



**BUILDING AMERICA®**

February 10, 2023

**Via Electronic Filing**

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

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

306132

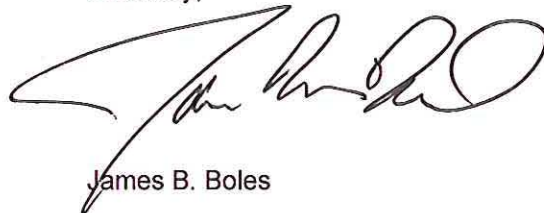
**ENTERED**  
**Office of Proceedings**  
**February 10, 2023**  
**Part of**  
**Public Record**

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

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

Per the Surface Transportation Board's May 5, 2022 order, Union Pacific respectfully encloses its Service Progress Report for February 10, 2023. 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

February 10, 2023

## **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, and Interim Update, filed on December 2, 2022, are leading to better service.

This Service Progress Report measurement period concluded on February 3, 2023. Union Pacific faced significant weather events during the reporting period that resulted in network deterioration. Over the past two weeks, the network was impacted by below zero temperatures up to five consecutive days across Wyoming and Nebraska, and ice storms across north central Texas and Arkansas. Additionally, there was a five-day bridge outage on the route between El Paso, Texas and Kansas City, Kansas. The weather events and bridge outage significantly impacted our performance as trains were unexpectedly delayed, disrupting the scheduled flow of resources.

When compared to our most recent update, the count of trains holding as reported in our EP724 filing increased by 69% to 150 per day, including 98 held for "Other," which includes trains holding for a weather-related reason. The increase in trains held led to a 5% increase in Operating Inventory as Car Velocity fell below 200 miles per day for the first time in four weeks. Even though all three of our TPC metrics remain within our stated goal range, each of them dropped as compared to the January 20th reporting results. Furthermore, we expect our TPC performance will be challenged in the coming week(s) as cars delayed by the events noted above reach their respective destinations.

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. As a result of the events described above, the demand for our resources increased. We are diligently working to deploy our resources to expedite recovery of the network.

#### 1. Crew Initiatives and Availability<sup>1</sup>

Year to date, Union Pacific has graduated 123 employees, including 1,202 since May 6, 2022.<sup>2</sup> The train, engine, and yard ("TE&Y") training pipeline currently has 644 employees. During this

---

<sup>1</sup> Union Pacific has defined each availability category in the Report Addendum.

<sup>2</sup> Union Pacific has highlighted the graduation rate since the publication of the Board's May 5, 2022, Decision on Railroad Reporting.

reporting period,<sup>3</sup> 181 trainees entered training, 32 trainees dropped out, and 66 trainees completed training.

For the week ending February 3, 2023, 82.9% 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 for this period, 6.9% of Union Pacific's workforce were on vacation/personal leave, 2.4% were on FMLA, 3.3% took time off for illness, and 4.5% were unavailable to work for other reasons.

Union Pacific currently has 263 borrow-outs across the system, which is the second highest number utilized since we started reporting, as we continue to actively reallocate resources across the network to match crew supply to crew demand. 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. Our borrow-out strategy is in place to handle projected demands and cannot offset the increased demand associated with significant unanticipated events.

a) Locomotive Initiatives

Union Pacific has approximately 4,200 units in our operable fleet heading into 2023, consistent with fourth quarter 2022 fleet size. Since the middle of January, we have utilized approximately 50 service reliability units in response to the significant variability described earlier.

Train velocity on the network has improved by 8% since mid-April 2022. Any improvement from current train velocity levels will provide additional locomotive capability with the same number of units. We anticipate that our fleet is adequately sized given our operating assumptions and the gross ton miles that we project we will need to transport in the first quarter of 2023.

b) Freight Car Initiatives

Union Pacific also continues to evaluate opportunities to match UP-controlled freight car supply with freight car needs as demand in the broader economy materializes.

*A. Union Pacific's key performance indicators discussed below show improved network fluidity.<sup>4</sup>*

1. Car Velocity: Since mid-April, car velocity improved by 3% to 183 miles per day on the Union Pacific network.
2. Operating Inventory: Union Pacific decreased operating inventory by 11% to 179,342 cars on the network.

---

<sup>3</sup> These numbers cover the reporting period from January 21, 2023, to February 3, 2023.

<sup>4</sup> The baseline date for comparison of these metrics is the week ending April 15, 2022.

3. Cars per Carload: Cars per carload realized a 6% improvement since mid-April to 8.3.
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 12 points versus our April benchmark to 78% and has been at or above our stated goal range for seven of the last nine weeks.
  - ii. TPC Manifest: TPC Manifest improved by 12 points versus our April benchmark to 71% and has been at or above our stated goal range for seven of the last nine weeks.
  - iii. TPC Intermodal: TPC Intermodal improved by 8 points to 81% versus the April benchmark and has been at or above our stated goal range for 14 of the last 15 weeks.

#### *B. Conclusion*

As a result of being able to better align resources across the network over the past few months, we exhibited improved resiliency coming out of the most recent significant weather challenges. Network performance has improved as resource flows have begun to normalize over the past few days as the network regains fluidity. This network resiliency is demonstrated as Car Velocity over the past few days improved by nearly 10%. However, TPC is expected to lag for a period as the cars delayed by the events described above reach destination and are recorded in the metric.

We will continue to advance our strategy of assessing the network and adjusting our resources to ensure sustainable network fluidity and to meet customer demand. We remain confident that, by executing our initiatives above, we are positioned to stay on a path that will allow us to hit our performance targets.

### **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.

| <b><u>Week Ended</u></b> | <b><u>Available</u></b> | <b><u>Vacation/PL</u></b> | <b><u>FMLA</u></b> | <b><u>Illness</u></b> | <b><u>Other</u></b> |
|--------------------------|-------------------------|---------------------------|--------------------|-----------------------|---------------------|
| 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%                |
| 10/28/2022               | 84.6%                   | 6.3%                      | 2.2%               | 2.0%                  | 4.9%                |
| 11/11/2022               | 85.4%                   | 5.7%                      | 2.2%               | 2.1%                  | 4.6%                |
| 11/25/2022               | 81.3%                   | 9.3%                      | 2.4%               | 2.9%                  | 4.1%                |
| 12/9/2022                | 84.6%                   | 5.3%                      | 2.2%               | 2.6%                  | 5.3%                |
| 12/23/2022               | 81.6%                   | 8.5%                      | 2.5%               | 2.9%                  | 4.5%                |
| 1/6/2023                 | 84.4%                   | 6.0%                      | 2.0%               | 2.9%                  | 4.7%                |
| 1/20/2023                | 82.6%                   | 7.0%                      | 2.2%               | 3.3%                  | 4.9%                |
| 2/3/2023                 | 82.9%                   | 6.9%                      | 2.4%               | 3.3%                  | 4.5%                |