Union Pacific Ecosystem

Union Pacific Corporation
1400 Douglas Street
Omaha, Nebraska 68179
Phone: 402 544-5000; www.up.com

Outside Relationships

Regulators

- Surface Transportation Board
  - Approval of Rates Charged on Regulated Rail Traffic
  - Common Carrier Service of Regulated Traffic
  - Freight Car Compensation
  - Transfer, Extension or Abandonment of Rail Lines
  - Acquisition of Control of Common Carriers
  - Proposed Rulemaking for Reciprocal Switching, Commodity Exemptions, and Expanding and Easing Procedures for Smaller Rate Complaints
- Federal Railroad Administration
  - Required Positive Train Control (Automated Collision and Derailment Avoidance Technology) on 100% of All Rail Lines)
- Association of American Railroads
  - Secure Mobile Application for Commodity and Emergency Response Information
- Pipeline and Hazardous Materials Safety Administration
- U.S. Occupational Safety and Health Administration
  - Workplace Safety
- U.S. Departments of Justice and Federal Bureau of Investigation
  - Participation in National Joint Terrorism Task Force
- U.S. Departments of Homeland Security and Transportation, Local Police and First Responders
  - Coordination on Physical and Cybersecurity Initiatives
- U.S. Environmental Protection Agency
  - Comprehensive Environmental Response, Compensation, and Liability Act (Superfund Clean-Up)
  - Resource Conservation and Recovery Act (Handling of Hazardous Waste)
  - Clean Air Act (Air Emissions)
  - Clean Water Act (Wastewater Discharges)
- Railway Labor Act
  - Resolution of Bargaining Impasses Between Railroads and Employees

Capital

- Institutional Debt Holders
- Commercial Banks

Suppliers

- Other Railroads
  - BNSF Railroad
  - CSX Railroad
  - Norfolk Southern
  - Kansas City Southern Railroad
- Locomotive and Freight Car Suppliers
  - CIT (Railcar Leasing and Financing)
  - Other Railroad Companies (Freight Car Leases)
  - Wabtech/GE (High Horsepower Locomotives and Parts)
  - Caterpillar/ Electro-Motive Diesel (Diesel/Electric Locomotives and Parts)
  - Railpower Technologies (Switching Locomotives and Parts)
- Rail Track Suppliers
  - Arcelor Mittal (International Steel Producer)
  - Nucor Corporation (Domestic Steel Producer)
  - Koppers (Railroad Ties)
  - Stella-Jones (Railroad Ties)
  - North American Rail Products (Rails, Switches, Ties, Ballast, Maintenance)
- Fuel Suppliers
  - Local Heating Oil Companies (Diesel Fuel)
  - Natural Gas Suppliers (Gas for Highway and Non-Highway Vehicles)
  - Oil Refineries and Pipelines (Gas Supplies)
- Selected Labor Unions (Represents 42,000 or 85% of Employees)
  - Brother of Locomotive Engineers and Trainmen
  - Brotherhood of Railroad Signalmen
  - Brother of Railway Carmen

Customers

Bond Financing
Working Capital Financing
Eastern and Midwest U.S and Mexican Interchange Gateway Arrangements
Railroad Rates and Substantive Business Regulation
Locomotive and Freight Car Leases
Freight Car Leases
Diesel Locomotives Sales and Parts Supplies
Railroad Industry Association Membership
International Steel Supplies
Domestic Steel Supplies
Rail Track, Ties and Ballast
Equipment and Rail Line Maintenance
Railroad Security Requirements
Diesel Fuel
Natural Gas Supplies
Environmental Protection Regulation
Labor Union Representation and Collective Bargaining (Agreements Subject to Modification Every 5-Years)

Procedures for Mediation, Potential Arbitration, Cooling-Off Periods, and Congressional Intervention

Union Pacific Corporation (Utah Corporation)

Debt Structure

Debt ($25.192 Billion @ 12/31/19) Credit Ratings (Long-Term): S&P (A-), Moody's (Baa1)

- 5-Year Revolving Credit Facility ($2.0B, Floating Rate)
- Term Loans: $250M Due October 2020, Floating Rate
- Secured Equipment Obligations: $923M Due Through January 2031, 2.6%-6.2%
- Exchange Offer: $1.047B Due 2062 at 2.973% for Various Series of Old Notes
- Receivables Securitization Facility ($400M)
- Secured Finance Leases: $605M Due Through December 2028, 3.1%-8.0%
- Senior Notes and Debentures: $24.008B Due Through 2067, 1.8%-7.1%
- Commercial Paper: $200M,1.8%-2.0%

