

**EMPLOYER STATUS DETERMINATION****Pennsylvania Northeastern Railroad, LLC (PNR)**

This is a determination of the Railroad Retirement Board concerning the status of Pennsylvania Northeastern Railroad, LLC (PNR) 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). The status of PNR under the Acts has not previously been considered.

PNR is a privately held corporation that is not affiliated with any other companies. Mr. Bill Phillips, Chief Executive Officer, supplied information regarding the formation and start of operations for PNR. A letter dated August 22, 2011 represented that PNR began operations on August 13, 2011. The first employees were compensated on or about the first payroll date of August 26, 2011.

In Surface Transportation Board (STB) Finance Docket No. 35535, decided July 20, 2011, PNR filed a verified notice of exemption to acquire from CSX Transportation Inc. and to operate a permanent freight easement over approximately 55.53 miles of railroad line owned by Southeastern Pennsylvania Transportation Authority (SEPTA) known as the Lansdale Cluster. The Lansdale Cluster includes lines between (1) milepost QAJ 6.70 at Newton Junction, Pennsylvania and milepost QAJ 30.50 at Telford, Pennsylvania, a distance of 23.80 miles; (2) milepost QAH 0.00 at Lansdale, Pennsylvania and milepost QAH 10.13 at Doylestown, Pennsylvania, a distance of 10.13 miles; (3) milepost QAU 0.00 at Glensdale, Pennsylvania and milepost QAU 8.40 at Ivyland, Pennsylvania, a distance of 8.40 miles; (4) milepost QAA 10.90 at Jenkintown, Pennsylvania and milepost QAA 21.10 at Neshaminy, Pennsylvania, a distance of 10.20 miles; and (5) milepost QAC 0.00 at Lansdale and milepost QAC 3.00, a distance of 3.0 miles. There is one main interchange yard with CSX in Lansdale, Pennsylvania. PNR will provide standard switching services and will interchange with CSX at Lansdale, New Hope and Ivyland Railroad in Ivyland, Pennsylvania, and the East Penn Rail System in Telford, Pennsylvania.

According to documents provided, the exemptions filed with the STB became effective on July 20, 2011. PNR began operations on August 13, 2011 and will handle freight with revenues that will not result in PNR's becoming a Class I or Class II rail carrier. PNR estimates that it will handle an annual volume of 2500 cars.

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;

Section 1 of the RUIA (45 U.S.C. § 351) contains essentially the same definition, as does section 3231 of the Railroad Retirement Tax Act (26 U.S.C. § 3231).

The evidence of record establishes that PNR is a rail carrier operating in interstate commerce. Accordingly, it is determined that Pennsylvania Northeastern Railroad, LLC, became an employer within the meaning of section 1(a)(1)(i) of the Railroad Retirement Act and its corresponding provision of the Railroad Unemployment Insurance Act effective August 13, 2011, the date on which PNR began operations.

Original signed by:

FOR THE BOARD  
Martha P. Rico  
Secretary to the Board