

**EMPLOYER STATUS DETERMINATION ON RECONSIDERATION
Pioneer Railroad Equipment Co., Ltd.**

This is the reconsideration determination of the Railroad Retirement Board concerning the status of Pioneer Railroad Equipment Co., Ltd. (PREL) as an employer under the Railroad Retirement and the Railroad Unemployment Insurance Acts. In the request for reconsideration dated December 1, 1997, Mr. J. Michael Carr, Treasurer of PREL, stated that PREL "is willing to accept the Board's decision that PREL is a covered employer * * * However, PREL disagrees with the effective date of the decision and requests that the Board restate the effective date to October 1, 1993."

In our initial decision, a majority of the Board found that PREL became an employer under the RRA and the RUIA beginning March 3, 1990, the date on which it was incorporated and began limited operations. That opinion went on to hold that service to PREL may be credited subject to the limitations of section 9 of the RRA (45 U.S.C. §231h) and Part 211 of the Board's regulations (20 CFR 211). In the request for reconsideration, Mr. Carr stated:

Prior to October, 1993, there was not any significant ownership of railcars or locomotives by PREL. PREL began its investment in these assets in the fall of 1993 (see included annual report dated December 31, 1993). Up until approximately October 1, 1993, employees of PREL performed a variety of tasks, with no clear separation of duties, with many of the employee activities relating to the holding company, a non-covered employer.

With the request for reconsideration, Mr. Carr submitted a copy of the Form 10K, Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, for the fiscal year which ended December 31, 1993. This report (see p. 19) substantiates Mr. Carr's statements ("The majority of the Company's 1993 capital additions were made by PREL, primarily with the acquisition of two hundred and sixty (260) railcars and sixteen (16) locomotives."). The Board finds this report to provide sufficient evidence to revise its original decision. Accordingly, the Board finds that PREL became an employer under the RRA and the RUIA beginning October 1, 1993, the date on which it began its ownership of rail-related assets, and that service to PREL may be credited subject to the limitations of section 9 of the RRA (45 U.S.C. §231h) and Part 211 of the Board's regulations (20 CFR 211).

V. M. Speakman, Jr.

Jerome F. Kever