



# PACER STACKTRAIN

NEWS ALERT

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## ***FUEL SURCHARGE ANNOUNCEMENT***

Dear Pacer Stacktrain Customer:

Effective Monday, March 20, Pacer Stacktrain will implement a Fuel Surcharge (FSC) program.

In circumstances such as the recent run-up in diesel fuel costs, Pacer Stacktrain experiences increases through cost escalation provisions contained in the various railroad contracts to which it is party. While these agreements are proprietary and confidential, and we cannot divulge the cost adjustment methodologies, we can say that the Pacer Stacktrain cost experience will closely mirror that of a railroad intermodal operation.

The initial FSC application effective Monday, March 20, will be at 3.0%. The FSC will apply on all domestic shipments handled in the Stacktrain network and will be shown on the face of the invoice as a separate FSC dollar amount.

The fuel surcharge calculation methodology will be based on the weekly National U.S. Average Diesel Fuel Price Index published by the Department of Energy (DOE). (See: <http://www.transportlink.com/doe/doe.html>) The Pacer Stacktrain Fuel Surcharge (FSC) will be adjusted monthly, with the first adjustment to be effective on Monday, May 1, based on the DOE fuel price index value on the previous Monday, April 24. The Pacer FSC

calculation will take the difference between the current DOE fuel price index and \$1.10/gallon, (the index value on July 5, 1999), divide the difference by 10, divide this result by \$1.10, (the base index value), and then multiply by 100 to achieve the final Fuel Surcharge amount

in percentage terms. Subsequent monthly adjustments will take place on the first Monday of each month based on the DOE fuel price index on the previous Monday. When fuel prices return to the \$1.10/gallon baseline level, the Pacer fuel surcharge will be canceled.

If you have any questions regarding this notice, please contact your Pacer Stacktrain business development representative.