



Union Pacific To Construct New Rail Facility Near Santa Teresa, New Mexico

Facility to Bolster Economy

Union Pacific Railroad announced today that Governor Martinez and the New Mexico state legislature passed legislation that will permit Union Pacific to construct a state-of-the-art rail facility in the southern part of the state. With an overall economic impact of \$500 million for the New Mexico economy, Union Pacific's investment in the project totals more than \$400 million. The facility will create 3,000 jobs during the construction phase from 2011 to 2015, and will eventually be headquarters for more than 600 permanent jobs. For the first time ever, southern New Mexico will have a key inland port, positioning the Santa Teresa area as a strategic focal point for goods movement in the southwestern U.S.

About The Project

First proposed and supported by the New Mexico governor and Legislature in 2006 with a locomotive fuel tax exemption, the site for the facility is located just west of the Santa Teresa Airport, and will incorporate:

Fueling Facilities - Located along the busy "Sunset Route" between El Paso and Los Angeles, this fueling facility will enhance commerce and goods movement in the state of New Mexico.

Crew Change Buildings – This facility will eventually serve as home base for Union Pacific employees operating long-haul trains out of the area.

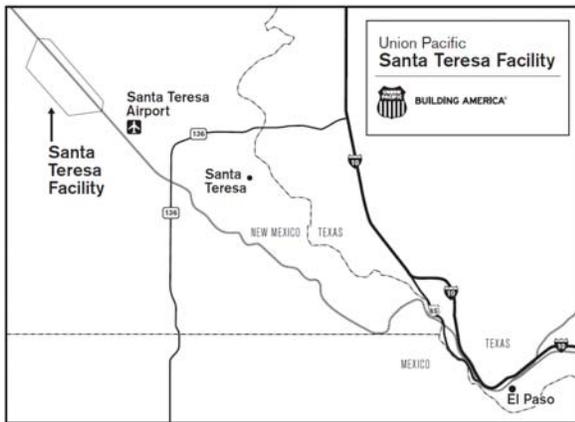


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Intermodal Block Swap /Switching Yard –

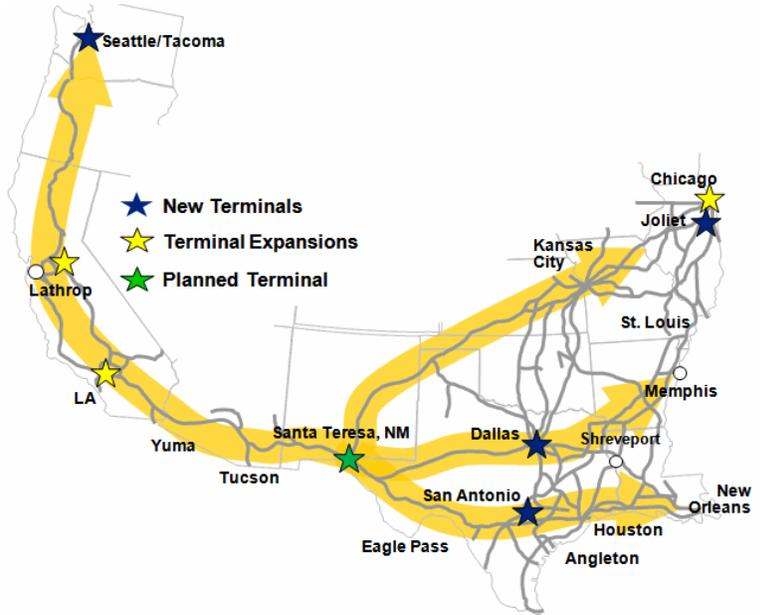
Enhancing capacity and efficiency, this new switching yard will incorporate the latest engineering techniques for improved efficiency and throughput.

Intermodal Ramp – This regionally focused intermodal ramp will permit both local and regional businesses more immediate access to the efficiencies of freight trains.



Immediate Economic/Jobs Impact

Upon completion, the project will have generated an estimated \$500 million in economic impact in New Mexico, creating thousands of jobs and fostering a new economic base for the Southern region of the state. With construction anticipated to begin in June 2011 and continuing through 2014, the region will see impact as soon as this year, with substantial upside for many years to come.



Competitive Global Economy Demands Efficiency

The construction of the Santa Teresa facility will permanently position southern New Mexico as a crucial component of the historic “Sunset Route,” one of the oldest and most critical rail corridors in American history, securing New Mexico’s future as a leader in the goods movement industry. Union Pacific’s initial plans for capital spending in 2011 total \$3.2 billion in support of America’s freight transportation needs and to continue enhancing the safety and efficiency of its 32,000-mile network. The resulting improved rail capacity benefits everyone. It allows freight rail service to grow, helping to build a cleaner environment. According to the U.S. Environmental Protection Agency, freight trains are nearly four times more fuel efficient than trucks.

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