



BUILDING AMERICA®

August 18, 2016

**Where we  
have tracks,  
we have ties**

**New Mexico Jobs  
Council**

**Ivan Jaime**  
Director – Public Affairs

# Presentation Overview



- System, State, and Local Operations Overview
- Santa Teresa Intermodal Terminal & Refueling Station
- Private Investment to Serve a Growing Economy
- Questions



# Strength of a Unique Franchise

Revenue: \$21.8 B

Route Miles:  
32,100 in 23 States

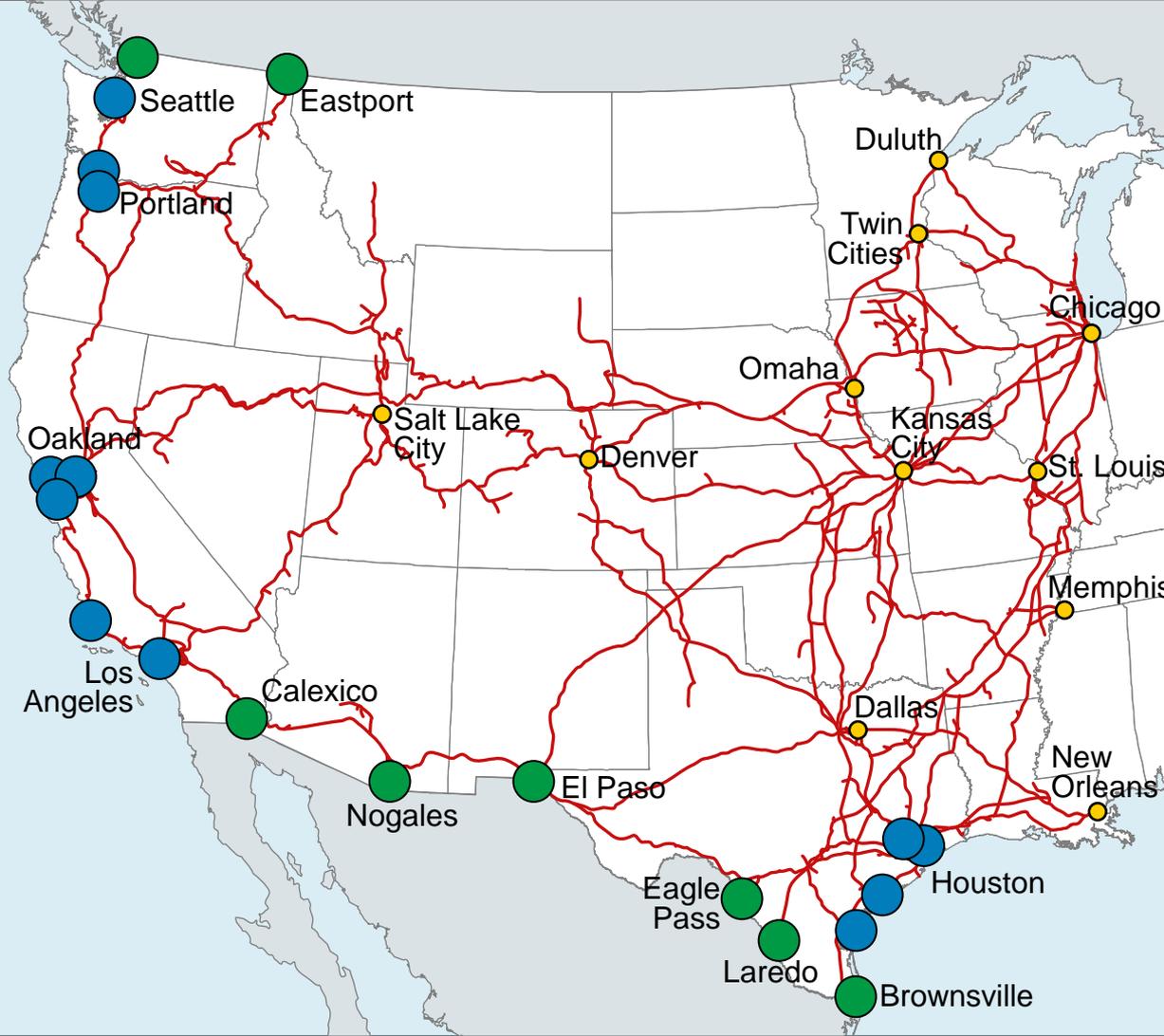
Employees\*: 44,500

Annual Payroll: \$4.6 B

Customers: 10,000

Locomotives: 8,500

12/31/2015





**\$83+ Million of Total Economic Impact in 2015 Alone**

# 2015 Union Pacific in New Mexico

Miles of Track: 618

Annual Payroll: \$47.7 M

In-State Purchases: \$1.5 M

Capital Investment: \$33.87 M

Employees\*: 527

U.S. Jobs Supported\*\*: 2,371.5

Charitable Organizations: 26

\*Fourth quarter 2015 average

\*\*Each American freight rail job supports 4.5 jobs elsewhere in the U.S. economy. (Association of American Railroads)

