

**EMPLOYER STATUS DETERMINATION**  
**Knoxville & Holston River Railroad Company, Inc.**

This is the determination of the Railroad Retirement Board concerning the status of Knoxville & Holston River Railroad Company, Inc. (KHRR) 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).

On May 7, 1998, KHRR received an operation exemption from the Surface Transportation Board (STB) to operate on two lines of track in Tennessee covering approximately 18.18 miles. See STB Finance Docket No. 33588. KHRR acquired the trackage from the Norfolk Southern Railway Company, an employer under the RRA and RUIA, to provide freight service to customers in Knoxville. KHRR interchanges in Knoxville with the Norfolk Southern. Employees were first compensated in June 1998 and operations began on August 1, 1998.

Based on the information summarized above, it is determined that Knoxville & Holston River Railroad Company, Inc., which interchanges with Norfolk Southern, a rail carrier operating in interstate commerce, is engaged in interstate commerce and is, therefore, a rail carrier employer under the RRA and RUIA effective June 1, 1998, the first day of the month in which it first compensated its employees.

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V. M. Speakman, Jr.

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