

## **EMPLOYER STATUS DETERMINATION**

### **Pioneer Railroad Services, Inc.**

This is the determination of the Railroad Retirement Board concerning the status of Pioneer Railroad Services, Inc. (PRSI) 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).

Information about PRSI was furnished by its Treasurer, Mr. J. Michael Carr. PRSI is a wholly-owned subsidiary of Pioneer Railcorp. Pioneer Railcorp also owns the common stock of six Class III railroads: Alabama Railroad (BA No.5541), Alabama & Florida Railway (BA No.5551), Fort Smith Railroad (BA No.3885), Mississippi Central Railroad (BA No.3589), Wabash & Grand River Railway (BA No.3773), and West Jersey Railroad (BA No.3374).

PRSI was incorporated and began operations on October 1, 1993. PRSI performs agency and accounting functions, including car ordering, train dispatching, EDI railcar interchange, railroad employee payroll, railcar repair billing, demurrage and transportation charge billing, accounts receivable and payable processing and related administrative functions for West Jersey Railroad Co., Fort Smith Railroad Co., Alabama Railroad Co., Alabama & Florida Railway Co., and Mississippi Central Railroad Co. Mr. Carr stated that although PRSI is actively marketing its services to other railroads, all of the railroads for which PRSI currently performs services are railroads which are under common control with PRSI.

Section 1(a)(1) of the RRA defines the term "employer" to include:

(i) any express company, sleeping car company, and carrier by railroad, subject to subchapter I of chapter 105 of Title 49;

(ii) any company which is directly or indirectly owned or controlled by, or under common control with, one or more employers as defined in paragraph (i) of this subdivision, and which operates any equipment or facility or performs any service (except trucking service, casual service, and the casual operation of equipment or facilities) in connection with the transportation of passengers or property by railroad, or the receipt, delivery, elevation, transfer in transit, refrigeration or icing, storage, or handling of property transported by railroad. [45 U.S.C. §231(a)(1)(i) and (ii)].

Section 1 of the RUIA contains essentially the same definition.

-2-

Since the same company, Pioneer Railcorp, owns both PRSI and the common stock of six Class III carriers, PRSI is under common control with rail carrier employers within the definition of "employer" in the RRA and the RUIA. In addition, all of PRSI's business consists of services rendered for its affiliated railroads. Cf. Adams v. Railroad Retirement Board, 214 F.2d 534 (9th Cir. 1954). It is therefore determined that PRSI is performing service in connection with railroad transportation within the definition of "employer" set out in the RRA and the RUIA.

The Board finds that Pioneer Railroad Services, Inc. became an employer under the RRA and the RUIA effective October 1, 1993, the date that it was incorporated and began doing business.

---

Glen L. Bower

---

V. M. Speakman, Jr.

---

Jerome F. Kever

MPDadabo:mpd:scm  
PIONE884.cov