EMPLOYER STATUS DETERMINATION
Detroit and Mackinac Railway Company

This is the determination of the Railroad Retirement Board concerning the status of Detroit and Mackinac Railway Company (DMR) 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). DMR has been an employer under the Acts, with service creditable from December 29, 1984.

According to information furnished by Roger C. Moffatt, DMR's Executive Vice President, DMR ceased operations on February 16, 1992. DMR's employees last performed services on that same date, but were entitled to certain additional compensation, including for unused vacation and personal leave days. Some of DMR's assets were sold to Lake State Railway Company (BA No.3289) (Lake State), and the remaining assets were leased to Lake State with an option to buy. Lake State became the sole operator of the former DMR lines on February 17, 1992. DMR issued its last payroll check on March 13, 1992, to a DMR employee for unused vacation and personal days. DMR continues to exist as an owner and lessor of property and equipment, but has no rail operations and no employees.

In Interstate Commerce Commission (ICC) Finance Docket No. 32012, decided February 21, 1992, Lake State filed a verified notice to exempt its lease (or acceptance of operating rights) and operation of about 275 miles of rail line owned by DMR between Kawkawlin and Gaylord, Michigan and between Pinconning and Rogers City, Michigan.

Based upon the information summarized above, it is determined that DMR ceased to be a rail carrier employer under the RRA and the RUIA effective with the close of business on March 13, 1992, the date on which it issued its last payroll check, almost one (1) month after it ceased rail operations and leased and/or sold its rail assets. Cf. Appeal of Board of Trustees of Galveston Wharves, B.O. 89-74, February 22, 1989.

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Glen L. Bower

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V.M. Speakman, Jr.

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