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February 7, 2023

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

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

Re: **Docket No. EP 770(1) – Urgent Issues in Freight Rail Service---Railroad Reporting**

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

In compliance with the Surface Transportation Board's October 28, 2022, decision, Union Pacific respectfully submits the attached supplement to its December 2, 2022 Interim Service Update. Please contact me if you have any questions.

Sincerely,

Tonya W. Conley

Enclosure

cc: Ms. Cynthia T. Brown, Chief,
Section of Administration, Office of Proceeding

Surface Transportation Board

Docket No. EP 770 (Sub-No. 1)

Urgent Issues in Freight Rail Service—Railroad Reporting

Union Pacific Railroad Company

Supplement to Interim Service Update of December 2, 2022

February 7, 2023

Union Pacific EP 770(1) Interim Update Supplemental Filing

Union Pacific is filing this supplement to its December 2, 2022, EP 770(1) Interim Update to provide an update on its employment targets. The text below is keyed to the relevant sections of the Interim Update.

Section 3: Workforce Sustainability

Union Pacific continues to position our company for the future with a focus on attracting, hiring, and retaining talent. Union Pacific is working not only to meet its hiring goals but also to retain that talent.

Below is an overview of the TE&Y, Mechanical and Engineering employee group designations with their expected targets:

Craft	Expected Employees (November 2022)	Expected Employees (May 2023)
L600—Transportation (TE&Y)	13,150	13,350
L400—Maintenance of Equipment & Stores	4,975	4,975
L300—Maintenance of Way & Structures	8,000	8,000

Union Pacific reports its TE&Y labor metrics based on Active TE&Y employees. Union Pacific defines Active TE&Y employees as those available to work and not in a recall, bump, or training status. Our Active TE&Y monthly reporting was modified in December 2022 and now is based on monthly averages and excludes employees in a recall, bump, or training status.

The previously communicated Engineering and Mechanical hiring estimates were based solely on attrition within those categories. To clarify which groups of employees are captured in the Mechanical and Engineering Groups and reconcile the initial estimates provided to the Board, Union Pacific explains that its Engineering Department has employee groups that fall into different Interstate Commerce Commission groupings, and the initial estimate for the Mechanical Department did not include front-line supervisors. Moreover, the engineering machinists, supply material clerks, and Metra mechanical are included in ICC Form C grouping 400; however, they are not included within Union Pacific's Mechanical Department for internal reporting purposes. The numbers above reflect these adjustments.

Active Mechanical and Engineering employees are those assigned to a non-trainee position, who are in an active status, and available to work.

A. Union Pacific's Characterization of Maintenance of Way ("MOW") and Maintenance of Engineering ("MOE") Employees.

The terms MOW and MOE are based on the ICC Form C groups (300 and 400, respectively) and are based on function of activities performed. Of the agreement employees, the core of

Engineering are MOW employees, and mechanical employees are classified as MOE. In reporting on these groups, Union Pacific departments use a reporting structure, not ICC Form C groupings. This structure leads to overlap between these two employment groups. Within Engineering, there are roughly 270 employees who maintain equipment used by MOW employees. Based on the MOW and MOE definitions, these employees are captured in MOE, but are displayed as part of Engineering in Union Pacific's internal reporting. Another example is engineering truck drivers (375) who are in the ICC grouping 200 but under Union Pacific's structure report to Engineering. This clarification directly addresses the Board's request to explain differences between MOW and MOE.

While Union Pacific has reached or is close to reaching its targets for the above crafts, Union Pacific still has encountered headwinds in the Northern region. Union Pacific has been utilizing borrow-outs in these areas to fill in any gaps that may exist. Given these known challenges, Union Pacific remains committed to its hiring plan and sign-on bonuses in addition to referral bonuses described in the Interim Update, filed on December 2, 2022.