

RC-431702

GALVESTON TERMINAL RY. CO.

1979

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RC431702

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R-4

RAILROAD LESSOR

APPROVED BY GAO
B-180230 (R0255)
EXPIRES 2-29-80

annual report

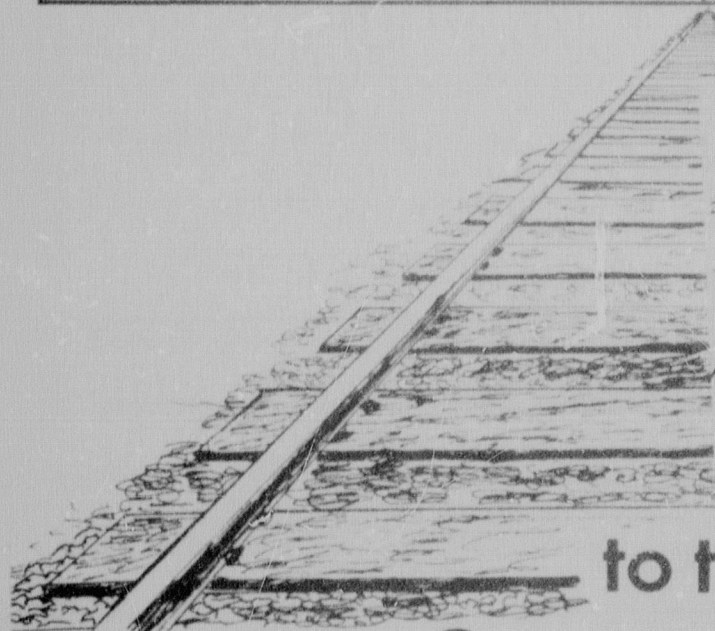
Section of Accounting
and Reporting

MAY 2 1980

Office of Accounts Received

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	125323020GalvestTerm 1 431702 Galveston Terminal Ry. Co. P. O. Box 5144 Denver, CO 80217 CL12Less
Correct name and address if different than shown.	Full name and address of reporting carrier. (Use mailing label on original, copy in full on duplicate.)



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FOR THE YEAR ENDED DECEMBER 31, 1979

NOTICE

1. This form for annual report should be filed out in triplicate and two copies returned to the Interstate Commerce Commission, Bureau of Commerce, Washington, D.C. 20423, by March 31 of the year following that for which the report is made. Attention is specifically directed to the following provisions of Part E of the Interstate Commerce Act:

11145. The Commission is hereby authorized to require annual, periodical, or special reports from carriers, lessors, ⁽¹⁾ as defined in this section, to prescribe the manner and form in which such reports shall be made, and to require from such carriers, lessors, ⁽²⁾ specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary, classifying such carriers, lessors, ⁽³⁾ as it may deem proper for any of these purposes. Such annual reports shall give an account of the affairs of the carrier, lessor, ⁽⁴⁾ in such form and detail as may be prescribed by the Commission.

11145. Said annual reports shall contain all the required information for the period of twelve months ending on the 31st day of December in each year, unless the Commission shall specify a different date, and shall be made out under oath and filed with the Commission in its office in Washington within three months after the close of the year for which report is made, unless additional time be granted in any case by the Commission.

11144. Any person who shall knowingly and willfully make, cause to be made, or participate in the making of, any false entry in any annual or other report required under this section, to be filed, ⁽¹⁾ or shall knowingly or willfully file with the Commission any false report or other document that he deemed guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction to a fine of not more than five thousand dollars or imprisonment for not more than two years, or both such fine and imprisonment. ⁽²⁾

11501. Any carrier or lessor, ⁽¹⁾ or any officer, agent, employee, or representative thereof, who shall fail to make, and file an annual or other report with the Commission within the time fixed by the Commission, or to make specific and full, true, and correct answer to any question within thirty days from the time it is lawfully required by the Commission so to do, shall forfeit to the United States the sum of one hundred dollars for each and every day it shall continue to be in default with respect thereto. ⁽²⁾

11141. As used in this section: ⁽¹⁾ the term "carrier" means a common carrier subject to this part, and includes a receiver or trustee of such carrier; and the term "lessor" means a person owning a railroad, a water line, or a pipe line, leased to and operated by a common carrier subject to this part, and includes a receiver or trustee of such lessor. ⁽²⁾

Each respondent is further required to send to the Bureau of Accounts, immediately upon preparation, two copies of its latest annual report to stockholders.

2. The instructions in this form should be carefully observed, and each question should be answered fully and accurately, whether it has been answered in a previous annual report or not. Except in cases where they are specifically authorized, cancellations, arbitrary check marks, and the like should not be used either as partial or as entire answers to inquiries. If any inquiry, based on a preceding inquiry in the present report form, is, because of the answer rendered to such preceding inquiry, inapplicable to the person or corporation in whose behalf the report is made, such notation as "Not applicable, see page _____, schedule for line number _____" should be used in answer thereto, giving precise reference to the portion of the report showing the facts which make the inquiry inapplicable. Where the word "none" truly and completely states the fact, it should be given as the answer to any particular inquiry or any particular portion of an inquiry. Where dates are called for, the month and day should be stated as well as the year. Customary abbreviations may be used in stating dates.

3. Every annual report should, in all parts, do, be complete in itself, and references to the returns of former years should not be made to take the place of required entries except as hereinafter more specifically directed or authorized.

