

EMPLOYER STATUS DETERMINATION
Gettysburg Railway Company, Inc.

This is the determination of the Railroad Retirement Board regarding the status of Gettysburg Railway Company, Inc. (GRCI) 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 regarding GRCI was provided by James A. Bowers, CPA, with Pasquale & Bowers, LLP. GRCI began operations on November 1, 1997, assuming the services of Gettysburg Railway Co. (GRC). Mr. Bowers indicated that all physical assets owned by GRC were acquired by Delaware Transportation Group (DTG), which owns GRCI and which subsequently leased these assets to GRCI.

Mr. Bowers advised that GRCI has seven employees, whose compensation began on November 1, 1997. GRCI operates 23.4 miles of track, from Gettysburg to Mt. Holly Springs, Pennsylvania, as well as 1.8 miles of trackage rights on Conrail for the purpose of interchange at Mt. Holly Springs. The operation of GRCI as a Class III short line railroad has been approved by the Surface Transportation Board (STB) (STB Finance Docket No. 33504, decided November 17, 1997). Mr. Bowers stated that annual volume for GRCI is expected to be approximately 2,000 carloads of rail freight interchanged to or from Class I carriers. GRCI interchanges with Conrail and CSXT, with approximately 76% of its business done with CSXT (amounting to 80% of its revenue), and 24% of its business done with Conrail (amounting to 20% of its revenue).

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;

Sections 1(a) and 1(b) of the Railroad Unemployment Insurance Act (45 U.S.C. §§ 351(a) and (b)) contain substantially the same definition, as does section 3231 of the Railroad Retirement Tax Act (26 U.S.C. § 3231).

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The evidence establishes that GRCI is a class III carrier. Accordingly, it is determined that Gettysburg Railway Company, Inc. became a rail carrier employer under the Railroad Retirement and Railroad Unemployment Insurance Acts effective November 1, 1997, the date it began operations and its employees began compensated service.

V. M. Speakman, Jr.

Jerome F. Kever