Equity Structure

Equity

- Common Stock (690,261,490 Shares Outstanding)
- Stock Buy-Back Plan: 150 Million Shares Authorized (March 31, 2022 Expiration Date)

Governance

Board of Directors

- Andrew H. Card, Jr. (A, C)
- Erroll B. Davis, Jr. (C, N)
- William J. DeLaney (A, C)
- David B. Dillion (A, C)
- Lance M. Fritz (Chairman)
- Deborah C. Hopkins (A, F)
- Jane H. Lute (A, N)
- Michael R McCarthy (N, F)
- Thomas F. McLarty III (F, N)
- Bhavesh V. Patel (F, C)
- Jose H. Villarreal (C, N)
- Christopher J. Williams (A, F)

Committees: Audit (A), Compensation and Benefits (C), Corporate Governance and Nominating (N), Finance (F)

Management Team

President and CEO: Lance M. Fritz	Interim EVP and Chief Legal Officer: Craig Richardson	EVP-Chief Human Resources Officer: Elizabeth F. Whited
EVP and CFO: Jennifer L. Hamann	SVP-Technology and Strategic Planning: Jon T. Panzer	VP-External Relations: Prentiss W. Bolin, Jr.
EVP-Operations: Thomas A. Lischer	SVP-Corporate Relations and Chief Administrative Officer: Scott D. Moore	Chief Operating Officer: James Vena
EVP-Marketing and Sales: Kenny G. Rocker	SVP-Supply Chain and Continuous Improvement: Clark J. Ponthier	VP and Controller: Todd M. Rynaski

Corporate Matters

Corporate Relations and Administration
- External Communications
- Internal Communications
- Public Affairs
- Media Relations
- Executive Services

Operations
- Railroad Operations
- Unified Plan 2020 Implementation
- Safety and Health

Human Resources
- Culture
- Employee Engagement
- Labor Relations
- Benefits
- Compensation
- Recruitment
- Retirement Plans
- Talent Development

Marketing and Sales
- Bulk Business Unit
- Industrial Business Unit
- Premium Business Unit
- Mexico Business
- Loup Logistic Subsidiary

Procurement
- Strategic Sourcing
- Warehouses
- Logistics
- Fuel Fulfillment
- Continuous Improvement
- Environment

Finance and Accounting
- Accounting
- Tax
- Investors Relations
- Treasury
- Audit
- Capital Planning
- Financial Controls and Policies

Legal
- Commercial Transactions
- Litigation
- Regulatory Matters
- Labor and Employment
- Compliance and Ethics
- Risk Management Initiatives
- Captive Police Department Management

External Relations
- Economic and Safety Regulation
- Passenger Rail and AMTRAK Relations
- Security Issues
- Labor Issues
- State-Specific Projects
- Other Transportation Projects

Operations

Operating Segment: Union Pacific Railroad Company (Delaware Corporation)

Types of Freight Traffic

Freight Traffic	Manifest Traffic	Premium Traffic
Products Shipped	*Products Shipped*	*Products Shipped*
Coal	Lumber	Finished Vehicles
Grain	Steel	Auto Parts
Soda Ash	Paper	Intermodal Containers
Ethanol	Food	Truck Trailers
Rock	Chemicals	
Characteristics	*Characteristics*	*Characteristics*
Unit Trains (Trains Transporting Single Commodity or Lading from One Origin to One Destination)	Carload of Different Items	
	Less Than Trainload	

Rail Facilities

Track Miles
- Route Miles: 32,340
- Other Main Llne: 7,095
- Passing Lines and Turnouts: 3,301
- Switching and Classification Yard Llnes: 9,007
- TOTAL: 51,743

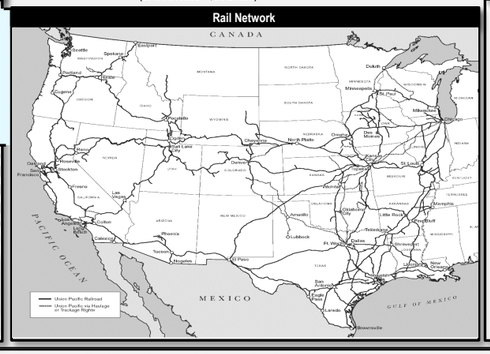
HQ and Dispatch Center
- Headquarters Office: Omaha, NE
- Primary Dispatch Facility: Harriman Dispatching Center, Omaha, NE

Rail Yards

North Platte, NE	Livonia, LA
North Little Rock, AR	West Colton, CA
Englewood/Houston, TX	Roseville, CA
Proviso/Chicago, Illinois	Fort Worth, TX

