

ARTICLE 29
GRIEVANCE ADJUDICATION PROCEDURE

Section 1. A grievance is a dispute, claim or complaint involving the interpretation or application of the written terms of this Agreement.

Section 2. The Company agrees that the provisions of this Agreement and all rules and regulations controlling working conditions and benefits for members of the bargaining unit as defined in the context of this Agreement, will be administered fairly and equitably.

Section 3. It is specifically agreed that in the event any disputes arise out of the interpretation or application of this Agreement they shall be settled by means of the procedure set out herein. No such grievances shall be recognized unless called to the attention of the Company by either the Union or an employee, or to the attention of the Union by the Company within FIVE (5) working days after the alleged violation occurred or becomes known. Grievances shall be settled according to the following procedure:

Step One: Either the aggrieved employee or the Union shall present the grievance in writing (stating the nature of the dispute, the specific article and section of the Agreement related to the dispute, the facts surrounding the dispute and the remedy sought) to the affected Production Manager within FIVE (5) working days of the time when the aggrieved Party reasonably should have known about the incident giving rise to the complaint. The aggrieved employee may request the assistance of the Shop Steward in presenting his complaint. The grievance will be investigated and an answer given to the grieving Party within FIVE (5) working days after receipt of the grievance.

Step Two: If a satisfactory settlement is not reached at Step One, the grievance shall be referred in writing to the Industrial Relations Manager within TEN (10) working days after receipt of the Step One results. The Industrial Relations Manager shall, within FIFTEEN (15) working days, meet/confer with the General Chairman or his designated representative in an effort to resolve the dispute. Within TEN (10) working days after this meeting or discussion the Industrial Relations Manager will notify the General Chairman or his designee in writing of the Company's decision.

Step Three: If a satisfactory resolution is not reached at Step Two, either Party may, within FIVE (5) working days after receipt of the Step Two answer, request that the matter be settled by final and binding arbitration as provided herein. Such notification shall identify the Party's representative who will present the case in arbitration.

Upon notification of a Party's desire to arbitrate a grievance to the other, the Parties shall jointly, within FIVE (5) working days of the receipt of notification, request a list of seven (7) qualified arbitrators from the Federal Mediation and Conciliation Service. The representative to strike first will be chosen by lot. Each Party shall alternately strike a name until only one (1) remains and that person shall then serve as arbitrator. The Parties shall request that the award of such arbitrator be issued, in writing, within TEN (10) calendar days of the hearing and the decision of the arbitrator shall be final and binding on all Parties

The impartial arbitrator shall only have jurisdiction and authority to determine the meaning, application of, or compliance with the provisions of this Agreement and shall not have jurisdiction or authority to add to or detract from, amend, modify or alter in any way the provisions of this Agreement or its intent. The expense of the impartial arbitrator shall be borne equally between the Parties. Each Party shall bear its own expenses of arbitration.

Section 4. The time limits specified in any step of the Grievance Procedure may be extended by mutual written agreement of the Parties. Holidays and regular assigned days off of the Company representative, Union representatives or the employee involved will extend the time limits set forth in this Article. However, failure to process a grievance, or failure to respond in writing within the time limits provided above, without a mutually agreed to extension of time, shall be deemed a waiver of such grievance to the other without prejudice, or without precedent to the processing of and/or resolution of like or similar grievances or disputes. A "waiver of such grievance" is defined as follows: If the Union fails to comply with the time limit provisions the grievance will be closed. If the Company fails to comply with the time limits the grievance shall be granted with appropriate relief. In order to encourage the resolution of disputes and grievances at Step One of this Grievance Procedure, the Parties agree that such settlements shall not be precedent setting.

Section 5. It is understood that any grievance concerning an employee suspension or discharge will automatically proceed to Step Two of this grievance procedure for resolution.

ARTICLE 30 UNION REPRESENTATION

Section 1. Authorized representatives of the Union will be granted access to the plant work areas. Union representatives shall notify the Director of Human Resources or Production Manager and follow the Company's sign-in and safety procedures prior to entering the plant work areas.

Section 2. The Union agrees there will be no interference with group or individual work efforts during such plant visits. The Company, upon proper request, will also make the lunchroom or other appropriate areas available for Union representatives to visit with employees during lunch or break periods.

Section 3. The Company will recognize the local Union President and all Division and Shop Stewards, selected from employees within the bargaining unit, for each shift being operated at each separate Company facility. The number and area of jurisdiction of Stewards can be changed as the need arises. If a Steward(s) is absent, he will be replaced by the Division Steward. If both such Stewards are absent, the President shall serve as their replacement. The Union will notify the Company in writing of the designated steward(s) and will give five (5) days notice of any change in its steward(s). Steward(s) shall be working employees, who shall, in addition to performing their normally assigned responsibilities be permitted, upon notification to and consent from their immediate supervisor, which consent will not be unreasonably withheld, (notification only in the case of the Chief Steward) during working hours to investigate and attempt to resolve disputes concerning the interpretation and application of this Agreement.

Section 4. The local Union President shall be considered the chief steward under this Article and as such shall be the last to be laid off provided he is qualified and willing to perform the work remaining.

Section 5. The Company will not discriminate against employees covered by this Agreement because of their union affiliation, position held in the union, or performance of their duties as a steward.

Section 6. Elected Division Stewards will remain in their elected work locations unless they freely relinquish their elected position.

ARTICLE 31 BULLETIN BOARD

The Company will provide a bulletin board at each of its Homell Shops, to the Union for their exclusive use. It is mutually understood notices or materials posted on such bulletin boards will be limited to official communications of the International Association of Machinists District Lodge #19, and Local Lodge #2741.

