



The American Companies

"News Flash"

June 17, 2008

Midwest Flooding Causing Damage, Delays and Traffic Embargoes

Please make note that due to severe weather and damaging floods in the Midwest, the Union Pacific's rail network is advising that it will issue embargoes for traffic moving across certain parts of their east-west main line across Iowa as a result of limited rerouting capabilities.

The rainfall and damage which is noted to be within parts of Minnesota, Iowa, Illinois, Nebraska, Missouri, Wisconsin and Kansas has resulted in river flooding that has washed out or weakened bridges and large sections of main line track. At this time, the most significant impact of the flooding on the Union Pacific system is in the state of Iowa where the most flooding and damaged has occurred in up to almost 100 counties and many that have already been declared disaster areas.

The Union Pacific has noted that this will likely impact points west of Beverly, Iowa (which is located west of Cedar Rapids) and moving to points east of Beverly, Iowa including traffic interchanged over the Chicago gateway. It has been noted that the embargoes could be anticipated for up to a week and that future weather conditions will be the ultimate factor as to when the embargo will be lifted.

In the mean time, the BNSF has advised it is rerouting trains as necessary. This of course will cause delays as a result and increase congestion within the network. It is being reported that the BNSF is expecting such conditions to last between 72 and 96 hours.

The BNSF has reported closing their east-west main line across southern Iowa due to the flooding at Ottumwa. Flooding on the Mississippi River has also closed the east-west line via Quincy, IL with main lines out of service at locations between Burlington, Iowa and St. Louis and also between St. Louis and Memphis, TN.

*Please also be reminded that for shipments that have not yet reached the port of discharge on the West Coast and within the appropriate diversion window of the steamship line, that we can offer an expedited container trans-load and inland truck service with our **American Domestic Cargo** division if you require expedited service.*

We will keep you advised of the situation and please feel free to contact your local branch office or sales representative if you have any further questions or need expedited service.

Sincerely,

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