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December 7, 2007

R. S. Knutson General Chairman, UTU 8250 W. 80<sup>th</sup> Ave The Meadows Centre, Units 7 & 8 Arvada, CO 80005 J.D. Fitzgerald General Chairman, UTU The Academy, Suite 217 400 E. Evergreen Blvd. Vancouver, WA 98660 T.R. McAdams General Chairman, UTU RR 1, Box 73CC Teague, TX 75860

C. E. Walsh General Chairman, UTU 1551 Indian Hills Dr., Suite 104 Sioux City, IA 51104 R.D. Kerley General Chairman, UTU 3856 W. Chestnut Expressway Springfield, MO 65802

Dear Sirs.

This is in reference to our discussions regarding the placement of new employees in active service once they have successfully completed the formal conductor/foreman/hostler training program. Due to the inconsistency in which this process has been handled at the local level, it was determined that there exists a need to standardize the procedure.

The present agreement provides that new employees must undergo a minimum of fifteen (15) weeks of training; the exceptions being if the employee has had previous experience (Side Letter No. 15) or additional training is required (up to four weeks). Within this period, it was further contemplated that employees are required to be available six (6) days of each calendar week (Monday through Sunday).

Therefore, once the employee has successfully completed the requisite amount of training and is released from the program, it is agreed:

1. The employee will be afforded 48 hours from the time they are released from the program in which to place in active service within the subdistrict they were trained. An employee not subject to Side Letter No. 15 may be released from the program prior the end of the requisite training period but no later than Friday of the fifteenth week.

In any event, the employee may mark up prior to the expiration of the 48 hours, but will be compensated for all service performed in addition to their training pay through the end of the fifteenth week.

- 2. An employee who is required to complete additional training, or one who qualifies for reduced on-the-job training under Side Letter No. 15, will be afforded 48 hours from the time they are released in which to place in active service within the subdistrict trained. In this event, the employee will be compensated under the training agreement through and including the day in which released.
- 3. Should an employee be unable to hold a position in active service within the subdistrict training, they will be subject to that property's existing rules for placement but will be granted no less time to mark up than provided in Items 1 and 2, above.

Sincerely,

MH Siegele

Accepted:

General Chairman, UTU

General Chairman, UTU

R.D. Kerley

General Chairman, UTU

C.E. Walsh

General Chairman, UTU

General Chairman, UTU