

**EMPLOYER STATUS DETERMINATION
Mineral Range, Inc. (MRI)**

This is a determination of the Railroad Retirement Board concerning the status of Mineral Range, Inc. (MRI) 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 Finance Docket No. 35658, decided August 20, 2012, MRI filed a verified notice of exemption to acquire from Lake Superior and Ishpeming Railroad Company (LSI) and to operate over LSI's rail line. According to the STB decision, MRI intends to operate over two Segments of rail lines. The first Segment (Segment 1) consists of 12.06 miles of rail line that is between milepost 73.60 at or near Landing Junction and milepost 85.66 at or near Humboldt Junction in Marquette County, Michigan. The second Segment (Segment 2) consists of 1.90 miles of rail-banked railroad right-of-way between milepost 85.66 at or near Humboldt Junction and milepost 87.56 at or near Humboldt in Marquette County, Michigan.

Information regarding MRI was provided by Mr. Clinton Jones, Jr., President/CEO and General Manager of MRI. According to Mr. Jones, MRI is a family owned company. Mr. Jones stated that MRI began rail operations on June 3, 2013 and first compensated its employees on June 1, 2013. He further stated that MRI will provide operations over 12 miles of main track and three (3) miles of yard/other than main track between Ishpeming, Michigan and Humboldt Jet, Michigan. Mr. Jones stated that MRI will primarily serve the Rio Tinto Humboldt Mill ore processing plant by transporting that entity's mineral concentrates to Ishpeming, Michigan. He stated that MRI will commence an industry switching activity at Ishpeming, Michigan. Mr. Jones stated that MRI will interchange with Canadian National Railway (B.A. No. 1103). He further stated that MRI will provide freight service and expects to handle approximately 3,500 carloads of freight annually.

Section 1(a) (1) of the RRA defines the term "employer" to include:

- (i) any carrier by railroad subject to the jurisdiction of the Surface Transportation Board under Part A of subtitle IV of Title 49;

Section 1 of the RUIA contains essentially the same definition.

The evidence of record establishes that MRI is a rail carrier operating in interstate commerce. Accordingly, it is determined that Mineral Range, Inc. became 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 effective June 1, 2013, the date it first compensated its employees. Cf. Rev. Ruling 82-100, 1982-1 C.B. 155, wherein the Internal Revenue Service held that a Company becomes an employer subject to RRTA taxes on the date the company first hires employees to perform functions directly related to its carrier operations.

Original signed by:

FOR THE BOARD
Martha P. Rico
Secretary to the Board