

April 17, 2004



April 12, 2004

Union Pacific Shareholders Press Company to Disclose Political Contributions

Washington, DC—As part of a campaign to bring transparency and accountability to corporate political contributions, the Center for Political Accountability (CPA) is urging Union Pacific Corporation (NYSE:UNP) shareholders to support a resolution that asks to disclose and explain the business purpose of its political donations.

Union Pacific, the nation's largest railroad company, currently does not make public its political contributions or tell shareholders how it decides on donations made with corporate assets. The disclosure resolution will be voted on at its annual meeting on May 16 in Salt Lake City, Utah.

"Corporate political giving runs the risk of using a company's assets for objectives not disclosed to or approved by its shareholders" according to CPA Co-Director Bruce Freed. "If companies choose to make political gifts, it is critical that their shareholders are aware of where that money is going and what is the business purpose of the contributions. Making a contribution through a conduit does not absolve the company of its responsibility to know how its funds are ultimately used

Union Pacific made \$1,032,022 in corporate contributions in the 2002 election cycle. The company gave to conduits that, in addition, contributed to controversial groups like Texans for a Republican Majority (TRM), an organization that played a key part in underwriting the change in control of the Texas House of Representatives in 2002, and to extremist groups such as the Traditional Values Coalition (TVC). "Union Pacific should be cautious about making contributions that could expose it to possible criminal violations and that could harm its reputation with customers, employees, and shareholders," said Freed.

Union Pacific's contributions have entangled it in a Texas investigation into the propriety of some of TRM's fundraising practices. According to press accounts, areas of interest include the relationship between the railroad and TRM and whether the company's contributions may have influenced state house races and the contest for Texas House speaker two years ago. Texas law severely circumscribes the use of corporate money in state campaigns and legislative leadership races.

Led by the Rev. Louis Sheldon, the TVC bills itself as the largest church lobby in the United States. It pushes a strong social conservative agenda that includes opposition to gay and lesbian rights, a woman's right to choose, and the teaching of evolution in public schools.

About the Center for Political Accountability.

The Center was established in the Fall of 2003 to bring transparency and accountability to corporate political giving. Shareholders are largely uninformed about corporate political contributions. This distorts the American political process and allows corporate officials to use a firm's resources for political purposes that do not necessarily serve the interests of companies and their shareholders and other stakeholders.

###