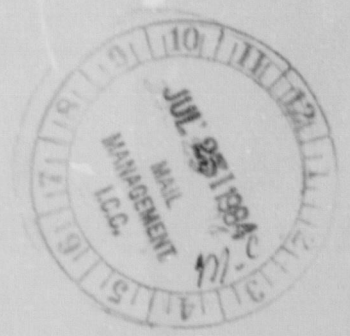


FD 30400

SUB NO. 19 F A

LAW OFFICES  
ARNALL GOLDEN & GREGORY  
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS  
1000 POTOMAC STREET, N.W.  
SUITE 50  
WASHINGTON, D.C. 20007  
(202) 337-0104



July 23, 1984

Mr. James H. Bayne  
Secretary  
Interstate Commerce Commission  
12th & Constitution Ave., N.W.  
Washington, D.C. 20423

RECEIVED  
OFFICE OF THE  
SECRETARY

JUL 25 3 21 PM '84

COMMUNICATIONS  
SECTION

RE: Santa Fe Southern Pacific Corporation  
-- Control --  
Southern Pacific Transportation Company  
  
Finance Docket No. 30400 (Sub-No. 19)  
Application of The Texas Mexican Rail-  
way Company For Trackage Rights, Etc.

Dear Mr. Bayne:

Texas Mexican Railway Company filed its trackage rights application in the above proceeding on July 19, 1984. At the request of an official in the Secretary's Office, I am here-with forwarding a check in the amount of \$1,700.00 as a filing fee.

I believe it is highly unfair to impose a new filing fee only on the responsive applicants on the basis of a rule change that occurred during the course of an ongoing proceeding. The Applicant SFSP, by its action, has necessitated the responsive applications, yet under the present intent of Secretary's Office, it, alone, would not be affected by the new filing fees. We submit that it is manifestly unfair and arbitrary for an agency to change its rules, and then make them applicable to only some of the parties before it in an ongoing proceeding.

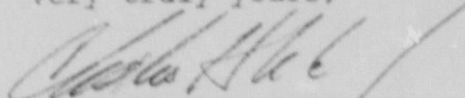
While I am forwarding Texas Mexican's new filing fee under protest, I respectfully ask you for a ruling whether the new fees apply only to responsive applicants in a con-

Mr. James H. Bayne  
July 23, 1984  
Page Two

tinuous and ongoing proceeding that was initiated before  
the new fee schedule went into effect.

Will you kindly stamp and return the enclosed copy of  
the letter when the filing is received.

Very truly yours,



Charles H. White, Jr.

Enclosures

cc: Mr. A.R. Ramos  
Ellen Goldstein, Esq.  
Counsel for applicants and responsive applicants

LAW OFFICES

**ARNALL GOLDEN & GREGORY**  
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

1000 POTOMAC STREET, N.W.  
SUITE 501  
WASHINGTON, D.C. 20007  
(202) 337-0104



July 19, 1984

Mr. James H. Bayne  
Secretary  
Interstate Commerce Commission  
12th & Constitution Ave., N.W.  
Washington, D.C. 20423

RE: Santa Fe Southern Pacific Corp.  
- Control -  
Southern Pacific Transportation Co.  
Finance Docket No. 30400 (Sub-No. 19)

Dear Mr. Bayne:

Enclosed for filing, please find an original and twenty (20) copies of the preliminary filing of Texas Mexican Railway Co. seeking trackage rights over a rail line operated by Southern Pacific Transportation Co.

I have on this date served copies of Texas Mexican's trackage rights application on counsel of record.

I have also enclosed 20 additional copies of the Texas Mexican Railway map.

Will you kindly stamp and return the enclosed copy of this service letter when the documents are filed.

Very truly yours,

Charles W. White, Jr.  
Counsel for Texas Mexican  
Railway Company

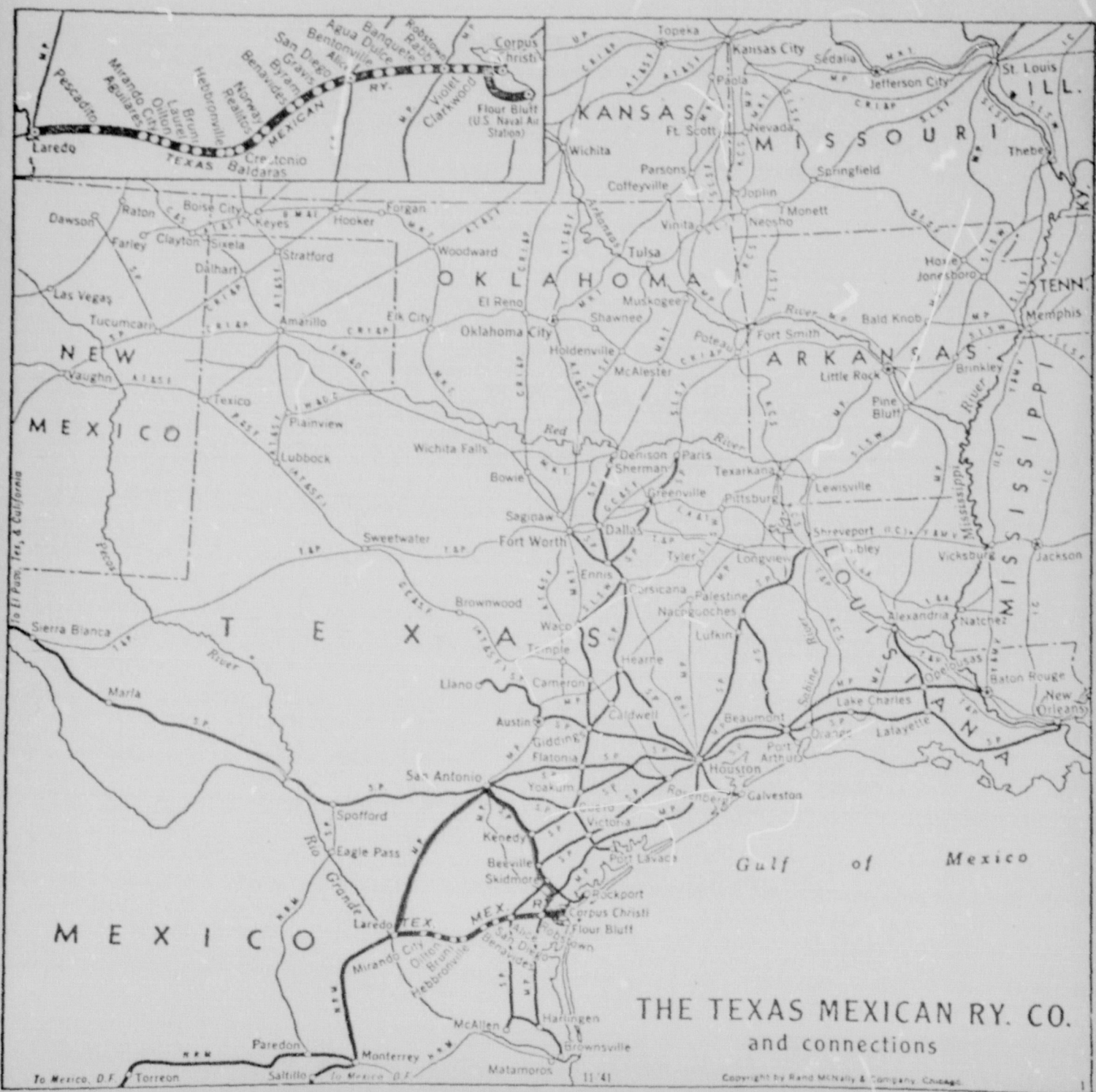
REC'D  
JUL 20 9 09 AM '84  
I.C.C.  
FEE OPERATION RR

Enclosures

cc: Rail Section, Interstate Commerce Commission

Counsel of Record





**THE TEXAS MEXICAN RY. CO.**  
and connections

ORIGINAL

TM-3

Before The  
INTERSTATE COMMERCE COMMISSION  
Washington, D.C.



\_\_\_\_\_  
Finance Docket No. 30400 (Sub-No. 19)  
\_\_\_\_\_

SANTA FE SOUTHERN PACIFIC CORPORATION  
-- CONTROL --  
SOUTHERN PACIFIC TRANSPORTATION COMPANY

\_\_\_\_\_  
APPLICATION OF THE  
TEXAS MEXICAN RAILWAY COMPANY  
FOR TRackage RIGHTS  
OVER THE LINES OF RAILROAD  
OPERATED BY THE  
SOUTHERN PACIFIC TRANSPORTATION COMPANY  
BETWEEN CORPUS CHRISTI  
AND SAN ANTONIO, TEXAS

(VOL. I)  
\_\_\_\_\_

Charles H. White, Jr.  
Arnall, Golden & Gregory  
1000 Potomac Street, N.W.  
Suite 501  
Washington, D.C. 20007  
(202) 337-0104

Counsel for Texas  
Mexican Railway Co.

Dated: July 19, 1984

4-207F010

No. JUL 25 1984

TM-3

Date  
Fee \$ 1,700.00

ICC Washington, D.C.

Before The  
INTERSTATE COMMERCE COMMISSION  
Washington, D.C.

