



# 2026 CAPITAL PROGRAM CONTRACTOR, SUPPLIER OPPORTUNITIES

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Russell Rohlfs, VP Engineering

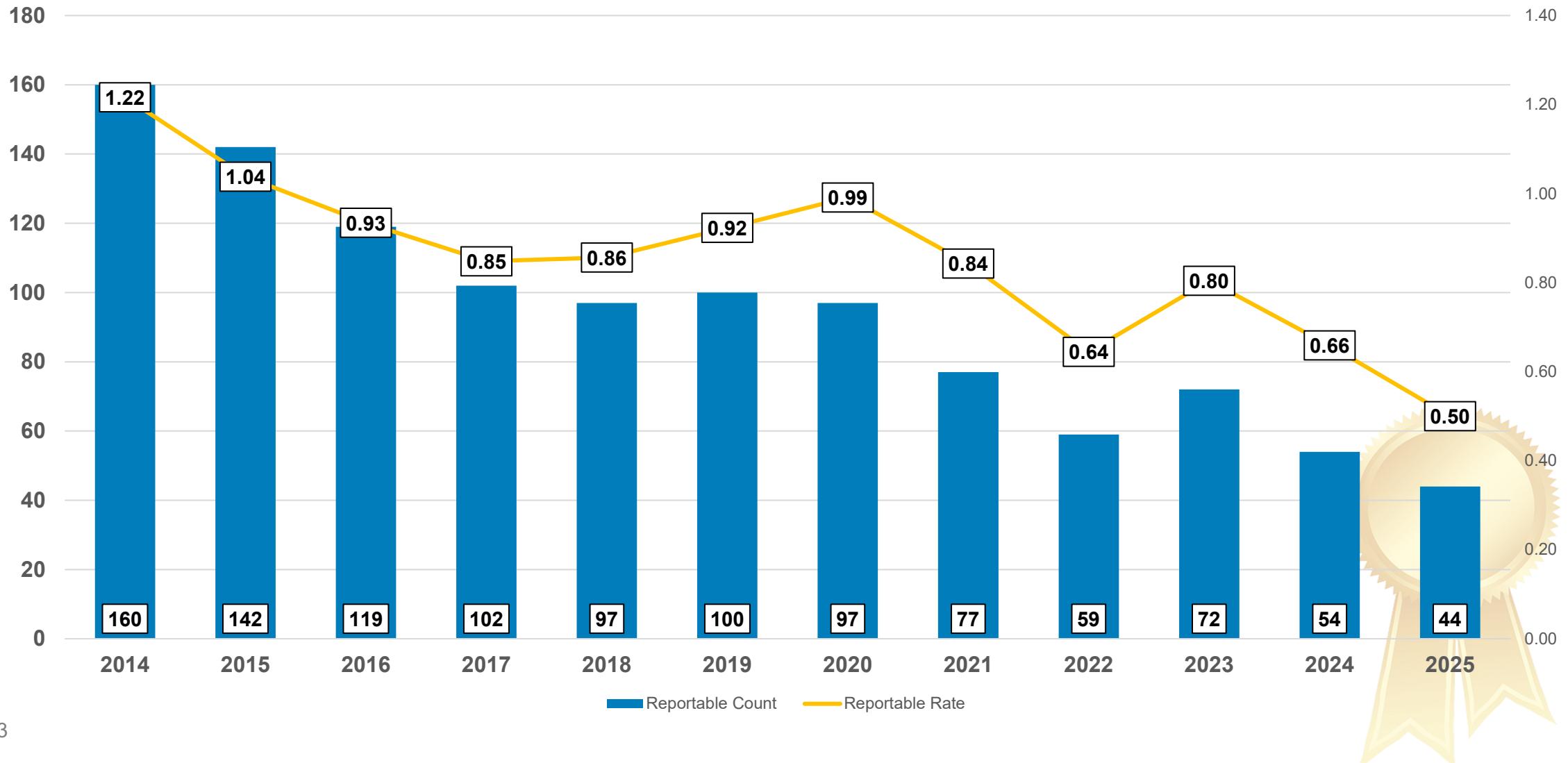
# Infrastructure Statistics

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- **32,880 Route Miles**
- **18,848 Bridges (407 miles)**
  - Wood: 52 miles
  - Concrete: 172 miles
  - Steel: 182 miles
- **294 Tunnels (61 miles)**
- **19,865 Active Public Crossings**
- **4,772 Buildings**
- **5,000 Vehicles**

