EMPLOYER STATUS DETERMINATION NOV 1 5 1999
Merchants Despatch Transportation Corporation

This is the determination of the Railroad Retirement Board concerning the continuing status of Merchants Despatch Transportation Corporation (MDT) as an employer 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). MDT (BA No. 6203) has been an employer under the Acts, with service creditable from December 18, 1936.

According to Edward B. Hymson, Associate General Counsel, Tax, for Consolidated Rail Corporation (Conrail) (BA No. 1321), MDT was a wholly owned subsidiary of Conrail until it was merged into Conrail effective May 31, 1999. All of MDT's employees became Conrail employees effective June 1, 1999. The employees continue to perform the same functions in the same locations and under the same conditions as they previously performed for MDT.

Based upon the information summarized above, the Board finds that MDT ceased to be an employer under the RRA and the RUIA effective with the close of business on May 31, 1999, the date on which it merged into Conrail.

Mr. Hymson has requested that Conrail be considered a successor employer to MDT. Section 345.203 of the Board's regulations provides that:

> In the event of a merger or combination of two or more employers, or an employer and non-employer, the individual employer record of the employer surviving the merger (or any person that becomes an employer as the result of the merger or combination) shall consist of the combination of the individual employer records of the entities participating in the merger. 20 CFR 345.203.

The Board finds that pursuant to section 345.203, Conrail is the sucessor employer to MDT.

Cherryl T. Thomas

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