4. If it be necessary or desirable to insert additional statements, typewritten or otherwise, in a report, they should be legibly made on durable paper and, whenever practicable, on sheets not larger than a page of the form. Inserted sheets should be securely attached, preferably at the inner margin, by means of pins or clips, if insufficient.

5. All entries should be made in a permanent black ink. Those of a contrary character should be indicated in parentheses. Items of an unusual character should be indicated by appropriate symbol and footnote.

6. Money items, except averages, throughout the annual report form should be stated in whole dollars adjusted to accord with listings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts.

7. Each respondent should make its annual report to this Commission in triplicate, retaining one copy in its files for reference in case correspondence with regard to such report becomes necessary. For this reason three copies of the form are supplied.

8. Railroad corporations, mainly distinguished as operating companies and lessor companies, are for the purpose of report to the Interstate Commerce Commission divided into classes. An operating company is one whose officers direct the business of transporting in rail whose books contain operating as well as financial accounts, and a lessor company, the property of which being leased to and operated by another company, is one that maintains a separate legal existence and keeps financial but not operating accounts. In making reports, lessor companies use Annual Report Form R-4.

Operating companies (including switching and terminal) are broadly classified with respect to their operating revenues, according to the following general definitions:

Class I companies are those having annual operating revenues of \$50,000,000 or more. For this class, Annual Report Form R-1 is provided.

Class II companies are those having annual operating revenues less than \$50,000,000 but in excess of \$10,000,000. For this class, Annual Report Form R-2 is provided.

Class III companies are those having annual operating revenues of \$10,000,000 or less. For this class, Annual Report Form R-3 is provided.

9. Except where the context clearly indicates some other meaning, the following terms when used in this form have the meanings below stated:

Commission means the Interstate Commerce Commission. **Respondent** means each person or corporation in whose behalf the report is made. **The year** means the year ended December 31 for which the report is made. **The close of the year** means the close of business on December 31 of the year for which the report is made; or, in the case the report is made for a shorter period than one year, it means the close of the period covered by the report. **The beginning of the year** means the beginning of business on January 1 of the year for which the report is made; or, in case the report is made for a shorter period than one year, it means the beginning of the period covered by the report. **The preceding year** means the year ended December 31 of the year immediately preceding the year for which the report is made. **The Uniform System of Accounts for Railroad Companies** means the system of accounts in Part 1201 of Title 49, Code of Federal Regulations, as amended.

FOR THE INDEX SEE THE INSIDE OF BACK COVER

See also "Instructions regarding the use of this report form" on page 1

ANNUAL REPORT

OF

Galveston Terminal Railway Company

(FULL NAME OF THE RESPONDENT)

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1979

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

(Name) D. A. Rainey (Title) Auditor & Asst. Secretary

(Telephone number) 303 458-4435
(Area code) (Telephone number)

(Office address) 660 Bannock, Room 301, Denver, Colorado 80204

(Street and number, City, State, and ZIP code)

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 dates or, in general, such other things as simple modifications intended to make requirements clearer, other minor adjustments, and typographical corrections.

This form is revised to (1) improve the disclosure of information for both ratemaking and financial reporting purposes (2) eliminate unnecessary reporting and (3) conform with the new Uniform System of Accounts for Railroads, effective January 1, 1978. Other significant modifications include revisions to conform with reporting under generally accepted accounting principles and the rearrangement of schedules in a more orderly fashion to make them easier to complete and use.

ESTIMATE OF REPORTING BURDEN

In order to monitor carrier reporting burden and to satisfy GAO requirements pursuant to Section 409 of Public Law 93-153, it is requested that you voluntarily furnish your best estimate of the number of hours required to complete this report.

In making this estimate, please include the number of hours attributable to preparing the report and for any special compilations contained in this report that would not generally be maintained or used by management for purposes other than reporting to this Commission.

Total hours (Estimated) 24.5

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Principal General Officers of Corporation,			Competitive Bidding—Clayton Anti-Trust Act	400	29
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INSTRUCTIONS REGARDING THE USE OF THIS REPORT FORM

This annual report is arranged in columnar form so that it may include returns for a single lessor company, or for several lessor companies whose properties are leased to the same operating railway, provided that the books of account are under the general supervision of the same accounting officer.

Separate returns are required to be shown for each lessor, the name of the reporting company to be entered in the box heading or in the column on the left of the several schedules, as may be applicable.

If the report is made for a single company, the exact corporate name should appear on the cover, title page, page 2, and in the oath and supplemental oath.

A report made for a number of lessor companies may show an appropriate designation, such as "Lessors of the _____

_____ Railroad Company" on the cover and title page, but the oath and supplemental oath must be completed for each corporation, except as provided therein.

Reports filed under the designation "Lessors of the _____ Railroad Company" should contain

hereunder the names of the lessor companies that are included in this report, and the names of those that file separately.

Names of lessor companies included in this report

Galveston Terminal Railway Company

Name of lessor companies that file separate reports

STOCKHOLDERS REPORTS

1. The respondent is required to send to the Bureau of Accounts, immediately upon preparation, two copies of its latest annual report to stockholders.

Check appropriate box:

☐ Two copies are attached to this report.

☐ Two copies will be submitted _____ (date)

☒ No annual report to stockholders is prepared.

In completing the various schedules in this report form, list the information concerning the lessor companies in the order in which their names appear on the balance sheet. Such additional pages as may be necessary will be furnished by the Commission on request.