# Engineering's Safest Year EVER



ATTN: NEW, CURRENT SUPPLIERS

# Workplace Safety Is #1

Company ID: 400-128708

Union Pacific

**A**

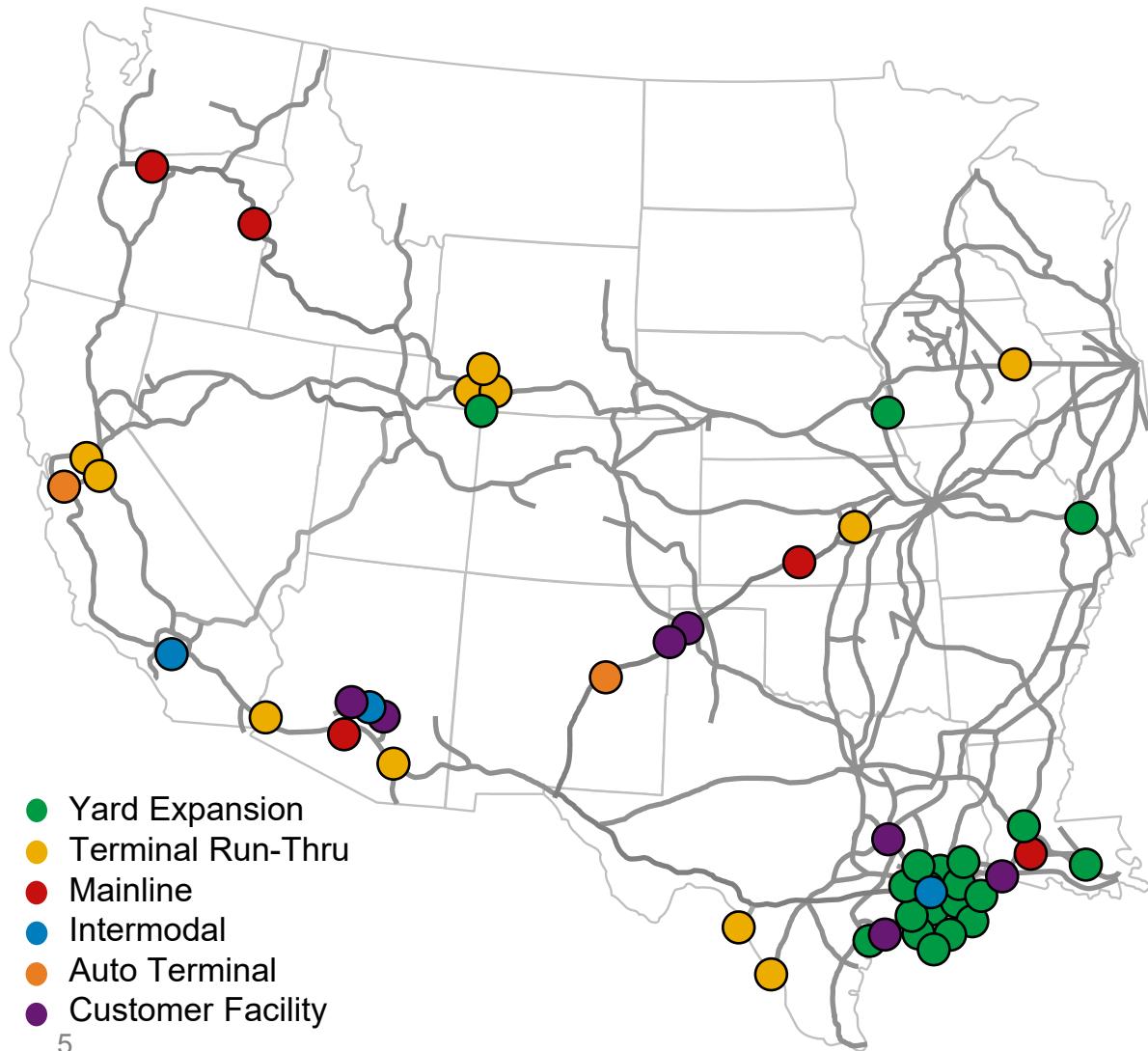
Grade Scorecard			
Grade Component	Status	Points	Gaps
<a href="#">Written Programs</a>	RAVS score is 89.13	15 / 25	⚠
<a href="#">Health &amp; Safety Prequalification</a>	Satisfactory	20 / 20	✓
<a href="#">TRIR (Total Recordable Incident Rate)</a>	Below Industry Average	25 / 25	✓
<a href="#">Fatalities</a>	No fatalities in the past 3 years	10 / 10	✓
<a href="#">Citations</a>	Satisfactory	10 / 10	✓
<a href="#">Experience Modifier</a>	Rate is 0.89	10 / 10	✓
<a href="#">Is the contractor FRA 219-Regulated?</a>	No	110 / 110	✓
<a href="#">If FRA 219-Regulated: Is FRA 219 Approval Letter Accepted?</a>	Yes (Accepted)	0 / 0	✓
<a href="#">Is the contractor FRA 243-Regulated?</a>	Yes - FRA 243 Letter Required	0 / 110	⚠
<a href="#">If FRA 243-Regulated: Is FRA 243 Approval Letter Accepted?</a>	Yes (Accepted)	0 / 0	✓
<a href="#">eRailSafe</a>	eRailSafe Compliance Percentage is -1	0 / 0	✓
Total	200 / 320		

