

DEC 19 1997

EMPLOYER STATUS DETERMINATION

**Denver and Rio Grande Western Railroad Company
Southern Pacific Chicago St. Louis Corporation**

This is the determination of the Railroad Retirement Board concerning the continued status of the Denver and Rio Grande Western Railroad (DRGWR), B.A. No. 1707, and the Southern Pacific Chicago St. Louis Corporation (SPCSL), B.A. No. 3364, as employers under the Railroad Retirement Act (45 U.S.C. §231 et seq.)(RRA) and the Railroad Unemployment Insurance Act (45 U.S.C. §351 et seq.)(RUIA).


In Surface Transportation Board (STB) Finance Docket No. 32760, Decision No. 44, decided August 6, 1996, the STB approved the merger of Union Pacific Railroad Company (Union Pacific) with DRGWR and SPCSL. The name of the surviving railroad is Union Pacific Railroad Company.

Mr. Rob Burbach, Tax Associate for Union Pacific, provided additional information regarding the merger. According to Mr. Burbach, effective June 30, 1997, DRGWR and SPCSL transferred all of their assets to and merged with Union Pacific. He stated that DRGWR and SPCSL ceased rail operations on June 30, 1997; however, both companies last compensated employees on December 31, 1996. Effective January 1, 1997, employees of DRGWR and SPCSL began performing compensated services for Union Pacific. Since that date, employees of the DRGWR and SPCSL have been reported under the Union Pacific's B.A. Number.

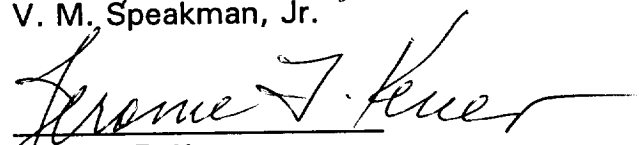
Section 202.11 (20 CFR 202.11) of the Board's regulations states:

The employer status of any company or person shall terminate whenever such company or person loses any of the characteristics essential to the existence of an employer status.

The information summarized above indicates that DRGWR and SPCSL no longer possess the characteristics of operating railroad companies. The Board therefore finds that effective with the close of business on June 30, 1997, the Denver and Rio Grande Western Railroad and the Southern Pacific Chicago St. Louis Corporation ceased being covered employers under the Railroad Retirement Act and the Railroad Unemployment Insurance Act.


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