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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 21, 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 21, 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 for our key performance indicators remain consistent and near our best levels since we began EP 770 reporting six months ago. Car velocity (197 mpd) this week ranked as our third best week and was within two miles per day of our best week since we began reporting in April 2022. This performance improvement coincides with a reduction in operating inventory to our lowest levels since early July. Our performance improvement is also apparent in our Trip Plan Compliance results as both Manifest and Intermodal were within one point of our best weekly result since reporting began. In addition, the average total count of trains holding on a given day remains near 100 for the fifth consecutive week compared to averaging 150 per day in the second quarter of 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 890 employees, including 667 since May 6, 2022.² The train, engine, and yard ("TE&Y") training pipeline currently has 518 employees. During this reporting period,³ 108 trainees entered training, 20 trainees dropped out, and 18 trainees completed training. Union Pacific has now met its goal of hiring 1,400 TE&Y employees in 2022.

For the week ending October 14, 2022, Union Pacific's data show that on average 84.5% 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, 6.7% 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 October 1, 2022, to October 14, 2022.

were on vacation/personal leave, 2.3% were on FMLA, 1.8% took time off for illness, and 4.7% were unavailable to work for other reasons.⁴

Union Pacific currently has 240 borrow-outs across the system, down 13 since our last report as we continue to reallocate resources across the network to match crew supply to crew demand as our Bulk forecasts continue to evolve. All borrow-outs are currently located across the Northern region. These geographically flexible workforce resources are critical to our efforts to support the movement of freight across the Northern region.

a) 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.

b) Freight Car Initiatives

Over the past few weeks, Union Pacific has increased the number of unit train sets to support customer demand as more resources became available. We continue to evaluate opportunities to store UP-controlled freight cars following traditional seasonal patterns combined with the broader economic softening.

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 197 miles per day on the Union Pacific network.
2. Operating Inventory: Union Pacific decreased operating inventory by 5% to 191,094 cars on the network.
3. Cars per Carload: Cars per carload realized a 6% decrease to 8.3.
4. First Mile-Last Mile ("FMLM"): FMLM improved 1 point to 91% compared to the mid-April metric.
5. Trip Plan Compliance ("TPC")
 - i. TPC Bulk: TPC Bulk improved by 10 points to 76%.

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 12 points to 71%.
- iii. TPC Intermodal: TPC Intermodal degraded by 1 point to 72% versus the April benchmark.

B. Conclusion

Union Pacific assesses the network and adjusts our resources to ensure network fluidity and to meet customer demand. With the reduction of operating inventory over the last two weeks, we saw improvement on the network and anticipate our improved service performance will hold and improve as winter approaches.

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%
10/14/2022	84.5%	6.7%	2.3%	1.8%	4.7%

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