---

Finance Docket No. 30400 (Sub-No. 19)

---

SANTA FE SOUTHERN PACIFIC CORPORATION  
-- CONTROL --  
SOUTHERN PACIFIC TRANSPORTATION COMPANY

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APPLICATION OF THE  
TEXAS MEXICAN RAILWAY COMPANY  
FOR TRACKAGE RIGHTS  
OVER THE LINES OF RAILROAD  
OPERATED BY THE  
SOUTHERN PACIFIC TRANSPORTATION COMPANY  
BETWEEN CORPUS CHRISTI  
AND SAN ANTONIO, TEXAS

(VOL. I)

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INTRODUCTION

Pursuant to the understanding reached at a pre-hearing conference before the Presiding Administrative Law Judge on June 27, 1984, and in conformity with a Joint Motion filed on the same date, Texas Mexican Railway ("TM") herewith files the first part of its trackage rights application. The substantive elements will be filed in accord with the Commission-established due date.<sup>1/</sup>

---

<sup>1/</sup> As of this date, the Commission has not yet ruled on TM's and others' Joint Motion seeking a common date (September 10) for completion of the responsive application.



SECTION 1180.6  
SUPPORTING INFORMATION

The name, title, business address, and telephone number of persons to whom correspondence with respect to the application should be addressed are as follows:

Mr. A. R. Ramos  
Chairman of the Board  
The Texas Mexican Railway  
1200 Washington Street  
Laredo, TX 78040  
(512) 722-6411

Charles H. White, Jr.  
Arnall, Golden & Gregory  
1000 Potomac Street, N.W.  
Suite 501  
Washington, D.C. 20007  
(202) 337-0104

SECTION 1180.6(a)(1)(i)  
Description of the Proposed  
Transaction, Brief Summary, etc.

The name of the applicant herein is the Texas Mexican Railway ("TM"). TM is a Class II regional railway with its principal place of business at 1200 Washington Street, Laredo, Texas. The TM telephone number is (512) 722-6411. All questions and communications regarding this application should be directed to Charles H. White, Jr., whose address is listed above.

This trackage rights application primarily seeks Commission authority for a grant of trackage and operating rights over the lines operated by Southern Pacific between Corpus Christi and San Antonio, Texas.

As we pointed out in our previously filed comments in the principal case, the unconditioned approval of the proposed transaction will provide applicant SFSP with a mono-



poly control of all international Mexico/U.S. railroad gateways except the one at Laredo, Texas. The newly combined SFSP system will obviously have both the power and incentive to divert traffic away from this one remaining competitive international gateway to its own benefit.

We believe the Commission will find that the preservation of at least one competitive non-SFSP international rail gateway, and of TM as an important regional railroad -- serving as a bridge across that gateway, will be in the public interest. TM has accordingly proposed a very limited trackage rights request (between Corpus Christi and San Antonio, Texas, over the line now operated by Southern Pacific) as the means to insure continuation of that competitive service.

We have been informed by counsel for applicant SFSP that SP's operations between Corpus Christi and San Antonio are conducted, to a very limited extent, over the Missouri Pacific ("UP") line between Sinton and Corpus Christi, but that Missouri Pacific may allow access to the line to third parties like TM. If UP/MP does not so allow access to its short segment of line operated by SP, we would respectfully request the Commission, as TM's secondary, or stand-by request, to direct responsive applicant UP/MP to negotiate with TM to accommodate trackage rights operations over its (MP's) line running directly between Laredo and San Antonio.

While this may appear to be a somewhat novel approach, we feel that the overriding need to sustain TM as an important regional competitive alternative to the new railroad mega-systems, and UP's status as a related applicant, place the secondary proposal well within the Commission's broad discretion to entertain.

In summary, TM seeks by this application to fully preserve an important competitive alternative to SFSP's otherwise complete control of the Mexico/U.S. railroad gateways.

The lines over which the principal and secondary trackage rights are sought are shown in the map attached as Exhibit 1.

SECTION 1180.6(a)(1)(ii)  
Proposed Time Schedule

The proposed acquisition of trackage rights over the SP-operated line between Corpus Christi and San Antonio will be consummated at the same time the principal transaction is approved. Consummation of the TM trackage rights transaction is also contingent upon the negotiation and execution of an agreement with UP allowing TM to run over the short segment of MP line now used by SP in providing service between Corpus Christi and San Antonio.

SECTION 1180.6(a)(1)(iii)  
Purpose to be Accomplished  
by the Proposed Transaction

The principal purpose to be served by the instant ap-

plication is the maintenance of competition at an important international gateway, and of the viability of an important regional railroad. As we will show more fully in our subsequent filing herein, TM provides an important public service expediting international rail traffic through the Laredo gateway. The newly combined SFSP system will have every competitive incentive to route its long-haul traffic over its own Mexico/U.S. international gateways. Similarly, TM has already experienced UP/MP diversion of long-haul international traffic away from TM.

The viability of TM as a significant and unique element of the U.S. rail system is at stake in this proceeding. If the Commission grants the very limited trackage rights sought herein, TM will be able to extend its connecting service to San Antonio. This will allow TM to provide an additional competitive choice to international shippers and receivers of rail freight moving via San Antonio. It will also allow TM to compete, albeit to a limited degree, with both the UP and SFSP mega-systems.

If responsive applicant UP refuses to allow TM to run over its SP-used lines, the Commission should, we submit, direct UP/MP to allow TM to obtain trackage rights directly between Laredo and San Antonio over MP. If that occurs, TM will be allowed to provide a competitive alternative on a more direct and efficient route. Since, however, SP is the



principal applicant in this proceeding, TM principally seeks trackage rights over the SP-operated Corpus Christi-San Antonio line.

SECTION 1180.6(a)(1)(iv)  
Nature and Amount of New Securities  
and Other Financial Arrangements

TM's proposed transaction will not involve the issuance of any new securities. TM is willing and able to take whatever steps the Commission deems appropriate in establishing reasonable charges for the use of the lines over which trackage rights are requested. The financial terms proposed by TM for the acquisition of these rights will be negotiated with SFSP and subsequently provided to the Commission.

SECTION 1180.6(a)(4)  
Opinion of Counsel

An opinion of counsel responsive to 49 C.F.R. § 1180.6(a)(4) is attached hereto.

SECTION 1180.6(a)(5)  
States in which Applicant's  
Property is Situated

TM owns railroad property in the State of Texas. If the application is granted by the Commission, the new trackage would also be entirely located in Texas.

SECTION 1180.6(a)(6)  
Relevant Maps

Attached as Exhibit 1 is a key map of the railroad lines located in the area served by applicant TM. The existing



line operated by TM is shown as a heavy black line. The SP operated line between Corpus Christi and San Antonio is shown in red.

The MP line, over which TM seeks contingent or secondary trackage rights, running between Laredo and San Antonio, is shown in green.

Maps showing the lines of all applicant carriers in relation to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed are included in the materials submitted by the primary applicants. In addition to the map accompanying each application, twenty unbound copies of the TM map are being filed concurrently with the Commission.

SECTION 1180.6(a)(7)(i)  
Explanation/Description  
of the Transaction

The proposed transaction involves the acquisition of unrestricted trackage rights (with associated necessary operating rights) by TM over a line of railroad running from Corpus Christi, Texas to San Antonio, Texas, which is currently operated by SP.

The significant terms and conditions of the requested trackage rights and the consideration to be paid for these rights have not been determined as of this filing. TM has requested the Commission to direct the primary applicant and TM to enter good faith negotiations, under Commission

supervision, for these trackage rights. See, Second List of Protective Conditions Filed on Behalf of the Texas Mexican Railway Company, July 3, 1984. Upon completion of these negotiations, TM will then submit an Exhibit describing the terms, conditions of the trackage rights agreement, and consideration to be paid.

SECTION 1180.6(a)(7)(ii)  
Proposed Contracts and Other  
Written Statements Pertaining  
to the Contemplated Transaction

The proposed contracts for trackage rights will be provided as an Exhibit upon consummation of negotiations as indicated in Section 1180.6(a)(7)(i).

SECTION 1180.6(a)(7)(iii)  
Information about  
Consolidated Entity

This information is not applicable, as neither a consolidation nor merger is proposed.

SECTION 1180.6(a)(7)(iv)  
Court Order

Not applicable with respect to TM as the applicant in this responsive application.

SECTION 1180.6(a)(7)(v)  
Property Involved in the  
Proposed Transaction

The proposed transaction principally involves one line of SP trackage and terminal facilities which will be dis-

cussed in detail in the Operating Plan to be subsequently filed on the Commission-determined due date. The proposed transaction does not include all of the property of SP. It would include the use under a trackage agreement of a segment of line owned by SP between San Antonio and Sinton, Texas, a distance of 124.2 miles.

The segment of MP line over which SP now operates to reach Corpus Christi runs from MP mile post 150 at Corpus Christi to MP mile post 155 at Odem to MP mile post 162 at Sinton, for a total distance of 12 miles.

The secondary or contingent trackage rights request (i.e., if UP refuses to allow TM to operate on its segment of the SP Corpus Christi-San Antonio route) is the direct MP line between Laredo and San Antonio -- a distance of 154 miles.

The trackage rights requested will include the right to serve all shippers now or hereafter located along the line, the right to interchange with all connecting rail carriers along the line, the use of yard and terminal facilities as may be necessary to provide service to shippers and effect interchange along the route.

SECTION 1180.6(a)(7)(vi)  
Principal Routes, Termini,  
Points of Interchange and  
Mileage of the Involved Lines

The principal routes, termini, points of interchange and mileage of the involved line will be discussed in de-



tail in the Operating Plan which will be subsequently filed.