A. IDENTITY OF LESSOR COMPANIES INCLUDED IN THIS REPORT

Give hereunder the exact corporate name and other particulars called for concerning each lessor company included in this report. The corporate name should be given in full, exactly as it appears in the articles of incorporation, using the words "The" and "Company" only when they are parts of the corporate name.

rate name. Be careful to distinguish between railroad and railway.

If receivers, trustee, or a committee of bondholders are in possession of the property of any of the lessor companies, state their names and the court of jurisdiction in column (a) and give the date when such receivership, trusteeship, or other possession began, in addition to the date of incorporation, in column (b). If a consolidation or merger was effected during the year, particulars should be given in Schedule 705, "Changes during the year."

Line No.	Exact name of lessor company (a)	INCORPORATION		CORPORATE CONTROL OVER RESIDENT			Total voting power of all security holders at close of year (g)	
		Date of incorporation (b)	Name of State or Territory in which company is incorporated (c)	Name of controlling corporation (d)	Extent of control (percent) (e)	Total number of stockholders (f)		
1	Galveston Terminal Railway	8-29-1905	Texas	The Colorado & Southern Railway Co.	50	11	250	
2	Company			Chicago, Rock Island & Pacific RR Co.	50			
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B. STOCKHOLDERS AND VOTING POWERS

1. Give the names of the five security holders who had the highest voting powers in each lessor company included in this report. This information should be given as of the close of the

year, or, if not available, at the date of the latest compilation of a list of stockholders. If any holder held in trust, give particulars of the trust in a footnote. In the case of voting trust agreements

give, as supplemental information, the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings

Line No.	Name of lessor company (a)	Name of stockholder (b)	Voting power (c)	Name of stockholder (d)	Voting power (e)	Name of stockholder (f)	Voting power (g)	Name of stockholder (h)	Voting power (i)	Name of stockholder (j)	Voting power (k)
1	Galveston Terminal	C&S Ry. Co.	120 1/2								
2	Railway Company	CRI&P Ry. Co.	120 1/2								
3		D.F. Newberry	1								
4		H.L. Kempner	1								
5		G.F. Defiel	1								
6		R.A. McCarthy	1								
7		E.D. Olmo	1								
8		J.M. Frenkel	1								
9		D.C. Leavell	1								
10		W.H. Smith	1								
11		R.K. Hutchings	1								
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2. Give particulars called for regarding each lessor company included in this report, entering the initials of the lessor companies in the column headings

INITIALS OF RESPONDENT COMPANIES

State total number of votes cast at latest general meeting for election of directors of respondent

G.T. Ry. Co.
250

Give the date of such meeting

May 2, 1979

Give the place of such meeting

Galveston, Tx

C. DIRECTORS

Give particulars of the various directors of respondents at the close of the year.

Line No.	Item	Galveston Terminal Railway Company		
1	Name of director	G.F. Deriel		
2	Office address	Ft. Worth, Tex		
3	Date of beginning of term	May 5, 1979		
4	Date of expiration of term	May 5, 1980		
5	Name of director	J.M. Frenkel		
6	Office address	Galveston, Tex		
7	Date of beginning of term	May 5, 1979		
8	Date of expiration of term	May 5, 1980		
9	Name of director	E.D. Olmo		
10	Office address	Houston, Tex		
11	Date of beginning of term	May 5, 1979		
12	Date of expiration of term	May 5, 1980		
13	Name of director	R.K. Hutchings		
14	Office address	Galveston, Tex		
15	Date of beginning of term	May 5, 1979		
16	Date of expiration of term	May 5, 1980		
17	Name of director	H.L. Kempner		
18	Office address	Galveston, Tex		
19	Date of beginning of term	May 5, 1979		
20	Date of expiration of term	May 5, 1980		
21	Name of director	D.C. Leavell		
22	Office address	Galveston, Tex		
23	Date of beginning of term	May 5, 1979		
24	Date of expiration of term	May 5, 1980		
25	Name of director	D.F. Newberry		
26	Office address	Houston, Tex		
27	Date of beginning of term	May 5, 1979		
28	Date of expiration of term	May 5, 1980		
29	Name of director	W.H. Smith		
30	Office address	Galveston, Tex		
31	Date of beginning of term	May 5, 1979		
32	Date of expiration of term	May 5, 1980		
33	Name of director	R.A. McCarthy		
34	Office address	Houston, Tex		
35	Date of beginning of term	May 5, 1979		
36	Date of expiration of term	May 5, 1980		
37	Name of director			
38	Office address			
39	Date of beginning of term			
40	Date of expiration of term			
41	Name of director			
42	Office address			
43	Date of beginning of term			
44	Date of expiration of term			
45	Name of director			
46	Office address			
47	Date of beginning of term			
48	Date of expiration of term			
49	Name of director			
50	Office address			
51	Date of beginning of term			
52	Date of expiration of term			
53	Name of director			
54	Office address			
55	Date of beginning of term			
56	Date of expiration of term			

D. PRINCIPAL GENERAL OFFICERS OF CORPORATION, RECEIVER, OR TRUSTEE

Give particulars of the various general officers of respondents at the close of the year. Enter the names of the lessor companies in the column headings.

