Ex Parte 711 Hearing

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March 26, 2014
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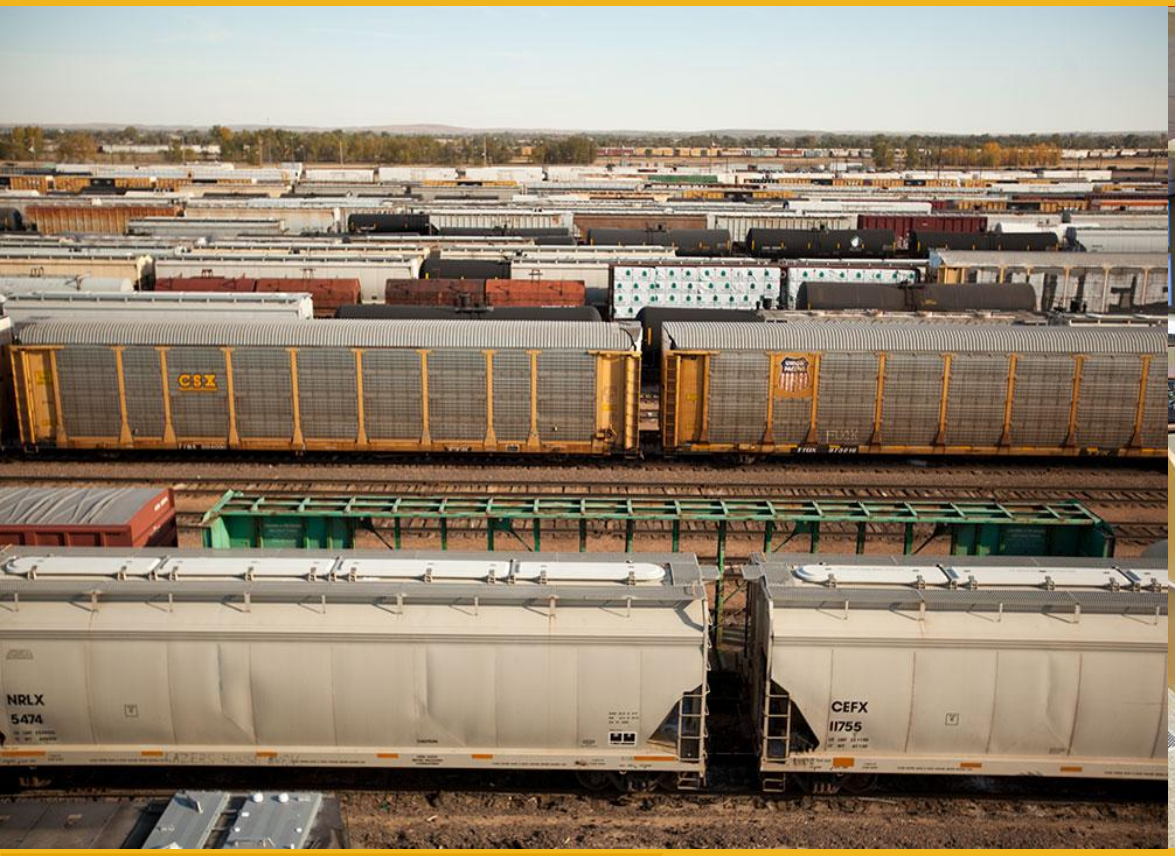
Public Record

