



PACER STACKTRAIN

NEWS ALERT

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Pacer Stacktrain's Revised Policy on Prohibited and Restricted Commodities

In an effort to more clearly state our policy regarding those commodities which Pacer Stacktrain will accept for rail transportation on its service network the information in this communication should be used for reference.

Pacer Stacktrain's principal railroads set forth in their Circulars their Restricted and Prohibited Commodities. See CSX Directory No. 1 and UPRR Exempt Circular 20-B. However, since the railroads may add or delete commodities to/from these lists, it is essential that the Contract Holder obtain all updates to these listings. If the Contract Holder has any question regarding an item, the Contract Holder should communicate with the proper railroad(s) directly to determine if the item is restricted by the railroad(s). However, if a railroad has reclassified a previously restricted commodity as unrestricted, the Contract Holder must still follow the process set forth below (under Restricted Commodities) since the commodity may still be restricted on the Pacer Stacktrain network. In addition to the Prohibited and Restricted commodities published by Pacer's principal railroads, Pacer Stacktrain will maintain its own exceptions as outlined below:

Pacer Stacktrain Prohibited Commodities

Although Pacer's underlying rail carriers do allow the following commodities to be shipped, Pacer will not accept the following commodities for transportation on the Pacer Stacktrain network under any circumstances:

1. - Hazardous Wastes (as described in Title 40, CFR, Part 261)
2. - The following hazardous materials, described in the BOE Tariff 6000 series:

Liquid corrosive materials, in excess of 25% of total wt Explosives, Class 1.1, 1.2, or 1.5

Nitrostarch, wet or dry

Radioactive materials (as described in Item UFC6000-A)

Sodium compounds (as covered by Stcc28-123 of STCC Tariff 6001-K)

3. - Metal Coils (Coiled Metal Products of any kind)

In the event the contract holder tenders a prohibited article, the contract holder will thereby assume all liability and indemnifies Pacer Stacktrain, its underlying rail carriers or any third party for any loss, damage or injury to person or property, sustained by Pacer Stacktrain including all claims, lawsuits, fines, judgments, penalties, and other costs arising out of such damage or injury.

Pacer Stacktrain Restricted Commodities

Pacer's participating rail carriers will only accept certain commodities in rail service if prior arrangements are made and specific rates are available. these commodities are therefore "restricted".

In addition to those commodities restricted by the railroads, Pacer Stacktrain has restricted certain other commodities on the Pacer Stacktrain. These commodities are as follows:

1. - Scrap Metal (in any form)
2. - Spools (cable, wire, etc.)

If the Contract Holder wishes to ship a commodity which has been restricted by either the railroads or by Pacer, the Contract Holder must do the following:

- a) Complete the Restricted Commodity Form (following this msg) and fax it to the Director of Pricing, Pacer Stacktrain, at 510-272-8915.

b) Receive written approval from the Director of Pricing, Pacer Stacktrain, allowing the Contract Holder to tender the restricted commodity and setting the rate for that restricted commodity before the Contract Holder tenders the commodity to Pacer Stacktrain for shipment on the Pacer Stacktrain network. This written approval may require the Contract Holder to comply with certain packaging and/or loading requirements.

In the event the contract holder tenders a restricted article prior to the above mentioned approval process, the contract holder will thereby assume all liability and indemnifies Pacer Stacktrain, its underlying rail carriers or any third party for any loss, damage or injury to person or property, sustained by Pacer Stacktrain including all claims, lawsuits, fines, judgments, penalties, and other costs arising out of such damage or injury.

Please advise all appropriate personnel of this announcement. If you have any questions regarding this matter, contact your local Customer Support, Business Development or Pricing Representative for Pacer Stacktrain.