The principal route for which trackage rights are hereby sought is a line of railroad from Corpus Christi, Texas to San Antonio, Texas. See, Exhibit 1. Total main line trackage is 136 miles. No branch line trackage is involved. Termini will be Corpus Christi and San Antonio.

Interchange points would include:

San Antonio, Texas:	Connections with SP, MP, MKT
Sinton, Texas:	Connection with MP
Odem, Texas:	Connection with MP

SECTION 1180.6(a)(7)(vii)  
Governmental Financial Assistance

No governmental financial assistance is involved in the proposed transaction.

SECTION 1180.6(b)(1)  
Form 10-K

TM does not prepare and file a Form 10-K with the Securities and Exchange Commission, therefore this section is not applicable to TM.

SECTION 1180.6(b)(2)  
Form S-14

TM's stock is not marketed on public exchanges. Accordingly, it files no Form S-14 with the SEC and this section is not applicable.



SECTION 1180.6(b)(3)  
Change in Ownership, Control, or  
Officers not Indicated in Most  
Recent Annual Report Form R-1

The applicant TM does not file an annual report Form R-1. However, its officers are listed in the annual reports filed with the Railroad Commission of Texas, which are enclosed below to assist the Commission. There have been no changes in ownership, control, or officers since the last form was filed in 1983.

SECTION 1180.6(b)(4)  
Annual Reports

The Annual Reports submitted to the Railroad Commission of Texas for 1982 and 1983 are reproduced on the following pages.

## GENERAL INSTRUCTIONS

1. This Annual Report must be filed by all railroads other than Class I carriers, operating within the State.
2. Every question in this Annual Report must be definitely answered. Where the words "None" or "Not Applicable" truly and completely state the facts, only then should either of these answers be given.
3. Throughout the report, "Year" means the calendar year covered by the report.
4. Report all dollar amounts in actual figures.
5. Complete the Annual Report Schedules A through H and the verification, in duplicate. Retain the duplicate for your records and return the original.

RETURN TO	RAILROAD COMMISSION OF TEXAS TRANSPORTATION DIVISION P.O. DRAWER 12967-CAPITOL STATION AUSTIN, TEXAS 78711	REPORT MUST BE FILED ON OR BEFORE
-----------	---	-----------------------------------

## SCHEDULE A—GENERAL INFORMATION

## INSTRUCTIONS

1. Give the exact name by which the railroad was known in law at the close of the year.
2. If any change was made in the name of the railroad during the year, state all such changes and the dates on which they were made.
3. Give the location, including street and number, of the main business office of the railroad at the close of the year.
4. Give the names and office addresses of the general officers of the railroad at the close of the year. If there are receivers who are recognized as in the controlling management of the railroad, give their names, titles and office locations.

## NAME OF RAILROAD

The Texas Mexican Railway Company

ADDRESS (STREET AND NUMBER)	CITY	STATE	ZIP CODE	A/C & PHONE NO
1200 Washington St.	Laredo	TX	78040	512 722-6461

## NAME OF OFFICER TO WHOM CORRESPONDENCE CONCERNING THIS REPORT SHOULD BE ADDRESSED

Zaragoza Solis, III

## TITLE

V.P.-Finance &amp; Comptroller

ADDRESS (STREET AND NUMBER)	CITY	STATE	ZIP CODE	A/C & PHONE NO
1200 Washington St.	Laredo	TX	78040	512 722-6461

## PREVIOUS NAME OF RAILROAD DURING THE YEAR

EFFECTIVE DATES FOR PREVIOUS NAME  
THRU

LINE NO	TITLE OF GENERAL OFFICER	NAME OF OFFICER	OFFICE ADDRESS
1	PRESIDENT & Chief Op. Officer	C.H. Darnell, Jr.	1200 Washington St., Laredo, Tx.
2	SECRETARY	A.C. de la Garza	1200 Washington St., Laredo, Tx.
3	TREASURER	A.C. de la Garza	1200 Washington St., Laredo, Tx.
4	CONTROLLER OR AUDITOR	Zaragoza Solis, III	1200 Washington St., Laredo, Tx.
5	GENERAL MANAGER	R.J. Spear	1200 Washington St., Laredo, Tx.
6	GENERAL FREIGHT AGENT	None	
7	Chairman & C.E.O.	A.R. Ramos	1200 Washington St., Laredo, Tx.
8	Vice President Finance	Zaragoza Solis, III	1200 Washington St., Laredo, Tx.
9	Vice President Operations	Hector A. Martinez	1200 Washington st., Laredo, Tx.

## SCHEDULE B—STOCKHOLDERS

## INSTRUCTIONS

Give the names of all stockholders controlling 20% or more of the voting stock, the address of the stockholder, the number of votes the stockholder is entitled, and the percentage of all outstanding stock the stockholder holds.

NAME OF STOCKHOLDER	ADDRESS OF STOCKHOLDER	NO OF VOTES	% of OUTSTANDING STOCK HELD
Mexrail, Inc.	229 South State Street Dover, Delaware 19901	24991	99.98

## SCHEDULE C

## STATISTICS OF RAIL-LINE OPERATIONS. (For Road Haul Traffic Only)

Give the various statistical items called for concerning the rail-line operations of Respondent's road during the year. Motor car and trailer miles, if any, should be included. Highway traffic to be excluded. Locomotive unit-miles should include all miles made by each locomotive unit.

Line No.	Item (a)	Freight trains (b)	Passenger trains (c)	Total transportation service (d)	Work trains (e)
1	Average length of haul (Total loaded car-miles divided by total carloads)	157		157	XXXXXX
	<b>Train miles</b>				
2	Total (with locomotives)	104,798		104,798	
3	Total (with motorcars)				
4	Total train-miles	104,798		104,798	
	<b>Locomotive unit-miles</b>				
5	Road service	375,494		375,494	XXXXXX
6	Train switching	21,466		21,466	XXXXXX
7	Yard switching	108,590		108,590	XXXXXX
8	Total locomotive unit-miles	505,550		505,550	XXXXXX
	<b>Car-miles</b>				
9	Loaded freight cars	4,030,611		4,030,611	XXXXXX
10	Empty freight cars	3,792,582		3,792,582	XXXXXX
11	Caboose	104,480		104,480	XXXXXX
12	Total freight car-miles	7,927,673		7,927,673	XXXXXX
13	Business cars				XXXXXX
14	Crew cars (other than cabooses)				XXXXXX
15	Grand total car-miles (lines 12, 13, and 14)	7,927,673		7,927,673	XXXXXX
	<b>Revenue and nonrevenue freight traffic</b>				
16	Tons—revenue freight	XXXXXX	XXXXXX	2,080,768	XXXXXX
17	Tons—nonrevenue freight	XXXXXX	XXXXXX	2,158	XXXXXX
18	Total tons—revenue and nonrevenue freight	XXXXXX	XXXXXX	2,082,926	XXXXXX
19	Ton-miles—revenue freight	XXXXXX	XXXXXX	249,783,015	XXXXXX
20	Ton-miles—nonrevenue freight	XXXXXX	XXXXXX	731,001	XXXXXX
21	Total ton-miles—revenue and nonrevenue freight	XXXXXX	XXXXXX	250,514,016	XXXXXX

## SCHEDULE D—MILEAGE OPERATED

Give particulars concerning tracks operated by Respondent at close of year.

Line No.	Line in use	Owned	Operated under trackage rights	Total operated
1	Single or first main track	157	—(1)—	157
2	Other track operated	62	19	62
3	Total	219	19	238
4	Road is completed from (Line haul railways only) <u>Laredo, Texas</u> to <u>Corpus Christi, Texas</u> (insert names of places), a distance of <u>157</u> miles.			



## SCHEDULE E

## RAILWAY OPERATING EXPENSES

1. State the operating expenses of the Respondent for the year in accordance with generally accepted accounting principles.  
 2. Any unusual accruals involving substantial amounts included in column (b) should be fully explained in a footnote.

Line No.	Name of railway operating expense account (a)	Amount of operating expenses for the year (b)	Line No.	Name of railway operating expense account (a)	Amount of operating expenses for the year (b)
		\$			\$
	<b>MAINTENANCE OF WAY STRUCTURES</b>			<b>TRANSPORTATION—RAIL LINE</b>	
1	Superintendence	107,372	28	Superintendence and dispatching	792,268
2	Roadway maintenance	1,819,945	29	Station service	
3	Maintaining structures	115,315	30	Yard employees	1,486,393
4	Retirements—Road		31	Yard switching fuel	229,067
5	Dismantling retired road property		32	Miscellaneous yard expenses	
6	Road property—Depreciation		33	Operating joint yards and terminals—Dr	308,922
7	Other maintenance of way expenses	682,809	34	Operating joint yards and terminals—Cr	746,485
8	Maintaining joint tracks, yards and other facilities—Dr	28,565	35	Train employees	544,351
9	Maintaining joint tracks, yards and other facilities—Cr	198,398	36	Train fuel	858,808
10	Total maintenance of way and structures	2,555,606	37	Other train expenses	2,664,378
	<b>MAINTENANCE OF EQUIPMENT</b>		38	Injuries to persons	
11	Superintendence	115,246	39	Loss and damage	
12	Repairs to shop and power-plant machinery	7,619	40	Other casualty expenses	
13	Shop and power-plant machinery—Depreciation		41	Other rail and highway transportation expenses	
14	Dismantling retired shop and power-plant machinery		42	Operating joint tracks and facilities—Dr	
15	Locomotive repairs	378,913	43	Operating joint tracks and facilities—Cr	
16	Car and highway revenue equipment repairs	338,729	44	Total transportation—Rail line	6,157,702
17	Other equipment repairs	148,449		<b>MISCELLANEOUS OPERATIONS</b>	
18	Dismantling retired equipment		45	Miscellaneous operations	
18	Retirements—Equipment		46	Operating joint miscellaneous facilities—Dr	
20	Equipment—Depreciation	584,431	47	Operating joint miscellaneous facilities—Cr	
21	Per diem expense—Dr	2,395,999		<b>GENERAL</b>	
22	Per diem expense—Cr	70,972	48	Administration	797,585
23	Other equipment expenses	644,436	49	Insurance	39,646
24	Joint maintenance of equipment expenses—Dr	142,625	50	Other general expenses	1,761,232
25	Joint maintenance of equipment expenses—Cr	176,305	51	XXXXXXXXXXXXXX Bad Debt	594,000
26	Total maintenance of equipment	4,507,168	52	General joint facilities—Cr	
	<b>TRAFFIC</b>		53	Total general expenses	3,192,463
27	Traffic expenses			Grand Total Railway Operating Expenses	16,592,939