Grade Since 10/31/2023			
Grade	Details	Low Range	High Range
A	Recommended to use this contractor	90	320
B	Acceptable to use this contractor	80	80.99
C	VP approval required prior to using this contractor	70	79.99
F	VP approval required prior to using this contractor and company escort required	-540	69.99
Total	200 / 320		

**“A” or “B” grade required to win business**

**Contractors below required grade follow established exception process**

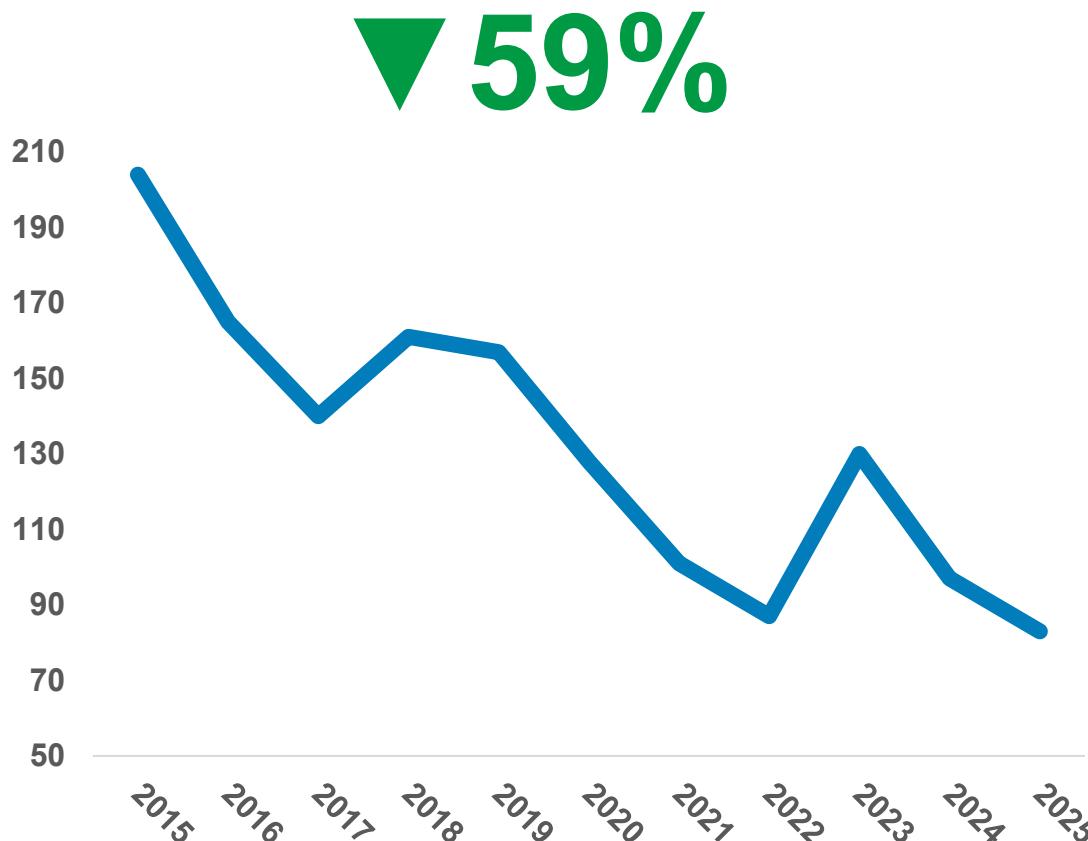
