

R-1

1969

DETROIT

TERMINAL

RAILROAD

COMPANY

1 4405
ORIGINAL

INTERSTATE
COMMERCE COMMISSION
RECORDS
APR 1 1970
MAIL ROOM

BUDGET BUREAU
No. 60-R099.21

ANNUAL REPORT

OF

DETROIT TERMINAL RAILROAD COMPANY

DETROIT, MICHIGAN

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1969

SPECIAL NOTICE

The attention of the respondent is directed below to certain particulars, if any, in which this report form differs from the corresponding form for the preceding year. It should be understood that mention is not made of necessary substitutions of rates or, in general, such other things as simple modifications intended to make requirements clearer, other minor adjustments, and typographical corrections.

Page 7: Schedule 701. Road and Equipment Property

Provision made for reporting Leased property capitalized rentals, and Other investments; instructions added for these items.

Page 13: Schedule 1302. Depreciation Base and Rates—Road and Equipment Owned and Used and Leased from Others

Instructions amended to clarify reporting of data applicable to improvements on leased property.

Page 30A: Schedule 2602. Revenue Freight Carried During the Year

Check-off items inserted to expand information regarding filing of supplemental reports.

Page 32: Schedule 2801. Inventory of Equipment

Freight train car type codes revised to reflect new AAR car type codes effective January 1, 1959.

Page 36: Schedule 701. Road and Equipment Property

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ANNUAL REPORT

OF

DETROIT TERMINAL RAILROAD COMPANY

Detroit, Michigan

FOR THE

YEAR ENDED DECEMBER 31, 1969

Name, official title, telephone number, and office address of officer in charge of correspondence with the Commission regarding this report:

(Name) N. S. Bahcock (Title) Auditor
(Telephone number) 313 893-6500
(Area code) (Telephone number)
(Office address) 17541 Mound Road Detroit, Michigan 48212
(Street and number, City, State, and ZIP code)

300. IDENTITY OF RESPONDENT

1. Give the exact name* by which the respondent was known in law at the close of the year
Detroit Terminal Railroad Company
2. State whether or not the respondent made an annual report to the Interstate Commerce Commission for the preceding year, or for any part thereof. If so, in what name was such report made? Detroit Terminal Railroad Company
3. If any change was made in the name of the respondent during the year, state all such changes and the dates on which they were made
None
4. Give the location (including street and number) of the main business office of the respondent at the close of the year
17541 Mound Road, Detroit, Michigan 48212
5. Give the titles, names, and office addresses of all general officers of the respondent at the close of the year. If there are receivers who are recognized as in the controlling management of the road, give also their names and titles, and the location of their offices

Line No.	Title of general officer (a)	Name and office address of person holding office at close of year (b)
1	President	W. B. Salter
2	Vice president	J. W. Demcoe
3	Secretary	W. W. LaCombe
4	Treasurer	C. A. Dobbins
5	Comptroller or auditor	N. S. Babcock
6	Attorney or general counsel	G. H. Wyatt
7	General manager	C. R. Frew
8	General superintendent	
9	Agent & Car Acct.	P. V. Wujcikowski
10	General passenger agent	
11	General land agent	
12	Chief engineer	Robert Singer
13		

6. Give the names and office addresses of the several directors of the respondent at the close of the year, and the dates of expiration of their respective terms.

Line No.	Name of director (a)	Office address (b)	Term expires (c)
31	J. W. Demcoe	Detroit, Michigan	January 27, 1970
32	C. A. Dobbins	" "	" "
33	F. B. Henderson	" "	" "
34	J. G. Patten	New York, New York	" "
35	T. E. Reynolds	Detroit, Michigan	" "
36	W. B. Salter	" "	" "
37	M. J. Sefcik	" "	" "
38	G. H. Wyatt	" "	" "
39			
40			

7. Give the date of incorporation of the respondent 12-2-1905 8. State the character of motive power used Diesel
9. Class of switching and terminal company S-1
10. Under the laws of what Government, State, or Territory was the respondent organized? If more than one, name all. Give reference to each statute and all amendments thereof, effected during the year. If previously effected, show the year(s) of the report(s) setting forth details. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees
State of Michigan
11. State whether or not any corporation or association or group of corporations had, at the close of the year, the right to name the major part of the board of directors, managers, or trustees of the respondent; and if so, give the names of all such corporations and state whether such right was derived through (a) title to capital stock or other securities issued or assumed by the respondent, (b) claims for advances of funds made for the construction of the road and equipment of the respondent, or (c) express agreement or some other source
Grand Trunk Western R.R. Co., Penn Central R.R. Co.
Michigan Central R.R. Co.
(A) Title to Capital Stock
12. Give hereunder a history of the respondent from its inception to date, showing all consolidations, mergers, reorganizations, etc., and if a consolidated or merging corporation give like particulars for all constituent and subconstituent corporations. Describe also the course of construction of the road of the respondent, and its financing

*Use the initial word the when (and only when) it is a part of the name, and distinguish between the words railroad and railway and between company and corporation.

