B.C.D. 04-7

EMPLOYER STATUS DETERMINATION

Safe Handling Rail, Inc.

FEB 11 2004

This is the determination of the Railroad Retirement Board concerning the continuing status of Safe Handling Rail, Inc. (SHR) (B.A. No. 2133) 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). SHR has been an employer under the RRA and RUIA with service creditable from December 6, 2000.

Information regarding SHR was provided by Andrew Clement, Chief Financial Officer of SHR. According to Mr. Clement, SHR ceased operations and last compensated its employees on October 31, 2003. All fixed assets, miscellaneous equipment and tools of SHR were left for the new operator, Morristown & Erie Railway, Inc., d/b/a Maine Eastern Railroad (B.A. No. 2136). SHR now has no relationship with the railroad industry and has ceased operations entirely. Although SHR has not yet dissolved as a business organization, it is clear that its character as a railroad employer covered under the RRA and RUIA no longer exists inasmuch as all of its railroad assets were left for the new operator.

Section 202.11 of the Board's regulations provides that:

> 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.

Based on the information set forth above, it is the determination of the Railroad Retirement Board that Safe Handling Rail, Inc. ceased being an employer under the RRA and RUIA on October 31, 2003, the date on which it last compensated its employees and ceased operations.

Michael S. Schwartz

V. M. Speakman, Jr.

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