Line No.	Item	Galveston Terminal Railway Company		
1	Name of general officer	G.F. Defiel		
2	Title of general officer	President		
3	Office address	Fort Worth, Tex		
4	Name of general officer	D.F. Newberry		
5	Title of general officer	Vice President		
6	Office address	Houston, Tex		
7	Name of general officer	W.L. Kirkpatrick		
8	Title of general officer	Secretary & Treasurer		
9	Office address	Fort Worth, Tex		
10	Name of general officer	D. A. Rainey		
11	Title of general officer	Auditor & Asst. Secy		
12	Office address	Denver, Colorado		
13	Name of general officer	Kunkle Transportation Services Inc		
14	Title of general officer	Statutory Agent		
15	Office address	Washington, D.C.		
16	Name of general officer			
17	Title of general officer			
18	Office address			
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55	Name of general officer			
56	Title of general officer			
57	Office address			

D. PRINCIPAL GENERAL OFFICERS OF CORPORATION, RECEIVER, OR TRUSTEE—Concluded

If there are receivers, trustees, or committee, 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.
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200. STATEMENT OF FINANCIAL POSITION-ASSETS

Disclose below the asset side of the balance sheet at the close of year of each lessor company included in this report. Enter the names of the lessor company in the column heading (b) through (i). Show contra entries in parenthesis.

Line No.	Account No.	Title (a)	GT Ry. Co. (b)	(c)
		<u>Current Asset</u>	\$	\$
1	701	Cash	18 616	
2	702	Temporary Cash Investments (Sch. 300)		
3	703	Special Deposits (Sch. 300)		
		Accounts Receivable:		
4	705	- Interline and Other Balances		
5	706	- Customers		
6	707, 704	- Other		
7	709, 708	- Accrued Accounts Receivables		
8	708.5	- Receivables from Affiliated Companies		
9	709.5	- Less: Allowance for Uncollectible Accounts		
10	711, 714	Prepayments (and working funds) (Sch. 300)		
11	712	Materials and Supplies		
12	713	Other Current Assets (Sch. 300)		
13		Total Current Assets	18 616	
		<u>Other Assets</u>		
14	715, 716, 717, 722, 723, 724	Special Funds and Other Investments and advances (Sch. 315)		
15	721, 721.5	Investments and Advances; Affiliated Companies (Sch. 310)		
16	737, 738	Property used in other than Carrier Operations (less depreciation \$ -0-) (Sch. 325)	6 285	
17	739, 741	Other Assets (Sch. 329)		
18	743, 744	Other Deferred Debits (Sch. 329)		
19		Total Other Assets	6 285	
		<u>Road and Equipment</u>		
20	731, 732	Road (Sch. 330)	470 270	
21		Equipment		
22		Unallocated Items	11 339	
23	733, 734, 736	Accumulated Depreciation and amortization (Schs. 325, 325A, 335, 342)		
24	735	Accumulated Depreciation - Road (Sch. 342)		
25	735	Accumulated Depreciation - Equipment (Sch. 342)		
26	772	Accumulated Depreciation - Leased Property		
27		Net road and Equipment	481 609	
28		Total Assets	506 510	

NOTES AND REMARKS

Note: Provision has not been made for Federal income taxes which may be payable in future years as result of deductions during the period December 31, 1949, to close of the year of this report for accelerated amortization in excess of recorded depreciation. The amounts by which Federal income taxes have been reduced during the indicated period aggregated \$ -0-
 Estimated accumulated net reduction in Federal income taxes because of accelerated amortization of certain rolling stock since December 31, 1969, under provisions of Section 184 of the Internal Revenue Code \$ -0-

200. STATEMENT OF FINANCIAL POSITION—ASSETS—(Continued)

(d)	(e)	(f)	(g)	(h)	(i)	Line No.
\$	\$	\$	\$	\$	\$	
						1
						2
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Estimated accumulated net reduction in Federal income taxes because of amortization of certain rights-of-way investment since December 31, 1969, under the provisions of Section 185 of the Internal Revenue Code \$ -0-

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 of the year following that for which the report is made \$ -0-

Show the amount of investment tax credit carry over at year end \$ -0-

Show amount of past service pension costs determined by actuaries at year end \$ -0-

Total pension costs for year:

Normal costs \$ -0-

Amortization of past service costs \$ -0-

State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610).
 YES _____ NO ☒ X _____

200. STATEMENT OF FINANCIAL POSITION—LIABILITIES AND EQUITY

Disclose below the liability side of the balance sheet at the close of the year of each lessor company included in this report, entering the names

Line No.	Account No.	Title (a)	GT Ry. Co. (b)	(c)
		<u>Current Liabilities</u>	\$	\$
29	751	Loans and Notes Payable		
30	752	Accounts Payable; Interline and Other Balances		
31	753, 754	Other Accounts Payable		
32	755, 756	Interest and Dividends Payable		
33	757	Payables to Affiliated Companies (Sch. 390)		
34	759	Accrued accounts Payable		
35	760, 761, 761.5, 762	Taxes Accrued	2	
36	763	Other Current Liabilities		
	764	Equipment obligations and other long-term debt due within one year		
		<u>Total Current Liabilities</u>	2	
		<u>Non Current Liabilities</u>		
39	765, 767	Funded debt unmatured (Sch. 380)		
40	766	Equipment obligations		
41	766.5	Capitalized Lease Obligations		
42	768	Debt in default		
43	769	Accounts payable; Affiliated Companies	2 473 887	
44	770.1, 770.2	Unamortized debt premium		
45	781	Interest in default		
46	783	Deferred revenues-Transfers from Government Authorities		
47	786	Accumulated deferred income tax credits		
48	771, 772, 774, 775, 782, 784	Other long-term liabilities and deferred credits		
49		<u>Total Noncurrent Liabilities</u>	2 473 887	
		<u>Stockholders' Equity</u>		
50	791, 792	Capital Stock: (Sch. 230)	25 000	✓
51		Common Stock	25 000	
52		Preferred Stock		
53	793	Discount on Capital Stock		
54	794, 795	Additional Capital (Sch. 230)		
		Retained Earnings:		
55	797	Appropriated		
56	798	Unappropriated (Sch. 720)	(1 992 379)	✓
57	798.1	Net Unrealized loss on noncurrent marketable equity securities		
58	798.5	Less Treasury Stock		
59		<u>Net Stockholders Equity</u>	(1 967 379)	✓
60		<u>Total Liabilities and Shareholders Equity</u>	506 510	

