

Union Pacific owns and runs a 32,889-route-mile freight railroad across 23 western U.S. states and gets paid per shipment: each carload or intermodal container moved from origin to destination is billed under a contract or tariff rate, plus a fuel surcharge. FY2025 (year ended Dec 31, 2025) operating revenue was \$24.51B (+1%) on 8.45M carloads; with a 59.8% operating ratio, FY2025 net income was \$7.14B (+6%). A pending merger with Norfolk Southern awaits Surface Transportation Board review.

KEY PARTNERS

- Connecting U.S., Canadian and Mexican railroads (FACT).
- Only railroad serving all 6 major Mexico gateways (FACT).
- Two domestic locomotive suppliers (FACT).
- **Labor unions** — majority of employees (FACT).
- **STB** — rate, service and merger regulator (FACT).
- **Norfolk Southern** — pending merger partner (FACT).

KEY ACTIVITIES

- Build trains in classification yards (FACT).
- Line-haul moves origin → destination (FACT).
- **Track replacement** — \$1.99B in FY2025 (FACT).
- Price contracts, quotes and tariffs (FACT).
- **Safety** — PTC + 7,000+ wayside detectors (FACT).
- Pursue STB approval of NS merger (FACT).

KEY RESOURCES

- 32,889 route miles in 23 states (FACT).
- 6,964 locomotives owned or leased (FACT).
- 53,790 freight cars owned or leased (FACT).
- ~50,700 containers and chassis (FACT).
- 29,287 average employees in 2025 (FACT).
- Industrial-park real estate (FACT).

VALUE PROPOSITIONS

- Lower cost per ton-mile than trucks on long hauls (INFERENCE).
- All major West Coast + Gulf ports (FACT).
- All 6 major Mexico gateways (FACT).
- Intermodal service index 99% in FY2025 (FACT).
- Hazmat-trained, tracked handoffs (FACT).
- Fewer trucks on highways (INFERENCE).

CUSTOMER RELATIONSHIPS

- Private contracts with key shippers (FACT).
- Private rate / letter quotes (FACT).
- Public tariffs for others (FACT).
- Volume incentives reduce revenue (FACT).
- Paid after delivery of each shipment (FACT).
- **Sticky** — rail-served plants rarely relocate (INFERENCE).

CHANNELS

- Commodity-group marketing & sales (FACT).
- Intermodal marketing companies (FACT).
- Truckload carriers as intermodal customers (FACT).
- West Coast + Gulf ports (FACT).
- Interline gateways to East, Canada, Mexico (FACT).
- Industrial parks on owned land (FACT).

CUSTOMER SEGMENTS

- **Bulk** — \$7.59B FY2025 (FACT).
- **Industrial** — \$8.60B FY2025 (FACT).
- **Premium** — \$7.03B FY2025 (FACT).
- **Mexico shipments** — \$2.9B (FACT).
- Coal & renewables revenue +20%, mostly PRB coal (FACT).
- Six vehicle assembly plants served (FACT).

COST STRUCTURE

- FY2025 operating expenses \$14.66B (FACT).
- Compensation & benefits \$4.90B (FACT).
- Fuel \$2.39B; \$2.49 avg. per gallon (FACT).
- Depreciation \$2.47B (FACT).
- FY2025 capital investment \$3.79B (FACT).
- 2026 capital plan ~\$3.3B (FACT).

REVENUE STREAMS

- FY2025 revenue \$24.51B, +1% (FACT).
- Freight revenues \$23.22B, +2% (FACT).
- Other revenues \$1.29B, −10% (FACT).
- Avg. revenue per car \$2,749 (FACT).
- FY2025 operating income \$9.85B (FACT).
- FY2025 net income \$7.14B, +6% (FACT).