

EMPLOYER STATUS DETERMINATION
Petaluma and Santa Rosa Railroad Company

This is the determination of the Railroad Retirement Board concerning the continued status of Petaluma and Santa Rosa Railroad Company (PSRR), B.A. No. 2743, 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).

In Interstate Commerce Commission (ICC) Docket No. AB-15, decided May 3, 1984, PSRR filed an application for a certificate of public convenience and necessity permitting the abandonment of its entire line of railroad. The 12.02 miles of rail line in Sonoma County, California include: (1) the Santa Rosa branch between milepost 22.06 near Santa Rosa and milepost 16.66 near Sebastopol; (2) the Old Forrestville branch between milepost 16.66 near Sebastopol and milepost 21.68 near Sagu; and (3) the West Petaluma branch between milepost 0.354 near Petaluma and milepost 1.349 near West Petaluma. During the ICC's investigation, PSRR subsequently withdrew its application and notified the ICC that PSRR's assets were going to be sold to its corporate parent, Northwestern Pacific Railroad Company (NWP), B.A. No. 1711, a subsidiary of the Southern Pacific Transportation Company, B.A. No. 1713. NWP purchased 1.601 miles of PSRR's rail line and the ICC authorized the abandonment of PSRR's remaining line of railroad.

Information regarding PSRR was provided by Mr. Daniel J. Leehane, Assistant Director of Taxes-Audit of Southern Pacific Lines. According to Mr. Leehane, NWP purchased 1.601 miles of PSRR's track and approximately 5.356 acres of land. He also stated that on October 31, 1985, PSRR merged with NWP. He stated that Southern Pacific's tax records indicate that PSRR has not compensated employees since 1970. He stated that it appears that PSRR's operations were conducted by NWP after that date.

Section 202.11 (20 CFR § 202.11) of the Board's regulations states:

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.

The evidence of record establishes that PSRR no longer possesses the characteristics of an operating railroad company covered by the Acts; accordingly, under section 202.11 of the Board's regulations, PSRR is no longer a covered employer under the RRA and RUIA.

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The Board finds that effective with the close of business October 31, 1985, the date the merger acquisition was completed, Petaluma and Santa Rosa Railroad Company ceased being a covered employer under the RRA and the RUIA.

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