

**EMPLOYER STATUS DETERMINATION**

**Cedar American Rail Holdings, Inc. (CARH)**

This is a determination of the Railroad Retirement Board concerning the continuing status of Cedar American Rail Holdings, Inc. (CARH), 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.).

CARH (BA # 9632) has been an employer under the Railroad Retirement Act and Railroad Unemployment Insurance Act since June 17, 2002. (See Board Coverage Decision No. 03-22, February 27, 2003).

On December 15, 2008, Mr. Russ Theis, the manager of employee services and benefits, of Canadian Pacific telephoned the Board's Audit and Compliance Division concerning a request of how to report the merger of CARH into Dakota, Minnesota & Eastern Railroad Corporation (BA# 2632).

On January 9, 2009, Mr. Theis responded to a termination questionnaire from Audit and Compliance and provided documentation of the merger including the Merger Agreement. Attached to the information packet provided were several documents including STB Finance Docket 35202 which communicated the connection between several covered railroads. Canadian Pacific Railway Company (CPR), Soo Line Holding Company (Soo Holding), Dakota, Minnesota & Eastern Railroad Corporation (DM&E) and Iowa, Chicago, & Eastern Railroad Corporation (IC&E) jointly filed a verified notice of exemption under 49 CFR 1180.2(d)(3) for an intra-corporate family transaction.

CARH was wholly owned subsidiary of DM&E. CARH had two wholly owned subsidiaries IC&E and Wyoming Dakota Railroad

Properties, Inc. (Wyoming Dakota). The purpose of the transaction is to streamline the corporate structure of CPR's United States rail carrier subsidiaries.

The STB approved the merger of CARH and IC&E with and into DM&E with DM&E being the surviving corporation. With the merger, DM&E will continue to be a direct subsidiary of Soo Holding. The merger does not involve any change in service levels and will have no foreseeable impact on employees except that service and compensation of employees of CARH will be reported by DM&E.

Section 202.11 (20 CFR 202.11) of the Board's regulations states 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.

The evidence of record establishes that CARH no longer possesses the characteristics of a railroad carrier employer within the United States. The Board therefore finds that effective December 26, 2008, the date CARH was merged into DM&E, Cedar American Rail Holdings, Inc., ceased being a covered employer under the Railroad Retirement and Railroad Unemployment Insurance Act.

Original signed by:

FOR THE BOARD  
Beatrice Ezerski  
Secretary to the Board