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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

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 October 28, 2022 decision, Union Pacific respectfully encloses its Service Progress Report for February 24, 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

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

Urgent Issues in Freight Rail Service—Railroad Reporting

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Union Pacific Railroad Company

Service Progress Report

February 24, 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 17, 2023. As projected, our Trip Plan Compliance ("TPC") performance across all train categories dropped for the week ending February 10<sup>th</sup> as cars that were delayed by prior weather events were spotted at destination. Manifest and Bulk TPC realized improvement for the week ending February 17<sup>th</sup> as the network began to regain fluidity.

The improved fluidity is reflected in our EP 724 trains held data as the count of trains held per day decreased by over 30% versus the seven days ending February 3<sup>rd</sup>. Furthermore, Car Velocity improved by 6% versus the week ending February 3<sup>rd</sup>, and Operating Inventory dropped the week ending February 17<sup>th</sup> after peaking the prior week.

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 168 employees, including 1,247 since May 6, 2022.<sup>2</sup> The train, engine, and yard ("TE&Y") training pipeline currently has 692 employees. During this reporting period,<sup>3</sup> 132 trainees entered training, 39 trainees dropped out, and 45 trainees completed training.

For the week ending February 17<sup>th</sup>, 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, 7.1% of Union Pacific's workforce were on vacation/personal leave,

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<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.

<sup>3</sup> These numbers cover the reporting period from February 4, 2023, to February 17, 2023.

2.2% were on FMLA, 2.9% took time off for illness, and 4.9% were unavailable to work for other reasons.

Union Pacific currently has 248 borrow-outs across the system, 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 provide greater resiliency in our network when significant unanticipated events increase demands.

a) Locomotive Initiatives

Union Pacific's operable locomotive fleet remains at 4,200 units, consistent with fourth quarter 2022 fleet size.

Train velocity on the network has improved by 14% since mid-April 2022, including almost 1 mph improvement since the last EP770 filing. Any improvement from current train velocity levels will provide additional locomotive capability with the same number of units.

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 10% to 194 miles per day on the Union Pacific network.
2. Operating Inventory: Union Pacific decreased operating inventory by 9% to 183,840 cars on the network.
3. Cars per Carload: Cars per carload realized a 6% improvement since mid-April to 8.4.
4. First Mile-Last Mile ("FMLM"): FMLM is up two points at 92% compared to the mid-April metric.
5. Trip Plan Compliance ("TPC")
  - i. TPC Bulk: TPC Bulk improved by 8 points versus our April benchmark to 74%.

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

- ii. TPC Manifest: TPC Manifest improved by 10 points versus our April benchmark to 69% and has been at or above our stated goal range for eight of the last eleven weeks.
- iii. TPC Intermodal: TPC Intermodal improved by 2 points to 75% versus the April benchmark and has been at or above our stated goal range for 14 of the last 17 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 normalized.

However, a series of independent winter storms have hit our network the week of February 19<sup>th</sup>. These storms have impacted most of our Northern Region, including the Pacific Northwest, northern California, Wyoming, western Nebraska, northern Iowa, and Minnesota. Travel to and from crew change locations has been challenging in the impacted areas, which will impact our crew availability and our resource flows across the network. As conditions improve, resource flows will normalize, and traffic delayed by these storms will reach its destination. The impact of these storms will be reflected in our metrics in the coming weeks.

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.

| <u><b>Week Ended</b></u> | <u><b>Available</b></u> | <u><b>Vacation/PL</b></u> | <u><b>FMLA</b></u> | <u><b>Illness</b></u> | <u><b>Other</b></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%                |
| 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%                |
| 2/17/2023                | 82.9%                   | 7.1%                      | 2.2%               | 2.9%                  | 4.9%                |