UNION PACIFIC AGREES TO JOINT SETTLEMENT WITH EASTMORELAND NEIGHBORHOOD ASSOCIATION AND SELLWOOD-MORELAND IMPROVEMENT LEAGUE

For Immediate Release:

PORTLAND, Ore., September ____, **2012** -- Union Pacific has entered into a joint settlement agreement with the Eastmoreland Neighborhood Association, the Sellwood-Moreland Improvement League and the city of Portland regarding the removal of a 55-year-old federal injunction on Union Pacific's Brooklyn Intermodal Yard in Portland. As part of the agreement, Union Pacific agrees to further implementation of emissions-reducing technologies in its freight rail operations in Portland. Union Pacific has worked closely with the communities surrounding Brooklyn Yard for more than fifty years and with this settlement is now poised to undertake a modernization project at Brooklyn Yard that will further improve operating efficiency at the yard, while expanding emissions reduction efforts and minimizing operational noise.

"We are pleased that we have reached a resolution with the communities surrounding Brooklyn Yard that will permit us to operate more efficiently in the years to come," said Scott Moore, Union Pacific vice president – Public Affairs West. "Union Pacific has been part of the Oregon economy for over a century and we believe the modernization of Brooklyn Yard will improve our ability to offer our Oregon customers excellent service."

The settlement immediately vacates the federal injunction on Union Pacific's Brooklyn Yard and includes provisions for acquisition and use of new equipment that will decrease operational emissions in Portland. By April 1, 2013, two Tier 2 locomotives will be assigned to replace older Tier 0 locomotives that transfer rail cars between Union Pacific's Brooklyn and Albina yards in Portland, a Tier 2 diesel electric locomotive will be acquired to switch rail cars in the Brooklyn Yard, and diesel particulate filters will be installed on yard equipment such as gantry cranes and a packer at Brooklyn Yard.

"We recognize the important role that freight trains play in the economy. We are pleased that Union Pacific has agreed to bring some of its leading edge emission control technology to the Brooklyn Yard," said Robert McCullough, Eastmoreland Neighborhood Association President. He went on to say, "We believe that the agreed-upon measures will provide significant reductions in diesel emissions from the Brooklyn Yard. We believe this results in a corresponding benefit for the health of the adjacent neighbors." SMILE representative Kevin Downing calculated the impact of diesel engine exhaust associated with the Brooklyn Yard costing up to \$10 million annually. He said, "The actions we have agreed to today are excellent cost-effective steps to begin to lessen the impact of diesel emissions from the Brooklyn Yard."

About Union Pacific

It was 150 years ago that Abraham Lincoln signed the Pacific Railway Act of July 1, 1862, creating the original Union Pacific. One of America's iconic companies, today, Union Pacific Railroad is the principal operating company of Union Pacific Corporation (NYSE: UNP), linking 23 states in the western two-thirds of the country by rail and providing freight solutions and logistics expertise to the global supply chain. From 2000 through 2011, Union Pacific spent more than \$31 billion on its network and operations, making needed investments in America's infrastructure and enhancing its ability to provide safe, reliable, fuel-efficient and environmentally responsible freight transportation. Union Pacific's diversified business mix includes Agricultural Products, Automotive, Chemicals, Energy, Industrial Products and Intermodal. The railroad serves many of the fastest-growing U.S. population centers and emphasizes excellent customer service. Union Pacific operates competitive routes from all major West Coast and Gulf Coast ports to eastern gateways, connects with Canada's rail systems and is the only railroad serving all six major Mexico gateways.

About the Eastmoreland Neighborhood Association

For the past one hundred years the Eastmoreland Neighborhood Association and its predecessors have actively supported the livability and sustainability of the City of Portland. Our members include civic

leaders, city, state, and national elected officials, and professionals of all specialties. We are justly proud of our excellent grade school, Duniway, as well as one of the leading small colleges in the nation, Reed College. The Eastmoreland Neighborhood participates with the City of Portland in many areas, including hosting the Eastmoreland Golf Course, as well as the famous Rhododendron Garden. In addition, the association maintains a park and has active programs to protect and enhance the environment throughout the neighborhood. Membership in the association includes residents and those employed in Eastmoreland. Our web site at www.eastmoreland.org lists our many programs and provides an extensive archive of relevant materials.

About Sellwood-Moreland Improvement League

The Sellwood-Moreland Improvement League (SMILE) is one of 95 neighborhood associations recognized by the City of Portland and has been actively working to promote livability in the Sellwood and Westmoreland neighborhoods for over 50 years. Sellwood was originally incorporated as a town in 1889. The Westmoreland neighborhood was developed in 1909. Persons who live, own property or run a business within the neighborhood boundaries are members of SMILE. Membership meetings are held the first Wednesday of every month with Board meetings on the third Wednesday at the SMILE Station, 8210 SE Tacoma. It's called the SMILE Station because it used to be the Sellwood Volunteer Fire Company #1. SMILE has a long history as an effective advocate for resident's concerns and as a way to learn about the needs of neighbors, organizing around important issues and planning fun events like Sellwood Sundae in the Park, the Neighborhood Cleanup, the Sellwood Park Concert Series and the Easter Egg Hunt. SMILE funds neighborhood activities by renting the Historic Oaks Pioneer Church and the SMILE Station for weddings, receptions, baptisms, meetings and special events.

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