NOTES AND REMARKS

200. STATEMENT OF FINANCIAL POSITION—LIABILITIES AND EQUITY—(Continued)

of the lessor companies in the column headings (b) through (i). Show contra entries in parenthesis.

(d)	(e)	(f)	(g)	(h)	(i)	Line No.
\$	\$	\$	\$	\$	\$	29
						30
						31
						32
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						60

NOTES AND REMARKS

210. RESULTS OF OPERATIONS

Disclose below the results of operations for each lessor company included in this report entering the names of the lessor companies in the column headings.

Line No.	Item (a)	GT Ry. Co. (b)	(c)
	OTHER INCOME	\$	\$
1	(506) Revenue from property used in other than carrier operations		
2	(510) Miscellaneous rent income	2 800	
3	(512) Separately operated properties-Profit		
4	(513) Dividend income		
5	(514) Interest income		
6	(516) Income from sinking and other funds		
7	(517) Release of premiums of funded debt		
8	(518) Contributions from other companies		
9	(519) Miscellaneous income	26 836	
	Income from affiliated companies:		
10	Dividends		
11	Equity in undistributed earnings (losses)		
12	Total other income	29 636	
	MISCELLANEOUS DEDUCTIONS FROM INCOME		
13	(534) Expenses of property used in other than carrier operations		
14	(535) Taxes on property used in other than carrier operations		
15	(543) Miscellaneous rent expense		
16	(544) Miscellaneous taxes		
17	(545) Separately operated properties-Loss		
18	(549) Maintenance of investment organization	300	
19	(550) Income transferred to other companies		
20	(551) Miscellaneous income charges	13	
21	(553) Uncollectible accounts		
22	Total miscellaneous deductions	313	
23	Income available for fixed charges (lines 12, 22)	29 323	

NOTES AND REMARKS

210. RESULTS OF OPERATIONS - Continued

For instructions covering this schedule, see the text pertaining to Income Accounts in the Uniform System of Accounts for Railroad Companies.

(d)	(e)	(f)	(g)	(h)	(i)	Line No.
\$	\$	\$	\$	\$	\$	1
						2
						3
						4
						5
						6
						7
						8
						9
						10
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						20
						21
						22
						23

NOTES AND REMARKS

210. RESULTS OF OPERATIONS - Continued

Line No.	Item (a)	GT Ry. Co. (b)	(c)
	FIXED CHARGES	\$	\$
	(546) Interest on funded debt:		
24	(a) Fixed interest not in default	2 508	
25	(b) Interest in default		
26	(547) Interest on unfunded debt		
27	(548) Amortization of discount on funded debt		
28	Total fixed charges (lines 24-27)	2 508	
29	Income after fixed charges (lines 23, 28)	26 815	
	OTHER DEDUCTIONS		
	(546) Interest on funded debt:		
30	(c) Contingent interest		
	UNUSUAL OR INFREQUENT ITEMS		
31	(555) Unusual or infrequent items (debit) credit		
32	Income (loss) for continuing operations (before income taxes)	26 815	
	PROVISIONS FOR INCOME TAXES		
	(556) Income taxes on ordinary income:		
33	Federal income taxes	1 337	
34	State income taxes		
35	Other income taxes		
36	(557) Provision for deferred income taxes		
37	Income from continuing operations	25 478	
	DISCONTINUED OPERATIONS		
	(560) Income or loss from operations of discontinued segments (less applicable income taxes of		
38	\$)		
	(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of		
39	\$)		
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
40	(570) Extraordinary items (Net)		
41	(590) Income taxes on extraordinary items		
42	(591) Provision for deferred taxes - Extraordinary items		
43	Total extraordinary items (lines 40-42)		
	(592) Cumulative effect of changes in accounting principles (less applicable income taxes of		
44	\$)		
45	Net income	25 478	

EXPLANATORY NOTES

Deductions because of accelerated amortization of emergency facilities in excess of recorded depreciation resulted in reduction of Federal income taxes for the year of this report in the amount of \$ _____.

(1) Indicate method elected by carrier, as provided in the Revenue Act of 1971, to account for the investment tax credit.

