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December 21, 2022

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

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

The Honorable Patrick Fuchs  
Surface Transportation Board  
395 E Street, SW  
Washington, D.C. 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

**Via Email**

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

Thank you for the opportunity to appear at last week's hearing regarding Union Pacific's use of embargoes. As you are aware, Union Pacific paused its pipeline inventory management embargoes on December 16, 2022, while we assess the feedback received from our customers and the Surface Transportation Board. During this pause, we are evaluating how to incorporate enhancements to our pipeline inventory management program that address the following key feedback items we heard at the December 13-14 hearing:

- Increase the time allowed for submission of plans and subsequent actions by customers;
- Incorporate additional service metrics in the evaluation of Union Pacific performance;

- Enhance visibility and communication regarding pipeline inventory management program details; and,
- Identify target embargo removal parameters to support planning by customers.

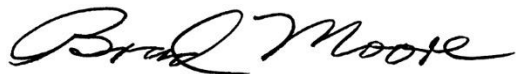
As we develop revisions to the pipeline inventory management program addressing each of these items, we will ensure the Board is updated and informed of the details before we proceed.

We are continuing the CIMS for serving area inventory management that we have had in place for more than twenty years with a near term roll-out of added customer visibility to the key serving area and industry metrics. The roll-out will be in early January and include increased customer visibility to Maximum Inventory Threshold, release rate, available capacity, days inventory on hand, and 30-60-90-day trends.

As we move forward, Union Pacific will continue working closely with our customers to identify and develop additional enhancements. Union Pacific will also schedule monthly meetings with Board staff to ensure full transparency. Finally, we are collecting information that you requested during the hearing and will submit that information in the coming days.

In the meantime, please contact me or Pete Decher at 402-544-9001 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Brad Moore". The signature is fluid and cursive, with the first name "Brad" and last name "Moore" clearly distinguishable.