

B.C.D. 16-02

February 2, 2016

EMPLOYER STATUS DETERMINATION

Brownsville & Matamoros Bridge Co. (B & M Bridge)

This is a determination of the Railroad Retirement Board concerning the continued status of Brownsville & Matamoros Bridge Co. (B & M Bridge), B.A. 4803, 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).

On December 16, 2013, the Union Pacific Railroad (UPRR) filed a petition for an exemption with the Surface Transportation Board (STB), Docket Number FD 35791, which was consolidated with Docket Numbers AB 33 and AB 1091X. UPRR petitioned to acquire and operate the 0.8-mile rail line owned by B & M Bridge. The rail line (Line) is between UPRR milepost 0.59 (B & M Bridge milepost 0.80) and runs to the border with Mexico located at the center point of B & M Bridge's railroad bridge that crosses the Rio Grande river. The B & M Bridge line connects with a section of UPRR's track extending from UPRR milepost 7.60 at Olmito Junction to milepost 0.59 at Brownsville, Texas.

UPRR indicated in its petition that it intended to relocate the overhead traffic formerly moving on the Line to the newly constructed West Rail Relocation Project running from UPRR milepost 7.60 at Olmito Junction to the border with Mexico over UPRR's new international rail bridge at UPRR milepost 1.7 (approximately 6 miles long). UPRR stated that its purpose was not to open new traffic routes but to continue to serve its existing customers in a safer and more efficient manner. The STB granted the exception with a service date of March 13, 2014.

Information regarding B & M Bridge was provided in correspondence dated August 28, 2015 from Mr. John D. Hopkins, President and Chief Operating Officer. Mr. Hopkins enclosed a Request for Termination of Coverage, an STB decision, and a financial statement. Mr. Hopkins stated that after August 7, 2015, B & M Bridge no longer provided any rail operations over the Brownsville & Matamoros Bridge. He stated that the Brownsville and Matamoros Bridge will continue in operation as a pedestrian and traffic bridge only. Mr. Hopkins explained that rail operations were moved to a new bridge near San Pedro, Texas and were now being provided by UPRR. Mr. Hopkins stated that the new bridge will be owned and operated by UPRR. However, Mr. Hopkins stated that B & M Bridge employees will continue to work for B & M Bridge and oversee operations of the pedestrian and automobile traffic on the Brownsville & Matamoros Bridge.

Mr. Hopkins further stated that it is anticipated that the existing railroad track will be removed from the Brownsville & Matamoros Bridge but was not sure when the track will be removed. Last, Mr. Hopkins stated that any ancillary activities related to rail operations will be completed by December 31, 2015.

Mr. Hopkins provided a copy of B & M Bridge's Financial Statement for the years 2012 and 2013. The financial statement states "[i]t is estimated that beginning in 2015, the Company will no longer earn switching revenue due to train traffic transferring to a newly constructed bridge in Cameron County. Management does not expect the switching revenue to return in future years."

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 Brownsville & Matamoros Bridge Company no longer possesses the characteristics of an operating railroad company covered under the RRA and the RUIA.

The Board finds that effective on December 31, 2015, the date of the end of all rail and ancillary operations, Brownsville & Matamoros Bridge Company ceased being a covered employer under the RRA and the RUIA.

Original signed by:

FOR THE BOARD
Martha P. Rico
Secretary to the Board