

158-4081

JUN 27 1978

Director of Data Processing and Accounts

General Counsel

Lykens Valley Railroad Company  
Employer status

The Lykens Valley Railroad Company has not been an employer under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. In a Certificate of Designated Operator dated January 20, 1978, the Interstate Commerce Commission authorized the Lykens Valley to commence service pursuant to the terms of an operating agreement with the Commonwealth of Pennsylvania, in accordance with section 304 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. § 744). Certificate of Designated Operator, Lykens Valley Railroad Company, D-OP 21 (USRA Line No. 184-PC), ICC (1978).

The certificate states that the Lykens Valley is a common carrier by railroad, subject to Part I of the Interstate Commerce Act; that the Lykens Valley will provide service over a line which was operated by the Penn Central Transportation Company until June 22, 1972, when portions of that line were damaged by a hurricane; that no service has been provided on the line since June 22, 1972; that the Lykens Valley and the Commonwealth of Pennsylvania have entered into a rail service continuation payment operating agreement, which became effective on June 17, 1977; and that this agreement could be extended by the Commonwealth after March 31, 1978 for additional terms of service.

In a letter dated May 15, 1978, Mr. James E. Laubauch, President and Chief Operating Officer of the Lykens Valley, stated that the Railroad Company was incorporated in the Commonwealth of Pennsylvania on May 3, 1977; that its operating agreement with the Commonwealth was renewed on April 1, 1978; that Lykens Valley began to rehabilitate the line on August 8, 1977; that the first train operated on the line on May 9, 1978; that the Lykens Valley interchanges in Millersburg with the Consolidated Rail Corporation (ConRail); that the Lykens Valley operates 11.55 miles of track; and that the track is leased through the Commonwealth from the Penn Central Trustees and ConRail. Mr. Laubauch also stated that the Lykens Valley has five full-time and two part-time employees; that three of the full-time employees are employed by the railroad and the remainder are employed by Northmont Industries, which owns the Lykens Valley; and that these employees were hired over a period of time beginning August 8, 1977.

**Director of Data Processing and Accounts**

On the basis of the above information, it is concluded that as of August 8, 1977, the date when it first had employees on its payroll, the Lykens Valley Railroad Company became an employer under the Railroad Retirement Act and the Railroad Unemployment Insurance Act.

An appropriate Form G-341 giving effect to the foregoing is attached.

Dale G. Zimmerman

Attachment

LRS:das