



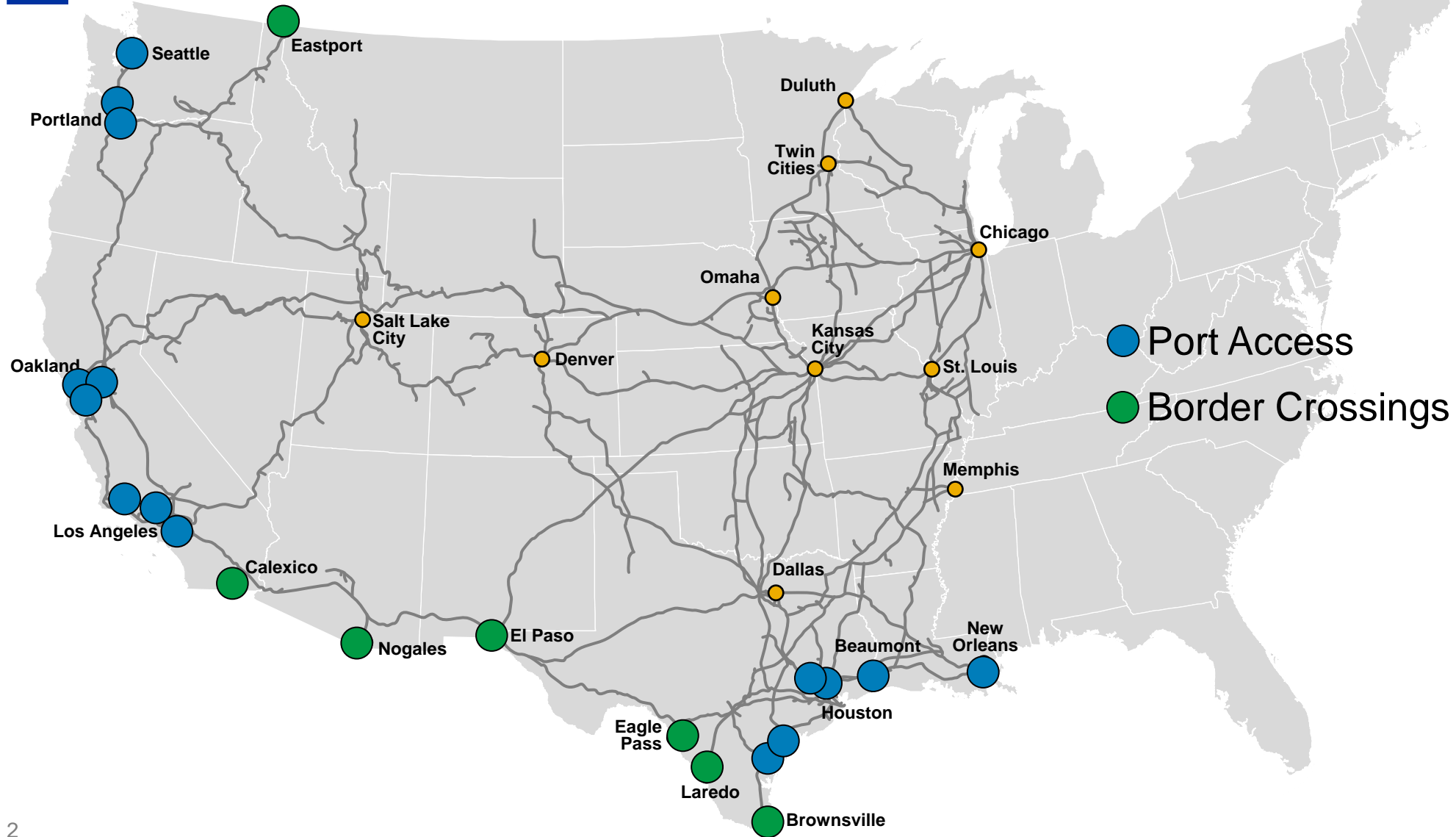
UNION PACIFIC: GROWING NEW MEXICO'S ECONOMY

—
Raquel Espinoza, Senior Director - Public Affairs

October 13, 2022



Strength of a Unique Franchise



~3.3 Billion 2022 Capital Plan

58%



\$1.9 B
Infrastructure
Replacement

15%



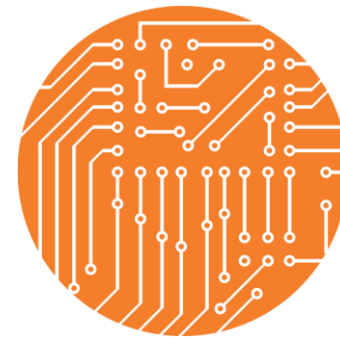
\$500 M
Locomotives
& Equipment

18%



\$600 M
Capacity &
Commercial
Facilities

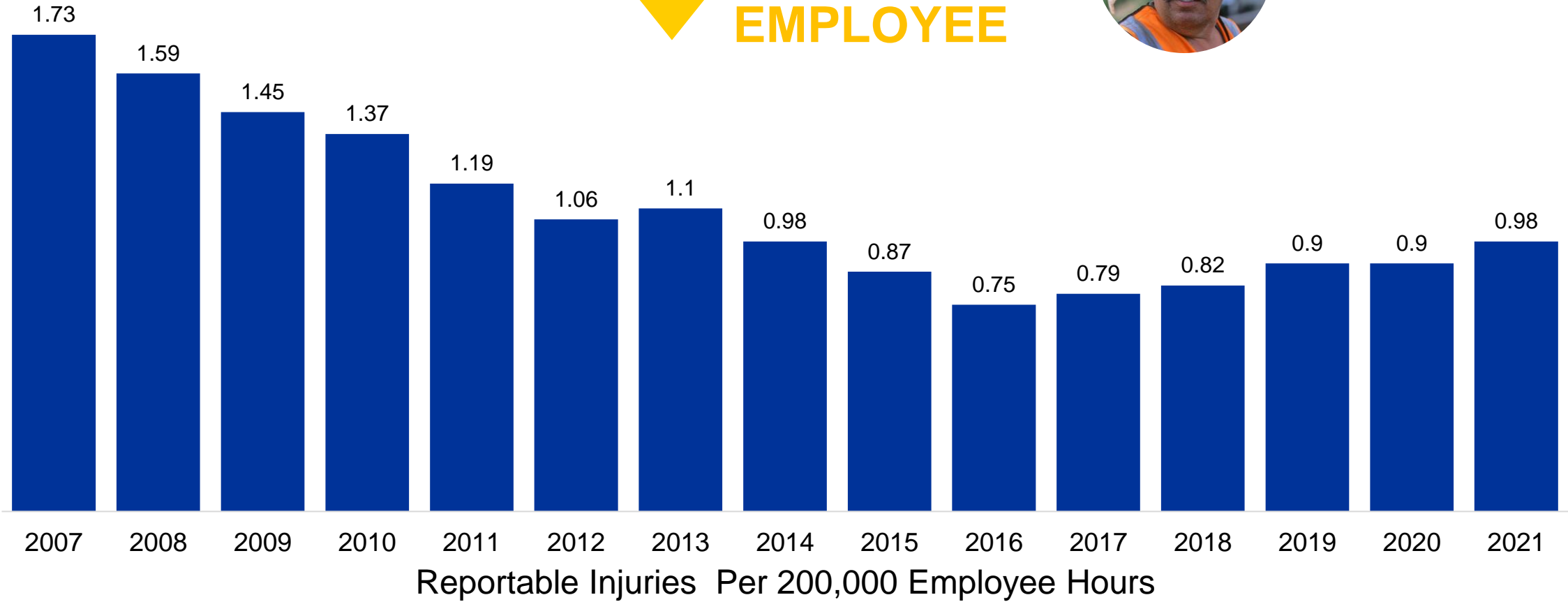
9%



\$300 M
Technology
& Other

Safety is Top Priority