NOTES AND REMARKS



SCHEDULE F  
RESULTS OF OPERATIONS

Line No	Item (a)	Amount for Current Year (b)
	ORDINARY ITEMS	\$
	OPERATING INCOME	
	Railway Operating Income	
		14,838,748
1	Freight _____	-0-
2	Passenger _____	2,129,835
3	Other _____	16,968,583
4	Railway Operating Revenues _____	16,392,939
5	Railway Operating Expenses _____	575,644
6	*Net Revenue from Railway Operations _____	
	OTHER INCOME	
7	Dividend income _____	1,347,953
8	Interest income _____	541,143
9	Other income: Other _____	
	Income from affiliated companies:	
10	Dividends _____	
11	Equity in undistributed earnings (losses) _____	1,889,096
12	Total other income (Lines 7-11) _____	2,464,740
13	Total income (Lines 6, 12) _____	
	OTHER DEDUCTIONS	
14	<del>XXXXXXXXXXXXXXXXXXXX</del> Interest Expense _____	165,927
15	Fixed charges _____	2,798,813
16	Income after miscellaneous deductions and fixed charges _____	
	UNUSUAL OR INFREQUENT ITEMS	
17	<del>XXXXXXXXXXXXXXXXXXXX</del> Peso conversion loss _____	584,146
18	Income (loss) from continuing operations (before income taxes) (Line 16 less Line 17) _____	1,714,667
	PROVISIONS FOR INCOME TAXES	
	Income taxes on ordinary income:	
19	Federal income taxes _____	-0-
20	State income taxes _____	
21	Other income taxes _____	
22	Provisions for deferring income taxes _____	633,982
23	Income before extraordinary items (Line 18 less Lines 19-22) _____	1,080,685
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES	
24	Extraordinary items (net) _____	
25	Income taxes on extraordinary items _____	
26	Provisions for deferred taxes - Extraordinary items _____	
27	Total extraordinary items (Lines 24-26) _____	
28	Cumulative effect of changes in accounting principles _____	
29	(Less applicable income taxes of \$ _____ ) _____	1,080,685
30	Net income _____	

## RESULTS OF OPERATIONS—Continu

Line No	Item  (a)	Amount for Current Year (b)
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)		
31	Net revenues from railway operations	575,644
32	Income taxes on ordinary income	-0-
33	Provisions for deferred income taxes	(633,982)
34	Income from Lease of Road and Equipment	-0-
35	Rent for leased Road and Equipment	115,000
36	Net Railway Operating Income	56,662
37	Revenue freight - Ton-miles	249,783,015

SCHEDULE G—REVENUE FREIGHT CARRIED DURING THE YEAR (For Road Haul Traffic Only)

- 1 Give the particulars called for concerning the commodities carried by the respondent during the year, on the basis of the 2-digit codes named in 49 C.F.R. 123.52. In stating the revenue received from the carriers, include all commencing carriers, whether rail or water and whether the freight is received directly or indirectly (as through elevators).
- 2 Traffic involving less than three shippers reportable in any one commodity class may be excluded from this schedule, but must be submitted unbound in a separate schedule supplemental to this one and marked Supplemental. Supplemental reports will be withheld from public inspection.
- 3 Particulars for Codes 01 to 46 inclusive, should include all traffic moved in lots of 10,000 pounds or more. Forwarder traffic includes freight traffic shipped by or consigned to any forwarder. Code 47 should include all traffic moved in lots of less than 10,000 pounds.
- 4 Gross freight traffic means respondent's gross freight revenue without adjustment for absorption or corrections.
- 5 Local traffic refers to traffic which both originates and terminates on-line.

ALPHABETICALLY LISTED IN COMMUNITY CLASSIFICATION			
Assn	Association	Misc	Miscellaneous
Exc	Except	Nat	Natural
Fabr	Fabricated	Opt	Optical
Fwdr	Forwarder	Ordn	Ordnance
Gd	Goods	Petro	Petroleum
Gsln	Gasoline	Phot	Photographic
Incl	Including	Prd	Products
Instr	Instruments	Shpr	Shipper
LCL	Less than carload	Tex	Textile
Machy	Machinery	Transp	Transportation

Line No.	Commodity Description	Code No.	Originating on respondent's road (except local traffic)		Terminating on respondent's road (except local traffic)		Received from connecting carriers (bridge traffic)		Local traffic (originating & terminating traffic on-line)	
			Carloads	Number of tons (2000 lbs.)	Carloads	Number of tons (2000 lbs.)	Carloads	Number of tons (2000 lbs.)	Carloads	Number of tons (2000 lbs.)
1	Farm Products	01	658	51,235	27	2,744	2,443	140,182	281	28,420
2	Forest Products	08			1	14				
3	Fresh fish and other marine products	09								
4	Metallic ores	10	14	853	13	1,506	214	15,247	38	2,531
5	Coal	11	74	6,228			119	9,437	1,286	112,233
6	Crude petro, nat gas, & nat gln	13								
7	Nonmetallic minerals, except fuels	14	34	2,667	1,147	105,752	1,540	123,561	3,514	345,723
8	Ordnance and accessories	19								
9	Food and kindred products	20	66	3,389	1,096	49,242	2,865	178,931	2	100
10	Tobacco products	21								
11	Textile mill products	22			3	32	303	16,596		
12	Apparel & other finished tex prd inc knit	23					2	17		
13	Lumber & wood products, except furniture	24	23	175	690	37,823	94	2,852	26	1,502
14	Furniture and fixtures	25			22	205	8	73		
15	Pulp, paper and allied products	26	1	13	800	19,215	1,702	106,757		
16	Printed matter	27								
17	Chemicals and allied products	28	3	295	134	8,175	1,519	107,895	5	98
18	Petroleum and coal products	29	30	1,689	13	737	532	27,254		
19	Rubber & miscellaneous plastic products	30			10	160	3	50		
20	Leather and leather products	31								
21	Stone, clay, glass & concrete prd	32			222	12,868	1,875	105,995		
22	Primary metal products	33	161	9,295	198	11,246	1,779	122,299	11	726
23	Fabr metal prd, exc ordn, machy & transp	34			18	1,079	65	3,123	1	75
24	Machinery, except electrical	35	4	73	19	321	170	4,620		
25	Electrical machy, equipment & supplies	36			5	233	19	354		
26	Transportation equipment	37	318	8,417	162	6,576	640	27,905		
27	Instr. Phot & opt gd, watches & clocks	38								
28	Miscellaneous products of manufacturing	39	1	25			3	60		
29	Waste and scrap materials	40	1,116	58,912	9	379	3,192	149,910	1	58
30	Miscellaneous freight shipments	41	248	3,469			655	11,164	16	330
31	Containers, shipping, returned empty	42	3	36	2	27	17	334		
32	Freight forwarded traffic	44								
33	Shipper Assn or similar traffic	45	5	175	2	50	66	2,215		
34	Misc mixed shipment exc fwdr & shpr assn	46	67	1,840	23	820	474	16,591	76	2,798
35	Total, carload traffic						20,299	1,173,722		
36	Small packaged freight shipments	47					1	12		
37	Total, except small traffic		2,826	148,786	4,616	259,204	20,700	1,173,734	5,257	401,594



SCHEDULE H—IMPORTANT CHANGES DURING THE YEAR

INSTRUCTIONS

1. Number your statements in accordance with the inquiries. If no changes occurred during the year, state that fact. Use the bottom of this page or attach additional sheets if necessary.
2. Changes in mileage should be stated to the nearest hundredth of a mile.
3. If any changes reportable in this schedule occurred under authority granted by the Interstate Commerce Commission in certificates of convenience and necessity, specific reference to such authority should in each case be made by docket number or otherwise, as may be appropriate.

1. Report all portions of road put in operation or abandoned, giving (a) termini, (b) length of road, (c) dates of beginning operation or abandonment.
2. Report all other important physical changes, including all new track built.

NOTICE: If reports under Items 1 and 2 include any first main track owned by the railroad represents new construction or permanent abandonment, give the following particulars:

Miles of road constructed

Miles of road abandoned

The item "Miles of road constructed" is intended to show the mileage of first main track laid to extend your road and should not include tracks relocated and tracks laid to shorten the distance between two points without serving any new territory.

3. Report all leaseholds acquired or surrendered, giving dates.
4. Report all agreements for trackage rights acquired or surrendered, giving dates.
5. Report all consolidations, mergers, and reorganizations effected, giving particulars.
6. Report all other important financial changes.