# Infrastructure Expansion Investment



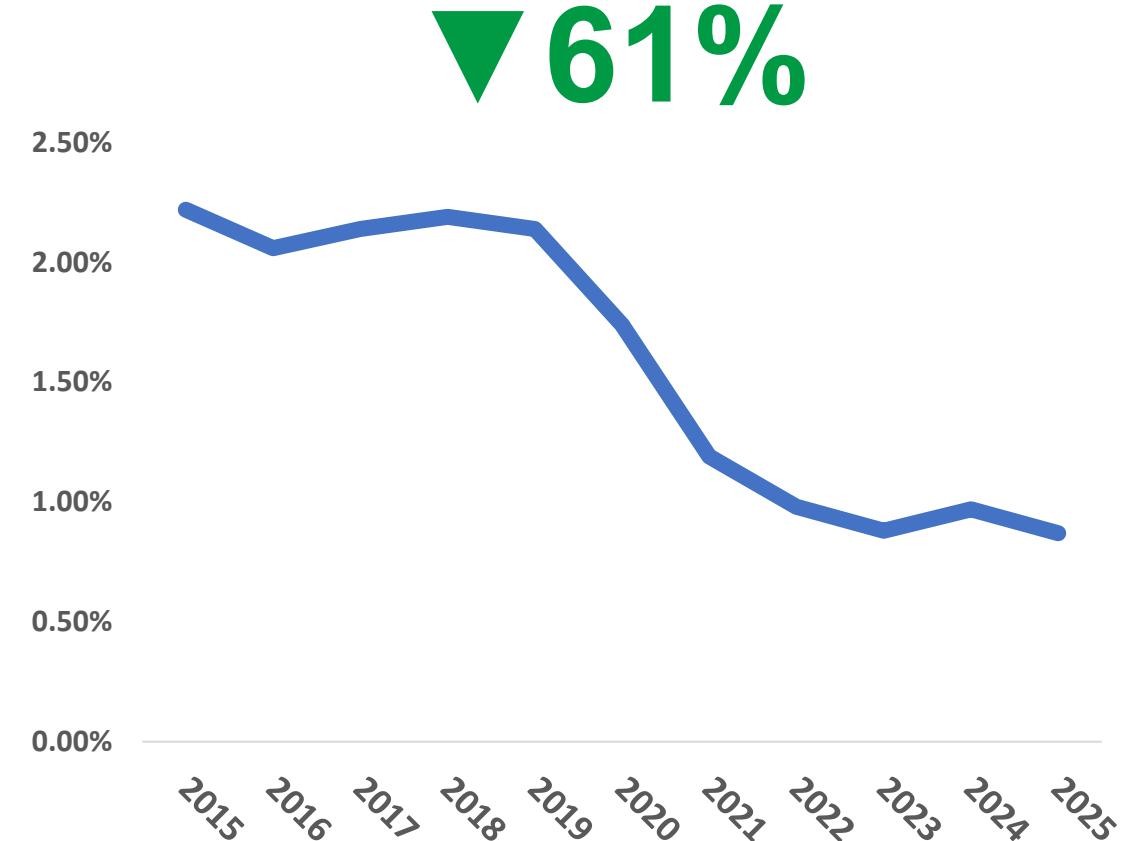
- Yard expansions support **Houston & Gulf Coast** carload growth
- **Run-thru projects** improve terminal fluidity, work events, and service
- **Mainline projects** increase line capacity and promote train length
- **Intermodal expansions** at Inland Empire, Phoenix & Houston
- **Auto Terminal investment** in pavement rehab & drainage repairs
- Infrastructure to support new and expanding **customer facilities**

