



PACER STACKTRAIN

NEWS ALERT

March 8, 2001
Electronic Bulletin No. 164

ROAD SERVICE ANNOUNCEMENT # 2 ****(correction to Attachment A)***

To Valued customers and Trucking Community, effective April 1, 2001, Pacer will be implementing the attached road service policy. In no way will this affect the service you have come to depend on from Pacer. By having repair(s) done at the point of origin, rather than on the road, will insure that your cargo arrives in a timely manner, with no interruptions in service. Repairs done on the road delay arrival at your location. In an effort to improve our service to you we are implementing this road service policy.

The attached letter has gone out to ITC our Road Service Provider.



POLICY NOTICE TO ALL PACERSTACKTRAIN TRUCKING PARTNERS

8 March 2001

Dear Pacer Stacktrain Trucker:

As you know, in May of 1999 Pacer Stacktrain became an independent company separate and distinct from APL/NOL. While APL and Pacer are still working closely together and continue to share a chassis fleet, Pacer is initiating an independent and extensive program to better communicate and work with our motor carrier partners across our North American Network. We at Pacer Stacktrain recognize that the trucking companies that serve our end customers are an important link in our service network and we are committed to working with you to improve our joint processes to try to become more seamless and more efficient over time.

As part of the process to improve the quality and control of our fleet of over 20,000 containers and 20,000 chassis, Pacer has built a new equipment organization that will include four regional equipment teams. A Regional Equipment Manager will run each regional team. The table below provides a list of all the Regional Equipment Managers and their contact information. The Regional Equipment Managers are responsible for working with the Pacer operating partners (Truckers, CY's, Rail Ramps) in their own region to ensure that there is a clear understanding of Pacer's equipment handling requirements and policies and to get feedback from you about how well we are working together as a team and where we might find ways of improving.

Region	Name	Phone Number	e-mail
Eastern	Robin Harty	(973) 465-5929	robin_harty@pacerstack.com
Southern	Mike Howie	(770) 395-8201	mike_howie@pacerstack.com
Midwest	Mike Compagno	(630) 572-6505	mike_compagno@pacerstack.com
West	Dale Tedford	(714) 429-7175	dale_tedford@pacerstack.com

Pacer is initiating several efforts to enhance the effective management of our fleet and improve the efficiency of our operations. We are committed to treating all of our trucking partners in a fair and responsible manner, and expect the same in return. The terms and conditions laid out in our UIIA interchange agreement essentially establish the

rules of engagement between us as business partners. Over the next few months, Pacer will be re-establishing the following four processes:

- 1) Expediting Out-Gate Equipment
- 2) Billing and Collecting for Third Party Damages
- 3) Re-Issuing our Out-Gate Maintenance & Repair Policy – including the use of third party road service providers
- 4) Beginning a re-design effort for our Per Diem Billing System

We have begun billing for 3rd party equipment damage on a current basis starting January 1, 2001, and we will uphold the terms and conditions of the UIIA interchange agreement. If your drivers are exiting a rail or CY facility with a damaged piece of equipment, they will be required to have that damage noted on the interchange documentation at the gate if you are to be protected from future damage rebilling from Pacer. If you have any problem getting a gate operator to comply with listing existing damages, you should have your dispatch office immediately call your Regional Equipment Manager and report the incident, location, time of day, gate operators name (if possible), equipment unit numbers (chassis and container) and the damages noted. If there is a clean outgate record and the equipment is returned with damages, you will be liable for the cost of repairing such equipment subject to the conditions described in Attachment A to this letter.

Pacer is committed to treating our trucking partners with respect and integrity. This is not a program intended to transfer our costs to our trucking partners. However, if you damage Pacer Equipment while it is in your possession, you will be responsible for the cost of the repairs. If your customer damages the equipment, you will be responsible for recollecting from them. Pacer spent \$6.3 million dollars in non-owner damages to our equipment in the past 9 months. This is not a sustainable or a responsible way for us to conduct our business. We must demand that the people who handle our equipment do so in a careful and responsible manner and take responsibility for the cost of repairing that equipment when they do accidentally damage it.

We believe open dialogue is the only way to foster improvements in our collective processes, and we welcome your comments and feedback. Please feel free to contact your Regional Equipment Manager or me if you have any questions, concerns or suggestions.

Sincerely,

Adriene Bailey
Executive Vice President Equipment
Pacer Stacktrain

Attachment A

Emergency Road Service Policy

Emergency Road Service is provided by ITC at 1 *800. 265. 6920. This service is provided as an added benefit to our customers to ensure that their freight is not delayed due to a mechanical failure of our equipment.

It is the expectation of Pacer Stacktrain that any piece of equipment that is pulled from a yard, should be in good working order, safe and loadable condition.

Pacer will provide no out-gate repair assistance under the following circumstances:

- 1) The equipment has been outgated less than 8 hours prior to the inbound call and the current driver location is within the metropolitan city limits (approximately 30 miles) of the out-gate ramp.**
- 2) If the equipment has been out-gate more than 15 days.**

If neither of the above conditions are met, Pacer will provide road-side emergency service for the following items only:

- 1) Brakes**
- 2) Tires**

All other repairs will be to the account of the out-gate trucker. If damage that was not visible before is noted after the unloading of a box

(floors or roof for example), the trucker should call or email the regional equipment manager with a description of the damage and shipper location where the box was unloaded and bring the box back to the ramp where it was outgated. In this case, the damage charges will be relieved with proper notification by the trucker. Damage that was clearly caused at or by a shipper will be to the truckers account (example, bent dolly legs).