



BUILDING AMERICASM

THE MARKET

Every day, Union Pacific moves the goods America needs. Across 23 states and more than 33,000 miles of track, Union Pacific carries the food that fills Americans' dinner plates, the coal that powers the nation's electric plants, the automobiles that fuel consumers' transportation needs, and the lumber, steel, and building materials that energize the U.S. economy.

Union Pacific's route serves customers in critical and fast-growing markets, linking every major West Coast and Gulf Coast port and providing service to the east through major gateways in Chicago, St. Louis, Memphis, and New Orleans. Union Pacific also operates key north/south corridors and is the only railroad to serve all six gateways to Mexico. Additionally, Union Pacific interchanges traffic with the Canadian rail systems.

As a result of its reach, Union Pacific plays a unique role in the lives of all Americans.

ACHIEVEMENTS

Union Pacific is continually building on a strong tradition of total quality management and its reputation as a company where customers want to do business, employees are proud to work, and shareholder value is created.

The railroad's investment in technology, its strategic route, and its well-balanced customer list have enabled it to become the premier rail franchise in North America. Union Pacific's dedication to ongoing productivity gains, improved service reliability, and increased customer satisfaction place it in a unique position to provide continued value to all stakeholders — employees, investors, and the communities in which it operates.

The railroad has received many corporate excellence awards — in some cases winning multiple times. *Fortune* magazine named Union Pacific one of America's most admired companies,



Working Mother magazine named Union Pacific one of the nation's 100 best companies for working mothers, and *LATINA Style* magazine named Union Pacific one of the 50 best companies for Latinas.

Union Pacific's rich history and significant role in building the transcontinental railroad helped it play a major part in the development of more than 7,000 communities across the west. The railroad's commitment to those communities continues through the Union Pacific Foundation. Every year, the Foundation provides grants to improve the quality of life in the communities in which Union Pacific employees live and work. The Foundation also sponsors "The Principals' Partnership," a personalized three-year leadership program that supports public high school principals as they educate America's future workforce.

HISTORY

More than 140 years ago, President Abraham Lincoln created Union Pacific Railroad with the stroke of a pen. What followed has been called the greatest engineering feat of the 19th century. In the seven years after Union Pacific's creation, construction crews crossed hundreds of miles of

desert, pushed into mountains, and forded streams and rivers to link east and west by rail. Union Pacific's role in building the transcontinental railroad opened the American West to settlers and united a continent.

The completion of the transcontinental route in 1869 shortened the journey from New York to San Francisco from six months to ten days. Tens of thousands of immigrants made the westward journey, passing through towns that grew around railroad water stops. Many began new lives in those communities, becoming farmers, ranchers, and entrepreneurs.

The building of the American West required innovation, and Union

Pacific supplied it. Before completion of the transcontinental railroad, there were no time zones. To ensure safety and efficiency of trains on the route, the railroad industry instituted standard time, leading to what have become the Central, Mountain, and Pacific time zones.

Farmers' need to sell crops beyond their local markets led to the development of refrigerated box-cars and the quick movement of perishables from agricultural areas to cities in the east — forever changing America's eating habits.

When recreational areas sprang up along the route, Union Pacific was quick to lend a hand. Union Pacific engineers built the world's first chair lift at the Sun Valley ski resort to support tourism in the west.

When the country went to war, Union Pacific moved troops and supplies. That commitment continues today as Union Pacific supports the many efforts to secure the nation's security at home and abroad.

In recent years, Union Pacific has continued its tradition of innovation with the adoption of high-tech tools. From satellite technology to computerized locomotives, Union Pacific embraces technology to increase the railroad's efficiency and safety.



THE PRODUCT

Union Pacific constantly modifies its transportation offerings to take advantage of business opportunities and improve overall service levels. Forty years ago, Union Pacific sold only carload service — individual carloads moving from multiple origins to destinations using a network of local trains and terminals. Today, that traditional service accounts for less than half of the railroad's business.