Tom Haley, Assistant Vice President - Network and Capital Planning

March 26, 2014



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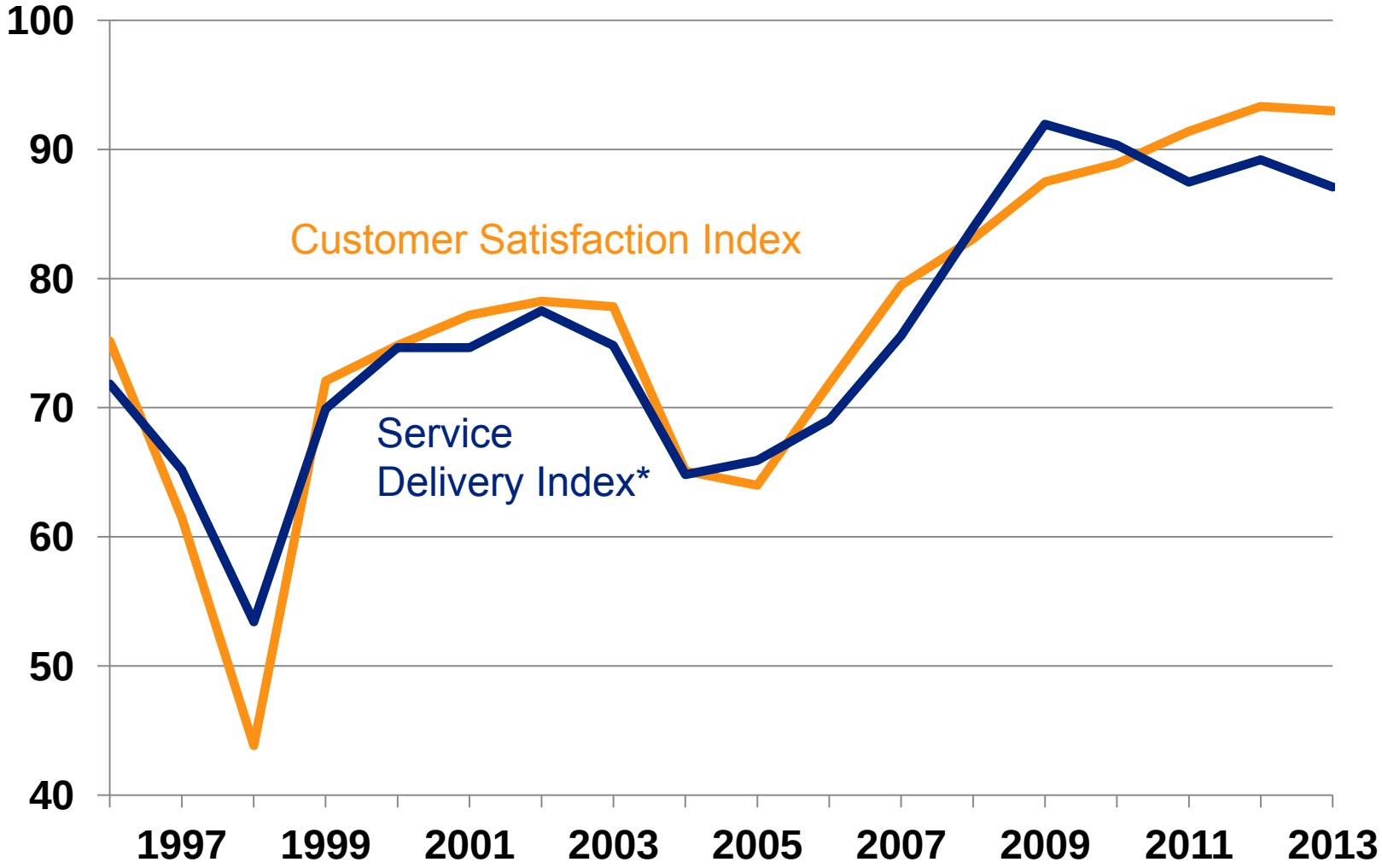
Service Drives Customer Satisfaction



* Includes Early Deliveries

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NIT League Proposal Threatens Progress

- **Increases workload in constrained terminal areas**
- **Degrades service across the network**
- **Limits ability to plan and manage the network**
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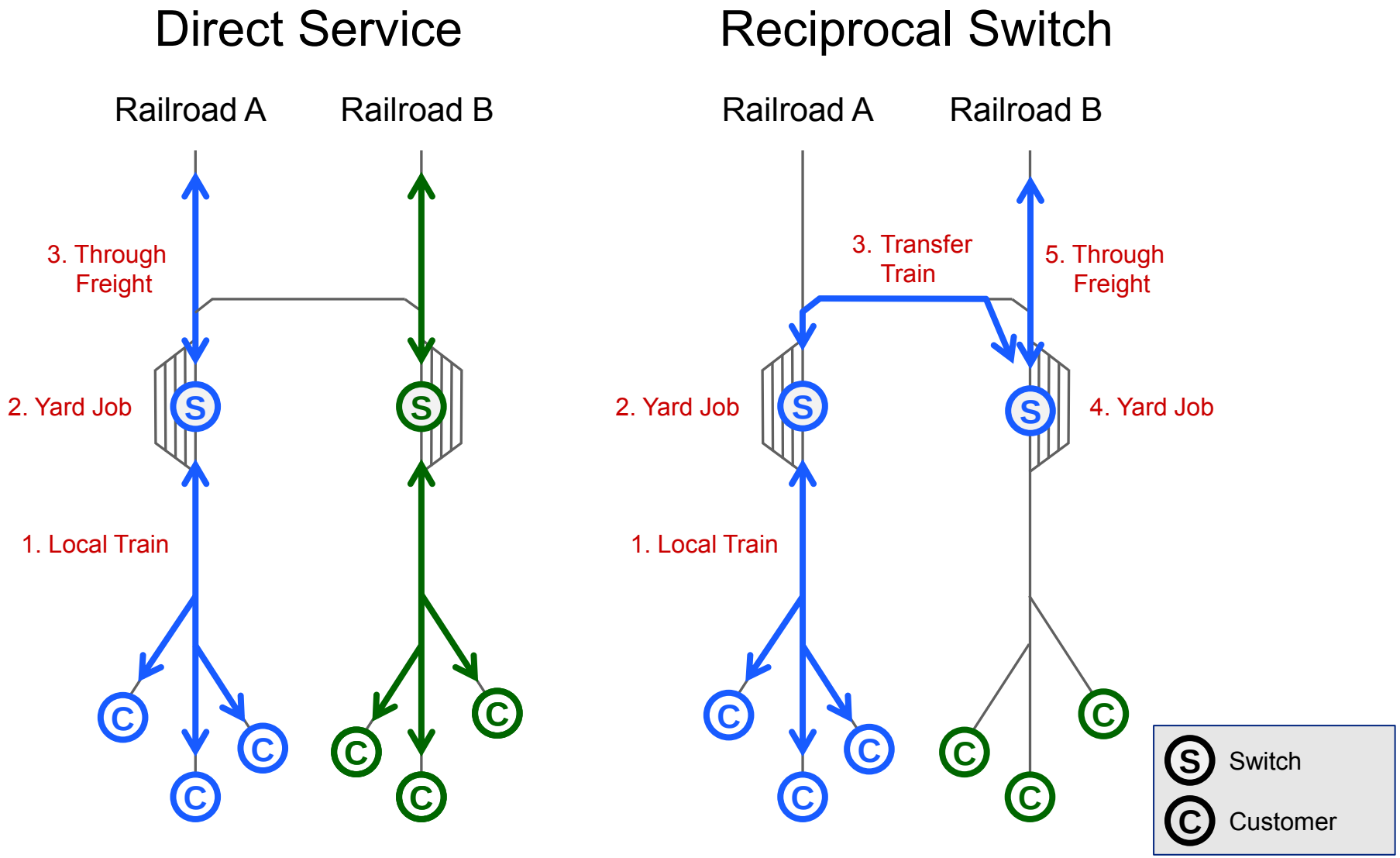
Direct Service is Clean and Efficient



