

EMPLOYER STATUS DETERMINATION
Chattahoochie & Gulf Railroad Co., Inc.

This is a determination of the Railroad Retirement Board concerning the continuing status of Chattahoochie and Gulf Railroad Co., Inc. (CGR), 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 Board Coverage Decision (BCD) 06-37, CGR was determined to be an employer under the Railroad Retirement Act and Railroad Unemployment Insurance Act effective March 7, 2003.

In response to a Coverage letter dated December 4, 2007 asking for the status of the company, Deborah Jenkins, Vice President of Administration for CGR, responded to the inquiry by forwarding the bill of sale demonstrating that CGR was sold to Chattahoochie Bay Railroad, Inc (CBR). On July 31, 2008, in response to ongoing communication regarding multiple sales of Railroad Companies to CBR (a covered carrier as per BCD 06-55) Ms. Ellen Oblow, the Chief Financial Officer of CBR, provided answers and exhibits to completely explain the sale of CGR to CBR.

Ms. Oblow stated that rail operations ceased on the date of the sale, August 25, 2006. CGR was purchased by a covered employer, CBR, and Ms. Oblow indicated that any of CGR workers who remained employed would have their wages reported under CBR. CGR's employees were last compensated on or prior to August 25, 2006 and all of its tangible assets were transferred to CBR on or before the date of sale, August 25, 2006.

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 evidence of record establishes that CGR no longer possesses the characteristics of a railroad carrier employer. The Board therefore finds that effective August 25, 2006, the date CGR's railroad operations ceased, Chattahoochie & Gulf Railroad Co., Inc., ceased being a covered employer under the Railroad Retirement and Railroad Unemployment Insurance Acts.

Original signed by:

FOR THE BOARD
Beatrice Ezerski
Secretary to the Board