COMPARATIVE GENERAL BALANCE SHEET—EXPLANATORY NOTES

The notes listed below are provided for the purpose of disclosing supplementary information concerning matters which have an important effect on the financial condition of the carrier. The carrier shall give the particulars called for herein and where there is nothing to report, insert the word, "None"; and in addition thereto shall enter in separate notes with suitable particulars other matters involving material amounts of the character commonly disclosed in financial statements under generally accepted accounting and reporting principles, except as shown in other schedules. This includes explanatory statements explaining (1) the procedure in accounting for pension funds including payments to trustees and recording in the accounts pension costs, indicating whether or not consistent with the prior year, and state the amount, as nearly as practicable, of unfunded past service costs; (2) service interruption insurance policies and indicate the amount of indemnity to which respondent will be entitled for work stoppage losses and the maximum amount of additional premium respondent may be obligated to pay in the event such losses are sustained by other railroads; (3) particulars concerning obligations for stock purchase options granted to officers and employees; and (4) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements.

1. Show hereunder the estimated accumulated tax reductions realized during current and prior years under section 168 (formerly section 124-A) and under section 167 of the Internal Revenue Code because of accelerated amortization of emergency facilities and accelerated depreciation of other facilities and also depreciation deductions resulting from the use of the new guideline lives, since December 31, 1961, pursuant to Revenue Procedure 62-21 in excess of recorded depreciation. The amount to be shown in each case is the net accumulated reductions in taxes realized less subsequent increases in taxes due to expired or lower allowances for amortization or depreciation as a consequence of accelerated allowances in earlier years. Also, show the estimated accumulated net income tax reduction realized since December 31, 1961, because of the investment tax credit authorized in the Revenue Act of 1962. In the event provision has been made in the accounts through appropriations of surplus or otherwise for the contingency of increase in future tax payments, the amounts thereof and the accounting performed should be shown.

(a) Estimated accumulated net reduction in Federal income taxes since December 31, 1949, because of accelerated amortization of emergency facilities in excess of recorded depreciation under section 168 (formerly section 124-A) of the Internal Revenue Code \$ 21,692.76

(b) Estimated accumulated net reduction in Federal income taxes because of accelerated depreciation of facilities since December 31, 1953, under provisions of section 167 of the Internal Revenue Code and depreciation deductions resulting from the use of the guideline lives, since December 31, 1961, pursuant to Revenue Procedure 62-21 in excess of recorded depreciation \$ None

(c) Estimated accumulated net income tax reduction realized since December 31, 1961, because of the investment tax credit authorized in the Revenue Act of 1962 compared with the income taxes that would otherwise have been payable without such investment tax credit \$

2. Amount of accrued contingent interest on funded debt recorded in the balance sheet:

Description of obligation	Year accrued	Account No.	Amount
			\$
			\$

3. As a result of dispute concerning the recent increase in per diem rates for use of freight cars interchanged, settlement of disputed amounts has been deferred awaiting final disposition of the matter. The amounts in dispute for which settlement has been deferred are as follows:

Item	Amount in dispute	As recorded on books		Amount not recorded
		Debit	Credit	
Per diem receivable	\$ 13,671.95		734	\$ None
Per diem payable	\$ 13,671.95			
Net amount		XXXXXX	XXXXXX	\$

4. Amount (estimated, if necessary) of net income, or retained income which has to be provided for capital expenditures, and for sinking and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts \$ None

5. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1, 1970 \$ 1,247,862

Depreciation On Books		Income Tax Depreciation Per Tax Return Accelerated		Total Claimed	Income Tax Depreciation In Excess of Books
1951	3 194 00	1 437 33	9 032 03	10 469 36	7 275 36
1952	3 832 80	1 724 76	10 838 44	12 563 20	8 730 40
1953	3 832 80	1 724 76	10 838 44	12 563 20	8 730 40
1954	3 832 80	1 724 76	10 838 44	12 563 20	8 730 40
1955	3 832 80	1 724 76	10 838 44	12 563 20	8 730 40
1956	3 822 96	1 724 76	1 806 42	3 531 18	291 78
1957-1969			None		None
	22 348 16	10 061 13	54 192 21	64 253 34	41 905 18

Accumulated tax reductions due to accelerated amortization in excess of recorded depreciations:

1951	Reduction on	\$ 7 275 36	@ 50.75%	\$ 3 692 25
1952-1956	Reduction on	<u>34 629 82</u>	@ 52.00%	<u>18 007 51</u>
		\$41 905 18		\$21 699 76