SCHEDULE I - INVENTORY OF EQUIPMENT

INSTRUCTIONS

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c) give the number of units of equipment purchased, built in company shops, or otherwise acquired.
3. Units leased to others for a period of one year or more are reportable in column (i); units temporarily out of respondent's service and rented to others for less than one year are to be included in column (e); units rented from others for a period less than one year should not be included in column (f). Units installed during the year and subsequently leased to others for a year or more should be shown as added in column (c), as retired in column (d), and included in column (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operating at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "Diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive, and whether power may at times be supplied from external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and brief description. An "Electric" unit includes all units which receive electric power from an overhead contact wire or third rail, and use the power to drive one or more electric motors that propel the vehicle. An "Other self-powered unit" includes all units other than diesel or electric, e.g., steam, gas turbine. Show the type of unit, service and number, as appropriate, in a brief description sufficient for positive identification. An "Auxiliary unit" includes all units used in conjunction with locomotives but which draw their power from the "mother" unit, e.g., boosters, slugs, etc.
7. Column (h) should show aggregate capacity for all units reported in column (g), as follows: For locomotive units, report the manufacturer's rated horse power (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purpose) or tractive effort of steam locomotive units; for freight-train cars report the nominal capacity (in tons of 2,000 lbs.) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in Interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to carry customarily.

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Item (a)	Units in service of respondent at beginning of year (b)	Units installed during year (c)	Number retired during year (d)	Units at close of year				
					Owne d and use d (e)	Leas ed fr om oth ers (f)	Total in serv ice of respon dent (e+f) (g)	Aggre gate capa city of units report ed in col. (g) (h)	Leas ed to oth ers (i)
	LOCOMOTIVE UNITS							(h.p.)	
1	Diesel-Freight _____ A units								
2	Diesel-Freight _____ B units								
3	Diesel-Passenger _____ A units								
4	Diesel-Passenger _____ B units								
5	Diesel-Multiple purpose _____ A units	16			16		16	30,150	
6	Diesel-Multiple purpose _____ B units								
7	Diesel-Switching _____ A units								
8	Diesel-Switching _____ B units								
9	Total (lines 1-8) _____	16			16		16	XXXXX	
10	Electric locomotives _____								
11	Other self-powered units _____								
12	Total (lines 9, 10 and 11) _____	16			16		16	XXXXX	
13	Auxiliary units _____								
14	Total Locomotive Units (lines 12 and 13) _____	16			16		16	XXXXX	

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT AND LEASED FROM OTHERS - Cont.

Line No.	Item (a)	Units in service of respondent at beginning of year (b)	Units installed during year (c)	Number retired during year (d)	Units at close of year				
					Owned and used (e)	Leased from others (f)	Total in service of respondent (e+f) (g)	Aggregate capacity of units reported in col. (g) (h)	Leased to others (i)
	FREIGHT TRAINCARS							Tons	
15	Plain Box Cars - 40' (B100-129)	18		2	16		16	880	
16	Plain Box Cars - 50' (B200-229; B300-329)	318			18	300	318	24,484	
17	Equipped Box Cars (All Code A)								
18	Plain Gondola Cars (G092-392; G401-492)	202			202		202	16,704	
19	Equipped Gondola Cars (All Codes C and F)								
20	Covered Hopper Cars (L 151-154, 251-254, 351-354, 451-454, 551-554, 651-654, 751-754)	138			28	110	138	13,156	
21	Open Top Hopper Cars - General Service (All Code H)	252			149	103	252	21,267	
22	Open Top Hopper Cars - Special Service (All Code J and K)								
23	Refrigerator Cars - Non Mechanical (R 100, 101, 102, 103, 105, 106, 107, 108, 109, 113, 114, 115, 116, R 200, 201, 202, 203, 205, 206, 207, 208, 209, 213, 214, 215, 216)								
24	Refrigerator Cars - Mechanical (R 104, 110, 112, 117, 118, R 204, 210, 211, 212, 217, 218)								
25	Fiat Cars - TOFC/COFC (F 071-078 F 871-978)	300				300	300	24,250	
26	Fiat Cars - Multi-level (All Code V)								
27	Fiat Cars - General Service (F 101-109; F 201-209)								
28	Fiat Cars - Other (F 11-165, 211, 289, 301-389, 401-540)								
29	Tank Cars - Under 22,000 Gallons (T-0, T-1, T-2, T-3, T-4, T-5)								
30	Tank Cars - 22,000 Gallons and over (T-6, T-7, T-8, T-9)	1				1	1	40	
31	All Other Freight Cars (F 191-199; 291-299; 391-399; L 006-048; L 070; L 080 L 090- All "L" with second numeric 6; L 161- L 764)								
32	Total (lines 15-31)	1,229		2	413	814	1,227	100,781	
33	Caboose (All N)	3			3		3	XXXXX	
34	Total (lines 32-33)	1,232		2	416	814	1,230	XXXXX	



ALL TAX ACCRUALS - WITHIN THE STATE OF TEXAS - 1982

Give the particulars called for with respect to net accruals of taxes:

Classification of Taxes	Railway tax accruals	Miscellaneous tax accruals on operating and non-operating property	Grand Total All Taxes
State			
County	103,959		103,959
Common and independent school districts	84,871		84,871
Public improvement districts	8,648		8,648
State franchise	16,445		16,445
Foreign, state or nation	75,647		75,647
Other state and local	30,938		30,938
Total, other than federal	320,508		320,508
=====			
Federal income and excess profits	-0-		-0-
Railroad retirement and unemployment	1,433,904		1,433,904
Other federal			
Total federal	1,433,904		1,433,904
Grand total all taxes	1,754,412		1,754,412

VERIFICATION

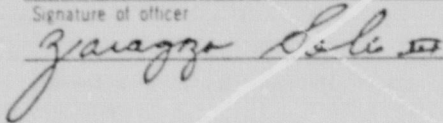
INSTRUCTIONS: This report must be verified by either the officer having control of the accounting of the respondent or the president or other chief officer of the respondent

I verify that I have carefully examined this report and to the best of my knowledge and belief, the entries contained in this report have, so far as they relate to matters of account, been accurately taken from and are in exact accordance with generally accepted accounting principles. I also verify that all statements of fact contained in this report are true, and that this report is a correct and complete statement of the business and affairs for the period covered.

Name of officer (Type or print)

Zaragoza Solis, III

Signature of officer



Title

Vice President-Finance

Date

March 9, 1984

# RAILROAD ANNUAL REPC : 1983

## GENERAL INSTRUCTIONS

1. This Annual Report must be filed by all railroads other than Class I carriers, operating within the State.
2. Every inquiry in this Annual Report must be definitely answered. Where the words "None" or "Not Applicable" truly and completely state the facts, only then should either of these answers be given.
3. Throughout the report, "Year" means the calendar year covered by the report.
4. Report all dollar amounts in actual figures.
5. Complete the Annual Report, Schedules A through H and the verification; in duplicate. Retain the duplicate for your records and return the original.

RETURN TO: RAILROAD COMMISSION OF TEXAS TRANSPORTATION DIVISION P.O. DRAWER 12967-CAPITOL STATION AUSTIN, TEXAS 78711	REPORT MUST BE FILED ON OR BEFORE
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## SCHEDULE A--GENERAL INFORMATION

### INSTRUCTIONS

1. Give the exact name by which the railroad was known in law at the close of the year.
2. If any change was made in the name of the railroad during the year, state all such changes and the dates on which they were made.
3. Give the location, including street and number, of the main business office of the railroad at the close of the year.
4. Give the names and office addresses of the general officers of the railroad at the close of the year. If there are receivers who are recognized as in the controlling management of the railroad, give their names, titles and office locations.

NAME OF RAILROAD The Texas Mexican Railway Company				
ADDRESS (STREET AND NUMBER) 1200 Washington St.	CITY Laredo	STATE TX	ZIP CODE 78040	A/C & PHONE NO 512 722-6461
NAME OF OFFICER TO WHOM CORRESPONDENCE CONCERNING THIS REPORT SHOULD BE ADDRESSED Zaragoza Solis, III		TITLE V.P.-Finance & Comptroller		
ADDRESS (STREET AND NUMBER) 1200 Washington	CITY Laredo	STATE TX	ZIP CODE 78040	A/C & PHONE NO 512 722-6461
PREVIOUS NAME OF RAILROAD DURING THE YEAR		EFFECTIVE DATES FOR PREVIOUS NAME THRU		

LINE NO	TITLE OF GENERAL OFFICER	NAME OF OFFICER	OFFICE ADDRESS
1	PRESIDENT & Chief Op. Officer	C.H. Darnell, Jr.	1200 Washington St., Laredo, TX
2	SECRETARY	A.C. de la Garza	1200 Washington St., Laredo, TX
3	TREASURER	A.C. de la Garza	1200 Washington St., Laredo, TX
4	CONTROLLER OR AUDITOR	Zaragoza Solis, III	1200 Washington St., Laredo, TX
5	GENERAL MANAGER	R.J. Spear	1200 Washington St., Laredo, TX
6	GENERAL FREIGHT AGENT	None	
7	Chairman & C.E.O.	A.R. Ramos	1200 Washington St., Laredo, TX
8	Vice President-Finance	Zaragoza Solis, III	1200 Washington St., Laredo, TX
9	Vice President Operations	Hector A. Martinez	1200 Washington St., Laredo, TX

## SCHEDULE B--STOCKHOLDERS

### INSTRUCTIONS

Give the names of all stockholders controlling 20% or more of the voting stock, the address of the stockholder, the number of votes the stockholder is entitled, and the percentage of all outstanding stock the stockholder holds.