## Consistent, Reliable Service

### Track Caused Derailments



### % Network Slow Orders



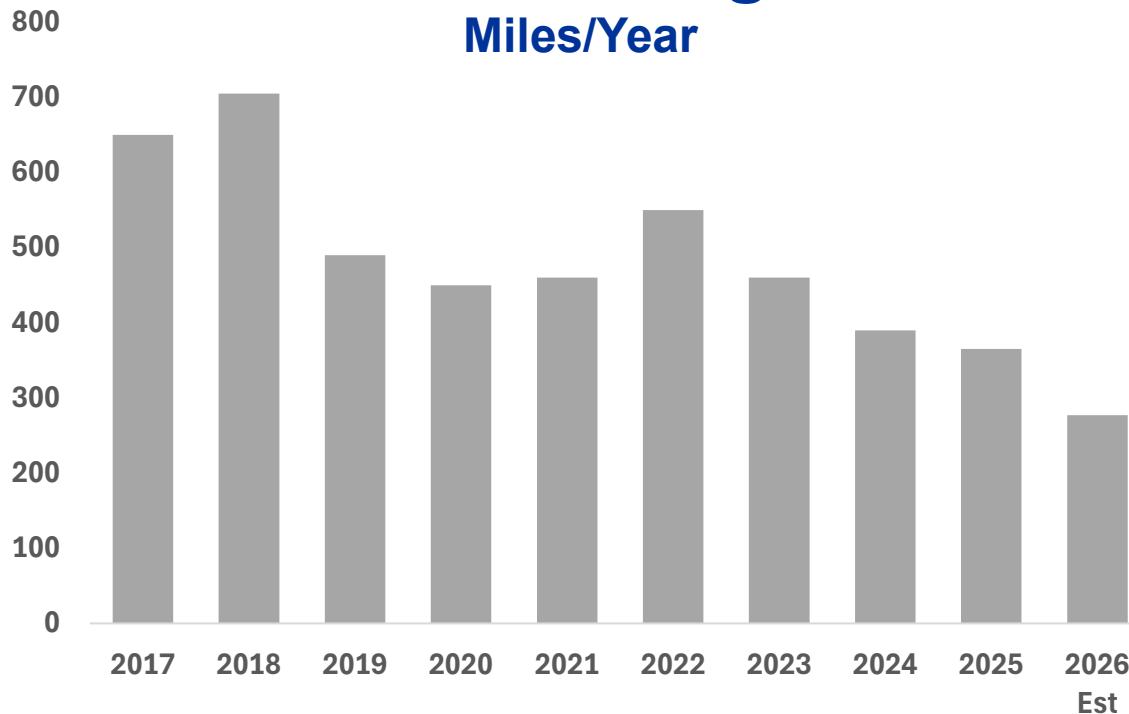
TOTAL TIES (MILLIONS); TOTAL RAIL (MILES)

## 2026 Renewal Program

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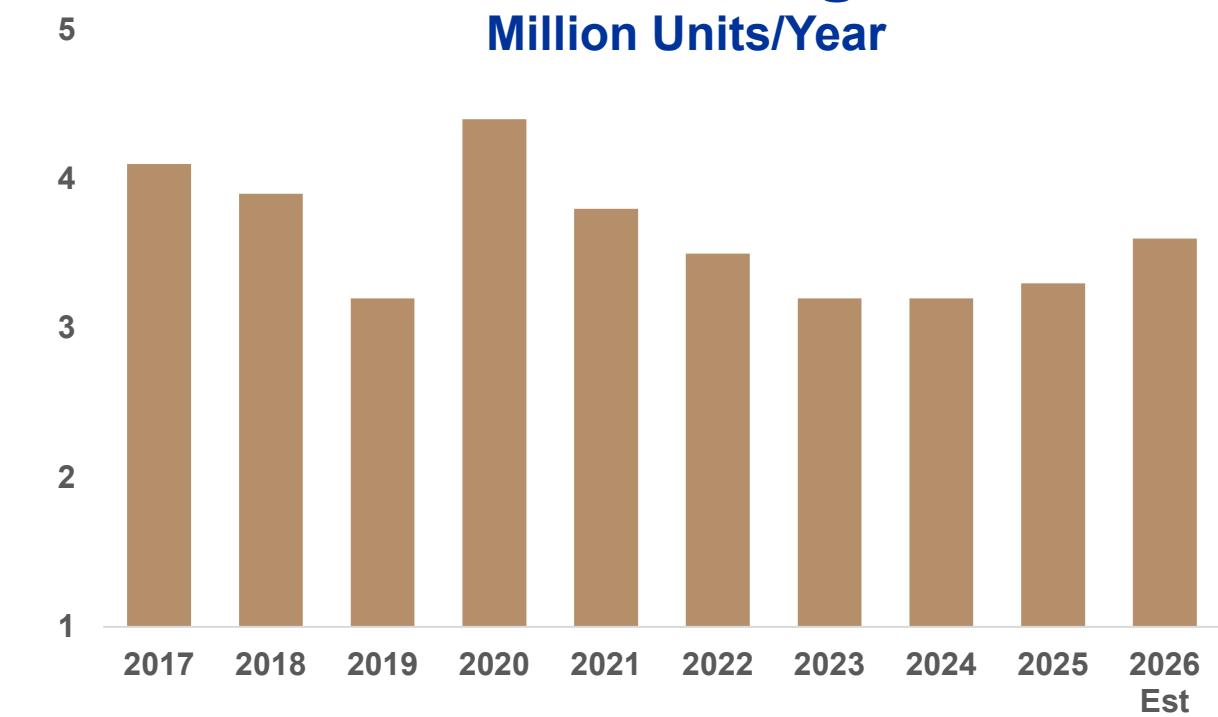
### 2026 Rail Program

