

B.C.D. 14-28

December 11, 2014

EMPLOYER STATUS DETERMINATION

Union County Industrial Railroad Company (UCIR)

This is a determination of the Railroad Retirement Board concerning the status of Union County Industrial Railroad Company (UCIR) 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 No. 35797, decided January 7, 2014, UCIR filed a verified notice of exemption to operate approximately 4.07 miles of track known as the West Deer Extension Track, from milepost 173.605 to milepost 177.67 in Union County, Pennsylvania (the Line). According to the STB Finance Decision, the Line is currently owned or leased by SEDA-COG Joint Rail Authority, a Pennsylvania Municipal Authority.

Information regarding UCIR was furnished by Mr. Richard R. Wilson, attorney for UCIR. In a letter dated May 28, 2014, Mr. Wilson stated that the Chief Executive Officer of UCIR is Mr. Gary Shields and that the owner of UCIR is the Susquehanna Union Railroad Company (SURC), a non-operating common carrier railroad holding corporation. According to Mr. Wilson, UCIR began railroad operations in April 1995. UCIR is a 14 mile shortline that interchanges with Norfolk Southern Corporation (NS) (BA No. 9408), a covered railroad employer, in Northumberland, Pennsylvania and Canadian Pacific Railway (CP) (BA. No. 1104), a covered railroad employer, in Sunbury, Pennsylvania, according to Mr. Wilson. Mr. Wilson stated that in December 2013, the completion and restoration of the White Deer Bridge effectively restored service to Allenwood, Pennsylvania, and in particular to Great Stream Commons, one of three sites in Pennsylvania that offers highway and rail access and the option of being able to site 2 million square foot buildings. Mr. Wilson stated that UCIR extends from its southern terminus at Winfield, Pennsylvania through West Milton to Allenwood, Pennsylvania. UCIR has no employees of its own and employees are provided by North Shore Railroad Company (NSRC) (BA No. 3264), a covered railroad employer, according to Mr. Wilson. Additionally, Mr. Wilson stated that UCIR did not acquire any rail equipment from the former operator of the rail line. Mr. Wilson stated that UCIR interchanges with NS and CP. Projected volume for freight traffic for 2014 is 550 car loads, according to Mr. Wilson. Mr. Wilson stated that UCIR operations encompass the receipt of loaded cars from NS and CP at interchange and the delivery of those cars to shippers located on the UCIR line. Mr. Wilson stated that similarly, outbound shipments are obtained from shippers located on UCIR lines

and are forwarded to NS and CP for interchange to destination locations throughout the United States and Canada. Mr. Wilson stated that the Line was acquired from Consolidated Rail Corporation (CRC) (BA No. 1321), a covered railroad employer, and that it did not constitute the entire line of CRC's properties. Mr. Wilson stated that the UCIR line was acquired by purchase by third parties and he submitted a copy of UCIR's Operating Agreements.

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 contains essentially the same definition. (45 U.S.C. § 351).

The evidence of record establishes that UCIR is a rail carrier operating in interstate commerce. Accordingly, it is determined that Union County Industrial Railroad Company (UCIR) became an employer within the meaning of section 1(a)(1)(i) of the Railroad Retirement Act (45 U.S.C. §231(a)(1)(i)) and the corresponding provision of the Railroad Unemployment Insurance Act effective April 1, 1995, the first day of the month in which it commenced railroad operations.

Original signed by:

FOR THE BOARD
Martha P. Rico
Secretary to the Board