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January 3, 2008

To All South Buffalo Railroad Company Carmen Employees represented by the Brotherhood Railway Carmen/TCU

Dear Sirs and Brothers:

Richard A. Johnson

General President

As a result of our Section 6 Notice that was filed with the South Buffalo Railway Company, your Negotiating Committee has now reached a tentative agreement, a copy of which you will find enclosed.

You will note that there are no changes to the current work rules.

Effective upon ratification, the rate of pay would be increased to \$18.50 per hour. Effective January 1, 2009, the rate of pay would increase 3%, which would increase the rate of pay for a Carman to \$19.05 per hour. The rate of pay would be increased by 3% January 1, 2010, which would increase the rate of pay for a Carman to \$19.63. The rate of pay would increase to 4% in January 1, 2011, which would increase the rate of pay for a Carman to \$20.41. Appendix A to the Agreement reflects these wage increases.

Under Health and Welfare you will note that the current health care HMO Plan has been replaced by Genesee & Wyoming Inc. Medical PPO Plan (Medical, Dental and Eye Care) benefits as provided to other Genesee & Wyoming employees. The Carrier has agreed to provide a representative from their Human Resource Department to meet with the employees on Tuesday, January 8, 2008, at 2:30 p.m. at the diesel shop, at which time they will explain the plan and answer any questions you may have. They have also advised that they will provide a contact persons name and telephone number that the employees will be able to contact about future questions. The carrier has agreed to a cap of \$50.00 for the duration of the contract.

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The carrier has agreed that all full time employees covered by this agreement who were employed before January 1, 2006 will receive a \$2,000.00 Signing Bonus within 30 days after ratification of the Agreement. Full time employees who were hired after January 1, 2006 will receive a pro rated portion of the signing bonus based on the number of months worked after January 1, 2006.

I am requesting that you carefully read the enclosed tentative agreement in its entirety before making your decision as to whether or not to vote for ratification. I believe you will find that this agreement significantly increases your wages without a change in the work rules and provides a reasonable Health and Welfare Package with a cap of \$50.00 for the period of the contract, along with a \$2,000.00 dollar signing bonus to be paid within 30 days after ratification. I am recommending that you vote to approve this agreement.

Enclosed you will find a ballot for your vote and a self-addressed, postage paid envelope to return your ballot. The ballots will be counted on January 15, 2008 at noon.

With best wishes, I remain

Fraternally yours,

General President

RAJ/sjm enclosures

cc: Jack Wright
Roger Cain
David Fancher
David Barnard