

Jayce

Speak



*Whit April 17
Monday*

Kip Hawley
Vice President
External Relations

March 9, 1989

*S-138 Cap.
betw. 12-1:00*

15 people

Ms. Betty Meyer
Appointment Secretary
to Senator Robert Dole
United States Senate
141 Hart Building
Washington, D.C. 20510

Dear Betty:

As we discussed yesterday on the telephone, Union Pacific Corporation is having its monthly senior management meeting in Washington on April 17.

If it works out at your end, we would love to have a luncheon in the Capitol that day at which Senator Dole would appear and share his insights on the issues before the Congress.

The attendees from Union Pacific would be Drew Lewis, along with the CEO's of Union Pacific Railroad, Union Pacific Resources, US Pollution Control Inc., Overnite Transportation, Union Pacific Realty, in addition to the corporate vice presidents who report to Drew. We would also invite our Washington-based Directors, Judy Hope and Dick Simmons. (List attached)

Our hope for the format would be to reserve a room in the Capitol from 12:00 p.m. - 1:00 p.m. Naturally, we would be thrilled if Senator Dole would join us for lunch, but should his schedule not permit, brief remarks and Q & A would be great.

We would be pleased to provide a \$2,000.00 honorarium to Senator Dole or the charity of his choice.

Thank you very much for considering this request. Please give me a call if you have questions or need additional information.

Sincerely,

KP

LIST OF ATTENDEES

Drew Lewis
Chairman of the Board
Union Pacific Corporation

Mike Walsh
Chairman
Union Pacific Railroad Company

Bill Adams
Chairman and Chief Executive Officer
Union Pacific Resources Company

Jack Messman
Chairman
US Pollution Control, Inc.

Harwood Cochrane
Chairman
Overnite Transportation Company

Arch Jacobson
Chairman
Union Pacific Realty Company

Judy Hope
Director of Union Pacific Corporation
Paul, Hastings, Janofsky & Walker

Dick Simmons
Director of Union Pacific Corporation
Washington Post

White Matthews
Senior Vice President - Finance

Kip Hawley
Vice President - External Relations

Gary Schuster
Vice President-Corporate Relations

Carl von Bernuth
Vice President & General Counsel

April 13, 1989

TO: Senator Simpson
FROM: Kathy Ormiston/Office of Rep. Leader
SUBJECT: Budget Agreement

While the negotiators aren't really saying so, a compromise has already been reached -- the numbers have remained virtually the same since Monday, while the negotiators have tried to sell the plan to their members.

The final package will likely look very much like this:

- 0 Total deficit reduction will be close to \$28.9 billion, allowing us to reach the Gramm-Rudman target of \$100 billion for FY 1990. About half the cut, \$14.7 billion, will come from the spending side and about half, \$14.2 billion, will come from the revenue side.

More specifically:

- 0 Defense will be \$305.5 billion for BA, \$299.2 billion for outlays. This is almost half way between the Panetta offer of \$298 billion for BA and the Bush offer of \$309 billion for BA. The outlay number of \$299.2 billion is very close to the Bush initial offer of \$300 billion.
- 0 Receipts will be \$14.2 billion, with \$5.6 billion from tax code changes, \$2.7 billion from asset sales, and \$4.7 billion from user fees. This is almost exactly the original Bush offer, the catch is that these revenues are all unspecified. In other words, it is unlikely Bush will get his capital gains cut.
- 0 Nondefense discretionary will be \$156.9 billion for BA, \$180 billion for outlays. This figure is not really much of a compromise. It is much higher than either Bush's or Panetta's original offers, but when Panetta "caved in" on defense, he significantly upped his offer on nondefense discretionary.
- 0 There will be an \$8.6 billion cut in mandatory spending. More specifically, cuts of \$2.7 billion in Medicare, \$1.9 billion in agriculture, \$.6 billion in federal retirement programs, \$.5 billion in Veterans Administration loans, and \$.5 billion in Postal Service reforms. Again, this is less than Bush asked for, but more than the Democrats wanted.
- 0 No cuts in international affairs. \$19 billion in BA and \$17.2 billion in outlays.



