

Employer Status Determination Rail Partners, L. P.

This is the decision of the Railroad Retirement Board regarding the status of Rail Partners, L. P. (Partners) as an employer under the Railroad Retirement Act (RRA) and the Railroad Unemployment Insurance Act (RUIA).

Partners was formed on May 15, 1991. Partners owns 100% of the Galveston Railroad, L.P. (GRLP) (an employer covered by the Acts), ET Ry, L.P. (ETLP), ATW Ry, L.P. (ATWLP), KWT Railway, Inc. (KWT), and 79% of LRW Ry, L.P. (LRWLP). GRLP, ETLP, ATWLP, and LRWLP are limited partnerships created to acquire the rail assets and assume the rail operations of Galveston Railway, Inc., Little Rock and Western Railway Corporation, East Tennessee Railway Corporation, and Atlantic & Western Railway Company, all Class III common carriers, and all employers covered by the Acts. See Interstate Commerce Commission Finance Docket No. 31869, decided June 28, 1991. According to a letter dated September 24, 1991, from Linda Gray, Assistant to the President, Partners is a holding company with no employees. Ms. Gray advises that Partners exercises no control over any railroad and provides no service to any railroad.

Section 1(a)(1) of the RRA (45 U.S.C. 231(a)(1)) defines the term "employer", insofar as is relevant here, as follows:

(i) any express company, sleeping-car company and carrier by railroad, subject to part I of the Interstate Commerce Act;

(ii) any company which is directly or indirectly owned or controlled by, or under common control with one or more employers as defined in paragraph (i) of this subdivision and which operates any equipment or facility or performs any service (other than trucking service, casual service, and the casual operation of equipment and facilities) in connection with the transportation of passengers or property by railroad * * *.

Partners has no employees and performs no services. It simply holds stock. The Board has long held that the mere ownership of stock in a railroad does not constitute a service in connection with railroad transportation. Accordingly, the Board finds that Partner's does not provide a service in connection with railroad transportation. In view of this finding, the Board does not need to address the issue of control under section 1(a)(1)(ii) of the Act.

The Board finds that Partners is not a employer under the Railroad Retirement and Railroad Unemployment Insurance Acts.

An appropriate Form G-215 is attached.

Glen L. Bower

V. M. Speakman, Jr.

Jerome F. Kever

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rail1273.cov
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TO: The Board

FROM: General Counsel

SUBJECT: Rail Partners, L.P.
Employer Status

Attached is a draft determination finding that Rail Partners, L. P. is not a covered employer, because it merely holds the stock in employers covered under the Acts and performs no services in connection with railroad transportation.

Catherine C. Cook

Attachment