

Update on Bulk Tariff Adjustments from Kenny Rocker, EVP, Marketing & Sales

To Our Customers,

Last week, all of the Class I Railroads testified in Washington D.C. before the Surface Transportation Board (STB) regarding accessorial and demurrage billing practices. Many rail shippers also attended, testified, or submitted letters prior to the hearing.

I certainly appreciated the opportunity to listen to customer feedback first-hand and personally read every customer letter filed. I also appreciated the opportunity to clarify our demurrage and accessorial programs to the Board. Rest assured, we are listening to your concerns and taking action. Please look for further adjustments in our accessorial program aimed at responding to your and the Board's feedback, while continuing to advance our important goal to align customer supply chains toward greater network fluidity and more reliable service for all of our customers.

Today, Union Pacific is making another program adjustment based on your feedback. In November, 2018 we had announced we would modify our Unit Train Forecasting tariff as follows:

- If customer cancels a unit train under 48 hours of original release date, then customer will be assessed \$10,000.

Effective immediately, we are adjusting this charge to \$2,500 per occurrence.

This is the third adjustment announced this month to our accessorial billing practices as a result of feedback from our customers and the STB. As you may recall, on [May 8](#) we announced the 'Not Prepared for Service' charge would be determined on a per occurrence, rather than a per car, basis and only collected if a customer has three or more occurrences during a calendar month. We followed up with an additional [May 17](#) change clarifying that we do not and will not apply multiple types of tariff charges to the same rail cars for the same cause (i.e., "double-dipping").

We will continue to listen to our customers and stakeholders and be fair and reasonable with our accessorial program. As always, if you have any questions regarding the changes we are making, please contact your sales representative for additional insight.

Sincerely,

Kenny Rocker
Executive Vice President, Marketing & Sales