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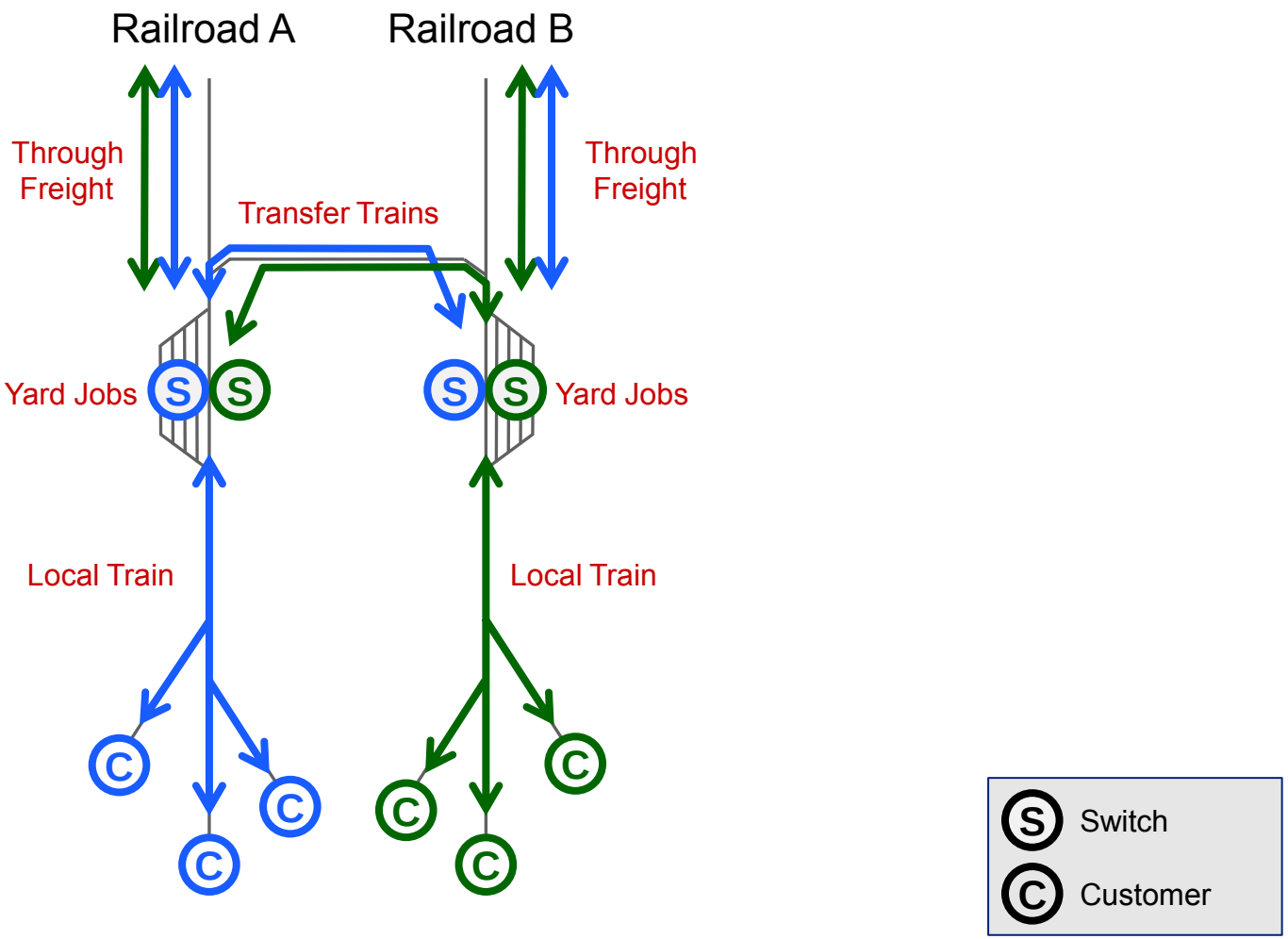
Reciprocal Switch Adds Work and Complexity



