

**EMPLOYER STATUS DETERMINATION
GRAYSONIA, NASHVILLE, & ASHDOWN RAILROAD COMPANY**

This is the decision of the Railroad Retirement board regarding the status of the Graysonia, Nashville, & Ashdown Railroad Company (GNA RR) as an employer under the Railroad Retirement and Railroad Unemployment Insurance act. GNA RR has previously been held to be an employer under the Acts, with service creditable from August 16, 1922.

The evidence of record is that on June 23, 1993, GNA RR and the Kansas City Southern Railway (KC Southern) executed Articles of Merger whereby GNA RR would be merged into KC Southern.¹ GNA RR ceased operations July 1, 1993, and its employees either transferred to KC Southern or elected to take severance pay effective July 2, 1993. The Articles of Merger attesting that GNA RR and KC Southern would merge, with KC Southern remaining thereafter as the surviving corporation were approved and filed by the corporate Division of the Missouri Secretary of State Office on July 2, 1993. The Interstate Commerce Commission granted an exemption to the transaction from various regulatory provisions under the Interstate Commerce Act. See Exemption: The Kansas City Southern railway company--Merger Exemption--the Graysonia, Nashville and Ashdown Railroad Co., Finance docket No. 32218, 58 Fed. Reg., 390-37, July 21, 1993.

Regulations of the board provide that status as a covered employer shall cease with the date upon which final or complete cessation of an essential employer characteristic occurs. See 20 CFR 202.12(b). Accordingly, the Board holds that GNA RR ceased to be an employer under the Railroad Retirement and Railroad Unemployment Insurance acts effective July 2, 1993 the date GNA RR merged its corporate structure with the Kansas City Southern Railway.

Glen L. Bower

V. M. Speakman, Jr.

¹The Kansas City Southern Railway is a covered rail carrier employer under the Acts, with service creditable from March 19, 1900. See BA number 1806.

Jerome F. Kever