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**Jack Koraleski**    President and CEO

February 14, 2014

The Honorable Eduardo Medina Mora
Embassy of Mexico
1911 Pennsylvania Avenue NW
Washington DC 20006

Dear Ambassador Medina Mora:

I am writing regarding a February 12, 2014, article that was on the front page of the "Reforma" newspaper as well as in their on-line edition. The article concerned the Railroad Service Regulatory Law that is pending before the Mexican Congress. As you know, we are opposed to this legislation in its current form, and there are a number of inaccuracies in the article, particularly the on-line edition, that I want to correct.

First, it was reported that former President Ernesto Zedillo is an advisor to Union Pacific on this matter. While President Zedillo was a valued member of our board of directors, he has not been affiliated with our company since 2006, and he is not an advisor.

Second, it was reported that Union Pacific owns two thirds of the concessioned track, and that we own Ferromex. This is simply not true. Union Pacific is a minority investor in Ferromex with a 26% stake in the company.

Finally, and most important, it was reported that members of the Transportation Commission alleged that Mexican railroads made financial offers and even threatened them due to their position regarding this legislation. We are not aware of any of the activities to which the article and unnamed sources referred, but I want to assure you that Union Pacific does not operate in this manner. Moreover, we take allegations of this nature very seriously. Our company, and its employees, pride ourselves on our ethical behavior. We do not condone, nor do we participate in this type of conduct.

Because we have communicated to you in the past regarding this legislation, I felt it was important that I write you to correct the record. Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,

Jack Koraleski

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