B.C.D. 03-8

EMPLOYER STATUS DETERMINATION

JAN 24 2003

Decision on Reconsideration

Cuyahoga Valley Railway Company
River Terminal Railway Company

This is the decision on reconsideration of the Railroad Retirement Board regarding the continued status of Cuyahoga Valley Railway Company and River Terminal Railway Company 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).

Cuyahoga Valley was held to be an employer under the Acts effective May 18, 1905, (B.A. Number 4207). River Terminal was held to be an employer under the Acts effective December 8, 1909, (B.A. Number 4346). In a decision dated December 6, 2002 (B.C.D. No. 02-91), the Board held that these companies had ceased to be employers as of May 17, 2002, based on the sale of their assets to another company on that date.

In their request for reconsideration, the companies advise that the two railroads, along with three others,[1] were wholly-owned subsidiaries of LTV Steel Company, Inc. (LTV). One central management group directed the business of the five subsidiary railroads. On December 29, 2000, LTV filed petitions for reorganization under Chapter 11 of the Bankruptcy Code. LTV's five subsidiary railroads, however, did not seek bankruptcy protection and were not part of the filing. On February 28, 2002, the Bankruptcy Court approved the sale of most of LTV's assets relating to its steelmaking business, including three of its railroads (the Chicago Short Line, the Cuyahoga Valley, and the River Terminal). The CSL asset sale closed April 12, 2002. The final closing on the sale of the assets of the Cuyahoga Valley and River Terminal was May 17, 2002.

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[1] Chicago Short Line Railway Company, The Monongahela Connection Railroad Company, and the Aliquippa and Southern Railroad Company.

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Eight remaining salaried employees of the central management group who were compensated by River Terminal continued to perform dissolution functions for the orderly close of common carrier business after May 17, 2002. Certain bargaining unit employees of both companies who had earned vacation for the year 2002 under the collective bargaining agreements elected to receive periodic vacation payments throughout the year. In light of these facts, the Board is requested to change the coverage termination date to December 31, 2002.

Accordingly, the Board holds that Cuyahoga Valley Railway Company and River Terminal Railway Company ceased to be employers under the Railroad Retirement and Railroad Unemployment Insurance Acts effective with the close of business on December 31, 2002[2]. The request for reconsideration is granted.

Original signed by:

Cherryl T. Thomas

V. M. Speakman, Jr.

Jerome F. Kever

[2] See, for example, the Board's decision regarding Michigan-Wisconsin Transportation Company and Michconsin Incorporated, which companies ceased operations in 1990, went into bankruptcy in 1991, and finally paid their employees in 1995. The Board held these companies to be covered under the Acts through the date of payment to the employees (B.C.D. Nos. 95-103 and 95-103.1).