↓ 43%
EMPLOYEE



Safety Technology: Ultrasound to Auto Pilot

UP Track Evaluation Car



New Mexico Overview



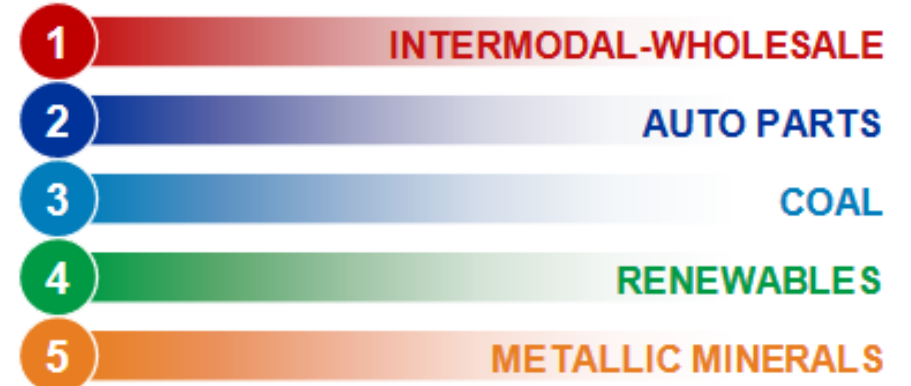
2021 FAST FACTS

Miles of Track.....	618
Annual Payroll.....	\$39.9 million
In-State Purchases.....	\$486,358
Capital Investment.....	\$60.4 million
Community Giving.....	\$451,000
Employees.....	399
U.S. Jobs Supported*.....	3,192

*Each American freight rail job supports 8 jobs elsewhere in the U.S. economy. (Association of American Railroads)

