



S T A C K
F A C T S

August 30, 2005
Electronic Bulletin No. 693
Re: Hurricane Katrina: Update 2

Dear Valued Customer:

Hurricane Katrina made landfall early Monday morning, August 29th, in the Gulf Coast near New Orleans, LA., as a Category 4 Hurricane with winds near 140-mph and very heavy rain. Residential and commercial power outages are common through inter coastal cities in Louisiana, Alabama and Mississippi, and many of the local city streets and highways are flooded or blocked by debris; in some cases entire neighborhoods are submerged under water. Given the severity of the storm, many locations can't yet dispatch emergency crews. As this once powerful hurricane continues to move toward the northeast and weakens to tropical storm status and less, heavy rain and high winds are expected to negatively affect other parts of Alabama and Tennessee.

All railroads in the greater New Orleans area have experienced various degrees of damage in initial reports of inspection. However, more thorough inspections will continue tomorrow and we won't know the full extent of damage until all lines have been inspected. Some sections of rail right of ways are under water and some damage to bridges and other structures has been reported. It is unknown at this time when any rail routes will reopen in the New Orleans area. Alternate interchange gateways in St. Louis and Memphis are being used to the extent possible dependent upon route capacity and crew availability.

Effective 1600 CDT, Monday August 29, the UPRR issued an embargo for any and all volume from Los Angeles to Avondale (UPRR - New Orleans), Gentilly (CSX - New Orleans) and Mobile, AL. Such volume will not be accepted at ICTF and on-dock facilities. All Southeast volume other than the aforementioned will be allowed to ingate and operate via alternative routes. The CSX issued a similar embargo earlier today for any and all volume from Southeast to Gentilly and Mobile.

The UPRR has initiated a temporary operating plan that will operate an Atlanta and Charlotte destined train one day from Los Angeles origins and other Southeast destined freight the next and so on until conditions stabilize at New Orleans.

Expect additional 24-48 hour delays to volume operating between the Southeast and the West Coast as a result of alternative routing and subsequent congestion on such routes.

Additional information and updates will be made available each day.

Thank you,

Pacer Stacktrain