

**ILLINOIS CENTRAL CORPORATION
EMPLOYER STATUS DETERMINATION**

This is the decision of the Railroad Retirement Board with respect to the employer status of Illinois Central Corporation and Illinois Central Railroad Company. Illinois Central Corporation (IC) has not previously been held to be an employer under the Railroad Retirement and Railroad Unemployment Insurance Acts. Illinois Central Railroad Company, formerly Illinois Central Gulf Railroad Company has been an employer under the Acts from August 10, 1972 to date (B.A. 1516).¹ These companies had filed an application with the Interstate Commerce Commission (ICC) to acquire MidSouth Corporation (MidSouth) and its rail subsidiaries, MidSouth Rail Corporation, MidLouisiana Rail Corporation, and SouthRail Corporation. MidSouth Rail Corporation, MidLouisiana Rail Corporation and SouthRail Corporation are employers under the Acts (B.A. Numbers 2576, 2597 and 5512, respectively). By notice filed May 6, 1991, they withdrew that application because IC withdrew its offer to acquire MidSouth, and on May 9, 1991, in ICC Finance Docket No. 31801, that application was dismissed.

In letters dated May 1 and May 31, 1991, Mr. Ronald E. Lane, Vice President and General Counsel of Illinois Central Railroad Company, states that Illinois Central Corporation is a holding company which owns all the outstanding stock of Illinois Central Railroad Company. It has no employees; its officers are the same as those of Illinois Central Railroad Company and receive their compensation from that company. In his letter of May 31, 1991, Mr. Lane stated that Illinois Central Corporation does not perform payroll accounting or any other services for its railroad subsidiary, nor for any other railroad company.

Section 1(a)(1) of the Railroad Retirement Act defines the term "employer," in pertinent part, as follows:

The term "employer" shall include-

(i) any express company, sleeping-car company, and carrier by railroad, subject to part I of the Interstate Commerce Act;

(ii) any company which is directly or indirectly owned or controlled by, or under common control with, one or more employers as defined in paragraph (i) of this subdivision, and which operates any equipment or facility or performs any

¹See notice No. 91-35, dated May 30, 1991, stating that the former Illinois Central Gulf Railroad Company had changed its name to Illinois Central Railroad Company effective January 25, 1988.

service (except trucking service, casual service, and the casual operation of equipment or facilities) in connection with the transportation of passengers or property by railroad, or the receipt, delivery, elevation, transfer in transit, refrigeration or icing, storage, or handling of property transported by railroad * * *.

Based on the above, it is the opinion of a majority of the Board that since Illinois Central Corporation has no employees and performs no services of any kind for its railroad subsidiary or any other railroad, it does not perform a service in connection with railroad transportation. The Board does not need to address the question of whether or not Illinois Central Corporation is under common control with Illinois Central Railroad Corporation.

Glen L. Bower

Jr. (Dissenting)

V. _____ M. _____ Speakman,

Jerome F. Keever