EMPLOYER STATUS DETERMINATION
East Texas Central Railroad, Inc. (ETCR)

JAN 1 9 2000

This is the determination of the Railroad Retirement Board concerning the continued status of East Texas Central Railroad, Inc. (ETCR), B.A. No. 4865, 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).

In Board Coverage Decision 97-9, the Board found ETCR to be a covered rail carrier employer under the RRA and the RUIA effective with the start of business on April 26, 1996.

In Surface Transportation Board (STB) Finance Docket No. 33708, decided February 9, 1999, the Blacklands Railroad Company (BLRR) (B. A. No. 2879), filed a verified notice of exemption to acquire from ETCR its rights under an agreement with Northeast Texas Rural Rail Transportation District (NETEX) to operate over approximately 38 miles of rail line in the State of Texas as follows: (1) approximately 31 miles of rail line owned by NETEX, beginning at milepost 524.0, located approximately 6.2 miles west of Sulphur Springs, and proceeding west through Hopkins and Delta Counties to milepost 555.0, at Simtrott, in Hunt County, and (2) approximately 7 miles of rail line owned by the St. Louis Southwestern Railway Company, between milepost 524.0 and milepost 517.0, pursuant to trackage rights acquired by NETEX for the purpose of interchanging and switching at Sulphur Springs. In a footnote to its decision, the STB indicated that BLLR would operate the subject rail line.

Mr. Ron Finkbeiner, President of ETCR, provided additional information regarding the termination of the operating contract between NETEX and ETCR. According to Mr. Finkbeiner, effective December 15, 1998, NETEX and ETCR mutually agreed to terminate their operating agreement. At that time, according to Mr. Finkbeiner, NETEX contracted with BLLR to provide the services ETCR previously performed. Mr. Finkbeiner stated that there is not, nor has there ever been, any connection between ETCR and BLLR.

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.

East Texas Central Railroad, Inc. (ETCR)

The information summarized above indicates that ETCR no longer possesses the characteristics of an operating railroad company. The Board therefore finds that effective with the close of business on December 15, 1998, East Texas Central Railroad, Inc. ceased being a covered employer under the Railroad Retirement Act and the Railroad Unemployment Insurance Act.

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