

EMPLOYER STATUS DECISION**Lucas Rail Lines, Inc., d/b/a Louisville, New Albany & Corydon Railroad**

This is the determination of the Railroad Retirement Board concerning the status of Lucas Rail Lines, Inc., (LRL) d/b/a Louisville, New Albany & Corydon Railroad (LNAC), 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). LRL has not heretofore been ruled to be an employer under the Acts.

Information provided by W. Isaac Orwick, of Melhiser Endres Tucker CPA's, and approved by Thomas Fredrickson, Chief Financial Officer of LRL, indicates that on May 25, 2006, BPM Rail, Inc. (B.A. No. 4396) d/b/a LNAC sold all of its rail assets and lines with certain exceptions to LRL.¹ LRL is a wholly owned subsidiary of Lucas Oil Products, Inc. Lucas Oil Products, Inc. organized LRL to acquire LNAC in order to avoid abandonment of and preserve rail service for itself and other shippers. Surface Transportation Board (STB) authority for an acquisition and operation exemption for this transaction is set forth in STB finance docket No. 34847, decided April 11, 2006. The rail line operations of LNAC are entirely within Harrison County, Indiana and consists of 7.7 miles of main line and approximately 2.3 miles of side tracks and lead tracks. LNAC operates between mile post 7.7 in Corydon, Indiana and mile post 0.0 at Corydon Junction, Indiana where its sole interchange is with the Norfolk Southern Railway Company (B.A. No. 9408). Actual operations began on May 25, 2006 and employees were first compensated from June 18, 2006. Historically, LNAC itself was a covered employer according to Board records from April 28, 1888 to February 11, 1988. Effective February 12, 1988, BPM d/b/a LNAC was determined to be a covered employer as a result of its purchase of LNAC.

Section 1(a)(1) of the Railroad Retirement Act (45 U.S.C. 231(a)(1)), insofar as relevant here, defines a covered employer as:

- (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 continuing status of BPM Rail, Inc. will be reviewed separately.

Sections 1(a) and 1(b) of the Railroad Unemployment Insurance Act (45 U.S.C. § 351(a) and (b)) contain substantially the same definition as does section 3231 of the Railroad Retirement Tax Act (26 U.S.C. 3231).

Based on the information summarized above, it is determined that Lucas Rail Lines, Inc., d/b/a Louisville, New Albany & Corydon Railroad became an employer covered under the Railroad Retirement Act and the Railroad Unemployment Insurance Act on May 25, 2006, the date on which actual railroad operations began.

Original signed by:

For the Board
Beatrice Ezerski
Secretary to the Board