

ties - REGIONAL HARDWOOD HISTORICAL PRICE TREND LINES

| CLASS 1 RR CONSOLIDATED MONTHLY TIE REPORT | | | | | |
|---|-------------------|-------------------------------|------------------|-----------------------------------|-------------------|
| Source: BNSF, CN, CP, CSX, NS, UP | | Class I Inventory Commitments | | Class I Black Tie Demand Estimate | |
| | | Black Tie | Green Tie | 6 Month | 12 Month |
| 4th Quarter 2001 Oct/Nov/Dec Averaged | Eastern Division | 244,189 | 2,915,336 | 2,969,333 | 5,390,000 |
| | Western Division | 962,694 | 4,950,721 | 3,111,257 | 6,026,958 |
| | Canadian Division | 80,076 | 1,001,014 | 813,333 | 1,533,333 |
| | Total | 1,286,959 | 8,867,071 | 6,893,924 | 12,950,291 |
| 1st Quarter 2002 Jan/Feb/Mar Averaged | Eastern Division | 139,219 | 2,968,726 | 3,144,924 | 6,000,000 |
| | Western Division | 998,870 | 4,872,585 | 3,405,616 | 5,938,855 |
| | Canadian Division | 157,332 | 961,744 | 897,367 | 1,461,667 |
| | Total | 1,295,420 | 8,803,055 | 7,447,907 | 13,400,521 |
| 2nd Quarter 2002 Apr/May/June Averaged | Eastern Division | 40,259 | 2,786,743 | 3,066,667 | 6,000,000 |
| | Western Division | 753,099 | 4,571,105 | 2,757,672 | 6,059,346 |
| | Canadian Division | 94,766 | 820,760 | 505,067 | 1,500,000 |
| | Total | 888,124 | 8,178,608 | 6,329,406 | 13,559,346 |
| July 2002 | Eastern Division | 87,465 | 2,763,225 | 2,950,000 | 6,000,000 |
| | Western Division | 631,108 | 4,482,974 | 2,502,229 | 5,480,745 |
| | Canadian Division | 66,990 | 851,760 | 345,000 | 1,600,000 |
| | Total | 785,563 | 8,097,959 | 5,797,229 | 13,080,745 |
| August 2002 | Eastern Division | 111,616 | 2,564,331 | 3,000,000 | 6,000,000 |
| | Western Division | 798,843 | 4,437,528 | 2,785,349 | 6,329,838 |
| | Canadian Division | 48,852 | 764,847 | 400,000 | 1,600,000 |
| | Total | 959,311 | 7,766,706 | 6,185,349 | 13,929,838 |
| September 2002 | Eastern Division | 144,171 | 2,684,401 | 3,000,000 | 6,000,000 |
| | Western Division | 1,023,528 | 4,424,241 | 2,941,801 | 6,371,081 |
| | Canadian Division | 32,457 | 852,669 | 450,000 | 1,610,000 |
| | Total | 1,200,156 | 7,961,311 | 6,391,801 | 13,981,081 |
| October 2002 | Eastern Division | 104,551 | 2,697,459 | 3,000,000 | 6,050,000 |
| | Western Division | 1,382,710 | 4,594,233 | 2,927,795 | 6,201,137 |
| | Canadian Division | 39,146 | 935,735 | 500,000 | 1,610,000 |
| | Total | 1,526,407 | 8,227,427 | 6,427,795 | 13,861,137 |
| November 2002 | Eastern Division | 156,321 | 2,817,107 | 3,000,000 | 6,000,000 |
| | Western Division | 1,540,596 | 4,725,419 | 3,468,237 | 6,419,215 |
| | Canadian Division | 88,991 | 1,058,616 | 750,000 | 1,570,000 |
| | Total | 1,785,908 | 8,601,142 | 7,218,237 | 13,989,215 |

| RTA MEMBER TIE PRODUCTION & INVENTORY | | | | | | | | | | |
|--|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|
| | 1998 | | 1999 | | 2000 | | 2001 | | 2002 | |
| | Prod. | Inven. | Prod. | Inven. | Prod. | Inven. | Prod. | Inven. | Prod. | Inven. |
| JAN | 1,363 | 10,283 | 1,507 | 13,549 | 1,151 | 14,263 | 1,128 | 13,811 | 1,446 | 13,057 |
| FEB | 1,438 | 10,340 | 1,597 | 13,519 | 1,103 | 14,153 | 1,117 | 13,839 | 1,399 | 13,118 |
| MAR | 1,556 | 10,018 | 1,854 | 13,633 | 1,059 | 13,750 | 1,274 | 13,719 | 1,312 | 12,760 |
| APR | 1,653 | 10,220 | 1,320 | 13,511 | 1,038 | 13,129 | 1,109 | 13,398 | 1,370 | 12,482 |
| MAY | 1,487 | 10,182 | 1,267 | 13,750 | 1,191 | 13,002 | 1,363 | 13,009 | 1,359 | 11,996 |
| JUN | 1,746 | 10,244 | 1,539 | 13,981 | 1,218 | 12,636 | 1,213 | 12,427 | 1,401 | 11,735 |
| JUL | 1,752 | 10,273 | 1,189 | 13,972 | 1,036 | 12,143 | 1,267 | 12,315 | 1,533 | 11,751 |
| AUG | 1,799 | 10,568 | 1,363 | 14,008 | 1,385 | 12,177 | 1,414 | 12,108 | 1,647 | 11,602 |
| SEP | 1,954 | 11,264 | 1,251 | 14,178 | 1,280 | 12,740 | 1,147 | 12,114 | 1,611 | 12,006 |
| OCT | 1,938 | 11,798 | 1,187 | 14,089 | 1,394 | 13,174 | 1,415 | 12,382 | 1,893 | 12,927 |
| NOV | 1,664 | 12,715 | 1,175 | 14,086 | 1,239 | 13,473 | 1,226 | 12,764 | 1,370 | 13,174 |
| DEC | 1,749 | 13,284 | 1,007 | 13,900 | 888.7 | 13,648 | 1,284 | 12,624 | | |

(In thousands of ties)
 NOTE: This report is compiled from non-duplicating information furnished by major railroads and supplier companies.

