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General Committee of Adjustment
Union Pacific Railroad Company
(Former C&NW Railway Co.)

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Mr. John Previsich
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Mr. John Risch
Director National
Legislative Board, SMART-TD
1750 New York Avenue NW
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Reference: Union Pacific 2020 Incentive

Dear Brothers:

In September, 2018, the Union Pacific Railroad removed COO Cameron Scott and replaced him with Thomas Lischer. Mr. Lischer immediately started to change the culture and daily operations of the Union Pacific Railroad. During the annual Executive and General Chairman train trip Mr. Lischer explained his vision for the operating department. While it was a drastic change for the Union Pacific Railroad, the theme was to increase productivity by quickly moving trains across the entire system. As a seasoned railroader it resonated with me because that is the railroad I grew up with and knew well. The changes, although sometimes painful, were keeping trains rolling and all of my members working and productive.

In January, 2019, the Union Pacific brought in Mr. Jim Vena to run the railroad. Mr. Jim Vena, who is from the Hunter Harrison school of plunder and destroy railroading, immediately changed the operation of the Union Pacific Railroad. Immediately Mr. Vena resorted to the CSX plan of closing yards and violating collective bargaining agreements. The Union Pacific injury rate has climbed and the number of RSIA hours of service violations are a record for this Committee. The Locals in Iowa, have handled numerous hour of service violations to the FRA. (attached) The Managements excuse for these violations is that it was an emergency because it snowed. This deflection of the facts must not go unchallenged.

The Union Pacific has taken the position that paying the violations of the time claims and hour of service violations fines are just the price of implementation of the new 2020 plan. The excuse that the Upper Midwest had a bad winter and it affected their ability to operate efficiently is fool's gold. Every year the Upper Midwest has winter, some are worse than others, but it has never led to the Union Pacific having a complete melt down of their entire system. What caused the Union Pacific melt down was the Hunter Harrison style of railroading. They cut a third of the yard assignments at major terminals and then immediately closed feeder yards for the major terminals. This led to car dwell times to skyrocket in major terminals. This clogs up the system because major terminals are at capacity and thru freight trains have to wait hours for a yard track to become available for yarding of the train. Train crews expire under the hours of service and are then required to yard their train under the Union Pacific "emergency provision".

The Union Pacific is hiding their egregious behavior under the emergency provisions established under Title 49 Code of Federal Regulations (CFR) Part 228, Appendix A. We believe that the Union

Pacific has demonstrated that they failed to exercise due diligence to avoid the multiple violations of excess service. The Union Pacific has failed to establish that the hours of service violations could not have been avoided.

The Union Pacific's implementation of their scheduled railroad plan has placed train and car movement above the safety of my members and the public. The Union Pacific has reduced all assignments working in the yards. This work has not been transferred to other locations; it has been added to the work load on the remaining yard assignments. The local management in charge of the freight yards has instructed the employees to operate on all yard tracks at ten (10) mph. This is in direct violation of restricted speed established in GCOR Rule 6.28 - Movement on Other than Main Track.

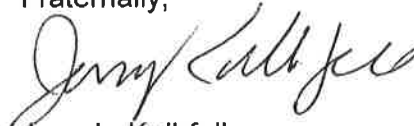
The Union Pacific has closed diesel facilities and furloughed Maintenance of Way employees. The Union Pacific current service performance scorecard indicates that the Union Pacific locomotive fleet size has shrunk to under 6,000 locomotives across the system. This reduction of active locomotive's means that the trains double in length. It is not unusual for the train to be over two (2) miles in length. With trains that long when there is any trouble the trains block crossings for entire towns. This restricts all first responders access across main line tracks. Last week a Union Pacific freight train was stopped on the main line just west of Marshalltown, Iowa. This train blocked all the crossings and State Center had to close the school for the day.

With the furloughing of the Maintenance of Way employees the Union Pacific has started a "deferred maintenance" program. This program has led to many main line derailments and will continue to compromise the public safety. The Union Pacific maintenance plan for 2019 only calls for 3.7 million ties, 515 miles of rail and 170 miles of ballast renewal. The Union Pacific operates 32,100 miles of track in twenty-three (23) states. The Union Pacific installs 3,250 ties per mile. The final result of the deferred maintenance plan is that approximately 1100 miles of tie work, 515 miles of rail work and 170 miles of ballast work will be serviced in 2019. This is not a serious attempt to maintain the infrastructure.

These job cuts and lack of overall maintenance of the railroad are not coming as the Union Pacific is losing money. The fourth quarter reported earnings was a record for profit; \$17.7 million dollars a day-everyday. The board of directors approved \$150 million in stock buybacks with plans for an additional \$20 billion in buybacks before the end of 2020.

This Committee is requesting that the International use all its power and resources to appeal this destruction of the Union Pacific Railroad to all the Federal Agencies that have jurisdiction concerning regulation and operations of the Union Pacific Railroad.

Fraternally,



Jerry L. Kalbfell
General Chairman, G.C.A.

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Attachment(s)