

APR 02 2002

EMPLOYER DETERMINATION**Central of Tennessee Railway & Navigation Company, Inc.
d/b/a The Longhorn Railway Company**

This is a determination of the Railroad Retirement Board concerning the continued status of Central of Tennessee Railway & Navigation Company, Inc. d/b/a the Longhorn Railway Company (CTR) (B.A. No. 5550) 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).

Information regarding CTR was provided by Mr. Donald T. Cheatham, owner and legal counsel for CTR. According to Mr. Cheatham, CTR formerly provided rail service in the states of Tennessee and Texas. In Board Coverage Decision (B.C.D.) 01-41 dated May 10, 2001, we noted that CTR formerly operated approximately 162 miles of rail line that was owned by Capital Metropolitan Transportation Authority (CMTA)¹. Mr. Cheatham stated that because CMTA terminated CTR's operating contract, CTR last compensated its employees and ceased its rail operations in Texas and Tennessee on March 31, 2000 and August 1, 2000 respectively. Mr. Cheatham stated that CTR had no assets other than the operation's contracts. Mr. Cheatham further stated that the proceeds from the sale of CTR's Tennessee operation were assigned to the Internal Revenue Service which applied the proceeds to the taxes due under the Railroad Retirement Tax Act.

Section 202.11 (20 CFR 202.11) of the Board's regulations states:

The 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 Central of Tennessee Railway & Navigation Company, Inc d/b/a The Longhorn Railway Company no longer possesses the characteristics of an operating railroad. Therefore, effective August 1, 2000, the last date it compensated its employees and ceased rail operations, Central of

¹ B.C.D. 01-41 found that effective December 13, 2000, Austin Area Terminal Railroad, Inc. (AATR, Inc.) (B.A. No. 3895) began rail operations on that line and became a covered employer under the RRA and the RUIA.

**Central of Tennessee Railway & Navigation Company, Inc.
d/b/a The Longhorn Railway Company**

Tennessee Railway & Navigation Company, Inc d/b/a The Longhorn Railway Company ceased to be an employer under the Railroad Retirement Act and the Railroad Unemployment Insurance Act.

Original signed by:

Cherryl T. Thomas

V. M. Speakman, Jr.

Jerome F. Kever