B.C.D. 02-89

DEC 05 2002

EMPLOYER STATUS DETERMINATION
R. J. Corman Railroad Company/Bardstown Line

This is a determination of the Railroad Retirement Board concerning the status of R. J. Corman Railroad Company/Bardstown Line (RJCR) 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).

In Surface Transportation Board (STB) Finance Docket No. 30959, service date January 15, 1987, RJCR filed a notice of exemption to acquire and operate 20 route miles of line from CSX Transportation, Inc. (BA 1524) from Bardstown Junction, Kentucky (milepost 22.07) to Wickland, Kentucky (milepost 42.00). In STB Finance Docket 34165, service date February 15, 2002, R. J. Corman Equipment Company, LLC (RJCE) filed a notice of exemption to acquire from CSX Transportation Company (B.A. No. 1524), approximately 36.08 miles of rail line known as the Dawkins Subdivision located between approximately milepost 0.05 at or near Dawkins, Kentucky and approximately milepost 36.13 at or near Evanston, Kentucky. In STB Finance Docket 34166, RJCR sought to lease and operate the line being acquired by RJCE.

Mr. Brad Brown, Contracts/Property Manager for R. J. Corman Railroad Group, provided information about RJCR. According to Mr. Brown, RJCR began operation in January 1987. RJCR first compensated employees in January 1987. RJCR interchanges with CSX Transportation.

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;

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Section 1 of the RUIA contains essentially the same definition, as does section 3231 of the Railroad Retirement Tax Act.

The evidence of record establishes that RJCR is a rail carrier operating in interstate commerce. Accordingly, it is determined that RJCR became an employer within the meaning of section 1(a)(1)(i) of the Railroad Retirement Act and the corresponding provision of the Railroad Unemployment Insurance Act effective January 1, 1987, the first day of the month in which it began operations and its employees were first compensated. [CF. Rev. Rul. 82-100, 1982-1 C.B. 155, wherein the IRS held that a company became an employer under the Railroad Retirement Tax Act on the date it hired employees to perform functions directly related to its carrier operations.]

Original signed by:

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