EMPLOYER STATUS DETERMINATION

OCT 1 9 1999

Hillvista Investment Company d/b/a/
Molalla Western Railway (MWR)

This is the determination of the Railroad Retirement Board concerning the continued status of Hillvista Investment Company d/b/a/ Molalla Western Railway (MWR), B.A. No. 2771, 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 Surface Transportation Board (STB) Finance Docket No. 33570, decided May 12, 1998, the STB, formerly the Interstate Commerce Commission, approved the merger of MWR and the East Portland Traction Company (EPTC) (B.A. No. 4646) into the Oregon Pacific Railroad Company (OPR), a Class III rail carrier. In a footnote to its decision, the STB indicated that pursuant to an agreement reached on December 31, 1996, all assets had been transferred from MWR to OPR effective January 1, 1997. According to the STB Finance Docket, the line acquired from MWR extends from a connection with the Union Pacific Railroad Company's (UP) (B.A. No. 1713) track at UP milepost 747.568 in the city of Canby, Oregon, to milepost 757.50 at Molalla, a distance of 9.93 miles, and includes 1.45 miles of secondary and yard trackage, for a total trackage of 11.38 miles to be operated in Clakamas County, Oregon.

Mr. Richard A. Samuels, General Manager of MWR, provided additional information regarding the merger. According to Mr. Samuels, effective January 1, 1997, MWR transferred all of its assets to and operations were merged with OPR. Mr. Samuels stated that the former MWR has always been operated by employees of EPTC and as such never had any employees to report.

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.

The information summarized above indicates that MWR no longer possesses the characteristics of an operating railroad company. The Board therefore finds that effective with the close of business on December 31, 1996, the Hillvista

**Hillvista Investment Company d/b/a/**
**Molalla Western Railway (MWR)**

Investment Company d/b/a Molalla Western Railway Company ceased being a covered employer under the Railroad Retirement Act and the Railroad Unemployment Insurance Act.

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