

Announcement Declaring Southern California Market Constrained

Dear Intermodal Customer,

Union Pacific is experiencing a large increase in demand for domestic container capacity in Southern California. It is anticipated that demand will increase further in the near term. Action is being taken to reposition additional containers and increase train capacity to meet the needs of committed shippers. Therefore, in accordance with the terms of the Mutual Commitment Program (MCP), UP is declaring the Southern California market as constrained.

Beginning the week of Sunday, October 28th, UP will start assessing surcharges for weekly shipment volume above the Surge Volume Allowance calculated for each shipper in the Southern California market. Collection of these charges is necessary to offset part of the additional cost of repositioning extra equipment into this market.

Customers are also reminded that all available street capacity is to be used to support committed shippers prior to making a request for supplemental capacity from UP.

If you have any questions, please don't hesitate to contact your Intermodal Sales Representative. Thank you for your business.