

**EMPLOYER STATUS DETERMINATION**  
**Pioneer Industrial Railway Co. (PRY)**

This is a determination of the Railroad Retirement Board concerning the status of Pioneer Industrial Railway Company (PRY) 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).

In Surface Transportation Board (STB) Finance Docket No. 33549, decided February 11, 1998, PRY filed a verified notice of exemption to lease from Peoria, Peoria Heights & Western Railroad (PPHW) and to operate 8.29 miles of rail line (line) in Peoria, Peoria County, Illinois, extending from approximately milepost 1.71 (E.P.S. 80 + 15, connecting with the Peoria & Pekin Union Railway Company (P&PU) (BA No. 4723)) to approximately milepost 10.00 (E.P.S. 516 + 21, Pioneer Industrial Park Track). A footnote in the STB decision stated that PPHW is jointly controlled by the City of Peoria, Illinois and the Village of Peoria Heights, Illinois. An additional footnote stated that P&PU, the current lessee and operator of the line, had reportedly asked PPHW to find a new operator for the line. Pioneer Railcorp concurrently filed a verified notice of exemption in STB Finance Docket No. 33550 to continue in control of PRY upon its becoming a Class III rail carrier.

Mr. Daniel A. LaKemper, General Counsel for PRY, provided additional information regarding PRY. According to Mr. LaKemper, PRY provides common carrier freight service to customers between Peoria, Averyville, Peoria Heights, and Pioneer Park (Peoria), Illinois. Mr. LaKemper estimated annualized volume of traffic for PRY to be about 700 carloads. He stated that PRY began operations on February 20, 1998, and currently has two employees who were first compensated on February 28, 1998. PRY contracts with Pioneer Railroad Services, Inc. (BA No. 9744) for payroll, accounting, and agency work. Additionally, Mr. LaKemper stated that PRY interchanges with P&PU and intends to operate as an interline carrier, using P&PU to access the other railroads serving the Peoria, Illinois area.

Section 1(a)(1) of the RRA defines the term "employer" to include:

- (i) any carrier by railroad subject to the jurisdiction of the Surface Transportation Board under Part A of subtitle IV of Title 49

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Section 1 of the RUIA contains the same definition.

The information summarized above indicates that PRY is a carrier operating in interstate commerce. Accordingly, it is determined that Pioneer Industrial Railway Co. 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 February 20, 1998, the date operations began.

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Cherryl T. Thomas

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V. M. Speakman, Jr.

Pioneer Industrial Railway Co. (PRY)

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Jerome F. Kever