Bulk commodities such as coal or grain move in "unit" trains — identical rail cars cycling between the same origins and destinations. Some chemical, industrial, and agricultural shipments use traditional carload service enhanced by eastern railroad partnerships and innovative corridor products, such as the transcontinental Express Lane route. Intermodal traffic — trailers and containers moving from ship to rail to truck — depends on tight transportation schedules using ramp-to-ramp expedited unit trains, and Union Pacific coordinates a vast network of train and terminal operations for just-in-time deliveries of vehicles.

Union Pacific's business lines include:

- *Agricultural Products.* Union Pacific serves most major grain markets, linking the Midwest and western producing areas with major ports.
- *Automotive.* Union Pacific's finished vehicle



- *Intermodal.* The railroad moves trailers, domestic containers, and international steamship containers within the United States and between the United States, Canada, and Mexico.

RECENT DEVELOPMENTS

Today's Union Pacific bears little resemblance to the railroad that built the transcontinental route. Environmentally friendly diesel locomotives have replaced steam engines; in many places cement ties now bind the rails instead of wood; and computers wirelessly communicate from locomotive cabs to the railroad's Harriman Dispatching Center in Omaha, Nebraska.

At the Harriman Dispatching Center, Union Pacific traffic control operators utilize the railroad's massive computer network to manage the daily movement of 2,500 trains. That same computer network provides real-time information about shipments that customers can access via the Internet.

Union Pacific's high-tech fleet of locomotives includes many equipped with computerized cabs and Global Positioning Systems (GPS) to pinpoint locomotives' locations and accurately estimate times of arrival for shipments.

In rail yards, portable locomotive control technology enables operators on the ground to control

locomotives with handheld devices that send digital signals directly to onboard computers. For over-the-road, heavy-tonnage operations, distributed power technology allows engineers on a train's front end to direct radio-controlled locomotives placed in the middle or back end, resulting in greater pulling power up steep grades or for hauling additional rail cars.

Union Pacific is an industry leader in technologies that constantly monitor the reliability of equipment and track, enhancing safety for employees and the public. Web-based applications speed customer transactions, including voice recognition for ordering or releasing rail cars. What's more, an automated manifest system at Canadian and Mexican border gateways enables

U.S. customs to electronically review documentation from brokers and carriers before rail cars reach the border.

PROMOTION

Union Pacific's award-winning "Building America" campaign highlights the company's historic role in building the transcontinental railroad; the railroad's shipping of important products such as automobiles, fruits and vegetables, building products, and coal; and the commitment of Union Pacific's 47,000 employees. The campaign includes print ads that feature broad vistas of the American West and television commercials narrated by actor Sam Elliott. The print ads appear in a variety of national publications, while the television ads air nationally as well as in the 32 major markets in which Union Pacific employees live and work.

BRAND VALUES

Union Pacific is committed to be a company with which customers want to do business, for which employees want to work, and in which shareholder value is created.

Every day, the work of the 47,000 men and women of Union Pacific affects the lives of everyone in the United States. The pride they take in their work, their innovation, and their never-ending journey to realize great potential has helped Union Pacific become the backbone of this nation. Together, they supply the power that is Building America.

THINGS YOU DIDN'T KNOW ABOUT UNION PACIFIC

- Union Pacific is North America's largest railroad.
- Union Pacific maintains more than 33,000 miles of track in 23 states.
- The Bailey Yard in North Platte, Nebraska, is the world's largest rail classification yard. It covers 2,850 acres, holds 315 miles of track, and processes 10,000 rail cars every 24 hours.
- Union Pacific operates 7,094 locomotives and 90,877 freight cars.
- President Abraham Lincoln created Union Pacific in 1862.



and auto parts network directly serves six vehicle assembly plants and 42 vehicle distribution centers, covering all major western U.S. cities.

- *Chemicals.* The railroad's chemical business includes liquid chemicals, plastics, and liquid petroleum products traveling throughout North America, and significant amounts of soda ash and fertilizer.
- *Energy.* Union Pacific moves more than 200 million tons of coal a year, linking mines in Utah, Colorado, Wyoming, and Illinois with numerous utilities and industries.
- *Industrial Products.* Union Pacific hauls a variety of commodities including forest products, minerals, aggregates and construction products, metals, and machinery.