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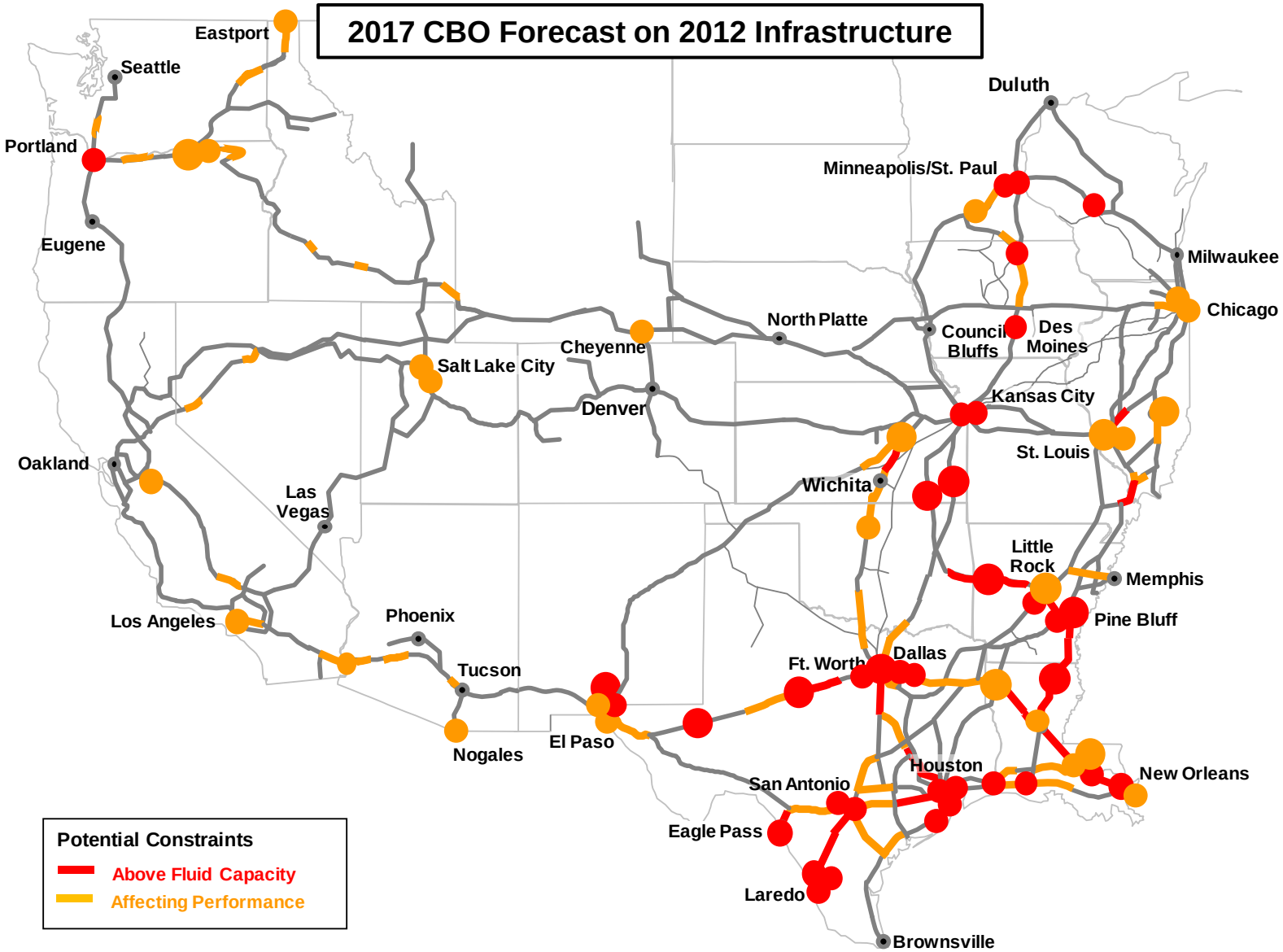
Network Capacity