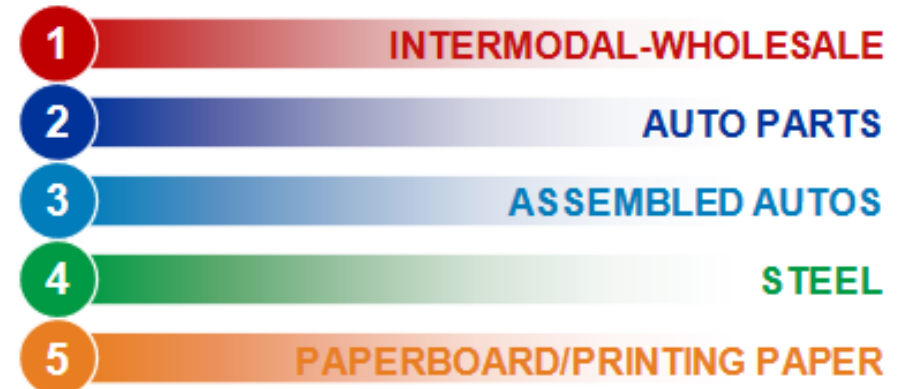
TOP FIVE COMMODITIES SHIPPED

2021 BY VOLUME



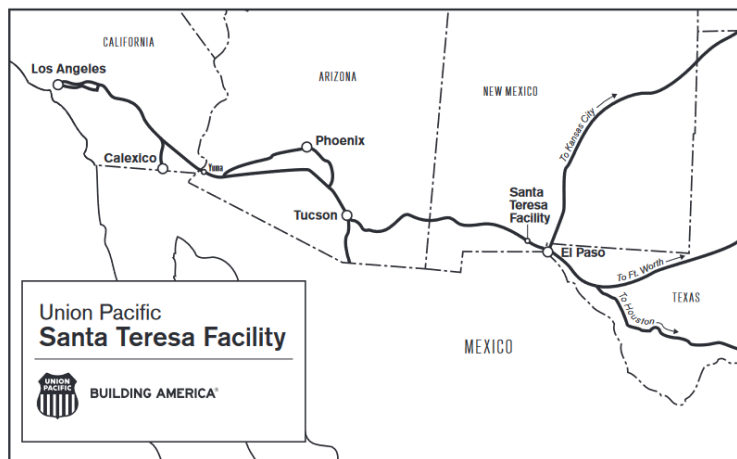
TOP FIVE COMMODITIES RECEIVED

2021 BY VOLUME



Santa Teresa Intermodal Terminal and Refueling Facility

History and Background



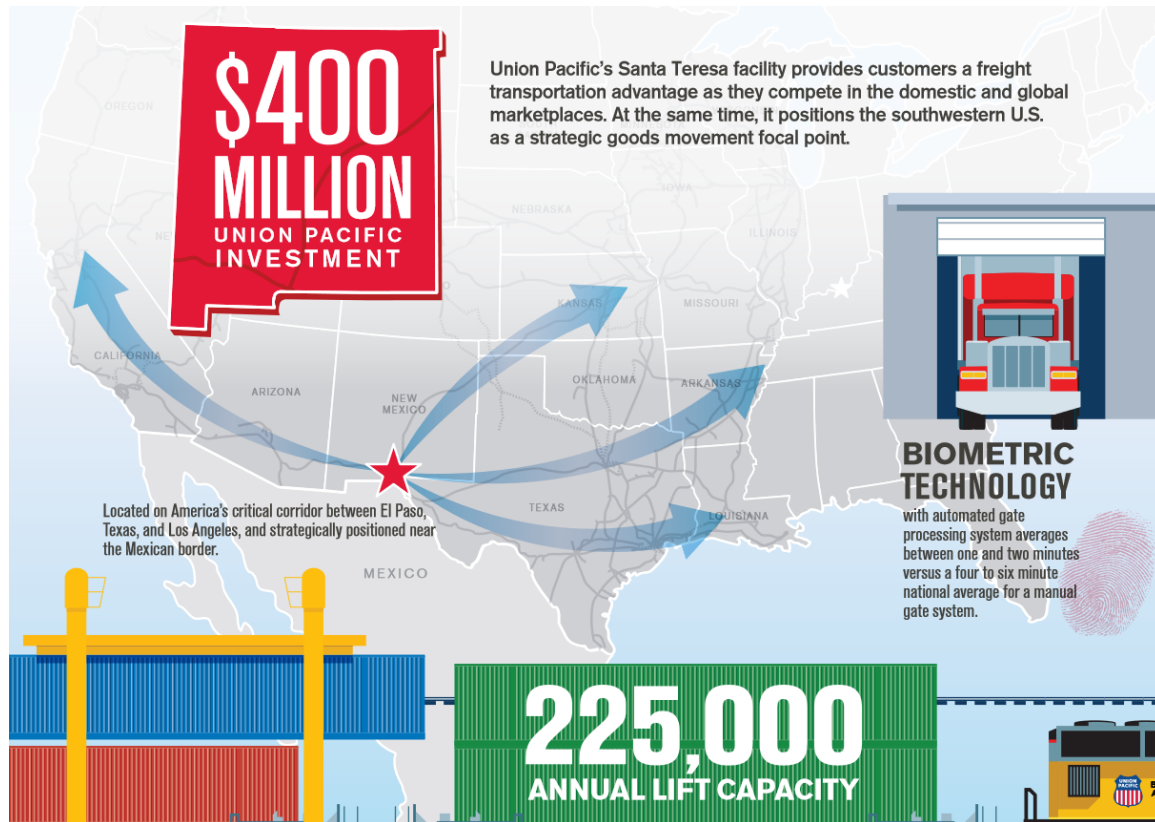
Supporting the Sunset Route

- Key intermodal corridor between Los Angeles and El Paso created need to:
 - Service east-west intermodal trains
 - Refuel and recrew trains between stops
- New Mexico partnership and transformation
 - Legislature adopted gross receipts tax deduction in 2011
 - Santa Teresa Intermodal Terminal grading work began
 - Governor Susana Martinez signs Locomotive Fuel Tax bill in 2013, setting into motion southern New Mexico's historic transformation



Santa Teresa grading work, May 2012.

Santa Teresa Intermodal Terminal and Refueling Facility



- **\$400 million facility opened May of 2014 offering:**
 - Locomotive fueling facility with run-thru stations
 - Train crew change facility
 - Intermodal ramp serving shippers and receivers
- **Union Pacific continues to invest**
 - \$20 million spend adding container blocks
 - \$60.4 million capital spend in 2021

Locomotive Fuel Tax Deduction Facilitates Growth

Continued support is needed

