

## **UP statement to JOC.com on July 15, 2021:**

International supply chains have been straining under the weight of economic growth since the early stages of the COVID-19 recovery. Container processing at port terminals in Southern California has increased and Union Pacific's rail shipments to and from the ports have risen and are near record highs. Union Pacific is concurrently experiencing significant congestion at our inland intermodal terminals, most notably in Chicago.

Union Pacific has been working proactively with the ocean carriers to encourage more rapid out-gating of boxes at inland terminals. Recently, Union Pacific held an ocean carrier symposium to discuss the supply chain challenges, identify areas of constraint, and review actions to relieve congestion. One solution Union Pacific has offered has been opening our Global III facility as an interim import container storage location. Union Pacific has also acknowledged the difficulties for ocean carriers and drayage companies by capping storage fees at our Global IV facility for loaded units that are stacked and awaiting out-gate. We believe these positive steps will alleviate some of the considerable challenges supply chain participants are facing.

**This week, we reached out to the ocean carriers to take more positive steps to improve fluidity and throughput in the Los Angeles Basin and our Global IV facility in Chicago.** One of these steps include a **temporary suspension** of eastbound movement from the West Coast Port Terminals (including Los Angeles, Long Beach, Oakland, and Tacoma) moving to Global IV for approximately 7 days. We believe this change will allow the transportation supply chain to begin working off the backlog of Global IV destined trains, while freeing up railcar assets to support import loading needs on the West Coast. We are working closely with the ocean carriers and collaborating wherever possible to improve the health of the supply chain.