

EMPLOYER STATUS DETERMINATION

Union Pacific Technologies Transportation Systems, Inc.

This is the determination of the Railroad Retirement Board concerning the status of Union Pacific Technologies Transportation Systems, Inc. (UPTTS) 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). UPTTS has not previously been held to be covered under the RRA and RUIA.

Information about UPTTS was furnished by Kenneth C. Black, Director, Income Taxes and Legislation of Union Pacific Corporation. UPTTS was incorporated in December 1991. It is a subsidiary of Union Pacific Corporation, which also owns Union Pacific Railroad Company (BA No. 1715). Effective January 1, 1992, the employees of Union Pacific Technologies (UPT) (BA No. 9740) were transferred to UPTTS. The purpose of that transfer was to allow UPTTS to take over the business of providing computer services to Union Pacific Railroad Company and its subsidiaries which up until that time had been provided by UPT.¹

Section 1(a)(1) of the RRA defines the term “employer” to include:

(i) any carrier by railroad subject to the jurisdiction of the Surface Transportation Board under part A of subtitle IV of Title 49;

(ii) any company which is directly or indirectly owned or controlled by, or under common control with, one or more employers as defined in paragraph (i) of this subdivision, and which operates any equipment or facility or performs any service (except trucking service, casual service, and the casual operation of equipment or facilities) in connection with the transportation of passengers or property by railroad, or the receipt, delivery, elevation, transfer in transit, refrigeration or icing, storage, or handling of property transported by railroad [45 U.S.C. §231(a)(1)(i) and (ii)].

Section 1 of the RUIA contains essentially the same definition.

As a subsidiary of Union Pacific Corporation, UPTTS is under common control with a covered rail carrier employer, Union Pacific Railroad Company. UPTTS’s business consists of providing computer services to that railroad and its subsidiaries. Up until January 1, 1992, those services were performed by another affiliate of the railroad, UPT. UPT was held to be an employer covered by the RRA and RUIA because those services

¹By memorandum dated March 17, 1997, a proposed coverage ruling terminating the coverage of UPT was submitted to the Board.

were found to be service in connection with railroad transportation within the statutory definition of employer. Since UPTTS took over the same work previously performed by UPT, the Board finds that UPTTS began to perform service in connection with railroad transportation on January 1, 1992, and became a covered employer under the RRA and the RUIA on that date.

Glen L. Bower

V. M. Speakman, Jr.

Jerome F. Kever