Union Pacific STB Hearing – Summary of Key Points

June 22, 2011

In today's hearing, Union Pacific CEO Jim Young reaffirms Union Pacific's commitment to investment and job creation. However, he also warns that additional regulation would create an environment where that commitment would be impossible to keep.

Union Pacific has invested more than $30 billion of capital in the last 11 years, plus expects to invest a record $3.3 billion this year. Some of our most recent and future investments include:

- $370 million for Joliet Intermodal Terminal, near Chicago, IL;
- $260 million for track capacity expansion project near Blair, NE that will impact agriculture, energy and nearly all other customer industries;
- $200 million to purchase 100 new locomotives.

These investments are all being made <u>without</u> taxpayer money – these are private investments by Union Pacific.

In the last three decades, the rail industry has proven that when allowed to serve its customers and be financially viable, there is significant benefit for the communities and states in which it operates. Customers also benefit – industry rail rates between 1981 and 2010 actually decreased 51%, while service and safety improved.

Additional regulation will drastically curtail investment and stunt job growth. As an industry we employ about 175,000 people and plan to hire 15,000 this year alone.

The reality is that if the current balance of regulation is altered, freight rail will be unable to keep its commitment to invest in the future of our country's economy and jobs. At a time when our country faces a crisis in transportation infrastructure, the industry and regulators should be working together on preserving and encouraging further private investment, not debating changes that would have the opposite effect.