# NEW MEXICO OPERATIONS



Part of Sunset Service Unit

Active Main Tracks: Lordsburg Subdivision, Carrizozo Subdivision, and Tucumcari Subdivision

Through-freight operation; Crew Change; Mechanical Inspections; Administrative Functions; Short Line interchanges

35-50+ trains per day (equivalent of 15,000 freight trucks per day; 5.4 million per year)

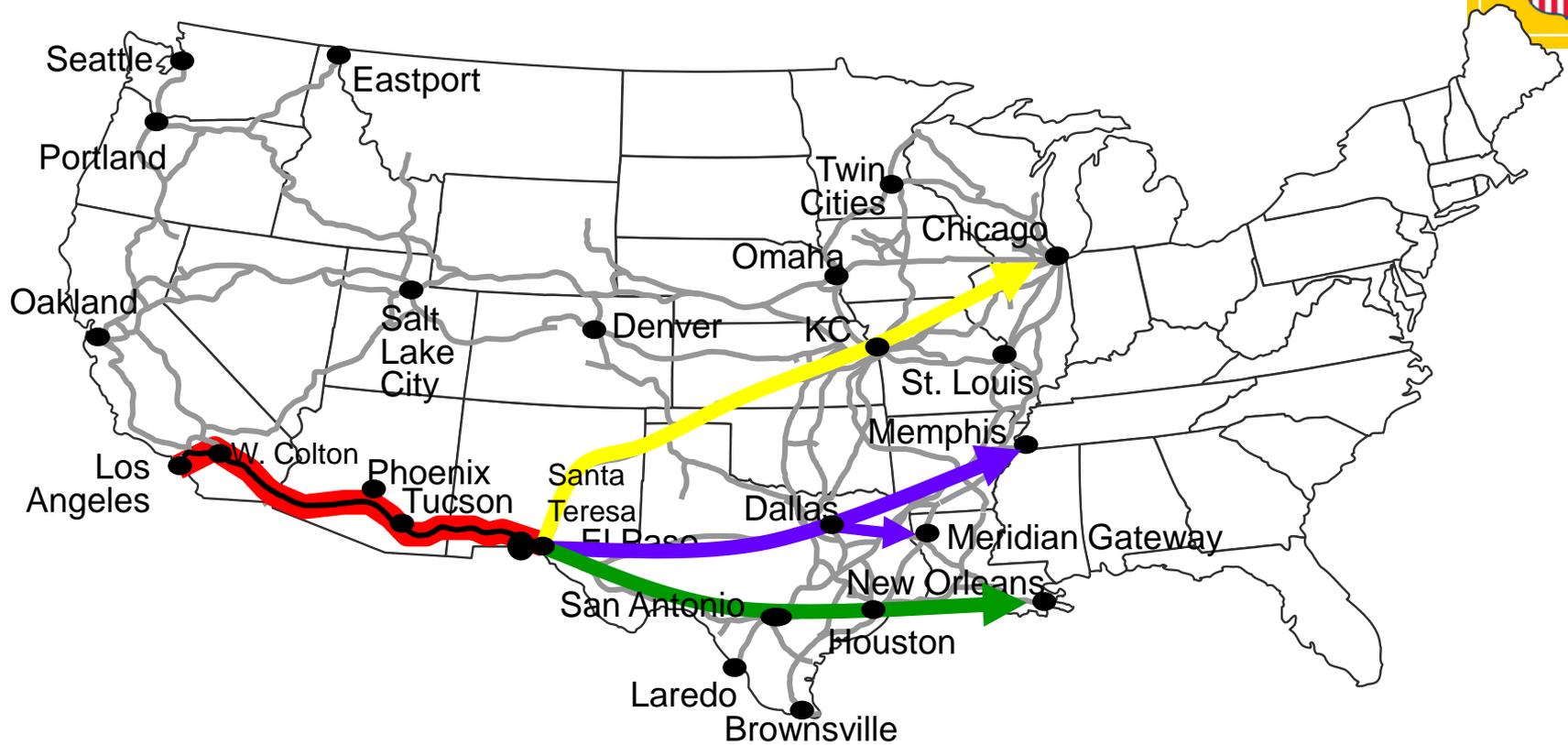
Significant presence in Santa Teresa, Lordsburg, Deming, Santa Rosa, and Vaughn

