

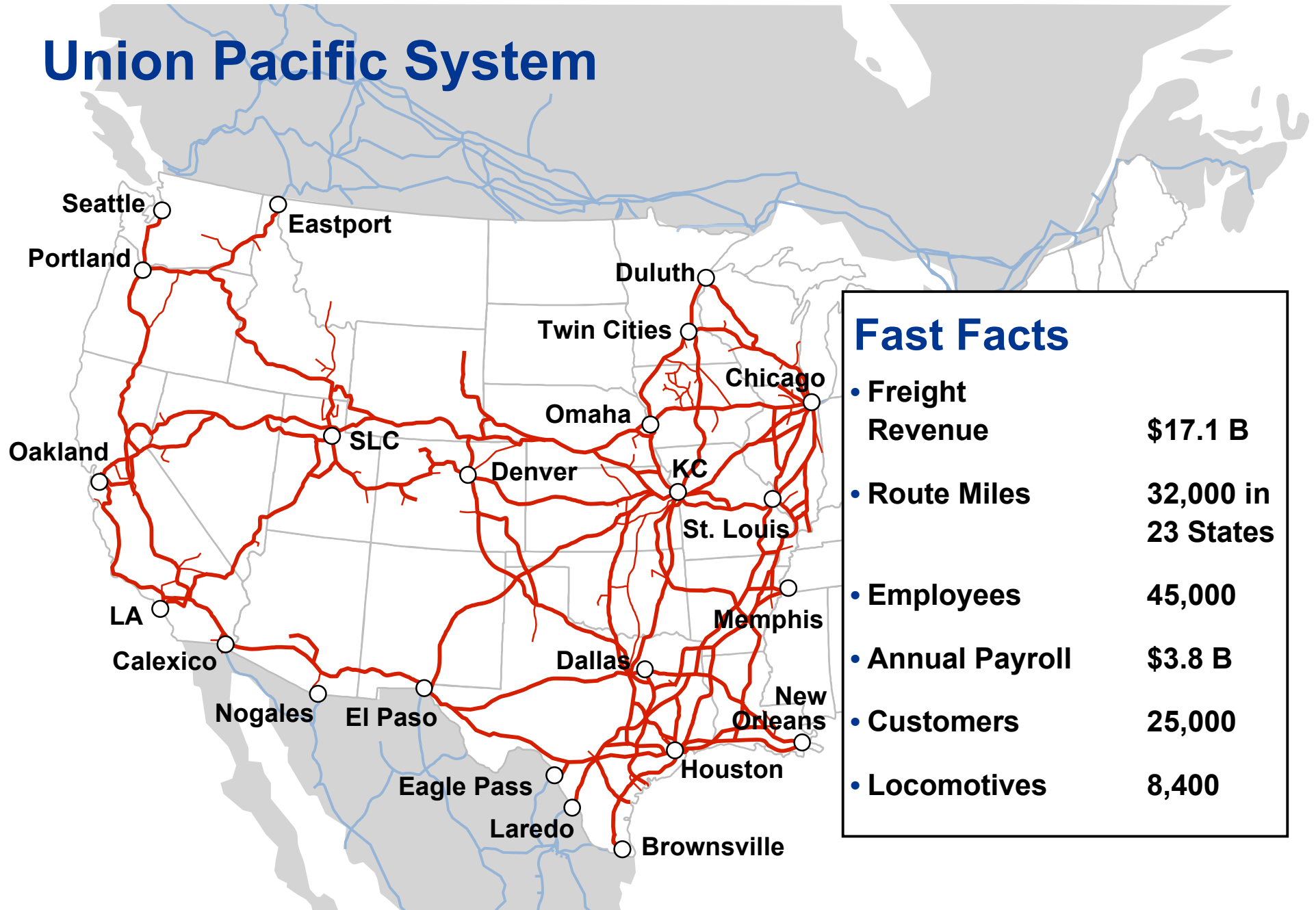
Passenger Rail Solutions – Balanced Approach

