



SIDLEY AUSTIN LLP
1501 K STREET, N.W.
WASHINGTON, D.C. 20005
+1 202 736 8000
+1 202 736 8711 FAX

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+1 202 736 8889
RATKINS@SIDLEY.COM

February 29, 2024

Via E-Filing

Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington, DC 20423

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

Dear Ms. Brown:

Pursuant to the Surface Transportation Board's January 31, 2024 Decision, Union Pacific Railroad Company is submitting a confidential and public version of its second interim update concerning (1) labor force targets for the first six months of 2024 (by July 1, 2024) and in one year (by December 31, 2024) and (2) an updated hiring and retention plan.

On February 14, 2024, Union Pacific filed a Motion for Protective Order in the above-referenced docket. On February 15, 2024, Union Pacific submitted January 2024 employment data pursuant to the Board's January 31, 2024 Decision and designated that data "Confidential" under the protective order. For the reasons set forth in the February 15 submission and described below, Union Pacific is designating certain content in the second interim update as "Confidential Commercial Information"¹ or "Confidential" as appropriate. Union Pacific requests that the Board treat the designated contents of the second interim update filed with this letter as Confidential Commercial Information or Confidential, respectively. Union Pacific further notes that the designated information contained in the second interim update constitutes confidential commercial or financial information, which is exempt from public disclosure under Exemption 4 of the Freedom of Information Act (FOIA), 5 U.S.C. § 552(b)(4).

The labor force targets and aspects of the updated hiring and retention plan requested by the Board satisfy either (1) the "Confidential Commercial Information" definition in the proposed protective order because the disclosure of this information "could reasonably be expected to cause substantial competitive harm," or (2) the "Confidential" definition in the

¹ Content designated as Confidential Commercial Information is identified with the use of triple brackets: {{{ }}}.

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proposed protective order because it “reflects proprietary or confidential information.” Motion for Protective Order, Docket No. EP 770 (Sub-No. 1) (STB filed Feb. 15, 2024), at 4, 5.

Union Pacific sets labor force targets to support efforts to retain business and support new business. And Union Pacific competes for quality talent with the other Class I carriers participating in the above-referenced proceeding. This competition is especially fierce in a post-COVID environment in which many job seekers are prioritizing work-from-home and hybrid work arrangements that are largely incompatible with the rail industry. As explained in the attached Verified Statements of Grant Janke and Tonya Eggspuehler, the release of labor force targets and certain aspects of the updated hiring and retention plan could be used by a competitor to ascertain Union Pacific’s non-public business plans based on Union Pacific current and planned allocation of resources, or to undercut Union Pacific’s ability to compete for the best candidates to fill open positions. These categories of information reflect Union Pacific’s forward-looking commercial intentions, and as such they are even more sensitive than current data.

In the ordinary course of business, Union Pacific protects from disclosure its hiring and retention forecasts and strategies to remain competitive with other railroads and trucking companies. Union Pacific is therefore designating some content in the second interim update as Confidential Commercial Information or Confidential. And for the same reasons Union Pacific has designated the labor force targets and aspects of the updated hiring and retention plan as Confidential Commercial Information or Confidential under the proposed protective order, the so-designated contents of the second interim update are also exempt from public disclosure under FOIA because the data are confidential commercial or financial information, which are protected under FOIA Exemption 4.

If the Board declines to grant Union Pacific’s Motion for Protective Order or determines that these materials are not exempt from public disclosure under FOIA Exemption 4, Union Pacific respectfully requests that the Board provide sufficient opportunity for Union Pacific to respond before making public any portion of the labor force targets and employee hiring and retention plan.

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Respectfully submitted,

/s/ Raymond A. Atkins

Raymond A. Atkins, Ph.D.