Properties and Facilities
(2019 Revenue = $8.9 Billion)

Rail Network



Rail Equipment

Locomotives (Owned/ Leased)
- Multiple Purpose (6,206/1,214)
- Switching (128/0)
- Other (28/61)

Freight Cars
- Covered Hoppers (13,357/9,727)
- Open Hoppers (5,781/2,330)
- Gondolas (5,662/2,152)
- Boxcars (2,430/6,639)
- Refrigerated Cars (2,625/2,546)
- Flat Cars (2,186/1,093)
- TOTAL (32,044+24,832=56,876)

Highway Revenue Equipment
- Containers (47,270/6,602)
- Chassis(30,446/17,408)
- TOTAL (77,716+24,010=101,726)

Ownership in Other Active Carriers
- Belt Railway of Chicago (8.33%)
- Brownsville & Matamoros Bridge Co. (50%)
- Grupo Ferroviaro Mexicano (26%)
- Houston's Belt & Terminal Railway (50%)
- Kansas City Terminal Railway Co. (41.67%)
- Longview Switching Co. (50%)
- MT Properties, Inc (42.1%)
- Oakland Terminal Railway (50%)
- Peoria and Pekin Union Railway (12.50%)
- St. Joseph Terminal RR Co. (50%)
- Sunset Railway Co. (50%)
- Terminal Railroad Assn. of St. Louis (42.84%)
- TTX (36.79%)
- Wichita Terminal Railway Company (33.33%)

Business Units and Commodity Groups
(2019 Freight Revenue = $20.243 Billion)

Bulk

Energy
(2019 Revenue = $3.6 Billion) (18%)

Customers	Products Shipped	Origin	Destination
Power Companies	Coal	Powder River Basin Area of Wyoming (Coal)	Nationwide, including Eastern U.S. Utilities (via Interchange Gateways and Ports)
Oil and Gas Drillers	Hydraulic Fracturing Sand	Crude Oil Refineries and Pipelines in Gulf Coast (Petroleum)	Gulf Coast, Midwest, West, and Canada
Crude Oil Refiners	Petroleum, Liquid Petroleum Gases (LPG), and Renewables (e.g., Biomass Exports and Wind Turbine Components)		

Agricultural Products
(2019 Freight Revenue = $4.5 Billion) (22%)

Customers	Products Shipped	Origin	Destination
Grain Processors	Grains	Midwest and West (Grain Markets)	Export Terminals in Pacific, Gulf Coast Ports and Mexico
Animal Feeders	Grain Products	Midwest and West (Grain Processing, Animal Feeders and Ethanol Producers)	Gulf Coast, Midwest, West, and Canada
Ethanol Producers	Food Products	Gulf Coast, Midwest, West, and Canada (Fertilizer)	
	Beverage Products		
	Fertilizer		

Industrial

Industrial
(2019 Freight Revenue = $5.8 Billion) (29%)

Customers	Products Shipped	Origin	Destination
Lumber Companies	Construction	Pacific Northwest and Western Canada	Nationwide (Paper Products for Packaging and Lumber for Home Construction, Repairs and Remodeling)
Oil and Gas Drillers	Metals and Ores	Gulf Coast	Oil and Gas Drilling Markets (Raw Steel, Finished Pipe, Stone, and Drilling Fluid Commodities)
Crude Oil Refiners	Paper	Automotive, Housing and Durable and Disposable Consumer Goods Markets	Nationwide and Abroad
Plastics Producers	Plastics	Southwest Wyoming and California	
Industrial Chemical Producers	Specialized Products (Waste, Lime, Salt, and Government)		
Glass Producers	Soda Ash		
Industrial and Light Manufacturing Plants			

Premium

Premium
(2019 Freight Revenue = $6.3 Billion) (31%)

Customers	Products Shipped	Origin	Destination
International Intermodal	Import and Export Traffic in 20 or 40-Foot Shipping Containers	Nationwide	West Coast Ports
Domestic Intermodal Marketing Companies (Shipper Agents and Logistics Companies) and Truckload Carriers	Container and Trailer Traffic for Intermodal Marketing Companies	West of Mississippi River	Nationwide, Mexico and Canada (38 Vehicle Distribution Centers, 5 Vehicle Assembly Plants, West Coast Ports, 6 Mexico Gateways, and Port of Houston)
Automotive OEMs	Finished Vehicles and Automotive Parts (in Boxcars and Intermodal Containers)		

