



BUILDING AMERICA®

May 14, 2020

The Honorable Ann D. Begeman, Chairman
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Dear Chairman Begeman:

Thank you for your May 7, 2020 letter regarding Union Pacific's support of the nation's critical needs during COVID-19 containment and recovery. Union Pacific sincerely appreciates the Surface Transportation Board's recognition of our difficult work maintaining vital supply chains and infrastructure while simultaneously overcoming the challenges of working during a pandemic. We also appreciate the STB's April 22, 2020 Statement in Support of Railroad Operations, in which the Board acknowledged the crucial role railroads play in supporting the pandemic response. Union Pacific welcomes your invitation to describe its preparedness for increased demand during the recovery.

Union Pacific is poised to respond when volumes rebound. As you know, the railroad industry's volumes are down. But Union Pacific has been preparing for the return of demand as the country recovers even as we carefully manage resources to weather the downturn. Union Pacific's preparation to meet sudden demand spikes centers on our At-the-Ready fleet (ATR) and Auxiliary Work and Training Status boards (AWTS) initiatives. Through our ATR initiative, Union Pacific has pre-positioned idled and fueled locomotives and rail cars in strategic locations that would enable us to quickly and efficiently respond to increased demand from our customers. AWTS, a joint Union Pacific and SMART-TD initiative, guarantees certain train and yard employees a minimum number of monthly work events (or training days), full healthcare benefits, and Railroad Retirement service months, while giving Union Pacific speedy access to the trained and experienced employees essential to our rapid demand response. ATR and AWTS give Union Pacific the human resources and equipment needed to support a quickly recovering economy.

During this difficult time, Union Pacific has also been in close and frequent communication with our customers. Kenny Rocker, Union Pacific's Executive Vice President for Marketing and Sales, provides frequent customer updates addressing the realities of an economy impeded by COVID-19 containment and the possibilities of a post-containment future. For example, one of our more recent customer communications, Kenny's April 23, 2020 "Status of the Railroad," described our first quarter key operating metrics as well as the measures Union Pacific is taking to keep our employees safe. In addition to updating and thanking our customers for their business, Kenny assured them that Union Pacific is "ready to throttle [crews and locomotive resources] back up quickly" and is "confident as the nation re-opens for business ... we are ready to move your freight."

We acknowledge the Board's continued interest in our accessorial and demurrage program. Jeffrey Hultgren will send Union Pacific's first quarter 2020 accessorial and demurrage revenue data to you under separate cover. Jeff will continue to submit those reports on a quarterly basis for the rest of 2020, as you have requested. If you have any questions regarding those data, then please contact Jeff at (402) 544-8168.

Union Pacific remains committed to serving our customers and supporting the nation's pandemic response and recovery.

Sincerely,



Lance M. Fritz

cc: Lucille Marvin, Director
Office of Public Assistance, Government
Affairs, and Compliance