B.C.D. 01-24

MAR 0 8 2001

**EMPLOYER STATUS DETERMINATION**
**Caddo Valley Railroad Company (CVYR)**

This is the decision of the Railroad Retirement Board concerning the status of Caddo Valley Railroad Company (CVYR) 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).

CVYR's authority to acquire a feeder line from the Arkansas Midland Railroad Company (AMRC) (B. A. No. 3889) and operate approximately 52 miles of rail line beginning at the interchange with Union Pacific Railroad Company (UP) (B.A. No. 1713) at mile post 426.3 at Gurdon, Arkansas and terminating at mile post 479.2 at Birds Mill, Arkansas is contained in Surface Transportation Board (STB) Finance Docket Number 32479, decided May 3, 2000.

Mr. Robert S. Hargraves, General Counsel for CVYR, provided information regarding the railroad. Mr. Hargraves stated that Mr. Tim Bean is President and Chief Executive Officer of CVYR and Mr. Bill Thompson is Superintendent of Operations. Mr. Hargraves stated that the owners of CVYR are Mr. Tim Bean, Mr. Grady Bean, Ms. Stacy Bean, Ms. Gina Garner, Ms. Melanie Hall, and Mr. Corey Thomason. According to Mr. Hargraves, CVYR is a common carrier of rail freight, primarily wood products, rock aggregate, roofing materials and fertilizer. Mr. Hargraves stated that CVYR is "a new entity formed by some of the shippers along the line after extensive litigation with the prior owner/operator, Arkansas Midland Railroad, necessitated by Arkansas Midland's embargo and refusal to fulfill its common carrier obligations under federal law." Mr. Hargraves reported that the shippers along the line formed CVYR and then purchased the line in a cash purchase sale with AMRC pursuant to the terms mandated by the STB in its May 3, 2000 decision. CVYR then contracted with East Texas Central Railroad (ETCR)[1] to provide service until such time as CVYR could complete all of its administrative filings, reach the necessary agreements with UP and acquire locomotive power, equipment and office space. Mr. Hargraves provided information which shows that CVYR hired twelve employees and began limited operations on September 1, 2000, but the twelve employees were first compensated for services beginning November 1, 2000. CVYR interchanges with UP at Gurdon, Arkansas.

Section 1(a)(1) of the RRA defines the term "employer" to include:

> (i) any carrier by railroad subject to the jurisdiction of the Surface Transportation Board under Part A of subtitle IV of Title 49 [45 U.S.C. §231(a)(1)(i)].

[1] The Board's Office of Audit and Compliance has been requested to investigate the coverage status of East Texas Central Railroad Company.

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Section 1 of the RUIA contains the same definition.

The evidence of record establishes that CVYR is a rail carrier subject to the jurisdiction of the Surface Transportation Board. Accordingly, it is determined that Caddo Valley Railroad Company became an employer within the meaning of section 1(a)(1)(i) of the Railroad Retirement Act (45 U.S.C. §231(a)(1)(i)) and the corresponding provision of the Railroad Unemployment Insurance Act effective September 1, 2000, the date on which it commenced railroad operations.

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