ARTICLE 32 ALSTOM I.A.M. LOCAL #2741 401(K) RETIREMENT PLAN

Section 1. The employer will make a Non-Elective contribution to the ALSTOM I.A.M. Local #2741 401 (k) Retirement Plan for each hour worked, for which employees in all job classifications covered by this Agreement are entitled to receive pay under this Agreement, for a maximum of forty (40) hours worked per week, as follows:

Effective April 1, 2007	\$.65 per hour
Effective April 1, 2008	\$.70 per hour
Effective April 1, 2009	\$.75 per hour

Section 2. The Company shall continue contributions based on a forty (40) hour work week while an employee is off work due to paid vacation, paid holidays, personal or sick time or official union business.

Section 3. Probationary employees are not eligible for the Plan until they have completed sixty (60) calendar days of active employment.

ARTICLE 33 SAVINGS CLAUSE

Should any portion of this Agreement be invalidated by the passage of legislation or any award of a court of competent jurisdiction, such invalidation shall apply only to those portions thus invalidated and all remaining portions of this Agreement not invalidated shall remain in full force and effect.

ARTICLE 34 CHECK-OFF

Section 1. The Company will deduct from the employees pay check dues, initiation fees, and elective MNPL contributions in the amount(s) authorized upon written and signed employee authorization furnished to the Company on a form approved by the Company. MNPL deductions shall be made from the employee's third (3rd) pay period and dues shall be deducted from the employee's weekly paycheck.

Section 2. The employee may withdraw (revoke) the authorization on each anniversary date of this Agreement, providing the Company and the Union are notified by certified mail during the seven (7) days period immediately preceding the anniversary date of this Agreement of the employee's desire to discontinue such deduction(s).

Section 3. The Union agrees to indemnify and hold the Company harmless against any and all claims, demands, suits, or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company for the purpose of complying with any provisions of this Article.

Article 35 SENIORITY

Section 1. It is the intent of the parties that employees will receive fair and equitable treatment with respect to seniority in shift assignments.

Section 2. In the case of identical seniority date, alphabetical order, according to last names (at time of initial hire) will be used to determine seniority.

Section 3. The Company will post a seniority list quarterly, a copy of which will be furnished to the local Union President, Local Lodge 2741.

Section 4. When a bargaining unit employee is promoted to a salary position, then voluntary relinquishes that position he/she can return to the bargaining unit and will retain the seniority he/she had at the time of the promotion. The employee will be placed in the appropriate wage schedule from the time of promotion and placed at the most junior position on active roster. When the employees salaried position is eliminated he/she can return to the bargaining unit and hold his/her previous position and seniority at the time of promotion, seniority is only accrued while in the bargaining unit for purposes of this article.

ARTICLE 36 ENTIRE UNDERSTANDING

The Parties agree that the total results of their bargaining and the entire understanding between the Parties is embodied in this Agreement. This Agreement shall not be amended or supplemented except by mutual consent of the Parties hereto reduced to writing and duly signed by each.

ARTICLE 37 INCENTIVES

Section 1. The Company and Union agree to work together on the implementation of incentive plans by project, plant, building, department or team when the Company has made the decision to offer such plans.

ARTICLE 38 TERM OF AGREEMENT

Section 1. This Agreement shall become effective April 1, 2007 through March 31, 2010 and shall thereafter automatically renew for one (1) year from year to year, unless either Party, not more than ninety (90) calendar days nor less than sixty (60) calendar days prior to the expiration

date, gives written notice to the other Party, by registered or certified mail, of intention to change, amend, modify or terminate the Agreement.

Section 2. Within fifteen (15) days of the receipt of such notice to modify or terminate, the Union and Company shall commence negotiations, unless it is mutually agreed to extend the number of such days beyond fifteen (15).

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the 20th day of March 2007.

FOR THE COMPANY

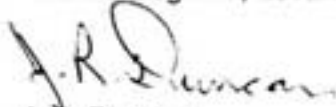
ALSTOM Transportation, Inc.
Hornell, New York



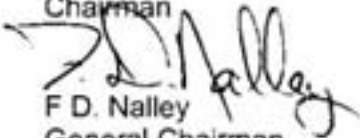
Ian DeSouza
Managing Director,
ALSTOM Transportation, Inc.

FOR THE UNION

The International Association of Machinists and
Aerospace Workers
District Lodge 19, Local Lodge 2741, AFL-CIO



J. R. Duncan
President-Directing General
Chairman



F. D. Nalley
General Chairman

Committee Members:



Mark Darrow



Lou Tartaglia



Patrick Aini



Elie Morey



Doug Rollins



Michael Muller

Committee Members:



Michael Inman



Dean Smith



Susan Kull



Jacob Brewster



Ken Forrester

Appendix A

Conditions in the event of 4 day – 10 hour shifts

If an employee has volunteered to participate in a 4 day – 10-hour shift configuration, all references to normally scheduled workdays will be converted to normally scheduled work hours. A normal workday will be 10 hours versus 8 hours. This includes probation time and all paid time off.

Rolling six-month personal time will be earned at 10 hours as long as working the ten-hour per day schedule.

If a holiday falls on an employee's regularly scheduled workday, they will be given the day off. If a holiday falls on an employee's regularly scheduled day off they will be given the next regularly scheduled workday off in observance of that holiday.

Overtime will be paid for any hours worked over 10 on a regularly scheduled workday. Overtime on the third day off will be earned at time and half, unless the employee worked all scheduled hours on the second day off then will be paid at two times their hourly rate.

An additional 10 minutes of break time will be provided.