

B.C.D 15-24

October 1, 2015

**EMPLOYER STATUS DETERMINATION
Redmont Railway Company, Inc. (RRC)**

This is a determination of the Railroad Retirement Board concerning the continued status of Redmont Railway Company, Inc. (RRC), B.A. 5558, 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).

RRC has been an employer covered by the RRA and the RUIA, with service creditable from February 15, 1995. Information regarding this company was provided in correspondence dated February 10, 2014 from Ms. Camilla Strickland, Controller of RRC. Ms. Strickland enclosed a Purchase Agreement and stated that after September 25, 2013, RRC no longer provided any rail services because it was bought by Mississippi Central Railroad Co. Mississippi Central Railroad Co. (MSCI) is a Mississippi railroad corporation who will operate RRC doing business as Mississippi Central Railroad Co.

On August 13, 2013, MSCI filed a verified notice of exemption (Notice) with the Surface Transportation Board to lease and operate a line of railroad owned by Mississippi-Alabama Railroad Authority (MARA). The rail line (Line) is between Corinth, Mississippi at milepost IC-529.5 and Red Bay, Alabama at milepost IC-571.0. The Notice further stated that MSCI reached an agreement with RRC, the operator of the above-stated Line, and MARA, the owner of the Line to acquire RRC's leasehold interest in the Line and begin leasing and operating on the Line. A letter from Daniel LaKemper, General Counsel of RRC, to the Surface Transportation Board dated October 7, 2013 further states that the transfer of RRC to MSCI was effective September 25, 2013 and at that time any assets of RRC were sold to MSCI. Therefore, RRC no longer exists as a separate legal entity. RRC has no relations with the railroad industry and does not provide any rail service. According to Ms. Strickland, RRC employees were last compensated on September 30, 2013.

Section 202.11 (20 C.F.R. §202.11) of the Board's regulations states, "[t]he 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 RRC no longer possesses the characteristics of an operating railroad company covered under the RRA and the RUIA.

The Board finds that effective with September 25, 2013, the effective date of the sale to MSCI, RRC ceased being a covered employer under the RRA and the RUIA.

Original signed by:

FOR THE BOARD
Martha P. Rico
Secretary to the Board