



BUILDING AMERICA®

**Testimony in Support of HB 2775:  
Establishing the joint legislative transportation vision task force for  
evaluation of the state highway fund and the state highway  
transportation system.**

March 15, 2018

Chairman and members of the committee:

My name is Lindsey Douglas, Director of Public Affairs for Union Pacific Railroad. Thank you for allowing Union Pacific to appear in support of HB 2775.

Union Pacific has a very large footprint and investment in Kansas with lines running 2,198 miles in every region of the state. We have 1,216 employees with an annual payroll of \$124.5 million. We invested over \$75 million in capital investment in the state in 2017, and provided more than \$372,000 to charitable organizations. Union Pacific announced plans to invest \$113 million in infrastructure in Kansas in 2018.

The railroad industry overall employs 5,427 Kansans, with an average wages and benefits of \$112,780.

Union Pacific is excited to work with you to chart the course for the future of transportation in Kansas. As T-WORKS comes to an end, it is the perfect time to explore policy considerations for the future.

Kansas has the potential to apply innovation to transportation policy, leverage significant private investment through public-private partnerships and bring more businesses and jobs to the state. By looking into transportation policy at this critical time for infrastructure policy in the country, Kansas could be in a position to develop a transportation program that will fit the national trends that will be discussed alongside the development of the task force recommendations.

Thank you again for the opportunity to testify in support of HB 2775. I would be happy to stand for questions at the appropriate time.

# UNION PACIFIC IN KANSAS

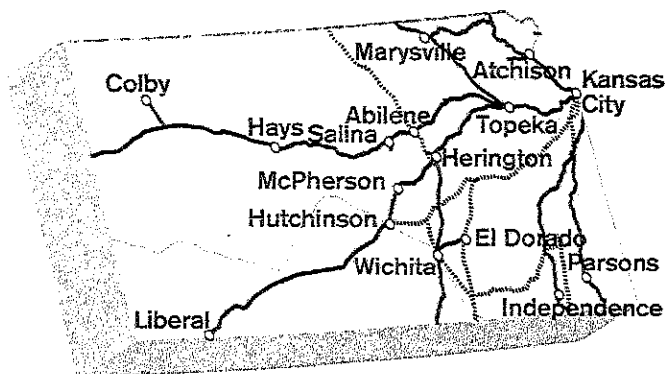


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## 2017 FAST FACTS

Miles of Track .....	2,198
Annual Payroll.....	\$124.5 million
In-State Purchases .....	\$251 million
Capital Investment.....	\$75.2 million
Employees .....	1,215
U.S. Jobs Supported* .....	10,935

\*Each American freight rail job supports 9 jobs elsewhere in the U.S. economy. (Association of American Railroads)



## RAIL CARS ORIGINATED IN KANSAS

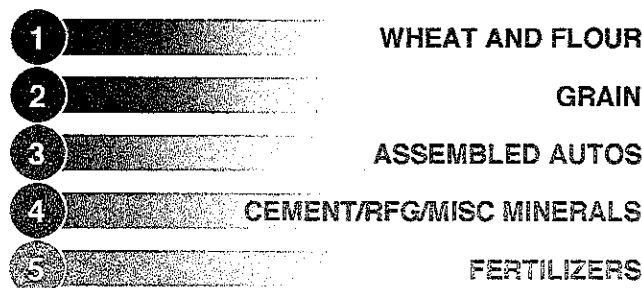
2013.....	118,714
2014.....	141,602
2015.....	126,883
2016.....	150,256
2017.....	148,941

## RAIL CARS TERMINATED IN KANSAS

2013.....	134,234
2014.....	126,820
2015.....	135,694
2016.....	110,761
2017.....	103,798

