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The Director of Wage and Service Records

The General Counsel

San Manuel Arizona Railroad Company

In a certificate dated December 1, 1954, the Interstate Commerce Commission authorized the acquisition and operation by the above-mentioned company of a line of railroad in Pinal and Gila Counties, Arizona. San Manuel Arizona Railroad Company Acquisition and Operation, Finance Docket No. 18420, ___ I.C.C. ___.

In the Commission's report, it is stated that the San Manuel Arizona Railroad Company was incorporated in September 1953 under the laws of the State of Arizona; that the line to be acquired will extend from a connection with the Southern Pacific at or near Hayden to a copper plant of the San Manuel Copper Corporation under construction at or near Tiger, a distance of about 29.5 miles, all in the State of Arizona; that the line will be used to haul construction materials and supplies to the mine and plant sites at the San Manuel project, and after completion of the project to transport the copper and molybdenum concentrates from the mine and materials and supplies for use in maintaining and operating the mine and plant facilities; that the line will also be used for the transportation of freight for business establishments in the San Manuel projects and for others who may wish to ship thereover; that the railroad service will be limited to freight, and that the San Manuel Arizona Railroad Company will be controlled by the Magma Copper Company through the San Manuel Copper Corporation through ownership of capital stock.

In a letter dated February 4, 1955 Mr. C. Leo Guynn, President, San Manuel Arizona Railroad Company, stated that the San Manuel operated its line as an interstate carrier for the first time on February 2, 1955, the date as of which its first tariffs covering commodities in interstate commerce became effective.

On the basis of the foregoing, I conclude that since February 2, 1955 the San Manuel Arizona Railroad Company has been a carrier by railroad subject to part I of the Interstate Commerce Act and consequently an employer within the meaning of the Railroad Retirement Act and the Railroad Unemployment Insurance Act.

Appropriate Form G-341 will be released giving effect to the foregoing conclusion.

Myles F. Gibbons
General Counsel

HPC/dmc