

June 21, 2013

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BY E-FILE

Ms. Cynthia T. Brown
Section Chief, Section of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

RE: Assessment of Mediation and Arbitration Procedures, Ex Parte No. 699

Dear Ms. Brown:

Union Pacific will participate in the Board's Arbitration Program under 49 C.F.R. Part 1108. Pursuant to 49 C.F.R. § 1108.3, Union Pacific consents to the Arbitration Program for the following matters and under the following conditions:

<u>Arbitration-Program-Eligible-Matters</u>	<u>Monetary Cap</u>
• Demurrage	\$200,000
• Accessorial Charges	\$200,000
• Misrouting or Mishandling of Rail Cars	\$200,000

Conditions:

1. To the extent that the Arbitration-Program-eligible-matters (eligible-matters) listed above are within the scope of the National Grain and Feed Association (NGFA) Rail Arbitration Rules, the AAR Interchange Rules, or other arbitration agreements, Union Pacific will continue to arbitrate such disputes under the other applicable arbitration rules unless the other party and Union Pacific agree in writing to use the Board's Arbitration Program for a specific dispute instead. Likewise, if an eligible-matter is subject to an arbitration clause in an agreement, Union Pacific will arbitrate the dispute according to the terms of the arbitration clause unless the other party to the dispute and Union Pacific agree in writing to use the Board's Arbitration Program for a specific dispute instead.
2. Union Pacific consents to arbitrate eligible-matters involving only regulated commodities moving under common carrier rates and conditions.

3. Union Pacific does not consent to arbitrate disputes involving class actions or disputes brought by trade associations.
4. Union Pacific does not consent to arbitrate disputes that would otherwise be eligible-matters if those disputes are subject to pending litigation. Likewise, if Union Pacific initiates litigation against a party who is not a participant in the Board's Arbitration Program as of the day when the complaint is filed, Union Pacific does not consent to arbitrate such dispute unless the other party to the dispute and Union Pacific agree in writing to use the Board's Arbitration Program instead of formal litigation.
5. Union Pacific does not consent to arbitrate disputes arising under receipts and bills of lading governed by 49 U.S.C. § 11706 (e.g., Carmack disputes such as loss and damage claims) under the category of "misrouting or mishandling of rail cars." Union Pacific will consider requests to arbitrate disputes governed by 49 U.S.C. § 11706 under the Board's Arbitration Program on a case-by-case basis.
6. Union Pacific reserves the right to withdraw or limit its participation in the Board's Arbitration Program upon ninety-days' written notice as provided in 49 C.F.R. § 1108.3(b).

Sincerely,



Gayla L. Thal

cc: Chairman Daniel R. Elliot III
Vice Chairman Ann D. Begeman
Commissioner Francis P. Mulvey