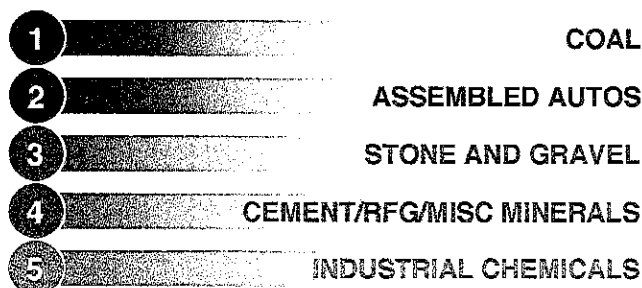
## TOP FIVE COMMODITIES SHIPPED

### 2017 BY VOLUME



## TOP FIVE COMMODITIES RECEIVED

### 2017 BY VOLUME



## UNION PACIFIC'S KANSAS HERITAGE

The first locomotive rolled across Kansas soil in 1860, and from that moment, transportation in the state would never be the same. In 1863, Kansas City was the launching point for a network of railroads that eventually spun a web across Kansas to Colorado and south through Oklahoma to Texas. A number of railroads, including many bearing the name Union Pacific in some form without actually being connected to the real Union Pacific, operated in the state throughout the century. Financier Jay Gould, whose name is synonymous with early railroads, played a major role in Kansas rail transportation, as he consolidated control of most of the lines in the state during the 1880s.

# UNION PACIFIC IN KANSAS

## RAIL THRIVES IN KANSAS

With thousands of miles of opportunity in every direction — north, south, east and west — it's easy to see why the railroads came to define the state of Kansas in the mid- to late-19th century. It's also the reason that today the Sunflower State is still considered a nucleus for rail transportation in America.

Kansas is a study in contrasting railroad operations. Union Pacific operates a transcontinental corridor through the northeastern corner of the state, where as many as 60 trains a day travel between Topeka and Kansas City. In addition, Kansas is cobwebbed with a network of light-density, grain-gathering branch lines, many of which have been leased or sold to short line railroads. This program has helped maintain rural rail service.

Union Pacific also operates an important north-south "couplet" of main lines from Kansas City south to the Gulf Coast, as well as a trackage-rights route on BNSF Railway.

The primary commodity carried in the state is wheat. The railroad also moves military equipment to and from Fort Riley. Kansas City is the site of a major freight switching yard. Union Pacific also operates yards and related facilities in Topeka, Marysville, Salina, Herington, Wichita, Parsons and Coffeyville.

Union Pacific's capital investment in Kansas from 2013 to 2017 was more than \$482 million.

## SUPPORTING THE COMMUNITIES WE SERVE

In 2017, Union Pacific provided support by donating more than \$372,000 to Kansas charitable organizations, such as Hays Art Council, Boy Scouts of America and Marion County Fire District.

We support communities through the Community Ties Giving Program, volunteer efforts and other forms of assistance. As part of the Community Ties Giving Program, local grants have been distributed to qualified nonprofit organizations since 1959.

## AMERICA'S PREMIER RAILROAD

One of America's most recognized companies, Union Pacific Railroad (NYSE: UNP) connects 23 states in the western two-thirds of the country by rail, providing a critical link in the global supply chain. From 2008-2017, Union Pacific invested approximately \$34 billion in its network and operations to support America's transportation infrastructure. The railroad's diversified business mix includes Agricultural Products, Energy, and Industrial and Premium business groups. Union Pacific serves many of the fastest-growing U.S. population centers, operates 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. Union Pacific provides value to its roughly 10,000 customers by delivering products in a safe, reliable, fuel-efficient and environmentally responsible manner.

