



S T A C K F A C T S

September 1, 2005
Electronic Bulletin No. 695
Re: Hurricane Katrina: Update 3

Dear Valued Customer:

As you know, much of the area around New Orleans has been severely damaged due to high winds and subsequent flooding caused by Hurricane Katrina. Many of the coastal cities in Louisiana, Alabama, and Mississippi have sustained damage to their infrastructure; and it could take up to six months to return the infrastructure to normal conditions. While the UPRR suffered minimal track and structure damage to their track structure on the west side of New Orleans, the CSX incurred much greater damage and has initially reported approximately 25-30 miles of severe track and structure damage, which could take months to repair and restore.

The New Orleans Gateway, supporting all Pacer Stacktrain services operating between the Southeast and the Los Angeles area, will be out of service until further notice. All train operations through New Orleans have been suspended. Those trains that were already headed to the New Orleans Gateway and had already departed their respective origins prior to Katrina making landfall, are being staged on line and/or diverted over alternate gateways.

To help manage the situation, the UPRR will operate an Atlanta and Charlotte destined train one day from Los Angeles origins, and other Southeast (Florida) destined freight the next day via the St. Louis Gateway until further notice. CSX will operate a City of Industry destined train one day and ICTF/Harbor destined train the next day via the St. Louis Gateway until further notice.

The embargo for volume from Los Angeles originating terminals to Avondale (UPRR - New Orleans), Gentilly (CSX - New Orleans), and Mobile, AL will remain in effect until further notice. The CSX embargo for Southeast originating freight destined to Gentilly and Mobile will remain in effect until further notice as well.

Expect 24-36 hour delays to trains operating between the Southeast and Los Angeles as a result of alternative routing via the St. Louis Gateway.

We appreciate your continued patience during this especially difficult time.

Pacer Stacktrain