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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

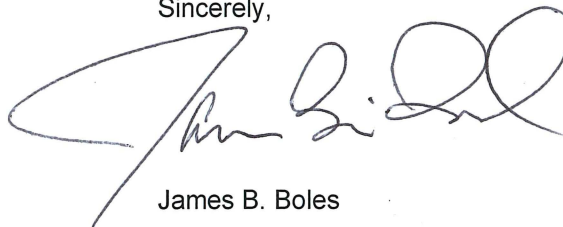
The Honorable Michelle Schultz
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423-0001

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 May 1, 2023 order, Union Pacific respectfully encloses its Service Progress Report for August 25, 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

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

Urgent Issues in Freight Rail Service—Railroad Reporting

Union Pacific Railroad Company

Service Progress Report

August 25, 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.

Below is an update on Union Pacific's Key Performance Indicator metrics:¹

Metric	Baseline (April 15, 2022)	Current Performance	Progress Against Baseline	Target Range	Target Midpoint
Car Velocity	177 mpd	199 mpd	+12% ↑ 0 consecutive weeks at or above target midpoint	205-210	207
Operating Inventory	201,334	177,772	-12% ↓ 38 consecutive weeks at or below target midpoint	185k-195k	190k
Cars per Carload	8.9	7.9	-11% ↓ 1 consecutive week at or below target midpoint	7.7-8.1	7.9
First Mile Last Mile ("FMLM")	90%	91%	+1 pts. ↑ 6 consecutive weeks at or above target midpoint	>91%	91%
TPC Bulk	66%	85%	+19 pts. ↑ 19 consecutive weeks at or above target midpoint	77%-85%	81%
TPC Manifest	59%	71%	+12 pts. ↑ 6 consecutive weeks at or above target midpoint	66%-73%	70%
TPC Intermodal	73%	82%	+9 pts. ↑ 20 consecutive weeks at or above target midpoint	76%-83%	80%

Locomotive Initiatives

Union Pacific's operable locomotive fleet is ~4,250 units, consistent with our fleet level over the past few months. As we look ahead to the fourth quarter of 2023, we will continue to evaluate our fleet demand relative to our updated forecast. We will adjust our fleet size going forward given network fluidity, engine utilization, and projected network demand.

Train velocity on the network has improved by 17% since mid-April 2022. The number of trains holding for power was relatively consistent at 13 trains per day for the week ending August 18, 2023, compared to our last report.

Crew Initiatives and Availability

Year to date, Union Pacific has graduated 1,549 employees, including 2,628 since May 6, 2022.² The train, engine, and yard ("TE&Y") training pipeline currently has 387 employees. During this

¹ Current performance is based on the week ending August 18, 2023. The Target Range and Target Midpoint are those previously reported in Union Pacific's December 2022 Interim Update.

² Union Pacific has highlighted the graduation rate since the publication of the Board's May 5, 2022, Decision on Railroad Reporting.

reporting period,³ 0 trainees entered training, 29 trainees dropped out, and 114 trainees completed training.

Union Pacific currently has 144 borrow-outs deployed across the system as we continue to actively reallocate resources to match crew supply to crew demand. These geographically flexible workforce resources are critical to our efforts to support the movement of freight across the network. Our borrow-out strategy is in place to handle projected demand and to provide greater resiliency in our network when significant unanticipated events increase demand.

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, including newly implemented paid sick policy, 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>Week Ended</u>	<u>Available</u>	<u>Vacation/PL</u>	<u>FMLA</u>	<u>Illness</u>	<u>Other</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%

³ These numbers cover the reporting period from August 5, 2023, to August 18, 2023.

<u>Week Ended</u>	<u>Available</u>	<u>Vacation/PL</u>	<u>FMLA</u>	<u>Illness</u>	<u>Other</u>
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%
3/3/2023	84.5%	6.7%	1.8%	2.1%	4.9%
3/17/2023	82.8%	7.9%	1.9%	2.5%	4.9%
3/31/2023	84.3%	7.1%	1.7%	2.3%	4.6%
4/14/2023	83.7%	7.4%	1.7%	2.3%	4.9%
4/28/2023	84.5%	6.8%	1.7%	2.3%	4.7%
5/12/2023	84.3%	6.8%	1.7%	2.2%	5.0%
5/26/2023	83.1%	7.5%	1.7%	2.4%	5.3%
6/9/2023	83.4%	7.7%	1.6%	2.1%	5.2%
6/23/2023	83.2%	8.3%	1.7%	2.4%	4.4%
7/7/2023	81.6%	10.5%	2.0%	2.7%	3.2%
7/21/2023	83.6%	8.6%	1.7%	2.4%	3.7%
8/4/2023	82.7%	8.2%	1.7%	3.4%	4.0%
8/18/2023	83.0%	6.6%	1.3%	5.6%	3.5%