B.C.D. 00-15

EMPLOYER STATUS DETERMINATIONS

MAY 1 0 2000

Trona Railway Company (TRC)
Trona Railway Company, LLC (TR-LLC)

This is the determination of the Railroad Retirement Board concerning the continued status of Trona Railway Company, (TRC) B.A. No. 2729, and the current status of Trona Railway Company, LLC, (TR-LLC) as employers 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).

In Surface Transportation Board (STB) Finance Docket Number 33730, service date April 8, 1999, IMC Global, Inc. (IMC), filed a verified notice of exemption to merge two of its subsidiaries, TRC, a Class III railroad and TR-LLC, a non-carrier, with the surviving entity to be TR-LLC following the merger. According to the STB decision, the merger was intended to modify IMC's corporate structure through the merger, improve its financial viability, permit the merged company to enjoy benefits afforded to limited liability companies under Delaware law, and facilitate the recapitalization of certain non-carrier subsidiaries of IMC, including TR-LLC's direct corporate parent, IMC Chemicals, Inc.

Information regarding TRC and TR-LLC was furnished by Mr. Donald Smith, an attorney for Sidley & Austin, the law firm representing TRC and TR-LLC. According to Mr. Smith, employees of TRC last performed compensated service on September 15, 1999. Mr. Smith stated that TRC's merger with TR-LLC (with TR-LLC as the surviving entity) became effective on that date, when the Agreement and Plan of Merger between TRC and TR-LLC was filed with the Secretary of State of California. All former employees (approximately 30) of TRC became employees of TR-LLC as of the date of the merger, and their payroll and earnings reports were assumed by TR-LLC on that date.

Mr. Smith stated that TR-LLC is a Class III shortline railroad operating approximately 30 miles of rail line situated entirely in California in the Searles Valley of the Greater Mojave Desert between Trona, California and a connection with Union Pacific Railroad (B. A. No. 1715) near Searles, California. TR-LLC's annual volume of traffic (both inbound and outbound) is approximately 1.9 million tons. In 1998, TRC handled approximately 8,750 carloads of inbound traffic and approximately 9,500 outbound carloads, consisting primarily of bulk commodities including coal, soda ash and other commodities used in the production of glass and chemicals.

Trona Railway Company (TRC)
Trona Railway Company, LLC (TR-LLC)

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.

Also, section 1(a)(1) of the RRA defines the term "employer" to include:

> (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)].

* * * * *

Section 1 of the RUIA contains the same definition.

The information summarized above indicates that, due to the merger of TRC into and with TR-LLC, TRC no longer possesses the characteristics of an operating railroad company. The Board therefore finds that effective with the close of business on September 15, 1999, the date on which the merger was completed and TRC last compensated its employees, the Trona Railway Company ceased being a covered employer under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. Additionally, the Board finds that Trona Railway Company, LLC became a covered rail carrier employer under the Railroad Retirement Act and the Railroad Unemployment Insurance Act effective September 15, 1999, the date operations began and employees were first compensated. Lastly, the Board finds that TR-LLC is the successor employer of the former TRC for purposes of experience rating under the RUIA. See 20 CFR §345.203.

Cherryl T. Thomas

V. M. Speakman, Jr.

Jerome F. Kever