Source: UP Opening Comments, Figure 13

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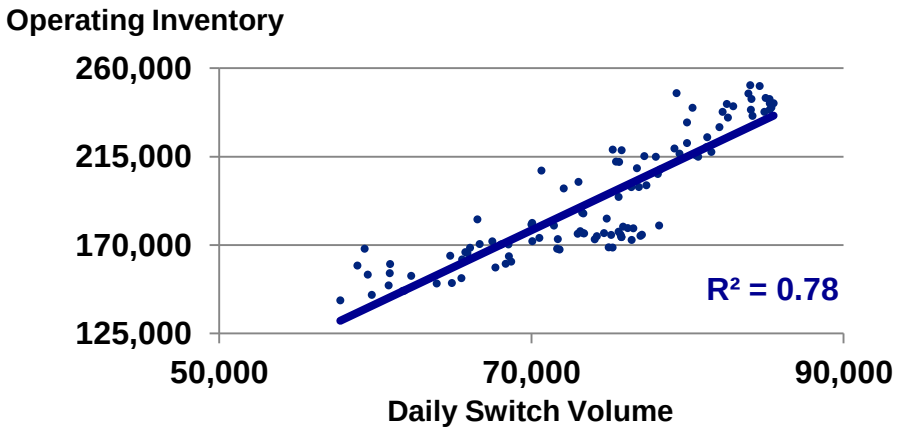
Additional Switching Degrades Service

Switch Events Increase Operating Inventory



Operating Inventory = All cars on trains and in yards

Monthly UPRR Data: 2005-2013

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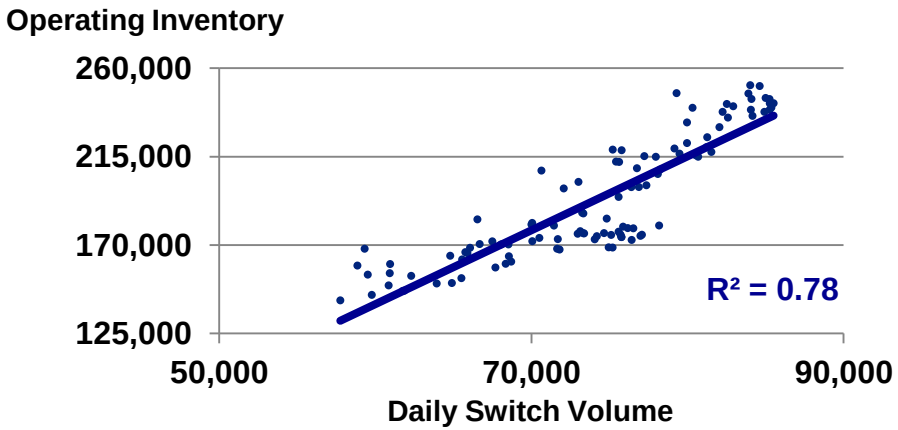

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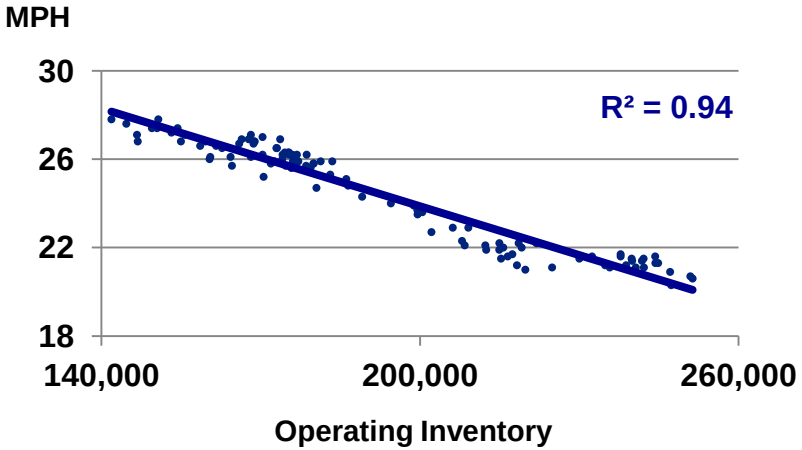
Operating Inventory Decreases Velocity