CROSSTIE PRODUCTION REPORT (TRENDS) • OCTOBER 2002 - NOVEMBER 2002

| Territory | Reporter | TIE LOG SUPPLY | | COMPETITIVE PRODUCTS DEMAND | | | | PRODUCTION OUTLOOK | | |
|-------------------------|-------------------|----------------|--------------|-----------------------------|--------------|-------------------|--------|--------------------|--------------|--------------|
| | | Quantity | Comment | Pallet Lumber | Paper Prods. | Lumber #2-3 Comm. | Export | Stumpage | Tie Logs | Crossties |
| Arkansas | Donnie Ellis | Greater | Fair Weather | Same | Same | Up | Same | Satisfactory | Satisfactory | Shortage |
| E. Texas & W. Louisiana | David Roberts | Lesser | Very Wet | Up | Up | Up | Up | Shortage | Shortage | Shortage |
| Kentucky & Tennessee | Paul D. Ladd | Lesser | Rainy | Up | Same | Up | Up | Shortage | Shortage | Satisfactory |
| Lake States | Steve L. Hanson | Lesser | Warmer | Up | Same | Up | Same | Satisfactory | Satisfactory | Shortage |
| Mississippi | Will Cumberland | Lesser | Wet | Down | Same | Up | Same | Satisfactory | Shortage | Shortage |
| Missouri | Jim Smith | Lesser | | Up | Down | Up | Same | Satisfactory | Shortage | Shortage |
| New England | Donald Ponko | Lesser | Very Wet | Down | Up | Same | Same | Satisfactory | Satisfactory | Shortage |
| Ohio & West Virginia | Gerry Roskovensky | Lesser | Rain/Snow | Up | Up | Up | Same | Satisfactory | Shortage | Satisfactory |
| Pacific Northwest | Gene Dodson | Same | Good | Down | Same | N/A | Up | Satisfactory | Satisfactory | Shortage |
| Pennsylvania | Greg Rishell | Lesser | Very Wet | Up | Up | Up | Up | Satisfactory | Shortage | Shortage |
| Virginia | Lewis Hamilton | Lesser | | Up | Up | Up | Same | Satisfactory | Shortage | Shortage |

Quotes:

Roberts: Wet weather started a month early; most mills will be out of logs by end of January.

Ladd: The effects of October and November rainfall caught up with logging.

Hanson: Logging conditions improved the last week of November, but then we had deer hunting season and Thanksgiving to deal with.

Ponko: Log market is tightening. Weather will dictate production over next three months.

Roskovensky: Severe cold spells in late November and December should create better logging conditions and, thus, more tie logs.

Rishell: Wet weather has severely lowered log inventories.

Hamilton: Logs are low at most mills.

HOUSING STARTS AND BUILDING PERMITS

| (All Numbers in 000's) | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| HOUSING STARTS | 2002 | 2002 | 2002 | 2002 | 2002 | 2002 | 2002 | 2002 | 2002 | 2002 | 2002 | |
| Housing Units (1) | 1,678 | 1,679 | 1,646 | 1,555 | 1,733 | 1,672 | 1,649 | 1,609 | 1,843 | 1,603 | 1,697 | 1,570 |
| Single Family (1) | 1,345 | 1,457 | 1,303 | 1,270 | 1,389 | 1,350 | 1,321 | 1,252 | 1,477 | 1,350 | 1,390 | 1,293 |
| This Year-To-Date (2) | | 233.5 | 342.1 | 447.9 | 563.7 | 676.2 | 786.3 | 890.6 | 101.4 | 112.7 | 124.2 | 1,603 |
| Last Year-To-Date (2) | | 274.8 | 409.3 | 541.5 | 676.6 | 807.3 | 937.1 | 1,067 | 1,194 | 1,323 | 1,461 | 1,594 |
| Percentage Change YTD | | 7% | (11%) | (2%) | 9.6% | 2.4% | (.9%) | 18.2% | 4.4% | (7%) | 0.9% | (3%) |
| BUILDING PERMITS | | | | | | | | | | | | |
| Housing Units (1) | 1,706 | 1,752 | 1,599 | 1,634 | 1,674 | 1,700 | 1,698 | 1,669 | 1,727 | 1,763 | 1,725 | 1,653 |
| Single Family (1) | 1,329 | 1,371 | 1,238 | 1,268 | 1,267 | 1,289 | 1,275 | 1,300 | 1,339 | 1,366 | 1,372 | 1,249 |
| This Year-To-Date (2) | | 225.0 | 328.2 | 433.8 | 539.4 | 646.8 | 753.1 | 861.4 | 973.0 | 108.7 | 120.1 | 1,612 |
| Last Year-To-Date (2) | | 280.6 | 415.2 | 549.3 | 684.4 | 822.6 | 961.2 | 1,089 | 1,220 | 1,343 | 1,473 | 1,570 |
| Percentage Change YTD | | 3% | (10%) | 2% | .7% | 5.1% | 6.0% | 3.2% | 1.7% | 2% | 0.1% | 3% |

Source: U.S. Dept. of Commerce, Economics and Statistics Administration (1) Figures are the seasonally adjusted annual rate

(2) Figures are actual total housing units



January/February 2003