Counsel for Union Pacific Railroad Company

Attachments

cc: James Boles, Vice President – Law
Union Pacific Railroad Company

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BEFORE THE
SURFACE TRANSPORTATION BOARD

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

URGENT ISSUES IN FREIGHT RAIL SERVICE—RAILROAD REPORTING

**VERIFIED STATEMENT OF
GRANT A. JANKE**

My name is Grant A. Janke. I am the Assistant Vice President of Network and Capital Planning for Union Pacific Railroad Company, a position I have held since September of 2014. I began my career with Union Pacific in 2006 and have held management positions in Union Pacific's Business Development and Planning, Executive, and Network Planning and Operations Departments. Before I was promoted to my current position, I served as Assistant Vice President of Strategic Planning in the Executive Department.

I am submitting this statement to accompany Union Pacific's second interim update required by the Surface Transportation Board's January 31, 2024 Decision. The following numbered statements are based on my direct and personal understanding:

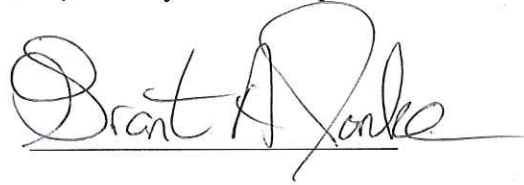
1. The labor force targets for employees actually on the job as of July 1, 2024, and December 31, 2024, are proprietary and confidential information.
2. The labor force targets are not information that is otherwise made publicly available by Union Pacific or disclosed publicly in the ordinary course of business.
3. The labor force targets can identify trends and patterns that can be used to ascertain or expose Union Pacific's otherwise non-public business plans.

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VERIFICATION

I declare under penalty of perjury that the foregoing statement is true and correct to the best of my knowledge, belief, and information. Further, I certify that I am qualified and authorized to file this statement.

Executed on February 29, 2024.

A handwritten signature in black ink, reading "Brant A. Ronke". The signature is written in a cursive style with a large, looped initial "B". The signature is positioned above a horizontal line.

PUBLIC VERSION

BEFORE THE
SURFACE TRANSPORTATION BOARD

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

URGENT ISSUES IN FREIGHT RAIL SERVICE—RAILROAD REPORTING

**VERIFIED STATEMENT OF
TONYA S. EGGSPUEHLER**

My name is Tonya S. Eggspuehler. I am the Assistant Vice President of Human Resources for Union Pacific Railroad Company, a position I have held since March 2021. I began my career with Union Pacific in May 2000 and have held management positions in Union Pacific's Finance, Marketing & Sales, and Human Resources Departments. Before I was promoted to my current position, I served as Human Resources Business Partner.

I am submitting this statement to accompany Union Pacific's second interim update required by the Surface Transportation Board's January 31, 2024 Decision. The following numbered statements are based on my direct and personal understanding:

1. The updated Hiring and Retention plan is proprietary and confidential information.
2. The updated Hiring and Retention plan includes information that is not otherwise made publicly available by Union Pacific or disclosed publicly in the ordinary course of business.
3. The updated Hiring and Retention plan information identifies trends and patterns that can be used to ascertain or expose Union Pacific's otherwise non-public business plans for resources to retain business and support new business.
4. Public disclosure of Union Pacific's labor and workforce resource planning decreases Union Pacific's ability to compete effectively in the labor market.

PUBLIC VERSION

VERIFICATION

I declare under penalty of perjury that the foregoing statement is true and correct to the best of my knowledge, belief, and information. Further, I certify that I am qualified and authorized to file this statement.

Executed on February 29, 2024.

Maaya Eggenchler

PUBLIC VERSION

Surface Transportation Board

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

Urgent Issues in Freight Rail Service-Railroad Reporting

Union Pacific Railroad Company

Second Interim Update

February 29, 2024

Union Pacific EP 770(1) Second Interim Update

The Surface Transportation Board ("STB" or "Board") directed Union Pacific to file an interim update to Union Pacific's Revised Service Recovery Plan ("Revised Plan") filed in late June 2022, to identify (1) labor force targets for employees actually on the job by July 1, 2024 and December 31, 2024; and (2) updated plans to incentivize hiring and retention. This interim update will highlight any updates or changes from previous reporting.

Workforce Sustainability

A. Labor Force Targets

Union Pacific continues to position our company for the future by planning a workforce pipeline that accounts for attrition, growth, and demand.

