

EMPLOYER STATUS DETERMINATION

Alabama Railroad Company (ARC)

Shawnee Terminal Railroad Company (Illinois Corp.) (STR)

Shawnee Terminal Railroad Company (Iowa Corp.) (STRI)

This is a determination of the Railroad Retirement Board concerning the continued status of the Alabama Railroad Company (ARC) and Shawnee Terminal Railroad Company, an Illinois corporation (STR), 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). Previously, both railroads have been determined to be covered under the Acts.

ARC was ruled to be a covered entity in BCD 92-7 decided March 24, 1992. ARC was assigned BA # 5541 and was found to be covered starting October 28, 1991, which was the date operations began and employees were first compensated.

STR was ruled to be a covered entity in BCD 97-41 decided March 6, 1997. STR was assigned BA # 3389 and was found to be covered starting November 19, 1996, which was the date operations began and its employees were first compensated.

The latest coverage information in the file for both ARC and STR indicates that in STB Finance Docket Number 35214, the Surface Transportation Board (STB) approved a merger, for the purpose of corporate streamlining, for ARC and STR to merge into one entity. The STB decision is dated January 22, 2009. ARC and STR merged into one corporate entity which is named Shawnee Terminal Railroad Company Inc., an Iowa Corporation (hereinafter "STRI")¹.

Information in the file regarding this merger has been provided by Mr. Daniel LaKemper, General Counsel for all the railroad entities discussed in this opinion. Mr. LaKemper reports that all common shares of STR were cancelled as of the date of the merger, which he reported was March 10, 2009. All shares of ARC

¹ The STB decision also authorized Alabama and Florida Railway Co. Inc., to merge into the new entity, but the file indicates that merger may not occur, even though it has been approved. The Board will not rule on Alabama and Florida until it completes the approved merger.

became shares of STRI. Upon the date of merger, STRI assumed all responsibility for debts, obligations, and duties of the former STR and former ARC.

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

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.

As indicated above, information in our coverage files indicates that ARC served as a covered railroad from its date of inception to the date the merger occurred, March 10, 2009. STR was also a covered railroad from its inception date to March 10, 2009. The evidence of record establishes that ARC and STR have not functioned as rail carriers since the date of the merger and no longer possess the characteristics of a railroad carrier employer. The Board therefore finds that effective March 10, 2009, Alabama Railroad Company and Shawnee Terminal Railroad Company ceased operations and ceased being covered employers under the Railroad Retirement and Railroad Unemployment Insurance Acts. The Board further finds that as of March 10, 2009, STRI began operations as a covered employer.

Original signed by:

Michael S. Schwartz

V. M. Speakman

Jerome F. Kever