B.C.D. 01-62

EMPLOYER STATUS DETERMINATION JUL 18 2001
Minnesota Central Railroad Company

This is the determination of the Railroad Retirement Board concerning the continuing status of the Minnesota Central Railroad Co. (MCRC) 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). MCRC (B.A. No. 2641) was determined to be an employer under the RRA and RUIA effective December 16, 1994.

According to Mr. Timothy S. Tennant, President and CEO of Cascade Railcorp, Inc., a noncarrier holding company which controls MCRC (See Surface Transportation Board Finance Docket No. 33804, decided October 8, 1999), MCRC ceased operations on August 3, 2000. Mr. Tennant also stated that MCRC employees were last compensated on July 15, 2000 and that MCRC employees are still owed compensation for the period July 16, 2000 through August 3, 2000. MCRC filed bankruptcy on August 22, 2000. Mr. John Robert Byrnes, Assistant United States Trustee, was in charge of appointing a trustee to administer the assets of the debtor, MCRC. Mr. Byrnes stated on August 25, 2000 that MCRC has no current operations; that MCRC does not intend to resume operations; and that, in view of these circumstances, the trustee's activities will be limited to the liquidation of MCRC's assets. Mr. Larry Liebzeit, Esquire, was appointed trustee for the MCRC bankruptcy. On April 12, 2001, based on Mr. Liebzeit's motion, the bankruptcy court issued an order authorizing the cessation of the debtor's operations by liquidation of MCRC's assets by the trustee. An abandonment order from the Surface Transportation Board will be sought by the McFarland Law Firm in Chicago, Illinois, once all of the assets of MCRC are liquidated. The bankruptcy court also ordered the trustee to enter into a compromise with respect to foreclosure on a portion of the railroad tracks owned by MCRC. In view of the foregoing, it is clear that MCRC is no longer capable of operating as a railroad employer.

Based on the above information, it is the determination of the Railroad Retirement Board that the Minnesota Central Railroad Company ceased to be an employer under the RRA and RUIA on August 3, 2000, the date on which it ceased operations.

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