



BUILDING AMERICA[®]

January 21, 2019

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

Dear Chairman Begeman:

Thank you for your December 17, 2018 letter requesting additional information regarding Union Pacific's demurrage and accessorial charges. Enclosed with this letter is the reporting you requested on Union Pacific's 2018 revenues (distinguished by quarter) from those charges. Unless you direct otherwise, for the sake of efficiency we will report the 2019 quarterly demurrage and accessorial revenues at the same time we report other quarterly data to the Board.

Although the enclosed report contains what can be considered non-material revenue information, out of an abundance of caution we ask the Board to refrain from any public release of this information until after Union Pacific makes its January 24, 2019 earnings announcement at 9:00 am CT.

We look forward to answering any questions or concerns you may have regarding our demurrage and accessorial charges. If you or your staff have any questions regarding the enclosed data, please contact Jeffrey Hultgren at (402) 544-8168.

Sincerely,

Enclosure

cc: Lucille Marvin, Director
Office of Public Assistance, Government
Affairs, and Compliance

UNION PACIFIC RAILROAD
2018 Demurrage and Accessorial Charges
(DOLLARS IN THOUSANDS)

2018 Results	1Q	2Q	3Q	4Q*	Full Year
<u>Revenue:</u>					
Demurrage	41,154	35,292	33,527	39,090	149,063
Accessorial Charges	20,379	21,122	22,108	19,688	83,297

"Demurrage" and "Accessorial Charges" include revenues earned under negotiated confidential contracts.

"Demurrage" includes all such charges as defined in the R-1 Annual Report (49 C.F.R. § 1201, category 106).

"Accessorial Charges" includes the following types of charges:

- Adverse Loading (Tariff UP 6004)
- Diversions & Reassignments (Tariff UP 6004)
- Empty Cars Ordered but Not Used (Tariff UP 6004)
- Hazardous Non-Accident Releases & DOT Exceptions (Tariff UP 6004)
- Not Prepared for Service (Tariff UP 6004)
- Overloads (Tariff UP 6004)
- Private Empty Car Storage (Tariff UP 6004)
- Processor & Grain Car Allocation (Tariff UP 4052 & 4053)
- Switching (Tariff UP 6004)
- Weighing (Tariff UP 6004)
- Other (e.g., Customs Inspections) (Tariff UP 6004)

Provided below are links to the above referenced tariffs:

[Tariff UP 6004](#)

[Tariff UP 4052](#)

[Tariff UP 4053](#)

* Results for the 4th quarter 2018 are preliminary and will be updated upon completion of RE&I filed with the STB.