

B.C.D 12-34

September 5, 2012

EMPLOYER STATUS DETERMINATION

Morehead & South Fork Railroad Co. Inc. (MHSF) (B.A. No. 5598)

This is a determination of the Railroad Retirement Board concerning the continuing status of Morehead & South Fork Railroad Co. Inc. (MHSF) (BA No. 5598) 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 B.C.D. 06-13.1, MHSF was determined to be an employer under the Railroad Retirement Act and Railroad Unemployment Insurance Act effective September 1, 2005, the date it began to compensate employees and on which operations began.

In Surface Transportation Finance Docket No. 35339 decided May 10, 2010, Carolina Coastal Railway, Inc. (CLNA) (B.A. No. 5517) filed a verified notice of exemption to acquire and operate approximately 0.87 miles of rail line operated by MHSF. According to the STB decision, MHSF assigned a freight easement and operating agreement to CLNA.

Information concerning MHSF was provided by Ms. Kim Kistner, Vice President of Administration of the Gulf & Ohio Railways, Inc. According to Ms. Kistner, MHSF assigned the operating rights of MHSF to CLNA in February 2010. Ms. Kistner stated that employees of MHSF were last compensated on February 5, 2010. Ms. Kistner further stated that currently MHSF does not have any employees.

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.

The evidence of record establishes that MHSF no longer possesses the characteristics of an operating railroad company. The Board therefore finds that effective February 5, 2010, the date operating rights were

assigned to CLNA and employees were last compensated, Morehead & South Fork Railroad Co., Inc. ceased being a covered employer under the Railroad Retirement and Railroad Unemployment Insurance Acts.

Original signed by:

FOR THE BOARD

Martha P. Rico

Secretary to the Board