

EMPLOYER STATUS DETERMINATION**TransDistribution Ridgeland Railroad Company (TDRR)**

This is a determination of the Railroad Retirement Board concerning the status of TransDistribution Ridgeland Railroad Company (TDRR) 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 TDRR under the Acts has not previously been considered.

TDRR is a subsidiary corporation of TransDistribution, Inc. (TDI). TDI has never been found to be an employer under the Acts. David C. Dillon of Dillon & Nash, Ltd., counsel for TDRR, provided information regarding the formation and start of operations for TDRR. Mr. Dillon stated that TDRR began operations on January 1, 2015, and hired two employees who began compensated service to TDRR on January 2, 2015. However, these employees were being paid through the payroll of Sweetener Supply Corporation because TDRR has been unable to obtain a Federal Employer Identification Number from the Internal Revenue Service.

In Surface Transportation Board Finance Docket No. 35891, TDRR filed a Verified Notice of Exception to operate along 1,230 linear feet of rail line within the Berwyn Transload Facility in Berwyn, Illinois. There are no mileposts or mile markers on the line. TDRR indicated in that filing that the rail line is owned by the BNSF Railway Company (BA# 1621) and has been leased to Sweetener Supply Corporation for the transloading of bagged sugar products. BNSF Railway Company is a Class I rail carrier and a covered employer under the Acts with service creditable from March 3, 1970. TDRR also stated that the line would be used to interchange with BNSF, and that its projected annual revenues would not exceed \$5 million. The Surface Transportation Board granted TDRR's request for exemption effective January 17, 2015.

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.

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 TDRR is a rail carrier operating in interstate commerce. Accordingly, the Board finds that TransDistribution Ridgeland Railroad Company became an employer within the meaning of section 1(a)(1) of the Railroad Retirement Act and Section 1 of the Railroad Unemployment Insurance Act effective January 1, 2015, the date on which TDRR began operations.

FOR THE BOARD

Martha P. Rico

Secretary to the Board