



BUILDING AMERICA®

June 11, 2021

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

Dear Chairman Oberman,

I am writing in response to your May 27, 2021 letter. In that letter, you write to us about the important role of Union Pacific's workforce in serving our customers. You also wrote expressing concern about our employees' safety and our ability to respond to the needs of our customers.

Union Pacific agrees with you that the foundation of operational excellence is safety. Throughout 2020, we delivered consistent and dependable service to customers with a clear focus on safety through technology integration. At the network level, we envision technology as a key driver in both improved safety and enhanced customer experience.

The challenging social and economic impacts of COVID-19 only served to strengthen our commitment to prioritize safe and efficient operations. We demonstrated how we can synchronize highly variable work environments and fluctuating traffic levels to protect our workforce. Union Pacific initiated development of a terminal planning tool and a separate logistics management platform to promote agility further. Once operational, these workplace improvements will maximize car connections, help us develop innovative service products, and optimize terminal operations. These innovations will help Union Pacific continue to operate in a safe, efficient, and reliable manner for years to come.

Union Pacific also places a high value on the customer experience. That experience lies at the very heart of our new strategy of growing our business – both with existing and new customers. We employ a detailed and continuous feedback process to gather information directly from shippers. These candid conversations lead to rail operation improvements aimed directly at resolving customer service challenges and attracting more business to the railroad. Additionally, Union Pacific utilizes real-time work order reporting to evaluate current operations and car movement reports. We anticipate future versions of our technology will allow us to align designated yard switches and thereby improve service.

Over the past year, our workforce applied their knowledge and skills to transform the railroad and generate exceptional performance. Though we streamlined our administrative and management staff over the last three years, we increased our freight car velocity by 5%, decreased terminal dwell times by 21%, increased locomotive productivity by 30%, and increased workforce productivity by 19%. These gains directly correlate to the implementation of Precision Scheduled Railroading. We also developed advanced modeling of system-wide network weather sensors to reduce risks of derailments attributed to weather events. Union Pacific continues to maintain even higher productivity levels by focusing on workforce and equipment availability as well as train efficiency.

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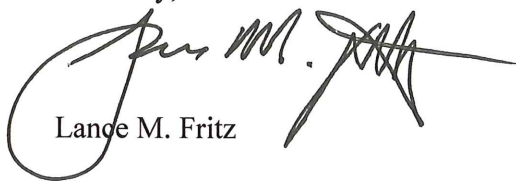
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Union Pacific is well-positioned to deal with the nation's economic recovery in 2021. As demand has increased across our network, we have quickly identified those growth areas and strategically placed crews to serve customers. Our pipeline of train crew, yard, and maintenance employees is robust, and these employees are qualified to fill future positions throughout our network.

Union Pacific is a logistics leader. We will maintain our leadership by focusing on safety through the implementation of technology. As you know, Union Pacific recently recruited Rahul Jalali as Chief Information Officer and a key member of our leadership team. Rahul brings 23 years of IT experience to Union Pacific from Walmart. He is actively leading development, implementation, and operation of new technology across our business. Under Rahul's leadership, Union Pacific will continue to drive innovation that optimizes our customers' supply chains and brings new business to the national rail network.

We look forward to working collaboratively with the STB as we continue to provide safe, reliable, and resilient transportation service in support of our nation's strong economic recovery.

Sincerely,

A handwritten signature in black ink, appearing to read "Lance M. Fritz", with a large, sweeping flourish extending to the left.

Lance M. Fritz