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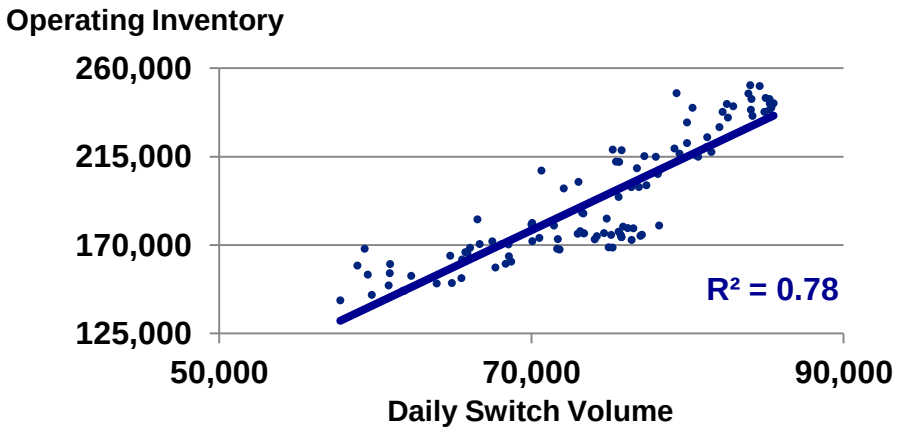

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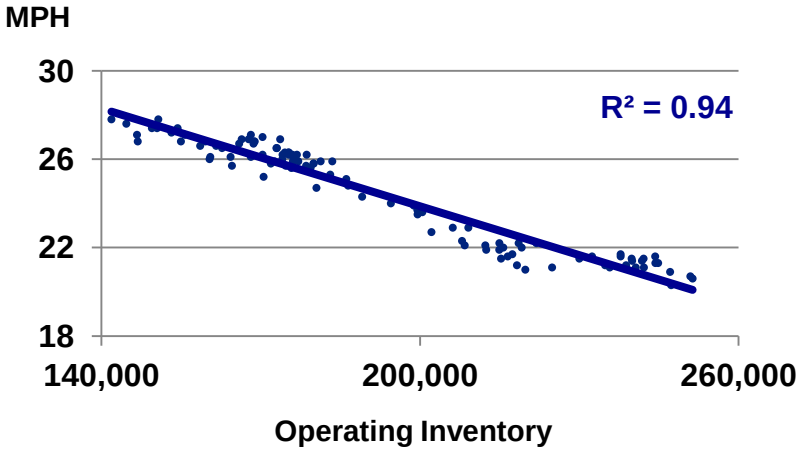
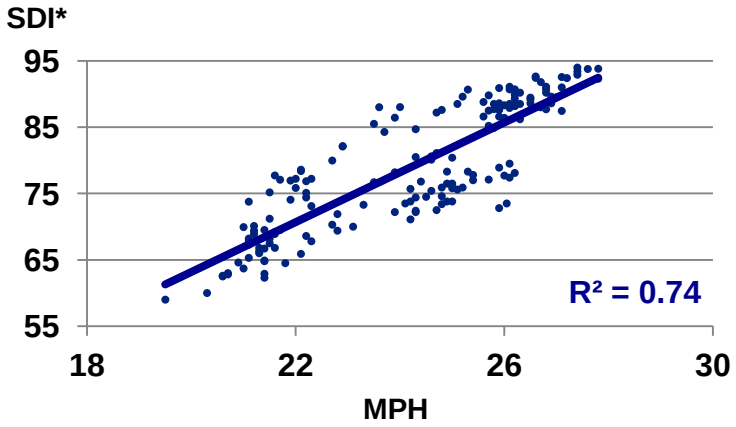


Slower Velocity Hurts Service



Monthly UPRR Data: 2005-2013 * Includes Early Deliveries

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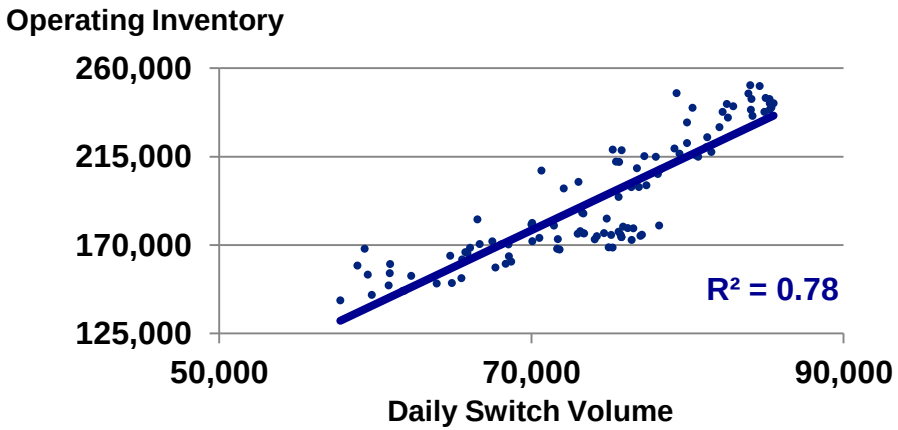
Additional Switching Degrades Service

