EMPLOYER STATUS DETERMINATION
Camas Prairie RailNet, Inc.

DEC 1 0 1998

This is the determination of the Railroad Retirement Board concerning the status of Camas Prairie RailNet, Inc. (CPR), 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.).

Information regarding CPR was provided by William E. Glavin, Executive Vice-President of CPR. CPR is a wholly owned subsidiary of North American RailNet, Inc., which also owns Nebraska, Kansas and Colorado RailNet (NKC RailNet), and Illinois RailNet. Both NKC RailNet and Illinois RailNet have previously been determined to be a covered employers under the Acts. See B.C.D. 97-29 and B.C.D. 98-18. CPR began operations April 18, 1998, and projects to have approximately 38 employees. The first employee was compensated beginning February 1, 1998.

In Surface Transportation Board Finance Docket 33558, CPR filed a notice of exemption to acquire and operate approximately 245 miles of track from the Burlington Northern and Santa Fe Railway Company and the Union Pacific Railroad Company in the vicinity of Lewiston, Idaho, and to acquire trackage rights over an additional 15 miles of rail line in the state of Washington. See: Camas Prairie RailNet, Inc.; Acquisition and Operation Exemption; Camas Prairie Railroad Company, Union Pacific Railroad Company, and the Burlington Northern and Santa Fe Railway Company, STB Finance Docket 33558, April 30, 1998,63 Fed. Reg. 23823.

The evidence of record establishes that CPR is a carrier operating in interstate commerce. Accordingly, it is determined that CPR became an employer within the meaning of section 1(a)(1)(i) of the Railroad Retirement Act (45 U.S.C. § 231a(1)(i)) and the corresponding provision of the Railroad Unemployment Insurance Act effective February 1, 1998, the date as of which it compensated its first employee. Cf. Rev. Ruling 82-100, 1982-1, C.B. 155, wherein the IRS held that a company became an employer subject to railroad retirement taxes on the date it hired employees to perform functions directly related to its carrier operations.

Cherryl T. Thomas

V. M. Speakman, Jr.

Jerome F. Kever