Miles/Year



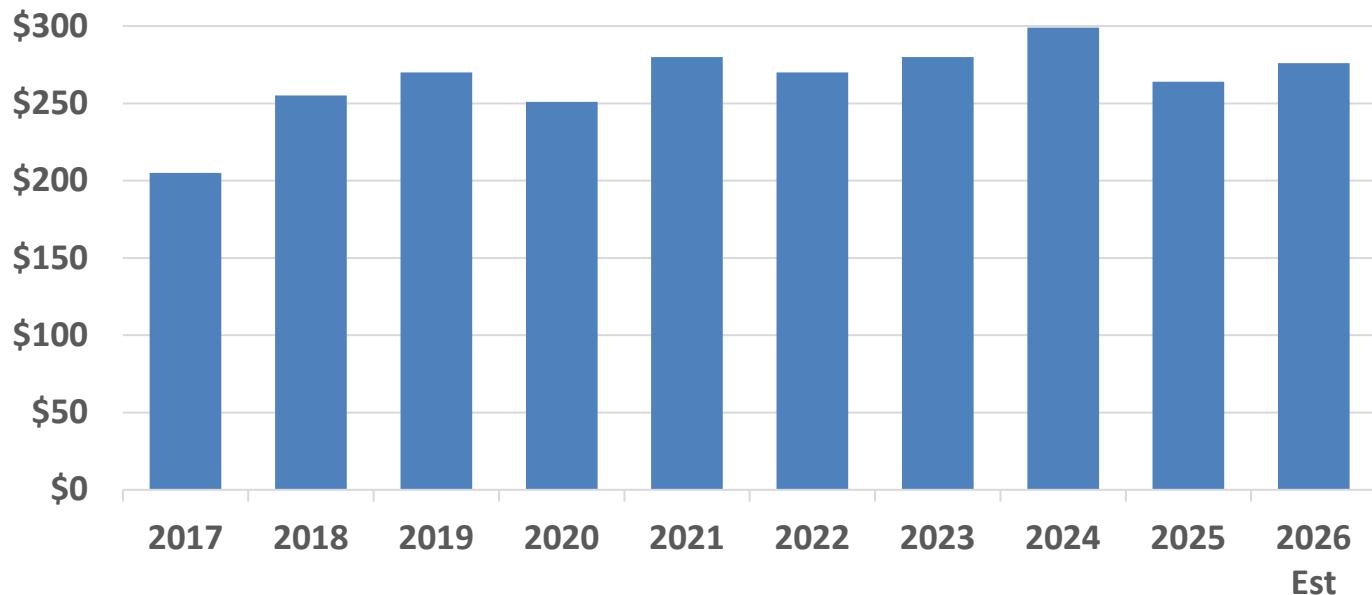
### 2026 Tie Program

Million Units/Year



SPEND (\$ MILLIONS)

