

## EMPLOYER STATUS DETERMINATION

Pittsburgh & Shawmut Railroad Company (B.C.D. 98-5)

Red Bank Railroad Company (B.C.D. 98-5.1)

Mountain Laurel Railroad Company (B.C.D. 98-5.2)

This is the determination of the Railroad Retirement Board concerning the status of the Pittsburgh & Shawmut Railroad Company (P&SR) (BA No. 2234), Red Bank Railroad Company (RBR) (BA No. 3281), and Mountain Laurel Railroad Company (MLR) (BA No. 3290) as employers 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).

According to information provided by Mr. Dennis L. Hinderliter, Treasurer of the Shawmut Development Corporation, on April 29, 1996, all three companies sold their assets to Pittsburgh & Shawmut Railroad, Inc. (P&SRI) (BA No. 2270). Train operations of P&SR ceased at the close of business on April 29, 1996, with that date being the day compensated service was last provided by all P&SR employees, with one exception<sup>1</sup>. Taxes on sickness benefits paid by a third party insurer for P&SR employees(s) were remitted through November 21, 1996. The fixed assets of P&SR were sold on April 29, 1996 to P&SRI, including road property, hopper cars and locomotives. According to Mr. Hinderliter, RBR had no employees, it ceased operations on April 29, 1996, and its assets were sold prior to April 29, 1996. Mr. Hinderliter also stated that MLR operations ceased on April 29, 1996, and that its fixed assets, such as road property and locomotives, were sold to P&SRI. Several MLR employees last worked on April 26, 1996, with one office worker working until June 13, 1996. Some final severances were paid on June 21, 1996.

According to Mr. Hinderliter, P&SR, RBR and MLR were not dissolved at the time that their assets were sold to P&SRI, but on December 31, 1996, they merged into an affiliated company, Shawmut Development Corporation (SDC), with SDC being the surviving entity. Mr. Hinderliter describes SDC as a natural gas producer and operating company. Mr. Hinderliter states that there is no relationship between P&SR, RBR and MLR and P&SRI, the company which bought their assets. The purchase by P&SRI of the assets of the three companies has been approved by the Surface Transportation Board (STB) (STB Finance Docket No. 32903, decided May 1, 1996).

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<sup>1</sup> That one employee worked until July 31, 1996.

Pittsburgh & Shawmut Railroad Company  
Red Bank Railroad Company  
Mountain Laurel Railroad Company

Based upon the information summarized above, it is determined that Pittsburgh & Shawmut Railroad Company, Red Bank Railroad Company, and Mountain Laurel Railroad Company all ceased to be rail carriers under the RRA and RUIA effective December 31, 1996, the date they merged into Shawmut Development Corporation. See §§202.11 and 202.12(b) of the Board's regulations.

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V. M. Speakman, Jr.

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Jerome F. Kever