NAME OF STOCKHOLDER	ADDRESS OF STOCKHOLDER	NO. OF VOTES	% of OUTSTANDING STOCK HELD
Mexrail, Inc.	229 South State Street Dover, Delaware 19901	24991	99.98



SCHEDULE C

STATISTICS OF RAIL-LINE OPERATIONS. (For Road Haul Traffic Only)

Give the various statistical items called for concerning the rail-line operations of Respondent's road during the year. Motor car and trailer miles, if any, should be included. Highway traffic to be excluded. Locomotive unit-miles should include all miles made by each locomotive unit.

Line No.	Item (a)	Freight trains (b)	Passenger trains (c)	Total transportation service (d)	Work trains (e)
1	Average length of haul (total loaded car-miles divided by total carloads)	157		157	XXXXX
	<b>Train-miles</b>				
2	Total (with locomotives)	101,068		101,068	
3	Total (with motorcars)				
4	Total train-miles	101,068		101,068	
	<b>Locomotive unit-miles</b>				
5	Road service	428,912		428,912	XXXXXX
6	Train switching	16,272		16,272	XXXXXX
7	Yard switching	111,032		111,032	XXXXXX
8	Total locomotive unit-miles	556,216		556,216	XXXXXX
	<b>Car-miles</b>				
9	Loaded freight cars	4,989,882		4,989,882	XXXXXX
10	Empty freight cars	4,540,169		4,540,169	XXXXXX
11	Caboose	101,948		101,948	XXXXXX
12	Total freight car-miles	9,631,999		9,631,999	XXXXXX
13	Business cars				XXXXXX
14	Crew cars (other than cabooses)				XXXXXX
15	Grand total car-miles (lines 12, 13, and 14)	9,631,999		9,631,999	XXXXXX
	<b>Revenue and nonrevenue freight traffic</b>				
16	Tons—revenue freight	XXXXXX	XXXXXX	2,502,190	XXXXXX
17	Tons—nonrevenue freight	XXXXXX	XXXXXX	3,148	XXXXXX
18	Total tons—revenue and nonrevenue freight	XXXXXX	XXXXXX	2,505,338	XXXXXX
19	Ton-miles—revenue freight	XXXXXX	XXXXXX	520,807,854	XXXXXX
20	Ton-miles—nonrevenue freight	XXXXXX	XXXXXX	381,601	XXXXXX
21	Total ton-miles—revenue and nonrevenue freight	XXXXXX	XXXXXX	521,189,455	XXXXXX

SCHEDULE D—MILEAGE OPERATED

Give particulars concerning tracks operated by Respondent at close of year

Line No.	Line in use	Owned	Operated under trackage rights	Total operated
1	Single or first main track	157	-0-	157
2	Other track operated	62	19	62
3	Total	219	19	238
4	Road is completed from (line haul railways only) <u>Laredo, Texas</u> to <u>Corpus Christi, Texas</u> (insert names of places), a distance of <u>157</u> miles			

## SCHEDULE E

## RAILWAY OPERATING EXPENSES

1. State the operating expenses of the Respondent for the year in accordance with generally accepted accounting principles.  
 2. Any unusual accruals involving substantial amounts included in column (b) should be fully explained in a footnote.

Line No.	Name of railway operating expense account (a)	Amount of operating expenses for the year (b)	Line No.	Name of railway operating expense account (a)	Amount of operating expenses for the year (b)
		\$			\$
	<b>MAINTENANCE OF WAY STRUCTURES</b>			<b>TRANSPORTATION—RAIL LINE</b>	
1	Superintendence	121,979	28	Superintendence and dispatching	726,797
2	Roadway maintenance	2,192,297	29	Station service	
3	Maintaining structures	143,363	30	Yard employees	1,871,383
4	Retirements—Road		31	Yard switching fuel	264,063
5	Dismantling retired road property		32	Miscellaneous yard expenses	
6	Road property—Depreciation	92,206	33	Operating joint yards and terminals—Dr	349,973
7	Other maintenance of way expenses	572,183	34	Operating joint yards and terminals—Cr	1,010,338
8	Maintaining joint tracks, yards and other facilities—Dr	141,722	35	Train employees	605,950
9	Maintaining joint tracks, yards and other facilities—Cr	289,680	36	Train fuel	810,603
10	Total maintenance of way and structures	2,974,070	37	Other train expenses	2,639,811
	<b>MAINTENANCE OF EQUIPMENT</b>		38	Injuries to persons	
11	Superintendence	125,743	39	Loss and damage	
12	Repairs to shop and power-plant machinery	10,590	40	Other casualty expenses	
13	Shop and power-plant machinery—Depreciation		41	Other rail and highway transportation expenses	
14	Dismantling retired shop and power-plant machinery		42	Operating joint tracks and facilities—Dr	
15	Locomotive repairs	367,390	43	Operating joint tracks and facilities—Cr	
16	Car and highway revenue equipment repairs	291,226	44	Total transportation—Rail line	6,258,242
17	Other equipment repairs	141,126		<b>MISCELLANEOUS OPERATIONS</b>	
18	Dismantling retired equipment		45	Miscellaneous operations	
18	Retirements—Equipment		46	Operating joint miscellaneous facilities—Dr	
20	Equipment—Depreciation	594,585	47	Operating joint miscellaneous facilities—Cr	
21	Per diem expense—Dr	2,862,255		<b>GENERAL</b>	
22	Per diem expense—Cr	122,026	48	Administration	1,286,853
23	Other equipment expenses	336,986	49	Insurance	13,487
24	Joint maintenance of equipment expenses—Dr	70,269	50	Other general expenses	1,319,839
25	Joint maintenance of equipment expenses—Cr	196,844	51	General joint facilities—Dr	
26	Total maintenance of equipment	4,481,300	52	General joint facilities—Cr	
	<b>TRAFFIC</b>		53	Total general expenses	2,620,159
27	Traffic expenses			Grand Total Railway Operating Expenses	16,333,771

NOTES AND REMARKS

**SCHEDULE F  
RESULTS OF OPERATIONS**

Line No.	Item (a)	Amount for Current Year (b)
	ORDINARY ITEMS	\$
	OPERATING INCOME	
	Railway Operating Income	
1	Freight _____	17,956,339
2	Passenger _____	-0-
3	Other _____	931,038
4	Railway Operating Revenues _____	18,887,377
5	Railway Operating Expenses _____	16,333,771
6	*Net Revenue from Railway Operations _____	2,553,606
	OTHER INCOME	
7	Dividend income _____	-0-
8	Interest income _____	1,276,281
9	Other income, Other _____	417,698
	Income from affiliated companies:	
10	Dividends _____	
11	Equity in undistributed earnings (losses) _____	
12	Total other income (Lines 7-11) _____	1,693,979
13	Total income (Lines 6, 12) _____	4,247,585
	OTHER DEDUCTIONS	
14	<del>XXXXXXXXXXXXXXXXXXXX</del> Interest Exp. _____	160,500
15	Fixed charges _____	
16	Income after miscellaneous deductions and fixed charges _____	4,087,085
	UNUSUAL OR INFREQUENT ITEMS	
17	<del>XXXXXXXXXXXXXXXXXXXX</del> Peso Conversion Loss _____	14,264
18	Income (loss) from continuing operations (before income taxes) (Line 16 less Line 17) _____	4,072,821
	PROVISIONS FOR INCOME TAXES	
	Income taxes on ordinary income:	
19	Federal income taxes _____	1,149,094
20	State income taxes _____	
21	Other income taxes _____	
22	Provisions for deferring income taxes _____	629,154
23	Income before extraordinary items (Line 18 less Lines 19-22) _____	2,294,573
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES	
24	Extraordinary items (net) _____	
25	Income taxes on extraordinary items _____	
26	Provisions for deferred taxes - Extraordinary items _____	
27	Total extraordinary items (Lines 24-26) _____	-0-
28	Cumulative effect of changes in accounting principles _____	
29	(Less applicable income taxes of \$ _____)	
30	Net income _____	2,294,573



RESULTS OF OPERATIONS—Continued

Line No.	Item  (a)	Amount for Current Year (b)
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)		
31	Net revenues from railway operations _____	2,553,606
32	Income taxes on ordinary income _____	(1,149,094)
33	Provisions for deferred income taxes _____	(629,154)
34	Income from Lease of Road and Equipment _____	-0-
35	Rent for leased Road and Equipment _____	115,000
36	Net Railway Operating Income _____	890,358
37	Revenue freight - Ton-miles _____	320,807,854

SCHEDULE G—REVENUE FREIGHT CARRIED DURING THE YEAR (For Road Haul Traffic Only)

- 1 Give the particulars called for concerning the commodities carried by the respondent during the year, on the basis of the 2-digit codes named in 49 C.F.R. 123.52. In stating the revenue received from the carriers, include all commencing carriers, whether rail or water and whether the freight is received directly or indirectly (as through elevators.)
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- 5 Local traffic refers to traffic which both originates and terminates on-line.

