

EMPLOYER STATUS DETERMINATION

South Central Arkansas Railway, Inc. (South Central)

This is a determination of the Railroad Retirement Board concerning the continuing status of South Central Arkansas Railway, Inc. (South Central) 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.).

South Central (B.A. # 3860) has been an employer under the Railroad Retirement Act and Railroad Unemployment Insurance Act since August 13, 1982 (see legal opinion L-82-195). South Central hired its first employee on February 1, 1982, and operated on approximately 55.77 miles of track beginning at El Dorado, Arkansas and terminating at Ruston, Louisiana. South Central interchanged with several other railroads engaged in interstate commerce by rail. South Central was an interim operator under the Rock Island reorganization proceedings. South Central was a wholly-owned subsidiary of Centrail Corporation.

The latest coverage information in the file for South Central indicates in a letter dated October 27, 1986, from Mr. David E. Wasserstrom (President of South Central) to George F. Traynere, the former Director of Compensation and Certification of the Railroad Retirement Board, that South Central was no longer in existence. In addition to that letter, the Board's librarian conducted research with the Louisiana Secretary of State's Office and discovered that South Central was incorporated in Louisiana on April 5, 1982, and subsequently had its charter revoked effective November 19, 1990. The agency librarian's research found no record of South Central still being an active company.

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.

As indicated above, information in our coverage files indicates that South Central was formed to operate a railroad over 55.77 miles of track between Louisiana and Arkansas and interchange with other railroads. South Central began with only six employees and no longer has a charter to operate as a corporation. The research by the Office of General Counsel, the agency librarian, and the information contained in South Central's file indicate that South Central ceased to be an operational railroad when its charter was revoked on November 19, 1990. The evidence of record establishes that South Central no longer possesses the characteristics of a railroad carrier employer. The Board therefore finds that effective November 19, 1990, the date South Central lost its charter to operate as a corporation, South Central Arkansas Railway Inc., ceased being a covered employer under the Railroad Retirement and Railroad Unemployment Insurance Acts.

Original signed by:

FOR THE BOARD
Beatrice Ezerski
Secretary to the Board