EMPLOYER STATUS DETERMINATION OCT 21 1999
Rochelle Railroad Company (RRC)

This is a determination of the Railroad Retirement Board concerning the continued status of Rochelle Railroad Company (RRC) (BA No. 2778) as an employer under the Railroad Retirement Act (45 U.S.C. §231 et seq.) and the Railroad Unemployment Insurance Act (45 U.S.C. §351 et seq.)

In Surface Transportation Board (STB) Finance Docket AB-549, decided May 21, 1999, the STB granted the application of the City of Rochelle, IL (City) requesting the authorization of the discontinuance by RRC of service over 2.06 miles of track that the City owns in an industrial park within the City. The decision was effective June 26, 1999. The STB decision indicates the City is now operating the line through a contractor and no opposition has been received from shippers who are served by the line.[1] According to information from Daniel A. LaKemper, RRC's General Counsel, RRC ceased operations on the line November 13, 1998, and last compensated employees on November 30, 1998. RRC has not been dissolved, but has changed its name to "Midwest Terminal Railway Company" and is pursuing other business opportunities.

The Railroad Retirement Board's regulations provide 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. (20 CFR §202.11). The information summarized above indicates that RRC no longer possesses the characteristics of an operating railroad company. The Board therefore finds that effective with the close of business on November 30, 1998, the Rochelle Railroad Company ceased being a covered employer under 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.

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[1]The Board's Office of Audit and Compliance is investigating the current operation of this rail line.