

New Business Fuels UP's Growth Strategy

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Union Pacific is traversing new territory – delivering its first diesel unit train to Mexico early this year. The new business is a result of a constitutional amendment reforming Mexico's energy sector in December 2013. The deal opened the industry to private participation through the open market, rather than being exclusively state run. UP immediately engaged customers on both sides of the border, determining opportunities for new business among refineries, tank and pipeline owners, and the Mexican government.

Howard Energy recently helped facilitate development of a new terminal on Kansas City Southern's Mexico's line, interchanging with UP at the U.S. border. The facility was built to meet rising demand for gas and diesel.

"Mexico's energy reform is a great opportunity for UP and a growth market where we are well-positioned for success," said Aaron Meyerle, senior business director-Chemicals. "The Operating team's willingness to be flexible and open to new ideas as this business ramps up was essential."



From left, Thaddeus Reed, business manager-Chemical; Aaron Meyerle, senior business director-Chemical; Beau Maida, manager-Business Development, Howard Energy; and Shawntell Kroese, assistant vice president-Chemicals, at Howard Energy in Port Arthur, Texas.

The first unit train, or a train made up of cars hauling one commodity – in this case diesel – left Port Arthur, Texas, about 90 miles east of Houston, Dec. 31, 2016, crossed into Mexico at the Laredo gateway, and arrived in San Jose Iturbide.

"This was a tremendous team effort; we worked closely with customers building their confidence in our ability to deliver unit trains," said Shawntell Kroese, assistant vice president-Chemicals. "For most customers, it's their first time shipping to Mexico, as well as moving diesel or gasoline in unit train quantities. UP's Mexico team and International Customer Service Center displayed expertise helping customers navigate in a brand new marketplace."