

EMPLOYER STATUS DETERMINATION

Ventura County Railroad Company (VCRR)

This is a determination of the Railroad Retirement Board concerning the status of the Ventura County Railroad Company (VCRR) 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 33649, decided September 16, 1998, VCRR filed a verified notice of exemption to lease from Ventura County Railway Company (VCRC) (BA No. 3742) and operate approximately 12.09 miles of rail line. The STB Finance Docket states that the rail lines to be leased include: the mainline from milepost 0.0 (the interchange with Union Pacific Railroad Company (BA No. 1713) to milepost 5.7 on the docks at Port Hueneme, and three branches: the 1.05-mile Diamond Branch; the 1.71-mile Edison Branch; and the 3.63-mile Patterson Branch in the Port of Hueneme and Oxnard, California.

Information regarding VCRR was furnished by Mr. Gary Laakso, General Counsel of VCRR. Mr. Laakso stated that VCRR is a wholly owned subsidiary of RailAmerica, Inc. (RAI), a non-carrier holding company. According to Mr. Laakso, VCRR began operations with six employees who were first compensated on September 1, 1998. Mr. Laakso stated that VCRR expects to interchange “4,000 or so” railcars annually with Union Pacific, “both loaded cars to be spotted for customers and their loaded railcars to be delivered to interchange.” 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.

The evidence of record establishes that VCRR is a rail carrier operating in interstate commerce. Accordingly, it is determined that VCRR became an employer within the meaning of section 1(a)(1)(i) of the Railroad Retirement

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Act (45 U.S.C. §231(a)(1)(i)) and the corresponding provision of the Railroad Unemployment Insurance Act effective September 1, 1998, the date as of which it commenced operations and its employees were first compensated.

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