B.C.D. 00-24 JUL 13 2000

EMPLOYER STATUS DETERMINATION
Mississippi Rail Group, Incorporated (MRGI)
d/b/a Kosciusko & Southwestern Railway

This is a determination of the Railroad Retirement Board concerning the status of Mississippi Rail Group, Incorporated (MRGI) d/b/a Kosciusko & Southwestern Railway 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 Surface Transportation Board (STB) Finance Docket No. 33746, decided February 24, 2000, MRGI filed a verified notice of exemption to lease from the State of Mississippi approximately 21.4 miles of rail line from milepost 0.2, at Aberdeen Junction, to milepost 21.66, at Kosciusko, in Holmes and Attala Counties, Mississippi. According to the STB decision, MRGI would be the operator of the line.

Information regarding MRGI was furnished by Mr. David E. Delatte, Sr., President and Chief Executive Officer of MRGI. According to Mr. Delatte, MRGI is a privately held corporation which was incorporated on June 8, 1998 and is owned by himself, Dr. Donald Guild, and Mr. Richard Spencer. Mr. Delatte stated that MRGI began a trackcar tourist operation on November 7, 1998. MRGI began freight operations on May 1, 2000. Information provided by Mr. Delatte indicated that MRGI has five employees who were first compensated on February 1, 2000. The information provided by Mr. Delatte shows that MRGI has been involved in rehabilitation of the railroad line and that tourist trackcar rides will be 5 percent of its operations. Information of record establishes that MRGI's freight operations over the rail line will be 95 percent of its operations. Mr. Delatte stated that the railroad interchanges cars with Canadian National (BA No. 1103) - Illinois Central Railroad (BA No. 1516) at Aberdeen Junction and delivers to customers in McAdams, Aponaug, Kosciusko and Munson, Mississippi.

Section 1(a)(1) of the Railroad Retirement Act (45 U.S.C. §231(a)(1)), insofar as relevant here, defines a covered employer as:

> (i) any carrier by railroad subject to the jurisdiction of the Surface Transportation Board under part A of subtitle IV of Title 49, United States Code.

The evidence of record establishes that MRGI is a rail carrier subject to the jurisdiction of the Surface Transportation Board. Accordingly, it is determined that Mississippi Rail Group, Incorporated d/b/a Kosciusko & Southwestern Railway became an employer within the meaning of section 1(a)(1)(i) of the

Mississippi Rail Group, Inc. (MRGI)
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Railroad Retirement Act (45 U.S.C. §231(a)(1)(i)) and the corresponding provision of the Railroad Unemployment Insurance Act effective May 1, 2000, the date on which it commenced freight railroad operations.

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