



**BUILDING AMERICA®**

January 24, 2019

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

Dear Chairman Begeman:

As we continue to implement our new Unified Plan 2020 operating plan, I wanted to share some of the progress we've made thus far. We are also rolling out a new and improved general terms and conditions tariff plan to simplify how we do business and to enhance the customer experience. Details on both of these transformative initiatives are below.

### **Unified Plan 2020 Progress**

Phase 2 of the Unified Plan 2020 implementation is in full swing. Looking back since September 2018, we have made significant and positive progress:

- Car trip plan compliance has improved by 14 percentage points
- Freight car velocity is up 9%
- Car dwell hours are down 15%
- Operating inventory is down 14%

Our sales team has been diligent about working collaboratively with customers on service changes. So far, we've cut over 297 transportation plans (160 in Phase 1 and 137 so far in Phase 2). We've also seen a reduction of service issues in cutover territories (Mid-America, Sunset and LA-Chicago) since implementation began – 35% lower for manifest and more than 40% lower for intermodal.

As additional changes are made, we will continue to be in close communication with our customers to keep them informed in advance of any service changes. For instance, as we work to simplify our interline service offerings, today our Premium team notified intermodal customers of low-volume interline lane closures with the CN, CP and CSXT scheduled for Feb. 26.

Our sales team will also continue to work closely with customers and educate them on ways to better manage their rail car inventory and prevent accessorial charges. Our goal is for our customers to treat our assets like they would treat their own...and utilize them to their fullest extent. However, we are also being mindful in our accessorial process to work with customers who are unable to meet our loading/unloading times due to safety or other limitations outside of their reasonable control.

### **Tariff Simplification**

Union Pacific has also executed a cross-department initiative to simplify our rules tariffs and circular publications. Following an inventory of more than 600 pages of those tariffs and circulars, we identified duplicative and antiquated rules that could be removed. Then, based on research of more modernized tariffs and input from across our commercial team, our Law team drafted a streamlined, easier-to-read, 30-page General Terms and Conditions document. During this simplification process, our objective has been to make our tariff easier for our customers to navigate, use, read and understand. The purpose has

not been to change any commercial or operating practices. Our sales team has been proactive about communicating with customers on these changes, and we will continue to address any questions they might have.

Thank you for your time. I appreciate this opportunity to keep the Board apprised of the changes we are making to ultimately provide customers with a more reliable and efficient service product.

Sincerely,

A handwritten signature in black ink, reading "King Rocker". The signature is written in a cursive, flowing style with a large initial "K".