ABBREVIATIONS USED IN COMMODITY DESCRIPTIONS			
Assn	Association	Misc	Miscellaneous
Exc	Except	Nat	Natural
Fabr	Fabricated	Opt	Optical
Fwdr	Forwarder	Ordn	Ordnance
Gd	Goods	Petro	Petroleum
Gsln	Gasoline	Phot	Photographic
Inc	Including	Prd	Products
Instr	Instruments	Shpr	Shipper
LCL	Less than carload	Tex	Textile
Machy	Machinery	Transp	Transportation

1983

Line No.	Commodity Description	Code No.	Originating on respondent's road (except local traffic)		Terminating on respondent's road (except local traffic)		Received from connecting carriers (bridge traffic)		Local traffic (originating & terminating traffic on-line)	
			Carloads	Number of tons (2000 lbs.)	Carloads	Number of tons (2000 lbs.)	Carloads	Number of tons (2000 lbs.)	Carloads	Number of tons (2000 lbs.)
1	Farm Products	01	2868	224827	13	1017	5898	397684	82	7744
2	Forest Products	08								
3	Fresh fish and other marine products	09								
4	Metallic ores	10	2	150	28	2764	434	30560	-0-	-0-
5	Coal	11	12	957	-0-	-0-	147	13010	1238	111092
6	Crude petro, nat gas, & nat gsln	13								
7	Nonmetallic minerals, except fuels	14	220	17306	1139	105220	589	44456	4657	419033
8	Ordnance and accessories	19								
9	Food and kindred products	20	73	4140	818	38211	2669	175326	-0-	-0-
10	Tobacco products	21								
11	Textile mill products	22	-0-	-0-	1	20	232	12394	-0-	-0-
12	Apparel & other finished tex prd inc knit	23	-0-	-0-	-0-	-0-	1	5	-0-	-0-
13	Lumber & wood products, except furniture	24	9	69	639	35435	138	5456	44	2405
14	Furniture and fixtures	25	-0-	-0-	16	131	11	138	-0-	-0-
15	Pulp, paper and allied products	26	5	174	585	14042	1858	122808	-0-	-0-
16	Printed matter	27								
17	Chemicals and allied products	28	7	451	55	4067	1775	125203	2	85
18	Petroleum and coal products	29	1	40	17	1187	187	9919	-0-	-0-
19	Rubber & miscellaneous plastic products	30	-0-	-0-	2	40	9	160	-0-	-0-
20	Leather and leather products	31								
21	Stone, clay, glass & concrete prd	32	1	38	206	11138	1510	86348	6	570
22	Primary metal products	33	19	1059	51	2671	1006	72752	21	1194
23	Fabr metal prd, exc ordn, machy & transp	34	-0-	-0-	-0-	-0-	35	1942	2	122
24	Machinery, except electrical	35	-0-	-0-	10	291	24	478	-0-	-0-
25	Electrical machy, equipment & supplies	36	-0-	-0-	2	101	34	747	-0-	-0-
26	Transportation equipment	37	91	2590	131	3726	260	14434	1	85
27	Instr, Phot & opt gd, watches & clocks	38								
28	Miscellaneous products of manufacturing	39	-0-	-0-	-0-	-0-	5	117	-0-	-0-
29	Waste and scrap materials	40	1067	61802	19	841	6260	329054	-0-	-0-
30	Miscellaneous freight shipments	41	146	1994	-0-	-0-	332	5320	1	18
31	Containers, shipping, returned empty	42	-0-	-0-	4	75	21	273	83	1401
32	Freight forwarded traffic	44								
33	Shipper Assn or similar traffic	45	-0-	-0-	2	16	-0-	-0-	-0-	-0-
34	Misc mixed shipment exc fwdr & shpr assn	46	39	1093	12	316	551	15448	135	3855
35	Hazardous Materials	49	-0-	-0-	4	134	90	5971	-0-	-0-
36	Farm Products	50	-0-	-0-	-0-	-0-	41	2535	-0-	-0-
37	Total carload & LCL traffic		4560	316690	3754	221443	24117	1472538	6272	547604

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SCHEDULE H—IMPORTANT CHANGES DURING THE YEAR

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INSTRUCTIONS:

1. Number your statements in accordance with the inquiries. If no changes occurred during the year, state that fact. Use the bottom of this page or attach additional sheets if necessary.
2. Changes in mileage should be stated to the nearest hundredth of a mile.
3. If any changes reportable in this schedule occurred under authority granted by the Interstate Commerce Commission in certificates of convenience and necessity, specific reference to such authority should in each case be made by docket number or otherwise, as may be appropriate.

- 
1. Report all portions of road put in operation or abandoned, giving (a) termini, (b) length of road, (c) dates of beginning operation or abandonment.
  2. Report all other important physical changes, including all new track built.

NOTICE: If reports under Items 1 and 2 include any first main track owned by the railroad represents new construction or permanent abandonment, give the following particulars.

Miles of road constructed

Miles of road abandoned

The item "Miles of road constructed" is intended to show the mileage of first main track laid to extend your road and should not include tracks relocated and tracks laid to shorten the distance between two points without serving any new territory.

3. Report all leaseholds acquired or surrendered, giving dates.
4. Report all agreements for trackage rights acquired or surrendered, giving dates.
5. Report all consolidations, mergers, and reorganizations effected, giving particulars.
6. Report all other important financial changes.



SCHEDULE I - INVENTORY OF EQUIPMENT

INSTRUCTIONS

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c) give the number of units of equipment purchased, built in company shops, or otherwise acquired.
3. Units leased to others for a period of one year or more are reportable in column (i); units temporarily out of respondent's service and rented to others for less than one year are to be included in column (e); units rented from others for a period less than one year should not be included in column (f). Units installed during the year and subsequently leased to others for a year or more should be shown as added in column (c), as retired in column (d), and included in column (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operating at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "Diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive, and whether power may at times be supplied from external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and brief description. An "Electric" unit includes all units which receive electric power from an overhead contact wire or third rail, and use the power to drive one or more electric motors that propel the vehicle. An "Other self-powered unit" includes all units other than diesel or electric, e.g., steam, gas turbine. Show the type of unit, service and number, as appropriate, in a brief description sufficient for positive identification. An "Auxiliary unit" includes all units used in conjunction with locomotives but which draw their power from the "mother" unit, e.g., boosters, slugs, etc.
7. Column (h) should show aggregate capacity for all units reported in column (g), as follows: For locomotive units, report the manufacturer's rated horse power (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes); or tractive effort of steam locomotive units; for freight-train cars report the nominal capacity (in tons of 2,000 lbs.) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in Interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to carry customarily.

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Item (a)	Units in service of respondent at beginning of year (b)	Units installed during year (c)	Number retired during year (d)	Units at close of year				
					Owned and used (e)	Leased from others (f)	Total in service of respondent (e+f) (g)	Aggregate capacity of units reported in col. (g) (h)	Leased to others (i)
	LOCOMOTIVE UNITS							(h p)	
1	Diesel-Freight _____ A units								
2	Diesel-Freight _____ B units								
3	Diesel-Passenger _____ A units								
4	Diesel-Passenger _____ B units								
5	Diesel-Multiple purpose _____ A units	16			16		16	30,150	
6	Diesel-Multiple purpose _____ B units								
7	Diesel-Switching _____ A units								
8	Diesel-Switching _____ B units								
9	Total (lines 1-8) _____	16			16		16	XXXXXX	
10	Electric-Locomotives _____								
11	Other self-powered units _____								
12	Total (lines 9, 10 and 11) _____	16			16		16	XXXXXX	
13	Auxiliary units _____								
14	Total Locomotive Units (lines 12 and 13) _____	16			16		16	XXXXXX	

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT AND LEASED FROM OTHERS - Cont.  
December 31, 1983

Line No.	Item  (a)	Units in service of respondent at beginning of year (b)	Units installed during year (c)	Number retired during year (d)	Units at close of year				
					Owned and leased (e)	Leased from others (f)	Total in service of respondent (e+f) (g)	Aggregate capacity of units reported in col. (g) (h)	Leased to others (i)
FREIGHT TRAINCARS							Tons		
15	Plain Box Cars - 40' (B100-129)	16			16		16	880	
16	Plain Box Cars - 50' (B200-229, B300-329)	318			18	300	318	24,486	
17	Equipped Box Cars (All Code A)								
18	Plain Gondola Cars (G092-392; G401-492)								
19	Equipped Gondola Cars (All Codes C and E)	202		5	197		197	16,268	
20	Covered Hopper Cars (L 151-154, 251-254, 351-354, 451-454, 551-554, 651-654, 751-754)	138	218		28	328	356	34,505	
21	Open Top Hopper Cars - General Service (All Code H)	252	100	139	213		213	18,591	
22	Open Top Hopper Cars - Special Service (All Code J and K)								
23	Refrigerator Cars - Non Mechanical (R 100, 101, 102, 103, 105, 106, 107, 108, 109, 113, 114, 115, 116, R 200, 201, 202, 203, 205, 206, 207, 208, 209, 213, 214, 215, 216)								
24	Refrigerator Cars - Mechanical (R 104, 110, 112, 117, 118, R 204, 210, 211, 212, 217, 218)								
25	Flat Cars - TOFC/COFC (F 071-078 F 871-978)	300		250		50	50	3,775	
26	Flat Cars - Multi-level (All Code V)								
27	Flat Cars - General Service (F 101-109; F 201-209)								
28	Flat Cars - Other (F 11-189; 211-289; 301-389, 401-440)								
29	Tank Cars - Under 22,000 Gallons (T-1, T-1, T-2, T-3, T-4, T-5)	1				1	1	40	
30	Tank Cars - 22,000 Gallons and over (T-6, T-7, T-8, T-9)								
31	All Other Freight Cars (F 191-199; 291-299, 391-399; L 006-048, L 070, L 080 L 090- All "L" with second numeric 6; L 161- L 764)								
32	Total (lines 15-31)	1227	318	394	472	679	1151	98,545	
33	Caboose (All N)	3			3		3	XXXXXX	
34	Total (lines 32-33)	1230	318	394	475	679	1154	XXXXXX	

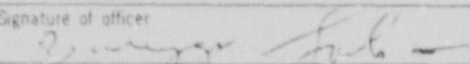
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**VERIFICATION**

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INSTRUCTIONS: This report must be verified by either the officer having control of the accounting of the respondent or the president or other chief officer of the respondent.