Switch Events Increase Operating Inventory



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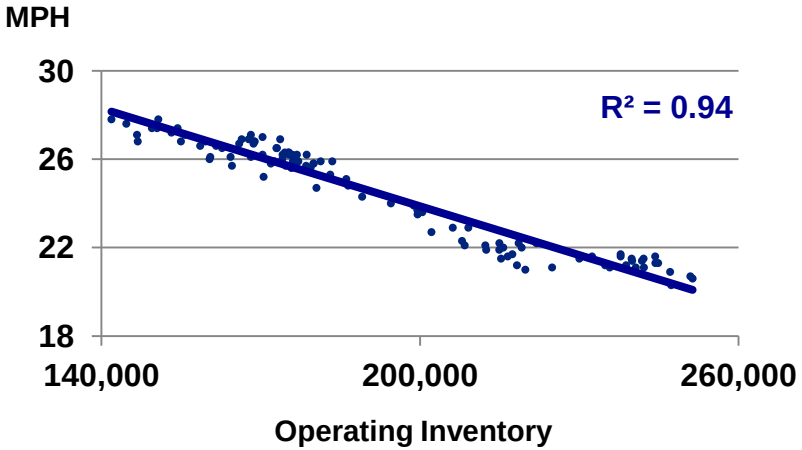

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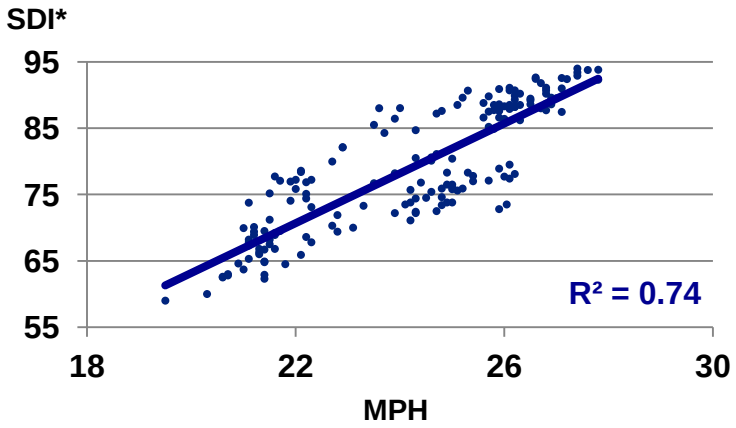
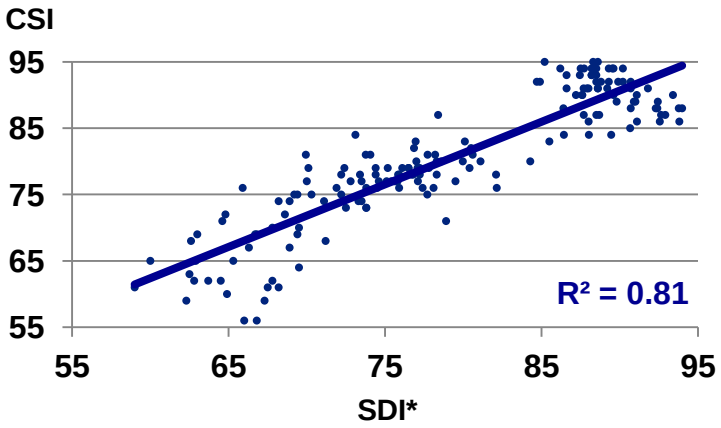


Poor Service Hurts Customer Satisfaction



Monthly UPRR Data: 2005-2013 * Includes Early Deliveries

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NIT League Proposal Decreases Ability to Plan and Manage Resources

Timeframe	Objective	Issues
1. **Long-term Facility & Resource Planning** • Capital • Crews / Equipment	**Acquire**	• **Uncertainty in longer-term traffic forecasting --** - **What** - **Where** - **How much / how far**

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5 Critical Resources

Lead Times in Italics

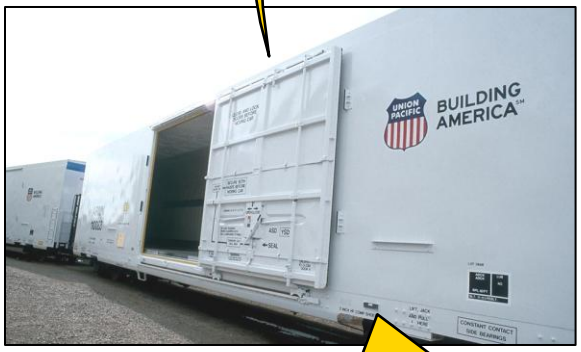
- ✓ Right Amount
- ✓ Right Place
- ✓ Right Time

Workforce
6 – 9 months

Main Lines
18 – 36 months

Locomotives
12 months

Terminals
18 – 36 months



Freight Cars
12 months

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2. **Tactical Planning** • 2-10 day horizon • Train plan • Position resources	**Position**	• **Uncertainty in short-term demand forecasts** • **Lack of time to relocate resources**

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3. **Real-time Network Management** • Balance terminals • Control the flow • Assign resources	**Assign**	• **Blind spots in managing daily traffic flows** • **Resources won't match demand**

