

**EMPLOYER STATUS DETERMINATION  
Michigan Air-Line Railway Company (MALR)**

This is a determination of the Railroad Retirement Board concerning the continuing status of Michigan Air-Line Railway Company (MALR) 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.) (collectively, the “Acts”).

MALR (B.A. # 3266) was previously known as Coe Rail Inc. (Coe). Coe was initially found to be an employer under the RRA and RUIA with service creditable from August 23, 1984. *See* Legal Opinion L-85-30. In a letter dated February 28, 2007, Mr. B. Allen Brown, President and CEO of Michigan Air-Line Railway (MALR), explained that Railmark Holdings, Inc., a non-carrier railroad holding company, purchased 100% of the stock of Coe on June 2, 2006. On June 22, 2006, Railmark filed for a legal name change with the Michigan Secretary of State, changing the name of Coe to Michigan Air-Line Railway. In B.C.D. 07-37 it was the decision of the Board that the company formerly known as Coe Rail, Inc. should be known as Michigan Air-Line Railway Company, and reports should be filed under the same B.A. number used by Coe Rail, Inc.

Information regarding MALR was provided by Attorney W. Robert Alderson. In a letter dated November 28, 2012, Mr. Alderson stated that MALR’s operations as a railroad carrier ceased on November 30, 2011, and MALR employees were last compensated on December 31, 2011. Mr. Alderson further explained that MALR entered into a Salvage Contract, whereby the Salvage Operator purchased from MALR all of the rails, ties, and other track materials, and removed these items from the roadbed of MALR’s rail line. In addition, MALR negotiated for the sale of the right-of-way with the Commerce, Walled Lake and Wixom Trailway Management Council for use as a recreational trail.

While the corporate entity which is MALR has not been dissolved, there were two Surface Transportation Board (STB) decisions regarding the exemption of MALR from the prior approval requirements of 49 U.S.C. §10903 to abandon the approximately 5.45 mile of rail line (STB Docket No. AB 1053 (Sub-No. 2X), decided October 18, 2011, and November 17, 2011).

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 MALR has not operated as a railroad carrier and does not retain the ability to do so since November 30, 2011. MALR has not functioned as a rail carrier since that date and no longer possesses the characteristics of a railroad carrier employer.

The Board therefore finds that effective December 31, 2011, the date that MALR last compensated employees, Michigan Air-Line Railway Company ceased being a covered employer under the Railroad Retirement and Railroad Unemployment Insurance Acts.

Original signed by:

FOR THE BOARD  
Martha P. Rico  
Secretary to the Board