

**Employer Status Determination
Transportation Technology Center, Inc.**

This is the determination of the Railroad Retirement Board concerning the status of Transportation Technology Center, Inc. (TTC) 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).

Effective January 1, 1998, TTC began conducting business in research and test activities in the rail transportation field. TTC is a privately held corporation, the sole shareholder of which is the Association of American Railroads (AAR), an employer under the Acts since October 12, 1934. TTC provides the same services for the railroad industry as those which were provided by the AAR prior to January 1, 1998. TTC has 260 employees who were first compensated effective January 1, 1998.

Section 1(a)(1)(iv) of the RRA (45 U.S.C. § 231(a)(1)(iv)) defines "employer" to include:

any railroad association, traffic association, tariff bureau, demurrage bureau, weighing and inspection bureau, collection agency and any other association, bureau, agency, or organization which is controlled and maintained wholly or principally by two or more employers as defined in paragraph (i), (ii), or (iii) of this subdivision and which is engaged in the performance of services in connection with or incidental to railroad transportation; *

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Section 1 of the RUIA contains essentially the same definition.

TTC performs the same services now that were provided by the AAR prior to January 1, 1998. A report in the February 1998 edition of the publication Railway Age (p.19) characterizes the formation and transfer of services to TTC as part of a general reorganization of the AAR. As a wholly owned subsidiary of the AAR, the Board finds that Transportation Technology Center, Inc. became an employer within the definition in section 1(a)(1)(iv) of the RRA and the corresponding section of the RUIA effective January 1, 1998, the date on which it began operations and first paid employees. This finding is consistent with

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the Board's prior treatment of an earlier subsidiary of the AAR. See Legal Opinion L-83-184, dated August 23, 1983, which held RAILINC Corporation to be an employer under the Acts administered by the Board.

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