EMPLOYER STATUS DETERMINATION **APR 28 1999**
Sierra Pacific Coast Railway, Incorporated
d/b/a Eccles & Eastern Railroad Company, Incorporated

This is the determination of the Railroad Retirement Board concerning the continued status of Sierra Pacific Coast Railway, Incorporated (SPCR), doing business as Eccles & Eastern Railroad Company, Incorporated, (BA number 3789) as an employer under the Railroad Retirement Act (45 U.S.C. § 231 et seq.) and the Railroad Unemployment Insurance Act (45 U.S.C. §351 et seq.).

The SPCR acquired right of way and trackage rights for 8.8 miles of rail line between Santa Cruz and Eccles, California in September 1994, and began operations October 1, 1994. See: Eccles & Eastern Railroad Company, Inc. -- Lease and Operation Exemption – Santa Cruz, Big Trees & Pacific Railway, ICC Finance Docket No. 32586, October 12, 1994. SPCR was held to be an employer under the Acts effective October 1, 1994 (B.A. Number 3789).

By letter dated December 2, 1998, Mr. Richard Naumann, President of SPCR, informed the Board that SPCR operated the line for approximately a year, until September 1995. At that time, operations were assumed by Sierra Railroad. See Coast Enterprises, Inc. – Acquisition Exemption – Sierra Pacific Coast Railway, Inc. – Sierra Railroad, a Division of Coast Enterprises, Inc. – Operation Exemption – Coast Enterprises, Inc., ICC Finance Docket No. 32818, December 28, 1995. Mr. Naumann reports that the former employees of SPCR became employees of the new operator. The Sierra Railroad has previously been held to be an employer under the Acts effective September 29, 1995 (B.A. Number 2774). SPCR itself conducted no further operations, and the company is currently in bankruptcy proceedings.

Based on the above, the Board holds that SPCR ceased to be an employer under the Railroad Retirement and Railroad Unemployment Insurance Acts effective with the close of business on September 28, 1995.

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