B.C.D. 04-60

DEC 0 2 2004

Employer Status Determination
Chesapeake and Indiana Railroad Company

This is the determination of the Railroad Retirement Board concerning the status of Chesapeake and Indiana Railroad Company (CKIN) 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). CKIN has not heretofore been ruled to be an employer under the RRA and RUIA.

According to R. Powell Felix, President, CKIN, employees were first paid and actual operations began on August 11, 2004. CKIN is a newly formed class III short line rail carrier which operates on the rail line formerly known as the Wabash Subdivision of the Chicago Division of CSX Transportation. The line is 32.99 miles in length and extends from Wellsboro to LaCrosse, Indiana and from Malden through LaCrosse to North Judson, Indiana. CKIN connects with CSX in Wellsboro, Indiana. CKIN is a wholly owned subsidiary of Indiana Boxcar (a non-carrier). CKIN contracts with the town of North Judson, Indiana, which purchased the line from CSX in abandonment proceedings. See Surface Transportation Board (STB) Docket No. AB-55 (Sub-No. 643X), decided May 14, 2004. CKIN primarily hauls fertilizer and grain. On July 21, 2004, CKIN filed its petition for exemption to operate on the rail line it leases from the town of North Judson in STB Finance Docket No. 34529 and Indiana Boxcar on the same date filed its petition to continue in control of CKIN in STB Finance Docket No. 34528.

Section 1(a)(1) of the Railroad Retirement Act (45 U.S.C. § 231(a)(1)), insofar as relevant here, defines a covered employer as:

> (i) any carrier by railroad subject to the jurisdiction of the Surface Transportation Board under Part A of subtitle IV of Title 49 [45 U.S.C. § 231(a)(1)(i)].

Sections 1(a) and 1(b) of the Railroad Unemployment Insurance Act (45 U.S.C. §§ 351(a) and (b)) contain substantially the same definition as does section 3231 of the Railroad Retirement Tax Act (26 U.S.C. § 3231).

Based on the information summarized above, it is determined that Chesapeake and Indiana Railroad Company became an employer covered under the Railroad Retirement Act and the Railroad Unemployment Insurance Act on August 11, 2004, the day actual operations began and employees were first paid.

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