Cascadia Rail Conference- May 28, 2009, Seattle WA



BUILDING AMERICA®

Union Pacific System

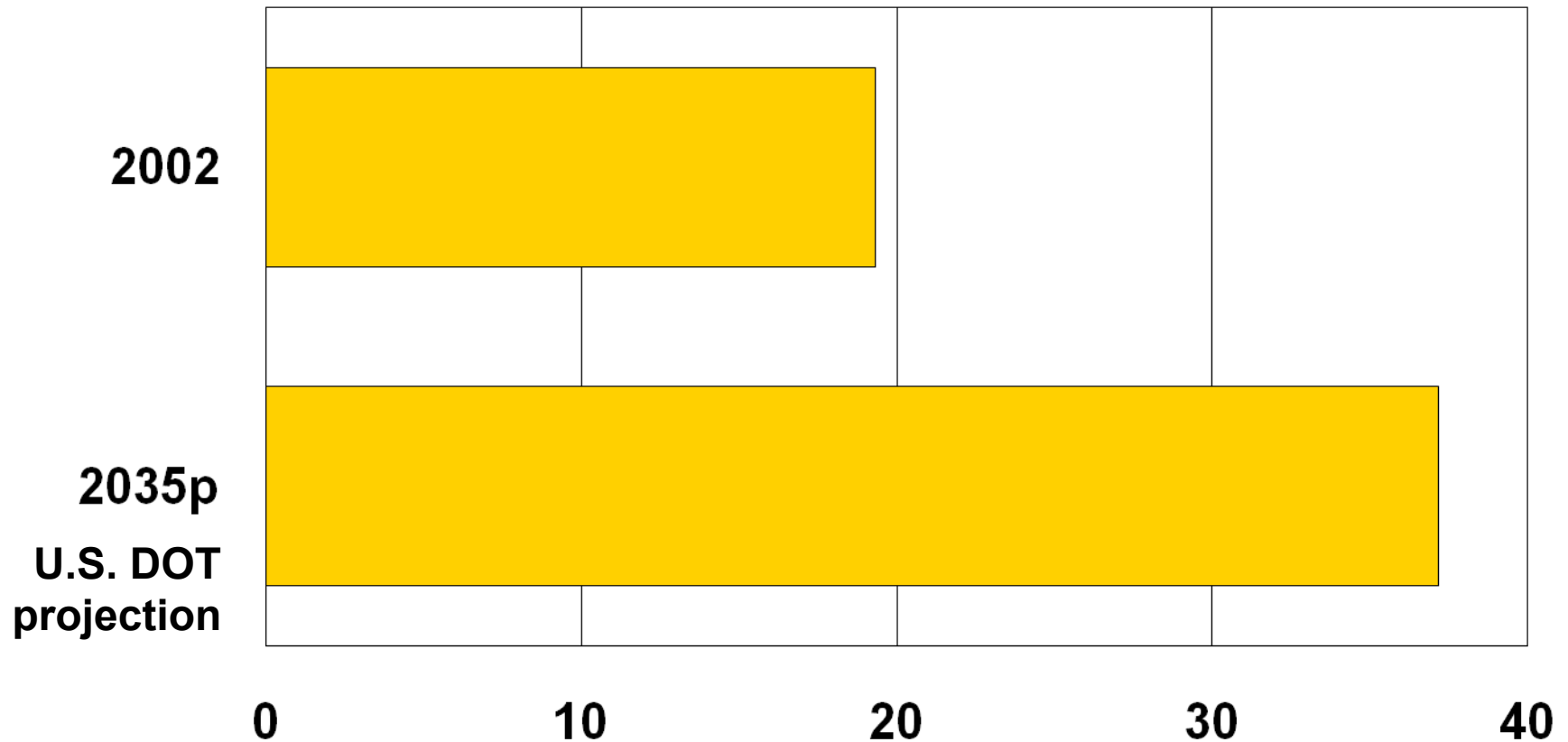


Both Passenger & Freight Solutions Required

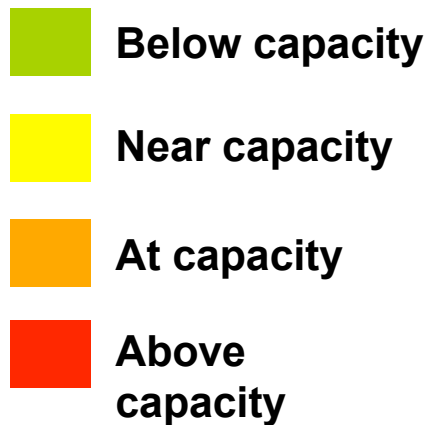
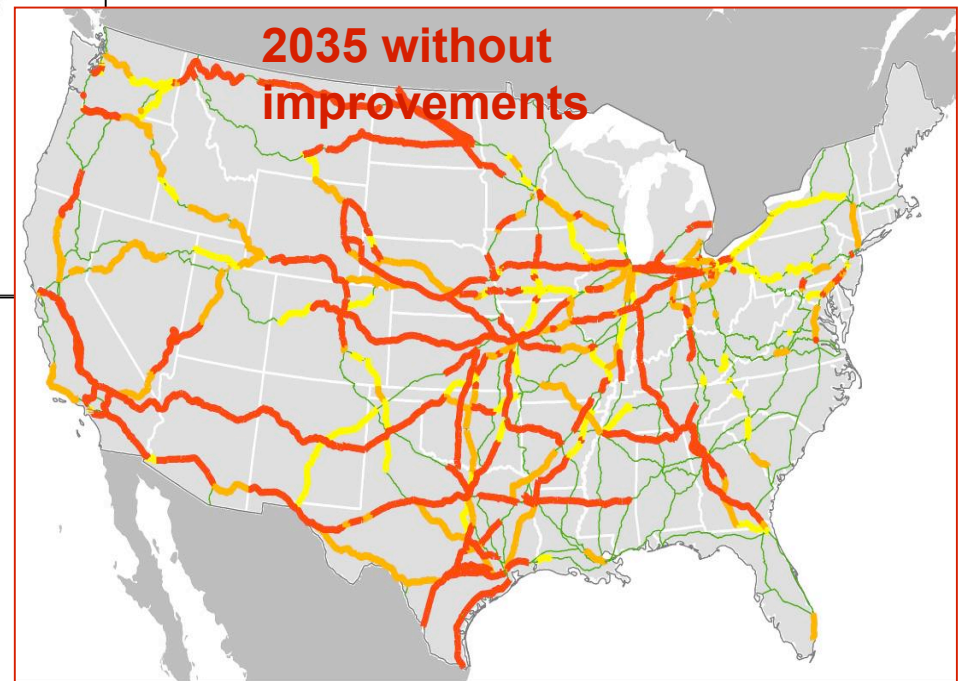
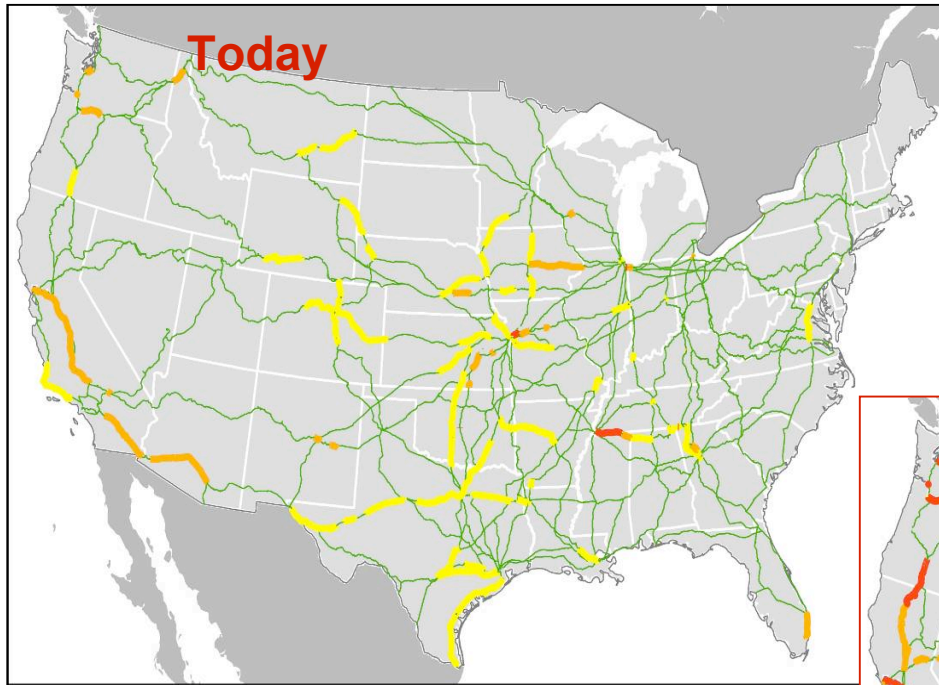
- **Communities want passenger rail transportation to . . .**
 - Reduce traffic congestion
 - Avoid/reduce road construction and maintenance
 - Provide answer to future capacity needs
- **Communities depend on freight rail transportation to . . .**
 - Supply the goods they use everyday (food, vehicles, energy)
 - Reduce dependency on foreign oil through its fuel efficiency
 - Lower emissions by Two Thirds
 - Reduces Highway Congestion
 - Make products affordable by means of cost-effective shipping
 - Support infrastructure with private funds – not taxpayer dollars

