave, 2.0% were on FMLA, 1.4% took time off for illness, and 4.5% were unavailable to work for other reasons.⁴

Union Pacific currently has 253 borrow-outs across the system, down 41 since our last report. All are located across the Northern region. This number is currently fluctuating as new graduates become available locally and we reallocate resources across the network to match crew supply to crew demand. These resources are critical to our efforts to support the movement of freight across the Northern region.

2. Locomotive Initiatives

Union Pacific has restored 97 AC locomotives for 2023 anticipated volumes. Additionally, 73% 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 13% since mid-April. This improved velocity helps generate additional locomotive supply and volume capacity across Union Pacific's network.

3. Freight Car Initiatives

Over the past few weeks, Union Pacific has added additional unit train sets to match customer demand with increasingly available resources. We will 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 12% to 198 miles per day on the Union Pacific network.
2. Operating Inventory: Union Pacific decreased operating inventory by 4% to 192,382 cars on the network.
3. Cars per Carload: Cars per carload realized an 8% decrease to 8.2.
4. First Mile-Last Mile ("FMLM"): FMLM improved 2 points to 92% compared to the mid-April metric.
5. Trip Plan Compliance ("TPC")
 - i. TPC Bulk: TPC Bulk improved by 17 points to 83%, which is above the goal we identified in our Revised Service Plan.

⁴ To provide insight into Union Pacific's crew availability, Union Pacific is providing additional bi-weekly information since April 1, 2022, in the Addendum.

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

- ii. TPC Manifest: TPC Manifest improved by 10 points to 69%.
- iii. TPC Intermodal: TPC Intermodal degraded by 5 points to 69% versus the April benchmark.

B. Conclusion

Union Pacific assesses the network and adjusts our resources to ensure network fluidity and to meet customer demand. 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. Crew availability is amended as follows with the corresponding data in the below table:

Union Pacific’s data show the average percentage of Union Pacific’s total qualified TE&Y employees available to work on a given day. Available workforce is defined as those active TE&Y employees not in a recall, bump, or training status, and those not laid off absent from their working assignment. The following chart illustrates the key drivers of 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>
4/1/2022	83.9%	7.3%	2.2%	1.8%	4.9%
4/15/2022	83.1%	7.6%	2.0%	1.6%	5.6%
4/29/2022	83.7%	7.6%	2.0%	1.6%	5.2%
5/13/2022	83.5%	7.4%	2.3%	1.6%	5.1%
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%
9/30/2022	85.7%	6.4%	2.0%	1.4%	4.5%

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