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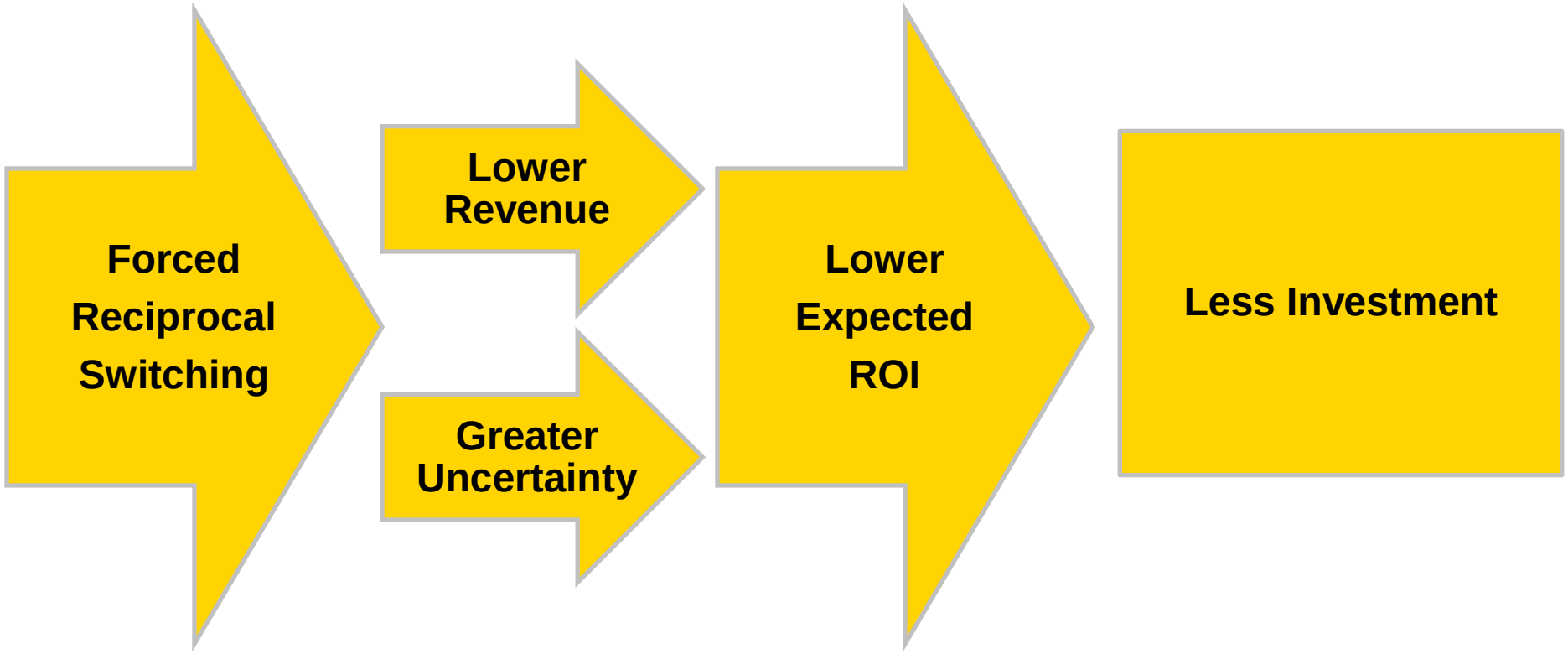
NIT League Proposal Will Reduce Investment



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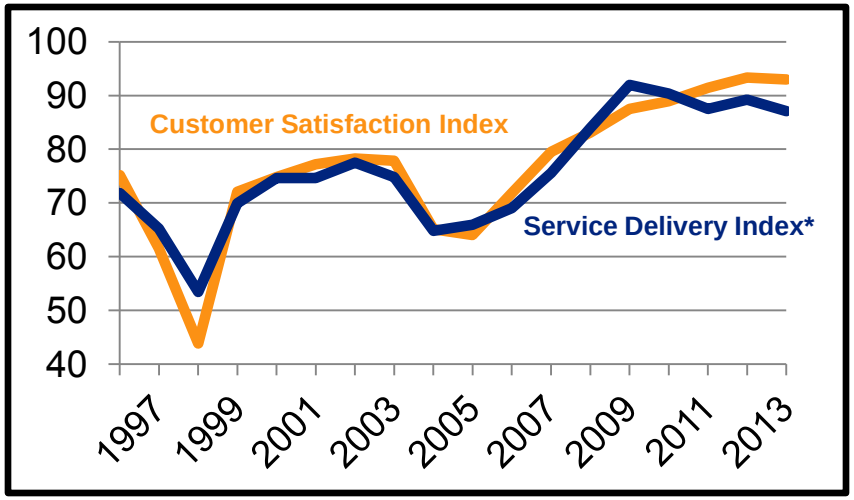
NIT League Proposal Threatens Progress



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