# 2026 Structures Renewal Program



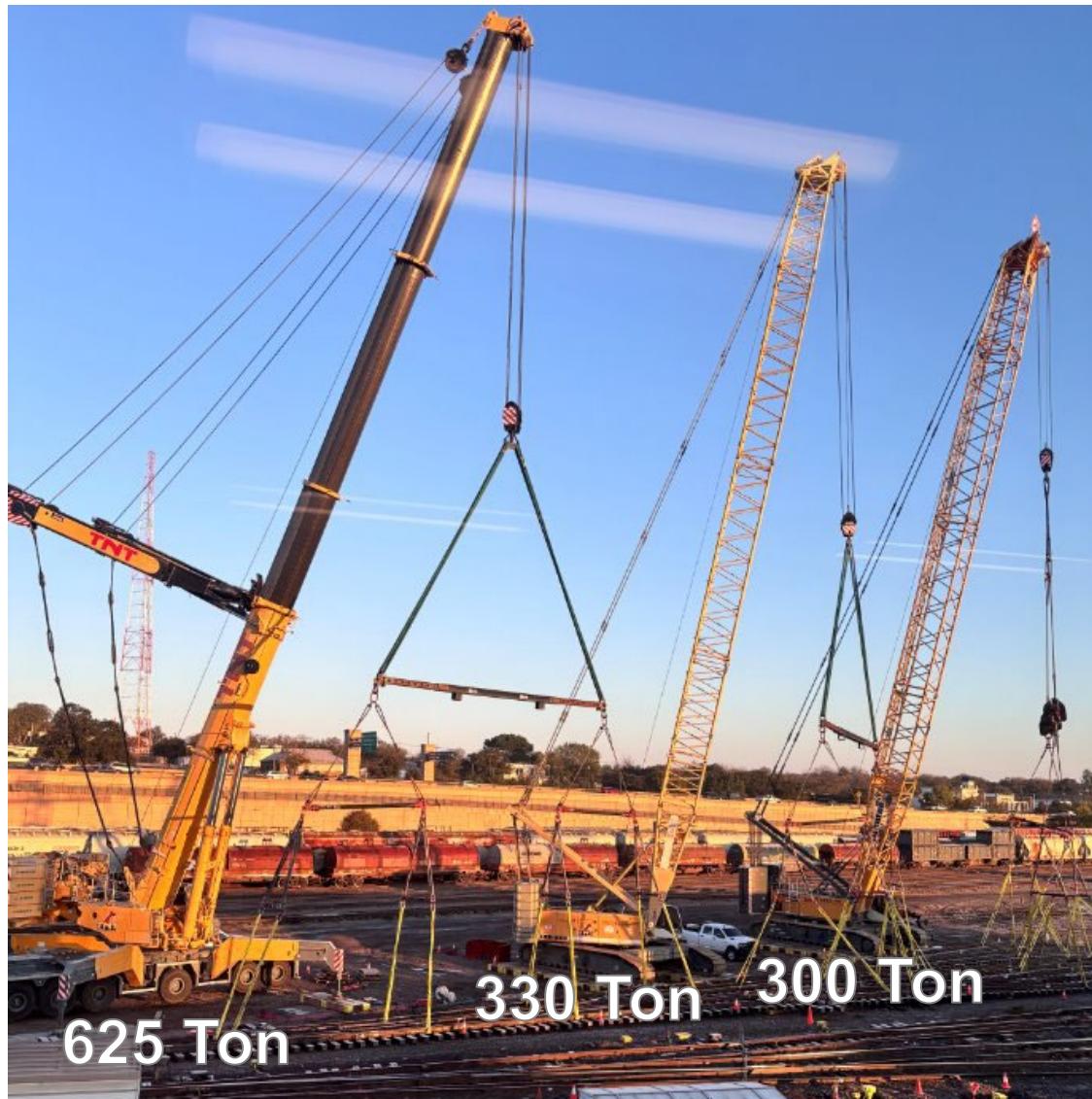
- Continued focus on timber bridges.
- 2026 contracted projects:
  - Bridge and culvert replacement
  - Open-deck tie replacement
  - Tunnel stabilization
  - Movable bridge electrical/mechanical system upgrades



DAVIDSON YARD, TEXAS

# Massive Switch Project Protects Service Product

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## Reducing Engineering's On-Track Footprint

**Project:** Replace 3 switches and 3 overlapping switches and corresponding group retarder.  
**Contractor Spend:** \$1.3M

24-hour curfew request = **Not Approved**

**Solution:** Off-Track Construction  
Team constructed the 6 switches into one panel, installing via large cranes.

16-hour curfew request = **Approved**



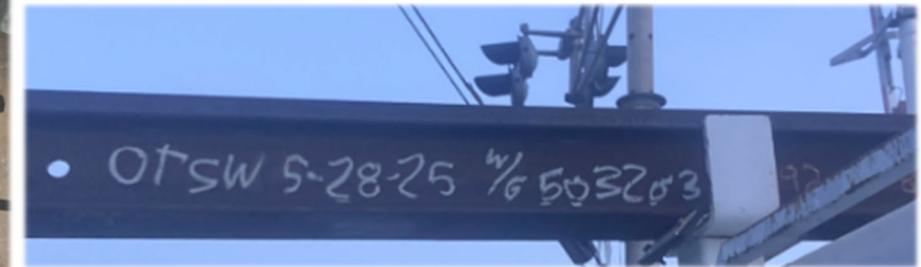
# Reducing Unintended Train Stops

## Detecting Broken Rails

- Defect Type: Defective Field Weld
- Detectable: No
- Weld Date: 5/28/25



48% of broken rails are field-weld related.

