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

The Honorable Michelle Schultz, 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 Karen Hedlund
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 Schultz and Board Members Fuchs, Primus, and Hedlund:

Per the Surface Transportation Board's May 5, 2022 order, Union Pacific respectfully encloses its Service Progress Report for August 12, 2022. Please contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "James B. Boles".

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

August 12, 2022

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, are leading to better service.

Performance improved along the Union Pacific network from our baseline performance in mid-April through our operating data reporting on August 5, 2022. As relayed in our July 29, 2022, filing, our crew supply increased. This reporting period, our supply of crews improved by 62 additional graduates since July 29th. Additionally, during this reporting period, Union Pacific realized a reduced number of daily recrews and improved crew availability. As a result, Union Pacific reported our lowest number of trains held for crew per day since the middle of May and are approaching the level of trains holding for a crew that we realized in February 2022. Additionally, Union Pacific restructured the work schedules of its Operating leadership team to facilitate real-time problem solving and decision making throughout the course of the entire day. These actions supported the improved network performance while handling our highest 7-day carload rate since the middle of June 2022.

This progress report will continue to focus on the initiatives originally identified in its Service Recovery plan dated May 20, 2022: (1) crew initiatives, (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 takes into account the supply of both crew and locomotive resources, including the projected demand and current efficiency rates for each resource.

1. Crew Initiatives

Year to date, Union Pacific has graduated 597 employees, including 374 since May 6, 2022.¹ The train, engine, and yard ("TE&Y") training pipeline currently has 525 employees. Union Pacific is on track to meet its goal of hiring and training 1,400 TE&Y employees in 2022.

Additionally, Union Pacific has 204 borrow outs currently in service. These borrow outs are solely concentrated in the Northern Region of the network.

2. Locomotive Initiatives

Union Pacific has restored 88 of 300 additional locomotives for 2023 anticipated volumes. Additionally, 49% of the 2022 locomotive modernization program is complete. This modernization will improve the reliability of Union Pacific's locomotive fleet.

¹ Union Pacific highlights the graduation rate since the publication of the Board's May 5, 2022, Decision on Railroad Reporting.

Train velocity has improved by 8% since mid-April. This improved velocity helps generate additional locomotive supply across Union Pacific's network.

3. Freight Car Initiatives

With the improvement in network performance, Union Pacific paused its storage efforts and is working towards reducing the percentage of stored system-controlled freight cars to between 4% and 5% of its fleet by mid-August from the original goal of 8% to 10% provided in the Revised Service Recovery Plan dated June 23, 2022. In addition, based on the fluidity of the network, Union Pacific will add a number of additional Bulk sets, by the end of August.

A. Union Pacific's key performance indicators discussed below show improved network fluidity.²

1. Car Velocity: Since mid-April, car velocity improved by 7% to 190 miles per day on the Union Pacific network.
2. Operating Inventory: Union Pacific decreased operating inventory by 4% to 192,800 cars on the network.
3. Cars per Carload: Cars per carload realized a 6% decrease to 8.3.
4. First Mile-Last Mile ("FMLM"): FMLM improved 2 points to 92% compared to the mid-April metric.
5. Trip Plan Compliance ("TPC")
 - i. TPC Bulk: TPC Bulk improved by 12 points to 77%.
 - ii. TPC Manifest: TPC Manifest improved by 8 points to 67%.
 - iii. TPC Intermodal: TPC Intermodal degraded by 9 points to 64% versus the April benchmark.

B. Conclusion

Union Pacific will continue to assess the network and match and adjust our resources to ensure network fluidity. We are poised to add even more crew resources this month as a result of additional graduates and improved crew availability. We anticipate that this will continue to serve as a tailwind for improvement of our key metrics moving forward.

² The baseline date for comparison of these metrics is the week ending April 15, 2022.