Flow-through _____ Deferral _____

(2) If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit _____

\$ None

(3) If deferral method was elected, indicate amount of investment tax credit utilized as reduction of tax liability for current year _____

\$ None

Deduct amount of current year's investment tax credit applied to reduction of tax liability but deferred for accounting purposes _____

\$ None

Balance of current year's investment tax credit used to reduce current year's tax accrual _____

\$ None

Add amount of prior years' deferred investment tax credits being amortized and used to reduce current year's tax accrual _____

\$ None

Total decrease in current year's tax accrual resulting from use of investment tax credits _____

\$ None

Show the amount of investment tax credit carryover at year end _____

\$ None

210. RESULTS OF OPERATIONS - Continued

(d)	(e)	(f)	(g)	(h)	(i)	Line No.
\$	\$	\$	\$	\$	\$	
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
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						41
						42
						43
						44
						45

212.—SELECTED DATA FOR PROPRIETARY COMPANIES

Line No.	Item (a)	(b)	(c)	(d)	(e)
1	Accrued Depreciation Road and Equipment (735)	\$	\$	\$	\$
2	Amortization and Defense Property Road and Equipment (736)	N/A			
3	Accrued Liability—Leased Property (772)				
4	Total (Lines 1-3)				

NOTES AND REMARKS

300. DEPRECIATION RESERVE--ROAD AND MISCELLANEOUS PHYSICAL PROPERTY

Give a classified statement of, for each lessor company included in this report, of the credits to the reserve accounts for depreciation of road and miscellaneous physical property during the year, and the charges to the reserve accounts during the year because of property retired; also the balances in the accounts at the beginning and at the close of the year.

Line No.	Item (a)	(b)	(c)	(d)	(e)
	Credits	\$	\$	\$	\$
1	Balances at beginning of year { Accrued depreciation-Road				
2	{ Accrued depreciation-				
	{ Miscellaneous physical property	N/A			
	Road property (specify):				
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
	Miscellaneous physical property (specify):				
21					
22					
23					
24					
25	TOTAL CREDITS				
	Debits				
	Road property (specify):	N/A			
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
	Miscellaneous physical property (specify):				
44					
45					
46					
47					
48					
49	TOTAL DEBITS				
50	Balances at close of year { Accrued depreciation-Road				
51	{ Accrued depreciation-				
	{ Miscellaneous physical property				

300. DEPRECIATION RESERVE—ROAD AND MISCELLANEOUS PHYSICAL PROPERTY—Concluded

Enter the names of the lessor companies in the column headings. All debits or credits to the reserve respecting amortization, if a general amortization program has been authorized, should be included.

(f)	(g)	(h)	(i)	(j)	(k)	Line No.
\$	\$	\$	\$	\$	\$	1
		N/A				2
						3
						4
						5
						6
						7
						8
						9
						10
						11
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						13
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						51

300A. DEPRECIATION RATES—ROAD AND MISCELLANEOUS PHYSICAL PROPERTY

Give a statement of the percentages used by each lessor company, year on various classes of road and miscellaneous physical property, together with the estimated life of the property upon which such percentages are based.

Line No.	Name of lessor company (a)	Class of property on which depreciation was accrued (b)	Estimated life (in years) (c)	Annual rate of depreciation (per cent) (d)	Name of lessor company (e)	Class of property on which depreciation was accrued (f)	Estimated life (in years) (g)	Annual rate of depreciation (per cent) (h)
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
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19								
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32								
33								
34								
35								
36								
37								
38								
39								

N/A

NOTES AND REMARKS

330. ROAD AND EQUIPMENT PROPERTY

1. Give particulars of changes during the year in accounts 731, "Road and equipment property," and 732, "Improvements on leased property," classified in accordance with the Uniform System of Accounts for Railroad Companies. Enter the names of the lessor companies in the column headings.

2. Gross charges during the year should include disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, extensions of old lines, and for additions and betterments. This column should also include both the debits and credits involved in each transfer, adjustment, or clearance between road and equipment accounts and all adjustments applicable to expenditures for new lines and extensions and additions and betterments. Adjustments in excess of \$100,000 should be explained. Net charges is the difference between gross charges and credits for property retired. All changes made during the year should be analyzed by primary accounts.

3. If during the year an individual charge of \$100,000 or more was made for account No. 2, "Land for transportation purposes," state in a footnote the cost, location, area, and other details which will identify the property.

Line No.	Account (a)	Gross charges during year (b)	Net charges during year (c)	Gross charges during year (d)	Net charges during year (e)	Gross charges during year (f)	Net charges during year (g)
1	(1) Engineering _____	\$	\$	\$	\$	\$	\$
2	(2) Land for transportation purposes _____						
3	(3) Grading _____						
4	(4) Tunnels and subways _____						
5	(5) Bridges, trestles, and culverts _____		N/A				
6	(6) Elevated structures _____						
7	(7) Ties _____						
8	(8) Rails _____						
9	(9) Other track material _____						
10	(10) Ballast _____						
11	(11) Track laying and surfacing _____						
12	(12) Fences, snow sheds, and signs _____						
13	(13) Station and office buildings _____						
14	(14) Roadway buildings _____						
15	(15) Water stations _____						
16	(16) Fuel stations _____						
17	(17) Shops and engine houses _____						
18	(18) Storage warehouses _____						
19	(19) Wharves and docks _____						
20	(20) Coal and ore wharves _____						
21	(21) TOFC/OTC terminals _____						
22	(22) Communication systems _____						
23	(23) Signals and interlockers _____						
24	(24) Power plants _____						
25	(25) Power transmission systems _____						
26	(26) Miscellaneous structures _____						
27	(27) Roadway machines _____						
28	(28) Roadway small tools _____						
29	(29) Public improvements—Construction _____						
30	(30) Shop machinery _____						
31	(31) Power plant machinery _____						
32	Other (Specify & explain) _____						
33	Total expenditures for road _____						
34	(34) Locomotives _____						
35	(35) Freight train cars _____						
36	(36) Passenger train cars _____						
37	(37) Highway revenue equipment _____						
38	(38) Floating equipment _____						
39	(39) Work equipment _____						
40	(40) Miscellaneous equipment _____						
41	Total expenditure for equipment _____						
42	(42) Interest during construction _____						
43	(43) Other expenditures—General _____						
44	Total general expenditures _____						
45	Total _____						
46	(46) Other elements of investment _____						
47	(47) Construction work in progress _____						
48	Grand total _____						

