



PAN AM RAILWAYS

Iron Horse Park
NO. BILLERILCA, MA. 01862

November 14, 2008

Mr. John Brown
General Chairman-BLET/IBT
413 Mutton Lane
Clinton, ME 04927

RE: Designated Supervisor of Locomotive Engineers (DSLE)

Dear Mr. Brown;

This will confirm understanding reached between the parties, regarding the Carrier's desire to establish Designated Supervisor of Locomotive Engineers positions consistent with the provisions of CFR 49, Parts 240.105 and 240.127.

It is understood that pursuant to the terms and conditions of this understanding and CFR 49, Part 240.105 (a), (b, 1, 2, 3, 4), the Carrier has the right to select qualified volunteers on an as needed basis, from the ranks of duly rostered Locomotive Engineers, to serve as DSLE's.

DSLE's will be expected to examine the skill performance of Locomotive Engineers consistent with the provisions of CFR 49, Part 240.127, perform physical characteristics testing and conduct rules classes for Locomotive Engineers.

It is understood that DSLE's will be required to maintain the requisite qualifications necessary to perform these duties and may be disqualified as a DSLE by the Carrier at any time.

DSLE's will be compensated consistent with the terms set forth herein, unless otherwise agreed to by the parties in writing.

The Carrier agrees that if a DSLE's is required to lose time from his regular assignment, he will be made whole for all lost earnings. DSLE's performing service as such on any day his regular assignment was not scheduled to work or is regularly employed on a Spare Board, will be compensated for all time consistent with the terms and conditions of ST/BLET Collective Agreement, unless otherwise provided for herein.

DSLE's will receive a two hour training payment, consistent with Article 6.8 of the ST/BLET Agreement, for each day that he performs duties as such and will also be provided with suitable lodging when necessary at Carrier expense and reimbursed for reasonable and necessary meal expenses on days he performs service as a DSLE.

DSLE's will be allowed Travel Mileage Allowance and Personal Auto Expense for all mileage from their home terminals to the work location and return.

It is understood that DSLE's will not be compensated for any time lost that is not a direct result of performing DSLE duties for the, Carrier.

The Carrier will notify the General Chairman in writing of the name of any Locomotive Engineer selected by the Carrier to perform service as a DSLE.

It is understood that this agreement does not preclude the Carrier from using qualified management employees to perform the duties of a DSLE.

Finally, it is understood that either party to this understanding has the right to withdraw from this DSLE agreement by issuing a thirty-30 day written notice to the other party, signifying its desire to terminate the agreement.

Please indicate your concurrence by signing below.

Very truly yours,

Anthony F. Lomanto
D. L. R. Pan Am Railways

John D. Brown
Brotherhood of Locomotive Engineers
& Trainmen / IBT