Critical component in country's international trade with Asia and Mexico; approximately 20% of UP rail traffic touches the State of New Mexico via Sunset Route

Major commodities include Consumer Goods, Finished Autos & Automotive Parts, Steel, etc.



# Today's Sunset Route





# Santa Teresa Intermodal Ramp

Rail facility adding jobs and strength to the state economy.

Union Pacific's Santa Teresa facility provides customers a freight transportation advantage as they compete in the domestic and global marketplaces. At the same time, it positions the southwestern U.S. as a strategic goods movement focal point.

**\$400 MILLION**  
UNION PACIFIC INVESTMENT

## BIOMETRIC TECHNOLOGY

With automated gate processing system averages between one and two minutes versus a four to six minute national average for a manual gate system.

Located on America's critical corridor between El Paso, Texas and Los Angeles, and strategically positioned near the Mexican border.

**225,000**  
ANNUAL LIFT CAPACITY

**3,000**  
JOBS DURING CONSTRUCTION  
**300-600**  
PERMANENT JOBS

**2,200 ACRES**

(11.5 MILES LONG, 1 MILE WIDE)  
218,000 TONS OF CONCRETE  
100 MILES OF RAIL  
136,000 TIES

# Santa Teresa Terminal

Completed in 2014

2,200 Acres; 11 miles long by 1 mile wide

Capacity to "lift" 225,000 containers annually; capacity to grow to 700,000

1,266 container & trailer parking stalls; can grow to 4,380 parking stalls

Fuels up to 150 locomotives per day with more than 400,000 gallons of fuel

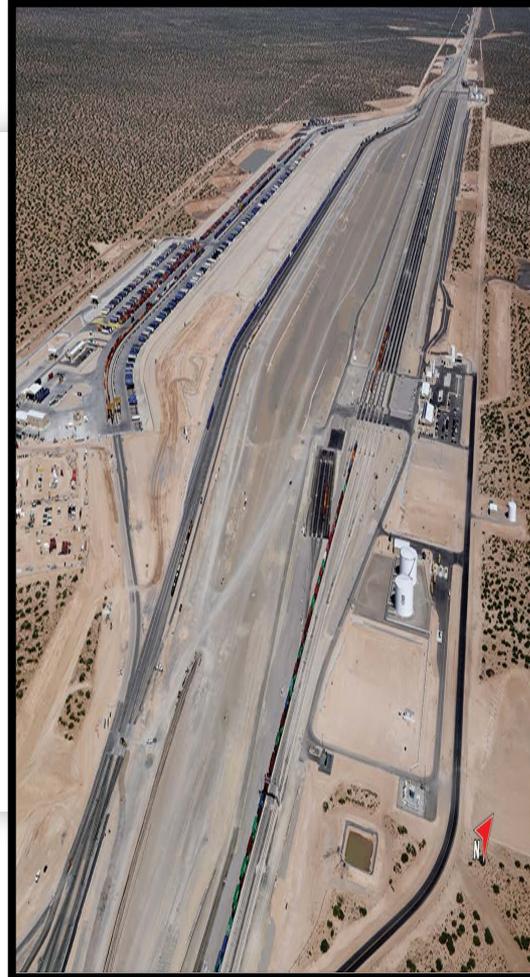
Strategically located along the Sunset Route connecting the Gulf Coast ports to the West Coast Ports and Mexico



# Santa Teresa Equals Jobs

- UP Investment: \$370 million
- Related Investments: \$200+ million
- Total Economic Impact: \$570 million
- Construction Jobs: 1,375 full time equivalent from 2011 – 2014
- UP & Intermodal Operator Jobs: 434
- Related Jobs: 950
- Other Supported Jobs : 2,370\*\*
- Total Job Impact: 5,518**

