

**EMPLOYER STATUS DETERMINATION**  
**Penn Eastern Rail Lines, Inc.**

This is the determination of the Railroad Retirement Board concerning the continuing status of Penn Eastern Rail Lines, Inc. (PERL) (B.A. No. 2378) as an employer under the Railroad Retirement Act (45 U.S.C. (45 U.S.C. § 231, et seq.) (RRA) and the Railroad Unemployment Insurance Act (45 U.S.C. § 351, et seq.) (RUIA). PERL has been an employer under the RRA and RUIA with service creditable from December 31, 1997.

On August 27, 2007, PERL and East Penn Railways, Inc. (EPR) (B.A. No. 2363) merged into one consolidated corporation, East Penn Railroad, LLC (ESPN). Surface Transportation Board (STB) authority for this merger is set forth in STB Finance Docket No. 35056, decided July 3, 2007. See also B.C.D. No. 08-8, decided February 11, 2008, wherein ESPN was ruled to be an employer under the RRA and RUIA effective August 28, 2007, the date on which ESPN was sold to Regional Rail, Inc., a non-carrier. All PERL and EPR employees were hired by ESPN to continue the same rail operations. As a result of the August 27, 2007 merger PERL lost its status as a corporate entity and became non-existent.

Section 202.11 of the Board's regulations provides that:

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.

Based on the information set forth above, it is the determination of the Railroad Retirement Board that Penn Eastern Rail Lines, Inc. ceased being an employer under the RRA and RUIA on August 27, 2007, the date on which it lost its status as a legal entity as a result of corporate merger.

Original signed by:

FOR THE BOARD  
Beatrice Ezerski  
Secretary to the Board