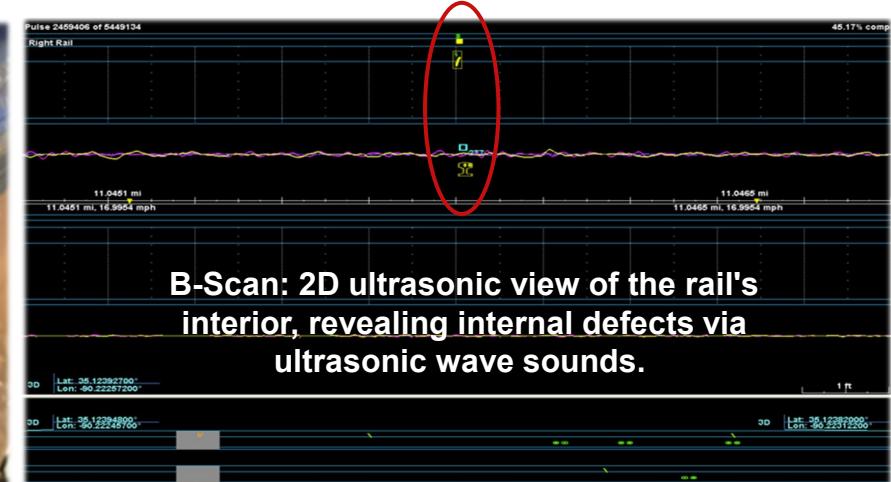


## Rail Flaw Detection

- Identifies defects not visible from the surface.



Reduced broken rails by 31% YOY.



B-Scan: 2D ultrasonic view of the rail's interior, revealing internal defects via ultrasonic wave sounds.

# Technology Enabled Operations

## Off-Track Tie Removal, Install

Removes, installs ties with 'shots' of time off track.



## Advanced Anchoring Program

Viper anchors resist slipping and reduce tie damage.



Viper-1® features 75% more bearing surface than standard drive on anchor

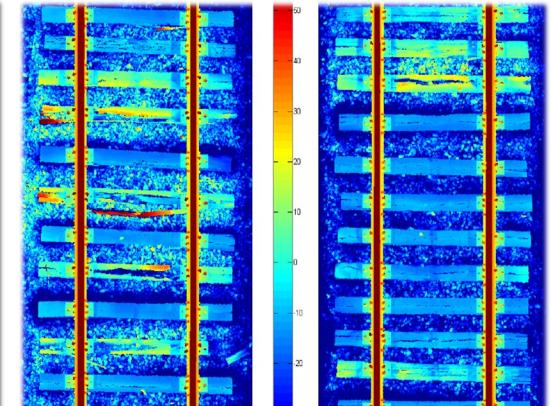
## Rail Unloading Machine

Unloads rail 150% faster and offers 24x7 unloading.



## Machine Vision

Technology evaluates track maintenance, predicts failure.



# Reducing Thermal Forces

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Engineering's hyrail paint truck sprays white paint across areas historically prone to thermal misalignment.

Early results show a 10-degree reduction in rail temperature.

▼ 10°



## Southern CA Theft Prevention

### Intermodal Theft Cases



### Commerce, CA, Before & After



# Operating Plan Safely Delivers Faster Transit and Enhanced Service

Base Plan

Optimized Plan

Growth Plan

**2,400 Handlings**  
Reduced Each Day



**Blocking Adjustments**

**4,700 Train-Miles**  
Reduced Each Day



**Rerouting Traffic**

**60,000 Car-Miles**  
Reduced Each Day



**Reducing Touches**

# What Does this Mean for Our Suppliers / Contractors

- Committed to **safety and rules observance**.
- Think outside the box to **define what's possible**.
- **Leverage technology** and **share insights**.
- Share in **productivity cost reduction efforts**.
- **Partnerships** that provide **flexibility** in work scope.



# THANK YOU

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