



**Surface Transportation Board**  
Washington, D.C. 20423-0001

November 20, 2018

Mr. Kenny Rocker  
Executive Vice President – Marketing and Sales  
Union Pacific Railroad Company  
1400 Douglas Street, 13<sup>th</sup> Floor  
Omaha, NE 68179

Dear Kenny:

Thank you for your November 1, 2018 letter apprising the Surface Transportation Board (Board) about anticipated tariff changes, which are to become effective January 1, 2019, as Union Pacific Railroad (UP) continues to implement its Unified Plan 2020. I appreciate the transparent manner by which UP has been making its changes and encourage UP's continued and robust communication with its shippers, connecting carriers, and the Board. I also appreciate the ongoing weekly calls between UP officials and staff of the Board's Rail Customer and Public Assistance office.

I am writing to urge you to review the tariff changes outlined in your letter from the standpoint of commercial fairness. While I understand the importance of improving asset utilization across your network, I am concerned that, based on your description, UP's tariff revisions lack appropriate reciprocity. For example, your letter states that, "if we are unable to pick up or deliver a rail car to a customer's facility due to the customer's action, then we will assess a charge." The letter does not address how UP will handle situations where UP is unable to pick up or deliver a rail car due not to a *customer's* actions, but rather *UP's*. In this situation, it would seem appropriate for UP to offer the customer some type of credit or accommodation in return. After all, UP is expecting many customers to modify their own operations, at their time and expense, to accommodate UP's new operating plan. I recently shared my concerns with UP's President and Chief Executive Officer, Lance Fritz, when he and I met earlier this month.

Thank you for considering my concerns. I will also be contacting other carriers about recent or planned tariff changes that also appear to lack appropriate reciprocity. If you or your staff have any questions, please contact me or Ms. Lucille Marvin, Director of the Office of Public Assistance, Governmental Affairs, and Compliance, at 202-245-0238.

Sincerely,

Ann Begeman  
Chairman

cc: Lance Fritz