

STATEMENTS AND CLARIFICATIONS FROM ERIC J. GEHRINGER'S DECEMBER 13, 2022, TESTIMONY IN EP 772

Transcript Line	Gehring Statement	Brief Explanation/Clarification
Tr. 284:15-285:15	“So, let me walk through our process because it’s pretty exhaustive. We don’t look back at history as we think about sizing the future of the workforce that we need and I’m going to use this all in TE&Y terms. The same, similar process in the other crafts. What we do is we step back with the conjunction of Kenny’s team and a customer’s feedback and we look at what their demand is. We take that demand, we apply it over the 32,000 miles of railroad that we have, including existing infrastructure, existing assets, existing employees. And then based on the forecast for that, that’s where we come up with our plan for actually hiring. That’s how we know we’re going to hire 82 people in Boone, Iowa versus 112 in Houston. And that’s a process that we visit every single month and make the changes to it as new information becomes available from the customers.”	Union Pacific’s Marketing and Sales department (“Kenny’s team”) develops long-range projections regarding carload volumes. Those projections are updated as part of Union Pacific’s development of its annual operating plans. TE&Y hiring is planned as part of the annual planning process. The annual plan includes month-by-month, hub-specific plans. Union Pacific revisits those hiring plans, typically on a monthly basis, to refine specific hiring decisions in light of developments.
Tr. 285:19-286:4	“So, we do a long-term planning that encompasses three years. In fact, we just went through it for our – annually about two and a half months ago. That sets our three-year plan for hiring. To your point, the monthly cadence is what we use to further refine that and adjust it as things change. [Question off mike question from Mr. Primus] Yes, when we look at a monthly cadence, we’re looking out 18 months for our hiring plan.”	In 2022, for the first time, Union Pacific’s long-range capital planning presentation materials addressed projected TE&Y hiring on a company-wide basis through 2026. However, Union Pacific still planned for TE&Y hiring on a monthly, hub-specific basis in its annual planning process and refined its plan on a monthly basis.
Tr. 306:9-14	“We weren’t making the decision on how many people to hire based on just that number [i.e., Union Pacific’s retention rate]. That’s done as we think about that 18-month forecast, that LRP, three-year LRP we talked about. When you get to where you’re going to source the people that’s where this comes into play. I have “X” number. I should get about 65 percent or 70. That deficit would then be actually out in the market hiring new employees.	Union Pacific develops volume projections in its long-range planning process. Those projections are updated as part of the process of developing an annual operating plan, which includes a TE&Y hiring plan. The TE&Y hiring plan is then refined on a monthly basis.
Tr. 310:10-310:19	“We revisit the LRP, which is a three-year plan every year.” [Question from Mr. Oberman: What’s LRP] “Long Range Planning, excuse me.” [Comment from Mr. Oberman: Too many acronyms] “I know. And we review on a monthly cadence the next 18 months within that.”	Union Pacific’s Marketing and Sales department develops new long-range volume projections every 12 to 18 months. TE&Y hiring is planned as part of the annual planning process, which uses updates to long-range volume projections. Union Pacific revisits the annual hiring plan on a monthly basis to refine specific hiring decisions.