

B.C.D. 13-22

August 27, 2013

EMPLOYER STATUS DETERMINATION

Chessie Logistics Co. LLC

This is the determination of the Railroad Retirement Board concerning the status of Chessie Logistics Co. LLC (CLC), 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.).

Information regarding CLC was provided by Ariel Alice Erbacher, General Counsel of CLC. According to Ms. Erbacher, CLC began operations on January 21, 2013. The Chief Executive Office is Alice R. Thompson and the owners are 5 individuals including Ms. Thompson, Adam Erbacher, Ariel Erbacher, Madeline Watson, and Thomas E. Scott Jr. These are the only current employees of the company and they have not been compensated by CLC. CLC acquired the line from J. Emil Anderson and Sons (Anderson) who allowed Indiana Belt Harbor Railroad Company (IHBRR), a covered employer (BA No. 4217), to operate the line. CLC purchased 1.06 miles of track with 431 feet of siding from Anderson. CLC's operations are conducted in an industrial park in Melrose Park, Illinois. CLC switches cars with a 5TM track-mobile that has air train brakes. There are two active shippers: Alois Box Co, which receives about 1 boxcar a month, and Container Specialties Co, which receives about 2 to 3 covered hoppers a month. CLC also has the ability to accommodate 25 rail cars for storage on its trackage. CLC interchanges with IHBRR just west of the Mannheim Road railroad crossing at a station CLC calls RVT Junction. CLC conducts all of its business with IHBRR and is not affiliated with any other company.

In Surface Transportation Board Finance Docket No. 35700, CLC filed a verified notice of exemption to acquire from Anderson and to operate 1.006 miles of private terminal trackage, including 431 feet of siding, in the city of Melrose Park, Illinois. The track does not have assigned mileposts but is located west of the Mannheim Road crossing at the end of the Harvester Spur, an IHBRR spur track located between milepost 37.0 and milepost 38.00 off of the IHBRR main line, just south of the IHBRR Norpaul Yard. The notice indicates that CLC and Anderson entered into an agreement under which CLC acquired all of Anderson's rights to the track as well as assuming its obligation to ship to owners of the adjacent commercial properties. Chessie certified to the STB that its projected annual revenues as a result of this transaction will not exceed those that would 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;

Sections 1(a) and 1(b) of the Railroad Unemployment Insurance Act (45 U.S.C. §§ 351(a) and (b)) contain substantially similar definitions, as does section 3231 of the Railroad Retirement Tax Act (26 U.S.C. § 3231).

The evidence of record establishes that CLC is a carrier operating in interstate commerce subject to STB jurisdiction. Accordingly, it is determined that CLC is an employer within the meaning of section 1(a)(1)(i) of the Railroad Retirement Act (45 U.S.C. § 231(a)(1)(i)) and the corresponding provision of the Railroad Unemployment Insurance Act as of January 21, 2013, the date it began operations.

Original signed by:

FOR THE BOARD
Martha P. Rico
Secretary to the Board