I verify that I have carefully examined this report and to the best of my knowledge and belief, the entries contained in this report have, so far as they relate to matters of account, been accurately taken from and are in exact accordance with generally accepted accounting principles. I also verify that all statements of fact contained in this report are true, and that this report is a correct and complete statement of the business and affairs for the period covered.

Name of officer (Type or print) Zaragoza Solis, III	Title Vice President - Finance
Signature of officer 	Date June 15, 1984



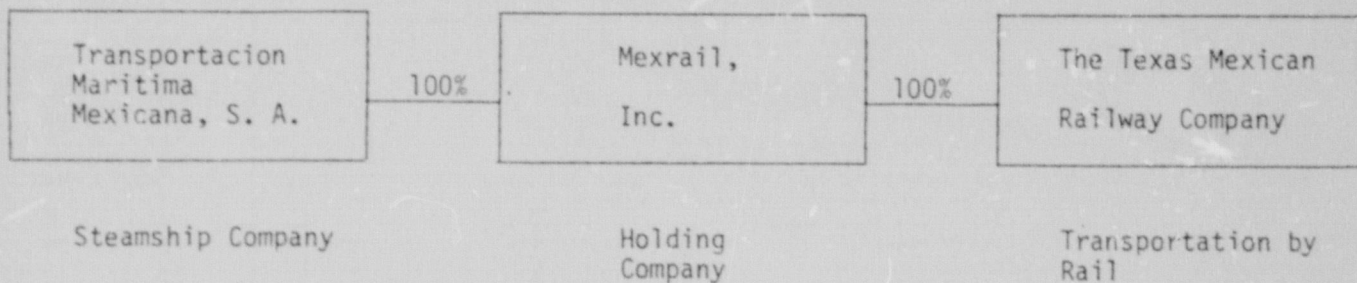
SECTION 1180.6(b)(5)  
Other Issues Relevant to the  
Proposed Transaction

No other issues relevant to the proposed transaction are discussed by TM in this volume of its application.

SECTION 1180.6(b)(6)  
Corporate Chart and  
Intercorporate Relationships

A corporate chart and list of intercorporate relationships for TM are outlined below.

C O R P O R A T E   C H A R T



COMMON OFFICERS AND DIRECTORS

NAME	ENTITIES		
	TRANSPORTACION MARITIMA MEXICANA	MEXRAIL INC.	THE TEXAS MEXICAN RAILWAY COMPANY
Enrique Rojas G.	"Presidente Ejecutivo"	President	-----
Francisco Lopez Barredo	"Director General"	Vice President	Director
Alejandro Rojas M.V.	"Gerente General"	Director/Treasurer	-----
Lic. Eduardo Decampo	"Pro-Secretario"	Director	-----
Haruo Kano	"Director Planeacion Finanzas"	Director	-----



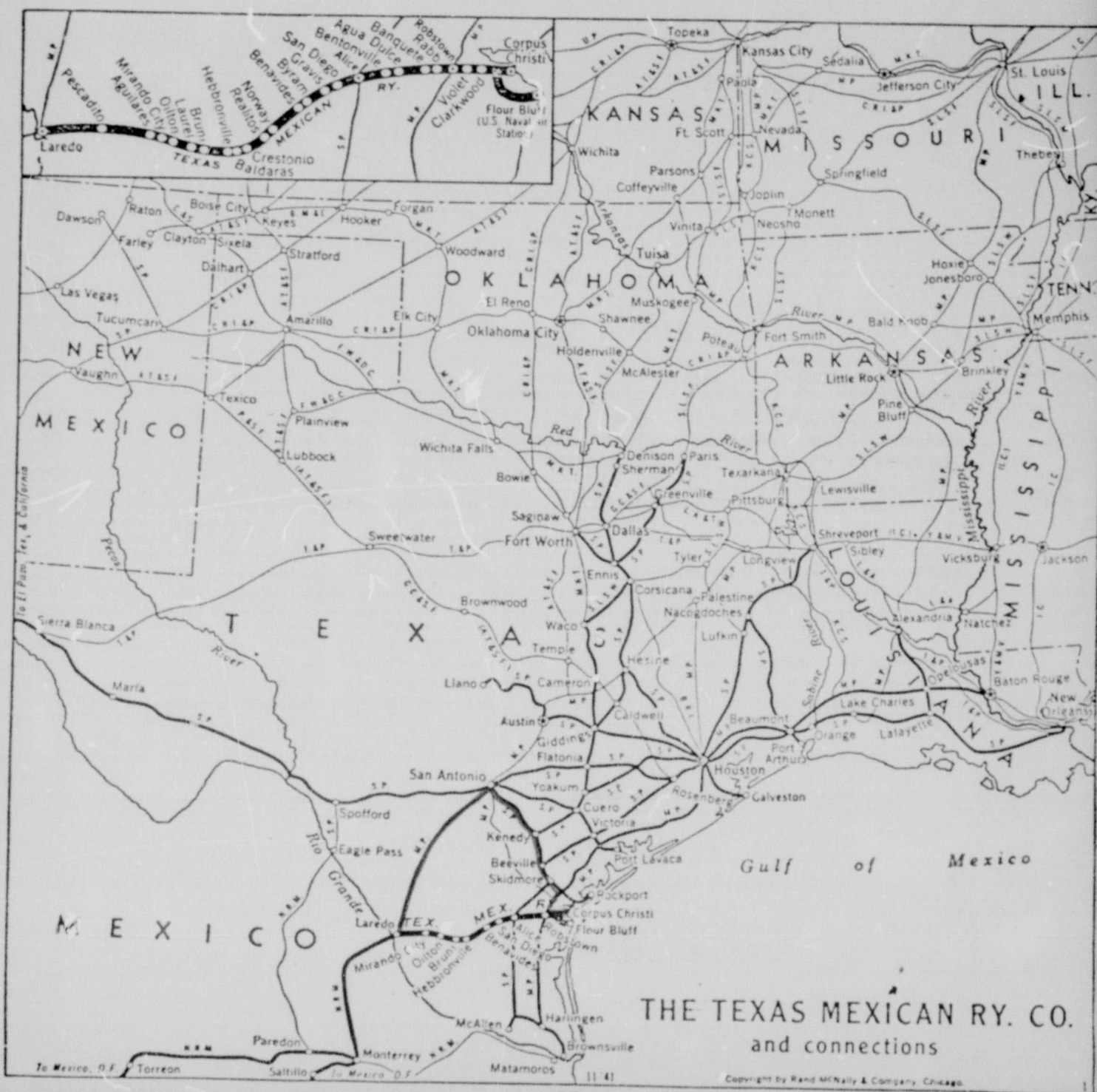
SECTION 1180.6(b)(7)  
Information if Applicant  
is not a Carrier

Not applicable as TM is a carrier.

SECTION 1180.6(b)(8)  
Other Intercorporate or  
Financial Relationships

A complete disclosure of the direct or indirect intercorporate or financial relationships at the time this application is filed is set forth above under Section 1180.6 (b) (6).

EXHIBIT 1



THE TEXAS MEXICAN RY. CO.  
and connections

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LAW OFFICES  
ARNALL GOLDEN & GREGORY  
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS  
1000 POTOMAC STREET, N.W.  
SUITE 501  
WASHINGTON, D.C. 20007  
(202) 337-0104

July 19, 1984

RE: 1180.6(a)(4)

Interstate Commerce Commission  
Washington, D.C. 20423

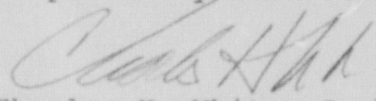
OPINION OF COUNSEL

I am Counsel to the Texas Mexican Railway Co. and, as such, am familiar with the first segment of the accompanying application filed by Texas Mexican Railway, which seeks Commission approval for the acquisition of certain trackage and operating rights over the line of railroad operated by Southern Pacific between San Antonio and Corpus Christi, Texas.

I am of the opinion that the proposed transaction meets the requirements of law and will be legally authorized and valid if approved by the Interstate Commerce Commission.

I am also authorized to state that the proposed transaction has been approved by the Board of Directors of the Texas Mexican Railway Co., and that it is consistent with the applicant's Bylaws and corporate powers.

Respectfully submitted,

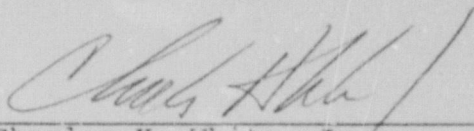
  
Charles H. White, Jr.

Counsel for Texas  
Mexican Railway Co.



CERTIFICATE OF SERVICE

I, Charles H. White, Jr., hereby certify that true copies of the first part of the responsive application filed on behalf of the Texas Mexican Railway Co. have been served on counsel of record in this proceeding by first-class mail, postage prepaid, on this, the 19th day of July, 1984.

  
\_\_\_\_\_  
Charles H. White, Jr.