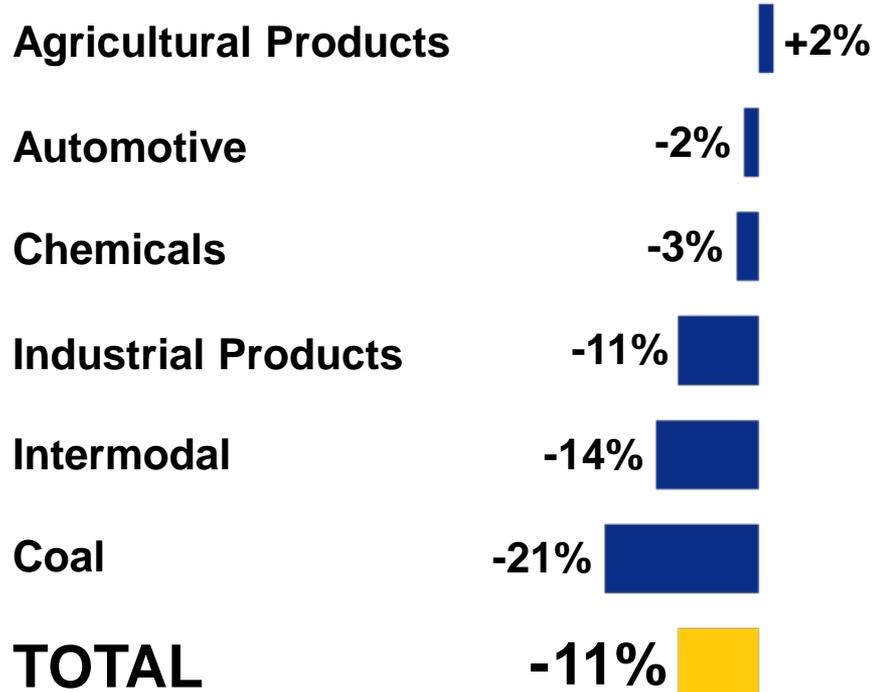
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(Association of American Railroads)*



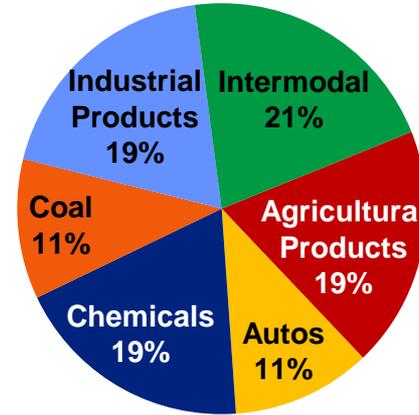
# Second Quarter 2016 Recap



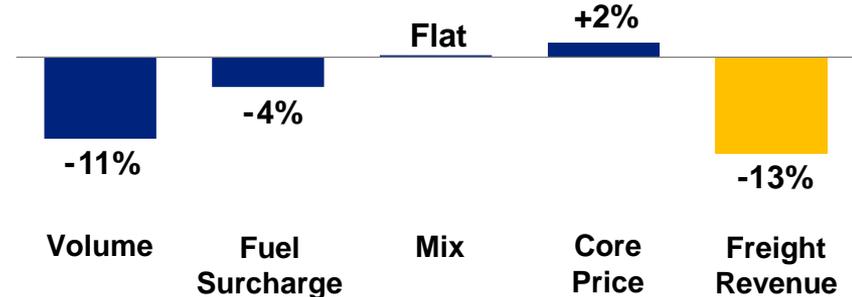
## Volume Growth



## Freight Revenue Mix



## Freight Revenue Performance (Year-Over-Year Change)



# 2016 Volume Outlook



## Agricultural Products

- + Grain
- Soybean Meal
- + Import Beer



## Chemicals

- Crude Oil
- + LPGs
- + Industrial Chemicals
- Fertilizer



## Automotive

- ? Sustained Consumer Demand
- + Parts OTR Conversions
- ? Production Levels



## Industrial Products

- Minerals/Metals
- + Lumber
- + Rock



## Coal

- ? Price of Natural Gas
- High Inventory Levels
- ? Weather



## Intermodal

- Ocean Carrier Challenges
- + Highway Conversions



# How YOU Can Help

Foster a business friendly climate with consistent laws & regulations

Maintain a robust economic development/manufacturing recruitment program

Work with business community toward mutually beneficial outcomes

# Questions



“Since 2010, freight railroads have invested over \$725 million in New Mexico's rail infrastructure; helping our farmers, miners and manufacturers reach domestic and foreign markets more efficiently and affordably than ever.”

- Jon Barela, Cabinet Secretary,  
New Mexico Economic Development Department

