



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

September 24, 2024

Mr. Jim Vena
Chief Executive Officer
Union Pacific Corporation
1400 Douglas Street, 19th Floor
Omaha, NE 68179

Dear Mr. Vena,

As you are no doubt aware, several recent events have caused disruptions to the global supply chain. The crisis in the Red Sea has forced the redirecting of ocean vessels to safer routes. At the same time, water levels in the Panama Canal have been extremely low, resulting in shipping restrictions and longer wait times. The threat of a rail labor strike in Canada has also added to recent uncertainty.

Domestically, the International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX) are currently in the process of negotiating a new labor agreement. The current contract between ILA and USMX is set to expire on September 30, 2024. While ILA and USMX engage in continued negotiations, the possibility exists that a work stoppage affecting the maritime container ports along the country's East Coast and Gulf Coast could begin as early as October 1, 2024, if no agreement is reached.

In response to these factors, industries that regularly use the East and Gulf Coast ports have been attempting to mitigate the impacts. We understand that many shipments normally destined for those ports are being diverted to West Coast ports instead. Should a strike occur, these volume shifts would be even more pronounced, with significantly increased volumes of cargo coming into the West Coast ports.

It is imperative that Union Pacific is positioned to handle the volume shifts that are already occurring, and that it is prepared to handle the additional significant shifts in volume that will occur if a strike happens. This is particularly important during the peak harvest season and as industries continue to increase shipment volumes in preparation for the holiday season. Without contingency plans in place to mitigate these impacts, significant congestion could occur.

I am hearing reports that there is an increased number of intermodal containers on the ground that need to be moved by rail at some West Coast ports. Additionally, it has been reported that rail dwell times are longer than normal. While I understand that a pivot to address these increased volumes is not without strain on the supply chain, including your railroad, it is essential that rail not become a choke point in this critical time. To that end, as soon as possible

please provide me with information on your preparedness to handle the volume shifts, including (1) your plan to provide reliable service in the coming months; (2) your specific plan for allocation of resources to the West Coast ports; and (3) your level of transparency with the ports to share information about your operating plans.

The Board will continue to monitor this situation and I look forward to hearing about your preparedness. If you have any questions, please contact Ms. Janie Sheng, Director of the Board's Office of Public Assistance, Governmental Affairs, and Compliance, at 202-245-0238.

Sincerely,



Robert E. Primus
Chairman