Amount of Per Diem payable in dispute carried in Account 734 - December 31, 1969

Boston and Main	CR 27 578.68	DR 18 363 14	Net 9 210 54
New York, New Haven & Hartford	CR 19 078 59	DR 14 617 18	Net 4 461 41

\$13 671 95

SCHEDULE 1002 - Page 11

INTEREST ON LAND CONTRACTS

<u>1969</u>	<u>6%</u> <u>Magnus Products</u>	<u>6%</u> <u>P.R. James</u> <u>&</u> <u>C.T. James</u>	<u>6%</u> <u>J.H. Ellis</u>
January	\$ 99.00	\$ 23.90	\$ 96.26
February	96.25	23.29	91.42
March	93.50	22.67	86.56
April	90.75	22.06	81.66
May	88.00	21.44	76.75
June	85.25	20.81	71.81
July	82.50	20.19	66.84
August	79.75	19.56	61.85
September	77.00	18.93	56.84
October	74.25	18.29	51.80
November	71.50	17.65	46.73
December	<u>68.75</u>	<u>17.01</u>	<u>41.64</u>
	\$1,006.50	\$245.80	\$830.16

1801. INCOME ACCOUNT FOR THE YEAR -- Continued

ANALYSIS OF FEDERAL INCOME TAXES

Line No.	Item (a)	Amount (b)			Remarks (c)
		\$			
101	Provision for income taxes based on taxable net income recorded in the accounts for the year				
102	Net decrease (or increase) because of use of accelerated depreciation under section 167 of the Internal Revenue Code and guideline lives pursuant to Revenue Procedure 82-21 and different basis used for book depreciation				
103	Net increase (or decrease) because of accelerated amortization of facilities under section 168 of the Internal Revenue Code for tax purposes and different basis used for book depreciation				
104	Net decrease (or increase) because of investment tax credit authorized in Revenue Act of 1962				
105	Tax consequences, material in amount, of other unusual and significant items excluded from the income recorded in the accounts for the year or where tax consequences are disproportionate to related amounts recorded in income accounts: (Describe)				
106					
107					
108					
109					
110					
111	None				
112					
113					
114					
115					
116	Net applicable to the current year				
117	Adjustments applicable to previous years (net debit or credit), except carry-backs and carry-overs				
118	Adjustments for carry-backs				
119	Adjustments for carry-overs				
120	TOTAL		X X	X X	X X
121	Distribution:				
122	Account 532				
123	Account 590				
124	Other (Specify)				
125					
126	Total				

NOTE: The amount shown on line 72 should equal line 122;
the amount shown on line 120 should equal line 126.

INCOME ACCOUNT FOR THE YEAR—EXPLANATORY NOTES

The space below is provided for the purpose of disclosing additional information concerning items of income for the current year. Each carrier shall give the particulars of items herein. Enter in separate notes with suitable explanation, amounts included in income accounts in connection with any unusual and material accrual or changeover in accounting practice; and other matters of the character commonly disclosed in financial statements under generally accepted accounting and reporting principles. Minor items which have no consequential effect on net income for the year need not be reported. If carrier

has nothing to report, insert the word "None." The tax consequences of use of accelerated depreciation and tax guideline service lives, the investment tax credit, as well as other unusual and significant tax items and matters, are to be disclosed in the section below Schedule 1801, "Income account for the year," pertaining to the analysis of Federal income taxes. However, the explanation of items included in accounts 570, "Extraordinary items"; 580, "Prior period items"; and 590 "Federal income taxes on extraordinary and prior period items" are to be disclosed below.

None

1901. RETAINED INCOME—UNAPPROPRIATED

1. Show hereunder the items of the Retained Income Accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies.

2. All contra entries hereunder should be indicated in parentheses.
3. Indicate under "Remarks" the amount of assigned Federal income tax consequences, accounts 606 and 616.

Line No.	Item (a)	Amount (b)		Remarks (c)
	CREDITS	\$		
1	(602) Credit balance transferred from Income (p. 21)-----			
2	(606) Other credits to retained income†-----			Net of Federal income taxes \$-----
3	(622) Appropriations released-----			
4	Total-----			
	DEBITS			
5	(612) Debit balance transferred from Income (p. 21)-----	281	579	
6	(616) Other debits to retained income†-----			Net of Federal income taxes \$-----
7	(620) Appropriations for sinking and other reserve funds-----			
8	(621) Appropriations for other purposes-----			
9	(623) Dividends (p. 23)-----	281	579	
10	Total-----	281	579	
11	Net increase during year*-----	281	579	
12	Balance at beginning of year (p. 5)*-----	2,253	768	
13	Balance at end of year (carried to p. 5)*-----	1,977	189	✓

*Amount in parentheses indicates debit balance.

†Show principal items in detail.