Do not include in road and equipment accounts, including Account No. 80, "Other elements of investment," adjustments which were made pursuant to the Commission's order, dated April 17, 1963.

330. ROAD AND EQUIPMENT PROPERTY --Continued

4. If during the year property was acquired from some other company, state in a footnote the name of the company, the net asset account, and the date of acquisition, giving terms and the cost of the property to the respondent. Also furnish a statement of the amount included in each primary account representing such property acquired, referring to the column or columns in which the entries appear.

5. Notes referring to entries in this schedule should be shown on page 22.

6. Report on line 35 amounts not includable in the primary road accounts. The items reported

should be precisely identified and explained in a footnote on page 22. Amounts should be reported on this line only under special circumstances, usually after permission is obtained from the Commission for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Commission.

Gross charges during year	Net charges during year	Gross charges during year	Net charges during year	Gross charges during year	Net charges during year	Gross charges during year	Net charges during year	Line No.
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
\$	\$	\$	\$	\$	\$	\$	\$	1
								2
								3
								4
								5
								6
								7
								8
								9
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								48

335. DEPRECIATION BASE—EQUIPMENT OWNED

Show the ledger value of all equipment owned by each lessor company included in this report. The totals of columns (b) and (f) should correspond with the taxpayer's investment in equipment as carried in the accounts, as of the beginning and close of the year, respectively. If the depreciation base is other than the ledger value a full explanation should be given, together with a statement by primary accounts reconciling the difference between the figures used as the depreciation base and those carried in the ledger as investment in equipment.

Line No.	Name of lessor company (a)	Account (b)	Balance at beginning of year (c)	DEBITS DURING THE YEAR			CREDITS DURING THE YEAR			Balance at close of year (d)
				Additions and improvements (e)	Other debits (f)	Total debits (g)	Property retired (h)	Other credits (i)	Total credits (j)	
1		(52) Locomotives	\$	\$	\$	\$	\$	\$	\$	\$
2		(53) Freight-train cars								
3		(54) Passenger-train cars								
4		(55) Highway revenue equipment								
5		(56) Floating equipment								
6		(57) Work equipment								
7		(58) Miscellaneous equipment								
8		Total		N/A						
9		(52) Locomotives								
10		(53) Freight-train cars								
11		(54) Passenger-train cars								
12		(55) Highway revenue equipment								
13		(56) Floating equipment								
14		(57) Work equipment								
15		(58) Miscellaneous equipment								
16		Total								
17		(52) Locomotives								
18		(53) Freight-train cars								
19		(54) Passenger-train cars								
20		(55) Highway revenue equipment								
21		(56) Floating equipment								
22		(57) Work equipment								
23		(58) Miscellaneous equipment								
24		Total								
25		(52) Locomotives								
26		(53) Freight-train cars								
27		(54) Passenger-train cars								
28		(55) Highway revenue equipment								
29		(56) Floating equipment								
30		(57) Work equipment								
31		(58) Miscellaneous equipment								
32		Total								
33		(52) Locomotives								
34		(53) Freight-train cars								
35		(54) Passenger-train cars								
36		(55) Highway revenue equipment								
37		(56) Floating equipment								
38		(57) Work equipment								
39		(58) Miscellaneous equipment								
40		Total								

342. ACCRUED DEPRECIATION—ROAD AND EQUIPMENT

Give the particulars called for hereunder of the credits and debits made to account 342, "Accrued Depreciation—Road and Equipment Property" during the year which relate to equipment by each lessor company included in this report. A debit balance in column (c) and (d) for any primary account should be preceded by the abbreviation "Dr."		Name of lessor company (a)		Account (b)		Balance at beginning of year (c)		CREDITS TO RESERVE DURING THE YEAR		DEBITS TO RESERVE DURING THE YEAR		Balance at close of year (d)	
Line No.						Charges to others (e)	Other credits (f)	Total credits (g)	Charges to Reserve (h)	Other debits (i)	Total debits (j)		
1				(52) Locomotives		\$	\$	\$	\$	\$	\$	\$	\$
2				(53) Freight-train cars									
3				(54) Passenger-train cars									
4				(55) Highway revenue equipment									
5				(56) Floating equipment									
6				(57) Work equipment									
7				(58) Miscellaneous equipment									
8				Total									
9				(52) Locomotives									
10				(53) Freight-train cars									
11				(54) Passenger-train cars									
12				(55) Highway revenue equipment									
13				(56) Floating equipment									
14				(57) Work equipment									
15				(58) Miscellaneous equipment									
16				Total									
17				(52) Locomotives									
18				(53) Freight-train cars									
19				(54) Passenger-train cars									
20				(55) Highway revenue equipment									
21				(56) Floating equipment									
22				(57) Work equipment									
23				(58) Miscellaneous equipment									
24				Total									
25				(52) Locomotives									
26				(53) Freight-train cars									
27				(54) Passenger-train cars									
28				(55) Highway revenue equipment									
29				(56) Floating equipment									
30				(57) Work equipment									
31				(58) Miscellaneous equipment									
32				Total									
33				(52) Locomotives									
34				(53) Freight-train cars									
35				(54) Passenger-train cars									
36				(55) Highway revenue equipment									
37				(56) Floating equipment									
38				(57) Work equipment									
39				(58) Miscellaneous equipment									
40				Total									