- New businesses seeking access to Union Pacific network transformed Santa Teresa
- Santa Teresa becomes economic engine
 - Employs 5,000 people and over 1 billion in total output
 - Business activity at port of entry and industrial parks generated \$91 million in taxes for the state



- New Mexico locomotive fuel tax deduction estimated \$13.1 million value
- **Santa Teresa 's growth made possible by continued partnership with State of New Mexico**
 - Continued support needed to build on solid foundation laid in Santa Teresa 10 years ago
- Union Pacific continues efforts to locate new businesses needing turnkey logistics solutions
 - Customers seek stable business environment
 - New manufacturing facilities and continued development potential

Supporting Communities in New Mexico

\$451,000 Investment in Nonprofit Organizations in 2021

Organizations supported in 2022

Alamogordo Toy Train Depot

Carrizozo Heritage Museum

Carrizozo Music Inc (Six K-12 community concerts)

Lordsburg Spirit of Hidalgo
(Visit Lordsburg initiative)

Roadrunner Food Bank
(Santa Teresa Child Hunger Initiative)

Casa de Peregrinos (Emergency Food Program)

Santa Rosa Lake City Youth Center
(Empowerment Center and Service Hub)

Sunland Park Southern New Mexico Project
(Children and Families Recovery from Pandemic Crisis)

