

**EMPLOYER STATUS DETERMINATION**  
**East Texas Central Railroad, Inc.**

This is the determination of the Railroad Retirement Board regarding the status of East Texas Central Railroad, Inc. (ETCR) as an employer under the Railroad Retirement Act (45 U.S.C. §231 et seq.)(RRA) and Railroad Unemployment Insurance Act (45 U.S.C. §351 et seq.)(RUIA).

Information provided by Richard W. Vardaman, Vice-President of Rail Administration for ETCR, indicates that ETCR is a common carrier performing switching services under contract to the Northeast Texas Rural Rail Transportation District (NETEX), an entity not covered under the Acts. ETCR commenced operations on April 26, 1996, operating over 31 miles of track owned by NETEX, extending from milepost 555.0 in Greenville, TX, to Milepost 524.0, just west of Sulphur Springs, TX. Surface Transportation Board Finance Docket No. 32841, dated January 26, 1996, indicates that NETEX obtained authority to acquire and operate a railroad. Under its contract with NETEX, however, ETCR assumes the responsibilities of a common carrier and is responsible for providing the personnel, equipment, and support services necessary for freight transportation.

ETCR reports that it currently does not have any employees but as business increases, ETCR anticipates hiring a full time two-man train crew and an as-yet undetermined track crew. ETCR anticipates approximately 1500 - 2000 carloads annually. At present, operations are not full-time, and officers of the Ouachita Railroad (BA No. 3882) and Dardanelle & Russellville Railroad, Co. (BA No. 3813), are operating the line on an as-needed basis. Those employees are compensated by their respective railroads.

Information in the record establishes that ETCR began operations as a common carrier on April 26, 1996. Accordingly, although ETCR currently has no employees, the Board finds that effective with the start of business, April 26, 1996, ETCR was a covered employer under the RRA and the RUIA.

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Glen L. Bower

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V. M. Speakman, Jr.

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Jerome F. Keever

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