

EMPLOYER STATUS DETERMINATION**Grand Trunk Western Railroad, Inc.****St. Clair Tunnel Company, now known as****Grand Trunk Western Railroad Company**

This is the decision of the Railroad Retirement Board regarding the continued status of the Grand Trunk Western Railroad, (GTW Inc.) (B.A. No. 1208) 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).

In a letter dated August 29, 2008, Mr. Thomas J. Healey, Counsel – Regulatory for the Canadian National Railway Company (CN), advised the agency that on or after September 1, 2008, CN intended to merge GTW Inc., one of its wholly-owned subsidiaries, into St. Clair Tunnel Company (SCTC) (B.A. No. 4227) another of CN's wholly-owned subsidiaries. A copy of the Agreement and Plan of Merger as well as the Surface Transportation Board (STB) decision of July 17, 2008 were provided by Mr. Healey in a letter dated October 15, 2008.

According to the STB decision, the purpose of the transaction is to simplify the U.S. corporate structure of CN by eliminating a railroad within that structure and to accommodate certain Canadian tax considerations. The STB decision notes that the parties stated "that the transaction will not result in adverse changes in service levels, significant operational changes, or any change in the competitive balance with carriers outside the corporate family" (STB Docket Finance Docket No. 35142, decided July 17, 2008). According to the Agreement and Plan of Merger, GTW Inc. merged into SCTC, with SCTC as the surviving entity. Following the merger, SCTC's name was changed to Grand Trunk Western Railroad Company (GTW Co.), contemporaneously with GTW Inc.'s dissolution and termination of existence. The merger became effective on September 1, 2008.

According to Mr. Healey's letter of October 15, 2008, all employees of GTW Inc. are now employees of GTW Co. and all assets previously owned by GTW Inc. are now owned and operated by GTW Co. On September 1, 2008, GTW Co. began providing rail service to customers on track previously operated by GTW Inc., as well as on the tunnel and ancillary tracks previously owned by SCTC but operated by GTW Inc.

The evidence of record establishes that GTW Inc. no longer possesses the characteristics of a railroad employer. The Board therefore finds that effective

September 1, 2008, the date of the merger with St. Clair Tunnel Company, GTW Inc. ceased being a covered employer under the Railroad Retirement and

Railroad Unemployment Insurance Acts. The Board also notes the change of name for St. Clair Tunnel Company to Grand Trunk Western Railroad Company.

Original signed by:

FOR THE BOARD
Beatrice Ezerski
Secretary to the Board