

EMPLOYER STATUS DETERMINATION
Rochelle Railroad Co.

This is the determination of the Railroad Retirement Board regarding the status of Rochelle Railroad Co. (RRCO) as an employer under the Railroad Retirement Act (45 U.S.C. §231 et seq.) (RRA) and Railroad Unemployment Insurance Act (45 U.S.C. §351 et seq.) (RUIA). RRCO has not previously been determined to be an employer under the RRA and the RUIA.

Information about RRCO was furnished by Daniel A. LaKemper, General Counsel of RRCO. Although RRCO began as a non-carrier, upon its lease and operation of 2.06 miles of rail line owned by the city of Rochelle, Illinois, it became a class III carrier. See Surface Transportation Safety Board (SFB) Finance Docket No. 32889. According to information provided by Mr. LaKemper, RRCO began operations on April 15, 1996, and has four employees who were compensated from April 13, 1996. Mr. LaKemper stated that the line in question interchanges with Union Pacific Railroad and Burlington Northern Railroad. RRCO provides common carrier freight service to customers in the city of Rochelle Industrial Park. Mr. LaKemper estimates the annual volume of traffic to be approximately 6,000 carloads. RRCO is owned by Pioneer Railcorp., a noncarrier.

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

- (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;

Section 1(a) of the RUIA (45 U.S.C. § 351(a)) contains essentially the same definition.

The evidence establishes that RRCO is a class III carrier. Accordingly, it is determined that Rochelle Railroad Company became a rail carrier employer under the Railroad Retirement and Railroad Unemployment Insurance Acts effective April 13, 1996, the date on which it first compensated employees.

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