

B.C.D. 11-79

August 8, 2011

**EMPLOYER STATUS DETERMINATION
Three Notch Railroad Company, Inc.**

This is the determination of the Railroad Retirement Board concerning the continuing status of Three Notch Railroad Company, Inc. (TNHR) (B.A. No. 5583) 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).

Information about TNHR was provided by Mr. Scott G. Williams, President of RailAmerica Transportation Corp. (RTC). According to Mr. Williams, on May 11, 2011, RTC, a subsidiary of RailAmerica, Inc., acquired assets of three railroads, TNHR, the Wiregrass Central Railroad (WCR), and the Conecuh Valley Railroad Company, Inc. (COEH), from affiliated companies of Gulf & Ohio Railways, Inc. (G & O). Mr. Williams further explained that new limited liability companies were formed to own the assets and to operate the lines. In Surface Transportation Board (STB) Finance Docket No. 35488, one of those newly formed limited liability companies, Three Notch Railway, LLC (TNRW), filed a verified notice of exemption to acquire and operate approximately 34 miles of rail line from TNHR. TNRW was also to be assigned TNHR's lease with Andalusia & Conecuh Railroad Company (A&C) which was assigned to TNHR by the A&C. Additional information was submitted by Ms. Ellen Oblow of G & O, to the agency's Audit & Compliance Division via facsimile on June 22, 2011. According to this information, TNHR ceased operations on May 11, 2011, and employees were last compensated on June 30, 2011. The track, locomotives, and other operating equipment were all sold to RTC. At the time of the sale, one of TNHR's two employees was terminated by TNHR, and the other employee remained on TNHR's payroll through June 30, 2011, and then retired. The corporate entity of TNHR was not dissolved.

Section 202.11 of the Board's regulations provides 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.

Based on the information set forth above, it is clear that the character of TNHR as a railroad no longer exists inasmuch as all of its railroad assets have been sold and it has no employees. Therefore, it is the determination of the Railroad Retirement Board that Three Notch Railroad Company, Inc. ceased being an employer under the RRA and RUIA on May 11, 2011, the date its assets were acquired by RailAmerica Transportation Corp.

Original signed by:

FOR THE BOARD
Martha P. Rico
Secretary to the Board