



S T A C K F A C T S

September 13, 2005
Electronic Bulletin No. 696
Re: Hurricane Katrina: Update

Dear Valued Customer,

The following is an updated status report on the Pacer Stacktrain network and the relative effects of Hurricane Katrina.

Union Pacific Railroad:

Local New Orleans train service has been partially restored and is running into UP's Avondale Yard. UP is only able to operate during daylight hours, due to police-enforced curfews in the New Orleans area. UP is working with the Federal Emergency Management Agency (FEMA) to coordinate efforts on their transportation requirements.

UP continues to work with eastern carriers (CSX and Norfolk Southern) to keep commerce flowing as effectively as possible. The railroads collectively are coordinating the rerouting of approximately 14 trains that would normally interchange through the New Orleans gateway daily via St. Louis, Memphis and Chicago. These plans are allowing Pacer Stacktrain customers to continue to tender some traffic through the New Orleans interchange.

Embargoes issued on Monday, August 29 remain in place for any and all traffic destined to embargoed stations from the West Coast to Avondale (UP-New Orleans), Gentilly (CSX-New Orleans) and Mobile, AL (CSX). Such volume will not be accepted at ICTF and on-dock facilities. All affected railroads are updating their respective embargoes daily as repairs are made and customers' facilities become operational. Fortunately, bridge engineers inspected the Huey P. Long Bridge, which UP crosses to interchange traffic with the CSX and the NS in the New Orleans, and found no structural damage.

Customers should anticipate up to an additional 48 hours transit time on shipments being detoured through alternative gateways.

CSXT:

Work continues on CSXT's lines between Pascagoula, MS and New Orleans, LA which were damaged by Hurricane Katrina last week. Service remains suspended along that segment of the railroad.

CSXT's network between Mobile, AL and Flomaton, AL, and between Mobile and Pascagoula, MS, was restored over the Labor Day weekend. Service on these lines will resume after assessment of individual customers' track and equipment ensures that their shipments can be moved safely.

Traffic that would normally move into or out of New Orleans is being rerouted to other locations. CSXT is making every effort to expedite rerouted traffic while minimizing any additional administrative burdens on customers.

Pacer Stacktrain is coordinating operational design with all connecting railroads, as well as continuing communications with our customers and rail interchange partners to coordinate service restoration plans.

We appreciate your understanding and cooperation as we work to restore Pacer Stacktrain services in this devastated area. Pacer Stacktrain, in conjunction with our underlying service providers, is committed to minimizing delays as we move increased volumes over other connecting gateways. For now, our thoughts and prayers are with the victims of Katrina, and our focus is on restoring safe operations as soon as possible.

Pacer Stacktrain