

**EMPLOYER STATUS DETERMINATION**

Lake Railway, LLC

This is the determination of Railroad Retirement Board concerning the status of Lake Railway, LLC (LRY) 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). LRY has not heretofore been ruled to be an employer under the RRA and RUIA.

Lake Railway, LLC, is operating as an agent for Lake County, Oregon and conducts shortline freight haulage on 54.41 miles of rail line between Lakeview, Oregon and Alturas, California, connecting with the Union Pacific. Operations began on May 14, 2009, when Lake County terminated its lease to the operator of the rail line, Modoc Railway and Land Company, LLC, (MR&L) (B.A. 9020) and Modoc Northern Railroad Company (MNRR) (B.A. 4788), and resumed operation of the line pursuant to its residual authority as a common carrier through its Lake County Railroad (B.A. 2785) division, with LRY providing the rail service. See Surface Transportation Board (STB) Docket No. AB-1035, decided August 13, 2009. LRY and Lake County contemplate an eventual lease to LRY to operate the rail line owned by Lake County.

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)].

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 Lake Railway, LLC, became an employer covered under the RRA and RUIA as of May 14, 2009, the date as of which it commenced operations.

Original signed by:

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