B.C.D. 00-42

OCT 23 2000

EMPLOYER STATUS DETERMINATION
Salt Lake City Southern Railroad Company, Inc.

This is the determination of the Railroad Retirement Board concerning the continued status of Salt Lake City Southern Railroad Company, Inc. (SLCS), B.A. No. 5730, 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).

In Surface Transportation Board (STB) decision, Finance Docket No. 33803 decided on October 18, 1999, Utah Railway Company (UTAH) (B.A. No. 2746) filed a verified notice of exemption to acquire the capital stock of SLCS. According to the STB decision, SLCS operated 24.95 miles of rail line from milepost 798.74 at Ninth South Street in Salt Lake City to milepost 775.19 at the Salt Lake County/Utah County boundary line near Mount (including the 1.4 mile Lovendahl Spur connection with the main line at 790.52), in Salt Lake County, Utah. The decision states that in an agreement between UTAH and SLCS's parent company, RailTex, Inc., UTAH was to purchase all capital stock of SLCS and place the shares into a voting trust. The Board notes that in STB decision Finance Docket No. 33785, decided August 24, 1999, UTAH filed a notice to acquire rights to operate over the same rail line. In STB decision Docket No. AB-520, decided September 16, 1999, the Utah Transit Authority (UTA), a non-carrier, filed an adverse application requesting that the STB find that the public convenience and necessity require or permit the abandonment by SLCS of the same rail line. That decision states that UTA wanted to replace SLCS with UTAH as the operator of that line.

On October 27, 1999, the Chief of the Audit and Compliance Section of the Board's Bureau of Fiscal Operation requested from Ms. Felita Rodriguez, Manager HRS of SLCS, the status of SLCS's common carrier operations. In response to that request, SLCS stated that SLCS had ceased rail operations on September 30, 1999 and last compensated its employees on October 18, 1999. The response further stated that all of SLCS's assets were sold to UTAH.

Section 202.11 (20 CFR 202.11) of the Board's regulations states:

> 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.

The information summarized above indicates that SLCS no longer possesses the characteristics of an operating railroad company. The Board therefore finds that effective with the close of business on October 18, 1999, the last day on which it paid compensation reportable to this agency, SLCS ceased to be an employer under the RRA and the RUIA.

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