Tucumcari Quay County Health Council

Santa Teresa Charitable Foundation

Tularosa OteroSTEM

Historic Partnership with Doña Ana Community College

— Union Pacific Industrial Careers Academy

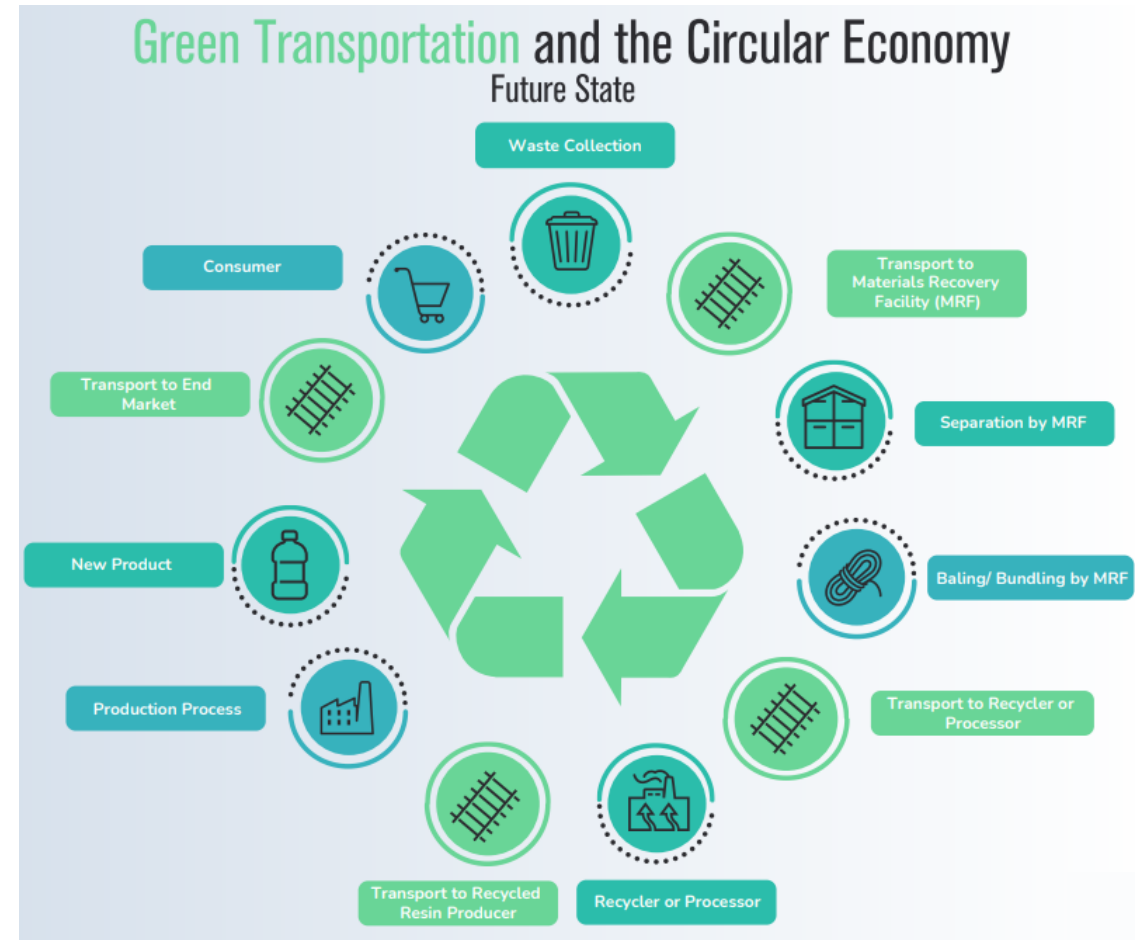


- **\$300,000 investment** introduces **new** trade career programs to Sunland Park/Santa Teresa/Southern New Mexico areas
- Fast-paced education programs aligned with local employer needs in manufacturing, warehousing and shipping
 - \$50,000 to establish Union Pacific Scholarship fund
- Builds Southern New Mexico's workforce with homegrown talent
- **Ribbon cutting celebration at DACC on October 19.**



Driving Sustainable Solutions

- Helping customers reduce Scope 3 GHG emissions
 - Moving freight by train versus truck **reduces GHG emissions by up to 75%**
 - **Avoided 22.9 million tons CO₂e** in 2021
- New market opportunities:
 - Electric vehicles and components
 - Low carbon fuels and feedstocks
 - Renewable energy markets
 - Recyclables



QUESTIONS?



Thank you for your time.

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