

**B.C.D. 16-03**

**February 10, 2016**

**EMPLOYER STATUS DETERMINATION  
Bogalusa Bayou Railroad, LLC (BBRR)**

This is a determination of the Railroad Retirement Board concerning the status of Bogalusa Bayou Railroad, LLC (BBRR) 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). The status of BBRR under the Acts has not previously been considered.

BBRR is a wholly owned subsidiary of Watco Transportation Services, LLC. (BA# 9848). Richard Webb is the Chief Executive Officer of BBRR. Information on BBRR's operations and corporate structure was provided to the Board by Mr. Craig Richey (Executive Vice President and General Counsel for Watco) on December 18, 2014 in response to an Audit and Compliance questionnaire. Mr. Richey also provided as an enclosure a copy of the Surface Transportation Board (STB) decision regarding BBRR's operations. Mr. Richey represented that BBRR commenced operations on December 1, 2014. BBRR's corporate office and address is in Pittsburg, Kansas. Mr. Richey advised that BBRR will provide common carrier operations over leased track as detailed below.

The Surface Transportation Board (STB) in Finance Docket #35880 decided December 12, 2014 in favor of BBRR's verified notice of exemption to acquire overhead trackage rights over a one mile line of track owned by Illinois Central Railroad Company extending between milepost 68.85 at Lees Creek, Louisiana and milepost 69.85 at Bogalusa, Louisiana. Also, filed concurrently with the decision just addressed, Watco Holdings, Inc., a non-carrier, filed with the STB in Finance Docket #35882 decided December 12, 2014, a verified notice of exemption to continue in control of BBRR upon BBRR becoming a Class III rail carrier. The projected revenues of BBRR will not exceed those that would qualify it as a Class III rail carrier. BBRR has 11 employees all of whom began to be compensated December 1, 2014.

During a review of BBRR's documentation, the Board also learned that the STB in Finance Docket #35904 decided February 9, 2015 in favor of BBRR's verified notice of exemption to operate two rail lines of approximately 21.95 combined miles of track owned by Geaux Geaux Railroad, LLC. The lines of track are located (1) between milepost 0.00 at or near Slaughter and milepost 9.69 at or near Zee, and (2) between milepost 345.84 at or near Slaughter and milepost 358.10 at or near Maryland, all in East Baton Rouge Parish, Louisiana. Information in the

STB decision indicates that carrier volume and projected annual revenues will not exceed those that would qualify BBRR as a Class III rail carrier. The information also reflects that for operations on these lines of track, BBRR will operate as d/b/a Geaux Geaux Railroad.

Section 1(a)(1)(i) of the Railroad Retirement Act (45 U.S.C. § 231(a)(1)(i)), 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 BBRR is a rail carrier operating in interstate commerce. Accordingly, it is determined that Bogalusa Bayou Railroad, LLC 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 December 1, 2014, the date BBRR first began operations and first compensated employees.

Original signed by:

FOR THE BOARD  
Martha P. Rico  
Secretary to the Board