EVENT BRIEFING

EVENT: Visit with Union Pacific Corporation Senior Management

WHEN: ~~Noon~~ ^{12:45} 1:00 p.m. on Monday, April 17th

WHERE: S-138 - Vandenberg Room

ATTENDEES: Drew Lewis, Chairman of Union Pacific Corporation (Bethlehem, PA)
Mike Walsh, CEO of Union Pacific Railroad (Omaha, NE)
Bill Adams, CEO of Union Pacific Resources (Ft. Worth, TX)
Harwood Cochrane, CEO of Overnite Trucking (Richmond, VA)
Arch Jacobson, CEO of Union Pacific Realty (Short Hills, NJ)
Jack Messman, CEO of USPCI (Hazardous Waste) (Oklahoma City, OK)
John Halan, Vice President of Human Resources (Bethlehem, PA)
Kip Hawley, Vice President of External Relations (Washington, DC)
White Matthews, Vice President of Finance (Bethlehem, PA)
Bill McDonald, General Counsel (Retiring) (Bethlehem, PA)
Gary Schuster, Vice President of Corporate Relations (Bethlehem, PA)
Bill Shea, Director of Strategic Planning (Bethlehem, PA)
Carl Von Bernuth, General Counsel (Incoming) (Bethlehem, PA)

Judy Hope, Director of Union Pacific (Paul, Hastings, Janofsky & Walker - Washington, D.C.)

Dick Simmons, Director of Union Pacific (President, Washington Post - Washington, D.C.)

BACKGROUND: Union Pacific's "Operating Committee" meets monthly at various office locations around the country and is Drew Lewis' senior management group. This month, Kip Hawley, Vice President of External Relations is hosting the Operating Committee in Washington, D.C. Judy Hope and Dick Simmons are included as Washington-based members of the Board of Directors.

The group would be delighted to have Senator Dole join it for lunch and stay the full hour, however, everybody understands the Senator's busy schedule and a shorter visit would be fine. After brief remarks, Senator Dole might expect questions on:

- ♦ Outlook for the budget deficit; and
- ♦ Changes to campaign finance, especially relating to PACs.

If time permits, the Senator may wish to ask the group about:

- ♦ New activities at the Railroad; and
- ♦ Impressions of current business conditions.

Attached is the latest Union Pacific Annual Report and a summary sheet of Union Pacific businesses.



SNAPSHOT OF UNION PACIFIC BUSINESSES

- ◆ Union Pacific Railroad, which, with the acquisition of the M-K-T Railroad in 1988, operates a 24,200-mile rail network linking 20 states from the Midwest to the West and Gulf Coasts. The system is a leading hauler of intermodal traffic (containers on flat cars), autos, chemicals, coal, grain, forest products and food products. It also is an important link in international trade, serving the largest west coast and gulf coast ports, and providing connections with the Canadian and Mexican rail systems.

The railroad has recently undergone a reorganization which eliminated four layers of management and has implemented the most aggressive customer service program in the industry. Union Pacific has put more money in capital investment into the railroad than it has taken out in net income every year for the past ten years.

- ◆ Union Pacific Resources is one of the nation's leading independent oil companies, which engages in the exploration, development and production of crude oil and natural gas, and the mining of coal and natural soda ash.

The company has concentrated its exploration and drilling activities in North America, which, it believes, still possesses large quantities of undiscovered oil and natural gas. Resources has been especially active in the portion of the Overthrust Belt that straddles the Utah-Wyoming border, where large reserves of oil and natural gas have been found. The company also has been successful in exploring for oil and gas in the Santa Barbara Channel in Southern California; near Matagorda Island off the Texas coast; in other areas of the Gulf of Mexico; in Alberta, Canada; and overseas in such promising areas as Malaysia.

- ◆ Overnite Transportation is one of the nation's largest general freight trucking companies, which serves some 40 states and Canada with nearly 130 terminals in the United States and Montreal. It is non-union and specializes in less-than-truckload shipments.
- ◆ USPCI, or United States Pollution Control, Inc., one of the nation's leading environmental services companies, was acquired by Union Pacific in early 1988. USPCI is a full service provider of analysis, treatment, transportation and disposal of hazardous waste materials, both solid and liquid.

USPCI maintains large landfill sites the size of several football fields in remote areas of Utah and Oklahoma. USPCI has received Superfund approval for disposal sites in both states. USPCI is one of the few integrated companies in the industry and frequently has been cited as one of the most advanced in the handling of hazardous wastes.

- ◆ Union Pacific Realty which develops income-producing sites and buildings, including offices, hotels and research and development facilities, along with business and industrial parks, on its 21,000 acres of prime real estate in major metropolitan centers.

**Union Pacific
Corporation
Annual Report
1988**