## CONTACT US

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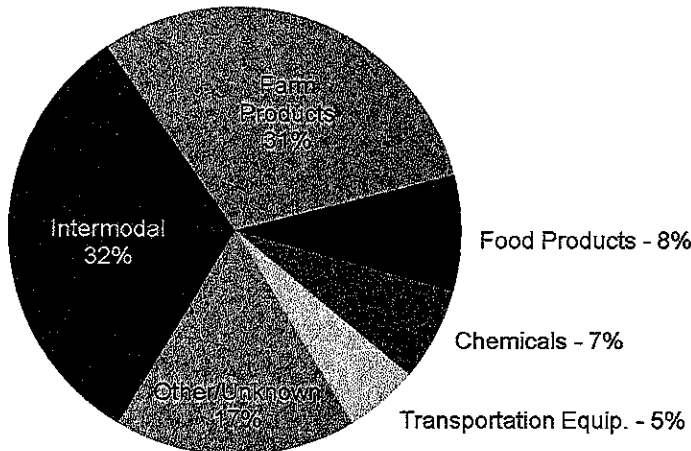
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## Rail Fast Facts

<b>Operations</b>	Number of freight railroads	13
	Freight railroad mileage	4,768
<b>Employment and Earnings</b>	Number of freight rail employees	5,427
	Average wages & benefits per freight rail employee	\$112,780
<b>Railroad Retirement</b>	Number of railroad retirement beneficiaries	17,400
	Railroad retirement benefits paid	\$331 million
<b>Fuel Efficiency</b>	In 2015, America's railroads moved a ton of freight an average of 473 miles on one gallon of fuel. That's like going from Topeka to Dallas. On average, railroads are four times more fuel efficient than trucks. Moving freight by rail instead of truck reduces greenhouse gas emissions by 75 percent.	
<b>Cutting Highway Gridlock</b>	One train can carry as much freight as several hundred trucks. It would have taken approximately 20.5 million additional trucks to handle the 368.3 million tons of freight that originated in, terminated in, or moved through Kansas by rail in 2014.	

## Rail Traffic Originated in 2015

Total Carloads: 448,600

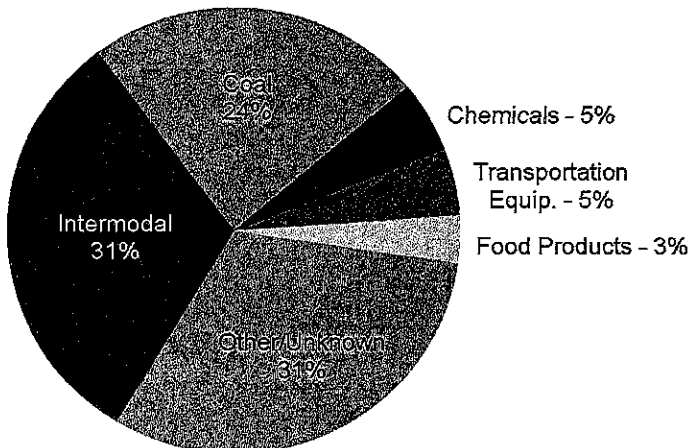


Commodity	Carloads	Percent
Intermodal	142,600	32%
Farm Products	137,200	31%
Food Products	37,300	8%
Chemicals	30,300	7%
Transportation Equip.	24,000	5%
Other/Unknown	77,200	17%

Source: AAR/Railinc

## Rail Traffic Terminated in 2015

Total Carloads: 470,200



Commodity	Carloads	Percent
Intermodal	146,200	31%
Coal	113,700	24%
Chemicals	24,200	5%
Transportation Equip.	22,800	5%
Food Products	16,100	3%
Other/Unknown	147,200	31%

