

Union Pacific Facility Update: Construction Under Way Near Santa Teresa, New Mexico



Facility to Bolster Economy

The passage of the Locomotive Fuel Tax Deduction HB523/SB179 by the New Mexico state legislature and signing into law by Governor Martinez was the catalyst that allowed Union Pacific Railroad to break ground on a state-of-the-art rail facility in the southern part of the state. With an overall economic impact of \$500 million for the New Mexico economy, Union Pacific's investment in the project totals more than \$400 million. The facility will create 3,000 jobs during the construction phase from 2011 to 2015, and eventually will be headquarters for more than 600 permanent jobs. For the first time ever, southern New Mexico will have a key inland port, positioning the Santa Teresa area as a strategic focal point for goods movement in the southwestern U.S.

Phase 1 Construction

The Phase 1 construction launch occurred on August 8, 2011. Phase 1 will continue through 2012. Rangar-Benson received the first construction contract and will complete the mass grading in which approximately 5.6 million cubic yards of dirt will be excavated and 4.1 million cubic yards of dirt will be placed. This phase will also extend approximately two miles of Dona Aña County public water and sanitary sewer lines that will serve the facility. This work is scheduled to last approximately one year.

Seven of the ten contractors on the project are New Mexico based, totaling \$40 million worth of contracts, more than 66 percent of the Phase 1 contracting.

340 people have been working on the site at any given time to date during the Phase 1 construction process with more than 50 percent of those hailing from New Mexico.



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Phase 2 Construction

The second phase of construction will commence after Phase 1 and will complete the remaining portion of the yard to include all the mechanical, electrical, architectural, utilities, track and civil engineering portions of the project.

As part of the contract, there is an expectation that the general contractor will consider New Mexican subcontractors and also look for opportunities to hire qualified New Mexicans.

Global Economy Demands Efficiency

The construction of the Santa Teresa facility will permanently position Southern New Mexico as a crucial component of the historic "Sunset Route," one of the oldest and most critical rail corridors in American history, securing New Mexico's future as a leader in the goods movement industry. Union Pacific's initial plans for capital spending in 2012 total \$3.6 billion in support of America's freight transportation needs. That investment will continue enhancing the safety and efficiency of Union Pacific's 32,000-mile network. The resulting improved rail capacity benefits everyone. It allows freight rail service to grow, helping to build a cleaner environment. According to the U.S. Environmental Protection Agency, freight trains are nearly four times more fuel efficient than trucks.

About The Project

Fueling Facilities - Located along the busy "Sunset Route" between El Paso and Los Angeles, this fueling facility will enhance commerce and goods movement in the state of New Mexico.

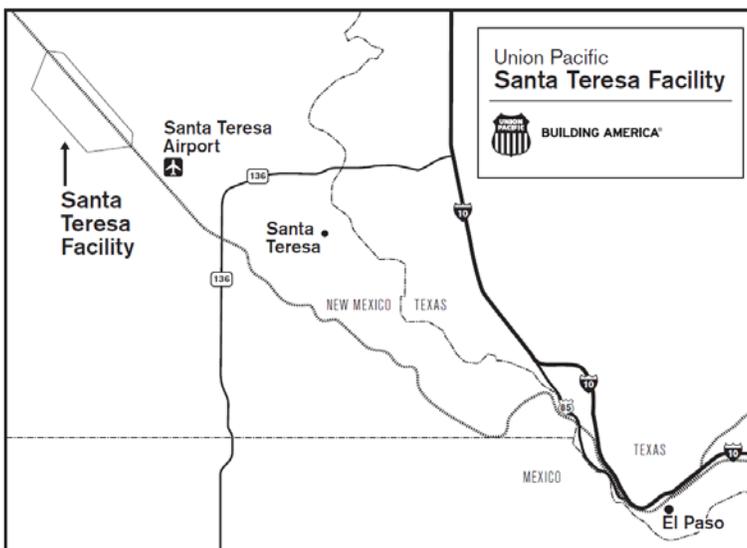
Crew Change Buildings – This facility will eventually serve as home base for Union Pacific employees operating long-haul trains out of the area.

Intermodal Ramp – This regionally focused intermodal ramp will permit both local and regional businesses more immediate access to the efficiencies of freight trains.

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