



S T A C K F A C T S

January 6, 2005

Electronic Bulletin No. 612

Re: Severe Winter Storm Delays Rail Service in the Midwest and East

To Our Valued Customer:

A wintery mix of sleet and snow pummeled the Plains and Midwest, and inched towards the eastern Great Lakes and mid-Atlantic today. This mixture of freezing rain, sleet and snow is predicted for the Great Lakes, Tennessee Valley, northern Ohio Valley, Northeast, and Mid-Atlantic States. This storm already left five people dead and at least 90,000 homes without power in the Northeast. Train operation to and from Detroit (Great Lakes Division) is experiencing severe track issues with commercial power outages, trees and debris across the tracks and frozen switches. This is as a result of several days of rain accumulation between 4-6 inches which turned to ice when sub-freezing temperatures arrived in Ohio last night. In many areas, the Interstate highways are either closed or very slick making crew dispatching virtually impossible. As a result, the CSX and UPRR will use trains to shuttle relief crews to disabled trains with expired crews.

Omaha, NE is in the process of digging out from under 14 inches of snow and Chicago received around 7 inches. The heaviest snow will target Lower Michigan today.

Train movement through the Midwest and Northeast will obviously be very slow for the next 48 to 72 hours as the UP and CSX try to manage through the cold weather conditions. This reduction in network velocity will have critical asset (railcar / crews / locomotive) implications system-wide and will add to an already strained operating network. We will work to prioritize Pacer volume and to mitigate delays as best possible.

The Southeast also is bracing for heavy rain showers, particularly across Mississippi, Alabama, Louisiana and Georgia.

Yet another strong storm over the Pacific is expected to hit California Thursday night and last throughout the weekend, causing heavy rain, flooding and snow at higher elevations across the West. This will have a further negative effect on railcar and locomotive supply on the West Coast and Pacific Northwest; not to mention the overall train performance in this region. UP's Feather River Canyon between Portola, CA and Sacramento, CA is especially vulnerable to

rock slides which could potentially severely delay volume into Oakland and Stockton.

If you have any inquiries about your freight moving on the Pacer Stacktrain network, please contact our Customer Service Team.

Thank you.

Pacer Stacktrain Operations