

New Process for Domestic High Valued Electronic Shipments

Dear Valued Customers,

Effective March 1, 2008, the UPRR has announced a new process for the shipment of high valued electronics intermodal shipments. Unless the following process is followed, the maximum liability for domestic shipments of consumer electronics will be reduced to US\$100,000 for cargo loss or damage occurring during transportation on UPRR. Shippers who wish to maintain maximum liability coverage of US\$250,000 must:

1. obtain a PSQ from Pacer Stacktrain as described below expressly providing for cargo liability coverage up to US\$250,000; and
2. participate in a theft deterrent program involving both the use of theft deterrent barrier seals and the use of a prearranged high-value STCC; and
3. include the following data in their rail billing:
 - * High Value STCC code
 - * The indicative (non-keyed) theft deterrent barrier seal number.
Note: Shipper must submit the unique lock assembly/pin number, not the number listed on the barrier itself.
 - * Commodity description and piece count

In addition, the shipper must take digital, date-stamped photographs showing the container number and seal application with close-up photo. The shipper must maintain for a minimum of 9 months a written record of the date and time of the application of the seals, the identity and signature of the person applying the seal and the digital photograph described above.

Item 345-B in the UPRR Master Intermodal Transportation Agreement (MITA) will be updated to reflect these changes. On shipments where maximum carrier liability of \$100,000 is acceptable, no change in handling will be required.

Shippers or their agent(s) will be required to apply and remove theft deterrent seals, except for BlueStreak shipments originating San Diego, CA and destined Global 1, IL or Atlanta, GA, UPRR will provide and apply Warlock theft protection devices. Shipper or its agent must participate in the high-value STCC program, however time stamped digital photos will not be required.

Pacer's Intermodal Network is Expanding (cont.)

UPRR defines "consumer electronics" to include but not be limited to televisions, stereos, DVD players (& VHS), computers (personal or commercial), monitors, laptops, portable audio devices (Ipods, MP3s, etc.), camcorders, car stereos, satellite radios and accessories, telephones, mobile phones, digital cameras, calculators, video game systems (Xbox, Playstation, Wii, etc.), printers, scanners, fax machines and GPS navigation devices.

Any Contract Holder who wishes to ship consumer electronics on the Pacer Stacktrain network for the maximum liability coverage of US\$250,000 **must:**

1. **obtain a PSQ specifically for the consumer electronics beneficial owner.**
The specific PSQ is required to allow Pacer Stacktrain to pass through the high value STCC code to the UPRR and to verify that the shipment routing supports the high value process.
2. Follow the process as laid out by Union Pacific and stated above.

If US\$250,000 liability coverage is not required, shipments can be handled under normal conditions and process.

The maximum cargo liability for domestic shipments of consumer electronics will be \$100,000 unless the PSQ expressly provides for \$250,000 in cargo liability and the high value processes established by UP are followed.

If you have any questions regarding your freight movement on the Pacer Stacktrain network, please contact your Pacer Stacktrain Business Development representative, or our Customer Support Group:

Eastern Region: (800) 876-7281
Western Region: (800) 933-7822

We appreciate your business.