

SEP 19 2000

EMPLOYER STATUS DETERMINATION
Tri-City Railroad Company, LLC (TCRC)

This is a determination of the Railroad Retirement Board concerning the status of the Tri-City Railroad Company, LLC 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.).

In Surface Transportation Board (STB) Finance Docket No. 33653, decided September 29, 1998, the Port of Benton (PORT) filed a verified notice of exemption to acquire the rail line assets of the U. S. Department of Energy (DOE) to operate a rail line approximately 17 miles long known as the Hanford Site Rail System, Southern Connection, extending from milepost 46, at the junction with Union Pacific rail line in Kennewick, Washington, to milepost 29, at the DOE Hanford Nuclear Site, connecting with the Hanford Site Rail System, Northern Connection (north of the city of Richland, Washington).

Information regarding TCRC was furnished by Robert N. Storey, Certified Public Accountant for TCRC. According to Mr. Storey, the Chief Executive Officer of TCRC is Mr. John Haakenson. Mr. Storey stated that the majority (80 percent) owner/member of the Limited Liability Company (LLC) is Mr. Randolph V. Peterson. Mr. Storey stated that there are three minority owner/members: Mr. John Haakenson (10 percent owner/member), Mr. Paul Grigsby and Mr. Roy Korkalo, each owning 5 percent of TCRC. Mr. Storey stated that TCRC began operations and first compensated employees on April 1, 2000. The information provided by Mr. Storey shows that TCRC is now maintaining the railroad under a service agreement with the Port of Benton. Mr. Storey stated that TCRC also has the right to use the railroad line for commercial purposes. According to Mr. Storey, TCRC is currently in the process of establishing a customer base for a switching business with the intention to switch cars for the Burlington Northern Santa Fe (BNSF) (BA No. 1621) and Union Pacific (UP) (BA No. 1715) as needed to interchange with their customers.

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, United States Code.

Tri-City Railroad Company, LLC (TCRC)

The evidence of record establishes that TCRC is a rail carrier subject to the jurisdiction of the Surface Transportation Board. Accordingly, it is determined that Tri-City Railroad Company, LLC became an employer within the meaning of section 1(a)(1)(i) of the Railroad Retirement Act (45 U.S.C. §231(a)(1)(i)) and the corresponding provision of the Railroad Unemployment Insurance Act effective April 1, 2000, the date on which it commenced railroad operations.

Original signed by:

Cherryl T. Thomas

V. M. Speakman, Jr.

Jerome F. Kever