

## **Employer Status Determination Pacific Standard Corporation**

This is the decision of the Railroad Retirement Board regarding the status of the Pacific Standard Corporation as an employer under the Railroad Retirement and Railroad Unemployment Insurance Acts.

Pacific Standard was held to be an employer under the Acts effective January 1, 1987, because it was under common control with the Washington Central Railroad, a covered rail carrier, and because it performed services in connection with rail transportation. See Legal Opinion L-91-125. Pacific Standard filed a timely request for reconsideration of this determination, which was denied by the Board. See B.C.D. No. 94-110.

On February 23, 1995, Pacific Standard notified the Board that "as of 1991" it had discontinued all operations and had no employees. The company indicated that it was in the process of corporate liquidation, which it anticipated would be concluded by July 1, 1995. Pacific Standard therefore requested a redetermination of its status based upon this change in its operations. Additional information was requested from Pacific Standard by the Board's General Counsel by letter dated March 16, 1995, and the matter was referred to the Board's Division of Audit and Compliance. The Chief of Audit and Compliance ultimately received a letter dated May 16, 1997, from the Columbia Basin Railroad.

Columbia Basin explained that it was unrelated to either Pacific Standard or Washington Central except that it leased a portion of the rail line formerly owned by Washington Central, and which was reacquired by the Burlington Northern Railroad on October 25, 1996. See: Burlington Northern Santa Fe Corporation, BNSF Acquisition Corporation, and Burlington Northern Railroad Company--Control--Washington Central Railroad, Surface Transportation Board Finance Docket No. 32974 (October 24, 1996). However, Columbia Basin reported that Pacific Standard had ceased operations in 1991, that a bonus for 1991 was paid to former employees in February 1992, and that the corporation was dissolved by the Secretary of State for the state of Washington on October 21, 1996.

Section 202.11 of the Board's regulations (20 CFR 202.11) provides that employer status ends when the characteristics essential to an employer status are lost. Regulations of the Board further provide at sections 202.12(c) and 209.3 (20 CFR 202.12(c) and 209.3) that it is the duty of each employer to promptly bring to the Board's attention any change in operations affecting status as an employer under the Acts.

**Pacific Standard Corporation**

It is the opinion of the Board that Pacific Standard Corporation ceased to be an employer under the Railroad Retirement and Railroad Unemployment Insurance Acts effective with the close of business on February 28, 1992, the last month in which employees were compensated.

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Glen L. Bower

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V. M. Speakman, Jr.

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