B.C.D. 02-62

EMPLOYER STATUS DETERMINATION
Chicago Short Line Railway Company

AUG 2 7 2002

This is the decision of the Railroad Retirement Board regarding the continued status of Chicago Short Line Railway Company, 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).

Chicago Short Line was held to be an employer under the Acts effective March 30, 1901 (B.A. Number 4315). In April 2002, its assets were sold to the International Steel Group. Chicago Short Line last compensated employees in June 2002.

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.

Through the sale of its assets and its cessation of operations, Chicago Short Line has lost the characteristics essential to the existence of an employer status. Accordingly, the Board holds that Chicago Short Line ceased to be an employer under the Railroad Retirement and Railroad Unemployment Insurance Acts effective with the close of business on June 30, 2002, the end of the month during which its employees were last compensated. Cf. Rev Ruling 82-99, 1982-2 C.B. 154, wherein the Internal Revenue Service ruled that a railroad ceases to be an employer subject to taxes under the Railroad Retirement Tax Act when the railroad's employees stop performing services in connection with the railroad's carrier activities.

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