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The Director of Retirement Claims

The General Counsel

Southern Pacific Railroad Company of Mexico

The above-mentioned company by reason of being controlled by the Southern Pacific Company and engaged in the operation of certain terminal facilities in Nogales at the international boundary line between the United States and Mexico, and thus performing services in connection with the transportation of passengers and property by railroad, has been an employer within the meaning of the Railroad Retirement Act and the Railroad Unemployment Insurance Act. Since it did not conduct the principal part of its business within the United States, service to it was creditable only when rendered in the United States.

This office has been informed that as of December 21, 1951, the Southern Pacific of Mexico sold its properties in Mexico to the Mexican Government and that as of the same date the operation of its terminal facilities at Nogales, Arizona was transferred to the Southern Pacific Company; that Southern Pacific of Mexico does not now own any terminal or other railroad properties in the United States; that it is not engaged in any business or activities of any kind; that the company has not yet been dissolved but that dissolution is contemplated, and that since December 21, 1951, it has had no employees performing service within the United States.

On the basis of the foregoing, it is concluded that as of December 21, 1951, the Southern Pacific Railroad Company of Mexico ceased to be an employer within the meaning of the Railroad Retirement Act and the Railroad Unemployment Insurance Act.

Myles F. Gibbons
General Counsel

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