

UPRR's Chicago Embargo due to Flooding, Effective at 14:00 CDT, June 13, 2008

Dear Valued Customer,

Due to severe weather and resulting flooding in the Midwest, particularly in Iowa, Union Pacific has issued an embargo on all traffic moving between Chicago/Chicago Gateway and all ramps in California, Oregon, Washington, Utah, and El Paso, TX. The embargo becomes effective at 14:00 CDT Friday, June 13, 2008. This embargo includes all interchange traffic to/from connecting carriers at Chicago.

Traffic at all locations will be metered through a permit system similar to the Gate Reservation system that is currently in place at some locations. For those locations currently requiring gate reservations, the process will remain unchanged, request these permits via the current web process. There is no need to request a permit separately.

On westbound traffic, and El Paso to Chicago, a permit request via e-mail must be submitted.

To request permits, customers should send an e-mail to our Gate Reservation team at gaterez@pacer.com with "Permit Request" in the subject line, and include in the body of the e-mail:

- 1) The IMC
- 2) Origin terminal
- 3) Destination terminal
- 4) Number of permits/volume

Permit requests should be submitted by 11:30 CDT for the next day's cut-off. Requests will be granted by 15:00 CDT. For questions or follow-up on your permit requests you can call 1-800-715-5046.

Gate reservations for Friday, June 13, 2008 cut-off will not be affected. In-gates for these reservations will be honored by the UPRR.

CSX will continue to accept UP destined traffic at their ramps, and will move it to Chicago where it will be deramped. Traffic can then be cross-towned to the UP ramps based on permits granted.

Pacer's service on the BNSF is not affected. As an alternative for your 53'-110" or 53'-107" container shipments, please consider using our BNSF service into and out of Chicago. Customers should provide rail billing utilizing their existing customer quote codes, in conjunction with BNSF routing instructions and ramp codes, (e.g., BN CHI to BN SCK). Our systems and Customer Service will handle the changeover. Service on the BNSF will be billed at our current BNSF FAK published rates. The current FAK rates are available at www.pacerstack.com.

Please contact your Pacer Stacktrain Business Development representative for the latest updates regarding this situation.

We appreciate your business.