

June 30, 2011

## Dear Valued Union Pacific Railroad Customers and Business Associates:

Following is an update on the high water levels and flooding on the Missouri River.

While the river levels had stabilized for the past week or so between Omaha and Kansas City, the river has since risen about a foot in the last day following some significant storms. Since this water was storm related, the USGS predicts the level will drop about a foot over the next week.

Our tracks between Atchison and Leavenworth, KS on the Falls City subdivision are currently out of service due to high water. We anticipate this outage will continue for another 7-10 days. An embargo was placed on St. Joseph, MO on June 27, due to floodgates being installed.

Other locations remain in service, although additional heavy rains could change that. Water is rising on the River sub between Kansas City and St. Louis and our Engineering Department is raising track as a preventative measure. Empty coal trains are currently being rerouted from the St. Louis market via Nelson, IL to relieve demand on the River subdivision. Work to raise track near Missouri Valley, IA and east of North Platte, NE has for the most part been completed.

Several photos of the flooded areas are attached, and I will provide updates as additional information becomes available. I encourage you to contact me or a member of my staff if you should have any questions.

Regards,

Daugles J. Slins

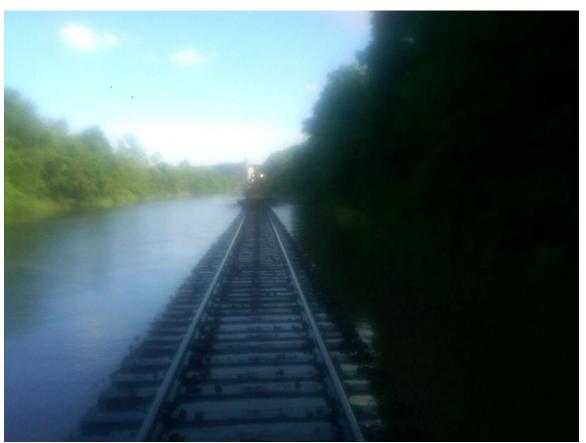


06/20/2011





Falls City Sub



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**Douglas J. Glass** Vice President & General Manager Energy