Bulk Freight Transportation Services for Energy and Agricultural Customers

Selected Categories of Bulk Customers
- Coal
- Petroleum Coke
- Covered Hopper Distribution Program: Soybeans, Corn, Rice, Wheat, Milo, Barley
- Biofuels (Ethanol, Diesel, and Dried Distiller Grains)
- Food and Refrigerated Products
- Renewable Energy (Wind Components)

Freight Transportation Services for Industrial Customers

Selected Categories of Industrial Customers
- Construction (Rock, Cement, Roofing Products, Gypsum)
- Consumer Goods, Salt, Carbon Black, Rubber, Appliances
- Hazardous Waste (Municipal Garbage, Radioactive Materials, Chemical Waste)
- Crude Oil, Condensate and Natural Gas Liquids
- Lumber and Panel (Plywood, Wallboard, Railroad Ties, Poles)
- Machinery and Dimensional Products (Oversized or Heavy Loads)
- Metals and Ores (Pipe, Scrap, Sheet, Plate, Structural)
- Military Shipments (Humvees, Tanks, Ammunition)
- Paper (Pulpboard, Newsprint, Printing Paper, Recycled Fibre)
- Plastics (via Dallas Intermodal Terminal))
- Sand and Drilling Products (Frac Sand, Pipe Cement)

Freight Transportation Services for Premium Customers

Selected Categories of Premium Customers
- Finished Vehicles and Automotive Parts
- Intermodal Services (Domestic and International)
  - EMP (With Norfolk Southern Network)
  - UMAX (With CSX Network)
  - Streamline (Domestic Door-to-Door Service)
  - Mexico Direct (With KC Southern de Mexico Network)
  - Mexico Border Direct (IMC or Motor Carrier Network)
  - Streamline Passport (Door-to-Door Service From/To Mexico)

Outside Relationships

Customers

- Securities Law and Stock Exchange Regulation
- Equity Capital
- Stock Repurchases
- Professional Services
- Security and Police Services
- Property and Casualty Insurance
- Shipment Monitoring on Railroad at U.S. Ports and Border Crossings

Suppliers

- Professional Services Firms
  - Deloitte & Touche ((Auditing Services)
  - Brown, Proctor & Howell (Railroad Legal Services)
- Captive Service Providers
  - Union Pacific Railroad Captive Police Dept.
  - Trans-Continental Surety of Vermont
  - Wasatch Insurance Ltd.

Capital

- Significant Shareholders
  - Vanguard Group (9.08%)
  - Blackrock Fund Advisors (4.41%)
  - SSgA Funds Management (4.28%)
  - Wellington Management (3.45%)
  - T. Rowe Price Associatest (1.64%)
  - Institutional Ownership: 81.22%

Regulators

- Securities Regulators
  - US Securities and Exchange Commission
  - New York Stock Exchange
- Customs and Border Patrol
  - U.S. Coast Guard
  - U.S Customs and Border Patrol (C-TPAT Program)
  - Military Transport Management Command

Key Company Data

Share Information
- NYSE Ticker Symbol: UNP
- Annual Dividend: $3.88 per share
- Share Price (as of 9/11/20): $195.94
- Diluted Earnings Per Share: $8.38

Financial (12 months ending 12/31/19)
- Operating Revenues: $21.708 Billion ($20.243B Freight Revenue)
- Operating Expenses: $13.154 Billion
- Net Income: $5.919 Billion
- Return on Invested Capital: 10.74% (Avg. of past 3 years: 15%)
- Long-Term Debt: $25.2B
- Cash Flow: $856 Million

Resources
- Second Biggest Class 1 Railroad Company in the U.S., with an Infrastructure Network Stretching over 32,000 Miles in 23 States
- 37,483 Employees
- Total Assets: $61.673 Billion
- Locomotives: 7,700
- Capital Spending on Maintenance/Infrastructure: $3.2 Billion
- Customers: 10,000

Unified Plan 2020
- Proud and Engaged Workforce
- Safest and Most Reliable Freight Rail Products and Services
- Highly Efficient Operations
- Leading Customer Experience
- Secure Appropriate Business
- Best-in-Industry Cash Returns

Backaround Information

Founded in 1862, Union Pacific Rail Road was part of the First Transcontinental Railroad project (also known as the Overland Route). It is one of eight U.S. Class 1 railroads (i.e., has minimum carrier operating revenues of $250 million in 1991 dollars—approximately $500 million today's dollars)

Competition
- BNSF Railway (Burlington Northern Santa Fe)
- Trucks/Motor Carriers
- Barge Operators

thinking Outside the box
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