

EMPLOYER STATUS DETERMINATION

Chicago Terminal Railroad Company

This is the determination of the Railroad Retirement Board concerning the status of Chicago Terminal Railroad Company (CTM) 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). CTM has not heretofore been ruled to be an employer under the Acts.

Surface Transportation Board (STB) authority for CTM operations is set forth in STB Finance Docket No. 34968, decided December 14, 2006. CTM operations began on January 2, 2007, on approximately 4.5 miles of rail line at the North Avenue Yard in Cook County, Il, where switch operations were performed for UP, BNSF, CN and NS, all railroad employers under the RRA and RUIA. CTM acquired the line from Soo Line Railroad Company d/b/a Canadian Pacific Railroad. CTM is wholly owned by Permian Basin Railways, Inc. and Iowa Pacific Holdings, L.L.C..¹ CTM also operates under lease the rail lines of Union Pacific Rail System at Elk Grove Village, Cook and DuPage County, Il. See STB Finance Docket No. 35005, decided March 28, 2007.

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 (45 U.S.C. § 231 (a)(1)(i)).

¹ B.C.D. No. 04-47, issued September 20, 2004 held that neither Permian Basin Railways nor Iowa Pacific Holdings, LLC is an employer under the RRA and RUIA.

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).

Based on the information summarized above, it is determined that Chicago Terminal Railroad Company became an employer covered under the Railroad Retirement Act and the Railroad Unemployment Insurance Act effective January 2, 2007, the date on which actual operations began.

Original signed by:

FOR THE BOARD
Beatrice Ezerski
Secretary to the Board