

**EMPLOYER STATUS DETERMINATION**  
**Natchez Railway, LLC**

This is the determination of the Railroad Retirement Board concerning the status of Natchez Railway, LLC (Natchez) 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.). The status of Natchez under the Acts has not previously been considered.

Information about Natchez was provided by Mr. Michael J. Van Wagenen, Vice President of Natchez. Natchez is owned by Mr. Kern Schumacher and Ms. Rhonda Nicoloff<sup>1</sup>. According to Mr. Van Wagenen, operations began on July 1, 2009.

In Surface Transportation Board (STB) Finance Docket No. 35248, decided May 21, 2009, Natchez filed a verified notice of exemption to acquire and operate approximately 65.6 miles of railroad line from the Illinois Central Railroad Company (ICRC). In STB Finance Docket No. 35249, also decided May 21, 2009, Mr. Schumacher filed a verified notice of exemption to continue in control of Natchez as well as Grenada Railway, LLC<sup>2</sup>, upon Natchez and Grenada becoming Class III rail carriers.

According to Mr. Van Wagenen, Natchez expects to ship between 2,000 and 3,000 cars annually, and will interchange with ICRC and CN. Natchez certified to the STB that its projected annual revenue as a result of the transaction will not exceed those that qualify it as a Class III rail carrier.

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;

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<sup>1</sup> Mr. Schumacher is the majority stockholder in A&K Railroad Materials, Inc., an entity we have found not to be covered under the Acts. See, B.C.D. 94-7. Mr. Schumacher is also the majority stockholder of T&P Railway, Inc., an employer under the Acts (B.A. No. 3778); Kern Valley Railroad Company (B.A. No. 5736); V&S Railroad, Inc. (B.A. No. 2796); and Gloster Southern Railroad Company, LLC (B.A. No. 2583).

<sup>2</sup> The employer status of Grenada Railway, LLC is being considered under separate cover.

Section 1 of the RUIA (45 U.S.C. § 351) contains essentially the same definition, as does section 3231 of the Railroad Retirement Tax Act (26 U.S.C. § 3231).

The evidence of record establishes that Natchez is a rail carrier operating in interstate commerce. Accordingly, it is determined that Natchez Railway, LLC, became an employer within the meaning of section 1(a)(1)(i) of the Railroad Retirement Act and its corresponding provision of the Railroad Unemployment Insurance Act effective July 1, 2009, the date on which it began operations.

Original signed by:

FOR THE BOARD  
Beatrice Ezerski  
Secretary to the Board