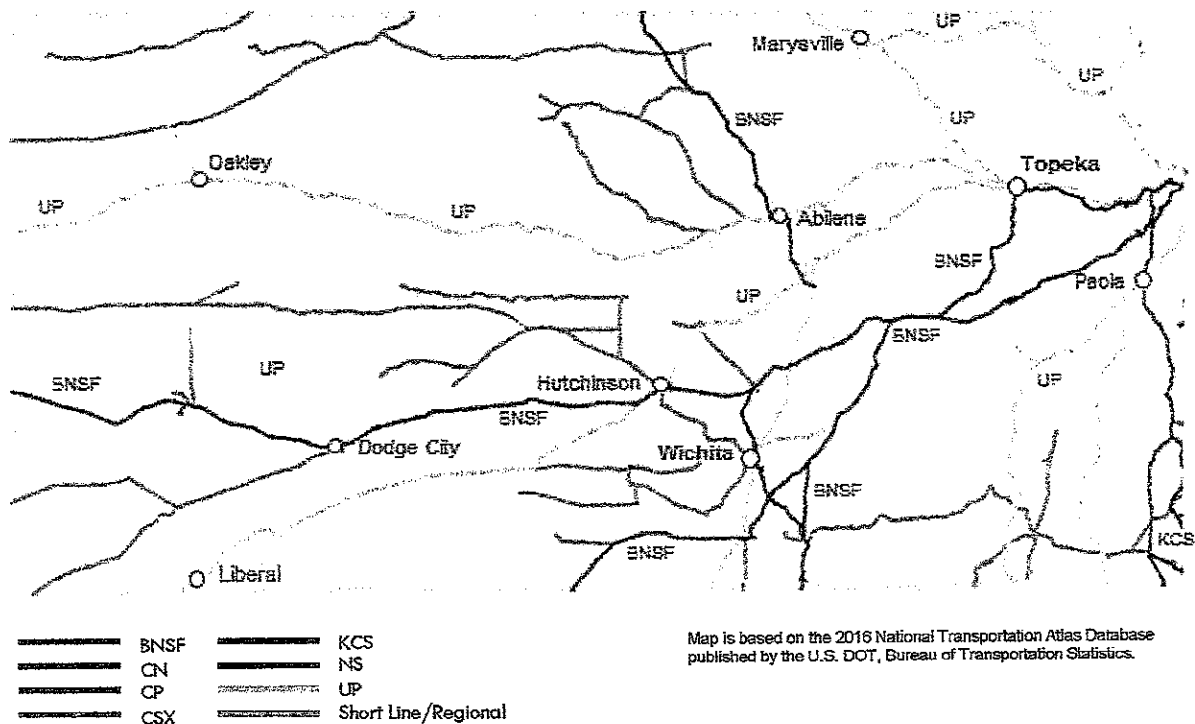
Source: AAR/Railinc



	Miles Operated In Kansas in 2015
<b>Class I Railroads</b>	
BNSF Railway Company	1,587
Kansas City Southern Railway Co.	18
Norfolk Southern Corp.	2
Union Pacific Railroad Co.	2,203
	<b>3,810</b>
<b>Regional Railroads</b>	
Kansas & Oklahoma Railroad, Inc.	923
Kyle Railroad	442
Nebraska Kansas Colorado Railway, Inc.	120
	<b>1,485</b>
<b>Local Railroads</b>	
Blackwell Northern Gateway Railroad	18
Cimarron Valley Railroad	183
South Kansas & Oklahoma Railroad	348
V & S Railway, LLC	21
	<b>570</b>

Kansas Totals	Number of Freight Railroads	Miles Operated	
		Excluding Trackage Rights	Including Trackage Rights
Class I	4	2,723	3,810
Regional	3	1,443	1,485
Local	4	552	570
Switching & Terminal	2	50	50
<b>Total</b>	<b>13</b>	<b>4,768</b>	<b>5,915</b>

	Miles Operated In Kansas in 2015
<b>Switching &amp; Terminal Railroads</b>	
Garden City Western Railway	40
Wichita Terminal Association	10
	<b>50</b>



**Class I Railroad:** A railroad with 2015 operating revenues of at least \$457.9 million. **Regional Railroad:** A non-Class I line-haul railroad that has annual revenues of at least \$40 million, or that operates at least 350 miles of road and revenues of at least \$20 million. **Local Railroad:** A railroad which is neither a Class I nor a Regional Railroad, and which is engaged primarily in line-haul service. **Switching & Terminal Railroad:** A non-Class I railroad engaged primarily in switching and/or terminal services for other railroads.