

January 12, 2005 Electronic Bulletin No. 615 Re: Update on UPRR Temporarily Cancels Service To and From the Los Angeles Basin

To Our Valued Customer:

After completing aerial surveys of the various rail routes impacted by the latest heavy weather the UPRR is now projecting a two week time frame to restore the various damaged areas of their network. Upon reopening there will be certain limitations in place as long term work continues to bring the routes back to their full capabilities.

Based on the above the UPRR is exploring utilization of available BNSF routes as well as utilization of the former SPRR Golden State route and the Nor Cal corridor as much as possible to keep traffic moving.

CSXI has stopped accepting billing and will refuse to ingate intermodal shipments moving to or from any of the Los Angeles basin terminals via Chicago, Kansas City and St. Louis gateways as listed below.

Traffic moving between Southern California and Texas, as well as the Southeast via the New Orleans gateway or the Memphis gateway is not affected by the embargo.

CSX will work with UPRR to interchange volume that is enroute to the locations listed below. Volume moving on the Union Pacific to the Los Angeles Basin will be staged on line at crew change locations and is subject to inordinate delay.

We will continue to provide updates on the status of this service interruption.

The series of storms that hit California this week is having significant impact on Union Pacific's operations to and from the Los Angeles Basin, through the Sierra Nevada Mountains and the rest of California. As of today, January 11, 2005, 1200 PST/1300 MST/1400 CST/1500 EST UP has issued a temporary suspension of service to and from the following locations as a result of the weather-related service interruptions as detailed below:

East Los Angeles Global Gateway South City of Industry ICTF All on-dock facilities CSX Northeast points Chicago Kansas City Dupo/St. Louis Omaha/Council Bluffs Denver Salt Lake City

Regardless of billing, containers will not be allowed to ingate at the abovementioned UPRR facilities. UP anticipates the cancellation of service will be in effect for approximately 48 hours, dependent upon weather conditions.

Volume that is interchanged to the UPRR via rail from CSX Northeastern origin terminals will be held on line and subject to delay.

Pacer Stacktrain volume operating between Dallas, Memphis and the Los Angeles Basin is not restricted.

Washed out tracks, mud and rockslides over the tracks, and flooding have closed five of the main routes in that area. There is also signal damage along some of these routes. Recovery will be slow and will depend on weather as repair crews work in very difficult conditions. Snowfall of over 14 feet in some passes has slowed mountain operations as UPRR struggles to remove record amounts of snow.

Notice will be sent immediately when service is restored. Questions can be directed to our Customer Service Centers or your Pacer Stacktrain Business Development Representative.