NOTES AND REMARKS

Schedule 400.—COMPETITIVE BIDDING — CLAYTON ANTI-TRUST ACT

Section 10 of the Clayton Antitrust Act (15 U.S.C. 20) states that "no common carrier engaged in commerce shall have any dealings in securities, supplies or other articles of commerce, or shall make or have any contracts for construction or maintenance of any kind, to the amount of more than \$50,000, in the aggregate, in any one year, with another corporation, firm, partnership or association when the said common carrier shall have upon its board of directors or as its president, manager or as its purchasing or selling officer, or agent in the particular transaction, any person who is at the same time a director, manager, or purchasing or selling officer of, or who has any substantial interest in, such other corporation, firm, partnership or association, unless and except such purchases shall be made from, or such

dealings shall be made with, the bidder whose bid is the most favorable in such common carrier, to be ascertained by competitive bidding under regulations to be prescribed by rule or otherwise by the Interstate Commerce Commission." The specification for competitive bids is found in the Code of Federal Regulations, Part 1010-Competitive Bids through Part 1010.7 - Carriers Subject to the Interstate Commerce Act.

In column (g), identify the company awarded the bid by including company name and address, name and title of respondent officers, directors, selling officer, purchasing officer and/or general manager that has an affiliation with the seller.

Line No.	Nature of bid (a)	Date Published (b)	Contract number (c)	No. of bidders (d)	Method of awarding bid (e)	Date filed with the Commission (f)	Company awarded bid (g)
1							
2							
3							
4			None				
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							

500. COMPENSATION OF OFFICERS, DIRECTORS, ETC.

Give the name, position, salary, and other compensation, such as bonus, commission, gift, reward, or fee, of each officer, director, pensioner, or employee to whom the lessor companies included in this report paid \$50,000 or more during the year as compensation for current or past services over and above necessary expenses incurred in discharge of their duties.

If more convenient, this schedule may be filled out for a group of roads considered as one system and shown only in the report of the principal road of the system with a reference thereto in this report. Any large "Other compensation" should be explained.

Line No.	Name of lessor company	Name of person	Title	Salary per annum as of close of year	Other compensation during the year	Remarks
	(a)	(b)	(c)	(d)	(e)	(f)
1		None		\$	\$	
2						
3						
4						
5						
6						
7						
8						
9						
10						

600. EMPLOYEES AND COMPENSATION

1. Give the average number of employees in the service of the lessor companies included in this report and the total compensation paid to them. General officers who served without compensation or were carried on the payrolls of another company, and pensioners rendering no service, are not to be included.

2. Averages called for in columns (b), (c), and (d) should be the average of 12 middle-of-month counts.

3. This schedule does not include old-age retirement, and unemployment insurance taxes. See schedule 450 for such taxes.

Line No.	Name of lessor company	AVERAGE NUMBER OF EMPLOYEES IN SERVICE			TOTAL COMPENSATION DURING YEAR		
		Executives, general officers, and staff assistants	Other employees	Total employees	Executives, general officers, and staff assistants	Other employees	Total compensation
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1		None			\$	\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							

VERIFICATION

The foregoing report shall be verified by the oath of the officer having control of the accounting of the respondent. This report shall also be verified by the oath of the president or other chief officer of the respondent, unless the respondent states that such officer has no control over the respondent's accounting and reporting.

OATH

(To be made by the officer having control of the accounting of the respondent)

State of Colorado

County of Denver

D. A. Rainey

(Insert here name of the affiant)

makes oath and says that he is Auditor & Asst. Secretary

(Insert here the official title of the affiant)

Of Galveston Terminal Railway Company

(Insert here the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept; that he knows that such books have been kept in good faith during the period covered by this report; that he knows that the entries contained in this report relating to accounting matters have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroads and other accounting and reporting directives of this Commission; that he believes that all other statements of fact contained in this report are true, and that this report is a correct and complete statement, accurately taken from the books and records, of the business and affairs of the above-named respondent during the period of time from and including

January 1, 19 79, to and including December 31, 19 79

D. A. Rainey
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 11th day of March, 19 80

My commission expires My Commission expires September 17, 1983

Use an
L.S.
impression seal

L. H. & R. H. Stark
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of Texas

County of Tarrant

G. F. Defiel

(Insert here name of the affiant)

makes oath and says that he is President

(Insert here the official title of the affiant)

Of Galveston Terminal Railway Company

(Insert here the exact legal title or name of the respondent)

that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent and the operations of its property during the period of time from and including

January 1, 19 79, to and including December 31, 19 79

G. F. Defiel
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 14th day of March, 19 80

My commission expires J. D. MORRIS, Notary Public

In and for Tarrant County, Texas

Use an
L.S.
impression seal

J. D. Morris
(Signature of officer authorized to administer oaths)