Based on internal analyses of existing circumstances, and factoring in attrition and projected demand, Union Pacific's current workforce levels are consistent with organizational needs. Union Pacific's goals are regularly adjusted as a variety of market factors change, and actual headcount will vary based on attrition, volume needs, traffic mix, and changes in work performed.

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Consistent with its June 23, 2022, Revised Service Recovery Plan, Union Pacific is reporting its Crew Management Service Employees and Customer Care and Support Employees as customer service employees requested by the Board. In November 2023, Union Pacific completed organizational streamlining and internal reorganization, {

¹ Union Pacific defines "Active" Engineering employees as those assigned to a non-trainee position, who are in an active status, and available to work.

² Union Pacific defines "Active" Mechanical employees as those assigned to a non-trainee position, who are in an active status, and available to work.

³ Union Pacific defines "Active" TE&Y employees as those available to work and not in a recall or training status.

⁴ Union Pacific did not provide an aggregate number forecast for this category in its Revised Service Recovery Plan or first Interim Update, as supplemented. This category includes Union Pacific's L100, L200, and L500 employees, less those employees reported as Crew Management Service Employees and Customer Care and Support Employees. The actual number of employees in this category for December 2022 was 5,474, for April 2023 was 5,492, and for December 2023 was 5,162.

B. Hiring and Retention

Union Pacific will continue aggressive recruitment as the labor market continues to be strong. In addition to the programs already initiated and implemented (as referenced in Revised Plan and previous interim updates), Union Pacific has made the following updates:

(1) Recruitment

Union Pacific continued expansion of its Second Chance hiring program, which gives employment consideration to formerly incarcerated individuals, individuals in recovery, or others whose life paths have put them at a disadvantage in obtaining stable employment. Union Pacific is using this program in 17 locations across the network through over 100 community partnerships.

(2) Hiring

Union Pacific has developed specific hiring incentive programs due to the tight labor market and has paid over {{{ [REDACTED] }}} in incentives.

Below are the current hiring incentive programs:

- {{{ [REDACTED] }}}
[REDACTED]
[REDACTED]
[REDACTED] .}}}
- {{{ [REDACTED] }}}
[REDACTED]
[REDACTED] }}}
- {{{ [REDACTED] }}}
[REDACTED]
[REDACTED]
[REDACTED] }}}
- {{{ [REDACTED] }}}
[REDACTED]
[REDACTED]
[REDACTED] }}}

(3) Retention

Union Pacific offers a comprehensive benefits package to retain its employees and continuously evaluates additional benefits it can offer to all employees, subject to collective bargaining obligations.

- **Quality-of-Life Initiatives:** In 2023, Union Pacific entered into paid sick leave agreement with all of its unions. Union Pacific is currently implementing scheduled off days for its engineer craft throughout its system and continues to negotiate a work-rest agreement with its train

person craft. Union Pacific has also reached agreements creating ground-based utility positions that are regular assignments with predictable schedules. Union Pacific will continue discussing and working on different ideas addressing quality-of-life needs.

- {{{ [REDACTED] }}}
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] }}}
[REDACTED]
- **Employee Stock Purchase Plan:** Union Pacific established a new Employee Stock Purchase Plan (ESPP) in mid-2021, allowing all employees to become owners by buying shares of UP stock (UNP) through payroll deductions. Each month, ESPP participants receive a 40% company match of up to 5% of their base compensation, with a contribution limit of \$15,000. {{{ [REDACTED] }}}
[REDACTED]
[REDACTED] }}}
[REDACTED]
- **Educational Assistance Partnership:** In mid-2020, Union Pacific established an innovative Educational Assistance preferred partnership with the University of Nebraska at Omaha (UNO) to attract and retain employees. This enhanced benefit was expanded in late-2022 to offer associate degrees at Metropolitan Community College and provide all employees taking courses: 1) a dedicated enrollment concierge team, 2) no limit on annual credit hours or dollars, 3) company payment of typical enrollment related fees, and 4) pre- paid tuition so employees do not have to wait to be reimbursed. To date, nearly 500 employees across Union Pacific's 23-state system have become UNO students. The expansion of this program is expected to increase the level of agreement employee participation.