

**EMPLOYER STATUS DETERMINATION  
Signal Specialties, Inc. (SSI)**

This is a determination of the Railroad Retirement Board concerning the status of Signal Specialties, Inc. (SSI) 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 SSI under the Acts has not previously been considered.

SSI is a subsidiary corporation of Herzog Technologies, Inc. (HTI). HTI has never been found to be an employer under the Acts. Kevin M. Sheys of Nossaman, LLP, counsel for SSI, provided information regarding the formation and start of operations for SSI. In a letter dated April 21, 2015, Mr. Sheys stated that SSI would begin operations on or after May 1, 2015, with the first employees being hired and beginning compensated service on April 9, 2015.

In Surface Transportation Board Finance Docket No. 35909, SSI filed a Verified Notice of Exemption on March 10, 2015 to acquire joint trackage rights and operate along approximately 1,650 linear feet of rail line in Buchanan County, Missouri. There are no mileposts or mile markers on the line. SSI indicated in that filing that the rail line is owned by TransitAmerica, LLC (BA# 4787) and connects to a BNSF Railway Company (BA# 1621) main line at the west end and a rail line owned by Herzog Contracting Corporation at the east end. BNSF Railway Company is a Class I rail carrier and a covered employer under the Acts with service creditable from March 3, 1970. In Notice 90-53 dated May 16, 1990, the Board's Deputy General Counsel found Herzog Contracting Corporation was not a covered employer under the Acts. SSI also indicated that its projected annual revenues would not exceed \$5 million. The Surface Transportation Board granted SSI's request for exemption effective April 9, 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 SSI is a rail carrier operating in interstate commerce. Accordingly, the Board finds that Signal Specialties, Inc. 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 April 9, 2015, the date on which SSI first compensated employees.

Original signed by:

FOR THE BOARD  
Martha P. Rico  
Secretary to the Board