Long-Term Demand for Freight Transportation Will Skyrocket

Billions of Tons of Freight Transported in the U.S.



Expected Traffic vs. Capacity



Railroads Already Spend More Than Most State Highway Agencies!

\$ in Billions

**Class I Railroad
Spending* on
Infrastructure**

VS.

**State Highway Agency
Spending* - 2006**

1. Texas	\$7.57
2. Florida	\$5.69
3. California	\$4.19
Union Pacific	\$4.17
BNSF	\$3.89
4. New York	\$3.59
5. Pennsylvania	\$3.30
6. Illinois	\$3.30
CSX	\$2.62
7. Michigan	\$2.61
8. North Carolina	\$2.48
9. Ohio	\$2.14
Norfolk Southern	\$2.12
10. Georgia	\$1.88

*Capital outlays plus maintenance expenses.

Sources: FHWA Highway Statistics
Table SF-12; AAR

Principles for Achieving Appropriate Balance



- Safe commuter and freight operations
- Reliable service for passengers and freight customers
- Protect capacity to accommodate future freight traffic growth
- Market-based compensation and no additional exposure to liability

Union Pacific Participates in Passenger Rail

Commuter Trains on UP

- **1,430 weekly trains; 880,000 weekly passengers**
- **Examples:**
 - Chicago Metra (UP operates the commuter trains on three routes; USA's 7th largest commuter operation)
 - Altamont Commuter Express (Stockton – San Jose, CA)
 - CALTRAIN (San Jose – Gilroy, CA)
 - Metrolink (LA - Riverside, CA & Moorpark - Montalvo, CA)

Amtrak

- **550 weekly trains; 130,000 weekly passengers**
- **Example:**
 - Capital Corridor Service
(San Jose – Oakland – Sacramento – Auburn; 32 daily trains)

Commuter/Intercity/Conventional Speed Passenger Rail

- **UP is willing to discuss passenger rail proposals**
- **Safety must be priority**
 - Separate Track/Right-of-Way Preferable
 - Positive Train Control systems must be present
 - Commuter agencies must meet all UP and FRA safety standards and fund all incremental safety requirements
- **Freight service must not be compromised**
 - Including UP's ability to expand, operate on demand, service existing customers and locate new customers

Commuter/Intercity/ Conventional Speed Passenger Rail

- **Project must be funded by commuter agency and freight growth capacity must be protected**
- **Commuter agencies must indemnify/protect UP against all liability**
- **Commuter agencies must pay all costs: developing proposals, return on UP assets/property, UP tax liability, etc.**