



BUILDING AMERICA®

September 2, 2020

Via Electronic Mail

The Honorable Ronald L. Batory, Administrator
Federal Railroad Administration
1200 New Jersey Avenue, SE
Washington, DC 20590

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

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

The Honorable Patrick J. Fuchs, Member
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Dear Administrator Batory, Chairman Begeman, Vice Chairman Oberman, and Board Member Fuchs:

Thank you for your August 24, 2020 letter regarding the importance of Union Pacific's work in support of the nation's economic recovery. We sincerely appreciate the Federal Railroad Administration (FRA) and the Surface Transportation Board's (STB) joint recognition of our reliable service to, and enhanced communication with, our customers during these difficult and challenging times. We also appreciate your agencies' observations regarding the challenges ahead, including increasing volumes, a robust harvest projection, optimal employee deployment, and the efficient allocation of equipment. Union Pacific shares your high expectations regarding our performance, even as we respond to the devastation left in the wake of Hurricane Laura.

As the STB knows from our May 14, 2020 letter, Union Pacific prepared for the return of demand even as we carefully managed resources to weather the economic downturn. Union Pacific's preparation to meet sudden demand spikes centered on our At-the-Ready fleet (ATR) and Auxiliary Work and Training Status boards (AWTS) initiatives.¹ Union Pacific has used ATR to increase car velocity and realize improvements in our equipment productivity, order fulfillment, and on-time-placement. Union Pacific was also able to utilize AWTS in some areas and to recall our furloughed reserve into full service in quickly responding to the mid-summer economic surge.

Union Pacific has also continued to engage in enhanced communication with our customers. Kenny Rocker, Union Pacific's Executive Vice President for Marketing and Sales, issued one of his frequent customer updates on August 26, 2020. In that update, Kenny described the measures Union Pacific took to address the surge in intermodal demand and relayed our freight car velocity, freight car

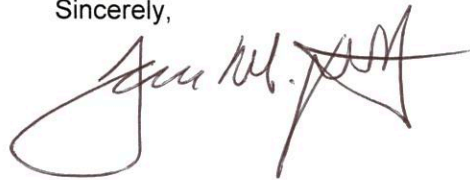
¹ Under ATR, Union Pacific pre-positioned idled and fueled locomotives and rail cars in strategic locations enabling us quickly and efficiently to respond to increased customer demand. Under AWTS, a joint Union Pacific and SMART-TD initiative, certain train and yard employees are maintained in reserve, guaranteed 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 trained and experienced employees.

terminal dwell, and car trip plan compliance metrics. Kenny assured our customers that Union Pacific continues to be focused on delivering the safe and reliable service our customers expect.

As you recognize, safety performance has improved this year and Union Pacific is proud of that. However, we know that our work is not done. Safety is at the core of what we do, and my safety team will continue looking for ways to build on this year's progress.

Union Pacific remains committed to working with your agencies to ensure that our customers receive safe and reliable service to support a strong economic recovery for America. Please do not hesitate to contact me if you have any concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken M. [unclear]". The signature is stylized with a large loop on the left and a sharp, angular flourish on the right.